UNITED STATES OF AMERICA

Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS
SECOND SESSION

VOLUME 126—PART 7

APRIL 17, 1980 TO APRIL 29, 1980
(PAGES 8139 TO 9382)

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Congressional Record

PROCEEDINGS AND DEBATES OF THE 96th CONGRESS, SECOND SESSION

SENATE—*Thursday, April 17, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 9:15 a.m., in executive session, on the expiration of the recess, and was called to order by Hon. J. JAMES EXON, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

O Thou ever-present Spirit, in this hallowed moment, assure us of Thy continued presence, working Thy will in and through us. Come to us as a still, small voice, creative and joyous. Come to us as the God of history, awesome and transcendent, moving out of the past through the present into the future, guiding the Nation each step of the way. Overrule our mistakes. Send Thy light into our souls, dispelling doubt and fear, and lighting up our pathway through the perplexities of these testing times. Be with the President and all leaders of the Government to guide them in the way which leads to Thy coming kingdom. And to Thee shall be all the praise and the glory. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 17, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. JAMES EXON, a Senator from the State of Nebraska, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME OF LEADERSHIP AS IN LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the time allotted to the two leaders or their designees be conducted as in legislative session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

INTEREST RATES MUST COME DOWN

Mr. ROBERT C. BYRD. Mr. President, today the Chase Manhattan Bank is lowering its interest rate from an all-time high of 20 percent to 19¾ percent.

Although one-fourth of a percentage point might not sound like a matter deserving of much attention, this reduction gives us reason to hope that interest rates may have peaked and that we may see some relief for those who have been squeezed by tight credit—such as the small businessman and the farmer.

Over and over again, during the past weeks and months, I have been hearing from my constituents in West Virginia—and from my colleagues from other States—that small businesses are literally grinding to a halt because of the unavailability of money for investment, less for expansion. The farmer, likewise, is asked to pay more and more for fuel and for equipment—but cannot obtain needed financing.

I hope that other lending institutions will follow the lead of Chase.

Mr. PROXMIRE. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield to the Senator from Wisconsin.

Mr. PROXMIRE. Mr. President, in support of what the majority leader has said, I think we should realize in this body that the housing industry is now flat on its back.

The statistics released yesterday indicate that we have had a drop in housing starts to 1,041,000. That is the lowest, with the exception of one month, in a long time. As a matter of fact, it was the biggest drop in 20 years.

I think all of us have talked to our homebuilders and recognized that this industry is not in a recession—it is in a depression, a very serious depression, and one which we must act to correct.

I say this as chairman of the Committee on Banking, Housing, and Urban Affairs. We will bring forth in the very near future legislation that can help somewhat. However, this is going to have a profound effect on the economy of this country. After all, the effect of these housing starts on employment is going to be felt in the coming months very severely. If there were any doubt about the recession, the housing figures should put that at rest. We know we are going to have a recession, and probably a very deep one.

FAILURE TO RATIFY GENOCIDE CONVENTION A NATIONAL DISGRACE

Mr. PROXMIRE. Mr. President, the United States had a vital role in the initial drafting of the Genocide Convention which brands genocide as a crime and provides for its prevention and punishment. As of this date, a total of 84 countries—including almost every other major nation of the world—have ratified the convention. And yet, in the United States, this same convention remains where it has been for over 30 years—accumulating dust in the Senate.

This failure to act on the Genocide Convention surely paints a poor picture to the rest of the world—and to ourselves. It is totally inconsistent and hypocritical with a Nation that bases its government on certain individual freedoms and rights, and is it not a contradiction to protest alleged violations in other countries while dragging our feet in ratifying the only international treaty which guarantees the very basic right to live to all racial, ethnic, religious, and national groups?

Indeed, it implicitly alines us with countries such as Uganda and Cambodia—countries which have also not ratified the Genocide Convention.

Mr. President, our inaction has also

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

given our ideological enemies a symbolic advantage in the eyes of the world. There are those who have regularly challenged our failure to ratify the convention. They point out the inconsistencies of a Nation whose policies advocate the basic rights of its citizens and yet refuses to extend one of these rights—the right to live—to the world at large. And there is simply no credible way to explain away this failure on our part.

The United States has long been a symbol of democratic progress. And it is necessary to maintain this belief through both our policies and our actions.

We abhor the crime of genocide. We wish to insure that it never happens again. We must take a step toward bringing our actions in line with these high ideals.

Mr. President, it was the late Chief Justice Earl Warren who said:

> We as a nation should have been the first to ratify the Genocide Convention. . . Instead, we may well be the last.

The Genocide Convention is now over 30 years old, but it is still a living and important document. Our friends and allies are confused, our enemies delighted, over our failure to ratify this convention.

We must remedy this situation and reestablish our reputation in the world community by ratifying the Genocide Convention now.

S. 2575—AMENDMENTS TO THE BANK HOLDING COMPANY ACT

Mr. PROXMIRE. Mr. President, at the request of the Federal Financial Institutions Examination Council I am today introducing legislation which will provide a safety net for the failure of large financial institutions.

Basically the legislation will allow a large bank, savings and loan association or mutual savings bank in receivership to be acquired by another financial institution located across State lines.

Mr. President, I can assure the Senate that this legislation will receive careful scrutiny.

The President has been mandated by the Congress to provide it with a study of the McFadden Act, which prohibits banking across State lines and having a Bank of America, for example, dominate the economy of Nebraska or Wisconsin. The study has not been completed. Rest assured that the McFadden Act will not be altered by a back-door approach. When the study is delivered it will be considered on its merits.

If a safety net is needed now it will be drafted as tight as possible. Perhaps a sunset provision needs to be added to the bill so that Congress will be required to review the administration of any such legislation after a reasonable time. Perhaps Congress should require the regulatory agencies to impose mandated numerical capital requirements on banks.

I ask unanimous consent that the text of the legislation and a section-by-section analysis be printed in the RECORD along with a letter dated April 9, 1980, from the Federal Financial Institutions Examination Council describing the bill.

There being no objection, the bill and material were ordered to be printed in the RECORD, as follows:

S. 2575

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

EXTRAORDINARY BANK ACQUISITIONS

SECTION 1. (a) Section 3(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1842 (c)) is amended by adding at the end thereof the following sentence: "In proceedings under subsection (f) of this section, the Board shall also, in its discretion, consider the possible adverse effects of any proposed transaction upon competition, or upon the concentration of financial resources in any State, region, or the Nation.".

(b) Subsection (d) of section 3 of the Bank Holding Company Act of 1956 (12 U.S.C. 1842 (d)) is amended—

(1) by striking "Notwithstanding any other provision of this section" in the first sentence, and inserting in lieu thereof the phrase "Except as provided in subsection (f)"; and

(2) by adding after subsection (e) a new subsection to read as follows:

"(f) Notwithstanding any other provision of this section or State law, the Board may approve any application under this section and permit any bank holding company or any subsidiary thereof other than a bank to acquire, directly or indirectly, any voting shares in, interest in, or all or a substantial part of the assets of any additional bank located outside the State in which the operations of such bank holding company's banking subsidiaries are principally conducted as determined under subsection (d) of this section if the Federal Financial Institutions Examination Council, with at least four members thereof concurring, notifies the Board that the Council is satisfied that—

"(1) (A) an emergency requiring immediate action exists with respect to (A) a bank in receivership which has total assets of $1,500,000,000 or which, in terms of total assets, is one of the three largest banks in the State, or (B) a bank holding company controlling a bank in receivership that has total assets of $1,500,000,000 or, in terms of total assets, is one of the three largest banks in the State; or

"(B) an emergency requiring immediate action exists with respect to a bank which is a successor by merger or purchase of assets and assumption of liabilities to all or a substantial part of the assets and liabilities of an insured savings bank in receivership which had total assets in excess of $1,000,000,000 or which, in terms of total assets, was one of the three largest thrift institutions in the State; and

"(2) a transaction involving the acquisition of all or a substantial part of the assets and assumption of all or a substantial part of the liabilities of such bank or insured savings bank by an intrastate purchaser is not in the public interest because of the likely financial or competitive effect of such a transaction or is otherwise not feasible.".

PROCEDURE IN EMERGENCY CASES

SEC. 2. Section 4(c) of the Bank Holding Company Act of 1956 (12 U.S.C. 1843(c)) is amended by inserting before the last two sentences thereof the following: "Notwithstanding any other provision of this Act, if the Board finds, after prior consultation with the primary Federal regulator of the company to be acquired, that an emergency exists which requires it to act immediately on any application under paragraph (8) of this subsection, the Board may dispense with any notice and hearing requirement of paragraph (8) and the Board may grant or deny any such application without notice or hearing."

ASSISTANCE TO INSURED BANKS

SEC. 3. Section 13(c) of the Federal Deposit Insurance Act (12 U.S.C. 1823(c)) is amended to read as follows:

"(c) In order to reopen a closed insured bank or, when the Corporation has determined that an insured bank is in danger of closing, in order to prevent such closing, the Corporation, in the discretion of its Board of Directors, is authorized to make loans to, or purchase the assets of, or make deposits in, such insured bank, upon such terms and conditions as the Board of Directors may prescribe, when in the opinion of the Board of Directors either (1) the continued operation of such bank is essential to provide adequate banking service in the community or (2) severe economic conditions exist which threaten the stability of insured banks in a large geographic region and it is probable such action will substantially reduce the risk or avert a threatened loss to the Corporation. Such loans and deposits may be in subordination to the rights of depositors and other creditors.".

LOANS TO INSURED BANKS

SEC. 4. The first paragraph of section 13(e) of the Federal Deposit Insurance Act (12 U.S.C. 1823(e)) is amended to read as follows:

"Whenever in the judgment of the Board of Directors such action will reduce the risk or avert a threatened loss to the Corporation and will facilitate a merger or consolidation of an insured bank with another institution or will facilitate the sale of the assets of an open or closed insured bank to and assumption of its liabilities by another institution, the Corporation may, upon such terms and conditions as it may determine, make loans secured in whole or in part by assets of an open or closed insured bank, which loans may be in subordination to the rights of depositors and other creditors, or the Corporation may purchase any such assets or may guarantee any other institution against loss by reason of its assuming the liabilities and purchasing the assets of an open or closed insured bank. Any insured national bank or District bank, or the Corporation as receiver thereof, is authorized to contract for such sales or loans and to pledge any assets of the bank to secure such loans. As used in this subsection, the word 'institution' is defined as an insured bank or an association or bank insured by the Federal Savings and Loan Insurance Corporation.".

EXTRAORDINARY THRIFT ACQUISITIONS

SEC. 5. (a) Section 408(e) of the National Housing Act (12 U.S.C. 1730a(e)) is amended—

(1) by adding at the end of paragraph (2) the following sentence: "In proceedings under paragraph (5) of this subsection, the Corporation shall also, in its discretion, consider the possible adverse effects of any proposed transaction upon competition, or upon the concentration of financial resources in any State, region, or the Nation."; and

(2) by adding at the end thereof the following: "(5) Notwithstanding any other provision of this section or State law, the Corporation may approve any application under this section and permit any savings and loan holding company (including a multiple savings and loan holding company) to acquire, directly or indirectly, any voting shares in, interest in, or all or a substantial part of the assets of any additional insured institution located outside the State in which the principal savings and loan business of such holding company is conducted,

as determined under paragraph (3)(B) of this subsection, if the Federal Financial Institutions Examination Council, with at least four members thereof concurring, notifies the Corporation that the Council is satisfied that—

"(A) an emergency requiring immediate action exists with respect to (i) an insured institution in receivership which has total assets of $1,000,000,000 or which, in terms of total assets, is one of the three largest insured institutions in the State, or (ii) a savings and loan holding company controlling an insured institution in receivership which has total assets of $1,000,000,000 or which, in terms of total assets, is one of the three largest insured institutions in the State; or

"(B) an emergency requiring immediate action exists with respect to an insured institution which is a successor by merger or purchase of assets and assumption of liabilities of an insured institution in receivership that had total assets in excess of $1,000,000,000 or that, in terms of total assets, was one of the three largest insured institutions in the State; and

"(C) a transaction involving the acquisition of all or a substantial part of the assets and assumption of all or a substantial part of the liabilities of such insured institution by an intrastate purchaser is not in the public interest because of the likely financial or competitive effect of such a transaction or is otherwise not feasible.

"(6) For the purpose of this subsection, the term 'insured institution' includes, in addition to those institutions described in subsection (a)(1)(A), a Federal stock savings bank and a State-chartered mutual savings bank the deposits of which are insured by the Federal Deposit Insurance Corporation.".

ASSISTANCE TO INSURED THRIFT INSTITUTIONS

Sec. 6. Section 16 of the Federal Home Loan Bank Act (12 U.S.C. 1436) is amended by inserting "(a)" after "Sec. 16." and by adding at the end thereof the following:

"(b) Notwithstanding subsection (a) or any other provision of this Act, if the Board determines that severe economic conditions exist threatening the stability of member institutions, it may suspend temporarily the requirements under subsection (a) that a portion of net earnings be set aside semiannually by each Federal Home Loan Bank to a reserve account and permit each Federal Home Loan Bank to declare and pay dividends to members out of its existing reserves or make other charges to reserves to assist its members under such terms and conditions as the Board may prescribe. Thereafter, dividends shall be paid in accordance with subsection (a) except that to the extent reserves have been impaired as a result of the action taken under this subsection (b), no restoration of such reserves shall be required before dividends are paid.".

TREASURY PURCHASE OF FEDERAL HOME LOAN BANK OBLIGATIONS

Sec. 7. Section 11(i) of the Federal Home Loan Bank Act (12 U.S.C. 1431(i)) is amended by striking out "$4,000,000,000" and inserting in lieu thereof "$10,000,000,000".

FEDERAL STOCK SAVINGS BANKS

Sec. 8. Section 5 of the Home Owners' Loan Act of 1933 (12 U.S.C. 1464) is amended by adding at the end thereof the following:

"(o) Notwithstanding any other provision of this section or section 402 of the National Housing Act (12 U.S.C. 1725) or State law, and consistent with the purposes of this Act, the Board may permit the conversion of a mutual savings and loan association or savings bank in receivership into a Federal stock savings and loan association or savings bank, respectively, or charter a Federal stock savings and loan association or savings bank to acquire the assets of, or merge with such an institution in receivership under the rules and regulations of the Board. The Federal Savings and Loan Insurance Corporation shall insure the accounts of any such federally chartered stock savings banks. A Federal stock savings bank chartered pursuant to this subsection may, to the extent authorized by the Board, continue to carry on any activity in which the mutual savings bank which it acquires was engaged on the date of acquisition and retain and make any investments of a type that the mutual savings bank that it acquires held on that date.".

ASSISTANCE TO CREDIT UNIONS

Sec. 9. Section 203 of the Federal Credit Union Act (12 U.S.C. 1783) is amended—

(1) in subsection (e) by inserting "from the Secretary of the Treasury" after "loans" the first time it appears therein; and

(2) by adding at the end thereof the following:

"(f) In addition to the authority to borrow from the Secretary of the Treasury provided in subsection (d), if, in the judgment of the Board, a loan to the fund is required at any time for carrying out the purposes of this title, the fund is authorized to borrow from the National Credit Union Administration Central Liquidity Facility.".

EXTRAORDINARY CREDIT UNION MERGERS

Sec. 10. Section 205 of the Federal Credit Union Act (12 U.S.C. 1785) is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f), respectively; and

(2) by inserting after subsection (c) the following:

"(d) Notwithstanding paragraphs (13) and (14) of section 107 or section 109 of this Act, or the applicable requirements of any State law, the Board may authorize a merger or consolidation of an insured credit union which is insolvent or is in danger of insolvency with any other insured credit union or may authorize a purchase and assumption by an insured credit union of the assets and liabilities of any other insured credit union which is insolvent or in danger of insolvency if (1) after reasonably exhausting other statutory alternatives, it determines that immediate action is necessary to prevent the closing or liquidation of the credit union, and (2) upon notice of such determination, the Federal Financial Institutions Examination Council, with at least four members thereof concurring, notifies the Board that the Council is satisfied that an emergency requiring expeditious action exists with respect to that credit union, that other alternatives are not reasonably available, and that the public interest would best be served by approval of such merger, consolidation or purchase and assumption. Any merger, consolidation, or purchase and assumption of an insured credit union approved under this section shall not operate or serve as the basis for any additional expansion of the continuing or acquiring insured credit union's field of membership.".

CREDIT UNION CONSERVATORSHIP

Sec. 11. (a) Section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by redesignating subsections (h) through (o) as subsection (i) through (p), respectively, and by inserting after subsection (g) the following new subsection:

"(h)(1) The Board may, ex parte and without notice, appoint itself as conservator and immediately take possession and control of the business and assets of any insured credit union in any case in which—

"(A) the Board determines that such action is necessary to conserve the assets of any insured credit union or to protect the fund or the interests of the members of such insured credit union;

"(B) an insured credit union, by a resolution of its board of directors, consents to such an action by the Board; or

"(C) a credit union terminates its status as an insured credit union.

"(2) Not later than ten days after the date on which the Board takes possession and control of the business and assets of an insured credit union pursuant to paragraph (1), such insured credit union may apply to the United States District Court for the judicial district in which the principal office of such insured credit union is located, or the United States District Court for the District of Columbia, for an order requiring the Board to show cause why it should not be enjoined from continuing such possession and control.

"(3) Except as provided in paragraph (2), the Board may maintain possession and control of the business and assets of a Federal credit union and may operate such credit union until such time—

"(A) as the Board shall permit such credit union to continue business, subject to such terms and conditions as may be imposed by the Board; or

"(B) as such credit union is liquidated in accordance with the provisions of section 207.

"(4) Except as provided in paragraph (2), the Board may maintain possession and control of the business and assets of an insured State-chartered credit union and may operate such credit union until such time—

"(A) as the Board shall permit such credit union to continue business, subject to such terms and conditions as may be imposed by the Board;

"(B) as the Board shall permit the transfer of possession and control of such credit union to any commission, board, or authority which has supervisory authority over such credit union and which is authorized by State law to operate such credit union; or

"(C) as such credit union is liquidated in accordance with the provisions of section 207.

"(5) The Board may appoint such agents as it considers necessary in order to assist the Board in carrying out its duties as a conservator under this subsection.

"(6) All expenses incurred by the Board in exercising its authority under this subsection with respect to any credit union shall be paid out of the assets of such credit union.

"(7) The authority granted by this subsection is in addition to all other authority granted to the Board under this Act.".

(b)(1) Section 206(b)(2) of such Act (12 U.S.C. 1786(b)(2)) is amended by striking out "subsection (i)" and inserting in lieu thereof "subsection (j)".

(2) Section 206(j)(1) of such Act (12 U.S.C. 1786(j)(1)), as so redesignated by subsection (a), is amended—

(A) in the first sentence by striking out "subsection (h)(3)" and inserting in lieu thereof "subsection (i)(3)"; and

(B) in the fourth sentence, by striking out "subsection (i)" and inserting in lieu thereof "subsection (j)".

(3) The first sentence of section 206(j)(2) of such Act (12 U.S.C. 1786(j)(2)), as so redesignated by subsection (a), is amended by striking out "subsection (h)(1)" and inserting in lieu thereof "subsection (i)(1)".

(4) The first sentence of section 206(1) of such Act (12 U.S.C. 1786(1)), as so redesignated by subsection (a), is amended by striking out "(h)" and inserting in lieu thereof "(i)".

(5) Section 206(m) of such Act (12 U.S.C. 1786(m)), as so redesignated by subsection (a), is amended—

(A) by striking out "subsection (i)" and inserting in lieu thereof "subsection (j)"; and

(B) by striking out "subsection (h)" and inserting in lieu thereof "subsection (i)".

(6) The section heading for section 206 of the Federal Credit Union Act (12 U.S.C. 1786) is amended by inserting "; TAKING POSSESSION OF BUSINESS AND ASSETS" after "COMMITTEE MEMBERS".

CENTRAL LIQUIDITY FACILITY ADVANCES

SEC. 12. Section 307 of the Federal Credit Union Act (12 U.S.C. 1795f) is amended—

(1) by deleting the word "and" following the semicolon in paragraph (15);

(2) by striking out the period after "renewable" in paragraph (16) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following:

"(17) advance funds to the National Credit Union Share Insurance Fund under such terms and conditions as may be established by the Board.".

AGENT OF THE FEDERAL RESERVE SYSTEM

SEC. 13. Title III of the Federal Credit Union Act (12 U.S.C. 1795–1795i) is amended by adding at the end thereof the following:

"AGENT OF THE FEDERAL RESERVE SYSTEM

"SEC. 311. The Facility is authorized to act upon the request of the Board of Governors of the Federal Reserve System as an agent of the Federal Reserve System in matters pertaining to credit unions under such terms and conditions as may be established by the Federal Reserve Board.".

SECTION-BY-SECTION ANALYSIS

Section 1(a) amends section 3(c) of the Bank Holding Company Act to provide the Federal Reserve Board with explicit authority to deny any proposed transaction under the new extraordinary interstate acquisition procedures provided for in the bill not only on the basis of existing financial and competitive criteria applicable to all bank acquisitions, but also because of the transaction's possible adverse effect upon competition or the concentration of financial resources in any state, region, or the nation as a whole.

Section 1(b) establishes extraordinary acquisition procedures under Section 3(d) of the Bank Holding Company Act (the Douglas Amendment) to permit the Federal Reserve Board to allow an out-of-state bank holding company to acquire a bank in receivership or holding company having or controlling a bank in receivership if the bank has total assets in excess of $1.5 billion or is one of the three largest insured banks in a state. The interstate acquisition authority is available to the Board only if the Federal Financial Institution Examination Council, with at least four members concurring, first notifies the Board that it is satisfied that an emergency exists and that intrastate purchase is not feasible because of financial, competitive or other significant considerations. The newly added subsection also permits an out-of-state holding company to acquire a bank which is a successor by purchase and assumption to the assets and liabilities of a failed insured stock or mutual savings bank with assets in excess of $1 billion or which is one of the three largest thrift institutions in a state.

Section 2 amends the Bank Holding Company Act to permit the Federal Reserve Board to waive the notice and hearing requirements under Section 4(c)(8) in emergency situations to facilitate a bank holding company acquisition of a non-bank entity, including a federally chartered savings bank, after consultation with the appropriate federal supervisor.

Section 3 amends Section 13(c) of the Federal Deposit Insurance Act to permit greater regulatory flexibility to assist any insured bank when the Corporation determines that economic conditions exist which threaten the stability of insured banks in a large geographic region and such action would substantially reduce the risk or avert a threatened loss to the Corporation.

Section 4 amends Section 13(e) of the Federal Deposit Insurance Act to permit federal assistance to facilitate a merger or purchase and assumption transaction involving the acquisition of a failed insured savings bank by another institution including an association or bank insured by the Federal Savings and Loan Insurance Corporation.

Section 5 amends the Savings and Loan Holding Company Act to allow, in extraordinary circumstances, an out-of-state savings and loan holding company acquisition of a large insured thrift institution in receivership. The authority of the Federal Home Loan Bank Board to permit such an acquisition is conditioned upon agreement by the Federal Financial Institutions Examination Council that an emergency requiring immediate action exists with regard to an insured thrift institution having total assets in excess of $1 billion or which is one of the three largest insured thrift institutions in a state. This section also permits the Bank Board to approve an acquisition by an out-of-state savings and loan holding company of a newly chartered thrift institution which is a successor to a failed thrift institution, including a federal stock savings bank or a federally insured state mutual savings bank, with total assets in excess of $1 billion or which is one of the three largest insured thrift institutions in a state.

Section 6 amends Section 16 of the Federal Home Loan Bank Act to permit the Federal Home Loan Bank Board, if it determines that severe economic conditions exist threatening the stability of member institutions, to suspend temporarily the requirement that each Federal Home Loan Bank carry to its reserve account semiannually 20% of net earnings. In addition the section would permit the Board, under such terms and conditions as it may prescribe, to authorize each Federal Home Loan Bank to pay dividends to its members out of existing reserves or to make other charges to its reserves to assist its members. The reserve accounts were established as reserves for capital losses. The reserves have never been used for that purpose since the Bank System has never experienced such losses.

Section 7. The Federal Home Loan Bank Act currently provides that the Secretary of Treasury may, in his discretion, purchase obligations of the Bank System up to an amount of $4 billion. The proposed amendment would increase this authority from $4 billion to $10 billion. The terms of any such purchase would be set by the Department of Treasury, taking into account current market yields on U.S. obligations. The purchase authority could be exercised only if the Bank Board Chairman and the Secretary of the Treasury certify to Congress that alternative means cannot be effectively employed to permit members of the Federal Home Loan Bank System to continue to provide reasonable amounts of funds to the mortgage market, and that the ability to supply such funds is substantially impaired because of monetary stringency and a high level of interest rates.

Section 8 authorizes the Bank Board to charter a Federal stock savings bank or savings and loan association to acquire an association or savings bank in receivership. The amendment is necessary, because a failed mutual institution could not be acquired by a holding company, in its mutual form. In addition, the section would permit the Bank Board to approve the conversion of a Federal savings and loan association or Federal or State-chartered mutual savings bank into a Federal stock savings and loan association or Federal stock savings bank when it may be more desirable to convert one of these institutions in receivership instead of chartering a new entity to acquire the failed institution.

Section 9 authorizes the NCUA Share Insurance Fund to borrow from the Central Liquidity Facility. This authority is intended to enable the fund to continue to function in the event of extraordinary economic conditions while additional support is legislatively authorized and appropriated.

Section 10 authorizes the NCUA to affect a merger or consolidation of an insured credit union with another insured credit union without regard to the traditional common bond requirements of Sections 107 and 109 of the Federal Credit Union Act or of State law, provided the Federal Financial Institutions Examination Council notifies the NCUA Board that the Council is satisfied that an emergency exists, no other reasonable alternatives are available, and the public interest would best be served if the approval is granted. This section also authorizes the NCUA to permit a purchase and assumption by an insured credit union under similar extraordinary circumstances. However, the bill provides that no such merger, consolidation or purchase and assumption will subsequently justify the merger of the surviving credit union with another having a dissimilar common bond. Prior to requesting action by the Examination Council, the NCUA must attempt to alleviate the emergency through normal statutory alternatives.

Section 11 amends the administrative action provisions in Section 206 of the Federal Credit Union Act to permit the NCUA to exercise the option of taking possession and control of a federally insured credit union when necessary to conserve its assets, protect the insurance fund, or to protect the interest of a credit union's members. The proposed conservatorship authority is similar to that available to the Comptroller of the Currency and Federal Home Loan Bank Board to prevent the liquidation of a credit union by allowing immediate control of operations with a goal of permitting the credit union to resume normal operations. Such conservatorship authority can also be used to prevent deterioration of a credit union's operations pending liquidation and thus lessen the likely impact of a liquidation on creditors, the share insurance fund, and the credit union's membership.

Section 12 authorizes the Central Liquidity Facility to extend credit to the NCUA Share Insurance Fund in a manner consistent with the authority contained in Section 601. The provision would enable the Facility to provide the Share Insurance Fund with interim liquidity, should circumstances require, until additional resources could be legislatively authorized and appropriated.

Section 13 would enable the Central Liquidity Facility to assist the Federal Reserve System in the conduct of its responsibilities. The manner and extent to which this provision could be utilized would be entirely in the discretion and under the control of the Board of Governors of the Federal Reserve System.

FEDERAL FINANCIAL INSTITUTIONS
EXAMINATION COUNCIL,
Washington, D.C., April 9, 1980.

Hon. HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: This is in response to your letter of April 2, 1980, concerning the ability of the federal financial institutions supervisory agencies, individually and in their combined roles as members of the

Federal Financial Institutions Examination Council, to assure the safety and soundness of financial institutions under existing laws.

Current laws provide the federal financial institutions supervisory agencies with substantial flexibility to assure the continuous availability of adequate financial service. However, the five federal financial institutions supervisory agencies believe that certain legislative action which would enhance the ability of the agencies to respond to extraordinary contingencies is, nevertheless, deserving of congressional consideration.

In 1979, the Congress established the Federal Financial Institutions Examination Council as a formal interagency body, among other things, to promote uniformity in the supervision of financial institutions. Since its establishment, the Council has undertaken to prescribe uniform principles, standards and report forms for the federal examination of financial institutions.

Overall, the Council has functioned to promote consistency in federal examination and to ensure progressive and vigilant supervision. The activities of the Council have promoted mutual understanding and permitted common resolution of problems among diverse segments of our financial intermediary system. Cooperation among the members of the Council assures a wider discussion of issues and facilitates the development of broad federal policies affecting the availability of financial services.

Accompanying this letter is a draft bill which has been jointly prepared by representatives of the financial institutions supervisory agencies represented on the Council. The enclosed draft legislation would provide greater flexibility to the Federal Reserve Board, Federal Deposit Insurance Corporation, Federal Home Loan Bank Board, and National Credit Union Administration.

The bill would permit the agencies to waive existing geographic and other limitation upon interstate acquisitions only in certain extraordinary situations and with the approval of the Federal Financial Institutions Examination Council.

Such a waiver would be permitted only if an intrastate disposition of a very large institution in receivership is not feasible. Secondly, the bill provides greater flexibility to the agencies to extend federal assistance to insured institutions under certain economic conditions and to facilitate the merger or acquisition of closed institutions in extraordinary circumstances.

The bill would amend the Bank Holding Company Act and Savings and Loan Holding Company Act to allow an acquisition by a holding company across state lines in certain specified emergency situations involving a large bank or savings bank which is in receivership.

The existing legal restraints upon interstate acquisitions by domestic financial institutions favor foreign acquisitions of large U.S. institutions and unduly inhibit the ability of the supervisory agencies to assure the uninterrupted continuation of available banking services in extraordinary circumstances involving large troubled depository institutions.

The proposed authority for the Federal Reserve Board and Federal Home Loan Bank Board to allow out-of-state acquisitions in certain circumstances will be exercised only after either the unanimous or four-to-one determination by the members of the Examination Council is made that an emergency exists and that intrastate alternatives have been considered and are not feasible.

These extraordinary acquisition procedures are to be available only in matters involving a commercial bank in receivership with assets of $1.5 billion, or a thrift institution in receivership with assets in excess of $1 billion, or one of the three largest such banks or thrift institutions in a state.

The proposed bill will also amend Section 13(c) and 13(e) of the Federal Deposit Insurance Act, affecting the authority of the Federal Deposit Insurance Corporation to permit expanded federal assistance to financially troubled insured banks and thrift institutions.

Expanded assistance will be permitted by the bill under the Federal Home Loan Bank Act by allowing the Federal Home Loan Bank Board, in an emergency situation, to suspend the required semiannual reserve set-aside of the Federal Home Loan Banks and to permit the payment of reserves to member institutions in the form of dividends or other payments. Also included is a provision for increasing the liquidity back-up for the Federal Home Loan Bank System from the Treasury from $4 to $10 billion.

The proposed legislation also increases the regulatory flexibility of the National Credit Union Administration to permit the merger of a troubled insured credit union with another insured credit union, which would not otherwise be permitted by the Federal Credit Union Act or applicable state law, subject to a determination by the Federal Financial Institutions Examination Council that an emergency exists requiring such extraordinary action. Additional authority is provided under the proposed bill to the National Credit Union Administration to act as a conservator for a failed insured credit union and to provide greater federal assistance to troubled member institutions by providing additional flexibility to the Central Liquidity Facility and the share insurance fund.

A more specific section-by-section analysis of the proposed legislation is enclosed.

Sincerely,

John G. Heimann,
Chairman.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Alaska, the acting minority leader.

FOREIGN POLICY SUCCESS ABROAD

Mr. STEVENS. Mr. President, over the Easter recess Senator Stafford and others attended the Spring Meeting of the Interparliamentary Union recently concluded in Oslo, Norway.

Senator Stafford holds the distinction of being only the second representative of the United States to serve on the 10-member Executive Board in the 91-year history of the organization, and as such has made innumerable contributions to the IPU on behalf of our Nation. Yet this most recent meeting in Norway, with over 75 participating countries in attendance, was an unqualified success due in large measure to the role played by the senior Senator from Vermont.

In addition to Senator Stafford, the United States was represented at this IPU meeting by the chairman of the delegation, Representative Richardson Preyer, Representative Edward J. Derwinski, Caldwell Butler, Arlen Erdahl, L. H. Fountain, Elliott Levitas, and Robert McClory and by Senators Larry Pressler and Quentin Burdick.

The IPU Council voted on two issues of major importance to U.S. foreign policy. The first resolution, adopted by a vote of 96 to 25, was proposed by 12 Mideast, African, and Asian groups and condemned the Soviet occupation of Afghanistan. The resolution specifically called for pressure for implementation of the U.N. General Assembly resolution calling for withdrawal of foreign armed forces from Afghanistan, and urgently appealing for international humanitarian aid for Afghan refugees.

The second resolution adopted unanimously by a vote of 88 in favor and none opposed condemned the detention of diplomatic personnel in both Iran and Columbia. The resolution denounced the complacent attitude of the Iranian authorities and was particularly significant in that the U.S.-sponsored resolution won surprising support from Third World countries which had, in the past, lined up with the Soviet Union and its Eastern bloc followers. The Russian countries chose to abstain from the voting procedure on this resolution.

During the course of the sometimes heated exchanges between United States and Russian delegations, Senator Stafford stood his ground and pressed for a vote on the Iranian resolution despite Soviet attempts to adjourn the meeting prior to the actual vote taking place. We owe a tremendous amount of credit to Senator Stafford for his leadership in lining up unanimous support for this vitally important resolution, and thank him for providing the American people with a victory worth remembering. We are proud of our U.S. delegation and wish them continued success in so ably representing the interests of our Nation and its allies.

Mr. President, I ask unanimous consent that the news releases that were issued following the meeting of the IPU be printed in the Record following my remarks.

There being no objection, the news releases were ordered to be printed in the Record, as follows:

World's Parliamentarians Denounce Iranian Authorities

Members of the world's parliaments, meeting in Oslo, Norway, voted overwhelmingly on Saturday, April 12, to condemn the continued detention of American hostages in Iran and to denounce the complacent attitude of the Iranian authorities. The vote occurred during the spring meeting of the Interparliamentary Union Council at which parliamentarians from 75 countries participated.

The resolution adopted 88 in favor and none against also condemned the detention of diplomatic personnel in Colombia and urged measures to guarantee the safety of the hostages and insure their earliest release. The Soviet Union and eastern bloc groups abstained from the vote.

Senator Robert T. Stafford, U.S. member of the IPU Council, thanked the parliamentarians for their support for the American hostages and called passage of the resolution a meaningful way to put further pressure on Iran.

The IPU Council on Saturday also voted 96 to 25 a resolution proposed by 12 Mideast, African and Asian groups condemning the Soviet occupation of Afghanistan, calling for pressure for implementation of the U.N. General Assembly resolution calling for withdrawal of foreign armed forces from Afghanistan, and urgently appealing for international humanitarian aid for Afghan refugees.

In debate, Representative Edward J. Derwinski, the other U.S. member of the IPU Council, denounced Soviet aggression and manipulation in Afghanistan as a threat to world peace and called for special support for the over 700,000 Afghan refugees.

The Interparliamentary Union is the oldest and most broadly representative interparliamentary association in the world today. It dates from 1889; at Oslo, parliamentarians from 75 countries took part. The U.S. was represented at the week-long meeting by Representatives Richardson Preyer (Delegation Chairman), Edward J. Derwinski, Caldwell Butler, Arlen Erdahl, L. H. Fountain, Elliott Levitas, and Robert McClory and by Senators Robert T. Stafford, Larry Pressler and Quentin Burdick.

NEWS FROM THE OFFICE OF U.S. SENATOR ROBERT T. STAFFORD

WASHINGTON.—The Russian invasion of Afghanistan has resulted in improved relations between the United States and nations of the Third World, U.S. Sen. Robert T. Stafford, R–Vt., said here.

Stafford's comments came in a report to Vermont on the activities of the Spring Meeting of the Interparliamentary Union (IPU) held in Oslo, Norway, during the Easter recess of the Congress.

Stafford, who is only the second representative of the United States to serve on the 10-member Executive Board in the 91-year history of the IPU, said in past years he had been concerned "by the fact that many of the developing nations of the Third World have appeared to line up on the side of the Soviet Union in diplomatic disputes involving the United States."

But, he added, events at the most recent IPU meeting have led him to the conclusion that "the Russian invasion of Afghanistan has alienated many of the Third World nations and has caused them to rethink their views about both Russia and the United States."

"That remarkable—and heartening—development resulted in two major victories for the United States over the Soviet Union and its followers at the Oslo meeting of the IPU," said Stafford.

The Vermont senator reported that U.S.-sponsored resolutions dealing with the detention of hostages in Iran and with the invasion of Afghanistan were approved by overwhelming margins with the support of Third World nations.

The resolution that condemned the detention of hostages in Iran and of diplomatic hostages in Columbia was approved by a vote of 88–0, with the Soviet Union and its Eastern bloc followers abstaining.

The IPU Council also voted 96–25 to condemn the Soviet occupation of Afghanistan and to call for withdrawal of foreign troops from that country and for special aid for Afghan refugees.

Stafford said a Russian delegate launched a personal attack against the Vermont senator after Stafford was successful in his effort to get the Iranian resolution moved up on the agenda to guarantee a vote before the IPU had to adjourn.

"I am heartened that the Third World nations now seem more aware of the real intentions of the Soviet Union," said Stafford. "And, also that these developing nations seem to be more skeptical about accepting Soviet lies about the United States.

"All, in all," he said, "the Oslo meeting lifted my spirits. I feel I had an opportunity to participate in the birth of a new era in international affairs that holds a brighter future for our nation."

THIRD WORLD FRIENDS AT THE IPU

I have recently returned from a meeting of the Interparliamentary Union (IPU) in Oslo, Norway, and I would like to take this opportunity to share with you the events that took place at that meeting.

Members of the federal legislatures of 75 countries participated in the spring meeting of the oldest and most broadly representative parliamentary association in the world.

I was honored last year when I was elected to the 10-member Executive Board of the IPU. It was only the second time a U.S. delegate has been named to the Executive Board in the 90-year history of the IPU.

Despite that honor, however, I have continued to be concerned by the fact that many of the developing nations of the Third World have appeared to line up on the side of the Soviet Union in diplomatic disputes involving the United States.

For that reason, I am particularly pleased to be able to report to you at this time that the Russian invasion of Afghanistan has alienated many of the Third World nations and has caused them to rethink their views about both Russia and the United States

That remarkable—and heartening—development resulted in two major victories for the United States over the Soviet Union and its followers at the Oslo meeting of the IPU.

First, members of the world's parliaments voted overwhelmingly to condemn the continued detention of American hostages in Iran and to denounce the complacent attitude of the Iranian authorities.

The resolution was adopted by a vote of 88-to-0, and it also condemned the detention of diplomatic personnel in Columbia.

The Soviet Union and the Eastern bloc groups abstained from voting on this issue, but the Russian representative attacked me personally for my successful efforts in getting the Iranian resolution moved up on the agenda to guarantee a vote before the IPU meeting had to adjourn.

The draft resolution dealing with the hostages in Iran was presented by the Swiss, and supported by Austria, Belgium, Finland, France, the Ivory Coast, Senegal, Sweden, Tunisia and Zaire.

The IPU Council also voted 96-to-25 to condemn the Soviet occupation of Afghanistan and to call for withdrawal of foreign troops from that country and for special aid for Afghan refugees.

My U.S. colleague on the IPU Council, Representative Edward Derwinski of Illinois, denounced the Soviet aggression and brought humiliation to the Soviets with the force of his argument.

In the past, less obvious forms of Russian adventurism around the world have been able to win at least the tacit approval of the Third World nations—but the Afghanistan invasion appears to have changed that.

I am satisfied that the Third World nations are more aware of the realities of international life as a result of the Soviet invasion of Afghanistan.

The presentation of a representative of the newest member of the IPU Council typified the new awareness of the Third World nations.

In joining in the presentation of the resolution on Afghanistan, the delegate from Zaire said he was denouncing the Soviets because the next small nation to be invaded could be his own country.

And then, pointing to members of other small, emerging nations, he said in his words that next could be "your country . . . or your country . . . or your country . . . It is time to stop."

That argument by the member from Zaire had the ring of truth to it and was most effective. I am heartened that the Third World nations now seem more aware of the real intentions of the Soviet Union. And. also that these developing nations seem to be more skeptical about accepting Soviet lies about the United States.

I am heartened also by the solid support shown at the IPU meeting by our older, traditional allies.

All in all, the Oslo meeting lifted my spirits. I feel I had the opportunity to participate in the birth of a new era in international affairs that holds a brighter future for our nation.

Mr. STEVENS. Mr. President, I ask unanimous consent that the special order that has been reserved in my name be moved to last, following those reserved for Senators TSONGAS and EAGLETON.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I yield back the remainder of the leadership time.

RECOGNITION OF SENATOR TSONGAS

The ACTING PRESIDENT pro tempore. Under the previous order the Senator from Massachusetts (Mr. TSONGAS) is recognized for not to exceed 15 minutes.

S. 2576—THE COMMUNITY ENERGY ACT

Mr. TSONGAS. Mr. President, Washington is talking about major increases in the defense budget. This is because people in the administration and in Congress believe we are in a national security crisis brought on by the unstable political situation in the Middle East and our Nation's heavy dependence on oil production in that part of the world.

There are no military remedies to our energy dilemma. A rapid deployment force in the Indian Ocean or a military action in the Persian Gulf may comfort strategic planners, but if an oil war breaks out, at worst, we will see World War III. At best, the very oil wells we sought to protect will be destroyed.

We can send our young people to fight in the Persian Gulf or we can send them into our communities to fight energy waste. This is the choice we face in the 1980's.

We cannot effectively fight this Nation's economic crisis while our energy situation is out of control. Consumers cannot deal with their budget problems by ignoring their own energy use, nor can the Congress or the administration.

OIL SUPPLY LIMITS

Let us look at the world energy situation:

One third of OPEC production comes from four nations that are openly hostile to the United States: Iraq, Iran, Libya, and Algeria. We have to be prepared for future supply interruptions and stiff pressure for price increases from those nations.

Even major oil producing countries that are friendly to the United States should be cause for concern. They will reach peak oil production in the next several years and are limiting production in order to make their oil resources last longer.

The world energy supply, which currently is very tight, is not expected to expand greatly during the rest of this decade. However, competition for world energy resources will become fierce as Western nations continue to experience economic growth, as Third World nations begin to industrialize, and as the Soviet

Union and the Eastern bloc become oil importers rather than oil exporters.

The world energy situation promises to be volatile for the rest of the decade. This portends a U.S. foreign and defense policy based on the geopolitics of oil.

Despite what some oil companies are telling us in television commercials, the truth is that domestic oil production provides no solution to the national energy problem. Oil is a finite resource. We have been exploring and drilling has increased, but production and reserves have declined.

No amount of decontrol or tax incentives or profit incentives for oil companies is going to reverse this decline. The reality is that in 1990 we will have less oil than we have today. Unless we take steps to reduce American dependence on oil, we will be entering the 21st century on foot, in the cold, and in the dark.

There are no conventional remedies to our energy dilemma in the short term. There will be no return on synthetic fuels development until after 1990. Even if energy resources are discovered on Georges Bank, that energy will not be available for at least a decade. Because of major unresolved policy questions surrounding nuclear power, nuclear energy cannot make a significant difference in our energy usage in the near future. For this decade, the solution has to be energy conservation and renewable energy.

The national economic crisis which we are undergoing is also closely tied to our energy dilemma. Every time the Consumer Price Index goes up, the largest single factor in the increase is energy. Inflation is at 18 percent overall. Energy inflation is far greater. More and more of the consumer dollar is being spent to pay for energy-related costs. Last year we imported over $60 million in oil.

This year we project to import something like $80 billion. That hemorrhaging obviously has an impact. The price of energy will not go down. The only way to reduce our expenditures for energy is to use less of it and to use it more efficiently.

U.S. ENERGY POLICY

Let me review briefly about what our national energy problem has been and outline what I think our national energy policy must become. In 1974, President Nixon announced his solution to the Nation's energy crisis—Project Independence. Project Independence, as you may recall, was going to make us free from dependence on foreign oil by 1980. This obviously is 1980. Project Independence did not work.

Furthermore, its basic premise was seriously flawed. We now know that the solution to the energy crisis will not come through miraculous discoveries of endless oil reserves. We are beginning to see that the solution to the crisis depends on careful use of our scarce resources and on a reduction in our dependence on those scarce resources.

Since 1974, Federal energy policy has become more sophisticated in this respect. We are beginning to have a clear sense of the scope and difficulty of the problems we face in reducing that dependence.

The Federal Government has made a significant investment in research and development programs to advance conservation and renewable resources technologies. The Federal Government has tried to address the pricing issue so that conservation and renewables can compete on an equal basis with nonrenewables. Washington has also started to realize that there are hidden subsidies given to conventional energy sources. Similar subsidies must be provided for renewables through tax credits, and through the solar and conservation banks which I expect will become law soon.

The Federal Government has also tried to mandate energy conservation efforts. Washington has attempted to require residential energy audits, building temperature controls, speed limits, thermal efficiency standards for buildings, and emergency gas rationing. But Washington has found that mandating millions of decentralized activities and actions from the top is not very effective. There is no single solution to the energy problem. What works in Belchertown, Mass., might be a disaster in Eugene, Oreg., and ridiculous in Miami, Fla.

Federal policy has long neglected the energy needs of communities. In fact, there are no major Federal programs that provide direct assistance to communities for energy programs and activities.

ENERGY ASSISTANCE FOR COMMUNITIES

The Community Energy Act represents a pioneering effort to go beyond where we are today in terms of implementing a national policy. It is clear that local government—not Washington—has the greatest capacity to identify local energy needs and problems. The Federal Government lacks public confidence and credibility. It cannot match local government in using the ingenuity of our human resources. This legislation recognizes that the best national energy policy is one designed and implemented in the town hall, the city council chamber or the neighborhood.

The Community Energy Act represents a combined effort on the part of Senator WILLIAMS, Senator PERCY, and myself to incorporate elements of legislation which we developed separately and introduced in the last session. I believe the version that we are introducing today reflects the strengths of each of those earlier bills.

The Community Energy Act has three programs for local government.

COMMUNITY ENERGY BLOCK GRANTS

These would be administered by HUD and would be used to fund a wide variety of energy conservation and renewable resource activities. Typical activities would include implementation of energy efficient building codes, solar access zoning, land use and transportation planning to minimize energy use, and energy conservation through rehabilitation programs and energy retrofit of public buildings.

COMMUNITY ENERGY PROJECT GRANTS

These would be administered by the Department of Energy and would be used for capital investment projects designed to contribute to a significant reduction in the use of nonrenewable energy supplies. Projects would be selected on a competitive basis and would require local and Federal cost sharing. Typical projects would include district heating, lowhead hydroelectric power, cogeneration, solar, goethermal, and solid waste conversion.

TECHNICAL ASSISTANCE PROGRAMS

These would be administered by the Department of Energy to provide information and technical assistance to local governments and community groups. Activities would include an information clearinghouse, a training institute, conferences, and on-site technical assistance.

In addition, the Community Energy Act would consolidate existing State energy programs, provide additional financial assistance to States, and strengthen the role of States in achieving national energy goals.

The Community Energy Act draws upon the strengths of both DOE and HUD. DOE has the overall technical expertise and the energy policy planning experience. HUD has the local delivery mechanism and 6 years of experience with the Community Development Block Grant Program. Adequate linkages are established to coordinate each program with both agencies.

The Community Energy Act establishes a program of direct assistance to local government, thus minimizing layers of bureaucracy and insuring consultation with State energy programs.

This legislation is vital to our communities. However, we will have to convince the budget cutters in the Congress and the administration that energy conservation and renewable resources deserve the same amount of consideration as our defense budget. Conservation and renewables must also be seen as an important element of our anti-inflation strategy.

Mr. President, I hope the Community Energy Act will become law as soon as possible. We must mobilize communities—cities, towns, regional councils, villages, counties, neighborhood associations—for action on energy now.

Mr. President, I ask unanimous consent that the text of the Community Energy Act (S. 2576) be printed in the RECORD, along with a summary of its provisions.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2576

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

TITLE I—GENERAL PROVISIONS

SHORT TITLE

SEC. 101. This Act may be cited as the "Community Energy Act".

FINDINGS

SEC. 102. (a) The Congress finds and declares that—

(1) the achievement of energy security for the United States is vital to the national economy, vital to the well being of its citizens, and vital to the maintenance of national security; and

(2) the most rapid and economical method for reducing domestic dependence on insecure supplies of high cost foreign petroleum is to increase the efficiency with which energy is used and increase the use of renewable resources.

(b) The Congress further finds and declares that the Nation's States and units of local governments—

(1) face critical social, economic, environmental, and development problems arising in significant measure from the increased cost of scarce, nonrenewable energy resources and from inadequate public and private investment and reinvestment in programs to promote the conservation of nonrenewable energy resources, and enhance the use of renewable energy resources;

(2) have unique opportunities to achieve energy savings and to increase the use of renewable energy resources, because of their ability to make effective use of available human and economic resources, and their capacity to accommodate a high degree of direct citizen involvement in the planning, implementation, and demonstration of new programs;

(3) should be provided with financial resources and flexibility to develop their own program measures and activities, especially conservation activities, renewable resources use, and emergency planning;

(4) need to address the special energy related problems of low- and moderate-income families;

(5) require systematic and sustained continuity of action by Federal, State, and units of local government to support and coordinate policies and programs related to energy conservation and renewable resources; and

(6) require the development of energy programs designed to strengthen citizens awareness of, and involvement in, the development of energy conservation and renewable resources.

PURPOSE

SEC. 103. It is the purpose of this Act to further the development of a national community energy policy by—

(1) providing States and units of local government with greater resources and flexibility to plan and implement energy conservation and renewable resource programs and activities which respond to Federal, State, and local energy needs and problems;

(2) developing programs to foster coordinated and mutually supportive State, local, and areawide energy strategies;

(3) encouraging community development activities which promote comprehensive energy conservation and renewable resource activities;

(4) ensuring that State and local energy programs specifically address the needs of low- and moderate-income families; and

(5) encouraging and facilitating the participation of citizens, and community and neighborhood based organizations in the community energy effort.

DEFINITIONS

SEC. 104. As used in this Act—

(1) "energy conservation" means a capital investment or a practice which leads to a net saving in nonrenewable energy;

(2) "conservation program" means any program or activity carried out by a State or unit of local government or community based organization intended to reduce nonrenewable energy consumption, increase efficiency of energy use, or increase the use of renewable resources;

(3) "renewable resource" means any source of energy that is regenerative or essentially inexhaustible, include solar, geothermal, wind, low-head hydroelectric, biomass, and ocean systems energy, and excluding nuclear fission and fusion materials;

(4) "Governor" means the chief executive officer, elected or appointed, or his or her designee, of a State, including the Mayor of the District of Columbia;

(5) "State energy plan" means a plan developed by a State which complies with the requirements of section 353 of the Energy Policy and Conservation Act;

(6) "State energy program" means any program of the Department of Energy which provides financial assistance to States pursuant to an allocation formula established by or pursuant to Federal law;

(7) "unit of local government" or "locality" means any city, county, town, township, parish, village, or other general purpose of political subdivision of a State; Guam, the Virgin Islands, and American Samoa, or a general purpose political subdivision thereof; a combination of such political subdivisions recognized by the Secretary; the District of Columbia; the Northern Mariana Islands; and the Trust Territory of the Pacific Islands. Such term also includes a State or a local public body or agency (as defined in section 711 of the Housing and Urban Development Act of 1970), community association, or other entity, which is approved by the Secretary for the purpose of providing public facilities or services to a new community as part of a program meeting the eligibility standards of section 712 of the Housing and Urban Development Act of 1970 or title IV of the Housing and Urban Development Act of 1968;

(8) "State" means any State of the United States, or any instrumentality thereof approved by the Governor; and the Commonwealth of Puerto Rico;

(9) "metropolitan area" means a standard metropolitan statistical area as established by the Office of Management and Budget;

(10) "areawide planning organization" means an organization which is established by State law or authorized by State law and established by local agreement to undertake planning for a metropolitan or nonmetropolitan area and which—

(A) is the designated clearinghouse pursuant to OMB Circular A-95;

(B) contains two or more counties and is open to membership by all units of general local government contained within the jurisdiction of the organization; and

(C) is a multijurisdictional unit established under State law, interstate compact, or interlocal agreement for the purpose of formulating policies and plans for the orderly development of a substate or interstate region, and which is formally charged with carrying out the provisions of section 401 of the Intergovernmental Cooperation Act of 1968, except that any such areawide agency, in the absence of State law to the contrary, shall have at least a majority of elected officials from local governments on its governing body;

(11) "metropolitan city" means (A) a city within a metropolitan area which is the central city of such area, as defined and used by the Office of Management and Budget, or (B) any other city, within a metropolitan area, which has a population of fifty thousand or more; except that any city which has been classified as a metropolitan city under clause (B) of this paragraph shall continue to be so classified until the decennial census indicates that the population of such city is less than fifty thousand;

(12) "city" means (A) any unit of general local government which is classified as a municipality by the United States Bureau of the Census, or (B) any other unit of general local government which is a town or township and which, in the determination of the Secretary (i) possesses powers and performs functions comparable to those associated with municipalities, (ii) is closely settled, and (iii) contains within its boundaries no incorporated places as defined by the United States Bureau of the Census which have not entered into cooperation agreements with such town or township to undertake or to assist in the undertaking of essential community development and housing assistance activities;

(13) "urban county" means any county within a metropolitan area which—

(A) is authorized under State law to undertake essential community development and housing assistance activties in its unincorporated areas, if any, which are not units of general local government; and

(B) either (i) has a combined population of two hundred thousand or more (excluding the population of metropolitan cities therein) in such unincorporated areas and in its included units of general local government (I) in which it has authority to undertake essential community development and housing assistance activities and which do not elect to have their population excluded, or (II) with which it has entered into cooperative agreements to undertake or to assist in the undertaking of essential community development and housing assistance activities, or (ii) has a population in excess of one hundred thousand, a population density of at least five thousand persons per square mile, and contains within its boundaries no incorporated places as defined by the United States Bureau of the Census;

(14) "population" means total resident population based on data compiled by the United States Bureau of the Census and referable to the same point or period in time; and

(15) "Indian tribe" means any Indian tribe band, group, and nation, including Alaska Indians, Aleuts, and Eskimos, and any Alaskan Native Village, of the United States, which is considered an eligible recipient under the Indian Self-Determination and Education Assistance Act (Public Law 93-638) or under the State and Local Fiscal Assistance Act of 1972 (Public Law 92-512).

TITLE II—LOCAL ENERGY MANAGEMENT PARTNERSHIP COMMUNITY ENERGY BLOCK GRANTS

SEC. 201. (a) Section 103 of the Housing and Community Development Act of 1974 is amended—

(1) by redesignating subsections (d) and (e) as subsections (e) and (f) respectively; and

(2) by inserting after subsection (c) the following new subsection:

"(d) To make grants under section 121, the Secretary is authorized to utilize not to exceed $75,000,000 for fiscal year 1981, and such sums as may be hereafter provided for fiscal years 1982 and 1983, of the Solar and Conservation Reserve established by Public Law 96-126.".

(b) Title I of such Act is amended by adding at the end thereof the following new section:

"ENERGY CONSERVATION BLOCK GRANTS

"SEC. 121. (a) In order to encourage units of general local government to adopt and implement community plans and programs designed to achieve significant energy savings and encourage the use of renewable energy resources within their jurisdictions, the Secretary of Housing and Urban Development (hereinafter referred to as the 'Secretary') is authorized to make energy conservation block grants as provided in this section.

"(b) No grant may be made pursuant to this section unless the applicant is eligible for a grant under section 106 and has submitted an application which sets forth a summary of a three year comprehensive community energy conservation strategy which describes energy needs and objectives and which shall provide for, but not be limited to—

"(1) the demonstration of commitment to national, State, regional, and local energy objectives, including a commitment to maintain or to increase local energy expenditures;

"(2) a detailed description of energy use by sector and fuel type;

"(3) an inventory of existing Federal grants and Federal, State, and local programs which can be used in conjunction with this assistance, including a description of how energy conservation measures are being or will be incorporated into these programs;

"(4) a plan for the enactment or modification and enforcement of local ordinances to encourage or mandate energy conservation or renewable energy resources utilization;

"(5) specific proposals for the use of energy conservation improvements and renewable resources in non-Federal public facilities;

"(6) specific proposals for financial or other assistance for energy conservation with respect to residential structures, primarily for the benefit of low- and moderate-income tenants and homeowners;

"(7) appropriate provisions for energy emergencies;

"(8) specific proposals to address the energy related needs of the elderly and of persons of low income;

"(9) a description of such other energy conservation or renewable resource-related activities as described by the Secretary after consultation with the Secretary of Energy and the Secretary of Transportation;

"(10) a schedule for implementation of each element provided for in the energy conservation strategy;

"(11) a projection of the timing and amount of savings in nonrenewable energy consumption either through the use of energy conservation measures or the development of renewable energy resources which will result from the implementation of the strategy described in paragraph (1);

"(12) a description of how its energy conservation strategy will be coordinated and administered;

"(13) a specification of the activities to be undertaken with the energy conservation block grant funds applied for in furtherance of the strategy, together with the estimated costs and general locations of such activities;

"(14) satisfactory assurances that a respective State has had ample opportunity to comment with regard to the consistency of such application to any applicable State energy conservation plan;

"(15) satisfactory assurances that a citizen's energy advisory committee has assisted in the development of local energy programs;

"(16) a description of the opportunities provided for the involvement of community and neighborhood based groups in developing and implementing the community energy strategy; and

"(17) a description of long term employment opportunities that result from energy conservation and renewable resource projects.

"(c) The Secretary shall not approve an application for an amount determined in accordance with subsections (g) and (h) if—

"(1) the Secretary of Energy makes any of the following negative assessments with regard to the

"(A) the strategy is not technically sound;

"(B) the potential per capita consumption of nonrenewable resources is not significantly reduced; or

"(C) the strategy is not consistent with the State energy plan pursuant to title III of the Community Energy Act and to Federal energy policies;

"(2) on the basis of the application, the Secretary determines that the activities to be undertaken are plainly inappropriate to meeting the needs and objectives identified by the applicant pursuant to subsection (b); or

"(3) the Secretary determines that the applicant is incapable of effectively carrying out the community energy conservation strategy pursuant to subsection (b).

"(d) For the first year in which funds are appropriated under this section, the Secretary may waive a portion of the requirements of subsections (b) and (c), except that an application must include—

"(1) a workplan leading to the submission of a comprehensive energy conservation strategy;

"(2) the establishment of a citizen's energy advisory panel;

"(3) a description of ongoing or proposed local government energy activities; and

"(4) a commitment to national, State, regional, and local energy objectives, including a commitment to maintain local energy expenditure.

If such waiver is requested in the first year, the Secretary is authorized to make appropriate adjustments in the amount of the grant.

"(e) An application subject to subsection (b), submitted on or before the date established pursuant to section 106(k), shall be deemed approved upon the expiration of 75 days after receipt unless, on the findings of the Secretary or the Secretary of Energy, the Secretary informs the applicant of specific reasons for disapproval. In taking any action under this section, the Secretary shall consider such comments as may be made by members of the respective Federal Regional Councils. Subsequent to approval of the application, the amount of the grant may be adjusted in accordance with the provisions of this section.

"(f) Each grantee under this section shall submit annually a performance report on the activities carried out pursuant to this section, together with an assessment by the grantee of the relationship of those activities to the needs and objectives identified in the grantee's application submitted pursuant to subsection (b). The performance report shall include any citizen's comments submitted pursuant to subsection (b).

"(g) The Secretary shall, at least on an annual basis, make such reviews and audits as may be necessary or appropriation to determine whether the grantee has carried out a program substantially as described in its application, in conformance with the requirements of this section and other applicable laws, and whether the applicant has a continuing capacity to carry out in a timely manner the approved energy conservation program.

"(h) The Secretary may make appropriate adjustments in the amount of the annual grants in accordance with the Secretary's findings pursuant to this subsection, based upon a performance report submitted by a grantee, or in accordance with any other reviews or audits made by the Secretary pursuant to this subsection. Such adjustments may be made, except that funds already expended on eligible activities under this title shall not be recaptured or deducted from future grants made to the recipient.

"(i) Of the amount approved in an appropriation Act under section 103(d) for grants in any year, 80 per centum shall be allocated by the Secretary to metropolitan areas. Except as otherwise provided, each metropolitan city and urban county shall, subject to the provisions of subsection (b), be entitled to annual grants from such allocation (which shall be reduced by 10 per centum for the purpose of paragraph (2)) in an aggregate amount not exceeding its basic amount computed pursuant to this section in the following manner:

"(1) The Secretary shall determine the amount to be allocated to each metropolitan city and urban county by applying the formula contained in section 106(b) to the amount allocated by the first sentence of this subsection, except that population shall be included as a 50 per centum factor in determining such amounts.

"(2) Ten per centum of the amount allocated to metropolitan areas shall be utilized by the Secretary in accordance with section 106(d)(2), except that population shall be included as a 50 per centum factor. In making grants under this paragraph, the Secretary shall give priority—

"(A) to States who submit applications on behalf of units of general local government (other than metropolitan cities and urban counties)—

"(i) which comply with the requirements of subsection (b);

"(ii) which represent at least 25 per centum of the nonentitlement population within metropolitan areas of such State;

"(iii) which represent no less than 50,000 persons; and

"(iv) which demonstrate that such units of general local government as are represented by such applications have given their full approval and certification to the respective State application; and

"(B) to States, units of general local government, or areawide planning organizations which submit applications on behalf of units of general local government (other than metropolitan cities and urban counties)—

"(i) which comply with the requirements of subsection (b);

"(ii) which represent unified, integrated plans, programs, and strategies as defined in subsection (b) for a consortium of nonmetropolitan units of general local government whose aggregate minimum population is at least 50,000 persons; and

"(iii) which demonstrate that such units of general local government as are represented by such applications have given their approval and certification to the respective application.

"(j) Of the amount approved in an appropriation Act under section 103(d) for grants in any year, 20 per centum shall be allocated to nonmetropolitan areas by the Secretary in accordance with section 106(f)(1)(B), except that population shall be included as a 50 per centum factor in determining such amounts. In making grants under this subsection, the Secretary shall give priority—

"(1) to States which submit applications on behalf of nonmetropolitan areas—

"(A) which comply with the requirements of subsection (b);

"(B) which represent at least 25 per centum of the nonentitlement population of such State as determined pursuant to subsection (i)(1);

"(C) which represent no less than 50,000 persons; and

"(D) which demonstrate that such units of general local government as are represented by such applications have given their full approval and certification to the respective State application; and

"(2) to States, units of general local government, or areawide planning organizations which submit applications on behalf of nonmetropolitan areas—

"(A) which comply with the requirements of subsection (b);

"(B) which represent unified, integrated plans, programs, and strategies as defined in subsection (b) for a consortium of nonmetropolitan units of general local government whose aggregate minimum population is at least 50,000 persons; and

"(C) which demonstrate that such units of general local government as are represented by such applications have given their full approval and certification to the respective application.".

ENERGY PROJECT GRANTS

SEC. 202. (a) The Secretary of Energy (hereinafter referred to as the "Secretary") is authorized to make grants to units of local government and to States and areawide planning organizations in behalf of units of local government to implement energy projects which the Secretary finds will contribute to a significant reduction in the use of nonrenewable energy supplies and meet the other requirements of the section. The Secretary shall promulgate regulations containing such application requirements and other rules as are appropriate. Such regulations shall provide for referral of applications to the Secretary of Housing and Urban Development for the purpose of subsection (d) (3).

(b) The Secretary shall allocate appropriations pursuant to authorizations under this section to ensure that funds are available for grants each quarter. The Secretary shall notify each applicant of funding decisions within three months after the deadline established for the submission of its application.

(c) In carrying out the provisions of this section, the Secretary shall give priority to projects which maximize—

(1) the ratio of the expected savings of nonrenewable energy resources to project costs;

(2) the percentage of projects costs supplied by private or community funding;

(3) demonstration and market-stimulation value of the project; and

(4) beneficial impacts on low-income and elderly residents, long-term local employment opportunities, and community economic development.

In addition, the Secretary shall give a priority to applicants who have demonstrated exceptional capacity in carrying out energy projects under the Community Energy Block Grant Program or other energy conservation or renewable resource programs.

(d) No grant may be provided under this section unless the Secretary finds that—

(1) the applicant has in place an energy strategy which meets the requirements of section 121 (b) and (c) of the Housing and Community Development Act of 1974;

(2) at least 20 per centum of project costs are provided by community assistance as defined by the Secretary of Energy or private funding;

(3) the Secretary of Housing and Urban Development has not, within 60 days of the receipt of the application, determined that the project does not comply with the community energy strategy;

(4) the applicant has sufficient technical expertise to successfully implement the project;

(5) the project will significantly reduce local consumption of nonrenewable energy supplies;

(6) the project will not have significant adverse environmental, social, or economic impacts on the community; and

(7) the applicant has provided evidence of public participation in project selection and design.

(e) No grant may be made under this section (1) if such grant will not primarily benefit the public, (2) for projects intended to facilitate the relocation of industrial or commercial plants of facilities from one area to another, unless the Secretary finds that such relocation does not significantly and adversely affect the unemployment or economic base of the area from which such industrial or commercial plant or facility is to be relocated, or (3) for projects which the Secretary determines could successfully be undertaken without Federal financial assistance.

(f) The Secretary shall, at least on an annual basis and in accordance with such regulations and procedures as he may prescribe, evaluate and make reviews and audits of projects assisted pursuant to this section as necessary to determine the progress made in carrying out activities substantially in accordance with approved plans and timetables. The Secretary may adjust, reduce, or withdraw grant funds, or take other action as appropriate in accordance with the findings of such reviews and audits, except that funds already expended on eligible activities under this title shall not be recaptured or deducted from future grants made to the recipient. Not later than March 1 of each year, the Secretary shall transmit to the Congress an annual report on the program authorized by this section containing the results of the evaluations, reviews, and audits required by this subsection.

(g) Not more than 80 per centum of the funds available for grants under this section may be awarded to units of local government located in metropolitan areas.

(h) For the purpose of grants under this section, the Secretary is authorized to utilize not to exceed $7,000,000 for fiscal year 1981, and such sums as may be hereafter provided for fiscals years 1982 and 1983, of the Solar and Conservation Reserve established by Public Law 96–126.

TECHNICAL ASSISTANCE

Sec. 203. (a) The Secretary, in cooperation with the Secretary of Housing and Urban Development, is authorized to establish and operate a National Community Energy Reference Center (hereinafter referred to as the "center") for the purpose of providing information and technical assistance in planning and implementing local programs and activities in conservation and renewable resources to units of local government, areawide planning organizations, and neighborhood and community-based organizations.

(b) In carrying out the provisions of this section, the Secretary shall not duplicate existing sources of technical assistance and shall utilize, to the maximum extent feasible, information, dissemination, and technical assistance capabilities within existing organizations, including Federal, State, regional, and community based organizations, and as appropriate, provide for—

(1) local conservation and renewable resource data bank and information clearinghouse for local energy managers;

(2) an institute to provide professional training and on-site technical assistance to local energy managers;

(3) development of new information materials for local managers, including case studies and technical manuals;

(4) technical assistance and other activities to encourage and facilitate community participation in programs authorized under sections 201 and 202; and

(5) development and implementation of comprehensive metropolitan energy conservation and renewable resource strategies.

For the purpose of this section, the Secretary may enter into contracts and cooperative agreements with such organizations.

(c) Information, outreach, and technical assistance activities carried out under this section shall involve coordination with and, wherever possible, active participation by States and by Federal regional and area offices.

(d) The Secretary shall, in accordance with such regulations and procedures as he may prescribe, make reviews and audits of organizations which furnish assistance pursuant to this section as necessary. Not later than March 1 of each year, the Secretary shall transmit to the Congress an annual report on the program authorized by this section containing the results of the reviews and audits required by this subsection.

(e) For the purpose of this section, the Secretary is authorized to utilize not to exceed $5,000,000 for fiscal year 1981, and such sums as may be hereafter provided for fiscal years 1982 and 1983, of the Solar and Conservation Reserve established by Public Law 96–126.

TITLE III—STATE ENERGY MANAGEMENT PARTNERSHIP

Sec. 301. Part D of title III of the Energy Policy and Conservation Act (Public Law 94–163; 41 U.S.C. 6201) is amended to read as follows:

"PART D—STATE BASIC ENERGY PROGRAM

"PROGRAM AUTHORIZATIONS

"Sec. 351. The Secretary is authorized, subject to the availability of funds, to provide financial assistance to assist States and Indian tribes in the development, implementation or modification of a State energy plan, or portion thereof, submitted pursuant to this part and to provide technical assistance to States and Indian tribes for energy planning and management.

"APPLICATION FOR FINANCIAL ASSISTANCE

"Sec. 352. (a) The Secretary shall, by rule, prescribe guidelines for initial applications for financial assistance authorized by section 351.

"(b) After publication of the guidelines prescribed pursuant to subsection (a), the Secretary shall invite each Governor to submit an initial application for financial assistance for the development of a State energy plan and for continuation of programs developed pursuant to this Act, the Energy Conservation and Production Act (Public Law 94–385), and the Energy Extension Service Act (Public Law 95–39), until such time as the State energy plan is approved or for one year, whichever period is shorter. The guidelines established for such programs shall remain in effect until such time as guidelines established pursuant to this Act take effect. Such initial application shall include—

"(1) a designation by the Governor of the State energy agency which will be responsible for the coordination of the development, management and implementation of the State energy plan;

"(2) assurance that the State has obtained or will seek within the next State legislative session such authority as may be necessary to carry out the requirements of this part;

"(3) a description of which State energy programs the Governor seeks to continue, pending approval of the State energy plan; and

"(4) such other information as the Secretary may reasonably require.

"(c) A State which receives financial assistance under this part pursuant to such initial application shall, within nine months after the date such assistance was provided or such longer period as the Secretary for good cause may allow, submit a State energy plan for approval of the Secretary under this part.

"(d) Prior to the first fiscal year for which the State seeks financial assistance to develop and implement a State energy plan, or after the Secretary has approved a State energy plan for which the State has sought financial assistance pursuant to subsection (b), the Governor of a State may make pursuant to subsection (b), the Governor of a State may make annual application for financial assistance under this part. Such application shall include—

"(1) assurance that the State will use such financial assistance to implement the activities described in a State energy plan which the Secretary has approved under section 356, or which the State anticipates that the Secretary will approve, for the fiscal year in which assistance is sought;

"(2) a description of planning activities the State will undertake to develop or modify a State energy plan; and

"(3) such other information as the Secretary may reasonably require.

"(e) Each application submitted in any fiscal year for financial assistance under this part shall be reviewed and approved or disapproved by the Secretary. Such application shall be approved if the Secretary determines that—

"(1) the application meets the requirements of subsection (b) or (d), as appropriate; and

"(2) in the case of an application under subsection (d), an approved State energy plan pursuant to this part will be in effect during the fiscal year for which such financial assistance is sought.

"(f) If the Secretary determines that the application fails to comply with the provisions of subsections (b) and (c), or (c) and (d), as appropriate, he shall disapprove the application in whole or in part, and give the Governor of that State timely written notice of such disapproval. Upon receiving notice of disapproval, the Governor may submit a new or amended application for such fiscal year within such period as may be prescribed by the Secretary.

"REQUIREMENTS FOR STATE ENERGY PLANS

"SEC. 353. (a) The Secretary shall, by rule, prescribe guidelines for State energy plans, which plans shall contain—

"(1) a description of State energy supply and demand and of its energy goals and policies which description shall include, to the extent such information is available or practicably obtainable—

"(A) a forecast of the future energy consumption patterns in the State disaggregated by region and local political jurisdiction within the State, by type of energy source (including petroleum products, natural gas, coal, electric power and renewable resources), and end-use (including residential, commercial, industrial, government and transportation sectors);

"(B) a description of any data systems the State will use in the development, modification or implementation of a State energy plan;

"(C) a description of the likely sources, including price assumptions, for energy supply, by type of fuel, which the State anticipates will be available to meet the future energy consumption forecasted by the State pursuant to subsection (a)(1)(A), including any alternatives to such energy sources or conservation measures under consideration by the State;

"(D) a projection of the sources and amounts of renewable and non-renewable energy supply, by type of fuel, produced in the State;

"(E) a projection of the need for central station and on-site electric power generation facilities and a description of the major actions, together with a schedule for such actions, which the State anticipates will be required to make available such facilities and assure timely selection of sites for such facilities; and

"(F) a projection of the need for other major energy supply facilities considered appropriate by the State for consideration in the State energy plan;

"(2) a management plan for, and a description of, planned uses of funds provided pursuant to this part and under any other Federal financial assistance program that the State intends to use to implement the State energy plan. Such management plan shall include—

"(A) an identification of those major energy consumption sectors in which the State has the greatest opportunity to affect significant additional energy conservation, and to utilize renewable resources, and a description of the State goals and objectives for energy conservation and the utilization of renewable resources in such sectors;

"(B) a description of the programs the State will carry out to achieve its energy goals and objectives, and the relationship between such programs and—

"(i) the energy forecasts pursuant to subsection (a)(1); and

"(ii) the State's goals and objectives for energy conservation and the utilization of renewable resources;

"(C) program objectives by which the State will periodically monitor and assess its success in implementing the State energy plan; and

"(D) a description of how the elements of the State energy plan will be coordinated with management plans for other federally assisted or mandated State energy programs;

"(3) a description of how the State plans to implement the energy conservation and renewable resource programs required by section 354, and the following:

"(A) a description of measures necessary to remove technical, economic and institutional barriers to the use of renewable resources and energy conservation measures;

"(B) a description of actions the State will take to increase participation by financial institutions and public and private utilities in the financing of activities for renewable resource utilization and energy conservation;

"(C) a description of renewable resource and energy conservation measures which address the following elements within an individual State—

"(i) low-income families;

"(ii) rural residents;

"(iii) urban residents; and

"(iv) agricultural uses; and

"(D) a program which provides for the intervention in State electrical and gas utility regulatory proceedings, where appropriate, to ensure that any proposed rate schedule, rule, regulation or additions to generation capacity does not discriminate unfairly against utilization of renewable resources and energy conservation measures. As used in this section, 'rate schedule' means the designation of the rates which an electric or gas utility charges for energy;

"(4) preparation of a State emergency conservation plan prepared pursuant to the Emergency Energy Conservation Act (Public Law 96–102) and a description of the manner in which such emergency plan will be coordinated with the balance of the State energy plan;

"(5) a description of the provisions for participation—

"(A) by units of local government;

"(B) by Indian tribes; and

"(C) by the public,

which provisions shall include one or more public hearings, regarding the development, modification, and implementation of the State energy plan;

"(6) a program to grant appropriate units of local government authority to enact energy related ordinances which include mandatory measures. To the degree prescribed by the Secretary such program shall grant the authority to enact ordinances for—

"(A) weatherization requirements;

"(B) property tax incentives;

"(C) energy related zoning and land use planning; and

"(D) other measures as the Secretary may determine are necessary to allow and encourage localities to implement a comprehensive community energy strategy; and

"(7) a description of the means by which the preparation and implementation of the State energy plan will be coordinated with plans and programs of State agencies and units of local government for economic development, transportation, environmental protection, coastal management, and other energy-related purposes, and assurance that due regard will be given to the needs of the poor, the handicapped, and the elderly.

"(b) Upon written request by the Governor, the Secretary may grant an extension of time for compliance with any provision of this section.

"(c) If a State so requests, each department, agency, or instrumentality of the executive branch of the Federal Government that either produces or consumes significant quantities of energy within that State shall, consistent with applicable law, provide such available energy-related information as necessary and practicable to assist the State in the preparation of the State energy plan under this section.

"(d) A State receiving financial assistance under this part and which is participating in an energy impact assistance program, or in a coastal zone management program established pursuant to section 306 of the Coastal Zone Management Act of 1972 shall ensure that the State energy plan established under this part is consistent with any plan prepared or information provided pursuant to such energy impact assistance program, or with such coastal zone management program.

"(e) A State receiving financial assistance under this part and which is engaged in electric utility rate reform activities and the consideration of certain standards for natural gas utilities pursuant to title I and title III of the Public Utilities Regulatory Policies Act, shall ensure that these activities are considered in the State energy plan.

"ENERGY CONSERVATION AND RENEWABLE RESOURCES

"Sec. 354. Each State receiving financial assistance under this part in any fiscal year shall provide for—

"(1) implementation of the Building Energy Performance Standards program pursuant to title III of the Energy Conservation and Production Act (Public Law 94–385);

"(2) a traffic law or regulation which permits the operator of a motor vehicle to turn such vehicle right at a red stop light after stopping;

"(3) a program to prevent any unfair or deceptive acts or practices affecting commerce which relate to the implementation of energy conservation and renewable resource measures;

"(4) a program to promote the availability and use of carpools, vanpools, and public transportation;

"(5) a program to utilize energy conservation measures and renewable resources in State facilities that includes mandatory procurement standards and policies to promote energy efficiency and renewable resources; and

"(6) an energy extension program as described in section 504 (a) of the National Energy Extension Service Act (42 U.S.C. 7003) which shall—

"(A) disseminate information and provide advice and assistance to individuals, community groups, and units of local governments regarding energy conservation and renewable resources by means of—

"(i) specific studies and recommendations applicable to individual residences, small businesses, and agricultural and commercial establishments,

"(ii) demonstration projects,

"(iii) distribution of studies and instructional materials,

"(iv) seminars and other training sessions, and

"(v) other public outreach programs;

"(B) make optimum use of existing outreach delivery mechanisms or programs such as State universities, community colleges, cooperative extension services, units of local government, local citizen groups and other public or private organizations involved in active energy outreach programs and avoid duplication of existing services; and

"(C) draw upon the information resources of the National Community Energy Reference Center established in title II of this Act, the National Solar Heating and Cooling Information Center, the Regional Solar Energy Centers, the Solar Energy Research Institute and other information outlets.

"COORDINATION WITH LOCAL GOVERNMENTS

"SEC. 355. A State receiving assistance under this part shall provide—

"(1) for a satisfactory process for consultation with units of local government, Indian tribes, if applicable, and the public—

"(A) in the development, modification and implementation of the State energy plan;

"(B) in the establishment and implementation of a technical assistance program carried out pursuant to section 203 of title II;

"(C) in granting authority to units of

local government to enact energy ordinances pursuant to section 353 (6); and

"(D) to provide information regarding the State energy plan to units of local government for consideration in developing a comprehensive community energy conservation strategy;

"(2) to units of local government appropriate financial assistance in amounts commensurate with the relative responsibilities shared between units of local government and the State in the implementation of the State energy plan; and

"(3) for the direct involvement of those units of local government that own and operate a public utility in the energy demand and supply forecasting activities pursuant to section 353(a) (1).

"ADMINISTRATIVE PROVISIONS

"SEC. 356. (a) (1) A State or unit of local government receiving financial assistance under this part in any fiscal year shall provide that at least 70 per centum of such assistance will be expended by the State or unit of local government for the development and implementation of programs for energy conservation and renewable resources.

"(2) A State may participate in interstate or multi-State regional organizations which provide for the coordination of the State's energy plan with the State energy plans of other States participating in such interstate or multi-State regional organization. Each State may make available directly to such interstate or multi-State regional organization some portion of the financial assistance provided under this subpart for any use consistent with the purposes of this title.

"(3) A State may elect to participate with another State or States to develop, modify or implement a State energy plan which is consistent with the requirements of this part.

"(4) The Federal Trade Commission shall—

"(A) cooperate with and assist State agencies which have primary responsibilities for the protection of consumers in activities aimed at preventing unfair and deceptive acts or practices affecting commerce which relate the implementation of measures likely to conserve, or improve efficiency in the use of, energy, including energy conservation measures and renewable resource energy measures, and

"(B) undertake its own program, pursuant to the Federal Trade Commission Act to prevent unfair or deceptive acts or practices affecting commerce which relate to the implementation of any such measures.

"(b) (1) Each State energy plan shall be submitted biennially to the Secretary. Each State may submit annually to the Secretary a State energy plan. The Secretary shall approve a State energy plan or modifications thereto unless he determines that such plan or modification fails to comply with the provisions of section 353, 354, 355, or subsection (a).

"(2) (A) If the Secretary determines that a State energy plan or modification thereto fails under paragraph (1) or otherwise violates Federal law, the Secretary shall provide the State written notice of intention to disapprove and a statement of the reasons therefor.

"(B) If the Secretary, after affording the State notice and opportunity to present views or take corrective action, finds that the State energy plan or modification thereto is not in compliance with the requirements of paragraph (1), the Secretary shall notify the State that the State energy plan is disapproved in whole or in part and that the State is no longer eligible to receive all or a portion of the financial assistance allocated to the State under this part, until the Secretary is satisfied that there is no longer any such failure to comply.

"(3) Approval of a State energy plan or modification thereto pursuant to this subsection shall constitute approval solely for the purpose of certifying the eligibility of a State for financial assistance under this part.

"(c) (1) For the purpose of providing the financial assistance authorized by section 351, the Secretary shall annually allocate the sums available for financial assistance pursuant to this title among the States in the following manner—

"(A) 75 per centum shall be allocated on the basis of the resident population of the States, as reported in the most current population reports prepared by the Bureau of the Census, Department of Commerce, for general statistical purposes; and

"(B) 25 per centum shall be allocated equally among the States.

"(2) A State receiving financial assistance under this part shall be required to provide funds from non-Federal sources for the development, modification, or implementation of the State energy plan and other programs or measures administered by the State under this part in an amount equal to 20 per centum of the amount allocated to such State under paragraph (1) during each year of such plan or program.

"(3) Funds allocated to any State for any of the first four fiscal years under this part but not obligated by the Secretary in such fiscal year may at the option of the Secretary be reallocated among the States for the following fiscal year.

"(4) Notwithstanding the provisions of paragraph (1), the Secretary may prescribe a maximum allocation for the Virgin Islands, Guam, American Samoa, and the Commonwealth of the Northern Mariana Islands.

"(5) Notwithstanding the provisions of paragraph (1), the Secretary shall annually reserve for the benefit of Indian tribes some portion of the sums available for financial assistance pursuant to this subpart and shall, by rule, prescribe guidelines for the allocation and use of such reserved portion to carry out the provisions of this subsection. The Secretary may, after affording reasonable opportunity for comment by the State, provide financial assistance to an Indian tribe if he finds that—

"(A) such Indian tribe has demonstrated the need for direct Federal financial assistance for such uses as are deemed consistent with the purposes of this title;

"(B) Federal assistance provided under this part will not be used to duplicate or substitute for any energy-related program or activity established by a State or unit of local government for use or benefit of Indian tribes; and

"(C) such Indian tribal government is capable of performing all requirements of this part, including matching requirements under paragraph (2).

The Secretary shall ensure that any Indian tribe which receives direct Federal financial assistance under this subsection shall consult with the State or States in which it is located in the development, modification, or implementation of any energy plan prepared for such Indian tribe. Funds provided under this subsection which are not obligated by the Secretary in any fiscal year shall be reallocated to the States for the following fiscal year in accordance with provisions of paragraph (1).

"(6) Financial assistance provided under this part shall be expended for the development, modification or implementation of the State energy plan and development or implementation of the programs and activities required under this part.

"(7) No funds provided to a State under this part shall be expended—

"(A) to pay the costs of any construction or the purchase of real property;

"(B) to pay all or any portion of the purchase price of equipment, except office equipment; and

"(C) for such other purposes as the Secretary may prescribe.

"(d) (1) After approval of a State energy plan pursuant to subsection (b), the Secretary may amend any existing agreement for financial assistance with a State pursuant to the program for State Energy Conservation Plans pursuant to this part or the program for State energy extension service plans pursuant to title V of the National Energy Extension Service Act (42 U.S.C. 7001) to transfer any available balance of funds under any such financial assistance program or other financial arrangement to develop or implement the State energy plan.

"(2) Except as provided in paragraph (1), nothing in this part shall be deemed to affect any program of Federal financial assistance or other financial arrangement made or entered into by the Secretary prior to the enactment of this part.

"(e) (1) Whenever the Secretary, after affording the State reasonable notice and opportunity to present views, finds that a State receiving financial assistance under this part has failed to comply with the provisions thereof or with any regulation issued pursuant thereto, the Secretary shall notify the State that such State is no longer eligible to receive all or a portion of the financial assistance provided under this part until the Secretary is satisfied that there is no longer any such failure to comply. The Secretary may withhold all or part of further financial assistance under this part for so long as such State is deemed by the Secretary not to comply.

"(2) Whenever the Secretary, after affording the State reasonable notice and opportunity to present views, finds that a State receiving financial assistance under an approved consolidated application has failed to comply with an applicable statute establishing a State energy program or with any regulation issued pursuant to any statute establishing a State energy program, the Secretary shall notify the State that such State is no longer eligible to receive all or a portion of the financial assistance for such State energy program until the Secretary is satisfied that there is no longer any such failure to comply. The Secretary may withhold all or part of further financial assistance to a State energy program for so long as such program is deemed not to comply.

"(f) Each State, unit of local government or Indian tribe receiving financial assistance under this part or under a State energy program shall keep records and shall make reports to the Secretary, which shall include such information as the Secretary may deem necessary to prepare the annual report pursuant to subsection (g) and to facilitate an effective audit and preformance evaluation. The Secretary and the Comptroller General of the United States, or any of their duly authorized representatives, shall have access for the purpose of audit and examination at reasonable times and under reasonable conditions, to any pertinent books. documents, papers, records and reports of any recipients of financial assistance under this part or under a State energy program.

"(g) The Secretary shall include in the annual report required by section 657 of the Department of Energy Organization Act, a report of the actions taken under this Act by States in the preceding fiscal year and an evaluation of their accomplishments and effectiveness.

"CONSOLIDATED APPLICATIONS AND ADMINISTRATION

"Sec. 357. (a) Notwithstanding any other provision of law, a State may make an annual consolidated application for financial assistance authorized under this title and under any State energy program or programs. The portion of the consolidated application for each program shall be approved by the State official or State agency specifically authorized to implement such program under State law.

"(b) The Secretary is authorized to prescribe rules providing for the orderly transition from multiple applications for financial assistance under State energy programs to the consolidated application described in subsection (a). To enable a State to submit a consolidated application for a uniform program period, the Secretary and the appropriate State official or State agency may, by mutual agreement, amend the term and any other administrative provision of any financial assistance awarded prior to the approval of the consolidated application, and may agree that the unexpended balance of any funds made available under such program may continue to be available for the purposes for which such funds were appropriated.

"(c) Notwithstanding any other provision of law, a State may elect, through its consolidated application under subsection (a), to use a portion of the financial assistance provided by the Secretary for administrative costs for any other State energy program for activities which the State is authorized to undertake, pursuant to this part.

"(d) Financial assistance provided by the Secretary under this title may be used by a State to administer other State energy programs as defined by this title, and to administer the utility program established pursuant to title II, part 1, of the National Energy Conservation Policy Act.

"AUTHORIZATION OF APPROPRIATIONS

"SEC. 358. For the purpose of providing financial assistance to the States pursuant to section 351, and for technical assistance and administration of this part, there is hereby authorized to be appropriated to the Secretary for each of the fiscal years ending September 30, 1981 to 1985, $75,000,000 which may remain available until expended.".

AMENDMENT TO THE NATIONAL ENERGY EXTENSION SERVICE ACT

SEC. 302. The National Energy Extension Service Act (Public Law 95-39), is amended by striking out sections 503, 504 (b) through 504 (d), 505, 506, 507, 508, 509, 510, 511, 512, and 513.

Community Energy Act: Summary of Provisions

TITLE I—FINDINGS, PURPOSE AND DEFINITIONS

The achievement of energy security is vital to our economy and to our national security. Increasing energy efficiency is the most rapid and economical method for attaining energy security. States and units of local government face critical problems due to the increased cost of non-renewable energy and inadequate public and private investment in renewable energy. Financial assistance should be provided for local programs to address these problems. Community energy programs should be coordinated at all levels of government, should address the special energy needs and problems of low income persons, and should involve citizen participation directly and through community based groups.

TITLE II—LOCAL ENERGY MANAGEMENT PARTNERSHIP

Section 201—Community energy block grants:

In order to take maximum advantage of existing federal capacity to deliver assistance at the local level and to provide local governments with consistent funding levels and maximum flexibility in solving local energy problems, HUD's Community Development Block Grant authority is amended to establish a separate program to provide grants for energy conservation and renewable resource programs and activities.

Section 201(a) authorizes the Community Energy Block Grant Program for three years, and provides a first year funding level of $75 million out of the $1 billion Solar and Conservation Reserve (P.L. 96-126).

Section 201(b) requires applicants to submit a comprehensive three-year strategy for meeting energy needs. The strategy must include:

A commitment to maintain or increase current expenditures on local energy programs and activities.

A detailed description of energy use, and projections of the timing and amount of savings to be achieved through energy programs and activities funded through the Community Energy Block Grant Program.

An inventory of existing programs at all levels of government which can be used in conjunction with CEBG assistance.

Enactment or modification of local ordinances which mandate or encourage energy conservation and renewable resource use.

Energy conservation and renewable resource improvements to public buildings and residential structures.

Programs to meet the energy needs of elderly and low-income persons.

Specific plans to deal with energy emergencies.

A description of program implementation.

The strategy must be developed in close coordination with the State. The State must be provided an opportunity to review and comment upon the local application to ensure consistency with the State plan. The State would be empowered to appeal directly to DoE where substantial conflicts existed.

The strategy must also be developed in a manner that provides ample opportunity for community and neighborhood groups to be involved in the development and implementation of the strategy. A citizens energy advisory committee must assist in the development of the strategy.

Section 201(c) Prohibits the Secretary of HUD from approving an application if 1) the Secretary of Energy makes a negative finding on technical aspects of the application, or finds that the strategy is not consistent with the State energy plan, 2) the activities proposed are plainly inconsistent with the community's energy needs and objectives, or 3) the applicant is incapable of effectively carrying out its community energy strategy.

Section 201(d) Permits the Secretary of HUD to waive certain application requirements in the first year of the CEBG Program and to make appropriate adjustments in the first year grant. This provision permits local governments who have not initiated energy planning to make use of a portion of CEBG funds to develop a strategy in the first year of the program and to receive full funding for implementation of the strategy in subsequent years. The provision sets forth minimum application requirements.

Section 201(e) Requires submission of applications for CEBG funding at the time of submission of applications for CDBG funding. This provision permits review for consistency in cases where applicants seek funding under both programs and reduces administrative costs. Applications for CEBG funding will be automatically approved 75 days after the deadline for submission unless the Secretary of HUD informs the applicant of specific reasons for disapproval. In taking an action for disapproval, the Secretary of HUD will consider findings by the Secretary of DoE and comments from the Federal Regional Councils. Subsequent to approval of applications, grant amounts may be adjusted by the Secretary.

Section 201(f) Requires annual grantee performance reports.

Section 201(g) Requires the Secretary of HUD to make reviews and audits on at least an annual basis.

Section 201(h) Permits the Secretary of HUD to make adjustments in funding levels based on grantee performance reports and Secretarial reviews and audits.

Section 201(i) Provides that 80% of CEBG funds will be allocated to metropolitan areas. Cities over 50,000, central cities of SMSA's and urban counties would receive entitlement funding based on the present block grant formula with increased population weighting. In making grants to non-entitlement jurisdictions in metropolitan areas and non-metropolitan jurisdictions, the Secretary of HUD will give priority to applications from State and areawide planning organizations (e.g., regional councils and councils of government) when such applications are submitted on behalf of jurisdictions of at least 50,000 people.

Section 202—Energy project grants:

The Secretary of Energy may make grants to units of local government, areawide planning organizations, and States for the purchase, design, and construction of projects which will contribute to a significant reduction in the use of non-renewable energy supplies.

Section 202(a) Requires the Secretary of Energy to promulgate regulations concerning application requirements for Energy Project Grants, and provides for referral of applications for review by the Secretary of HUD.

Section 202(b) Requires the Secretary of Energy to allocate funds on a quarterly basis, and to notify applicants of funding decisions within 90 days of the deadline for application submission.

Section 202(c) Establishes project selection criteria, including:

Cost/benefit ratio.

Percent of project costs contributed from nonfederal public and private sources.

Demonstration and market stimulation value.

Benefit to low-income and elderly residents.

Impact on long term employment and community economic development.

Section 202(d) Prohibits the Secretary of Energy from approving a project grant unless:

The applicant has an energy strategy which meets Community Energy Block Grant requirements.

At least 20% of project costs are provided through non-federal public or private funds.

There is no negative finding by the Secretary of HUD.

The applicant has sufficient technical capacity to implement the project.

The project will significantly reduce local consumption of non-renewable energy supplies.

The project will not have significant adverse environmental, social, or economic impact on the community.

The applicant has provided evidence of citizen participation in the project selection and design.

Section 202(e) Prohibits the Secretary of Energy from funding projects which (1) do not primarily benefit the public and (2) are intended to facilitate relocation of industrial or commercial facilities from one area to another, unless the Secretary finds no adverse impact on employment as a result of the relocation.

Section 202(f) Requires the Secretary of Energy to make reviews and audits of Energy Projects Grants on at least an annual basis, and permits the Secretary to adjust, reduce or withdraw funds as appropriate. The Secretary is also required to submit an annual report to Congress on the Energy Project Grant program.

Section 202(g) Provides that 80% of project grant funds will be allocated to metropolitan areas.

Section 202(h) Authorizes the Energy Project Grant Program for three years and provides a first-year funding level of $7 million out of the $1 billion Solar and Conservation Reserve (P.L. 96–126).

Section 203—Technical assistance:

Section 203(a) Authorizes the Secretary of Energy, (in cooperation with the Secretary of HUD), to establish a National Community Energy Reference Center to provide local governments, areawide planning organizations, and community groups with information and technical assistance with respect to conservation and renewable resources.

Section 203(b) Provides that the Secretary shall not duplicate existing sources of technical assistance and shall utilize existing organizations including federal, state, regional, and community based organizations. Also requires the Center to provide:

An information clearinghouse.

Training institute

Development of new materials.

Assistance to encourage community participation.

Development of comprehensive metropolitan strategies.

Section 203(c) Requires that the activities carried out under this section be coordinated with, and that local governments seek the participation of, appropriate State and Federal entities. States with technical assistance programs for local governments may be funded under this Section.

Section 203(d) Requires the Secretary to make reviews and audits of the program on at least an annual basis, and permits the Secretary to adjust, reduce or withdraw funds as appropriate. The Secretary is also required to submit an annual report to Congress on the program.

Section 203 (e) Authorizes the Technical Assistance Program for three years and provides a first-year funding level of $5 million out of the $1 billion Solar and Conservation Reserve (P.L. 96–126).

TITLE III—STATE ENERGY MANAGEMENT PARTNERSHIP

Section 301—State basic energy program:

This section deletes Part D of the Energy Policy and Conservation Act (P.L. 94–163) as amended, and inserts a new part which consolidates and rationalizes existing State energy programs, provides additional financial resources to states, and strengthens the role of states in achieving national energy goals. Section 302 deletes provisions of the National Energy Extension Service Act which are included in the state energy plan established under this title.

Section 351—Authorizes the Secretary of Energy to provide financial assistance to States and Indian tribes for development and implementation of the state energy plan.

Section 352—Sets forth the basic requirements for financial assistance to states in developing its initial state energy plan. The requirements include:

Designation by the Governor of the state agency which will be responsible for the state energy plan.

Assurance that the state has obtained or will seek such authority as may be necessary to develop and carry out its state energy plan.

Description of state energy programs the Governor intends to continue.

Such other information as the Secretary may reasonably require.

A state would have nine months to submit an application unless granted an extension. The application must include:

Assurance that the funds will be used to implement the state energy plan.

Description of planning activities the state intends to undertake.

Such other information that the Secretary may reasonably require.

The Secretary could approve all or only part of these applications in order to avoid unnecessary delay in allocating at least a portion of the planning funds to the states while deficiencies in any application are resolved.

Section 353—Sets forth the basic elements which the state energy plans must contain. These include:

A description of the state's current supply/demand situation including energy consumption patterns disaggragated by region and local jurisdiction where practicable, and likely sources of energy including renewable resources.

A management plan which identifies those energy sectors in which the state can achieve the greatest energy savings and utilize renewable resources and describes how the state will coordinate other federally assisted or mandated energy programs in order to achieve its energy goals.

A description of how the state plans to implement mandatory energy conservation and renewable resource programs including measures to: remove technical, economic, and institutional barriers; increase participation of financial institutions, and public and private utilities; and address agricultural, rural, low-income, and urban sectors.

A state emergency conservation plan prepared pursuant to the Emergency Energy Conservation Act.

Description of provisions for participation by local governments, Indian tribes, and the public in the development, modification, and implementation of the state energy plan.

A program to grant appropriate units of local government authority to enact energy related ordinances, including mandatory conservation measures.

Description of how the state energy plan will give consideration to the needs of the poor, handicapped and elderly, economic development, transportation, environmental protection and coastal management.

The Secretary has the flexibility to grant extensions of time for compliance with requirements.

Section 354—Requires each state receiving financial assistance under this Act to provide for the following energy conservation and renewable resource measures:

Implementation of the Building Energy Performance standards.

A traffic law or regulation which permits right turn-on-red.

A program to protect consumers from unfair or deceptive practices involving energy conservation and renewable resource measures.

A program to promote the use of carpools, vanpools, and public transportation.

A program to utilize energy conservation and renewable resources in state facilities including mandatory procurement standards which promote energy efficiency and the use of renewable resources.

An energy extension service or public outreach program to disseminate information regarding energy conservation and renewable resources.

Section 355—Requires the state to provide for a "satisfactory process for consultation" with local governments, in the development, modification, and implementation of the state energy plan; in the establishment of technical assistance programs for units of local government; in granting authority to units of local governments to enact energy related ordinances; in providing information to units of local governments in developing community energy conservation strategies. This Section also requires the state to provide appropriate financial assistance to local governments to implement programs required by the state energy plan.

Section 356—Administrative Provisions:

Section 356(a) Requires that at least 70% of the funds made available to the state be used for energy conservation and renewable resource activities in any fiscal year; authorizes states to participate in multi-state and regional activities; the Federal Trade Commission would assist states in consumer protection activities.

Section 356(b) States would submit state energy plans biannually while modifications would be submitted annually. The Secretary is authorized to withhold all or part of a state's allocation until the state has met all requirements.

Section 356(c) Sets forth allocation formula for states with 75% of the funds allocated by population and 25% allocated equally among the states. States would be required to provide a 20% match to its federal allocation. The Secretary would reserve funds for Indian tribes and U.S. territories. Funds provided to states could not be used for construction or purchase of real property and equipment.

Section 356(d) Provides for orderly transition from existing programs to single program.

Section 356 (e) Authorizes the Secretary to withhold financial assistance to states for failure to comply with requirements.

Section 356(f) Requires states to keep records and report on the progress of its energy programs to the Secretary.

Section 356(g) Requires the Secretary to file an annual report.

Section 357—Authorizes states to make consolidated application for financial assistance for this or any other state energy program administered by DOE. States could also use funds made available under this Act to cover administrative costs in carrying out other energy program activities which further purposes of this Act.

Section 358—Authorizes $75 million for FY 81.

COMPARISON OF TITLE III OF THE COMMUNITY ENERGY ACT AND THE ADMINISTRATION'S ENERGY MANAGEMENT ACT (EMPA)

Structurally, title III is essentially the same as EMPA. Both consolidate many State energy programs, provide additional financial assistance to the States, and strengthen the role of the States in achieving national energy goals. But there are several significant differences;

MANDATORY REQUIREMENTS

Both bills require energy demand and supply forecasts, a management plan to coordinate programs, an emergency energy conservation plan, provisions for public participation, an energy extension service, implementation of the Building Energy Performance Standards, and a traffic law for right-turn-on-red. Title III also requires:

1. Program to utilize energy conservation and renewable resources in state facilities.
2. Program to promote the use of carpools, vanpools, and public transportation.
3. Program to protect consumers from unfair and deceptive practices involving energy conservation and renewable resource measures.
4. Program to remove technical, economic, and institutional barriers to the use of renewable resources and energy conservation measures.
5. Program to increase participation by financial institutions and public and private utilities in the financing of activities for renewable resources and energy conservation.
6. Program to address the need for energy conservation and renewable resources in the agricultural, rural, low-income, and urban sectors.
7. Program to ensure that utility regulations do not discriminate against the use of renewable resources and energy conservation measures.

8. Program to grant appropriate units of local government authority to enact energy related ordinances.

FUNDING LEVELS

Title III authorizes $75 million for FY 81, the same level that was appropriated last year. Title III requires that at least 70% of the funds received be used for energy conservation and renewable resource activities. EMPA requires at least 60% be used for conservation, renewable resources as well as energy emergency plans.

OTHER MODIFICATIONS

1. Title III requires, the extent practicable, that the State forecast energy use patterns disaggregated by region and local political jurisdiction.

2. Title III requires that the State energy supply and demand information include renewable resource supplies and the demand for on-site as well as central electric power generation.

3. Title III requires the States managemnt plan to set goals and objectives for the use of renewable resources as well as for energy conservation.

Mr. WILLIAMS. Mr. President, I am pleased today to join my distinguished colleagues, Senators TSONGAS, MAGNUSON, JACKSON, PERCY, KENNEDY, HEINZ, and METZENBAUM in introducing the Community Energy Act. The introduction of this bill concludes months of work to construct a community energy policy for this decade. This effort commenced at hearings which I chaired last December to determine the reaction of witnesses to legislation previously submitted by Senator TSONGAS and myself.

The first section of this bill would authorize $75 million to provide for energy block grants for units of local government to establish comprehensive energy conservation and renewable resource activities. Applicants would be required to demonstrate that their activities would produce a reduction in the per capita consumption of nonrenewable resources.

The second portion of the bill would authorize $7 million for energy project grants to States, areawide government organizations, and units of local government for the purchase, design, and construction of projects which will contribute to a significant reduction in the use of nonrenewable energy supplies. This portion also authorizes $5 million for the establishment of a national community energy reference center to provide technical assistance.

The third and final portion of the bill authorizes $75 million for the State energy management partnership act to consolidate and rationalize existing State energy programs and strengthen the role of States in achieving national energy goals.

From the response we received, it was clear that a comprehensive energy conservation and renewable resource policy, which involves Federal, State, and local governments is critical to the achievement of any national energy goals.

Moreover, witnesses emphasized that our present lack of any program involving local governments in conserving energy entails enormous costs. Perhaps the most eloquent statement about this cost was made by Ms. Margaret Morgan of the New York City energy task force. Ms. Morgan presented a slide of a multifamily rental housing building in the Bronx. The building's top stories were in flames. What was so discouraging was that this was the 13th fire in 14 days in this apartment building. For the owners, arson produces fire insurance revenue; rents can no longer keep pace with utility bills.

New York City suffers a loss of 12 buildings a day through abandonment or arson. Each loss represents more families who will be homeless, and an enormous additional financial burden on the city of New York—a burden it can ill afford.

But what most profoundly concerns me is this steady urban decay—almost a cancer—which is directly attributable to increased utility costs. New York, New Haven, Seattle, Portland and other cities can already identify those multifamily residences which are imminent targets for arson or abandonment.

What these cities lack to combat this problem are the resources to make energy retrofits which could assure the continued habitability of these structures.

The tragedy of families constantly evicted and made homeless by increased oil prices is overwhelming. It is both disheartening and frustrating that cities can identify the cause, and yet be impotent to put in place the energy improvements which would save enormous replacement costs later.

Make no mistake about it, each abandoned building and each incident of arson spawns new, unanticipated local, State, and Federal costs. There are families to be relocated. There is a loss to the property tax base. There is a loss of jobs associated with the formerly inhabited building. There is crime which seems to fester in unoccupied building structures. And then there are new construction costs to replace the abandoned, burned-out residential structures.

Even for the many buildings that are yet to be abandoned, increased utility costs drain funds away from needed maintenance and other expenses. Local governments, however wise they know an energy investment would be, are often too fiscally strapped to be able to make the long-term investments on their own.

Mr. President, I have devoted my comments to the particular impact of energy costs on housing—for housing is so interrelated to energy and of such special concern to me. However, my concern goes far beyond the effect on housing-related activities.

The Congress and the administration have recognized that the future of this Nation is intimately tied to our ability to be self-sufficient in energy. To that end, we have already agreed in the synfuels conference committee to allocate a substantial authorization toward the development of synthetic fuels—a potential resource which will not be fully available for at least 10 years.

In this decade, our most effective means of reducing reliance on OPEC oil will be through reducing our present consumption and increasing our use of renewable resources. To the extent we are able to make this type of investment in efficiency now, we will be able to recycle savings back into our own domestice economy rather than to foreign governments, and we will be able to reduce the demands by the next generation on synthetic fuels as they become commercially available.

We have placed greater faith and reliance in the unstable Persian Gulf area than we have in our ability to make use of the enormous influence that local government can wield in advancing conservation as a much more American energy alternative.

Mr. President, in a year when a balanced budget is on all of our minds, I am aware of the concern about any new programs or any increased expenditures. I share this concern. But in this instance it is a question of whether we make modest expenditures now, or ever-increasing expenditures through the decade. It is a question of whether we make an investment in our own Nation, or whether we make major contributions to the petro-dollar laden Persian Gulf nations. It is a question of responsibility to our own cities, our elderly, and our poor.

I am convinced that an immediate investment will provide welcome returns—boths from a human and an economic vantage point. I do not believe we can afford to wait 10 years for solutions. I would perfer to demonstate our faith in our own State and local governments instead of foreign governments. We have the capability and the Technical capacity to succeed. I just hope that we have the will.

In the course of the development of this legislation, we have sought the advice and counsel of Federal agencies, Banking and Energy Committee staff, governors, mayors, and other elected officials. We have held three hearings.

As a result of this process, we have adopted an approach which we feel will work without any additional administrative costs. This bill will neither expand the bureaucracy nor establish new agencies. It was carefully constructed to make efficient use of existing Federal programs which have been successful from both the Federal and local perspective.

We are combining the effective delivery mechanisms of the Federal Government and coordinating the technological expertise and experience of the Department of Energy with the many years of community experience of the Department of Housing and Urban Development.

Finally, we have attempted to assure that this program will result in substantial energy savings. We believe that communities should be able to plan realistically for the future with an incentive to make substantial per capita income reductions. Thus, rather than create a competitive grant program through which a community would be required to make expenditures without any idea whether its application would be approved, we have tried to write a program which will only make funding available after the recipient demonstrates potential per capita energy savings, thereby assuring the community of grant approval.

We are too great a nation to force

families to shiver in their homes, to force people to give up their jobs because of transportation costs, to forego investment in human and economic terms we so clearly need in this country. We can and must coordinate our faith in this Nation and in our Federal system to make our Nation energy independent.

I look forward to comments and suggestions from my colleagues, and I urge them to join in creating a comprehensive energy policy.

THE COMMUNITY ENERGY ACT

Mr. PERCY. Mr. President, I am pleased to join with Senator Tsongas and Senator Williams in cosponsoring the Community Energy Act. This legislation will provide an important framework to promote intergovernmental cooperation in reducing our nation's consumption of nonrenewable energy resources.

Few people will deny the crucial need to reduce our Nation's dependence on imported crude oil. Rising oil prices are a major cause of our current unacceptable inflation rate and these oil imports also pose a constant threat to our national security. The quickest and most economical way to reduce our consumption of imported oil is through conservation.

Unfortunately, the potential for conservation has been ignored by too many people. I am encouraged, however, by the growing realization among my colleagues that energy conservation represents a major untapped energy reserve. Three years ago, Senator Hubert Humphrey and I founded an alliance of businessmen, private citizens, consumers and producers committed to encouraging energy conservation. This alliance, the Alliance to Save Energy, now claims over 150 members from the Congress.

Many people have also equated energy conservation with sacrifice. This is a grave mistake. Conservation will require us to sacrifice nothing but our current wasteful energy practices. The economic well-being of the United States can be maintained while reducing energy consumption. No longer should we adhere to the myth that the more energy we consume the better off we are. In fact, increasing environmental damage may be the price we have to pay for increased energy consumption. Recent research and analysis—backed up by a growing reservoir of actual experience—have shown that our Nation's economic output can double by the year 2010 without consuming more energy than we consume today. A number of business—including International Harvester and A.T. & T.—have increased their output while reducing energy consumption and a number of communities across the Nation have taken the initiative to embark on conservation programs that have met with a great deal of success.

Dade County, Fla., has been particularly effective in eliminating energy waste in its own operations. By purchasing more fuel-efficient equipment, the county cut the fuel consumption in its automobile fleet by 37 percent between 1972 and 1978. During 1977, the county implemented conservation measures in its buildings which reduced electricity consumption by 20 percent. Governor Rockefeller has implemented similar measures in the West Virginia State Capitol complex which have resulted in a 13 percent and 47 percent decrease in electricity and gas consumption respectively.

The city of Davis, Calif., has focused its efforts on the residential sector. In 1975, the city passed an energy-conserving code for residential construction and since that time the use of electricity and natural gas in Davis homes has dropped by 18 percent. This reduction is particularly impressive when one considers that only a small percentage of the city's homes have been built since the code went into effect. Local residents attribute much of this savings to voluntary actions taken by Davis residents whose awareness of the energy problem was increased by the discussions preceding the code's adoption.

Lastly, Mr. President, the city of Carbondale in my own State of Illinois has retrofitted its water treatment plant with energy saving equipment which will save sufficient energy to pay for itself in 14 months. Carbondale is also embarking on efforts to encourage carpooling, vanpooling and bicycling. These are only a few of the examples of steps being taken by communities across the country.

Undoubtedly, other localities could achieve similar success in conserving energy. There is a large reserve of local knowledge that could lead to even greater conservation efforts if the proper support was given. The Federal Government can play an important role in supporting these activities and allowing communities to develop conservation projects suited to their own local conditions.

Recognizing the potential for energy conservation at the local level, I introduced legislation in the 95th Congress and again last year to enhance cooperation among Federal, State, and local governments for energy conservation. My legislation included a demonstration grant program, a technical assistance program and an energy reference center to promote conservation projects at the community level.

The Community Energy Act being introduced today builds upon my earlier concept and includes some of the provisions of my earlier measures. The Community Energy Act will create a community energy block grant program and a community energy project grant program to promote energy conservation and renewable resource activities. This bill also creates a National Community Energy Reference Center to provide technical assistance in the planning and implementation of these local activities. This center will also serve the important function of a clearinghouse for information on the activities of communities which have undertaken conservation and renewable resource programs thereby allowing localities to share and learn from the experiences of similar communities. This is a very important provision of the Community Energy Act.

I take pride in joining Senator Tsongas and Senator Williams in introducing this legislation. Intergovernmental partnership and cooperation is necessary if we, as a nation, are to reduce our consumption of petroleum and I look forward to working with my Senate colleagues for the passage of this bill.

Mr. TSONGAS. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. Has the Senator concluded his remarks?

Mr. TSONGAS. I have.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. EAGLETON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR EAGLETON

The ACTING PRESIDENT pro tempore. The Senator from Missouri.

SENATE RESOLUTION 406—SUBMISSION OF A RESOLUTION RELATING TO EMERGENCY CREDIT ASSISTANCE FOR FARMERS

Mr. EAGLETON (for himself, Mr. Exon, and Mr. McGovern) submitted the following resolution, which was referred to the Committee on Agriculture, Nutrition, and Forestry:

SENATE RESOLUTION 406

Whereas the cost of producing agricultural commodities in the United States has increased at such a dramatic rate that the economic survival of the Nation's farmers is seriously threatened

Whereas current economic conditions in the United States and the President's suspension of grain sales to the Soviet Union have depressed farm commodity prices below the actual cost of producing such commodities

Whereas the President in his economic policy message to the Nation on March 14, 1980, gave assurances that the credit needs of farmers would be adequately met;

Whereas the financial situation of farmers has reached the critical stage because the planting season has arrived and they are without reasonable credit sources to finance the production of their 1980 crops; and

Whereas unless credit on reasonable terms and conditions is made available to the Nation's farmers in the immediate future, they will be unable to produce the food and fiber supplies upon which the United States and many other countries depend:

Now, therefore, be it

Resolved, That it is the sense of the Senate that the Secretary of Agriculture should—

(1) immediately formulate and carry out through the facilities of the Commodity Credit Corporation an emergency loan program to assist farmers in meeting the cost of producing their 1980 crops;

(2) make loans under such program at a rate of interest not greater than 13 percent and accept the 1980 crops of the borrowers as security for such loans; and

(3) in the event that the Secretary determines additional legislation is necessary to carry out such an emergency loan program, report such determination to the Congress within 10 days after the date on which this resolution is agreed to by the Senate together with such recommendations for leg-

islation as may be necessary to provide the emergency loan assistance needed by the Nation's farmers.

SEC. 2. The Secretary of the Senate shall transmit copies of this resolution to the President and the Secretary of Agriculture.

Mr. EAGLETON. Mr. President, we all know that these are tough times economically.

No segment of our economy has escaped the ravages of inflation or the pain of galloping energy prices. But in no sector has that pain been more intense, and in no sector posed a greater threat to our very survival, as in the agricultural sector.

Today's farm picture is deplorable. Prices are in the basement. Costs are in the attic. Credit either is unavailable, or is available only at prohibitive costs.

To many Americans, the President's and the Federal Reserve's credit policies have come to look like fighting inflation with inflation, and to most people that does not make much sense.

It makes the least sense on the farm, which was severely depressed economically even before interest rates started to skyrocket, and which faces economic disaster now. The farmers today are caught in an inexorable squeeze. The commodity markets will not return them the cost of production when they sell last year's crop. They face dramatic increases in their basic 1980 production costs—including fuel, fertilizer, seed and credit—which threaten to keep them from even planting this year's crop. Their local bankers, who provide the lion's share of farm credit in States like Missouri, are telling them that money will cost at least 50 percent more this year, if money is available at all. And, if that money is available, they are being told, it will be available only if the farmers have the immediate cash flow to pay it back.

Mr. President, this is a serious situation not only for farmers, but also for the 96 percent of us not involved in the production of food and fiber. If the farmers cannot get the credit they need right now, while the planting season is upon us, they will be forced to reduce their planting, to reduce their use of expensive fertilizer and chemicals, and therefore to reduce their yields significantly.

Reduced yields will quickly impact on the rest of our economy, both in the form of even higher food prices here at home, and an even bleaker balance of trade picture abroad.

Because of this, I think it is foolishly, even dangerously, shortsighted to allow our farmers to be denied the credit they need in the name of fighting inflation. The resolution I am introducing today encourages the administration to move immediately to implement a farm production credit program which will make money available at reasonable rates. I suggest that we use the existing commodity loan program of the USDA's Commodity Credit Corporation. Farmers should be allowed to borrow money at 13 percent, the current USDA rate for its commodity loan program, using their 1980 crop for collateral. They should be able to borrow up to the value of one-half of their normal production, with the local ASCS determining each producer's normal crop acreage and his established yield. The use of these funds should be limited strictly to production expenses—no new land or equipment, just the seed, fuel, fertilizer and chemicals necessary to grow this year's crop. The real costs of this proposal will be minimal, since participating farmers will repay the loans with interest.

Mr. President, I do not offer this suggestion as a panacea for the problems of American agriculture. Farmers still will have to deal with low commodity prices, with the weather, and with all of the other uncertainties which traditionally challenge the agribusinessman. However, my proposal at least will give the farmer the money he needs to grow this year's crop, and it also may instill in the farmer a bit of new confidence in his Government's ability to respond meaningfully and expeditiously to farm problems.

I believe that the President already possesses sufficient authority to carry out this proposal. Should the administration decide that additional legislative authority is needed, I call upon the President to forward a bill to Congress, and I pledge to make its quick passage my top priority. In any event, I must, I must reemphasize the urgency of this situation. The President must act decisively, and he must act right now. Every day that we wait means less food on the grocery shelves and more red ink in our foreign trade ledger. The growing season waits for neither President nor Congress. This is a problem we must deal with today.

Mr. President, I yield back the remainder of my time.

Mr. President, I suggest the absence of a quorum, and ask that the time be charged to whatever time I have remaining.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered. The Chair recognizes the majority leader.

ORDER VITIATING ORDER FOR RECOGNITION OF SENATOR STEVENS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, at the request of Mr. STEVENS, that the order for his recognition be vitiated.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business, as in legislative session, for not to extend beyond 30 minutes, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

VOCATIONAL EDUCATION

Mr. COCHRAN. Mr. President, we all realize what a tough job we have in trying to allocate in a fair and effective way the limited resources of the Federal Government among the many programs and functions of our departments and agencies.

As we carry on this budget debate, there is one special area of concern I would like to mention in some detail. It is the important role vocational education is playing in my State of Mississippi, and throughout our Nation.

I recently received a report from the Director of the Division of Vocational and Technical Education of the Mississippi Department of Education, which amounts to a compelling argument for continued Federal financial support of vocational education. I agree very strongly with this fine point of view.

I urge my colleagues to consider carefully the importance of this program, and I ask unanimous consent that this report be printed in its entirety in the RECORD.

There being no objection, the report was ordered to be printed in the RECORD, as follows:

STATE/FEDERAL VOCATIONAL PROGRAMS IN MISSISSIPPI—PUBLIC LAW 94-482

Vocational education in Mississippi continues its mission to educate, train and provide guidance for all persons who seek to develop the knowledge, skills and behavioral characteristics necessary for successful employment in occupations that do not require a baccalaureate or higher degree. Latest statistics show that in our state approximately 90 percent of the occupations in the category of not requiring a college degree. These statistics indicate the potential for training and the tremendous responsibility that must fall on vocational education so that training needs will not go unmet.

The passage of the 1963 Vocational Act provided a great impetus for funding vocational education, not only in Mississippi, but on a nationwide basis. Since implementation of the 1963 Act parallels can be readily identified that show increases in per capita income of Mississippians to be closely related to greatly expanded vocational training that was brought about as a result of that Act. Manufacturers in the state continue to equate industrial growth with the expansion in vocational education and the specialized training that has been provided for them.

After passage of the 1963 vocational legislation, the State of Mississippi received about the same amount of federal money as was being appropriated from state and local funds, providing about a 50–50 match between federal funds and state and local funds. That match has steadily decreased over the years until we now are experiencing about a 12–1 match, that is we provide about 12 times as much state and local funds as federal funds. Yet the responsibilities placed on vocational education continue to escalate, so that proposing cuts in federal allocations at this time would seem to be neglecting the responsibilities that have already been established.

Vocational education in Mississippi consists basically of an administrative unit composed of a director, four assistant directors and two staff positions. There are four basic units in the organizations, each performing duties and responsibilities related to efficient operation of vocational programs, while providing technical assistance and consultative services to the 4400 vocational programs throughout the state. Presently the Vocational-Technical Division of the State Department of Education is made up of 96 administrative and clerical positions, and 13 positions funded through the Mississippi Manpower Development and Training Act, a state allocation to vocational education for providing training to underemployed and unemployed adults in Mississippi. Of the 109 positions, there are 46 clerical-secretarial and 63 administrative positions. There are 15 blacks on the staff and 62 females. These figures represent an approximate 8 percent decrease in total staff since 1970, while during the same period the number of vocational programs in the state has doubled.

The Vocational-Technical Division of the State Department of Education provides the technical and consultative services in many different facets of vocational education throughout the state. These services include administration, budgeting and accounting, equipment utilization, program supervision planning, evaluation, teacher training, public relations, research, curriculum development, construction of facilities, industrial training for new and expanding industries, career education counseling and student activities. There is a well qualified and efficient clerical staff to support these activities.

Presently vocational education activities are carried on in 95 comprehensive vocational centers, 28 of these centers being located in the junior colleges, and 67 in secondary or high school settings. Every school district within the State of Mississippi has some type of vocational training available to its students.

Vocational training in Mississippi is offered in the areas of Agriculture, Distributive Education, Health, Home Economics, Business and Office Occupations, Technical, and Trade and Industrial Occupations. In addition to these general areas, there are specialty programs such as Industrial Arts, Group Guidance, Remedial, and Cooperative Education. Special emphasis is placed on students who are disadvantaged or handicapped. Total enrollment in vocational education in Mississippi will approach 185,000 in 1980. Of this number approximately 25,000 will complete training requirements and be ready to enter productivity in the job market during the year.

Cooperative education provides an opportunity for students to receive valuable "on the job" training experience while continuing to complete academic requirements in high school. These students are employed part-time in a local business and attend regular classes during the remainder of the day. They receive units of credit toward high school graduation for successful job activities. In October of 1979, a statewide survey showed that cooperative education students earned slightly over one million dollars for the month of October. Based on this survey cooperation education students will earn nine million dollars during the 1979–80 school year. These students are contributing to the state's economy while preparing for marketable careers through vocational education. Also, since the students' laboratory is in the places of business there is no need for a large investment in equipment by the school.

Training in high school vocational centers is offered on 3-hour blocks, one group of students coming in for a block of instruction during the morning, and another group during the afternoon. The junior colleges offer specialized vocational and technical programs in which the student spends the entire school day in a training situation until they complete the necessary hours to enter into the occupation for which they have trained.

The Adult Vocational Education Section of the State Department of Education, Vocational-Technical Division, currently offers training programs to employed adults across the state. Training programs are currently being offered to adults employed by a variety of new and existing industries.

Adult vocational education classes are offered in a wide variety of occupations through industry, local school districts and secondary and post secondary vocational facilities. Adult vocational classes are designed to meet specific employment needs of industry, to upgrade skills for adults already employed, and to prepare individuals for entry-level employment.

The increasing technological complications of the world of work constantly threaten employed persons at all levels. With new industry moving into the state, with the expansion of existing industry, and with emerging occupations, there is an increasing demand for adult vocational programs throughout the state.

INDUSTRIAL TRAINING

The Industrial Training Unit is a relatively new addition to the Industrial Services and Special Projects Section. This unit conducts special short-term programs for industry and other private enterprises. Programs are conducted by contract with local junior colleges, using public training facilities or facilities provided by the industry. Both start-up and in-plant supplementary and preparatory programs are provided.

During 1979 programs of this nature were provided for 45 companies, with persons enrolled. Of that number 3525 completed program requirements for a 93 percent completion rate. The cost per student was only $103.80.

Adult vocational education is an organized sequence of learning for an individual so that predetermined or developed learning objectives are pursued.

Individuals involved are those considered adults by virtue of age, social role, and the opportunity to make their own decisions.

Adult vocational education may be for credit in high school, beyond high school, or for no credit. It may be self-paced or imposed, formal or informal; and, also, it may attempt to reach individuals or groups of individuals.

Adult vocational programs are for: (1) persons who have already entered into the labor market, (2) persons who are unemployed, or persons who have completed or left high school and who are enrolled in organized programs of study for which credit is not given toward an Associate or other degree.

Adult vocational education programs mean, "organized education programs which are directly related to the preparation of individual for paid or unpaid employment or for additional preparation upgrading and retraining for a career requiring other than a Baccalaureate or Advanced degree."

TYPES OF ADULT VOCATIONAL PROGRAMS

Adult Preparatory (part-time study). This is a program designed to provide training for persons who have already entered the labor market, or are unemployed but need retraining in preparing for a new occupation.

Adult Supplementary (part-time study). This program is designed to provide training for persons who have already entered the labor market and need training to be updated to achieve stability or advancement in their current employment.

ADULT APPRENTICESHIP PROGRAMS

Where needs exist and funds are available, the local schools shall, under the supervision of the State Vocational Education Division, offer instruction for apprenticeship programs. Where such instruction is offered, the following assurances shall be met:

a. The vocational training is supplemental to the on-the-job training experience of the apprentice.

b. The worker involved in the apprenticeable occupation must be at least 16 years of age, except where a higher minimum age standard is otherwise fixed by law.

c. The apprenticeship training agreement must specify a given length of planned work-experience training through employment on-the-job which is supplemented by related instruction.

d. The skill trade must possess all of the following characteristics:

1. It is customarily learned in a practical way through training and work on-the-job.
2. It is clearly identified and commonly recognized throughout an industry.
3. It involves manual, mechanical, and technical skills and knowledge.

e. In Mississippi, all apprenticeship programs and apprentices are registered and trained according to the standards of apprenticeship programs as outlined in 29 CFR Part 29 (Department of Labor Apprenticeship Programs).

Vocational programs are offered in two of the correctional institutions in the state; Oakley Training School and Parchman Penitentiary. In addition vocational training is offered in special institutions such as the Mississippi School for Deaf, Mississippi School for the Blind, as well as cooperating with the Vocational Rehabilitation Division of the State Department of Education to assist students requiring special training.

The Vocational-Technical Division enjoys a high degree of cooperation with other state agencies, such as the Mississippi Employment Service, Mississippi Economic Development Board, the Governor's Office of Job Development and Training and several others.

The State Occupational Information Coordinating Committee provides valuable data coordinating activities enabling the Vocational Division to utilize enrollments and training needs information across Mississippi so that programs are relevant to the economy of various areas of Mississippi.

The Mississippi State Advisory Council for Vocational Education is composed of a cross section of Mississippians who supply valuable advice and guidance in operation of total vocational programs in our state.

Vocational education continues to meet the needs of Mississippians who need training or retraining to make themselves productive citizens. Through the efforts of a National Congress, funds have been made available that have provided a tremendous assistance to the state in helping vocational education continue to grow and expand a viable economy that benefits the entire state. Even though productivity fell in the United States during 1979, in Mississippi it continues to rise. We believe vocational education is a major contributor to that trend.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

NOMINATION OF WILLIAM A. LUBBERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the nomination of Mr. William Lubbers, of Maryland, which the clerk will state.

The legislative clerk read as follows:

> Nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.

The Senate resumed consideration of the nomination.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HEFLIN). Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, I am pleased to open the second day of the Senate's deliberations on the nomination of William Lubbers to be General Counsel of the National Labor Relations Board.

I do not have a great deal to say this morning that is different from the statements I made yesterday. In fact, the issues raised by opponents of this nomination during yesterday's deliberations are the same issues that were raised during the committee's deliberations on this nomination, and the same arguments I responded to in my statements yesterday.

These arguments were not convincing to the Committee on Labor and Human Resources, and I know they will not be convincing to the Senate. In fact, each time the arguments are stated, their inherent weakness becomes more apparent. There is, simply, no substance or merit to the opposition to this appointment.

Rather than reiterate all the flaws in the arguments made yesterday, I simply want to mention one or two that bear emphasis; and then I want to clarify a few factual matters that were stated incorrectly by opponents of this nomination yesterday.

One point that has become very clear is that Mr. Lubbers is not receiving equal treatment. He is not being judged by the same standards that have been used to judge other nominees to the position of General Counsel of the Board.

For example, when Peter Nash was nominated to be General Counsel in 1971, his nomination was not contested. The committee carefully reviewed his credentials and his competence, and we found that he was a competent labor lawyer and was a man of integrity. With his basic competence and integrity established as a matter of record, there was no serious question that we would accept the choice of the President in filling this position.

It is worth noting, also, that neither the AFL–CIO nor other labor organizations attempted to drum up opposition to Mr. Nash, despite the fact that his private practice experience had been entirely as a management representative.

Of course, that may have been because Mr. Nash, in fact, had relatively little experience in collective bargaining law. He had been a member of a firm in Rochester, N.Y., for about 7 years, during which he had practiced law in a variety of areas of concern to labor relations. One of those areas of the law was, of course, collective bargaining. But he did not concentrate on that area to the exclusion of other areas of practice. Indeed, when Mr. Nash came into the Government, it was not to work with the Federal law that regulates private sector labor relations. Rather, Mr. Nash first entered the Government as an associate solicitor in the Labor Department, dealing with the equal employment opportunity Executive order that is applicable to Government contractors and with the Executive order that regulates Federal agency labor relations.

Mr. Nash's successor, John Irving, is another illustration of this point. As a Republican nominee facing confirmation proceedings in a Democratic Senate, he was not subjected to the kind of highly partisan attack that is being mounted against Mr. Lubbers.

At the time Mr. Irving was nominated, we could have made much of the issue of experience, as is being done with regard to Mr. Lubbers. Mr. Irving had far, far less labor relations experience than Mr. Lubbers when he was nominated to be General Counsel.

For example, Mr. Lubbers is criticized for never having practiced law as a partisan of either management or labor. Mr. Irving had never practiced collective bargaining law at all, except for 5 years at the board, where he served in various positions.

In fact, Mr. Irving himself has expressed disagreement with the argument that experience in private practice is important for a General Counsel of the National Labor Relations Board.

In a recent interview with the Bureau of National Affairs' daily labor report, Mr. Irving was asked "whether he regarded experience outside of government as a prerequisite to selection of a new General Counsel." Mr. Irving replied:

> I can't very well say that experience outside of government is necessary to be the General Counsel, particularly inasmuch as I've never had any experience outside of government.

Of course, it is fair to conclude that Mr. Nash shared Mr. Irving's view that private practice was unnecessary, because Mr. Nash chose Mr. Irving to be his deputy, with full authority to act in place of the General Counsel, despite this supposed lack of experience.

Of course, it would not do to merely state this argument in the negative. The fact is that Mr. Lubbers' experience at the Board has been the best possible training to be General Counsel. This is a point that we well established in yesterday's discussion. But I shall add just one additional quotation from the committee's hearing record. Prof. Thomas Christensen had this to say on the issue of experience:

> Certainly no question could be raised as to his extensive experience and training in the administration of the act; few possess its equal.

In this regard, it is well to remember that the basic purpose of the Labor-Management Relations Act is to protect the rights of employees. It is not to foster the institutional interests of either management or labor. Experience as a partisan advocate of the interests of either management or labor—the experience that opponents of the nominee say he lacks—is not the kind of experience that is likely to develop a finely honed understanding of the basic, underlying purpose of the law—protection of employees' rights.

On the other hand, the record shows conclusively that Mr. Lubbers has a thorough understanding of the interests of both management and labor under our labor relations law.

As was pointed out by former Board Chairman McCulloch, Mr. Lubbers has had involvement with 1,500 to 2,000 labor law cases during his service as staff counsel, supervisory staff counsel, and deputy chief counsel to Mr. Fanning, as contrasted with the 40 or 50 cases that Mr. Miller said he had as a lawyer in private practice before he became Board Chairman.

And former General Counsel Nash has pronounced Mr. Lubbers to be "a superb lawyer." So my question to the opponents of this nomination is a simple one—how can an admittedly superb lawyer with experience in 1,500 to 2,000 labor law cases be accused of not having the credentials to be General Counsel of the National Labor Relations Board?

I urge my colleagues to forsake this devisive and rhetorical opposition to this nomination. It is baseless, and it can only serve to exacerbate the unfortunate strain which already exists in labor-management relations in this country.

Finally, I should like to clarify several small factual points that were made yesterday by opponents of the nomination.

First, as I have said, the General Counsel is nominated for a term of 4 years, not a term of 5 years, as was stated by someone in the debate yesterday.

Secondly, it was asserted that Board Chairman John Fanning has indicated that he would resign if William Lubbers is not confirmed as General Counsel. This is an unfounded statement, and Chairman Fanning flatly denied it.

As a matter of fact, he was asked at our hearings, by the Senator from Utah, this question:

> In benefit to you, you did say that you felt that it could harm Mr. Lubbers' career. I do not share your viewpoint on that; but I could see why you might feel that way. Are there any other personal reasons why you feel this is so? This must occur or you are not going to remain on the National Labor Relations Board?"

Mr. Fanning responded:

> I never said that, sir.

In further explanation of his views, Mr. Fanning stated:

> I would hate to think—and I may be misjudging their questions—but I would hate to think that anyone who has given honorable service to the agency would be disqualified from aspiring to a higher position in the agency because of their association with me. I would feel as though I had blighted his or her career; that is all.

On this point, I would just like to add that I share Chairman Fanning's shock and sadness that a long record of excellence in public service could be used as an argument against appointment to higher public office. I would hate to think that this body would, in effect, tell every civil servant that no matter how well they serve, no matter how unanimous is the view that they are highly competent and have high integrity, that their service will disqualify them for higher office in their chosen field of specialization.

Finally, to clarify one additional factual point, I observe that it was former Board Chairman Betty Murphy who recommended to Bill Lubbers that he be a candidate for the position of Executive Secretary. Again, the selection of Bill Lubbers was a question of the merit of the candidate. The Executive Secretary position is a competitive service position. The candidates were rated by an intra-agency panel. Bill Lubbers received the highest rating, and was subsequently selected by a vote of 4 of 5 of the Board members, including the two Republican members Murphy and Jenkins. He was not, as suggested yesterday, appointed to the position by Chairman Fanning.

Mr. President, with those clarifications, I hope the record will be read with greater understanding in the search for judgment on the issue of the nomination of William Lubbers to be General Counsel.

Mr. President, I ask the usual unanimous consent that that not be considered a second speech on this issue.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LUGAR addressed the Chair.

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. LUGAR. Mr. President, it is a pleasure this morning to take part in this debate on the nomination confirmation of William A. Lubbers to be the General Counsel of the National Labor Relations Board.

I have appreciated the opening comments in this day's session by the distinguished chairman of the Senate Human Resources Committee, who has set forth the case once again for Mr. Lubbers. I shall speak in opposition to that nomination.

In partial response to two comments made in the debate thus far this morning, I cite a newsletter which was distributed by the Chamber of Commerce of the United States of America. This particular issue is Action Call of January 11, 1980, in which the statement is made by the Chamber of Commerce of the United States with regard to former national member Betty Southard Murphy, and I quote:

SIDE EFFECT: MURPHY RESIGNS NLRB SEAT

Despite support from business and unions. Republican NLRB member Betty Southard Murphy was forced to resign when the White House refused to nominate her for a new term unless Lubbers was confirmed as General Counsel. Murphy resigned rather than become a "political hostage" in the Lubbers' confirmation battle.

Thus, also at stake is the appointment of a suitable Republican to the vacant NLRB seat. A union victory in the Lubbers' issue puts organized labor in a position of strength, increasing its clout in the naming of Murphy's replacement. Thus, it becomes more important to block Lubbers' confirmation to a 4-year term.

WHY IS THIS APPOINTMENT SO IMPORTANT?

The NLRB's General Counsel is not simply another government lawyer. He wields tremendous power over management and labor in the investigation and prosecution of unfair labor practices charges. Because his decision is unreviewable, his failure to investigate or file a complaint in an unfair labor practice case leaves the aggrieved party with no legal recourse. On the other hand, if a complaint is issued by the General Counsel on the basis of a frivolous charge, needless harassment results. Finally, if the General Counsel deliberately delays his decision, he may as a practical matter affect substantive rights.

For example, if a union is illegally picketing business property, the employer should have confidence that the General Counsel will impartially investigate and prosecute unfair labor practice charges, and do so in a timely fashion. Or, if a union brings frivolous charges before the General Counsel, an employer has a right to expect that he will not be harassed by unnecessary prosecution of such charges. In short, management needs to have confidence that the General Counsel will be fair and impartial as the "public" prosecutor of unfair labor practices.

It is essential, therefore, that the General Counsel be independent, impartial, and experienced.

WHY IS LUBBERS UNQUALIFIED?

Lubbers lacks the independence, impartiality, and experience necessary for the job.

Independence? For twenty years, Lubbers served on the staff of present NLRB Chairman John Fanning. During that time he helped write many of the pro-union decisions issued by Fanning and the NLRB. Prior to that, Lubbers served for six years on the staff of former NLRB member Abe Murdock. A total of twenty-six years on the staff of an NLRB member—and now he is expected to be "independent" from NLRB members?

Impartiality? Mr. Lubbers has helped write decisions for one of the most pro-union members of the NLRB—John Fanning. Lubbers acknowledges offering "technical assistance" to union leaders during the labor law "reform" fight last year, even though as an NLRB employee he should have remained neutral. It is interesting to note that, early in his career, Lubbers was employed as an organizer for the American Federation of State, County, and Municipal Employees (AFSCME). And now he is expected to be impartial?

Experience? With the exception of his AFSCME employment, Lubbers has spent his entire career in Washington with the NLRB, writing decisions from case files. He has no "hands on" experience. He has never been responsible for administering a huge staff, spread out around the country. And now he is expected to be "experienced" enough to administer the NLRB's thirty-three regional offices?

Mr. President, I simply draw the attention of my colleagues to these basic problems with the nomination. Much has been said about them, and much more will be said during the course of this debate. But it is very difficult, it seems to me, in commonsense, to make a case for independence of this nominee.

It is even more difficult to make a case for impartiality of this nominee. The experience of the nominee is not of the sort that is relevant to the administration of the office he seeks. Very clearly, the battle lines have been drawn on this nomination because the nominee does not have the confidence of labor and management in this country. He does not have the confidence at all of a broad spectrum of persons who are interested in these issues. Yet, he is being nominated to wield enormous authority in an area in which there is a lack of confidence, to say the least.

It is not surprising that most of the communications that have come to me and to my colleagues have been from labor unions favoring the nominee, and from businesses opposing the nominee. There is an absolute polarization of this nomination, and for good reason.

The positions of Mr. Lubbers, his experience, and his ties are so well known and so manifest that almost no one has any confidence that there is any possibility of impartiality, of judicious procedure, in this respect.

It seems to me to be very important, at the outset, to ponder, as part of this debate, why such a nomination would be made, why it would be persisted with. Clearly, the President of the United States, by making an interim appointment after the nomination of Lubbers ran into trouble last December, has the best of all worlds. Mr. Lubbers is in the process of acting now, influencing labor law as he proceeds. It is conceivable that, in the event this President and this administration are not successful at the polls in 1980, the whole question might literally be resolved as the whole lot went out of office. But the President has persisted. He wants 4 more years—a process of literally influencing labor law by an enormous tilt, acknowledged by both sides of the issues, not for just this year, not for an interim appointment, but for 4 years to come. This is intolerable, and this is the reason why the debate goes on—simply because we are not talking about a simple process of a Government lawyer seeking a nomination. We are talking about an enormous change in the course of law, without the law being enacted on the floor of the Senate or the House or through conference of the two branches.

Many of us have had this experience during the labor law reform debate, talking about change that might or might not be useful, but most of us are not prepared to see that occur through making decisions for 4 years without having a debate on the floor. That is why the debate persists. I think it is perfectly clear why the debate persists.

I want to take advantage of having the floor this morning to be on record on one of the important philosophical points of this debate: that we should discuss the history of the separation of functions of the General Counsel's office and the National Labor Relations Board, and the separation that exists today, as it has evolved through the history of labor law. I shall read extensively about this history of separation, so that all Members may have the benefit of this argument.

In only 3 years after the passage of the first law governing labor relations, the Wagner Act of 1935, a special committee was established to study splitting these functions or duties initially assigned to one agency. Some of the problems under the first legislation are highlighted before actual testimony is quoted.

The train of thoughts from 1938 when the Smith committee undertook a study of the Wagner Act until the passage of the Taft-Hartley amendments in 1947 and finally the current status of functions is established. As can be readily determined, problems of maintaining the functions of judge, jury, and prosecutor in one office appeared quickly. The testimony cited in this report contains opinions gathered from a wide cross-section of both labor and management. Both sides conceded the unfairness of the initial structure.

After the historical perspective, a brief synopsis of the current operation of the General Counsel's Office and the National Labor Relations Board clearly establishes how well this dichotomy of functions is working. The problems that were sought to be remedied have been, and the two independent branches have been and are functioning in the manner proposed by the 1947 amendments.

I. THE SMITH COMMITTEE REPORT

The National Labor Relations Act of 1935, the Wagner Act ("Act"), provided for a National Labor Relations Board ("Board"). This panel was to consist of three members, appointed by the President with the advice and consent of the Senate. Their duty was to administer the act, that is, investigate, hold hearings, and issue decisions and orders. It soon became apparent that this consolidation of functions in one Board was not workable. See, U.S. Senate, Subcommittee of the Committee on the Judiciary, Hearings, Investigation of the National Labor Relations Board, 75th Congress, 3d Sess., 1938.

From the beginning, there was only loose supervision of the field offices and the handling of cases varied from region to region depending upon the experience and personalities of the staff. Warnings had to be issued to the staff concerning improper fraternization with union and union attorneys, improper pressure on employers to accept settlement, and various other indiscretions. The Board had no adequate administrative plan or organization to handle its work. Personnel difficulties in some of the offices, although known to the Board, were not all straightened out during this period. Handling of complaint cases varied from careful and objective investigation in accordance to the terms of the act to instances at one extreme where almost all cases were found to be without merit and at the other where employers were "bulldozed" into settlements beyond the legal requirements.

Against this background, the U.S. House of Representatives established a Special Committee to Investigate the National Labor Relations Board, also known as the Smith committee. This committee took testimony and then made suggestions for the better administration of the act. I shall cite and present now some of the testimony along with the conclusions of the Smith committee.

The report of Regional Directors' Subcommittee to Committee on Administration contained many suggestions so as to improve the operations of the Board. As for the Board's administrative duties, the following comments were made:

> The problem of coordination derives largely from the dual functions of the Board proper. Of necessity any administrative board must divide its efforts and time between judicial duties and its administrative or managerial responsibilities. If it were not so pressed for time, the Board itself would no doubt want to devote more time to the task to which your subcommittee is directed, which is essentially a management problem. Since some division of time must be made between 'managing' and 'judging,' however, and since the requirements of 'due process' make it essential that the Board give its primary attention to argument and decision of cases, it must of necessity delegate its managerial and coordinating functions to others.
>
> This it seems not to have done to the greatest possible degree, a reflection neither on the confidence the Board gives to its administrative officers nor of its own ability to manage. There apparently exists, however, an unwritten rule that every matter on which there can be two differing judgments must be taken to the full Board for decision (with the exception of authorization requests and appeals which are referred to one member for decision wherever possible). Such a rule does not tend to develop responsibility in making decisions down the line.
>
> It results in a condition whereby the Board, through necessity as well as through choice, is compelled to spread its time too thinly over a multitude of duties and details, many of them not requiring the judgment and special talents of the Board members whose primary responsibility must be on cases.
>
> James Landis states in The Administrative Process, "A further factor that makes against administrative adjudication having those qualities that it should appropriately have is that the members of an administrative agency rarely have the time and opportunity for thoroughly scrutinizing a record and coming to their own conclusions as to what it establishes. Their own functions may be so time consuming that the actual process of adjudication is delegated subject to only slight supervision."

The Board has been most careful not to permit this condition to be existent in relation to its judicial work. It appears, however, that the backlog of cases awaiting action by the Review Division is in part at least due to the demands on the Board's time made by administrative duties, and the resultant failure of the Board to keep up with the flow of cases ready to be reported. This backlog of 200 unassigned cases in the Review Division plus several hundred assigned cases derives from the 1937 to 1938 period when hearings ran to the tune of more than 100 per month with a 2-to-1 ratio of complaint to representation hearings. The present rate of about 65 hearings, consisting of 40 representation and 25 complaint cases per month indicates relief, and that the decision load will be reduced in time (a period estimated as 6 months).

It seems, however, that the Board must consider the review of decisions as its primary function and that the accumulation of any substantial number of reviewed cases awaiting their disposition before final drafting should not be a recurring condition. Such a situation requires a review man to switch his attention to several other cases before completing consideration of any one, and of necessity reduces the tempo of the review division. Moreover, the stimulation of the review attorneys by a speedier handling of proposed decisions by the Board would undoubtedly accelerate the work of the Review Division attorneys.

Further development of the program for review of intermediate reports by the review attorneys and their adoption as Board decision undoubtedly will improve this particular situation. Independent study by each Board member of the proposed decision, the intermediate report, the objections, and a written report on the transcript by the review attorney might be a time saving procedure if a substantial number of cases could be disposed of in that manner, with joint discussion on only those cases in which there was disagreement.

While noting that experiment in the manner of handling its judicial duties might be productive, we do not feel that this subject lies within the scope of our task. We do feel, however, that in fairness to itself as well as to the entire organization, the Board should undertake more direct delegation of administrative responsibilities and leave to department chiefs the deciding of routine questions.

A review of Board administrative agenda, as distinguished from its review agenda, discloses that the Board devotes its time to the following subjects:

1. Cases:
   a. Advice to regional office as to handling.
   b. Review of appeals or dismissals.
   c. Review of authorization requests.
   d. Review of proposed settlements.
   e. Review of proposed stipulations.
   f. Review of enforcement proposals.
2. Administration:
   a. Issuance of subpoenas.
   b. Reports from regional directors on special subjects.
   c. Space.
   d. Budget.
   e. Special problems (instant study; rules, revision, etc.).
3. Personnel:
   a. Appointments.
   b. Reclassification.
   c. Transfers.
   d. Severances.
   e. Leave advances.
   f. Union grievances.

It appears to the subcommittee that the Board could well relieve itself of such tasks as selection and assignment of personnel other than departmental and regional executives, of transfers, leave, union grievances, reclassification of other than executive titles and salaries. This can be done if adequate personnel division is established as recommended below, to collaborate fully with the division heads directly.

It also follows that the establishment of a special regional division in Washington should relieve the Board of more of its case work, particularly if there were collaboration between the legal division heads and the regional division head. Unless due process is an issue, it hardly seems necessary that a Board member should, for instance, review all appeals on dismissals, particularly where the Washington regional coordinator agrees with the regional directors' decisions. Proposed settlements, advice to regional officers regarding the handling of cases, authorization requests, subpena questions, problems of space, and public relations could also be reduced in number insofar as reference to the Board is required, if better coordination of department heads was accomplished, and there was more encouragement of executive decisions.

We are of the opinion that by a clearer organization of the administrative division work through division of labor and specialization of duties, a more continuous flow of case work can be realized. However, the more subdivision of work, the greater the need for integrating the efforts of the various departments, the greater is the need to join together their thought processes in arriving at decisions. This need has been recognized in the use of various ad hoc committees, such as the instant one, the committee on revision of the rules, the special committees on particular cases such as Goodyear.

Therefore, to accomplish the dual ends of relieving the Board of much detail and of affording better contacts between the various divisions, we are recommending that there be established permanent "administrative committees" or an "advisory council" for consideration of such routine matters as the Board may wish to delegate to it, its deliberations with recommendations to be reported to the Board. This committee might well consist of the heads of the legal, administrative, economics, trial examiners, information, regional, and personnel divisions, although the attendance of only such members as were affected by the day's agenda should be required. It should meet periodically at a regular time, with the Board's secretary as its secretary, and keep full minutes for submission to the Board of such questions as the "council" decides should be referred to the Board.

Such a committee could not only relieve the Board and its secretary of a substantial number of routine decisions, but of equal importance it would provide for regular and frequent direct contacts between the heads of the various divisions of the organization. This latter purpose in our opinion could not be accomplished by the appointment of an administrative assistant for each Board member, as has been suggested. It could be undertaken on a trial basis without seriously disrupting the existing organization, and should require little increase in staff or in other expenditures. It seems essential to provide an avenue of regular contact between divisions, to avoid misunderstandings, and hearsay rumors, and to benefit through more use of joint thinking processes by the best minds in the organization.

FINDINGS AND CONCLUSIONS

First. The administrative division is insufficiently organized;

Second. Because of lack of organization the administrative process has suffered in effectiveness;

Third. Too many functions are centralized in the secretary's office and there is too little delegation of responsibility.

Fourth. As a result of overcentralization the secretary's office is overburdened with work;

Fifth. There is too little coordination between various Washington divisions;

Sixth. There is too much isolation and too little coordination between Washington and regional offices.

Seventh. A definite personnel policy is lacking;

Eighth. The Board is participating in too many administrative details, and

Ninth. These findings constitute some of the major causes of the delays which have provoked criticism.

Hearings before the Special Committee to Investigate National Labor Relations Board, House of Representatives, 76th Cong., 2d Sess., 1939, pp. 5805–5806.

The chairman of the committee, Mr. Howard W. Smith of Virginia, after careful examination of the evidence drew his own conclusions about the administration of the act. One of his comments is as follows:

> The next amendment, Mr. Chairman, is that amendment to section 3(a) which provides for a new Board, and that is the most vital and important amendment proposed by our special committee. This Board has been the trouble about this whole situation. I am now prepared to say that if we had a Board that paid some attention to the ordinary rules of common fairness and common justice and American jurisprudence, we could get along very well with this act without further amendment. I know there will be an attempt to defend this Board on the ground that they have done well, and there will be an attempt to throw a lot of mud on those who do not agree with them, but I want to tell you some of the things that have been said about them.
>
> You know, without saying it, that industry in this country has unanimously condemned this Board. I am not going to read you or tell you what industry says about this Board, because I am afraid it would not be fit to print in the CONGRESSIONAL RECORD, but you all know what industry thinks about it.
>
> Mr. KELLER. Mr. Chairman, will the gentleman yield?
>
> Mr. SMITH of Virginia. I decline to yield.
>
> I want to read you a couple of little statements. I will tell you later who made them. Listen to this one:
>
> "But our complaint is against the administration of the act. We believe that the act has been administered contrary to both its spirit and letter. We charge the Board with maladministration, with bias, with an attempt to apply their own peculiar philosophy in the disposition of cases, rather than the provisions of the act.
>
> "The Board in our judgment is anything but a judicial body."
>
> It was not the National Association of Manufacturers that said that, it was not the United States Chamber of Commerce, and it was not some of us reactionaries or so-called labor haters. This statement was made by President William Green himself on the record on oath before the Smith committee.
>
> I want to read you another little statement. Listen to this one:
>
> "But when the act is so administered as to thwart the development and maintenance of stable industrial relations, then it becomes necessary to consider and weigh carefully whether the benefits of the act outweigh organized labor."
>
> That statement was not made by the Association of Manufacturers nor the Chamber of Commerce nor the labor haters; it was made to the annual convention by the outstanding militant labor leader of this country, John L. Lewis.
>
> There is the condemnation of both great branches of American labor. The condemnation of the industry of this country is too well known to all of you for me to discuss that subject. I want to pass to the next amendment.
>
> The next amendment, section 3(d), separates the judicial and the prosecution functions of this Board. It prevents this Board from going out into the field and investigating charges, then having its own attorneys prepare those charges, then the same agency prosecuting those charges before itself as a court, and then itself deciding its own case.
>
> To be brief with you, I am merely going to read one sentence from the opinion of Judge Earl Major, who many of you will remember as a former distinguished Member of this body, in his opinion rendered in the Inland Steel case, when he reversed that Board and reprimanded them very sharply, and here is what Judge Major said about it:
>
> "What this record as a whole convincingly discloses is the danger of imposing upon a single agency the multiple duties of prosecutor, judge, jury, and executioner."
>
> *Id.*, pp. 7755–7756.
>
> Mr. SMITH. But, above all, no agency of this Government must be permitted to set up strife or to strafe, or hamstring, or prosecute the industries of the country upon which our safety now depends.
>
> The evidence adduced before our special committee is irrefutable and overwhelming.
>
> That Labor Board as now constituted is definitely partial to the radical C.I.O. labor movement.
>
> That the Labor Board persistently seeks to punish and persecute the industries of the country, sometimes to the point of bankruptcy.
>
> That Labor Board destroys legitimate, independent labor unions because they refused to become affiliated with the national unions.
>
> That the Labor Board is honeycombed with employees who do not even believe in our system of private ownership of property, upon which our whole industry is based.
>
> That the Labor Board itself, with full knowledge of the distorted philosophy of these employees, persists in retaining them in key positions.
>
> * * * * *
>
> As a result of his 4 or 5 years' experience he just could not think of any single thing that could be done to make the law any better, or to make its administration any more effective.
>
> Mr. Chairman, the trouble with the Board is that it is close-minded. Its determination to stand against all criticism and all suggestion is, I think, its principal defect. That arbitrary close-mindedness reflects itself all the way down through the personnel. I said to Mr. Madden one day when he was before us: "What kind of people do you pick for your regional representatives and your agents in the field?" He said: "Mostly lawyers." I said: "What kind of lawyers are they?" He answered: "Well—you know, Congressman, you cannot get good lawyers for the salary that the Government pays."
>
> Our late lamented colleague, Mr. Heinke, interposed: "If you cannot get good lawyers, what kind of lawyers do you get?"
>
> Mr. Madden replied: "Mostly young men right out of law school."
>
> Mr. Chairman, I submit to the membership of this House that all of us on the male side can remember when we graduated from college, law school, or wherever it was that we received our education. We have a picture in our minds of the kind of young fellows we were at that time. Most of us, I imagine, and I hope, were radicals. I know I was. Somebody has said, "Anybody who is not a radical at 21 and a conservative at 45 is either a fool or a failure." I think most of you recall that we were impatient with the world which our parents and our ancesters had produced. We were not for reform. We

were long on knowledge of books and short on knowledge of human nature. We were well fitted by our education for the jobs we got, which were jobs as shipping clerks or law clerks, or as, in my case, timekeeper in a construction camp. We were thoroughly competent to enter the business or professional world at the bottom, which was where we did enter. But suppose when we graduated we had been put immediately on the public pay roll, suppose we had been furnished with a liberal expense account and given carte blanche to go into little businesses and big businesses, having ourselves never seen a laborer or met a labor leader, never having been in business and having no idea of what makes a business run, having no conception of the difficulties of showing a profit in a business; suppose we had been sent out in to the industries of the country to dictate to them in respect to their labor relations. What a lot of public nuisances we would have been.

That is exactly what has happened in the N.L.R.B. I believe that any three Members of this House who have had any sort of reasonable experience in business and in dealing with labor problems could have been put in as members of the Board and we would not have had 10 percent of the trouble that has attended the administration under the Board that was selected.

While I voted to bring the Norton amendments on the floor for consideration, I served notice in the committee that I would not support the first amendment, that I intended to speak against it on the floor. The first amendment would merely add two members to the present Board, which is tantamount, it seems to me, to a vote of confidence in the present Board. It is equivalent to saying to the present Board, "You have done very well and we are going to add two more fellows just like you so that you can carry on and not work so hard." I do not want to give a vote of confidence to the present Board. I want to abolish it.

I would add, Mr. President, parenthetically, breaking the train of thought of Congressman Smith, that one of the points I made at the outset of these remarks is that experience is one of the issues in this debate on the nomination of Mr. Lubbers.

The contention is being made by those of us who oppose the nomination that Mr. Lubbers does not have substantial experience in business. As a matter of fact, his experience in business is negligible. The very problems that Congressman Smith alleged back in the Smith Committee days, 1938, 1939, now more than 40 years ago, with regard to the early problems of the National Labor Relations Board, exist all around us as we consider this particular nominee.

The facts are, of course, that Mr. Lubbers has been in practice for a long time, and Congressman Smith's thoughts about the young lawyers coming out of law school without experience are not pertinent to one who served 26 years in one capacity or another in service of various members of the NLRB.

But the facts are that that type of experience is not peculiarly relevant to a confidence that might come of business and labor people in this country that Mr. Lubbers understands business. It is not really clear that he understands business at all, and some would say there is no reason why he ought to; that the full reason he is being nominated is to have a safe vote for one bias on the board and that, in fact, any understanding of business, large or small, that might cloud that vote would be a good reason for having pulled him off to begin with.

In short, Mr. President, we will get back again and again to the fact that there is in this nomination a tilt which is so blatantly obvious that literally the country cries out for some recognition and commonsense, that the President should stop sending over nominations that are clearly pro-labor and persisting in those without any thought of offering some commonsense judiciousness or evenhandedness in what is supposed to be a pretty serious business of equity between parties.

The hearings of the subcommittee continued and Mr. ANDERSON of California spoke up. He said:

Mr. Chairman, I am sure no Member of the House has less regard for the National Labor Relations Board and its administration of the Wagner Act than I have. I am heartily in favor of abolishing the present Board, and I intend to support most of the Smith amendments.

Let us take a look at some of the dismissals that are occurring down at the National Labor Relations Board at the present time. I make particular reference to one of the trial examiners who has recently conducted a case out in my district in California. Mr. Madison Hill, whose service goes back to November 1, 1937, and who was listed in point of service as No. 16 in a roster of 38. He has received notice that his dismissal becomes effective tomorrow. His efficiency as of January 1, 1940, was rated as very good. On February 27, 1940, he was recommended for a raise in pay. He is a veteran with 3 years of service in the armed forces of this Nation, but he is going to be dismissed.

Let us take a look at a few of the recommendations that have been given Mr. Hill. The following excerpt is from a letter sent to me by the respondent in the case conducted in my district:

"Have just noticed by a newspaper clipping that the Labor Board has dismissed half a dozen of its examiners, including Mr. Madison Hill, who tried our case. We were impressed, as were our attorneys, that Mr. Hill was both able and fair; and understand his record, as far as court reversal, etc., is concerned, is A-1. In fact, I think that from any rating worked out he is about first on the list. He has not rendered a decision as yet in our case, so you will realize that the results in this have not influenced my feelings for him."

During the above-mentioned trial, a very conservative paper that has no more regard for the National Labor Relations Board as presently constituted than I have, wrote the following editorial, which I would like to read in its entirety:

[From the San Jose Mercury-Herald]

AN NLRB ASSET

The National Labor Relations Board hearings of the Security Warehouse case is still in progress here, so comment on its issue would be improper at this time. But as the hearing enters its eighth week, praise is long overdue for the fair and judicial manner in which it is being conducted by Examiner Madison Hill.

His rulings excluding hearsay and immaterial testimony and his suggestions for efficient and speedier presentation or evidence have shown him to be a sound and conscientious lawyer. His patient good nature in curbing and soothing irrelevant and anrgy colloquies reveal him to be a man of common sense and balanced emotions.

Though the Wagner Act does not bind him to strict court procedure, Examiner Hill has contributed a legal example in the present hearing that should assist the N.L.R.B. in meeting current criticisms. In the live-and-let-live discipline he has brought to the Security Warehouse case, he aids the evolution of civilized labor relations.

But, nevertheless, Mr. Hill is going to be dismissed. I became interested in his case. I contacted Mr. Hill and I looked up further references in regard to other trials which he has conducted. He has a splendid record. I understand only two or three of his cases have been reversed, and I would like to insert here a letter submitted by the C.I.O. attorneys in the Maytag case, one of the most difficult cases that Mr. Hill had to act on as trial examiner.

LAW OFFICE, JOHN CONNOLLY, JR.,
Des Moines, Iowa, May 28, 1940.

To Whom It May Concern: This office has had the privilege to appear as counsel before Mr. Madison Hill, who acted as trial examiner for the National Labor Relations Board in the Maytag case. We were in constant attendance of this case from July 18, 1938, until October 19, 1938.

This case was conducted under very trying circumstances. At one time the Governor of the State of Iowa attempted to adjourn the hearing. This case involved many witnesses and something like 11,000 pages of transcript. We especially desire to commend the trial examiner, Madison Hill, upon his conduct of this case. This case was the outgrowth of a very bitter labor controversy wherein the community of Newton took a very active part. The community was divided in its sentiments and thereby contributed to the bitterness of the struggle. The so-called Mohawk Valley plan had been streamlined by the Maytag management. We mention these things in order to point out the extreme difficulties encountered by the trial examiner.

We found Mr. Hill to be a man of splendid judicial temperament. At no time during the hearing did he in any manner display an unjudicial attitude. The hearing was conducted in a calm, businesslike manner. From the hearing and the ruling on the evidence we discovered that Mr. Hill was a lawyer of great ability, that he well understood the rules and principles of evidence and made his rulings in a fair and impartial manner. We can frankly say that we have never encountered any court or judge who was able to keep the facts straight in its or his mind as was Mr. Hill. At the conclusion of the hearing all counsel involved, including ourselves, counsel for the Government, and counsel for the Maytag Co., publicly and in the record expressed their appreciation for the fairness and the ability of Mr. Hill in conducting the examination.

We believe Mr. Hill was an outstanding trial examiner. We believe that he possesses all capabilities of an excellent lawyer, a man with a judicial turn of mind, and has a high regard for the responsibility placed upon him. We cannot too highly recommend Mr. Hill for a position of trust.

Very truly yours,
JOHN CONNOLLY, Jr.
C. I. MCNUTT.

I would also like to insert here a letter from ex-Senator Loftin, of Florida, which refers to Mr. Hill in most complimentary terms:

LAW OFFICES, LOFTIN, CALKINS
ANDERSON, AND SCOTT,
Jacksonville, Fla., May 29, 1940.

To Whom It May Concern: In the case of the National Labor Relations Board against The Peninsular & Occidental Steamship Co., hearings were had in Miami and Tampa, Fla., between November 11 and 20, 1937. Madison Hill, Esq., presided over these hearings as trial examiner for the Board; and as general counsel for the steamship company I had

> opportunity to observe his conduct and demeanor.
>
> I think I can say that all counsel in the case were impressed with the manner in which Mr. Hill presided over the hearing and with his fair, dispassionate, and impartial attitude as between the parties. Certainly his conduct of the hearings reflected credit upon the Board. Mr. Hill's rulings showed that he was not only familiar with the rules of evidence but that he was able to separate the wheat from the chaff and concentrate on the real issues involved.
>
> I understand that Mr. Hill has presided over many important hearings for the Board, and I can say that from my personal experience in the P. & O. case I was very favorably impressed with him.
>
> Very truly yours,
>
> SCOTT M. LOFTIN.

Then we come to the conclusion in the colloquy of the Smith committee and Congressman Anderson.

> But Mr. Hill is going to be released from the National Labor Relations Board, while Mr. Saposs and his satellites, against the expressed will of Congress, are going to be retained.
>
> Now the Smith committee has investigated the case of Mr. Madison Hill—
>
> (Here the gavel fell).
>
> Mr. HALLECK. Mr. Chairman, I yield the gentleman from California 1 additional minute.
>
> Mr. ANDERSON of California. The Smith committee had no criticisms from either the respondents or the unions in the case of Mr. Hill, but they have definite proof that he was criticized by employees of the Labor Board for his fairness. Now, are we going to continue to let the National Labor Relations Board, an autocratic bureaucracy, administer this law as they are intent on administering it, or are we going to change the act so that it can be administered as Congress intended it should be? [Applause.]

Mr. President, this testimony from the Smith committee, as I related at the beginning of the recitation of this testimony, was the beginning of an attempt on the part of the National Labor Relations Board to separate functions of the General Counsel's office and the Board and the beginning of the evolution of separation that exists today.

It is a relevant point with regard to the nomination of Mr. Lubbers because we are trying to talk about separation of functions; we are trying to talk about not only the experience, or lack of it, of the nominee, but we are trying to talk about independence of members and independence of functions.

It was, in fact, this consideration which obviously permeated the atmosphere of the very first congressional investigation of the National Labor Relations Board—the need for these separations came early on.

And I am relating this morning for the RECORD, so we may have a full consideration of this point, some history of one of the earliest of the hearings that pertained to this point.

Mr. Harry N. Routzohn, of Ohio, a member of the Smith committee, revealed the following:

> Mr. Chairman, I had to sit and hear the charge made directly against me that I was an enemy of labor. I was not born with a silver spoon in my mouth. My father was a laboring man. My entire relationships were with laboring men. I am the only professional man among all of my relationship today. I was born in a little three-room cottage, and my father at that time was a streetcar driver, working for $1.25 a day. I have continued to live in the same neighborhood—I was going to say in the same environment, but I will change that, because it is not the same environment. The laborers who were making $1.25 a day then are making much more today and they are living under better conditions. I am not living in the same house I was born in because they erected a monument to me by putting a post office where I was born. The Democrats did that, the only good thing that I know they have ever done for me so far. [Laughter.]
>
> So if the lady would have just explained herself why I am an enemy of labor, I would have felt a lot better about it.
>
> I represented labor for 10 years—organized labor, an international brotherhood of labor, for 10 years—before I came here. Evidently they did not think I was an enemy of labor or they would not have had me on their pay roll during all that time. I could take the lady back to that same neighborhood where I live today, and where I was born and raised, and nearly all of them are laboring people, and I believe she would not get very far back there by charging me as being an enemy of labor.
>
> I came here with the understanding and feeling—and I still have it, notwithstanding the charge that has been made on this floor by a number of individuals—that there are no enemies of labor in the membership of this House, that we are all here friends of labor. Of course, there is such a thing as being a false friend. Labor has its false friends. The Knights of Labor, if you please, that went out of existence back in the eighties, had some false friends, and the false friends are what put the Knights of Labor out of business. Then there have been some enactments that organized labor thought were wonderful things, which proved not to be. Labor has found the fruits of victory turn to ashes on its lips on two, if not three, different occasions that I know of. I remember the Sherman Antitrust Act, that was considered at the time of its enactment a great boon to labor—and I say that advisedly, because that statement was made by none other than Samuel Gompers, the president of the A.F. of L. Then later on they found that was not such a boon to labor, but, like Banquo's ghost, it came back intermittently, and today it is still haunting the ranks of organized labor.
>
> Then we had the Clayton Act, which Samuel Gompers declared as the Magna Carta of labor. Surely they have found some fault with the Clayton Act today and organized labor is not finding it what it was supposed to be.
>
> Then we had the Wagner Act. That was brought on, sponsored and advocated by the American Federation of Labor. You have heard the statements—I will not attempt to repeat them today—indicating that it has not proven to be the bill of rights that William Green said it was at the time of its enactment.
>
> I would like to refer you to what was stated by the gentleman from New York [Mr. Barton] in his argument that we do not pass perfect bills in this House at any time and that anyone who says we cannot improve our legislation is just too stubborn, if you please, to realize that changes can become necessary in the working out and application of the legislation we pass.
>
> I agree with some of the statements that have been made heretofore by those who are attempting to keep us from having any enactment of amendments. I agree with them that it is the administration of the act which has caused all this trouble. That has been and will be the bone of contention on the floor of this House throughout the consideration of this bill. We stand divided here today on the proposition of whether or not we shall have amendments to the bill. Those who are advocating no amendment to the bill are those who are striving to save the Board personnel who are now administering the act. Those advocating changes in the act maintain that the one thing that is needed above everything else is a change in the Board, that if we accomplish this there will be some chance of having proper administration of this act.
>
> I would like to answer a question that was asked Tuesday by my friend the gentleman from Utah. He wanted to know what was wrong with the Board. He stated that the Board was all right; that the difficulty was that some of the staff had committed things that were not entirely proper, but the Board itself was immaculate and nothing the Board had done could be criticized. In the brief time remaining to me let me call attention to some acts of the Board which I believe you should know—acts which show how it has been maladministering this law. I have in my hand a letter that was written by Edwin S. Smith, a member of the Board, which explains this wonderful record about which you have been hearing so much. Before I read a portion of this letter, let me explain why they have a good court record. Those who compiled statistics on the court record of the National Labor Relations Act have included the cases that were taken into court upon purely procedural matters—cases that did not have a thing to do with the Board's conduct, or, rather misconduct. In other words, the cases did not review the judgments of the Board or its administration of the act. Before we are through you will find that it is a record built up mostly on procedural matters.
>
> What about their other records? They started out with the purpose—and all these bureaus do the same thing—of making everything a matter of record. If you write a letter to the Board, that is made a matter of record, and they proceed to make a case file out of it. Such instances repeated a great number of times make a big record. Let me reveal the attitude of the Board in this respect by reading a portion of a letter written by Edwin S. Smith, a member of the National Labor Relations Board, under date of October 30, 1935, to Charles W. Hope, regional director of the Board in Seattle, Wash. Mr. Smith in this letter is taking the regional director to task because the regional director was not building up a record that satisfied the Board. In this letter Mr. Smith said:
>
> "It seems to me that you are still somewhat laboring under a misapprehension about the matter of filing charges. There is no reason at all why any regional board should not accept any charge even though later it persuades the party bringing the charge to withdraw it on the basis of obvious lack of jurisdiction, etc. Technically, under the laws we are not supposed to be proceeding on cases unless we have formal charges. The charge in and of itself is merely a piece of paper without any special significance, which starts our machinery going. In other words, there is no special virtue in making the unions feel it is a difficult thing to file a charge with the Board. Anyone should have a right to do so merely by requesting the proper form to fill out.
>
> "If at the end of a month you have 100 charges and 50 of them have withdrawn because of the complainant having decided that he really has no case, or because the matter has been settled, this looks like a substantial record of business done by the Board."
>
> That is the manner in which they built up their record, and this is only one of a number of letters I could cite to you. (Here the gavel fell).
>
> Mr. HARTLEY. Mr. Chairman, I yield 5 additional minutes to the gentleman from Ohio.
>
> Mr. ROUTZOHN. I call your attention in particular to the postscript of this letter reading as follows:

"Another reason why it is valuable to have charges filed is that in an attempt to get compliance you will have more of a grip on the employer if you can tell him a charge has been filed against his company and you are anxious to straighten the matter out."

A grip on the employer is what they were after from start to finish.

Mr. HOFFMAN. Mr. Chairman, will the gentleman yield?

Mr. ROUTZOHN. I have not time, for I want to read something else that is interesting. Let me tell you another thing about Edwin Smith.

Edwin Smith has been consorting with this fellow Bridges a long while, too long to remain a member of this Board. [Applause]. Prior to this day, January 11, 1938, Edwin Smith sent a telegram to the regional director out in California for the regional director to get in touch with Harry Bridges and to have Harry Bridges call Edwin Smith in Washington on the long-distance telephone and charge the call to the United States Government. I do not know, of course, what he wanted to discuss with Bridges at that time, but he sent the wire, and the call was made, according to Smith's own admission. And then Bridges, the alien from Australia, writes to the Board and tells the Board he does not like the assignment they have made of a regional director to Hawaii. He did not like him, he was not strong enough, as this letter shows. I am going to put it in the Record, for I have not time to read it to you.

He was not strong enough to deal with the employer interests in Hawaii, so he says, "We must have a different man out there. How about Bert Edises?" Mr. Smith writes back and states, "I have taken it up with Board and we are sending Edises to Honolulu." That is what they actually did. They took orders, if you please, from Harry Bridges.

I wish I had time to read all the nice, fine, congenial correspondence that has been going on between Harry Bridges and Edwin S. Smith.

These letters are as follows, this one is dated January 11, 1938, to Mr. H. R. Bridges, regional director, Committee for Industrial Organizations, San Francisco, Calif.:

DEAR MR. BRIDGES: Thank you for your letter of January 8.

I agree with you as to the importance of having the right sort of man in Hawaii, and the Board has this very much in mind. We had intended to send Edises to Hawaii to hear the pending case of the Plantation Owners' Association, not to keep him there, and we have not sent him simply because of pressure of matters around San Francisco. The problem is not an easy one to solve.

I am sorry to hear what you have to say about the dissatisfaction with the San Francisco office. I had hoped that the personal difficulties which seemed to have arisen there had been straightened out at the time of our regional conference.

If you ever get to Washington, I should be glad to talk these matters over with you.

Sincerely yours,

EDWIN S. SMITH.

First, Mr. President, I add parenthetically that, even in those days, 1938, in a situation when the National Labor Relations Board heard from a particularly powerful leader of organized labor, as Mr. Harry Bridges certainly was, the Board seemed to respond. Hopefully, it does not respond so directly presently to entreaties of this sort, but the issue of this nomination is the fact that the President of the United States is certainly responding to calls of certain labor leaders in our country who are dissatisfied with the current decisionmaking process of the Board. They are simply not prepared to see a degree of evenhandedness. They simply want Mr. Lubbers there to cast a safe vote, one that really has no chance attached to it.

It is a remarkable request, surprising that the President has honored it and persisted with it. But that is the basic issue before us, whether, in fact, once the call goes out—this time to the President of the United States—he responds and nominates a perfectly safe vote and this body sits back while the procedure goes on, a perfectly transparent tilt, if there ever was one.

Mr. President, during the course of this debate, I may wish to go further into the history of the separation of powers. This morning, I have discussed the early hearings and conclusions of the Smith committee. It became apparent that, in the early days of the National Labor Relations Board, its small membership, attempting to handle both judicial and administrative procedures, had a good number of problems. These were testified to by leaders of business, organized labor, and the public and, proceeding from the Smith committee, reforms were instituted of separation of authority, separation of powers. It would be the contention of those of us in opposition to Mr. Lubbers that, very clearly, his nomination harks back to the days of these original findings of the Smith committee, of the original dilemmas that came about when administration of the board and the judicial function were not only combined but put in such a manner that due process for those who were involved in these hearings and findings was denied.

We believe that one special liability pertaining to the Lubbers nomination clearly lies in this overriding of the separation of authority.

Mr. President, I look forward to hearing others debate the issue and I yield the floor.

Mr. President, I suggest the absence of a quorum.

Mr. PELL. Mr. President, I ask unanimous consent that the request for the quorum be withheld.

The PRESIDING OFFICER (Mr. MORGAN). Does the Senator withhold his request?

Mr. LUGAR. Yes, Mr. President.

The PRESIDING OFFICER. The Senator having withheld his request for a quorum call, the Senator from Rhode Island is recognized.

Mr. PELL. Mr. President, I am here today to commend the President for nominating Mr. William Lubbers to be General Counsel of the National Labor Relations Board. I, for one, very much hope that this excellent appointment will be confirmed by the Senate. Mr. Lubbers has had a long and distinguished record of service with the NLRB since he was first hired in 1952 as a staff attorney.

It was 5 years later that Mr. John Fanning, the present Chairman, was appointed under President Eisenhower's administration. Since then, Mr. Lubbers has been a colleague, worked with, and been respected by Mr. Fanning.

I would like to express my own personal admiration for Chairman Fanning. He has the good fortune to come from my own State of Rhode Island, the Providence Plantations. Mr. Fanning has had a long and distinguished career working with labor problems and has earned the respect of Members of both sides of the aisle. He is a man who has done a sterling job throughout his tenure and I have always looked up to him for counsel and suggestions.

Returning to Mr. Lubbers, I think both his supporters and his opponents have praised his integrity and recognized his qualifications to hold this very demanding and important position.

Since Mr. Lubbers has been nominated those who have opposed his nomination have contended he should not be confirmed because of his professional association with Chairman Fanning. In my view, that is a very good reason why he should be confirmed. Mr. Fanning has been appointed by every President, including and since President Eisenhower, and has received praise from labor and business, Republicans and Democrats. Mr. Lubbers certainly could not have worked at the National Labor Relations Board for so long without establishing a professional association with Mr. Fanning. He also, could not have such superb qualifications and such a thorough mastery of the National Labor Relations Act without having worked there for a very long time.

In effect, Mr. President, Mr. Lubbers finds him in a catch-22 situation.

In my view, one of the bleakest periods that our country has experienced was during the 1950's, when some very qualified individuals were evaluated according to their "professional associations," as the result of the efforts of our late colleague, Senator Joseph McCarthy. Although Mr. Fanning himself has an outstanding record, I implore my colleagues not to return to evaluating nominations for Federal positions based upon biased or unfair criteria.

Mr. Lubbers nomination should be confirmed or denied based upon his own ability and experience to fill the position for which he is being recommended. I submit that Mr. Lubbers' professional track record speaks for itself and that the Senate should confirm his nomination.

The very fact that he has been a close associate and colleague of Chairman Fanning is, in my opinion, one more strong, good reason why Mr. Lubbers should be appointed. I am certain that some of Chairman Fanning's good judgment and extensive knowledge have rubbed off on Mr. Lubbers. I am very glad, indeed, to be supporting this nomination and wish its success.

At this point, Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HELMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

SENATE CONCURRENT RESOLUTION 87

Mr. HELMS. Mr. President, momentarily I am going to submit a concurrent resolution for myself and the distinguished Senator from Oklahoma (Mr. BOREN). But before I do that and before I comment on the nature of this concurrent resolution, I want to pay the highest possible tribute to the fine young Senator from Oklahoma (Mr. BOREN). He and I do not belong to the same political parties, but DAVE BOREN, in my judgment, is one of the comers in politics and Government in this country. I am always delighted to be associated with him in any way.

Mr. President, the Government of the United States, and everyone of us who has a responsibility in the operation of it, have no higher priority in this decade of the 1980's than reducing inflation and restoring real growth in the economy. The success of our Nation rests on the continued expansion of economic opportunities and the social stability derived from economic policies that promote jobs and prosperity.

Now, Mr. President, Senator BOREN has a tight schedule, and I want to yield to him so that he may present his statement to follow my statement, which I will resume after he has concluded.

Mr. President, I ask unanimous consent that it be in order for this concurrent resolution to be submitted at this time as in legislative session.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. HELMS. I yield to my colleague from Oklahoma.

Mr. BOREN. I thank the Chair and I thank the distinguished Senator from North Carolina.

I appreciate his remarks very much, and I am proud to join with him in sponsoring this Senate concurrent resolution expressing the sense of Congress that the economic policy of the United States should focus upon a renewed emphasis on growth, for tax cuts, and reduced Federal spending. This is a policy statement which is receiving growing support from both sides of the political aisle, as we all come to realize if we are going to win the fight against inflation, if we are going to restore health to our ailing economy, we can only do so by strengthening the free enterprise system.

Two weeks ago I joined several Senators in speaking on the Senate floor about our concerns with the severe economic problems facing our country. Many signs point to the extreme economic dangers lying ahead for this country.

Last week, after spending several days traveling all across my home State of Oklahoma, and talking to small businessmen, farmers, ranchers, and others, I have become even more convinced of the potential economic collapse which looms ahead if we do not take appropriate action.

Without exception, farmers and ranchers told me they did not know how much longer they could hang on unless the economy improved. Small businessmen all across this country are saying that they, too, are barely surviving. Automobile dealers, appliance dealers, and others who must borrow to finance their inventories are spending as much as $60,000 each month in interest just to keep their doors open.

Clearly something must be done, and done immediately, to remedy the situation.

One of the first actions which must be taken—and this resolution clearly recognizes its importance—is the shifting of resources from the public sector to the private sector. We will never combat inflation until we shift more into private savings and in investment to increase our productivity.

The United States has had the highest standard of living in the world. We have been able to pay our workers more per hour than those who work in any other nation. The reason we have been able to pay higher wages and to have the highest standard of living and still compete in the world markets is because our skilled workers, working with the most up-to-date and modern technology and equipment, are able to produce more per hour than workers anywhere else in the world.

It is because we are able to produce more per hour that we are able to pay more per hour. When the United States ever falls behind in our workers being able to produce more, our standard of living and our wages will begin to fall in comparison with other nations.

If people cannot have enough left out of their paychecks, after the Government gets through collecting taxes, to save, then there are not funds collected that are there to be loaned out to the businesses which need to increase their investment so that they can buy new plants and new equipment, so they can develop a new technology so that we can stay ahead.

It is a tragedy, Mr. President, that the savings ratio in the United States last year fell to only 4 percent of our national income compared with over 10 percent in Great Britain, 18 percent in France and Germany, 24 percent in Japan.

Mr. President, the handwriting is on the wall. If we continue to have Government consume so much out of every dollar earned in this country so that the people have nothing left to save, so that there are no funds available for investment in new plants, technology, and equipment, the United States will cease to be the strongest Nation economically in the world.

It will not be a question of will other nations pass us by. It will only be a question of how soon that will happen. This means that we must shift more into private savings and investment to increase our productivity, as I said a moment ago. It means a balanced budget must be achieved, not by increasing taxes but by even deeper cuts in Government spending.

In my opinion, these cuts must be deep enough to balance the budget at the spending level at or below the $600 billion mark, leaving enough to provide for substantial tax cuts to encourage productivity through increased depreciation and other incentives for capital formation that have long been advocated by me and several of my colleagues on both sides of the aisle.

Balancing the budget is important. But cutting Government spending is the most important action of all. We must balance the budget, but we must do it by cutting spending.

Balancing the budget by raising taxes will just further bleed off the resources needed by the private sector to revitalize the economy, and will not enable us to provide the substantial tax cuts needed to spark increased productivity.

It is free enterprise, Mr. President, which has provided this Nation with the highest standard of living in the world. It will work if we give it a chance to work.

Government, on the other hand, does not produce. It merely consumes what the private enterprise system produces.

This Nation must make as its first priority the reduction of the burden of Government so that our economy can rebound from its current downhill slide.

I compliment the Senator from North Carolina for taking the lead in introducing this solution. It is my hope that, as people across the country take time to think about our economic system and the challenges to it, of what has come by some to be designated as economic growth debt, that they will see the importance of revitalizing our economy, of providing increased economic opportunity for all of our citizens, and that they will come to understand that the only way that we can raise the level for every person in this country is to do so by allowing the free enterprise system to work and establishing governmental policies that would help it to work, rather than hindering it, for meeting the challenge which now faces us.

I urge my colleagues to join me in supporting this resolution. I proudly join with the Senator from North Carolina in offering it.

Mr. HELMS. Mr. President, I thank my friend from Oklahoma and commend him on his eloquent remarks.

Mr. President, as in legislative session, I send to the desk the Helms-Boren concurrent resolution and ask for its appropriate referral.

The PRESIDING OFFICER. The resolution will be received and appropriately referred.

(The concurrent resolution was referred to the Committee on Finance.)

Mr. HELMS. Mr. President, the success of America—indeed, the survival of America—rests on the continued expansion of economic opportunity and the social stability derived from economic policy that promotes employment and provides prosperity.

Mr. President, if there is any one thing in this world that the faltering economy of our Nation does not need, it is a new set of rules, regulations, controls, and restrictions pouring out of the bureaucracy in Washington, D.C.

The vast majority of the American people want to see what we call the economic pie continue to expand. Last week, I must have talked to 200 citizens of my State. They are tremendously concerned, even distressed, about the economic plight of our Nation.

The homebuilders, for example, acknowledge that many of their number are going out of business this year as a direct result of too much big government, too much Federal spending, too much Federal debt, too many Federal deficits.

What our citizens want—North Carolinians and those in all of the other States—is more oportunity. They want more of an opportunity for everybody to take part in the American dream. They are aware, I guarantee you, that zero growth policies, as advocated by people like Ralph Nadar and other antibusiness extremists, would only guarantee an even bleaker economic future for everybody and virtually condemn the disadvantaged in our society to permanent lives of poverty and despair.

There was a time when Mr. Nadar was fairly well respected in my State. But now his name is anathema, because his deceits and his ploys have become perfectly obvious to the majority of the people of North Carolina.

They realize that Ralph Nader is, in large measure, a creation of the media. Had he not over the years received an inordinate amount of attention, he would not now have the "prominence" that he so thoroughly enjoys.

Sure, he is an antibusiness extremist. He is against the free enterprise system. And he has some folks with him who get a lot of attention in the media.

But, deep down, the American people understand that the genius of America, the miracle of America, is the free enterprise system.

The system, as it is operated, is not perfect. But I contend, Mr. President, that the imperfections in the free enterprise system are not really a fault of the system but a fault of those who have abused it.

(Mr. PRYOR assumed the chair.)

Mr. HELMS. But, in any event, taking it warts and all, it is the best system on earth and it has provided the highest standard of living on Earth in history for the American people.

And more than at any other time, to my knowledge and in my recollection, the people of this country are aware that their hopes and their dreams and their opportunities are inextricably tied to what happens to the free enterprise system.

Mr. President, this Nation's commitment to expanding opportunity for every American, of course, depends on continued economic growth; which in turn depends primarily on the achievements of the private enterprise system. Not on big government, not on the politicians, not on the Federal bureaucrats, but on the private enterprise system.

That is why, Mr. President, it is time for the Congress to declare unequivocally that the economic policy of the United States focus on a renewed emphasis on growth through tax cuts and reduced Federal spending in order to give Americans from all walks of life some hope of increased prosperity, opportunity, and freedom under the law.

That, Mr. President, is the purpose of the resolution that Senator BOREN and I have submitted today.

I say again that I am very proud of Senator BOREN. He understands the free enterprise system. I wager, Mr. President, that in the years to come he is going to be one of the more gallant defenders of the free enterprise system.

Be that as it may, Mr. President, clearly the mind of every citizen in this country is focused on the Nation's economic crisis. That is fine. But our duty here in the Congress of the United States is to respond in a credible, constructive, and sincere way to one question: What are we going to do about the crisis?

First of all, we must start by acknowledging that the crisis was created right here in the Congress, in Washington, D.C., by too much Government, too many bureaucrats, too many regulations, too much stifling of the free enterprise system. And once we understand the root cause of the economic crisis, then we can begin to do something about it. But not until then. Because if we continue to persuade ourselves that we can paper over the kind of mistakes that we have made with the massive bureaucracy and the interference with the private enterprise system, we are not going to get anywhere.

If we acknowledge at the outset the plain and unvarnished fact that inflation starts right here in Congress, that we have created it, that Washington does not solve problems because Washington is the problem, then we can move on to step 2 and begin to do something about it.

Right here, Mr. President, is where the Federal deficits have been approved year after year. Right here is where the bloated, big spending bills are rushed through year after year. Every time Congress authorizes and appropriates inordinate amounts of the taxpayers' money for Federal spending programs, inflation goes that much higher.

I guess extravagance is in the eye of the beholder, but I think the American people as collective beholders would have a pretty uniform definition of extravagance in terms of Federal spending because they understand what the Federal deficits and the Federal debt have done and are doing to them in terms of inflation, interest rates, and the general inhibitions that have been placed on the free enterprise system.

The truth of the matter, Mr. President, is that excessive Federal spending and excessive Federal borrowing have virtually destroyed the dollar. People sort of laugh when you talk about something being as sound as a dollar. In any case, the whole process has made credit in the private sector unavailable, or so expensive that it might as well be unavailable.

The Federal debt is $850 billion. Gee whiz, Mr. President, that is banging at the trillion dollar door. It is costing business in this country over $100 billion every year just to comply with Federal regulations. Small wonder that the Nation's economy is on the brink of chaos.

At the present time the United States is devoting a larger share of its GNP to Government programs and handouts than in any period except at the height of World War II. Despite the political rhetoric calling for a balanced budget next year, the truth is that the proposals that we are hearing from the administration and others will, in fact, increase spending even further.

This is the kind of shell game that the American people now recognize. They are told that spending will be reduced, when actually spending will be increased.

Figures are bandied around. The proposals for next year's budget will increase spending by the Federal Government and will increase taxes on the American people.

Mr. President, it should come as no surprise that the overwhelming ratio of 9 out of 10 Americans believe that Government, their Government, is hindering economic growth in the United States.

I looked the other day at a study produced by Sindlinger and Co., a very reliable organization. This study was conducted for the Heritage Foundation, which is a public policy research institute. As I recall, the study was conducted between March 22 and April 2, and it was done nationwide. It was conducted on a scientific basis.

What did this study show? It showed nearly 85 percent of the public feel that Government regulation discourages economic growth. While they hold this attitude, however, nearly three-fifths of the public—58.3 percent—do not "think economic growth is incompatible with goals such as clean environment or equal opportunity."

The study showed that nearly three-fourths of the public do not believe that greater Government control is needed to solve environmental and social problems. As a matter of fact, only 17.7 percent expressed the belief that greater Government control of American business is, in fact, needed.

The study showed that almost 85 percent of the public would like to see the economy grow at a rate equal to or faster than the current rate. A slightly lesser number, something like 75 percent, said that they feel that a no-growth economy will guarantee a bleak economic future for America.

So, you see, Mr. President, the American people are wise to what has been going on in Washington. I just simply do not believe that politicians are going to be able to mesmerize the public much longer. Indeed, this year's election may jolt some candidates—perhaps some incumbents, who have been part and parcel of the big-spending, big-deficits, heavy-control syndrome of the Federal Government.

No, the American people want the economic pie, as it is known, to continue to expand and they do not accept the fact that this has to be done at the expense of a better environment. They are right. It is nonsense to contend that there can be no compatibility between the growth of a nation and a clean environment. The problem is that, for too long, the tail has been wagging the dog. We have been hearing about 95 percent of the time from Ralph Nader and his crowd and 5 percent, if that much, from the people who have been saying, "Don't stifle the free enterprise system."

As I say, the people have wised up. They know Ralph Nader for what he is. Maybe he is popular in some sections of the country, but I would not suggest that Mr. Nader go to North Carolina and run for dog catcher. He can get on NBC news and CBS news and ABC news and all the big media and get all that attention, but he is no longer fooling the majority of the American people. He can run around and schedule all these big days condemning the free enterprise system and business, but he is still not fooling the American people in the majority.

The American people are a lot wiser than some people have considered them to be. High taxes and excessive regulation and the resulting inflation that have wrought havoc on national productivity—the people understand this. That is why they are supporting meaningful regulatory reform, and that is why they are crying out and demanding relief from the tax burden heaped upon them in Washington, D.C.

Maybe they are not aware fully, yet, for example, that the windfall profit tax, recently enacted by this Congress and signed by the President, was a sham. But more and more Americans are learning every day that it is they who will be bearing this multibillion-additional-tax-dollar load. But they are not going to be fooled. Ralph Nader cannot fool them. And the liberal politicians cannot fool them. Because they understand that their best hope, their only hope, is the survival and the expansion of the free enterprise system.

Mr. President, do you realize that the United States today taxes capital more heavily than any other industrialized nation in the world? If Congress is truly serious about dealing with this problem of inflation, we are going to have to start correcting this situation. We cannot continue to punish the supply side of the economy.

We have spent a generation now, with increasing intensity, inhibiting the producers. We have paid more attention to the shirkers than we have to the workers, and the goose that laid the golden egg is mighty sick.

But we can make the goose well if we return to some basic fundamentals that our Founding Fathers understood and that, in a general sort of way, most Americans understood until the regulators and the big spenders and the deficit-financers took over. But I say again that the American people are more aware today than at anytime in my lifetime that Washington does not solve problems, because Washington is the problem.

There is no point in allowing America to run out of jobs or energy or the other necessities of life, because all of these things are available to us in just as great abundance as ever before. But there is a need for capital, a need for incentive, and a need for the Government to get off the back of the free enterprise system.

Mr. President, I ask unanimous consent that the text of the Helms-Boren concurrent resolution be printed in the RECORD at this point as well as in the customary place.

The PRESIDING OFFICER. Without objection, it is so ordered.

The concurrent resolution is as follows:

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Whereas the United States has experienced several consecutive years of declining or static productivity;

Whereas the aging productive capacity of the United States industries places the Nation at a competitive disadvantage with countries which have modern facilities, thereby causing massive balance of trade deficits;

Whereas the United States relies less on imported petroleum than most of the major developed countries, yet has the highest rate of inflation;

Whereas the current inflation rate of approximately 20 percent is the result of burgeoning government spending and excessive monetary growth;

Whereas all of these problems are the direct result of policies that overemphasize public sector control of the economy and underemphasize growth of the productive sector through encouragement of private investments; and

Whereas the Joint Economic Committee has recommended that capital investment be encouraged through a substantial tax cut: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the economic policy of the United States focus on a renewed emphasis on growth through tax cuts and reduced Federal spending in order to provide Americans from all walks of life with increased prosperity, opportunity and freedom under law.

Mr. HELMS. Mr. President, as in legislative session, I will be glad to yield to my friend from South Carolina, provided I do not lose my right to the floor and that it will not be considered a second speech.

The PRESIDING OFFICER. Is there objection to the request?

Mr. ROBERT C. BYRD. Mr. President, had the request been made by almost anybody else, I would be constrained to object.

Mr. HELMS. I beg the Senator's pardon?

Mr. ROBERT C. BYRD. If the request were by almost anybody else, I would be constrained to object.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the distinguished majority leader.

I yield, under those circumstances, to my friend from South Carolina.

Mr. THURMOND. Mr. President, our country has become the wealthiest and most prosperous country in the world because of our economic system.

I believe the Senator would agree with that.

Mr. HELMS. I do, indeed.

Mr. THURMOND. We have the best-fed, the best-housed, the best-clothed people in the world.

Mr. HELMS. Correct.

Mr. THURMOND. Our people have the highest standard of living, they receive the highest minimum wage, and, as a whole, there is no better place in the world to live, from an economic standpoint, or any other standpoint.

Now, from an economic standpoint, if we are going to maintain this economy we have, which has provided so much for us, is it wise to have as General Counsel to the National Labor Relations Board a man who has the reputation of not being down the middle, so to speak, a man who leans strongly to labor unions, who leans a particular way, rather than to pursue an objective course, because the business people of this country are almost unanimous, if not unanimous, against this particular nominee?

Now, if we are going to maintain a strong economy which business has caused to be successful, business has to prosper.

Some people feel that the word "profits" is a bad word. But most businesses are owned by thousands of different people, if they are big businesses. If they are little businesses, they are owned by a fewer number.

But, for a business to stay alive, it has to make a profit. That is the purpose in going into business, to make a profit and to serve the public by providing goods for the people.

But if we are going to put a man in the General Counsel's office who has that reputation and who business says is completely undesirable, completely unwanted, and who they feel is completely unfair, is that not unjust to the private enterprise system of this country and to the public generally?

Mr. HELMS. I agree with the distinguished Senator.

I regret that the nomination was even sent up to the Senate because, as much as anything else, there needs to be a demonstration of good faith between the administration and the Congress toward business in general, to say to business that we are not going to load up, are not going to have a General Counsel who has blinders on toward the needs of the business community.

So I think it an unwise nomination.

I have no personal animosity toward the nominee, and I am sure the Senator from South Carolina does not. But I think it is the wrong nomination, for the wrong job, at the wrong time.

Mr. THURMOND. And if a man of this reputation, who business feels so strongly about, is confirmed, and if he follows his reputation, would that not be detrimental to the success of business and the fairness that business would expect of the Government in the future?

Mr. HELMS. I think that is unquestionable.

Mr. THURMOND. In this position of General Counsel, the man who is General Counsel has offices all over the country, regional officers under him. He has between 7,000 and 8,000 lawyers under him. Is it not true that his decisions, his feelings, even, his opinions, are bound to be reflected by the various lawyers working under him?

Mr. HELMS. There is no question about it.

In the Senator's own experience, and certainly in mine, I have noted the influence that various General Counsels have had on the organizations they served.

Perhaps they do not even intend to lead the thinking of members of a commission, or whatever. But the practical effect is that in many cases, if not most, the General Counsel is a more powerful figure than the commission members themselves, because he influences, and he directs, and he has so many subordinates, in this case, spread out over the country it can have such an effect, an adverse effect, on business-governmental relations.

Mr. THURMOND. Is it not a fact that what we need in this position is not a man who would lean toward business, but one who will not either lean toward unions or lean toward any corporation, or any individual, or any type of organized group of any kind, but be fair and just and go, as I said a few moments ago, right down the middle and call the shots as they are, and should be?

Mr. HELMS. Of course, the Senator is absolutely correct.

Mr. THURMOND. Mr. President, I thank the able Senator for the fine address he is making, for the position he is taking on this matter. A great many people in this country feel that the service he is rendering in this capacity is of vast importance to the future of this country.

Mr. HELMS. I thank the Senator.

Mr. WILLIAMS. Will the Senator from South Carolina yield for an observation?

Mr. THURMOND. I am very pleased to yield, if the Senator wants to ask me a question, or I will yield the floor and let him ask the Senator a question.

Mr. WILLIAMS. I did want to address it to the Senator from South Carolina because I think I have some good news for him. I thought he would like to hear it.

Mr. THURMOND. I am very pleased to hear it.

Mr. WILLIAMS. Mr. Lubbers is now serving as General Counsel. We are considering the nominee's confirmation to the full term.

He has been serving in this interim appointment for approximately 3 months.

There have been some situations that have demonstrated how he approaches problems and, indeed, his understanding of the law and his philosophy of applying it from his position as General Counsel.

The good news I have for the Senator from South Carolina is that on two occasions in cases that were in litigation before he took this position, dealing with complaints against unions in which the issue was the validity of fines of members who had resigned to go into a plant that had gone on strike.

This nominee, now the General Counsel, took a position that was less favorable to the union than the two Republican members of the National Labor Relations Board.

I want to cite it as one very current, most recent, example of the nominee not being overboard on one side, the union side, but, indeed, going right down the middle, which I thought the Senator from South Carolina would like to know.

I do not know if he has been losing any sleep over the possibility of William Lubbers being the General Counsel after confirmation. But if he is, maybe he will rest a little easier, that this man has already demonstrated an objectivity. These are the kinds of tough and controversial cases because they deal with a union's ability through its constitution and bylaws to fine members if they resign before or during a strike and go to work in a struck plant.

Mr. THURMOND. I am glad to hear he is taking that position——

Mr. WILLIAMS. May I give the names of the case for the RECORD?

Mr. THURMOND. I am wondering whether he took those positions between the time he was nominated and the time he expects his nomination to be confirmed, in the hope that this will help in the confirmation of his nomination.

Can the Senator assure anybody that Mr. Lubbers is going to continue to follow a conservative line throughout his tenure of service, or is this a temporary action to have his nomination confirmed?

The Senator will recall that the President failed to act on one appointment for a long time, and finally the lady became disgusted and quit as a member of the Board.

Then the President sent up this appointment, and he did so when Congress was not in session. Otherwise, Mr. Lubbers would not have taken office until his nomination was confirmed. By the President sending up the nomination when Congress was in recess, the Senate did not have a chance to act on it, so he is in office now. On the other hand, if his nomination is not confirmed, he will go out.

At any rate, I thank the Senator for his kindness in calling this matter to the attention of the Senate.

Mr. WILLIAMS. The name of the case is Dalmo against Victor, and the companion case is the Patternmakers case.

I was not going to respond to the Senator as to a possible motivation, but I will, and I will respond just this way:

I suggest to the Senator from South Carolina that he review again the character references for Mr. Lubbers given by those who are opposed to his nomination. When we are looking at motivation and insincerity or ulterior motives for action, then we are looking into character and integrity. Every person who came before our committee in opposition to Lubbers' nomination agreed that he is a man of fairness, of competence, of integrity, and with a spotless record of 27 years with the National Labor Relations Board.

So I say that the Senator's question really goes to basic personal honesty and integrity, and the record is complete with the highest rank in all those regards.

Mr. THURMOND. I do not question the gentleman's personal honesty and integrity, as I said in my speech yesterday, but I do question his philosophy, and I question his experience.

He has had no experience in this office, has had no experience in a regional office, and he would have charge of more lawyers than any other man in the entire Government.

It seems to me that it should be a man who has had experience, a man who is more down the middle of the road than the man who trained him there, Mr Fanning, whose history and whose record on the Commission are well known as leaning far to the left. He is the man who trained Mr. Lubbers. Mr. Lubbers was a student of his; he was a trainee of his.

It seems to me that we cannot run the risk of putting in this General Counsel position a man with that background, with that lack of experience, and with the philosophy he has shown in working there with Mr. Fanning.

Mr. WILLIAMS. That must produce a response.

I sat as chairman of this committee when another nominee was nominated to be General Counsel. He was a Republican appointment. He had no administrative experience equal to the job he was nominated for. He had no depth of background with hundreds of cases in collective bargaining law.

We had a hearing one day. We reported the nomination that day. We brought it here, and it was not controversial because I, as chairman of that committee—and the entire committee—said that if the President wants Peter Nash, he should have him, even though Nash had no comparable background of administrative experience of hundreds of employees as the General Counsel, even though he had no depth of background as a private practitioner in hundreds of labor-management cases.

We looked at it this way: If the man has competence, integrity, and the ability that is needed in the job, let his nomination be confirmed. That is what we did with Peter Nash.

On the question of the Chairman of the Board being one way and one-sided, how many Republican Presidents have considered Mr. Fanning and have reappointed him? Has he been reappointed by any? Yes. He has been appointed by President Eisenhower, reappointed by President Nixon, and under President Ford, he was named Acting Chairman.

This is the man the Senator from South Carolina just said is lopsided, one-way—on the left-wing, the liberal side, I suppose the Senator is suggesting. But had the confidence of Presidents Eisenhower, Nixon, and Ford.

Mr. THURMOND. Even a Republican President makes a mistake now and then.

Mr. WILLIAMS. So true, so true.

Mr. THURMOND. They are not perfect. No one is perfect.

Mr. WILLIAMS. I yield the floor.

Mr. THURMOND. I think my speech yesterday covered the subject amply and pointed out his lack of qualifications, lack of experience, and his dangerous philosophy for the benefit of the country.

Mr. WILLIAMS. I thank the Senator from North Carolina for not being impatient, because this is really included within a period of thoughtful economic analysis that he is making available to the Nation.

We have come back to the nomination question, which really is the pending business before the Senate. But the economic analysis of the Senator from North Carolina is very useful and constructive.

In the economic times we are in, we need the best thought we can get from everybody. I come from the great shock of learning about one of our major industrial plants, the Ford Motor Co. plant in Mahwah, which has been there for approximately 25 years—a good plant which employs highly qualified people. The economics of today has brought the Ford Motor Co. to the announcement on Tuesday of this week that that plant will be shut down forever.

So we can feel the pain of the economic times, and we need the best of action here to stimulate our economy to the kind of productivity to which the Senator from North Carolina is ably addressing himself.

Mr. THURMOND. I thank the Senator from North Carolina for yielding.

Mr. HELMS. I thank both Senators for their generous comments.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. GOLDWATER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GOLDWATER. Mr. President, I ask for recognition.

The PRESIDING OFFICER. The Senator from Arizona is recognized.

Mr. GOLDWATER. Mr. President, I rise to oppose the nomination of Mr. William Lubbers to the position of General Counsel of the National Labor Relations Board.

In this time of economic crisis, there is no room for a doctrinaire administrator who will be occupying an office which is supposed to exercise independent judgment and evenhandedness.

We might recall that the labor law reform bill was defeated in this Chamber because many of us were concerned about tipping the delicate balance between union and management. The nomination of Mr. Lubbers raises the same issue.

What the big union bosses could not achieve through the legislative process, they are now trying to accomplish by this appointment.

I urge my colleagues to reflect on the effect which confirmation of this nomination would have.

In this regard, some background on the position of the General Counsel may be helpful. Before 1947, the General Counsel was subject to the authority and direction of the NLRB. This led to criticism of the NLRB serving as prosecutor, judge, and jury in what was supposed to be an impartial hearing. The Taft-Hartley Act amendments responded to this criticism by creating an independent General Counsel, thereby separating the prosecution from the decisionmaking function. The General Counsel was to be a "public" prosecutor of labor law violations, and the law is clear that the Office of General Counsel must be entirely separate from and independent of the five NLRB members or their staffs.

Now, it is important to note that the General Counsel is not simply another Government lawyer, but one who wields tremendous power over the direction of national labor policy. This is because the General Counsel has final unreviewable authority over the investigation and prosecution of labor law violations. The General Counsel's decision to bring, or not to bring a case before the NLRB may, as a practical matter, affect substantive rights because the General Counsel chooses the cases that the NLRB will ultimately decide. Thus, it is necessary that the General Counsel be independent, impartial, and experienced in his processing of alleged labor law violations under the National Labor Relations Act. It is my opinion that Mr. Lubbers possesses none of the above qualifications for the position.

Mr. Lubbers' independence from the Board is called into question by the fact that he served for 20 years on the staff of present NLRB Chairman John Fanning. It is not an exaggeration to say that Mr. Fanning has a markedly "pro-union" record, and it is clear that Mr. Lubbers helped write many of the decisions of Chairman Fanning. This is of significance since, with the addition of member John Truesdale, Chairman Fanning has been overruling NLRB precedents that went against unions, some of which had only been "on the books" for a year or so. This relationship between the Chairman and Mr. Lubbers is highlighted by the Chairman's public statement that he would have to "reassess" his own position if Mr. Lubbers were not confirmed; in effect, threatening to resign if his own man was not appointed. Such a situation does not bode well for the independence of the Office of General Counsel which Congress sought to achieve in 1947.

I, for one, object to the pressuring tactics that Mr. Fanning suggests by this statement. The position of the General Counsel is to be separate and apart from the Chairman of the NLRB. Do we prefer to adjudicate the legal labor questions and policy in the country by a "buddy system"? The Fanning-Lubbers duet should not be able to become the Pied Piper of labor law reform in this country. Their tones of possible collusion and "very close cooperation" is not music to my ears and threatens to erode the separation between the Board and Office of the General Counsel.

With respect to his ability to be impartial, one need only point to Mr. Lubbers' admission during his confirmation hearings that he gave "technical assistance" on labor law reform to union leaders during the Senate debate on the Labor Law Reform Act of 1977.

Although he refuses to divulge what "technical assistance" encompassed, it is interesting to note that he was an NLRB employee at the time. Moreover, he undertook these meetings without clearing them with all Board members, as is the custom, but only with the knowledge and consent of Chairman Fanning. Furthermore, Chairman Fanning has stated that several provisions of the defunct Labor Law Reform Act could be implemented by the NLRB through its decisionmaking authority, presumably if the right General Counsel were in office to bring the appropriate cases. I am frankly amazed that such a statement was made by a close intimate of the man who we are considering to be the General Counsel of the NLRB.

Another example of Mr. Lubbers' questionable neutrality is seen in one of his first cases argued before the Board as Acting General Counsel, following his recess appointment. In Dalmo Victor Mr. Lubbers "disowned" (this is member Jenkins' word) the previous position argued by the General Counsel only a few months before and adopted the position urged by the union to the effect that a union's implied right to enforce solidarity during a strike takes precedence over an employee's express right to refrain from engaging in union activity. It is my belief that we shall see many more such reversals of positions if Mr. Lubbers is confirmed, thereby undermining the confidence and stability necessary to effective labor relations.

Finally, I note that Mr. Lubbers' only experience has been as an "Ivory Tower" bureaucrat in Washington who has never been involved in real world, day-to-day labor-management relations. Moreover, he has no experience administering a huge staff, with 33 offices around the country, whose efficient operation is important to all parties. It is hard for me to believe that a labor expert who is administratively experienced is not available or acceptable to this administration in lieu of Mr. Lubbers.

These are the reasons for my opposition to this nomination. I wish to emphasize, however, that my remarks are not a personal attack on Mr. Lubbers but merely express my concern for upholding the integrity of the system.

I might add, Mr. President, I served for 12 years on what was then the Labor and Public Welfare Committee. I came shortly after the writing of the Taft-Hartley Act. I knew the authors of the act very, very well.

It was my sad experience to sit through many, many years of watching the intent of the Taft-Hartley Act destroyed by the decisions of courts at all levels in this country to the point where I honestly do not believe the Taft-Hartley Act does much any more to bring about a fair distribution in the law and in power between labor and management and the public. In fact, I would think it was time once again, after the passage of all these years, to consider a rewrite of the Labor Relations Act so that we can bring about more fairness, although I must add that with the seeming coming of age of the labor movement—and that may sound strange because the labor movement is very old—but the retirement of older members who held very, very personal grudges against management, their replacement by younger members, younger people, who have had more practical experience in the field of labor relations, has brought decided advantages in the feeling between labor unions and management, in general.

At the same time, I think it would be wise to consider such action.

Mr. President, I yield the floor.

Mr. PRESSLER addressed the Chair.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. PRESSLER. Mr. President, I rise to speak in regard to the nomination of Mr. William A. Lubbers to be General Counsel of the National Labor Relations Board. My views on this appointment are not meant as a personal attack on Mr. Lubbers. Let me emphasize that I feel it is important that we get good quality people to serve in the Government, and with the inflationary pressures people are experiencing it is becoming increasingly difficult to get such persons, particularly on some of these boards, who are required.

However, in reviewing the resume, the background and apparent philosophy of Mr. Lubbers, I am not presently happy with his particular qualifications for this particular high office to which he has been nominated. I do not, however, mean to imply, Mr. President, that Mr. Lubbers is lacking in personal integrity or competence.

But rather, I feel in the area of labor-management relations it is important that we appoint people in whom there is a general feeling of confidence on the part of both sides of potential disputes; that doubts do not exist as to the partiality of the person to occupy the Office of General Counsel.

I might say, as a lawyer myself, that this factor is particularly important because the legal counsel offices on these various commissions are very powerful, as a practical matter.

There have been many reservations expressed about Mr. Lubbers. The fact that Mr. Lubbers has been a 20-year staff member of the National Labor Relations Board and served on the staff of the current Chairman in itself would seem to violate the legislative mandate of an independent and neutral prosecutor of unfair labor practices, and could erode public confidence in the Office of General Counsel.

The General Counsel has the final authority to investigate charges, issue complaints, and prosecute such complaints in unfair labor practice cases before the Board.

He is also responsible for the processing of field personnel and several types of employee elections. Under General supervision of the General Counsel, 33 regional directors and their staffs process representation disputes in unfair labor practice cases and jurisdictional dispute cases. Although Mr. Lubbers has served 20 years on the staff of the NLRB, he does not have regional office experience. This position would be best filled by an individual with significant managerial experience and proven administrative abilities.

The General Counsel should possess an understanding of the day-to-day problems facing labor and management. This understanding can be gained through experience in the private sector or through service in positions of responsibility in the Office of General Counsel.

Mr. Lubbers is presently serving an interim appointment as General Counsel pending Senate confirmation for a full 4-year term. In this capacity, I believe it should be noted, he departed from his legal position taken previously by his predecessors when, on January 28, two attorneys on his staff contended before the five-member Board that union members may be fined by a union for mid-strike resignations.

In the same case, the Office of General Counsel had previously taken the position that a labor organization has no statutory right to solidarity during strikes, and that national policy is to make individual rights paramount. This change in legal policy was sharply criticized as being a forerunner of similar prounion positions Mr. Lubbers is likely to take.

The matter before us is one where we we are seeking to appoint a person of impartiality and a person in whom the various parties in labor and management would have a reasonable feeling that a balanced approach is going to come forth.

In making such appointments we should be careful in the advise and consent responsibility of the U.S. Senate that the appointments are of individuals in whom there has been expressed confidence by both sides. That has been a keynote to the cooperation between labor and management. It is also a fundamental principle in the effective functioning of public administration.

It is crucial that the General Counsel enjoy the confidence not only of the labor-management community but, more importantly, the confidence and trust of the public as a whole.

Other candidates acceptable to both labor and management have been considered for this sensitive post. It would be in the public interest if the administration would continue such discussions with unions and management regarding alternative nominees for this important position.

Mr. President, public confidence in a nomination is extremely important. All parties to the dispute-solving process should have such confidence, in this case both labor and business.

The fears surrounding Mr. Lubbers' lack of independent judgment are further heightened by the extent which the Chairman of the agency has been instrumental in securing this post for his protege.

And let me add at this point, that therein lies the nub of the question. Here we are appointing a General Counsel to an agency, someone who has been a 20-year employee of a particular member of that agency. Is that the kind of independent, impartial legal advice and legal counsel that we seek to obtain in a position so sensitive as this?

Certainly, I am not questioning that Mr. Lubbers is a good person. And this is no attack on him. But we have a very delicate balance between labor and management. And I think the President and this Senate has an obligation to seek out a woman or a man whose background indicates a diversity of experience, possibly both in the private sector and in the public sector, but in who confidence is felt by both sides.

Seldom has a nomination come to this Senate floor that has been more adamantly opposed by the management side. And my own record on matters such as these is that I have an independent streak, of which I am proud. I listen to both labor and management on issues and I believe that a fair and equitable balance should be sought in disputes between the parties. But in regard to an appointment of this sort, it is important that we seek to have someone who has the appearance and the sense of impartiality; one that seems to have some semblance of balance. That would appear not be the case here.

(Mr. STEWART assumed the chair.)

Mr. PRESSLER. Let me also say Mr. President that it would be helpful at this point to review the history of the NLRB to get a picture of why this particular nomination is not appropriate.

As originally enacted, the National Labor Relations Act combined the functions of prosecutor, judge, and jury into one entity—the National Labor Relations Board. Criticism of this arrangement mounted as the board appeared to many to operate in a biased and arbitrary manner. Ultimately, Congress responded to this criticism and amended the NLRA to establish an independent office of General Counsel.

Let me emphasize the word "independent." In this case, we are proposing to appoint someone who has worked for one of the members of the commission for 20 years. It would be as though I had a dispute with someone and I proposed to appoint as legal counsel to resolve the dispute someone who had worked for me for 20 years.

It is very possible that that person would be fair. And it is very possible that the rulings might well be fair. But, certainly, to any adversary of mine, it would have the appearance of being unfair and confidence in that appointment would not be established. That is what is occurring in this matter. Confidence in Government is very important and confidence in the National Labor Relations Board by both management and labor is terribly important.

The Wagner Act of 1935, hailed as the "Magna Carta" of labor, had by the 1940's engendered considerable opposition. One of the major criticisms of the National Labor Relations Board stemmed from the mechanisms which empowered the Board to serve simultaneously as "prosecutor, jury and judge" of unfair labor practice charges. As the Court noted in *ILGWU* v. *NLRB*, 501 F.2d 823, 828 (D.C. Cir. 1947):

> Prior to 1947 the Board itself was charged with the duty of determining whether to issue unfair labor practice complaints and how they should be prosecuted, for there was no office of the General Counsel. Thus the Board simultaneously played the roles of prosecutor, jury and judge.
>
> This statutory scheme remained unchanged until 1947, when the Taft-Hartley amendments created the office of the General Counsel. This office was created in response to heavy criticism of the unfair and uneven results obtained from the amalgamation of prosecutorial and judicial functions in the old Board.

The "heavy criticism" to which the court alluded came from many fronts.

The Smith committee, officially entitled the "Special House Committee to Investigate the National Labor Relations Board," issued a report which served as a basis for action which culminated in the Taft-Hartley Act. The Smith committee's report recommended the establishment of an independent Administrator to perform the investigative and prosecutorial functions of the National Labor Relations Board.

The Board itself, even prior to the Smith committee's report, had recognized the need to separate its prosecutorial and adjudicatory functions. It began delegating the authority to issue complaints to the regional directors, with power of review residing in the Administrative Examiners Division. This trend continued, and by 1942, the decision to issue a complaint had been totally delegated to the regional offices, so long as the case presented no issues of policy or novel questions of law or fact . . . But that latter qualification was still cause for concern. The regional directors, lacking true independence from the Board, could not risk offending the political sensitivities of Board members:

> A particular hazard of the old scheme was that a regional officer might reasonably hesitate to initiate action which he did not feel assured would meet favorably with the Board members to whom he was responsible. The penalty for too much independence in this case would be loss of employment, assignment to undesirable work or forfeiture of opportunities for promotion.

The Board's internal efforts at reform, and even its subsequent compliance with the Administrative Procedure Act, failed to mitigate criticism of the Board's lack of due process in the conduct of its affairs. Many Congressmen perceived that only a prosecutor independent of the Board's control could restore the balance of fairness which ought to obtain in an agency devoted to harmonizing the interests of management and labor.

Representative Hartley's Education and Labor Committee revived the Smith committee suggestion that a prosecutor independent from the NLRB be appointed. The Hartley bill, H.R. 3020, was reported out of the committee on April 11, 1947. It provided for the establishment of an independent agency in the form of the office of "Administrator," who would have the duty "to investigate charges, to issue complaints, [and] to prosecute such complaints before the Board."

Representative Hartley, in summarizing the virtues of the bill in House Report No. 245 on H.R. 3020, listed the following as his first two points:

First. It abolishes the existing discredited National Labor Relations Board, and creates in lieu thereof a new board of fairminded members to exercise quasi-judicial functions only.

Second. It establishes a new official to exercise the various prosecuting and investigative functions under the National Labor Relations Act, to be entirely independent of the Board.

Representative Hartley went on to explain the operations of the new "bipartisan board":

> Unlike the old Board, it will not act as prosecutor, judge and jury. Its sole function will be to decide cases. A new and independent officer, the administrator of the new act, will investigate cases and present the evidence to the new Board, and the new Board must decide the cases, not according to prejudice and caprice, as the old Board has so often done, but according to the facts.

Finally, Representative Hartley noted that:

> The bill thus achieves a separation of the Board's functions, the need for which has long been obvious. Acting as prosecutor, judge and jury and to all intents and purposes as its own Supreme Court insofar as its findings of fact are concerned, the Board seems to have found the temptation to be arrogant, arbitrary and unfair irresistible.

At conference after conference, however, the Taft-Hartley Act provided for the establishment of the Office of General Counsel. According to Senator Taft, the General Counsel was:

> To have the final authority to act in the name of, but independently of any direction, control or review by, the Board in respect of the investigation of charges and the issuance or complaints of unfair labor practices, and in respect of the prosecution of such complaints before the Board.

The conference report noted that the reform measure, enacted as new subsection 3(d) of the LRA, "effectively limits the Board to the performance of quasi-judicial functions."

The Taft-Hartley bill passed both Houses of Congress, but not without opposition to section 3(d). Criticism of the measure, while ineffective, stemmed from two concerns. First, some Members of Congress believed that the General Counsel would be too powerful. They termed the position that of a "labor czar", and feared that the "centralization of excessive power in one individual . . . [would] make the Board itself subject to him." Second, others believed that the reform would be "administratively unworkable," due to the conflict which would develop between the General Counsel and the Board. Indeed, the latter point was seized upon by President Truman in his veto message, on June 20, 1947. Nevertheless, section 3(d) passed intact, as both Houses of Congress united to override the President's veto.

The concept of an independent General Counsel thereafter gained acceptance. The acceptability of the new procedures has continued to the present day. The system has not collapsed as "unworkable;" nor has the General Counsel become a "labor czar." Rather, a more fair system of investigating and prosecuting charges of unfair labor practices has resulted from the Taft-Hartley Act's amendments to the NLRB.

It is clear from even a cursory review of this legislative history that Congress concluded that the quasi-judicial body which had ultimate decisional authority should be barred from any role in the investigation and prosecution of cases which it might ultimately be called upon to adjudicate. The independent status of the General Counsel was established in direct response to criticism leveled at the NLRB that the Board was "prosecutor, judge and jury." However, in making this fundamental change in the statutory scheme, Congress was merely following and reaffirming an historical legal principle that lies at the foundation of our society—that the prosecutor and the judge shall be separate and independent.

I think, Mr. President, that that is the nub of my concern regarding the nomination of Mr. Lubbers. It is nothing personal against him. I am sure he is a very competent man. But we have a case where we have the appearance that there is not a separation between the prosecutor and the judge.

Mr. President, I believe it is fair to say, in summary, that Congress, in amending the Taft-Hartley Act, made a special effort to assure the people that the General Counsel for the NLRB would be impartial and independent. Both management and labor agreed to this reform in the 1940's. I think everyone in this Chamber realizes that the Office of General Counsel to the National Labor Relations Board is a position of enormous power.

Therefore, it is very important that we appoint someone who has the appearance and the feelings of impartiality in coming to that post.

I earlier cited an analogous situation: If I were to insist on my own lawyer to adjudicate a matter that involved a dispute with myself and someone else. Much of the same argument that we hear today would also be made against other nominees where there is a hotly contested dispute to other posts who were too closely identified with certain interests.

For example, if a certain Board that ruled on business matters were to appoint a Counsel with those powers who had worked for a member of that Board who is known to be very friendly to business and to business interests for over 20 years, that would be looked upon by labor in a suspicious and hostile manner. This also would work to erode confidence in Government.

I might also say that a number of groups have written some thoughtful opposition. I might cite one from the Chamber of Commerce of the United States. This letter was dated November 30, 1979:

> To MEMBERS OF THE SENATE.
>
> On behalf of the Chamber's over 90,000 members, I respectfully urge you to oppose Senate confirmation of William A. Lubbers as the General Counsel of the National Labor Relations Board.
>
> Because of the unique role of the General Counsel, carved out by the 1947 Taft-Hartley Act amendments to the National Labor Relations Act, the position is not simply that of another government lawyer. The General Counsel serves as the independent prosecutor of unfair labor practice charges brought by management or labor, with unreviewable discretion in the issuance or non-issuance of complaints stemming from those charges. Thus, for example, if either management or labor files charges of unfair labor practices, and the General Counsel refuses to issue a complaint, the aggrieved party has no recourse with the Board or with the federal courts.
>
> In addition to that significant responsibility, the General Counsel supervises representation elections in which employees choose, or reject, collective bargaining representatives. The General Counsel also administers the Board's 33 regional offices.
>
> Because of these public trusts, it is crucial that the General Counsel be perceived as totally independent and, as the National

> Labor Relations Act requires, separate from the five Board members and their staffs. Without the perception of such independence, public confidence in the agency itself will suffer and parties to labor-management disputes will be less inclined to seek redress through established procedures for review by the Board.
>
> It is for these reasons that the U.S. Chamber opposes the appointment of William A. Lubbers to this sensitive post.
>
> While we do not impugn Mr. Lubber's competence or integrity, we do believe that his 17 years on the staff of NLRB Chairman John Fanning and his role in writing many of Mr. Fanning's pro-union decisions will cause the public to question the independence and impartiality of the General Counsel. This close association is further underscored by Chairman Fanning's overt support for Mr. Lubbers' candidacy.
>
> Moreover, since Mr. Lubbers' entire career with the agency has been on the judicial (or Board) side, we do not believe he has the administrative experience necessary to handle the Board's 33 regional offices.
>
> At a time when many in the business community are concerned about the pro-union trend in Board decisions, it is important that public confidence in the agency not be further eroded by the selection of Mr. Lubbers as the General Counsel.
>
> The White House has considered other candidates who would be acceptable to both business and labor. We cannot understand selection of a candidate—Mr. Lubbers—unanimously opposed by the business community.
>
> Therefore, I urge you to vote Nay when the nomination comes before the Senate.
>
> Cordially,
>
> HILTON DAVIS,
> *Vice President.*

Mr. President, that letter is from the U.S. Chamber of Commerce, a group with which I am not always in agreement. I have other material and documents in opposition to this nomination that have been introduced by other Senators, but I do not think it is necessary to cover them again. The point is that opposition is sizable from those parties who will pull within the jurisdiction of this office. In the interest of peace between labor and management and in the interest of confidence by the public in what that Board does, we should confirm the appointment of a person to this important post who is acceptable to both sides. That has been the tradition. I believe it would be in the public interest, Mr. President, if the administration would reopen discussions with unions and management in an attempt to find a more mutually agreeable nominee.

This particular office of General Counsel was created as a very powerful post from which decisions cannot be reviewed. It is the feeling that, if Mr. Lubbers were to be appointed, management would feel that their interests were not properly considered. Management is not here asking to have their point of view dominate; they are merely asking for an impartial appointment.

We talk much about the conduct of Government and we talk a great deal about fairness. But part of that fairness and confidence in Government is the appearance of fairness. We talk about the appearance of a conflict of interest. In law, that is a concept that can be considered in the appointment of a person. Certainly this appointment does lack in the appearance of impartiality.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, yesterday we heard many speeches which indicate strong opposition to the confirmation of William A. Lubbers as General Counsel of the National Labor Relations Board. The opposition comes from both sides of this aisle—so it is not a partisan issue.

In part, my opposition is based on the fact that other more acceptable candidates to both labor and management have been considered but rejected for this sensitive post. More importantly, however, my opposition is based on the firm conviction that this appointment would not be in the best interests of the Board or the parties which must rely on the Board and the General Counsel for the resolution of labor-management disputes.

Finally, I firmly believe that this appointment contravenes the congressional policy of an independent and neutral public prosecutor of unfair labor practices and consequently would seriously erode public confidence in the Office of the General Counsel.

My opposition and remarks should not be viewed as a personal attack on Mr. Lubbers. I do not seek to impugn his integrity in any way. Rather, as I shall explain more fully, I believe that the appointment of an individual as General Counsel who has served as a senior policy adviser to any Board member is contrary to the congressional mandate embodied in section 3(d) of the Labor-Management Relations Act because it is totally at odds with the congressional objective of assuring that the Office of the General Counsel be totally independent of the Board itself.

Further, as a matter of public policy, it is my belief that this appointment will give rise to a perception of impropriety which will undermine public confidence in the integrity of the agency. I believe the perception of impropriety has been underscored, by the overt support for Mr. Lubbers' appointment as General Counsel, by current NLRB Chairman John Fanning. As this Senate is doubtless aware, Mr. Lubbers has served as a senior legal and policy adviser to Chairman Fanning for 20 years. Due to the nature of that position, and the longevity of the relationship, it is difficult for me to perceive Mr. Lubbers as satisfying the statutory mandate of independence.

The importance of public confidence in the agency should not be underestimated. When the original Wagner Act was signed into law in 1935, President Roosevelt stated that its acceptance by management, labor, and the public with a sense of sober responsibility and of willing cooperation would serve as an important step toward achievement of justice and peaceful labor relations in industry.

Contributing in large measure to that acceptance over the years has been the confidence of management, labor, and the public in the guarantee of the independent and neutral prosecution of unfair labor practices by the General Counsel. This confidence in the agency and the Office of General Counsel has been vividly demonstrated by the high percentage of settlements and voluntary compliance after unfair labor practice charges have been filed.

NLRB statistics indicate that over 90 percent of all unfair labor practice cases are either settled, adjusted by agreement of the parties before issuance of administrative law judge's decisions, withdrawn prior to the issuance of a complaint, or are dismissed administratively. These statistics are proof of the widespread acceptance by both labor and management of the independent prosecutorial function of the General Counsel. As my fellow Senators will recall, this public acceptance did not always exist, primarily due to the pre-1947 structure of the agency.

As originally enacted, the National Labor Relations Act combined the functions of prosecutor, judge, and jury into one entity—the National Labor Relations Board. Criticism of this arrangement mounted as the Board appeared to many to operate in a biased and arbitrary manner. Ultimately, Congress responded to this criticism and amended the NLRA to establish an independent Office of General Counsel.

CRITICISM OF BOARD PROCEDURES UNDER THE WAGNER ACT

The Wagner Act of 1935, hailed as the "Magna Carta" of labor, had by the 1940's engendered considerable opposition. One of the major criticisms of the National Labor Relations Board stemmed from the mechanisms which empowered the Board to serve simultaneously as "prosecutor, jury and judge" of unfair labor practice charges. As the court noted in *ILGWU* v. *NLRB*, 501 F. 2d 823, 828 (D.C. Cir. 1947):

> Prior to 1947 the Board itself was charged with the duty of determining whether to issue unfair labor practice complaints and how they should be prosecuted, for there was no office of the general counsel. Thus the Board simultaneously played the roles of prosecutor, jury and judge.
>
> This statutory scheme remained unchanged until 1947, when the Taft-Hartley amendment created the Office of the General Counsel. This office was created in response to heavy criticism of the unfair and uneven results obtained from the amalgamation of prosecutorial and judicial functions in the old Board.

The Smith committee, officially entitled the "Special House Committee to Investigate the National Labor Relations Board," issued a report which served as a basis for action which culminated in the Taft-Hartley Act. The Smith committee's report recommended the establishment of an independent administrator to perform the investigative and prosecutorial functions of the National Labor Relations Board.

The Board itself, even prior to the Smith committee's report, had recognized the need to separate its prosecutorial and adjudicatory functions. It began delegating the authority to issue complaints to the regional directors, with power of review residing in the Administrative Examiners Division. This trend continued, and by 1942, the decision to issue a complaint had been totally delegated to the regional offices, so long as the case presented no issues of policy or novel questions of law or fact, but that latter qualification was still cause for concern.

The regional directors, lacking true independence from the Board, could not risk offending the political sensitivities of Board members:

> A particular hazard of the old scheme was that a regional officer might reasonably hesitate to initiate action which he did not feel assured would meet favorably with the Board members to whom he was responsible. The penalty for too much independence in this case would be loss of employment, assignment to undesirable work or forfeiture of opportunities for promotion.

The Board's internal efforts at reform, and even its subsequent compliance with the Administrative Procedure Act, failed to mitigate criticism of the Board's lack of due process in the conduct of its affairs. Many Congressmen perceived that only a prosecutor independent of the Board's control and restore the balance of fairness which ought to obtain in an agency devoted to harmonizing the interests of management and labor.

THE TAFT-HARTLEY ACT AND THE DEVELOPMENT OF SECTION 3(d)

Representative Hartley's Education and Labor Committee revived the Smith committee suggestion that a prosecutor independent from the NLRB be appointed. The Hartley bill, H.R. 3020, was reported out of the committee on April 11, 1947. It provided for the establishment of an "independent agency" in the form of the office of "administrator," who would have the duty—

> To investigate charges . . . to issue complaints . . . [and] to prosecute such complaints before the board. . . .

Representative Hartley, in summarizing the virtues of the bill in House report 245 on H.R. 3020, listed the following as his first two points:

> (1) It abolishes the existing discredited National Labor Relations Board, and creates in lieu thereof a new board of fair-minded members to exercise quasi-judicial functions only.
>
> (2) It establishes a new official to exercise the various prosecuting and investigative functions under the National Labor Relations Act, to be entirely independent of the Board.

Representative Hartley went on to explain the operations of the new "bipartisan board":

> Unlike the old Board, it will not act as prosecutor, judge and jury. Its sole function will be to decide cases. A new and independent officer, the administrator of the new act, will investigate cases and present the evidence to the new Board, and the new Board must decide the cases, not according to prejudice and caprice, as the old Board has so often done, but according to the facts.

Finally, representative Hartley noted that:

> The bill thus achieves a separation of the board's functions, the need for which has long been obvious. Acting as prosecutor, judge and jury and to all intents and purposes as its own supreme court insofar as its findings of fact are concerned, the board seems to have found the temptation to be arrogant, arbitrary and unfair irresistible.

After conference, the Taft-Hartley Act provided for the establishment of the Office of General Counsel. According to Senator Taft, the General Counsel was:

> To have the final authority to act in the name of, but independently of any direction, control or review by, the board in respect of the investigation of charges and the issuance or complaints of unfair labor practices, and in respect of the prosecution of such complaints before the board.

The conference report noted that the reform measure, enacted as new section 3(d) of the NLRA, "effectively limits the board to the performance of quasi-judicial functions."

The Taft-Hartley bill passed both Houses of Congress, but not without opposition to section 3(d). Criticism of the measure, while ineffective, stemmed from two concerns. First, some members of Congress believed that the General Counsel would be too powerful. They termed the position that of a "Labor Czar" and feared that the "centralization of excessive power in one individual * * * [would] make the board itself subject to him." Second, others believed that the reform would be "administratively unworkable", due to the conflict which would develop between the general counsel and the board. Indeed, the latter point was seized upon by President Truman in his veto message, on June 20, 1947. Nevertheless, section 3(d) passed intact, as both Houses of Congress united to override the President's veto.

The concept of an independent general counsel thereafter gained acceptance. The acceptability of the new procedures has continued to the present day. The system has not collapsed as "unworkable;" nor has the general counsel become a "Labor Czar." Rather, a more fair system of investigating and prosecuting charges of unfair labor practices has resulted from the Taft-Hartley Act's amendments to the NLRA.

It is clear from even a cursory review of this legislative history that Congress concluded that the quasi-judicial body which had ultimate decisional authority should be barred from any role in the investigation and prosecution of cases which it might ultimately be called upon to adjudicate.

The independent status of the General Counsel was established in direct response to criticism leveled at the NLRB that the Board was "prosecutor, judge and jury." However, in making this fundamental change in the statutory scheme, Congress was merely following and reaffirming an historic legal principle that lies at the foundation of our society—that the prosecutor and the judge shall be separate and independent.

This congressional history of the development of the legislative mandate embodied in section 3(d) is not a matter of merely historic or academic interest. It is in large part the foundation upon which public confidence in the agency is built and depends. The independent office of General Counsel is one of the most significant and powerful positions in Government. Indeed it was the recognition of this fact that led opponents of the statutory change to raise the cry of "labor czar" in their unsuccessful effort to defeat the establishment of a truly autonomous function.

The General Counsel has final authority, subject neither to appeal to the NLRB nor to the Federal courts, both as to the investigation and prosecution of unfair labor practice charges by management, labor, and the public at large. The investigation of all unfair labor practice charges is totally and exclusively within his control. Because his decision is unreviewable, the failure to issue a complaint in an unfair labor practice case leaves the aggrieved party with no legal recourse.

On the other hand, if a complaint is issued by the General Counsel on the basis of a nonmeritorious charge, needless harassment results. Finally, if the General Counsel unnecessarily delays his decision, he will, as a practical matter, significantly affect if not deny substantive rights.

It is critical, therefore, that the General Counsel impartially investigate and prosecute unfair labor practice charges, and do so in a timely fashion; that nonmeritorious charges be dimissed and not used as a ploy by either labor or management for strategic objectives.

In this regard, it is crucial that the General Counsel enjoy the confidence of not only the labor-management community, but more importantly the confidence and trust of the public as a whole. If public confidence in the agency is to be maintained it is vital that the General Counsel be perceived by all as completely objective and independent. Because of his 20 years as a senior adviser to the chairman, it must be clear to the Senate, based on the presentations made here today, that Mr. Lubbers is not viewed by the business community as being independent and clearly does not enjoy the confidence of at least that important segment of the labor-management community.

Never before, in the agency's history, has there been a more compelling need to have a General Counsel who is perceived as objective and most important, independent. As this committee is aware, the agency's case load continues to grow at a rapid rate. In fiscal year 1979 there were 55,500 cases filed with the agency. Of these cases 41,700 constituted unfair labor practice charges within the exclusive and unreviewable jurisdiction of the General Counsel. In the 2-year period from 1977 to 1979 the intake of unfair labor practice cases alone rose 10 percent.

Fortunately, in fiscal year 1979, the settlement rate of meritorious unfair labor practice cases conducted under the authority of the General Counsel rose to 85.4 percent, the highest sustained settlement rate in the agency's history. I suggest to the committee that this settlement rate could not have been achieved if either labor or management in any way lacked confidence in the office of the General Counsel.

Mr. President, I yield to the distinguished Senator from Alabama and ask unanimous consent that his remarks appear at an appropriate place in the RECORD not to interrupt my remarks.

The PRESIDING OFFICER (Mr. LEVIN). Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, will the Senator yield?

Mr. STEWART. I yield.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion, having been presented under rule XXII, the Chair directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the nomination of Mr. William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.

Harrison A. Williams, Jr., Daniel Patrick Moynihan, Spark M. Matsunaga, Paul E. Tsongas, John A Durkin, Robert C. Byrd, Thomas F. Eagleton, Birch Bayh, Henry M. Jackson, Edmund S. Muskie, Gary Hart, Claiborne Pell, Jennings Randolph, Max Baucus, George McGovern, Dennis DeConcini.

(The remarks of Mr. STEWART presented at this point appear elsewhere in the RECORD.)

Mr. HATCH. Mr. President, it is apparent to anyone having firsthand experience with the agency that the General Counsel must possess an understanding of the day-to-day problems facing labor and management. This understanding can be gained through experience in the private sector or through a substantial period of service in positions of major responsibility in the office of the General Counsel. The background of Mr. Lubbers simply does not provide the exposure necessary to effectively discharge the responsibilities imposed by statute on the General Counsel of the NLRB.

Finally, as this committee is aware, the General Counsel has direct administrative responsibility for the Board's 33 regional offices which encompass over 2,500 of the agency's 3,000 employees. Most of the Agency's budget of over $100 million is expended in the processing of more than 50,000 cases filed annually in the regional offices for which the General Counsel has direct administrative responsibility. It is evident from these statistics alone that the position of General Counsel must be filled by a person with significant managerial experience and proven administrative capabilities.

The lack of practical labor relations and administrative experience can impair the effective administration of the statute and adversely affect unions, employers, and individuals that must rely upon the agency for the protection and vindication of their statutory rights.

CONCLUSION

For the reasons stated, I oppose the confirmation of William A. Lubbers as General Counsel of the National Labor Relations Board. In my view, Mr. Lubbers lacks the necessary independence and experience for this sensitive Government post. His confirmation would violate the clear statutory mandate and congressional intent embodied in section 3(d) of the National Labor Relations Act regarding the independence of the Office of General Counsel.

I urge the Senate not to confirm Mr. Lubbers. It would be in the public interest if the administration were to continue discussions with unions and management regarding an alternative nominee to the end of resubmitting a more acceptable nomination in the second session.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The second assistant legislative clerk proceeded to call the roll.

Mr. HATCH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HATCH. Mr. President, what is really involved here is that we have a man who, although a decent employee of the National Labor Relations Board, has either worked under or with the Chairman of the Board for, well, better than 20 years, who has been nominated, in spite of the fact that both business and labor would agree on at least three other nominees who would not have this appearance of impropriety, to become the independent General Counsel of the National Labor Relations Board.

Even that explanation might not be so bad were it not for the fact that this man has worked under or with the present Chairman of the National Labor Relations Board for more than 20 years.

The purpose of separating the General Counsel's office from that of the Chairman of the National Labor Relations Board, and making it independent, was to avoid even the very appearance of impropriety and to avoid any domination by the Chairman of the Board or any other member of the Board of the separate and independent office of the General Counsel of the National Labor Relations Board.

There are those who would contend that the independent General Counsel's position is more important because of the nature of the powers of that position in the inception of labor law violations, complaints and other problems, than the position of a Board member himself. I believe that is probably true because the independent General Counsel of the National Labor Relations Board can determine what prosecutions can be made, what suits can be brought, when unfair labor practice charges are assessed, and which cases can be dismissed.

It is not a position where there should be a biased or partisan or interconnected relationship with members of the Board who have to decide the cases in the final instance.

The decisions of the General Counsel of the National Labor Relations Board cannot be reviewed by any courts, to my knowledge. Therefore, this man has almost autonomous power over the workings of the prosecutorial functions and opinionmaking functions up to the decision process of the complete National Labor Relations Board of the labor-management relation problems of this country.

It is a serious charge we are leveling, but nobody can dispute that this man, although a nice person, and probably a competent employee of the Board, has not only had a very close and long-term relationship with the Chairman of the Board but has written or at least participated in the writing of many of those opinions.

It is no small knowledge that their philosophies are the same, both that of the Chairman and the independent General Counsel; that they share the same viewpoint and perspectives concerning labor law and labor-management relations; and from an analysis of the cases decided by the National Labor Relations Board during the 27 years that Chairman has been a member of the Board, that philosophy and that approach have been biased heavily towards the pro-union side of the labor-management equation.

Now, even that would not be, I guess, a major problem if it were not for the fact that if you give one particular point of view, knowing in advance that they will work in concert, the control of both the Chairman's position and, I might add, the Board per se, and control over the independent General Counsel's office, consisting of the administration of over 2,500 lawyers in the field of labor law and other administrative personnel, you are giving absolute control over the process to one particular point of view in defiance of the legislative intent and in defiance of, I think, the rules of ethics.

This is one of the problems. I do not find anything personally offensive about Mr. Lubbers himself. I personally like him. He may be very capable of doing many other jobs within the hierarchy and structure of the National Labor Relations Board. But, under these circumstances, in order to avoid the impropriety, and in order to avoid the appearance of evil—and I think in this case it is more than the appearance of evil—and since business seems prepared to accept outside counsel with vast experience in this area, it would appear that it would be better for Mr. Lubbers to withdraw from this position.

And certainly it would be better for our colleagues to vote against Mr. Lubbers.

In addition, Mr. Lubbers has had basically no experience in administering more than 20 or 30 people at a time. This is a tremendously important job of administration.

In addition to that, Mr. Lubbers has, according to his own admission, never supervised a union election or an election campaign; basically, the major work of the independent General Counsel of the National Labor Relations Board.

When you add all of these factors up and then add one more, and that is that I have personally talked with sources within the Board who have overhead statements to the effect that, if Mr. Lubbers could have this position for the 4-year appointment that it involves, he would, in effect, accomplish that which the Senate rejected back in 1978; in other words, putting into effect the labor law reform bill in defiance of the decision of this noble body.

Now, that alone ought to be enough to cause anybody to pause on whether or not we should confirm this particular nomination.

I personally think that Members of the Senate on both sides of the aisle have shown a propensity in these matters to do what is right. In the instance we cited yesterday of the rejection of the long-term staffer of a member of the CFTC by some 15 of our colleagues because of the appearance of impropriety, we believe that our colleagues will certainly support our rejection of this nominee in this particular case or at least a sufficient number of them will support that rejection, those who are really concerned about this type of occurrence in our Federal Government.

If Mr. Lubbers is confirmed by this body, it sets a very dangerous and a very bad precedent, because his confirmation would mean that, in these very important administrative positions, politics could be as usual.

It also means that perhaps "Why not the best?" were hollow terms during the 1976 election.

In fact, I have been shocked that, with the cooperation of the business community to having any number of nominees for this position who would not have the appearance of impropriety and who would be probably acceptable to business, the President consistently has stood behind this particular nomination.

Mr. BAUCUS. Will the Senator yield?

Mr. HATCH. I am delighted to yield.

Mr. BAUCUS. Mr. President, I am interested in the Senator's comments in opposition to Mr. Lubbers because what I have heard—not necessarily from the Senator, but from others who were in opposition to the nomination—seems to be based on general statements of the appearance of impropriety, and so forth.

But I rise to speak on this nomination because I have had some personal experience with Mr. Lubbers, and I found him to be highly capable and responsive to concerns of Congress. Let me briefly explain.

There is a fellow in my State of Montana named Mr. Thomas Gray, who felt that unfair labor practices charges he had filed against his union and former employer had not received a fair hearing from the agency. Mr. Gray felt the NLRB and in particular, the Office of General Counsel, had acted cavalierly and summarily dismissed his complaint. I called Mr. Lubbers in to discuss the case and see how he would handle the inquiry.

He was knowledgable about the case and able to answer questions in detail. He explained why the constituent's charges had been rejected by the regional office in Seattle which conducted the field investigation, and by the General Counsel's office in Washington which had independently reviewed the findings. Mr. Lubbers sympathized with the constituent's frustrations in the case, but noted that the constituent failed to appeal the rulings, even when specifically informed by the agency he could do so.

I asked Mr. Lubbers to send me documentation to show that the Office of General Counsel had properly performed its duty in the case. He provided me that material promptly, along with a narrative that explained how the agency handles such cases in general.

I feel satisfied from this experience that Mr. Lubbers is a man of integrity with genuine concern for the problems and frustrations of individuals filing labor complaints with the agency. I believe that as General Counsel of the National Labor Relations Board, he will take a fair approach to labor disputes and issues handled by this agency, and will be responsive to oversight concerns of Congress. I, therefore, give Mr. Lubbers my support in his nomination as General Counsel of the National Labor Relations Board.

Mr. President, I ask unanimous consent to have printed in the RECORD a letter from Mr. William A. Lubbers, of the NLRB, and a news article from the Great Falls Tribune of February 3, 1980, relating to this matter.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NATIONAL LABOR RELATIONS BOARD,
Washington, D.C., March 24, 1980.

Re Telephone Utilities, Inc., Case 19–CA-11122.

HON. MAX BAUCUS,
U.S. Senate,
Washington, D.C.

DEAR SENATOR BAUCUS: This letter is a follow-up to our meeting of March 7, 1980 in which you requested information concerning the Agency's investigative process generally and specific information concerning this office's review of the Regional Director's decision in the above-captioned case and related cases.

With respect to the Agency's procedures for processing an unfair labor practice charge, each charge that is filed is assigned to a Board agent. About half of the Board agents in each Regional Office are attorneys and half are field examiners. The Board agent investigates the charge by interviewing witnesses, taking statements from them, generally in affidavit form, and obtaining pertinent documentary evidence. The Charging Party is contacted first and asked to make its witnesses available. The Board agent is expected to investigate all pertinent lines of inquiry, whether or not they are within the control of, or are suggested by, the charging party. However, Board agents are expected to avoid interviewing witnesses where the evidence they would present is cumulative or not relevant to the case. If the evidence adduced through the charging party's witnesses and pertinent leads points to a prima facie case, the charged party is contacted and asked to produce evidence. Upon the completion of the investigation, the Regional Director reviews the evidence and the recommended disposition of the Board agent and the supervisory staff. In the event the Director concludes there is sufficient evidence to support the allegations of the charge, the Region will attempt to settle the matter; however, if a settlement is not obtained a complaint will be issued setting the matter for hearing before an Administrative Law Judge. If the Regional Director determines that the charge lacks merit, the charge is dismissed, absent its withdrawal by the charging party. A dismissed charge may be appealed to the General Counsel. The Office of Appeals independently reviews all of the evidence in each appealed case before a disposition of the appeal is made; the decision of the Regional Director may be reversed or sustained. In the case of the former, the matter is returned to the Regional Office for issuance of complaint, absent settlement. If the Director's decision is sustained, the matter is closed.

As to the above-captioned case, as former General Counsel Irving assured you in his letter of September 24, 1979, there was a de novo review of the Regional Office file, as well as the material submitted on appeal, before a decision on the merits was reached by him. As Mr. Irving stated in the status report enclosed with his letter, this case involved a charge filed on February 23, 1979 by Thomas A. Gray which alleged in substance that Telephone Utilities, Inc. had failed to rehire him because of his participation in a strike against the Employer in 1975 and because he had filed numerous charges with various governmental entities. After an investigation was conducted, the Acting Regional Director concluded that the investigation disclosed insufficient evidence that the Employer had violated the National Labor Relations Act. Accordingly, he dismissed the charge. The review of the Regional Office file in this case disclosed, inter alia, that Mr. Gray had been advised by a counselor with the Montana State Employment Service in about March 1979 that there were three installer/repairmen job openings at Telephone Utilities, Inc., but Mr. Gray did not submit an application through the Service for any of these positions. After this evaluation was conducted, former General Counsel Irving decided to sustain the Acting Regional Director's decision not to issue an unfair labor practice complaint. A copy of the letter of July 13, 1979, denying the appeal, which was sent to all parties, is attached, as well as a copy of a letter dated September 25, 1979, to Mr. Gray, responding to further inquiries that he made concerning this case. While these letters to Mr. Gray denying the appeal are brief, you may be assured that the appeals were denied only after a full and careful review of Mr. Gray's appeal and the Regional Office case file. Our Office of Appeals exists for the sole purpose of assuring that Charging Party's contentions on appeal are given every consideration. This Office has a reputation for fairness with the labor management community because of the way it has always processed cases. You may be assured that our Office of Appeals gave every consideration to Mr. Gray's position.

With respect to the charge filed by Mr. Gray in early 1978 against Northwestern Telephone Systems (a subsidiary of Telephone Utilities, Inc.), Case 19–CA–10204, as I indicated to you when we met, the Region dismissed the case after a careful review of the evidence adduced during the investigation. The dismissal letter informed Mr. Gray of the time limits and procedures by which to file an appeal from this decision with the General Counsel's Office of Appeals and the necessary forms were included with the dismissal letter. However, Mr. Gray did not appeal this decision and the case was, therefore, closed. A copy of the Regional Director's dismissal letter dated April 4, 1978 is attached.

You may be assured that all charges which Mr. Gray files in the future, if he elects to do so, will be carefully investigated and considered by the Regional Office. If it is determined that the case is meritorious, complaint will issue, absent settlement. Alternatively, if the Regional Director dismisses any such charges and Mr. Gray files a timely appeal in such case, it will be reviewed de novo by the Office of Appeals.

If I can be of any further assistance in this or any other matter, please do not hesitate to call upon me.

Sincerely,

WILLIAM A. LUBBERS,
General Counsel.

FORMER MONTANAN SPURS PROBE INTO NLRB MISMANAGEMENT

(By Charles S. Johnson)

HELENA.—After peppering members of Congress with dozens of letters, a former Montanan has at last aroused some interest in his case against the National Labor Relations Board.

A U.S. Senate subcommittee headed by Senator Max Baucus, D-Mont., has agreed to look into charges of mismanagement at the NLRB.

The allegations were made by Tom Gray, formerly of Polson and Kalispell, who now lives in the Seattle area. Gray has accused the NLRB of unfairly dismissing a number of grievances he and other workers filed after a bitter strike by employees of Northwestern Telephone Systems in northwestern Montana in 1975.

He and others filed unfair labor practices charges with the NLRB against both the telephone company, which is a subsidiary of Pacific Power and Light Co., and their union, Local 768 of the International Brotherhood of Electrical Workers.

Simply stated, Gray, who worked as a telephone lineman and some other former employees who went on strike contend that their union sold them out and conspired with the telephone company to keep them unemployed after the strike was settled.

Gray spent four years fighting his case full time on many different fronts before running out of money and returning to work for another telephone company in Washington last fall. He continues to devote his spare time to the cause.

The 30-year-old Gray is pleased that the Senate subcommittee is investigating the allegations.

"We feel this is a real breakthrough and that finally the case is getting the attention of people who can really do something about this problem," he said in a telephone interview recently.

Gray said he has sent the subcommittee staff 120 pages of material to document his allegations against the NLRB and is willing to travel to Washington at his own expense to meet with staff investigators.

Looking into his charges will be the Subcommittee on Limitations of Contracted and Delegated Authority, which is under the Senate Judiciary Committee.

The subcommitee's staff director, Franklin Siley, said in a telephone interview that the staff will look over Gray's allegations and then decide whether to pursue the case further. He emphasized that just because the subcommittee has asked Gray for documentation does not necessarily mean it will take on the case. A small staff and limited budget limit the number of investigations that the subcommittee can undertake, he said.

But for the persistent Gray, the letter from Baucus was the first real sign of encouragement he's had in months in his efforts to have the NLRB investigated.

Gray, who writes so many letters that he has bought an expensive word processing machine with computer storage, described his case against the NLRB in individual letters to all 100 U.S. Senators and at least 35 Representatives last year. And anyone who showed a passing interest received more letters.

Most of the senators and representatives, however, wrote polite letters back thanking him and passing the buck to the Montana delegation.

In a typical letter, for example, Sen. Strom Thurmond, R-S.C., wrote: "You may be assured of my interest and concern in this matter; however, as you are a resident of the state of Montana, I have taken the liberty of referring your letter to the Honorable Max Baucus. It is the custom, as well as a courtesy, in the U.S. Senate to allow each senator the opportunity of assisting his constituents."

Sen. John Glenn, D-Ohio, had a remarkably similar response: "Inasmuch as you are a resident of the state of Montana, I have taken the liberty of forwarding your letter to the Honorable John Melcher. It is a custom, as well as a courtesy, in the U.S. Senate to allow each senator the opportunity to assist his constituents."

Gray wrote some senators and asked that they not refer the matter to Melcher because he was unsatisfied with the way Montana's senior senator was handling the matter.

Melcher, in turn, criticized Gray in a letter to one of Gray's supporters.

"Mr. Gray has attempted to provide legal services for others and to act as his own attorney," Melcher said of Gray, who is not a lawyer. "When decisions go against his position he refuses to accept the outcome."

Melcher said he had repeatedly tried to help Gray, as had former Sens. Mike Mansfield and Lee Metcalf. He said it is "regrettable" that Gray and others failed to obtain "competent legal advice" when their troubles began as the delegation had recommended.

"As one member of the legislative branch, I have no power to investigate an executive agency," Melcher wrote.

The senator went on to say that Gray's intentions were good "but unfortunately he was not capable of giving sound legal advice to others concerned," which has led to time running out on aspects of some of the workers' cases.

Gray's response was bitter.

"Senator Melcher made his attitude quite clear early and his sympathy appears not to lie with the working individuals in situations of hardship," Gray said in an interview. "Senator Melcher seems to be more responsive in the needs of big business than to the needs of individual workers. To me, it seems John Melcher has counted himself out."

Gray has run up against obstacles before.

Last year, he wrote the White House to complain about the NLRB's Seattle office. Instead of being kept confidential, his complaint eventually wound up in the hands of the same NLRB official in Seattle that Gray wanted investigated. That episode triggered several news stories with headlines like: "Bureaucrat to investigate self."

Gray accuses the NLRB of improperly dismissing more than 40 unfair labor practice charges he and others filed as having no merit.

Moreover, they contend that the NLRB failed to advise them or honor their right to seek legal counsel, conduct a thorough and impartial investigation, present evidence at a fair and impartial hearing, obtain reports under the federal Freedom of Information Act, intervene as charging parties, appeal decisions and file motions for reconsideration.

Gray has not contacted the NLRB lately, saying he doesn't believe it would be productive. "It would just be whistling in the wind, to use their own words," he said.

This battle is only one of several Gray is pursuing on behalf of more than 20 workers who lost their jobs with Northwestern Telephone Systems after the strike. The workers meet occasionally to discuss strategy and have formed a group known as the Society of Unwanted Employees (SUE).

True to their word, the group has filed several lawsuits.

One lawsuit in state court alleges violations of the National Relations Act.

Pending in federal court is a $60 million discrimination suit against the unions, the telephone company and its subsidiaries. The lawsuit alleges that the workers were discrimintated against on the basis of age and sex in the rehiring after the strike ended.

Representing Gray and the workers in the second lawsuit is the Detroit law firm of Haynes and Donnelly, which has built a national reputation on employee rights cases by obtaining large settlements for dismissed employees.

Mr. HATCH. Will the Senator yield on that point just for a second?

Mr. BAUCUS. Yes.

Mr. HATCH. Mr. President, perhaps that is in the Senator's eyes a reasonable approach and procedure, and I know that that is true, because my colleague and I have served on the Judiciary Committee and I have a lot of respect for my colleague from Montana.

But this is not the usual way that the National Labor Relations Board employees conduct an investigation or even an inquiry, congressional inquiry. In fact, that would be opposite the way they actually do handle these problems.

They handle them in the ordinary course of events, instead of, for instance, coming to a Senator's office.

Now, that is precisely what we are talking about. Mr. Lubbers, as I have said before, I think is basically a good person. I do not have any qualms with that. I have said it on the floor and I will say it again if necessary. I think that he is competent in the area where he has been working.

There is a question of competency with regard to the area that is supervised by the General Counsel, because he admittedly has had basically no experience in that area in all of his 27 years, or however long it was, in the National Labor Relations Board work.

But it is not the proper approach for Mr. Lubbers to come to a Senator's office and resolve this personally.

Mr. BAUCUS. Mr. President, I do not know if the Senator fully understood the process of what happened.

Essentially, what happened was that Mr. Gray complained to the NLRB that his review was being handled improperly.

Mr. HATCH. Who was the complainant?

Mr. BAUCUS. He was an employee.

Mr. HATCH. It was one of the employees?

Mr. BAUCUS. That is correct.

This employee, Mr. Gray, was concerned that he was not getting a fair review in the NLRB.

Mr. President, I must say I was personally impressed with Mr. Lubbers in the way he assured me, so far as I am able to determine, that the complainant was receiving fair treatment and afforded a fair result.

I have heard all these complaints about Mr. Lubbers. But from personal experience—though it be one incident—I found him to be fair and objective.

I hope my thoughts will assist Senators in making up their minds.

Mr. HATCH. Mr. President, I agree that Mr. Lubbers is a very fine gentleman. I will also say that I have sent all kinds of complaints from my constituents to the National Labor Relations Board. In every instance, they have been handled through mail or through the ordinary course of business of the Board. Never has a member of the Board come over, even though we work with the Board on the Labor Committee all the time.

What I am saying is that he may have been very cordial and very nice, but, again, I point out that that is not the way the National Labor Relations Board generally works.

Mr. President, I believe most members of the Board are competent people. Most people who work for the National Labor Relations Board are competent people. But the point I am making is generally if you call them, they will work within their own office to resolve the difference just as, professionally, Mr. Lubbers apparently worked in the Senator's case.

By the way, these are matters that really are not related to what the Office of General Counsel would do, what Mr. Lubbers would be called upon to do as General Counsel. What I am saying is that this is not the ordinary course of business in the National Labor Relations Board, for any employee to come to a Senator's office or a Congressman's office, or the office of anybody else, for that matter, regarding a complaint, whether it be from an employee or an employer.

Mr. BAUCUS. Mr. President, I am certain that the Senator from Utah receives complaints from his constituents just as I do, who feel that they have not been receiving proper treatment from one agency or another. The person I referred to in my State tried to pursue his own remedies with the NLRB and felt that he was not getting fair treatment.

Mr. HATCH. Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from Wyoming without losing my right to the floor and without my resuming being considered as a second speech.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. SIMPSON. Mr. President, several weeks ago with regard to this general issue I made a statement that I would assist in this debate. I have mixed emotions about filibusters—not the result, but the actual process itself. I hope I never get used to the art of filibuster. And yet having served in a State legislative body for some 14 years, being a member both of the minority and the majority—which few people in this Chamber have ever experienced—I learned that at one time or another you will require that assistance. You will require the support of extended debate somewhere in the legislative experience if indeed you are a productive legislator. That is the way it is and the way it will always be. I guess if we serve long enough we will be on both sides of every issue at different times of our legislative careers—whether we are labeled as conservatives, liberals, right, left, whatever it may be.

I do not direct any partisan remarks toward Mr. Lubbers. I am sure that has been belabored. I am sure that the Senator from Utah has addressed the issue rather clearly in view of the notations I have made as to the timbre of his voice after several hours of activity here on the Senate floor.

I speak basically and hopefully on the issue of fairness and proper administration of a very important agency of the Federal Government. That is the National Labor Relations Board.

To give you just a shred of background, Mr. President, I was a student of Archibald Cox at the University of Colorado in a summer term in 1957. Archibald Cox, later of Watergate fame and Solicitor General of the United States, is a most extraordinary man.

In the course of that instruction, I learned the awesome task of the National Labor Relations Board. I learned how it indeed can slip into factualism, partisanship. But these qualities were never intended to be there. The Board was intended to promote collective bargaining in America. That is really the only reason it was established.

I do wish to speak in opposition and in some length to the nomination of William Lubbers to be General Counsel of the National Labor Relations Board.

The debate surrounding this nomination and the opposition to the nomination expressed—I think almost unanimously—by the American business community, is apparently based on three factors:

First, the actual qualifications of Mr. Lubbers to serve as General Counsel.

Second, the strong and—I think very real perception—that he lacks independence from the members of the National Labor Relations Board, which is a very critical thing that he must possess.

Third, a well demonstrated, I believe, prolabor bias by Mr. Lubbers, both as an employee of the NLRB and during his current stint as acting General Counsel. This is the observation of him, as we watched him perform his duties as acting General Counsel, that causes me concern.

Mr. President, I in no way question Mr. Lubbers' professional competence as to the primarily administrative positions he has held during his association with the NLRB over a 20-year period.

However, these positions, including that of Executive Secretary to the Board and a legal assistant to several Board members, have apparently afforded him very little exposure to policy decisions, and that is what he will be engaged in as General Counsel.

His qualifications for the job of General Counsel do not include experience at any regional level office or in policy decisions development or direct personal involvement in the resolving of labor cases. Consequently, I feel that he is not the best candidate for this position—simply for the reason that his qualifications, to me, appear to be lacking, at least as regards the statutory description of the job.

The importance and sensitivity of the position of General Counsel of the NLRB in the labor relations arena, collective bargaining, cannot be over- or underemphasized. The General Counsel is the independent prosecutor of unfair labor practice charges brought by management or labor—the independent prosecutor. His decision either to issue a complaint or not to issue a complaint arising from those charges is not subject to review, either by the members of the NLRB or by the courts.

I think that is an awesome power.

Consequently, neither party filing a charge of unfair labor practices has further recourse once the General Counsel's decision is made—another awesome bit of power. The position, indeed, is all-powerful and it is one in which there must be public trust if it is to functions as is required in labor-management disputes.

The essential nature of the role of the NLRB General Counsel in labor relations brings me to some other factors which are present in the consideration of this nomination. One is the widely held perception that Mr. Lubbers is not independent of influence from members of the NLRB. Another is that he is not free and independent of known bias toward labor.

I must stress there that word "perception." It is on the appearance of things we rise or fall in this arena, in Washington and in this Government—Not on whether it is so or is not so, but on the appearance of things. It is unfortunate that that judgment is made, but, nevertheless, it is.

Every Member of the Senate knows the extreme difficulty of trying to render a judgment on a Presidential nomination. These nominations are made to a wide variety of positions and, of course, they are positions which the President of the United States is required to make and required to fill. In reviewing those nominations, I knew that I, as a Senator must necessarily come to rely on the facts available, facts concerning those usual things like verifiable educational, professional, political, and social activities of the nominee and then, supposedly, from those facts, to develop a judgment on the "worthiness" or the ability of the nominee to fulfill the statutory obligations of the position for which he or she is nominated.

That is a tough job for me. I have dealt with it since I came here, in my 16 months of tenure. What always controls this admittedly difficult process is nothing more than the perception or understanding of the Member of Congress concerning the ability of the nominee to meet these obligations. Equally critical is the perception of the American public concerning a nominee.

I have watched this nomination process. I have heard the cries come from around the country on certain nominations—especially in the area of district judgeships—half of them hysteria; in many cases, ill-founded; punitive in many respects. We find someone who has made a public statement 20 years before and suddenly it is trotted out and they say, "Here is what you said 20 years ago and we are never going to let you forget that." I find it interesting how we do that in this arena, as if we were all quite pure. I shall leave out and spare you the details of my own checkered past.

We examine the views, the previous

views, the activities of nominees, their professional pursuits. How, we ask, did they do when they were doing other things? Did they have a good reputation? Did they know what they were doing? Did they do their homework?

Those are the perceptions we deal with when we are appointing people to important positions. The task is to deal with those things completely verifiable by hard fact. That is what we need to do always, verify those things by hard fact, rather than by innuendo and slur and hysteria—those things that are so much easier to do because they require very little thought and more glandular reaction than thought.

I do feel that Mr. Lubbers' longtime and close relationship of over 20 years with the current Chairman, John Fanning, is enough to cause me serious concern. I have already seen the power of "staffers," which I believe the phrase is in this arena. I am sure the Presiding Officer has observed, since he and I are members of the same class in this place, the power of staff persons to work their will upon the elected representative. I guess that is the way it is. It is certainly even more so when we find a person who has come into the committee system, worked his way to the top or to the midpoint of the structure, and who then has a sense of consciousness that is often not quite attuned to the elected representative's views.

I have had the rare opportunity of addressing one such overzealous staff person and I said, "Not only are you very bright and very intelligent and very opinionated, you are also unelectable. But I happen to be there because I am the guy who had to go run and get elected to get here."

So I find that those people who stay here on the staffs and work their way up the professional ladder—counsel, minority counsel, majority counsel, on to the next step, the next testing ground, the next arena—finally begin to feed into the system in a way which, if they themselves were to come before the electorate, they would never be allowed to be here.

Consequently, I am concerned about Mr. Lubbers' 20 years of tenure on the NLRB staff and the 20 years of close relationship with the current Chairman of the NLRB. I think this background brings into serious question Mr. Lubbers' independence, because it is my hunch that he has learned a pretty good part of the "line" in that process, the "line" being the ability of continuity that new ones do not have. Thus when a certain esoteric issue arises, one of them says, "Oh, that came up 15 years ago. Here is what we did to it then and lets us do the same now," not realizing it may well be time to trot that particular item out and try it on afresh, with fresh ideas and fresh perspectives.

That is apparent and I think seriously compromises the appearance of "independence."

The facts regarding the professional background of Mr. Lubbers seems to me to indicate a violation of the legislative mandate—the law—that the General Counsel's office be completely independent of Board members. That is what it says. That is the book, page, and hymn number of the law.

I believe that the public perception of this General Counsel is critically important, as well as the public perception of the business and labor communities. I put them both there because when we lose a good public perception of both the labor and the business community in America, we will all suffer for that.

But here we are with this phrase "independent." I do not see how this person, this nominee, is completely independent of the Board members. I do not believe that can be sustained by the facts. I do not feel that can possibly be the case with Mr. Lubbers because of this long, deep, and intimate relationship with the members of the NLRB.

Then there are many and varied examples of certain decisions made by Mr. Lubbers which I think tend to indicate a prolabor bias.

There is nothing wrong with that as long as we identify it as such, any more than there is anything wrong with a pro-business bias as long as we say that is where we are coming from. I think that is the point.

During the Labor and Human Resources Committee hearings on his nomination, Mr. Lubbers admitted that he gave "technical assistance" to union leaders on the so-called labor reform bill during the Senate debate on that issue—at a time when he was supposedly serving as a "neutral" National Labor Relations Board employee.

I think his apparent bias is further demonstrated in one of his first cases argued before the National Labor Relations Board as acting General Counsel. At that time he reversed the previous position argued by the General Counsel. Mr. Irving, just a few months before that time, and adopted a position urged by the union to the effect that a union's implied right to enforce solidarity during a strike takes precedence over an employee's express right to refrain from engaging in union activities.

Obviously, that decision has serious implications in altering the labor-management balance during an economic dispute, and that alone causes me deep concern.

The near unanimous opposition of the business community to this nomination is hopefully not overreactive—at least the business representatives contacting me do not appear to be in that category. But it is clear the near unanimous opposition of the business community to this nomination, as well as the serious objections raised in this debate by many Members of the Senate, jeopardizes the ultimate confidence anyone might possibly have in Mr. Lubbers' service as General Counsel of the National Labor Relations Board.

I believe the President should have realistically assessed that opposition, as well as the other factors that have been previously mentioned, and perhaps have withdrawn the nomination.

I wanted to share these thoughts on this nomination as a person paying attention to these factors and trying to determine whether this important position is filled by a person who is truly independent.

So, failing the action on the part of the President to withdraw the nomination which, of course, might be a naive presumption on my part, I intend to oppose the nomination and would urge my colleagues to do likewise.

Mr. WILLIAMS addressed the Chair.

Mr. SIMPSON. I will yield for a moment without losing my right to the floor.

Mr. WILLIAMS. Mr. President, I wanted to ask the Senator to yield for question. I was fearful that the Senator might be concluding and yielding the floor. That, of course, would be a personal disappointment to this Senator because I was enjoying the dissertation of the Senator from Wyoming.

But I also want to have an opportunity, before the Senator yields the floor, to discuss one of the cases that he mentioned that Mr. Lubbers had been involved in that has been described as reversing a prior General Counsel's position, and it was suggested that it was a prounion position that was taken.

I want to talk a bit to the Senator from Wyoming about that case. In fact, there are two cases that are considered really together in this discussion in that regard. I hope I can get the Senator to yield later.

Mr. SIMPSON. Indeed, I will yield at the appropriate time to the distinguished Senator from New Jersey.

Mr. President, I think the Senator from New Jersey might be a bit interested in some of the next remarks I will share with regard to the awesome power of the Office of General Counsel, including the remarks coming from a man I am sure the Senator might recall. He certainly was a distinguished Member of this body from the State of Wyoming. He served here for 26 years—a Democrat, by the name of Joseph C. O'Mahoney, who came here as one of the original trustbusters with Thurmond Arnold in tow, and they did some remarkable work on the statute books of the United States.

I will share some of the remarks of Senator O'Mahoney and others in a particular debate on July 23, 1947 concerning the National Labor Relations Act Amendments. At the time, there was a serious discussion of the powers of the General Counsel.

First, I will share biographical information about this unique Wyoming Senator.

He was from Suffolk County, Mass. He moved to Lawrence, Mass., with his parents in 1892, and to Cambridge in 1898, where he attended parochial schools, and Columbia University in New York.

He moved to Boulder, Colo., in 1908 and was engaged as a reporter on the Boulder Herald, moved to Cheyenne, Wyo., in 1916, and served as city editor of the Cheyenne State Leader.

He was executive secretary to a remarkable Senator named John B. Kendrick, whose family is still involved deeply in the history of Wyoming.

He was a graduate from Georgetown University Law School in Washington, D.C., in 1920, was admitted to the bar in 1920, and commenced practice in Cheyenne, Wyo., and Washington, D.C.

He was a delegate to the Democratic State conventions in 1924 and 1932, and to the Democratic National Conventions in 1924 and 1948.

He was a member of the conference on uniform State laws in 1925 and 1926, in its nascent beginnings.

He was city attorney of Cheyenne, and then served as Democratic national committeeman from 1929 to 1934.

He was appointed the first assistant Postmaster General on March 6, 1933, and served until December 31, 1933.

He was appointed as a Democrat to the U.S. Senate to fill the vacancy caused by the death of John B. Kendrick.

On November 6, 1934, he was elected to fill this vacancy, and also for the term commencing January 3, 1935.

He was reelected in 1940 and again in 1946 and served from January 1 to January 3, 1953, when he was defeated in the Eisenhower landslide of 1952.

He was elected on November 2, 1954, to fill the vacancy caused by the death of Lester C. Hunt, another Democrat from Wyoming who served in this body, and was also elected for the full term commencing January 3, 1955, and served from November 29, 1954, to January 3, 1961.

He was not a candidate for renomination in 1960 because of his health, and he resumed the practice of law in Washington, D.C., and Cheyenne, Wyo., and died in the Naval Hospital at Bethesda, Md., on December 1, 1962, and was interred at Cheyenne, Wyo.

I will give one other bit of information about this man, whom I want to quote on the issue of the office of General Counsel, an interesting personal observation of mine.

My father ran against Joseph C. O'Mahoney in 1940 but did not get enough votes to mount a corporal's guard. The Republican Party was not exactly being embraced around the Nation in 1940, and my father lost to Joe O'Mahoney by some 19,000 votes. We really did not know we had that many registered voters in Wyoming at that time.

Later in their careers, they became warm and close friends, and that was the case until Joseph C. O'Mahoney's death.

The most important aspect of this issue on the nomination of Mr. Lubbers for this 4-year term, is the nature of the position itself and the duties, by statute, of the position.

In order for me to familiarize myself fully with the legislative history of this position and this office, I have reviewed some of the floor debate which occurred in the House of Representatives and the U.S. Senate in 1947 on amendments to the National Labor Relations Act. That was the legislation which established the Office of General Counsel.

Apparently, there was a vast difference of opinion between the House and the Senate over the issue of how the investigating and prosecuting functions under the National Labor Relations Act were to be carried out. The House of Representatives proposed that those functions be carried out by an administrator, a new independent agency, to exercise the investigating and prosecuting functions under the act. The Senate disagreed, and the final conference report on the legislation provided, instead, that there shall be a General Counsel to the National Labor Relations Board who is to be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years.

The conference report provided further that the General Counsel is to have general supervision and direction of all attorneys employed by the Board, excluding the trial examiners and the legal assistants to the individual members of the Board and of the officers and employees in the Board's regional offices, and is to have the "final authority to act in the name of but independently of any direction, control or review by the Board in respect of the investigation of charges and the issuance of complaints of unfair labor practices."

That is a rather awesome responsibility. He is to have, in addition, such other duties as the Board may prescribe or as may be provided by law. By this provision, responsibility for what takes place in the Board's regional offices is centralized in one individual, who is ultimately responsible to the President and to Congress.

Mr. President, the subject of the General Counsel generated a tremendous amount of debate back in 1947. Several Members had particularly interesting comments on the matter, which I should like to share with my colleagues today.

Senator Wayne Morse, of Oregon, then a Democrat, was particularly active in the debate.

I want to share with my colleagues what Senator Wayne Morse said, because he had rather an interesting career as a Republican and as a Democrat and as an Independent, and he certainly covered all aspects of philosophy in this matter in the process. Both he was a tiger in every respect.

On June 5, 1947, he stated:

> Mr. President, I simply shall never vote to vest in any single individual any such sweeping power over the handling of labor relations cases in this country. I do not know where that superman is to be found. I do not know to whom we can point or to whom we should entrust the power to determine whether a complaint of an unfair labor practice shall be issued. He becomes really the Board. As I said in the beginning, let me control the procedure of a body, and I will control the substantive rights administered by that body.
>
> This person would control the procedural rights of every employer and every labor union in the country.
>
> Also, when it comes to the question of issuing complaints, it can be done independently of the Board. The Board members would sit there and twiddle their thumbs and could not do anything about it because we, the Congress, propose to vest in the General Counsel that power. But not with my vote.

Typical of Wayne Morse, he commented a bit further on that subject later in the same month. He said, interestingly enough, that he perceived that a filibuster might be going on at that particular moment in Senate history. Senator Morse had this to say about that:

> Mr. President, I can assure the Senator from Maine, from the sensations on the bottoms of my feet, that I am standing.
>
> Another word or two with regard to the filibuster. I am not one to deny for one split second that the debate which is going on in the Senate of the United States is a form of filibuster. As I stated earlier, I say that as one who is opposed to filibusters and one who will vote to outlaw them from the Senate; also as one who will vote to surround the unanimous-consent agreement procedure with greater protection so far as minorities are concerned.

This was Wayne Morse's philosophy, indeed.

He also said:

> "I wish to call attention to a few elements of this particular filibuster. This is not a filibuster which seeks to prevent a vote on this measure. It is not a filibuster which seeks to kill a given measure by consuming whatever period of time may be necessary until other Members of the Senate agree to withdraw the legislation in its entirety.
>
> Those are the typical filibusters. This is only a little battle over procedure. We are ready to vote on this measure on Monday, Tuesday, Wednesday, or any other day beginning with Monday. We have given our reasons why we think a delay for that period of time is justified.
>
> No; we are not filibustering to kill a measure, in the sense that it shall not come to a vote. I think it was entirely unnecessary from a procedural point of view for the majority to force the minority into this position. I am willing to take my share of the responsibility for the filibuster, judged from the standpoint of the reasons which I have advanced as to why I think it is necessary and justified. I am willing to let the American people judge as to who is truly responsible for the spectacle which the United States Senate has put on for the past several hours. I do not think it was wise or desirable. It certainly was not necessary for the majority to say, in effect.

This was from Wayne Morse as he talks of the majority of which he was a member.

He continued:

> You are going to take it and like it. We shall see. We do not like it. We dislike it very much. But if our forces hold out—and I believe they will—I think we shall be able to take it.

I am sure there are many of my colleagues who would agree that what the Senator from Oregon said about the extended debate in 1947 on this issue applies certainly to our discussion here today.

Returning to Senator Morse's concern about the office of General Counsel, he said:

> But I was saying that perhaps the most serious and damaging of these changes in administrative law is the creation of a statutory office of general counsel. Mr. President, that general counsel will be the "super duper" of all general counsels in the Federal Government. His job is going to be some job; it will be not only a very valuable job from the standpoint of economic status, but a job of tremendous power, in fact, too much power for any one man in this Government to have, more power than any other general counsel has ever been given, and from the standpoint of the independence of the power within the jurisdiction of the office, more power than the Attorney General of the United States has.
>
> We do not give to the Attorney General of the United States, in his relation to the American judiciary, anything that bears any resemblance, in breadth of jurisdiction and power, to what we give to the general counsel of the National Labor Relations Board in

> his relationship, under the bill, to the Board. The President saw that one, too. He nailed it to the floor in this veto message. He minced no words about it. That is another reason why I say this veto message is a great message of Americanism, and it is a great message that shows a deep understanding on the part of the President of the United States that we cannot afford to place and should not risk the danger in this country of placing in mere men such tremendous powers as are placed in the general counsel of this Board.

Senator Taft, who was a supporter of the National Labor Relations Act legislation, which proved to be controversial enough to generate a Presidential veto, offered his analysis of section 3(d), which was the portion of the bill which established the office of General Counsel. I quote from Senator Taft's analysis:

> Section 3 (d): In order to make an effective separation between the judicial and prosecuting functions of the Board and yet avoid the cumbersome device of establishing a new independent agency in the executive branch of the Government, the conferees created the office of general counsel of the Board, to be filled by appointment of the President, subject to Senate confirmation. We invested in this office final authority to issue complaints, prosecute them before the Board, and supervise the field investigating and trial personnel. It is asserted that this is inconsistent with the Administrative Procedure Act and that it places a tremendous amount of unreviewable power in the hands of a single official.
>
> The Board itself has been sensitive to the reproach that it acts as judge, jury, and prosecutor, and in recent years has promulgated regulations which have delegated the power of issuing complaints to the various regional directors. Presumably the General Counsel would keep these regulations in effect, except that the regional directors would act pursuant to his general instructions rather than those of the Board. The present regulations permit a person aggrieved by the refusal of a regional director to issue a complaint to appeal the matter to Washington. This is not an adversary proceeding but simply a review, based upon the confidential report of the field staff which conducted the investigation. Presumably, under the conference agreement such appeals would be routed to the General Counsel's office rather than to the Board. The assumption that the Board itself presently reviews these appeals, however, is utterly erroneous. According to the testimony of the chairman of the Board these appeals are considered by an anonymous committee of subordinate employees. What the conference amendment does is simply to transfer this "vast and unreviewable power" from this anonymous little group to a statutory officer responsible to the President and to the Congress. So far as having unfettered discretion is concerned he, of course, must respect the rules of decision of the Board and of the courts. In this respect his function is like that of the Attorney General of the United States or a State attorney general.

However, Mr. President, I must admit that the most intriguing piece of information I came across during my research on the legislative history of the General Counsel's Office was the statement made by the then Senator from Wyoming, Joseph C. O'Mahoney, on the President's veto of the National Labor Relations Act Amendments.

First, Mr. President, I wish to read the Presidential veto message or at least a portion of that to my colleagues. This is the statement of the President. He stated:

> I return herewith, without my approval, H.R. 3020, the Labor-Management Relations Act, 1947.
>
> I am fully aware of the gravity which attaches to the exercise by the President of his constitutional power to withhold his approval from an enactment of the Congress.
>
> I share with the Congress the conviction that legislation dealing with the relations between management and labor is necessary. I heartily condemn abuses on the part of unions and employers, and I have no patience with stubborn insistence on private advantage to the detriment of the public interest.
>
> But this bill is far from a solution of those problems.
>
> When one penetrates the complex, interwoven provisions of this omnibus bill, and understands the real meaning of its various parts, the result is startling.
>
> The bill taken as a whole would reverse the basic direction of our national labor policy, inject the Government into private economic affairs on an unprecedented scale, and conflict with important principles of our democratic society. Its provisions would cause more strikes, not fewer. It would contribute neither to industrial peace nor to economic stability and progress. It would be a dangerous stride in the direction of a totally managed economy. It contains seeds of discord which would plague this Nation for years to come.
>
> Because of the far-reaching import of this bill, I have weighted its probable effects against a series of fundamental considerations. In each case I find that the bill violates principles essential to our public welfare.
>
> I. The first major test which I have applied to this bill is whether it would result in more or less Government intervention in our economic life.
>
> Our basic national policy has always been to establish by law standards of fair dealing and then to leave the working of the economic system to the free choice of individuals. Under that policy of economic freedom we have built our Nation's productive strength. Our people have deep faith in industrial self-government with freedom of contract and free collective bargaining.
>
> I find that this bill is completely contrary to that national policy of economic freedom. It would require the Government, in effect, to become an unwanted participant at every bargaining table. It would establish by law limitations on the terms of every bargaining agreement, and nullify thousands of agreements mutually arrived at and satisfactory to the parties. It would inject the Government deeply into the process by which employers and workers reach agreement. It would superimpose bureaucratic procedures on the free decisions of local employers and employees.
>
> At a time when we are determined to remove, as rapidly as practicable, Federal controls established during the war, this bill would involve the Government in the free processes of our economic system to a degree unprecedented in peacetime.
>
> This is a long step toward the settlement of economic issues by Government dictation. It is an indication that industrial relations are to be determined in the Halls of Congress and that political power is to supplant economic power as the critical factor in labor relations.
>
> II. The second basic test against which I have measured this bill is whether it would improve human relations between employers and their employees.
>
> Cooperation cannot be achieved by force of law. We cannot create mutual respect and confidence by legislative fiat.
>
> I am convinced that this legislation overlooks the significance of these principles. It would encourage distrust, suspicion, and arbitrary attitudes.
>
> I find that the National Labor Relations Act would be converted from an instrument with the major purpose of protecting the right of workers to organize and bargain collectively into a maze of pitfalls and complex procedures. As a result of these complexities employers and workers would find new barriers to mutual understanding.
>
> The bill time and again would remove the settlement of differences from the bargaining table to courts of law. Instead of learning to live together, employers and unions are invited to engage in costly, time-consuming litigation, inevitably embittering both parties.
>
> The Congress has, I think, paid too much attention to the inevitable frictions and difficulties incident to the reconversion period. It has ignored the unmistakable evidence that those difficulties are receding and that labor-management cooperation is constantly improving. There is grave danger that this progress would be nullified through enactment of this legislation.
>
> III. A third basic test is whether the bill is workable.
>
> There is little point in putting laws on the books unless they can be executed. I have concluded that this bill would prove to be unworkable. The so-called emergency procedure for critical Nation-wide strikes would require an immense amount of Government effort but would result almost inevitably in failure. The National Labor Relations Board would be given many new tasks, and hobbled at every turn in attempting to carry them out. Unique restrictions on the Board's procedures would so greatly increase the backlog of unsettled cases that the parties might be driven to turn in despair from peaceful procedures to economic force.
>
> IV. The fourth basic test by which I have measured this bill is the test of fairness.
>
> The bill prescribes unequal penalties for the same offense. It would require the National Labor Relations Board to give priority to charges against workers over related charges against employers. It would discriminate against workers by arbitrarily penalizing them for all critical strikes.
>
> Much has been made of the claim that the bill is intended simply to equalize the positions of labor and management. Careful analysis shows that this claim is unfounded. Many of the provisions of the bill standing alone seem innocent but, considered in relation to each other, reveal a consistent pattern of inequality.
>
> The failure of the bill to meet these fundamental tests is clearly demonstrated by a more detailed consideration of its defects.
>
> 1. The bill would substantially increase strikes.
>
> (1) It would discourage the growing willingness of unions to include "no strike" provisions in bargaining agreements, since any labor organization signing such an agreement would expose itself to suit for contract violation if any of its members engaged in an unauthorized "wildcat" strike.
>
> (2) It would encourage strikes by imposing highly complex and burdensome reporting requirements on labor organizations which wish to avail themselves of their rights under the National Labor Relations Act. In connection with these reporting requirements, the bill would penalize unions for any failure to comply, no matter how inconsequential, by denying them all rights under the act. These provisions, which are irrelevant to the major purposes of the bill, seem peculiarly designed to place obstacles in the way of labor organizations which wish to appeal to the National Labor Relations Board for relief, and thus to impel them to strike or take other direct action.
>
> (3) It would bring on strikes by depriving significant groups of workers of the right

> they now enjoy to organize and to bargain under the protection of law. For example, broad groups of employees who for purposes of the act would be classed as supervisors would be removed from the protection of the act. Such groups would be prevented from using peaceful machinery and would be left no option but the use of economic force.
>
> (4) The bill would force unions to strike or to boycott if they wish to have a jurisdictional dispute settled by the National Labor Relations Board. This peculiar situation results from the fact that the Board is given authority to determine jurisdictional disputes over assignment of work only after such disputes have been converted into strikes or boycotts.
>
> In addition to these ways in which specific provisions of the bill would lead directly to strikes, the cumulative effect of many of its other provisions which disrupt established relationships would result in industrial strife and unrest.

The Presidential veto message goes on, and then finally comes to the issue of the National Labor Relations Board and the Office of General Counsel.

> The National Labor Relations Board has been developing sound principles of stability on these matters. The bill would overturn these principles to the detriment of employers.
>
> (2) The bill would complicate the collective bargaining process for employers by permitting—and in some cases requiring—the splitting up of stable patterns of representation. Employers would be harassed by having to deal with many small units. Labor organizations would be encouraged to engage in constant interunion warfare, which could result only in confusion.
>
> 5. The bill abounds in provisions which would be unduly burdensome or actually unworkable.

Then the President made these remarks about this office which this nominee is seeking:

> (1) The bill would erect an unworkable administrative structure for carrying out the National Labor Relations Act. The bill would establish, in effect, an independent general counsel and an independent Board. But it would place with the Board full responsibility for investigating and determining election cases—over 70 percent of the present case load—and at the same time would remove from the Board the authority to direct and control the personnel engaged in carrying out this responsibility.

Those were the remarks of the President of the United States, Harry Truman, when he spoke in his veto message with regard to the original legislation which established the National Labor Relations Board.

Now I come to the remarks of Senator O'Mahoney on this veto message. I gave you the background of that fascinating individual and some of his credentials, as one of the most extraordinary and, I think, progressive Senators in the U.S. Senate's history—although, admittedly, his philosophy and mine were somewhat awry and opposed.

Senator O'Mahoney, in speaking in favor of sustaining the veto of President Truman, said:

> Mr. President, I rise to speak in favor of sustaining the veto of the President of the United States of the pending so-called Taft-Hartley bill. I do this primarily on two grounds. The first of the grounds upon which I am now urging that the veto be sustained is that the bill, if it becomes a law, will set up a labor czar, with power and authority over the economy of the whole United States, greater by far than the power that was ever vested in any Government official under President Roosevelt or the New Deal.
>
> The second ground upon which I urge this is that by the terms of the bill itself it becomes clear that the first action under the bill will be the institution of a violent intra-agency row between the newly established or expanded Labor Relations Board and the newly created independent general counsel of the Board. The bill ought to be called a bill to create a labor czar and promote discord.
>
> Its first result will be to bring about a struggle for power within the agency between the Board itself and the general counsel; but the general counsel will win, because, by the language of the bill and the language of the conference report, he is to be an independent officer, appointed by the President, with the advice and the consent of the Senate; but he will be clothed—and I am quoting from the language of the proposed act—with "final authority on behalf of the Board in respect of the investigation of charges and the issuance of complaints." It is to me an amazing fact that the Republican majority of the Eightieth Congress, which we were told was elected to office upon the theory that there has been too much government in Washington, is by the bill setting up an office with more power over the life and death of American business, as I have already said, than was ever dreamed of by President Franklin D. Roosevelt and the New Deal.

I must refer here back to what I said at the beginning of my remarks: If you stay in the game long enough, you will end up on both sides of the issue.

Senator O'Mahoney continued by saying:

> No one will have the slightest idea of what the effect of the act will be until the general counsel has been appointed and confirmed, except that it is perfectly clear from the language of the bill itself that the general counsel and the Board will be locked in battle until one or the other wins.
>
> Mr. President, if ever there was a job that should be well done by the Congress of the United States, this is it. We have not taken the time to do the job properly. We have had the advantage of the advice of a distinguished Member of this body who is also a member of the majority, who served on the National Labor Relations Board, and who, speaking out of his experience, has told us that the bill is an administrative impossibility. We have not chosen to take the time that would be necessary to make the bill administratively feasible and to make it an agency for promoting labor-management peace, instead of an agency for promoting turbulent disputes within the agency and within American business.
>
> All the weeks thus far devoted to the consideration of the problem have been weeks of jockeying for position. There have been those who have besought Congress to pass no labor legislation at all. They were not in the executive arm of the Government. They did not speak for the President. There have been those, however, Mr. President, who have been urging that Congress pass a punitive bill. The pending bill is a punitive bill.
>
> ### SHALL CONGRESS ADJOURN OR LEGISLATE?
>
> We are told now by the Senator from Ohio (Mr. TAFT), whose name is attached to the legislation—and I listened to the Senator in his radio broadcast last night—that unless this particular bill is passed over the President's veto, we shall have no labor legislation at all. To me that means only one thing: It means that the Republican leadership in Congress regards it as of greater importance that Congress shall adjourn by the 26th of July, than that it should take the time to write a law such as the country needs, such as I think perhaps the country believes it is getting in the pending legislation instead of this bill which is so obviously defective as to make a settlement of the labor issue impossible under its terms.
>
> Mr. President, I want to undertake, by reading the bill itself and the report to demonstrate the accuracy of what I say. I am talking to those Members of this body upon the Republican side who actually believe—and I know the most of them do—that we have too much government in Washington, and that we ought to restore control of the economy of the Nation to the people who carry on the economy. I have heard the condemnation, emanating from Republican sources over many years, of the concentration of executive power, the concentration of Government power, over business and over the lives of the people. During the campaign of last fall, the cry of the Republican campaign managers to the people of the United States was, "Have you had enough?"—meaning clearly that if the Republicans were to be entrusted with the management of Government, they would see that the amount of Government regimentation and control would be reduced. I undertake to show by reading the bill that, far from reducing Government control, this measure extends it.
>
> ### READ AND UNDERSTAND
>
> Let me read, Mr. President, from page 5 of the conference report, section 3(d) of the measure. I have often discovered in my experience as a Member of this body that Senators frequently take legislation of this kind on faith without reading it. When a committee charged with the responsibility makes a report and says that the bill reported will do this or that, Members of the Senate, like all people of the country, are likely to assume that what is said is correct. So much authority is concentrated here and we have so much legislation to act upon that we cannot read every bill. I know that perhaps a substantial majority of the newspapers of the United States seem to feel that this bill should become law, but I am sure that few editors have read the measure. They are taking it on faith too. But I undertake to show, Mr. President, by a reading of the bill, that many editorial expressions which demand of Senators to vote to override the veto have, in all likelihood, been written without a knowledge of what the bill does.
>
> Let us read the language:
>
> > SEC. 3(d). There shall be a general counsel of the Board who shall be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years.
>
> There, in words of one syllable, we are told that the general counsel of the Board will be appointed, not by the Board, but by the President of the United States, with the advice and consent of the Senate. He will be an independent officer. He will not be subject to direction by the National Labor Relations Board with respect to his principal functions.
>
> What are the powers to be given to this new official? These are the words of the measure itself:
>
> > The general counsel of the Board shall exercise general supervision over all attorneys employed by the Board (other than trial examiners and legal assistants to Board members) and over the officers and employees in the regional offices.
>
> Can there be any misunderstanding of what that sentence means? It gives to this independent officer general supervision over all the lawyers, except trial examiners and the personal advisers of the members of the Board, and over all the employees in the regional offices of the Board. Can it be possible, Mr. President, that the sponsors of the bill, the members of the Senate Committee on Labor and Public Welfare, and the members of the conference committee, actually

desired to set up an independent officer who should have control and supervision over the regional employees appointed by the Board? That is what the bill does. Someone may say, "Why, that would be unthinkable. The general counsel no doubt appoints these people." That would be a mistake, Mr. President.

In section 4(a) we find this sentence:

> The Board shall appoint an executive secretary, and such attorneys, examiners, and regional directors, and such other employees as it may from time to time find necessary for the proper performance of its duties.

So the bill undertakes to authorize the Board to appoint attorneys and regional officers and other employees to help it to perform its duties—observe those words, its duties—and then it turns around and gives general supervision of those very employees selected by the Board to the independent officer, the general counsel. How can anyone imagine that such a bill could work successfully?

INTRA-AGENCY STRUGGLE FOR POWER

Let me read another sentence which demonstrates conclusively that a conflict would be bound to result if the veto is overridden. I am reading now from section 5:

> The principal office of the Board shall be in the District of Columbia, but it may meet and exercise any or all of its powers at any other place. The Board may, by one or more of its members or by such agents or agencies as it may designate, prosecute any inquiry necessary to its functions in any part of the United States.

So here, Mr. President, we undertake to clothe this Board with the power to prosecute any inquiry anywhere in the United States, but at the same time we set up the independent officer, the general counsel of the Board, upon whom the Board must rely for advice, and we give him the independent power to control the employees in the regional offices throughout the United States, as well as to supervise all the work of the attorneys.

But one may say, "Surely that was not intended. Surely the situation will not develop in that manner." Ah, but, Mr. President, let us see what the conferees said they intended to do by this language. If anyone has the slightest doubt of what the language means, it is completely cleared up by what the conferees have said about it on page 37 in their own explanation of their purpose. It is their explanation, not mine.

> The conference agreement does not make provision for an independent agency to exercise the investigating and prosecuting functions under the act—

That is what the Senate bill did, and the Senate conferees abandoned it—"but does provide that there shall be a general counsel of the Board, who is to be appointed by the President, by and with the advice and consent of the Senate, for a term of 4 years."

I wish Senators would pay heed to this language coming from the report of the conferees when they undertake to tell the Members of the Senate and the Members of the House and the people of the country just what they had in mind when they were writing this conference bill. Here is their language:

> The general counsel is to have general supervision and direction of all attorneys employed by the Board (excluding the trial examiners and the legal assistants to the individual members of the Board), and of all the officers and employees in the Board's regional offices, and is to have the final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect of the investigation of charges and the issuance of complaints of unfair labor practices, and in respect of the prosecution of such complaints before the Board.

No one can misunderstand that. The independent officer appointed by the President, with the advice and consent of the Senate, is authorized by the bill before us, as clearly stated in the conference report, to act for the Board, "but independently of any direction, control, or review by, the Board in respect of the investigation of charges and the issuance of complaints of unfair labor practices."

Can anyone wonder that I call the general counsel a labor czar? He acts for the Board, but independently of it, independent, as the conferees put it, "of any direction, control, or review." Make no mistake about it, Mr. Businessman, he will be telling us, not asking us, just as he will be telling the Board.

We will not know how he will use this power until he has been nominated and confirmed. When that takes place he will read the law. He will understand what Congress has said about his independence and it is inevitable that he will not surrender to the Board. Human nature, being what it is, he will take and exercise the power Congress is giving him. The Board will resist him, no doubt, but the Board will lose. Who knows what his point of view is going to be? Who can find the standards in this bill that will guide his imperious discretion?

CONCENTRATION FURTHER CONCENTRATED

I have said that the bill creates the most tremendous centralization of power over American business that was ever suggested in the United States. It takes only 3 or 4 minutes contemplation of the language which I have read, and of other language in the bill, to show that that is absolutely true.

It might be said in defense of the provisions which I have just read that the purpose in making the general counsel independent of the National Labor Relations Board was to make him a prosecutor, and make the Board a court to hear the cases. It might be argued that the purpose was to make the National Labor Relations Board a sort of court to deal impartially, and as a matter of first impression, with the cases which were to be worked up by the independent officer.

I have two criticisms of that argument. The first, of course, is that inasmuch as the general counsel is the legal adviser of the Board, the two functions have not been separated. There was a complete separation in the Senate bill, but now the two functions are joined, and the legal adviser of the Board is made independent of the Board.

But let us assume that that were not the fact. Let us disregard that criticism for a moment, and consider the other. It will be borne in mind that the bill creates a board and, by the language which I have just read, gives it the power to hold hearings and pursue inquiries anywhere in the United States; it makes no difference where. The bill gives the Board the power to delegate its authority. How many criticisms have we heard about the delegation of authority by executive function? It is worthwhile to place the language to which I refer in the RECORD at this point. I read from section 3(b):

> (b) The Board is authorized to delegate to any group of three or more members any or all of the powers which it may itself exercise. A vacancy in the Board shall not impair the right of the remaining members to exercise all of the powers of the Board, and three members of the Board shall, at all times, constitute a quorum of the Board, except that two members shall constitute a quorum of any group designated pursuant to the first sentence hereof. The Board shall have an official seal which shall be judicially noticed.

Observe that the Board is given complete and plenary power to delegate any or all of its power to any group of three; and then any two members of that group of three can speak for the Board. So we have a bill—and I invite the attention of lawyers in this body to this—which not only authorizes the Board to delegate its powers, but authorizes the Board to delegate its powers, and all of them, to less than a quorum of the Board. This we do in the name of reducing government in Washington. This we do in the name of returning control of the economic life of the people of the United States to the people of the United States; and we undertake a program of delegated powers which, so far as I know, has never been suggested before in the history of this Government.

Mr. President, I thank you for the opportunity to state my views on this nomination and I yield the floor to my colleague from Kansas, Senator ROBERT DOLE.

Mr. DOLE. Mr. President, I thank my colleague from Wyoming. I would just say at the outset that I know this may not be the most exciting day in the Congress of the United States or the Senate Chamber, but it is a day in the life of the Senate. It is a matter of some importance. I would suggest that after several days of discussion there will be a better understanding of the confirmation process and the nomination in question.

Mr. President, I have listened to some of my colleagues who discussed the nomination.

First, I want to make it clear, as far as this Senator is concerned, that my opposition to Mr. Lubbers' confirmation should not be viewed nor is it intended to be a personal attack on Mr. Lubbers' integrity, honesty, and character.

In addition, it should be known there is some bipartisan concern about the wisdom of the Lubbers nomination for General Counsel of the NLRB.

THE GENERAL COUNSEL OF THE NATIONAL LABOR RELATIONS BOARD

The General Counsel of the NLRB is at the decisive center of our process for the mediation of legal disputes between two very powerful protagonists, organized employees and their employers. The General Counsel has final authority in deciding what unfair labor practice charges to investigate and to prosecute. He controls the effectiveness of our labor laws with his power to select the unfair labor practice issues that the NLRB will resolve. Moreover, when the General Counsel undertakes to prosecute a charge, he acts as an adversary. He unleashes a vigorous effort to persuade the Board that on the selected issue the Board must decide in favor of the position he advocates.

Mr. President, this power to select and to persuade puts the NLRB General Counsel in an awesome position with respect to the shaping of labor law and policy that will direct labor-management relationships play a crucial role in the shaping of our whole economy.

OPPOSITION TO CONFIRMATION

Mr. President, in recent months we have been exposed to persons and organizations opposing the nominee for a variety of reasons, ranging from bias to ineptness. My concern about the nomination is based upon neither of those reasons. My opposition is based, not so much for the incompetence claimed by some, but because of Mr. Lubbers' past relationship with Chairman Fanning of the National Labor Relations Board dictates that he should not become the next General Counsel to the Labor Board.

His past relationship, as businesses and fairminded individuals around the country know, mitigates against an independent future for the Office of the General Counsel. Clearly, Mr. President, Mr. Lubbers, because of his past connections with Mr. Fanning, cannot be considered a fair and unpartial candidate for the job.

TAFT-HARTLEY ACT

Mr. President, in 1947, Congress passed the Taft-Hartley Act; 29 U.S.C. 153(d) of that act created the General Counsel's Office and thereby established a formal separation of functions for unfair labor practice cases.

Congress, recognizing the ills of a system of enforcement in which the prosecutional and quasi-judicial functions of the National Labor Relations Board overlapped, suggested, in the words of Senator Taft:

> The Board itself has been sensitive to the reproach that it acts as judge, jury and prosecutor.

And:

> In order to make an effective separation between the judicial and prosecuting functions of the Board . . . the conferees created the Office of General Counsel of the Board . . . 80th Cong. June 12, 1947.

In another statement, Senator Taft described the duties the sponsors envisioned would be performed by the General Counsel:

> The General Counsel is to have general supervision and direction of all attorneys employed by the Board . . . and of all the officers and employees of the Board's regional office. He is also to have final authority to act in the name of, but independently of any direction, control, or review by, the Board in respect to the investigation of charges and the issuance of complaints . . . and in the prosecution of such complaints before the Board. (80th Congress, June 5, 1947)

In the House of Representatives, the bill's sponsor, Congressman Fred Hartley of New Jersey, stated:

> It (section 3(d)) creates a General Counsel who shall be independent of the Board and on all complaints by employees the counsel shall be the investigator and prosecutor, and the Board itself will be merely a quasi-judicial board passing on the case as presented by the Counsel.

And:

> He acts on behalf of the Board but completely independent of the Board.

Congressman Hartley responded affirmatively to the "understanding" of Congressman Owens. The "understanding" was that:

> The General Counsel . . . shall have the power to proceed with the investigation, with the complaint, and shall have complete power over the attorneys who are prosecuting: . . . the Board shall not control him or have the right of review in any way.

Congressman Hartley responded:

> The gentleman's opinion is absolutely correct. (80th Congress June 4, 1947)

Mr. President, I refer to these comments to illustrate the overriding consideration of the Congress, shared even by its opponents, that the legislation create an independent General Counsel, free of the influence of the quasi-judicial component of the National Labor Relations Board.

What the Congress achieved by the 1947 Taft-Hartley amendments has withstood the test of time. The General Counsel and the Board have been substantially independent in the enforcement of the law—one the prosecutor, the other the judge. Clearly, that independent relationship may be undone by amending the act. Unfortunately, that independent relationship may also be reduced or even eliminated by another means—the relationship between the person who is Chairman of the National Labor Relations Board and the person who is its General Counsel.

LUBBERS-FANNING RELATIONSHIP

Regretfully, Mr. President, I must insist that a relationship of the duration and intensity of that between Chairman Fanning and Acting General Counsel Lubbers has the potential for destroying the statutory duality of those offices.

A more noted authority than myself is in complete concurrence with me on this matter. I speak of Edward B. Miller, former Chairman of the National Labor Relations Board.

For those who know Mr. Miller also know that he holds no animosity for Mr. Lubbers. In fact, he states that he has known Mr. Lubbers and worked with Mr. Fanning for many years.

Yet Mr. Miller recognizes the inherent and greater evil of Mr. Lubbers' appointment. Mr. Miller makes the following analogy:

> Nobody would ever think of running the judge's brother for district attorney. How could any accused person feel that he would receive a fair trial if the district attorney and the judge were of the same family or had a long-standing personal association? It wouldn't make any difference if the judge and his brother were the most honorable men in the world. You could never persuade the defendant that the deck wasn't stacked against him.

Mr. President, Mr. Miller's analogy hits the heart of the problem. Mr. Lubbers is too closely alined with Chairman Fanning. The separation which has been legislated by Congress would disintegrate.

During the early history of the Board, there was great criticism of the fact that the General Counsel and the Board operated hand-in-glove, and were not independent of each other. Congress eliminated this and made the General Counsel independent of the Board. And now, through an appointment, Congress would, in effect, be repealing this independence between the Board and the Office of the General Counsel.

Former Chairman Miller tells the story that during his active tenure as chairman of the NLRB, not once did General Counsel Pete Nash ever consult with him about whether he should issue a complaint in a case. Further, they never discussed what types of decisions that the Board should reach in a given case.

Mr. President, the Senator from Kansas is doubtful that this type of independence could continue with Mr. Lubbers' appointment. He and Chairman Fanning have consulted one another for over 10 years. There has been some criticism that while serving as Acting General Counsel, even before the confirmation of his appointment, Mr. Lubbers has conferred and consulted with his old mentor. Clearly, the potential for numerous problems exists with this relationship. At a time when we certainly do not need any more appointees thrown out of office for improprieties or potential conflicts of interests.

Even more subtle than direct interference is the indoctrination Mr. Lubbers has received as Mr. Fanning's underling. Mr. Lubbers has become very adept and expert in expressing Fanning's views on almost every imaginable question of interpretation of the National Labor Relations Act. This was his job. I seriously doubt Mr. Lubbers can divorce himself from 10 years of training to become independent.

IN SEARCH OF A GENERAL COUNSEL

Mr. President, today we have a vacancy in the General Counsel's position. There are tens and probably hundreds of able lawyers, expert in the field of labor law, available for this position. Tens and hundreds of them who did not spend most of their legal careers as an amanuensis for the present Chairman of the NLRB. Able men and women are available whose independence from the Board could not possibly be doubted. In my view, we ought to insist that one of them be chosen. Mr. President, some of those I speak of are lawyers representing unions. Their views on labor policy would probably not be the same as mine, but I would not be here to oppose the selection of any of them. Today, I am here to speak for a principle, not for or against any man or any woman.

Some of those who have been considered are Mr. Curtis Mack, Regional Director of the NLRB Atlanta office; Mr. Arthur Goldberg, general counsel for a major labor union, the Textile Workers Union; Mr. Carl Frankel, who is general counsel for another major labor union, the Steelworkers Union. I suggest any of those, all representing unions, would not have the problem Mr. Lubbers has. They along with others, men and women, should be considered.

Mr. President, the independence of the NLRB's General Counsel must be assured. There are lots better ways to assure it than by naming a candidate who has spent the better part of his professional career learning and practicing the art of expressing the views of the current Chairman of the National Labor Relations Board.

While it is perhaps unfortunate that an otherwise qualified person may be denied appointment to a high Government position, in fact, there may be other positions where Mr. Lubbers would be eminently qualified. I just suggest that he is being denied the appointment and should be denied the appointment because of his long standing relationship to another individual.

As unfortunate as that may be, it

would be even more regrettable if the delicate balance required between the two offices were damaged or jeopardized.

Mr. President, in light of the responsibilities of the General Counsel and Mr. Lubbers' lack of independence, impartiality, and experience, I urge my colleagues to join me in opposing this nomination.

NOMINATION OF WILLIAM A. LUBBERS

Mr. DOLE. Mr. President, I ask unanimous consent to have printed in the RECORD a cross-section of letters received from Kansans concerning the Lubbers nomination. I will read portions of those letters, but I ask unanimous consent that they be printed in the RECORD.

There being no objection, the letters were ordered to be printed in the RECORD, as follows:

KEY INDUSTRIES, INC.,
Fort Scott, Kans., December 17, 1979.
Senator BOB DOLE,
Dirksen Building,
Washington, D.C.

DEAR SENATOR DOLE: I understand that Mr. Carter has appointed William A. Lubbers to a 4-year term as General Counsel of the National Labor Relations Board. This man is supposed to be independent, impartial and experienced, and it's our understanding that he's none of these. I certainly hope you can do all in your power to see that such an appointment isn't confirmed. It is certainly important that this man should be an independent man who has no connections with the NLRB, which has been set up for the unions and practically acts as an agency of them. The only chance that the employers have to get a reasonably fair show is to have some impartial man, and since Lubbers served on the staff of NLRB member John Fanning, certainly he's going to have an NLRB bias rather than the independent type position that is desired. I presume you've seen some of the enclosed from the National Chamber of Commerce, which usually supplies pretty reasonable and factual material, and judging by this it would certainly be near tragedy as far as having an impartial, fair man in this position for Mr. Lubbers to be confirmed.

Very truly yours,
K. W. POLLOCK,
President.

TOPEKA, KANS., *February 26, 1980.*
Hon. ROBERT J. DOLE,
Dirksen Senate Office Building,
Washington, D.C.

DEAR SENATOR DOLE: I am writing you with regard to the nomination of William A. Lubbers as National Labor Relations Board General Counsel. I think it is of utmost importance to our country that the NLRB be as objective and impartial as possible.

I have spent over 20 years dealing with extremely well organized labor, and firmly believe that employees should have the option of belonging to a union and have every right to union representation at any time they feel taken advantage of by management.

There is no question that we need a NLRB to arbitrate disputes between management and union groups, however, that Board should be unbiased.

Mr. Lubbers has a long record of union first, foremost, and always. While he is entitled to make that choice, his past record alone should disqualify him from the position of NLRB General Counsel.

Would you please confirm your objection to Mr. Lubbers' nomination?

Sincerely,
JEROME F. WOLF.

SALINA, KANS., *January 31, 1980.*
Senator BOB DOLE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR DOLE: Help!

Mr. Carter is about to appoint two members to the National Labor Relations Board. Business efforts over the past ten years have been relatively successful in containing the clout and unfair advantage that unions have over small business. Members of Congress are to be congratulated for their help in this containment.

As a result of labor's inability to succeed through legislative channels their next ploy will be to control through the NLRB's rulings in labor law and thus bypass Congress entirely. Therefore, it is for your benefit as well as ours that the selections to the NLRB be as pro business as practical. Having pro business persons on the board is one of the most important things we can do to improve productivity of small business.

I urgently request your support. Mr. Carter must not get his way and you are the only ones who can stop him.

Sincerely,
ROBERT J. DIEHL.

LEAWOOD, KANS., *April 2, 1980.*
Hon. ROBERT J. DOLE,
U.S. Senate, Dirksen Senate Office Building,
Washington, D.C.

Re Opposition to Senate Confirmation of William Lubbers as General Counsel of the National Labor Relations Board.

DEAR SENATOR DOLE: The above reference is now pending business for the full Senate subject to scheduling by the Senate leadership. I wish to go on record in opposition to the nomination of Mr. Lubbers for the following reasons:

1. The Office of the General Counsel was created as an independent body within the NLRB separating the prosecutorial from the decision making function. After having served for twenty years under Mr. Fanning, I do not believe the nominee could be impartial in that capacity.

2. In the past, Mr. Lubbers has demonstrated sympathy towards organized labor. This again would hinder the independent, impartiality of that office.

3. Mr. Fanning's public statement that he would have to "reassess" his own position if Mr. Lubbers were not confirmed, in effect threatening to resign if his choice were not appointed, lends further credence to No. 1 and 2 above.

Thank you very much for considering this opinion. I sincerely hope you will agree to oppose the nomination of William Lubbers as General Counsel of the National Labor Relations Board.

Best regards,
DAVID A. WOLFRAM.

DE SOTO, KANS., *April 2, 1980.*
Senator ROBERT DOLE,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOLE: Allowing William Lubbers to be appointed as General Counsel of the National Labor Relations Board is tantamount to giving organized labor the key to every private industry in the country.

The General Counsel is presumed to be unbiased, impartial and not aligned with either labor or business. Obviously, Mr. Lubbers' long association with John Fanning and his record as acting General Counsel raise sufficient questions regarding his loyalties to justify barring him from this appointment.

May I have your views on this urgent matter?

Sincerely.
JOHN W. HALL.

SALINA, KANS., *December 17, 1979.*
Senator ROBERT DOLE,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOLE: We are writing in opposition to the President's appointment of William A. Lubbers to a four-year term as General Counsel of the National Labor Relations Board. We feel this appointment wields tremendous power over management and labor.

It is our opinion that the General Counsel be independent, impartial, and experienced. Mr. Lubbers is none of these. I am sure you are giving some real study to the appointment of this gentleman and will take a second look at your findings. The background of this gentleman would not permit him to be impartial. He will not be independent and we feel the NLRB will once again become prosecutor, judge and jury. We also don't feel he has the experience because he has spent his entire career in Washington with the NLRB writing decisions from case files. He hasn't any experience administering a huge staff spread out across the country.

Please give some consideration to this at your earliest possible convenience. We will appreciate a reply at your earliest convenience.

Thanks for the generally good representation you have given us in the past.

Very truly yours,
DWAYNE C. LARSON.

THE STOCKTON NATIONAL BANK,
Stockton, Kans., December 14, 1979.
Senator ROBERT DOLE,
U.S. Senate, Washington, D.C.

DEAR SENATOR DOLE: I am writing this letter in regards to the nomination of William Lubbers for the position of General Counsel for the NLRB. I understand that confirmation hearings will be heard in the very near future for this nomination. I would like to express my opinion that this nomination is a poor nomination and should not be confirmed. I would like to urge you to oppose the confirmation of William Lubbers as General Counsel for the NLRB.

The General Counsel for the NLRB will wield tremendous power over both management and labor. I believe the General Counsel for the NLRB should be independent, impartial and should have administrative experience. I do not believe that William Lubbers can qualify under any of these criteria.

In the matter of independence, Mr. Lubbers has served on the staff of NLRB members for a total of 26 years. With this experience, I do not think he can be independent.

Mr. Lubbers has already indicated that he can not remain impartial because last year he offered technical assistance to union leaders when they were pushing to get the labor law reform through Congress. He offered this assistance while he was an employee of the NLRB.

Mr. Lubbers has had absolutely no experience in the administration of huge staffs.

Sincerely,
JACK B. BERKLEY,
President.

SHAWNEE, KANS., *February 7, 1980.*
Hon. ROBERT DOLE,
Senate Office Building,
Washington, D.C.

DEAR SENATOR: I recently read that President Carter utilized the "recess appointment" avenue to appoint Mr. William Lubbers to General Counsel of the NLRB.

This appears to be a slick way to avoid Senate hearings for Mr. Lubbers' appointment. By using this method of appointment, unless the Senate takes action, we are stuck with Mr. Lubbers for the year of 1980.

It is my hope that you will attempt to get your fellow Senators to take specific action on Mr. Lubbers' appointment.

Supposedly the NLRB is a fair and unbiased group, with such a "pro-labor" person as Mr. Lubbers sitting as counsel, how will business hope to get a fair shake?

Thank you for your interest in this matter.

Sincerely,

Herbert R. Taylor.

J. H. Shears' Sons, Inc.,
Hutchinson, Kans., January 21, 1980.

Hon. Bob Dole,
U.S. Senate, Washington, D.C.

Dear Senator: I am opposed to the confirmation of William A. Lubbers to the position of General Counsel of the National Labor Relations Board.

In this position he would wield great power over management and labor in the investigation and prosecution of unfair labor practices charges. His decisions would be unreviewable which would leave an aggrieved party with no legal recourse. His record would indicate that he would not be impartial and that he has had no administrative experience to qualify him to supervise such a huge staff spread across the country.

For these reasons I urge you to vote against confirmation.

Very truly yours,

Will H. Shears, Jr.,
President.

Paola, Kans., *January 22, 1980.*

Senator Bob Dole,
Dirksen Building,
Washington, D.C.

Dear Senator Dole: The recent maneuvering by the executive branch of our Government in relation to the National Labor Relations Board is ruining the very purpose of the Board. This type of political action needs to be stopped.

We, the people of Kansas, need your vote to defeat Mr. Lubbers' nomination, if in fact his name is resubmitted to you by the President. We also need your encouragement and persuasive abilities to convince former member Betty Souhard Murphy to withdraw her resignation.

This is probably the most important vote you will make this year; please, make it count.

Kindest Regards,

Denis A. Kurtenbach.

Thompson-Hayward Chemical Co.,
Kansas City, Kans., December 4, 1979.

Hon. Robert Dole,
U.S. Senate,
Washington, D.C.

Dear Senator Dole: The President's appointment of William A. Lubbers as General Counsel of the National Labor Relations Board should not be confirmed, because he lacks the independence, impartiality and experience necessary for the job.

He has served a total of 26 years on the Staff of an NLRB member, and now he is expected to be "Independent" from the NLRB or it's Staff.

Last year, during the labor law "reform" fight in Congress, he acknowledges offering technical assistance to union leaders, when a NLRB employee should have remained neutral. And now he is expected to be impartial.

He has spent most of his entire career in Washington with the NLRB writing decisions from case files. He has never been responsible for administering a huge staff spread out around the country, and now he is expected to be experienced to administer the NLRB's thirty-three regional offices.

The General Counsel has final authority, subject neither to appeal to the NLRB nor to the Federal Courts. Both labor and management must have a person independent, impartial and experienced if fairness is to prevail.

Will appreciate your voting not to confirm Mr. Lubbers for this appointment.

Respectfully,

Howard H. Howard,
President.

Mr. DOLE. Mr. President, admittedly, some of these letters come from business people. They have a right to be concerned because of the history of the act and the fairness and impartiality and objectivity required of the General Counsel, as stated back in 1947 by Senator Taft and Mr. Hartley, the cosponsors of the Taft-Hartley legislation.

I suggest, as I did at the outset, that I have no quarrel with Mr. Lubbers personally. He undoubtedly is a fine person. But it seems to me that he just cannot have that independence. He has been allied too closely with the present Chairman of the NLRB for many years in a capacity that I think disqualifies him from this post. Perhaps there is some other post in Government. If that post is found, if this nomination is defeated, and if that post does not fall in the same category, the Senator from Kansas will be pleased to support any such nomination.

I have a letter from Mr. Pollock of Key Industries, Fort Scott, Kans., a rather important business in Kansas. Mr. Pollock states:

> This man is supposed to be independent, impartial and experienced, and it's our understanding that he's none of these. I certainly hope you can do all in your power to see that such an appointment isn't confirmed.

The Senator from Kansas does not have any power, except that I have a vote. We have a right to discuss the nomination, and we hope we can shed some light on the appointment.

I also have a letter from Mr. Dwayne Larson, Larson Building Center, Salina, Kans., a very successful businessman from the standpoint of service to his customers, and a hard worker. He also states the same so far as independence, partiality, and experience are concerned.

The same theme is carried throughout, whether it comes from small business people or small bankers, those who have a right to be concerned and those who feel very strongly about this nomination.

As has been stated on this floor a number of times since this debate started, it boils down to the words "independence, impartiality, and experience necessary," whether or not he can administer the staff.

I have not read every letter that has come to our office, but I have read a great number, and this seems to be a general theme.

Again, it is no secret that this mail, in large part, has been generated by the business community.

I ask unanimous consent that an Action Call article entitled "More Antibusiness Tilt for NLRB" be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

MORE ANTI-BUSINESS TILT FOR NLRB

The most important labor relations issue since last year's Senate defeat of the so-called labor law "reform" bill is now pending. It concerns the President's appointment of William A. Lubbers to a 4-year term as General Counsel of the National Labor Relations Board (NLRB). Confirmation hearings by the Senate Labor and Human Resources Committee are set for December 14, and Senate floor action may occur during the week of December 17.

Why is this appointment so important?

The NLRB's General Counsel is not simply another government lawyer. He wields tremendous power over management and labor. It is crucial that the General Counsel be independent, impartial, and experienced. Mr. Lubbers is none of these.

Why is "independence" necessary?

Before 1947, the General Counsel was subject to the authority and direction of the Board. To remedy the oft-repeated charge that the NLRB served as prosecutor, judge, and jury, which prevented a fair hearing in unfair labor practice cases, Congress amended the law to separate the two functions. The 1947 Taft-Hartley Act amendments created an independent Office of General Counsel—a "public" prosecutor of unfair labor practice charges. The law is clear that the General Counsel must be entirely separate from and independent of the five NLRB members or their staffs.

Without an independent General Counsel, the NLRB will once again become prosecutor, judge and jury.

Why is "impartiality" necessary?

The General Counsel has final authority, subject neither to appeal to the NLRB nor to the Federal courts, both as to the investigation and prosecution of unfair labor practice charges by management or labor. Because his decision is unreviewable, the failure to investigate or file a complaint in an unfair labor practice case leaves the aggrieved party with no legal recourse. On the other hand, if a complaint is issued by the General Counsel on the basis of a frivolous charge, needless harassment results. Finally, if the General Counsel deliberately delays his decision, he may as a practical matter affect substantive rights.

For example, if a union is illegally picketing business property, the employer should have confidence that the General Counsel will impartially investigate and prosecute unfair labor practice charges, and do so in a timely fashion. Or, if a union brings frivolous charges before the General Counsel, an employer has a right to expect that he will not be harassed by unnecessary prosecution of such charges. In short, management needs to have confidence that the General Counsel will be fair and impartial as the "public" prosecutor of unfair labor practices.

Why is "experience" necessary?

The General Counsel should be an individual with first-hand, practical experience in labor relations—not an "ivory tower" Washington bureaucrat who has never been involved in the real world, day-to-day problems involving labor and management. And since the General Counsel is responsible for administering the NLRB's thirty-three regional offices, and hundreds of government employees, he should have administrative experience.

Lacking practical labor relations and administrative experience can result in problems not only for the General Counsel, but also for the unions and employers that rely on the agency.

Why is Lubbers unqualified?

Lubbers lacks the independence, impartiality, and experience necessary for the job.

Independence? For twenty years, Lubbers served on the staff of present NLRB member John Fanning. During that time he helped write many of the pro-union decisions issued by Fanning and the NLRB. Prior to that,

> Lubbers served for six years on the staff of former NLRB member Abe Murdock. A total of twenty-six years on the staff of an NLRB member. And now he is expected to be "independent" from the NLRB or its staff?
>
> Impartiality? Mr. Lubbers has helped write decisions for one of the most pro-union members of the NLRB—John Fanning. Last year, during the labor law "reform" fight in Congress, Lubbers acknowledges offering "technical assistance" to union leaders, even though as an NLRB employee he should have remained neutral. It is interesting to note that early in his career, Lubbers was employed as the organizer for the American Federation of State, County, and Municipal Employees (AFSCME). And now he is expected to be impartial?
>
> Experience? With the exception of his AFSCME employment, Lubbers has spent his entire career in Washington with the NLRB, writing decisions from case files. He has no "hands on" experience. He has never been responsible for administering a huge staff, spread out around the country. And now he is expected to be "experienced" to administer the NLRB's thirty-three regional offices?
>
> Action needed.
>
> Wire, phone, or write your Senators quickly; floor action may begin the week of December 17. Tell them that Mr. William A. Lubbers should not be confirmed as NLRB General Counsel because he lacks the independence, impartiality, and experience necessary for the job.
>
> Send a copy to the President. Tell him how unpopular his choice really is.
>
> And please send us a copy, too—as well as any replies you receive.

Mr. WILLIAMS. Mr. President, several of those who opposed Mr. Lubbers' nomination have mentioned and discussed Mr. Lubbers and opinions of his in regard to the Dalmo Victor case, and it was said by the Senator from Arizona (Mr. GOLDWATER) that in Dalmo Victor Mr. Lubbers disowned—and that was in quotes because those were the words, he said, of NLRB member Jenkins—the previous position argued by the General Counsel only a few months before and adopted the position urged by the union to the effect that a union-implied right to enforce solidarity during a strike takes precedence over an employee's expressed right to refrain from engaging in union activities.

Mr. President, it is necessary to analyze just what did happen in that case in connection with Mr. Lubbers' coming in after the case was well underway as General Counsel, and it will be seen upon analysis that far from taking the position of the union in that case Mr. Lubbers did quite the contrary.

This is the evolution of what happened with respect to Lubbers' Dalmo Victor case.

First, I can say he did change a position taken by his predecessor in the office of General Counsel, the Republican appointee who had left office and who preceded him, but the previous position I can state was an absolutist position that a union member could never bind himself by his promise to his fellow union members.

The two Republican members of the Board, Miss Betty Murphy and Mr. Howard Jenkins, disagreed with the position taken by the prior General Counsel, the Republican appointment, and they held that the union constitution and the union disciplinary fine in this case and in another case should be upheld. That was clearly the union position.

The union was the subject of the complaint brought by employees of Dalmo Victor.

Then came Mr. Lubbers into his position succeeding his predecessor, and he established for his position a middle ground. He urged the Board to hold the fines in these cases were unlawful. The union fined the employees. That is what this was all about. The employees brought the complaint against the union.

The Republican members, Murphy and Jenkins, upheld the union's fining of the employees. The General Counsel, Lubbers, said no. He said that he would have upheld the complaint in this case of the employees against the union. To repeat, General Counsel Lubbers did not, as was suggested, adopt the position urged by the union in these cases. He would have the Board find the union's actions to be in violation of the act.

I know that this has been misunderstood, and that is clear from much of the debate that centered on this subject, and it should be clarified.

It was suggested again and again Lubbers took the union's position in the Dalmo Victor and the patternmakers cases. Quite the contrary. In both he advanced the complaint of the workers against the union.

It was Miss Murphy who took the strongest position on the union side when member Murphy said, "I believe that such a restriction on the right to rescind under the facts here is directed toward protecting a legitimate union interest and is thus reasonable and lawful."

That was the union position. That was taken by Murphy and Jenkins.

Lubbers did not take the union position.

I am taking no position. This is just to clarify the record that Lubbers did not, as suggested by so many speakers, as General Counsel take the union position.

I see that the Senator from California is prepared to seek recognition.

Mr. SCHWEIKER. Mr. President, may I seek recognition for a few minutes?

Mr. WILLIAMS. I also see that the Senator from Pennsylvania is seeking recognition.

Mr. HAYAKAWA. Mr. President, I yield 3 minutes to the Senator from Pennsylvania.

Mr. WILLIAMS. I yield the floor.

Mr. SCHWEIKER. Mr. President, I ask the Senator from California to let me have the floor at this moment.

Mr. HAYAKAWA. It will be my pleasure.

Mr. SCHWEIKER. Mr. President, I ask unanimous consent to proceed as if in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

(The remarks of Mr. SCHWEIKER at this point in connection with the introduction of legislation are printed under Routine Morning Business in today's RECORD.)

Mr. HAYAKAWA. Mr. President, every group in this country has its own opinion as to the way the law should be. Sometimes this view is for the good of the country, and at other times it is for a special-interest advantage. In the area of labor law, the stakes are usually interpreted in such watchwords as power, pressure, influence, production, membership, and money. We all understand the struggle and the maneuvering between union and management. In fact, Congress has developed laws to describe the lawful and unlawful conduct involved in this jockeying for position.

Today we consider the nomination of William Lubbers as General Counsel to the National Labor Relations Board. Although unlike when the labor law reform bill was before us, we are debating a man and not future laws, there seems to be some of the same kind of jockeying going on. Mr. Lubbers has been described by the business community as prounion, too close in friendship and philosophy to John Fanning, Chairman of the NLRB, and not the kind of individual whom we should confirm to this position within the National Labor Relations Board structure. On the other hand, union leaders heartily endorse this individual who aided them in their unsuccessful congressional drive to labor law reform. Thus, we have the opinionated yeas and nays from others, and the Senate is asked to deliver the final judgment. We refrained once, and now again we are asked to reconsider.

In essence, the Senate by its actions is doing more than simply rubberstamping or rejecting a man by the name of Lubbers for a prestigious governmental decision. It is making a decision that will have a tremendous effect on the course of labor law in this country. Labor law and the enforcement and litigation of these laws seriously affect the workingmen and the balance among individual rights, management prerogative, and union influence. A zealous, reformist General Counsel can be as influential as a Supreme Court Justice in that the number of people affected reaches dramatic proportions. It is my feeling that a position of such importance and impact should be filled by an independent thinker who does not engage in one-sided prejudices and views. From what I have observed of Mr. Lubbers thus far, I can only conclude that his union affinity is evident but his sense of responsibility to consistency and partiality to the law is not. The following example and explanation of the union point of view will establish this point.

Let me quote:

> The National Labor Relations Board is pondering the legality of provisions in union constitutions prohibiting resignation during a strike. The outcome of the two cases—involving the Dalmo Victor Company of Belmont, Calif., and the Rockford-Beloit Pattern Jobbers Association of Rockford, Ill., and Beloit, Wis.—could alter fundamentally the balance of power between labor and management by hampering a union's ability to maintain discipline within its ranks during a long and debilitating stike. In oral argument before the Board on January 16, 1980, attorneys for AFL–CIO and two affiliated unions warned that an absolute right to resign union membership at any time would destroy the effectiveness of the strike as a weapon in the union's "arsenal" in economic warfare against employers.

They submit that a union's right to maintain worker solidarity during a strike and its right to prescribe its own rules with respect to retention of membership take precedence over the right of employees under section 7 of the Taft-Hartley Act to refrain from union activity.

The provisions at issue in the two cases "must be upheld," AFL-CIO special counsel Lawrence Gold declared, unless the board is "prepared to say that the act creates an absolute right to resign at will." He contended that the need to retain solidarity is a purpose consistent with national labor policy. As the strike grows more difficult, the "summer soldiers" are more likely to defect, he observed.

Thus, I hear a union representative stating that section 7 rights, which is the right for a worker to choose whether to organize or refrain from organizing is not a continuing ongoing right of an employee. The right to change your mind is taken away when a union is striking a particular business entity. This attempt to freeze a union's membership from any downward slippage is contrary to the concept of free choice—a concept upon which all of our liberties in this country is based. Why should any entity force someone to stay within their ranks? The right to choose is a continuing right and I see no language in section 7 which requires an individual not to change his mind or his union status.

Other union representatives support this abrogation of free choice. Machinists associate general counsel Louis Poulton claims that the ability to fine members who cross picket lines is an "absolute necessity" for the union. Washington attorney William B. Peer, arguing on behalf of the Pattern Makers' League of North America, stated that he was "pleased" at an apparent change in attitude on the part of the NLRB General Counsel with respect to the issue of mid-strike resignations. He added that now that the new general Counsel has "seen the light," the proper procedure would be to dismiss the complaint and thereby eliminate the need for the Board to address the question.

And who is this new General Counsel? Why, none other than the interim General Counsel, Mr. Lubbers.

The turnabout in the attitude of the General Counsel's office surfaced during the presentations of NLRB attorneys Barbara Franklin and David Colangelo. Franklin stated that in large measure the General Counsel now endorses the position advocated by the unions—that there can be valid restrictions against midstrike resignations. The right to refrain from union activity under section 7 of the act is not an absolute one, she said, contending that the right can be waived by the employee when he joins the union and assumes the obligations of membership.

She maintained nevertheless that any such waiver must be clear and unequivocal and that there must be a period in which the member has an opportunity to resign before the advent of a strike. If an employee who initially supports the strike changes his mind once it has begun, he must work internally within the union to end it, she said. And so we now have the office of the General Counsel making law that helps unions keep their members.

Further, Colangelo maintained that a restriction in the Pattern Makers' constitution banning resignation whenever a strike is "imminent" is unlawful as enforced by the union, because it is vague and overbroad. But he approved that portion of the requirement preventing resignation during a strike. The difficulty presented to the Board was in the union's enforcement of the rule and not in the rule itself, he said, abandoning the former General Counsel's support for a portion of the administrative law judge's ruling recommending that the rule itself be "expunged" from the union constitution. A rule foreclosing resignation during a strike period alone can be reasonable and valid, he said, if prior to the commencement of the strike, the members were apprised of the requirement and were given a reasonable escape period. And so we have the General Counsel's office reversing itself for no apparent reason.

During oral argument of these cases Board Member Penello remarked that the argument represents a "previously unarticulated position" of the General Counsel. Chairman Fanning observed that under the General Counsel's view of the case, "once the strike begins you're locked in."

The Chairman further asked what statutory reference there is to a union need for solidarity during a strike. He questioned whether an implied right on the union's part could outweigh a specific employee right set forth in the statute. So even Mr. Fanning may be implying that his prodigal son is not presenting this case at the best time.

Board Member Jenkins commented that the representatives of the General Counsel now "disown" a brief submitted to the Board in January 1979 in the Rockford-Beloit case. Reading aloud the following statement in that brief, Jenkins remarked that its basic argument was that individual rights were paramount to the need for union solidarity:

> Section 7 of the Act grants to employees individual rights to engage in or to refrain from engaging in union activity. A labor organization has no statutory right to solidarity; rather, the act has limited unions' attempts to maintain solidarity by, for instance, outlawing the closed shop and allowing States to opt for open shops under Section 14(b). It is clear that, statutorily, the national policy is to make individual rights paramount.
>
> Moreover, the restriction in the instant case not only prevents resignation during a strike, but also when a strike "appears imminent." Such further restriction is overly broad and defies any reasonable attempt to define during what period of time a strike "appears imminent."

Much to my amazement, Colangelo replied to Board Member Jenkins that the current position of the General Counsel merely reflects a different "emphasis." The position is "not totally inconsistent with what we argued below," he said. This my colleagues is foolish reasoning of the highest order.

The Machinists case is before the Board on remand from the U.S. Court of Appeals for the Ninth Circuit. The court found that the Board's reading of the union provision was "hypertechnical" and avoided the central issue of the legality of such clauses. The court asked the Board to take another look at the case.

The Machinists constitution defines as "improper conduct" the acceptance of employment in any plant where a strike or lockout is in progress. It provides:

> Resignation shall not relieve a member of his obligation to refrain from accepting employment at the establishment for the duration of the strike or lockout or within 14 days preceding its commencement. Where observance of a primary picket line is required, resignation shall not relieve a member of his obligation to observe the primary picket line for its duration if the resignation occurs during the period that the picket line is maintained or within 14 days preceding its establishment.

Machinists Local 1327 informed its members at Dalmo Victor in April 1974 that the recent amendment to the constitution classified crossing a picket line as improper conduct, punishable by a fine.

Two months later the union held a meeting to take a strike vote against the company and again warned that anyone crossing the picket line would be fined. The strike began on June 3, 1974.

In February 1975, Hilda Hall and Viola Lapinski resigned membership in the union and returned to the struck plant. A third member—Polmyra Gomes—resigned her membership and returned to the plant in May. The union fined both Hall and Lapinski $2,277.50 each. Gomes was fined $1,125. The fines, which were collectible in court, equaled the amount each employee had received as strike benefits from the union.

The Board issued its decision in August 1977, finding that the union had violated section 8(b)(1)(A) of the act by imposing fines against former members. The majority—Chairman Fanning and members Penello and Walther—found that the union provision did not restrict members' right to resign, but sought "to unlawfully regulate post-resignation conduct" (96 LRRM 1160). Members Jenkins and Murphy filed dissents urging dismissal of the complaint.

The Board petitioned the ninth circuit to enforce its order. But in August 1979 the court issued an opinion denying enforcement. The agency then petitioned the court for a rehearing. The individual charging parties obtained counsel and also petitioned the appeals court for a rehearing.

The court issued a new opinion on October 10, 1979, and again denied enforcement to the Board order. With one judge dissenting, the court held that the union constitutional provision "defines or limits the circumstances under which a member may resign, and is a restriction on a member's right to resign," rather than a restriction on post resignation conduct. It remanded the case to NLRB so that the Board might address the question whether the provision, as construed by the court, is valid.

Appearing on behalf of the three employees, Attorney Raymond LaJeunesse, Jr. of the National Right to Work Legal Defense Foundation urged the Board to reopen the record to permit the employees to present evidence that when they began their employment at Dalmo Victor they were subject to a union-shop clause, which on its face required full membership in the union as a condition of employment. The employees were never informed, he said, that the option of "financial core" membership existed, and that all they could legally be required to do was tender the equivalent of dues and fees to the union. This option would have kept the employees from being subjected to union disciplinary power. As I say, these employees were not informed of this right.

On the merits, LaJeunesse argued that any union restriction on the right to resign at any time violates section 7 rights.

Attorney Edward J. Fahy, of Rockford, Ill., also embraced the argument that a member has the right under the act to "resign at any time." Arguing on behalf of the Rockford-Beloit Pattern Jobbers Association, Fahy remarked that the words of the statute are "so clear" that there is practically no legislative history on the point.

The Jobbers Association is a group of 11 employers in the Rockford-Beloit area. The Pattern Makers' League of North America, AFL–CIO, began a strike against the employers in May 1977. The strike lasted until June of that year.

League law 13 of the union's constitution, adopted in May 1976, provided:

> No resignation or withdrawal from an Association, or from the League, shall be accepted during a strike or lockout, or at a time when a strike or lockout appears imminent.

Following a hearing, Administrative Law Judge Gerald A. Wacknov held that the restriction was unlawful and found that the union had violated the act by imposing fines on 10 employees who resigned their membership during the strike and returned to work.

Questions from the Board members during the 2½ hours of oral argument reflected the divisions which existed in the Board's original ruling in Dalmo Victor. Member Jenkins remarked that the Board should simply adopt the rationale of his dissent in that case. Chairman Fanning, citing the hardship of a worker who must put "bread on the table," questioned the wisdom of a rule which would tell a union member that he can never resign during a strike.

He repeatedly asked for the statutory provision which supports the proposition that a member cannot resign once a strike begins.

Member Penello challenged the assertion of the machinist's representative that the union has no means other than fines with which to compel members to honor a picket line. Discounting the need for "coercion," Penello asked what role is played by "loyalty" to the union.

Chairman Fanning stated that he might accept the reasonableness of a union rule requiring that a member who leaves the union and crosses a picket line can never regain his membership. He also expressed willingness to accept the proposition that if a member attempts to resign during a strike, he may still be held liable for dues to the union. That is really a weird idea.

Member Jenkins, however, declared that the Supreme Court has warned the Board against evaluating the motivations, wisdom, or desirability of the weapons unions or employer use during economic warfare. Member Penello disagreed, saying that the Board must reconcile the conflicting provisions of the act and strike the proper balance.

Member Truesdale failed to give any clue as to his position on the merits. If he adopts the position advocated by member Jenkins in his Dalmo Victor dissent, the Board might deadlock and resolution of the cases might have to await the appointment of a new member to fill the vacancy on the Board.

Mr. President. I wish that I could present the conclusion of this judicial tale, but the Board has not yet rendered its decision. Maybe they are waiting for us to decide on Mr. Lubbers. In any case, I believe the point is clear. Mr. Lubbers' desire to pander to partisan interest appears stronger than his responsibility to the position of the General Counsel.

(Mr. TSONGAS assumed the chair.)

Mr. WILLIAMS. Will the Senator yield for a second or two in this connnection.

Mr. HAYAKAWA. If the Senator would like.

Mr. WILLIAMS. The complaint in those cases, Dalmo-Victor and the Patternmakers, was against the union in each case, that they had fined employees for resigning and going to work during a strike. Am I right?

Mr. HAYAKAWA. That is correct.

Mr. WILLIAMS. The union position, of course, was that there should not be a complaint filed by the General Counsel. Am I right on that?

Mr. HAYAKAWA. Yes.

Mr. WILLIAMS. In these cases, Mr. Lubbers—of course, he came in much after so much had happened——

Mr. HAYAKAWA. I understand.

Mr. WILLIAMS (continuing). Indicated that he would have brought those complaints. In other words, he would have advocated the position that was contrary to what the unions sought and would be supporting officially the complaints brought to the General Counsel by the employees.

It has been suggested, and I do not believe the Senator suggested it, but others have, that somehow, Lubbers had indicated a pro-union position in these cases. It is quite the contrary.

Mr. HAYAKAWA. If the distinguished Senator from New Jersey is right and if my remarks are subject to correction——

Mr. WILLIAMS. I am not sure. The Senator's remark was not stated as, well, the Senator from Arizona stated it, for example, and one other Senator stated it. I am not sure; that is why I want to clarify in my own mind whether the Senator from California interprets Lubbers' role as I do, as basically contrary to the union's position in those cases.

Mr. HAYAKAWA. I am grateful to the Senator from New Jersey for bringing this point up. Since he has brought the point up, I shall research the matter again, more thoroughly, to see if it needs correction. But the position I am stating now is the position as I understood it on last reading.

I thank him very much for his comment and I shall be glad to report any correction if it proves to be necessary.

Mr. WILLIAMS. I thank the Senator.

Mr. HAYAKAWA. Let me close, Mr. President, by saying that I, for one, cannot endorse an individual who seems to pander to union interests. The position of General Counsel is as powerful as many judicial appointments that we confirm in this august Chamber. We have refused a number of those candidates because their qualifications were insufficient or their views not broad enough to encompass civil rights groups, women's groups or other minority interests. If these groups have presented their view and we have listened with attentiveness and our votes, I suggest that the business interest groups also be listened to, and that we reject Mr. Lubbers' nomination.

I thank the Chair.

Mr. WILLIAMS. Mr. President, I wish to make a statement that I hope will bring further clarification to a charge that has been made against Mr. Lubbers in connection with a role he might have played when he was working with the Board in connection with the labor law reform legislation. I ask unanimous consent that this not be considered a second speech on the pending business before the Senate.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, of all the baseless issues that have been raised with regard to this nomination, one that continues to surprise me when it is raised is this issue of Mr. Lubbers' role during the consideration of the labor law reform legislation in the 95th Congress.

When that legislation was before this body, Mr. Lubbers was serving as Solicitor of the Board. His activities in connection with labor law reform were discussed very fully at my committee's hearings on his nomination, and the record on this issue is, in my judgment, crystal clear. His actions were entirely proper and were, in fact, required by virtue of his duties as Solicitor.

To illustrate this, I am going to quote several passages from the formal description of Mr. Lubbers' duties as Solicitor taken from the official position description developed by the agency. I ask unanimous consent that the entire text of this position description be printed in the RECORD at the conclusion of these remarks.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. WILLIAMS. Section B of the description is labeled "duties." That section states:

> 5. Acts for the Board in conference at the White House, in contacts with Members of Congress, key officials of the Department of Justice and other Federal agencies, members of the bar, and the general public, in giving legal opinions on questions involving the Board's operations and interpretations of the statute and the Board and court deci-

> sions under it, advising and consulting on impact of proposed legislation on operations of the Board and/or agency as a whole, which is being considered for the Board and/or related Federal agencies.
>
> 7. On behalf of the Board, replies to inquiries from the White House, Members of Congress, congressional committees, officials of other agencies, members of the bar, and the general public, interpreting the statute and the Board and court decisions under it.

In another section of the position description that is labeled "scope and effect," the following statement appears:

> The Solicitor to the Board serves as the top legal advisor and consultant to the entire Board, as a whole, on all questions of law and policy involving the Board's general operations and functions. . . . In addition to the Solicitor's participation in the adjudication proceedings of the Board, the Solicitor is the Board's main reliance for advice on: (1) Disposition of operating problems or issues; and (2) probable impact on Board and/or agency, as a whole, of proposed legislation. . . . Also, the Solicitor is the legal representative and spokesman of the Board in liaison contacts both inside and outside the agency.

Finally, I observed, in the section of the position description entitled "Contacts," the following appears:

> Maintains contacts with Members of Congress, Congressional committees, officials of other agencies, members of the bar, labor and management groups, and the general public.

The position description also provides that the Solicitor of the Board is to act with substantial independence in the performance of his duties. Under the heading "supervision and guidance," the following description appears:

> The incumbent is subject to the administrative direction of a Board member and/or the full Board. The work of the Solicitor is not subject to technical review and is reviewed only for conformance to Board policy and for results achieved.

As I indicated, the question of Mr. Lubbers' provision of technical assistance to various parties during the consideration of labor law reform legislation did come up at the committee's hearings, and the record is quite plain on this subject. It clearly demonstrates that the nominee's activities were conducted strictly within the confines of his official duties and were entirely proper.

Indeed, they were required by his official position.

Having read his job description it is clear that what he did in response to requests during that labor law reform legislative period, he was required to do—I say again, required to do—by his official position.

The record shows that Mr. Lubbers served only as a source of technical, expert advice on Board law and procedures. He was available to all members of the general public, as well as to Members of Congress and of the Senate and their staffs, to respond to inquiries about these matters.

He did not initiate any meetings or conversations about labor law reform.

He never solicited any Congressman or Senator or staff member to take a position on any issue involved in labor law reform.

He never attempted to devise any strategy or tactics related to labor law reform legislation.

He was most emphatically not involved in preparation of any legislation related to labor law reform.

In the performance of his duties with regard to labor law reform, he acted under the overall direction of the Chairman of the Board.

If any management representative had asked for his assistance, he would have provided it. His position required him to do so.

A comparison of Mr. Lubbers' activities in this regard with his official duties eliminates any real question about the propriety of his activities. As in every other record indication about his professional career, Mr. Lubbers in this case acted with the highest degree of professionalism and with the strict impartiality properly expected of a public servant.

I say, it seems to me that during that debate and development of labor law reform, if Mr. LUBBERS in his capacity as solicitor had not responded to requests for technical information, and the technical information dealt with such things as the impact on Board procedures, or certain times for elections, and other technical points related to labor law reform legislation. If he had not responded, then at his confirmation hearing we would have at last had a real substantive issue militating against his confirmation.

However, Mr. Lubbers did his duty, clearly and simply.

To suggest that when he gave technical assistance concerning the impact of pending legislation concerning Board procedure, that somehow he was wrongfully engaged in that legislative process, is, absolutely incorrect. It may be the most clearly erroneous issue that has entered this debate. The man was doing his duty. It is as simple as that.

No doubt this will come up again. I have observed yesterday and today that there seems to be a basic speech that comes to us in connection with Senate consideration of this nomination. Those who use the basic speech, I gather, are not communicating with each other because it keeps coming back in much the same form. One issue that keeps being raised is that Mr. Lubbers was somehow acting outside his authority when he responded to questions asked of him in his position as Solicitor regarding labor law reform legislation and its impact on Board procedures.

I want the record to be very clear that what he did was in response to his official duties. If he had not responded, then we would have had something to complain about in the context of consideration of his confirmation in the Senate.

Exhibit 1

Civil Service Position Description of General Counsel

Name: Lubbers, William A.

Veteran preference: 10 point disabled.

Tenure group: III.

Service comp. date: 08-15-49.

FEGLI: Covered (Reg. & Opt.).

Retirement: CS.

Nature of action: Noncareer Exec. Assgn.—by Conv.

Effective date: 07–03–77.

Civil service or other legal authority: Reg. 305.601 and CSC, form 917 approved 05–22–77.

Position title and number: Supervisory General Attorney (Labor), (Deputy Chief Counsel to Chairman), Agency No. 775.

Pay plan and occupational code: GS–905.

Grade or level: 15.

Step or rate: 10.

Salary: $43,923 pa.

Name and location of employing office: Office of the Chairman, John H. Fanning, Washington, D.C.

Position title and number: Solicitor, QT–0139, Agency No. 2255.

Pay plan and occupation code: GS–905.

Grade or level: 16.

Step or rate: 06.

Salary: $46,234 pa.

Name and location of employing office: Office of the Solicitor, Washington, D.C.

Duty station: Washington, D.C.

Position occupied: Excepted service.

Position: Supervisory 3.

Employee does not acquire a competitive status under this appointment. SF–161A sent to the Commission.

Notice to Employee

I. Conditions Pertinent to All Types of Personnel Action:

The personnel action identified on the face of this form is subject to all applicable laws, rules, and regulations governing Federal employment and may be subject to investigation and approval by the Civil Service Commission. The action may be corrected or canceled if not in accordance with all legal requirements, or if based upon your misrepresentation or fraud.

In addition: The grade of the position of which you are officially assigned may be reviewed and corrected by your agency personnel office, or by the Civil Service Commission.

Your performance rating upon entrance into a new position is "satisfactory" unless or until you are notified otherwise.

Items 9 and 10 show the common types of payroll deductions; "FEGLI" for Federal Employees Group Life Insurance, "CS" for Civil Service Retirement, "FICA" for Social Security, and "FS" for Foreign Service. Additional deductions may be made under the Federal Employees Health Benefit program, and for income taxes, bonds, and other purposes authorized by law.

II. Information About Appointments:

Appointment to positions in the competitive service: The Civil Service Act places most positions in the "competitive service." The Civil Service Commission sets qualification requirement and controls recruitment for such positions. As a general rule, persons selected from civil service registers to fill continuing jobs in the competitive service are given career-conditional appointments. Such appointments are secured through direct competition with other members of the general public seeking similar work in Government agencies, and permit qualified employees to be assigned without further competitive examination to other jobs in the competitive service. Career-conditional appointments become career appointments upon completion of 3 years of substantially continuous creditable service.

The first year following a nontemporary competitive appointment generally is a probationary period, during which period an appointee must demonstrate his full competence and fitness for Federal employment. Reinstatements are also subject to a probationary period unless one was previously completed. Transfers, promotions, changes to lower grade, and reassignments during a probationary period are subject to completion of probation.

Temporary appointments do not confer a

civil service status and do not lead to a career or career-conditional appointment without some further examination or qualification. Limited temporary appointments are made when there is no continuing need for a person's service, regardless of the manner in which he qualified for appointment; acceptance of such appointment will not remove a person's name from a civil service register on which he may later be reached for career-conditional appointment.

Appointments to positions in the excepted service. Excepted appointments are made to positions which are excepted from the competitive service by law or other special authority. Generally the employing agency sets qualification requirements and conducts recruitment for such positions. Such appointments do not confer a competitive civil service status or eligibility for movement to jobs in the competitive service; they may be made without restrictions on tenure, with a conditional or indefinite limitation, or with a definite time limitation. A trial period may be required at the discretion of the employing office.

III. Information About Tenure Groups:

Employees are ranked in tenure groups according to the nature of their appointment; those with unrestricted tenure are placed in Group I, those serving under conditional appointments which automatically lead to full tenure after a prescribed time and without further qualification are placed in Group II, and those serving under temporary or indefinite appointments not limited to an exact time or date are placed in Group III. Within each tenure group, ranking is determined by veteran preference, performance rating, and total Federal service. If it should become necessary to reduce force, employees are selected for separation or change to lower grade according to this general ranking. Employees serving under competitive appointments and those serving under excepted appointments are ranked separately for reduction in force purposes.

IV. Information About Your Status After Separation:

If you are separated or placed in a nonpay status for an extended period, your employing agency will furnish you with Standard Form 8 explaining your rights for unemployment insurance benefits. If you were covered by the civil service retirement system or Federal employees' group life insurance, you have previously been furnished certificates describing these programs; you can refer to such certificates for information regarding your rights and possible benefits after separation.

If you are separated from a career or career-conditional appointment, you may have reinstatement eligibility and can apply directly to any Federal activity and may be employed without further competitive examination; if you are a nonveteran and you are separated from a career-conditional appointment your eligibility for reinstatement is generally limited to 3 years from the date of separation. If you are separated from a temporary or excepted appointment, you have no reinstatement privileges based upon such service.

You will be given any lump sum payment that may be due you for annual leave at the time of separation. Refund of an appropriate portion of this payment will be required if you are reemployed in a Federal agency in a position under the same leave system during the period covered by such payment.

V. Availability of Further Information:

Consult your supervisor if you have questions about the above statements or the entries on the front of this form; or about other matters concerning your employment. This is particularly important on questions involving granting of leave, assignment of duties, and hours of work which are generally under his control. If your questions are technical, your supervisor may refer you to your personnel office, which will have copies of controlling civil service regulations, as well as your individual records, and so can best explain how they apply in your case.

POSITION DESCRIPTION

Class title or position: Solicitor.

Department, agency, or establishment: National Labor Relations Board.

First subdivision: Office of Solicitor.

DESCRIPTION OF DUTIES AND RESPONSIBILITIES

I certify that this is an accurate statement of the major duties and responsibilities of this position and its organizational relationships, and that the position is necessary to carry out government functions for which I am responsible. This certification is made with the knowledge that this information is to be used for statutory purposes relating to appointment and payment of public funds, and that false or misleading statements may constitute violations of such statutes or their implementing regulations.

NATURE AND PURPOSE OF WORK

A. Introduction: The incumbent of this position serves as Solicitor of the Board, reporting directly to the Board (five members), which positions are filled by Executive appointment and excepted by statute. The Board administers Title I of the Labor Management Relations Act of 1947, as amended, performing and directing all functions except those expressly reserved by law to the General Counsel or these delegated to him by the Board.

As Solicitor, the incumbent serves as the chief legal adviser and consultant to the entire Board on all questions of law arising in connection with the Board's general operations and on major questions of law and policy arising in connection with the adjudication of cases, in respect to enforcing and defending Board orders in the Courts of Appeals and the U.S. Supreme Court and in regard to achieving compliance with Board orders; and serves as the Board's legal representative and spokesman in liaison contacts with the General Counsel's office and other offices of the Board organization, with the White House, Members of Congress, Congressional Committees, representatives of the Department of Justice and other Federal Agencies and of labor and management groups, as well as the general public.

B. Duties:

1. Advises and consults with the entire Board on all matters arising before the Board for determination or decision, requiring attendance at all Board meetings, i.e., full Board meetings at which cases are reported and decided; meetings of the Board and the General Counsel; other meetings of an executive nature at which legal and policy matters, of a substantive or administrative nature, are considered and decided. Advice is rendered on the following:

(a) on legal questions involving the Board's general operations and functions;

(b) on cases before the full Board for decision, which present major questions of law and policy, particularly with repect to legal sufficiency, principles, techniques, standards, policies and Board and Court precedents;

(c) on scope of Board functions with respect to the delegation by the Board to the General Counsel and to regional offices when specific operating problems or issues develop;

(d) on interpretation of provisions of the Labor Management Relations Act, 1947, as amended, and related Acts;

(e) on general overall implication of Board decisions in the light of probable future litigation and of Federal and State laws;

(f) on probable impact on Board and/or Agency as a whole of proposed legislation for NLRB and/or related Federal Agencies;

(g) on inter-agency proposals which may require negotiations between other agencies and the Board, and/or the Board and its General Counsel.

(h) on Board cases in the Courts of Appeals and the Supreme Court, contempt proceedings in the courts, out-of-court efforts to comply with Board orders, and on other related Federal and State Court proceedings.

2. Reviews for the Board recommendations of the General Counsel not to enforce Board Orders in the courts, and, in important cases or those presenting unusual or specific legal problems, proposals for settlement and compliance with Board orders and court decrees; determines the appropriate course of action and advises the General Counsel's Office accordingly, referring to the Board for decision only those cases which require establishment of new policy or modification of present Board policies.

3. Reviews for the Board recommendations of the General Counsel as to whether certiorari should be sought in the Supreme Court, recommendations to seek injunctions under Sec. 10(j) of the Act, proposals to proceed in contempt, and proposals to intervene or participate in state or federal court proceedings involving other parties; makes recommendations thereon to the Board; upon approval by the Board, issues appropriate notices to the officials of the General Counsel's organization.

4. Reviews for the Board and recommends whether to deny or grant appeals from rulings of Administartive Law Judges during the course of hearings on complaint cases.

5. Acts for the Board in conference at the White House, in contacts with Members of Congress, key officials of the Department of Justice and other Federal Agencies, Members of the Bar, and the general public, in giving legal opinions on questions involving the Board's operations and interpretations of the statute and the Board and Court decisions under it, advising and consulting on impact of proposed legislation on operations of the Board and/or Agency as a whole, which is being considered for the board and/or related Federal Agencies.

6. Acts for the Board in contacts with officials of the General Counsel's organization and serves as the legal adviser to officials of the Executive Secretary's Office, Division of Information and Division of Administration, advising and consulting on cases or issues and furnishing legal interpretations in the light of the Board's position on policies, and opinions on general questions of law and administration.

7. On behalf of the Board, replies to inquiries from the White House, Members of Congress, Congressional Committees, officials of other Agencies, Members of the Bar, and the general public, interpreting the statute and the Board and Court decisions under it.

8. Independently or upon referral from the Board, drafts legal documents and legal memoranda or correspondence, over own signature or that of Chairman of the Board, to effectuate the Board's decisions on matters of law and policy, not relating to the final decisions of cases.

9. Reviews for legal necessity and sufficiency and recommends to the Board proposals for changes in the Board's Rules and Regulations and Statements of Procedure.

10. Reviews for legal sufficiency drafts of sections of the Board's Annual Report to Congress, which have been prepared by other offices of the Agency.

11. Upon request, acts for the Board Members in appropriate litigation requiring appearance in any Court on behalf of the Board.

12. Performs miscellaneous activities which may be assigned for special study, opinion, and recommendation.

C. Responsibility for the Work of Others: Exercises administrative and technical supervision over two or more Associate and Assistant Solicitors, GS-15 and GS-14, several attorneys and supporting clerical staff.

SCOPE AND EFFECT

The Solicitor to the Board serves as the top legal adviser and consultant to the entire Board, as a whole, on all questions of law and policy involving the Board's general operations and functions and on cases which present issues of first impression or involve major policy and procedures affecting broad judicial decisions of the Board. The Solicitor is the Board's main reliance in legal contacts with the General Counsel's office, watching on behalf of the Board all activities incident to enforcing the Board's decisions. The Solicitor reviews for the Board as to legal sufficiency, approach and procedure, technical effectiveness and conformance to the Board's position and policies, the exercise of functions delegated to the General Counsel by the Board in respect to enforcing and defending Board orders in the Courts of Appeals and the U.S. Supreme Court and in regard to achieving compliance with Board orders. These functions are vested in the Board by the Labor Management Relations Act, 1947, as amended, but have been assigned by the Board to the General Counsel in a formal Statement of Delegation.

The Solicitor's office is represented at all Board meetings and therefore is available for advice and consultation to the entire Board on all matters brought before it for determination or decision.

Cases or issues considered by incumbent extend to practically all segments of labor and industry throughout the nation engaged in interstate commerce. The Solicitor's advice in cases brought before the Board for decision directly affects the parties to the cases as well as other representatives of labor and industry who may have cases with similar issues. With respect to the adjudication of cases, there is a coordinate effort by the incumbent and the Chief Counsels, all of whom are engaged in presenting the best judgment on every case problem coming before the Board for disposition. The Chief Counsels are primarily responsible for advising their individual Board members and, at Board meetings, the entire Board, as to case disposition. Upon own initiative, or upon request of the Board or Board Member, the Solicitor's views are stated.

Such views are primarily with respect to the legal sufficiency of the Board's proposed decision in a given case, the extent to which Board principles, techniques, standards, and Board and Court precedents are being considered and applied, whether there is proper interpretation of provisions of the Labor Management Relations Act and in relation to other Acts, and the general overall implication of Board decisions in the light of probable future litigation and of Federal and State laws, for purpose of insuring consistency and uniformity of Board practices, policies, and procedures.

In addition to the Solicitor's participation in the adjudication proceedings of the Board, the Solicitor is the Board's main reliance for advice on: (1) disposition of operating problems or issues which develop as to the Board's general operations and functions as distinct from those delegated by the Board to the General Counsel and the adjudication of cases; (2) probable impact on and/or Agency, as a whole, of proposed legislation for NLRB and/or related Federal Agencies; and (3) inter-agency proposals which may require joint negotiations between other agencies and the Board and/or the Board and its General Counsel. Also, the Solicitor is the legal representative and spokesman of the Board in liaison contacts both inside and outside the Agency, and upon request, conducts appropriate litigation, requiring appearance in any court on behalf of the Board.

SUPERVISION AND GUIDANCE

The incumbent is subject to the administrative direction of a Board Member and/or the full Board. The work of the Solicitor is not subject to technical review and is reviewed only for conformance to Board policy and for results achieved.

MENTAL DEMANDS

The position requires the maximum of initiative, tact, judgment and diplomacy in dealings with key officials of the NLRB and other Federal Agencies, Members of Congress, Congressional Committees, labor and management groups, parties to cases, and the general public. Because of the novel issues raised imagination and original thinking are demanded of the incumbent to recommend proper disposition of cases or problems and assist in the development of new policy, practices and procedures, to insure efficiency and consistency in the adjudication of cases and to assist in effectively effectuating the purposes and intent of legislation and the rules and regulations under which the Agency operates.

The Labor Management Relations Act has been extensively and importantly amended several times since its passage in 1947 and, with respect to both substance and procedure, the administration of the statute continues to present extraordinarily complicated and controversial legal problems. In many instances certain parts of the law have been interpreted in different ways by different courts.

The incumbent analyzes these differences and recommends to the Board policies and courses which will bring about consistency and practical effectuation in the growing body of administrative law. In addition, the field of labor relations is highly controversial and the proceedings arising from the provisions of the Act are constantly presenting new and strongly contested issues for which there are no clear cut Board or Court precedents.

PERSONAL WORK CONTACTS

Maintains contacts with Board Members of the NLRB, their Chief Counsels and other attorneys on their staffs, the Executive Secretary and staff, and other key officials of the Board organization, with the General Counsel and key officials of the General Counsel's organization, with the White House, Members of Congress, Congressional Committees, officials of other Agencies, Members of the Bar, labor and management groups, and the general public.

OTHER

The position requires extensive legal background, expert knowledge of the Labor Management Relations Act, 1947, as amended, Fair Labor Standards Act, Administrative Procedure Act, State labor relations laws, thorough knowledge of aspects of general constitutional law principles, particularly those involving interstate commerce, free speech, and due process bearing upon questions presented to the Board and the courts for decision, general knowledge of any other Federal and State laws pertaining to or having any bearing upon the Labor Management Relations Act 1947, as amended, or questions arising thereunder; also comprehensive knowledge of the Board's Rules and Regulations and Statements of Procedure, organization and functions of the Agency, Board and Court decisions, Federal Rules and Practice in District Courts, Courts of Appeals and Supreme Court, outstanding knowledge of the field of labor relations and of the principles of collective bargaining, wide knowledge of industrial and labor practices, procedures, and of labor and management organizations throughout the country, thorough knowledge of legal procedures governing hearings and rules of evidence, outstanding ability to analyze cases, to evaluate the evidence and the importance of questions of law or policy and to make recommendations or decisions relative thereto, with due consideration of the overall effect on past and future cases and on the Board's policies and procedures; outstanding ability to deal tactfully and effectively with Federal officials of the highest level, Members of Congress, Congressional Committees, labor and management groups, and the general public, outstanding leadership, judgment, integrity, tact, and understanding of human relationships.

Mr. THURMOND. Mr. President, I desire to make some remarks on the pending nomination of William A. Lubbers to be General Counsel of the National Labor Relations Board.

Mr. President, the position of General Counsel for the National Labor Relations Board is a highly sensitive one. In my opinion, it is in the national interest to secure the nomination of a qualified candidate who would be acceptable to both business and labor, the major sectors affected by the decision of the National Labor Relations Board.

The position of General Counsel is an extremely powerful one. As a matter of fact, it has been said to be even more powerful than any member of the Board itself.

There is good reason for such a statement. The General Counsel serves as the independent prosecutor of unfair labor practice charges brought by management or labor. His decision to issue, or not to issue, complaints stemming from those charges is not subject to review by either the Board or by the courts. As a result, if either management or labor file charges of unfair labor practices, and the General Counsel refuses to issue a complaint, the aggrieved party has absolutely no recourse.

The conduct of the General Counsel must occur within the context of complete objectivity, complete independence of the Board and its staff. Given the extremely sensitive nature of labor relations in general, and indeed, the public trust that is vested with the General Counsel, this makes good sense. It is essential to the stability of labor-management relations and to the preservation of proper avenues of recourse for aggrieved parties.

The pre-Taft-Hartley era is filled with case histories of what can happen when a proper separation of powers, if you will, does not exist; when the prosecutorial/investigative/judicial functions are thrown into one body. As Senator Taft said at that time in reference to the Wagner Act:

> The latter act was interpreted by a completely prejudiced board in such a way that it went far beyond the original intention of Congress, until we reached a point where the balance shifted over to the other side (away from employers), where the labor leaders had every advantage in collective bargaining and were relieved from any liability in breaking the contract after they had made the bargain. That was a condition under which strikes actually were encouraged and protected, no matter what the purpose or the character of the particular strike.
>
> All we have tried to do is to swing that balance back, not too far, to a point where the parties can deal equally with each other and where they have approximately equal power . . . strikes have largely been brought about by unreasonable demands to which the employer finally felt he could not possibly yield and at the same time maintain the integrity and independence of his business.

From this history came legislation that placed responsibility for conduct equally with labor and business. From this history came legislation that separated the prosecuting and investigating functions from the judicial functions. Nowhere is the need for independence made clearer than in the CONGRESSIONAL RECORD and conference report accompanying the adoption of the Taft-Hartley Act of 1947. To correct the chaotic conditions of labor-management relations at that time, section 3(d) provided that:

> There shall be a General Counsel of the Board who shall be appointed by the president, by and with the advice and consent of the Senate, for a term of four years. The General Counsel of the Board shall exercise general supervision over all attorneys employed by the Board (other than trial examiners and legal assistants to board members) and over the officers and employees in the regional offices. He shall have final authority, on behalf of the Board, in respect of the investigation of charges and issuance of complaints under section 10, and in respect of the prosecution of such complaints before any Board, and shall have such other duties as the Board may prescribe or as may be provided by law.

Throughout the course of commentary in the CONGRESSIONAL RECORD of 1947, it was repeatedly reaffirmed that the General Counsel would act on behalf of the Board, but completely independent of the Board. Some Members of the House and the Senate expressed concern over vesting so much power in one individual. Reference is made throughout to "labor czars." As Senator Morse said:

> Mr. President, the General Counsel will be the "super duper" of all General Counsels in the Federal Government. His job is going to be some job; it will be not only a very valuable job from the standpoint of economic status, but a job of tremendous power . . . more power than any other general counsel has ever been given, and from the standpoint of independence of the power within the jurisdiction of the office, more power than the attorney general of the United States has. We do not give the Attorney General of the United States, in his relation to the American judiciary, anything that bears any resemblance, in breadth of jurisdiction and power, to what we give to the general counsel of the National Labor Relations Board in his relationship, under the bill, to the Board.

While the Senator's analogy to the Attorney General might be somewhat overstated, it nonetheless underscores the fact that the General Counsel's office is indeed powerful. Needless to say, today's Senate must be as sensitive to the person vested with such vast authority as was its predecessor Senate when they struggled over the question of whether or not to create such a post in the first place. History tells us that the abuses under the old order of doing business outweighted the reservations about creating an independent position within the context of the National Labor Relations Board. History and the prognosis of future labor-management relations should tell us that a truly independent individual, with the confidence of both the business and labor communities, is equally essential to the orderly conduct of disputes.

While I do not impugn Mr. Lubber's competence as Executive Secretary of the NLRB, or his integrity, I do believe that his personal friendship and professional affiliation with the Chairman of the NLRB, as well as his role in writing many of the Chairman's decidedly pro-union decisions, is causing the public and the business community in particular to question whether he can establish and maintain the independence and impartiality required of the General Counsel.

This is not merely a case of a nominee who is coincidentally a friend of the Chairman of a board from whom he is to remain detached. It goes well beyond this. From public accounts, it appears that the Chairman has been overtly campaigning on behalf of Mr. Lubbers. He has, in essence, tied his own position to Mr. Lubbers' confirmation when he was quoted as saying:

> I would have to reconsider my own position if Mr. Lubbers were to be dropped from consideration because of his affiliation with me.

This "affiliation" to which the Chairman referred obviously goes beyond the realm of the professional relationship of employer to employee, into the personal realm of a close friendship, since the Chairman seems willing to reconsider his own position with the Board if Mr. Lubbers' nomination is not accepted. This friendship between the Chairman of the NLRB and the person who is being considered for General Counsel could have a significant impact on the decision-making process. This close relationship creates a climate in which many of the decisions which the General Counsel must make could, perhaps even unwittingly, be unduly influenced. If nothing else, the appearance created by this association would serve to undermine the ability of those governed by the NLRB to feel satisfied that they have been dealt with impartially by the General Counsel.

We seem to be at another critical juncture in labor-management relations. Productivity figures are a prominent subject of public debate; the number of complaints to the Board are growing; the Board's objectivity and the quality of its decisions are under attack. I feel quite strongly that any candidate for this position must be, both in appearance as well as in fact, completely separate and independent from any members of the Board. Without the perception of such independence, public confidence in the agency itself will suffer further and parties to labor-management disputes could be less inclined to seek redress through established procedures for review by the Board.

Rejection of candidates because of their relationship with the head of an agency or commission is not without precedence. Several months ago, the members of the House Agriculture Committee blocked President Carter's nomination of Hugh Cadden for the Commodities Future Trading Commission. The reason they blocked the nomination of Mr. Cadden, presently special assistant to CFTC Chairman James Stone, according to the Washington Post article of September 18, 1979, was that—

> Committee members . . . wanted a nominee with a background in the workings of the futures trading industry who can "exercise independent judgment." They said that Cadden's independence was in doubt. . . .

In their letter to the President, the 15 signatories said:

> Additionally, we believe that your nominee should be expected to exercise independent judgment, which precludes, in our view, any nominee who is closely associated with the commission or any member of the commission.

This is exactly what we are saying in the case of Mr. Lubbers. His relationship with the Chairman of the NLRB simply does not lend itself to the independence mandated by law and by good sense.

Besides lacking the appearance of independence so vital to this position, it is also questionable whether Mr. Lubbers has sufficient administrative expertise to adequately carry out the duties of this post. The demands of this position include supervision of the Board's 33 regional offices and the supervision of representative elections in which employees approve or reject union representation. The General Counsel is further charged with the supervision of over 700 attorneys and approximately 680 investigators. Mr. Lubbers, having served as an attorney for the Wage Stabilization Board, attorney-adviser to Board Member Abe Murdock, attorney-adviser and Deputy Chief Counsel to Chairman Fanning, Solicitor and now Executive Secretary of the NLRB, does not, I believe, possess the administrative background necessary to the job.

Beyond this apparent lack of necessary administrative expertise, Mr. Lubbers' entire labor law experience has been in Washington, D.C.—in the Federal bureaucracy, an "attribute" that President Carter did not find highly desirable during the 1976 campaign. Mr. Lubbers has no experience with law firms, companies, or unions. In the highly complex position of General Counsel, this lack of "real world" experience must be viewed as a negative.

I appeal to the Senate as a whole to examine this entire situation with the utmost care. We have before us a nominee who is totally unacceptable to the business community, one of the major sectors affected by the decisions of the National Labor Relations Board.

This Senate is confronted with a candidate whose independence is a source of concern, the adequacy of whose administrative experience is open to question, and who apparently lacks any meaningful non-Government experience for this post.

Mr. President, for these reasons, I urge the Senate to reject the nomination of William A. Lubbers for General Counsel of the National Labor Relations Board.

Mr. WILLIAMS. Will the Senator yield?

Mr. THURMOND. I will not yield the floor. I will be glad to get consent to yield to the Senator if he wishes to speak.

Mr. WILLIAMS. I have a statement to make.

Mr. THURMOND. I may take a good bit.

Mr. President, I ask unanimous consent that I may yield to the distinguished Senator from New Jersey with the understanding that I will not lose the floor and upon resuming it shall not be considered as a second speech on the same subject matter.

The PRESIDING OFFICER (Mr. LEAHY). Without objection, it is so ordered.

The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, this morning I was astounded to hear the assertion from the Senator from Indiana that William Lubbers should not be confirmed because he shows a prolabor bias. This allegation is totally devoid of substance or merit. No witness who testified at the time of the confirmation hearing on this nomination ventured such an opinion. In fact, every witness who had experience with Bill Lubbers testified, quite to the contrary, to Mr. Lubbers' competence and integrity.

That was the uniform statement of evaluation in our confirmation hearings.

To set the record straight, Mr. Lubbers is not a member of or a participant in the activities of an NLRB union. He is not associated with any union, NLRB or otherwise, and has no union affiliations.

We may well ask ourselves on what possible basis is grounded the assertion that William Lubbers shows a prolabor bias. It was again suggested this morning that we should infer that William Lubbers may have shown a prolabor bias because he worked on the staff of Chairman Fanning. I would point out, Mr. President, that there is no basis anywhere for such an assertion.

I must say, however, that I cannot let the matter rest there. What these arguments of prolabor bias do is to impugn the character not only of Bill Lubbers but of Chairman Fanning. I think it is time to set the record straight on that issue.

Chairman Fanning was initially appointed to the Board by President Eisenhower in December 1957. Five of the last six Presidents have nominated Mr. Fanning for terms. Three of those Presidents were Democrats, two were Republicans. Five times he was confirmed. The sixth President, President Ford, did not have the occasion to appoint him. However, President Ford did make Mr. Fanning Acting Chairman in the interregnum between Miller and Murphy. Indeed, Chairman Fanning has enjoyed a reputation for fairness, nonpartisanship, independence, and integrity. If his opinions have had any suggestion of preference, it was obviously not enough to cause six more neutral observers—namely the last three Democratic and three Republican Presidents we have had—to question his fitness to serve the act and the agency.

I am sure that if you were to ask Chairman Fanning, he would characterize his opinions as prostatute, and has written pro-union decisions only when he considered them proper interpretations of the statute. By the same standard, I am sure that every other member of the Board has had the occasion to write a pro-union decision in the sense that it might have displeased the Chamber of Commerce. The Chamber of Commerce appears to apply as a barometer of fairness how many times a board member agrees with its interpretation of the statute.

I, for one, believe that the period of time that Mr. Lubbers worked with Chairman Fanning is a strong argument in his favor. During this period of time, and during the 5 years that Bill Lubbers worked with former U.S. Senator (Utah), and Board member, Abe Murdock, he acquired an outstanding knowledge of National Labor Relations Board procedures and labor law. Based on his familiarity with Bill Lubbers, former Chairman Frank McCulloch came to a similar conclusion. In testimony before our committee, he had the following to say about the independence of Bill Lubbers:

> It is argued that the appearance of independence will be lacking, that the parties feel Chairman Fanning will have undue influence with the new General Counsel. Does not this perception of the parties bar the nomination? Frankly, I consider that nonsense.
>
> If the judgment of five presidents—six, counting President Ford, who made him acting Chairman—and their advisers is to be credited, the long contact of Mr. Lubbers with Mr. Fanning's service by itself is a decisive credential of fairmindedness, balance, and independence. The appearance is a good one. On the other hand, if there is any appearance of potential, improper Fanning influence and Lubbers' subservience, I suspect it arises only to the extent that some persons, from ignorance or from design, seek to create that appearance.

The only other suggested basis for asserting that Mr. Lubbers has a prolabor bias is that he worked for the American Federation of State, County, and Municipal Employees for a 6-month period nearly 30 years ago. Well, we are really grasping at straws here. I do not believe that the force of that argument merits a response.

Mr. President, it does the nomination process no credit when baseless and misleading assertions are raised against a Presidential nominee. I suggest that the proper question is the competence and integrity of the nominee for the office in question. On this point, there is no question. In the opinion of many, including myself, Mr. Lubbers is unquestionably the most knowledgeable and competent individual ever nominated for the position of General Counsel. His nomination deserves our strong support.

I thank the Senator from South Carolina for giving me the opportunity to add another point that should be made in advancing the confirmation of Mr. Lubbers for this position.

Mr. ARMSTRONG. Mr. President.

The PRESIDING OFFICER. The Senator from South Carolina still has the floor under a unanimous-consent agreement.

Mr. THURMOND. Does the Senator from Colorado wish recognition?

Mr. ARMSTRONG. No, Mr. President, I thought I was seeking recognition, but I am not, I am relieved to say.

The PRESIDING OFFICER. The Senator from South Carolina has the floor under the unanimous-consent agreement.

Mr. THURMOND. Mr. President, yesterday I spoke on an analysis of the history of the Taft-Hartley law, and I spoke from the standpoint of legislative action in the Senate. I now wish to proceed to speak on an analysis of the history of this act from the legislative action in the House.

Mr. President, prior to passage of H.R. 3020, which provided for a separation of functions on the National Labor Relations Board, the House Committee on Education and Labor heard frequent testimony urging adoption of such a provision. This testimony criticized the role of the NLRB in performing the functions of prosecutor, judge, and jury. The necessity for a separation of function appears to have been widely accepted; the problem confronted by the House was the mechanism for achieving this separation.

In his testimony before the House Committee on Education and Labor, Mr. Herman W. Steinkraus, appearing on behalf of the U.S. Chamber of Commerce, emphasized the importance of a separation of functions by any reasonable method:

> Herman W. Steinkraus, President and Chairman of the Board, Bridgeport Brass Co., Bridgeport, Connecticut, appearing on behalf of Chamber of Commerce of United States, Honorable Fred A. Hartley, Jr., Presiding, Hearings Before the Committee on Education and Labor, House of Representatives, Volume 4, p. 2530–31, Thursday, March 6, 1947.
>
> The principle of the separation of powers has long been recognized in our American democracy. Briefly stated, this means that the legislature shall not exercise the functions of the executive, and vice versa, nor shall either of them exercise the duties of the judiciary.
>
> This basic principle has been lost sight of in the legislation setting up the National Labor Relations Board. The Wagner Act specifically gives the Board both prosecution and judicial functions. Disregard of the principle of division of powers may be desirable, or at least not to be seriously questioned, in some areas of Government administration. But in a field so highly controversial as labor relations this combination of prosecution and judicial functions has, we believe, proved a great mistake. Eleven years of experience have clearly shown the need of separation of these functions. The power both to institute and adjudicate proceedings should not rest in one agency. A prosecutor is incapable of appraising the merits of a case fairly and objectively, and of rendering an equitable, unbiased decision that takes account of the position of the other side as well.
>
> The method of separation to be used is secondary to the principle and purpose involved and we support legislation embodying any reasonable method of accomplishing this purpose.

Such a separation of functions was further encouraged in testimony by Mr. Tyre Taylor, general counsel of the Southern States Industrial Council. He also placed primary emphasis on a separation of function, regardless of the particular mechanism.

Mr. President, I ask unanimous consent that I may continue this speech on another day, without it being counted a second speech on such legislative day.

The PRESIDING OFFICER. Without objection, it is so ordered.

• Mr. BELLMON. Mr. President, on November 28, 1979, President Carter nominated William A. Lubbers to be General Counsel of the National Labor Relations Board.

The Senate did not see fit to confirm Mr. Lubbers. Following adjournment, President Carter used his constitutional authority to make an interim appointment of Mr. Lubbers.

In reviewing Mr. Lubbers' background, I find that he has been a member of the NLRB staff since 1951. For 20 years, from 1957 to 1977, he was on the staff of John H. Fanning, who presently serves as Chairman of the Board.

Mr. President, the position of General Counsel of the NLRB is an extremely sensitive and important position. The General Counsel has final unreviewable authority over the investigation and prosecution of labor law violations. The General Counsel's decision to bring or not to bring a case before the NLRB may, as a practical matter, affect substantive rights because the General Counsel chooses the cases that the NLRB will ultimately decide. Thus, it is imperative that the General Counsel be independent, impartial, and experienced in the processing of alleged labor law violations under the National Labor Relations Act.

Prior to 1947, the General Counsel was subject to the authority and direction of members of the National Labor Relations Board. This led to criticism that the Board was serving as prosecutor, judge, and jury in what was supposed to be an impartial hearing. In 1947, the Taft-Hartley amendments responded to this criticism by creating an independent General Counsel, thereby separating the prosecutorial from the decisionmaking function.

Mr. President, because of Mr. Lubbers' long association with NLRB and his involvement as a staff member in many controversial decisions, I question whether he could exercise the degree of independence demanded of the General Counsel.

The General Counsel of NLRB wields tremendous power over the direction of national labor policy. I do not believe that William A. Lubbers is the best choice for this position and therefore I am opposed to the confirmation of his appointment.●

(The following statements were made during today's proceedings, as in legislative session, and are printed at this point in the Record by unanimous consent:)

DEATH OF OLIVER MALCOLM WALLOP, FATHER OF SENATOR MALCOLM WALLOP

Mr. BAKER. Mr. President, it is with great sadness that I must advise the Senate that the father of our colleague from Wyoming, Mr. Wallop, has passed away.

Oliver Malcolm Wallop was born on May 10, 1905, in Big Horn, Wyo., and in the course of the next 74 active years he distinguished himself as a rancher, a cattle breeder, a Republican, and, not least, as a devoted husband and father.

The senior Mr. Wallop was one of the foremost breeders of Hereford cattle in America. He was a leader of the American Hereford Association and the National Cattlemen's Association. He may, in fact, be the most outstanding cattleman ever to have been graduated from Yale University.

As my colleagues know, the Wallop family is one of the few Senate families—if not the only one—directly touched by royalty. The senior Mr. Wallop's brother, Gerard Vernon Wallop, is the ninth Earl of Portsmouth in Great Britain.

By all accounts, Oliver Malcolm Wallop, of Big Horn, Wyo., was himself a prince of a man, and I know my colleagues join me in extending our deepest sympathy to our friend Malcolm and to the Wallop family in this time of sorrow.

THE PRICE OF OIL

Mr. HOLLINGS. Mr. President, I have an analysis of the 10K reports for 1979 filed by 16 major oil companies with the Securities and Exchange Commission. These reports show the average 1979 cost of producing crude oil in the United States, sometimes referred to as the "lifting cost," as well as the average 1979 U.S. selling price. This analysis shows that the average cost of producing a barrel of crude oil was $2.14, compared to an average selling price of $11.40 per barrel. That is a difference of $9.26 per barrel or a 433-percent markup per barrel.

I realize that it will be contended that using just the lifting cost understates the costs of production, but unfortunately the 10K report does not include or require information beyond the lifting costs. However, even if we doubled the costs, as some have suggested, we would still have an average profit margin of 166 percent on each barrel of oil.

I ask unanimous consent that the following table, which presents the 1979 average unit selling price and production cost for U.S. crude oil production be printed in the Record. This information is presented in the format and for the same companies as were disclosed on page S5849 of the Congressional Record of May 15, 1979.

There being no objection, the table was ordered to be printed in the Record, as follows:

MAJOR OIL COMPANY AVERAGE UNIT SELLING PRICE AND PRODUCTION COST ON U.S. CRUDE OIL PRODUCTION

[Dollar amounts per barrel]

	Average 1979 U.S. production cost (lifting cost)	Average 1979 U.S. selling price for oil	Difference	Difference as a percentage of cost
Exxon	$1.74	$10.43	$8.69	499
Mobil	1.93	10.91	8.98	465
Texaco	2.19	11.69	9.50	434
Socal	2.84	10.53	7.69	271
Gulf	2.03	12.05	10.02	494
Standard of Indiana	2.42	10.67	8.25	341
Arco	2.49	10.95	8.46	340
Shell	2.19	11.57	8.36	382
Conoco	1.80	11.60	9.80	544
Tenneco	$1.44	$12.97	$11.53	801
Sun	2.74	11.05	8.31	303
Phillips	2.03	11.79	9.76	481
Union	1.62	10.55	8.93	551
Sohio	3.13	12.18	9.05	289
Amerada Hess	2.21	10.83	8.62	390
Pennzoil	1.45	12.58	11.13	768
Average	2.14	11.40	9.26	433

Mr. HOLLINGS. Mr. President, there is great concern in the country at this moment about the automobile dealers, and our hearts go out to them in their particular predicament. But, in essence, what really has occurred is a conscience decision by the people's Government right here in Washington, to transfer $1 billion from the automobile companies to the oil companies.

I say that because with the decontrol measures coming down the pike, the vote in the last 2 years for the decontrol of natural gas, the administration moving toward decontrol measures for distillate airline fuels, heating oil, and with the projection of the newly adopted windfall profit tax, what we really are going to do is to take the profit just pointed out of some 433 percent, or a selling price of $11.40, and by this time next year make it $30, $35, or even $40.

Back to the automobile companies: We tried, as public servants, to warn the companies.

Bill Paley, back in 1950, under Harry Truman, put out an eight-volume set of studies for the future, predicting a shortage. One of the eight volumes was on energy, and it predicted practically what has occurred in the seventies. It did not exactly predict at that time an embargo by the Arabs in the Mideast, but it was certain that there was going to be an energy shortage.

In consonance with this warning, we had a series of hearings that extended over a period of 2 to 3 years, culminating in the Energy Fuels Policy Conservation Act of 1975, signed by President Ford.

I served on that conference committee and handled the automobile fuel economy part that emanated at that time from the Committee on Commerce. At every turn we were berated as politicians trying to monkey around with business; that we did not know anything about it, and that had it not been for the environmental requirements and everything else, the American automobile companies could compete.

Now we have the environmental requirements, now we have decontrol and the world price, now we have inflation and the conscience policy of the Government to raise the price of oil, and now we have our poor companies scrambling to retool and begin to compete for the first time.

My car is a Chrysler model, and the president of Chrysler came in and told me at the hearings that I was crazy. He was decent enough to say about 3 years ago they were not going to do well and that they were going to begin to comply. As a matter of fact, they were not buying enough Volkswagen engines. They could sell the Horizons and Omnis, but they could not sell the larger cars.

The American public is voting with their pocketbooks as they wait in line to order a Japanese Datsun, which costs more, because they have to conserve the fuel.

Still, let us go back: If the automobile companies had made the adjustment, they could have offset this transfer of $1 billion from the companies to oil.

But having not done that, they have exacerbated the problem, as they say up here in Washington.

Let us look at two companies that did file the other costs, namely, Exxon and Mobil.

Exxon filed not only the production, or lifting cost of $1.74, but the exploration expense of 92 cents and the depreciation, depletion and amortization expense of $1.37. So that is $4.32 compared to the average selling price of $11.40.

My distinguished colleague, the chairman of our Finance Committee, so versed in oil, puts on a very entertaining dramatic performance about deep drilling down thousands of feet. He relates how the cost of the steel and inflation hits them, and how they really are underneath the rocks 15,000, 18,000 feet below and how that all cost.

Without the drama and getting right to the facts, here is the best of the best; Exxon itself saying it costs $4.32.

We tried to find that out from the Department of Energy. We keep asking and keep asking, but we cannot get the information from the Department of Energy.

Knowledge is power. And therein is our dilemma in the national Congress. We still do not have the knowledge. We have to, like detectives, go to the Securities and Exchange Commission to secure these actual costs. This is not foreign oil. This is not the OPEC cartel. That is the United States of America under an 18-percent inflation rate where we find: Production cost of $1.74; exploration expense 92 cents; and depreciation, depletion and amortization of $1.37, for a total of $4.32.

The other company to volunteer the full costs on the lot is Mobil. For 1979 they have the lifting cost listed at $1.93 and their other costs and expenses of $2.71, which would be, of course, a total cost of $4.64 against that average selling price of $11.40.

I think rather than all the rhetoric and all the political ads we finally, if we really search it out, can go and find what they filed and all of their costs right now are a lot less than the average selling price of $11.40. Gentlemen, hold your hats. If you think a 433 percent profit is big, wait until next year this time when the price goes to $35 and $40 a barrel with decontrol.

I am grateful to the Senator from New Jersey, the manager of the bill, and the distinguished Senator from North Carolina (Mr. HELMS) for allowing me the privilege of the floor at this time.

MR. CARTER GETS TOUGH ON IRAN—AGAIN

Mr. DOLE. Mr. President, at 4 o'clock today the President will hold a press conference with reference to further sanctions as far as the country of Iran is concerned.

Mr. President, I trust I am not being unfair by suggesting that it is almost a matter of ritual now that once a week President Carter, generally on the morning of a primary or shortly before an important primary, will hold a press conference on a get-tough policy with Iran. And with the Pennsylvania Presidential primary coming up next Tuesday, the Senator from Kansas expects to see more of the same this afternoon. This time however, I would hope that the President will say once and for all that this is our policy, that these are the sanctions that will be imposed by this administration.

I hope that at this weekly ritual President Carter will let it be known that he plans tough new sanctions against Iran. I think the American people and particularly the hostages and their families are entitled to know once and for all what the President has in mind. I, for one, certainly understand that he has the intelligence information, he has the cable traffic, and the military estimates and he is in a better position to make a judgment than many of us who are not privy to that information. Let him make the decision now and stand by it, the same decision he could have made 10 days ago, and not string out the political ramifications on the domestic scene any longer. I hope that the Iranian crisis does not continue to cloud or prohibit a discussion on the vital domestic issues of inflation and high interest rates.

It also seems to me that about every time we start to focus on the economy or some other domestic problem, there is an effort by the administration to shift the focus back to the Iranian crisis and the hostages and it has been suggested by some in both parties. In fact, one candidate for President in the other party said the President has been less than candid with the Iranian strategy or the policy of this administration.

There are a lot of primaries left. And I hope that this time the actions will be effective and that they are going to be more than symbols and rhetoric.

Mr. President, on April 7, after 5 months of vacillation and delay which gained the United States nothing, President Carter finally broke relations with Iran and imposed full and formal economic sanctions in an effort to provide some real pressure on the militants and Khomeini to release our hostages. Having waited so long, this act had become largely symbolic. It took a long time before Mr. Carter realized that postponing firm decisions was not being helpful—the delay only allowed the Iranian radicals to "jerk our string" as and when they pleased. The Chief Executive has more information and perhaps there is nothing more substantial we can do now, after 5 months, that will increase the chances for the hostages to be released. The actions the President will announce today will also be largely symbolic. Nevertheless time has its own imperative: The lengthy plight of the hostages cries out for relief, the American people grow restless for action, and once again, an important Presidential primary requires Mr. Carter to call the media together for another pronouncement on the Iranian crisis.

THE WEEKLY, PRE-PRIMARY, GET-TOUGH-ON-IRAN NEWS CONFERENCE

In 5 days Pennsylvania will hold its Presidential primary, and once again, as in the Wisconsin and Kansas primaries, the President has called a hasty news conference, just as the polls show he may be in some trouble there. In what many feel has become almost a weekly ritual, Mr. Carter, caught in his rose garden strategy, let it be known he plans tough new sanctions against Iran: and that he would call a news conference today, or in the next few days to tell the voters all about them.

For 5 months, while we waited on Jimmy Carter to devise a cohesive foreign policy on Iran, the United States has reacted to the takeover of the Embassy with heavily symbolic actions. And just before every primary or caucus of importance, Mr. Carter has announced a new "breakthrough," or a "significant step" that was about to occur, or another symbolic sign of American displeasure.

It is time the President abandoned this unworthy game. It may be helpful to him to use a crisis which his disastrous foreign policy contributed to, but his preprimary rhetoric filled with symbolism serves only to freeze out the vital domestic issues from the public debate. Galloping inflation and rising unemployment are kept out of the decision-making process the primary voters are facing. The Iranian crisis clouds their judgment of the issues even though no progress and no new developments can be legitimately reported.

U.S. LONG-TERM INTEREST

The Senator from Kansas or anyone else does not know for certain, as the President of the United States might, if there is anything more that can be done to Iran without endangering U.S. long-term interests. We do not have the CIA or JCS projections on the effects of military actions that some say may be effective and others dangerous, such as a naval blockade or by the mining of their harbors. But we did believe the economic embargo would be a strong, effective step to bring gradually increasing pressure on the Government of Iran. It was a positive and useful step—our first effective action, and as our trade with Iran declined over the last 5 months to almost nothing we began to see an effect.

As the machinery of both the oil industry and the Government began to run out of spare parts, as the military's capability became increasingly uncertain even as tensions on Iran's borders became more hazardous to Tehran, and as long lines began to form in Tehran for the basic necessities, the effectiveness of economic sanctions began to be felt by Khomeini and his ruling group. When President Carter finally broke relations with Iran, it was a step heavy with symbolism—but the real incentive based on the economic facts of life were already beginning to tell. But with Mr. Carter facing a strong challenge in Pennsylvania next week as well as the one in Iran, we now hear that our economic sanctions were not enough. After 10 days we learn they can be tightened up even more. Suddenly we find that more measures, short of the military options like a naval quarantine, are also available to this administration after all.

TIME FOR ACTION IS NOW

Well there are a lot more primaries down the road, but this time, if there are more effective actions we can take, then let us go ahead and impose them and cut the symbolic rhetoric. Already trade, imports, travel, and financial transactions are down to nothing. Let us impose the toughest, strictest, most complete economic embargo we can, I agree. But the United States and its hostages should not have to wait any longer. We said we would do it—and we have been doing it. Let us not leave anything out this time, for later political use. Symbolism has not helped our cause so far, and it has prevented the voters from considering the desperate domestic issues Mr. Carter hopes to avoid. Let us cut the preprimary news conferences until we have something to show for them.

TAIWAN'S FUTURE AND THE INTERNATIONAL MONETARY FUND

Mr. DOLE. Mr. President, today is a very important day for the economic future of our longtime friend and ally—the Republic of China in Taiwan. At 10 a.m. this morning the International Monetary Fund met to decide Taiwan's future role in that organization, and the outcome of the final vote will not surprise anyone. Taiwan will once again be brushed aside in deference to the People's Republic of China being seated at IMF. It would appear that Taiwan has not any friends left at all in this country if the actions of the Carter administration are any indication.

Last year when the Congress passed S. 245, the Taiwan enabling legislation, section 4(d) of that measure stated:

> Nothing in this act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial situation. . . .

It seems to the Senator from Kansas that the legislative intent of that section is crystal clear and that even the Carter administration, despite other foreign policy misunderstandings, should have no trouble comprehending Congress' intent. However, the administration paid no attention to this congressional mandate and took an opposing position.

Mr. President, the Republic of China has been a longtime friend and economic partner of the United States. It is totally unacceptable that we turn our backs and permit that country to be unseated at the IMF. It is true that the Republic of China was restituted 470,000 ounces of gold that some had thought would go to the People's Republic of China but that mere symbolic gesture is not enough. Our IMF directors must work to insure that Taiwan remain a member of the IMF—World Bank system and that they be permitted to participate as they have in the past. If our own IMF directors do not do all in their power to effect the only just and honorable solution it can be viewed as nothing less than a snub to the Congress.

I wish that this was the administration's only shortcoming with regards to Taiwan but that is unfortunately not the case. This administration has not once made a decision favorable to our good friends and allies. Political expediency has been the hallmark of our foreign policy for the last 3½ years and I fear that we are finally feeling the effects of such a policy.

Mr. President, Taiwan has always been a region of hope and stability in a geopolitical area of volatility. American and Taiwanese cooperation have blended to produce a society of technological and economic modernization that has in the final analysis been beneficial to both parties as well as other developing Asian nations. I am confident that such progress and modernization will continue if Taiwan is permitted to remain the essential ingredient it has always been in the economic activity of the Asian nations.

Mr. President, in closing I will only say that I hope the American representatives at the IMF see the necessity to continue a policy of inclusion of Taiwan in the international financial institutions. I hope that my feelings are expressed in today's IMF vote and in future policy considerations when dealing with Taiwan. I would like to say that if my worst fears are confirmed and the IMF votes to seat the People's Republic of China it will be my intention at the earliest possible time to offer legislation which would in effect cut off U.S. participation in the IMF until such time as a compromise can be reached on the Taiwan question.

SPINAL CORD REGENERATION RESEARCH ACT OF 1979

Mr. STEWART. Mr. President, last December I introduced S. 2098, the Spinal Cord Regeneration Research Act of 1979. That bill would mandate the expenditure of $16 million of the funds appropriated to the National Institute for Neurological, Communicative Disorders and Stroke in fiscal 1981 for research into spinal cord regeneration as a cure for spinal cord injury related paralysis.

An article by Victor Cohn which appeared in the April 16, 1980 Washington Post reports an extremely significant breakthrough by two Army scientists in the treatment of spinal cord injury caused paralysis. This important new finding puts us much closer to developing a cure for this crippling disorder. This new breakthrough came about in spite of the meager support that the Federal Government has provided for this kind of research. A major commitment by the Federal Government to spinal cord regeneration research would hasten the day when the nearly 500,000 Americans who suffer from spinal cord injury related paralysis can once again become fully functioning and productive members of our society.

Mr. President, I ask unanimous consent to print in the RECORD an article from the Washington Post, dated Wednesday, April 16, 1980, entitled "Injections Enable Paralyzed Animals To Walk Again."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

INJECTIONS ENABLE PARALYZED ANIMALS TO WALK AGAIN

(By Victor Cohn)

Two Army scientists have enabled animals paralyzed by spinal-cord injuries to walk by injecting them with a drug.

If their revolutionary treatment continues to prove effective in animal and then human trials, it could offer the first real hope to the thousands of humans paralyzed every year in auto crashes and other accidents.

The feat, a series of discoveries based on new knowledge of the brain and brain chemicals, was performed at the Walter Reed Army Institute of Research here. Walter Reed Drs. Alan Faden and John Holaday are to report on it today before the Federation of American Societies for Experimental Biology, meeting in Anaheim, Calif.

In their research, Faden and Holaday first created paralyzing spinal-cord injuries in anesthetized cats.

After waiting 45 minutes, to simulate the probable situation in treating human injury, they injected the cats with naloxone, a drug widely used to counter heroin and morphine overdoses.

Within 24 hours, most of the cats could walk again—some of them normally, others with some spasticity or jerkiness.

Of the first six cats injected, all could walk by the time they were sacrificed after 24 hours. Of nine cats injected later, three walked normally, four walked in a mildly jerky fashion, and two died, which is not uncommon after spinal-cord injury.

All the cats were sacrificed, after three weeks at longest, so the scientists could study the drug's action.

"It is unlikely that there would be any reversal of the healing after three weeks," Holaday said yesterday. "If anything, there probably would be further improvement!"

How soon might the drug be tried in humans, if the animal work continues to go well? "I don't think this will happen this year," was all Holaday would say.

"We want to be cautious and proceed slowly. We will keep some animals alive for long periods to observe long-term effects. We want to make sure we know what we're doing."

The doctors also say that no drug can help prevent spinal-cord injury unless it is given quickly, before cells die.

Doctors in some hospitals are trying to use cortisone-like drugs to prevent permanent spinal-cord damage, but no striking results have been reported.

Faden is a neurologist and a major in the Army Medical Corps. Holaday is a civilian pharmacologist, or specialist in drug effects, and a former Army Medical Corps captain. They were aided by Tom Jacobs and Dr. Donald Rigamonti.

Their work started not with spinal-cord damage but with study of the common physiological problem called shock, a train of events that can cause death in injured persons.

In recent years, scientists have been making one discovery after another about a new-found class of brain chemicals called endorphins. They are often called "the brain's own opiates" because of their role in relieving pain.

In rats, dogs and cats, the Army scientists believe they have shown that endorphins, far from being always beneficial, apparently play a role in causing shock. They do this, it seems, by helping produce at severe drop in blood pressure.

By giving bacterial toxins or causing spinal-cord injuries or causing blood loss, Holaday and Fader repeatedly induced shock and low blood pressure in their animals.

Then they used naloxone—a known antagonist or counter to the endorphins, as well as to morphine and heroin—to restore blood pressure and relieve the shock, dramatically saving the animals' lives.

That work then led the Army scientists to test naloxone on spinal-cord injury, where there is so severe a decrease in blood flow that it kills cells.

In collaboration with the Walter Reed scientists, doctors at several medical centers have begun a trial of naloxone in humans in shock.

JOE BRUNO

Mr. STEWART. Mr. President, we have heard stories from time to time about what has been popularly termed "The American Dream." For the most part, those stories revolve around folks whose hard work and perseverance—often in the face of seemingly insurmountable odds—has brought them success unexpected in their field of endeavor. These are men and women whom we can all look up to and admire. For they literally are living proof that the American free enterprise system works.

Joe Bruno, a businessman from Birmingham, Ala., is such an individual. He typifies that kind of person that has made the American business community what it is today. And, I am proud to say, on May 16 in Detroit, Joe Bruno will receive the recognition he so richly deserves. On that day, Dr. Norman Vincent Peale will present him with the coveted Horatio Alger Award, which is given to people who best represent the American success story.

If there ever was an American success story, gentlemen, it is Joe Bruno. He is proof positive that if an individual is willing to pursue a dream with vigor and personal initiative, he can succeed. Joe Bruno set his sights high. Yet despite cruel economic circumstances and stiff competition, Joe Bruno realized his dream. To quote Birmingham's distinguished morning newspaper, The Post-Herald, Joe Bruno has shown us all that the American dream is no myth.

In capsule form, let me summarize the impressive business career of Joe Bruno. He is the son of an Italian immigrant who toiled long and hard in the steel mills of Alabama. In 1932 he started his first store with a vision that may have seemed hopeless in a nation in the throes of the Great Depression.

It was a family store—a "mom and pop" grocery store—that began with a $600 investment. That investment, Mr. President, has been parlayed into 51 food stores—under the banner of either Bruno's or Food World—and 56 drugstores. The company's estimated assets are about $60 million; net sales are placed at $500 million.

On April 4, 1980, Mr. Thomas Hargrove of the Post-Herald detailed Joe Bruno's accomplishments in an article headlined "To succeed, you have to take chances." Now whereas I could offer my colleagues here today superlative after superlative to describe the business career of Joe Bruno, I believe his words—as written in the Post-Herald—speak for themselves.

Mr. President, we in Alabama are proud of Joe Bruno. Not only for what he has achieved in the business world, but also for what he represents. He is the first Alabamian ever to receive the prestigious Horatio Alger Award. So when Joe Bruno says, "If a person is willing to work for something, willing to persevere long enough, then he can make it," I think it behooves all of us to take note. Because Joe Bruno knows what he is talking about.

Mr. President, if there are no objections, I would like to enter the following article into the RECORD so all of my colleagues can share Joe Bruno's experience with me.

Mr. President, I ask unanimous consent to print in the RECORD an article from the Birmingham Post-Herald dated Friday, April 4, 1980, entitled "To Succeed, You Have to Take Chances," so all of my colleagues can share Joe Bruno's experience with me.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

TO SUCCEED, YOU HAVE TO TAKE CHANCES

(By Thomas Hargrove)

Joe Bruno is part of the American dream. Son of an Italian immigrant, Bruno rose from operating a single "ma and pa" grocery store during the Depression to become a millionaire and chairman of the board of Alabama's largest food and drug retailer.

"Look at that store," the 67-year-old businesman said while proudly showing a photograph of the inside of his first store. "It was only 20 by 40 feet. Now we have beef coolers that are larger than that."

"I started in the Depression. It was 1932 when I started a store, which was a family store with a $600 family investment. I saw what I wanted to do even when I had only one store.

"I knew that I wanted to run a chain of stores. I had that type of dream and vision."

The chain has 51 food stores—both Bruno's and Food World discount stores—and 56 drugstores. The company's assets are estimated at $60 million and net sales are $500 million.

But his first week of operation in 1932 only gathered $75 gross receipts.

"During the Depression, so many people jumped out of windows or just gave up. But I had nothing to start with, so I had a lot to look forward to. That's the difference—nothing to lose and a lot to look forward to."

Bruno will go to Detroit on May 16 to receive the Horatio Alger Award, which will be presented by Dr. Norman Vincent Peale, the New York minister who wrote "The Power of Positive Thinking."

The award has been given to American success stories such as Dwight Eisenhower, J. C. Penney, Bernard Baruch, Ronald Reagan and Clare Boothe Luce.

Horatio Alger was a 19th century journalist who wrote a series of "rags to riches" stories promoting the American work ethic. If he were alive today, Alger might have written about Bruno.

"To succeed, you have to take chances." Why $600 in 1932 meant more to me then than a $10 million investment would mean today. Six hundred dollars was my family's total.

"It has worked out a whole lot better than I thought it would. I never thought to see $500 million in sales."

It's the kind of success story that Bruno thinks should persuade critics of U.S. culture that the American dream is not a myth.

"There are so many opportunities today, if you will only look for them. And work for them. So many people don't see the dream. If a person is willing to work for something, willing to persevere long enough, then he can make it.

"But I don't think it can be done in every country. In this country it can be done, regardless of who you are.

"I've been to Russia and to China and throughout the world, and when you come back to this country you can see what a great difference it is. The opportunities are here in so many fields. It is unlimited.

"And we aren't through yet. My dream hasn't been accomplished yet. There is no stopping it. I don't think there should be a stopping to anybody's dream. The more you dream, the more you want, the longer you live for it. If you stop dreaming, what is there left?"

But the struggle need not be easy, even if victory for the persistent is assured, Bruno says.

It was a struggle for the ma and pa grocery store. He had to compete with the northern-owned A&P stores, and sometimes with his own ethnic background.

Bruno's father was an Italian immigrant working in the steel mills of Alabama—a place where the melting pot was remarkably homogenous with whites of Anglo-Saxon origin and segregated blacks.

"What has happened to my family here could not have happened in many countries. But the South is not that easy on minority groups."

But he overcame ethnic prejudice "by perseverance and by showing other people what you can do. I wouldn't say that it (his Italian origin) was a real obstacle, because I wouldn't let it become one.

"Sometimes I had to fight for success, but we all had to do that back then. If you want something, you fight for it."

Now that A&P is selling its operations in Alabama, Bruno can take satisfaction in knowing that he and his company won the competition and outlasted his financial adversaries.

That is also part of the American dream, for Bruno.

"It is the same for expansion of our business as for myself. If we don't expand and continue dreaming, what do you do? You go backwards. You can't just stand still. It is a journey, a continuous journey."

Bruno does not look at the future negatively. For him, reports of declining productivity and threatening economic recession do not bode the end of American financial advancement.

"I think these setbacks are just temporary. I think we will see a great change in our system. We've had these little recessions time and again. But when we come back, we are always stronger. And we are a long ways from going backward."

Bruno has received a brotherhood award from the National Conference of Christians and Jews and the William Crawford Gorgas Award for outstanding service to the health field.

When he receives the Horatio Alger Award later this year, it will be the first that has gone to an Alabamian.

BARRON'S CRITICIZES U.S. POLICY IN EL SALVADOR

Mr. HELMS. Mr. President, the accelerating bankruptcy of U.S. policy in El Salvador is becoming more and more obvious to anyone who reads the daily press. Under the doctrine that El Salvador and other Central American nations are already in "transition," the State Department has chosen to speed up that so-called transition in the hope of somehow guiding the ultimate result of that transition.

The error of that philosophy is that it is inherently dedicated to revolution. It tries to second-guess the direction of the revolution and to end up, pragmatically, with the winner. It also hopes to choose the winner by supporting the less extreme radicals over the extreme radicals. Such a philosophy believes that revolution is inevitable, and that we should adopt the principles of revolution. It narrows our policy to options that are fundamentally opposed to the principles that the United States stands for.

The current issue of Barron's magazine, in a lead editorial by its distinguished editor, Robert Bleiberg, says that "U.S. diplomacy incites class warfare in Central America." Mr. Bleiberg makes the point that, instead of promoting reform of the political and economic systems in these countries, we are pursuing totalitarian revolution.

Says Mr. Bleiberg:

> In the name of economic reform and human rights, the State Department seems bent on destablishing one friendly government after another and losing the U.S. the handful of friends it still may have in the world. This is not the pursuit of foreign policy—its a sure road to national disaster. Compromise, retreat, and defeat—that's what we have come to expect from the wonderful folks who brought us Angola, Nicaragua, Afghanistan, and Iran.

Mr. President, he concludes:

> Let the next Administration's first order of business be a thoroughgoing investigation of the State Department. Fumigate State—and see what crawls out of the highly polished woodwork.

Mr. President, I ask unanimous consent that the editorial "Reform—or Revolution?" be printed in the RECORD.

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

"Reform"—or Revolution?

U.S. DIPLOMACY INCITES CLASS WARFARES IN CENTRAL AMERICA

We're as generous as the next man (who around here happens to be a duly licensed, and practising, curmudgeon), but we rarely have a good word to say about a rival publication. Over the years, indeed, we've aimed our critical shafts at such competitors as The New York Times, Business Week and Newsweek, over a wide variety of issues ranging from the effects of lowering the capital gains tax to the cause of private enterprise in Chile. Last week, however, we realized we had been scooped—by none other than our friendly enemies (and old friends) at Forbes. Specifically, in a cover story depicting the Soviet Union and Uncle Sam locked in a wrestling match for world supremacy, the magazine, with superb timing, reported: "We fiddle with Afghanistan while Central America burns. Marxists are building their state in Nicaragua, fighting in El Salvador and making plans for Guatemala. Our policy? Keep hoping for the best." The piece—which we wish we had run—carried the grim headline "More Cubas in the Making."

Since that issue of Forbes hit the stands, much has happened, notably in El Salvador, to reinforce its alarming thrust. An inviting country of nearly five million people nestled on the Pacific Ocean between Guatemala and Nicaragua, a once-thriving coffee rather than banana republic, Salvador of late has been increasingly, and bloodily, in the news. Political killings, which last year numbered in the hundreds, have escalated since Jan. 1 to an annual rate of thousands. The Catholic Archbishop of San Salvador, a politicized priest whose sentiments, however murkily couched, by and large leaned to the left, two weeks ago was slain in his church, a brutal act performed by a faceless assassin that swiftly served further to polarize and inflame the embattled land. At the Archbishop's funeral services, explosions and gunfire, sources unknown, erupted, leaving more than a score of mourners dead in the street.

Just another tragedy in a nation sliding toward civil war, one is tempted to shrug, and turn away. Not so fast. This episode had a curious and shocking aftermath which should jolt everyone who is concerned about our own country's future, if any, in that troubled part of the world. Nobody knows who perpetrated the crimes. Yet that didn't prevent Robert E. White, newly named U.S. Ambassador to El Salvador, from making public accusations. According to a dispatch in last Tuesday's Wall Street Journal, the Ambassador, in a speech before the San Salvador American Chamber of Commerce, accused the businessmen of financing "hit squads" to eliminate their political opponents.

Still worse, in a rush to judgment reminiscent of that prime-time newscaster who reported that "right-wing extremists have just killed the President in Dallas," Ambassador White offered his stunned listeners a "working hypothesis" that they were responsible for the Archbishop's murder. "We know the U.S. was trying to find someone to blame for the violence," cried one local businessman, "but in our worst nightmare, we never thought it would point at us." Bitterly added a coffee grower: "We thought the U.S. would defend free enterprise. Now we are made to fear the Yankees as much as the Communists—maybe more." At week's end, Ambassador White was called back to Washington for "consultations."

There's much to consult about. According to Sen. Jesse Helms (R., N.C.), who vainly sought to dissuade his colleagues on the Foreign Relations Committee from approving the career diplomat's appointment, the U.S. for nearly two decades has been meddling in Salvadorean affairs. Such intervention, the lawmaker added, has invariably tried to push the country to the left. Since last autumn, when a junta comprising both military and civilians, at U.S. instigation and with open U.S. connivance, toppled the government, the meddling has gone from bad to worse. At the prodding of the State Department, the junta has moved to nationalize the banks, including U.S.-owned branches, as well as the export trade. After suspending civil liberties, it issued a decree which expropriates landowners, and parcels out their holdings to peasant co-operatives. (In a country where the rate of inflation currently exceeds 20 percent per annum, compensation for the seized property was granted in the form of 30-year, 9 percent government bonds.) Only such "reforms," their proponents argue, can fairly redistribute the wealth and provide a better life for all.

However well-intended—there's room for doubt on this score—policies of this kind have rarely achieved their goals at any time in human history, anywhere on earth. El Salvador is proving no exception. Despite all the propaganda to the contrary, El Salvador used to be a prosperous country, with vigorous economic growth, a distribution of the national income far more equitable than in many of its Latin American neighbors and a relatively favorable state of public health and standard of living. Not any more. Thanks to largely U.S.-inspired pressures for "reform," foreign investment has all but ceased while domestic capital has taken flight. Nationalization of the export trade has led to a costly slowdown in shipments abroad of coffee, one of the country's chief sources of foreign exchange. The seizure and break-up of the large estates inevitably have triggered bloodshed and put the country's major cash crops in jeopardy. By fostering socialism, U.S. diplomacy allegedly is seeking to contain the threat of Communism. What it really is doing, in El Salvador and elsewhere, is paving the way.

And according to local sources viewed by Sen. Helms as both reliable and moderate, Foggy Bottom has been playing the same dirty game for nearly two decades. In 1962, so the Senator told his colleagues, "the U.S. insisted that El Salvador nationalize its central bank, nationalize the Salvadoran Coffee Co., adopt a system of price controls, exchange controls, and high tariffs, strengthen left-wing trade unions, and install a burdensome 'social security' system . . . In 1965, the U.S. Embassy insisted that the government tolerate the Communist takeover of the university, on the grounds that it would 'contain' the subversion. Of course, all it did was to give a base to strengthen subversion. The Embassy even invited some of the Communist professors to take seminars in the United States." Most recently, at U.S. behest, the junta has launched the aforementioned socialist thrusts.

According to the State Department, such "reforms" are vital to the achievement of highly desirable and badly needed social and economic change. Observed Ambassador White: "Discontent and violence in El Salvador are primarily the result of years of festering domestic political, economic and social problems"; he added gratuitously that "capitalism in El Salvador is an alliance between large land holders, business interests and the army, designed to reap maximum profits, give minimum benefits and minimum salaries, prevent any kind of organization of the peasantry or the workers, pay as little as possible in taxes and permit corruption that was rampant in the government . . . "Fidel Castro's propaganda machine could scarcely have isseud a more clarion call to class warfare.

In fact, conditions in the country were significantly different. As to income distribution, statistics compiled by the Economic and Social Council of the Organization of American States, disclose that the top 5 percent of the population received 24 percent of the national income, the lowest 20 percent only 5.7 percent. The figures compare favorably with those for all Latin American countries (32.7 percent and 3.7 percent, top-to-bottom). Regarding the concentration of wealth, the United Nations, which keeps an index of sorts, views El Salvador as "moderate." Numbers games aside, until recently the wages of farm workers were rising sharply, while real economic growth was running at a healthy 4 percent-5 percent per year.

No longer. Owing to the U.S.-sponsored "reforms," as well as to the mounting threat of terrorism, supported and financed by the Sandinistas in Nicaragua and Castro's Cuba, capital is fleeing the country and private investment and economic growth have ground to a halt. Nationalization of the coffee trade—El Salvador is perhaps the fifth largest producer in the world—has done particular harm. First the junta imposed a freeze on all sales of beans, a move which led cash-poor exporters to suspend payments to producers, who in turn couldn't meet their payrolls. Thus, during a season when nearly everyone is normally at work, nationwide unemployment soared to 15 percent. After two attempts, the junta has finally fielded a state-owned firm which, according to those in the trade who must deal with it, is unbusinesslike, inefficient and generally fouled up. Be that as it may, little or no coffee has been coming to market from last year's production, while estimates of the current crop keep coming down.

In the recent expropriation of large landholdings, "reform" has shown its naked totalitarian face. In advance of the move, the junta took control of all communications throughout the country and temporarily suspended civil liberties. Those forced off their property by the army, which handled the affair with military precision, were stripped of personal possessions without so much as an official receipt. No advance word was given to the nation's leading agronomists, who were herded into a hotel and ordered to await the takeovers. One top official, who formerly headed the Animal Science Department of the National Center for Agricultural Technology, resigned in disgust and fled the country. "The plan that is being carried out," he wrote in a letter to the Rockefeller Foundation (which sponsored his doctoral studies), "is a foreign plan, perhaps prepared by specialists from international organizations (who) couldn't care less if the plan fails." The former official added: "Please tell the State Department that . . . the 16 specialists in Agrarian Reform who have been offered to our Secretary of Agriculture would, undoubtedly, be people with expertise in the failures of Chile and Peru. These people are the least suited for the technical assistance plan mentioned above." "Reform"—or revolution?

If the latter, it should come as no surprise. In the name of economic reform and human rights, the State Department seems bent on destabilizing one friendly government after another and losing the U.S. the handful of friends it still may have in the world. This is not the pursuit of foreign policy—it's a sure road to national disaster. Compromise, retreat and defeat—that's what we have come to expect from the wonderful folks who brought us Angola, Nicaragua, Afghanistan and Iran. If we are spared another four years of Jimmy Carter, let the next Administration's first order of business be a thoroughgoing investigation of the State Department. Fumigate State—and see what crawls out of the highly polished woodwork.

YOUTH CAREER INTERN PROGRAM ACT

Mr. CHAFEE. Mr. President, I am pleased to add my name as a cosponsor of S. 2286, the Youth Career Intern Program Act.

The purpose of this bill is to provide Federal funding for a replication of a program that works: the Opportunities Industrialization Center's career intern project. The career intern project is an alternative high school and job skills development program for 16 to 21 year olds who are seriously thinking of dropping out of school or have already done so. The alternative school program enables these young people to complete high school, improve basic skills, such as reading and mathematics, plan for a career and acquire occupational experience. In addition, personal counseling is provided to insure that the participants are securely along their way to meaningful, stable careers.

The Opportunities Industrialization Center has had terrific experience with the career intern project in Philadelphia. The Labor Department and National Institute of Education have each expressed approval for the program and agreed to establish similar programs in other cities. The Opportunities Industrialization Center of Rhode Island has been very successful with a similar program for young high school drop-outs.

S. 2286 allocates $100 million in fiscal year 1982, $150 million in fiscal year 1983, and $200 million in fiscal year 1984 to CETA prime sponsors to be used to establish programs based on the OIC model. In my view, Mr. President, this is a wise use of Federal dollars during this period when we are struggling to reduce spending and achieve a balanced budget. Each youngster who is fortunate enough to participate in this program will acquire the skills, experience, and education necessary to compete in the labor market. Skills, experience, and education keep people employed in good jobs and off the welfare and unemployment lines. Tax revenues invested in programs which truly help educate and train our young people are wise and profitable investments. I hope my colleagues will support our efforts to promote successful employment and training programs by joining as cosponsors of this bill.

AUTOMATIC COST-OF-LIVING INCREASE IN SOCIAL SECURITY BENEFITS

Mr. CHAFEE. Mr. President, I am pleased to cosponsor Senate Concurrent Resolution 82, a resolution which expresses the sense of the Congress that this year's automatic cost-of-living increase in social security benefits should be allowed to occur as scheduled on June 1, 1980.

The purpose for this resolution is clear: we want to assure the 35 million Americans receiving social security benefits that they will receive the full 13 percent cost-of-living increase on June 1, 1980, as now scheduled in the law.

Some have suggested that the Consumer Price Index, which measures price changes of goods and services, overestimates the true rate of inflation. Therefore, social security recipients whose benefits are adjusted annually by the Consumer Price Index are overcompensated for inflation. Proposals have been made to revise the Consumer Price Index or adjust benefits for only a portion of the increase. In either case, the likely result would be reduced benefits. I am opposed to these proposals.

To balance the budget by significantly reducing retirees' benefits will place too great a burden on those who are least able to adjust to inflation; that is, older persons living on fixed incomes. While prices rose an average of 13.3 percent last year, prices of items which dominate the budgets of most older persons—food, fuel, housing, and medical care—rose nearly 18 percent. Inflation is especially onerous to persons with fixed incomes. Reducing or adjusting inflation protection they now enjoy will make it even more difficult for retirees to maintain a decent standard of living. Retired persons are already biting the bullet—we just cannot ask them to bite the bullet any harder.

As a member of the Finance Committee, which has jurisdiction over the social security program, I am pleased to add my name as a cosponsor of this resolution. The Senate should act quickly on this matter to assure the millions of Americans, who depend on social security benefits, that they will receive the full cost of living adjustment in June.

WILL MUGABE BE ZIMBABWE'S CASTRO?

Mr. HELMS. Mr. President, today the United States has sent a delegation to attend the independence celebrations in Rhodesia headed by former Ambassadors Averell Harriman and Andrew Young. And the press has been full of laudatory statements by American diplomats and journalists about the moderate rhetoric and actions of Mr. Robert Mugabe, Marxist Prime Minister of Rhodesia-turned-Zimbabwe.

Will the optimistic assessments about Mr. Mugabe be borne out by subsequent developments? I hope so, both for the sake of the long-suffering peoples of Rhodesia, and for the sake of the U.S. State Department which played such a crucial role in undermining the government of former Prime Minister Muzorewa, and advancing the cause of Zimbabwe's Marxist Prime Minister.

I do not know for sure what sort of ruler Mr. Mugabe will ultimately turn out to be. I do not think anybody knows for sure. But I do know this: Today Mr. Mugabe is in an extremely weak and vulnerable position. Mr. Nkomo deeply distrusts Mr. Mugabe, and has therefore kept thousands of his soldiers under arms in neighboring Zambia. He maintains the capability to move militarily against Mr. Mugabe. The former Rhodesian security forces under General Walls are also still in a position to move against Mr. Mugabe if he attempts to violate the constitution. The South Africans would almost certainly consider action if Mr. Mugabe were to make a premature grab for total power.

So today, Mr. Mugabe is a very vulnerable politician. He must play by the rules. Besides, he badly wants large amounts of American and European foreign aid.

However, if Mr. Mugabe attempted to seek foreign aid from the Soviets he would run two dangers:

First. The Soviet Union would undoubtedly insist their main Rhodesian protege, Joshua Nkomo, be given a greater share of power.

Second. Any attempt to form close links with the Soviets now would risk a violent reaction against his vulnerable new regime by the Rhodesian security forces of General Walls aided by the South Africans.

So if today Mr. Mugabe prefers to deal with the West, let us not assume necessarily that Mr. Mugabe has belatedly fallen out of love with Marxism and in love with the system and beliefs of the West. The fact of the matter is that the sheer power realities of the situation strongly dictate Mr. Mugabe's present moderate policies and rhetoric. To do otherwise at this time would be the act of a fool—and whatever Mr. Mugabe is, he is no fool.

The real question is this: What will Mr. Mugabe do when and if Mr. Nkomo has been disarmed—and no longer poses a threat of civil war to Mr. Mugabe? What will happen when the present Rhodesian officers are replaced gradually with Mr. Mugabe's men? What will happen when the hundreds of Communist-style police already trained for Mr. Mugabe in Eastern Europe are moved into the present Rhodesian trained police force, and the present senior police officials are retired? What will happen when Bishop Muzorewa's powerful irregular forces are disarmed and disbanded and many key senior civil servants are replaced with Mr. Mugabe's men? In short, what will happen when the power balance has shifted in Rhodesia?

In the months ahead, we will see the course that Mr. Mugabe intends to take by his actions. And it will be these future actions—not his present rhetoric—that will be decisive.

Is it unreasonable to be pessimistic about the future of democracy and freedom in Zimbabwe?

I am very concerned that the State Department is just as wrong about Mr. Mugabe as it was about Fidel Castro when he first came to power some years ago. Senators will remember that for many months after Castro's coming to power, many journalists faithfully reported every indication, small and large, that Fidel Castro might be moderate and democratic. Senators will recall reading during the early, vulnerable months of Fidel Castro's regime a virtual stream of soothing statements from the dictator about wishing to maintain friendship with the United States. But during these months, he was busy behind the scenes, carefully consolidating his power—slowly, quietly at first, forcing moderates out of his cabinet, later seizing private property, and ultimately, sending hundreds upon hundreds of "enemies of the people" to the firing squads. Today, Cuba is a police state, closely linked to international Communism. Thousands of political prisoners languish in jail.

If Castro had shown his true colors immediately after driving Batista out of office, moderate Cubans with the friendly assistance of the United States would have driven him from Havana. Later, after he had consolidated his rule, established a ruthless secret police, destroyed the free press, eliminated all organized opposition and invited Soviet combat forces to Cuba, it became impossible for Cubans to overthrow the dictator—even in the face of the most blatant misrule, and the crippling of the Cuban living standards.

There are many parallels between Mr. Castro and Mr. Mugabe. Both are deeply committed and highly intelligent Marxists. Already Mr. Mugabe has set up a powerful Central Committee along Marxist lines. Already Mr. Mugabe's spokesmen are talking about seizing the nation's minerals. Already collective farms are being planned for Rhodesia in the immediate post election period.

Today, we have two accounts suggesting what the future may bring. One is contained in a report made by a member of my staff immediately after his return from observing the elections in Rhodesia this past month.

Another vision of the future in Rhodesia is the State Department/Andrew Young assessment printed in yesterday's Washington Post.

Mr. President, I ask unanimous consent that both of these assessments be printed in the RECORD at the conclusion of my remarks. And we shall all await the verdict of the future.

The PRESIDING OFFICER. Without objection, it is so ordered.

(See exhibit 1.)

Mr. HELMS. Mr. President, let us hope that the State Department assessment is correct, because our policy officials share a strong moral responsibilty for the fact that tomorrow, what was Rhodesia will be starting its independence under a Marxist Prime Minister and a new name. If Rhodesia, the new Zimbabwe, follows the familiar pattern of one man, one vote, one time—and freedom dies—the American people may ask the State Department some painful questions.

EXHIBIT 1

[From the Washington Post, Apr. 16, 1980]

REBIRTH OF A NATION

(By Andrew Young)

At midnight tomorrow, the continent of Africa and the United Kingdom will give birth to the new nation of Zimbabwe. The person most responsible for this now-proclaimed victory for Democratic selection is Robert Mugabe, the man long denounced and defamed in Western quarters as "Marxist-terrorist, stubborn and intransigent." Now Prime Minister-designate Mugabe is finally recognized as the best hope for reasonable, workable approaches to development that the West needs to ensure a continued flow of natural resources and raw materials from the abundant supplies of southern Africa.

I first heard Mugabe praised by representatives of the Catholic Society for Racial Justice who visited the U.S. mission to the United Nations in early 1977. He had been imprisoned for nine years by Ian Smith's Rhodesian regime and was not nearly as well known as Joshua Nkomo or Bishop Abel Muzorewa. I was frankly surprised to hear predictions that he would emerge as the dominant influence in a new Zimbabwe and ultimately in southern Africa.

I was even more surprised—shocked—when I met him, for the "Marxist-terrorist" description of our press hardly prepared me for the genteel schoolteacher who came up to me with a glass of Fanta—orange soda—and engaged me in quiet dialogue at a Tanzanian cocktail party. My subsequent dealings with Mugabe continued to contribute to the enigmatic impression that he creates by refusing to be put into any particular mold.

Robert Mugabe assumes leadership of an independent Zimbabwe that can determine the course of southern Africa's destiny. A highly principled, extremely disciplined and scholarly man, he resisted domination by all sides in his struggle for true independence. The British could never compromise or manipulate him, but neither could any outside African parties. He used Marxist rhetoric in an attempt to get Soviet military assistance but was feared by the Soviets, who preferred Nkomo, a man who they knew was no communist, but who would "play the game." Nkomo successfully won Soviet, British and even white Rhodesian support simultaneously, and was respected by all as a master politician. But Mugabe resisted every outside force and won the support of Zimbabwe's people.

Agricultural potential and mineral wealth give Zimbabwe unparalleled economic potential. Inevitably, it will become the center of an economic community of "frontline states." More than 10,000 university graduates (several hundred of whom hold professional degrees), an existing black middle class that includes several millionaires, and at least 30 American-trained PhD's who fought with Mugabe in the war of liberation give Zimbabwe more assets than any other new African state at the time of independence.

Zimbabwe, with Western help, can emerge rapidly as a source of stability and leadership throughout the region. An isolated or ignored Zimbabwe will be an extremely difficult adversary in international forums.

Mugabe's present style, viewed as pragmatic and statesmanlike, is consistent with the principles he has always espoused, but this should not be seen as a "turn to the West." On matters of trade and development, Africans have recently been quite candid about the West's superiority in technology, food production and other aspects of development. Even as Mugabe's ZANU (Zimbabwe African National Union) forces waged war with Soviet weapons that were obtained indirectly from Algeria, Egypt, Tanzania and Nigeria through the Organization of African Unity Liberation Committee, they spoke of the need for a strong private sector.

Josiah Tongogaro, Mugabe's military commander before he was killed in an auto accident just prior to the Lancaster settlement for Zimbabwe's independence, reflected at length with me during meetings in Tanzania on the need for training and education for young men after liberation. He too was quite pragmatic in his view that Zimbabwe's ties would be with those who could most rapidly assist in the restoration of the economy—the nations of the West that could, if they would, provide capital, technology, management skills and markets for the abundant natural resources and human potential of their new nation.

Land remains the key element in Zimbabwe's future. White control 50 percent of the land though they are less than 3 percent of the population. Land will be regarded as communal property, as in Nigeria and in traditional African society, in order to plan and determine its utilization for the welfare of the nation's total citizenry. The language of revolution and change is always heavily Marxist-socialist, but the reality of change is recognized: the generation of new wealth and opportunities has been produced in cooperation with the West through the World Bank, the Lome Convention (through which the European Economic Community gives concessions for trade and development) and multinational banks and corporations, which after a period of interference and exploitation are finally learning to work in profitable partnerships with developing countries, making available the skills and capital that enable emerging nations to meet the heightened expectations of their people.

Zimbabwe's success or failure will have a lot to say about the future of southern Africa. A strong government that creates political stability and economic growth will inevitably help South Africa, which controls most of the rail and port access to this landlocked country. But Zimbabwe is also moving to a new interdependence with Zambia, Mozambique, Tanzania, Botswana, Angola and, soon, one hopes, an independent Namibia. Together they constitute the greatest store of minerals on earth. Their stability and progress will have a lot to say about inflation and unemployment here in the United States. Their growing new markets will be a wonderful outlet for the increased productivity we so desperately need.

But they will demand respect. They will emerge as a strong, independent, nonaligned voice in the United Nations and the Organization of African Unity. Robert Mugabe and Zimbabwe represent the new emergence of hope and power in today's world. For the

United States it means opportunity, challenge and also frustration as we learn to relate to this "brash new kid" on our block.

Elections: 1980, the Rhodesian Debacle

(By Dr. Richard T. McCormack)

INTRODUCTION

On March 4, Robert Mugabe's crushing victory in Rhodesia was announced to a stunned audience of foreign observers and visiting journalists, thus ending one of the most violent and savage election campaigns in recent world history.

The word "intimidation" has been used to suggest the kind of pressures that were used to help determine the outcome of the election, particularly in the rural tribal trust territories where millions of Rhodesia's primitive peoples reside. But the word intimidation only begins to convey an impression of the forces at work. In most of the rural areas of Rhodesia, only Mr. Mugabe or Mr. Nkomo's party was permitted to carry on an effective election campaign.

Scores of people who supported other candidates were brutally murdered in election related incidents. An entire busload of supporters of Bishop Muzorewa was ambushed and slain by Mr. Mugabe's guerrillas. One of Mr. Nkomo's candidates for parliament was seized by Mr. Mugabe's partisans and killed by having hot coals poured down his throat. Young girls were taken from nearby villages and brought to an encampment of Mr. Mugabe's guerrilla fighters. The parents of the children were informed that they would be released only in the event of a Mugabe victory. And finally, Mr. Mugabe himself threatened to start up the war again were he to lose the election, bringing new killing and violence to the weary people of rural Rhodesia.

The fact is that all parties to the recent election in Rhodesia participated in some intimidatory activities. But the vast weight of statistics and testimony makes it absolutely clear that Mr. Mugabe's intimidation dwarfed that of his rivals, in terms of scale, sheer brutality, and effectiveness.

The British election overseers permitted this intimidation to continue throughout the campaign because they lacked the force and resolve needed to police the election, and because there were reasons why a certain amount of intimidation directed against Bishop Muzorewa may have served their intended final outcome.

In the end, the object of so much British planning and persuasion misfired. Their chosen instrument, Mr. Joshua Nkomo, was unable to be installed as Prime Minister because intimidation combined with other unrelated factors to crush utterly Bishop Muzorewa and give Mr. Mugabe an absolute majority in Parliament.

Since the election, press and government spokesmen in Washington, Salisbury, and London have outdone each other in praise of Mr. Mugabe's new found moderate rhetoric. Two years from now, this may all have a terribly hollow ring. At present, Mr. Mugabe has no choice but to offer honeyed words of reassurance and moderation, since the powerful Rhodesian and South African security forces could now crush him in an afternoon, and imprison his high command, if too rapid and ruthless a consolidation of power were attempted.

It would be wonderful if Mr. Mugabe's St. Paul like conversion to moderation and enlightment were sincere. But skeptics will remember that Mr. Mugabe's Marxism was too absolutist even for Russian tastes. Mr. Mugabe's is an admirer of Mao Tse Tung's more rigid principles. So if today Mr. Mugabe in his present vulnerability offers words of reassurance, all parties should beware of tomorrow.

The basic question casting a shadow on the future of Mr. Mugabe's conduct is this: If he was willing to use utterly ruthless methods to win the election and achieve power, why should he be expected to be less ruthless in consolidating his position and ensuring his permanence?

Within days, the bulk of Rhodesia's 700 visiting journalists will have departed, and Rhodesia will disappear from the front pages of the world. Within weeks, the British Governor will have left the scene. Within a year, the powerful Rhodesian security forces will be a weakened and watered down version of their present strength. And even Nkomo's rival Matabele forces will have been largely disbanded. Within two years, Rhodesia's economy is likely to be nationalized, piece by piece.

That is when discontent by opposition elements and even some of Mr. Mugabe's militant supporters is likely to surface. That is when the printing press may spew forth debased currency, when a new ruthless police operation may rise, and when freedoms may perish, one by one. At that time, a slide toward a one party system like that of Mozambique seems dangerously possible.

It is, of course, greatly to be hoped that such an eventuality may be avoided.

But only the preservation against all odds of an internal balance of power stands a chance of preserving constitutional government and individual liberties in the new State of Zimbabwe. Failing this, the Rhodesian independence election is likely to follow the familiar African pattern of one man, one vote, one time.

How Rhodesia's election produced the Mugabe victory and the unfavorable outlook for democracy is the subject of this analysis.

Results of the February 1980 Rhodesian parliamentary election

	Seats
Mr. Robert Mugabe's ZANU P.F.	57
Mr. Joshua Nkomo's Patriotic Front	20
Bishop Muzorewa's UNAC	3
Rhodesia Front (from earlier poll of whites)	20
Total	100

THE POLITICAL/DIPLOMATIC BACKGROUND

The most appropriate title to this piece would be "The Great Con Job" or possibly "Would the Queen Mother Lie to You?" During the recent elections in Rhodesia, one of the observers approached a top British official and asked how his government had ever managed to get all the mutually antagonistic factions together during the earlier negotiations, and how they kept them on track. He replied: "Frankly, it has been an enormous con job."

To understand what he meant, and how this process unfolded, it is necessary to step back to the immediate period following the last election in Rhodesia when Nigeria threatened to cut off the billions of dollars in British goods and services purchased every year if Mrs. Thatcher and her government were to carry out campaign pledges to drop sanctions and recognize Rhodesia. For an economy of the size and condition of Great Britain's, this economic retaliation on the part of Nigeria along with threats that the commonwealth itself might break up on this issue provided the critical arguments for liberal members of the British foreign service to undermine the new Muzorewa government. They were assisted in this process by equally liberal members of the Carter Administration who felt, on principle that Muzorewa and his alliance with the whites should not be permitted to endure. And in the background, Soviet Ambassador to Zambia, Solodovnikov, stepped up arms deliveries in the weeks just after the April election to reinforce the arguments of the Western liberals that any attempt to consolidate the Muzorewa position would be countered by an intensified war.

So the decision was eventually reached in Britain to opt for new elections. And the problem then became how to persuade Muzorewa and the whites to step down and permit the new elections to take place under British auspices.

The critical task was to convince each involved party that he stood to gain by new elections and a new constitution.

Thus, Muzorewa was told by the highest officials in Great Britain that the British objective was to give him more power—to free him from excessive white influence—and enable him to be the dominant factor in his nation. For this reason, he trusted the British and threw away his bird in the hand, with the hope of obtaining the two in the bush at the Lancaster House Conference.

General Walls, commander of the Rhodesian army, was assured that Great Britain would never permit the Marxist Mugabe to come to power in Rhodesia—that the British were just as repelled by Mugabe's philosophy and ruthless operating methods as were the white Rhodesians. To reinforce the feeling that Great Britain had forgiven the white Rhodesians for their rebellion, great efforts were made to bring General Walls closer to them socially and personally during the weeks of the conference. Even the Queen Mother was brought into the act, and invited General Walls and his wife to a private tea at the Queen Mother's home.

Gradually, top white Rhodesian leaders were persuaded that new elections were necessary, and that their essential interests would be safeguarded. It was clear that the Rhodesians were slowly but steadily running out of money and manpower. A dropping of sanctions and some hope of a peaceful resolution of the conflict appeared necessary. Indeed, top Rhodesian Treasury officials in June of 1979 were known to believe that the war might not be sustainable for more than a year without risking a fatal economic and morale collapse. They pointed out that the white population had already dropped by almost a third from its peak of a quarter of a million, and that many of those departing had been critical specialists and technicians.

On the other hand, it was also clear that the guerrilla morale was not high. The Muzorewa election and the immediate strongly positive response by large segments of American and European opinion had discouraged the guerrillas. Added to their immense casualties, this brought matters to a very tense state in high guerrilla councils. So they too had some reason to seek another less painful route to power.

So basically, the British negotiating strategy was to convince each of the war weary parties to the Rhodesian tangle that his objective could be obtained by going along with the negotiations and new elections.

The actual process of negotiation at the Lancaster House Conference was assisted by superb work on the part of the British intelligence agencies, who were reported to have bugged almost every conversation held by any of the principals throughout the conference. If true, the British government was aware exactly how far each side could be pushed at any given moment.

The top white Rhodesian leaders were told that the British objective was a coalition government headed by Nkomo—but containing both the whites and Muzorewa. Because of Nkomo's weak tribal base (the minority Matabele tribe), the whites were assured that Nkomo would never be able to govern without the help and cooperation of both the whites and Muzorewa's Shona followers. Under this plan, Mugabe was to be the odd man out. He was to be offered, if anything, a subordinate role in the new cabinet. If Mugabe were to refuse this position, and renew war, it was strongly hinted that Nkomo and the Rhodesian security forces would be given a free hand to deal roughly with his forces.

Nkomo was explained the situation, and went along with it, bringing a part of his well trained army into the Rhodesian encampments as a demonstration of good faith. (He did, however, keep roughly 10,000 of his best forces in Zambia as insurance.)

Mugabe was assured that he would be able to campaign freely. The British promised that they would protect him and his forces from any Rhodesian security force retaliation. Mugabe didn't trust the British, and it was necessary to bring great diplomatic pressures on the government of Mozambique—which had provided the necessary sanctuary to carry out the guerilla war—to force Mugabe to cooperate.

The British assured the South Africans that they would never tolerate Mugabe coming to power in Rhodesia, but that the elections were necessary to isolate Mugabe in the eyes of Africa, and give the confrontation states a graceful way to back off from supporting him. The word was quietly passed around about the Nkomo strategy and it was bought by all parties except Muzorewa. Muzorewa was to be given either the powerless figurehead Presidency or the Vice Prime Ministership in this British scenario.

Everybody involved knew that if Mugabe were permitted to intimidate the voters in the tribal trust lands, that he would be able to do dangerously well in the election. So the British assured the whites, Muzorewa, and South Africans that they would strictly police the elections, and disqualify Mugabe if he attempted to intimidate voters. These pledges were accepted at face value and on this basis they agreed to go forward with new elections.

Thus, each party went into the elections believing that his main objective would be achieved:

Nkomo felt that he was the concensus choice for Prime Minister.

Muzorewa believed that Margaret Thatcher wanted to increase his power.

The whites believed that the British would ensure their safety in the new Nkomo coalition, and that the war would thereby end.

Mugabe calculated that his terrorist network, combined with anti-white feeling, and his tribal base, might bring him very close to power. Ironically, Mugabe was the most reluctant participant of all. He felt that the British, Rhodesians, South Africans, Nkomoites, and Muzorewa people might gang up on him. But pressure from Mozambique, and his own faith in his terrorist network, finally brought him along.

The British selected Nkomo to be their candidate for the Prime Minister position for a number of reasons. It is true that he had received almost a billion dollars worth of Soviet arms (with the pledge that this money would be repaid after his coming to power.) But, Nkomo had also taken money from a host of other non-Communist sources in the course of his long revolutionary career. He was felt not to be a Marxist at heart. Many compared him to Kenyatta in outlook and potential as a unifying leader.

However, the problem was this: How could Muzorewa, who was expected to be the largest vote getter, be persuaded to play second fiddle to Nkomo, who was projected to get only about 20 seats? (Rightly, as it turned out.)

To get Muzorewa to accept second position to Nkomo, it would be necessary to apply pressure. It would, of course, be considerably easier if Muzorewa were to do less well than expected in the actual voting. If Mugabe were to pick up a good piece of the Shona vote, and reduce Muzorewa to 25 seats or so, it would make it much easier to persuade Muzorewa to accept the secondary position.

In any event, the election went forward. The British did nothing to stop the rampant intimidation on the part of the various parties. Mugabe maimed and terrorized his competition out of the vast Shona tribal trust areas to give his own campaign organization a free hand. Nkomo in turn kept Mugabe's and Muzorewa's people out of his Matabele areas. Only in the urban areas guarded by the security forces, was there a semblance of free and fair campaigning on the part of all groups.

There were a number of reasons why the British did nothing to stop the intimidation by Mugabe: 1. It would have required firmness and muscle beyond that at their disposal—or would have required them to disqualify whole sections of Rhodesia from the election process. This in turn would have incurred the anger of rich Nigeria, and other black commonwealth members, which might well have applied economic reprisals on Britain. 2. It served British purposes to let Mugabe do reasonably well. It would be much harder to bring Muzorewa into a coalition as number two if Muzorewa did too well in the elections. The intimidation ensured that Muzorewa would not get a run away victory.

The ultimate results shocked and confounded everybody, including the British and Rhodesian intelligence services. Nobody expected Mugabe to do as well as he did, or Muzorewa as poorly as he did. But this is why it happened:

1. The intimidation factor was pervasive and overpowering in the vast rural areas of Rhodesia where the majority of people live.

2. Many young educated black Rhodesians from urban areas resented the power position of the whites, and were impatient with Muzorewa's gradualist approach. They identified with the man with guns, muscle, and radicalism.

3. Muzorewa may have relied too heavily on his own narrow sub tribal base when he chose people for jobs in his government after the April elections.

4. Muzorewa wasn't in power long enough to keep election promises to end the war and improve the lives of the people.

5. Many black Shona Rhodesians in rural areas became convinced by Mugabe's argument that since he had started up the war, and since his guerrillas were the major power factor in daily life in the tribal trust areas, that only Mugabe's victory would ensure an end to the conflict and a return to peace. The average tribal African has no understanding of the difference between Marxism and capitalism—and really, doesn't comprehend that he and his children are far more likely to do better in a well functioning nation based on modern capitalism. The hunger and privation of a Marxist Mozambique will only come later. For now, many people only wanted an end to the actual war—and were willing to do almost anything to see it end.

6. Governor Soames appeared to be a fairly weak person whose personal social behavior drew criticism from many Rhodesians. The Governor generally allowed his own instincts about intimidation to be overruled by stronger and more disciplined foreign office advisors—who were felt to be more tolerant of Mugabe's penchant for intimidation and violence.

7. In the end, however, the British foreign office may have outsmarted itself. By permitting the intimidation to complete the process of Muzorewa's destruction, they lost control of events, the ability to pressure moderation by balancing one faction against the other in a broadly based coalition government and paved the road to absolute power on which Mugabe and his brand of Marxism is now slowly but surely riding. For Rhodesia, it was a sad and fatal miscalculation.

THE ROLE OF FEAR AND INTIMIDATION AND THE MECHANICS OF THE ELECTION

Although limited sections of Rhodesia voted in conditions approaching free and fair elections—particularly in the urban centers where physical security was ensured to the election workers of all parties—there were vast stretches of Rhodesia in which millions of people lived where the campaigning process was a caricature of democratic procedures as we understand them in the west.

The problem was not so much with the actual polling itself. Here the British and local authorities provided an efficient, honest and secret mechanism for the people to express themselves at the ballot box. There were, of course, complaints here and there of vote fraud in various forms. But this is to be expected in the conditions existing in this nation, and most importantly they were not extensive enough to alter the overall results. A few youngsters tried to vote; a few election officials apparently murmured exhortations to vote for this or that party as ballot papers were passed out, and no doubt a few individuals managed to vote more than once.

The real problem with the election—and one which has been inadequately weighed by most observer groups—was the simple fact that millions of people lived in regions where it proved impossible for a legitimate campaign to be conducted by more than a single party. And the intimidation of voters living in these areas was obviously a pervasive phenomenon.

During a visit on the first day of the three day poll to the scene of the election—the First Victoria area where more than a million people live—the British election administrator openly admitted that no party other than that represented by Mr. Mugabe was permitted to campaign. Mr. Nkomo's workers and those of Bishop Muzorewa met violent deaths when they attempted to organize a campaign in the non-urban areas. Eventually all parties other than Mr. Mugabe's were forced to withdraw from the entire area.

The same pattern held in other tribal areas, particularly those along the Mozambique border, where additional millions of Rhodesia's black voters reside.

But the exclusion of other parties was only the beginning of the intimidation that was practiced on the voters in many regions of Rhodesia. In the vicinity of Elim and Kotwa, where there were assembly points containing thousands of Mr. Mugabe's guerrilla forces, the international observer group monitoring the elections heard frequent reports from villagers, policemen, commonwealth troops, and others, of a pervasive degree of intimidation of voters in the region. This included forcing people to vote, warning them that Mr. Mugabe's forces had the means to know how each person voted, and in at least one instance bringing clusters of youngsters into the actual camp of the Mugabe forces during the day of voting, telling parents that the girls would be taken to Mozambique to help with the war if Mr. Mugabe were to lose the election. Members of the observer group subsequently saw the girls in question, clustered together in frightened little bunches with their brightly colored dresses in the heart of the camp. The Patriotic Front officer who escorted the observers who insisted on being taken into the actual camp assured them that the girls were free to go any time. It was not very convincing.

For an American to grasp what has happened in large parts of Rhodesia during this election campaign, one may think of an election held forty years ago in an ethnic neighborhood largely dominated by the Mafia. Although a cop may be stationed near the polls on election day to keep the lines of voters orderly, his presence is simply incapable of mitigating the impact of the pervasive sinister forces which have been at work in the neighborhood for months prior to the election. Nobody but the Mafia candidate was permitted to campaign. Nobody was permitted to canvass, or make speeches, or distribute literature, or organize the workers . . .

except the Mafia candidate. Any infractions were sternly dealt with. And, on election day, the Mafia representatives made the rounds and said, "All of you will go to the polls today and vote for our men. In case you get any ideas about voting for anyone else, you should know that we have paid off one of the election officials to stand behind the voting machine and let us know how each of you vote. Now, our man is going to win. But in case he doesn't, we intend to trash the whole damn neighborhood."

The picture I have persented here is obviously overdrawn—but not by much. Godfather Mugabe has made an offer to the Shona peoples of many primitive areas of Rhodesia (Zimbabwe) they simply cannot refuse. And preliminary reports suggest that Mr. Nkomo also indulged in strong arm tactics—although on a far less intense level. There were also credible reports that undisciplined elements of the security forces were themselves involved in scattered incidents of attempted intimidation. The fact is that none of the parties to this election is totally above reproach. But it is also absolutely clear from available statistics that Mr. Mugabe's intimidatory tactics dwarfed those of other candidates in terms of scale, sheer brutality, and effectiveness.

Take, for example, Mr. Mugabe's main campaign argument to voters: In essence he said that he had brought them the war, and only if he was elected as leader of the nation would the war be called off. Otherwise it was back to the bush, and back to the killing.

When Mugabe's escort officer in Elim camp was asked what would happen if Mugabe did not win the election, he responded that every voter in the region knew what would happen. Asked to be more specific, he merely repeated himself, that every voter knew what would happen. Of course, he meant that Mugabe would start up the war again, together with its killing and disruption.

In the same region, the observers heard repeated statements by credible local people that Mugabe's representatives had said that they had the means to know how each person voted. (There were claims that they had a "black box" which could see through the ballot box.) And hovering on the periphery of many voting lines were other representatives of Mr. Mugabe involved in various other more subtle forms of intimidation—such as pretending to take notes of people going in and out of the polling areas, crowing in the distance (the Mugabe symbol is a rooster), and otherwise making it clear that Godfather Mugabe's presence was all pervasive and all watching. Mugabe's guerrillas were also reportedly forcing local people to march long distances to vote, regardless of age, health or condition. (Three babies were born in emergency deliveries in one polling station.)

Some individuals expressed the pious hope that the people would react against all this terror by voting against Mr. Mugabe at the polls. But by the time the voters arrived at the polls, they were thoroughly cowed. Last April, by contrast, virtually every line of voters was in a jovial holiday mood. This year grim silent files of voters were frequently in evidence. Intimidation undoubtedly also played a significant part in the large voter turnout (94 percent).

Finally it was obvious that the ordinary citizens of the war weary land were desperately tired of death and disruption involved in the conflict. Many people would undoubtedly have voted for Attila the Hun if he offered the prospect of an end to the present conflict, regardless of the long term impact of such a victory. These people were not thinking in long term contexts. They were worried about physical survival through the next weeks and months.

SCENES WITNESSED IN SALISBURY THE DAY THE ELECTION RESULTS WERE ANNOUNCED

One British official left the briefing room where the crushing Marxist victory was announced, turned to a senior Rhodesian official, and said "Well, at least now you have got us Brits off your back." The stunned Rhodesian official was barely able to contain a physical response to such fatuity.

Outside Salisbury, young White Rhodesian soldiers were manning armored personnel carriers at a key intersection, crying their eyes out. Photographers from the international press crowded around them taking pictures. One car pulled up containing two beaming nuns in white habits—who also got out of their car to take close-up pictures of the weeping soldiers. (The "liberation theologians" of the local Catholic Church have been behind the Marxist Mugabe from the beginning.)

In town, the young militant blacks rode around on the back of flat bed trucks yelling Mugabe slogans. Here and there one could hear the crowing of the rooster. Overhead the helicopters circled around to remind people that looting would not be tolerated.

Most of the Rhodesian whites maintained a stiff upper lip, although shock and dismay was visible on many faces. Most whites stayed in their homes.

General Walls appealed for calm.

When Mugabe appeared for his victory press conference, the large foreign press corps broke into loud applause when he finally showed up, an hour and a half late.

Nkomo was reliably reported weighing whether or not to flee to Zambia himself to avoid retaliation by Mugabe.

Muzorewa announced that a number of his followers had already been killed by patriotic front supporters.

THE FUTURE

Mugabe is a highly intelligent man, in addition to being a committed Marxist. He is aware, acutely aware, of his own vulnerability at this moment. As long as the security forces are intact, he will consolidate his power very slowly, and very carefully.

No doubt will temporarily keep General Walls as chief of the security forces, and use Walls to gradually replace key white officers with replacement black officers from Mugabe's military operation. Then the gradual process of disarming the bulk of Nkomo's well trained Matabele forces will be carried out—with the help of the Rhodesian security forces as a shield. Token units from Nkomo's forces will be integrated into the Rhodesian army, at least temporarily.

Gradually, parts of the white run economy will be nationalized. The larger farms will be divided up among the landless blacks, or nationalized. Inflation may become rampant as South African subsidies are withdrawn, and Mugabe uses the printing press to finance his ideas about income redistribution. The civil service pensions may be abrogated, greatly reduced, or wiped out by the inflation.

There will probably be no blood bath, although one can never be certain. Mugabe will consolidate his power gradually over the course of the next two or three years. But eventually, he is likely to bring his own vision of a Marxist one party state to Rhodesia. At least half, and probably more, of Rhodesia's whites will leave—especially the youngest and most productive. And once this consolidation process is complete, the well trained black forces of Rhodesia are very likely to join the confrontation front states in the final drive on South Africa.

The initial favorable reaction of the international press to the election process and results is largely due to several elements: Mugabe's rhetoric in the post election period has been very carefully calculated to allay fears. Also, much of the press on the scene in Rhodesia is sympathetic to more left wing causes. There was some protest among the other journalists against the planned expulsion of the East Bloc "journalists" who had flocked to Salisbury by the dozen to observe the election process. Many of the Soviet and Eastern European journalists were, of course, intelligence agents. So the British had arranged for their visas to expire the day after the election results were announced. But the attitude of those who protested the expulsion of the Communist "reporters" was typical of the mind set of a significant number of the journalists who covered the election.

Finally, the British foreign office carefully chose their own parliamentary delegates and officials from those who would certify the election as fair and free. For example, the British election commission contained a senior member named Dayal, an Indian Brahmin, whose past included an episode where he had been expelled from the Congo after an international outcry due to his obvious and outspoken support of Marxist leader Patrice Lumumba while in the service of the United Nations. British personnel privately stated prior to the actual polling that the elections would be declared to be free and fair, and that would be that. The official observer from the Organization of African Unity (which contributed 5 million dollars each to the election campaign of Nkomo and Mugabe) was quoted in the local press that the only intimidation he had heard of was that on the part of the security forces. Yet, other observers stood beside him while both Muzorewa and Sithole's people were pouring out a tale of intimidation and woe in remote tribal trust areas.

It seems very likely that some of the members of the commonwealth delegations were also hand picked to include people who would cooperate in finding the election fair and free. There were exceptions, of course. One lovely Jamaican lady Senator—also a black—openly stated that she had no doubt but that intimidation played a major role in the outcome of the election, and she was very unhappy about this. A German observer from the CDU declared: "If this election is fair and free, then I am a Chinaman." One New Zealand observer stated privately: "This process offends every democratic bone in my body." Freedom House delegates were also deeply distressed at the intimidation. But these were isolated voices, muffled by the vast chorus of those orchestrated to sing another tune. From a detached point of view it was, in fact, a superbly managed operation.

One British official complained that criticism by some observers "wasn't constructive in the least." But some of the older retired British officials who had been called back into service to assist with the election process were clearly uncomfortable over what was happening. They knew that it was an exercise in real politik; that important British interests were involved; that British prestige and interests required that this election process be judged legitimate, and a "success", and they went along with it.

But, the day the results were announced, the old colonials knew that the thing had misfired. That Mugabe had outfoxed them. That their chosen instrument, Nkomo, had been defeated, and that their whole plan lay in shambles.

The task then became to put the best face on the situation, and try to make the best of things.

The British will naturally do their best to temper Mugabe's instincts in the weeks and months ahead. But the minimal British objective will be to ensure that there be a decent interval between their withdrawal and the establishment of a one party Marxist state. And this minimal objective will undoubtedly be achieved. Because of power realities and his own present vulnerability, Mugabe can't afford to grab too much too fast. So Mugabe's interests and British interests assure that the consolidation of the new Marxist regime in Rhodesia will be a slow process. Besides, why should Mugabe take risks? With patience and self discipline the reins of power can gradually be drawn unto his own hands without risking a potentially fatal counter-reaction.

This is the probable course of events. And over the next several years, the Rhodesia of today will, in all likelihood slowly fade away.

A FINAL WORD

This analysis was not intended for the purpose of pointing a hostile finger at British Rhodesian policy and operations. All nations act on their interests, and British diplomats can hardly be faulted for placing British interests over those of moderate Rhodesians. And, let there be no mistake, very important British interests were at stake in Rhodesia. These included the vital Nigerian business connection, the integrity of a commonwealth split along racial lines over Rhodesia policy, and relations with the Carter State Department.

And, in fairness, it must be said that British diplomacy intended to bring out of the Rhodesian tangle a solution that would end the war and establish a stable coalition government, whose various factions would balance off against each other to prevent a one party dictatorship.

Unfortunately, a tragic miscalculation was made. By yielding to Mugabe's insistence upon keeping a sinister intimidatory whip hand over the vast Tribal Trust Territories, Lord Soames made it possible for Mr. Mugabe's Marxist followers to capture an absolute parliamentary majority in the elections. For Rhodesia's democracy, this weakness and miscalculation by those charged with conducting a free and fair election may well prove fatal.

No one would be happier than myself to be proven wrong by events. The test will come after the British depart and the lop sided coalition begins to grapple with such issues as land reform, tax policy, security force integration, independence of the judiciary, the constitution, and a dozen other volatile issues where the status quo clashes violently with the deeply committed marxian beliefs of the man who commands 57 percent of the seats in Parliament

Now, we can only watch and wait.

CLOSED TELEVISION CAPTIONING

Mr. LEAHY. Mr. President, William Jennings Bryan said:

> Destiny is not a matter of chance. It is a matter of choice. It is not a thing to be waited for. It is a thing to be achieved.

I rise today to congratulate all those who have made closed television captioning available to hearing-impaired Americans, to praise those, who by their example, have helped to shape a better destiny for us all.

There are more than 14 million hearing-impaired individuals in this Nation. The need to reach these people and to allow them to share fully in a world dominated by sound is great. As of March 15, 1980, hearing-impaired Americans can purchase television captioning equipment. Thus, one of the greatest sound barriers has been broken.

On March 19, 1980, the First Lady held a reception at the White House to honor those who made this new technology possible. The President and Mrs. Carter have been enthusiastic supporters of television captioning for some time. At the reception, Mrs. Carter demonstrated how the new equipment works and spoke eloquently of the silent screen that will, at last, speak to the millions of Americans who have hearing impairments.

The imagination, efforts, and skills of many individuals and organizations have gone into the development of closed captioning.

In 1976, Senator PERCY, Senator RANDOLPH, Congressman HARKIN, Congressman SPELLMAN, and I initiated an effort in Congress to urge the Federal Communications Commission to allow the networks to televise captioned programs for hearing-impaired individuals on a permanent basis. In December 1976, the Commission did grant that authority and line 21 of the broadcast signal is reserved for closed captioning.

Closed captioning is the result of a technological feat whereby the audio portion of the television program is translated into captions which appear on the screen. The captions are similar to the subtitles or "open captions" used in foreign films. However, in order not to disturb the viewing audience without hearing impairments, the captions are closed and visible only on television sets equipped with a new decoding device.

This new device, known as an adapter, was developed by Texas Instruments, Inc. It is being marketed by Sears, Roebuck and Co. under the trade name "Telecaption." It can be easily attached to the antenna of any television set to receive the captions. Sears has magnanimously offered to sell the equipment at cost—$250—and is contributing an $8 royalty for each adapter sold to the National Captioning Institute. In the fall of 1980, a color TV set with the decoding circuitry built in will also be available at a cost of $500.

The National Captioning Institute with centers located in Falls Church, Va., and Los Angeles, Calif., will do the actual captioning of the programs. It has obtained 26 editing consoles developed by the Public Broadcasting System (PBS) for this purpose.

PBS, NBC, and ABC have contracted with the National Captioning Institute to caption 22 hours of TV programs each week, to be noted in the TV Guide, including Masterpiece Theater, Once Upon a Classic, Disney World, and the ABC, NBC Sunday and Monday Nights at the Movies. In addition, the National Captioning Institute will caption programs produced by local and independent stations. Eventually, sports events, news programs, and live program material will also be captioned. Some programs may, in the future, be captioned in foreign languages. Bilingual captions will serve as valuable educational tools in communities with diverse ethnic populations. Children with learning disabilities will also benefit from captioned televisions.

The Bureau of Education for the Handicapped has provided funds to the captioning project since 1973 and will continue to do so through 1982. In addition, four major national insurance companies have made financial arrangements for the National Captioning Institute's initial capital needs. They are Aetna Life and Casualty, the Prudential Insurance Co., Connecticut Mutual Life Insurance, and the Travelers Insurance Co.

Numerous other organizations have endorsed the National Captioning Institute's efforts including the National Parent-Teachers Association, Lion Clubs International, the National Retired Teachers Association, the American Association of Retired Persons, the National Association for the Deaf, and Gallaudet College.

Some time ago, several men and women dared to dream of the day when deaf and hearing-impaired Americans could enjoy the medium of television. And what they have dared to dream, they have dared to do. There are a number of individuals who deserve special recognition for their dedication to this goal. Mr. John D. Ball, president of the National Captioning Institute and former vice president engineering at PBS, is responsible for the development of the TV caption console. Myron Curzan, an attorney at the Washington law firm of Arnold and Porter, Doris Caldwell, Jane Miller, and Taris Denis of the National Captioning Institute, have been involved in the project since its inception. Fred Pierce, Fred Silverman, and Larry Grossman, presidents of ABC, NBC, and PBC, in their support of the national captioning project, have demonstrated their commitment to Americans handicapped by a hearing loss.

Other individuals who deserve praise for their efforts are Dr. Edward Martin, Chief of the Bureau of Education for the Handicapped, Malcolm Norwood and Virginia Lewis of the Department of Health, Education, and Welfare Telecommunications Office, Mr. Edward J. Hearn, Douglas Shuman and Robert Thompson of Sears, Roebuck & Co. Finally, Edward Carney and Fred Schreiber of the National Association of the Deaf must be credited for their involvement in this achievement and for their ardent advocacy of the rights of all handicapped Americans.

Mr. President, it has been said that this world cannot be a good place for any of us to live in until it is a good place for all of us to live in. By making television captioning available, the individuals and organizations I have named have served to make this world a far better place for Americans handicapped by a hearing loss.

In recognition of the needs of hearing-impaired Americans, the vast majority of which are employed or underemployed, Congressman HARKIN and I have introduced legislation to provide tax credits for the purchase of television captioning equipment. It is our hope the Congress will see the necessity and wisdom of providing such incentives for the purchase of this equipment. On behalf of all those Americans who are deaf and hearing impaired, I would urge my colleagues in the Senate and House to cosponsor these bills, S. 1869 and H.R. 4767.

TAX-EXEMPT MORTGAGE REVENUE BONDS

Mr. THURMOND. Mr. President, hopefully, the Senate soon will have an opportunity to discuss the use of tax-exempt mortgage revenue bonds for home financing in this country. For this reason, I inform my colleagues about the successful bond program in South Carolina.

The South Carolina Housing Authority Commission was created to issue bonds to raise financing for new, single-family dwellings in our State. After two bond issues, which have raised almost $150 million in needed housing funds, the commission voluntarily returned over $330,000 to the State general treasury fund. This money represented the entire amount which had been appropriated by the State General Assembly for the commission's work. In a time of inefficient government programs, the South Carolina Housing Authority stands out as an example of how government can and should work.

Mr. President, through the efforts of the State of South Carolina and its housing commission, almost 4,500 new single-family homes have been made available to South Carolinians with annual incomes from $5,800 to $22,500. The financing of this many new homes with no additional administrative cost to the people of South Carolina is an achievement worth applauding and emulating

Such a result is a testimony to the dedication and skill of the persons serving on the South Carolina Housing Authority Commission. These members are Chairman Hugh Lane, Vice-Chairmen Bob Mathison, Issac Washington, J. E. Rabley, Jewel Baskin, and Judd Farr. For the efforts of everyone involved in this efficient, effective program, I offer my congratulations and support.

Mr. President, because of the housing needs in this country and because of the success of the bond program in South Carolina, I have cosponsored S. 2064, which will allow this type of well-delineated and useful program of housing assistance to continue. I hope my colleagues will also support this legislation, which is needed to clear up some existing problems in other revenue bond programs, while allowing successful, well-structured and supervised programs, such as the one in South Carolina, to go forward.

THE INAUGURATION OF DR. KENNETH B. ORR TO THE PRESIDENCY OF PRESBYTERIAN COLLEGE

Mr. THURMOND. Mr. President, in February of this year, it was my great pleasure to cosponsor a Senate resolution extending congratulations and best wishes of the Senate to Presbyterian College, Clinton, S.C., on the 100th anniversary of its founding.

Today it is my great pleasure, once again, Mr. President, to extend my congratulations and best wishes to that same fine educational institution upon its installation of a new president and also to its new president, Dr. Kenneth B. Orr.

Dr. Orr has already distinguished himself as an outstanding leader in the Presbyterian Church and in his work with colleges and universities. An article in the State (Columbia, S.C.) on April 9, 1980, provides further details about Dr. Orr's background and about the inaugural activities at Presbyterian College on April 8.

Mr. President, as Dr. Kenneth B. Orr begins his new and tremendously responsible duties as president of Presbyter College, I extend my best wishes to him for every success in his service to this fine institution of higher education in South Carolina.

Mr. President, in order to share with my colleagues the information concerning Dr. Orr's inauguration, I wish to read this editorial from the State of Columbia, S.C., which is the largest newspaper in South Carolina. The date of this article is April 9, 1980. This came from Clinton where Presbyterian College is located.

15th Presbyterian College President Is Inaugurated

Clinton.—Dr. Kenneth B. Orr accepted the presidency of Presbyterian College Tuesday and pledged to retain the fiscal integrity of the college, which is now entering its centennial year.

"As we look to the second century of service, we can be pleased the college is enjoying record enrollment, strong financial support and operating with a balanced budget," Orr told some 800 persons attending his inauguration at Templeton Physical Education Center.

Citing the oft-mentioned inflationary woes which private colleges face, Orr said, "We must, with prudence, care for the resources we have in order to protect its value.

"By wise planning, conservative budgeting, and effective cost-control measures, we can maintain a steady course," the president said.

His financial objective also extends to strengthening PC's endowments by adding $1 million each year to the fund.

Efforts to complete a $10 million Second Century Campaign are encouraging with $3 million needed to reach the goal by the end of this year, he said.

As the college's 15th president, Orr said he is also committed to continuing the college's tradition of quality education in the liberal arts and sciences "within a distinctively Christian context."

"The best education," Orr said, "is that which promotes a deep interrelationship between faith and learning. In this context able minds can be expanded, Christian values can be affirmed and strong moral character can be developed."

Orr, who was named by the college board of trustees in March 1979 to succeed Dr. Marc C. Weersing, is former president of the Presbyterian School of Christian Education at Richmond, Va.

Weersing retired after 16 years as president of the college.

Dr. William Boyd, president of the University of Oregon, who delivered the inaugural address, said Orr's inauguration and the college's centennial are the "converging in one moment of the backward look with some attempts at foresight."

Orr, he said, "Must look at what one century has wrought and suffer some anxiety about the acts he must follow, because Presbyterian College has been blessed by a succession of able leaders."

Orr, an ordained Presbyterian minister, flew jet and multi-engine planes from 1955–57 as an Air Force pilot.

He was minister of West End Presbyterian Church in Roanoke, Va., from 1961–64, before joining the Union Seminary staff.

He is a native of Charlotte and holds a B.A. degree in business administration from Duke University, two advanced degrees from Union Seminary and a doctoral degree from the University of Michigan, Center for the Study of Higher Education.

His dissertation, "The Impact of the Depression Decade, 1929–39, on Faculty in American Colleges and Universities," received the University of Michigan's School of Education 1978–79 dissertation award.

It was also recognized in 1979, receiving the "Dissertation of the Year Award" by the Association for the Study of Higher Education.

In his brief address, Orr said, "I am unimpressed by any pretentious presidential style that remains aloof and removed from" daily campus life.

Admitting he is willing to take the bitter with the sweet, Orr said he will be a president who is available and sensitive to students, faculty and others.

THE CORPORATE DEMOCRACY ACT

Mr. HATCH. Mr. President, we have been hearing small voices of late, crying that America's economic greatness is a product of Government largess, but that now we must rein in that power lest abuses cripple the working class. As protectors of our America's freedom, I think we must expeditiously address this quasi-socialistic dribble before we find ourselves economically debilitated, before free-enterprise is undermined.

It is an economic reality that our market system delivers to the consumer, at the most efficient price, the product or service which is demanded. To artificially stimulate, alter or direct this system is to insure inefficiency, misallocation of scarce resources and burdensome prices on consumers.

Mr. President, the ultimate power of corporate change is presently vested in the consumer. If they do not want a policy, product or service, then market demand will dictate a change. The market is objective, and the aggregate will of the consumer will prevail.

Mr. President, I commend to my colleagues a discussion of a measure which would attempt to artificially dictate demand. The distinguished authors, Prof. Gerald D. Keim, Barry D. Baysinger and Roger E. Meiners indicate the absolute fallacy of this measure. I ask unanimous consent that the text of this article be printed in the Record at this point.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Corporate Democracy Act: Would the Majority Rule?

INTRODUCTION

On April 17, 1980 the Corporate Democracy Act of 1980 will be submitted to Congress for consideration. According to supporters of the legislation, the Act will serve to increase the accountability of corporate managers to their various constituencies—shareholders, workers, consumers, and the members of communities affected by corporate decisions. As with all policy proposals, two questions are appropriate to ask at the outset. First, will the proposed legislation accomplish the objectives stated by its proponents? Second, are there objectives worthy of support? The latter is a normative issue and students of corporate governance have no special expertise in making value judgments. However, the first issue is objective and can be examined and answered in a straightforward manner.

This paper attempts to deduce the impact of the Act's provisions on three constituent groups affected by the decisions of corporate managers: shareholders, employees, and consumers. Despite the broad nature of the Act, analysis is possible because several major provisions of the Act are unambiguous, and because there exists a body of knowledge concerning the relationship of corporations to the various groups they affect. Applying this knowledge to the provisions of the Corporate Democracy Act suggests that the probable impact of the Act's provisions will be quite different from the announced objectives of its proponents.

THE CORPORATE DEMOCRACY ACT

The Corporate Democracy Act (the Act) applies to all non-financial corporations with more than 5,000 employees or more than $250 million in total assets or annual sales. The major provisions of the Act are:

(1) A majority of the Board of Directors of that class of corporations must be independent; that is, they may not have been employed by the corporation or any organization dealing with the corporation for the past five years, and they may not own stock in the corporation.

(2) At least nine Board members are to be delegated special responsibilities of investigating corporate activities in the areas of employee well-being, consumer protection, environmental protection, community relations, shareholder rights, compliance with laws, technology assessment, antitrust standards, and political relations. In addition, the Act requires the creation of Board committees composed entirely of independent directors to deal with audit, nominating, compensation, and legal compliance issues. Similarly, a Board committee with a majority of independent directors would deal with public policy issues.

(3) There would be a shareholder referendum on any action such as sale or purchase of stock involving 10 percent or more of a corporation's assets or outstanding stock.

(4) Corporations would be required to include in their annual report a breakdown of their work force by sex, race, and job category; a summary of average daily emissions and effluents; and listings of occupational injuries and illnesses. In addition, a list of the twenty largest shareholders with their addresses and the number of shares held must be published. The Act would also empower the Securities and Exchange Commission to require additional disclosure "to enable stockholders to make judgments on a firm's social performance and impact on the human and natural environment."

(5) Corporations would be required to give 24 months notice to the Secretary of Labor, the employees, and community representatives of any closing or relocation of facilities resulting in a loss of 500 jobs in a geographic area. The Secretary of Labor could subpoena documents and appoint an arbitrator to investigate the circumstances of such decisions.

(6) No director would be allowed to serve on more than one Board and violations of this provision could result in a civil penalty of up to $10,000 per day.

(7) Finally, the Act establishes various criminal and civil sanctions that would apply to the managers of firms violating provisions of the Act or other laws. Suits to enforce the laws may be brought by any person. Firms found to have violated S.E.C. regulations would be outlawed from the United States.

From this list it is clear that the proponents of the Corporate Democracy Act want to alter radically the locus of ultimate decision-making authority in large American corporations. The discretion of corporate managers would be greatly attenuated by political oversight from representatives of the various groups affected by each corporation. If such restrictions are to improve the accountability of corporate executives to their various constituents, i.e. shareholders, workers, and consumers, then it also must be true that:

(1) political control of the corporation is desired by these groups, and (2) adequate constraint on the discretion of professional management is not provided by the current system of corporate governance. These are crucial assumptions in the reasoning that links the interests of the constituent groups with the outcomes expected of the Act if passed. If it can be shown that any of these groups could presently bring about the kind of corporate behavior prescribed in the Act, but do not choose to do so, then it is difficult to argue that the group would be made better-off by legislations forcing such an outcome. The analysis proceeds by examining the ability of the various constituent groups to secure the kinds of corporate performance prescribed by the Act in the absence of such legislation.

THE CORPORATION AND SHAREHOLDERS' INTEREST

There are over thirty million stockholders in the United States, and more than 10,000 corporations with publicly traded stock. These corporations range from small firms with stock traded sporadically over-the-counter, to large corporations with billions of dollars in assets with stock heavily traded on major exchanges. There is great diversity in the operations of these corporations: some are risky investments, others are stable secure investments; some specialize in one product or service, others are conglomerates producing numerous unrelated products and services; some operate in heavily regulated industries, others operate in industries with few restrictions that affect competition. Although investors may buy stock for different reasons, two factors dominate the choice process from theoretical and empirical perspectives; risk and rate of return.

Modern finance theory is based on the proposition that risk and rate of return are the variables on which investors' decisions are made. Investing in one or more of the thousands of publicly traded corporations is only one of many investment opportunities available to owners of capital. Other opportunities include government securities, real estate, precious stones, art work, private and public debt instruments, and individual business ventures conducted on a proprietorship or partnership basis. One may conclude with some certainty that stockholders enjoy a wide range of choice and low transaction costs in their market dealings. As a result, there is little reason to believe that corporate decision-makers are not constrained by the preferences of capital owners and, hence, that the current governance structure of the corporations accurately reflects investors' preferences.

This contradicts the myth that in large modern corporations, hired managers are free from the influence of stockholders because of "the separation of ownership and control." As the story goes, because of the dispersion of ownership, stockholders have had to delegate vast decision-making authority to hired management. As a result, professional managers have come to exercise great discretion without bearing the responsibility of ownership, and without being acountable to the owners of the firms they "govern". This is seen as contrary to the principles of democratic society and a danger to freedom. Nothing could be farther from the truth.

The first thing to realize when discussing corporate governance is that the voluntary delegation of authority to management is crucial to the effective operation of the corporation, and is the mode of governance contractually chosen by capital owners among an infinite variety of institutional arrangements. It is false to argue that the separation of ownership and control was caused by the dispersion of equity ownership over a large body of capital contributions. The reverse is the more accurate direction of causality. Because of the specialization of the ownership (capital contributor) and the professional management function, a dispersion of equity ownership and the resultant efficiency of risk diffusion among a large number of independent investors was made possible. The separation of the ownership and management function made dispersed ownership possible.

Undertanding this it is clear that the delegation of decision-making authority to a hired management group represents a voluntary choice on the part of stockholders. It is hard to imagine that the owners of capital, choosing among the infinite variety of contractual arrangements available, would volunteer to place themselves at a disadvantage in relation to those hired to administer their resources. Even the proponents of the Corporate Democracy Act do not assert that capitalist stockholders are not careful in attending to their interests.

An understanding of the contractual evolution of the corporation, and the wide range of choice available to owners of capital, does not support the notion that corporate managers have been free to disregard the interests of stockholders and make decisions based on personal whims. Stockholders have been free to make contracts with professional managers over time and have, in their best interest, chosen the current structure of corporate governance. Like all market processes, some may disagree with the outcome. But one cannot logically assert that capitalist stockholders are simultaneously self-interested and insensitive to their best interests, with respect to the contractual nature of the corporations they own.

The fact that so many corporations successfully sell stock to the public when numerous alternative investment opportunities exits, and one is free to invent novel forms of business enterprise, suggests that many self-interested investors have determined that the present forms of corporate governance are most preferred. Why do we not presently observe some corporations exhibiting the characteristics prescribed in the Corporate Democracy Act? If such features were desired by even a small number of investors, then to create a corporation with these characteristics would be a way to successfully differentiate a corporation in the competitive capital market. Even the harshest corporate critic would not accuse entrepreneurs of overlooking opportunities to raise capital.

It is interesting to note that in the early 1970s, when there was considerable discussion by the media of the desirability of using corporate resources for various social purposes, a number of brokerage houses began offering advice on that basis. Stockbrokers advertised that they could provide information on corporate social performance so that investors could select only socially responsible firms for their portfolio. A telephone survey in 1974 indicated that none of the brokerage houses that had advertised this service continued to offer it. The explanation in all cases was that there was simply no demand for that kind of information. Thus, stockbrokers, in an effort to anticipate the market demands of their clients, had offered a service providing information on corporate social efforts, but the service was discontinued because so few investors were interested in the information.[1]

The reason corporations do not have the characteristics prescribed by the Act is because investors prefer the organization of corporations *they* establish to those proposed in the Act. Legislation forcing large corporations to adopt these characteristics cannot be defended as being in shareholders' interests. In fact, such legislation would limit the ability of a corporation to be subservient to the interests of its owners, as expressed in contracts voluntarily agreed upon, because federally mandated restrictions on the composition of the Board of Directors and the behavior of the corporation.

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[1] Gerald Keim and Roger Meiners. "Corporate Social Responsibility: Private Means for Public Wants?", *Policy Review*, Summer 1978.

THE CORPORATION AND EMPLOYEE'S INTERESTS

There are about 100 million full-time workers in the United States in 1980. About 16 million work for corporations that would be subject to the Corporate Democracy Act. Will the Act provide benefits for these workers which they could not otherwise obtain? Or, more generally, what determines the characteristics of the relationship between employees and employers in large corporations?

Since approximately 84 percent of the work force choose for one reason or another not to work for large corporations, it is clear that there are numerous alternatives for any worker. The 16 percent of the work force employed by large corporations have chosen to work for these firms over all other alternatives available to them. Recall that this 16 percent of the work force is distributed among more than 690 different corporations. Any one of these large corporations could compete more effectively in the labor market by voluntarily restructuring its organization along the lines proposed in the Corporate Democracy Act if even a small percentage of workers would prefer those characteristics, all other things equal, over the characteristics of competing corporations. Competition among firms for workers is achieved by increased recruiting expenses, increased employee mobility, and increased resources devoted to employee benefits by large corporations in recent years. The fact that most corporations do not exhibit the characteristics described in the Corporate Democracy Act is good evidence that such characteristics are not in demand by substantial numbers of workers.

The notion of a demand for on-the-job freedom and civil rights may seem odd, but clearly it need not. The advantages of selectively giving up freedom through voluntary contractual agreement should seem peculiar only to those who prefer to live in anarchy. Living in civilized society necessarily involves a strategic utility-maximizing sacrifice of total personal freedom. Why this should not extend to the industrial social order is not clear. The proponents of the Corporate Democracy Act can only be asserting that the trade-off workers have made between civil rights on the job and pecuniary income is not to their liking. If complete freedom ruled the industrial setting, little output would be produced and workers would suffer as much from that state of affairs as corporate managers and capitalist shareholders. Once this is understood the question of how much freedom should be yielded in order to have an optimal industrial governance structure is a matter of judgment. Why workers in competitive markets that offer a wide variety of employment opportunities are considered incapable of making such choices is something that proponents of the Act have failed to tell us.

Workers preferences for employment and the conditions of employment are not homogeneous but differ greatly across the population just as do the preferences of investors. As a result, we have a wide range of employment opportunities in terms of salary, risk associated with the job, perquisites associated with employment, travel requirements, and a host of other characteristics. Again, all corporations would be much more similar if there were a homogeneity of workers preferences for employment. The reason that the wide range of employment opportunities does not include corporations with the features of the Corporate Democracy Act must be that there is insignificant demand in the marketplace for them.

THE CORPORATION AND CONSUMERS' INTERESTS

A similar analysis can be applied to the case of consumers. The characteristics of any successful business will be determined in part by the alternatives consumers have to that business. The range of alternatives for investors and for employees is large by any measure, but some supporters of the Corporate Democracy Act may assert that consumers in certain industries are limited to choosing among a few alternatives.

The automobile industry is usually a favorite case in point. For several decades there have been only four producers of domestic automobiles Of the four, General Motors has over half the domestic market share, and the share of Chrysler and American Motors together does not equal the market share of Ford. Is this a case where consumers will have great difficulty in influencing through their demand the characteristics of the corporation with whom they transact business? What alternatives do consumers have? In fact, there are a number of alternatives ranging from a host of foreign cars, whose market share is growing rapidly, as well as the used car industry, and alternative forms of transportation, such as motorcycles, scooters, public transportation, etc. All of these factors tend to reduce the power that any one automobile producer has over consumers. The fact that some automobile producers are offering large rebates suggests that competition is far more virile than some would admit.

Why do we not observe some automobile producers organizing their corporations along the lines suggested by the Corporate Democracy Act? If there is substantial consumer demand for corporations resembling this organizational form, and using resources for the purposes outlined in the Act, then this would be a successful characteristic of differentiation in the marketplace. By now the answer to this question is obvious. Although some consumers, just as some workers, and some investors, may find such characteristics attractive, the percentage must be very small. If not, at least one corporation would find that such features would enhance their ability to increase sales. Even the staunchest corporate critics would acknowledge that corporations seldom need prodding to that end.

THE BASIC ISSUE: CORPORATE EXECUTIVE POWER

The advertised purpose of the Corporate Democracy Act is to change the behavior of corporate managers by changing the locus of corporate power. The preceding discussion suggests that the impact of the Act on corporate behavior will be contrary to the interests of its supposed benefactors. This conclusion follows because proponents of the Act appear to be asserting that its provisions will reduce the power of corporate managers, and increase the power of employees, shareholders, and consumers, thereby increasing their welfare. Unfortunately for this argument, there is no evidence that corporate executives enjoy the kind of power attributed them by the Act's proponents. As a result, one can only conclude that to the extent the Act is successful in changing the power structure of the modern corporation, it will be to take power from the private sector and shift it to the public sector, rather than shift it within the private sector itself.

Implicit in the Act is the belief that large corporations have great power over shareholders, employees, and consumers. Proponents of the Act usually attempt to illustrate such power by stating the dollar value of assets or sales, or the number of employees working for large corporations. However, data describing the absolute size of an organization have little to do with the degree of power that decisionmakers in that organization have. Power over individuals is based on the availabiilty of alternatives and the ability to coerce, not on characteristics of size.[2]

For example, General Motors has very little power over people who use the subways in New York and Washington, D.C., people who drive Toyotas, people who ride bicycles, and numerous other demanders of transportation services who face a variety of alternatives to G.M. automobiles. Despite the fact that G.M. has assets and employees which would dwarf most states of the Union and many members of the United Nations it has little power over its constituents. On the other hand, even very small governments wield great power over their constituents. The government of Rhode Island is very small measured on the basis of assets or payrolls. Yet the governor of Rhode Island could make many decisions contrary to the preferences of many voters that would impact adversely upon them until they moved, forced impeachment, or waited for the next election. For the stockholder, employee, or consumer of G.M., the costs of choosing alternatives is small relative to the citizen of a state. Hence, G.M. has relatively less power than state governments and obviously much less than national governments. In fact, since the constituents of G.M. and other large corporations have a wide variety of alternatives, and because corporations have little ability to coerce, the question of their power loses much of its significance.

The decisions of corporate managers are tempered by their predicted impact on affected parties who have low cost alternatives in the stock, labor, and product markets.[3] The Corporate Democracy Act, by discounting these limits on managerial discretion, would have the impact of reducing the power of the groups its proponents claim to be protecting. The outcomes we observe in the corporate sector are those chosen by stockholders, workers, and consumers. If the Act is successful in bringing about any change, it will, by the coercive power of the federal government, replace freely determined outcomes with those preferred by the proponents of the Act. That could only have ad adverse impact on the welfare of all private sector participants in corporate production.

CONCLUSION

Corporations must successfully compete in capital markets, labor markets, and product and service markets. Our present corporations exhibit the characteristics, in organizational structure and the manner in which they deal with market constituents, that have enabled them to survive in a competitive environment. Certainly not every constituent in every market is completely satified. However, if there is enough dissatisfaction by constituents in any market to enable a corporation to gain constituents (investors, better or cheaper employees, or more sales) by differentiating their organization, self-interested entrepreneurs would attempt to exploit the opportunity. Such action would increase the power of the unsatisfied constituents by expanding their alternatives.

To the extent that laws limit the discretion of executives to adapt their organizations to compete for the interests of dissatisfied constituents, the power of constituents is reduced. The Corporate Democracy Act would drastically alter the organizational form and the operating procedures of the corporations that form the productive core of our economy. The changes would be from organization designs and procedures that have freely evolved over time by successfully competing in the constituent markets, to mandated forms that do not exist anywhere in our society, workers, investors, and consumers would not be given the freedom to deal with corporations that have characteristics most commonly observed, all would be forced to behave in manners chosen by few. This is a peculiar notion of corporate democracy.

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[2] Barry Baysinger and Roger Meiners. "Political Control of the Corporation," mimeograph, Texas A&M University, 1980.

[3] Ralph Winter. *Government and the Corporation,* D.C. AEI, 1978.

AFFIRMATIVE ACTION VERSUS EQUAL PROTECTION—XI

Mr. HATCH. Mr. President, one of the harmful effects of the policy of affirmative action is that it inevitably leads toward what can only be described as a less perfect union. It exacerbates and institutionalizes divisions within the American nation.

A powerful description of this effect appeared in the March 15 issue of the National Journal, Timothy B. Clark, discussing the decision to include for the first time questions about racial categories and ethnicity in the decennial census, quotes an official as saying:

> You can put a dollar sign in front of the numbers generated on ethnic minorities . . .
>
> "You can put a dollar sign in front of the numbers" generated on ethnic minorities . . . because of the federal aid those numbers will enable them to demand.

I can only echo Clark's concluding cry, when contemplating the ethnicity query,

> Would it be fundamentally un-American to allow one to report to the government, on question 11, that one is an American?

I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

HYPHENATED POLITICS

When Vincent Pasquale Barabba was growing up in Chicago 40 years ago, his father, a first-generation immigrant from Italy, made it a point not to speak Italian in his home. "He was afraid we might grow up with an accent," Barabba recalled.

Times have changed, and today Barabba finds himself overseeing a decennial census designed to elicit information on Americans' ethnic backgrounds. Far from hiding their heritage in the nation's melting pot, Italian, Hispanic, Polish, Ukranian and other groups have insisted successfully that the U.S. government help them find out how many they are and how they are doing in today's society.

It is a troubling development. Years ago, when Theodore Roosevelt deplored "hyphenated" Americans, he had a good point. So pronounced is the trend to hyphenation these days that the motto emblazoned on the Great Seal of the United States, *E pluribus Unum*, one from many, might just as well read *Ex Uno Pluris*, many from one.

The movement is evident in the government, with more and more programs aimed at blacks, Hispanics, Asian Americans, women and other groups clamoring for special attention. It is a trend that has been encouraged by the Carter Administration. Last month, the White House established an Office of Ethnic Affairs, headed by an Italian politician from New York who works in the East Wing, alongside men whose jobs are to deal with blacks, Hispanics and Jews, and a woman dealing with women. In January, the Carter-Mondale campaign appointed a New York City attorney of Chinese extraction as deputy campaign chairman for Asian American affairs.

Perhaps one can dismiss these appointments as harmless election-year steps to enhance the President's standing with racial and ethnic groups. But the census, in which 86 million households and more than 200 million people will participate next month, is quite another matter.

For the first time in the census's history, all respondents this year will be required to list their race in one of 15 categories: white, black or Negro, Japanese, Chinese, Filipino, Korean, Vietnamese, Indian (American), Asian Indian, Hawaiian, Guamanian, Samoan, Eskimo, Aleut or other. The census instruction booklet asks individuals to choose "the category with which the person most closely identifies."

This question (No. 4) appears on both the short form and the long form, which will go to 20 percent of the 86 million households. The long form includes another question (No. 11) on ethnicity: "What is this person's ancestry?" It offers these examples: "Afro-American, English, French, German, Honduran, Hungarian, Irish, Italian, Jamaican, Korean, Lebanese, Mexican, Nigerian, Polish, Ukrainian, Venezuelan, etc."

"Print the ancestry group with which the person identifies," the instructions say. "Persons who are of more than one origin and who cannot identify with a single group should print their multiple ancestry (for example, German-Irish) . . . A religious group should not be reported as a person's ancestry."

You may have noticed that the examples do not include Spain, Cuba or Puerto Rico. That's because, again for the first time, there is a question (No. 7) asking: "Is this person of Spanish/Hispanic descent?" This question is on the form because Hispanic groups two years ago persuaded Congress to require that it be asked. In turn, other ethnic groups demanded their own questions, and eventually the White House gave them questions 4 and 11.

The White House decision was not an easy one. In trial runs for the census, fully one-third of the respondents did not answer question 11, and even when the Census Bureau sent enumerators to follow up, the failure rate was 13 per cent.

In August 1978, James T. McIntyre Jr., director of the Office of Management and Budget (OMB), sent Vice President Walter F. Mondale a memo warning that such a low response rate "would severely threaten the credibility of any ethnic data collected." He attached a memo from deputy associate OMB director Stanley E. Morris arguing against the ancestry question "because of the over-all cost of the census (close to $1 billion), the need to minimize unnecessary expenses of follow-up for nonresponses and the importance of accurate counts."

Morris made a stronger case against the ancestry question in a memo to McIntyre on Jan. 23, 1979. "The proposed approach discourages the public from identifying themselves as Americans," he wrote. "The answers are entirely subjective and not subject to verification. The anticipated results have been labeled 'meaningless and misleading' by the House Select Committee on Population staff. There is no federal program need for these data. The question is proposed basically because of special-interest group support for some kind of item on family background."

Morris concluded reluctantly that higher OMB officials thought that "the strong interest of the Vice President's office and others in having the question on the census is sufficient reason for conceding on this issue," noting that "if deleted, this question could create an uproar from interest groups [that] think they can use this question in securing federal funds, resolution of affirmative action complaints, etc."

Barabba offered a more pointed comment on the motivation of the ethnic interest groups. "You can put a dollar sign in front of the numbers" generated on ethnic minorities, he said, because of the federal aid those numbers will enable them to demand.

The census includes other inquiries so difficult that some Members of Congress have predicted their constituents will not respond, and GOP presidential candidate Ronald Reagan has said it was his "instinct" to answer only questions about how many people live in the house. Question 12, for example, asks homeowners to list their utility and fuel costs; it had a 40 percent nonresponse rate in dress rehearsals.

But this and other nosy questions that probably will generate unreliable data are not as disturbing as the questions requiring people to search their family trees. Would it be fundamentally un-American to allow one to report to the government, on question 11, that one is an American?

A BALANCED FISCAL YEAR 1981 BUDGET THAT MEETS OUR DEFENSE AND ECONOMIC NEEDS

Mr. CRANSTON. Mr. President, I am for a balanced budget in fiscal year 1981. I believe that in our fight against inflation, it is absolutely essential that the Government demonstrate its fiscal responsibility as a necessary first step. And the Government can make that demonstration only with a budget that is in balance. Long ago I committed myself to fight for a balanced budget in fiscal year 1981.

And I have followed up that commitment with hard, serious work designed to pare down our spending and to insure that the revenues we collect are in balance with our anticipated expenditures, with plenty of room for a cushion against unanticipated weakness in the economy, which—as it affects people's income and corporations' profits—reduces our tax revenues and automatically increases our outlays to meet the needs of the newly unemployed.

It is possible to produce such a budget using commonsense and in a way which will meet our essential national security needs and still not abandon those whose very survival depends on Government support—those who use food stamps to buy the necessities of life are but one example. And my suggested budget meets this test.

I believe we must provide for a realistic increase in our defense capability even above the 3 percent real growth that President Carter's January budget requested, and even above the $4.3 billion net increase in fiscal year 1981 outlays over the January budget that his March revisions asked for. And my suggested budget adds more than $2.5 billion in fiscal year 1981 outlays to the President's March defense request, which is the level supported by the Secretary of Defense and by the Joint Chiefs of Staff.

In the extended serious discussions that several Members of this body participated in, during which the fiscal constraints and competing priorities were weighed carefully against one another, a consensus agreed that a sane and sensible level of defense spending could be achieved to meet our identifiable needs, with available revenues, and without depriving us of the opportunity to help meet the vital human needs of our most vulnerable citizens. The budget I have proposed sets such a level.

Should we need more later for defense, as a result of newly identified and specified needs, we could resort to the cushion against such contingencies provided by the revenues from the tariff on imports, and thus maintain the balance in our budget alternatives, as a general consensus of those participating in leadership discussions recently agreed, Congress could enact a 1-year surtax on the incomes of our wealthiest citizens—and not take it out of needed domestic programs. Or, to meet specific and urgent defense needs that may be perceived, Congress could employ other revenue measures.

Meanwhile, the Pentagon has started a rush to spend money in order to clear the pipeline for the flood of new spending which some in this body would lavish upon it. The Pentagon has accelerated its commitment of funds at such a rate that from last Friday to early this week, CBO was required to revise its outlay estimate for the President's 1981 budget by $1 billion.

I hope that our budget can reserve, as a cushion against economic fluctuations—or as a basis for a substantial, tax cut, if the economy permits—all of the oil import fee which the President has already imposed.

My proposed budget is balanced without using a cent of the President's import fee/gasoline tax which he estimates will collect $12.6 billion in fiscal year 1981. The Congressional Budget Office, on which Congress depends for such estimates, believes the amount to be $10 billion. (In the table which I will include in the RECORD at the end of my statement, all of the revenue numbers estimate revenues without including any portion of the oil import fee).

My balanced budget anticipates we will collect $617.3 billion in revenues in fiscal year 1981. The President's budget estimates revenues will be $612.0 under current law, and he has sought authority to withhold taxes on interest and dividend income, which he believes will add $3.4 billion to the revenue base, for total revenues of $615.4 billion. Using CBO's economic estimates, the equivalent number is $617.3 billion. That is the same number I have used.

My suggested budget is in balance because I accepted the revenue estimate from the source on which Congress must depend—CBO—and then pared down spending to the level of anticipated revenues, while holding the oil import fee in reserve. I believe that is the responsible way to achieve a balanced budget. My very constrained budget includes room in the international affairs function for some, but probably not all, of the funds I believe desirable for promotion of American export goods, vital to our attempts to expand our trade with China.

And it eliminates any doubt—and there is considerable doubt—that funds for economic assistance to Israel can be provided without substantially damaging either the food for peace program or other programs in the international affairs function of the budget.

My proposed budget provides room for energy conservation and solar energy which the Senate has repeatedly supported, but for which the Senate Budget Committee no longer provides room.

And what is more vital in our fight against inflation than our efforts to rid ourselves of our dangerous dependence on foreign oil and the huge outflow of dollars from our economy that it produces?

My proposed budget would restore responsible levels of Federal funding for transportation and mass transit.

And, perhaps most importantly it provides room—though not very much room, and I will let the number's speak for themselves—for some maintenance of effort in programs that serve desperate and needy human beings, at a time when our economy may be teetering on the brink of a deep recession in which they will be the first to be hurt and will suffer the most.

Every elemental human service assisted by the Federal Government housing, food, health care and jobs, would be devastated by the budget which has been reported by the Budget Committee, and a number of medical and other vital facilities for veterans would actually be forced to shut down.

My budget would not permit this to happen.

I will have more to say about the details of these budgets.

For now, I ask my colleagues simply to examine the proposals that have been made.

I ask unanimous consent that table 1 displaying the comparative budgets be included following my remarks at this point:

There being no objection, the table was ordered to be printed in the RECORD, as follows:

		Carter March budget	CBO re-est of Carter March budget	House Budget Committee	Senate Budget Committee	Cranston draft for discussion
National defense—050	BA	164.5	164.3	160.8	173.4	165.0
	O	150.5	153.1	147.9	155.7	153.2
International affairs—150	BA	18.2	24.6	24.0	23.4	24.6
	O	10.1	10.2	9.6	9.5	9.9
Science and space—250	BA	6.6	6.6	6.7	6.4	6.6
	O	6.2	6.3	6.3	6.1	6.2
Energy—270	BA	6.9	7.0	7.5	3.9	7.0
	O	6.9	7.1	7.1	6.8	7.0
National resources and environment—300.	BA	12.5	12.4	12.0	11.6	12.4
	O	12.5	12.7	12.4	12.0	12.6
Agriculture—350	BA	5.5	5.4	5.4	5.6	5.4
	O	2.0	2.3	2.3	2.3	2.3
Commerce and houseing credit—370.	BA	5.6	5.7	5.1	5.1	5.7
	O	.4	.6	−.1	.2	.2
Transportation—400	BA	23.4	23.4	22.8	19.9	23.4
	O	19.0	19.3	19.5	18.2	19.3
Community and regional development—450	BA	9.0	9.1	9.0	8.9	9.0
	O	8.5	9.7	9.4	9.3	9.4
Education training, and Social services—500.	BA	33.0	32.9	33.3	29.4	32.9
	O	30.6	30.8	30.7	28.4	30.7
Health—550	BA	71.1	71.6	71.5	70.9	71.1
	O	61.9	62.8	61.8	61.9	62.6
Income security—600	BA	251.6	252.4	252.1	245.3	252.1
	O	220.1	221.1	220.1	218.3	220.0
Veterans—700	BA	22.5	22.1	21.7	21.5	22.3
	O	21.4	21.3	21.2	21.0	21.4
Justice—750	BA	4.3	4.3	4.2	4.2	4.2
	O	4.6	4.6	4.6	4.6	4.6
General government—800	BA	4.9	4.7	4.7	4.6	4.6
	O	4.8	4.6	4.6	4.3	4.3
Fiscal assistance—850	BA	6.8	6.8	6.2	6.3	6.8
	O	7.4	7.3	6.8	6.8	7.0
Interest—900	BA	68.4	71.8	72.2	72.2	71.8
	O	68.4	71.8	72.2	72.2	71.8
Allowances—920	BA	1.7	1.6	0	0	0
	O	1.4	1.3	0	0	0
Undistributed offsets—950	BA	−24.9	−24.7	−24.6	−24.7	−24.7
	O	−24.9	−24.7	−24.6	−24.7	−24.7
Total	BA	691.3	701.9	694.6	687.9	700.7
	O	611.5	622.2	611.8	612.9	617.3
Revenues		615.4	617.3	613.8	612.9	617.3
Deficit/surplus		3.9	−4.9	+2.0	([1])	([1])

[1] Revenues do not include the oil import fee.

Mr. President, we do not have to wreck our economy in order to balance the budget. That will only lead ultimately to an unbalanced budget.

We do not have to shortchange our national defense in order to balance the budget. That would lead only to disaster.

We can have a strong defense and we can have a strong economy and we can have a balanced budget.

My alternative proposal does all three.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

REPORT OF THE U.S. GENERALIZED SYSTEM OF PREFERENCES—MESSAGE FROM THE PRESIDENT—PM 199

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Finance:

To the Congress of the United States:

Herewith is my report to Congress on the first five years' operation of the U.S. Generalized System of Preferences (GSP). This report is required by Section 505 of the Trade Act of 1974 (19 U.S.C. 2465).

The report reviews the major provisions and regulations which govern the administration of the U.S. GSP. An analysis of the impact of the U.S. program on the economies of developing countries and on the U.S. economy is included in the report, along with a comparison of the U.S. program with those of the other major developed countries. The report also reviews the operation of the GSP competitive need limits and the distribution of benefits among developing countries. Finally, the report outlines certain modifications designed to improve the overall operation of the program. These will be introduced this year.

Jimmy Carter.

The White House, *April 17, 1980.*

FURTHER PROHIBITIONS ON TRANSACTIONS WITH IRAN—MESSAGE FROM THE PRESIDENT—PM 200

The PRESIDING OFFICER laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

Pursuant to section 204(b) of the International Emergency Economic Powers Act, 50 U.S.C. 1703, I hereby report to the Congress that I have today declared a further national emergency and exercised the authority granted by this Act to impose further prohibitions on transactions with Iran.

I am enclosing a copy of an Executive Order I have issued today making this declaration and exercising these authorities pursuant to 50 U.S.C. 1641(b).

1. The circumstances necessitating the exercise of this authority are the continuing events in Iran, including the actions and omissions of the Government of Iran in violation of its obligations under international law, which caused me to declare a national emergency on November 14, 1979, and to take the action set forth in Executive Order No. 12170 of November 14, 1979, and Executive Order No. 12205 of April 7, 1980, and the additional unusual and extraordinary threat to the national security, foreign policy and economy of the United States created by events subsequent to November 14, 1979, in Iran and neighboring countries, including the Soviet invasion of Afghanistan.

2. The events in Iran and neighboring countries threaten the strategic and vital interests of the United States. The occupation of the United States Embassy in Tehran and the taking and holding of American citizens hostage there and the Soviet occupation of Afghanistan are flagrant violations of the international order upon which the security of all nations and international peace are based. Such actions in a region of such vital importance to the United States, and most of the world, constitute a grave threat to the national security, foreign policy and economy of the United States.

3. For these reasons, I find it necessary to prohibit the following:

(a) Effective immediately, the direct or indirect import from Iran into the United States of Iranian goods or services, other than materials imported for news publication or news broadcast dissemination.

(b) Effective immediately, any transaction with a foreign person or foreign entity by any citizen or permanent resident of the United States relating to that person's travel to Iran after today. (I am simultaneously authorizing the Secretary of State to institute passport and departure controls to restrict travel to Iran by citizens and permanent residents of the United States.)

(c) Effective seven days from today, the payment by or on behalf of any citizen or permanent resident of the United States who is within Iran of any expenses for transactions within Iran.

The prohibitions in paragraphs (b) and (c) will not apply to a person who is also a citizen of Iran or a journalist or other person who is regularly employed by a news gathering or transmitting organization and who travels to Iran or is within Iran for the purpose of gathering or transmitting news, making news or documentary films, or similar activities.

4. Effective immediately, I have also amended Executive Order No. 12205 to prohibit payments, transfers of credit or other transfers of funds or other property or interests therein to any person in Iran, except for purposes of family remittances. This prohibition also does not apply to news gathering activities.

5. I have also directed the Secretary of the Treasury effective fourteen days from today, to revoke existing licenses for transactions by persons subject to the jurisdiction of the United States with Iran Air, the National Iranian Oil Company, and the National Iranian Gas Company previously issued pursuant to regulations under Executive Order No. 12170 or Executive Order No. 12205. This will have the effect of closing down the offices in the United States of those entities.

6. In addition, I have ordered that all undelivered military equipment and spare parts purchased by Iran through the Department of Defense under the Arms Export Control Act now be distributed to our own Armed Forces or transferred to other buyers. The delivery of these defense articles was suspended in November 1979, and they are presently in storage or in the procurement pipeline.

7. This action is taken with respect to Iran and its nationals for the reasons described in this report.

Jimmy Carter.

The White House, *April 17, 1980.*

MESSAGE FROM THE HOUSE

At 11:52 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, with an amendment in which it requests the concurrence of the Senate:

S. 2009. An act to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3479. A communication from the Secretary of Agriculture, transmitting, pursuant to law, a report on animal welfare enforcement for fiscal year 1979; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3480. A communication from the Acting Secretary of Agriculture, transmitting, for the information of the Senate, proposed changes to recently submitted proposed legislation relating to the Child Nutrition Act necessitated by the Administration's fiscal year 1981 budget revisions; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3481. A communication from the Principal Deputy Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on the transfer of certain funds appropriated to the Department of Defense; to the Committee on Appropriations.

EC-3482. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report on the authorization of a deficiency in certain appropriations of the Department of Defense; to the Committee on Appropriations.

EC-3483. A communication from the Deputy Director of the Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a report on the reapportionment of an appropriation to the Department of the Treasury on a basis that indicates the necessity for a supplemental estimate of appropriation; to the Committee on Appropriations.

EC-3484. A communication from the Chairman of the Federal Election Commission, transmitting, pursuant to law, a copy of its submission to the Office of Management and Budget concerning a supplemental appropriation request for fiscal year 1981; to the Committee on Appropriations.

EC-3485. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to authorize the Secretary concerned or the Secretary's designee to determine the period of time to be allowed to a Reservist between the time he or she is ordered to active duty and the time he or she enters upon active duty; to Committee on Armed Servces.

EC-3486. A communication from the Secretary of the Navy, transmitting, pursuant to law, a report on a study with respect to converting the functions of operations and maintenance of the Naval Fuel Depot Detachment, Casco Bay, Maine, and a decision that performance under contract is the most cost-effective method accomplishing it; to the Committee on Armed Services.

EC-3487. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend title 10, United States Code, to provide for annual adjustments of retired and retainer pay to reflect changes in the Consumer Price Index; to the Committee on Armed Services.

EC-3488. A communication from the Acting Assistant Secretary of the Army (Installations, Logistics, and Financial Management), transmitting, pursuant to law, a report with respect to a study of converting the functions of packing and crating services at Fort Levinworth, Kansas, and the decision that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3489. A communication from the Deputy Assistant Secretary of Defense (Installations and Housing), transmitting, pursuant to law, a report on 21 construction projects to be undertaken by the Air National Guard; to the Committee on Armed Services.

EC-3490. A communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to the United Kingdom for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3491. A confidential communication from the Director of the Defense Security Assistance Agency, transmitting, pursuant to law, a report on the Department of the Navy's proposed letter of offer to the Netherlands for defense articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3492. A communication from the Under Secretary of Defense (Research and Engineering), transmitting, purusant to law, the annual report on the Defense Industrial Reserve for calendar year 1979; to the Commttee on Armed Services.

EC-3493. A communication from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs, and Logistics), transmitting, pursuant to law, a report on the adequacy of pay and allowances of the uniformed services; to the Committee on Armed Services.

EC-3494. A communication from the General Counsel of the Department of Defense, transmitting, pursuant to law, a copy of an executive order prescribing amendments to the Manual for Courts-Martial, United States, 1969 (Revised Edition); to the Committee on Armed Services.

EC-3495. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Ways Of Providing A Fairer Share Of Federal Housing Support To Rural Areas"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3496. A communication from the Assistant Secretary of Defense (Comptroller), transmitting, pursuant to law, a report on requests for access to financial records of any customer from a financial institution for calendar year 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3497 A communication from the Chairman of the Securities and Exchange Commission, transmitting, pursuant to law, the annual report of the Securities and Exchange Commission for fiscal year 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3498. A communication from the President and Chairman of the Export-Import Bank of the United States, transmitting, pursuant to law, a report with respect to a transaction involving United States exports to the Republic of Korea; to the Committee on Banking, Housing, and Urban Affairs.

EC-3499. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Metropolitan Atlanta's Rapid Transit System: Problems And Progress"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3500. A communication from the Secretary of Housing and Urban Development transmitting, pursuant to law, the Annual Report on the Urban Initiative Anti-Crime Program; to the Committee on Banking, Housing, and Urban Affairs.

EC-3501. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report entitled "U.S. Industrial Outlook for 1980"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3502. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, a report to Congress of the Commission's nunc pro tunc extension of the 120 day time limit to July 2, 1979 in the Southern Pacific Transportation Company-Discontinuance of Commute Service, San Francisco-San Jose proceeding; to the Committee on Commerce, Science, and Transportation.

EC-3503. A communication from the Chairman of the Interstate Commerce Commission, transmitting, pursuant to law, the 93rd Annual Report of the Interstate Commerce Commission; to the Committee on Commerce, Science, and Transportation.

EC-3504. A communication from the President of the Motor Vehicle Manufacturers Association, transmitting, for the information of the Senate, a report by University of Michigan researchers on the use of mathematical models to forecast the effects of proposed government policies; to the Committee on Commerce, Science, and Transportation.

EC-3505. A communication from the Chairman of the National Transportation Safety Board, transmitting, pursuant to law, a copy of a submission by the Board to the Office of Management and Budget; to the Committee on Commerce, Science, and Transportation.

EC-3506. A communication from the Chairman of the Civil Aeronautics Board and the Secretary of Transportation, transmitting, jointly, pursuant to law, the "Subsidy Cost-Sharing" report; to the Committee on Commerce, Science, and Transportation.

EC-3507. A communication from the Secretary of the Interstate Commerce Commission, transmitting, pursuant to law, a report on an indefinite extension of time for acting upon a pending appeal by the Norfolk and Western Railway Company relative to certain abandonments; to the Committee on Commerce, Science, and Transportation.

EC-3508. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report on the Motorcycle Helmet Study; to the Committee on Commerce, Science, and Transportation.

EC-3509. A communication from the Vice President for Government Affairs of the National Railroad Passenger Corporation, transmitting, pursuant to law, a report for the month of January, 1980, relative to passenger per day and on-time performance; to the Committee on Commerce, Science, and Transportation.

EC-3510. A communication from the Chairman of the Civil Aeronautics Board, transmitting, pursuant to law, the Board's Annual Report for fiscal year 1978; to the Committee on Commerce, Science, and Transportation.

EC-3511. A communication from the Secretary of the Interior, transmitting, pursuant to law, his certification and report on the amount of money expended by the Commonwealth of Massachusetts, the City of Lowell and nonprofit entities for certain historic preservation activities; to the Committee on Energy and Natural Resources.

EC-3512. A communication from the Secretary of the Interior, transmitting, pursuant to law, his final five-year leasing program for offshore oil and gas; to the Committee on Energy and Natural Resources.

EC-3513. A communication from the Director of the Office of Hearings and Appeals of the Department of Energy, transmitting, pursuant to law, the Quarterly Report on Private Grievances and Redress for the first quarter of fiscal year 1980; to the Committee on Energy and Natural Resources.

EC-3514. A communication from the Acting Under Secretary, Department of Energy, transmitting, pursuant to law, a report entitled "Federal Policies to Promote the Widespread Utilization of Photovoltaic Systems, Volume II: Technical Document," March 24, 1980; to the Committee on Energy and Natural Resources.

EC-3515. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, notices of meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3516. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Federal Demonstrations of Solar Heating and Cooling on Commercial Buildings Have Not Been Very Effective," April 15, 1980; to the Committee on Energy and Natural Resources.

EC-3517. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, the third annual report on the administration of the Toxic Substances Control Act; to the Committee on Environment and Public Works.

EC-3518. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, an emergency prospectus in the amount of $2,916,000 to replace the roof system of the Chet Holifield Federal Building located at Laguna Niguel, California, to prevent further damage to sophisticated computer equipment and other Government property and to eliminate hazardous working conditions; to the Committee on Environment and Public works.

EC-3519. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposes the acquisition of space by lease in Portland, Oregon; to the Committee on Environment and Public Works.

EC-3520. A communication from the Administrator, United States Environmental Protection Agency, transmitting, pursuant to law, State Water Quality Inventory Reports for 1978; to the Committee on Environment and Public Works.

EC-3521. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a report relating to the Architectural Barriers Act of 1968, as amended; to the Committee on Environment and Public Works.

EC-3522. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, proposed regulations pertaining to the administration of the Presidential Primary Matching Payment Account Act; to the Committee on Finance.

EC-3523. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), reporting, pursuant to law, on annual meetings of the Asian Development Bank and the African Development Bank; to the Committee on Foreign Relations.

EC-3524. A communication from the Assistant Secretary for Congressional Relations, Department of State, reporting, pursuant to law, on establishing a special investigatory commission charged with the responsibility of securing a full accounting of Americans listed as missing in Southeast Asia; to the Committee on Foreign Relations.

EC-3525. A communication from the Assistant Secretary for Congressional Relations, Department of State, reporting, pursuant to law, that the Government of Egypt has requested that the U.S. Government permit the use of Foreign Military Sales financing for the purchase of services and materials to co-produce 12 Sea Spectre 65' patrol boats; to the Committee on Foreign Relations.

EC-3526. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-3527. A communication from the Assistant Secretary for Congressional Relations, Department of State, transmitting, pursuant to law, an air transport agreement between the American Institute in Taiwan and the Coordination Council for North American Affairs; to the Committee on Foreign Relations.

EC-3528. A communication from the Director, United States International Development Cooperation Agency, transmitting, pursuant to law, a report entitled "Title XII, Famine Prevention and Freedom From Hunger"; to the Committee on Foreign Relations.

EC-3529. A communication from the Secretary, Commodity Futures Trading Commission, transmitting, pursuant to request, a supplement to the commission's annual report; to the Committee on Governmental Affairs.

EC-3530. A communication from the President, Mississippi River Commission, Corps of Engineers, Department of the Army, transmitting, pursuant to law, a report relating to the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3531. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, the board's third annual report covering the implementation of its administrative responsibilities under the Government in the Sunshine Act during calendar year 1979; to the Committee on Governmental Affairs.

EC-3532. A communication from the Assistant Secretary for Planning and Evaluation, Designate, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a new system of records; to the Committee on Governmental Affairs.

EC-3533. A communication from the Assistant Secretary for Health and Surgeon General, Department of Health, Education, and Welfare, transmitting, pursuant to law, a report on a found system of records; to the Committee on Governmental Affairs.

EC-3534. A communication from the Secretary of Energy, commenting, pursuant to law, on the report of the department's Inspector General for calendar year 1979; to the Committee on Governmental Affairs.

EC-3535. A communication from the Secretary of Labor, transmitting a draft of proposed legislation to amend chapter 81 of title 5, United States Code, to provide for annual cost-of-living adjustments of compensation under the Federal Employees' Compensation Act, as amended; to the Committee on Governmental Affairs.

EC-3536. A communication from the Chairman, United States Parole Commission, Department of Justice, transmitting, pursuant to law, a report relating to the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3537. A communication from the Executive Secretary, National Mediation Board, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3538. A communication from the Chairman, Federal Deposit Insurance Corporation, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3539. A communication from the Assistant Secretary for Administration, Department of Housing and Urban Development, transmitting, pursuant to law, a report on a new system of records; to the Commmittee on Governmental Affairs.

EC-3540. A communication from the Secretary, Postal Rate Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3541. A communication from the President, The Mortgage Corporation, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3542. A communication from the President, Legal Services Corporation, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3543. A communication from the Staff Director, United States Commission on Civil Rights, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3544. A communication from the Secretary, Federal Trade Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3545. A communication from the Chairman, Council on Environmental Quality, Executive Office of the President, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3546. A communication from the Chairman, Occupational Safety and Health Review Commission, tranmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3547. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Examination of the Rural Telephone Bank's Financial Statements for the Fiscal Year Ended September 30, 1979," April 11, 1980; to the Committee on Governmenal Affairs.

EC-3548. A communication from the Director, Office of Personnel Management, transmitting, pursuant to law, a final version of a proposed demonstration project entitled "An Integrated Approach to Pay, Performance Appraisal, and Position Classification for More Effective Operation of Government Organizations," as approved by the Office of Personnel Management; to the Committee on Governmenal Affairs.

EC-3549. A communication from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend chapter 83 of title 5, United States Code, to provide for annual cost-of-living adjustments to civil service annuities, to provide for the proration of initial cost-of-living adjustments, and for other purposes; to the Committee on Governmental Affairs.

EC-3550. A communication from the Chairman, Civil Aeronautics Board, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3551. A communication from the Chairwoman, Merit Systems Protection Board, transmitting a draft of proposed legislation to create an independent Office of the Special Counsel; to the Committee on Governmenal Affairs.

EC-3552. A communication from the Chairman, Federal Maritime Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3553. A communication from the Chairman, National Labor Relations Board, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act: to the Committee on Governmental Affairs.

EC-3554. A communication from the Chairman, U.S. Consumer Product Safety Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3555. A communication from the Governor, Farm Credit Administration, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3556. A communication from the President, Overseas Private Investment Corporation, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3557. A communication from the Chairman, Board of Directors, Tennessee Valley Authority, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3558. A communication from the Secretary, Railroad Retirement Board, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3559. A communication from the Under Secretary for International Affairs and Commodity Programs, Department of Agriculture, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3560. A communication from the Comptroller General of the United States, reporting, pursuant to law, in the matter of payment for newspaper advertisements without prior authorization; to the Committee on Governmental Affairs.

EC-3561. A communication from the Attorney General of the United States, reporting, pursuant to law, on applications made for orders and extensions of orders approving electronic surveillance during calendar year 1979 under the Foreign Intelligence Surveillance Act of 1979; to the Committee on the Judiciary.

EC-3562. A communication from the Administrator, U.S. Small Business Administration, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act for 1979; to the Committee on the Judiciary.

EC-3563. A communication from the Acting Administrator, Law Enforcement Assistance Administration, U.S. Department of Justice, transmitting, pursuant to law, the LEAA's eleventh annual report; to the Committee on the Judiciary.

EC-3564. A communication from the Deputy Assistant Secretary of Defense, transmitting, pursuant to law, a report on Extraordinary Contractual Actions to Facilitate the National Defense; to the Committee on the Judiciary.

EC-3565. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders suspending deportation, as well as a list of the persons involved; to the Committee on the Judiciary.

EC-3566. A communication from the Chairman, Federal Election Commission, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3567. A communication from the Acting Assistant Secretary for Congressional Relations, Department of State, transmitting a draft of proposed legislation to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

EC-3568. A communication from the Executive Director, Committee for Purchase From the Blind and Other Severely Handicapped, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3569. A communication from the General Counsel, Council on Wage and Price Stability, Executive Office of the President, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3570. A communication from the Director, Federal Mediation and Conciliation Service, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3571. A communication from the Comptroller General of the United States; transmitting, pursuant to law, a report entitled "Agencies When Providing Federal Financial Assistance Should Ensure Compliance With Title VI," April 15, 1980; to the Committee on the Judiciary.

EC-3572. A communiation from the Chairwoman, Merit Systems Protection Board, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3573. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, copies of orders entered in 1,543 cases in which the authority contained in section 212(d)(3) of the Immigration and Nationality Act was exercised in behalf of such aliens; to the Committee on the Judiciary.

EC-3574. A communication from the Acting Commisioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 1,729 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-3575. A communication from the Chairman, Railroad Retirement Board, transmitting a draft of proposed legislation to amend the Railroad Retirement Act of 1974 to provide that the amount authorized to be appropriated to the Railroad Retirement Account each fiscal year to subsidize the costs of "windfall" benefits shall not exceed $350,000,000; to the Committee on Labor and Human Resources.

EC-3576. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the Educational Improvement, Resources, and Support Program; to the Committee on Labor and Human Resources.

EC-3577. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on the status of health professions personnel in the United States; to the Committee on Labor and Human Resources.

EC-3578. A communication from the Executive Secretary to the Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations revising current regulation sections for the program administered by the Fund for Improvement of Postsecondary Education (General Education Provision Act, as amended, 20 U.S.C. 1221d); to the Committee on Labor and Human Resources.

EC-3579. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on Headstart Services to Handicapped Children; to the Committee on Labor and Human Resources.

EC-3580. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Action Needed to Improve Management and Effectiveness of Drug Abuse Treatment," April 14, 1980; to the Committee on Labor and Human Resources.

EC-3581. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the Ethnic Heritage Studies Program; to the Committee on Labor and Human Resources.

EC-3582. A communication from the Administrator, Veterans' Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons; to preclude tutorial assistance to eligible veterans by certain family members; to terminate the authority for the veterans' representatives program; to allow certain veterans with active duty service prior to January 1, 1977 to participate in the chapter 32 program; to provide for distribution of unused chapter 32 contributions upon the death of the participant; and for other purposes; to the Committee on Veterans' Affairs.

EC-3583. A communication from the Director, Office of Management and Budget, Executive Office of the President, transmitting, pursuant to law, a cumulative report on rescissions and deferrals, April 1, 1980; to the Committee on Appropriations, the Committee on the Budget, the Committee on Energy and Natural Resources, the Committee on Labor and Human Resources, the Committee on Commerce, Science, and Transportation, the Committee on Foreign Relations, the Committee on Agriculture, Nutrition, and Forestry, the Committee on Armed Services, the Committee on Finance, the Committee on the Judiciary, the Committee on Banking, Housing, and Urban Affairs, the Committee on Governmental Affairs, the Select Committee on Indian Affairs, and the Committee on Environment and Public Works, jointly, pursuant to order of January 30, 1975.

EC-3584. A comunication from the Secretary of Transportation, transmitting, pursuant to law, a report on activities related to the Deepwater Port Act of 1974 (33 U.S.C. 1519); to the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Environment and Public Works, jointly by unanimous consent.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a communication from the Secretary of Transportation, transmitting the fifth annual report of activities related to the Deepwater Port Act of 1974, be referred jointly to the Committee on Commerce, Science, and Transportation, the Committee on Energy and Natural Resources, and the Committee on Environment and Public Works.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. WILLIAMS, from the Committee on Labor and Human Resources:

Leonard L. Farber, of Florida, to be a Member of the National Council on the Arts.

Sandra J. Hale, of Minnesota, to be a Member of the National Council on the Arts.

(The above nominations from the Committee on Labor and Human Resources were reported with the recommendation that they be confirmed, subject to the nominees' commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

ORDER FOR STAR PRINT—S. 2525

Mr. ROBERT C. BYRD. Mr. President, I make the following statement on behalf of Mr. JACKSON.

On April 2, 1980, when I introduced S. 2525, to establish the Arctic North Slope National Conservation Area, it was incorrectly printed as being introduced by request.

On behalf of Mr. JACKSON, as in legislative session, I ask unanimous consent that the bill be star printed to correct the error.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE (by request):

S. 2575. A bill to protect depositors, creditors and Federal deposit insurance funds, to prevent significant disruptions in financial services, and for other purposes; to the Committee on Banking, Housing and Urban Affairs.

By Mr. TSONGAS (for himself, Mr. WILLIAMS, Mr. PERCY, Mr. JACKSON, Mr. MAGNUSON, Mr. KENNEDY, Mr. HEINZ, Mr. METZENBAUM, and Mr. PELL):

S. 2576. A bill to establish programs of financial and other assistance to States and units of local government for energy conservation and renewable resource activities, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. BELLMON:

S. 2577. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; to the Committee on Labor and Human Resources.

By Mr. BAYH:

S. 2578. A bill to establish a procedure for periodic sunset review of Federal programs, and for other purposes; to the Committee on Governmental Affairs.

By Mr. CHAFEE (for himself, Mr. BENTSEN, Mr. PRESSLER, and Mr. COCHRAN):

S. 2579. A bill to amend section 204 of the Clean Water Act to repeal certain grant conditions, and for other purposes; to the Committee on Environment and Public Works.

By Mr. SCHWEIKER (for himself, Mr. LEVIN, Mr. HAYAKAWA, and Mr. BOSCHWITZ):

S. 2580. A bill to amend the Immigration and Nationality Act to provide procedures for administrative correction of the dates of birth of certain naturalized citizens; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 2581. A bill to amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals; to the Committee on Finance.

S. 2582. A bill to provide for the settlement and payment of claims of civilian and military personnel against the United States for losses in connection with the evacuation of such personnel from a foreign country; to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 164. Joint resolution to authorize and request the President to designate June 17, 1980, as "Business Productivity Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE (by request):

S. 2575. A bill to protect depositors, creditors, and Federal deposit insurance funds, to prevent significant disruptions in financial services, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. Proxmire when he introduced the bill appear earlier in today's proceedings.)

By Mr. TSONGAS (for himself, Mr. Williams, Mr. Percy, Mr. Jackson, Mr. Magnuson, Mr. Kennedy, Mr. Heinz, Mr. Metzenbaum, and Mr. Pell):

S. 2576. A bill to establish programs of financial and other assistance to States and units of local government for energy conservation and renewable resource activities, and for other purposes; to the Committee on Energy and Natural Resources.

(The remarks of Mr. Tsongas when he introduced the bill appear earlier in today's proceedings.)

By Mr. BELLMON:

S. 2577. A bill to amend the Walsh-Healey Act and the Contract Work Hours Standards Act to permit certain employees to work a 10-hour day in the case of a 4-day workweek, and for other purposes; to the Committee on Labor and Human Resources.

● Mr. BELLMON. Mr. President, I am offering a bill today which will allow employers under Government contracts to institute a 4-day, 10-hour workweek, if such an arrangement is suitable for their particular situation. Present legislation, because it mandates the payment of overtime after 8 hours in a day for Government contractors, rules out this option as a practical matter. This bill would require the payment of overtime after 10 hours in each day and, of course, after 40 hours in a week. In addition, it would establish the overtime rate at double time instead of the present time-and-a-half. The current 50 percent overtime premium was established many years ago as a penalty which employers must pay for scheduling overtime rather than hiring new workers. The gradual increase over the years in such employment costs as recruiting, training, health care insurance, retirement benefits, and so forth, have made this penalty a bargain for many employers, and the establishment of double time for overtime would have the effect of reducing overtime scheduling to an absolute minimum, thus creating new jobs for the unemployed.

There are several implications of this legislation, Mr. President, and I would like to discuss them at this time.

First, this bill does not mandate any change in work schedules at all, if the status quo is preferable to employers and workers. It does allow the option, where such a change is advantageous. Federal law for all employment situations other than Government contracts is governed by the Fair Labor Standards Act, which simply requires time and one half after 40 hours in each week. The 4-day workweek under the FLSA is therefore easily arranged in appropriate work situations when employers and workers desire it. This flexibility does not presently exist for Government contractors because the laws regulating them—the Walsh-Hartley Act and the Contract Work Hours Standards Act—require the payment of overtime after 8 hours in each day. A 4-day, 10-hour work week under these laws would require the payment of 8 hours at overtime rates for all employees.

Second, this country's continuing energy problem could be alleviated by some degree should more firms choose to move to a 4-day workweek and thereby save energy. With heating and cooling requirements for buildings geared to 4 instead of 5 days, considerable savings could be realized. One 1975 study released by the National Center for Energy Management and Power at the University of Pennsylvania in Philadelphia analyzed the impact of the 4-day, 40-hour workweek in three sectors—drugs, metal containers, and paints and allied products—believed to be quite adaptable to such work scheduling. This analysis indicates that significant energy savings can be gained by instituting a 4-day week in selected sectors where continuous processing and heavy capital investments do not make it uneconomic. The authors of this 1975 report state that—

> Utilities could save about $57 million per year in fuel costs from only the three sectors shown, or the equivalent of about 6.4 million barrels of No. 6 oil per year. Total energy savings in utility fuel, space conditioning, lighting, and gasoline sum up to over $136 million per year at the national level. This is the equivalent of 13 million barrels of oil per year, or about 50,000 barrels per work day just from these three sectors. Costs of energy have risen sharply since 1975 so that savings are even more impressive currently.

Employees working under a 4-day workweek would save one round trip commute per week, and thereby reduce consumption of fuel for that purpose. Those who are skeptical about this saving argue that employees with an additional day off might simply consume more energy for discretionary, especially recreational, purposes. However, the recent history of gasoline consumption at rising prices indicates that restraint is well under way. The average retail selling price of leaded regular gasoline (full serve) in February of 1979 was 69.9 cents per gallon, and this price had risen to $1.19 per gallon by February 1980—a 41-percent increase. Total motor gasoline supplied in February of 1979 was 7.3 million barrels per day, and that figure was reduced to 6.6 million barrels per day by February 1980—an 8-percent decline in consumption. Considering the probability of further gasoline price rises, it seems reasonable to conclude that consumers will weigh carefully any expansion in fuel consumption in their leisure hours, especially when we consider the continuing ravage of inflation.

Third, the impact of the overtime premium on employment needs to be addressed. Ronald Ehrenberg of the University of Massachusetts states it well when he writes:

> A rational manpower policy must seek to create new jobs as well as to provide training for the unemployed. The creation of new jobs has been hindered by the tendency of employers to utilize overtime hours rather than increase employment levels, even while significant numbers of workers were unemployed . . . it is our contention that large amounts of overtime are regularly scheduled by employers for rational economic reasons. In addition to the specific investment costs of labor . . . there exist substantial supplementary compensation costs per man which are quasi-fixed in the sense of being independent of the exact number of hours per week that each employee works. These include employers' costs for items such as paid vacations and holidays, private welfare and insurance plans, and many legally-required insurance payments. The higher these costs relative to the overtime wage rate, the more likely that employers will substitute overtime for additional employment.

Professor Ehrenberg reports a study which presents empirical estimates of the impact of a change in the overtime premium from time and a half to double time on employment. The effect of such a change on employment in 24 industry groups is estimated by Ehrenberg to increase employment through a range of increases from 0.2 to 6.2 percent, with a median increase of 1.6 percent. This stimulus to job creation is one we cannot afford to overlook.

Finally, Mr. President, I want to point out that my bill applies only to Government contractors. The basic Fair Labor Standards Act, which requires overtime at time and a half after 40 hours in a week, would reman unchanged.

With these explanations, Mr. President, I ask that this legislation be favorably considered by the Senate at an early date.●

By Mr. BAYH:

S. 2578. A bill to establish a procedure for periodic sunset review of Federal programs, and for other purposes; to the Committee on Governmental Affairs.

CONGRESSIONAL OVERSIGHT ACT OF 1980

● Mr. BAYH. Mr. President, before the 96th Congress adjourns, I am confident that it will have taken strong steps to rein in the regulators. The inefficiency and ineffectiveness of poorly run, ill-conceived programs create incalculable costs which cannot be borne by a nation struggling to improve its productivity and retain its international competitiveness. Several omnibus regulatory reform bills are now being studied in committee. Their thrust is to make Federal regulation more efficient and effective through better management techniques within the executive branch. While I support these concepts, I find myself more and more convinced that the surest handle on controlling and molding the regulatory machinery is in the hands of Congress. Congress created the agencies and programs; we are ultimately responsible for them. If at times the agencies have overstepped congressional intent; if they have grown to a size and power beyond that contemplated by us; if they have sometimes seemed to achieve a life of their own, independent and unmindful of the constituents they were established to serve, then it is time for Congress to accept the responsibility of overseeing what they are doing.

In this belief, I have supported the sunset legislation of my friend and colleague from Maine, Senator MUSKIE, since it was first introduced in the mid-seventies.

Today I introduce a refinement of a proposal which has been developed and introduced in the House by Congressman GILLIS LONG. My bill, called the Congressional Oversight Act of 1980, is a "sunrise-sunset" bill embodying the concept of sunrise—establishment of performance measures—as well as sunset. It is the product of intensive study of prior legislation and how such legislation might fit most effectively into the operations of the House and Senate. It answers to my satisfaction many of the doubts which I have had about the sunset concept and proposals; in particular, the uncertainties present in any scheme of automatic termination, and the possible weakening effect on our committee system. It provides the flexibility for congressional committees to focus in depth on programs when it is apparent that the programs have problems and need modification.

The Senate Governmental Affairs Committee will shortly begin consideration of the several sunset proposals before it. I offer this sunrise-sunset bill in order to give the committee and the Senate the opportunity to take a look at a new, fresh approach to what is basically a very sound idea: orderly congressional oversight of agency programs.

Mr. President, the bill I offer today is not, technically speaking, a sunset bill. It does not provide for automatic termination of a program if the oversight committee fails to review it, or if Congress fails to act on the review. Understandably, many groups from civil rights organizations to business associations were fearful about this sudden death possibility. Although sunset was intended to provide regular, orderly review, it carried also the threat of unpredictability and instability. Planning ahead by business and others might become more difficult, not less so. This proposal instead makes oversight an organized part of a committee's schedule and insures that the full Congress will have a chance to work its will on the committee's report. The committee chooses what programs it will evaluate in the 2-year period of a new Congress, it proclaims its agenda in a timely manner, conducts its study in depth, and must report its recommendations—to continue, to alter, to end—also in a timely manner for the full Congress consideration. The procedure would tie review to other legislative action as well as the budget process.

This legislation would begin by putting together a congressional inventory of Federal programs, so that for the first time the Congress would have available the overall list of programs and be able to see where they overlap. This comprehensive program inventory would list programs by committee jurisdiction. It serves as a "common language" for House and Senate committees by assigning each program and tax expenditure an official name and a unique identification number.

Next, working from that inventory, it would require each legislative committee to come up with a list of oversight activities for the coming year. All the committee requests would then be combined into an oversight resolution that would be enacted by the full House and Senate, much the way it now votes on the budget resolution. The oversight resolution could be amended on the House floor to give individual Members a voice in the direction in which oversight is heading. After the amendments, the oversight resolution would be binding in the same manner as the budget resolution.

The calendar would be as follows:

First. The legislative committee would be required to develop and submit its "review agenda" listing all programs it plans to study during the Congress by March 1 of the first session at the same time that it routinely submits budget requests;

Second. The House Committee on Rules and Senate Committee on Rules and Administration would merge the committee agendas into a "consolidated review agenda" which must be adopted by Congress in the form of a concurrent resolution no later than March 30 of the first session;

Third. As committees proceed on their review, executive and legislative agencies would be authorized and directed to provide committees with program information and to assist them in conducting reviews under the act. Committees would be required to include specific analytical and evaluative information in their review reports. Committees exercising concurrent jurisdiction over a program scheduled for review may issue a joint report;

Fourth. Each House and Senate committee would be directed to report by May 15 of the second session legislation modifying, continuing, or terminating the programs under their jurisdiction included in the agenda;

Fifth. Sunset review reports would be required to contain seven components, including an identification of the objectives intended by Congress and accomplishment of the program.

Sixth. A discharge provision would insure that a committee cannot "sit on" a report; and

Seventh. Special floor procedures would expedite consideration of the consolidated agenda and limit the types of amendments which may be offered.

The bill I offer today has one substantial difference from H.R. 5858.

The change I propose has to do with the way tax expenditures are handled. Although I agree with the philosophy that the Congress should be aware of and in control of all forms of spending by the Federal Government, I recognize differences between direct spending through agency programs and indirect spending through tax expenditures. Tax expenditures, of course, are a negative kind of spending, but for the exemption, the Government would gain tax income. There is no question that the cost to the Treasury is enormous, currently estimated at $150 billion per year, with the Congressional Budget Office predicting that tax expenditure will reach $269 billion by 1984. Furthermore, tax expenditures are growing much faster than direct spending, at a rate of 13 percent per year. As budgets grow tighter, decreasing direct spending, the importance of tax expenditures may well grow.

But while this indirect form of Government spending is highly significant, and while I recognize that Government control over all areas of the budget is of highest importance, I view this legislation as primarily a mechanism for congressional oversight of programs, their objectives, their effectiveness, their impast on those subject to their rules. Further, the kinds of oversight over expenditures may well require different means. Therefore, I am providing a separate title for the issue of oversight of tax expenditures. This title would require the Ways and Means and Finance Committees to report back to the Congress within 1 year from date of enactment, their recommendations for effective review of tax programs.

Mr. President, we in Congress have responded to citizen needs at different times by initiating Federal programs. Many of these programs have met their purpose. Unfortunately, some have not. Some have become more of a burden than a benefit. Unfortunately, even when they are glaringly deficient or overreaching, some appear for all effective purposes to have become immortal. The Congress cannot begin programs, and then forget them. The proposal I introduce today provides for workable reexamination.

Mr. President, I ask unanimous consent that the text of this bill, the Congressional Oversight Act of 1980, be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2578

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Congressional Oversight Act of 1980".

PURPOSE

SEC. 2. It is the purpose of this Act to establish a procedure for the periodic sunset review of Federal programs by the Congress and to improve legislative oversight of such programs.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "sunset review" means, with respect to any Federal program, the study and evaluation of such program by a legislative committee of the Senate or the House of Representatives in accordance with section 7 for the purpose of determining whether the continuation of such program is justified or whether or to what extent such program should be modified or terminated;

(2) the term "committee sunset review agenda" means a proposed schedule for the review of specified Federal programs by a committee of the Senate or the House of Representatives which is developed and submitted in accordance with section 5(a);

(3) the term "consolidated sunset review agenda" means a concurrent resolution which sets forth all of the committee sunset review agendas for the Senate and the House of Representatives in any Congress and which is developed and adopted in accordance with sections 5 and 6;

(4) the term "legislative committee" means a permanent committee of the Senate or the House of Representatives which has legislative jurisdiction over one or more Federal programs under the applicable rules of the Senate or the House, as the case may be;

(5) the term "congressional inventory of Federal programs" means a listing of all Federal programs which classifies such programs by each legislative committee of the Senate or the House of Representatives having legislative jurisdiction over each such program and which is developed and maintained in accordance with section 4; and

(6) the term "Federal program" means any combination of Federal activities or laws in an identifiable subject area, as classified in the congressional inventory of Federal programs.

CONGRESSIONAL INVENTORY OF FEDERAL PROGRAMS

SEC. 4. (a) (1) The Committee on Rules and Administration of the Senate and the Committee on Rules of the House of Representatives shall jointly develop and maintain a congressional inventory of Federal programs in accordance with this section.

(2) The congressional inventory of Federal programs shall classify all Federal programs according to each legislative committee of the Senate and the House of Representatives having legislative jurisdiction over each such program. Any program which is within the legislative jurisdiction of two or more legislative committees of either the Senate or the House of Representatives, as the case may be, shall be classified in the inventory under each such committee, with appropriate cross-references to each other legislative committee having legislative jurisdiction over the program. The inventory may contain any additional classifications which, in the judgment of the Committee on Rules and Administration of the Senate and the Committee on Rules of the House of Representatives, will assist the Congress in evaluating the relationships among Federal programs.

(3) Not later than the beginning of the Ninety-seventh Congress, the Comptroller General of the United States, after consultation with the appropriate legislative committees, shall submit a draft congressional inventory of Federal programs to the Committee on Rules and Administration of the Senate and the Committee on Rules of the House. The Committee on Rules and Administration of the Senate and the Committee on Rules of the House of Representatives shall review the draft inventory and promptly notify each legislative committee of the Senate and the House, as the case may be, of the programs classified in the draft inventory as within its legislative jurisdiction. Within thirty days after receipt of such notification, any legislative committee may propose revisions of the draft inventory with respect to any program within its legislative jurisdiction by transmitting such revisions to the Committee on Rules and Administration of the Senate or the Committee on Rules of the House, as the case may be. The Committee on Rules and Administration of the Senate, in consultation with the presiding officer of the Senate and with the legislative committees involved, shall make any revisions in the draft inventory which may be necessary to reflect correctly the legislative jurisdiction of the legislative committees of the Senate based upon the Standing Rules and established precedents of the Senate. The Committee on Rules of the House, in consultation with the Speaker of the House and with the legislative committees involved, shall make any revisions in the draft inventory which may be necessary to reflect correctly the legislative jurisdiction of the legislative committees of the House based upon the Rules and established precedents of the House.

(4) In developing and revising the congressional inventory of Federal programs under this section, the Committee on Rules and Administration of the Senate and the Committee on Rules of the House shall not have any involvement with respect to the classification of programs according to the legislative jurisdiction of the legislative established precedents of the House.

(5) After determining that the congressional inventory of Federal programs correctly classifies all programs according to the legislative jurisdiction of the legislative committees of their respective Houses, the Committee on Rules and Administration of the Senate and the Committee on Rules of the House shall jointly publish the inventory in a single document which classifies all Federal programs according to each legislative committee of each House. The Committee on Rules and Administration of the Senate and the Committee on Rules of the House shall have joint responsibility for maintaining the inventory and assuring its availability for use by Members and committees.

(6) At the beginning of the Ninety-eighth Congress and each Congress thereafter, the Committee on Rules and Administration of the Senate and the Committee on Rules of the House shall jointly publish an updated congressional inventory of Federal programs. Such committees shall prepare and publish each updated inventory in accordance with paragraphs (3), (4), and (5). Prior to publishing the updated inventory, the Committee on Rules and Administration of the Senate and the Committee on Rules of the House shall each notify each legislative committee of its respective House of any revision in, or addition to, the inventory with respect to a Federal program within the legislative jurisdiction of the committee which is necessary as a result of congressional action.

(b) The congressional inventory of Federal programs shall include, with respect to each Federal program—

(1) the official name by which the program is to be referred to, which shall be the same for the Senate and the House of Representatives;

(2) a unique identification number, which shall be the same for the Senate and the House of Representatives;

(3) the agency (and, if applicable, the subdivision thereof) which is responsible for administering the program;

(4) citations to the principal statutes governing the program and to the regulations promulgated thereunder;

(5) each legislative committee of the Senate or the House of Representatives having legislative jurisdiction over the program;

(6) the year in which the program was most recently reviewed under this Act or, in the case of a program which has not been reviewed, the year in which the program was established or the most recent year in which appropriations were authorized for the program; and

(7) for the most recently completed fiscal year, the amount authorized to be appropriated for the program, the budget authority provided for the program, and the budget outlays made under the program.

(c) The Comptroller General of the United States shall prepare, publish, and annually update a supplement to the congressional inventory of Federal programs. The supplement shall be published as a separate document, shall contain cross-references to the inventory, and shall include, with respect to each Federal program—

(1) a brief description of each purpose of the program;

(2) the period of time for which appropriations or other budget authority is authorized for the program and, if applicable, the date on which the authorization expires;

(3) the amount of funds authorized and appropriated for the program and the amount of other new budget authority authorized and provided for the program, for each of the three most recently completed fiscal years and, if applicable, for each of the three succeeding fiscal years;

(4) the functional and subfunctional category to which the program is assigned in the Budget of the United States Government; and

(5) a comparison of the cost effectiveness of the program with the cost effectiveness of other Federal programs having similar or related objectives.

(d) The Director of the Congressional Budget Office and the Director of the Congressional Research Service shall provide any assistance which may be requested in connection with the preparation and updating of the congressional inventory of Federal programs and the supplement.

CONGRESSIONAL AGENDA FOR THE SUNSET REVIEW OF FEDERAL PROGRAMS

SEC. 5. (a) (1) On or before March 1 in the first session of each Congress beginning with the Ninety-eighth Congress, each legislative committee of the Senate and the House of Representatives shall develop, adopt, and submit to the Committee on Rules and Administration of the Senate or the Committee on Rules of the House, as the case may be, a committee sunset review agenda for the sunset review during such Congress or selected Federal programs within its legislative jurisdiction. Each agenda shall specify each program which the committee proposes to review during such Congress in accordance with section 7.

(2) In developing its committee sunset review agenda under paragraph (1), each legislative committee shall select programs for review based on the determination of the committee as to (A) the programs within its legislative jurisdiction which are most in need of review and (B) the most appropriate order and timing for the review of such programs. To the extent practicable, committees shall develop and submit committee sunset review agendas which provide that related programs are reviewed during the same Congress.

(3) In order to assure that any sunset review of a program will be conducted during the same Congress by all legislative committees of the Senate and the House of Representatives having legislative jurisdiction over such program, each legislative committee of the Senate and the House shall develop its committee sunset review agenda in consultation with any other committee of the Senate or the House, as the case may be, which has concurrent legislative jurisdiction over any program selected by the committee for inclusion in its agenda and in consultation with each committee of the other House having legislative jurisdiction over any program so selected.

(4) Each committee sunset review agenda submitted by a legislative committee under paragraph (1) shall be accompanied by a report which contains a projection of the sunset reviews which such committee expects to conduct during the first three Congresses beginning after the Congress in which the agenda is submitted.

(5) It shall not be in order in either the Senate or the House of Representatives to consider a primary expense resolution for

any legislative committee in any Congress until that committee has developed and submitted its sunset review agenda for that Congress in accordance with this subsection.

(b)(1) Within seven days after all committee sunset review agendas have been submitted under subsection (a), the Committee on Rules and Administration of the Senate and the Committee on Rules of the House of Representatives shall incorporate the agendas for its respective House into a consolidated sunset review agenda for all legislative committees of the Senate or the House, as the case may be, and shall each report to their respective Houses a concurrent resolution containing such consolidated agenda in the form prescribed by paragraphs (2) and (3). The Committee on Rules and Administration of the Senate and the Committee on Rules of the House shall revise the committee sunset review agendas incorporated in the consolidated sunset review agenda only to the extent necessary to assure the accuracy of such consolidated agenda.

(2) Each consolidated sunset review agenda shall have a separate section for each legislative committee of the Senate or the House of Representatives having legislative jurisdiction over a Federal program. Each such section shall read as follows:

"The Committee on ——— is directed, on or before May 15 of the second session of the ——— Congress, to report a bill modifying, continuing, or terminating the following Federal programs or tax expenditures:

.", the first blank therein being filled with the name of the legislative committee which is to conduct the sunset review, the second blank therein being filled with the Congress in which the agenda is being reported, and the third blank therein being filled with the official name of each program which such committee is to review during the Congress in which the consolidated sunset review agenda is adopted.

(3) The consolidated sunset review agenda shall not contain any matter other than the section for each legislative committee of the Senate or the House of Representatives required by paragraph (2).

(d) Each Federal program included in a committee sunset review agenda submitted by a legislative committee under subsection (a), in a consolidated sunset reveiw agenda reported under subsection (b) or any amendment thereto, or in any conference report on a consolidated sunset review agenda under section 6, shall be designated by the official name and identification number provided for the program under the congressional inventory of Federal programs. It shall not be in order in either the Senate or the House of Representatives to consider a consolidated sunset review agenda or any amendment thereto or any conference report thereon unless each program included in the agenda, amendment, or conference reported is designated by the official name of the program in the inventory. In all questions involving jurisdiction or official program name which may arise in the Senate or the House, the program inventory shall be controlling unless the Senate or the House, as the case may be, makes a specific determination to the contrary.

(e) If a consolidated sunset review agenda has been received from the other House and referred to the Committee on Rules and Administration of the Senate or the Committee on Rules of the House of Representatives, such committee may report that agenda with an amendment adding the consolidated sunset review agenda for its own House in lieu of reporting a separate consolidated sunset agenda for its own House.

(f) The report accompanying a consolidated sunset review agenda shall include a summary of the projections required by subsection (a)(4).

PROCEDURES FOR THE ADOPTION OF THE CONSOLIDATED SUNSET REVIEW AGENDA

SEC. 6. (a) The consolidated sunset review agenda for any Congress shall be adopted in the Senate and in the House of Representatives not later than March 30 of the first session of that Congress.

(b)(1) After the Committee on Rules and Administration of the Senate has reported a consolidated review agenda under section 5, it shall be in order at any time in the Senate to move to proceed to the consideration of the agenda. The motion is privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed or disagreed to.

(2) Debate in the Senate on any consolidated sunset review agenda, and all amendments thereto and debatable motions and appeals in connection therewith, shall be limited to not more than 25 hours, to be equally divided between, and controlled by, the majority leader and the minority leader or their designees.

(3) Debate in the Senate on any amendment to a consolidated sunset review agenda shall be limited to 1 hour, to be equally divided between, and controlled by, the mover and the manager of the agenda, and debate on any amendment to an amendment, debatable motion, or appeal shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the agenda, except that in the event the manager of the agenda is in favor of any such amendment, motion, or appeal, the time in opposition thereto shall be controlled by the minority leader or his designee. No amendment that is not germane to the provisions of such agenda shall be received. Such leaders, or either of them, may, from the time under their control on the passage of the agenda, allot additional time to any Senator during the consideration of any amendment, debatable motion, or appeal.

(4) A motion to further limit debate is not debatable. A motion to recommit (except a motion to recommit with instructions to report back within a specified number of days, not to exceed 3, not counting any day on which the Senate is not in session) is not in order. Debate on any such motion to recommit shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the agenda.

(5) Notwithstanding any other rule or the provisions of subsection (g), an amendment or a series of amendments to a consolidated sunset review agenda proposed in the Senate shall always be in order if such amendment or series of amendments proposes to change any sunset review or reviews scheduled in the agenda to the extent necessary to achieve consistency with any other sunset review scheduled in the agenda.

(6) Except to the extent specifically provided in the preceding provisions of this subsection and the provisions of subsection (g), consideration of any consolidated sunset review agenda and amendments thereto in the Senate shall be governed by the Standing Rules of the Senate which are applicable to other concurrent resolutions and amendments in similar circumstances.

(c)(1) After the Committee on Rules of the House of Representatives has reported a consolidated sunset review agenda under section 5, it shall be in order at any time to move to proceed to the consideration of the agenda. The motion is highly privileged and is not debatable. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2)(A) General debate on any consolidated sunset review agenda in the House of Representatives shall be limited to not more than 5 hours, which shall be divided equally between the majority and minority parties. A motion further to limit debate is not debatable. A motion to recommit the resolution is not in order, and it is not in order to move to reconsider the vote by which the resolution is agreed to or disagreed to.

(B) Consideration of any consolidated sunset review agenda by the House of Representatives shall be in the Committee of the Whole, and the agenda shall be read for amendment under the five-minute rule in accordance with the applicable provisions of rule XXIII of the Rules of the House of Representatives.

(C) After the Committee rises and reports the consolidated sunset review agenda back to the House, the previous question shall be considered as ordered on the agenda and any amendments thereto to final passage without intervening motion. Notwithstanding the preceding provisions of this subparagraph and the provisions of subsection (g), it shall be in order at any time prior to final passage (notwithstanding any other rule or provision of law) to adopt an amendment (or a series of amendments) changing any sunset review or reviews scheduled in the agenda as so reported, without regard to the point at which any such scheduled review appears in the agenda, to the extent necessary to achieve consistency with any other sunset review scheduled in the agenda.

(3) Motions to postpone, made with respect to the consideration of any consolidated sunset review agenda, and motions to proceed to the consideration of other business, shall be decided without debate.

(4) Except to the extent specifically provided in the preceding provisions of this subsection and the provisions of subsection (g), consideration of any consolidated sunset review agenda and amendments thereto in the House of Representatives shall be governed by the rules of the House which are applicable to other concurrent resolutions and amendments in similar circumstances. Appeals from the decisions of the Chair relating to the application of the Rules of the House of Representatives to the procedure relating to a consolidated sunset review agenda shall be decided without debate.

(d)(1) A consolidated sunset review agenda shall not be considered to have been adopted by the Congress, if within the meaning of this subsection, there are matters in disagreement between the Senate and the House of Representatives.

(2) If a consolidated sunset review agenda which has been agreed to in the Senate and the House of Representatives schedules one or more programs for review by a legislative committee of one House but not by a legislative committee of the other House, the scheduling of such program for review shall constitute a difference between the Senate agenda and the House agenda and a matter in disagreement between the two Houses with respect to the agenda.

(e)(1) As soon as practicable after the Senate and the House have appointed conferees to a committee of conference on a consolidated sunset review agenda, the Committee on Rules and Administration of the Senate and the Committee on Rules of the House of Representatives shall notify each legislative committee of the Senate or the House, as the case may be, of any of the differences between the Senate agenda and House agenda of the agenda which involve or affect programs within the legislative jurisdiction of such legislative committee. During the conference on the agenda, the Committee on Rules and Administration of the Senate and the Committee on Rules of the House shall keep each such legislative committee fully informed with respect to the progress being made in resolving the differences between the Senate and the House.

(2) If, at the end of seven days (excluding Saturdays, Sundays, and legal holidays)

after the appointment of conferees on a consolidated sunset review agenda, the conferees are unable to reach agreement with respect to all matters in disagreement between the two Houses, the conferees shall submit to their respective Houses, on the first day thereafter on which their House is in session, a conference report recommending those matters on which they have agreed and reporting in disagreement those matters on which they have not agreed. For purposes of this paragraph, conferees on a consolidated sunset review agenda are in disagreement with respect to any program only as described in subsection (d).

(f)(1)(A) The conference report on any consolidated sunset review agenda shall be in order in the Senate at any time after the third day (excluding Saturdays, Sundays, and legal holidays) following the day on which such a conference report is reported and is available to Members of the Senate. A motion to proceed to the consideration of the conference report may be made even though a previous motion to the same effect has been disagreed to.

(B) During the consideration in the Senate of the conference report on any consolidated sunset review agenda, debate shall be limited to 5 hours, to be equally divided between, and controlled by, the majority leader and minority leader or their designees. Debate on any debatable motion or appeal related to the conference report shall be limited to 30 minutes, to be equally divided between, and controlled by, the mover and the manager of the conference report.

(C) Should the conference report be defeated, debate on any request for a new conference and the appointment of conferees shall be limited to 1 hour to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee, and should any motion be made to instruct the conferees before the conferees are named, debate on such motion shall be limited to one-half hour, to be equally divided between, and controlled by, the mover and the manager of the conference report. Debate on any amendment to any such instructions shall be limited to 20 minutes, to be equally divided between and controlled by the mover and the manager of the conference report. In all cases when the manager of the conference report is in favor of any motion, appeal, or amendment, the time in opposition shall be under the control of the minority leader or his designee.

(D) In any case in which there are amendments in disagreement, time on each amendment shall be limited to 30 minutes, to be equally divided between, and controlled by, the manager of the conference report and the minority leader or his designee. No amendment that is not germane to the provisions of such amendments shall be received.

(2) Consideration of the conference report on any consolidated sunset review agenda in the House of Representatives shall be governed by the rules of the House which are applicable to conference reports on concurrent resolutions generally; except that a motion to recommit the conference report is not in order, and it is not in order to move to reconsider the vote by which the conference report is agreed to or disagreed to.

(g) Notwithstanding any other provision of this section (except the provisions of subsection (b)(4) or the second sentence of subsection (c)(2)(C)) or of the Standing Rules of the Senate or the Rules of the House of Representatives, as the case may be, it shall not be in order in either the Senate or the House of Representatives to consider an amendment to a consolidated sunset review agenda, or to consider a conference report on such an agenda which includes a change from the agenda as it was agreed to by that House—

(1) if the amendment or change would require review of a program by a committee of the Senate or the House which does not have legislative jurisdiction over such program under the inventory;

(2) if the amendment or change would have any effect other than (A) adding a provision for the review of an additional program to the consolidated sunset review agenda or (B) eliminating a provision for the review of a program specified in the agenda;

(3) in the case of an amendment, if the amendment would provide for the review of a program which has been reviewed under this Act in any of the three Congresses preceding the Congress in which the agenda is being considered; or

(4) in the case of an amendment (during the Ninety-eighth or Ninety-ninth Congress), if the amendment would provide for the review of any program not included in the consolidated sunset review agenda as reported in that House.

CONDUCT OF SUNSET REVIEWS BY LEGISLATIVE COMMITTEES

SEC. 7. (a) Not later than May 15 of the second session of each Congress, each legislative committee of the Senate or the House of Representatives shall report at least one bill which modifies, continues, or terminates each Federal program which the committee has been directed to review under the consolidated sunset review agenda adopted during the first session of that Congress. Prior to reporting any such bill, the committee shall study and evaluate each program in a manner which is of sufficient scope and thoroughness to provide an informed basis for the committee and the Senate or the House of Representatives, as the case may be, to determine whether the continuation of each Federal program is justified, or whether or to what extent each Federal program should be modified or repealed. If two or more legislative committees have legislative jurisdiction over the same program, they may review such program jointly and jointly report a bill with respect to such program.

(b) The report accompanying each bill reported under subsection (a) shall set forth the findings and recommendations of the committee and the reasons of the committee for modifying, continuing, or terminating the Federal program. Each such report shall include—

(1) information concerning and an analysis of the operation, costs, and results of the program;

(2) an identification of the intended objectives and planned annual accomplishments of the program, and the problems or needs which the program is intended to address;

(3) recommendations for statutory changes to eliminate conflict or duplication with other programs;

(a) a comparison of the cost effectiveness of the program with the estimated cost effectiveness of alternative methods for achieving the intended objectives of the program;

(5) information concerning the number and types of persons benefited or served by the program and an assessment of the social benefits expected from the program;

(6) information concerning any regulatory impact of the program; and

(7) an identification of and information concerning the measures of accomplishment using accomplishment indicators specifically appropriate to the particular program involved, which the committee will use in its regular oversight activities as an aid in determining whether the program or its objectives require modification to meet changing circumstances and priorities.

(c)(1) If, by May 15 of the second session of any Congress, a legislative committee of the Senate or the House of Representatives has not reported a bill with respect to a Federal program required under subsection (a), it shall be in order at any time thereafter in the Senate or the House, as the case may be, to move to discharge such committee from further consideration of any bill introduced and referred to such committee to modify or terminate such program.

(2) A motion to discharge under paragraph (1) may only be made by a Member favoring the bill, and is privileged in the Senate and is highly privileged in the House of Representatives. Debate thereon shall be limited to 1 hour, to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees and to be divided in the House equally between those favoring and those opposing the motion to discharge. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to. If in any Congress such a motion has been agreed or disagreed to with respect to a bill concerning a Federal program, it shall not be in order in the same Congress to consider another motion to discharge under this subsection of a bill concerning the same program.

(3) If the motion to discharge a committee from further consideration of a bill under this subsection is adopted, such bill shall be placed on the appropriate calendar of the Senate or the House of Representatives, as the case may be, for further action in accordance with the rules of the House involved.

(d)(1) If, by September 30 of the second session of any Congress, the Senate or the House of Representatives has not proceeded to the consideration of a bill with respect to a program which has been reported under subsection (a) or discharged under subsection (d), it shall be in order in such House at any time thereafter to move to proceed to the immediate consideration of such bill. The motion is privileged in the Senate and highly privileged in the House. Debate on any such motion shall be limited to 1 hour, to be divided in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees and in the House equally between those favoring and those opposing the motion. An amendment to the motion is not in order, and it is not in order to move to reconsider the vote by which the motion is agreed to or disagreed to.

(2) Debate in the Senate on any bill being considered pursuant to a motion made under paragraph (1), and all amendments thereto and debatable motions and appeals in connection therewith shall be limited to not more than 25 hours, to be equally divided between and controlled by the majority leader and the minority leader or their designees.

(3) General debate in the House of Representatives on a bill being considered pursuant to a motion made under paragraph (1) shall be limited to not more than one hour, to be divided in the House equally between those favoring and those opposing the bill and in the Senate equally between, and controlled by, the majority leader and the minority leader or their designees. Consideration of any such bill in the House of Representatives shall be in the Committee of the Whole, and the bill shall be read for amendment under the five-minute rule in accordance with rule XXIII of the Rules of the House of Representatives. After the Committee rises and reports the bill back to the House, the previous question shall be considered as ordered on the bill and any amendments thereto to final passage without intervening motion.

(4) Except to the extent specifically provided in the preceding provisions of this subsection, consideration of any bill in the Senate or the House pursuant to a motion made under paragraph (1) (and considera-

tion of any amendments to or conference report on such bill) shall be governed by the rules of the Senate or the House applicable to other bills, amendments, and conference reports in similar circumstances.

ASSISTANCE TO COMMITTEES BY EXECUTIVE AND LEGISLATIVE AGENCIES

SEC. 8. (a)(1) Each agency in the executive branch of the Government which is responsible for the administration of a Federal program selected for sunset review in any Congress pursuant to this Act shall, not later than the close of the first session of that Congress, submit to the Director of the Office of Management and Budget and to the appropriate legislative committees of the Senate and the House of Representatives a report of its findings and recommendations with respect to each of the matters set forth in section 7(b). The Director of the Office of Management and Budget shall submit his comments on such findings and recommendations to such committees.

(2) On or before December 31 of each year ending after the Congress in which a sunset review of a particular Federal program is conducted under this Act, the Director of the Office of Management and Budget shall, upon request of the appropriate legislative committees of the Senate and the House of Representatives, submit concise data concerning the performance of the program. In obtaining such data, the Director shall use the accomplishment indicators most recently specified by the committee (in the most recently submitted report concerning the sunset review of the program pursuant to section 7 (b)(7)) for use in carrying out its oversight activities with respect to the program.

(b) To assist in the review of any Federal program included in a consolidated sunset review agenda for any Congress, the head of the Federal agency which administers such program shall provide to each legislative committee of the Senate and the House of Representatives having legislative jurisdiction over such program such studies, information, analyses, reports, and assistance as the committee may request.

(c) By August 1 of the first session of each Congress, the Comptroller General of the United States shall furnish to each legislative committee of the Senate and the House of Representatives having legislative jurisdiction over a Federal program selected for review in that Congress pursuant to section 5 summaries of any audit or review of such program which the Comptroller General has completed during the preceding six years.

(d) Consistent with their duties and functions under law, the Comptroller General of the United States, the Director of the Congressional Budget Office, the Director of the Office of Technology Assessment, and the Director of the Congressional Research Service shall furnish to each legislative committee of the Senate or the House of Representatives such information, studies, analyses, and reports as the committee may request to assist the committee in conducting sunset reviews of programs under this Act.

RELATIONSHIP OF SUNSET REVIEW PROCEDURES TO PERFORMANCE OF OTHER LEGISLATIVE FUNCTIONS

SEC. 9. (a) Except as otherwise specifically provided in this Act, the provisions of this Act shall not affect the authority of any legislative committee to review programs within its jurisdiction and to report legislation modifying, continuing, or terminating such programs, at such times and in such manner as it finds appropriate consistent with its authority and responsibilities under the Standing Rules of the Senate or the Rules of the House of Representatives, as the case may be.

(b) This Act shall not affect the exercise by any committee of its oversight functions under the Standing Rules of the Senate or the Rules of the House of Representatives, as the case may be.

RULES AMENDMENTS RELATING TO SUNSET REVIEW PROCEDURES

SEC. 10. (a)(1) Paragraph (1)(n)(1) of the Standing Rules of the Senate is amended by—

(A) redesignating clauses 3 through 13 as clauses 4 through 14, respectively; and

(B) inserting after clause 2 the following new clause:

"3. Consolidated sunset review agendas and the congressional inventory of Federal programs under Sunset Review Act of 1980.".

(2) Clause 2 of paragraph 5 of Rule XVII of the Standing Rules of the Senate is amended by—

(A) striking out "and" in subdivision (A);

(B) striking out the period in subdivision (B) and inserting a comma and "and"; and

(C) adding at the end thereof the following new subdivision:

"(C) a consolidated sunset review agenda reported by the Committee on Rules and Administration under section 5 of the Sunset Review Act of 1980.".

(b)(1) Clause 1(q) of Rule X of the Rules of the House of Representatives is amended by redesignating subparagraphs (3) and (4) as subparagraphs (4) and (5), and by inserting after subparagraph (2) the following new subparagraph:

"(3) Consolidated sunset review agendas and the congressional inventory of Federal programs under the Sunset Review Act of 1980.".

(2) Clause 2 of Rule X of such Rules is amended by striking out paragraph (c), and by redesignating paragraph (d) as paragraph (c).

(3) The first sentence of clause 2(1)(6) of Rule XI of such Rules is amended by inserting a comma and "or in the case of a consolidated sunset review agenda under section 5 of the Sunset Review Act of 1980" after "or other order of business".

EXERCISE OF RULEMAKING POWERS

SEC. 11. The provisions of section 4(a) (except the first sentence of paragraph (3) of such section), section 4(b), section 5, section 6, section 7, section 10, and section 12 are enacted by the Congress—

(1) as an exercise of the rulemaking power of the House of Representatives and the Senate, respectively, and as such they shall be considered as part of the rules of each House, respectively, or of that House to which they specifically apply, and such rules shall supersede other rules only to the extent that they are inconsistent therewith; and

(2) with full recognition of the constitutional right of either House to change such rules (so far as relating to such House) at any time, in the same manner, and to the same extent as in the case of any other rule of such House.

REPORT CONCERNING THE REVIEW OF TAX EXPENDITURES

SEC. 12. The Committee on Finance of the Senate shall study various methods for congressional review of tax expenditures. Within one year after the date of enactment of this Act, the Committee on Finance shall prepare and transmit a report to the Senate which describes a recommended mechanism for congressional review of tax expenditures and such other recommendations as the Committee determines appropriate, to facilitate such review.

EFFECTIVE DATE

SEC. 13. (a) Except as provided in subsection (b), this Act and the amendments made by this Act shall become effective at noon on January 3, 1981.

(b)(1) The amendment made by section 10(b)(2) of this Act shall take effect at noon on January 3, 1983.

(2) Section 12 of this Act shall take effect on the date of enactment.●

By Mr. CHAFEE (for himself, Mr. BENTSEN, Mr. PRESSLER, and Mr. COCHRAN):

S. 2579. A bill to amend section 204 of the Clean Water Act to repeal certain grant conditions, and for other purposes; to the Committee on Environment and Public Works.

INDUSTRIAL COST RECOVERY

Mr. CHAFEE. Mr. President, once again the moratorium deadline for the industrial cost recovery provision of the Clean Water Act is approaching. Congress had required a moratorium on ICR in section 75 of the 1977 clean water amendments and that moratorium was extended in December 1979, to last through June 1980. Unless Congress acts by June 30 of this year, ICR will go back into effect and quite probably wreak havoc among many of our cities, towns, and industries. In light of this, I am today introducing legislation to repeal the ICR provision originally enacted in 1972. I am pleased that my colleagues, Senator BENTSEN, Senator COCHRAN, and Senator PRESSLER, are joining me in introducing this bill.

But let me go back and provide some background on what the ICR issue is all about. ICR requires that industrial users of a municipal sewage treatment plant pay for that portion of the Federal share of the plant's construction costs which is attributable to the treatment of the industrial wastes. The administrative burden falls on the towns and cities who must collect these charges. ICR can bring harsh economic effects and administrative costs to industries and communities in many States, including those in the Northeast. ICR rates tend to be higher in older cities, especially in the Northeast, and in small- to medium-sized communities.

As a conference on the 1977 clean water amendments, I felt that we needed to take a long look at the industrial cost recovery provision. The conferees on the amendments adopted and the Congress affirmed the decision to mandate the moratorium and require the study. The EPA Administrator was directed to examine ICR's effects on industries and communities, both in rural areas and in economically distressed or high unemployment regions.

The study was to be sent to the Congress by December 27, 1978. EPA did not miss that date by much. We received their report in late January 1979. The EPA study draws from a diverse group of industries and communities. Material was gathered from 227 sanitary agencies and 394 industrial plants. Although the study team concentrated on six industry types, to my knowledge they were willing to work with other industries as well. The communities visited ranged in size from Ravenna, Nebr., and Woonsocket, R.I. to New York City.

The conclusion? The EPA administrator determined that ICR is not doing its job. The provision fails dismally to accomplish the purposes for which it was written. These purposes have been summarized as parity, water conservation, appropriate capacity, and self-sufficiency. These goals are laudable, but I fail to se why we struggle to drag them from a dead horse provision. Let me provide a brief rundown of how ICR falls short.

Parity was an issue when ICR was originally enacted. Some people thought that industries hooking into a municipal treatment plant were getting a free ride without ICR. Yet, EPA has found that it is often less expensive for an industry to build its own treatment facility than to dispose its wastes into a municipal plant. Part of this is due to the fact that industry must pay operation and maintenance charges, as well as local debt service, for a public plant. Also, changes in the tax rate structure favor self-treatment. And industry pays taxes too, just as do residential users. All in all, the EPA administrator concluded that the construction grant program does not provide a subsidy to industrial users.

Water conservation was another paramount goal of ICR. Yet the cost recovery provision has had little effect on water conservation, when compared to the success achieved through proportionate user charges. I strongly supported user charges being preserved in the 1977 amendments, with this water conservation goal in mind Not surprisingly, the industrial plants surveyed reported an average reduction in water use of 29 percent, but they pointed to user charges and water rates as the impetus. ICR is not credited with encouraging water conservation.

Precaution against overly excessive treatment plant capacity was still another reason given for the approval of IRC in 1972. A plant should be built to serve existing domestic, commercial, and industrial needs, with a sufficient capacity for projected growth in these three areas. Yet, the EPA study found that ICR does not affect decisions on sizing of plants or deter construction of excess capacity.

Actually, the EPA and communities appear to have tackled the capacity problem in other ways—for example, use of the agency's cost effectiveness guidelines. EPA has determined that reserve capacity for facilities should normally be 20 to 40 percent of design load, with more reserve needed in areas of usually high growth. The study team found that the average plant has about 32 percent reserve capacity, which is within the range essential for cost effective design.

As for the self-sufficiency of municipalities in providing for their own sewage treatment needs, the EPA reported that the amount able to be retained by the grantees will not make a significant contribution toward their financial capability to meet the costs of future expansion and upgrading of their treatment works. This is especially true when you consider two things: First, while collecting ICR over a 30-year period, the grantee's administrative costs go up; second, inflation eats up part of what expansion work can be done with the dollars eventually collected.

In 1972, when ICR was originally enacted, potential dollar recovery was expected to be $4.5 to $7 billion. But now, based on assumed eventual grants, EPA has said that the total ICR revenues may amount to considerably less—$1 to $2 billion over 30 years. By the time 50 percent is given back to the Federal Treasury and administrative costs are covered by the grantee-retained portion, there is little on which to base local government waste water treatment self-sufficiency.

Furthermore, many local communities rely on user charges for moneys to replace equipment and basically keep up the plant.

Mr. President. I have spoken to a lot of local officials about ICR. Nearly all of them want repeal of the provision. Many of them cite administrative users. What kinds of administrative costs are we talking about?

COSTS IN DEVELOPMENT OF AN ICR SYSTEM

Identifying industrial users.

Developing a plan for monitoring industrial discharges and collecting ICR.

Developing an accounting system to record discharges.

Obtaining agreements from member jurisdictions in a metropolitan sanitation district to charge ICR.

Obtaining system approval from EPA.

COSTS IN ADMINISTRATION OF ICR

Monitoring the flow rate of industrial discharges.

Sampling and analyzing industrial discharges to measure waste strength.

Maintaining an accounting system for ICR charges and revenues.

Summarizing data annually and recomputing ICR charges if discharges change significantly.

The EPA study does not contain horror stories of closed plants or mass forfeiture of jobs, due to ICR. However, I would argue that an industrial cost recovery charge is, indeed, a factor when an industry decides whether to expand or locate a new plant in a particular area. So we are sometimes talking about a loss of potential jobs in a community, if that community must assess an ICR charge, because of construction grant expenditures after 1973. Further, although an industry or business may not identify ICR as the sole reason for a shutdown or move, I would submit that ICR is one of a combination of items that can drag down a marginal business.

ICR fails to accomplish the goals intended by the Congress in 1972. This does not mean that such goals, especially water conservation, are suspect. Other sections of the Clean Water Act spur efforts to meet these needs. And as we move toward the next overall look at the Clean Water Act, prior to the fiscal year 1982 reauthorization deadline, I look forward to hearing suggestions from EPA and others as to what we can do to improve our chances to meet these goals. We may be able to improve cost effectiveness guidelines or come up with other creative ideas.

But it is my belief that ICR is not the answer to all of our clean water construction grant ills. The costs, both to municipalities and businesses, are highly disproportionate to the extremely slight role of ICR in meeting the needs I mentioned earlier.

Even EPA, at the time the moratorium was last due to expire in June 1979, recommended a moratorium extension, so that they could further refine their views on ICR and not have this provision go into effect in the meantime. In a time of budget crisis, poor investment track records, and loss of competitiveness of our industries with those abroad, how can we possibly afford to let ICR go back into effect? It is costly to administer and garners little for the Federal Treasury, local government, or the goal of water treatment self-sufficiency, not to mention ICR's failure to accomplish any of the other tasks assigned to it.

Our Environment and Public Works Committee, particularly the Environmental Pollution Subcommittee, held hearings in March on industrial cost recovery. At that time EPA, local officials, industries, and other groups presented their thoughts on ICR. The cities of Nashville and Dallas, both members of the Association of Metropolitan Sewerage Agencies, testified strongly in favor of repeal. Representatives of the textile, food processor, brewers, and the pulp and paper industries likewise wanted repeal of ICR. Although neither EPA nor the environmental witness we heard from favor total repeal, both recognized that there are problems with ICR and offered suggestions such as exemptions where administrative costs exceed receipts or in certain other hardship cases.

I realize that several issues have been raised in many sectors regarding the overall construction grant program such as whether we are holding down capacity, whether the grant program should always stay in existence or should cities and States have to bond or otherwise pay in the future for their treatment needs, and so forth. These are issues which should be dealt with in our overall review of the grant program beginning in the Environment and Public Works Committee this summer and continuing into the spring. They are valid, important issues, raised by some of the witnesses in our hearings and certainly to be expanded in future testimony.

I submit, however, that ICR or any machinations we might perform on ICR, will not and cannot resolve these larger issues.

I look forward to working with my colleagues on the Environment and Public Works Committee and in the Senate on the policy decisions regarding ICR. It has been a difficult issue to analyze, but I must say that I have yet to see a truly viable alternative to repeal. In light of this, the testimony we have received, and other available information from local communities and industries. I have decided to introduce this bill today to repeal ICR and ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2579

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. (a) Clause (B) of paragraph (1) of subsection (b) of section 204 of the Clean Water Act (33 U.S.C. 1284(b)(1)(B) is repealed and paragraph (1) of subsection (b) of section 204 is amended by striking out clause (B) in its entirety and striking out "(C)" and inserting in lieu thereof "(B)".

(b) Paragraphs (3) and (6) of subsection

(b) of section 204 of the Clean Water Act (33 U.S.C. 1284(b) (3) and (6) are repealed and subsection (b) of section 204 is amended by striking out paragraph (3) in its entirety and paragraph (6) in its entirety and renumbering paragraphs (4) and (5) as paragraphs (3) and (4) respectively.

(c) The Administrator of the Environmental Protection Agency shall take such action as may be necessary to remove from any grant made under section 201(g)(1) of the Clean Water Act after March 1, 1973, and prior to the date of enactment of this Act, any condition or requirement no longer applicable as a result of the repeals made by subsections (a) and (b) of this section or release any grant recipient of the obligations established by such conditions or other requirement.

SEC. 2. Section 201(h) of the Clean Water Act (33 U.S.C. 1281(h) is hereby amended by striking out the last sentence.

SEC. 3. The second sentence of section 213(d) of the Clean Water Act (33 U.S.C. 1293(d) is hereby amended by striking out "(1) all or any portion of the funds retained by such grantee under section 204(b)(3) of this Act, and (2)".

SEC. 4. (a) Section 75(b) of the Clean Water Act of 1977 (91 Stat. 1610) is hereby repealed.

(b) Section 75 (d) of the Clean Water Act of 1977 (91 Stat. 1610) is hereby repealed.

SEC. 5. The amendments made by this bill shall take effect on December 27, 1977.

By Mr. SCHWEIKER (for himself, Mr. LEVIN, Mr. HAYAKAWA, and Mr. BOSCHWITZ):

S. 2580. A bill to amend the Immigration and Nationality Act to provide procedures for administrative correction of the dates of birth of certain naturalized citizens; to the Committee on the Judiciary.

AFTERMATH OF THE HOLOCAUST

Mr. SCHWEIKER. Mr. President, the Nation will end its week of observance of "Days of Remembrance of Victims of the Holocaust" on Saturday, April 19. Over 6 million civilians lost their lives during World War II, victims of a policy of official murder, victims whose only crime was to have the wrong parents. It is fitting that we take time now to reflect on the horrors of those days.

For some concentration camp survivors, the aftermath of the Holocaust reaches into the present. After their release, 250,000 of them made new homes in the United States. They became our teachers, bankers, and bakers. They became our friends and our neighbors. They studied our laws and our Constitution and became American citizens. Yet, after decades of hard work in a new country, some of them cannot qualify for social security benefits they have earned because of decisions they made when struggling to survive inside concentration camps.

Camp policy was often governed by a harsh rule: Women over the age of 30 shall die. Understandably, those over the age limit understated their true age.

Fearful that contradicting camp records would jeopardize their chance for admission to the United States, some survivors repeated their misstatements when applying for relocation in America. Now, 35 years after the end of World War II, these individuals are over the age of sixty-five, but official documents held by the Social Security Administration wrongly show their ages as below 65. Rightful benefits are denied.

My bill which I am now introducing for myself and Mr. LEVIN permits immigrants who came to this country after December 21, 1945, but before November 2, 1954, to correct their naturalization papers with respect to the date of birth listed. Such application for an amended certificate of naturalization shall be made to the Attorney General. He shall grant the request if the applicant proves to the Attorney General's satisfaction that the misstatement was made out of fear that it would jeopardize the survivor's attempt to emigrate to the United States and escape persecution because of race, religion, or political opinion.

With corrected official documents, benefits would begin to flow to those immigrants over the age of 65 who would otherwise qualify. My bill leaves open the door for survivors other than young women who made misstatements about their age for good reason. It may be that age requirements for the right to live applied to others, and their benefit eligibility problems are the same.

Mr. President, justice deferred is justice denied. I urge the prompt adoption of my bill, consistent with our observances this week. Let us eliminate injustice whose roots took hold in evil ground over 35 years ago.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. I congratulate my colleague from Pennsylvania for his leadership in offering this bill, and I am delighted to be able to cosponsor it with him.

Mr. President, our Nation has always been a haven and refuge for victims of oppression throughout the world. Among those victims were the survivors of the Holocaust that destroyed much of Europe's Jewry. Many escaped death by the practice of understating their age to the Nazis, who were interested in using some of the young as slave laborers and for other purposes.

The ages that the Holocaust survivors established for themselves in the camps later became a part of their lives in the displaced persons camps, and later on when they left Europe.

Many of these persons came to America after the war. By their skills and their labor they contributed to the wealth of this country for 30-plus years during which they have lived among us. But because of the erroneous understatement of their ages on their official documents they cannot now establish their eligibility for their social security benefits despite their contributions to the social security trust fund.

Mr. President, many of these victims would like to take some action to amend their immigration record. However, understandably, they are afraid of repercussions. They still fear deportation or loss of citizenship. For most this risk is much too high.

The legislation that the Senator from Pennsylvania and I are introducing today will afford them the opportunity to establish their correct age so that they may be eligible with their peer age group to collect the social security benefits which they are actually entitled to.

The bill would permit procedures for administrative correction of immigration records. The person would have to apply to the Attorney General for the issuance of a corrected certificate of naturalization bearing the correct birth date. If the Attorney General determines that a corrected certificate of naturalization is in order, this document would constitute evidence of a citizens birth date and could be used for the administration of any U.S. law. The measure contains safeguards against fraudulent practices while at the same time advancing its humanitarian purposes.

Mr. President, it is especially appropriate that this bill is being introduced this week as these are the Days of Remembrance of the Holocaust. This is the week which Congress has designated to call upon the American people to "always remember the terrible atrocities of the Nazis so that they will never be repeated." Yet nowhere in the world are the memories of the Holocaust remembered, day in and day out, as the hearts and minds of those few individuals who have survived that unprecedented period of history.

Mr. President, identical legislation has been filed in the House by Representative WILLIAM HUGHES, Democrat, New Jersey, with 53 cosponsors.

I am again very pleased to join with my colleague, Senator SCHWEIKER, in filing this legislation. I again commend him on his strong leadership.

Mr. SCHWEIKER. I thank the distinguished Senator from Michigan for being the principal cosponsor of the bill and for his leadership in this area.

Mr. HAYAKAWA. Mr. President, I would like to say to my distinguished colleague from Pennsylvania and my distinguished colleague from Michigan that I would be honored to cosponsor their legislation which they have just introduced.

● Mr. BOSCHWITZ. Mr. President, I am pleased to be able to join as an original cosponsor of this legislation which will correct the technical deficiency in the immigration law that is preventing many American citizens who were prisoners in German concentration camps from collecting their social security benefits at age 65.

This has been a long neglected deficiency in our immigration law and I commend Congressman HUGHES and Senator SCHWEIKER for taking action to correct this unfortunate situation. During World War II, these individuals were often forced to falsify their ages on their visa applications in order to save their lives, and now their visa applications misstate their actual age. As a result, many individuals who are actually 65 or older are being denied benefits by the Social Security Administration. Even though they have been U.S. citizens for many years and very productive members of our society, they are unable to collect benefits entitled to them because of this complication which dates back to World War II.

As I am sure my colleagues will agree, this has been an unintentional oversight by Congress and one which should be corrected immediately. I only regret that it was not brought to Congress attention earlier. My interest in this matter transcends my personal experience as a refugee; I feel that this bill is inherently compelling and deserves wide support.●

By Mr. CHURCH:

S. 2581. A bill to amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals; to the Committee on Finance.

S. 2582. A bill to provide for the settlement and payment of claims of civilian and military personnel against the United States for losses in connection with the evacuation of such personnel from a foreign country; to the Committee on the Judiciary.

HOSTAGE RELIEF ACT OF 1980

● Mr. CHURCH. Mr. President, despite intensive diplomatic efforts, the militant students of Iran continue to hold U.S. Embassy personnel in gross violation of international law. During this uncertain period of time, the prisoners have suffered the extreme mental torment that normally flows from an unjust incarceration. In addition to the prisoners' intolerable situation, the families of these individuals have also undergone severe mental and, in many cases, financial strain due to the loss of their loved ones.

The new wave of international terrorism against U.S. diplomats underscores the dangers faced by the brave men and women who serve our country abroad. We must we do everything we can to secure the prompt relief of our hostages and to enhance the security of our embassy personnel around the globe. At the same time, we also must not forget the families of the hostages. We must act to alleviate their burdens. We also must assure—to the extent we can—that upon their return, the hostages will be fully and appropriately compensated for their ordeal and that any assistance they may require will be readily available. It was with these objectives in mind that Congressman FASCELL and I are introducing the Hostage Relief Act.

This legislation would attempt to provide extensive tax, medical, educational, and legal relief for the hostages and their families. Specifically, this bill would:

First. Provide Government savings program at Treasury bill interest rates into which salaries of Government personnel being held hostage could be paid.

Second. Authorize payment of necessary travel, rest and recuperation, private medical, and other expenses incurred by Government personnel and families as a result of the individual's detention abroad by a hostile force. Payment would be made under Government-wide regulations to be issued by the President up to $25,000.

Third. Authorize training for spouses of Federal civilian personnel held hostage similar to training provided through the Veterans' Administration to spouses of military hostages.

Fourth. Extend the provisions of the Civil Relief Act of October 17, 1940, now applicable to members of the Armed Forces. This would defer civil actions that affect property rights until the hostages are released.

Fifth. Defer filing of tax returns and payment of income taxes to State and local governments. This is now done with respect to Federal income taxes by 5 U.S.C. 5568.

Sixth. Waive income taxes on compensation of Federal civilian and military personnel in a missing status abroad. This was done by 26 U.S.C. 112(d) for POW's in Vietnam conflict.

Seventh. Waive income taxes on certain compensation for Federal civilian employees assigned to a combat area or during periods of hospitalization resulting from hostile action abroad. This is authorized for military personnel in a combat zone. (26 U.S.C. 112(b))

Eighth. Cancel income taxes for Federal civilian employees who die as a result of hostile action abroad for taxable year in which death is determined to occur and for all prior years during which employee was in a missing status. This is authorized for military personnel who die as a result of service in a combat zone or in a missing status (26 U.S.C. 692)

Ninth. Authorize spouses of employees in a missing status to file a joint income tax return. This is now authorized by 26 U.S.C. 6013(f) when the President declares the status to result from service in a "combat zone."

Mr. President, I am also introducing at this time separate legislation to provide for the settlement and payment of claims of civilian and military personnel who suffer losses in connection with their evacuation from hostile situations abroad.

At present, employees who suffer loss of property because of evacuation from foreign posts may recover only $15,000 from the Government under the Military Personnel and Civilian Employees' Claims Act of 1964. This amount of compensation is woefully outdated.

The legislation I am introducing today will raise this level of compensation to $40,000.

Mr. President, I ask unanimous consent that the text of both bills be printed in the RECORD at this point, together with a section-by-section analysis of the Hostage Relief Act of 1980.

There being no objection, the bills and analysis were ordered to be printed in the RECORD, as follows:

S. 2581

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, that this Act may be cited as the "Hostage Relief Act of 1980".

TITLE I—AMENDMENTS TO TITLE 5 OF THE UNITED STATES CODE

INCOME TAX DEFERMENT

SEC. 101. (a) Section 5568 of title 5 of the United States Code is repealed.

(b) The item in the analysis for chapter 55 of title 5, United States Code, relating to section 5568 is repealed.

SPECIAL PROGRAMS

SEC. 102. (a) Subchapter VII of chapter 55 of title 5 of the United States Code is amended by inserting at the end thereof the following:

"§ 5569. Savings program, training, and reimbursement of expenses.

"(a) The Secretary of the Treasury shall establish a savings fund to which the head of an agency may allot all or a portion of the pay and allowances of any employee who is in a missing status on or after November 4, 1979. Interest on the savings fund shall be compounded quarterly at the average rate paid on United States Treasury bills with three-month maturities issued during the calendar quarter immediately preceding the first day of the applicable pay period.

"(b) The President shall issue regulations to authorize the heads of agencies to reimburse any employee who is in a missing status on or after November 4, 1979, or dependent of such an employee, for expenses incurred on or after November 4, 1979, for necessary travel, rest and recuperation, private medical care, and other expenses related to the ordeal of the employee. Reimbursements under this subsection shall not exceed $25,000 in any calendar year for any such employee, including all of his or her dependents, and shall not cover that portion of any expenses which may be paid for by insurance.

"(c) A spouse of an employee who is in a missing status on or after November 4, 1979, is entitled, under regulations prescribed by the President, to reimbursement for expenses incurred for tuition, books, fees, and subsistence while attending an educational or training institution. Reimbursement shall not exceed the maximum amount authorized to be paid to or on behalf of spouses of missing members of the Armed Forces under section 1731 of chapter 35, title 38, United States Code. Reimbursement under this subsection may be made for attendance at educational courses or training between the ninety-first day the employee is in a missing status and the end of the semester which follows the return of the employee to United States control, but not to exceed a total of 45 months. Educational assistance shall be discontinued under this subsection to any individual if such individual's conduct or educational progress is unsatisfactory under standards comparable to those established pursuant to section 1724 of title 38, United States Code.

"(d) Notwithstanding section 2105 or section 5561(2), for purposes of this section, the term 'employee' means—

"(1) an individual who is appointed in the civil service or the uniformed services (other than the Armed Forces), or

"(2) a citizen or resident alien of the United States whose presence abroad is for the purpose of performing a Federal function, as determined, by rule, by the Secretary of State.

"§ 5570. Extension of applicability of certain provisions of the Soldiers' and Sailors' Civil Relief Act of 1940.

"Pursuant to rules to be issued by the Secretary of State, a citizen or resident alien of the United States who is in a missing status on or after November 4, 1979, is entitled to the benefits provided by the Soldiers' and Sailors' Civil Relief Act of 1940 (50 U.S.C. App. 501 et seq.), except for the benefits provided by sections 104, 105, 106, 401 through 408, 501 through 512, and 514. To carry out this section, when referred to in such Act the term 'person in the military service' is deemed to include any such citizen or resident alien, and the term 'period of military service' is deemed to include the period during which such citizen or resident alien is in a missing status as the result of a hostile action against the United States as determined by the Secretary of State or is precluded from reasonable postal communications as the result of hostile actions against a diplomatic mission, consular mission, or other Foreign Service post of the United States as determined by the Secretary of State. To carry out this section, when referred to in such Act, references to the Secretary of the Army, the Secretary of the Navy, the Administrator of Veterans' Affairs, and the Veterans' Administration are deemed to be references to the Secretary of State. A citizen or resident alien is deemed to be in a missing status if the individual satisfies the requirement of subparagraph (A), (B), (C), (D), or (E) of paragraph (5) of section 5561, but, in the case of an employee, does not include the status of an employee for a period during which such employee is officially determined to be absent from his post of duty without authority.".

(b) The analysis for chapter 55 of title 5, United States Code, is amended by inserting after the item relating to section 5568 the following new items:

"5569. Savings program, training, and reimbursement of expenses.

"5570. Extension of applicability of certain provisions of the Soldiers' and Sailors' Civil Relief Act of 1940.".

(c) Subsections (b) and (c) of section 5569 of title 5 of the United States Code shall be applicable to all citizens and resident aliens of the United States determined by the Secretary of State to be held hostage in Teheran at any time during November 1979 and to their dependents and spouses, as the case may be, whether or not such citizens and resident aliens are Federal employees for purposes of such subsections. Any reimbursements with respect to any such individuals under such subsections shall be made by the Secretary of State.

(d) Paragraph (2) of section 5561 of title 5, United States Code, is amended by inserting ", except with respect to section 5569," after "means".

EFFECTIVE DATE

SEC. 103. The amendments made by section 101 shall apply to taxable years ending on or after December 31, 1979, and the amendments made by section 102 shall take effect on November 4, 1979.

TITLE II—AMENDMENTS TO THE INTERNAL REVENUE CODE OF 1954

CERTAIN PAY RECEIVED BY HOSPITALIZED FEDERAL EMPLOYEES

SEC. 201. Section 112 of the Internal Revenue Code of 1954 (relating to certain combat pay of members of the Armed Forces) is amended by inserting at the end thereof the following new subsection:

"(e) FOREIGN HOSTILE ACTIONS.—

"(1) FEDERAL EMPLOYEES.—Gross income does not include compensation received for active service as an employee for any month during any part of which such employee—

"(A) was in a missing status as the result of any hostile action against the United States, or

"(B) was hospitalized as a result of wounds, injury, disease, or partial or total physical or mental disablement incurred during a hostile action against the United States; but this subparagraph shall not apply for any month beginning more than 2 years after the date of the termination of the hostile action.

"(2) DEFINITIONS.—For purposes of paragraph (1)—

"(A) HOSTILE ACTION.—The term 'hostile action against the United States' means an action abroad which is directed against the United States and occurs on or after November 1, 1979, which the Secretary of State identifies in a letter to the Secretary and which letter is published in the Federal Register.

"(B) FEDERAL EMPLOYEE.—The terms 'active service' and 'missing status' have the respective meanings given to such terms by section 5561 of title 5 of the United States Code, and the term 'employee' has the meaning given to such term by section 5569(d) of title 5 of the United States Code.".

INCOME TAXES OF FEDERAL EMPLOYEES ON DEATH RESULTING FROM HOSTILE ACTIONS IN FOREIGN COUNTRIES

SEC. 202. Section 692 of the Internal Revenue Code of 1954 (relating to income taxes of members of Armed Forces on death) is amended by inserting at the end thereof the following new subsection:

"(c) FOREIGN HOSTILE ACTIONS.—

(1) GENERAL RULE.—In the case of any individual who dies on or after November 1, 1979, while in active service as an employee, if such death occurred as a result of wounds, injury, disease, or partial or total physical or mental disablement incurred during a hostile action against the United States—

"(A) any tax imposed by this subtitle shall not apply with respect to the taxable year in which falls the date of such individual's death, or with respect to any prior taxable year ending on or after the first day such individual was in a missing status within the meaning of section 112(e); and

"(B) any tax under this subtitle which is unpaid at the date of such individual's death (including interest, additions to the tax, and additional amounts) shall not be assessed, and if assessed the assessment shall be abated, and if collected shall be credited or refunded as an overpayment.

For purposes of this paragraph, the date of death shall be treated as being not earlier than the date on which a determination of such individual's death is made under section 5565 of title 5 of the United States Code. This paragraph shall not apply for any taxable year beginning more than 2 years after the date of termination of the hostile action as determined for purposes of section 112(e).

"(2) DEFINITIONS.—For purposes of paragraph (1), the term 'active service' has the meaning given to such term by section 5561 of title 5 of the United States Code, the term 'employee' has the meaning given to such term by section 5569(d) of title 5 of the United States Code, and the term 'hostile action against the United States' has the meaning given to such term by section 112(e)(2)(A).".

JOINT RETURN WHERE INDIVIDUAL IS IN A MISSING STATUS

SEC. 203. (a) Paragraph (1) of section 6013(f) of the Internal Revenue Code of 1954 (relating to election by spouse) is amended—

(1) by inserting "or as the result of a hostile action against the United States (as determined for purposes of section 112(e))" after "section 112)" in subparagraph (A); and

(2) by inserting "or which begins on or before the day which is 2 years after the date as determined for purposes of section 112(e) as the date of termination of the missing status of such individual" after "zone" in subparagraph (B).

(b) Paragraph (3) of section 6013(f) of the Internal Revenue Code of 1954 (relating to missing status) is amended by inserting at the end thereof the following new subparagraph:

"(C) CITIZENS AND RESIDENT ALIENS.—A citizen or resident alien of the United States (other than an individual referred to in subparagraph (A) or (B)) is in a missing status for any period during which such individual satisfies the requirement of subparagraph (A), (B), (C), (D), or (E) of paragraph (5) of section 5561 of title 5 of the United States Code as determined by the Secretary of State.".

FEDERAL TAX DEFERMENT

SEC. 204. (a) Section 7508(a) of the Internal Revenue Code of 1954 (relating to time to be disregarded) is amended to read as follows:

"(a) TIME TO BE DISREGARDED.—In the case of—

"(1) an individual serving in the Armed Forces of the United States, or serving in support of such Armed Forces, in an area designated by the President of the United States by Executive order as a 'combat zone' for purposes of section 112, at any time during the period designated by the President by Executive order as the period of combatant activities in such zone for purposes of such section, or hospitalized outside the United States as a result of injury received while serving in such an area during such time, the period of service in such area, plus the period of continuous hospitalization outside the United States attributable to such injury; or

"(2) a citizen or resident alien of the United States who is in a missing status within the meaning of section 112(e) or hospitalized outside the United States as the result of wounds, injury, disease, or partial or total physical or mental disablement incurred during a hostile action against the United States within the meaning of section 112(e), the period of such missing status plus the period of continuous hospitalization outside the United States attributable to such wounds, injury, disease, or disablement; and

the next 180 days thereafter shall be disregarded in determining, under the internal revenue laws, in respect of any tax liability (including any interest, penalty, additional amount, or addition to the tax) of such individual—

"(A) Whether any of the following acts was performed within the time prescribed therefor:

"(i) Filing any return of income, estate, or gift tax (except income tax withheld at source and income tax imposed by subtitle C or any law superseded thereby);

"(ii) Payment of any income, estate, or gift tax (except income tax withheld at source and income tax imposed by subtitle C or any law superseded thereby) or any installment thereof or of any other liability to the United States in respect thereof;

"(iii) Filing a petition with the Tax Court for redetermination of a deficiency, or for review of a decision rendered by the Tax Court;

"(iv) Allowance of a credit or refund of any tax;

"(v) Filing a claim for credit or refund of any tax;

"(vi) Bringing suit upon any such claim for credit or refund;

"(vii) Assessment of any tax;

"(viii) Giving or making any notice or demand for the payment of any tax, or with respect to any liability to the United States in respect of any tax;

"(ix) Collection, by the Secretary, by levy or otherwise, of the amount of any liability in respect of any tax;

"(x) Bringing suit by the United States, or any officer on its behalf, in respect of any liability in respect of any tax; and

"(xi) Any other act required or permitted under the internal revenue laws specified in regulations prescribed under this section by the Secretary;

(B) The amount of any credit or refund (including interest).

In the case of a citizen or resident alien of the United States who is not an employee within the meaning of section 5569(d) of title 5 of the United States Code, such individual is in a missing status for purposes of this subsection for any period during which such individual satisfies the requirement of subparagraph (A), (B), (C), (D), or (E) of paragraph (5) of section 5561 of title 5 of the United States Code as determined by the Secretary of State.".

(b) Section 7508(b) of the Internal Revenue Code of 1954 (relating to application to spouse) is amended by striking out "or" at the end of paragraph (1), by striking out the period at the end of paragraph (2) and inserting in lieu thereof ", or", and by inserting at the end thereof the following new paragraph:

"(3) more than 2 years after the date as determined for purposes of section 112(e) as the date of termination of the missing status of the individual.".

(c) Section 7508(c) of the Internal Revenue Code of 1954 (relating to missing status) is amended by inserting "(1)" after "(a)" both times it appears therein.

APPLICABILITY TO ALL TEHERAN HOSTAGES

Sec. 205. Except as provided by the next sentence, the amendments made by sections 201 and 202 to sections 112 and 692, respectively, of the Internal Revenue Code of 1954 shall be applicable to all citizens and resident aliens of the United States determined by the Secretary of State to be held hostage in Teheran at any time during November 1979, whether or not such citizens or resident aliens are Federal employees for purposes of such sections. For purposes of the preceding sentence, the compensation of such individuals who are not Federal employees which exceeds the daily equivalent of the annual rate of basic pay in effect for level V of the Executive Schedule shall not be excluded from such individual's gross income.

EFFECTIVE DATE

Sec. 206. The amendments made by this title shall apply to taxable years ending on or after December 31, 1979.

S. 2582

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Military Personnel and Civilian Employees' Claims Act of 1964 (78 Stat. 767, 31 U.S.C. 240 et seq.) is amended by adding at the end thereof the following new section:

"Sec. 9. (a) Subject to any policies that the President may prescribe, the head of any agency, or his designee, may settle and pay not more than $40,000 for any claim against the United States made by a member of the uniformed services under the jurisdiction of that agency or by a civilian officer or employee of that agency for damage to, or loss of:

"Personal property in a foreign country, incurred on or after December 31, 1978, which damage or loss was incident to the service of that member, officer, or employee, and

"(1)(A) that member, officer, or employee was evacuated from that country on or after December 31, 1978, in accordance with a recommendation or order of the Secretary of State or other competent authority which was made in response to incidents of political unrest or hostile acts by people in that country, and

(B) that damage or loss resulted from that evacuation or from any such incident or hostile act; or

"(2) that damage or loss resulted from acts of mob violence, terrorist attacks, or other hostile acts, directed against the U.S. Government or its officers or employees.

"(b) The head of the agency, or his designee, authorized under subsection (a) to settle and pay a claim of a person described in such subsection may, if such person is deceased, settle and pay any claim made by the decedent's surviving (1) spouse, (2) children, (3) father or mother, or both, or (4) brothers or sisters, or both, that arose before, concurrently with, or after the decedent's death and is otherwise covered by this section. Claims of survivors shall be settled and paid in the order set forth in the preceding sentence.

"(c) A claim may be allowed under this section only if it is presented in writing within two years after the claim accrues, or within one year after the date of the enactment of this section, whichever is later.

"(d) The head of each agency shall issue regulations to carry out this section. The same standards applied in adjudicating a claim under section 3 of this Act shall be applied in adjudicating a claim under this section. Any claim to which this section applies but which has been adjudicated under section 3 of this Act by the applicable head of an agency before the date of the enactment of this section shall not be adjudicated under this section, but any amount of loss adjudicated under such section 3 in connection with that claim which has not been paid shall be payable to the extent permitted in this section.

"(e) Upon payment of a claim under this section, the United States shall, to the extent of the amount of such payment, be subrogated to any right or claim, with respect to the same damage or loss for which the claim under this section was paid, that the claimant may have against the foreign country in which that damage or loss occurred."

HOSTAGE RELIEF ACT OF 1980: SECTION-BY-SECTION ANALYSIS

The Hostage Relief Act of 1980 is designed to provide certain relief to persons currently held hostage in Tehran and to update existing statutes to cover any future similar situations. The bill would apply to civilian employees of the U.S. Government or, as appropriate, to U.S. citizens and resident aliens generally. Title I of the bill would amend title 5 of the U.S. Code to provide for reimbursement of certain expenses, authorize a savings and training program, and make applicable certain provisions of the Civil Relief Act. Title II of the bill would amend the Internal Revenue Code of 1954. Title II is designed to extend to civilians taken hostage or otherwise determined to be in a missing status abroad as a result of a hostile action against the United States, the tax advantages previously enacted for members of the Armed Forces who enter a missing status as a result of service in a combat zone.

A detailed sectional analysis of the bill follows:

TITLE I

Section 101 of the bill would repeal section 5568 of title 5 of the U.S. Code and transfer the substance to section 7508 of title 26. Section 5568 defers the requirement for filing or paying Federal income taxes by an employee in a missing status. This subject is better dealt with in title 26.

Section 102 of the bill would add two new sections—5569 and 5570—to subchapter VII of chapter 55 of title 5. This subchapter authorizes continuation of salaries and allowances for Federal employees in a missing status. It covers those who are taken hostage or who go into hiding in a foreign area to avoid capture by a hostile force.

New section 5569 would authorize a savings program, reimbursement of certain expenses and certain training. Section 5569 (a) would direct the Secretary of Treasury to establish a savings fund to which agency heads could allot all or a portion of the pay of personnel being held hostage. Interest on money deposited would be compounded quarterly at the average rate paid on U.S. Treasury bills with 3 months maturities in the preceeding calendar quarter.

Section 5569(b) would authorize reimbursement of expenses incurred by Federal employees being held hostage and their families for travel, recuperation, private medical care and other expenses necessarily incurred because of the ordeal of the employee and his or her family members. Reimbursements for expenses not covered by insurance would be made in accordance with regulations to be issued by the President and would be limited to $25,000 per family per year. It is believed that some dependents of the hostages may require extended medical and psychological treatment that cannot be provided under existing Government programs.

Section 5569(c) would authorize spouses of Federal employees being held hostage to attend courses of education and training. This would permit such spouses who wish to reenter the labor market to take training to brush up old skills or acquire new ones for this purpose. Spouses of members of the Armed Forces who are in a missing status for 90 days or more are now authorized such training under chapter 35 of title 38 of the United States Code administered by the Veterans Administration. The proposed training for civilian spouses would be administered under regulations prescribed by the President under rules comparable to those established by the Veterans Administration under title 38.

New section 5570 would extend certain provisions of the Soldier's and Sailor's Civil Relief Act, now applicable to members of the Armed Forces, to other U.S. citizens during any period they are in a missing status or cut-off from reasonable postal communications as a result of a hostile action against the United States in a foreign area. The Civil Relief Act inter alia provides authority for a court to defer civil actions or proceedings that affect an individual's status or property rights until the individual is restored to a situation where it is reasonable for him or her to be able to respond to the specified actions. To give one example, this amendment would provide authority to a court to prevent foreclosure on an employee's house or property for nonpayment of taxes while the employee is being held hostage in a foreign area.

Section 102(c) of the bill would make the reimbursement and training programs contained in proposed new sections 5569(b) and (c) specifically applicable to all citizens and resident aliens of the U.S. held hostage in Tehran, as determined by the Secretary of State, at any time during November 1979, whether or not they are Federal employees.

Section 103 of the bill would make the amendments added by section 102 effective on November 4, 1979, the date of the takeover of the U.S. Embassy in Tehran.

Title II of the bill would amend title 26 of the U.S. Code as explained below to extend to civilians taken hostage or otherwise determined to be in a missing status abroad as a result of a hostile action against the United States, tax advantages comparable to those now available to members of the Armed Forces who enter a missing status as a result of service in a combat zone.

INCOME TAXES OF FEDERAL EMPLOYEES IN A MISSING STATUS BECAUSE OF HOSTILE ACTION AGAINST THE UNITED STATES

Section 201 of the bill would add new subsection (e) to section 112 of title 26. This subsection would exempt from gross income all compensation received for active service as a Federal employee during any month the employee was in a missing status as a result of hostile action against the United States in a foreign area. It would also exempt from gross income compensation received for any month during any part of which such employee was hospitalized as a result of such hostile action.

"Hostile action against the United States" would be defined as an action abroad which is directed against the United States that occurs on or after November 1, 1979, which the Secretary of State identifies for this purpose in a letter published in the Federal Register. This definition would include the hostile action directed against the United States in Tehran which commenced on November 4, 1979 and subsequent hostile actions in Pakistan and elsewhere. The term "Federal employee" would be defined to include any person who is an employee, whether direct or indirect, of any agency or instrumentality of the U.S. The term would include any person other than a member of the Armed Forces whose presence abroad is for the purpose of implementing a Federally funded program as determined by the Secretary of State.

DEATH RESULTING FROM HOSTILE ACTION

Section 202 of the bill would amend section 692 of title 26 to provide an exemption from Federal income taxes for Federal employees who die as a result of hostile action against the United States. The exemption would extend to income received during the year of death and during any prior year the employee first entered a missing status as a result of such hostile action. Section 692 now provides a similar exemption to members of the Armed Forces who die as a result of service in a combat zone.

JOINT RETURN WHERE INDIVIDUAL IS IN A MISSING STATUS

Section 203 would amend section 6013(f) of title 26 to permit an individual otherwise entitled to file a joint return to file such a return if the individual's spouse is in a missing status as a result of hostile action against the United States. Section 6013(f) now authorizes the filing of a joint return by the spouse of a Federal employee or member of a uniformed service in a missing status as a result of service in a combat zone.

FEDERAL TAX DEFERMENT

Section 204 would amend section 7508 of title 26 to defer payment of Federal taxes for U.S. citizens or resident aliens who are in a missing status because of a hostile action against the United States or who are hospitalized outside of the United States because of such hostile action. Section 7508 now defers Federal taxes for members of the Armed Forces while they are serving in a combat zone, or while in a missing status, or while hospitalized abroad as a result of injuries received while serving in a combat zone.

This amendment would incorporate the provisions of section 5568 of title 5 which is being repealed by section 101 of this bill. Section 7508 covers not only Federal income taxes as does section 5568, but also estate and gift taxes, the filing of returns and various petitions and other actions relating to Federal taxes.

APPLICABILITY

Section 205 would make the amendments of the Internal Revenue Code made by the bill applicable to all citizens and resident aliens of the U.S. held hostage in Tehran, as determined by the Secretary of State, at any time during November 1979, whether or not they are Federal employees. The exemptions would apply only to those who file an income tax return for the periods in question.●

By Mr. DOLE:

S.J. Res. 164. A joint resolution to authorize and request the President to designate June 17, 1980, as "Business Productivity Day"; to the Committee on the Judiciary.

BUSINESS ACTIVITY DAY

Mr. DOLE. Mr. President, the Senator from Kansas would like to take this opportunity to recognize that today is "Big Business Day," April 17, and to propose that we officially commend big business for the contribution it has made to American life. I am introducing a resolution praising American business for its contribution to society, designating June 17 as "Business Productive Day."

Mr. President, though today is being recognized as "Big Business Day" by many people all over the country, this recognition is not being made in order to honor, but rather to dishonor, big business, and business in general. At this very hour, sit-ins, lectures, fairs, and other forms of "protest" are being staged against business. The thrust of these activities is to convey the message that big corporations are evil per se, that they are harming consumers, and that the Federal Government needs to step in to stop these abuses.

BIG BUSINESS—WHAT IS IT?

First of all, the Senator from Kansas is confused as to what criteria are being used to determine "bigness." What is "big" business? Are we talking about a certain amount of sales, or profit, or size of personnel? It strikes this Senator as highly significant that this distinction is vague and fuzzy. We have seen attempts to define big business in the Judiciary Committee. The so-called oil merger bill, or "Energy Antimonopoly Act of 1979," S. 1246, initially began as a form of no-fault monopoly, based on an arbitrary numerical amount of assets or sales or profits. When this proposal picked up no support, the scope of the bill was narrowed significantly to cover only the largest 18 oil companies whose assets or sales met certain arbitrary size criteria. This arbitrary distinction poses significant problems, to many of us on the committee, and though the bill squeezed by the committee, it has little support in the Senate, which may explain why it has not come up on the floor.

Mr. President, the effort to distinguish between "big" business and "small" business is necessarily a will o' the wisp. It cannot be done in any meaningful sense, nor should it be used as a criterion for legislation. Yet the sponsors of "Big Business Day" would have us believe that the distinction between big and small business is clear, and that big business is evil because of its size, while small business is benevolent and is actually menaced by big business.

Mr. President, it surprises the Senator from Kansas that we have not seen hordes of small business persons rushing to participate in Big Business Day. Rather, they have chosen to stay away, perhaps because they themselves are not sure that they qualify as "small." Perhaps they fear being lumped together with all the other "big" companies who are being singled out for attack by those who are celebrating "Big Business Day." Certainly, the small- and medium-sized businessman knows that Government regulation and redtape is just as harmful and senseless to him as it is to his larger competitors.

Mr. President, if we cannot distinguish between small and big business, if there are too many businesses which fall in between, we must infer that the sponsors of Big Business Day are really "antibusiness." That is, they believe that the profit motive is evil per se, and that businesses cannot be trusted to conduct themselves in a just and fair way. If this is true, it follows as surely as the night follows the day that big government must step in to first regulate and then perhaps to run business itself. As businesses are constrained by more regulation and control from Washington, the Government gets larger. More bureaucrats are required to handle the regulation.

CORPORATE DEMOCRACY ACT

The highlight and symbol of Big Business Day is the "Corporate Democracy Act" which is being touted by the "citizens concerned about corporate power," led by Ralph Nader, in their "case for a Corporate Democracy Act."

Mr. President, this Corporate Democracy Act deserves some consideration because a version of it may be introduced in the House and Senate, perhaps this very day. The act itself is a blueprint for big government control of business, and the Senator from Kansas would like to discuss some of its more salient provisions, before discussing his own resolution commending business.

First of all, Mr. President, let us look at the name of the act, the "Corporate Democracy Act." The act seeks to make a "democracy" out of a corporation, by giving minority shareholders an effective "bill of rights" to prevent what would be called the "tyranny of the majority" from imposing its will. In addition, employees of these companies would be protected from being fired for "political" reasons, for whistleblowing, and for other vague "unjust cause."

CORPORATE DEMOCRACY—DO WE NEED IT?

This Senator would like to pose these questions: Can a corporation operate effectively as a democracy, and more importantly, does our Constitution and political democracy require or mandate private corporate democracy?

A corporation, in order to be productive and viable in the face of competition, needs to be efficient. Almost by definition, company managers must "manage" their employees. Decisions need to be made quickly, and orders need to be transmitted effectively down the corporate structure. If employees were to be given as much freedom of speech and action in their work as they are given in our political democracy and as the Corporate Democracy Act proposes to give, they could bring the corporation to a halt, ruin its productivity, and thereby force themselves out of a job because the company would not have any more "profits" from which to pay them their salaries.

Similarly, Mr. President, if minority shareholders were given greater power to thwart the majority, and if so-called "independent" directors were imposed on a company, as this act proposes, the company would be tied up and unable to reach decisions quickly. If extensive environmental, community, and other concerns had to be taken into account in any corporate decisions, with effective minority shareholder and "independent" director power to halt major corporate decisions, my guess is that the company would be crippled into a state of highly politicized inaction. For example, the Corporate Democracy Act requires shareholders approval of major corporate acquisitions and sales of assets.

Mr. President, given the fact that corporations cannot operate effectively as full fledged democracies, the question is: Should they be forced to be fully democratic because of our constitution and legal tradition? The Corporate Democracy Act, by requiring Federal chartering, seeks to make each private corporation's charter resemble the U.S. Constitution.

Mr. President, somewhere this Senator thought he learned that our Constitution clearly distinguishes between official "state action" and private action. Somewhere this Senator thought he heard it said that the distinction between Government and private action is basic. Somewhere, this Senator heard that precisely because we want to protect our individual liberties, we must not treat private individuals and organizations as we treat the Government. A private person or organization, unless he or it menaces the rights of others, should be left alone. The Founding Fathers feared Government activity and power, not private activity and "power." Indeed, "power" as such can be wielded only by a government, and never by a private entity, because by definition, "power" means the ability to force one's will on another person.

Herein, Mr. President, we find the crux of the problem. It is not accurate to say that a corporation has genuine "power" over its employees, its shareholders, or its consumers, because these people are all free to sever their relationship to the corporation at any time. An employee at a company can quit his job and work for another company. A consumer can buy another company's product. A shareholder can buy another company's stock.

Since these individuals are free to sever their ties to the company, why should the Government impose a form of enforced "democracy" on the company ostensibly to protect these individuals from its illusory "power"?

By contrast, the Government has the genuine power to enforce its will on every citizen, and there is no way in which the citizen can sever his ties to the Government, except by leaving the country—a step far more traumatic and unthinkable than the act of quitting a job.

Because of the danger of real Government power to oppress people, the Founding Fathers wrote the Constitution in order to impose political democracy.

Mr. President, Ralph Nader and his cosponsors of the Corporate Democracy Act seem to be arguing that the private corporation is a creation of the State, because it must be chartered, and therefore its charter should impose a public purpose and democracy on the managers. Under current State laws, corporate charters are phrased in such a way as to give corporate managers maximum discretion for decisionmaking.

Mr. President, the Senator from Kansas submits that this theory is fallacious and wrong. The private corporation is not a creation of the State anymore than is a private individual. The corporation must be chartered and the individual must disclose personal information to Government agencies, but neither is a creation or extension of the State, except by wild stretchings of the imagination.

The truth is that the corporation is a form of contract between private individuals, and the role of the State is to merely record this contract and to provide the legal framework within which to enforce its terms. Accordingly, it is clearly improper for us to impose restrictions on corporations which we would impose on the Government.

Furthermore, Mr. President, the Senator from Kansas would like to point out that the public corporation, as such, is only one form of business association. There are many other forms, such as the close corporation, the partnership and the joint venture. This Senator cannot understand why we should single out the public corporation for special treatment, as the corporate democracy act proposes. Such discriminatory treatment is unfair, unreasonable and unnecesary.

CHECKS ON CORPORATE ABUSE

Mr. President, the fact is that under current law, there are adequate remedies against corporate abuses. Both minority and majority shareholders can bring derivative suits against their corporate board of directors and officers should they wish to challenge corporate abuses, or policy. In addition, myriad Government agencies at the Federal and State level currently have the power and the will to monitor, regulate and challenge corporate abuses. Shareholders and citizens could file complaints against corporations with these agencies. The Justice Department could certainly bring indictments against any corporate officers committing so-called "crime in the suites," and could challenge any violations of antitrust law.

Accordingly, Mr. President, the "democratic" restraints imposed on public corporations by the Corporate Democracy Act are unnecessary by any reasonable standard. They would seriously restrain corporations in their day-to-day operations, drive up the cost of business, and sap productivity.

Mr. President, the Corporate Democracy Act, in addition to imposing unreasonable "democratic" restraints on corporations, significantly increases the disclosure requirements which these corporations must comply with, chiefly to the SEC, Labor Department, and NLRB. This increased burden will only impose greater costs on the companies, costs which will be passed on to consumers in the form of higher prices and more inflation.

In turn, more Government bureaucrats will have to be hired, perhaps even a new Federal agency, the "Corporate Compliance Agency," will be created at a time when people all over the country are crying out for less Federal Government intervention in their lives and for a balanced Federal budget.

Finally, Mr. President, a fundamental question must be asked; namely, why is the Government bureaucracy any less venal than private corporations? Why is the Federal Government more fair than private business?

In "The Case for a Corporate Democracy Act," the authors present a number of instances of outrageous corporate "abuses," such as willfully polluting streams and producing dangerous products. These isolated instances are presented as typical of business venality. However, the fact of the matter is that they are isolated instances and that Government bureaucratic scandals are just as prevalent, if not more so.

Hardly a day goes by without our reading about some outrageous Government bureaucratic squandering of taxpayers' money, not for any public good but for the sake of the bureaucrats' perpetuating their own power. Ralph Nader himself, in his book "Congress Watch," reveals scores of incidents of Government venality and waste of taxpayers' dollars. Government bureaucrats are not philosopher kings. They are not uniquely blessed to administer complex regulations affecting business. They frequently have business interests themselves, and in fact are concerned more with extending and perpetuating their own fiefdoms at the taxpayer's expense.

Mr. President, is it to these Government bureaucrats that we should entrust the regulation and control of business? Is the Government itself a paragon of organizational efficiency and productivity? The Government operates at chronic budget deficits ranging into billions of dollars annually, it wastes resources and mismanages the economy in order to cater to special interest groups and yet we are being asked to give it yet more power to regulate our lives and our businesses.

Ultimately, Mr. President, perhaps many of the sponsors of "Big Business Day" would like to see the Government actually take over many large companies, even though they do not say so openly. Their belief is that "nationalizing" the oil companies or the other large conglomerates will produce greater benefits to the public and lower prices. If a nationalized oil company tries to operate at chronic deficits every year, as the Government has been doing, it will certainly not increase productivity or bring about lower oil prices from OPEC. If anything, it will have to raise prices artificially high in order to cover its deficits. Or it will go bankrupt. The inefficiency and rising rates of the Post Office is a great example of what we can expect from "nationalized" or seminationalized companies. If nationalization is the goal, the "Corporate Democracy Act" is certainly a step in the right direction toward this goal.

Mr. President, the Senator from Kansas has tried to give his arguments against the Corporate Democracy Act. Since this day has been declared "Big Business Day," however, this Senator would like to introduce a resolution commending big business for its contribution to society, and designating June 17 as "Business Productivity Day." I ask unanimous consent that this resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

SENATE JOINT RESOLUTION 164

Whereas, private business has contributed greatly to the well-being of the Nation;

Whereas, private business is the main source of new products and services of vital usefulness to consumers;

Whereas, excessive government regulation is inimical to the productivity and creativity of American businesses;

Whereas, business productivity is the basis of the Nation's well-being and of the existence of an adequate number of jobs and a bulwark against inflation;

Whereas, private corporations are not a creation of the State by means of their charters, but rather a private association of individuals by contract; and

Whereas, American corporations have not utilized their resources in a manner harmful to the public: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to designate June 17, 1980, as "Business Productivity Day," as a tribute to the American business community and to its vital contribution to the well-being of the society.

Mr. DOLE. Finally, Mr. President, the Senator from Kansas would like to note an article which was written by John Chamberlain in the Washington Post of April 13, 1980. This article gives an excellent analysis of the general theme of "corporate democracy" and the virtues of private, unhindered corporate activity. I ask unanimous consent that this article be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

NADER CAN KNOCK BUSINESS, BUT CAN HE BUILD A CARBURETOR?

(By John Chamberlain)

How many times must we go over the same script? We had a League for Industrial Democracy in the first decade of the century, started by Jack London and other socialists. Now we have the Tom Hayden-Jane Fonda resurrection of the same. In the depressed '30s, the Economic Royalists provided New Dealers with a convenient scapegoat—until Franklin D. Roosevelt needed business help to win a war. Now we have Ralph Nader sloshing around in Roosevelt's discarded shoes and, with his April 17 Big Business Day, proclaiming a pox on all the dwellers in corporate suites.

It wasn't only the approach of war that gave the lie in the '30s to the idea that business had led us into the swamps of the Mature Economy and left us there. The '30s were also the decade of the streamlined and diesel-drawn trains, the proliferation of the airlines, the building of huge Mult-au-matic turret lathes, the discovery of new cobalt and tungsten alloys, the spread of the continuous wide-strip steel mill, the replacement of silk and cotton with synthetic fabrics, and the steady substitution of electric calculating machines and punchcard systems for the old ink-stained business ledger.

The new discoveries and the little businesses of the '30s were the progenitors of what Nader anathematizes today. Big must be little first. Mistakes by pioneers have undoubtedly been made: For example, we knew all too little about the side-effects of industrial waste until cumulative practices exposed them. Now we have companies such as U.S. Filter to corerct them.

What the Galbraiths, the Naders, the Jane Fondas and the Douglas Frasers conveniently overlook is that the innovative pattern of the '30s is a continuing reality going into the '80s. Axiom Number 1—that big has to begin small—still holds. And Axiom Number 2—that Big Business must be backed by thousands of small feeder companies—is just as real today as it was when Henry Ford was scavenging his "tin lizzie" floorboards from packing cases.

Despite the rigors of inflation and overregulation, the business scene of the past 20 years completely discredits those who sing the monopoly blues.

The animating force in the economy remains private-business enterprise, which pays the government bills, produces the sinews of defense and satisfies the greatest linked consumer and private-investment demands the world has ever witnessed.

Our private-business enterprise system continues to be spurred by an endless flow of creative frontiersmen. The electronic revolution continues apace, with little companies spinning off from big.

Franchising, as practiced by auto service stations, job placement agencies and fast food chains (who employ hundreds of thousands of teenagers—more than any other industry in the country) now accounts for 27 percent of the gross national product. Direct selling, one of the fastest growing segments of our economy, is represented by companies like Amway which didn't exist 20 years ago and now has sales of more than $1 billion generated by more than 500,000 distributors.

New builders proliferate, many in the South and West where right-to-work laws have forestalled the ossification that takes over in closed shop construction industries in the Frost Belt. There are the makers of magic glues. John Lindbergh, son of the Lone Eagle, has deserted the upper air for the seas, raising salmon for the restaurant market in protected tanks in Puget Sound. Contracting for the government yields a profit from a success that government itself cannot produce (*vide* the reading instruction methods developed by Roger Sullivan of Gould Inc. for Detroit and Miami public schools). The businesses of selling corporate jets and training the pilots to run them have made millionaires on the fringes of the aviation industry.

The Hercules Co. of Wilmington, Del., gives up its merchants-of-death dynamite business to turn old pine stumps into profitable sources of industrial resins. Blacks have made it in business: John H. Johnson of Chicago, born in Arkansas poverty, ran a $500 stake from hocking the family furniture into a publishing empire around Ebony; and Henry Parks, another black, put his Parks Sausage Co. of Baltimore ("More Parks sausage, mom, *please*") on the national map by letting an All-American, Penrod-type youngster right out of Booth Tarkington be his voice on radio.

We could go on and on. Several years ago Forbes magazine published a list of 100 largest privately owned companies. These go their own way, sometimes supporting extreme libertarian causes. Since they are generally anti-Establishment, one wonders what Nader would make of them.

There are myriad representative stories that prove the case for the fecundity of the American enterprise system of the past 20 years. There is the phenomenon of the so-called Silicon Valley in Santa Clara County, Calif. Fairchild Semiconductor and Varian are old stories in Silicon Valley, but their progeny grow. The success that two former Fairchild employes, Robert Noyce and Gordon Moore, have achieved in a 10-year span with their Intel Corp. is based on the production of transistors that can be inscribed on a silicon chip the width and height of three typed letters. In 1971, an Intel engineer added two memory systems to a chip's capabilities. Now a $10 chip can replace a $100,000 computer.

An Wang, the China-born inventor whose An Wang Laboratories Inc. introduced the first desktop electronic calculator in the early '60s, found himself outpaced by Texas Instruments, with their hand-held calculators. But An Wang is now using the Intel "computer on a chip" in computers that effectively combine word and data processing. An Wang and his family own half of the outstanding equity in a $200 million company which has some 10,000 employes. It was a one-man operation in the '50s.

The new electronic marvels include instant translators (hand-held computers that sell for around $225 and can be switched from Spanish to German or whatever by the mere substitution of a cartridge.) The first translator was developed by a young Greek immigrant, Anastasios Kyriakides, in Miami. Kyriakides had no electronic background, but he was prepared to buy the tiny memory chips that permit the storage of 1,500 words and phrases for his Lexicon Corp. models.

Profits in synfuels have not yet materialized, but the business of fuel exploration tool-making, which can be adapted to oil shale and tar sands as well as to older fuel resources, is no longer symbolized by the Hughes trademark. In 1975 E. H. (Hubie) Clark took over the management of the dormant Baker International Gambling on the rise of crude oil prices even before the Arab embargo, Clark, began collecting 21 other oil-services tool-supplying companies. In the past 10 years Baker International has shown the highest return (an average of 20 percent) to shareholders of any company in the Fortune 500. Baker's revenues in 1965, when Clark took over, were $47 million. Last year they were $1.2 billion.

Energy comes in kilowatt-hours and in multiples of barrels, gallons and tons; safety can be measured in drops. Playing around in his Trinity College laboratory in Hartford, Conn., after World War II, a Pennsylvania Dutch chemistry professor named Vernon K. Krieble unlocked some secrets of an ancerobic "glue" that has tremendous hardening and bonding properties when kept away from oxygen. A drop of it on a screw thread will make the grip of a bolt practically inviolate. The Loctite Corp. that the Kriebles, father Vernon and son Bob, built on the basis of adhesive chemistry now has annual sales of around $160 million and employs several thousand people.

General Motors uses Loctite anaerobics for its gaskets. The high-speed British Railways train operating north of London has 68 Loctite applications, and underseas divers rely on air regulators sealed with anaerobic drops.

Frederick W. Smith's Federal Express, an air-freight parcel service that thrives on the decrepitude of the federal Postal Service, owns its own fleet of planes, which pick up and deliver packages up to 70 pounds in weight in 89 cities. The Postal Service is now trying to imitate Smith, but necessarily lacks its own planes, which makes it dependent on the vagaries of commercial transport. It could be a commentary on Yale Ivy League economists teaching that Smith got a very poor mark for a term paper that originally emplified his Federal Express company project.

The complaints that capital for starting new enterprises is hard to come by are justified, particularly at present interest rates. But franchising, as exemplified in the fast-food chain operation of Ray Kroc's McDonald's hamburger empire, is one way of coping with the dilemma. He did not originate franchising, but with 4,000 McDonalds dispensing billions of hamburgers all over the world, his franchising operation has probably created more millionaires than any comparable enterprise—and it made the fortune of Jack Simplot in Idaho.

Simplot, a frontier character, got a contract for providing Kroc with potatoes cut to french fry proportions. The spin-off here in money earned may radically change our energy picture: Simplot has contracted with the Schaflander Co. of California to take $10 million in hybride (hydrogen) fuel for his farm tractors. The deal is conditional on Schaflander being able to produce the hydride cheaply by mass-produced photovoltaic cells.

The ultimate refinement in the making

of millionaires through the creation of independent distributors has been pioneered by Jay Van Andel and Richard DeVos of the Amway Corp. of Ada, Mich. It's everyman-a-capitalist with Amway, which sets up the distributors of its home care, houseware and nutrition products to recruit and train other self-employed salesmen and saleswomen, with a percentage of the trainee's profits going to the sponsoring team leader.

Van Andel and DeVos told me that "the production of material wealth should not be a major goal in life. But only when a society or nation produces surplus wealth is it possible to develop all the other aspects of the good life—better education, better health, more leisure, cultural activities, music, art, literature, churches, schools and hospitals. All these depend on surplus wealth. Even the poor in a free economy have more than the rich in other systems. A rising tide raises all boats, large and small."

The work of the new enterprising Americans is the key to this country having the best fed, best dressed and best housed people in the world. We have built tens of thousands of great schools, thousands of great hospitals and conquered diseases in a way beyond the wildest dreams of the medical practitioner a century ago.

A hundred million buildings have been constructed to house us and to house the great factories that produce our jobs and wealth, millions of acres of land have been cleared and the greatest agricultural production the world has ever seen has been created.

All of this work, the work of enterprising Americans, is dismissed contemptuously by Ralph Nader's anti-growth legions. But if Jehovah could ask Job if he could make a horse, on April 17 we are surely entitled to ask Ralph Nader if he can make a carburetor.

ADDITIONAL COSPONSORS

S. 598

At the request of Mr. Bayh, the Senator from New Hampshire (Mr. Durkin) was added as a cosponsor of S. 598, a bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws.

S. 1862

At the request of Mr. McClure, the Senator from South Dakota (Mr. Pressler), and the Senator from Oregon (Mr. Packwood) were added as cosponsors of S. 1862, a bill to improve the administration of Federal firearms laws, and for other purposes.

S. 2286

At the request of Mr. Schweiker, the Senator from Michigan (Mr. Levin), the Senator from Massachusetts (Mr. Tsongas), and the Senator from Rhode Island (Mr. Chafee) were added as cosponsors of S. 2286, a bill to amend the Comprehensive Employment and Training Act to provide a career intern program to encourage school districts and Opportunities Industrialization Centers, and other community based organizations of demonstrated effectiveness, to carry out programs to improve the educational employment opportunity for youths.

S. 2487

At the request of Mr. Bellmon, the Senator from South Carolina (Mr. Thurmond), and the Senator from Oklahoma (Mr. Boren) were added as cosponsors of S. 2487, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of independent oil producers, including royalty owners, under the crude oil windfall profit tax.

S. 2521

At the request of Mr. Dole, the Senator from California (Mr. Hayakawa), the Senator from Mississippi (Mr. Cochran), and the Senator from Alabama (Mr. Heflin) were added as cosponsors of S. 2521, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 2555

At the request of Mr. Bayh, the Senator from Utah (Mr. Garn) was added as a cosponsor of S. 2555, to authorize the President to impose higher or additional rates of duty on the products of any foreign country that does not cooperate with the United States in its diplomatic or economic initiatives to terminate actions by Iran with respect to United States diplomatic personnel and to prohibit the procurement of goods from any such country for use by the Government of the United States.

SENATE JOINT RESOLUTION 159

At the request of Mr. Dole, the Senator from North Dakota (Mr. Burdick), the Senator from Idaho (Mr. Church), the Senator from Oklahoma (Mr. Boren), the Senator from California (Mr. Hayakawa), the Senator from Arkansas (Mr. Bumpers), and the Senator from Mississippi (Mr. Cochran) were added as cosponsors of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE CONCURRENT RESOLUTION 80

At the request of Mr. Leahy, the Senator from Wyoming (Mr. Wallop), and the Senator from Maine (Mr. Cohen) were added as cosponsors of Senate Concurrent Resolution 80, a concurrent resolution to proclaim February as "National Snowmobiling Month."

SENATE CONCURRENT RESOLUTION 82

At the request of Mr. Church, the Senator from Michigan (Mr. Levin), the Senator from Kentucky (Mr. Ford), the Senator from Oregon (Mr. Hatfield), the Senator from North Dakota (Mr. Burdick), the Senator from Rhode Island (Mr. Chafee), the Senator from New Hampshire (Mr. Durkin), and the Senator from South Dakota (Mr. McGovern) were added as cosponsors of Senate Concurrent Resolution 82, expressing the sense of the Congress that the 1980 automatic increase in social security benefits which is provided for under existing law should be allowed to occur as scheduled.

SENATE RESOLUTION 299

At the request of Mr. Bellmon, the Senator from Vermont (Mr. Leahy) was added as a cosponsor of Senate Resolution 299, a resolution calling for a Senate examination of U.S. defense and foreign policy.

SENATE RESOLUTION 392

At the request of Mr. Magnuson, the Senator from California (Mr. Cranston) was added as a cosponsor of Senate Resolution 392, a resolution expressing the sense of the Senate that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates.

SENATE CONCURRENT RESOLUTION 87—SUBMISSION OF A CONCURRENT RESOLUTION REGARDING THE ECONOMIC POLICY OF THE UNITED STATES

Mr. HELMS (for himself and Mr. Boren) submitted the following concurrent resolution, which was referred to the Committee on Finance:

S. Con. Res. 87

Whereas the United States has experienced several consecutive years of declining or static productivity;

Whereas the aging productive capacity of the United States industries places the Nation at a competitive disadvantage with countries which have modern facilities, thereby causing massive balance of trade deficits;

Whereas the United States relies less on imported petroleum than most of the major developed countries, yet has the highest rate of inflation;

Whereas the current inflation rate of approximately 20 percent is the result of burgeoning government spending and excessive monetary growth;

Whereas all of the problems are the direct result of policies that overemphasize public sector control of the economy and underemphasize growth of the productive sector through encouragement of private investments; and

Whereas the Joint Economic Committee has recommended that capital investment be encouraged through a substantial tax cut: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the Sense of the Congress that the economic policy of the United States focus on a renewed emphasis on growth through tax cuts and reduced Federal spending in order to provide Americans from all walks of life with increased prosperity, opportunity and freedom under law.

(The remarks of Mr. Helms when he submitted the concurrent resolution are printed elsewhere in today's proceedings.)

SENATE RESOLUTION 407—SUBMISSION OF A RESOLUTION OF CONGRATULATIONS TO AMERICANS WHO PARTICIPATED IN THE SECOND OLYMPIC WINTER GAMES FOR THE PHYSICALLY HANDICAPPED

Mr. STEVENS (for himself, Mr. Baker, Mr. Humphrey, Mr. Wallop, Mr. Laxalt, Mr. Stafford, Mr. Javits, Mr. Simpson, Mr. Dole, Mr. Schweiker, Mr. Thurmond, Mr. Tsongas, Mr. Nelson, Mr. Cannon, Mr. Randolph, Mr. Williams, Mr. Kennedy, and Mr. Hayakawa) submitted the following resolution, which was referred to the Committee on Commerce, Science, and Transportation:

Senate Resolution 407

Whereas, the 2nd Winter Olympics for the Physically Disabled was held January 30 through February 7 in Geilo, Norway; and

Whereas, twenty-seven Americans traveled to Norway to represent the United States in competitions against more than 400 blind, amputee, and paralyzed athletes from 18 countries; and

Whereas, those Americans did an outstanding job not only by competing but by winning six separate medals: four gold, one silver, and one bronze; Now, therefore, be it

Resolved, that it is the sense of the Senate that it extend its hearty congratulations to all of the members of the 1980 United States Handicapped Olympic Team for a job well done.

Mr. STEVENS. Mr. Speaker, last February people the world over marveled at the achievements of the athletes who participated in the XIII winter Olympics at Lake Placid, N.Y. These champions received and deserved international recognition for their efforts and will cherish the memories of their athletic accomplishments for their entire life.

There is another group of athletes, however, who have also participated in worldwide competition, but have not received the recognition that, in my opinion, they so richly deserve. These men and women competed in the 1980 winter Olympics for the physically handicapped in Geilo—Gay-lo—Norway. These Olympic games brought together over 400 people from all over the world. These individuals were blind, paralyzed, or had one or more of their limbs amputated. These games were a tribute to the courage and preseverance of these special athletes who were willing to compete against one another in skiing and sled racing in spite of their severe handicaps.

I am particularly proud of the fact that one of the athletes representing the United States was a young Alaskan, Doug Keil. Doug is a remarkable young man. As a boy of 14 he was involved in a serious accident which necessitated the amputation of one of his arms and one of his legs. Doug was an avid skier before his accident and had dreamed someday of participating in the Olympics; 5 years ago, determined to overcome his handicap, Doug began to ski again. This year he fulfilled his dream by becoming an Olympic champion; he brought home two gold medals from Norway and in doing so he set an example for us all. Doug has showed us that any obstacle can be overcome through hard work and determination. His story is one of remarkable courage and I wanted to share it with my colleagues.

Mr. President, I am pleased to submit a resolution expressing the Senate's congratulations to the 27 members of the 1980 handicapped U.S. Olympic team.

SENATE RESOLUTION 408—SUBMISSION OF A RESOLUTION REGARDING THE NEED TO REDUCE THE FEDERAL DEBT

Mr. McGOVERN submitted the following resolution, which was referred to the Committee on Finance:

S. Res. 408

Whereas inflation is recognized as the number one domestic problem in the United States today; and

Whereas the tight-money, high-interest rate policies now in effect have worked a hardship on farmers, small businessmen and others dependent on a reasonable line of credit at realistic interest rates; and

Whereas Federal borrowing has contributed to driving up the interest rates and increasing the competition for increasingly scarce loan moneys; and

Whereas one of the principal reasons for Federal borrowing is the massive Federal debt; and

Whereas even a balanced budget will not retire that debt: Now, therefore, be it

Resolved, That it is the sense of the Senate that all funds derived from the Windfall Profit Tax should be utilized for reduction of the Federal debt.

AMENDMENTS SUBMITTED FOR PRINTING

FIRST CONGRESSIONAL BUDGET RESOLUTION, 1981—SENATE CONCURRENT RESOLUTION 86

AMENDMENTS NOS. 1701 AND 1702

(Ordered to be printed and to lie on the table.)

Mr. PRESSLER submitted two amendments intended to be proposed by him to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983, and revising the second concurrent resolution on the budget for the fiscal year 1980.

AMENDMENT NO. 1703

(Ordered to be printed and to lie on the table.)

Mr. McGOVERN submitted an amendment intended to be proposed by him to Senate Concurrent Resolution 86, supra.

CRIMINAL CODE REFORM—S. 1722

AMENDMENT NO. 1704

(Ordered to be printed and to lie on the table.)

Mr. LEVIN submitted an amendment intended to be proposed by him to S. 1722, a bill to codify, revise, and reform title 18 of the United States Code, and for other purposes.

● Mr. LEVIN. Mr. President, today I am submitting an amendment to S. 1722, the criminal code reform bill. The amendment will allow witnesses called to testify before Federal grand juries to be accompanied by their attorneys in the grand jury chambers for the purpose of receiving advice from those attorneys.

After lengthy study of Federal grand jury practices, I am convinced of a pressing need for reform of the existing grand jury system and will soon be introducing a comprehensive bill to that effect.

However, I am introducing this one amendment at this time because it is not a complicated reform issue and because it would eliminate the most glaring defect in the present grand jury system; namely, the exclusion of witnesses' attorney from the grand jury room.

That right to counsel is now granted under the most strained and prejudicial of rules. Those persons who have an attorney may consult with counsel only outside in the physical presence of the grand jury. A person called before the grand jury can rise, after each question, and walk outside and consult his or her attorney and then return to the grand jury room and respond to the question. The impact of such a continual journey is not hard to determine. What is hard to determine is the logic behind the system. When a person has the right to leave the room—and one witness in Detroit left to consult counsel over 1,000 times—that seems to be an implicit recognition of the need for an attorney's advice. We allow people to get that advice—we just structure the situation in a way in which only some people are aware of their right to it, and in a way which makes it time consuming to get it and creates an impression that anyone who does get it has something to hide. Not only is present practice cumbersome and unjust, but is available only to those with know-how—and those wealthy enough to pay large attorney fees.

The basic irrationality of this system has already been recognized in a number of States which have adopted rules which allow an attorney to be present in the grand jury room.

In none of the States with such a rule has there been evidence to suggest that dire consequences flow from allowing an attorney to do inside the grand jury room what they currently can do only outside the grand jury room, that is, advise their client on legal issues.

Complex and important legal issues face a witness before a grand jury. An appearance before a grand jury may subject that individual to self-incrimination or imprisonment for contempt or perjury. Yet the Federal grand jury system, unlike almost all other stages of criminal proceedings, does not allow witnesses to be accompanied by counsel. With so much at stake, this injustice should be remedied. Both the American Bar Association and the American Law Institute support this proposal, and six States have already adopted this practice.

The amendment also contains several supplemental provisions. In the case of a witness who is financially unable to obtain representation, counsel would be appointed. In order not to hinder the procedure or allow it to become a "mini-trial" as some critics suggest, the amendment limits the attorney's role to advisement of the witness; the attorney could not address the prosecutor, the grand jurors or otherwise take part in the proceedings. Finally, the court would have the power to remove such counsel upon finding a violation of these guidelines or if the witness' attorney caused undue delay or impeded the proceedings.

Finally Mr. President, I ask unanimous consent that the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT No. 1704

On page 297, line 31, insert "(1)" immediately after "(c)".

On page 297, between lines 34 and 35, insert the following:

(2) Rule 6(d) is amended by inserting "counsel for such witness appointed under subdivision (h) of this rule," immediately after "the witness under examination,".

(3) Rule 6 is amended by adding at the end thereof the following:

"(h)(1) Each witness subpenaed to appear and testify before a grand jury or to produce books, papers, documents, or other objects before such grand jury shall be allowed the assistance of counsel during such time as the witness is in the grand jury room. Such counsel may be retained by the witness, or counsel shall be appointed, as provided in chapter 34 of title 18 of the United States Code, for any person financially unable to obtain counsel.

"(2) Such counsel shall be allowed to be present in the grand jury room only during the questioning of the witness and shall be allowed only to advise the witness. Such counsel shall not be permitted to address the attorney for the government or the grand jurors, or otherwise take part in the proceedings before the grand jury.

"(3) The court shall have the power to remove such counsel, and appoint new counsel or order the witness to obtain new counsel, whenever the court finds that the counsel has violated subdivision (b) of this rule, or that such removal and replacement is necessary to insure that the proceedings of the grand jury are not unduly delayed or impeded. This subdivision does not affect the contempt powers of the court or the power of the court to impose other appropriate sanctions.

"(4) Any witness appearing before the grand jury who was financially unable to obtain counsel, did not waive appointment of counsel, and was not appointed counsel, shall not be prosecuted or subjected to any penalty or forfeiture on account of any transaction, matter, or thing concerning which he or she testifies, or any evidence which he or she produces, nor shall any such testimony or evidence be used as evidence against him in any criminal court proceeding."●

EMERGENCY HOME PURCHASE ASSISTANCE AUTHORITY AMENDMENT OF 1980—S. 2177

AMENDMENT NO. 1705

(Ordered to be printed and to lie on the table.)

Mr. WILLIAMS (for himself, Mr. PROXMIRE, Mr. CRANSTON, Mr. MORGAN, Mr. RIEGLE, Mr. STEWART, Mr. CHILES, Mr. BRADLEY, Mr. MAGNUSON, and Mr. TSONGAS) submitted an amendment intended to be proposed by them, jointly, to S. 2177, a bill to amend the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

Mr. WILLIAMS. Mr. President, on behalf of myself and Mr. PROXMIRE, Mr. CRANSTON, Mr. MORGAN, Mr. RIEGLE, Mr. CHILES, Mr. BRADLEY, Mr. MAGNUSON, and Mr. TSONGAS, I am today submitting an amendment to S. 2177, the Emergency Home Purchase Assistance Authority Amendments of 1980, to create a special program of mortgage assistance under the existing section 235 homeownership assistance program. This legislation, which is designed to provide relief to our seriously troubled housing industry, grew out of the efforts of a housing task force recently appointed by the distinguished majority leader. I am pleased that all members of the task force are joining me in offering this measure. I am equally pleased that despite its initial reluctance to endorse initiatives in this area, the administration has reversed its position and has decided to support congressional proposals for this program.

The amendment I am submitting would set aside for a special section 235 program approximately $135 million of $165 million already appropriated and currently available for the existing section 235 program. About $30 million would be retained for the present program. Although the amendment causes the funds to be used more rapidly than would otherwise be the case, it does not require new appropriations or new budget authority, and would result in less than $100 million in additional outlays for fiscal year 1981. As many as 100,000 homebuyers could receive below market interest rate loans under this special program.

The major features of the proposal are:

First. Mortgage assistance to lower the effective rate on mortgages under the program to 11 percent;

Second. Authority for the Secretary to add a graduated payment mortgage feature to assisted mortgages, lowering the initial effective rate still further to about 8 percent;

Third. Sales price limits of 80 percent of the new home sales price for an area, or $60,000, whichever is greater;

Fourth. Discretionary authority for the Secretary to set income limits, with emphasis on persons of moderate income to the maximum extent feasible;

Fifth. Recapture of all or part of the subsidy upon sale of the dwelling, if it appreciates in value;

Sixth. Termination date of March 1, 1981, unless the Secretary finds that it should be terminated earlier because the housing industry is no longer in need of stimulus;

Mr. President, this proposal is not meant to supplant Brooke-Cranston as our basic countercyclical tool but rather it recognizes that Brooke-Cranston is unlikely to be triggered in the near future, largely because of the sizable outlays in fiscal year 1981 its implementation would require. With millions of homebuyers now shut out of the market, and the housing industry on the verge of disaster, a strong response to offset the worst effects of monetary policies are in order. The proposal I have put forth in this amendment would provide that strong response, and in a fiscally prudent manner. I hope that the Senate will accord it favorable consideration.

Mr. President, I ask unanimous consent that text of my amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1705

At the end of the bill, add the following:

SEC. . Section 235 of the National Housing Act is amended by adding at the end thereof the following:

"(p) (1) Notwithstanding any other provision of this section, the Secretary shall make and enter into contracts to make periodic assistance payments on behalf of homeowners, to mortgagees holding mortgages (A) which cover dwellings the construction of which is completed on or after the date which was one year prior to the date of enactment of this subsection and which have never been owner-occupied, (B) which meet the requirements of this subsection, and (C) which are executed, or for which the commitments have been made, on or after the date of enactment of this subsection and prior to March 1, 1981, or such earlier date as the Secretary may deem appropriate where the Secretary determines that there is no overriding need for emergency stimulation of the housing market.

"(2) A mortgage to be assisted under this subsection shall—

"(A) where the Secretary deems appropriate, provide for graduated payments pursuant to section 245(a);

"(B) involved a principal residence the sales price of which does not exceed 80 per centum of the average new one-family house price in the area, as determined by the Secretary, or $60,000, whichever is greater; and

"(C) bear interest at not to exceed such rate and contain such other terms and conditions as the Secretary may prescribe.

"(3) The amount of the assistance payments shall not at any time exceed the lesser of—

"(A) the balance of the monthly payment for principal, interest, taxes, insurance, and any mortgage insurance premium due under the mortgage remaining unpaid after applying 20 per centum of the mortgagor's income; or

"(B) the difference between the amount of the monthly payment for principal, interest, and any mortgage insurance premium which the mortgagor is obligated to pay under the mortgage and the monthly payment for principal and interest which the mortgagor would be obligated to pay if the mortgage were to bear interest at the rate of 11 per centum per annum.

"(4) The Secretary shall recertify the mortgagor's income at intervals of not more than two years for the purpose of adjusting the amount of assistance payments payable under this subsection.

"(5) Assistance payments to a mortgagee by the Secretary on behalf of a mortgagor shall be made only during such time as the mortgagor continues to occupy the property which secures the mortgage.

"(6) The Secretary shall provide, upon disposition of the property, for recapture of an amount equal to the lesser of (A) the amount of assistance actually received under this subsection, or (B) an amount equal to 75 per centum of the net appreciation of the property, as determined by the Secretary. For the purpose of this paragraph, the term 'net appreciation of the property' means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and any increase in the loan balance as of the time of sale over the original loan balance. In providing for such recapture, the Secretary shall provide incentives for the borrower to maintain the property in a marketable condition. Notwithstanding any other provision of law, any assistance under this subsection whenever rendered shall constitute a debt secured by the security instruments given by the borrower to the Secretary to the extent that the Secretary may provide for recapture of such assistance.

"(7) The Secretary shall establish income limits applicable to mortgagors to be assisted pursuant to this subsection. In setting such limits, the Secretary (A) may prescribe different limits for different areas, taking into account variations such as prevailing levels of construction costs, unusually high or low median family incomes, or other factors, and (B) shall, to the maximum extent feasible, assure that the assistance payments pursuant to this subsection shall be used to promote homeownership opportunities for moderate income homebuyers.

"(8) The Secretary may not make assistance payments under this section with respect to any dwelling which does not meet all minimum property standards applicable under this Act. The Secretary shall develop a system to allocate funds available under this subsection so that preference in allocating funds shall be given to areas where housing construction activity is most in need of stimulation.

"(9) The aggregate amount of contracts entered into under this subsection shall be limited to the amount of contract authority available under subsection (h)(1) and shall not exceed $135,000,000 per annum.".

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURE, RURAL DEVELOPMENT, AND RELATED AGENCIES

● Mr. EAGLETON. Mr. President, the Subcommittee on Agriculture, Rural Development and Related Agencies, of the Appropriations Committee, will hold a hearing on April 23, 1980, in room S–128, the Capitol, starting at 2 p.m., at which time we shall receive testimony from Members of Congress on matters pertaining to the fiscal year 1981 Agriculture appropriations bill.

Recommendations pertaining to funding levels or any other matters involved with any aspect of the bill are welcome. They may be provided in writing or by testifying at the hearing.

Those who wish to testify may contact Ms. Irma Hanneman of the subcommittee staff on 224–7240 to arrange for the time.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, on behalf of the Committee on Labor and Human Resources, I would like to announce that the legislative hearing on several bills to amend the Occupational Safety and Health Act of 1980, which was to have been held on Wednesday, April 16, 1980, has been rescheduled. That hearing will be held on Friday, April 25, 1980, commencing at 9:30 a.m., in room 4232 of the Dirksen Senate Office Building.

Anyone who requires additional information concerning this hearing should contact Mike Goldberg, labor counsel to the committee, whose telephone number is (202) 224–3674.●

SUBCOMMITTEE ON RURAL HOUSING AND DEVELOPMENT

● Mr. MORGAN. Mr. President, on April 22, 1980, the Subcommittee on Rural Housing and Development of the Committee on Banking, Housing, and Urban Affairs will continue its hearing on Rural Housing Authorizations for fiscal year 1981.

The hearing will begin at 2:30 p.m. and will be held in room 5302 Dirksen Senate Office Building.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will meet on Wednesday, April 23, 1980, to mark up S. 2040, the Small Business Export Expansion Act, and S. 2104, the Small Business Export Development Act.

The meeting will begin at 10 a.m. in room 424 RSOB.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON WATER RESOURCES

Mr. PELL. Mr. President, I ask unanimous consent that the Water Resources Subcommittee of the Committee on Environment and Public Works be authorized to meet during the session of the Senate today to hold a markup session on S. 703, the Water Resources Development Act.

THE PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS, RECREATION AND RENEWABLE RESOURCES

Mr. PELL. Mr. President, I ask unanimous consent that the Parks, Recreation and Renewable Resources Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a hearing on the National Heritage Policy Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. PELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hear administration officials on the national security adviser: Role and accountability.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON ARMED SERVICES

Mr. PELL. Mr. President, I ask unanimous consent that the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a hearing on S. 2294, the fiscal year 1981 Department of Defense military authorization request.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON MANPOWER AND PERSONNEL

Mr. PELL. Mr. President, I ask unanimous consent that the Manpower and Personnel Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a markup session on a portion of S. 2294, the fiscal year 1981 Department of Defense military authorization request.

The PRESIDING OFFICER. Without objections, it is so ordered.

SUBCOMMITTEE ON MILITARY CONSTRUCTION AND STOCKPILES

Mr. PELL. Mr. President, I ask unanimous consent that the Military Construction and Stockpiles Subcommittee of the Committee on Armed Services be authorized to meet during the session of the Senate today to hold a hearing on the President's supplemental request amendments for defense programs for fiscal years 1980 and 1981.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. PELL. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 2:30 p.m. to hold a hearing on boundary and east coast fishery treaties with Canada.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

HAZARDOUS OIL PRODUCTION

● Mr. McCLURE. Mr. President, the antinukes eagerly celebrated the anniversary of Three Mile Island last week. Ironically, at the same time they were waving their banners professing the dangers of nuclear power, an oil platform collapsed in the North Sea killing over 100 people.

An editorial in the Washington Post aptly put these two incidents in proper perspective, and I quote, "The capsized rig suggests that the future dependence on nuclear power will not necessarily be less safe than the present dependence on oil." Everyone acknowledges, though, that this North Sea accident will not slow down producing oil as the Pennsylvania accident slowed down producing nuclear power. The Norwegian Government will erect another oil platform, "despite this catastrophe, because the returns justify even these demonstrated dangers." As the article states, "energy cannot be produced without some degree of risk. Intelligent management can keep the risk down, but cannot reduce it to zero." Mr. President, the returns from nuclear power justify its demonstrated dangers, too.

The points made in this editorial are worthy of my colleagues consideration. I request that it be printed in the Record.

The editorial follows:

Down to the Sea

The search has been abandoned for any further survivors of the capsized oil platform in the North Sea, and it seems clear that more than 100 men have been lost. The Norwegian government has established a commission of inquiry. There will certainly be reviews and reappraisals of the design of semi-submersible rigs. Safety standards in the North Sea will be reviewed and probably tightened. But you will notice that no one has suggested a moratorium on drilling, or a ban on offshore oil exploration.

There are certain parallels between this disaster and the nuclear accident at Three Mile Island a year ago. Both involved failures of equipment. Both failures were supposed to be impossible. The principal difference is, of course, that nobody got hurt at Three Mile Island. The health effects of escaped radiation there seem likely to prove immeasurably small. Statisticians will be quarreling about the point for years to come. There won't be any question about the number of deaths last week in the North Sea.

It is a plain fact that people react with sharp anxiety to one kind of accident, and the other as unavoidable in a hazardous business. Perhaps the explanation is that most people fear radiation but know that they will never work on oil rigs. Perhaps the explanation is also that people accept familiar dangers more easily than the strange and new.

The lesson of both of these accidents, last year's in Pennsylvania and this year's in the

North Sea, is that energy cannot be produced without some degree of risk. Intelligent management can keep the risk down, but cannot reduce it to zero. The search for oil is moving steadily into deeper and colder water. With all the care in the world, the risks will inevitably rise.

Energy policy is largely a matter of weighing costs and risks. The Norwegian and British governments will persevere in producing the North Sea's oil, despite this catastrophe, because the returns justify even these demonstrated dangers. Britain, which is producing on a faster schedule than Norway, expects the flow of its oil to peak in the middle 1980s and then begin dropping. The British government is now actively considering a proposal to use some of this decade's oil earnings to build the nuclear power plants that could replace the depleted oil fields in the years beyond.

The capsized rig suggests that a future dependence on nuclear power will not necessarily be less safe than the present dependence on oil.●

TASK FORCE 70: AMERICANS ON THE LINE

● Mr. BIDEN. Mr. President, last week I served as chairman of a Senate delegation which conducted a study mission to the Eastern Mediterranean and the Gulf of Oman. The delegation's purpose was to examine the range of problems facing American foreign policy on the southern flank of NATO and in the securing of oil flowing to the West from the Persian Gulf. While a detailed delegation report will be forthcoming, my purpose today is to make some observations arising solely from the first stage of our journey: a visit to the *Coral Sea*, an American aircraft carrier now operating as a central part of Task Force 70, the U.S. Fleet in the Indian Ocean.

BACKGROUND ON TASK FORCE 70

Commanded by Rear Adm. Robert Kirksey, Task Force 70 consists of two aircraft carrier battle groups comprising a total of approximately 25 major naval vessels. At the time of our visit, the U.S. force consisted of the carriers *Nimitz* (nuclear-powered) and *Coral Sea* (conventionally powered), supported by five frigates, five cruisers, four destroyers, several attack submarines, five support ships, and one command ship (the *LaSalle*). In command of the *Coral Sea*, which we visited, is Capt. Richard Dunleavy; commanding the battle group of which it is the central element is Rear Adm. Lawrence Chambers. All three officers and their staffs participated in our briefings.

Heretofore, the United States has maintained a much smaller naval force in the region, consisting of about three ships based in Bahrain. Last spring that task force grew slightly, to five. But in early December, as a result of the hostage crisis in Iran, the United States undertook a major Indian Ocean deployment, the need for which was soon underscored by the Soviet invasion of Afghanistan.

Initially the two carrier battle groups dispatched to the area were led by the *Kitty Hawk* and the *Midway*. These carriers have now been replaced by the *Nimitz*, which would heretofore have been operating in the Mediterranean, and the *Coral Sea*, traditionally deployed in the Pacific. In addition to Task Force 70, and in direct response to the Afghan crisis, the United States has now also deployed in the area Amphibious Ready Group Alpha, an 1,800-man Marine Amphibious Unit stationed aboard four amphibious attack ships. While constantly underway, all major U.S. combatant vessels in the region remain within 24 hours steaming time of the Persian Gulf.

The mission capabilities assigned to Task Force 70 and Amphibious Ready Group Alpha include:

Controlling the Persian Gulf and if necessary keeping it open;

Maintaining naval and air superiority in the immediate region;

Mining or blockading the Straits of Hormuz or particular ports in the region;

Conducting tactical air strikes; and

Mounting very limited amphibious assault operations.

The primary strength of Task Force 70 consists in its tactical air capability. Together, the *Nimitz* and *Coral Sea* have about 160 aircraft on board, about 120 of which are combat fighter and attack aircraft. The *Nimitz* has the advanced F–14, which fires long-range Phoenix air-to-air missiles, while the *Coral Sea* carries the F–4 Phantom. Both carriers deploy A–6 and A–7 attack aircraft. And both have air refueling tankers which greatly extend the combat range of their tactical aircraft, enabling full coverage of the Persian Gulf area.

The other principal military force in the Indian Ocean is, of course, the Soviet Navy, which operates out of Ethiopia and South Yemen. Since 1972, the normal composition of this force has remained fairly constant at about 20 vessels, although it has been augmented in response to crises such as the 1977–78 Ogaden war. Since the beginning of the Iranian hostage crisis, such an augmentation has again occurred, so that the current Soviet Indian Ocean squadron of approximately 30 ships now constitutes the most capable Soviet naval force ever deployed in the region.

As for the capabilities of the Iranian military—traditionally the most significant regional power—ample evidence suggests significant decay in both the navy and air force. In recent days, as its confrontation with Iraq has intensified, Iran has deployed certain vessels by way of suggesting an ability to choke off Iraq's narrow outlet to the Persian Gulf. But in a larger context Iran's naval capability is extremely limited and, as for air power, most of the Iranian F–14's are believed to be out of commission for want of effective maintenance.

OBSERVATIONS FROM ABOARD THE "CORAL SEA"

Launched in 1946, the *Coral Sea* bears the name of the battle which saved Australia from Japanese invasion during the early stages of World War II. In the late 1950's, she was modernized and recommissioned in Bremerton, and today—operating in the Indian Ocean—she builds on a record of having navigated some 2 million miles while accomplishing some 272,000 arrested landings of carrier aircraft. Only two-thirds the size of her nuclear-powered task force companion *Nimitz*, *Coral Sea* weighs 63,000 tons, and carries a flight deck of nearly 1,000 feet and a rated speed of 32 nautical (or 38) miles per hour.

Serving on board *Coral Sea* are more than 4,000 men whose duties range from aviator, mechanic, and radioman, to storekeeper, cook, and clerk. All are volunteers. And no visitor to this floating military outpost could fail to be deeply impressed by the high morale and dedicated professionalism which these American officers and enlisted men display.

Their task is a challenging one. During the night following our arrival, we observed *Coral Sea* accomplish the complicated maneuvers involved in a full-speed refueling—called an underway replenishment or UNREP—which requires precision seamanship for hours at a time. And the following day we witnessed the *Coral*'s Marine and Navy fighter squadrons—flying the F–4, A–6, and A–7—conduct full-scale patrol exercises, commencing with rapidly-sequenced takeoffs and culminating in carefully-coordinated arrested landings.

Nor is this professional teamwork achieved under easy conditions. At the time of our visit, the *Coral* had been at sea for many weeks, with port call at Subic Bay in the Philippines still a full month away. To the strain of this loneliness for the men on board was added the severe heat of the Gulf of Oman in April. Because of its age, the *Coral Sea* has only limited air-conditioning facilities, and in most parts of the ship our seamen labor and sleep under high temperatures and heavy humidity.

While on board *Coral Sea*, all members of our delegation—Senators BAKER, ZORINSKY, COCHRAN, and I—spoke at length with the ship's officers and men, not only during classified briefings but also in a number of casual conversations.

Facilitating this process was the ship's closed-circuit television system which allowed Senator BAKER and me, as the delegation's cochairmen, to field questions from an audience that included most of the men on board. From these formal and informal exchanges, two principal conclusions emerged.

The first is that the officers and men of Task Force 70 possess a high and well-justified confidence in their ability to demonstrate military supremacy in the region under existing circumstances. As currently configured—having only six major combatant vessels—the Soviet Indian Ocean squadron would be no match for Task Force 70 in the event of hostilities. Indeed, to a remarkable degree, the Soviet squadron appears to be focused primarily on a "tattletale" mission—that is, monitoring the size and location of our own force—while engaging in only limited maneuvers appropriate to preparation for battle. As for the Iranian military, there appears little likelihood that Iran could mount a serious defense against even a limited assault launched from Task Force 70.

The second conclusion relates to the fiber of the men on board *Coral Sea*. Much has been made of the question of whether young Americans will serve their country in the post-Vietnam era. *Coral Sea* speaks the answer clearly and in the affirmative. Many of the men on board expressed serious—and I think appropriate—concern about the level of their pay and benefits. And I for one intend to support all reasonable measures to improve the compensation for servicemen serving under such strenuous conditions. But through and beyond their adversity and deprivation, the men of *Coral Sea* seem motivated by a strong sense that theirs is a special and important mission on the frontline of America's defense. Our small delegation expressed deep appreciation for this service. And certainly it is a responsibility of this body to insure that such service does not go unnoticed and unrewarded by the Nation as a whole. While recognizing the misfortune of U.S. athletes unable to compete in the Moscow Olympics, all Americans need remind themselves of those whose sacrifice is less spectacular but surely far greater.

THE BROADER CONTEXT OF TASK FORCE 70

While to some extent reassuring, the current superiority of Task Force 70 over its potential adversaries can hardly be cause for complacency. American deployments in the Mediterranean and the Pacific have been weakened to achieve this augmented Indian Ocean presence. The efficacy of force as a means of securing the release of American hostages in Iran remains highly dubious.

And finally and perhaps most significantly, the Soviet Indian Ocean Squadron operates subject to rapid augmentation—a possibility about which Task Force 70 commanders remain keenly aware. By overlapping the deployment of the present and a relieving force, or simply by further expanding its submarine strength, the Soviet force could quickly and markedly affect the current balance of naval and air power in the region.

Several hypotheses may be adduced for the Soviets' current willingness to maintain an inferior—albeit stronger than ever—force in the Indian Ocean. For one, they may hope to lure the United States into a retaliatory strike on Iran, which could open the way for Soviet intervention—by land and with quickly-augmented sea support to help neutralize American naval power.

Another hypothesis posits a Kremlin fear that any stronger Soviet naval deployment in the Indian Ocean would precipitate an accelerated American buildup, both regional and global, while galvanizing the European Allies into concerted action to help defend their vital supply of oil. A third, less alarmist hypothesis supposes a reasonable Soviet desire to maintain a relative balance in their global naval deployments.

Whatever the aims of the Soviet Union—and clearly our own future actions will help to shape them—it is certainly an appropriate reflection of U.S. priorities that, with the current deployment of Task Force 70, the Indian Ocean has become the one region of the world in which two American carrier battle groups are now operating at high strength.

It must be recognized that as presently envisioned, a full-scale rapid deployment force consisting of 100,000 troops and 300 tactical aircraft could not be completely operational for several years. For now, however, Task Force 70 sends three important signals. To the Soviets it sends a warning of American determination. To our European allies—whose heavy dependence on Persian Gulf oil renders them dependent on the U.S. ability to defend it—it signals the advent of an era in which they must shoulder a larger degree of responsibility for the territorial defense of Western Europe, so that greater American power may be assigned to secure oil supplies which the entire West will need for a substantial period to come.

And to our current and potential allies in the Persian Gulf region itself—including countries such as Oman, with which we are now forging a new military relationship—Task Force 70 contributes to demonstrating our resolve that American power will not recede from the defense of vital Western interests or from those who ally with the West. Much remains to be done. But today we owe a debt of gratitude to the men of Task Force 70.●

STUDY ON WATERWAY USER CHARGES

● Mr. EAGLETON. Mr. President, I would like to call attention to the fact that the comprehensive study pertaining to waterway user charges which was authorized by section 205 of Public Law 95–502 is approaching the half-way point. This legislation was signed into law on October 21, 1978, and the study report is to be submitted to the Congress no later than September 30, 1981.

Unfortunately, it does not now appear that Congress is going to receive the kind of detailed information on user charge impacts and implications which it directed in section 205. In agreeing to the imposition of a waterway fuel tax to break the deadlock over replacement of Locks and Dam 26, the Congress also concluded that it did not have enough factual data about the fairness, the economic consequences, nor the feasibility of imposing user charges on American waterways to make any final disposition of this issue.

The unresolved questions were stated rather clearly in section 205 of the Inland Waterways Revenue Act of 1978 (which became Public Law 95–502) and the Congress charged the Secretary of Transportation and the Secretary of Commerce with the responsibility of answering those key questions.

Some 17 months later, we find that the Department of Transportation is engaged in a very limited study—one much different from what I had expected when I voted on the original legislation. DOT has let contracts for study plans which will meet only the preconceived intentions of that department to prove that "cost recovery" user charges will not damage the long-range economic interests of the United States. In other words, DOT has elected to "pick and choose" those elements of section 205 which it will or will not study.

There are, in fact, at least 19 study elements which were assigned for investigation but which are not covered by the study contracts. How these other important study questions are to be answered is unclear. My own suspicion is that these 19 study elements will be given short shift.

It should be noted that 7 of these study tasks fall generally within the responsibilities of the Department of Transportation and the other 12 tasks are ones in which the Department of Commerce has some interest. At a hearing at the Department of Transportation on March 5, 1980, it was announced that one of the study elements would be completely ignored. This is section 205(b)(5) requiring a study of the economic effects of user charges on the Great Lakes, deep-draft channels and coastal ports and whether user charges should be levied on these deep-draft waterways and harbors.

Presumably, the other 18 study elements will be examined in-house by various DOT and DOC agencies. However, it would be surprising to me if the Departments do anything more than review background materials, peruse other studies, and interpolate previously published data. The resulting "answers" to many of the critical questions detailed in section 205, in all likelihood, will be highly stereotyped and of dubious value to the Congress.

No doubt the Department of Transportation will plead that a lack of time and money prevents it from a more thorough examination of all the study elements presented in section 205. It should be noted that there have been many "studies" of waterway user changes by governmental agencies during the last 25 years, but the section 205 study is the first one which has been mandated by the Congress.

All of the previous studies—including a three-volume series entitled "Modal Traffic Impacts of Waterway User Charges" by the Transportation Systems Center for the Department of Transportation in 1977, an Ernst and Ernst analysis of the potential economic impacts of waterway user charges for the Department of Commerce in 1976, and an assessment of various user charge mechanisms by Charles River Associates for the Department of Transportation in 1970—were performed with departmental research funds and without the necessity of any specific congressional appropriation.

Because the previous studies had left so many questions unanswered, Congress sought to correct this information shortfall in section 205. In particular, Congress needed information with respect to economic, regional, industrial, agricultural, consumer, and other effects of waterway user charges to help guide future deliberations on national policy as to waterway user charges.

In mid-April 1980, this study effort will pass the half-way mark, and I regret to report that there has been little progress to date. In 1979, Congress appropriated $1 million for the section 205 study, and the Department of Transportation last September awarded two contracts totaling $897,788 to Booz-Allen & Hamilton, Inc., and Data Resources, Inc. It is my understanding that the remaining $102,212 has been allocated to DOT's Transportation Systems Center.

How many of the study elements not covered in the principal contracts will be undertaken at Transportation Systems Center or within other agencies at the Department of Transportation, or in the Department of Commerce or the other departments mentioned in section 205 remains to be seen.

At the head of the list of matters which Congress directed to be studied is the following provision:

> Section 205(b) Considerations relating to the taxing mechanism—
>
> "(1) The extent to which the Federal Government should seek to recover some or all of Federal expenditures for the benefit of inland waterway transportation from the users of the facilities for which such expenditures are made.

This is, I submit, a most basic question. What attention is being given to that fundamental consideration by the Department of Transportation? Let us not forget that the administration's goal, as evidenced by previous legislative proposals and in subsequent statements by top officials, was a system of waterway user charges which would pay 100 percent of the costs of operating and maintaining the inland navigation system and 50 percent of the navigation-related capital construction costs.

The extent to which the Federal Government should seek to recover some or all of these Federal expenditures is a question which, I believe, deserves the most searching inquiry before we can begin to give serious consideration to any new user charge proposals.

Under a taxation system geared to recover full Federal navigation costs, the vital public policy considerations which originally led the Congress to improve waterways for navigation would, of course, be almost completely ignored—regional economic advancement, agricultural revitalization, rural-urban population balance, quality of life objectives, et cetera. The commercialization of the American waterways system, which is inherent in a cost-recovery user charge policy, raises many serious questions having far-reaching national implications.

These questions should be addressed in response to section 205(b)(1) so that Congress will have full information on the policy options, and consequences of each option, with respect to the future level of navigation user charges which would be feasible and desirable from a national standpoint.

There is not much resistance to the notion that waterway users should pay something to help supplement revenues available for public navigation facilities and to maintain equity in Federal assistance to the various transportation modes. For these reasons, the waterways industry supported the navigation fuel tax levied in Public Law 95-502. That tax starts in October 1980 at 4 cents per gallon and increases, in three stages, to 10 cents per gallon in October 1985.

It should be emphasized that the fuel tax is not "cost recovery" but "cost sharing." The distinction is a critical one. As a matter of fact, the U.S. Senate on May 3, 1978, specifically rejected an amendment which would have established the cost-recovery principle. This amendment would have required recovery of 10 percent of the cost of new inland waterway navigation projects during the initial 10 years of each project's operations. Admittedly, this would have been a commitment to cost recovery—but it was voted down.

When you talk about cost sharing, you are not absolving the Congress of its primary responsibility to supervise and finance water resources management programs. A cost-sharing policy does not disturb the traditional relationships between the public and private sectors as does a cost-recovery policy.

In cost recovery, however, the Federal Government becomes more like a vendor of public goods to private users. Under a cost-recovery regime, the Federal Government acts much like a private banking establishment. If a good proposal is presented and shown that it can be made to pay its costs, then the Federal Government may agree to build, operate and maintain that project in return for full cost reimbursement. That is the true nature of a system of cost-recovery financing of waterway projects.

In cost sharing, on the other hand, the Federal Government decides that a project is needed to serve the public interest and proceeds to build it. Subsequently, taxes are sometimes levied to spread a share of the costs to the primary beneficiaries who can afford to contribute.

Cost recovery, however, becomes a method for penalizing one mode of transportation by singling it out to operate without the benefit of public participation. Moreover, the cost-recovery concept completely overlooks the important nontransportation objectives of navigation programs—such as regional development, income redistribution, export expansion, farm income enhancement, social well being, et cetera.

It was considerations such as these which led the Congress to ask that the Secretaries of Transportation and Commerce study the "extent to which the Federal Government should seek to recover some or all" of the Federal navigation expenditures.

The Congress also directed the Secretaries to look at the question of modal subsidies. section 205(e)(1) requires an assessment and evaluation of the public benefits—in terms of adequacy, efficiency and economy of service, safety, technological progress and energy conservation—resulting from Federal assistance to the various transportation modes. An analysis of past, present and future Federal modal assistance is also mandated.

It is quite clear that this provision necessitates an enumeration of Federal subsidy and subsidy-effect programs earmarked not only for rights-of-way but also for the transportation industries themselves. During the 1977 and 1978 hearings and debate on waterway user charge legislation, we heard so much testimony about the various amounts and forms of Federal assistance to the different modes of transportation that I regarded section 205(e)(1) as a key element of the study provision.

If the Congress is ever to "balance the books" on Federal assistance to the transportation modes, it is essential that we have adequate and accurate information on who gets what from the Federal Treasury and, equally importantly, what the American public gets in return from these Federal expenditures.

We need to have an accounting of every dollar which finds its way from the Federal Treasury to each of the freight transporation modes and, in addition, each potential tax dollar which does not reach the Treasury because it is retained by the various transportation modes in accordance with certain laws, regulations or procedures.

The question of modal equity in Federal funding is extremely important, and it is unresolved. It is a question which is repeatedly raised. It figures, in fact, in the recent report of the Rural Transportation Advisory Task Force, of which the Secretaries of Transportation and Agriculture were the cochairmen. Among the "additional views" of task force members, Mr. Richard A. Wilson of St. Louis, president of Agri-Trans Corp., offered this observation:

> The rail industry continues its claim that inequitable modal subsidies are a root cause of its financial problems. Somehow they've convinced a large audience that governmental right-of-way expenditures for highways and waterways are subsidies, while the plethora of governmental funds being sluiced to the rail industry is "aid." In fact, all the modes are subsidized, and equity of modal subsidies cannot be rationalized until there is a full accounting of all the governmental funds to the modes. A good first step would be to acknowledge the $9 billion subsidy which the rail industry enjoys through Federal support to the Railroad Retirement Fund.

In view of the seriousness of the modal subsidy question, the current lack of objective data, and the need for a probing examination of some rather complex financial, tax, and other records, it is disheartening to find that an exhaustive analysis of this issue does not appear to be included among the priority investigations of the section 205 study.

Considerations relating to Federal modal assistance is one of the study elements not included in the principal section 205 study contracts. Rather, the modal subsidy question is relegated to a DOT inhouse investigation. Unfortunately, previous DOT attempts to compute various Federal aids to transportation modes have been rather frail and shallow, especially with respect to rail aid.

It is imperative that the Department of Transportation develop detailed factual and analytical data on the "past, present, and expected future Federal assistance to the several modes of freight transportation"—as specifically directed in section 205(e)(1).

It is my earnest hope that the study managers at the Departments of Transportation and Commerce will make every effort to examine all the various economic impacts, regional effects and policy considerations of waterway user charges as mandated in section 205. The study managers do not have the luxury of picking and choosing the elements they will study in an effort to document preconceived user charge positions.●

PRESSURE TO ACT RESPONSIBLY

● Mr. McCLURE. Mr. President, events which have been forecasted and brewing on the back burner are today being confronted first hand by many Americans suddenly finding themselves "temporarily unemployed." On March 31, 1980 the Wall Street Journal reported on cutbacks within the major forest products—companies in the Northwest. These cutbacks are directly attributed to the "soaring interest rates and a worse-than-ever expected housing slump" and are not confined to the Northwest. Additional effects are reported in the States of Louisiana, Oklahoma, Mississippi, and Arkansas. The curtailments of operations in the sawmill and plywood mills are being identified as temporary, but as one forest industry spokesman said, "We're making these decisions on a week-by-week basis." Still, without even talking of the grim future prospects, temporary reductions mean the layoff of workers for an indefinite period of time which represent very substantial, immediate effects to communities dependent on forest industries.

In the State of Idaho, the forest products industry is the State's second largest business and, thus, the impact of curtailments will be significant. The State's two major forest product companies, Boise Cascade Corp. and Potlatch Corp. announced on Friday, March 28, 1980, cutbacks consistent with the rest of the forest industries in the country. Boise Cascade which employs a total of about 800 Idahoans, is reducing operations in its three mills by halting lumber production and shifting toward chip production. This translates to almost 550 employees being released, temporarily. Potlatch Corp., employing over 2,700 Idahoans will be releasing approximately 500 people by curtailing operations in its various mills in Idaho. In a State where in 1977 the forest industry accounted for about 10 percent of the State's total personal income, such curtailments in operations will mean difficult times for many people and the communities in which they live.

I speak today not just for the concern of Idahoans, but also for the future well-being of this Nation's economic well-being. While people back home must now depend on already depleted savings accounts, the U.S. Congress continues to dodge its responsibility to eliminate deficit Federal spending. I hope my colleagues are ready for the pressure, which will surely fall upon us to act responsibly.

I ask that the article, Forest Concerns of the Northwest Cutting Output, published in the Wall Street Journal, be printed in the Record.

The article follows:

Forest Concerns of the Northwest Cutting Output

San Francisco.—Soaring interest rates and a worse-than-expected housing slump have lead most major Pacific Northwest forest-product companies to order closings in sawmill and plywood operations.

Crown Zellerbach Corp., San Francisco, said it is closing lumber and plywood operaions at Joyce, La., indefinitely, beginning today. The company said 382 employes are involved. Crown Zellerbach also said its sawmill at Ranier, Wash., closed March 3 for maintenance and scheduled to open tomorrow, will remain closed for two more weeks.

Boise Cascade Corp., Boise, Idaho, has closed three plywood plants in Oregon and one in Washington. The company said 577 workers were laid off at the four plants and that 85 others have been affected by cutbacks at another Oregon plywood plant.

Among major producers in the Northwest, Georgia-Pacific Corp., Portland, Ore., was the only one without specific plans for economy-related close-downs. Last week, however, Chairman Robert E. Flowerree told employes the company reduced its 1980 capital expenditure plans by 25% to a range of $450 million to $475 million.

Closings by Willamette Industries Inc., include one sawmill in Oregon and two plywood plants in Louisiana, affecting a total of about 445 employes. Potlatch Corp. said it will lay off about 450 workers at one sawmill and one plywood plant in Idaho, beginning next Monday.

A spokesman for Pope & Talbot Inc. said most of that company's sawmills are running on four-day schedules, with one Oregon mill expected to go to a three-day week this week. "We're making these decisions on a week-by-week basis," the spokesman said. "There aren't any total closings yet, but the prospects aren't good."

Last week, Weyerhaeuser Co. announced it will lay off a total of about 3,000 workers at two plywood plants and seven sawmills in Oklahoma, Mississippi and Arkansas.●

AIRLINE DEREGULATION

● Mr. CANNON. Mr. President, I submit for the Record the attached editorial which appeared in the Wall Street Journal on March 26, 1980. It outlines the evidence thus far, which demonstrates that airline deregulation has been positive for both the airline industry and its users.

The editorial follows:

Is Airline Deregulation Working?

(By James C. Miller III)

The success or failure of airline deregulation has become an issue in the current fight over trucking deregulation. The trucking industry points to airline reform as proof that deregulating truckers would be a disaster. Reformers claim just the opposite.

President Carter signed the Airline Deregulation Act in October 1978, thus bolstering and affirming reforms that the Civil Aeronautics Board had begun a year or two earlier. Although the process won't be complete until the CAB goes out of existence in 1984, enough evidence has accumulated to enable a preliminary judgment as to whether airline deregulation has been a success or a failure.

Perhaps the best way to judge the issue is to review the predictions of its major supporters and opponents, and then compare these claims with what actually happened. The evidence so far indicates that airline deregulation has been good for both the industry and its users.

The principal proponents of airline deregulation were the Ford and Carter administrations, the CAB itself, several influential members of Congress (most notably Senators Cannon and Kennedy) and economists in universities and public policy institutes. They argued that deregulation would mean lower fares, more traffic, and reasonable earnings.

ARGUMENT AGAINST DEREGULATION

The principal opponents of deregulation were the major airlines (at least initially) and organized labor. They argued that deregulation would mean substantial losses of service to small communities, unemployment or disruption of airline labor, increased need for subsidies, higher fares (perhaps after a short round of cut-throat competition), plummeting profitability, greater industry concentration, a breakdown in the airline network and perhaps compromises in aircraft safety.

What's the evidence?

Fares: Between 1970 and 1976, the domestic trunk carriers' fare per mile rose by 36 percent as against a 47 percent rise in the Consumer Price Index. In 1977, the average fare rose by 5.8 percent, compared with a CPI rise of 6.5 percent. In 1978, the average fare actually fell 1.9 percent in face of a CPI rise of 7.7 percent. During 1979, however, due largely to a doubling of fuel prices, the average fare rose again—by 5.3 percent as opposed to a CPI increase of 11.3 percent. But adjusting for the fuel price increase puts the nominal 1979 fare below that of 1978.

Productivity gains: According to CAB official Robert Frank, inflation-adjusted unit costs have fallen a whopping 32 percent because of higher load factors, installation of more seats on aircraft and greater utilization of equipment. During 1977, trunk carrier load factors averaged 55.9 percent, but rose to 63.2 percent in 1979. Between fiscal year 1977 and fiscal year 1979, the airlines increased seating some 5.3 percent on the typical aircraft and the number of hours flown by over 12 percent. These efficiency gains are rivaled only by the 25 percent to 30 percent productivity gains brought on by the introduction of jet aircraft during the late 1950s and early 1960s.

Traffic: Over the period 1970 to 1976, trunk-carrier revenue passenger miles increased at an annual rate of 5.4 percent. But traffic increased 7.5 percent in 1977, 16.2 percent in 1978 and 10.1 percent in 1979. Of course, the data also reflect recovery from the recession of 1974–75, the recent slow-down in economic activity, and the massive United strike and DC–10 grounding that occurred during 1979.

Profits: Trunk airline profits (defined by the CAB as net income plus interest on long-term debt) averaged $349 million per year between 1970 and 1976, or 5.4 percent return on investment. For 1977, 1978 and 1979, profits were $634 million, $1,102 million and $564 million respectively, or returns of 9.1 percent, 12.8 percent and 5.8 percent. The 1979 figure, of course, reflects the soaring price of fuel—a situation that makes the outlook for 1980 even more pessimistic. Despite this, Aviation Daily's index of airline stock prices now stands at 53 as compared to 31 at the beginning of 1975, when deregulation received its initial impetus.

Service to small communities: Since 1976, the number of trunk-carrier departures is up 4.0 percent, and the number of available seat-miles is up 21.4 percent. But not all cities have benefited equally. Service by the major airlines has increased more at the large, hub airports and less at the smaller airports. Service among hubs has also increased more than between hubs and non-hubs, which has increased more than service among non-hubs. In many instances the major airlines have left small towns to the commuter airlines, continuing a pattern in place before deregulation. In most cases, however, this has meant more frequent service and substantial increases in traffic.

Airline labor: Since 1976, employment in the trunk airline industry has increased approximately 14.1 percent. To date none of the labor protection provisions requiring federal subsidy incorporated in the deregulation act have been exercised, simply because the adverse impact on airline labor has been insignificant.

Subsidy: The board's program of subsidy to local service carriers has continued under deregulation at virtually the same level of funding—$72.5 million for fiscal year 1976 versus $69.6 million for fiscal year 1980. However, to provide assurance to small communities (which were fearful that deregulation would mean a curtailment of service), the deregulation act contained an additional program guaranteeing that all points would continue receiving scheduled service for a period of 10 years. This essential service program will cost an estimated $7 million for fiscal year 1980, and the amount is expected to rise over the next few years. But even including this new program, the inflation-adjusted subsidy bill is now less than before.

Industry concentration: In 1976, the trunk carriers' market share was 90.5 percent and the regional carriers accounted for another 8.3 percent. For 1979, the figures were 89.9 percent and 9.9 percent respectively. Only one merger of any consequence has been consummated—Pan Am and National—and the CAB conditioned its approval on Pan Am's not absorbing National's only major competitive route, Miami-London. Moreover, several new carriers have appeared, and intrastate carriers now compete in interstate markets. Midway now serves out of Chicago, Southwest serves New Orleans from its Texas base, and Pacific Southwest has finally crossed the California border, serving Reno, Las Vegas, Phoenix, and Salt Lake City.

The airline network: Little, if any, deterioration in the network of service has been observed. The carriers have not only continued to cooperate in transferring passengers, but because of deregulation they have been able to provide direct service to many additional points. From December 1976 to December 1979, the number of pages in the "Official Airline Guide" increased by 25 percent, a crude indication of the increase in system size and complexity.

Safety: Travel by air is incredibly safe compared to performance of yesteryear and travel by the family automobile. Fatality rates for the major airlines were 0.38 per billion passenger miles in 1977, 0.07 in 1978, and 11.4 in 1979. The 1979 increase, of course, reflects the tragic DC–10 crash in Chicago. But almost no one blames deregulation, since the maintenance program held responsible for the accident was in use well before the act was passed.

SUBSTANTIAL EFFICIENCY GAINS

Also of relevance to the question of air passenger deregulation is what happened when air cargo was deregulated in 1977. As Lucile Keyes concludes in a study just published by the American Enterprise Institute, air cargo reform has also led to substantial efficiency gains. Since regulation had held air cargo rates too low, they were bound to rise. But because of efficiency gains they rose by only one-half what the CAB itself had concluded was justified and was prepared to allow. Moreover, with a more rational rate structure, service mushroomed and the rate of traffic growth more than doubled.

No institutional change of the magnitude of airline deregulation is going to please everyone. Some have gained more than others, and some, at least for a time, may actually be worse off. But what is striking about airline deregulation is how limited and localized the adverse effects have been. And no program of publicizing horror stories is going to change that basic fact.

The evidence thus far is overwhelmingly on the side of the proponents of deregulation. By 1984, when the CAB is scheduled for extinction, reasoned judgment may be on the other side. But that would happen only if in the meantime the industry experienced failures of disastrous proportions.

IRVING BLUESTONE TO RETIRE FROM UAW

● Mr. LEVIN. Mr. President, I rise to pay tribute to Irving Bluestone. Irv has announced his intention to retire from his daily involvement in the affairs of the United Auto Workers where he serves as vice president and director of the General Motor's division. But Irv has no intention of retiring from the affairs of the Nation.

While I regret his decision to leave the UAW, I am delighted by his decision to remain active in the issues which he helped activate. Irv helped bring a number of issues to national attention—issues like the quality of work, civil rights, low-and-middle income housing, and education. If you name a significant issue of national concern over the past few decades, I suspect you could convincingly demonstrate that Irv Bluestone helped shape policy directed at dealing with the problem.

He helped shape policy not just by offering ideas—amazingly enough there are any number of people who have good ideas—but by offering the commitment and the energy to implement those ideas—and depressingly enough, there are far too few people who are willing to do the hard work that is needed to see ideas emerge from the proving grounds of politics and become policy.

As someone who has observed Irv's career for a longer period of time than either one of us would probably care to admit, there is one word that always comes to mind when I think about him. And that word is "gentle." Irv is a gentle man—a person who would tell you in a calm and cooperative tone of voice that he really did not agree with you and he was going to do everything he reasonably could to see you and your position defeated. And then he would go out, go to work, and beat you. But he would do it in such a kind and honest sort of way that it was hard to be angry with him personally about it. He took such care to telegraph his opposition that one could never claim that he sneaked up on you. He has been a fair and admirable and gentle man.

While it is almost a pleasure to have Mr. Bluestone oppose you, it is a real delight to have him support you. I have been fortunate enough to have been on the same side of most issues with Irv and if he is a gentle opponent, he is a powerful and persuasive ally. His ability to generate a network of activists to support legislation to organize a community is both impressive and encouraging to those of us who believe that only if we involve citizens in the decisionmaking process do we fully realize the ideas of our democracy.

Mr. President, this Nation has profited from Irv Bluestone's involvement in national affairs and his leadership in the UAW. While we are about to lose his contributions in an institutional role, I know that we will continue to benefit from his counsel in a personal way. He does not need encouragement, but I do want to take the liberty of urging him to stay active and stay involved. We need him too much to allow him to take the rest he has earned.

Finally, Mr. President, a recent column in the Detroit Free Press by Frank Angelo wonderfully spells out some of the characteristics that have made Irv such an effective and successful leader. I submit the article for the Record.

The article follows:

UAW's Bluestone Ready to Step Down

If it gets down to it, one presumes, Irving Bluestone could fall back on a fairly sedentary skill during his proaching retirement years . . . knitting.

"I learned to knit in the early '30s when mother opened a wool retail store (Bluestone's father had died in 1929) and I helped by making daisies for sweaters," he said with a chuckle.

It's not likely to happen, of course, because Bluestone, one of the more articulate, sensitive people in the labor movement, has plenty to keep him busy after he steps down as a UAW board member and head of the GM Department at the union's convention in early June.

"For one thing, I've been popping notes into files for more than 25 years with the idea that someday I'd be able to put together a book of labor-related anecdotes," said Bluestone. "Beyond that there are transcripts of negotiations with GM since 1937 that I'd like to review."

In addition, Bluestone is active in several national and international organizations that are concerned from many angles about the quality of life in the workplace. So, fortunately, the impact of his incisive, thoughtful approach to labor relations will not be lost.

Bluestone is a Brooklyn-bred "Depression boy" who graduated from City College of New York (CCNY) in 1937. It was there he got his first taste of picketing before heading for Europe for a year to study in Berne, Switzerland.

That experience was made more memorable when he bicycled into Austria for a vacation and wound up being caught in the takeover of that country by Adolf Hitler's Nazis.

"It was a jolting, searing experience," he said. As he was finally leaving the country, he sent a telegram to his mother in which he said, "Everything Okey Doke. Leaving for Switzerland immediately."

"The censor refused to clear it because he though 'okey doke' was some secret message, but I was adamant and it finally went out that way," said Bluestone.

When he returned to the States, he landed a job as a production grinder at a Harrison (N.J.) GM plant where the local union was "pro-Reuther to the core." Bluestone quickly moved into leadership roles, became an international union staff man in the Eastern Region in 1945, and was brought to Detroit by Walter Reuther in 1947.

He became Reuther's administrative assistant in 1970, was elected to the UAW board and became head of the GM Department after Reuther's death in a plane crash in May 1972.

"Walter wanted me to go with him to Black Lake on that trip," he said, "but I begged off because the next day was Mother's Day and I wanted to be home with the family (wife Zelda and three children . . . Barry, Maura and Karen)."

As Bluestone prepares to step down, it can be said that he leaves a legacy of civility and concern that, without question, has had a major impact on labor relations in the auto industry.

For one thing, he has been in the forefront of pushing for the Quality of Work Life program now in place in 60 of the 148 GM units. For another, he has helped to establish a high level of professionalism in negotiations and otherwise.

"Our relationship is still adversarial," he said, "but it's not marked by the outspoken language that dominated our early talks. The climate in bargaining is not so much one of jockeying as it is of straight-forward discussion of the issues which have become increasingly technical. The talk is rational, but admittedly pure rationality does not do the whole job."

Bluestone feels that mutual respect has grown at the bargaining table, insuring that "they (the companies) understand that when we say. 'You're wrong,' we're dead serious. On the other hand, it is also true that the labor-relations cemetery is filled with all kinds of undying principles."

That may be; but because he himself has managed to establish the validity of more than a few principles, Bluestone has earned widespread respect. That will be demonstrated again Friday at 6:30 p.m. when Bluestone will be honored at a testimonial dinner at Cobo Hall. More than 2,000 are expected to attend.●

REPEAL OF INDUSTRIAL COST RECOVERY PROVISIONS OF THE CLEAN WATER ACT

● Mr. COCHRAN. Mr. President, I am pleased to join in cosponsoring legislation introduced by my colleague, Senator Chafee, to repeal the industrial cost recovery provisions of the Clean Water Act.

Unless Congress repeals these provisions, municipalities will have to collect from industrial users of their federally funded waste water treatment works a proportional share of the project grant funds. Since the enactment of the legislation, Congress has twice imposed moratoriums on implementation of the industrial cost recovery provisions of the Clean Water Act. The current moratorium is due to expire June 30, 1980.

I have received communications from both municipalities and industrial users of federally funded waste water treatment works urging repeal of ICR. The executive committee of the Mississippi Municipal Association has adopted a resolution urging repeal, which I shall submit for the Record.

In addition to the administrative and clerical burden implementation ICR would impose on municipalities, it also places an unwarranted burden on industrial users. Industrial users, like all users of treatment works, are now required to pay user charges to cover operating and maintenance costs of the facilities.

However, ICR would impose an additional charge of over $1.3 million on four poultry processing companies in one Mississippi municipality alone. These companies in this one municipality have already spent between $150,000 and $200,000 each for pretreatment facilities to comply with EPA regulations.

In another municipality in Mississippi which is currently applying for a Federal grant to construct its treatment works, an egg breaking plant will be forced to shut down if it is required to comply with the financial burden imposed by ICR. The charges would amount to more than the profits currently realized by the company. The result would be a loss of 45 jobs which have been held by citizens of the community for over 15 years.

Mr. President, the industrial cost recovery provisions of the Clean Water Act if allowed to take effect will have serious economic impact on municipalities and those industries which use publicly owned waste water treatment facilities. Jobs will be at stake in most instances.

I am hopeful that the Subcommittee on Environmental Pollution will favorably consider legislation to repeal ICR, and the Senate will act favorably on this issue before the current moratorium expires in June.

The resolution follows:

Resolution of the Executive Committee of the Mississippi Municipal Association

Whereas, Congress has enacted legislation in Senate Bill 901 which enables municipalities to receive grants to construct and develop waste water treatment facilities; and

Whereas, said grants contain a requirement that all industrial users of said waste water treatment facilities be required to pay back their portion of the federal grant over 30 years without interest; and

Whereas, said industrial cost recovery program requires municipalities to maintain a complex and highly sophisticated accounting system to determine the actual portion of the waste water treatment facility utilized by industrial users and to determine the industrial payback requirement; and

Whereas, the maintenance of said accounting system is a burden on the clerical staff of municipalities in the State of Mississippi and provides little benefit to the citizens thereof; and

Whereas, in December, 1977, Congress enacted a moratorium on industrial costs recovery payments, which moratorium expired in December, 1979; and

Whereas, in November, 1979, Congress extended said moratorium until June, 1980; and

Whereas, Congress is expected to take decisive action on the issue of industrial costs recovery in the near future; and

Whereas, the Executive Committee of the Mississippi Municipal Association, after careful examination and thorough discussion, has determined that the requirement for industrial costs recovery payment is not necessary or in the best interest of municipalities of the State of Mississippi.

Now, therefore, be it resolved by the Executive Committee of the Mississippi Municipal Association that it supports legislation which would eliminate the requirement for industrial costs recovery from any grants to municipalities for waste water treatment facilities.

Be it further resolved that a copy of this resolution be sent to each member of the Mississippi Congressional Delegation.

This resolution unanimously passed, this the 23d day of January, 1980.●

TRUCKING DEREGULATION

● Mr. CANNON. Mr. President, I submit for the Record editorials in favor of trucking deregulation. One appeared in the Louisville Courier-Journal and represents the views of a large community, the other in the Pasco, Wash., Tri-City Herald, a much smaller community.

The editorials follow:

If Airline Success Is Any Guide, Truck Deregulation Will Work

Lobbyists and propagandists for the trucking industry won't win any awards for candor and consistency. But when it comes to imagination and tactical agility, they're championship material.

For months, the trucking industry, most of which opposes an end to anti-competitive federal regulations, pooh-poohed the obvious benefits of airline deregulation. Trucking and commerical aviation, said trucking industry spokesmen, are too different to be compared. What worked for the passenger-carrying airlines just won't work for freight-carrying truckers.

Lately, however, opponents of deregulated trucking have shifted their strategy. They claim—in a full-page ad in The Wall Street Journal, for example—that airline deregulation has failed and that trucking deregulation would too. "Deregulation has shot down more planes than the Red Baron," screams the ad's headline.

It's a desperate and misleading attack. In the 17 months since airline deregulation, according to the Civil Aeronautics Board, only one community in the nation has lost all air service by a carrier previously regulated by the CAB. And that community, Winona, Minnesota, made no objection because it preferred air service available at a neighboring town.

Winona appeared in the Wall Street Journal ad in a list of 25 cities that allegedly had lost all air service. In fact, as CAB Chairman Marvin Cohen observed, all of the other 24 communities continued to have scheduled airline service. In one, Danville, Virginia, the number of flights per week has tripled, from 28 to 87.

LOUISVILLE TO LOSE FLIGHTS

This doesn't mean that some communities haven't lost some measure of service since deregulation. Louisville, for instance, is due to lose half its Eastern Airline flights in June. But experience nationwide so far shows that more communities have gained than lost air service. Moreover, commuter airline business is booming as these smaller carriers step in to serve routes abandoned by big trunk lines.

The clear lesson of airline deregulation, in fact, is that the competition resulting from less government meddling has been a blessing both to consumers and the airlines. Economist James C. Miller III, writing in The Wall Street Journal, notes, for instance, that the average airline fare fell in 1978 and, discounting a sharp jump in fuel costs, fell again last year.

Also, at a time when economists and politicians worry about lagging productivity in most American industries, the airlines have shown an amazing 32 percent gain in productivity since deregulation. Mostly this is because of higher passenger load factors. The typical plane flew 63 percent full last year, compared with a 56 percent load factor in 1977. Many of these passengers were attracted, of course, by discount fares—virtually unheard of before the deregulation push

Nor has deregulation led, as some feared, to greater economic concentration in the airline industry. The market share of regional carriers, in fact, has grown at the expense of big trunk carriers. Most signs suggest that this trend will continue.

If airline deregulation has had any drawbacks, they are the temporary problems that come with success: overcrowded airports and reservation counters, ticketing delays, and occasional frayed nerves and testiness on the part of airline employees. All in all, a small price for a more competitive and efficient air carriers system.

Would trucking deregulation (or, more properly, "regulatory reform") bring comparable benefits? Many economists, the Carter administration and a growing number of lawmakers think so. Even within the trucking industry, many small operators think they and their customers would be better off without collective rate-setting and the heavy hand of the Interstate Commerce Commission.

That's what has the opponents of deregulation—mostly big trucking firms—running scared. But they need only look at the airlines to discover that competition and profits aren't incompatible.

TIME TO DEREGULATE TRUCKS

For nearly 20 years regulated truckers and the Teamsters union have been one of the most potent lobbies in Washington, D.C.

They are presently mustering all their political power in an effort to stave off deregulation legislation (HR 6418, S 2245) that supporters say could save shippers and consumers an estimated $5 billion a year.

The main support for the legislation is a coalition of business, farm and citizens' groups, including Common Cause. Leaders of the coalition say two moves are essential to bring competition to the trucking industry: abolishing legalized price-fixing by regulated truckers; and allowing more companies to compete for routes and freight of all kinds.

Sen. Edward Kennedy, D-Mass., who started the present drive in Congress to deregulate trucking, has said: "There are few industries that are as highly regulated as the trucking business—and few that like it better."

For regulated truckers, Transportation Secretary Neil Goldschmidt has said, "economic regulation means assured profits and minimal competition, and very little enforcement of their service obligations. It's the best of both worlds."

It is a truism that regulated industries eventually control their regulators. A 1974 Wall Street Journal study of federal regulatory agencies concluded: "The agencies with the worst reputations as captives of industry are two transportation regulators: the Civil Aeronautics Board and the Interstate Commerce Commission."

The ICC regulates the truckers.

Congress two years ago pried the CAB's hand off airline routes and fares. Almost all the major airlines and their principal unions fought the idea.

In the first year of the deregulation law, airline fares dropped, passenger loads increased and company profits soared upward.

Sharp rises in fuel costs have made the airlines' present position less rosy. But Frank Borman, president of Eastern Airlines, has admitted that he was "totally wrong" in fighting air deregulation. Now he recommends applying the same process to trucking.

Trucking was given its immunity to antitrust laws in the Reed-Bulwinkle Act of 1948, which Congress passed over President Truman's veto. Every President since Eisenhower has called for deregulating trucking, but each time the combined opposition of the truckers and Teamsters has stymied action in Congress.

Truckers say that deregulation would bring "chaos" to an efficiently operating industry. They also say that small communities will be by-passed if truckers are free to choose what routes they will serve.

But Council of Economic Advisers finds "no evidence that it is unprofitable to serve small communities and substantial evidence that it is." Goldschmidt contends that opening up the system to more competition will increase the trucking service to small-town American.

If Congress is sincere about fighting inflation, it will pass legislation to deregulate Americans.

BYELORUSSIAN INDEPENDENCE DAY

● Mr. **BRADLEY**. Mr. President, March 25 marked the 62d anniversary of the proclamation of the Byelorussian Democratic Republic. On that day in 1918, at the capital of Minsk, the Byelorussian people declared themselves free of Russian Tsarist domination.

The Byelorussians established their own constituent assembly. For a tragically short time they knew the freedom of steering their own course in domestic and international affairs. Despite the great hardships created by the First World War, the Byelorussian Government made significant advances in the fields of education, culture, and social welfare. These advances are in evidence today in the rich Byelorussian folklore as reflected in the literary works of Janka Kupala and Jakub Kolas, and further in institutions such as the Byelorussian Academy of Sciences and in the establishment of some 7,000 libraries.

However, Byelorussia's statehood was brief. To a great extent the national existence of the Byelorussian state depended upon the fortunes of the occupying military forces of the central powers. With the dissolution of the German Armed Forces after the armistice of November 1918 on the one hand, and the advance of the Red Army into Byelorussia on the other, the Byelorussian people found themselves with insufficient military forces to oppose the overpowering Bolsheviks. On December 10 the Bolshevik Army seized Minsk. Finally, the 1921 Treaty of Riga, which ended the war between Poland and Bolshevik Russia, divided Byelorussia: Poland received one-third, and the remainder fell under Soviet control.

Today, Byelorussia remains in Russian captivity. Despite the fact that Soviet Byelorussia is a member of the United Nations and is considered by the Soviet Government to be a "sovereign republic," with its "own constitution, parliament, legislative code, national emblem, flag and anthem," the Byelorussians are not free to decide for themselves and are discriminated against by the Russians.

March 25 has been commemorated annually by Byelorussians throughout the free world to show support and solidarity in the just aspirations of the Byelorussian people in their Soviet controlled homeland and to inform the world of their desires to be free of Russian domination.

The Byelorussians, within and without the Soviet Union, have continued to hope for and do what they can to restore to their people the basic human rights outlined in their 1918 Constitution: guarantee of freedom of speech and assembly, liberty of conscience, inviolability of person and home, and equality of all citizens.

In seeking to achieve this objective, the Byelorussian-American community in the United States has adopted a resolution urging the Voice of America to include in their broadcasts programs in the Byelorussian language. They feel that Voice of America broadcasts have discriminated against Byelorussians. Inclusion of the Byelorussian language in VOA broadcasts would clearly foster closer relations with the Byelorussian-American community and I think this initiative merits consideration.

The resolve of the Byelorussian people clearly deserves our praise. Soviet suppression has not dampened their spirit and determination to strive to maintain their cultural identity while struggling to gain their right to an independent Byelorussia. Their countrymen in the United States deserve equal praise.●

ILLEGAL ALIENS SHOULD NOT BE INCLUDED IN POPULATION COUNT

● Mr. **DANFORTH**. Mr. President, by its deliberate efforts to include illegal aliens in its count of the population of the United States, the Census Bureau—with the full and enthusiastic backing of the Carter administration—has set out to rob the people of Missouri of 1 of their 10 Representatives in the Congress of the United States. I protest this policy.

Excluding illegal aliens, current population projections indicate that Missouri should neither gain nor lose a congressional seat following reapportionment pursuant to the 1980 census. However, when illegal aliens are included in the count, the result is significantly different. Although estimates of illegal aliens residing in the United States run as high as 12 million, the Library of Congress predicts a count as low as 4.5 million could cost the State of Missouri—which harbors few illegal aliens—1 congressional Representative—all to the advantage of some other State with a high illegal alien population.

And that is not all. To the extent population figures for other States are bloated by the addition of illegal aliens, the people of Missouri can expect to lose Federal funds, which are frequently distributed proportionately on the basis of population.

The Census Bureau and the Carter administration maintain that the Constitution mandates that illegal aliens be counted for purposes of reapportionment because it directs that Representatives "shall be apportioned among the several States according to their respective numbers, counting the whole number of persons in each State * * *." Thus, they argue, the census count must include everyone residing in the United States. Indeed, they have gone so far as to advertise extensively on radio and television to encourage illegal aliens to return their census forms, promising healthy Federal grants for their cities and neighborhoods.

This argument strikes me as hogwash.

At the time the Constitution was written, the concept of an "illegal alien" did not exist. Not until 1875 did the United States pass a statute prohibiting certain persons from immigrating to the United States. Notwithstanding the arguments advanced by the Carter administration, I simply do not believe that the Constitution mandates the representation in Congress of persons who reside in this country in violation of the laws of the United States.

It is also worth noting that the administration is somewhat inconsistent in its policy. Despite its claims that the Constitution mandates a count of illegal aliens, simply because they reside in this country, it has nonetheless perpetuated the longstanding practice of not counting foreign diplomatic personnel, foreign tourists and foreign students. It is also worth noting, in a reversal of past policy and with the full support of the administration, that the Census Bureau is excluding from its tabulations—for purposes of reapportionment and only for purposes of reapportionment—American military and diplomatic personnel temporarily residing in foreign countries. The ironic result of this policy is that the 50 American hostages in Iran will not be counted among the people of the United States for purposes of representation in Congress, but Iranians in this country illegally will be counted.

I think this is wrong. Therefore, today I am joining Senator Huddleston, Senator Heinz, Senator Robert C. Byrd, and others in cosponsoring S. 2366, which directs the Census Bureau to exclude illegal aliens in its tabulation of the population of the United States.

I am aware of the practical problems which would attend such an effort. And if the legislation as introduced by Senator Huddleston is inadequate to meet these practical considerations, it should be amended. Adjustments in census figures are not without precedent, and are certainly warranted here. If a reliable methodology can be found to exclude illegal aliens from the count of the U.S. population, that effort should be made. At the very least the Carter administration should cease its efforts to encourage illegal aliens to be counted. Further, they should follow the practice of past administrations and include American military and diplomatic personnel in the count. It is patently offensive that people who we ask to lay down their lives for this country should be considered nonpersons for purposes of representation in the Congress of the United States.

Mr. President, I understand the forces—poverty, unemployment, political oppression—that have led many people to seek refuge in the United States in violation of immigration laws. Although I believe our immigration laws should be strictly enforced—as any law—I also believe that these people are entitled to fair and humane treatment by the Government of the United States. I simply believe they are not entitled to representation in the U.S. Congress. For these reasons, and in protest of the policies currently being pursued by the Census Bureau and the administration, I have decided to join Senator Huddleston in support of S. 2366.●

HUMAN RIGHTS

● Mr. CHURCH. Mr. President, my colleague in the House, Congressman Don Bonker, has recently written an excellent article reminding us of some critical issues sorely missing from the debate over this administration's foreign policy. Congressman Bonker points out that the promotion of human rights and our active encouragement of democracy abroad has been absent in the national agenda of how best to insure that strategically important regimes remain genuinely stable and allied to the United States. For, as my colleague observes—

> Events in Iran, Ethiopia, Philippines, Zaire, Pakistan, Nicaragua, Cambodia, Chile, Argentina and Guatemala have shown that human rights concerns are directly related to our genuine, long-term security interests—something that cannot be purchased with guns, airplanes, and the training of torturers. It has never been the lack of weapons, but internal discord and insensitivity to human needs that threaten such repressive governments and often our own security interests.

When the United States bolsters the military arm of corrupt and repressive regimes, we only engender the wrath of the people living under the daily horrors of that regime's brutality. If our foreign policy was as committed to easing the repressive internal conditions overseas as it is committed to maintaining the external status quo, perhaps we would not have to worry that everytime a new government assumes power it will turn against us.

Nineteen years ago, President John F. Kennedy provided the spark that ignited the call for human rights throughout the world. In his inaugural address, the late President said:

> Let the word go forth from this time and place, to friend and foe alike, that the torch has been passed to a new generation of Americans, born in this century, tempered by war, disciplined by a hard and bitter peace, proud of our ancient heritage, and unwilling to witness or permit the slow undoing of those human rights to which this nation has always been committed, and to which we are committed today at home and around the world.

Congressman Bonker had reminded us that this commitment to human rights is not only enshrined in our national heritage, but equally important, tied to the very success of our foreign policy. I ask that the Congressman's article be printed in the Record.

The article follows:

Guns Alone Will Not Buy Security

(By Don Bonker)

Several weeks ago we watched from the floor of the House as a determined Jimmy Carter stood before the Congress of the United States to deliver his State of the Union message. His stinging criticism of Russia's invasion of Afghanistan touched a latent jingoistic chord from coast to coast. The demand for American action could be heard throughout the halls of Congress.

We also witnessed a President who seemed to abandon the principles he earlier sought to include in his administration's foreign policy: promotion of human rights, restraint on arms sales, nonproliferation of nuclear materials, checks on CIA covert activity, an all-volunteer military service, and reduction of defense spending.

In the aftermath of Vietnam and Watergate, these were the very objectives that Jimmy Carter promised as a candidate; and, as a President, he and the Congress have worked hard to implement these goals during the first four years. Now the President, with the apparent blessing of the Congress, was promoting something different and disquieting.

What does all this mean? Are we abandoning our humanitarian goals? Is this the death knell of "detente?" Are we possibly reverting back to the "defensive pactomania" of the 1950s—the Dulles-Nixon-Kissinger policies of embracing unsavory dictators only because they spout anticommunist slogans to win our affections?

Few doubt the need to strengthen existing US resolve and commitments in a volatile world, but this requires more than sheer military force or strategic preparedness. US strength is measured by our self-confidence, our maturity as a people, and the insights and actions of our leaders. Carter himself has nurtured this theme in US policy formulation.

European parliamentarians with whom I recently had discussions about human rights expressed the view that American restraint in the Iranian crisis is a much admired sign of our strength as a people. They pointed out that for too long we have been wedded to policies that committed us to adopting the odious tactics, principles, and policies of our adversaries. Too often we abandoned our own values by pursuing expedient and symbolic actions.

Even though the national dialogue today is dominated by military approaches—establishing military facilities in the Persian Gulf, enlarging our rapid deployment force, establishing a naval presence in the Indian Ocean, the sale of previously banned military equipment to China, and cultivation of security ties with other countries all along Russia's southern border—all of this has its price. It comes at the expense of other values that are equally important in our relations with the world community

It would be tragic if we have now reached a point where firm promotion of human rights and restraints on nuclear and conventional arms sales are politically anathema. But clearly events in Iran, Ethiopia, Philippines, Zaire, Pakistan, Nicaragua, Cambodia, Chile, Argentina, and Guatemala have shown that human rights concerns are directly related to our genuine, long-term security interest—something that cannot be purchased with guns, airplanes, and the training of torturers. It has never been the lack of weapons but internal discord and insensitivity to human needs that threaten such repressive governments and often our own security interests.

People tend to forget that the United States' uncritical support of regimes like the ex-Shah's, whose main accomplishment is the exploitation of their subjects, has irreparably tarnished our image abroad. As inheritors of a tradition that fosters liberalism, human dignity, and individual rights, we must not blindly return to the bankrupt policies that identify us with such regimes.

The House Subcommittee on International Organizations, which oversees human rights policies, recently held several hearings on human rights conditions in Asia. All the private witnesses testified that wherever and whenever the US supported improvement in human rights activities the situation changed for the better as local governments eased up on harsh policies to accommodate our concerns.

In the final analysis, we promote our long-term interests—including security and strategic interests—when we remain true to our selves and our vision of humanity by encouraging democratic change and social and economic justice. The recognition of this reality, I believe, will make the eighties the decade of human rights. And, in the long run, it will advance our own best interests.

As President Carter reminded us in his State of the Union address: "In repressive regimes, popular frustrations have no outlet except violence. But when people and their governments can approach their problems together—through open democratic methods—the basis for stability and peace is far more solid and enduring. That is why our support for human rights in other countries is in our national interest as well as part of our national character."

Now more than ever, we must continue our vigorous promotion of human rights, for it would be sad and counterproductive if we emulated Soviet policies and methods in dealing with third-world countries.●

NATURAL GAS PRICING

● Mr. STEVENSON. Mr. President, industry is beginning to feel the harsh effects of incremental pricing of natural gas, which the Federal Energy Regulatory Commission is now implementing under authority of the Natural Gas Policy Act of 1978. Incremental pricing is inflationary and is detrimental to the consumers it was intended to protect. My distinguished colleague from Indiana, Senator LUGAR, has introduced S. 2392, which would repeal the incremental pricing provisions of the NGPA. I am pleased to be a cosponsor of this legislation.

Incremental pricing was designed to shield residential and commercial users of natural gas from rising fuel prices. This was to be accomplished by imposing on industry the brunt of price increases resulting from gradual deregulation of natural gas. Industry was thought to be better able to bear escalating fuel costs and to possess sufficient market leverage to keep prices of decontrolled natural gas within reasonable limits. Unforeseen increases in the price of oil—to which incrementally priced natural gas is tied—have speeded the bankruptcy of this market ordering theory.

A fundamental flaw of incremental pricing is that it imposes the highest energy costs on the sector of the economy where demand for fuel is least sensitive to price. Higher fuel costs, artificially induced by incremental pricing, will not lead to significant additional energy savings by industry, which, since the Arab oil embargo, has attained substantial conservation gains. Industry cannot further curtail its use of energy and still maintain production, it can only respond to higher energy costs by reducing production, raising prices or both.

The inflationary effects of incremental pricing are documented in a recent study by Wharton Econometric Forecasting Associates, Inc. While some of the WEFA findings may be modified, the study's central conclusion is clear: increased prices of nonenergy goods will more than offset any advantage incremental pricing affords to nonindustrial users of natural gas. Households which consume fuels other than natural gas, and which thus enjoy none of the modest benefits of incremental pricing, will suffer the greatest decline in purchasing power.

Incremental pricing will have other inflationary consequences which are less clearly explained by conventional economic wisdom. Today's inflation is more likely to be dampened by increases in production and productivity than by decreased demand for goods and capital for their production. Japan and some other nations do what they can to facilitate increased industrial production. We, instead, contrive mechanisms like incremental pricing. While many of our policies unintentionally increase business costs, incremental pricing accomplishes this result by design. Its purpose is to heap additional costs upon industry, and these costs will impede our ability to satisfy demand for goods, both at home and in highly competitive global markets.

International Harvester and the Borg-Warner Corp., for example, calculate that under FERC's relatively modest phase I incremental pricing rule natural gas costs at their plants have risen by as much as 37 and 60 percent, respectively, with much larger increases expected under phase II. A world which needs more tractors, chemicals, and other goods cannot afford the heavy toll which incremental pricing will exact.

Many industrial users will react to onerous natural gas costs by switching to scarce petroleum, thereby increasing the natural gas bills of the residential and commercial consumers incremental pricing was intended to protect. Though incrementally priced natural gas is pegged to the price of alternative fuel oil, curtailment policies, regulatory infirmities, and other factors provide incentives for industry to switch to oil when its price and the price of natural gas are approximately equal.

In addition to the obvious inconsistency with our energy policies, increased consumption of petroleum by industry is detrimental to residential and commercial natural gas customers. With fewer industrial users, residential and commercial customers will be forced to bear an increased share of both rising natural gas prices and the fixed costs of transporting and distributing natural gas.

Incremental pricing will also accelerate the migration of industry from the Northeast and Midwest. Because natural gas distributed in intrastate markets is not subject to incremental pricing, industry has an additional incentive to locate new plants, and to expand existing ones, in the producing States of the South and Southwest. While it is uncertain whether incremental pricing, alone, would induce relocations, it clearly will exacerbate the existing trend and contribute to the growing chasm between energy producing and energy consuming States.

Mr. President, repeal of incremental pricing would moderate inflation and help consumers. I urge my colleagues to support S. 2392.●

POLICIES OF THE BEGIN GOVERNMENT

● Mr. STEVENSON. Mr. President, many of Israel's friends are disturbed by policies of the Begin government. Its approval of settlements in occupied territory and earlier incursions into Lebanon are inconsistent with a peaceful solution of the Middle East conflict and the purposes for which Israel was established. Israel was created to right ancient injustices, not create new ones.

Anthony Lewis discusses the implications of Israeli policies for Judaism in the New York Times of March 31. And in the Reporter of April 1980, published by the Alicia Patterson Foundation, Milton Viorst discusses the implications of resurgent Judaism for Israeli policies. These articles are troubling for what they reveal about Israel and by indirection about American politics that is influenced by the most radical minorities in Israel.

Mr. President, I ask that the articles be printed in the RECORD.

The articles follow:

FROM BONDAGE TO FREEDOM

(By Anthony Lewis)

BOSTON, March 30.—Passover has a special character among religious holidays. It celebrates the Exodus from Egypt: the escape from bondage to freedom, in the words said every year at the Seder. More than that it records the beginning of Jewish identity, the faith and sense of uniqueness that have survived diaspora and terrible oppression.

The exodus celebrated at Passover has been a powerful symbol through history, too, for many people other than Jews. New England has towns called Canaan and New Canaan because the Puritans saw biblical parallels in their venture. Like the ancient Hebrews, they were risking all in order to live as themselves—with their religion, their laws, their customs.

This year Passover comes at a time of concern and tension for Israel, the state whose very creation evoked the promise of the Exodus. Jews and non-Jews alike who care about Israel are worried about her future. It has become an even more sensitive issue than usual in American politics.

At such a time it is difficult for supporters of Israel to be critical of anything done in her name. But it is crucially important, I think, to be honest about mistaken policy. And the present Israeli Government policy of planting settlements in occupied Arab territory, even in the heart of an Arab city, is worse than mistaken. It is a betrayal of the spirit of passover: the spirit of freedom and identity.

Zionism sought to make the dream of Passover a reality for Jews, and it succeeded to an astonishing extent. That is why Israel, with all its problems, is so exhilarating a place. It represents an escape from oppression, an establishment of identity, as dramatic as the story of Exodus.

Yet now the Government of Israel seeks to impose its culture, its physical being by armed force on people with a different identity. Any American or other outsider who has visited the West Bank knows how different it is. The hills and stones have echoes of the Bible; of course it has deep meaning for Israelis. But it is unmistakeably an Arab land today: a land distinct in language and religion and culture.

If Israel forces its settlements on another people, it necessarily distorts its own values, mortgages its own inner freedom. That always happens when one group denies another its right to identity: in Ireland or Africa or anywhere. But the irony is especially bitter in the case of Israelis. Having escaped from physical oppression and torment, having made their own home, they would now be imposing on themselves a new kind of spiritual bondage.

Israel is committed, by declaration of her Government and agreement at Camp David, to United Nations Resolution 242. That resolution calls on her to withdraw from occupied territory. But every settlement planted in that territory by armed force tells its people—and tells the world—that the occupation will not end.

The recent decision of the Begin Government to carry the settlement policy into the West Bank town of Hebron pushes the danger to an extreme. Hebron is a center of Palestinian nationalist sentiment. To try to understand how provocative the gesture is one would have to imagine a Moslem mission being installed by armed force in the midst of a Jewish community in, say, Brooklyn.

The practical truth is that such settlements can only be maintained by armed force. Far from contributing to the security of Israel, they must put a continuous strain on the state's military capacity. Future generations are made hostage to the policy. As one Israeli put it, "They are committing my son to risk his life guarding settlers in Hebron instead of guarding Israel."

The settlements policy divides the people of Israel. It proceeds because a relative handful of zealots has a disproportionate influence in the present balance of political forces.

In this situation American supporters of Israel have a heavy responsibility. I believe most of them, in particular the leaders of Jewish organizations, are deeply troubled by the policy. But they say little publicly because they do not want to look as if they were siding with the enemies of Israel or condoning the stumbles of the American Government.

But Israel's friends owe it to her to speak the truth about this self-destructive policy. That goes for political candidates, too. Edward Kennedy and Ronald Reagan will of course attack Jimmy Carter's inconstancy; but they do Israel no favor by pretending that as President they could live with continuing Israeli settlement in—and occupation of—Arab land.

The settlements policy visibly impedes the development of a secure friendship with Egypt. It increases the risk for Anwar Sadat. It contributes to the instability of the Middle East generally. But worst of all it compromises the spirit of Israel.

THE MASADA COMPLEX

(By Milton Viorst)

JERUSALEM.—Readers have been exposed to a great many words lately about the Islamic resurgence, some of them coming from this very typewriter. A rebirth of Koranic zeal helps explain to Westerners the recurring episodes of what looks to us like bizarre behavior in the Moslem world. Now I think it is time to turn our attention to its counterpart, the Judaic resurgence. For there is a revitalized religious urge discernible in Israel, and it has become an increasingly significant factor in determining whether there will be war or peace in the Middle East.

In a sense, Israel is itself the product of a Judaic resurgence. Religion is the one element that Jews around the world possessed in common during the 2000 years or so of their diaspora, and a basic tenet of Judaism during these millenia was the ultimate return of the Jewish people to the land of Israel. Nonetheless, the ideology which became the foundation of the new state was not religious but secular. Zionism's roots lay in the surge of nationalism—largely anti-religious in character—that engulfed Europe in the 19th century.

This nationalism tended not only to exclude the Jews from the communities in which they lived, but to imbue in them a nationalistic spirit of their own. As Zionism spread, it was influenced heavily by the socialist doctrines that were popular with Europe's working classes, and this influence has remained strong until today. It is perhaps paradoxical, then, that the force which one would expect to find most naturally as a component of Zionism—the Jewish religion—was largely missing when Israel was founded. At the time, no one gave much thought to establishing Israel as a theocratic state.

Let me digress a moment for definition. It is true that Israel identifies itself as the "Jewish state", just as Egypt, along with many of its neighbors, identifies itself as an "Islamic state". But Islam makes no distinction between government and religion. Though some rabbis might argue the point, Jews as a whole interpret Judaism as endorsing the separation of church and state.

As I said earlier, religion is the Jews' one common possession, and yet Jews have forever debated whether they are a religious group, or whether their real identity is as a racial or national group. Many Israelis openly proclaim themselves atheists, without for a moment renouncing their identity as Jews. Such a dichotomy would be impossible for a Moslem.

Because they have never reached agreement on what they are, Jews have tolerated an amazing amount of ideological diversity among themselves. Thus Israel can be a "Jewish state"—i.e. a state for Jewish people—without Judaism being sanctified as the state religion.

In saying this, I am not forgetting that religion is a major force in Israeli politics. Religious Jews, of varying shades of orthodoxy, represent a significant proportion of Israel's population. Some are so orthodox that they reject the state itself, on the grounds the Bible tells them that only the Messiah can re-create Israel.

These Jews do not participate in politics, or serve in the army, though they are aggressive in protecting their political interests by demonstrations and other forms of direct action. Other religious Jews, reading God's commandments differently, are less fastidious about the Messiah's prerogatives and support political parties for the purpose of promoting religious orthodoxy as the state ideology.

In current American jargon, Israeli's religious parties would be called "single-issue" parties. Though only fifteen per cent of the voters cast ballots for them in national elections, by one of the curiosities of Israeli politics their seats in parliament have invariably represented a swing group between the coalitions of right and left.

To form and maintain governments, the two sides have traditionally outdone each other in offering them rewards in return for support. Thus these parties have wielded disproportionate power throughout Israel's history, and have given the country a more orthodox institutional structure (most noticeable in the legal system) than their voting constituency would appear to justify.

But the Judaic resurgence is not really a phenomenon of religious orthodoxy. As Jews use the term, orthodoxy refers to religious dogmas and practices which, for the most part, originated in Europe in the Middle Ages.

The most quintessential of the orthodox Jews are the bearded and somberly clad Hasids, whose principal preoccupation is Talmudic study, and who are concentrated in certain quarters in Jerusalem which, no doubt, look much like the Polish ghettos of the 17th century.

Though the Judaic resurgence has found allies in the religious parties, furthermore, it has not appreciably strengthened their position within the political system. In fact, the Judaic resurgence bears a greater resemblance to its Islamic counterpart than it does to orthodox Judaism. It prefers to influence the political system by outside intimidation, rather than inside maneuvers.

More important, its religious zealotry is directed not to the attainment of new levels of spirituality but to a political end, the spread of the Jews' dominion to enhance the glory of God.

I suspect there may be no coincidence in the resemblance between the Judaic and the Islamic resurgence. I wrote in an earlier APF Reporter of my disagreement with those who held that the Islamic wave is the product of a new self-confidence in the Moslem world. On the contrary, I argued, it is the harvest of thirty years of freedom from colonial domination, which have produced little but "social frustration, inner doubt and profound feelings of inadequacy."

One should note, I think, that the Judaic resurgence does not date back to the Six-Day War of 1967, when Israeli forces swept buoyantly across the territory of Israel's enemies, destroying armies and seizing land. Rather, its beginnings were noticed after the Yom Kippur War of 1973, when Israel, though ultimately triumphant, was shaken to its roots, not merely by the unexpected military prowess of Egypt but by its own complacency and unpreparedness, by the discord and ineptitude of its leadership, by its own moral flabbiness.

If there is a prototype of the adherent to the Judaic resurgence, I would say it is a young man or woman who has attended a university, has been trained in a profession, is upwardly mobile—and remains a trifle insecure.

The ranks of Gush Emunim, the organizational spearhead of the movement, seem to me to be filled with people who meet this description. Ironically, perhaps, so are the ranks of Egypt's Moslem Brotherhood, although its program is much less precise. Israel's Gush Emunim people are looking for roots for their lives in the hills of the West Bank. "The Bible says we Jews are a mountain people," a Gush Emunim settler told me. "This is where we belong, not down by the sea in Tel-Aviv."

At another settlement, a young mother whose husband worked as a teacher in Jerusalem conceded to me that she did not enjoy the bleak, often frightening life of the West Bank, but she said it gave her a sense of purpose such as she never experienced before.

I confess I was reminded in talking to Gush Emunim people of members I have met of the religious cults which have abounded in America in recent years. I found them open, friendly and totally convinced of their own righteousness. I have wondered whether it is the wave that has swept through the Middle East that is also producing cultists, fundamentalist Christians and other forms of zealots throughout the West. The Gush Emunim people all talked to me of a search for roots, for belonging, for a purpose of life, which they have found in the fervor of the Judaic resurgence.

Other characteristics which the Judaic resurgence holds in common with its Islamic counterpart are an extreme intolerance of disagreement, and a penchant for violence. I suppose the two go hand-in-hand, at least in societies like those in the Middle East, that are accustomed to bloodshed as the standard concomitant of political struggle. I learned in Egypt recently that the Moslem Brotherhood has added to its program of breaking up left-wing political meetings and rock concerts the burning of Christian churches. In Israel, where information is more easily disseminated, it is public information that Jewish fanatics on the West Bank have shot at Arab demonstrators, have beaten up Arabs at random and have even defaced Arab places of worship. It is a tribute to the power of both these resurgent movements that they have managed to perpetrate such acts, if not with impunity, then without the state's exacting serious penalties for them.

Even more alarming, to me, is the power the Judaic resurgence has shown to deter the state, through the threat of collective violence, from pursuing its legitimate political goals. Last year a band of 300 settlers girdled themselves in barbed wire, armed themselves with pipes and stones and, by threatening to die in battle with the Israeli army, exacted a battery of concessions from the government in return for surrendering a patch of farmland in the Sinai which had been promised to Egypt as part of the peace treaty. In agreeing to give up the land in the Sinai, Gush Emunim warned that its settlers would not consent to relinquishing their settlements on the West Bank under any cirumstances, not for peace or anything else.

Since that time, there have been several confrontations between the government and West Bank settlers, and in each case the settlers have won. At Elon Moreh, most notably, the Israeli Supreme Court ordered the evacuation of land which the settlers had illegally seized from its Arab owners, but the government has been more willing to be seen by the world as impotent than challenge the settlers' wrath. The government has offered to settle the matter with money, but Gush Emunim steadfastly proclaims the principle that its right to occupy land that is Biblically Jewish supersedes current Israeli law. It is openly debated now whether Gush Emunim, by its strong-arm strategy, is running Israel. Accused of blackmail, leading figures of the Judaic resurgence show no remorse. They declare quite openly that they prefer civil war between the Jews to any peace treaty that would return the West Bank to the Arabs.

When religion is put to the service of aggressive nationalism, as the Judaic resurgence is doing in Israel today, the result can be very unpleasant. A few weeks ago, many religious Jews protested because the kidney of a dead Israeli—a Yeshiva student killed by an Arab sniper—was transplanted to an Arab girl who wore a bracelet of the PLO. The protest was too much even for Chief Rabbi Shlomo Goren, who has strongly supported Gush Emunim and has declared the Torah forbids the return of any West Bank land. Goren decreed that the transplant was a good deed, and that Jews must not discriminate in the saving of a life. But the fact that many Israelis challenged him seemed an index of the xenophobia, wrapped in religion and dignified by God's name, that is sweeping the country.

This xenophobia, the mirror image of Israeli self-righteousness, has made a growing segment of the country impervious to any criticisms from abroad. I do not want to exaggerate that. Israel remains an open society, where every opinion is heard, where arguments rage constantly and tumultuously. Still, a decent respect for the opinions of mankind, as Jefferson put it, seems to be a diminishing phenomenon here. Always on the alert for anti-Semitism, Jews now see it increasingly—sometimes quite accurately, other times rather grotesquely—in the rising criticism of Israel. Each new UN resolution is taken as further proof that the universe is ganging up. Rather than explore the reasons for so much disapproval, much of Israel finds spiritual comfort in a defied nationalism, and a rationale for closing ranks against the hostile forces of the non-Jewish world.

I have long been disturbed by Israel's fascination with Masada, an archeological ruin atop a butte on the shore of the Dead Sea, where some 1900 years ago a thousand zealots committed suicide rather than submit to Roman rule. More recently the Israeli government has excavated a site called Gamla on the Golan Heights, where, during the same struggle, some 5,000 Jews leaped to their deaths in preference to defeat by Rome. In its veneration for Masada, and latterly for Gamla, Israel seems to extol not merely the heroism in its history, which every nation admires, but an ideal of collective, patriotic suicide.

Many Israelis these days speak, with some mixture of respect and dismay, of the nation's "Masada complex". I think they use the term to mean a fight-to-the-death courage as the enemy closes in around them. But there is a hint in the term that Israel, touched by some hysteria, is seeking events on a course that makes a Masad-like outcome nearly inevitable. No doubt there is something pure, heroic, even incorruptible about Masada, and about the current Judaic resurgence. But as long as this spirit governs Israel it is difficult to see how there can be peace. Gaining the West Bank may be a Biblical imperative but Masada, too, is a part of Jewish history, and I am not alone in wondering whether there is not some deep compulsion in the Jewish soul to re-live them both again.●

TRIBUTE TO ESTHER LAZARUS

● Mr. SARBANES. Mr. President, Saturday, April 19, is the 80th birthday of Esther Lazarus, one of Maryland's most distinguished citizens. As a social worker, teacher, civic leader and dedicated public servant, she has worked tirelessly for more than half a century to make life better for thousands of Marylanders. I am proud to add my congratulations and my thanks to Miss Lazarus for her accomplishments, and for her long record of commitment and devotion for her fellow human beings.

Mr. President, to summarize Esther Lazarus' life and career hardly does justice to her achievements. She was born in Baltimore, the daughter of Max and Sophia Lazarus. Her father was a grocer and her family's financial circumstances were quite modest. From an early age, Esther was determined to be a professional social worker. Indicative of her strong determination to meet her goals, she supported herself through college, earning a bachelor's degree from the University of Chicago in 1926. That same year, she took a job as a social worker with the Jewish Social Service Bureau in Baltimore. Later she became a probation officer for the city's juvenile court. Shortly after receiving her master's degree in social work from the University of Pennsylvania in 1938, she joined the Baltimore Department of Public Welfare (later called the Department of Social Services) as a supervisor. Her concern for the needs of the agency's clients, her creativity and initiative, were evident to her superiors, and she advanced steadily through the ranks of the agency. Her career there extended for 31 years, the last half spent as director, an unusual position for a woman at that time.

In this capacity, Esther Lazarus was a pioneer in several ways. She started many innovative programs for social service recipients, among them Protective Services for Children, to assist families who face potential child abuse or neglect; and the Baltimore Emergency Services Center, which exists today as a model program for emergency aid to people who are destitute. She has always been, and remains today, a fierce advocate for the rights of underprivileged citizens, pushing for fair treatment of every person regardless of race, sex or age. It is fashionable now to be a defender of the disadvantaged; it was not so when Esther Lazarus ably espoused their cause. Frequently, she suffered sharp criticism, both printed and verbal, from those who were offended by her unflagging quest for justice and equal rights, but these attacks did not deter her from diligently pursuing her objective, to provide the best service possible to needy people.

At the same time, Miss Lazarus is remembered with warm affection and respect by the people who worked with her, and who recall her deep concern for them as individuals. She urged her subordinates constantly to move ahead with their own careers; among those who heeded that advice was my good friend and colleague, BARBARA MIKULSKI, a former Baltimore City social worker who was elected to a seat on the city council, and who serves now with such distinction as a Member of the House of Representatives.

Miss Lazarus retired from the Department of Social Services in 1969 and turned her attention as a private citizen to helping solve some other of society's problems. She championed the needs of the elderly and was a staunch and early proponent of the Waxter Center for Senior Citizens, a unique facility built to meet the needs of Baltimore's older population. She was a founder of the House of Ruth, a privately operated shelter for battered women, and as a member of its board of directors she has guided and inspired its staff. In conjunction with several other trained professionals, she established a new telephone contact and referral service for women in stress situations, called WISH, Inc. (Women in Self-Help).

She has shared her experience and her energy by serving as a volunteer on numerous boards and commissions at the State and local level. They include the Jail Board of Baltimore City; the Maryland Commission for Children and Youth; the Baltimore Commission on Aging; the Maryland Advisory Commission on Adoption; the Maryland Association for Mental Health; the Metropolitan Baltimore Association for Mental Health; the Health and Welfare Council of Baltimore; the Prisoners Aid Association of Baltimore; and the Maryland Conference for Social Concern.

Her influence on human-services programs and legislation in the United States has been profound and far-reaching, through her service on the boards of many national agencies campaigning for progressive social measures. She is a former chairman of the Maryland chapter of the National Association of Social Workers; a past secretary of the National Council on Illegitimacy; and has been a valued board member of the American Public Welfare Association; the Council on Social Work Education; the National Conference of Social Workers; and the American Association of Social Workers.

Throughout her career she has written numerous articles for professional journals and was the editorial advisor to the publication "Social Case Work." She has served as distinguished lecturer at the University of Maryland School of Social Work and Community Planning, and as consultant to the Assistance Payments Division of the Department of Health, Education, and Welfare. She is a former teacher at the University of Pennsylvania School of Social Work, and that school has recognized her enormous contributions to her field by awarding to her an honorary Doctorate of Science in Social Work, a very rare distinction.

Active in the Jewish community, Miss Lazarus has served as a volunteer and as a director of the Jewish Family and Children's Bureau of Baltimore; the Jewish Social Services Bureau of Baltimore; and other agencies. She has received several major awards for civic and public service from the American Jewish Congress, the National Council of Jewish Women, and the Associated Jewish Charities and Welfare Fund.

Mr. President, Esther Lazarus has touched and enriched the lives of thousands of people, both in Maryland and throughout the United States. Perhaps her secret lies in the great respect which she has for others. She cares very deeply about people, and this warmth and concern for each individual is mirrored in the great respect and affection felt toward her by all those who are fortunate enough to know her. I salute Esther Lazarus for her achievements, express my deep gratitude for her contributions to the lives of others, and join with her family and her many friends in wishing her a happy birthday, and a future full of contentment and joy.●

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

MICHIGAN ARMY MISSILE PLANT—TIME AGREEMENT

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that at such time as Calendar No. 698, H.R. 6464, is called up and made the pending business before the Senate, there be an agreement thereon as follows:

Two hours, equally divided, on the bill, to be controlled by Mr. STENNIS and Mr. TOWER; 30 minutes, equally divided, on any amendment; 1 hour, equally divided, on an amendment by Mr. GLENN dealing with the appraised value of the land; 1 hour, equally divided, on an amendment by Mr. HELMS dealing with the extremely low frequency communications system; 1 hour, equally divided, on an amendment by Mr. HELMS dealing with relocation and storage of machinery for Lance missile for 4 years; 20 minutes on any debatable motion, appeal, or point of order, if such is submitted to the Senate; that the agreement be in the usual form; with the further proviso that the majority leader or his designee be authorized to call up the bill, after consultation with the minority leader, at any time, but not before Tuesday of next week.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I express my appreciation to Mr. HELMS, Mr. STENNIS, Mr. NELSON, Mr. TOWER, Mr. LEVIN, Mr. GLENN, and the distinguished minority leader for their cooperation and consideration in connection with the securing of the agreement.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

ORDER FOR RECESS FROM TOMORROW UNTIL MONDAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business tomorrow, it stand in recess until Monday, at an hour to be designated tomorrow by the majority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move in accordance with the order previously entered, that the Senate stand in recess until 10 o'clock tomorrow morning.

The motion was agreed to; and at 6:36 p.m. the Senate recessed, in executive session until tomorrow, Friday, April 18, 1980, at 10 a.m.

HOUSE OF REPRESENTATIVES—*Thursday, April 17, 1980*

The House met at 11 a.m.

The Reverend Flannan Walsh, Holy Faith Catholic Church, Gainesville, Fla., offered the following prayer:

Heavenly Father we thank You for this great land which you have given us for our inheritance. We pray that we may always be a people mindful of Your generosity and love. Bless this land with honest labor. Save us from confusion and violence. Preserve and increase our liberties and fashion into one united nation this people of many races and tongues. In time of prosperity fill our hearts with gratitude and in time of trouble do not allow our trust in You to fail.

Fill with the spirit of wisdom those who serve in Congress as representatives of all Americans. May each one here, represent to the best of their ability, the special concerns of their own district, and at the same time respect the needs and legitimate aspirations of districts unlike their own.

With malice toward none; with charity for all; with firmness in the right, as God gives us to see the right, let us strive to complete the work we have begun; to achieve justice and peace for ourselves and for all who share our little planet. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed bills of the following titles, in which the concurrence of the House is requested:

S. 2245. An act to amend title 49 of the United States Code to eliminate unnecessary regulation of motor carriers of property, and for other purposes; and

S. 2475. An act to amend title V of the Motor Vehicle Information and Cost Savings Act, "Improving Automotive Efficiency," to exempt very low volume automobile manufacturers from certain requirements of the act, to encourage increase of the domestic value added content in labor and materials of foreign automobiles sold in the United States, to extend the time available to all manufacturers for carry forward or carry back of credits earned under the act, and for other purposes.

FATHER J. FLANNAN WALSH

(Mr. FUQUA asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. FUQUA. Mr. Speaker, the inspiring invocation we heard today was delivered by Father J. Flannan Walsh, pastor of the Holy Faith Parish in Gainesville, Fla.

A native of Kinnitty, Ireland, Father Walsh attended schools in Ireland and received a diploma in literature from the University of Santander in Spain before attending Carlow College in Ireland from which he received his degree in sacred theology in 1965, when he was ordained.

His continuing interest in education encouraged him to continue his studies after coming to this country and he spent 2 years in Washington in the late 1960's while attending Catholic University from which he earned a master's degree in history in 1969.

A concern for young people and the values of education have been a consistent theme through his life and career, leading him to duties at two separate universities in Florida.

From 1969 until 1971 Father Walsh served as Catholic chaplain at the University of West Florida at Pensacola and in 1971 he assumed duties as associate pastor of the Catholic Student Center at Gainesville, home of the University of Florida.

Father Walsh became the first pastor of the Holy Faith Parish in Gainesville in 1973 and has been the only pastor this outstanding church has ever had.

Under his leadership the Holy Faith Parish has grown from a small nucleus with modest facilities to a fine, healthy church with a growing flock of worshipers and expanding modern facilities.

Under Father Walsh's guidance, the Holy Faith Parish recently embarked on a $1.2 million building program to improve its facilities so that it can provide an increasing number of services to its parishioners in more adequate quarters.

The outstanding influence Father Walsh has enjoyed with the young people of Gainesville, both from the university and general communities, has been a tremendous asset to the area and a true blessing to the young people who come under that influence.

I am sure my colleagues join me in thanks to Father Walsh, not only for his inspiring words this morning, but for the valuable contribution he makes and will continue to make to the young people who will provide our Nation with its leadership of the future.

THE NEED FOR REGISTRATION

(Mr. MONTGOMERY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MONTGOMERY. Mr. Speaker, as I understand it, the House Appropriations Committee has just voted out funding for peacetime registration and for taking the Selective Service System out of the deep freeze and making it an ongoing organization.

The rule will be granted, I hope, next week, and we can vote on this important measure this next Tuesday.

Mr. Speaker, we just cannot gamble with the security of this country by not voting for funding for peacetime registration.

I see three things coming out of registration. First, there is no question about it, it will save us 60 days' time if we had an emergency and we had to call up these young men by having their names and by knowing where they are would save this Nation 60 days in getting them into the service.

Also, Mr. Speaker, this is going to make the Selective Service System an ongoing organization again by requiring registration. It will set up State headquarters. It will set up county Selective Service boards in case we had an emergency.

No question about it, Mr. Speaker, it is going to send a message to the Soviet Union that we are concerned about their movement into Afghanistan.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology be permitted to sit today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

REGISTRATION MEASURE SHOULD BE DEFEATED

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, the House Appropriations Committee has just approved by a margin of three votes the necessary funds to put into being the President's registration program. To me, this is a clear indication that the House, when it does reach the floor, will defeat this measure, as I believe it should.

As someone who has supported defense programs for many years, I am now convinced that this program sends no message, does nothing but create a major problem in the country without accomplishing one step toward helping our Armed Forces.

U.S. POLICY TOWARD IMMIGRANTS AND REFUGEES SHOULD BE RECONSIDERED

(Mr. SENSENBRENNER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SENSENBRENNER. Mr. Speaker, in February and April of 1980, President Carter submitted reports to Congress that were required under the Supplemental Refugee Assistance Act and the Refugee Act of 1980. These reports illustrate the need for a meaningful change in the laws pertaining to our policy toward immigrants and refugees.

For example, it was reported that the total cost borne by Federal, State, and local governments for refugee assistance abroad and in this country is estimated to be $1.7 billion in fiscal year 1980 and $2.112 billion for fiscal year 1981. Also, in the past few years, the United States has accepted over 300,000 Indochinese refugees, which is more than 40 percent of the refugees that have been resettled in the world.

Congress must not overlook the fact that this Nation is faced with a long-term energy crisis, resource scarcity, inflation, and unemployment—all of which are further strained by population increases. We must begin to count the future costs in making the decision to continue to admit a great number of refugees.

By saying that the United States will always be open to increasing numbers of refugees, we cannot hope to secure commitments from other nations to accept greater numbers of refugees. The United States must adopt policies which will encourage others to act in a humanitarian manner and which is fair to American citizens as well.

☐ 1110

COLEMAN RENEWS CALL FOR IRANIAN FOOD EMBARGO

(Mr. COLEMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COLEMAN. Mr. Speaker, there are reports circulating that the President this afternoon will impose new economic sanctions against Iran, including the cutoff of U.S. food exports to that country. I support such impositions, if in fact the President so declares this afternoon.

Back on November 29, 1979, I asked the President to consider such a move then to free our hostages. I think we have to use every tool available to us to free the hostages and food is, indeed, one of those tools. Iranians obtain one-fourth of all their imported foodstuffs from the United States. If we were to withhold rice and feed grains from them, we could create economic havoc in their food production system.

In fact, we need to ask our allies and all food growing nations in this world to impose similar sanctions against Iran, because our fight will not be successful unless they join with us.

I think it is time that we served notice to the world that the United States will use all its resources, military, economic, and agriculture, in order to protect its citizens and to free our hostages in Iran.

INFLUENTIAL NEWSPAPER GETS LOAN AFTER ENDORSING PRESIDENT CARTER

(Mr. WALKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WALKER. Mr. Speaker, I have read within the last 24 hours where the Senate Banking Committee will be looking into an 8 percent loan deal between the Ex-Im Bank and the publisher of the New York Post.

I find it highly questionable that in times of 19 percent interest rates this publisher of an influential newspaper gets such a loan 6 days after he endorsed President Carter for reelection in the crucial New York primary.

I also recall vividly the $14 billion Department of Education paid for by the taxpayers, a blatant payoff to the powerful National Education Association for its endorsement of President Carter, who just happened to be endorsed a matter of days after he signed the Department of Education bill.

Mr. Speaker, I see a pattern developing here, a pattern of having the taxpayers pay President Carter's political debts.

The President ran in 1976, pleading with the American people to "trust me." The question in 1980 is, "Why?"

CONGRESSMAN PHILIP M. CRANE ANNOUNCES WITHDRAWAL OF CANDIDACY FOR PRESIDENT

(Mr. PHILIP M. CRANE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PHILIP M. CRANE. Mr. Speaker, when I announced my Presidential candidacy 20 months ago, I did so with the conviction that we should nominate a conservative candidate as the standard bearer of the Republican Party. It is evident now that the Republican primary voters will nominate and support a mainstream conservative candidate, one who represents not only the beliefs and principles of the Republican Party, but the hope of disenchanted Democrats and independents as well.

Therefore, I am announcing today that I will no longer be a candidate for the Republican nomination for President in 1980. I will actively campaign, as I have done in the past, to insure the nomination of Ronald Reagan and will work for his election.

My only regret in the year and a half of campaigning is that my decision exposed innocent people, whom I love, to pain and anguish in the process. Arlene and I and our eight children have been through some difficult times in this campaign. But we have become better people for it while our standards have remained untarnished.

I thank my colleagues in this body for their courtesy, friendship, and in many instances support over the past 20 months of an arduous campaign.

And I thank the thousands of dedicated supporters who helped and stood by me in this campaign.

> Think where man's glory most begins and
>   ends,
> And say my glory was I had such friends.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. PHILIP M. CRANE. I am happy to yield to my good friend and colleague, the gentleman from Maryland.

Mr. BAUMAN. Mr. Speaker, I want to congratulate my good friend, the gentleman from Illinois for his statement, his decision, for his excellent campaign, and his endorsement of the next President of the United States, Ronald Reagan.

I just wonder whether the gentleman could get any other candidates for President from Illinois to withdraw.

Mr. PHILIP M. CRANE. I cannot. But I am sure the Republican primary voters will.

Mr. RUDD. Mr. Speaker, will the gentleman yield?

Mr. PHILIP M. CRANE. Yes, I would be happy to yield.

Mr. RUDD. Mr. Speaker, I appreciate the gentleman's statement and his effort on behalf of the free enterprise system in America.

I also would like to commend the gentleman on the fact that the gentleman remains firm and loyal to the principles that have inspired the gentleman to do what he has done.

Mr. PHILIP M. CRANE. I thank my good friend and colleague, the gentleman from Arizona.

Mr. ASHBROOK. Mr. Speaker, I wonder if my colleague would yield just briefly.

Mr. PHILIP M. CRANE. I would be happy to yield to my good friend, the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I want to thank my good colleague for his statement. I would say I have been with my colleague many times when he has spoken.

I would say to the gentleman from Illinois (Mr. PHILIP M. CRANE), there is no way the gentleman has lost, but he was a winner. What he told the American people was right. They listened and I think the gentleman will go on to greater things in the future.

I am very glad the gentleman made this statement and I am only sorry it did not come out better for the gentleman.

Mr. PHILIP M. CRANE. I thank the gentleman very much for his kind sentiments.

Mr. DORNAN. Mr. Speaker, will the gentleman yield?

Mr. PHILIP M. CRANE. I am happy to yield to my friend, the gentleman from California.

Mr. DORNAN. Mr. Speaker, I thank the Speaker for being so generous.

I also want to join my colleagues in commending the gentleman on his absolutely elegant race for the Presidency and for the intellectual quality that the gentleman from Illinois brought to all the Presidential debates in which he participated. I think his efforts at campaigning coast to coast have benefited the entire American Nation, all 50 States. The gentleman has made this a far more exciting election year and I know with his fighting spirit he is not out of the decisionmaking process yet as far as our convention is concerned. I look forward to an exciting Republican Convention with the gentleman from Illinois in an effective role of leadership based on principle.

Mr. PHILIP M. CRANE. I thank the gentleman for those kind sentiments.

Would the Speaker indulge me for 30 more seconds?

The SPEAKER. Without objection. If this was the Republican Convention and the Members now here were present, the gentleman would probably carry it.

Mr. PHILIP M. CRANE. I thank the Speaker for that kind expression.

I just wish that support had manifested itself in the early primaries. I would like to add this. We can recall going back to 1972, that two of my Republican colleagues from this body ran for the Presidential nomination and distinguished themselves and this body. And then in the other party a Member from this body most ably represented his position and distinguished this body. In fact, I think he had qualities and intellectual stature beyond the final winner of that contest. One of the things in this contest that I found most consoling was after the Des Moines debate we had, Hugh Sidey of Time Magazine, in assessing the winners, concluded that it was the two House Members that had won that debate. I have long believed that this body has infinitely more talent in potential leadership for this country than we can find in any other body or any other institution in this land.

PERMISSION FOR SUBCOMMITTEE ON NATURAL RESOURCES AND ENVIRONMENT OF COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. AMBRO. Mr. Speaker, I ask unanimous consent that the Subcommittee on Natural Resources and Environment of the Committee on Science and Technology be permitted to sit today while the House is in session to mark up the EPA and DOE environment budgets.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, has the gentleman consulted with the minority members of the subcommittee?

Mr. AMBRO. The ranking minority member is present. I think my friend, the gentleman from California, can consult with him.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I yield to the gentleman from Pennsylvania (Mr. WALKER). Can the gentleman tell us whether he has been consulted?

Mr. WALKER. Yes. I will be glad to respond to the gentleman. This is perfectly all right with the minority.

Mr. ROUSSELOT. The gentleman is well alerted and aware and can yield the time away from this important legislation that we have on the floor?

Mr. WALKER. Well, if the gentleman would yield further, we have extremely important legislation before us today, I know; but I do think that the committee will be able to work around that very important legislation and will be able to continue.

Mr. ROUSSELOT. Work around this important legislation?

Mr. WALKER. Well, we are certainly going to try, I will tell the gentleman that.

Mr. ROUSSELOT. Well, that is an overpowering statement.

Mr. Speaker, I withdraw my reservation of objection.

Mr. AMBRO. Mr. Speaker, remember, the overpowering statement came from the gentleman's side.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

REGISTRATION MONEY VOTED OUT OF COMMITTEE ON APPROPRIATIONS

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, as one of the non-Presidential candidates from Illinois, I rise to make a point with respect to the registration proposal that has been just voted out of our Appropriations Committee. While I did not support the Boland amendment to increase the initial amount, I did vote to bring the measure to the floor of the House.

I did so not because I was persuaded by the argument that we have to send some kind of message to the Soviets of our resolve, but rather to give this House an opportunity to debate the issue in open forum for all the American people to see and hear.

If we really want to send a meaningful message to our adversaries, we would increase our production of planes, tanks, ships, and guns or at least provide enough fuel to our armed services to conduct those necessary training exercises that are now limited as a result of faulty budgeting by the administration.

☐ 1120

I hope when the measure reaches the floor of this House we will have the opportunity to go into our overall military manpower, problems. I would like to hear from our experts as to whether we should have registration or a draft; and what we ought to do relative to our reserves; whether pay and allowances are at issue. In short we have to know where we are before we know where we are going and we ought to take the American people into our confidence and debate this right out here in the open.

CLARIFICATION OF LANGUAGE OF HOUSE JOINT RESOLUTION 521, ADDITIONAL FUNDS FOR SELECTIVE SERVICE SYSTEM

(Mr. WHITTEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTEN. Mr. Speaker, in view of the statement just made, I think I should call attention to the fact that House Joint Resolution 521, just reported out by the Appropriations Committee, contains the following language:

> *Provided*, That none of the funds made available by this joint resolution shall be available for instituting or taking action to draft any individual for military service.

Mr. Speaker, if we refuse to provide funds for the Selective Service as officially and publicly requested by the President, not only will we lessen our chances of freeing our hostages in Iran, but we will weaken the Nation in its efforts to meet our world problems.

It is not a question of whether we agree with the President—but one of whether we deny funds after his decision—thus weakening our position in this troubled world.

PERMISSION FOR COMMITTEE ON APPROPRIATIONS TO HAVE UNTIL SATURDAY, APRIL 19, 1980, TO FILE REPORT ON HOUSE JOINT RESOLUTION 521, ADDITIONAL FUNDS FOR SELECTIVE SERVICE SYSTEM FOR FISCAL YEAR 1980

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that the Committee on Appropriations may have until midnight Saturday, April 19, 1980, to file a report on the joint resolution (H.J. Res. 521) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System.

The SPEAKER. Is there objection to the request of the gentleman from Mississippi?

There was no objection.

CONGRESSMAN FISH EXPRESSES REGRET THAT FRANKLIN DELANO ROOSEVELT MEMORIAL NOT BEING ACTIVELY CONSIDERED BY CONGRESS

(Mr. FISH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FISH. Mr. Speaker, the Nation recently observed the 35th anniversary of the death of President Franklin Delano Roosevelt. I rise to express my regrets that the work of the F. D. R. Memorial Commission, their modified and scaled-down memorial in Washington is not being actively considered by this Congress.

Over 20 years ago, a commission was formed by the Congress to provide a fitting memorial to this national leader. In the largest architectural competition ever held, with 574 entrants, a design was selected. Years passed. A new design was developed, a new design which satisfied everyone including the Fine Arts Commission.

The original cost of this new design was estimated to be $46 million. But it was held by Secretary of Interior Andrus to be too expensive. The F.D.R. Commission, on which I have the honor to serve, then scaled down the design severely. Regrettably, this far more modern memorial is not under active consideration.

DEATH OF IRANIAN IN LINCOLN

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, this morning while watching television I notice that a coffin was being taken around Tehran with the body of an Iranian student at the University of Nebraska who was allegedly tortured and killed in the United States. Lest there be any concern about justice or civil rights in the United States or inappropriate "Western Justice," I would like to present some facts to this House, to the American people and to the international community, although I think assurances are really probably not sought by reasonable observers.

After checking with the Lancaster County attorney's office, I found that the Iranian in question was a student at the University of Nebraska at Omaha, and was charged in Douglas County with a felony in connection with an assault on his landlord. The Douglas County authorities sent him to the Lincoln Regional Center of the State of Nebraska for an evaluation to determine whether he was competent to stand trial.

He was discovered dead in his room at the center on April 6. He had been under treatment for epilepsy.

An autopsy was performed, but that autopsy was delayed at the request from the State Department until two observers, apparently physicians from the Iranian Consulate in Chicago, flew to Lincoln to witness the autopsy. It was performed by Dr. Harlen Papenfuss, a very distinguished member of the medical profession and the past president of the Nebraska Medical Society. He determined that the injuries sustained had been sustained in the course of the felony assault and had not taken place in the center. He furthermore determined that the death was due to heart failure caused by an epileptic-like seizure.

Some body tissues were given to the Iranian doctors so they could perform their own tests and the body was released to them.

I am entirely convinced, as I am sure my colleagues are, that fully legitimate procedures were followed by competent individuals and that no blame should be placed on local or State officials or on the United States.

BIG BUSINESS DAY—THE NEED FOR A WINDBAG PROFITS TAX

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, we have this day been blessed with another in a series of attacks on the American free enterprise system by that Pinto of consumer advocates, Ralph Nader, under the guise of his cover organization, Americans Concerned About Corporate Power.

But, hark, what is this? A new design in the Nader spring line. Has Ralph decided to embark upon a business career of his own? We find that he has been charging $10 admittance right here in the Cannon Office Building in violation of the rules of the House for the privilege of hearing his group attack business profits and practices.

A major goal of Big Business Day sponsors is to seek legislation establishing corporate boards that pursue nonprofit aims. The irony of it. By charging $10, Mr. Nader and company are perhaps approaching that category of "big business" whereby they will be subject to the same scrutiny by both consumer groups and the IRS that they advocate for other big businesses, in order to insure that they themselves are not guilty of ripping off the American public.

At the very least, we should license and harness Mr. Nader's energy-producing rhetoric for public utilization. After all, hot air balloons do not use foreign oil.

PERMISSION FOR SUBCOMMITTEE ON COAST GUARD AND NAVIGATION OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT THIS AFTERNOON DURING 5-MINUTE RULE

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries be permitted to sit this afternoon during the 5-minute rule for the purpose of holding a hearing, and a hearing alone, on H.R. 6671, a bill to unify the rules for preventing collisions on the inland waters of the United States.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

GROWTH DAY—A REAFFIRMATION OF THE TRUE AMERICAN DREAM?

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, today we are celebrating Growth Day. How does our economy grow? With greater productivity, higher real income and plentiful jobs. Exactly what the minorities, the unemployed and the underprivileged of this country have been seeking. Growth Day is a reaffirmation of the true American dream.

For years economists have perpetuated the myth that there is an inevitable trade-off between inflation and unemployment. Not true. The Joint Economic Committee's 1980 Annual Report heralds a "new era in economic thinking," demonstrating how steady economic growth—accompanied by stable fiscal policies, and a gradual reduction in the growth of the money supply—can actually reduce inflation significantly without increasing unemployment.

The key to economic growth and productivity in the United States is our free enterprise system—a system that has given each of us more choice and greater opportunity than any other economic system in the world. The greatest obstacle to economic growth is big government. Overtaxed and overregulated, American business is in need of relief. Unless it is provided, our economy will not only cease to grow, it will cease to survive.

☐ 1130

CONFERENCE REPORT ON S. 662, INTERNATIONAL FINANCIAL INSTITUTIONS

Mr. REUSS. Mr. Speaker, I call up the conference report on the Senate bill (S. 662) to provide for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The Clerk read the title of the Senate bill.

CALL OF THE HOUSE

Mr. BAUMAN. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 185]

Abdnor
Addabbo
Akaka
Albosta
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Brovhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Dixon
Dodd
Donnelly
Dornan
Duncan, Oreg.
Early
Edgar
Edwards, Ala.
Edwards, Calif.

Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McDade
McHugh
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Mottl
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Natcher
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Sawyer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stack
Stangeland
Stanton
Stark
Stewart
Stockman
Stratton
Studds
Swift
Synar
Taylor
Thomas
Thompson
Traxler
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1140

The SPEAKER pro tempore (Mr. ZEFERETTI). On this rollcall, 355 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

CONFERENCE REPORT ON S. 662, INTERNATIONAL FINANCIAL INSTITUTIONS

The SPEAKER pro tempore. Pursuant to the rule, the conference report is considered as having been read.

(For conference report and statement, see proceedings of the House of April 2, 1980.)

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. REUSS) will be recognized for 30 minutes, and the gentleman from Ohio (Mr. STANTON) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Wisconsin (Mr. REUSS).

Mr. REUSS. Mr. Speaker, I yield to the gentleman from California (Mr. JOHN L. BURTON).

PERMISSION FOR SUBCOMMITTEE ON GOVERNMENT ACTIVITIES AND TRANSPORTATION OF COMMITTEE ON GOVERNMENT OPERATIONS TO SIT THIS AFTERNOON

Mr. JOHN L. BURTON. Mr. Speaker, I ask unanimous consent that the Subcommittee on Government Activities and Transportation of the Committee on Government Operations be permitted to sit this afternoon for the purpose of hearing testimony only.

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can our distinguished colleague from California assure us there will be no attempt to mark up any bills, that this will strictly be for the purpose of hearing testimony?

Mr. JOHN L. BURTON. The hearing will be strictly for the taking of testimony on two measures that have been pending before the subcommitee for a long time. The Office of Management and Budget has agreed to testify. There will be no markup.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman for his assurance. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

☐ 1150

Mr. REUSS. Mr. Speaker, I yield myself 10 minutes.

Mr. Speaker, on two separate occasions your House conferees defended as best they could the House position on the bill S. 662, which provides for increased participation by the United States in the Inter-American Development Bank, the Asian Development Bank, and the African Development Fund.

The difference between the House and Senate versions of this bill was as follows:

First. In the case of the IDB capital provisions, the House version provided for $1.6 billion of capital, most of which would be callable, as compared to the Senate level of $2.7 billion, a difference of $1.1 billion;

Second. The House provided for the funding of Special Operations at $600 million, as compared to the Senate level of $700 million, a difference of $100 million;

Third. Capital for the Asian Development Fund as provided in the House version was $180 million, as compared to the Senate level of $445 million, a difference of $265 million; and

Fourth. No difference in funding for the African Development Fund.

The Senate conferees remained unanimously adamant in their position, insisting upon the funding levels for these three institutions as provided in their version of the legislation. Their unanimous opposition occurred during our first conference with the Senate held on March 19, 1980, and as a result of a technicality, the second conference held between the two Houses on this legislation on April 1, 1980.

As chairman of the conference, and as agreed to in the House previously when this legislation was recommitted to conference, I made sure that two of the Members of this body interested in this legislation would have an opportunity to address the conference. Our colleagues Mr. ROUSSELOT, of California, and Mr. BAUMAN, of Maryland, did appear at the conference and both were given an opportunity to address the conference.

The superb persuasive abilities of our colleagues from California and Maryland and the abilities of your House conferees, again fell on deaf ears. The Senate conferees remained absolutely adamant in their position.

While in total this legislation authorizes an appropriation of $4 billion, the fact is that most of this authorization consists of so-called callable capital, not outlays. What this means in the aggregate is that the $4 billion authorization will, over time, lead to budgetary outlays made up of paid-in capital or contributions to special funds in an aggregate amount of only $1.5 billion, not $4 billion.

The other $2.5 billion—the difference between the $4 billion authorization and the $1.5 billion in budgetary outlays, is made up of callable capital. Of this callable capital, less than $200 million will be paid in over the next 8 to 10 years. Further, the actual budgetary outlays for this legislation will amount to only $7 million in fiscal 1981, and an estimated $33 million in fiscal 1982.

Mr. STANTON. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, at the heart of the matter before the House in this conference report are two central issues: First, did the House conferees negotiate the best possible compromise with our colleagues from the other body; and second, how can the House pass a $4 billion foreign aid bill when we are entering a period of unprecedented budgetary tightening here at home?

The House conferees made a genuine attempt to convince the Senate to accept lower authorization levels than those asked for by the administration. Four different attempts to find numbers closer to the House passed levels were rejected by the Senate and in each instance, their arguments were the same. A cut in our share of the replenishment agreements would amount to a failure to fulfill our pledge. The negotiated agreements would collapse and the process of negotiating a new replenishment must begin again.

This would lead to a very serious situation. It is already a fact that the Asian Development Bank and the Inter-American Development Bank have closed their doors to new loans, awaiting approval of these current replenishments. If the Congress were to act now to unravel the agreements, it could be up to a year before lending could resume. The Asian

Bank would have to close its doors to Pakistan, the Philippines, Thailand, and Bangladesh. The Inter-American Development Bank would suspend loans to the Caribbean, Central America, and elsewhere in the hemisphere.

Obviously, such a cessation of lending would be an extremely serious setback for U.S. foreign policy and would add substantially to the growing lack of confidence in the United States and its willingness to meet its commitments.

The second major criticism which has been leveled at this conference report is that budgetary stringency does not allow us to continue to be generous to friends overseas. In point of fact, the conference report is consistent with efforts to achieve budgetary savings during fiscal year 1980 and 1981. Most of the money in this bill, $2.5 billion of the $4 billion package is in the form of callable capital which will never result in budgetary outlays. The remaining $1.5 billion will be spread out over 8–10 years with projected outlays as follows:

[In millions]

Fiscal year:	
1980	$0
1981	7
1982	33

So that when we really examine the cost of the bill, we find that it has an almost negligible budgetary impact for the near term.

Equally important, however, is the fact that we get far more in return for our contributions than we have to put in. We have estimated that our participation over the years has resulted in $11 billion worth of exports to developing countries. A full 35 percent of our exports go to less developed countries, and we have important economic and political interests in insuring their future development.

In summary, we would be fooling ourselves if we think we can reject this conference report without seriously damaging our political and economic interests abroad. And we would be fooling ourselves if we think defeat of this measure will result in significant budgetary savings.

Voting for the conference report is the right thing to do and I urge my colleagues to support it.

Thank you.

□ 1200

But I would point this out, Mr. Speaker, as point No. 2: As far as the arguments for or against fiscal responsibility in the fiscal year 1981 budget and the resolutions that are coming up next week, I think it should be clear to Members of the House that the budget outlay will be $7 million for fiscal year 1981.

Mr. Speaker, in conclusion, there is another point that we should make. Too often in this legislation we think we are a bunch of "do-gooders" and are doing something with our taxpayers' money for somebody else. I think we should take just a minute, Mr. Speaker, to think of the consequences of this legislation and what will happen if it does not pass, both from the point of view of the receivers and the point of view of the taxpayers who are some of the employees in our country.

All of this money, Mr. Speaker—and I repeat, all of it—goes to the less developed countries of this world. Since the inception of these lending institutions some $11 billion of the output that is made by American taxpayers and American workers has gone to less developed countries.

I look at some of these figures, and I see that the great State of California ranks No. 1 in the Nation of employees producing the goods and services that go to the less developed countries in the world; it produces a total of some $3.3 billion. Thirty-seven million dollars is directly connected with the Inter-American Development Bank and the Asian Development Bank in this fiscal year, which is 1978.

My own State of Ohio ranks third, and Illinois ranks second. Although I did not count them, it appears that almost every State of the Union has some particular positive effect from the standpoint of lending to these less developed countries.

Mr. Speaker, I make that point with the idea of utilizing the argument, as we have heard the argument over the years, that this is for other people when we have problems here at home. I have never literally made that argument before because I think if there is a need in less developed countries, we should meet the need as an expression of our principles. But I bring that argument out at this particular time because the evidence is so strong the other way.

Mr. Speaker, I wish to point out that there is a certain balance here that that should be considered when we are considering this legislation.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. STANTON. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding.

Mr. Speaker, I appreciate what the gentleman has described in the House as to how these "benefits" give industries and various groups today the ability to take advantage of the existence of these lending institutions operating abroad.

However, if we went with the House-passed version, it really would not substantially reduce that effort, because we are not talking about huge amounts of money? Is that not true?

Mr. STANTON. Mr. Speaker, the difficulty with that is this: Although I did not think of the gentleman, I would point out that his State of California has to be No. 1.

Mr. ROUSSELOT. I understood that. Let me say I realize that, and I understand the gentleman's point.

Mr. STANTON. Mr. Speaker, I would say this: The difficulty we face here is the vote here at the moment.

Mr. ROUSSELOT. But it would not stop it; right?

Mr. STANTON. Mr. Speaker, there is a 60-percent cut in the Asian Development Bank and a 40-percent cut in the Inter-American Development Bank.

Mr. ROUSSELOT. Mr. Speaker, the gentleman knows about the authority that keeps coming up, so this would not stop it, would it? It certainly would not stop it?

Mr. STANTON. Mr. Speaker, I have got to be honest with the gentleman.

What we have to do is leave it up to the membership to decide whether a 40-percent cut is a big cut or whether a 60-percent cut is a little cut.

Mr. Speaker, I know the gentleman is fair, so let us just leave it up to the House.

Mr. ROUSSELOT. I will say to my colleague that this is for five different agencies, international agencies. We really are only talking about three areas where there was an imposition of any kind of a slight restraint in the increase on a replenishment basis.

But the gentleman still has not answered my question. If we support the House position, that will not stop these funds; is that not correct?

Mr. STANTON. Certainly it will not stop them.

Mr. ROUSSELOT. Mr. Speaker, I thank the gentleman.

Mr. STANTON. There was 40 and 60 percent that is put back.

Mr. ROUSSELOT. I appreciate that.

Mr. Speaker, may I inquire as to how much time we have consumed?

The SPEAKER pro tempore. The gentleman from Ohio (Mr. STANTON) has consumed 9 minutes.

Mr. STANTON. Mr. Speaker, I yield 5 minutes to the gentleman from Florida (Mr. YOUNG).

Mr. YOUNG of Florida. Mr. Speaker, I appreciate the gentleman's yielding this time to me.

Mr. Speaker, at the conclusion of the debate I will offer a motion to recommit this conference report to the conference committee with instructions to adhere to the House position in the reductions for the various funding levels. I will use my time for debate at this time to discuss my reasons for offering that motion to recommit.

On March 5 this House, in a rather strong voice, spoke out by a vote of 219 to 170 to reduce funding for the Inter-American Development Bank and the fund for the special operation of that bank. By a vote of 210 to 189, the House voted to reduce the funding for the Asian Development Bank, the soft window of the Asian Development Bank.

This House also voted to include in the legislation a direction for the Asian Development Bank to begin to use some of its funding to help some of the Asian refugees. We thought that might be a reasonable way to get other countries to help take up some of the load dealing with those refugees.

Mr. Speaker, it was our opinion when we offered those amendments or that series of amendments that we were not going to curtail the effectiveness of these international financial institutions. However, we were realistic enough to recognize that if we were going to accomplish any reductions, we were going to have to go in with a strong message, and we went in with a strong message. The other body refused to pay attention to that message, and our negotiators finally gave in and agreed to the Senate position.

Mr. Speaker, let me tell the Members that the international banks that we are talking about will not be adversely affected if they do not get the funding at the level that the conference committee recommends. Last year the Members will recall we presented to this House an investigative staff study done by the Committee on Appropriations that pointed out time after time how millions of dollars of money being handled by these international financial institutions were being wasted. Projects were being pushed, for example, into countries that did not want the projects. All they wanted was the foreign exchange. We were told about projects that were being funded at many times the level needed to accomplish the aims of that development project.

The investigative staff report is nearly 200 pages containing many such examples.

If they would tighten up on their fiscal policies, I am satisfied that they would have no problem living within the bounds set by the House.

However, Mr. Speaker, I say that we are willing to compromise. We would be willing to go back to the conference committee, hoping that our conferees would be willing to battle for some kind of a reasonable compromise and not just cave in to the other body.

Mr. Speaker, it will be said that this has been made as a commitment, and that if we do not go along with the exact dollar figure established in this legislation, the Treasury Department would have to go back and renegotiate. In advance, Mr. Speaker, let me discuss that argument. The report that accompanies this bill says on page 3 that the authorizations provided in this bill must be provided for in advance in appropriations acts before the Treasury can make commitments to the institutions. They are going to tell us that the commitment has already been made, and that we have to stick with it or we will have to be embarrassed by renegotiation. I am saying that officially that negotiation is not complete and the deal has not been set until this Congress has spoken. So we are not under any obligation to go with the figures the Treasury Department suggested to us.

Mr. Speaker, I have one further point. I am satisfied that by going back to conference and getting a reasonable compromise, we will have done something for the taxpayers of this country. I watched a network television program the other night on the debt of the Americans, the debt of the Nation, the debt of our 50 States, the debt of our cities and our counties, the debt of our private people. They reported that the debt of the Americans is set at some $5 trillion.

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Now, if we have to try to help people develop, if we have to try to get hold of some fiscal problems, if we have to be worried about people who are in financial trouble, we ought to look at our own people, our own taxpayers, our own constituents, because if we ever added up the ledger columns, you would find that we as Americans owe more money to somebody than anybody else in the entire world. And here we are now, trying to put more money into these international financial institutions who do not need it. And until we tighten the monetary screws, they are going to continue to waste the American dollars.

The SPEAKER pro tempore. The time of the gentleman from Florida (Mr. Young) has expired.

Mr. STANTON. Mr. Speaker, I yield 2 additional minutes to the gentleman from Florida (Mr. Young).

Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Speaker, I would merely comment that this is the kind of vote, I say to the gentleman from Florida (Mr. Young), that the American taxpayers can understand. The deck may be stacked as it often is around here but maybe in losing we will win, because I think the American taxpayers will look critically at those who vote for this particular measure.

Mr. Speaker, once again the House is being asked to completely capitulate to the Senate on an important policy matter. I wonder when this body will realize that the Constitution provided for two Houses of Congress that we coequal. Now it seems that we have one body to debate issues and one that actually decides them. I do not think either the Founding Fathers or the present American public would agree with this development.

In March this House voted by majorities of 219 to 166, 219 to 170, and 210 to 189 to cut the levels of funds the United States would make available to the regional development banks. Today we have an opportunity to stand by those votes. I hope my colleagues take a stand for the validity of House consideration by voting against this conference report.

What is at stake today is not just the integrity of the House position, it is also the integrity of this Nation's tax dollars. Only this last Tuesday millions of Americans had to submit to the annual confiscation of their hard earned wages by the Internal Revenue Service. Are we going to stand by today and allow other nations to benefit from this confiscation by receiving loans at interest rates we refuse to give to our own citizens?

The United States has a long history of being a charitable Nation, but there are limits to this generosity. At a time when our own citizens cannot afford a decent home for their families, cannot afford to buy the food they could just a year ago, and must cut back on the long-awaited vacation because of the cost of fuel, how can we ask them to give their wages so nations with dubious support records of American positions can bask in cheap loans, many of which will probably never be repaid?

The House wisely voted to save the American taxpayer these extra, unnecessary, burdens back in March. If anything the situation in the United States has worsened since then. How can we then justify this conference report? What has happened in just 1 short month to make the wise votes of March irrelevant? Nothing that I can observe.

There may be those in this House who believe that by cutting the American commitment to these banks we are hurting the integrity of this Nation in the eyes of others in the world. They will state that this commitment was negotiated and must be followed through. I ask them, since when does a foreign commitment have standing prior to consent of the Congress? A treaty that must be ratified by the Senate, or a financial commitment that must be authorized by both Houses underscore this concept. If the President, or his delegates, act unwisely with the public trust it is up to the Congress or the Court, the other coequal branches of Government, to check that unwise act. It is not our fault if the President is embarrassed by his own unwise negotiating. It will be the Congress fault, however, if we help drive the American economy further into depression because we vote to send cheap loans overseas.

What of the future of development in the Third World? Do we have a moral commitment to help developing nations with American dollars? Long ago we made a commitment to lead the free world by the nature of our posture and prestige in the family of nations. This does not necessarily mean that we must constantly use our Nation's wealth to serve the ends of other nations. Our leadership for development can come, as development economist Dr. Manuel Ayau stated "from the strength of our convictions." Our faith in the market, our commitment to help our friends and to protect them from our mutual enemies are factors that can provide the stability necessary for sustained economic health and growth. All the money in the world will not help a destabilized situation if it is not backed up with consistency of purpose.

What about the need for investment capital in the Third World? There definitely is a need for additional funds for development, but it does not have to come from America. One of the major hardships in the Third World is the price of energy. As the poorer nations develop domestic industries their needs for energy grow. Hydropower, small solar units, and maybe some local coal or oil reserves can help domestic development, but the major source of energy for these nations is Middle East oil. Have the OPEC nations given their poorer brethren a price break or a rebate to assist their development efforts? Not at all. OPEC is sapping the life blood from the Third World just like it is sapping the lifeblood of America and the other Western industrial states. A recent Wall Street Journal article stated that Saudi Arabian banks alone will have $61 billion in assets this month. The entire OPEC cash surplus will be around $120 billion for the year. OPEC nations currently are not participants in many of the development banks. I think it is time for OPEC to either provide price breaks to their Third World brothers or to join the Development Bank efforts. It is ludicrous to expect our taxpayers to in effect pay for OPEC price rises both here and in the Third World.

We can send a message today to OPEC, to the President, and to the banks, that we are not satisfied, in fact we are outraged, with the current state of development policy and programs. I hope my colleagues will join me in voting against the failure of the status quo.

Mr. YOUNG of Florida. There is no doubt in my mind about that.

I listened to Paul Harvey this morning, and he had quite a commentary on who is now running this great United States. Is it the people, or is it the Government? And he has concluded that finally the people have lost out, the Government is running the whole business, and one of the examples he used was our position on foreign aid. The people have spoken out time and time again. They want a responsible program, not one that just dumps money for the benefit of dumping money.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. YOUNG of Florida. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the gentleman for yielding.

Mr. Speaker, I wanted to point out something, because I think in this case the inference is that some of us are wastrels, that we want to toss money, that we are heedless of this call for balancing the budget. I think, though, in all fairness, we are either all children of God or we are all stepchildren of God, because we are all committed to a balanced budget.

But I want to ask the gentleman this: I have seen a copy of his intended motion for recommital. Is it not a fact that in the gentleman's motion, in effect, he is asking for the reincorporation into the bill of the project that the gentleman proposed and which was accepted during general debate or amendment on the refugee question? It was really what we call the Wolff amendment.

Mr. YOUNG of Florida. The gentleman is absolutely correct. We are asking for reinstatement of the Wolff amendment.

We believe that the rest of the world should be involved in helping take care of those refugees that we are so generous in helping.

Mr. REUSS. Mr. Speaker, I yield such time as he may consume to the distinguished chairman of the subcommittee, the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Speaker, in order to continue the dialog and in all fairness to the gentleman, this is what I cannot reconcile with the gentleman's insistence that he is for fiscal responsibility unilaterally and exclusively, because the gentleman provides in his recommital motion for an outlay of $100 million in fiscal year 1981, whereas our bill now in conference will provide only for $7 million.

How can the gentleman reconcile that with his proclaimed fiscal responsibility and restraint?

The gentleman would call, in his amendment as I read it, for an outlay in fiscal year 1981 of $100 million, whereas our whole bill here in conference will call only for $7 million in outlay in actual cash.

Can the gentleman explain to me how he can reconcile that?

Mr. YOUNG of Florida. If the gentleman will yield, I would suggest that he could get a better specific answer from the author of that particular amendment.

Mr. GONZALEZ. The gentleman has it in his proposal.

Mr. YOUNG of Florida. That is correct.

Mr. GONZALEZ. All right. So that means that the gentleman accepts it.

Mr. YOUNG of Florida. If the gentleman will yield, we are discussing, with that particular amendment, the entire Asian Development Bank. What we are saying is that all of those who are contributing to the Asian Development Bank should be contributing to the Asian refugee problem. We are of the opinion that the United States should not have to continuously go it alone.

Mr. GONZALEZ. I know that. But the gentleman is missing the point that I am trying to make. The gentleman is calling for a cash outlay of $100 million, whereas we are trying to hold down the amount, and the whole bill would be $7 million outlay in 1981, whereas if the gentleman's amendment carries, it would be $100 million. That is contradictory to what the gentleman has been arguing a few minutes before.

Mr. STANTON. Mr. Speaker, will the gentleman yield?

Mr. GONZALEZ. I yield to the gentleman from Ohio.

Mr. STANTON. Mr. Speaker, I want to make sure that I understand. The gentleman is saying that in this motion to recommit we add $100 million to fiscal year 1981?

Mr. GONZALEZ. Yes, sir.

Mr. STANTON. We just met this morning on our side of the aisle, and that is not in that budget. We cannot have that.

Mr. GONZALEZ. It is so contradictory with the argument that has been advanced for voting against the conference.

Mr. Speaker, I would like to conclude by saying that this is a question of very important national policy that the House do carry on in its commitments already made, and they are fully reflective of the sense of responsibility and restraint. I think this has amply been brought out in the record.

Mr. REUSS. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from New York (Mr. LaFALCE).

Mr. LaFALCE. Mr. Speaker, I rise today in full support of the House/Senate conference report on S. 662, the International Development Banks authorization and hope that we can dispense with consideration of this legislation today before additional valuable time is lost, causing further delay in funding which is so urgently needed.

Any discussion of foreign aid is controversial. This year, however, our discussion is particularly controversial because of our own economic conditions. Some would say that we, the United States, are not in the position to be a donor of funds to other countries when our own social services and Federal programs are being submitted to budgetary cuts. How can we, in good conscience, assist others while pulling our own belt tighter? Yet, how can we, also in good conscience, turn our back when the need is so great? Is it not, in fact, unconscionable on our part to continue to hold up the activation of funding levels which were agreed upon over a year ago?

The countries which are suffering the most from our inaction are those most in need—the poorest nations belonging to the Asian and African Development Funds which have an average per capita income of less than $400. Today, I would like to address what I identify to be the single, most overwhelming reason for our continued support of the authorization level of $4 billion requested by the administration for the multilateral development banks. That reason is a very simple one—because there is a need that must be met and cannot be ignored.

Let me give you a few examples of the need that I perceive to exist for such funding. In recent testimony before the House Subcommittee on International Institutions, Secretary of the Treasury William Miller described the future scenario for the developing countries. It is not a good one. In his words:

> The per capita income in the poorest developing countries, with a billion and a quarter people will probably increase only $1–$10 per year over the next decade. Not only do these countries have the lowest per capita incomes in the world, they have also experienced the slowest economic growth in the post-OPEC era.

The Secretary estimated that over half the population is "mired in absolute poverty where hunger, malnutrition, illiteracy, disease, high infant-mortality and low-life-expectancy are a way of life."

We, as a nation, have always had a humanitarian interest in improving the conditions of those who are less fortunate than we. Our continuation of this interest is more important now than ever. As the situation was so graphically described in a recent Washington Post editorial by Frank Ballance on foreign aid, "Human lives and welfare are at stake. Africa is losing the race between food and population; massive starvation has occurred in Cambodia. Can we turn our backs on these events, and still proclaim our interest in a peaceful world?"

The temptation is strong, especially under current economic conditions, to focus our attention not on the needs of distant peoples but to direct all of our attention to solution of our immediate concerns. I am not unware of those concerns and the need to cut back on our spending. Yet, let me stress again that the countries we are talking about aiding here are plagued by hunger, malnutrition, and disease. The Presidential Commission on World Hunger has stressed that there is no more important way for the United States to demonstrate concern for the needs of the Third World peoples than to work toward the eradication of hunger. The MDB's are a particularly cost-effective way for us to provide the needed economic assistance because they permit us to share the burden for providing assistance with other countries. I might add that our burden is getting progressively lighter as other donor nations increase their share.

There is more at stake here, however, than continuation of our role as humanitarians, although that is certainly an important role. Secretary Miller has said, and I concur, that our relationship with the developing countries encompasses major political, security, economic, and humanitarian concerns. Our participation is an investment, not only in world peace, but an economic investment in the future of U.S. trade in petroleum and other valuable resources with the developing countries.

How much will this cost, in real terms? I think that this is a very important distinction to make. The total amount of the authorization requested by the administration is $4 billion for the fiscal years 1979 to 1982. Sounds like quite a lot, does not it? It is, if taken at face value; but permit me to tell you what it is really going to cost, in actual budget outlays, and why authorization of the full amount is consistent with a balanced budget. Of the total $4 billion, $2.5 billion is for callable capital, or loan guarantees, which will not result in budgetary outlays. In fact, there has never been an instance of callable capital being called in the history of the Banks. The budgetary impact of the remaining $1.5 billion would be spread out over an 8–10 year period. The cost in fiscal year 1980 would be zero; in fiscal year 1981 less than $7 million and in fiscal year 1982, $33 million. Additionally, U.S. participation in the Banks actually benefits our economy as opposed to hurting it. For example, our participation has contributed over $11 billion to the U.S. balance of payments, and adds $3 to our GNP for every $1 we contribute.

Although foreign aid has increased each year since 1976 it still represents only half of 1 percent of the Nation's total output of goods and services. In 1979, for example, the budgetary outlays for foreign aid and financial assistance was $4.7 million as compared with $249 million spent on social programs.

It is urgent that we authorize this funding level now, without further delay. Both the Inter-American Development Bank and Asian Development Bank are out of funds and will soon have to cease lending altogether. It is particularly important that we approve the full funding level or the terms will have to be renegotiated causing further delay.

I think the degree of urgency is best portrayed by discussing each bank and its particular needs at this time.

INTER-AMERICAN DEVELOPMENT BANK

The conference report authorizes $2.7 billion for the U.S. contribution to the Inter-American Development Bank and $700 million for the U.S. contribution to the IDB's Fund for Special Operations. These terms represent an actual reduction in U.S. contributions to the FSO and the U.S. shares are equal or less than the fiscal year 1979 levels. In conference, we also added language requiring the Treasury Department to pay the amounts required for paid-in capital for the Bank by letters of credit in four annual installments. The Treasury is also directed to obtain certification from the Bank that draws on the letters of credit will be deferred until the funds are needed by the Bank. This is to insure that U.S. costs are kept to an absolute minimum.

Two House-passed amendments were also agreed to in conference. The first would prohibit the use of IDB funds for loans to nonmember countries and the second directed the President of the Bank to evaluate a proposal that the Bank increase exploration and exploitation of energy mineral resources.

The House amendment authorizing $100 million for a special refugee fund was deleted in conference and replaced with instructions to the Treasury Department to study the issue of assistance to countries of first asylum for refugees.

Funding for the Inter-American Development Bank accounts for 80 percent of the funding to be authorized by this bill and is in its fifth replenishment. The amount of funding was negotiated in December 1978—over a year ago. There has been no lending for the Fund for Special Operations (FSO) within the IDB since October 1979. I think it's important to emphasize that over 75 percent of the FSO loans go to the poorest countries and although $156 million in loans has been processed on a contingency basis, none of that money has been able to be paid out.

In considering our participation in the IDB, it is important to note that more equitable burden sharing has been achieved under this replenishment. This is something for which we have been striving. The U.S. share of capital increase will be 34.5 percent as opposed to 36.6 percent currently and our share of the FSO increase is 40 percent compared with the current share of 61.6 percent. The nonregional members (Europe and Japan) will take a share of the capital increase which is two-and-a-half times larger than their current share—11 percent versus 4.4 percent. It seems ironic that now that the other donor countries have shown greater interest in doing their share, we have begun to default on our part of the bargain.

This legislative package for the IDB also contains a smaller percentage of paid-in capital (7.5 percent as opposed to 10 percent) than under the previous replenishment—a reduction of 25 percent. The smaller replenishment of the FSO will result in an absolute reduction, in the annual U.S. contribution, of $25 million—down to $175 from $200 million. Consequently, the total of the FSO contributions and the paid-in capital subscriptions will mean an annual budgetary outlay of 226.5 million or, to put it another way, an absolute reduction of $13.5 million per year from the previous replenishment negotiated in 1976.

The important facts to remember here, in consideration of the IDB authorization are:

The burden sharing has improved with the nonregionals taking on a larger share;

There is a lid on the borrowing the big three (Argentina, Mexico, and Brazil) can do and increased emphasis on funding for low-income countries;

All other donor nations (37 in number) have contributed their share for the first installment of the IDB except the United States; and

No funding can go forward on the second installment of the IDB until the United States contributes its share.

What it boils down to, is that we are holding hostage $340 million of other countries' contributions for the second installment when we have not even given our first. There is currently $10 million in the FSO fund; a figure which does not accurately portray the situation I have been describing until you consider that the FSO has $40 million already approved in loans for this year—a short fall of $30 million.

ASIAN FUND

Replenishment of the Asian Development Fund resources will enable recipient countries in the Far East and Asia to continue in their economic growth and development. This particular replenishment, the second, renews access to concessional lending for Thailand, the Philippines, and Indonesia and also places a greater emphasis on lending to the poorer countries. The largest borrowers from the Asia Fund are Bangledesh, Pakistan, and Burma. Cambodia is no longer part of the Fund and no new loans have been made to Vietnam since 1975.

The U.S. share of the total replenishment of $2.15 billion amounts to $445 million. This funding was agreed to in July of 1978 and the first installment of payments from the other donor countries has gone forward without U.S. participation. However, similar to the FSO arrangement, the other participating countries are not willing to go forward with the second installment without the U.S. contributions and some display of good faith.

Our share in the Asian Fund represents a significant degree of burden sharing by the other members of the Fund. Our total share of contributions of 20.69 percent level set by Congress in fiscal year 1979. The U.S. share requires an annual appropriation of $111.3 million spread over 4 years. Any cut in this amount, would allow other donor nations to cut back their contributions proportionately and thereby sharply curtail the lending programs of the MDB's to the poorest countries in the world.

AFRICAN FUND

Africa represents the world's greatest development challenge in both economic and humanitarian terms. It contains two-thirds of the world's poorest nations and some of the world's most deprived and disadvantaged people. One-third of the population lives in absolute poverty and the average life-expectancy is 43 years—30 years less than the United States.

Additionally, Africa is of growing national security and foreign policy interest to the United States. Our increasing interest in the African nations is reflected by our recent increased involvement in the African Fund. The U.S. share in the second replenishment to the Fund is $125 million, representing approximately 17.5 percent of the total contributions pledged in mid-1978. This percentage is well below the level of our contributions to both the Asian Fund and the Inter-American Development Bank and we are behind other nations partially due to our joining the Fund 3 years after most other countries had done so.

Our contribution in this replenishment will help redress our earlier neglect of the Funds and will illustrate our continuing good faith in the economic support of the African nations. Once again, the first installment of funds for lending has gone forward without U.S. participation and, as with the others, the second installment of funds for lending has gone forward without U.S. participation and, as with the others, the second installment is contingent upon our contribution.

The African Fund is not yet out of money like the others; it can go on without U.S. funds but only for a few more months until the second installment is due. Our first payment of $41.7 million is due now. U.S. participation in the second replenishment is one way to strengthen our ties with the African nations which are becoming increasingly important to U.S. strategic and political interests. Not to act now will certainly hinder our progress toward that goal. It is very difficult to continue to ask these nations for base rights and cooperation in the United Nations forum when we are not willing to give them cooperation in the economic development which is so very important to them.

It is irresponsible on the part of the Congress to delay action on this measure any longer—in fact, it has been irresponsible for us to delay as long as we have. The Senate has already reported a bill and did so almost a year ago, yet the House continues to languish. Our delay has already brought a halt to further replenishments of the Asian and African Development Funds. Further delay will be interpreted as lack of interest by the United States and would not only jeopardize the contributions of other donors, and thereby the liquidity of the funds, it would damage our relations with developing countries by calling into question U.S. commitment to the Banks.

I ask that my colleagues in the House join me today in recommending speedy action and passage of this very important legislation.

Mr. STANTON. Mr. Speaker, I yield 5 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, I rise to urge my colleagues to support the original House position on several amendments to the International Development Banks bills on which we took several recorded votes. These votes clearly indicated the House's intention to reduce the expenditures contained in this bill. One vote was a vote to save about $1.3 billion.

Now, some of my colleagues who support the conference report have tried to indicate that $1.3 billion really does not amount to much because all of the return on that capital is just going to produce all kinds of overseas benefits as well as jobs here at home. But many of us believe that we do not need to add all that much money. If we stand by the House-passed version as voted by the majority of members of this House, we will be adding to the five international funds an additional $2.6 billion. That, to me, is a substantial amount of money.

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There were no efforts to reduce the African Development Fund. That was left as it is. So we are really only talking about three funds, basically, the IDB, the FSO, and the Asian Development Fund.

I want to take this time to thank my colleague, the chairman of the committee, the gentleman from Wisconsin (Mr. Reuss) and my colleague, the gentleman from Ohio (Mr. Stanton) for giving those of us who supported these amendments on the floor an opportunity to re-meet with the conferees of both bodies and make the effort at least to try to convince them that our amendments, the amendments supported by the House, were worth while in saving taxpayers' dollars that we really do not have. We are going into debt right this minute to meet all the obligations of the Federal Government. The economic pressure resulting from the extremely high interest rates prevailing in the money markets testify to the need to find every possible way to reduce Federal borrowing, which crowds out private investment which is essential to renewed economic growth here in the United States.

I do thank both the gentleman from Wisconsin (Mr. Reuss) and the gentleman from Ohio (Mr. Stanton), for making it possible to go to the Senate conferees and try to argue these points, points that the House made very clear. However, I do not believe the conferees were listening very carefully, and they seemed very adamant in their determination to drop these amendments. As my colleague from Illinois will explain later on, we even made another offer to reduce it by only 10 percent—not as much as House-accepted amendments.

The gentleman from Maryland (Mr. Bauman), the gentleman from Florida (Mr. Young) and I made another offer, and they just turned their backs on that. The taxpayers' hard-earned money does not seem to be important to those particular conferees.

I know my colleague from Illinois (Mr. Hyde) will discuss those arguments at the appropriate time.

Mr. Speaker, I want to encourage my colleagues to read the "Dear Colleague" letter that five of us circulated today—the gentleman from Illinois (Mr. Derwinski), the gentleman from Missouri (Mr. Ichord), the gentleman from Florida (Mr. Young), the gentleman from Maryland (Mr. Bauman), and I—where we explain the importance of maintaining the House position.

I hope that the Members will read that "Dear Colleague" letter. We have tried to indicate why it is important that we stand with our position and why it is important to ask for a motion to recommit to go back to conference to save roughly $1.3 billion. We think that is a lot of money. We think these funds are sufficient for the operation of the regional development banks and that this slight reduction of the replenishment funds can be easily renegotiated, without the hardship proposed by the conferees.

Now the argument was made by the other body that it is all in concrete; we cannot touch it. That just is not true.

Right now, in Rio, the Directors and Governors of one of these funds, the IDB, are meeting right now. If we had voted last week to accept the House positions, they could have renegotiated it then—it would not be difficult.

So the argument that there is no chance, that it is all in concrete, stay with it, you have got to do it, is pure bunk, and, as a matter of fact, in some cases when minor adjustments have been required by our representatives to these funds, when our representatives to these funds have asked for adjustments, in some cases, it has even been negotiated by telephone.

By the way, another one of these funds the Asian Development Fund meets this coming May. They can adjust the replenishment then. We are not asking them to give up everything. We are not even asking them to stop everything. We are just saying that the United States, and its taxpayers, are sick and tired of always being the great big funders of everything and that we should reduce these replenishment funds by $1.3 billion. We asked the conferees, though it is, I know, a little trying to have to go back and sit with the other body for another hour or 45 minutes, I do not think that is too much to ask, to go back and ask to at least maybe adopt the compromise Mr. Hyde offered. They should at least reduce it 10 percent.

I urge my colleagues to vote for the motion to recommit.

Mr. REUSS. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. Mitchell).

Mr. MITCHELL of Maryland. My colleagues, when I first came to this House and I first voted on legislation involving the international financial institutions, I received a great deal of criticism in my district. Even prior to this current recession in which we now find ourselves, my district was plagued and remains plagued with unemployment.

I think, as I look across the array of faces in front of me, I think I have more unemployment in my district than any of the gentlemen seated in front of me.

The argument would be raised then, "Mitchell, if you have got unemployment, why do you want to put some money into these international financial institutions?"

The answer that I gave 10 years ago

and the answer that I have to give today is very simple. If I do not vote to fund these institutions, all I am going to do is increase unemployment in my district at a time when we cannot bear any more unemployment.

If we fail to meet our obligations here, then the dockworkers in Baltimore, some of them are not going to be working. Some in the factories and the plants that produce the material that we send out to these countries are going to be laid off. I think there is every reason in the world to support this conference report.

The other point that I wanted to make, and it is so difficult to make a point following behind the artistry and the skill of my colleague from California (Mr. Rousselot); but I do want to point out that there is a matter of placing international relationships in position and giving our word to that that apparently was what was done in this instance.

We said we will come up with our share to the other nations, the other contributors, if you will increase your share. I do not think that is done by telephone. I do not think that is done by a carrier pigeon delivering a message. I think this is the result of long, protracted discussion and argument.

If this House reneges on its commitment as of now, then we have taken out of place the result of long and torturous proceedings which I think ended up with America being advantaged in terms of its contribution rather than disadvantaged.

I would suggest that we pass the conference report.

Two hundred and fifty thousand automobile workers are now out of work. Unemployment is picking up on an exponential basis in this country to the extent and degree we reduce our contribution, we will be closing up our ability to sell our goods and our services, thereby increasing unemployment.

I urge the passage of the conference report.

Mr. STANTON. Mr. Speaker, I yield 4 minutes to the ranking minority member of the subcommittee, the gentleman from Illinois (Mr. Hyde).

Mr. HYDE. Mr. Speaker, I rise in support of the conference report. Although I have been a longtime supporter of these organizations and even though I fought against cuts in the authorization levels on the House floor, I want my colleagues to know that the House Conferees made a serious effort to faithfully represent the House position.

In the course of our two conference meetings, I made three different proposals—that the Senate take the House figures, that the Senate split the difference between House and Senate figures and finally that the Senate accept a 10-percent cut in their figures. As you are no doubt aware, the Senate rejected all three proposals.

Their argument, I now believe, is a valid one. Cuts of any magnitude in authorizations levels to the development banks are tantamount to a repudiation of the international agreement to replenish the resources of the banks. The net result is that the process to re-fund the banks must begin anew and we must expect a lag of 9 months to a year to put a new package together.

It should be noted that the Congress was consulted on the appropriate size of the U.S. share to this group of institutions. As far back as 2 years ago the administration appeared before our committee to discuss U.S. strategy in these negotiations. We were satisfied then that amounts of this size were appropriate. In public law 95-481 we set down percentage shares which the U.S. Government would attempt to meet. We told the administration to reduce the burden on the United States in the Inter-American Development Bank from its 41 percent level when the bank was created, to 34.5 percent. The numbers in this measure met that target. We instructed them to reduce our share of the Fund for Special Operations from a level of almost 70 percent when it was founded to 40 percent. Again, the numbers in the conference report have met that target. The levels for the Asian Development Bank and the African Development Fund in the conference report are actually below the targets we set 2 years ago.

It is hard to fault the U.S. negotiators for meeting the guidelines given them by the Congress before the negotiations began. If our crystal ball had been working a little better and we could have foreseen the economic situation that exists today, we might well have asked the administration to further reduce the U.S. share. But we did not foresee our current economic problems and we did make the commitments to the authorization levels contained in this measure.

Opponents of the conference report will argue that it's not too late to cut back the U.S. share. They reject the administration's claim that the agreements would break down if the United States unilaterally reduced its commitment. To get a second opinion on this we asked the Congressional Research Service to prepare a report for us describing what might happen if the United States were to reduce its commitment. Let me quote to you a few passages from that report.

> From a reading of the IDB and ADF replenishment agreements, it seems evident that no country has an independent right to reduce its share while expecting the other parts of the package and the other countries' contributions to remain constant. (p. 6)
>
> [If the Congress fails to restore full funding] the programs financed under the plans will need to be suspended while the participating countries negotiate new funding agreements for the two multilateral agencies. In the meantime, since the IDB and the ADF have exhausted their existing resources, new lending would have to be largely terminated until such time as new funding agreements become effective . . . it may take as much as a year to renegotiate these agreements. (p. 6)
>
> Some hemispheric countries may . . . (interpret a U.S. cut) . . . not as a statement that Latin America has made major economic progress but rather as a gesture that the United States is not very concerned about their economic problems. Some of the large industrial countries have also reportedly expressed concern about whether they can depend on the United States to make and keep its international agreements. (p. 10)
>
> Should ADF and IDB lending remain suspended for any significant period of time, their major borrowers—such as Bangladesh, Burma, Nepal, Pakistan, and Sri Lanka in Asia, and Argentina, Central America, Colombia, Bolivia, Brazil, Mexico, and Peru in Latin America—may have to turn elsewhere for funds or cut back their development efforts proportionally. (pp. 11-12)

The situation has now become serious. We have good reason to be concerned about the economic situation here at home. But imagine for a moment how much more serious things are in developing countries. Many of the recipients of soft loans under this bill have per capita annual incomes of under $600 per year. They face the same high oil prices we do and rates of inflation as high as 90 percent in some cases. Their problem is not one of keeping up with inflation. It is one of warding off hunger, deprivation and despair.

Because of the way the international agreements are written, the United States must authorize its share before the contributions from other countries can be used by the banks. This bill therefore becomes a crucial link in the chain. I would like to remind my colleagues that we still have the option of cutting annual appropriations requests which result from the passage of this bill. This conference report would have no budgetary impact until such time as the funds are appropriated. Even if fully appropriated, its budgetary impact would only be $7 million in fiscal year 1981 and $33 million in fiscal year 1982.

To conclude, Mr. Speaker, the institutions funded in this bill are doing a good job overall in channeling assistance to the poorest countries without regard to political or ideological persuasions. They are a cost-effective, and politically palatable means of fulfilling our Nation's humanitarian ideals, and they bring to the United States real economic and political benefits. In helping to stabilize economies of underdeveloped nations—in providing access to their raw materials and creating customers for our own goods and services this legislation indeed serves our own national interests.

I still believe America is the greatest country in the world; it is the leader of the free world.

Great countries have great responsibilities. A "no" vote on this conference report is a retreat from leadership, and I, for one, am weary of America's retreating any more.

I join my colleagues in the subcommittee and committee leadership in supporting this conference report and I urge my colleagues to support it as well.

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Mr. FISH. Mr. Speaker, will the gentleman yield?

Mr. HYDE. Yes, I would be happy to yield.

Mr. FISH. Mr. Speaker, I want to applaud the gentleman's statement. In a very few minutes the gentleman has stated all the important critical issues involved.

Mr. Speaker, I rise in support of the

conference report on S. 662, International Development Banks authorization. Full funding for these banks in accordance with international replenishment agreements, negotiated over a period of several years, is essential to our foreign policy in the Third World's developing countries.

The United States achieved its main objectives in renegotiating the bank agreements: A reduced share of U.S. contribution, from 40 percent to 34.5 percent; increasing the contributions from Europe and wealthier Latin American countries; placing a ceiling on loans available to more-developed Latin American countries, and requiring that at least 50 percent of lending be directed primarily to the lowest income group in each borrowing country.

Despite achieving these important objectives, funds approved for loans in December have been held up for one simple reason: No loans can be made until 75 percent of the loan moneys have been subscribed. As the U.S. share is over 34 percent, its failure to subscribe has prevented, for example, over $200,000 from reaching the Government of Pakistan, and millions of dollars from assisting our neighbors, Honduras, Costa Rica, and Paraguay.

Clearly, failure to approve the conference report would be a serious setback for U.S. foreign policy. It would damage our relationships with the poorest of Third World countries and with Central America, whose fragile economies depend on loans and loan guarantees from the international banks to combat the devastating effects of subversion and inflation. With world opinion of the United States at a low ebb, we can hardly afford to look like we are abandoning the needy and the poor. We are constantly discussing human rights and basic needs. Approval of this legislation presents an opportunity for the United States to show leadership in this area. More important, perhaps, is the adverse effect defeat of the conference report would have on protection of our national interests in Latin America, Asia, and Africa.

A $4 billion price tag while we are attempting to balance the budget seems very high. However, that figure is not at all representative of the actual cost to the American taxpayer. Of the $4 billion to be authorized, $2.5 billion is for callable subscriptions to the Inter-American Development Bank. It is extremely unlikely that these funds will ever result in budget outlays, as these subscriptions are essentially loan guarantees. Of the remaining $1.5 billion, no budget outlays will be required in 1980, only $7 million in 1981, and $33 million in 1982. It is also important to remember that actual appropriations can be reduced. The authorization, however, cannot be changed without renegotiating the entire international agreement.

Investment of our money in these banks is also economically sound. The current U.S. balance of payment in the multilateral development banks is over $11 billion. Activities with bank funds contribute $3 to our GNP for each dollar we put in.

Given our present efforts to convince our allies of their need to support U.S. policy toward Iran and Afghanistan, it would be neither fortuitous nor in the national interest for the United States to renege on its word and its commitment to the International Development Banks, I urge my colleagues to vote in favor of the conference report.

Mr. CONTE. Mr. Speaker, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Speaker, I want to take this opportunity to commend the gentleman from Illinois (Mr. HYDE) and to associate myself with his remarks.

Mr. Speaker, I rise in support of the conference report authorizing our contribution to the International Development Banks. The last few weeks have demonstrated to us that the rumors of recession have in fact become reality. Our natural reaction will be to withdraw within our borders, erecting protectionist barriers and abandoning our international commitments in a misguided attempt to salvage the fragile economy. We have witnessed this type of retrenchment before, both in the interwar period and the early seventies, and let me remind you, that rather than contributing positively to our economic growth and recovery, such policies have served no other purpose than to forestall economic development, at home and abroad. Again, we will be tempted to opt for short-term domestic solutions at the expense of long-term global prosperity, yet because of interdependence, the consequences to the United States, politically and economic, will be even more dire.

Mr. Speaker, we must be doubly careful at this moment, not to sacrifice our international obligations to the immediate needs of belt tightening at home. The United States has been and will continue to be the leader of the free world, if, and I must reemphasize that if, we continue to demonstrate a commitment to global as well as economic goals. I believe that I can state unequivocally, that none in this House is more dedicated than I toward putting the U.S. economy back on its feet. But I will not see this accomplished at the expense of our international stature.

Should we fail to authorize this replenishment, we will have to go back to step one with every other nation of the banks and renegotiate another agreement. Precisely at a moment when we are trying to improve our international image, particularly in Latin America, such a move woud be disastrous. Rhetoric no longer cuts any ice with nations desperate for assistance. Funding does. And passage of this report will signal to Latin America, Asia and Africa that we have not abandoned those principles and humanitarian ideals which we fought so diligently to convince others to adopt.

Mr. STANTON. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, along with other Members, I have protested the action of House conferees on the international development bill (S. 662) in surrendering in the conference to the other body. Several floor amendments to the House bill (H.R. 3829) were lost in the process.

Now, I was opposed to those amendments, measures to cut U.S. contributions to the Inter-American Bank and the Asian Development Bank, for example, and a prohibition on the former bank to aid a nonmember nation. Nonetheless, the amendments passed and I voted for the bill as amended.

The House had thus spoken and its conferees should, I believe, have protected its position in the conference. The bill as it emerges from conference is much closer to the measure that would have come out of the House had my views carried on the individual amendments. Nonetheless, I object. Not to the conference result which is closer to my own position but to the procedure by which the views of the House, firmly expressed by its vote, were not properly defended by its representatives in conference.

Mr. YOUNG of Florida. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the gentleman from Florida.

Mr. YOUNG of Florida. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, earlier in the debate the gentleman from Texas (Mr. GONZALEZ) raised a question on the Wolff amendment. Since the gentleman from New York (Mr. WOLFF) was not here, I did not have an answer to that question; but I would like to respond at this point by reading the debate of the gentleman from Texas (Mr. GONZALEZ) when the Wolff amendment was agreed to.

The gentleman from Texas (Mr. GONZALEZ) said:

> Mr. Chairman, I commend the gentleman for this amendment. We have discussed it months ago. We have had ample opportunity to study it. I think essentially that we ought to point out that the amendment calls for a matching fund. It is like a challenge grant.

Then the gentleman went on to accept the amendment, so I would say that the gentleman should be able to answer his own question on that subject.

Mr. GONZALEZ. Mr. Speaker, if the gentleman will yield, the gentleman is absolutely correct. It is logical to raise that question; but the gentleman misses the central point.

Mr. DERWINSKI. Mr. Speaker, may I have my time back?

The SPEAKER pro tempore. The gentleman from Illinois controls the time.

Mr. DERWINSKI. The gentleman from Texas will have to get time on his side; otherwise, you will miss my words of wisdom.

First, let me explain that I support the motion to recommit, but I speak not as a classical isolationist, nor as a neo-isolationist. I speak to you as an internationalist; but my concern is this. I voted for the bill. I voted against most of the amendments that cut the bill; but I am disturbed at what I consider the total lack of production from the House conferees.

Now, I appreciate the fact in checking the record that all the House conferees voted against all the amendments that were rejected by the Senate. They all voted for the bill. The degree of their intensity one could honestly question; but I point out to the Members that all through this session we are going to have numerous problems of this kind. If the House speaks, rightly or wrongly, in a very clear voice, some practical steps have to be taken in conference to sustain the House position.

Now, maybe I am being too theoretical. I am arguing against some of my own votes; but the fact is that the House did not adequately get its share of the adjustments in the conference. I think that is the issue. I do not propose to cut the bill. I do not propose to go as far as the House amendments; but I do think it is practical at this point that we deliver a classic message to the Senate, that the House is going to hold its own in conferences. That is the issue, as much as the specific dollars before us.

I would also like to point out that in the amendment involving refugees, the House had a specific provision requiring the President to take steps to get supporting funds from other countries. We wind up with toothless language.

The same thing in the Taiwan Act; the House specifically said that if Taiwan is excluded from membership in the Asian Development Bank, we stop our contribution. We have nothing but toothless language remaining.

Mr. STANTON. Mr. Speaker, I yield the balance of my time to the distinguished gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I thank the gentleman from Ohio for yielding, and also thank the distinguished chairman of the committee for permitting the gentleman from Maryland to participate in the second of two conferences. Conferences seem to come in pairs on bills like this.

Obviously, my remarks did not impress the conferees. I told them that unless they compromised they would lose this bill. I suggested to them that the House had a position that should not be sold out—sold out, I reiterate that. Indeed there was an effort by the gentleman from Illinois (Mr. HYDE) to effect some small compromise. It was totally rejected. I do not think that any of the conferees were too upset when it was rejected.

We are talking about a billion and a half dollars in the amendment that I offered. After the House adopted my amendment every last dollar was put back in, and this costs the taxpayers of the United States. It does over the years obligate us to this spending, and we do not have the money; so when you vote on this issue today, to recommit, no, you are not going to put these international development banks. You are not going to destroy these programs. You are going to say that the bureaucrats at the Treasury do not legislate under our Constitution, the Congress does.

I urge you to vote to recommit and let the conferees go back with a clear and plain mandate that the House expects them to carry out to some degree our wishes as expressed in our votes.

Mr. REUSS. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. WOLFF).

Mr. WOLFF. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, when this bill was presented to the House for consideration, this body unanimously passed an amendment that I offered, with the support of the committee and the subcommittee chairman and the ranking minority members. This amendment would encourage the establishment of a special matching fund in the Asian Development Bank to defray the cost of the Indochinese refugee settlement. This fund would be a matching fund into which the United States would contribute 25 percent of the total of that which is contributed by other nations up to a ceiling of $100 million.

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No money was to be appropriated this year, and that the amount to be appropriated in future years depends upon establishment of the fund and the contributions by other governments. I expect that for this fund to be set up it would take several years before the ceiling would be reached. Yet the conferees dropped this unanimously passed House provision because they did not want to authorize new money this year.

But I want to repeat, my amendment would not cause the need for funding this year. What it would do would be to reduce the U.S. necessity for contributing vast amounts on a unilateral basis toward refugee resettlement. Therefore, it represents an effort to internationalize the refugee problem. I think other nations of the world and the Asian Development Bank itself should play a role in the handling of refugee resettlement.

This problem is growing more acute daily, and yearly. It is a problem which is not going to go away. It is imperative that the burden of refugee support be shared in the international community. This country gives tremendous amounts of direct aid to countries and relief organizations for refugee camps and resettlement. These direct demands will only increase in the future. The recent disappointing results of the pledging conference for Cambodian refugees shows that international fervor for contributing has subsided. A long-term problem cannot be solved by crisis-type mechanisms. My amendment would have set up a long-term mechanism to deal with the refugee problem. My intent was to aid those countries impacted by temporary asylum for refugees, as well as development in presently underdeveloped and underpopulated areas of Asia without disrupting the existing social and economic balance. The nations of temporary first asylum must be assured that they will not be saddled with a permanent "residue" of refugees for whom they must shoulder the entire burden.

By the same token, the United States should not have to shoulder the entire burden of financial support, although we are willing and able to take on a substantial portion of it. I believe that the conferees were mistaken in dropping this House provision. Their reasons for dropping it were based on budgetary considerations, which not only are not for this year, but will eventually be spread over many years.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. WOLFF. I yield to the gentleman.

Mr. ROUSSELOT. Mr. Speaker, I would say to the gentleman that I did support his amendment. Is the gentleman now in support of the motion to recommit to the conference?

Mr. WOLFF. Yes, I am going to support the motion to recommit.

Mr. ROUSSELOT. I appreciate that. I would also like to point out to my colleague, because one of the Members mentioned that there is no chance for renegotiation for 9 months to a year, that is not true. The Asian Development Bank will meet in May in Manila. They meet in May in Manila, so any adjustments could be made then. So the argument that we will have to go way down the road before any of these adjustments can be made is also false.

Mr. WOLFF. Well, I must tell the gentleman that the reason I am so strongly insisting upon this amendment is because the Foreign Affairs Subcommittee on Asian Affairs has responsibility for refugee assistance as well. Under today's circumstances with the refugee problem becoming acute once again we will have to put much more into this program on a unilateral basis than if we had an international mechanism.

Mr. ROUSSELOT. I appreciate the gentleman's comments and I am glad that he is going to support the motion to recommit.

Mr. REUSS. Mr. Speaker, I yield 1 minute to the gentleman from Illinois (Mr. HYDE).

Mr. HYDE. I thank the chairman for yielding.

I just want to comment further on this letter that was put out by the opponents of this conference report. One sentence says:

> The recipient countries are among the many who have refused to join us in our boycott of the Olympic games and have sat silent while our hostages are held in Iran.

Well, that picture changes every day. Argentina has withdrawn its embassy personnel from Tehran. I think they should be encouraged in that. Burma has withdrawn from the Organization of Non-Aligned Countries. After the Cuban debacle they announced this is not a nonalined organization. They determined the organization was pro-Soviet and they withdrew.

Is Mexico important to us? I suggest that our relationship with Mexico in the next decade will be crucial to whether we have enough energy to remain an industrial nation.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. HYDE. Yes, I yield to the gentleman.

Mr. BAUMAN. Mr. Speaker, before the gentleman pins a red, white, and blue rosette on Argentina, a country that has received substantial loans through these Banks, Argentina is one that undercut completely our grain embargo against the Soviet Union.

Mr. HYDE. The gentleman's statement is untrue in this letter.

Mr. REUSS. Mr. Speaker, I yield 3 minutes to the gentleman from Nebraska (Mr. CAVANAUGH).

Mr. CAVANAUGH. Mr. Speaker, first I would like to address myself to the matter of the conference. Having been a member of the conference, to sit here and listen to the castigations of that conference and the fact that the conference was "a sellout" of the House position is really quite disturbing.

I am amazed at the patience and forebearance of the chairman, for I doubt there has ever been a conference in the history of this House in which the position of the House was more ferociously defended, and I can certainly say that I doubt there is a chairman of a conference who was ever more committed to assuring the position of the House was defended.

Those individuals who were not members of the conference were invited and, in fact, dictated and controlled the conference from the House side, the gentleman from California, the gentleman from Maryland, the gentleman from Florida, to the disparagement of those of us who were appointed. The chairman of the full committee did everything that he could to accommodate those Members of the House who were directly interested in the course of this legislation. Then to hear the denigration of those efforts on the part of the chairman and on the part of this conference committee is, I think, very difficult to absorb.

But the real question is why does this legislation come back to us in the form that it does. It is for two specific reasons that the gentleman from Illinois indicated. First this Congress directed that the U.S. negotiators come back with a negotiated commitment to IDA that is substantially reflected by the legislation that was brought to the floor of the Congress in the first place to fulfill our commitments that this Congress had directed the executive agencies to enter into with these multinational development banks. Second, because contrary to what has been said here over and over, inaccurately, our participation here does affect the operation of these banks. In fact, today the Asian Development Bank is not making loans to Bangladesh, is not making loans to Pakistan, is not making loans to Thailand, is not making loans to the Philippines, all countries vitally in need of our support, our commitment, and we are welching on those obligations, we are weakening our position in the world in the areas in which we are most in need of enhancing our security, and for a very cheap price that we want to do that.

Now, next week the Budget Committee comes in here, we are going to increase the defense expenditures by more than $30 billion over last year. This whole legislation, as has been pointed out by the chairman, is only $7 million in order to keep our basic integrity and basic commitments to those countries who are friendly. If we do not pass this, we going to need not $30 billion more in defense if we are going to try and control world situation by military arms, we will need $230 billion if we are going to dominate each of these countries that we are unwilling to give $7 million to in order to keep them economically viable and in order to keep the word, the integrity, and the basic commitment of the United States to its allies inact.

Mr. REUSS. Mr. Speaker, I yield myself 7 minutes to conclude debate.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I will yield briefly.

Mr. BAUMAN. Mr. Speaker, I just want to again publicly reiterate my appreciation to the gentleman from Wisconsin (Mr. REUSS) for permitting the gentleman from California and myself to participate in the conference. I do not think we tried to dominate it. We made brief and reasoned statements. Apparently the gentleman from Nebraska (Mr. CAVANAUGH) was not there because he has been describing some other event that occurred.

I am not denigrating the chairman, I am thanking him. He is a gentleman of the first water and in the best Burkean tradition, if I may say so.

Mr. REUSS. I appreciate what the gentleman said.

Let me say it was a great delight for me to hear the gentleman from Maryland (Mr. BAUMAN) and the gentleman from California (Mr. ROUSSELOT) laying it on in that conference. It made my adrenalin flow.

As to the remarks of my friend, the gentleman from Nebraska (Mr. CAVANAUGH), maybe he is a little too sensitive, maybe he feels that life will be quieter in Nebraska. That is why I think the words that accuse him of having "sold out," "sold out," it says in the letter signed by Mr. ROUSSELOT and Mr. BAUMAN, maybe that was what got him upset. But I know we will all be understanding.

Let me make the following observation. Much is made in the letter from Mr. YOUNG, Mr. ROUSSELOT, Mr. BAUMAN and others that some countries may have refused to join us in our boycott of the Olympic games. Now, I will say I am not aware of a single country that has received funds from these Development Banks that has refused to join us in our boycott. But, putting that factual question to one side, because I do not have the evidence on 100 or more different countries, putting that to one side, let us look at what that boycott is all about.

I would have thought the boycott was because we do not like the Communist takeover of Afghanistan, and that is why we are refusing to lend dignity to this Olympic happening this summer in Moscow.

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If that is our reason, I would think it is all the more important for us to shore up the ranks of those who believe in freedom in this world and are able to go it as self-sustaining countries that are at least groping toward human rights and democracy. So I think that Olympic game reference is a sparkling reason for voting down the motion to recommit and overwhelmingly supporting the conference report.

I have just one final word about the refugee question. I want to pay tribute to my friend, the gentleman from New York (Mr. WOLFF), who has labored mightily for years in the humanitarian interest of those refugees.

The gentleman from New York (Mr. WOLFF) has fought magnificently for the cause of refugees, so when he presents his amendment which asks for immediate action by the Asian Development Bank—and as the gentleman from California (Mr. ROUSSELOT) just pointed out, they are meeting next month in Manila—to set up a fund for refugees and said we are authorizing $100 million, half on the barrelhead, to play our part in that fund, it was not surprising that sentimentalists on this floor were perhaps swept off their feet and adopted the Wolff amendment.

But when we got to the cold light of conference, when we got to the moment of truth in the conference with the other body, it was pointed out that that $100 million could well constitute $100 million budget-busting, fiscally irresponsible addition to the deficit for fiscal year 1981. So on reflection, your House conferees, imbued with a sense of fiscal responsibility, eliminated the $100 million and simply provided that the multilateral bank should study what they can do about multilateral assistance for refugees.

You can imagine the sadness which overcame me when I found a letter from three colleagues whom, frankly, I had placed among the ranks of the fiscally responsible, the gentleman from California (Mr. ROUSSELOT), the gentleman from Maryland (Mr. BAUMAN), and the gentleman from Florida (Mr. YOUNG)—no heavy spenders, these, no fiscally irresponsible, these. Yet I find them advocating in this eloquent letter that we dribble away $100 million in the authorization. No, not while this committee sits. I hope that the motion to recommit will be overwhelmingly voted down.

Mr Speaker, I have no further requests for time.

Mr. PORTER. Mr. Speaker, will the gentleman yield?

Mr. REUSS. I yield to the gentleman from Illinois.

Mr. PORTER. I thank the gentleman for yielding.

Mr. Speaker, I rise in opposition to the conference committee report.

Mr. Speaker, not more than 6 weeks ago this House reduced the authorization for international development banks by some $1.3 billion. I supported the largest of the reducing amendments before supporting the final authorization. The bill went to conference and has come back with all of our budget cutting efforts missing. The conference simply ignored the House position, not only on the spending authorized, but also on amendments the House adopted on Taiwan, Cuba, and refugee problems.

Mr. Speaker, it is always serious when the position of one House is completely ignored by a conference. But more than this, now is the time not to ignore sensible reductions in spending authorizations, but to embrace them.

The administration has made a commitment to balancing the budget. The minority, in my opinion, has made an even firmer commitment to balance the budget. Every Member of the Congress says he or she is for it. But where is the line going to be drawn? These authorizations are substantial increases over previous fiscal years. They can be deferred. the argument is that the administration will be looked on as repudiating our commitment to replenish the funding—to increase it, really—of these development banks. But the administration puts the cart before the horse. It is the Congress that has the authority to authorize spending and appropriate money, not the President alone. Any agreement made by the administration is always of course subject to action by the Congress. The development banks and their members know this. The administration wants us to think we are bucking a fait accompli—that we really have no other responsible course but to go along with what it has done without us. Nonsense.

I urge that we recommit the conference report and have real negotiations between the House and Senate conferees with a view to arriving at a sensible balance, taking account, this time, of the strong position of the House to hold the line on spending.

● Mr. KEMP. Mr. Speaker, let me begin by saying that like many of my colleagues I am disturbed by the way this international development bank's authorization has been handled. A majority of Members of this House voted to reduce U.S. outlays, to strengthen human rights protections, and to create a special assistance fund for refugees. Yet the conference committee in each case either dropped the House provisions altogether or took the teeth out of them. And all in rather indecent haste, I might add. For this reason I urge my colleagues to vote to recommit this bill to conference.

I am also dissatisfied with the way the World Bank and the regional development Banks are being run. Last year the surveys and investigation staff of the Appropriations Committee issued a major report on these Banks, which revealed severe administrative problems. The Bank's operations, they concluded, were marred by duplicated efforts, poor auditing and program review, unrealistic economic assumptions, and the widespread abuse of funds by recipient governments. What is more, the investigators reported, the U.S. Government was failing to examine or pursue U.S. interests effectively, and instead was simply reacting to policies already established by the Banks. The U.S. appointed Executive Directors often failed to receive crucial data. Usually they received it too late to exercise much influence over a bank's decision.

Still, I am willing to grant that these are not the most important issues before us today. Last month Secretary Miller told the Appropriations Committee's Subcommittee on Foreign Operations—of which I am a member—that the international development banks were crucial to "the protection of our national security and foreign policy interests," and to gaining "the support of developing countries on a broad range of international issues." So let us debate the merits of this legislation on those terms. Have the international development banks indeed forwarded our foreign policy interests? Have they gained us the support of the developing world?

The United States emerged from World War II as undisputedly the strongest, richest, most influential nation on Earth. What is more, the American people were enthusiastic, even eager, to take on the very world responsibility they had wanted to avoid after World War I. So we fought off aggression in Greece, Berlin, and Korea. We instituted the Marshall plan. And we undertook to help the emerging nations of the world achieve the democracy and prosperity we had ourselves so long enjoyed.

What we offered them, however, were the lessons we thought we had learned from the Great Depression. Free enterprise was basically the best economic system; nonetheless, it was seriously flawed. Lord Keynes had, it was claimed, exploded the central postulate of classical economics. Say's law was wrong. Production did not give rise to consumption; consumption fueled production and economic growth. The government, then, should spur consumption through deficit spending and redistribution of income from the rich—who tended, distressingly, to save some of it—to the poor, who were more ardent consumers. A little inflation was a good thing, as it fooled workers and savers into thinking they had higher incomes and thus could consume more. And if the government spent the money it had acquired from taxation or inflation (just another tax. after all) simply burying treasure and digging it up again—well, at least it was encouraging consumption.

Today this Keynesian orthodoxy lies in ruins. Rampant inflation, declining savings and productivity, and a stagnating economy all are evidence of our failure to heed the warning implied in Say's law and encourage investment and production. The 1980 Joint Economic Committee report opens with the announcement of "a new era of economic thinking," and policies "designed to enhance the productive side, the supply-side, of the economy." Our exclusive preoccupation with demand management and consumption is over.

Except it is not over, over there. In the less developed world the Keynesian orthodoxy lives on, an unhappy relic of years of bad economic advice. Poorer countries had come, eager and expectant, to Washington, D.C., the United Nations, the great Western universities to learn the secret of economic growth. They were told to tax and spend, control and direct investment, devalue their currencies, limit imports, and push exports. And for the most part they followed our advice.

Through the fifties we wondered why, more and more, the people of the less-developed world became more hostile toward our leadership. We wondered why peasant leaders, suddenly in control of millions of dollars, became corrupted. We wondered why young nations, counseled to develop strong central bureaucracies, became fertile soil for dictatorships. We wondered why we were steadily losing support in the United Nations. We wondered why it was that the competing ideology seemed to be gaining influence and prestige at our expense.

And we came to the wrong answer. The less developed world, we decided, needed still more aid, more loans, more advice. We would race the Russians for influence. We would think up still more radical economic programs. We would concentrate our efforts more on redistribution and "social policy." Yet still we were met with ingratitude—and calls for a new economic order.

Today the less developed world is buried under the debt we encouraged, and helped it to accumulate. The projects we encouraged them to undertake have not provided adequate return—many have provided no return at all. Now debt service takes up a greater and greater percentage of already bloated government budgets. And because the tax rates have been put up so high in the Third World countries in order to make payments on this debt, the local incentives to produce and save and work and invest are crushed to the vanishing point. The tax rates then yield insufficient revenues to meet the debt schedules, and the countries borrow more from the banks to pay on those old lower-interest loans with new high-interest money. When this fragile house of cards collapses, as it must, the World Bank and the IMF bustle in with plans for devaluations, higher taxes, drastic cuts in the social programs it helped to create—and more burdens are placed on the creative energies of the people. It is no wonder to me at all that the United States is viewed as an "imperialist" power in so much of the world, no wonder that "Yanquis" are invited to go home. We have not ended a vicious cycle of poverty. We have created one.

Will increasing our contributions to the International Development Banks, then, help us to break away from these past failures? Will they restore the "Yanqui's" good name?

I think the World Bank has itself provided the answer, in its recent World Development Report. Now, this report makes a number of good points. It criticizes the Bank's earlier preoccupation with large, often unjustifiable infrastructure projects. It acknowledges that the projects it had tried to aim at the poor often just enriched those in power, or, as was often the case with land reform, impoverished the most productive portion of the economy. It urges recipient nations to reduce their trade barriers, and to dismantle some of the economic controls and bloated public works projects which the Bank itself once encouraged.

But the report fails to repudiate the central errors. To attend real economic development, tc alleviate poverty and despair, it concluded the less developed world needs, yes, still more loans, and "very strong redistributive policies." So the shower of debt is to continue, and with it the punitive taxes on the creative, the productive energies of the people of Africa, Asia, and Latin America. Those taxes that will not be needed to repay the debt will be used to redistribute income. Already overgrown governments will continue to expand. And incentives to work, invest, and produce in the less developed world will be further eroded if not destroyed.

I do not believe that Americans can or should, shut their eyes to the needs of the less-developed world. Ours is a global economy; and we have an economic interest in worldwide growth and prosperity. Likewise, ours is a generous Nation. We were not wrong to shoulder the burdens of world leadership, or world prosperity. We just went about it in the wrong way.

It is time for the United States to fundamentally rethink its development strategy. We cannot continue to offer debt, dependence, and crushing taxation to the people of the less-developed world. These have been rejected, and we have been rejected with them. Instead we must offer advice on how to expand the productive side of the economy. We must encourage tax reduction and trade liberalization. We must offer assistance to those projects which offer real hope for development, projects such as the West African customs union which would break down trade barriers between the countries of West Africa. We must consider ways to help less developed nations escape the trap of debt, rather than enticing them into it further. To increase our support for International Development Banks, before these banks have themselves reexamined their strategy for development, will only postpone that radical change in American policy toward the less developed world which is the only real hope for a peaceful and prosperous world.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the conference report.

There was no objection.

MOTION TO RECOMMIT OFFERED BY MR. YOUNG OF FLORIDA

Mr. YOUNG of Florida. Mr. Speaker, I offer a motion to recommit.

The SPEAKER pro tempore. Is the gentleman opposed to the conference report?

Mr. YOUNG of Florida. I am, Mr. Speaker.

The SPEAKER pro tempore. The Clerk will report the motion to recommit.

The Clerk read as follows:

Mr. YOUNG of Florida moves to recommit the conference report on S. 662 to the committee of conference with the following instructions to the managers on the part of the House.

The managers on the part of the House shall insist on the following amendments as passed by the House: the amendment reducing the authorization for the United States subscription and contribution to the Inter-American Bank from $2.749 billion to $1.650 billion, and reducing the authorization for the United States contribution to the Fund for Special Operations from $700 million to $600 million; the amendment directing the President to encourage other countries to support the establishment of, and to contribute to, a special refugee fund anministered by the Asian Development Bank; the amendment reducing the authorization for the United States contribution to the Asian Development Fund from $445 million to $180 million; the amendment prohibiting payments to the Asian Development Bank by the Secretary of the Treasury for the U.S. contribution to the Asian Development Fund if Taiwan is excluded from membership in the Bank; and the amendment requiring the President to direct the United States Governors to international financial institutions to formally propose for adoption an amendment to the Articles of Agreement of their respective institutions to establish human rights standards to be considered in connection with each application.

The SPEAKER pro tempore. Without objection, the previous question is ordered on the motion to recommit.

There was no objection.

The SPEAKER pro tempore. The question is on the motion to recommit.

The question was taken; and the Speaker pro tempore announced that the noes appeared to have it.

Mr. YOUNG of Florida. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 211, nays 180, not voting 41, as follows:

[Roll No. 186]

YEAS—211

Abdnor
Albosta
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Anthony
Applegate
Archer
Ashbrook
Atkinson
Bafalis
Bailey
Bauman
Beard, Tenn.
Benjamin
Bennett
Bethune
Biaggi
Boner
Bouquard
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Corcoran
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Ertel
Evans, Ind.
Fenwick
Ferraro
Findley
Flippo
Fountain
Fuqua
Gaydos
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Hagedorn
Hall, Tex.
Hammerschmidt
Hansen
Harsha
Heckler
Hefner
Hightower
Hillis
Hinson
Holland
Hopkins
Huckaby
Hutto
Ichord
Ireland
Jacobs
Jeffries
Jenkins
Johnson, Colo.
Jones, Tenn.
Kelly
Kemp
Kindness
Kogovsek
Kramer
Lagomarsino
Latta
Leath, Tex.
Lee
Lent
Levitas
Lewis
Livingston
Loeffler
Lott
Lujan
Luken
Lungren
McClory
McCormack
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Mazzoli
Michel
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Nelson
Nichols
Pashayan
Patterson
Paul
Petri
Porter
Quayle
Quillen
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spence
Stack
Stangeland
Stockman
Stratton
Taylor
Thomas
Traxler
Vander Jagt
Volkmer
Walker
Wampler
Weaver
Whitehurst
Whitley
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wolff
Yatron
Young, Alaska
Young, Fla.
Zeferetti

NAYS—180

Akaka
Alexander
Anderson, Ill.
Annunzio
Ashley
Aspin
AuCoin
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Bereuter
Bevill
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bonker
Bowen
Brademas
Brodhead
Brown, Calif.
Buchanan
Burton, John
Carr
Cavanaugh
Chisholm
Clay
Collins, Ill.
Conable
Conte
Conyers
D'Amours
Danielson
Dellums
Dicks
Diggs
Dingell
Dixon
Dodd
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
Erlenborn
Evans, Del.
Fascell
Fazio
Fish
Fisher
Fithian
Florio
Foley
Ford, Tenn.
Forsythe
Fowler
Frenzel
Frost
Garcia
Gephardt
Gonzalez
Green
Hall, Ohio
Hamilton
Hanley
Harkin
Harris
Hawkins
Heftel
Hollenbeck
Holtzman
Horton
Howard
Hubbard
Hughes
Hyde
Jeffords
Johnson, Calif.
Jones, Okla.
Kastenmeier
Kildee
Kostmayer
LaFalce
Leach, Iowa
Lehman
Leland
Lloyd
Long, La.
Long, Md.
Lowry
Lundine
McCloskey
McHugh
McKinney
Maguire
Markey
Matsui
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Natcher
Neal
Nedzi
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Pease
Pepper
Perkins
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Rangel
Ratchford
Reuss
Richmond
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Shannon
Sharp
Simon
Skelton
Smith, Iowa
Spellman
St Germain
Stanton
Stark
Steed
Stewart
Stokes
Studds
Swift
Synar
Thompson
Udall
Ullman
Vanik
Vento
Walgren
Watkins
Waxman
Weiss
Whitten
Wirth
Wolpe
Wright
Wydler
Wylie
Yates
Young, Mo.
Zablocki

NOT VOTING—41

Addabbo
Badham
Brooks
Burton, Phillip
Corman
Dougherty
Downey
Evans, Ga.
Fary
Ford, Mich.
Giaimo
Goodling
Gray
Guyer
Hance
Holt
Jenrette
Jones, N.C.
Kazen
Leach, La.
Lederer
McKay
Mathis
Moore
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Railsback
Rodino
Solarz

Staggers
Stenholm
Stump
Symms
Tauke
Trible
Van Deerlin
White
Wilson, Bob
Wilson, C. H.
Wyatt

☐ 1310

The Clerk announced the following pairs:

On this vote:

Mr. Lederer for, with Mr. Rodino against.

Mr. Myers of Pennsylvania for, with Mr. Staggers against.

Mr. Stump for, with Mr. Gray against.

Mr. Jenrette for, with Mr. Solarz against.

Mr. Jones of North Carolina for, with Mr. Addabbo against.

Mr. White for, with Mr. Fary against.

Mrs. Holt for, with Mr. Ford of Michigan against.

Until further notice:

Mr. Van Deerlin with Mr. Bob Wilson.

Mr. Brooks with Mr. Badham.

Mr. Phillip Burton with Mr. Guyer.

Mr. Kazen with Mr. Trible.

Mr. Mathis with Mr. Symms.

Mr. Moorhead of Pennsylvania with Mr. Railsback.

Mr. Charles H. Wilson of California with Mr. Moore.

Mr. Downey with Mr. Leach of Louisiana.

Mr. Murphy of Illinois with Mr. Wyatt.

Mr. Giaimo with Mr. Tauke.

Mr. Stenholm with Mr. Evans of Georgia.

Mr. Hance with Mr. Dougherty.

Messrs. DODD, MICA, PRICE, and D'AMOURS changed their votes from "yea" to "nay."

Messrs. RUDD, EVANS of Indiana, ALBOSTA, ANTHONY, and HIGHTOWER changed their votes from "nay" to "yea."

So the motion to recommit was agreed to.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. REUSS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the conference report just considered.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

MESSAGE FROM THE PRESIDENT

A message in writing from the President of the United States was communicated to the House by Mr. Chirdon, one of his secretaries.

LEGISLATIVE PROGRAM

(Mr. BAUMAN asked and was given permission to address the House for 1 minute.)

Mr. BAUMAN. Mr. Speaker, I ask to proceed for 1 minute for the purpose of asking the majority leader, the gentleman from Texas (Mr. WRIGHT) what the program for the remainder of the day might be.

I yield to the gentleman from Texas.

Mr. WRIGHT. Mr. Speaker, the program for the remainder of the day begins with the consideration of H.R. 6614, sea grant authorizations, with an open rule and 1 hour of general debate.

We may have other motions today, but that is the only one I am prepared to announce at this time.

Mr. BAUMAN. The gentleman is saying that the Nicaraguan rule may not be brought up?

Mr. WRIGHT. That is correct.

Mr. BAUMAN. I yield all the time the gentleman wants.

Mr. WRIGHT. Let me inquire of the gentleman from Maryland if he has any objection to the sea grant authorizations?

Mr. BAUMAN. The gentleman is asking me? No, none at all.

Mr. WRIGHT. Next, we will take up the sea grant authorizations.

Mr. BAUMAN. Would the gentleman like a motion to change the leadership at this point?

Mr. WRIGHT. Well, it helps to be able to count.

We are probably not going to take up H.R. 6081 this afternoon. I reserve the right to change my mind on that, but I think the probability is that we will not.

The program for the remainder of the week is just as I have announced it, and if we complete it today we will not be in session tomorrow.

On next Monday, we are going to meet at noon. The Consent Calendar will be called. There are two bills under suspension, and we are going to postpone those votes until Tuesday. The bills are H.R. 6086, to settle claims for losses from evacuating U.S. personnel from foreign countries, and House Joint Resolution 474, Jewish Heritage Week.

On Tuesday, the House would meet at noon. We would vote on the suspensions debated Monday if votes are required.

We will then take up House Joint Resolution 521, selective service transfer authority for draft registration, subject to the granting of a rule.

On Wednesday—bear this in mind; here is something everybody needs to think about—on Wednesday the House will meet at 10 a.m. We will come first with the rule on the first budget resolution for fiscal year 1981, House Concurrent Resolution 307. Assuming the adoption of that rule, then we would go into general debate. We would hope to conclude general debate on that resolution on Wednesday.

On Thursday, April 24, we would meet at 11 a.m. and continue consideration of House Concurrent Resolution 307, the budget resolution. If we do not conclude consideration of that resolution on Thursday next, we would put over further consideration until the succeeding Tuesday.

Mr. BAUMAN. So that we will not be in at all this next Friday?

☐ 1320

Mr. WRIGHT. Mr. Speaker, that is exactly correct. The plan is not to have a session on Friday of next week.

Any additional program will be announced later. Conference reports may be brought up at any time, and motions to request conferences may be brought up at any time if we have the votes to pass them.

H. RES. 630

Resolved, That upon the adoption of this resolution it shall be in order to move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6614) to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes, and the first reading of the bill shall be dispensed with. After general debate, which shall be confined to the bill and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries, the bill shall be read for amendment under the five-minute rule. It shall be in order to consider the amendment recommended by the Committee on Merchant Marine and Fisheries now printed on page 2, line 21 through page 4, line 6 of the bill, and all points of order against said amendment for failure to comply with the provisions of clause 7, rule XVI and clause 5, rule XXI are hereby waived. At the conclusion of the consideration of the bill for amendment, the Committee shall rise and report the bill to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the bill and amendments thereto to final passage without intervening motion except one motion to recommit.

NATIONAL SEA GRANT PROGRAM AUTHORIZATION

Mr. LONG of Louisiana. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 630 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

The SPEAKER pro tempore. The gentleman from Louisiana (Mr. LONG) is recognized for 1 hour.

Mr. LONG of Louisiana. Mr. Speaker, I yield the usual 30 minutes for the minority to the distinguished gentleman from Mississippi (Mr. LOTT), pending which I yield myself such time as I may consume.

Mr. Speaker, House Resolution 630 is an open rule, providing 1 hour of general debate, equally divided between the chairman and ranking minority member of the Committee on Merchant Marine and Fisheries.

The resolution makes in order the consideration of the bill H.R. 6614, authorizing appropriations for the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes.

The rule also makes in order the consideration of a committee amendment, which would amend the National Sea Grant College Program Act. Because the committee amendment goes beyond the extent of the bill as introduced, which was a simple authorization, a technical waiver of the germaneness rule, clause 7 of rule XVI, was included. In addition, a technical waiver of clause 5 of rule XXI is included against the committee amendment, since amendment to the organic act would be effective immediately and therefore could affect the use of appropriations for fiscal year 1980.

The bill authorizes a 3-year extension of the sea grant program, which promotes the study, understanding and preservation of the ocean's resources by U.S. colleges and universities. The concept of sea grant was based on the land-grant college system with its agricultural experiment and extension services. The present funding method provides Federal grants up to two-thirds the cost of a project to universities, colleges, and private organizations. One-third matching funds are provided by State or local sources.

There are three major purposes of the sea-grant program: research, education, and advisory services. Research comprises the major portion of the program and is concentrated on fisheries, environmental studies, aquaculture, coastal studies, and ocean engineering.

The educational thrust focuses on the development and improvement of college and graduate courses; vocational training, and marine education programs in elementary and secondary schools. Advisory services encourage the dissemination of research efforts to communities and individuals and provide for feedback through the advisory service agents.

The sea-grant program was expanded in 1976 to permit 100 percent Federal funding of research addressing identified national needs and participation in international research efforts.

The Committee on Merchant Marine and Fisheries has presented a cost estimate as follows:

Fiscal year 1981: $55.5 million.

Fiscal year 1982: $66 million.

Fiscal year 1983: $75 million.

The sea-grant program is an important means of expanding our knowledge of ocean resources. I urge the adoption of the resolution which makes in order H.R. 6614.

Mr. LOTT. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, this is a 1 hour, open rule, providing for consideration of H.R. 6614, the national sea grant program authorization. The rule makes in order the amendment recommended by the Committee on Merchant Marine and Fisheries and waives the provisions of clause 7 of rule XVI, the germaneness rule, against the committee amendment. This waiver is necessary since the amendments include permanent changes in law and not just an authorization as did the bill as introduced. In addition, clause 5 of rule XXI is waived against the committee amendment. This rule prohibits appropriations in a legislative bill, and a waiver of it is necessary since several sections of the bill would allow previously appropriated funds to be used for new purposes.

H.R. 6614 provides authorizations for the national sea grant program for 3 fiscal years. The bill authorizes $55.5 million in fiscal year 1981, $66 million in fiscal year 1982, and $75 million in fiscal year 1983. In addition, there are a number of technical amendments which aim to streamline the operation of the program.

Mr. Speaker, I support this rule and adoption of it so that we may proceed to consideration of H.R. 6614.

Mr. Speaker I have no requests for time.

Mr. LONG of Louisiana. Mr. Speaker, I have no requests for time, and I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

Mr. MURPHY of New York. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the bill (H.R. 6614) to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from New York (Mr. Murphy).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the bill, H.R. 6614, with Mr. Weaver in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. Pursuant to the rule, the first reading of the bill is dispensed with.

Under the rule, the gentleman from New York (Mr. Murphy) will be recognized for 30 minutes, and the gentleman from California (Mr. McCloskey) will be recognized for 30 minutes.

The Chair recognizes the gentleman from New York (Mr. Murphy).

Mr. MURPHY of New York. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, H.R. 6614 is a bill to extend the authorization of appropriations for the National Sea Grant College Program Act during the fiscal years 1981 through 1983.

The key to the sea grant program that has worked so well in the past, is to provide Federal assistance to universities and institutions to carry out important ocean, coastal, and marine research and to stimulate learning in the marine sciences. For universities and other institutions which have developed a worthy sea grant project, funding is available on a matching basis with up to 66⅔ percent provided by the Federal Government and the remaining one-third from State, local, and other sources.

Numerous benefits are afforded the local communities, specifically the commercial fisherman and industry members through the Marine Advisory Service who provide education, training, and technical advice and communicate the community needs to the researchers of the sea grant institution.

The basic program is authorized at $50 million for fiscal year 1981, $58 million for fiscal year 1982, and $65 million for fiscal year 1983. The national projects program is authorized at $3.5 million for fiscal year 1981, $5 million for fiscal year 1982, and $6 million for fiscal year 1983. The international program is authorized at $2, $3, and $4 million for the next 3 fiscal years respectively.

The major hindrance to the sea grant program has not been with the authorizing committee, but with the requests of the administration for appropriations. Last year, for example, similar requests for authorizations were made at the level of $67 million. However, only $38.7 was appropriated. The President's budget request for fiscal year 1981 represents a $100,000 increase over last year's appropriation.

The national sea grant program, during the past decade has proven effective in coordinating the interdisciplinary resources of our universities, institutions, and laboratories in providing the necessary bridge between oceanic and coastal research and program application. The continuation of this vital Federal ocean-related research effort is necessary and I urge my colleagues to continue authorization levels for the fiscal years ahead.

The bill has received unanimous support from the Merchant Marine and Fisheries Committee, and I recommend immediate passage by the House.

☐ 1330

Mr. Chairman, I yield such time as he may consume to the gentleman from Massachusetts (Mr. Studds), the chairman of the Subcommittee on Oceanography.

Mr. STUDDS. Mr. Chairman, H.R. 6614 authorizes appropriations for the national sea grant college program for fiscal years 1981, 1982, and 1983, and amends current law in six minor, administrative-related instances.

Established in 1966 and modelled after the land grant program, the national sea grant college program promotes the study, understanding, development and conservation of the oceans and Great Lakes through applied research performed by our Nation's colleges and universities. It is a Federal-State-university program designed to conduct research, promote education and training, and provide advisory services to members of communities most in need of marine and coastal information and sea grant research findings. At our committee's Subcommittee on Oceanography hearing, which I chaired, members were fortunate enough to meet and question some of the advisory agents who transfer relevant information to the people as well as some of the beneficiaries themselves. We heard first-hand how well this program is working, and how important it is to those who live or work near the ocean.

Current law is amended in the following six minor ways: First, by including "humanities and arts" as a "field related to ocean and coastal resources" in section 203(4) of the act; second, by allowing sea grant to fund research in all Great Lakes waters in section 203(6) of the act; third, by instructing the Director of the Office of Sea Grant to actively cooperate with other Federal ocean and coastal programs in section 204(c) of the act; fourth, by permitting sea grant marine advisory service agents to rent rooms or facilities in order to conduct meetings with local beneficiaries in section 205(d)(2) of the act; fifth, by changing the title of the "International Cooperation Assistance Program" to "Sea Grant International Program" in section 3 of the act; and sixth, by allowing members of the Sea Grant Review Panel to serve at most two terms, instead of one, in section 209(c)(3) of the act.

H.R. 6614 provides a total authorization of $55.5 million for fiscal year 1981, $66 million for fiscal year 1982, and $75 million for fiscal year 1983.

● Mr. AuCOIN. Mr. Chairman, the sea grant program is a cost-effective and highly productive marine program that has proved to be one of our Nation's best investments. Since its start in 1966 a truly national partnership has developed of practical, applied marine research education, training, and advisory services.

I want to speak for a moment about Oregon—one of the links in this national network, one of the links I know well—as illustrative of what sea grant does.

Oregon was one of the first States to receive sea grant funding and has continued to demonstrate its success through 12 years of participation in the program. It is finding solutions to the many complex and difficult problems besetting our marine community:

When 41 sperm whales were stranded on the beach in Florence, Oreg., last summer, a team of sea grant scientists rushed to the aid of the mammals. Sea grant has been involved since then in attempting to determine the cause of the beaching.

Sea grant has supported one of the most technologically advanced seafood laboratories in the Nation, located in Astoria, Ore. Among other projects, this lab has developed a fish protein concentrate from underutilized species for human consumption. A cooperative project with Mexico is in the process of putting this concentrate into commercial production.

Sea grant advisory services are helping Oregon's commercial fishermen, coastal zone planners, port managers, and seafood processors.

Sea grant has conducted pioneering salmon and oyster aquaculture research, as well as work to understand and cure fish and shellfish diseases.

Graduate fellowships have supported students in a newly developed program in marine resource management at Oregon State University. Such programs are essential to educate those who will become tomorrow's marine policymakers and resource managers.

Sea grant's contributions over the past decade document the foresight Congress showed in establishing such a program. In light of increasing demands on our marine resources, it is important that Congress now continue to support sea grant. It is clear that the program has made important progress in the marine area.

At a time when inflation requires cutting back on wasteful government spending, we must recognize those programs which have made strong contributions. Sea grant should be increasingly supported as we become more dependent on our vast renewable and nonrenewable ocean and coastal resources. We must develop the means to understand and use the ocean wisely.

The conclusion is simple: Sea grant works and works well. Without question sea grant deserves our continuing support.●

Mr. McCLOSKEY. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of H.R. 6614, the national sea grant program authorization bill. The legislation has been carefully considered by the committee, and we feel that the authorization levels for fiscal years 1981, 1982, and 1983 are reasonable given our need to balance the budget.

The national sea grant program was established in 1966, and was intended to advance the study, knowledge, and protection and management of our Nation's valuable ocean resources. This program was aimed primarily at college and university systems, especially in coastal areas, so that they could improve their research, training, and advisory services in the field of ocean resource management. This approach was patterned after the land grant college system and its associated agricultural experiment stations and extension services. Because the land grant college system had been so successful in disseminating research and information, and advancing agriculture in this country, it was felt that a sea grant program could also aid in the development and management of marine resources as we look for new raw materials offshore.

Currently, 15 universities in many coastal areas, have been officially designated as sea grant colleges, and have received funds under this program. The primary part of the sea grant program provides Federal grants up to two-thirds of the total cost of the project to universities, colleges, and private organizations. The remaining one-third is matched by State or local resources.

In addition, in 1976, a national projects program and an international program were added as part of sea grant's mandate. Both of these programs allow for 100 percent Federal funding for research which addresses specific national needs, and for research which involves participation in the conduct of marine scientific research by foreign nations, especially developing countries. This latter program is viewed as being increasingly important, in light of many foreign nations' efforts to limit the conduct of marine scientific research within their economic resource zones.

H.R. 6614 authorizes funding levels of $55.5 million for fiscal year 1981, $66 million for fiscal year 1982, and $75 million for fiscal year 1983. Given inflation, these authorization levels represent a realistic committee assessment of what the sea grant program requires simply to maintain its current level of activity. There are six minor amendments which I consider to be primarily technical and nonsubstantive, which are designed to improve the day-to-day operation of the sea grant program.

Mr. Chairman, this legislation is important to maintain our efforts to better manage the ocean and coastal resources of our country. Therefore, I strongly support its passage.

● Mr. FORSYTHE. Mr. Chairman, I rise in support of H.R. 6614, the authorization for the national sea grant program for fiscal years 1981, 1982, and 1983.

This legislation reauthorizes a very significant component of the Federal effort in the area of ocean resource use and management. The national sea grant program was established in 1966 to set up a network of colleges and universities to perform research and training and to provide advisory services with a focus toward the increasing development of ocean sources of oil and gas, minerals, food, and other products.

In my opinion, this program has been quite successful in providing unique services on a very cost-effective basis. The sea grant network contains a vast array of expertise, including everything from aquaculture development of the study of the shoreline sedimentation processes. Because the program is structured with a strong emphasis on State and local involvement in setting the priorities around which the research is conducted, the sea grant program has been extremely responsive to local initiatives and needs, which vary greatly among the different coastal areas of the country.

The primary model for the national sea grant program was the Land Grant College System, which was extremely effective in accelerating the rate of innovation in agriculture in the United States. The years ahead are likely to see significant expansion of our activities in the ocean environment. The sea grant program will improve our capability to extract valuable raw materials from the ocean as more and more demands are placed on land-based resources.

This bill's fiscal year 1983 authorization figure of $75 million is roughly a 4.5-percent increment per year in the program's authorization level since fiscal year 1977. The six technical amendments to the act are noncontroversial, and therefore, Mr. Chairman, I strongly urge passage of this legislation.●

Mr. McCLOSKEY. Mr. Chairman, I yield such time as he may consume to the gentleman from Washington (Mr. PRITCHARD).

Mr. PRITCHARD. Mr. Chairman, I would like to concur with the remarks of the chairman of the Oceanography Subcommittee in support of H.R. 6614, the national sea grant program authorization bill. This legislation is a straightforward authorization bill for fiscal years 1981, 1982, and 1983. It has been carefully considered by our committee in the context of our need to carefully weigh each program and attempt to be very fiscally responsible. The committee feels that this has been a valuable program and has been a cost-effective one, which needs to be continued. It has been level-funded for the past 2 years, and our authorization bill would only provide for increments of 4.5 percent per year.

The national sea grant program, which was established in 1966 to improve our management and understanding of the Nation's valuable ocean and coastal resources, has been focused primarily at college and university systems throughout the country. The program has received special emphasis in coastal areas where the utilization and increased development of marine resources is becoming increasingly important. The sea grant approach was based primarily on positive experience with the land grant college system, which assisted in fostering innovation and development, and has led to one of the most advanced agricultural systems in the world. It was felt in 1966 that a sea grant program could also aid in innovation and development in the marine resource area.

As our Nation moves farther and farther offshore to develop additional raw materials, including fisheries, petroleum, hard minerals, products for medicinal uses, and other sources of ocean energy, the existence of a sea grant network throughout the country has resulted in the application of a diversity of talent and knowledge toward solving ocean resource problems.

At this time the following 15 universities have achieved official sea grant status: Oregon State University, University of Rhode Island, University of Wisconsin, University of California, University of Delaware, University of North Carolina, Louisiana State University, University of Georgia, University of Washington, Texas A. & M. University, University of Hawaii, State University of New York/Cornell, University System of Florida, Massachusetts Institute of Technology, Universities of New Hampshire/Maine.

In addition to these universities receiving money under the sea grant program, roughly 30 States in all receive some sea grant funding. Most of these sea grant funds require a one-third match by the participating States. In 1976 the sea grant statute was amended to include both a national projects program and an international program. The national projects program is designed to require no matching for those areas that are designated as national needs, and the international program provides a mechanism whereby the United States can participate in research programs, especially aimed at developing foreign nations. The international program is becoming increasingly important as many foreign nations are moving in the trend of strictly regulating the conduct of marine scientific research within their 200-mile economic resource zones.

Mr. Chairman, the sea grant program is a modest but effective program which has significant and positive impacts on coastal areas throughout the country. The authorization levels are reasonable, and therefore, I strongly urge its passage.

● Mrs. SNOWE. Mr. Chairman, I rise today in support of H.R. 6614, legislation which would extend the authorization of the national sea grant program. I strongly endorse the laudable objectives of this program—the research and responsible development of our Ocean's resources. Furthermore, I support the authorization of funds for national and international marine research projects. Together, these programs contribute significantly to the growing body of knowledge surrounding marine resources development.

At present, the oceans cover 71 percent of our Earth's surface—and are still considered by many to be the final terrestrial frontier. By promoting a better understanding of our marine resources, we can benefit several wide-ranging interests from offshore oil production to the development of basic foodstuffs.

I am pleased to inform my colleagues that in January, the University of Maine and the University of New Hampshire were jointly designated as a sea grant college program. Both universities were cited by Richard A. Frank, administrator of the National Oceanic and Atmospheric Administration, for the excellence of their joint porgram's accomplishments. In fiscal year 1980, a $1.5 million Federal grant, matched by approximately $1 million non-Federal funds, will support 31 projects in education, advisory services, and research in both social and physical sciences at the two schools.

Studies in pollution, environmental models, and marine education and training are included in the omnibus grant. Other projects to be undertaken this year include studies of several commercially important fishery species, Atlantic herring, sand launce, and baitworms. Last, two major areas of consideration will be sands and soft-shell clams. For example, a critical problem in selecting sites and designing foundations for offshore structures is the possibility of liquefaction of the sandy sea bottom. A study underway will determine whether acoustic methods can provide a more reliable way of predicting potential liquefaction of sands caused by storm waves, earthquake action, or rocking of the offshore structure itself during a storm. Reseachers will also study mya arenaria, the soft shell clam, and the basic processes affecting recruitment, growth, and survival of the clams in a tidal flat environment.

While these are only a few of the projects conducted nationwide under the sea grant program, I am sure my fellow Members will agree on the importance of these determinations. Today, I ask my colleagues to join with me in support of this legislation.●

Mr. McCLOSKEY. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. MURPHY of New York. Mr. Chairman, I have no further requests for time.

The CHAIRMAN. The Clerk will read.

The Clerk read as follows:

H.R. 6614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the first sentence of section 206(c) of the National Sea Grant College Program Act (33 U.S.C. 1125(c)) is amended—

(1) by adding "out" after "carrying", and

(2) by adding at the end thereof the following:

"(3) $3,500,000 for fiscal year 1981.

"(4) $5,000,000 for fiscal year 1982.

"(5) $6,000,000 for fiscal year 1983.".

Sec. 2. The first sentence of section 212 of the National Sea Grant College Program Act (33 U.S.C. 1131) is amended by adding at the end thereof the following:

"(3) $50,000,000 for fiscal year 1981.

"(4) $58,000,000 for fiscal year 1982.

"(5) $65,000,000 for fiscal year 1983.".

Sec. 3. The first sentence of section 3(c) of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a(c)) is amended by adding at the end thereof the following:

"(3) $2,000,000 for fiscal year 1981.

"(4) $3,000,000 for fiscal year 1982.

"(5) $4,000,000 for fiscal year 1983.".

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the bill be considered as read, printed in the Record, and open to amendment at any point.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: Insert the following new sections at the end of the bill:

Sec. 4. Section 203(4) of the National Sea Grant College Program Act (33 U.S.C. 1122 (4)) is amended by inserting "humanities and arts," after "international affairs,".

Sec. 5. Section 203(6) of the National Sea Grant College Program Act (33 U.S.C. 1122 (6)) is amended by striking "territorial sea" and inserting in lieu thereof "Great Lakes and the territorial sea".

Sec. 6. Section 204(c) of the National Sea Grant College Program Act (33 U.S.C. 1123 (c)) is amended—

(1) by inserting after clause (4) a new clause (5) to read as follows:

"(5) encourage cooperation and coordination with other federal programs concerned with ocean and coastal resource conservation and usage;", and

(2) by renumbering the existing clauses (5) and (6) as clauses (6) and (7).

Sec. 7. Section 205(d)(2) of the National Sea Grant College Program Act (33 U.S.C. 1124(d)(2)) is amended by striking "contract may," and inserting in lieu thereof "contract may be applied to the short-term rental of rooms or facilities for meetings which are in direct support of activities under a Sea Grant program or project, and may,".

Sec. 8. The section heading of section 3 of the Sea Grant Program Improvement Act of 1976 (33 U.S.C. 1124a) is amended to read as follows:

"Sec. 3. Sea Grant International Program.".

Sec. 9. Section 209(c)(3) of the National Sea Grant College Program Act (33 U.S.C. 1128(c)(3)) is amended—

(1) by striking "only" in the first sentence and inserting in lieu thereof "to serve", and

(2) by amending the second sentence to read as follows: "An individual appointed to serve for a full or partial term may be reappointed to serve for no more than one additional full term.".

Mr. MURPHY of New York (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

The CHAIRMAN. The question is on the committee amendment.

The committee amendment was agreed to.

The CHAIRMAN. Are there further amendments to the bill? If not, under the rule, the Committee rises.

Accordingly, the Committee rose; and the Speaker pro tempore (Mr. Murtha) having assumed the chair, Mr. Weaver, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the bill (H.R. 6614) to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes, pursuant to House Resolution 630, he reported the bill back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER pro tempore. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER pro tempore. The question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER pro tempore. The question is on the passage of the bill.

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 373, nays 13, not voting 46, as follows:

[Roll No. 187]

YEAS—373

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Bafalis
Bailey
Baldus
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Cotter
Coughlin
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Gibbons
Gilman
Gingrich
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rose
Roe
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
St Germain
Stack
Stangeland
Stanton
Stark
Steed
Stewart
Stockman
Stokes
Stratton
Studds
Synar
Taylor
Thomas
Thompson
Traxler
Udall
Ullman
Vander Jagt
Vanik
Volkmer
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—13

Collins, Tex.
Crane, Daniel
Crane, Philip
Dannemeyer
Evans, Ind.
Fenwick
Jacobs
Kelly
Leath, Tex.
McDonald
Miller, Ohio
Paul
Schroeder

NOT VOTING—46

Addabbo
Badham
Barnard
Brooks
Burton, Phillip
Corman
Danielson
Dougherty
Downey
Garcia
Giaimo
Ginn
Goodling
Gray
Guyer
Hance
Holt
Jenrette
Jones, N.C.
Kazen
Leach, La.
Lederer
McKay
Mathis
Moore
Moorhead, Pa.
Murphy, Ill.
Myers, Pa.
Railsback
Rodino
Runnels
Solarz
Staggers
Stenholm
Stump
Swift
Symms
Tauke
Trible
Van Deerlin
Vento
Walgren
White
Wilson, Bob
Wilson, C. H.
Wyatt

□ 1350

The Clerk announced the following pairs:

Mr. Addabbo with Mr. Badham.

Mr. Phillip Burton with Mrs. Holt.

Mr. Brooks with Mr. Swift.

Mr. Corman with Mr. Symms.

Mr. Giaimo with Mr. Leach of Louisiana.

Mr. Jones of North Carolina with Mr. Dougherty.

Mr. Staggers with Mr. Goodling.

Mr. Van Deerlin with Mr. Guyer.

Mr. Vento with Mr. Moore.

Mr. Charles H. Wilson of California with Mr. Tauke.

Mr. Lederer with Mr. Trible.

Mr. Rodino with Mr. Walgren.

Mr. Myers of Pennsylvania with Mr. Bob Wilson.

Mr. Moorhead of Pennsylvania with Mr. Wyatt.

Mr. Kazen with Mr. Garcia.

Mr. Jenrette with Mr. Mathis.

Mr. McKay with Mr. Murphy of Illinois.

Mr. Solarz with Mr. Runnels.

Mr. White with Mr. Stenholm.

Mr. Stump with Mr. Barnard.

Mr. Danielson with Mr. Ginn.

Mr. Downey with Mr. Gray.

Mr. Hance with Mr. Railsback.

So the bill was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

ADJOURNMENT TO MONDAY, APRIL 21, 1980

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet at 12 o'clock noon on Monday next.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule on Wednesday of next week be dispensed with.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

HOUR OF MEETING ON WEDNESDAY, APRIL 23, 1980

Mr. MURPHY of New York. Mr. Speaker, I ask unanimous consent that when the House convenes on Wednesday, April 23, 1980, it convene at 10 a.m.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

REPORT ON FIRST 5 YEARS' OPERATION OF U.S. GENERALIZED SYSTEM OF PREFERENCES—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Ways and Means:

(For message, see proceedings of the Senate of today, April 17, 1980.)

TO FILL THE OIL RESERVE

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks and to include extraneous matter.)

Mrs. SCHROEDER. Mr. Speaker, I wanted to put in the RECORD at this point the editorial from yesterday's Washington Post calling upon us to fill the strategic oil reserve. I think it is very, very important, and I agree with the editorial totally. The retreat by this Government from its promise to fill the strategic petroleum reserves is really a national embarrassment, and the fact we only have 11 days' supply is something that we should all be very concerned about.

They now have a pump that works excellently that can get the reserves out of the ground, and I think with the tenuous state of world affairs, filling our reserves should be one of the primary considerations of this body. We should proceed immediately to get back to filling those reserves and having something to fall back on in case we need it. In my recent visit to Saudi Arabia they appeared to not oppose our proceeding.

The article follows:

TO FILL THE OIL RESERVE

The retreat from the Strategic Petroleum Reserve is a national embarrassment, and a dangerous confession of failure. Instead of providing protection against future disruptions in this country's oil supply, the reserve has become a prominent symbol of American vulnerability.

Congress originally decreed that the reserve should hold at least 150 million barrels of oil by 1978. The Ford administration raised the target to 500 million barrels. The Carter administration doubled it to 1 billion barrels—on paper. How much is actually in the strategic reserve? At present, it's 91 million barrels—the equivalent of 11 days' imports—and not a pint has been added since last summer. The principal reason for the standstill is that Saudi Arabia objects.

Some of the oil going into the reserve was imported from Saudi Arabia. The Saudis agreed to help out in last spring's shortage by keeping their oil production higher than they had intended. They said, correctly, that they were doing the United States a favor. They considered it unreasonable that they should further be asked to supply the oil for a reserve that most Arabs see, also correctly, as a defense against the Arab's oil weapon.

The Carter administration acquiesced. Worse, it has now sealed that decision by dropping most of the money for the strategic reserve from its 1981 budget. That contributed nearly $1 billion toward balancing the budget.

It is urgently important to begin filling the reserve again. That $1 billion would have bought 100,000 barrels a day for the reserve. It's a rather modest amount, and it can be accommodated without any great effect on the market.

The present shortage is not in oil but in ingenuity and determination. By applying a little of those two qualities, the administration will find it possible to put 100,000 barrels of oil a day into its underground storage chambers without using foreign oil and without unbalancing the budget. The Naval Petroleum Reserve at Elk Hills, Calif., is producing more than that, and the government is auctioning it to commercial buyers. Some of those bids have gone wildly high, to the distress of the administration, which knows that high American prices only invite further increases by OPEC. The intelligent solution is to stop selling the Elk Hills oil for money, and instead swap it for domestic oil produced near the storage sites. Perhaps some imported oil would then go into the Houston refineries, replacing domestic oil put into storage. But that, if we may delicately say so, is none of our Saudi friends' business.

There are several ways to pay for it. Mr. Carter has imposed an oil import fee, for example, that will raise the price of gasoline 10 cents a gallon. Why not go up another penny? That penny would bring in the necessary $1 billion a year. Most drivers consider it intolerably foolish to drive without accident insurance. Another penny a gallon is a small price for an insurance policy against the destructive impact—on driving, on jobs and on the country's prosperity—that is threatened by a serious disruption in the flow of imported oil.

BIG GOVERNMENT—NOT BUSINESS—IS THE PUBLIC ENEMY

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, a coalition of antifree market idealogues and socialists has declared today "Big Business Day," in an attempt to build support for greater government control over American businesses.

The irony of this staged media event is that big government is the real threat to our society, which robs millions of Americans of their hard-earned incomes in order to support an increasingly unaccountable and unproductive empire of bureaucratic regulators.

Big government, for example, spends more for the Department of Energy than profits made by all the oil companies combined. Yet this Department of Energy has not produced a single barrel of oil or kilowatt of electricity.

Big government rules our people by allowing inflation to kick them into higher and higher tax brackets, while denying them the right to reach a higher standard of living.

Big government regulations and taxes add more than $275 billion a year to consumer prices—beyond the 46 cents out of every earned dollar in America which goes to support government at some level.

And every big government regulation has hidden victims—casualties who remain unseen.

Those victims are people put out of work by big government regulations that force businesses to close, people who needlessly suffer or die because big government regulations and redtape prevent newly discovered drugs, marketed elsewhere, from being provided in our own country, and people whose freedoms are taken away under the thumb of big government.

More and more Americans recognize the many excesses and hidden costs of big government, and appreciate the benefits of productivity and enterprise abounding in our free market economy if government will let it work for us.

I would like to include at this point in the RECORD a good article by columnist John Chamberlain which poignantly highlights the genius of enterprising Americans in private business:

[From The Washington Post, Apr. 13, 1980]

NADER CAN KNOCK BUSINESS, BUT CAN HE BUILD A CARBURETOR?

(By John Chamberlain)

How many times must we go over the same script? We had a League for Industrial Democracy in the first decade of the century, started by Jack London and other socialists. Now we have the Tom Hayden-Jane Fonda resurrection of the same. In the depressed '30s, the Economic Royalists provided New Dealers with a convenient scapegoat—until Franklin D. Roosevelt needed business help to win a war. Now we have Ralph Nader sloshing around in Roosevelt's discarded shoes and, with his April 17 Big Business Day, proclaiming a pox on all the dwellers in corporate suites.

It wasn't only the approach of war that gave the lie in the '30s to the idea that business had led us into the swamps of the Mature Economy and left us there. The '30s were also the decade of the streamlined and diesel-drawn trains, the proliferation of the airlines, the building of huge Mult-au-matic turret lathes, the discovery of new cobalt and tungsten alloys, the spread of the continuous wide-strip steel mill, the replacement of silk and cotton with synthetic fabrics, and the steady substitution of electric calculating machines and punchcard systems for the old ink-stained business ledger.

The new discoveries and the little businesses of the '30s were the progenitors of what Nader anathematizes today. Big must be little first. Mistakes by pioneers have undoubtedly been made: For example, we knew all too little about the side-effects of industrial waste until cumulative practices exposed them. Now we have companies such as U.S. Filter to correct them.

What the Galbraiths, the Naders, the Jane Fondas and the Douglas Frasers conveniently overlook is that the innovative pattern of the '30s is a continuing reality going into the '80s. Axiom Number 1—that big has to begin small—still holds. And Axiom Number 2—that Big Business must be backed by thousands of small feeder companies—is just as real today as it was when Henry Ford was scavenging his "tin lizzie" floorboards from packing cases.

Despite the rigors of inflation and overregulation, the business scene of the past

20 years completely discredits those who sing the monopoly blues.

The animating force in the economy remains private-business enterprise, which pays the government bills, produces the sinews of defense and satisfies the greatest linked consumer and private-investment demands the world has ever witnessed.

Our private-business enterprise system continues to be spurred by an endless flow of creative frontiersmen. The electronic revolution continues apace, with little companies spinning off from big.

Franchising, as practiced by auto service stations, job placement agencies and fast food chains (who employ hundreds of thousands of teenagers—more than any other industry in the country) now accounts for 27 percent of the gross national product. Direct selling, one of the fastest growing segments of our economy, is represented by companies like Amway which didn't exist 20 years ago and now has sales of more than $1 billion generated by more than 500,000 distributors.

New builders proliferate, many in the South and West where right-to-work laws have forestalled the ossification that takes over in closed shop construction industries in the Frost Belt. There are the makers of magic glues. Jon Lindbergh, son of the Lone Eagle, has deserted the upper air for the seas, raising salmon for the restaurant market in protected tank in Puget Sound. Contracting for the government yields a profit from a success that government itself cannot produce (*vide* the reading instruction methods developed by Roger Sullivan of Gould Inc. for Detroit and Miami public schools). The businesses of selling corporate jets and training the pilots to run them have made millionaires on the fringes of the aviation industry.

The Hercules Co. of Wilmington, Del., gives up its merchants-of-death dynamite business to turn old pine stumps into profitable sources of industrial resins. Blacks have made it in business: John H. Johnson of Chicago, born in Arkansas poverty, ran a $500 stake from hocking the family furniture into a publishing empire around Ebony; and Henry Parks, another black, put his Parks Sausage Co. of Baltimore ("More Parks sausages, mom, *please*") on the national map by letting an all-American, Penrod-type youngster right out of Booth Parkington be his voice on radio.

We could go on and on. Several years ago Forbes magazine published a list of 100 largest privately owned companies. These go their own way, sometimes supporting extreme libertarian causes. Since they are generally anti-Establishment, one wonders what Nader would make of them.

There are myriad representative stories that prove that case for the fecundity of the American enterprise system of the past 20 years. There is the phenomenon of the so-called Silicon Valley in Santa Clara County, Calif. Fairchild Semiconductor and Varian are old stories in Silicon Valley, but their progeny grow. The success that two former Fairchild employes, Robert Noyce and Gordon Moore, have achieved in a 10-year span with their Intel Corp. is based on the production of transistors that can be inscribed on a silicon chip the width and height of three typed letters. In 1971, an Intel engineer added two memory systems to a chip's capabilities. Now a $10 chip can replace a $100,000 computer.

An Wang, the China-born inventor whose An Wang Laboratories Inc. introduced the first desktop electronic calculator in the early '60s, found himself outpaced by Texas Instruments, with their hand-held calculators. But An Wang is now using the Intel "computer on a chip" in computers that effectively combine word and data processing. An Wang and his family own half of the outstanding equity in a $200 million company which has some 10,000 employees. It was a one-man operation in the '50s.

The new electronic marvels include instant translators (hand-held computers that sell for around $225 and can be switched from Spanish to German or whatever by the mere substitution of a cartridge.) The first translator was developed by a young Greek immigrant, Anastasios Kyriakides, in Miami. Kyriakides had no electronic background, but he was prepared to buy the tiny memory chips that permit the storage of 1,500 words and phrases for his Lexicon Corp. models.

Profits in synfuels have not yet materialized, but the business of fuel exploration tool-making, which can be adapted to oil shale and tar sands as well as to older fuel resources, is no longer symbolized by the Hughes trademark. In 1975 E.H. (Hubie) Clark took over the management of the dormant Baker International. Gambling on the rise of crude oil prices even before the Arab embargo, Clark began collecting 21 other oil-services tool-supplying companies. In the past 10 years Baker International has shown the highest return (an average of 20 percent) to shareholders of any company in the Fortune 500. Baker's revenues in 1965, when Clark took over, were $47 million. Last year they were $1.2 billion.

Energy comes in kilowatt-hours and in multiples of barrels, gallons and tons; safety can be measured in drops. Playing around in his Trinity College laboratory in Hartford, Conn., after World War II, a Pennsylvania Dutch chemistry professor named Vernon K. Krieble unlocked some secrets of an anaerobic "glue" that has tremendous hardening and bonding properties when kept away from oxygen. A drop of it on a screw thread will make the grip of a bolt practically inviolate. The Loctite Corp. that the Kriebles, father Vernon and son Bob, built on the basis of adhesive chemistry now has annual sales of around $160 million and employs several thousand people.

General Motors uses Loctite anaerobics for its gaskets. The high-speed British Railways train operating north of London has 68 Loctite applications, and underseas divers rely on air regulators sealed with anaerobic drops.

Frederick W. Smith's Federal Express, an air-freight parcel service that thrives on the decrepitude of the federal Postal Service, owns its own fleet of planes, which pick up and deliver packages up to 70 pounds in weight in 89 cities. The Postal Service is now trying to imitate Smith, but necessarily lacks its own planes, which makes it dependent on the vagaries of commercial transport. It could be a commentary on Yale Ivy League economic teaching that Smith got a very poor mark for a term paper that originally amplified his Federal Express company project.

The complaints that capital for starting new enterprises is hard to come by are justified, particularly at present interest rates. But franchising, as exemplified in the fast-food chain operation of Ray Kroc's McDonald's hamburger empire, is one way of coping with the dilemma. He did not originate franchising, but with 4,000 McDonalds dispensing billions of hamburgers all over the world, his franchising operation has probably created more millionaires than any comparable enterprise—and it made the fortune of Jack Simplot in Idaho.

Simplot, a frontier character, got a contract for providing Kroc with potatoes cut to french fry proportions. The spin-off here in money earned may radically change our energy picture: Simplot has contracted with the Schaflander Co. of California to take $16 million in hydride (hydrogen) fuel for his farm tractors. The deal is conditional on Schaflander being able to produce the hydride cheaply by mass-produced photovoltaic cells.

The ultimate refinement in the making of millionaires through the creation of independent distributors has been pioneered by Jay Van Andel and Richard DeVos of the Amway Corp. of Ada, Mich. It's every-man-a-capitalist with Amway, which sets up the distributors of its home care, houseware and nutrition products to recruit and train other self-employed salesmen and saleswomen, with a percentage of the trainee's profits going to the sponsoring team leader.

Van Andel and DeVos told me that "the production of material wealth should not be a major goal in life. But only when a society or nation produces surplus wealth is it possible to develop all the other aspects of the good life—better education, better health, more leisure, cultural activities, music, art, literature, churches, schools and hospitals. All these depend on surplus wealth. Even the poor in a free economy have more than the rich in other systems. A rising tide raises all boats, large and small."

The work of the new enterprising Americans is the key to this country having the best fed, best dressed and best housed people in the world. We have built tens of thousands of great schools, thousands of great hospitals and conquered diseases in a way beyond the wildest dreams of the medical practitioner a century ago.

A hundred million buildings have been constructed to house us and to house the great factories that produce our jobs and wealth, millions of acres of land have been cleared and the greatest agricultural production the world has ever seen has been created.

All of this work, the work of enterprising Americans, is dismissed contemptuously by Ralph Nader's anti-growth legions. But if Jehovah could ask Job if he could make a horse, on April 17 we are surely entitled to ask Ralph Nader if he can make a carburetor.

ALL WE ASK IS TO BE LEFT ALONE

(Mr. ASHBROOK asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. ASHBROOK. Mr. Speaker, one of the most seemingly solid alliances in American politics for the last generation has been the one between liberalism and academia. From the New Deal "brain trust" to Prof. Arthur Schlesinger's labors for the Kennedy family, the professoriate has for the most part been alined with the left wing of the Democratic Party. But recently this picture has seen some dramatic changes. President Carter has not been a popular figure on campus, and most of the higher-education community was hostile to his creation of a Cabinet-level Department of Education.

I would suggest that there are essentially two reasons for this realinement. First, academics are not really as different from other Americans as they themselves would like to think. Like other Americans, they have had a chance to observe the flowering of the liberal agenda in domestic and foreign policy over the last 15 years, and like other Americans they are drawing the appropriate conclusion: Liberalism does not work.

Second, the growth of big-government liberalism has now reached the point of victimizing educators in much the same way that it has long victimized other groups, like small businesses. This comparison is made strikingly explicit in a recent letter to the Wall Street Journal from William Baird, vice president for academic affairs of the College of Wooster in Wooster, Ohio. Mr. Baird accurately describes government education bureaucrats as "the intellectual soul mates of those who brought us OSHA," and promises that, precisely in order to preserve its most valuable attributes, his college will continue to avoid direct financial assistance from government.

Here is the full text of Mr. Baird's letter, which appeared in the April 14, 1980, issue of the Wall Street Journal:

TOOTH FAIRIES AND PUBLIC COLLEGES

It is a hopeful sign, as reported by Joann Lublin ("Colleges and the Demographic Pinch," March 25), that the respective states are beginning to take a hard look at the programs of their state colleges, but the likelihood of a state legislature permitting a public college to close is as probable as the tooth fairy winning the heavyweight championship. Legislators by their very nature are political and the graduates of those colleges are voters who are not likely to support legislators who voted to close their alma maters. In fact, a number of new public institutions of higher education have been opened in Ohio within the past 15 years, even with information in hand that the number of Ohio high school graduates would begin a precipitous decline in 1980.

Ms. Lublin is correct when she said that many private colleges are seeking and accepting state financing for operating funds, but many of us believe this is, indeed, a shortsighted and in the long run an unwise policy. The acceptance of direct state aid will naturally and justifiably bring the private colleges under state regulation, and we can anticipate what that will mean. The intellectual soul mates of those who brought us OSHA will bring the educational programs of private colleges under the scrutiny of the regulators. The strength and vitality of higher education lies in its diversity, its quality, and its ability to experiment with programs and to adjust quickly to new and emerging societal needs. Regulation will most likely destroy this flexibility and diversity, much to the detriment of the entire society.

In other words, most of us don't seek state aid—we can't afford it. All we ask is to be left alone to design our own futures. We will be happy to leave it to the consumers of higher education to determine whether we have a right to survive.

IMPORTANT CONTRIBUTIONS OF THE BUSINESS COMMUNITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. WHITTAKER) is recognized for 60 minutes.

Mr. WHITTAKER. Mr. Speaker, my colleagues and I have requested this time today to highlight the important contributions of the business community to our Nation's system of private enterprise.

This is an appropriate time for this dialog, inasmuch as this day signals the beginning of a major effort by certain individuals and organizations purporting to act in the "public interest" to undermine American business through additional Government regulation and control. Today, among other things, we have been asked by this coalition to consider sweeping legislation that would dramatically alter the method of operation of businesses in this Nation, large and small. They have told us that more government is the only way to make certain the business community functions for the good of the people of our Nation.

I believe this effort is seriously misguided. Perhaps it's because I have a very different view of what is in the "public interest" and what is not. To me, the business community is operating in the "public interest" if it contributes to growth in the Nation's employment, wages, and output, and strives for a cleaner environment. So let us briefly evaluate the record to see how business measures up.

First let us look at jobs. Since 1975, American business has created 2.5 million new jobs annually with 10 million new jobs being created in just the last 3 years. Most of the increases in employment can be attributed to small, rather than large, firms.

A 5-year study done at MIT found that six larger firms with combined sales of $36 billion in 1974 created 25,000 jobs, while five smaller firms with sales of $857 million had a net increase in employment of 35,000 jobs. As far as wages are concerned, average weekly earnings in business doubled between 1970 and 1979. In the area of output, American businesses increased their output of useful goods for American people by 44 percent between 1970 and 1979.

In order to approach, achieve, and maintain national objectives for clean air and water, private industry has made huge investments. Both the private and public sector can be criticized for past neglect of the environment. But the evidence is clear that the business community has been leading all efforts to attain a clean environment. According to EPA, industrial invesment for air and water effluent controls since 1970 exceeds $37 billion and $14 billion, respectively. The investment has paid off handsomely. Combined air quality data from 25 major metropolitan areas show that the number of unhealthful days declined by 32 percent.

Data from approximately 50 of the most polluted counties across the country show that violations of ambient air quality standards generally either stayed constant or decreased between 1974 and 1977. The effects of water pollution control are more difficult to assess because effluents from private and public sector plants often discharge into the same streams. Nonetheless, industrial treatment plant construction has outpaced public sector plant construction, and EPA reports more than 70 examples of improvement in water quality in bodies of water that had been heavily polluted from years and years of industrial and municipal development.

I would like to address a question to those who suggest that it is in the "public interest" to strap business with additional Government regulation. Where should the responsibility lie for the lack of adequate capital for investment in this country, for the high inflation, and for the mountains of redtape? I strongly suggest that if we are really talking about the "public interest," what we need to have is a "Big Government Day." Let us focus on the real problems in this Nation, and let us highlight efforts that will bring us sound fiscal policy, incentives for capital formation, a surge in productivity, and Federal regulatory reform. Now that would be a day worth celebrating.

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Mr. ASHBROOK. Mr. Speaker, will the gentleman yield?

Mr. WHITTAKER. I am most happy to yield.

Mr. ASHBROOK. Mr. Speaker, I thank my colleague for that excellent statement, that necessary statement, and I know it has been the stock and trade of some on the other side of the philosophic aisle, that might be called liberals in our country, to make a scapegoat of business for years. They have built up a regulatory body that literally has prevented the United States from being competitive in foreign markets. I think the gentleman's points are very well taken.

Just this day I put in the extension of remarks an excellent article that appeared in the Washington Post Sunday by a very good friend, an illustrious columnist, John Chamberlain, who pointed out the long history of this approach in our country from the League of Industrial Democracy at the turn of the century to the New Deal days, to the present. I think he concluded with a rather interesting question. He indicated that Ralph Nader might be very good at attacking business, but could he even build a carburetor or even know what a carburetor is. I think it is in that spirit that we do in a way turn the tables on these critics and, as you have said, it is big Government that has caused most of the problems and certainly not the productive capacity of this country.

Another point also that Mr. Chamberlain made is that it is amazing when we are attacked, like in World War II, it is amazing that all of a sudden the antibusiness fervor in our country turns to an entirely different aspect. They then say get out the tanks, develop the weapons we need, build the ships, build the airplanes, and business, buffeted as it is, will be needed if we ever have that type of confrontation. We certainly do not want to kill business, although all of us recognize business must keep its proper place and not dominate our economy, and certainly not ravage our environment. But, nevertheless, it is important, and I think that message the gentleman has given is well taken. I certainly encourage all of our colleagues to recognize that business has an important part in the future of this country.

I thank my colleague for yielding.

Mr. COURTER. Mr. Speaker, will the gentleman yield?

Mr. WHITTAKER. I am most happy to yield.

Mr. COURTER. Mr. Speaker, I thank the gentleman for yielding. I want to congratulate the gentleman from Kansas (Mr. WHITTAKER) for taking this special order. I think it is particularly important to talk about some of the good things business, business clients and individuals wanting to participate in business have done for the country.

I would like to take this occasion to make a few remarks about the creation of wealth.

A truth too often forgotten in these halls is that there is only one engine that creates wealth in our country—and that is the private sector—the business sector—that combination of labor and capital that generates our national cornucopia of goods and services. A corollary of this truth is that Government, however much it may provide useful and essential services, is, on balance, a net consumer rather than producer of wealth. All our Government services, all our schools and universities, all our cultural and artistic endeavors, all our charitable activities, could never exist as they do unless business and labor earned profits from which they could pay for these things. These profits—the fruits of labor, investment, saving and risk-taking, are the nourishment of our society and, as it happens, the nourishment of much of the poor and hungry world. Without these profits, our society would sink to the depths of economic stagnation that afflicts most of the rest of the world.

Now some people believe that American wealth somehow just happens, as if Americans were uniquely capable of creating wealth. Others believe our wealth is the product of the fact that we unfairly consume an inordinate proportion of the world's resources, expropriating these for ourselves at the expense of the poor countries of the world. Nothing could be further from the truth.

Each of these explanations reveals colossal misunderstanding of those processes by which economies succeed and fail.

American wealth is no accident. It is the result of our political-economic system which has provided the freedom and the incentive for productive activity. Our Founding Fathers, as political theorists, uniquely realized and implemented the requisite conditions for the creation of wealth in a way that the entire society would benefit. They realized that economic activity need not be a zero-sum game where a person can succeed only at the expense of others.

To the contrary, the system they created was designed to stimulate economic growth, a rising tide which would lift all boats both large and small. By benefiting everybody, both rich and poor, and especially by creating the only circumstance whereby the poor could enjoy upward mobility, economic growth was postulated by James Madison to be the one barrier to the conflict between rich and poor, a conflict which is the source of so much of the political turmoil in the world today. But how does growth occur? It happens only when the efforts and risks of workers and investors are amply rewarded.

If you punish productive activity through excessive taxation or regulation or if you deny people the freedom to engage in such activity in the first place, that activity will simply not take place. Profits will not be generated and wealth will not be created. Such is the reality in most of the world today. America and a few like-minded countries have been the shining exceptions, for we have set our people free—free to work, innovate and collect the fruits of their labors.

Unfortunately, in recent years many of us in Government have forgotten how wealth is created. We have taken for granted our goose that lays the golden eggs. And in our desire for more government, more social programs, more regulation and more goodies for our constituents, we have begun to strangle our business community—our golden goose, thinking all along that by doing so we could continue to collect more golden eggs. As a result we have more people collecting benefits, salaries, and transfer payments from the Government, than there are taxpayers. In other words, fewer and fewer people are paying the way for an even greater number of others who are not directly involved in the generation of wealth and profits. This trend must reverse. We must stop killing the goose or our society as a whole will not ever be able to enjoy its golden eggs again.

I thank the gentleman again and I congratulate him for bringing this special order.

Mr. BETHUNE. Mr. Speaker, will the gentleman yield?

Mr. WHITTAKER. I am happy to yield to the gentleman.

Mr. BETHUNE. Mr. Speaker, I would like to congratulate the gentleman and congratulate my colleague from New Jersey for making what I think is an excellent point, and that is government produces nothing, people produce goods and services in this country. It is something we must remember.

Almost everything the gentleman said about productivity of this country leads to the inevitable conclusion that the thing that is stifling productivity is not the people and the apparatuses they devise for themselves to make this free enterprise system work, the thing that is stifling productivity in this country is government, and so when we are out of balance as we are, we need to get back in balance if we, indeed, want the pie to get bigger each year. So long as the pie remains the same size, we are going to have struggles between the various groups in our society, and those struggles are going to get more difficult as the years go by. But as long as the pie continues to get bigger as the result of our American enterprise system, and through economic growth, we will have more capability to do things for all people in this society.

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I think that is the vision that the gentleman is speaking of, and I think that is the vision of those of us on this side of the aisle who do have a plan for the whole of this society. That plan is the same plan that made the country great in the first place, and that is our American enterprise system.

I certainly would again compliment the gentleman for this very important special order.

Mr. WHITTAKER. I thank the gentleman.

Mr. COURTER. Mr. Speaker, will the gentleman yield again?

Mr. WHITTAKER. I would be most happy to yield to the gentleman from New Jersey.

Mr. COURTER. I thank the gentleman for yielding. There is one thing that I think should be made totally and amply clear here, and that is the fact that we who believe that economic growth is not only possible but absolutely necessary—not necessarily for those businesses who can very often take care of themselves in society, and not necessarily for those people who are very wealthy and who under almost any circumstances will be able to take care of themselves—believe economic growth and the rising tide are important for the poor people in this country, for the middle-income taxpayer, and for the low-income taxpayer, because, frankly, it is only through a business climate, only through a climate that rewards effort, that the type of wealth will be created such as is necessary to help those people who actually need a safety net, an economic safety net underneath.

Too often I feel there have been some people on the other side of the aisle, some people who have been for one reason or another labeled as liberals, who have been wearing the mantle of humanitarianism on their shoulders. I think the mantle of humanitarianism should be on our side because it is only through this type of effort, an effort of creating more wealth, not at the expense of the environment but through economic innovation, that we can really give those services and goods to those individuals who actually need them.

What is happening now is that so many goods and services are being passed out, and there are too few people creating those things so, therefore, the actual humanitarian point of view, the liberal point of view, is going to be such that the liberal who is concerned about the poor, who is concerned about the young, who is concerned about the aged, belongs on our side of the aisle, the side that believes the American dream is not dead but will be dead if we continue to go along the lines we have been during the past 15 or 20 years.

Once again I congratulate the gentleman because his message I believe is sinking in to the average American. When it does sink in to the average American, that is when there is going to be a tremendous shift in representation on the floor itself. Again, I congratulate the gentleman.

Mr. WHITTAKER. I thank the gentleman from New Jersey for his comments.

Mr. Speaker, I want to commend the gentleman from Arkansas, the gentleman from New Jersey, and the gentleman from California who participated.

Mr. Speaker, I yield back the remainder of my time.

Mr. PHILIP M. CRANE. Mr. Speaker, when I heard that today had been designated "Big Business Day" my first thought was, "Great. It is about time we paid homage to the segment of our society most responsible for giving us the highest standard of living in this world." It was quickly made clear to me that this was not exactly the intent of "Big Business Day." Rather, today signals the kickoff for a decade long crusade to "educate" the public on the detriments of corporate America. This campaign has been spearheaded by an organization called Americans Concerned About Corporate Power (ACCP) and includes such notables as Ralph Nader, Gloria Steinem, Jane Fonda, and Tom Hayden. Following the dramatized media events this group will stage today, ACCP will get on with the "business" they deem of the utmost importance. Two proposals that ACCP has initiated, and that we in Congress will probably be asked to consider in the future, are the Corporate Democracy Act and the Citizens' Energy Act. To say that enactment of the Corporate Democracy Act (to weaken the powers of management) and the Citizens' Energy Act (to virtually nationalize the oil industry) would have a devastating effect on the free enterprise system we know today is a gross understatement. Many of the same people who are attempting to educate us on business are the same ones who educated us on nuclear power. "Big Business Day" proponents are hopeful that they will repeat the success of their media-hyped nuclear campaign and that enough public distrust will be generated to pressure Congress into accepting at least part, if not all, of their proposals.

Opportunity and free enterprise are what has made our Nation the most humane ever on Earth and it is distressing to think that some Americans may fall victim to the benighted perspective of ACCP. For the American way of life to prosper we must free business from overregulation, spur productivity, and stimulate our economy. I commend the Heritage Foundation for their efforts to combat the ACCP's no-growth mentality by countering "Big Business Day" with "Growth Day." April 17 is a day to mark the contributions of the American free enterprise system to "man's prosperity, democracy, and freedom under law." Along with endorsing "Growth Day" I would like to call my colleagues attention to the following article by Herbert Stein:

Let's Hold a "No Business Day"

(By Herbert Stein)

I see by the papers that a coalition of labor, consumer and "public interest" groups is launching a decade-long drive to curb the power of corporate America. The leader of this coalition, naturally, is Ralph Nader. The drive, naturally, will be highlighted by a Big Business Day, April 17, 1980, that will include fairs, lectures and other events to encourage public debate on the role of big business in American life.

I am reminded of a story which Isaac Bashevis Singer tells about his family. His brother, when a teen-ager announced to their mother, a devout Orthodox Jew, that he had become an atheist and no longer believed in the Biblical story of creation. Unmoved, the mother looked at the youth and asked: "And, so, who created the universe? You?"

Just so one can ask of these skeptics about the corporation, who do they think created the unparalleled affluence enjoyed by the American people? Ralph Nader? The obvious answer is that the big American corporation has made a vital contribution to this achievement.

I can see it now. Ralph Nader, after consulting with the Paul M. Warburg Professor of Economics emeritus at Harvard on the AT&T telephone, mobilizes his forces. They arrive in Washington on Boeing planes flown by UAL or AA or EAL and proceed to their ITT hotel via a GM taxi running on Exxon gasoline. They then prepare press releases for Time and Newsweek, and preen and prance to get in front of the ABC and CBS cameras. The day is climaxed by an appearance of Ralph Nader on an NBC talk show sponsored by IBM, at which he explains the evils of big business.

Only once on Big Business Day will the celebrants be out of the comforting embrace of big business. That will be when they ride on the Washington Metro, a government enterprise which allows 220 million American taxpayers to subsidize luxurious transportation for the residents of the Federal City, whose per capita income is far above the national average. There, indeed, is a fit subject for protest.

INTENDED TO STIMULATE DEBATE

The organizers of the program say that their movement is not antibusiness but intended to stimulate debate on the abuses of big business. That is about as reassuring as a statement from the Iranian students that they are not against the Shah but only against his abuses, and want him to have a fair trial. If the organizers of Big Business Day intended a fair debate on the role of the American corporation, one would expect to find among their number at least one person with some claim to objectivity on the subject, but there is none. Only one corporate director appears on the list. He is Douglas Fraser, president of the United Auto Workers who, as a reward for his part in bringing Chrysler Corp. to the verge of bankruptcy, has been made a director of that latest ward of the federal government.

One of the alleged objectives of the movement is enactment of something called the Corporate Democracy Act of 1980. That is a puzzle, because the corporation is obviously one of the most democratic institutions in America. One can join—i.e., become a stockholder—for a very small sum, and if he doesn't like the way his money is being used he can get out in a moment by calling his broker.

The specific provisions of the Corporate Democracy Act are trivial where they are not foolish. For example the act would call for more "independent" boards of directors. It would also require more disclosure of corporate activities and plans. But the fact is that the American corporation is already more regulated by federal agencies, and discloses more information to the public and to the government, than any other institutions in the country. The net effect of the Corporate Democracy Act would be to add another layer of commissars to kibitz corporate activity with no responsibility except to their private conception of the public interest.

Why, a stranger might ask, is a decade-long protest now being organized about an institution that performs as relatively well as the American corporation? The answer is clear. There are a certain number of people in this country who are in the business of selling protest, just as others sell hair spray. Selling protest yields them power, publicity, prestige and, in some cases, money. In a country of 220 million people almost any protest will mobilize enough people to fill a 21-inch television screen.

The largest and most conspicuous protests, however, are raised against the most established and successful institutions of the society. That is partly because among the people who have the time, money and name-recognition to stage a big protest there is a large number who suffer guilt at enjoying the benefits of a society to which their effort and talent have contributed little and who seek to escape that guilt by denying the value of the society.

The situation is so obviously absurd it would be funny if its consequences were not certain to be serious. The serious result would not be the passage of the Corporate Democracy Act, which is only the incidental vehicle of the movement. What is being planned is a decade-long effort to brainwash the American people into thinking that the large corporation, which is the most visible manifestation of the free enterprise system, is the enemy of the people. The result will be an ever-greater willingness to tax and regulate the corporation, greater reluctance of savers to invest in them and weakened morale of their managers. The efficiency of the economy will deteriorate and its rate of growth slow down, and, in the state of public opinion being created, this will be taken as justification for more government intervention.

What is to be done? Some people take comfort in a "conservative" trend of American thinking, and this trend is probably real. But the trend seems to have more to do with abortion, gun-control and pornography than with economic policy. The chief expression of the new conservatism in the economic field is a public revulsion against high visible taxation. That is encouraging, but it is a long way from support for a free-enterprise, free-market or probusiness policy. How far we are from public support of a free-enterprise party may be seen in the popularity of the "windfall-profits" tax, of controls of energy prices and of price-wage controls in general.

True, institutes and committees devoted to the promotion of free enterprise are flourishing. That is, their numbers are increasing, their funds are growing and their outpouring of little pamphlets has reached flood stage. That sustains the faith of the true-believers and provides them with more argument for what they already know.

I fear, however, that this activity doesn't get anywhere near where the trouble is. We live not in the age of Tom Paine but in the age of Walter Cronkite. People who count don't read little pamphlets; they get their information and opinions intravenously, through TV. The defenders of free enterprise have not learned what Ralph Nader and every Iranian student knows—that to get your message across to the American people you must generate a visual, active happening which may be irrelevant to the message but which attracts the camera.

It will undoubtedly be harder for the defenders of business to pass through the big eye of the TV camera than for their attackers to do so, but it will not be impossible. I suggested in this space last year that the heads of large American corporations should chain themselves to the White House fence in protest against the President's "voluntary" wage-price control program. Although that advice was not taken, I will offer another suggestion.

"NO BUSINESS DAY"

Ralph Nader and his associates have no monopoly on April 17, 1980, which they presume to designate "Big Business Day." The management of the largest corporations should designate that same day as "No Business Day." With certain exceptions they should suspend operations on that day. The exceptions would, of course, have to include the electric power companies and the TV networks, so that the story could get out. On that day the friends of business should organize rallies at the closed factories and offices, as well as at public places, like the Mall in Washington, to celebrate the contribution of business to American life and to publicize the conditions necessary for the continuation of that contribution.

The purpose of suspending business operations is not to threaten anyone but only to get attention. Even the TV news would have to try to find out the reason for this bizarre and shocking behavior. Then the supporters of the corporation would have a chance to deliver their message. The message is simple.

"The American corporation is an essential part of an economic system which has yielded enormous benefits to the American people. The corporations, their owners and managers do not do this for love. They do not ask or expect love in return. They will continue to try to provide the goods and services that the American people want as efficiently as possible, because that is their business. But this effort cannot be as successful in the future as it has been in the past if the American corpoartion is continuously and increasingly harassed."

● Mr. ABDNOR. Mr. Speaker, it has become widely known that one of the biggest factors contributing to this Nation's inflationary spiral has been the consistent decline in the productivity growth rate of America's gross national product.

As income rises faster than output, the result has been that businesses have no choice but to pass increased costs on to consumers. This is dramatically illustrated by the performance of the economy in the deep recession year of 1974. In that year, productivity was down approximately 3 percent and the result was double-digit inflation.

The 1980 Economic Report of the President indicates that American productivity has lagged since World War II and in 1979 the rate of growth actually showed an overall decline. This poor performance has allowed other industrialized nations in the free world to pass the United States in rate of annual growth of gross national product. The United States now ranks behind, Japan, Germany, France, the United Kingdom, Italy, and Canada in output per worker.

This indicates to me that if the United States is to get a handle on inflation we must attack the problem from two fronts. First and foremost, there can be no substitute for a legitimately balanced Federal budget and a limitation on Federal spending and growth of Government. This is not to say we need a budget which is balanced by raising taxes as the President proposes, but rather that steps must be taken to restrict spending to a fixed percentage of gross national product.

Second, America must achieve productivity gains if we are to see an end to escalating prices. To facilitate an improvement in output, I believe it is imperative that Congress acts immediately to adopt the Capital Cost Recovery Act. This measure would eliminate the antiquated "useful life" method of depreciating capital assets and would provide for accelerated recovery of capital investments.

By utilizing this system, the private sector would recover the cost of investments more quickly, thereby providing a greater source of funds for expansion and modernization. Several of our major competitors around the world have already acted to implement such a system.

It has been estimated that the Capital Cost Recovery Act would create as many as 1.2 million new jobs over a 5-year period. The prime sponsors of this bill, Representatives JONES and CONABLE also estimate that much of the loss in tax revenues from this measure would be offset by the increased business activity which will be generated.

Congress can also contribute to an increase in the growth rate of GNP by dismantling the many unnecessary Federal regulations which cost billions and contribute nothing to the growth of the economy. This Nation became great because of a reliance on the free enterprise system. We cannot allow burdensome regulations to destroy this system.

The solution to our economic problems are contained herein and I would urge my colleagues to consider the gravity of this situation and act positively on these measures.●

● Mr. RHODES. Mr. Speaker, I am pleased to join my colleagues in the House to put in a good word for the free enterprise system, which is the target of a radical-inspired, so-called Big Business Day. This attack on our business community is a classic example of economic illiteracy.

The cry that "bigness is bad" long has been the centerpiece of dissidents, the Naderites and others of their ilk. It is ludicrous that their proposed remedy for the alleged ill conduct of business is big government. Bigness in government is OK with them, but in business it is an anathema.

No people on this Earth enjoy the cornucopia of goods that Americans have available. More people have the wherewithal to buy more goods than in any other country. Our grocery stores brim with foods from all over the world—preserved or shipped fresh by "big business" firms that offer Americans a wide variety of produce and products.

With the highest per capita ownership of automobiles of any nation on Earth, Americans can thank that old villain big business for bringing personal transportation within the reach of those who own the 130 million cars and trucks that roam our roads. And even today, an hour's work at factory wages will buy more gasoline than it would 10 or 20 years ago, again because of the ability of large firms to invest in highly productive refining facilities.

I note that among the sponsors of this vendetta against free enterprise are leaders of big labor. It is quixotic in the extreme for those to purport to represent America's working men and women, to join in a broadside against the firms that provide millions of good-paying jobs. If they succeed in destroying our productive industrial economy, where are their members going to work? They do not pay much overtime on the WPA.

Certainly, the business community has its share of problems, and is far from perfect. But in the main it has done its job very well, bringing within the buying power of millions of our people the greatest treasure of products any civilization ever had at its disposal.

The late, great Winston Churchill once wrote:

> Some people regard private enterprise as a predatory tiger to be shot. Others look at it as a cow they can milk. Not enough people see it as a healthy horse pulling a sturdy wagon.

I am afraid that the participants in Big Business Day are trying to hang the horse, mistaking it for an ogre in their myopic distorted view of our unmatched American economy.

As Calvin Coolidge said "The business of America is business" and it will continue to be so, as long as our companies continue to make it possible for our citizens to have the life style they want at prices they can pay. Business will still be serving the people long after the economic malcontents have put away their peashooters and embarked on some other tangential self-proclaimed crusade.●

● Mr. CAMPBELL. Mr. Speaker, Big Business Day, brought to us by Ralph Nader and big labor, seems to be somewhat of a bust—as well it should.

This so-called day of education and action to expose alleged abuses of corporate power in America is really nothing more than an attack on the whole free enterprise system, big and small business alike. Its keystone, the Corporate Democracy Act, would mandate Federal standards of corporate behavior and misguidedly transfer control of private resources to people whose interests and goals may be in conflict with the owners.

The fact is that the American corporation is an essential part of an economic system that has yielded enormous benefits to the American people. Instead of promoting further public sector control, we should be emphasizing government encouragement of private sector investment.

And I think the people realize that. I was interested and encouraged that, when polled on tax relief, the majority of my constituency chose targeted tax cuts to provide incentives for savings, investment and business modernization—55 percent of the people of South Carolina's Fourth District chose tax incentives to produce these desired results while only 36 percent chose the more obvious across-the-board tax cuts for everyone.

My constituents realize what this Congress must realize: That zero growth or low growth means only less prosperity, less opportunity, less of a chance to take part in the American dream. No growth policies of the kind advocated by the Ralph Naders of this world not only guarantee a bleak economic future for all Americans in the 1980's, but they would raise new obstacles to advancement for the most disadvantaged among us.

The decade-long antibusiness crusade planned by Big Business Day sponsors will not work. The American people will reject this effort to tear down the free enterprise system which has provided the economic foundations for our prosperity, democracy, and freedom under law.●

● Mr. SHELBY. Mr. Speaker, the prospect of Ralph Nader aiming his guns at the American business community is truly a case of the pot calling the kettle black. Mr. Nader wants to highlight the evils of bigness—the alleged insensitivity to employees' health and welfare, the so-called callousness toward environmental concerns, the much-touted growth at all costs dogma—when it is Mr. Nader and his raiders themselves who, through their holier-than-thou environmental, health, and safety standards have engendered such a weighty mass of Federal regulations that the American business sector is fast losing its competitive foothold—which means jobs for American workers.

The steel industry is a prime example. Can Mr. Nader point the finger at an industry suffering from corporate writeoffs for one company alone of $800 million in one quarter due to plant closings, from an industry-wide bill of $6 billion just through 1978 to begin to comply with environmental standards and from job losses running at 100,000 currently and feel no pangs of guilt? The fact of the matter is that Mr. Nader is the steel industry's prime affliction: he has already succeeded in slowing growth to a snail's pace, costing hundreds of thousands of jobs and individual futures. Is not his insensitivity to these realities akin to the callousness which he accuses the American corporate community of showing toward their employees and society at large?

Were the steel, auto, rubber, and countless other industries not being bled to death by a nonproductive cash outflow to meet Federal regulatory requirements, those corporate dollars could be rehabilitating steel mills to compete with Japanese production costs, retooling auto assembly lines to remain viable in today's fuel-conscious market, switching product lines to meet the demands of today's economy-minded buyers—all the while maintaining and creating jobs for American workers, infusing small towns with disposable cash spent in service industries, buying parts and products from small feeder industries. In other words, the economic chain would not be rusting and falling apart.

What America needs today is not to see a black cloud hanging over the corporate boardrooms. American morale is at all an alltime low. Few people believe our elected officials can put off doomsday for long. If corporate America is also irrevocably besmirched in the American people's minds, I seriously question whether—without any guideposts to follow—our country can shake itself out of the gloom with which it is gripped. We cannot let a generation of potential leaders and innovative thinkers turn their backs on this society and choose against service to their country, whether in uniform, in elected office, or in the corporate boardroom. We need to rally around big business America—to champion their cause before the regulators and the legislators—to breathe life back into the American economic system to sustain us through and out of these gloomy times.

Ralph Nader's troops are not big enough or wealthy enough to provide a livelihood for the thousands of out-of-work steel, auto, and rubber workers. Maybe he had better rethink his premise and help us get America growing again.●

● Mr. BALDUS. Mr. Speaker, today, April 17, 1980, has been dubbed Big Business Day by its founders, who promise that, unlike forerunners such as 1978's "Sun Day" and 1979's "Oil Day," Big Business Day is only the beginning of ongoing education and action to make corporate enterprise in America more accountable to the community, to their stockholders, to their employees and customers, and also to environmental concerns.

Whether or not Big Business Day does, in fact, distinguish itself from other "days" before it, it seems to me to be an appropriate occasion to point to the unfair assumption these days that the term "business" in and of itself means big business.

I think that it is important to note that there is a difference between the term "business" and the term "big business." Too often, the words "business" and "businessmen" conjure up only images of Wall Street, the stock market, men in three-piece suits, and corporate board rooms. The truth of the matter is that the bulk of the Nation's business is not carried on on Wall Street, but rather, in small towns like those in the Third District of Wisconsin which I represent. These businesses are not run by corporate boards but rather by storekeepers, service men, farmers, and salespeople.

The small businesses which make up the bulk of all the Nation's business are a far cry from the huge conglomerate's concern about which has prompted big business day. These men and women know that success depends on hard work and personal dedication to each business task. They know they must be acutely tuned to the needs and desires of their community members or they are unlikely to stay in business for long. The men and women who run small businesses, not only in the Third District of Wisconsin, but nationwide, know that gaining a reputation for quality and service is the only way in which they can hope to see their small business survive.

It is businesses such as these—not huge conglomerates which support not only the American way of life, but the American economy as well. Consider these facts:

Small businesses account for 58 percent of all business employment according to SBA statistics. Between 1969 and 1976, 6 out of 9 million new jobs were created by small- and medium-sized businesses with virtually no increase in employment over that period among the 1,000 largest U.S. corporations. Most of the other 3 million new jobs were created by State and local governments. Small companies produce nearly three times the level of tax revenues as a percentage as do large companies, and if the Federal share of the gross national product is subtracted it is seen that small businesses account for over 43 percent of the Nation's goods and services. In addition, small businesses are still the principal source of innovation in the United States as they have been since World War II. A recent survey by the National Science Foundation shows that small firms produce about 4 times as many innovations per research and development dollar as medium-sized firms, and about 24 times as many innovations as the large firms.

It would seem to follow that small business would be given high priority, then, by the Federal Government in conducting economic policies. Unfortunately, the reverse has been true. It is small business that suffers most in times like these of high interest rates and soaring inflation. And, it is thousands of small businesses that go bankrupt every year while thousands of taxpayer dollars go to their less productive Wall Street counterparts.

I am personally strongly committed to the belief that the small business sector is essential to our Nation's economic strength and to the maintenance of an innovative and competitive American business community. I believe that we, in Congress, should use Big Business Day as an opportunity to reflect on the tremendous contribution that the small business community has, and continues to make, to our Nation's economy, and to examine ways in which we can encourage and strengthen the potential of small business. No other country in the world offers so much opportunity—opportunity which is the core of the American way for which we can be extremely thankful. However, this opportunity is being threatened by the economic obstacles it is presently facing.

I believe that it is important to remember that Wall Street and Main Street should not be lumped together and discussed and treated as if they were one and the same. If it accomplishes nothing else, I hope Big Business Day will be said to be productive in that it will remind us that our Nation will grow and prosper if small business is helped to grow and prosper.●

● Mr. GLICKMAN. Mr. Speaker, I would like to take this opportunity to commend my colleague and friend from Kansas, Mr. WHITTAKER, for arranging this time this afternoon to remind the House and the American public of the importance of our free enterprise system. There is no question about it: free enterprise has served this Nation well. That system has enabled us to be the world's predominant democracy and the world's technological leader.

Our economic system and our form of government are closely intertwined. Freedom is the basis of both and losing the freedom of one would inevitably lead to relinquishing the other. None of us are willing to let that happen.

But we do need to remind ourselves of the importance of our free enterprise system at a time like this when it is under tremendous strain, when our economy is in a dismal state. Yes, the Government must formulate policies that will effectively pull us out of the inflationary spiral we are confronting, but the answer is not to do so without regard to the private sector. Such an approach would not only be inadequate, it would also be counterproductive. After all, our economy is based on the private sector, and decisions will have to be made there as well if we are serious about turning things around.

Together, the Government and the

private sector can turn around our economy back onto the right track. Cooperation, not confrontation is the way to go.●

● Mr. WINN. Mr. Speaker, today we are celebrating the contributions of business. Certain groups appear to be opposed to them. I, on the other hand, am in favor of them.

The free enterprise system is the backbone of the American economy. American businesses—large and small—have provided the initiative and the dedication that have made this country what it is today. Unfortunately, there is one problem. Certain groups seem to believe that business does not act in the best interest of the American people and, for that reason, ought to be "controlled." I say baloney.

This Nation was founded on the very idea of the free enterprise system. According to a recent study, the majority of Americans believe that regulation is hindering the economic growth of this country. The hands of business are tied by the burden of overregulation. Businesses cannot grow—indeed, the economy cannot grow—if Government regulation continues at its nonstop pace.

We are in the midst of difficult economic times. We simply must encourage growth. Our most important asset—the business community—will not be able to provide us with those things we have come to expect if we do not allow the system to work to its full capacity. I cannot believe some of these liberal groups in their cry-baby approach to business by demanding more and more regulation. Where do they get their information? The people of this country do not want it.

The burden of Federal overregulation on business is staggering. I am not just talking about one segment of the business community. I strongly believe that big and small business are integrally related. They are both forces to be reckoned with. Overregulation is absolutely bringing these businesses to a halt.

According to some estimates, the cost of regulation was more than $102 billion last fiscal year. Most of that cost was incurred by the private sector. I cannot believe that these groups would like to see even more regulation. I do not believe that the American people are willing to put up with the additional cost.

Instead of slapping our businesses with more regulation, we should thank them for their contributions to this Nation. Where would we be without our communications industry, without our automobile industry? Many seem to forget that we need business for these things. Congress must pass laws to spur innovation and productivity. We must pass laws for tax relief and regulatory reform. We must show business that we appreciate those things to which we have all grown accustomed. After all, where would we be without employment? Where would we be without business?●

● Mr. LOTT. Mr. Speaker, I read a very sobering headline in yesterday's Washington Post. It stated:

> Industrial Output Plunges, Indicating Recession Is Under Way.

The ensuing article spelled out the depressing facts—the Ford Motor Co. will close its plant in New Jersey, profits of American corporations declined more sharply than expected late last year, the slump in the Nation's factory output became far more widespread last month than in previous months, and homebuilding retail sales fell once again. To these pieces of bad news we can add that many of our constituents are out of work, inflation is on the rampage, and there is no money to be borrowed.

With this dreary outlook, where do we turn? To the Federal Government to solve our problems? I think not. In fact, I join many Americans who believe the Government has done quite enough, more than it should. We have been looking for the answers in all the wrong places.

The force that made this Nation great was the free enterprise system. Under it, we have enjoyed unimagined productivity. We have made undreamed of technological advances. We have created a standard of living for Americans that is unrivaled. However, as the facts I have just cited reveal, all of these blessings might be coming to an end if we do not get our economy back on the right track.

To do so, we must remove the burdens under which private enterprise now labors. We must take a closer look at Federal regulations and eliminate those that are counterproductive. We must make substantial reductions in Federal spending To stimulate productivity, we must cut taxes.

To emphasize these goals that are so central to our economic recovery, my colleague, Hon. PHIL GRAMM, and I have today introduced a concurrent resolution, authored in the Senate by Senator HELMS and Senator BOREN. This resolution expresses the concerns I have outspending. To stimulate productivity, we must go if we are to deal effectively with them

There are those who say that "big business" has been bad for America. The way I see it, business has been good for America. Let us give it a chance to be that way again.●

● Mr. KEMP. Mr. Speaker, "A rising tide lifts all boats." I believe that with this epigram President John F. Kennedy captured something essential, something hopeful and buoyant in the American spirit. I like it especially for its recognition of our underlying unity of interest. When the country's economy grows in terms of opportunities, employment, and production, all people can get ahead and enjoy the sense of boundlessness.

But it becomes almost "dog eat dog" in a contracting economy. Competing groups struggle over pieces of the shrinking economic pie. Social and regional tensions flourish. Bumper stickers in the South say "Freeze a Yankee," while some northern politicians kid themselves into thinking that the stagnation in their States is caused by too much economic growth and prosperity in the South and West.

Now I am certain that the American people want real economic growth—and believe that they can have it. That is why I am not so worried about the "limits-to-growth" ideology of Ralph Nadar and his associates. What does worry me, though, is what we will choose as our strategy for growth.

The Keynesian economists who are now forming our economic policy aren't opposed to growth. No, they are just opposed to growth right now. The economy is overheated, there is too much demand, we must slow down before we can speed up again. We need—though they may not say this—some unemployment, some sobering hard times.

In other words, the economy is in a mess because workers are working too much, consumers are consuming too much, producers are producing too much. We hear laments that the American character has somehow changed. The American people are not saving anymore. Their productivity is declining. They are living relentlessly for today, giving no thought to the future, while foreign competitors seize American customers and American economic predominance for themselves.

I believe, and I know the American people believe, that this is nonsense. People have not stopped wanting to improve their own lives, and the lives of their children. They have not stopped responding to economic incentives. The incentives themselves have been destroyed.

The central problem of our time is the combination, the collision of inflation and the progressive Federal tax system. Progressivity in tax rates by itself discourages us from increasing our productive efforts as individuals and businesses, because the system progressively reduces the reward for our efforts. But when combined with inflation these progressive tax rates become intolerable. For even as inflation saps our ability to save for the future, to invest in our future, it lifts us into higher progressive tax brackets that smother our incentive to work and produce.

Inflation has also rendered the historic cost accounting system on which our business taxes are based irrelevant, and saving for expansion futile. And inflation has collided with the progressivity of the gift, inheritance, and capital gains tax rates in a destructive fashion, again robbing individuals of the incentive to acquire a little wealth—or to build a business—they can pass on to their children. Price controls, such as those on oil, likewise act as a progressive tax when combined with inflation. When you add to all this an increasingly complex, often contradictory code of regulations, you can see how doing business has become more costly, more time consuming, and less rewarding.

The American people have not worked too much, consumed too much, wanted too much. They have been able to produce too little, because tax and regulatory policies have burdened and choked the creative energies, the immense productive capabilities, of the American people. We have destroyed incentives for employment, production, savings, investment, and individual initiative and we are getting less of each. The time has come to restore these incentives—and that is what the new economics "supply-side" economics, is all about.

But neither the idea that over- or underconsumption is our problem, nor the belief that we must dismantle the barriers to employment, production, and investment are really new. The supply-side economists are simply returning to the fundamental postulate of classical economics, the understanding that people can consume only as much value as they produce, and that "supply creates its own demand." Likewise, Keynes did not invent the idea that Government should spur consumption on. It is an old economic fallacy—indeed, the very fallacy that say, and other classical economists, set out to disprove.

In the spirit of "Growth Day," then I would like to urge my colleagues to read the following excerpt from an essay by my fellow radical, John Stuart Mill, "Of the Influence of Consumption on Production." And let us take to heart his plea to all legislators:

> The legislator, therefore, needs not give himself any concern about consumption. There will always be consumption for everything which can be produced, until the wants of all who possess the means of producing are completely satisfied, and then production will not increase any farther. The legislator has to look solely to two points: that no obstacle shall exist to prevent those who have the means of producing, from employing those means as they find most for their interest; and that those who have not at present the means of producing, to the extent of their desire to consume, shall have every facility afforded to their acquiring the means that, becoming producers, they may be enabled to consume.

OF THE INFLUENCE OF CONSUMPTION ON PRODUCTION

(By John Stuart Mill)

Before the appearance of those great writers whose discoveries have given to political economy its present comparatively scientific character, the ideas universally entertained both by theorists and by practical men, on the causes of national wealth, were grounded upon certain general views, which almost all who have given any considerable attention to the subject now justly hold to be completely erroneous.

Among the mistakes which were most pernicious in their direct consequences, and tended in the greatest degree to prevent a just conception of the objects of the science, or of the test to be applied to the solution of the questions which it presents was the immense importance attached to consumption. The great end of legislation in matters of national wealth, according to the prevalent opinion, was to create consumers. A great and rapid consumption was what the producers, of all classes and denominations, wanted, to enrich themselves and the country. This object, under the varying names of an extensive demand, a brisk circulation, a great expenditure of money, and sometimes totidem verbis a large consumption, was conceived to be the great condition of prosperity.

It is not necessary, in the present state of the science, to contest this doctrine in the most flagrantly absurd of its forms or of its applications. The utility of a large government expenditure, for the purpose of encouraging industry, is no longer maintained. Taxes are not now esteemed to be "like the dews of heaven, which return again in prolific showers." It is no longer supposed that you benefit the producer by taking his money, provided you give it to him again in exchange for his goods. There is nothing which impresses a person of reflection with a stronger sense of the shallowness of the political reasonings of the last two centuries, than the general reception so long given to a doctrine which, if it proves anything, proves that the more you take from the pockets of the people to spend on your own pleasures, the richer they grow; that the man who steals money out of a shop, provided he expends it all again at the same shop, is a benefactor to the tradesman whom he robs, and that the same operation, repeated sufficiently often, would make the tradesman's fortune.

In opposition to these palpable absurdities, it was triumphantly established by political economists, that consumption never needs encouragement. All which is produced is already consumed, either for the purpose of reproduction or of enjoyment. The person who saves his income is no less a consumer than he who spends it: he consumes it in a different way; it supplies food and clothing to be consumed, tools and materials to be used, by productive labourers. Consumption, therefore, already takes place to the greatest extent which the amount of production admits of; but, of the two kinds of consumption, reproductive and unproductive, the former alone adds to the national wealth, the latter impairs it. What is consumed for mere enjoyment, is gone; what is consumed for reproduction, leaves commodities of equal value, commonly with the addition of a profit. The usual effect of the attempts of government to encourage consumption, is merely to prevent saving; that is, to promote unproductive consumption at the expense of reproductive, and diminish the national wealth by the very means which were intended to increase it.

What a country wants to make it richer, is never consumption, but production. Where there is the latter, we may be sure that there is no want of the former. To produce, implies that the producer desires to consume; why else should he give himself useless labour? He may not wish to consume what he himself produces, but his motive for producing and selling is the desire to buy. Therefore, if the producers generally produce and sell more and more, they certainly also buy more and more. Each may not want more of what he himself produces, but each wants more of what some other produces; and, by producing what the other wants, hopes to obtain what the other produces. There will never, therefore, be a greater quantity produced, of commodities in general, than there are consumers for. But there may be, and always are, abundance of persons who have the inclination to become consumers of some commodity, but are unable to satisfy their wish, because they have not the means of producing either that, or anything to give in exchange for it. The legislator, therefore, needs not give himself any concern about consumption. There will always be consumption for everything which can be produced, until the wants of all who possess the means of producing are completely satisfied, and then production will not increase any farther. The legislator has to look solely to two points: that no obstacle shall exist to prevent those who have the means of producing, from employing those means as they find most for their interest; and that those who have not at present the means of producing, to the extent of their desire to consume, shall have every facility afforded to their acquiring the means, that, becoming producers, they may be enabled to consume.●

● Mr. SEBELIUS. Mr. Speaker, first, let me say that I am happy to join with my colleague from Kansas, BOB WHITTAKER in today's special order in recognizing the importance of our private enterprise system. Every time I hear someone say our economic system is failing, I stop and think—more people under private enterprise have a wider variety of goods and services in use than ever before which, in turn, produces a better quality of life. How are we able to provide these things? The principles are simple. Every nation has people, land, and resources. An economy is set up by deciding what goods and services the people, land, and resources should produce, how they should be produced, and for whom. The decisions of what will be produced, how, and for whom under the private enterprise system are left up to the people in the marketplace—you and me, consumers all. Our system allows producers to compete for customers. This competition can keep prices down so more people can afford a better way of life. It also balances supply with demand. This competition and the need to balance supply with demand fosters a constant drive for new products and better ways of doing things which further improve our standard of living. Private and free enterprise's most important contribution to our Nation is individual freedom. We can choose our own careers, where we want to work, and for whom. We can make our own decisions on how to make a profit or earn a wage and what to do with it when we have earned it.

You give up these individual freedoms, when you let government take over the decisions of what, how, and for whom goods and services should be produced.

I would like to interject a note about small businesses at this point. Government has created an increasingly hostile climate for the small businessman. Many pieces of normally well-intentioned legislation have produced severe strains on small business. The unit cost of complying with various—and many ambiguous—regulations is often much higher for a small firm. Many times the small businessman finds that, indeed, the cost is too high. It prevents him from making a profit and without profits he is forced to close his business.

Somewhere along the line, the word profit gained a bad reputation. Profit is defined as what's left over from the cost of doing business. It is the reason anyone starts a business. And what is profit's function? Simply, profit is what creates jobs, brings higher wages and increased benefits for a company's workers. When a company loses money it goes out of business sooner or later. Then everyone loses—the owner, the employee, and the Government who collects its taxes from both of these sources.

I would like to close this statement with a quote from Calvin Collidge who said, "the business of America is business." It was true in 1925 when he said it and it is true today. For without business and our private enterprise system and the profits they produce our Government could not provide the services that the American people demand.●

GENERAL LEAVE

Mr. WHITTAKER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kansas?

There was no objection.

THE AGRICULTURAL CRISIS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from South Dakota (Mr. Daschle) is recognized for 60 minutes.

GENERAL LEAVE

Mr. DASCHLE. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from South Dakota?

There was no objection.

Mr. DASCHLE. Mr. Speaker, "Farmers Cannot Afford To Plant, or Not To Plant" was a headline in one of the newspapers in my district. This headline, in nine simple words, summed up the frustration and futility that many farmers and ranchers nationwide are experiencing as they look into the 1980 crop year. They know they are facing a no-win situation, with disastrously low market prices and spiraling cost of production inputs. It is my hope, through this special order I have arranged today, that both my farm State colleagues, as well as our colleagues representing urban districts, will join with me in highlighting this problem that is having such a drastic impact on our Nation's most productive industry, agriculture.

Mr. Speaker, my office has been deluged over the past couple of months with letters and telephone calls from South Dakota farmers and ranchers who are asking why their Government is not responding to their cries for assistance and is treating them like second class citizens. They are asking why, in light of the disastrously depressed prices, the administration's promise that all Americans would share the burden of the embargo equally has not been kept. They ask how they can continue to be the most efficient producers in the country when they are continually being asked to produce agricultural products below the cost of production.

Much of this correspondence that I have received has gone right to the center of the problem—farm income has taken a back seat to the increases in production costs. One producer who has been a family farmer for nearly 30 years in Lincoln County, S. Dak., opened his records to me in an attempt to show what has happened to the family farming operation. Ron Eiesland, of Canton, S. Dak., provided me with the following cost of production and income figures which tell the entire story of the plight of the agriculture sector:

Item	1970 cost	1974 cost	Apr. 28, 1980, cost
Anhydrous ammonia (per ton)	$64.50	$140	$244
6-26-25 dry fertilizer,(per ton)	$66.50	$80	$221
Diesel fuel (per gallon)	$0.164	$0.34	$1.05
Seed corn (per bag)	$23	$27.50	$52
Interest rate (percent)	8	8	20

Below are the prices received for our grain in those same years:

Corn (per bushel)	$1.20	$2.40	$1.82
Soybeans (per bushel)	2.75	5.75	4.98

Mr. Speaker, there are not many businesses I am aware of who can receive less and pay out more in increasing production costs and still be in operation year after year. Unfortunately for all of us, as a result of this cost-price squeeze, that future is becoming more and more uncertain each year.

Many of my colleagues might be asking how a person can continually produce at a loss and still remain in the business of producing agricultural products. The answer is simple—they are living and operating on borrowed capital against their artificially inflated land.

This increase in indebtedness is beginning to take its toll, Mr. Speaker. Russell L. Stone, vice president of the First Bank Gettysburg, in Gettysburg, S. Dak., wrote to me to illustrate the debt load increase of three of his clients.

TOTAL LIABILITIES

	Farmer A (purebred cattle, age 44)	Farmer B (grain and livestock age 50)	Farmer C (grain and livestock, age 49)
1974	$19,410	$93,315	$167,335
1975	35,330	82,951	187,565
1976	35,480	89,226	259,807
1977	103,173	181,773	361,797
1978	143,611	265,282	464,339
1979	314,676	324,362	530,944
1980	383,813	417,577	537,147

Following the embargo, the administration gave a commitment to the American farmer that they would not have to carry the entire burden of the embargo themselves, that all segments of the economy would share the burden equally. Despite the fact that the Carter administration has done more than any other administration following previous embargos, the facts of the situation dictate that much more needs to be done, Mr. Speaker.

First of all, because farmers rely to a great extent on borrowed capital to finance their annual operations, immediate attention must be focused on the excessive interest rates charged for agricultural production loans. Farmers cannot be expected to produce at a loss, and then have to pay 20-percent interest to subsidize that loss. The Federal Reserve must turn its attention immediately to the stranglehold they currently have on the agicultural economy.

Second, we have the most productive agricultural industry in the world with our Nation's family farmers and ranchers. To expect them to produce less than the cost of production, as Ron Eiesland described in his letter to me, year after year is impossible. Because the administration has been reluctant to take the steps necessary to shore up agricultural prices, it is up to the Congress to do so.

This body should give its immediate attention to H.R. 6815, legislation introduced by the distinguished chairman of the House Agriculture Subcommittee on Livestock and Grains, Mr. Rose, and which I cosponsored, which would increase the price support loans on all commodities to 65 percent of parity. Which would translate to $4.07 for wheat and $2.82 for corn. It is an incredible slap in the face to expect producers to exist with a $2.50 loan rate on wheat and $2.10 on corn, when grain producers in my district are producing grain at a loss of between 70 cents to $1 a bushel.

Third, the President's recent decision to place a 10-cent-a-gallon tax on gasoline adds another cost factor onto a balance sheet that is already bloated with liabilities. Farmers traditionally use a great amount of fuel off the road in the production of agricultural products. Because of this heavy dependence of fuel for agricultural production, under normal circumstances, farmers are exempt from paying the Federal excise tax on fuel. However, the President's move is not an increase in the excise tax, but rather an import fee. I have introduced H.R. 7043 which would provide for a rebate of the 10-cent-a-gallon fee for agricultural production, Mr. Speaker, and I would urge immediate consideration for this legislation aimed at rectifying this complication resulting from the President's decision.

In addition, the House Agriculture Committee has given its approval to legislation which would address the question of loan levels during embargo situations. Because the current law limits the 90 percent of parity loan level increase to embargoes for reasons of short supply, the loan levels following the January 4 embargo were not raised to 90 percent of parity, and as a result, the markets continued on a downward spiral.

This legislation would continue the 90 percent of parity loan rate level during embargoes for reasons of short supply, and would direct the Secretary of Agriculture to set the loan level for other embargoes at the average market price 15 days prior to the embargo. With this legislation, Mr. Speaker, we would be supporting the commodity prices at the market levels at the time of the embargo, preventing them from falling disastrously as they did following the January 4 embargo.

Finally, Mr. Speaker, I have joined with my distinguished colleagues on the Agriculture Committee, Mr. English and Mr. Glickman, in calling for an investigation of the Department's handling of the embargo situation. When the problems of the embargo could have been averted with strong action on the part of the administration, it was disappointing to see announcements and counter-announcements being made at every turn of the policymaking process. When one simple increase in loan rates could have averted most of the problems encountered as a result of the embargo, the amazement expressed by farmers and ranchers at the constantly changing programs was predicted.

Mr. Speaker, many of us taking the floor today do so to reflect the same frustration being felt by our farming and ranching constituents. They cannot understand why their Government perpetuates a policy that is bent on driving them from their farms. This administration is following the same misguided policies previous administrations have followed. Mr. Speaker, consumers from urban areas, in my opinion, are willing to pay more for their foodstuffs to insure the survival of the family farmers and ranchers, for they have the realization of the chaos that will result if this decline of family farmers is not halted.

Mr. Speaker, the Congress must take the lead and move ahead with a positive agricultural policy aimed at turning around the current economic crisis in the agricultural sector.

Mr. SHARP. Mr. Speaker, will the gentleman yield?

Mr. DASCHLE. I am very happy to yield to the gentleman from Indiana.

Mr. SHARP. I thank the gentleman for yielding. I am very happy to join the gentleman, who I think brings the story to the front that must be told. We must bring this story to our colleagues who do not represent farming areas, because it is quite serious.

I have met with several different groups in my district in the last couple of weeks. Just last Thursday on the sidewalk a number of men and women who are out there trying to make it this year in farming cornered me to make it clear to me just how serious the situation is. I think it is important to tell their story and for others in this country to understand it. As we have pointed out in very specific ways, our farmers this year are facing major increases in their costs, especially in energy and especially in interest rates. They simply cannot look ahead to see prices that they are going to get for their products to be able to cover those costs and stay in the black.

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We have seen a drop in the prices for corn and other grain since the embargo, and there does not seem to be a lot in sight in terms of improvement upon which they can count, upon which their bankers can count to make it worth investing in a solid crop this year. I think it is imperative that more people in this country appreciate something called productivity on the farm. We hear a lot about the need to increase productivity in this country as part of our effort to solve the general inflation question but one of our most productive and one of our most efficient sectors, that sector getting the best productivity, is in agriculture. It is precisely that productivity that has made us such competitors internationally in the sale of our grain. What must be understood by other Americans who are outside of farming is that we have to make those sales abroad, not just for the well-being of our farm communities, we must make those sales abroad in order to pay for the oil that runs our factories and runs our automobiles and heats our homes. If we are unable to vigorously export agricultural products and technological products, we are in a position where the dollar declines abroad and that adds to our inflationary problem as a whole. We all have a stake in the well-being of what happens on the farm.

The gentleman pointed out a number of very specific actions we need to take in Congress and that the administration needs to take. I think the gentleman is on the right track. I think we in Congress must bring this budget under control so we are not out there, so the Federal Government is not out there, borrowing so much money and thereby helping to push up the cost of interest.

Second, we have got to get the Federal Reserve, therefore, to ease off on the tight money policy so that we do not damage not only farming but the sale of automobiles, the building of homes and a whole lot of other economic activities. We have to make sure that the Farmers Home Administration carries out the program we just passed, the emergency loan program, in an efficient and effective manner because I believe we have an obligation in public service to give that kind of effective service. I am very disappointed when I hear complaints about officials in the Federal Government who cannot deliver on things we have passed here in Congress. I think as the gentleman points out, we must move more rapidly in this Congress to address legislatively some of the changes that are needed in the farm program.

Mr. Speaker, I want to commend the gentleman for taking this time today. Although we do not have a big crowd here on the House floor, and I wish we did, I hope they will see this in the CONGRESSIONAL RECORD and I hope if we keep plugging away we will get that message across. I know the Representatives from the farm areas are hearing similar kinds of things and we cannot ignore it.

One of the surest ways for American people to pay more for food in the future is failure to have an efficient agriculture community. If we let that slip away from us we will pay through the nose.

Mr. Speaker, the following is taken from Farm Facts and Figures 1980 provided by some Randolph County farmers, in the 10th Congressional District of Indiana:

Farm Facts and Figures 1980

3.6% of the United States population is engaged in farming.

7% of the Indiana population is engaged in farming.

The average U.S. farmer feeds himself and 61 other people.

The average Indiana farmer feeds himself and 124 other people.

16% of the average take home pay is spent on food as compared to 26% in 1950. In Russia and some other countries it is as much as 88%.

42% of all the jobs in the United States are directly related to Agriculture.

There is 4 cents worth of corn in a $1.19 box of corn flakes.

Nine out of 10 Indiana farms are family farms.

0.1% of Indiana farms are corporate farms.

Indiana ranks 38th in land size as compared to other states, but rates 8th in agricultural production.

$1 out of $3 of Indiana agriculture is exported.

The average age of the Indiana farmer is 50.4. It was 53.1 in 1970.

If Indiana's agricultural production increases by $1,000, total economic activity in the state will increase by $1,645.

When agricultural production increases by $1,000, non-farm families can expect a total income increase of $710, thanks to agriculture's far-reaching influence on the state's economy.

10 cents/gallon proposed tax on gas to reduce consumption we can't reduce. Agriculture uses 3.5 billion gallons (less than 4% of total) and so this is simply taking $350 million from farmers.

Agricultural borrowing increased by over 15% last year despite high interest rates and tight credit conditions (3rd straight year).

The marketing spread, the difference between what farmers receive and consumers pay for food, widened by 12% during 1979, the largest increase in 5 years.

There is another way to look at food costs. You can calculate the time spent by workers to earn the retail value of food products in certain world capitals. In 1979, it required an hour and 6 minutes of work to buy one kilogram of boneless sirloin steak in Washington, D.C. In contrast, it took almost 3 times that in England—3 hours and 5 minutes. In Tokyo, it required 7 hours and 20 minutes.

—1979 U.S. Food Price Index.

Mr. DASCHLE. Mr. Speaker, I want to commend the gentleman from Indiana (Mr. SHARP) for his contribution to this special order. The gentleman's remarks were exactly on target, especially those he related to productivity.

Last year productivity in the United States for the first time in many, many years declined. It is not a secret that agricultural productivity last year slowed dramatically. I think there is a direct relationship between the fact that agricultural productivity is declining in this country for the first time and national productivity is showing a negative balance. This year, as the eminent economist Barry Bosworth said yesterday, we look to a continued decline in productivity, not only because of the problems we see in the economic stagnation of the private sector outside of agriculture but because we are seeing economic devastation in agriculture unlike any we have witnessed for decades. These problems guarantee our continued decline in productivity.

I think the gentleman from Indiana was very incisive. I appreciate it very much.

Mr. BEREUTER. Mr. Speaker, will the gentleman yield?

Mr. DASCHLE. I will be happy to yield to the gentleman from Nebraska.

Mr. BEREUTER. Mr. Speaker, I want to thank my colleague and neighbor from South Dakota (Mr. DASCHLE) for requesting this time, requesting that the time be set aside in order that we might call attention to the severe problems many ranchers and farmers are facing throughout the Midwest and Great Plains area.

I, too, am hearing the same kind of concerns expressed to me daily, routinely by my constituents as expressed by the gentleman from Indiana and the gentleman from South Dakota. I do also want to specifically endorse the recommendations brought to us by the gentleman from South Dakota concerning needed legislative action. Action should be taken immediately.

Today I would like to concentrate on one specific area of concern, farm credit, and give some detailed examples as to why we have a problem. I then hope my colleagues, others in the Congress and especially in the administration will notice and will take action.

Notwithstanding those actions taken previously by this Government, the current farm credit situation is the worst facing the Nation's farmers in at least 30 years. High interest rates, high costs, slowness of transportation, lack of market, low support payments and low market prices have now combined to push many American farmers to the brink of ruin.

While Congress has recently enacted legislation and the President signed legislation authorizing $2 billion in economic emergency loans for farmers who cannot get farm credit through normal commercial or cooperative sources, it was not enough to plug the dike of potential farm failures. My State of Nebraska was severely hit by the credit crunch and received $44.7 million of the $1 billion initially appropriated. These funds will be depleted in 2 or 3 weeks in my State. There are still pending applications for $15 million in loans. Obviously many farmers will be unable to secure loans this year and will have little luck finding loans elsewhere.

It is somewhat unclear to me why the administration has made the decision to hold back the additional $1 billion in emergency economic aid until the next fiscal year begins in October. Unless of course it has something to do with the general election being held in November. If that is the case I would just like to point out to the President that he is playing partisan politics with the lives of thousands of Americans involved in ranching, farming and agribusiness. I hope it is not and I do not think it is.

The USDA has projected a 25-percent loss in farm income for 1980. This comes at a time when inflation is running at 18 percent annually. Short-term Government financing and Farm Credit Administration financing is running from 12½ to 15 percent which translates into higher rates to the Farmers Home Administration and the Farm Credit Administration. Private lending sources, as the gentleman well knows, have raised from 15 to 20 percent at this time.

USDA's estimated cost of production for a bushel of corn today is $2.77. Yet this morning corn in one elevator, a typical elevator in Nebraska was selling at $2.15 a bushel. I have been informed by banking sources that if corn were selling at $2.65 a bushel, farmers could get most of the loans necessary.

Mr. Speaker, corn is most assuredly not at the price level it held prior to the President's embargo of grain shipments to the Soviet Union announced on January 4, 1980.

More recent action or rather inactions have underscored the problems facing the farmers. On April 10 the Washington Post reported an emergency meeting between administration officials and representatives of farm organizations. Administration officials decided that there was little more that Washington could do for the farmer but that they would monitor the situation closely.

The Federal Reserve Board Chairman, Paul Volcker, refused to invoke provisions of the 1969 Credit Control Act that would order banks to make loans available to farmers. Apparently the administration has plenty it can do to farmers but little it can do for them in times of dire economic crisis. At least this is the message that my constituents think they are hearing.

Mr. Speaker, I would say the administration has swapped the farmers with a grain embargo of questionable effectiveness, dragged its heels on transportation help to move grain, taxes farmers heavily to support other programs and then says, "Do not come to us for help when you need it."

According to a survey conducted by the Federal Reserve District in Kansas City, available to me just today, at least one-half of the banks responding to a survey are refusing loans and renewals and extensions are increasing. Extensions, incidentally, are 18 percent and up in rate.

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East central Nebraska is the hardest hit area in the six State Federal Reserve region. Loans cannot be obtained in amounts of less than under $25,000, and the interest rate is running at 17.5 percent for those loans. This, then, may force farmers to run up their bills so that they can obtain a loan, so that they can borrow over $25,000, thus driving them, of course, further into debt. The loan-to-deposit rate is currently averaging 73 percent, well over 67.5 percent in the Federal Reserve district as a whole.

The administration, with available powers and resources, would appear to be in a position to provide leadership at a time of economic crisis. It appears that the leadership role must fall on Congress' shoulders. We must meet the challenges and we must meet them now. The sowing and growing season is here.

I would like to say one other thing; that is, while we have a severe crisis in the farm community today and in the agricultural States, unless action is taken it will certainly be a far more critical situation this year, for without a set-aside program—and that is the administration's decision at this point—without that kind of diverse program we can expect to have bumper crops again at very low prices, so that very high interest rate loans that have been received will be very, very hard to meet next fall. The crisis is now, but it will become more severe unless Congress acts. That is why I am so pleased that the gentleman has taken this opportunity and invited us to participate to try and bring this to the attention of the Congress and the administration.

I thank the gentleman for this opportunity to contribute.

Mr. DASCHLE. Mr. Speaker, I thank the gentleman. I want to associate myself with the remarks that he made. Certainly he has eloquently pointed out the single most severe problem that our producers are facing today; that is, farm credit, not only the availability of farm credit but the tremendous cost our producers are paying.

The irony of the situation is not only that we are facing that problem today in every agricultural State, but the only panacea that the administration can point to in solving this problem is to provide them with more credit. Frankly, that is not the answer.

Mr. CAVANAUGH. Mr. Speaker, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Nebraska.

Mr. CAVANAUGH. I thank my friend from South Dakota for yielding and sharing some of his time with me, but also commend him for setting this time aside to discuss this most critical issue. I too would like to associate myself with my colleague from the other side of the aisle, the gentleman from Nebraska. We share the same State, and therefore we share the same concerns for the plight of the primary industry of our State, which is agriculture.

I think my friend from Nebraska quite correctly condemns the actions—or the inactions, the nonresponsiveness—of the administration to the plight that now does afflict American agriculture, and the inadequacy of this administration's responses. I would like to point out that the frustration and the fear and the despair that is now settling over South Dakota and Nebraska is one that is indeed bipartisan, as well it might be, because last week when I was home for the Easter recess the leading candidate for the Presidency of the other party, Mr. Reagan from California, stopped in the State to condemn the agricultural policies of the Carter administration; but then when asked what his farm program was, made the shattering admission that he had none. This admission followed upon his preceding admission in our neighboring State of Kansas that he did not understand one of the basic agricultural economic theories, parity, is a devastating indictment of both of our parties and a terrifying commentary on the leadership that this country is now experiencing with regard to addressing its agricultural problems.

I would like to bring to the attention of my friends, my friend from South Dakota and my colleague from Nebraska and this Congress, an insightful article that was carried in the New York Times entitled, "Farmers' Credit Squeeze." It very poignantly lays out both the facts and the circumstances in which farmers find themselves, and is based primarily on the experiences of some Nebraska farmers in and around Palmer, Nebr. It gives some of the devastating kinds of circumstances that they are now facing, and I quote:

> Nationally, total outstanding indebtedness of farmers, including mortgages on their land, reached $137.5 billion on Jan. 1, 1979, according to the Agriculture Department. That figure included $62.5 billion of loans not related to real estate, including $5.2 billion of low-interest government price-support loans on crops.

So, they have this tremendous indebtedness that at a minimum, if they are to continue to function, must mean continued access to credit just to roll over what their previous commitments have been if they are to remain in business. Yet, they face uncontrollable cost increases. Here is a commentary of a farmer who states what his dream was. Let me read this for my colleagues, because I think it makes a very personal statement, a very factual insight into the problem.

Mr. Forbes from Nebraska says:

> My dream is that one day I'll be able to retire with some dignity. Now I just don't know. Last year my fertilizer cost was $37,000. They tell me that will be up over 30 percent this year. I paid $40,000 in interest and that will be up 50 percent. Fuel costs also will be up 50 percent.

So, his dream of an optimistic retirement after many years of labor from dawn until dusk of vigorous and strenuous commitment to the land and to productivity, not only is that dream being threatened and shattered, but his very ability to survive on a day-to-day basis to get through this crop year, to have access to the kind of financing that is essential and then to have any prospect that the crop that he produces is going to bring an adequate return to pay and finance these fuel costs, these interest costs, and to allow him to survive.

That is the critical thing we are facing. My friend from South Dakota has emerged in a short time as probably the most eloquent and careful speaker on the problems confronting American agriculture. I join in his legislative solution because, as we become painfully aware, those of us who have been back to our States of Nebraska and South Dakota, the leadership is not being exerted by either the leadership of the Republican Party or of our own Democratic Party, and the fate of America's farmers does rest in this Congress. The gentleman from South Dakota is making a heroic effort to insure that that faith is not a devastating one and for that I commend him personally. I think that all farmers wish him well in the heroic struggle that he is waging in this Congress. I thank the gentleman.

Mr. DASCHLE. Mr. Speaker, I thank the gentleman from Nebraska, and a friend indeed, for what is as usual a very poignant and eloquent comment on the state of agriculture not only in Nebraska but in the entire Midwest. As he has often been capable of doing, he points out in human terms just exactly what impact these policies have. All too often, I think, in this body we find ourselves enraptured with statistics and facts that seem to be impersonal, and the gentleman from Nebraska has very clearly personalized the impact that the problem that we face today is having on the farmers in our States.

Mr. WATKINS. Mr. Speaker, will the gentleman yield?

Mr. DASCHLE. I yield to the gentleman from Oklahoma.

Mr. WATKINS. Mr. Speaker, I thank my colleague and friend from South Dakota, who definitely has emerged as a leader in supporting the farmers and agricultural people of this country, for his efforts. I commend him for the job he is doing. I will stand in support of bringing this out, and let the gentleman know that I stand willing to help him in any way, and ask him to assist me in some of the efforts I am making.

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Mr. Speaker, I would like to say also that while I was home in Oklahoma I learned something about our problems. Also being a Congressman who has a rural background and an agricultural background, having a very deep concern about the farmers and the cattle people of this country and, right before coming to Congress, having been a homebuilder, I know from personal experience exactly what high interest rates are doing to the overall declining markets of agriculture and also the purchasing power of the farmer, as well as many small businessmen of this country.

I would like to express further that one of the areas that I feel we must address, if we are going to get hold of this matter, is to bring the Federal Reserve Board into a sense of reality, a reality of understanding the problems and not continuing the same policy it has been following over many years of increasing the high interest rates to get hold of the economy.

Back in 1968 I was in the homebuilding business, and at that time high interest rates slowed down inflation but they stopped homebuilders right in their tracks. In 1973 I was still in the homebuilding business, and high interest rates came along again. They nearly destroyed the homebuilders, but they slowed down inflation.

Now in 1980 high interest rates have emerged again, and now they have gone from 14 to 15, 16, 17, 18, 19, to the 20-percent prime interest rate level while the Federal Reserve Board sat on its hands and did not consider any other area of the economy or the monetary system in trying to get hold of inflation.

Why? Why did it not do something else? Because they were using what had traditionally worked in the past and did not realize and did not take into consideration the undercurrents and the undergirding of consumer credit and investment credit.

The high interest rates, as I have said, which our farmers have had to pay, have all but destroyed our homebuilding industry. They have reached 20 percent, and they did not realize something has happened. The consumers have been paying 20 percent, and they were paying 18 percent right along. Yet they had never even touched it, and this is a factor they did not consider. That has slowed down this phase of the economy. It has destroyed the purchasers of farmland and caused the tumbling of land prices. You and I know that many of our farmers have had to finance over the last few years from their equity in land. If they do not have that equity there, many of them are not going to be able to continue in their support.

Mr. Speaker, I feel that the thing the Federal Reserve Board must do is to face reality and understand reality. On February 19, the Chairman of the Federal Reserve Board, Paul Volcker, came before the Subcommittee on Economic Stabilization on which I serve, a subcommittee under the Committee on Banking, Finance and Urban Affairs. I asked Chairman Volcker to give me a simple no or yes answer to this question: if the Federal Reserve Board had considered consumer credit as one of the inflationary problems. His answer was: "No."

Now, 10 days later it became one of the policies they followed. In March it became one of the policies of the Federal Reserve Board.

I have only two conclusions to draw from that: First, that the Chairman of the Federal Reserve Board lied to me, or they are stating that from the standpoint of the monetary policy of this country, although the Federal Reserve Board has the responsibility of overseeing the credit policies of the country and they have the responsibility of the interest rates of this country and the entire monetary policy, they have not addressed one of the major factors.

I think that we have to have a Federal Reserve Board down here that understands and starts searching and looking at overall monetary policy.

I am introducing a bill in order to try to get some people on the board who are knowledgeable and who would deal with realities. I am introducing a bill to lower the term of office of the Federal Reserve Board members from 14 years as an appointed term down to 7 years. I think then they will have a greater understanding and sensitivity concerning the needs of farmers and ranchers.

The bill would also state that three of these Federal Reserve Board members come from small financial institutions of not over $100 million in assets or from the agricultural or small business or home building communities of this Nation. It would provide that they not just come from the huge banks of this country or from the economic theorists who only know how to draw some charts.

Mr. Speaker to point up exactly what the gentleman was saying—and I deeply appreciate the fact that the gentleman from South Dakota (Mr. Daschle) has brought this to our attention—last year, less than a year ago, I brought a number of small agricultural bankers to Washington, D.C. They met with the Federal Reserve Board members, too, and one of the Federal Reserve Board members, Gov. Nancy Teeters, stated to these small rural bankers that what was wrong with the economy and why the the inflation rate is such a problem was that the farmers were getting rich.

I say to the Members that if they have that little knowledge about agriculture in this country—an essential commodity or an essential industry of this country—then I think we have got to get some way to get their attention and bring them back to reality.

I think maybe that requiring three of those board members come from the small working financial institutions of this country or from agriculture or small business will help us a great deal and help all the people of this country. The bill would also lower their term of office from 14 years to 7.

So, Mr. Speaker, I only want to say that I thank the gentleman from South Dakota (Mr. Daschle) for his efforts. I thank him for his conscience and his concern and dedication in trying to help the farmers across this country.

Mr. DASCHLE. Mr. Speaker, I thank the gentleman from Oklahoma (Mr. Watkins).

I am very impressed with the remarks made by the gentleman, especially in regard to the prospective legislation he is considering. I would certainly like to join with him in offering legislation of that kind.

I think it is a sad commentary on this country when the only means by which we can deal with the economy is to drive the entire country into the depths of recession. Yet that seems to be the course of action on which we base our policies today.

Mr. MARLENEE. Mr. Speaker, will the gentleman yield?

Mr. DASCHLE. I yield to the distinguished gentleman from Montana, who is an able member of the Committee on Agriculture.

Mr. MARLENEE. Mr. Speaker, I commend the gentleman from South Dakota (Mr. DASCHLE) for leading this drive to educate and enlighten our colleagues and the Nation to the severe difficulties which agriculture faces.

Farmers and ranchers in this Nation face one major problem—prices. The single most important factor that makes agriculture strong, and thus this Nation strong, is a return to agriculture over and above all costs of production. The cost-price squeeze of today is driving thousands of agricultural producers from the land. These are not only the young individuals just entering agricultural production, or those who have over-extended themselves creditwise, but solid established producers as well. We can talk about saving the family farm and use a variety of band-aid programs which drain the Treasury while trying to guarantee farm programs and maintain a cheap food policy, but return to investment and labor is the greatest single incentive.

This incentive is gone. While prices for almost all agricultural products have dropped drastically, especially since the Russian grain embargo, costs have soared. We recently passed a bill to increase target rates by 7 percent, yet fertilizer costs for this year are expected to be up a minimum of 10 percent; herbicides and insecticides up 20 percent; machinery prices up a minimum of 10 percent; energy up a minimum of 33 percent; and who can tell about the cost of money. How can agriculture survive with such trends? We in Congress, and the administration must do more to protect agricultural income if this country is to survive.

Interest rates have effectively removed a vast majority of farmers from working their land. Without funds for spring operations, owners are being forced to sell their land. In addition, interest rates have also driven agricultural prices down by forcing the liquidation of inventories.

Producing the crop is a major accomplishment, but getting it to market has become as much of a task.

Many of my colleagues have the same difficulties that face my State of Montana—high freight rates and poor or nonexistent service. Such problems must be overcome for the benefit of the producer, as well as the consumer.

What is needed are higher farm prices, lower interest rates, and a greater appreciation for the vital role of the farmer and rancher to a healthy economy. It is time we take the lid off, sell some wheat on the export market at a price that does contribute to a healthy economy.

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Mr. DASCHLE. Mr. Speaker, I want to thank the gentleman from Montana for his very eloquent remarks. Certainly he has fully recognized, in talking so well, all of the problems that his constituents in Montana face and, certainly, as a member of the Committee on Agriculture, he has done a commendable job in trying to impress upon the other members of that body the concerns that all of our people in agriculture face throughout the country.

Mr. Speaker, I think that as we close out this colloquy I have to state again that I have a fear, and that fear is that this country is facing a whole new chapter in its history in its agricultural economy and productivity. It is a chapter filled with pitfalls, the pitfalls of the past, the pitfalls that fail to recognize once again the seriousness which the agricultural community continues to face today, problems that deal with the cost of production, problems that deal with the availability and the cost of energy, problems that deal with the cost of the interest that they must pay and the money that they must use to come up with their means of production. I have a feeling, Mr. Speaker, that in the years ahead we will look back and wistfully shake our heads to say, "Why? Why did we not listen to the cries of those farmers today who are going out of business in scores, in droves? Why did we not listen? Why? And how can we overcome those problems of the past?"

I feel confident that we will be asking those questions, Mr. Speaker, because we asked them once before. We asked them during the 1930's and the 1940's after our farmers had left by the thousands then, after they were driven to the cities, after they had no recourse and after the auctions that came in scores throughout the rural areas. All the same signs existed then too that agriculture was facing very bleak times. I believe very strongly that we face those bleak times again today. I talked to farmers who have not been able to sell their equipment because auctions today are so plentiful farmers have a choice on where to go and that, having an interest to go to an auction, they cannot find the money to buy the equipment that is being sold.

I fear for the young farmers, the farmers who do not have a future in agriculture today, not because we cannot grow food, not because we do not have the means of production in this country, but because this country is destined to a misguided agricultural policy which will force our farmers off the farm * * * farmers who want to stay on the farm.

That is the hard fact of the current state of agriculture in this country. It is a bleak situation. It is one which I do not believe has the ear of the administration. And this being an election year, I am sorry to admit that our farmers are faced with a very unpleasant choice, a choice between a candidate who has no interest in supporting a respectable percent of parity and a choice of a candidate who does not even know what parity is. That, I think, is the prospect we face this year. I certainly hope that, in working with the leadership, the gentleman from Montana and those Members who continue to work so hard to try to demonstrate the plight of agriculture, in working together, that we in the Congress can provide that kind of leadership that is sorely lacking at the other end of Pennsylvania Avenue.

● Mr. ABDNOR. Mr. Speaker, I wish that I could say it is a pleasure to join my colleagues today in discussing on the floor of the House today the critical problems facing America's farmers and ranchers. It is well that we are discussing this issue, but it is not a pleasant matter to have to be talking about. Frankly, too, there has already been too much talk and not enough action to deal with these problems.

It is obvious that the entire economy is in trouble and that we simply must bring inflation under control. We in South Dakota are beset with the same economic difficulties facing the rest of the Nation, but we are faced with additional challenges as well. Namely the loss of a substantial portion of our State's rail transportation network, as a result of the bankruptcy of the Milwaukee Railroad, and the dire prospect of a massive grasshopper infestation affecting an even larger area than the hundreds of thousands of acres which were devastated last year. God help us if we get one of our frequent droughts as well.

There are many different ways to express just how bad the farm situation is, and I would like to have reprinted in the RECORD a number of letters from South Dakotans. Each expresses the sincere and urgent thoughts of its author. Even without getting into specifics, though, it is easy to understand how bleak things are for agriculture just by looking at the aggregate economic data available from USDA.

According to USDA's own figures, farm assets at the beginning of 1979 amounted to a total of $820 billion. For 1979 net farm income was only $33 billion, or about a 4-percent return. For this year, though, the picture is even bleaker. If you assume a modest 10-percent increase in the value of farm assets, the total would be about $900 billion. According to USDA's projections for the second quarter of 1980, net farm income is down to $22.7 billion on an annualized basis; and that represents a return of only about 2.5 percent. Is it any wonder farmers are being forced to sell out, with interest rates ranging up to 20 percent?

Mr. Speaker, as I said, there has been enough talk. What is needed now is action, and that is what I had in mind when I sent the following letter to every Member of the U.S. House of Representatives:

WASHINGTON, D.C.,
April 15, 1980.

DEAR COLLEAGUE: The President said the Soviets lied to him.

Previously, the President had assured farmers that he would never embargo grain exports, but that did not stop him from suspending sales of grain to the Soviet Union.

The President said he would not allow farmers to suffer adverse economic consequences as a result of this decision—made for reasons of national interest and foreign policy—but he refuses to endorse action to return commodity price to levels which prevailed prior to the suspension, much less to levels which account for inflation in farm production expenses.

Under the circumstances, it is only right that we help the President to live up to his word. The Agriculture Committee has reported several measures in this regard. None of them is perfect, but they will help to restore a degree of integrity to the Government's posture on this vital matter.

Even without the President's action, farmers would be in a serious cost-price squeeze. They are the most freely competitive and, thus, the least able of all industries to pass on their inflated costs of production. In view of their lack of market influence, farmers have no away to resist the "cheap" food policies of the Federal Government. The President's suspension of sales to the Soviets is but one aspect of those policies, but it highlights the basic unfairness to farmers.

Whether you represent even one farmer, I hope you recognize that all consumers will suffer if the number of farms is reduced to the point free competition is lost and the remaining farm operators can command prices which provide a higher return on their investment.

Won't you help send the best possible bill to the President's desk? Only then will he be forced to reject the politics of expediency which would have farmers continue to bear the brunt of his foreign policy in the short term and may in fact cost consumers dearly in the long term.

With best regards,

Sincerely,

JAMES ABDNOR,
Member of Congress.

The problems we are facing did not just happen and they did not just come into being overnight. They were spawned in large part by the policies of the Federal Government, especially deficit spending. Dr. J. Carroll Bottom discussed this matter recently at the 18th Annual Agri-Business Day at South Dakota State University. The following is a report on his remarks:

[From the Agricultural Information Office, South Dakota State University]

ECONOMIST SAYS LOWER INFLATION IS PROBABLE

(By Larry Tennyson)

BROOKINS, S. DAK.—Some 175 farmers, businessmen, and others heard a noted economist analyze the present high interest rates and tight monetary policy here at the 18th Annual Agri-business Day, March 25.

The speaker was Dr. J. Carroll Bottom, professor emeritus at Purdue University, and he said there are about six chances in ten that the present high interest rates will be lower within three months. Following that, Bottom said, the rate of inflation will begin to decline, and there will be ". . . some slowing down of the economy for the next two or three quarters."

Inflation, he said, will continue for the next five-to-ten years, but at a steadily declining rate.

Bottom also said there is a chance the present policies and interest rates will not work. It is possible that they could spark even higher rates of inflation or that they could plunge the nation into a full-scale economic depression. Bottom gave each possibility about a 20 percent chance.

The economist, who was keynote speaker at the first Agri-business Day 18 years ago, spoke mainly on two issues: inflation and energy.

He said the nation made a good economic transition from war into peace in the 1940's, and this was followed by about 16 years of low inflation at less than 2 percent annually. However, the nation financed the Viet Nam war largely on borrowed money, and this helped set the stage for present soaring inflation. In the 1970's Bottom added, the annual rise in productivity per worker dropped almost to zero, and energy costs began to rise. The defense budget was then shaved, and an attempt was made to cover all these factors with loose monetary policies.

The present hardships, he indicated, are necessary to pay for past monetary sins. "If we had a problem," he said, "we just threw money at it."

Bottom said many people now wonder why the present higher interest rates haven't yet checked inflation. "They will, just give them time," he said. Interest rates must exceed the rate of inflation, he indicated. Otherwise, increased borrowing not only will continue, but also becomes a sensible economic choice for the individual.

Commenting about whether wage and price freezes help control inflation, Bottom called the remedy merely "aspirin used for pneumonia. It's just temporary relief, not a cure." The danger of price controls, he said, is that people tend to forget about the real cure for economic maladies during the short-term relief that controls produce.

Despite wage and price controls tried earlier during the 1970's, the money supply soared, but production didn't, Bottom said. ". . . and you can't have one increase without the other. We have not been willing to pay the cost for dealing with inflation in recent years—or with energy or defense or productivity. We have crippled our ability to deal with these problems with loose money policies, and sooner or later we had to pay for the real costs of dealing with these. And we are now beginning to do this."

Bottom proposed a four-step plan for firming up the nation's economy. First the nation should continue to follow a restrained monetary and fiscal policy. Second, the share of income going into investment must be increased to effect results such as modernizing certain manufacturing plants and increasing production through research and development.

Third, increases are needed in defense spending, and fourth, the price of energy must be allowed to rise—even if the poor must be subsidized to offset some of those effects.

Bottom likened past U.S. economics to a man buying a nice, though ill-fitting, suit of clothes at a bargain price. "Now is the time we have to pay for the alterations, though," he added.

The economist also spoke on the energy problem.

He said the United States often is accused of being the worst energy glutton in the world, but most kinds of consumption actually are in line with many other nations. The big area of use, however, is in transportation. There, U.S. energy consumption far exceeds all other nations.

"That's our problem: liquid energy," said Bottom. "It's even a critical defense problem should war occur."

Bottom felt that a combination of five approaches to the energy problem is necessary. First, conservation efforts must continue. Second, greater incentives are needed to increase domestic oil production in fields which, to now, have been too expensive to recover.

Third, more solid energy must be used to replace liquid energy. Bottom cited the conversion of utility generation plants from oil to coal as one example.

Fourth, greater efforts must be made to convert other energy sources from solids to liquids, such as manufacturing liquid fuel from coal. And fifth, the nation needs to increase its effort to obtain energy from biomass, grains, solar, wind, geothermal, and other renewable sources.

Through a combination of surplus grains, bringing more land into production, crop residues, and other biomass, from 12 to 19 billion gallons of fuel alcohol could be produced in agriculture, Bottom believes.

Bottom cited a statement by Nobel-prize-winner Ted Schultz—who, like Bottom, also graduated from South Dakota State University during the 1920's: "The future of mankind is open-ended. Mankind's future is not fore-ordained by space, energy, and cropland. Mankind's future will be determined by the intelligent evolution of humanity." Bottom added that ". . . if we have the vision to allow for research and education and enterprise, we can overcome these problems as we have in the past."

He named developments in hybrid corn, heavy fertilization, and irrigation technology as examples of the benefits research and development can bring agriculture and the rest of society.

Agri-business is an annual event sponsored by South Dakota State University.

Finally, Mr. Speaker, if my colleagues are in need of any more persuading that we must act, I encourage them to read the following letters from a number of my good South Dakota constituents:

FARMERS AND MERCHANTS BANK,
Huron, S. Dak., March 14, 1980.

TO WHOM IT MAY CONCERN: This letter is being written by myself, a banker in rural America, who is extremely concerned with what has been happening to the American farmer in the past few years. Our town, my business, and all businesses in rural America make their living from agriculture. It is basically the backbone of our entire nation. When agriculture prospers, we prosper, and when agriculture loses, we lose. Our entire economy is tied to what the farmer makes or doesn't make.

I am sure that people in your positions are aware of what has been happening to our farmers. They have been quite noisy in past years. The prices they receive for most of their products have either been decreasing or just barely holding their own. We all know what the grain embargo did to grain prices, and it is plain to see what tight money and high interest rates are doing to livestock prices. They have done nothing but go down. Farmers have no control over the prices they receive for their products, and are completely at the mercy of the purchaser. But at the same time, fuel prices, repairs, seed, fertilizer, and all operating expense items continue to skyrocket. The cost of machinery and land have more than doubled in the past 10 years. It's very plain to see the collision course we are on.

Thus, is another type of farming the answer? Won't the family farm work any more? Apparently not. Then it appears we are headed toward large and probably what can be called "corporate farms." Everyone knows what happens when a select few get control of a product and a market. We definitely won't have cheap food, and our food today is dirt cheap in comparison to the prices we pay for our other consumer products and in comparison to food prices in foreign countries. The typical American would rather drive an expensive luxury car, or own an extravagent house, or own a big boat or a camper, than eat. Our priorities are mixed up.

There is no simple solution to the farmer's problem. But making additional loans available to him to pay past operating expenses won't help for very long or at all. No one can borrow themselves out of debt. Any business must make a profit if it is going to stay in operation, and the only way to make a profit is to have income be greater than expenses. Since a farmer has very little control over his income, and no control over his expenses, his problem is apparent.

Our American farmer is the most industrious and creative businessman alive. His products, capabilities, and ingenuity are inexhaustable. He is the backbone of our nation. Humans must eat or they die. So why shouldn't this important citizen, the American Farmer, be given a fair chance. He isn't asking to get rich. He just wants to produce what he knows how to produce and receive a fair price for it. If he receives a fair price he'll make it. He's creative enough to find a way.

Thus, the basic formula in America can't be cheap food. I realize the farmer is a minority group, and the product he produces is feeding the majority; but he is at the breaking point and just might quit. The American public and United States government has to wake up to this fact. We in rural America, don't want a give away program. We're too proud for welfare. We just want a fair chance!

Sincerely,

JACK STEELE,
Vice President.

JAMES VALLEY CO-OPERATIVE UNION,
Huron, S. Dak., March 20, 1980.

TO WHOM IT MAY CONCERN: On behalf of the farmer patrons, of this cooperative, I am writing in regard to the high fuels and interest costs.

Agriculture is the main industry in our area of the Nation. At the rate the economy is going, the only farmers we will have left will be the large corporations. Several of our young farmers have had to make a very difficult decision and discontinue their farm careers. The costs of fuels have doubled in the past year, as has the interest rates on their borrowed operating capital. Fertilizer, chemicals and other products have taken a considerable jump in price—a lot having to do with the high costs of transportation, which relates back to the high costs of fuels and also the abandonment of many railroads.

The farmer has just as many acres to cover this year as last year and cannot cut down his fuel consumption, just because of the high price. The price of the farmers products when ready for market, such as grains, hogs and cattle, have not increased to cover the expense increases; in fact, many of the prices have decreased.

Articles have been printed in the newspapers and we hear on the news reports, from time to time, that a cost of living wage increase has been given to government employees; the only cost of living increase a farmer gets is higher expenses.

The farmer is vital to our Nation and it is about time that some sincere consideration is given to this matter. Many businesses rely on the farmers patronage, and without it, there will be many more unemployed people on the welfare program.

Sincerely,

ROGER JACOBSON,
Manager.

MIDWEST SUPPLY,
Miller, S. Dak., March 17, 1980.

TO WHOM IT SHOULD CONCERN: I am sure you are aware of the problems of the American farmer. It shouldn't be necessary to remind you their survival is at stake unless inflation is curbed and a balance in our rural economy is established between their increasing expenditures and shrinking income.

I shouldn't be referring this as to their problems but ours, as everyone in a rural area engaged in agriculture or an agri-business is in a struggle for survival.

My brothers and I operate a farm supply store. About ninety percent of our business comes from the farm and ranch trade. One of our biggest enemies is the rising cost of inventories. Cost of inventories have increased fifty to sixty percent in the last three years. As a result, our cash flow is exhausted and it is not plausible to borrow money at today's rate of interest to maintain normal inventories. Near future plans necessitate suspension of our customer credit program. We have a critical shortage of capable employees because our low rural economy is causing our work force to move to more prosperous areas.

These are a few of our problems; but what is the solution? First we must curb inflation. We should receive some assistance as a tax credit on inflated inventories. This is important in business where 20 percent of your inventory constitutes 80 percent of your business, and a large portion of your inventory is carried over from year to year. We must increase the farm income to help offset the rising cost of inflation.

Most everyone is receiving assistance except the small businessman and the farmer. Government employees, industrial and union workers, social security and welfare recipients, public utilities, and many others receive cost of living increase benefits. Why not us?

Yours truly,

WENDELL AUGSPURGER.

THE PIERRE NATIONAL BANK,
Pierre, S. Dak., March 13, 1980.

TO WHOM IT MAY CONCERN: This letter is being written at the request of our agricultural customers who are "failing fast" financially.

We, as bankers, somewhat realize what the government is trying to accomplish by allowing the extreme high interest rates but do not understand why food prices are being kept down in comparison. Presently good bred cows are selling for about $700 a head. Sixteen percent interest on this cow is $112 a year. To feed this cow on a 12-month basis will cost at least $15 a month or $180. This cow will have to be replaced with in seven years (since it will then be 10-11 years old) and after salvage value of about $250 it will depreciate at approximately $65 a year. At best this Farmer/Rancher can expect a 90% calf crop, thus this adds another $40 per calf expense. Total expense that must come out of each calf sold is $397 before any labor, etc. is figured. Very seldom will a Rancher/Farmer average more than a 400 pound calf at sale time or get more than $1.00 a pound for both steers and heifers . . . thus a loss.

The Farmer/Rancher who is planting grain as a cash crop is in the same type situation. Today at best he is getting $3.37 a bushel for wheat or $7.25 a hundred pounds for sunflowers. Corn is bringing $2.10 a bushel and oats $1.20 a bushel.

Considering cost of machinery, interest on this cost, plus cost of fuel, (which is now well over $1.10 a gallon—gas or diesel), cost of labor, seed, fertilizer, spraying, real estate taxes and repairs, not to mention the many transportation problems of getting the grain to the market—there is no way that our customers can still show a profit for themselves.

A Farmer/Rancher cannot walk out to his feedlot or pasture and say "Cows, no feed today because I can't afford it. My expenses are too high." This man must feed his livestock no matter what the cost is, or sell out to eliminate the expense.

The same is true for the grain farmer. He cannot stop planting seeds into the ground and eliminate all his expenses because, if he does, he loses the possibility of any income for at least 12 months. Many of his fixed expenses (interest, taxes, insurance, living expenses, etc.) do continue. He then would only get deeper and deeper in debt and the only obvious alternative is to sell out.

Please, through programs, exports and the free open market of supply and demand allow these Farmers and Ranchers to make a fair profit for their labors so that the small man can survive. At today's prices versus costs . . . they cannot.

Thanking you in advance for taking your time to read these comments.

Sincerely yours,

W. J. LENNERS,
Vice President.

KASPERSON IMPLEMENT CO.,
Huron, S. Dak.

TO WHOM IT MAY CONCERN: As an Implement dealer I am very concerned about the direction our economy has taken and what it is going to do to the family farm, and the local smaller businesses. With the low price for his products and the high interest rate he has to pay the farmer will fail. If he does and it goes to corporate farming the price of our food will really get expensive. They will also bypass the local Implement dealer by buying direct from the manufacturer.

I feel that there needs to be a lid put on interest rate and also on machinery. Having to pay increases of 3 percent to 10 percent every 3 months there is no way the farmer can continue to buy equipment. I feel the labor unions are the biggest cause of this as they demand more money for their work but the quality of workmanship gets worse with each pay raise.

In an agriculture community when the farmer prospers everybody propers, so give him a fair price and every body will make out ok.

DEAN KASPERSON.

MITCHELL-HURON PCA,
March 17, 1980.

TO WHOM IT MAY CONCERN: Since I am directly involved in financing short and intermediate term credit needs of South Dakota farmers and ranchers, I am very much aware of the recent increases in operating and production costs these operators are faced with; and the resulting major negative affect this is causing on their profitability, repayment ability, and general economic well being. Specifically fuel costs, interest costs, repairs, and fertilizer and chemical costs which account for a major share of production costs have risen so drastically in the past year while most farm product prices, specifically hogs, grain and more recently cattle prices, have declined to where they are below the cost of production for even the most skillful operators.

This cost-price relationship cannot continue if the Agricultural sector is to survive. I would suggest that immediate steps be taken by those in charge of this country's agricultural economy policy to alleviate this problem.

Sincerely,

LYNN SCHNIEDER,
Vice President.

OLSEN IMPLEMENT,
Huron, S. Dak., March 17, 1980.

TO WHOM IT MAY CONCERN: We are farm equipment and motor truck dealers representing the International Harvester line in Huron, South Dakota. We have a family business that has been represented by three generations over a 59 year span of time.

Never before in our business have times been so difficult with the farm trade. Collections are very tough. New sales are slow. This high interest figure, supposedly an inflation curber, is going to be death on our customers. I can understand that high interest rates may slow down auto, house and recreation purchases, but when a farmer puts in a crop he must purchase seed, fertilizer, fuel and parts for his equipment. These costs are high enough without adding insult to injury by this high interest factor.

The only way that the above can be offset is with more favorable farm prices. If their interest, fuel expense and capital outlay expenditures continue to rise they must have more for their crops and livestock.

We also feel that the balance of payments in world trade are being sponsored by the American Farmer. Let imports from foreign markets be curtailed. American labor supports American Agriculture. Too many manufacturing dollars are sent overseas—T.V., motor-cycles, automobiles, component casting, etc. This takes too many dollars away from our labor force that they could be spending with American Agriculture. To sum it up, let's wave the flag a little bit, drive American built cars, watch American built T.V.'s and eat American raised foods. Control importing and give a fair price to all Americans.

Sincerely,

NELS OLSEN.

KASPERSON OIL CO.,
Huron, S. Dak., March 1980.

TO WHOM IT MAY CONCERN: I am a small oil jobber, in South Dakota, selling largely to agriculture people. I am concerned with our economy. I feel that something has to be done for the agricultural people who use a lot of energy. Their cost of operation has increased dramatically, but the farmers product, which he sells has not increased enough in price, to withstand operation expenses. Now with the high interest rates, it is going to make the small farmer go under.

Soon it will be a nation of corporate farmers. This cannot be good for our economy.

Sincerely,

DON KASPERSON.

● Mr. SHANNON. Mr. Speaker, I am pleased to join with my distinguished colleague from South Dakota (Mr. DASCHLE) to give my thoughts on the current state of the agricultural economy.

I do so, Mr. Speaker, without a great deal of experience with family farming operations, as my district in Massachusetts is urban in nature. However, I have just had the opportunity to visit Mr. DASCHLE's district where I had the chance to visit with farmers in South Dakota regarding the current cost-price squeeze confronting them. It was an eye opening experience.

One of the trip's highlights was a visit to the Dennis Larson farm, west of Groton, S. Dak., where my distinguished colleagues, Congressmen FAZIO, FROST, SYNAR, and LOWRY, and I had the chance to visit with nearly 300 area farmers. The tale we heard over and over again was that of the depressed market conditions and the ever escalating cost of production figures they are facing.

My urban constituents recognize the importance of the agricultural sector. They realize the importance family farming operations play in our overall balance of trade figures. But few of my constituents have had the opportunity to hear what I had the opportunity to hear in TOM DASCHLE's district last month.

We heard from one man who summed up the financial situation of most farmers. He described to me the price increases he has reached in 1 year: diesel fuel up from 64.2 cents per gallon to $1.04 per gallon; anhydrous ammonia up from 9 cents a pound to 14 cents a pound. This would not be so painful if prices had risen commensurate with their cost of production figures. This same producer told me that he is losing from 50 cents to $1 a bushel on every bushel of grain he produces. This does not even touch on the losses being incurred by the disasterously depressed livestock markets.

From discussions that I have had with my constituents regarding the cost of the market basket, it has become evident to me that they do not lay the blame for food costs in the lap of the farmer or rancher. I need not tell you, Mr. Speaker, that unless these cries of help are heeded by the Federal Government, the demise of the family farmers who cannot afford to produce at a loss will surely continue. And this demise will not only destroy those rural areas like TOM DASCHLE's district in South Dakota that are so dependent on agriculture, but will also hurt urban areas like Massachusetts' Fifth District which have come to depend on the high productivity level of our Nation's agricultural producers.

Mr. Speaker, the Congress must take the lead in reversing this trend. We must act, and act immediately, for time is of the essence.●

● Mr. NOLAN. Mr. Speaker, it is fair to predict that today's crisis in agriculture may well put an end, once and for all, to the notion that farmers can be totally independent from Government and the political process. Indeed, many of the once strongest advocates of the free-market system are realizing that political decisions will always have a major impact on the economic well-being of agriculture.

The embargo on grain sales to the Soviet Union is a political decision. The import policies which undermine the domestic dairy, beef, and sugar industries are political decisions.

The economic policies which are responsible for 20-percent inflation and 20-percent interest rates are political decisions.

The President's current emphasis on foreign policy—his decision to stay wrapped in the flag in the Rose Garden while the American economy chokes and the social and human development programs of the 60's and 70's collapse—this is a political decision.

And those we represent are now rightly demanding that we here in the Congress make the political decisions necessary to rectify policies which have put rural America in more serious jeopardy than at any time since the Great Depression.

We had better act soon. Because it is growing worse by the day.

If the Department of Agriculture, and some of the Nation's leading economists are right:

Production costs will go up at least 20 percent;

Net farm income will drop 25 percent or more this year from 1979; and

In Minnesota alone outstanding farm debt will probably hit an all time high of $9 billion.

The auctions have begun across the countryside, but fewer are attending because fewer can afford to buy.

Small businesses are closing, banks have stopped lending; and seeds of fear accompany the normal risks associated with planning a new crop.

There are those who say 4 more years of Carter administration farm policy will bring about the ruination of agriculture. I question whether we can stand 4 more months.

Those of us who represent farm districts are being deluged with cries for help. Many of those cries are angry, angrier than any I have heard from farmers during my years in public life—angrier than at any time since the depths of the Great Depression when many were speaking openly of revolution. Other cries are laden with despair of a magnitude which bodes ill for the future of participatory democracy—the substance of the Republic.

I believe two courses of action are equally necessary in today's deteriorating economy. First, instead of saddling farmers with a heavier burden of debt, Congress and the President must enact legislation to raise farm commodity prices to a level which will give farmers an opportunity to obtain a fair price for their production. Second, farmers must forge a new spirit of cooperation among themselves. Farm organizations no longer have the luxury of sitting back in smug isolation, refusing to work together for the common goal of a prosperous family farm system of agriculture.

Farmers who ignore the plight of a neighbor who has been forced to sell out or who faces foreclosure do so at their own peril. We all know how the past 25 years of Government farm policy has been a sad record of too little and too late. The farm economic crisis, in all likelihood, will get much worse before Washington acts, and more farmers will find themselves up against the wall.

Back in the 1930's, farmers organized to meet the crisis. They organized as an economic group and they organized politically. The two go hand in hand. Through direct action and through the political process they took steps to save their farms and livelihoods from the auction block. Today's circumstances demand a response from individual farmers at least equal to the cooperation and discipline which characterized the joint actions taken by farmers at the local level in the 1930's.

President Carter's abyssmal record on farm policy indicates that this administration remains a captive of the bankrupt economic thought which has been selling out farmers for over 2 decades. While continuing to direct a substantial part of our efforts toward improving federal farm policy may seem futile and lead farmers to turn their backs on Washington, such a move would drive the nail into the coffin for agriculture.

We should recognize that the Nation needs active political renewal, not cynicism, apathy and despair. We need a political revolution and it will have to begin in the countryside if it is to occur at all. It is time for farmers and other citizens of the United States to join together in order to defend themselves against their Government's economic policies and, at the same time, to organize for root and branch renewal of our political process.●

● Mr. SEBELIUS. Mr. Speaker, I truly regret having to stand before the House again today to address the plight of our agricultural community. During the past 12 years, I have come before this body many times to speak on behalf of one of our most productive economic sectors. At no time, however, have I felt the sense of frustration I feel today.

When President Carter suspended export grain sales to the Soviet Union, we were told that the cost of this decision would be spread fairly among the citizens of this Nation; that the American farmer would not be called upon to bear the full burden of the embargo.

Mr. Speaker, the farmer may not be carrying the full burden, but he is darned sure carrying more than his fair share. When President Carter announced suspension of sales, wheat was selling for $3.76 a bushel at the Dodge City, Kans., Coop. Today, it is selling for $3.14. That is a price decline of 62 cents a bushel. What is more, it is the wheat price after the Government just spent millions of dollars to buy 4 million metric tons of the stuff for a wheat reserve.

Prior to the embargo, the Dodge City Coop was paying $2.57 a bushel for corn. Today, the price is $2.39, a decline of 18 cents a bushel. That works out to a $2,034 loss on each 100 acres of corn planted in my district. For wheat, the loss on 100 acres is $2,170.

Mr. Speaker, who else in our society has been paying prices like that to support this embargo?

And, what has the administration done to support those prices? True, we have seen a grain purchase program, but reports to my office indicate that it was poorly conceived and unfairly executed.

The House Agriculture Committee, after witnessing the failure of the administration to take advantage of their option to implement a paid diversion program for 1980 wheat and feed grain crops, passed a bill, H.R. 6382, to require Secretary Bergland to implement this program. The administration's response? Strong opposition.

So the Agriculture Committee met again and approved legislation to increase price-support loan levels. The administration's response? Again, it was strong opposition.

At the same time, Carter-Mondale campaign officials in Kansas encouraged farmers to call USDA. This, of course, occurred about the time of the Kansas primary. Farmers who called USDA were promised that prices would be back to pre-embargo levels by harvest. They were told that the recent price decline was the result of speculators on the boards of trade. Of course, the USDA officials talking to farmers did not specify which harvest they meant, so the promise might be good by 1990. Still, USDA officials were unable to tell my farmers how they were going to get these prices up.

They have opposed almost every initiative that has come out of the Agriculture Committee.

Standing alone, the administration's actions to spread the costs of the embargo would be disgraceful. But now they have seen fit to saddle us with economic policies which are strangling our farmers.

The National Pork Producers Council reports that hog producers are losing about $27 per head. That comes out to roughly $48.5 million a week for the industry as a whole. NPPC calculated that each 1-percent increase in interest costs adds about 8 cents per hundredweight to production costs. This adds up fast when you are making money, but it can be devastating when you are already operating in the red.

Cattle producers are facing the same problem, as are grain producers. Farm operating expenses are financed with short-term credit. Again, where operations are profitable, production cost increases are troublesome, but farmers operating at a loss are almost surely guaranteed of going out of business.

Mr. Speaker, the problem is clear. Tight credit is bad enough without factoring in the losses our farm economy faced before interest costs rose. And when you add in the embargo, we are in real trouble. We have offered some bills that would address these problems, but the Carter administration has opposed them.

And, while we are on this issue, my farmers want to know why retail meat prices do not seem to be following live animal prices down. According to USDA, for the week ending February 23, the spread between retail and farm prices for choice beef was about 88 cents. At the end of March, the spread had widened to 94 cents. My farmers want the consumer to know where their food dollar is going.

The same thing happened in hogs. The February 23 spread was almost 75 cents. At the end of March, the spread had widened to almost 85 cents. During this period, the price for hogs fell from $37.39 per hundredweight to $30.96. Those of us who follow the hog market know it has fallen a good deal more since then. For choice steers, average prices declined from $68.42 per hundredweight to $64.80 in the same period.

Mr. Speaker, the farmers in my district are frustrated and tired of promises. They want to know how the administration intends to keep its promises and they want action before they go out of business. I urge my colleagues to join us in supporting legislation to address these problems so we can keep this great engine of American productivity running. In this way, we can assure our country of abundant supplies of reasonably priced food.●

● Mr. GLICKMAN. Mr. Speaker, the U.S. grain embargo of agricultural commodities to the U.S.S.R. could not have come at a worse time. Production costs have been skyrocketing. Since last year farm fuel costs have doubled while interest rates have jumped from 11 to 17 percent. Plus, the administration has cut corners on its promises to correct the market instability caused by the embargo. Farmers took the President on his word when he said he was determined to minimize any adverse effect on the American farmer caused by the embargo. It was felt that farmers would not have to bear the burden of the embargo alone, and many patriotically supported the decision. The President's assurances have not come through, and those steps which have been taken have been too little, too late.

Because of my extreme frustration with the administration's attitude and lack of followthrough on its commitment, I, along with a number of other House Members representing farm areas, have decided to examine the way the administration has conducted its post-embargo policy. I will highlight some of the events that have led us to decide to pursue this investigation.

Just after the embargo was imposed, the administration made a number of announcements to ease the fears of the farmers. Loan rates were increased slightly, a purchase of grain by Commodity Credit Corporation (CCC) to isolate it from an already glutted market was promised, and a land diversion program was suggested as a possibility. The administration also took action to assume all contract obligations for undelivered grain that were held by the grain exporters at the time of the embargo announcement.

By February 15 the contract settlements with exporters were essentially complete. But no word was available on the CCC purchase nor on implementation of a paid diversion program. On February 19, we learned, to our great surprise, that—from an administration perspective—the market was strong enough that paid diversion was not necessary.

In the absence of aggressive administration action, the House Agriculture Committee, on which I serve, began developing legislation to shore up the farm economy. A number of bills to increase loan rates for both embargo and nonembargo periods were approved. A bill to require the administration to implement a land diversion program was reported. And bills to open the reserve program to nonparticipants in the 1979 program and to allow the sale of CCC stocks for use as alcohol fuels were both passed. The latter two proposals were signed into law. But the others which would have had the most meaningful effect on stabilizing prices are being opposed by the administration.

Meanwhile, the administration is relying almost entirely on the CCC purchase to offset the price depressing effect of the embargo. But that program has suffered from some serious flaws.

First, the purchase took place too late. Nearly 4 months passed before it began, during which time, prices fell at a steady rate. The CCC is now buying wheat at prices which are 40 cents to $1 lower than they were at the time the embargo was imposed.

Second, the details of the program were hastily drawn up and had to be revised midstream. After the first invitation for bids, the market slumped. After the second invitation, it appeared evident that farmers were not participating in the purchase to the extent that had been anticipated because of poor publicity and inadequate explanation. Those farmers who wanted to make bids as a rule had great difficulty obtaining the information needed to make a bid that had a chance of being accepted. For the third invitation the CCC posted prices that it would accept at county ASCS offices.

Third, the CCC purchase is not assuring many wheat producers—including those in my own State—the protection they need. The CCC is buying a mix of wheat even though only Hard Red Winter, the predominant type grown in the Great Plains area, was destined for the U.S.S.R. The CCC justified the purchase of a mix, which included Soft wheat and Spring wheat, along with Hard Red Winter, saying that it will be used for a proposed international wheat reserve which has not yet even been approved by Congress. I introduced legislation which was approved by the House Agriculture Committee to require that when embargoed commodities are purchased, the specific type of commodity embargoed would be purchased to repair the damage. In this case that would be Hard Red Winter wheat.

It was the frustration with the administration's not keeping its promises, its rejection of the most significant congressional efforts to relieve the embargo problems, and our general fear of what will happen to the farm economy in the face of tightening credit and skyrocketing inflation that caused my colleagues and myself to initiate the investigation I mentioned earlier. We will be identifying problems with the administration's policy and be putting forth remedies. It is my hope that we can force the administration to make some commonsense decisions and get some constructive action yet.●

THE SOVIET CHALLENGE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. ASHBROOK) is recognized for 20 minutes.

● Mr. ASHBROOK. Mr. Speaker, as a result of the recent Soviet expansionist tendencies displayed in Afghanistan, there is a developing consensus regarding the need for the United States to reestablish its capability for projecting military power to preserve its vital interests in the various geopolitically strategic areas of the globe. Yet, there is a potentially more significant consequence at stake which, unfortunately, our attention has not focused upon, namely, the intense Soviet pressure being applied to the Western alliance. Mr. Speaker, I would like to put forth, for the benefit of my colleagues, an analysis of recent Soviet activities on both tactical and strategic levels which appear to be designed to obtain a long-coveted objective of the Kremlin leadership: The driving of a wedge between the United States and its allies in Western Europe and Japan.

TACTICAL CONSIDERATIONS

For those who closely monitor Soviet activities, there is no surprise at the shrill, often intemperate, and heavy-handed—even by Russian standards—attempts by the Soviets to convince the Western allies that any close relationship with the United States is not in their own best interest. In this regard it would be useful to examine Soviet behavior vis-a-vis Western Europe in light of two recent major developments: NATO's Pershing II missile decision and the Soviet invasion of Afghanistan. It is my contention that the Soviets will attempt to offset the negative European opinion generated by the Afghan affair by a renewed effort to weaken NATO.

THE PERSHING II DECISION

During the spring of 1978, the Soviet Union conducted a propaganda blitz against the U.S. drive to persuade the NATO allies to deploy enhanced radiation weapons—the so-called neutron bomb. Many left wing European politicians began to repeat the Soviet refrain that the "neutron bomb was the ultimate capitalist weapon"—that is, it was designed to destroy people without damaging property. The Soviets probably concluded that their efforts were successful when, in the wake of apparent allied discord over the issue, President Carter decided to halt production of the neutron bomb.

Whether or not the Soviets did, in fact, attribute this U.S. setback to Soviet diplomatic and propagandist efforts or to the Carter administration's poorly organized and bungled campaign to win allied support is not clear, but there is ample evidence to suggest that the Soviets felt that it was their propaganda scheme that helped to carry the day.

For example, shortly thereafter it was reported in the British press that the Kremlin took the significant step of creating a new "counteragitation" department designed to achieve an accelerated Soviet response to any comment that the Kremlin might find unflattering.

It has been characteristic of the Soviets to take considerable time in reacting to comments in the Western press on the real nature of the Soviet's tactical and strategic goals before attempting to discredit those Western sources who had dared to focus openly on such goals. Robert Moss has written in the London Daily Telegraph, October 29, 1979, that—

> The Soviet leadership has concluded that it is of the utmost importance to cow into silence those who insist on drawing attention to Moscow's bid for strategic supremacy and so lessen the credibility (for example) of President Brezhnev's disingenuous offer to withdraw a few Russian troops and tanks from East Germany.
>
> . . . in pursuit of this end, the Politburo authorized the creation of a new department responsible to the Central Commitee of the Communist Party . . . the designated role of the new department . . . is 'counteragitation.' [The chief of this new department and his deputy both are men] skilled in the secret diplomacy that has been conducted over many years between the Soviet leadership and . . . [a group of left wing West German leaders] . . . who are susceptible to Moscow's proposals for a 'neutralized zone' in central Europe that would entail the eventual withdrawal of the Federal Republic of Germany from the NATO alliance.

Consequently, in light of their successful attack on the neutron bomb issue and the strenuous efforts put forth in attempting to turn aside the deployment of a new NATO weapon system, the Soviets must have felt especially rebuffed by the allied decision on NATO force modernization. As the centerpiece of the NATO revitalization effort, the United States had proposed that Western European nations permit the deployment of advanced Pershing II missiles on their soil. These missiles have the capability of delivering a nuclear strike on the Soviet Union itself, a potential the current generation of Pershing missiles stationed in Europe do not possess. The United States argued that this modernization would merely restore the strategic balance in Europe which had been upset by the Russian deployment of its mobile SS–20 missile which is capable of obliterating Western European capitals from launch sites in the Western Soviet Union.

The Kremlin leadership, however, sought to persuade the Europeans that Washington was forcing the NATO allies into a position of mortal danger by taking a "provocative action." Thus in contrast to the Soviet practice of delayed public reaction to such events, a propaganda barrage ensued which was blunt and immediate. This Soviet campaign included a major address in East Germany by President Brezhnev and a personal visit to FRG Chancellor Helmut Schmidt by Soviet Foreign Minister Andrei Gromyko. Yet, at the December 1979 North Atlantic Alliance meeting of foreign ministers in Brussels, the allies formally approved the decision to deploy the Pershing II.

USING AFGHANISTAN TO REVERSE THE PERSHING II DECISION?

As incredible as it may seem, there are indications that the Soviet propaganda machine may attempt to offset the obvious inclination among NATO nations to "circle the wagons" in the wake of the Soviet move into Afghanistan. It is not surprising to find the Soviets offering an "alternative line of reasoning" for those Western politicians who do not want to face the consequences of another cold war. For example, it is interesting to read the Moscow party line on the NATO Pershing II decision after the Soviet Army had stormed across the Afghan border:

> Peoples of northern Europe are following with concern the attempts by . . . the United States, to direct . . . events along the dangerous path of confrontation . . . Prominent among such events is the decision by the NATO Council on the production of new American missiles and their deployment in Western Europe . . . [this decision] could have unfavorable consequences for north European countries. . . . NATO's actions will not strengthen European security . . . but will give rise to new greater anxiety among Europeans [and] this applies fully to Scandinavians.—Izvestia 1/24/80.
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> . . . The U.S. is trying to get West Europe to unconditionally support the American position; Washington arrogates to itself the right to ignore other countries and acts according to its whim in the international arena . . . The U.S. is prepared to ignore treaties and agreements thus showing that it is an unsafe and unreliable partner in international relations. The adventurism shown by the U.S. could be a dangerous and destabilizing influence on the world situation, . . . and on detente. But the fruits of detente are so evident and beneficial for the world that it is not likely that sensible politicians will resign themselves to their destruction.—FBIS Daily Report 1/18/80, The Soviet Union.

It is not unreasonable to suggest that certain elements within the Kremlin leadership might seize an opportunity to exploit any perceived insecurity among the NATO partners. In direct contrast to the U.S. impotence in the Iranian affair, the Soviet rape of Afghanistan provides a direct and tangible lesson to those nations under the long shadow of the Russian conventional military juggernaut. Less secure nations would logically draw one of two conclusions depending on their assessment of U.S. capabilities and intentions: Either that they should bind themselves more closely with the NATO alliance to obtain its protection or, fearing that a resurgence of NATO solidarity might provoke the Soviet Union, they should join in the "Finlandization" process themselves for their own security. Obviously, the Kremlin foreign policy line is designed to foster the latter rather than the former. For example, the Soviet News Agency, TASS, recently upset the Norwegians with a report which stated, in part:

> The provocative intrigues at the Soviet-Norwegian borders; inspired from the outside, contradict the traditional policy of good-neighborliness. These actions should be regarded as unfriendly in relation to the Soviet Union, endangering peace and security in northern Europe.

In fact, a leading member of the Finnish Social Democratic Party was quoted in the February 11, 1980, edition of the New York Times as asserting the Soviet Union's "legitimate right to action if it feels there is a buildup on its frontiers that could lead to aggression."

If, indeed, a major objective of Soviet foreign policy is one of "Finlandization" of Western Europe and the destruction of NATO, then recent Soviet actions appear consistent. In spite of the negative impact on world opinion, the ruthless pursuit of naked self-interest displayed by the Soviet Union's actions in Afghanistan may prove advantageous to their interest on a tactical level. As Bernard Lewis noted:

> It would be a very bold leader who, with the Russians on his doorstep, would risk provoking them and rely on American help to save him from the consequences. The path of prudence might well appear to be one of seeking an accommodation with the Russians while there is still a choice, while something may still be salvaged from the wreck.

In addition to these tactical considerations, recent Soviet activities should also be analyzed from a geopolitical strategic perspective.

A STRATEGY OF RESOURCE DENIAL?

One fact is undeniable. There has been a dramatic shift in the delicate balance over the world's most strategic chokepoint, the Straits of Hormuz. As the Wall Street Journal recently noted, Afghanistan is more serious than a mere stepping stone:

> Someone ought to notice a few simple strategic facts: . . . 40 percent of the free world's oil supply [passes through the Straits of Hormuz]. The Straits lie about 350 miles from the Afghan border and 650 miles from the air base at Kandahar. The combat radius of the MIG-23, the principal Soviet fighter plane is about 700 miles. Previous to this invasion, the Soviet base closest to the straits was at Mary in Turkmeniya, a distance of some 850 miles.
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> Soviet bombers have always been able to reach the straits for patrol . . . but the prospect of fighter cover creates entirely new military possibilities. It is as if the Soviets had suddenly found three aircraft carriers to station in the Arabian Sea.

The reality of this new Soviet military capability must certainly create apprehension among our Western allies. However obvious the increased vulnerability of the oil lifeline becomes, we must not fail to recognize the significant threat posed by the Soviets and their clients to Western access to other strategic materials. For example, one recent congressional report stated that while the Soviets depend on imports for only 6 of its strategic materials, the United States is dependent on foreign sources for over 50 percent of 24 of the 32 minerals essential to industrial production, including cobalt and manganese.

The United States is especially vulnerable to having its supply of cobalt and chromium from Zaire and Southern Africa interrupted. These minerals are critical for national defense. We should not forget that Zaire, which supplies most of our cobalt—a metal used in the construction of jet aircraft engines—was the scene of an insurgency in 1978. It is also in close proximity to Angola, currently a base for 20,000 Cuban troops. It should be noted that the other major producers of cobalt are the U.S.S.R. and Cuba.

It is clear that we cannot dismiss the possibility that the Soviets are embarked upon a strategy of resource denial which could place them in a posture of world domination without ever requiring a major world military confrontation. We should be fully aware of the basic principle in international affairs that any state's power rests on other nation's perceptions of its capabilities and intent. If we ever find the Soviets in a potentially commanding position vis-a-vis the major resources associated with the Persian Gulf and sub-Saharian Africa, the world order as we know it will have ceased to exist. Indeed, we would soon find our NATO allies as well as the Third World countries scurrying to accommodate themselves to the changing nature of the correlation of forces in the world.

THE DANGER OF POLITICAL SUCCESSION IN THE U.S.S.R.

In attempting to deal with the Soviet Union, one factor is certain—we will witness in the 1980's a full scale generational turnover in the highest ranks of the political leadership. The fragility of the current gerontocracy now ruling the Soviet Union is undeniable. We must realize that the Soviet political system has no universally recognized mechanism for the transfer of political authority.

Consequently, following a change of leadership, the contenders for political power—if history is any guide—will most likely be competing for some mantle of legitimacy. During such a period of fluidity behind the Kremlin walls, the United States will face an international atmosphere which is fraught with dangers and uncertainties. Several factors must be considered. Along with the indeterminant nature of a major political succession in the U.S.S.R., during the 1980's, the Soviets will face increased internal tensions associated with changing demographic patterns.

For example, the Soviet labor-manpower shortage will be most acute in "European Russia" precisely at a time when the birth rates for the Slavic peoples is stagnant. In contrast, the non-Slav Central Asian population, largely of Moslem origin, will increase significantly. The out-migration trends from Soviet Central Asia reveal that the bulk of these citizens have no desire to settle in European Russia where the labor demands will be most severe. But even if this tendency were to be reversed, the Central Asian peoples are the least adaptable to the demands of the technological skills required and, as a group, are the least proficient in the Russian language.

Thus, while the Central Asians will face large-scale unemployment in their own areas, they will not likely be willing or able to fulfill the labor manpower needs for reinvigorating the industrial development of the stagnating Soviet economy. In addition, these same factors will increase the tension and strain for skilled manpower between the domestic economy and the Soviet Army. Recent projections indicate that by the mid-1990's almost 45 percent of the 18-year-old Soviet male cohorts will be comprised of Muslem Soviet Central Asians with a severely limited command of the Russian language.

Soviet energy prospects are not much brighter. Recent CIA projections indicate that by the mid-1980's the Soviets will cease to be an oil exporting nation, and will, in contrast, become net oil importers. Consumer attitudes among the population also indicate that unless the domestic economy can produce a more satisfactory consumer climate, the leadership may face an increasingly more restless citizenry especially in the wake of the decline of idealogical fervor among the masses. The Soviet leadership must also recognize that its Warsaw Pact allies cannot be assumed to provide a docile and compliment buffer zone. Warsaw Pact reliability cannot be taken for granted during the 1990's by any prudent Soviet planners.

While many Western analysts might view these gloomy Soviet domestic problems with optimism, we must face the stark reality that these very circumstances provide for a highly volatile and unpredictable set of circumstances. And it is in these circumstances that a new generation of Soviet leaders, deprived of personal memory of World War II and lacking experience in dealing with a confident and powerful western alliance, will take the helm of the Soviet State. Given the Soviets' current military posture, the fluidity of the Soviet political process during any succession period, and the predicted economic and demographic woes facing the Soviet Union beyond the 1990's, it is not unreasonable to project that a new leadership might emerge which will be even more ambitious and more intractable than the current regime.

Historically, when despotic governments are beset by internal troubles, they seek to turn their citizens' attention to some external threat. Unfortunately our timing is exquisitely bad—just when the Soviet Union's military capabilities peak, prior to the onset of its internal troubles, the new leadership will be facing an almost atrophied U.S.-Western military alliance. The so-called window of opportunity for a concerted Soviet drive to achieve a policy of vital resource denial will probably open—(and begin to close)—during the decade of the 1980's.

As Secretary of Defense Harold Brown noted in his annual military posture statement in January of 1979, the Soviet Union is an "aging, revolutionary movement that may not be tempted to use its massive conventional war arsenal to offset a declining economy, a faltering ideological appeal, internal stresses and a growing appetite for imported oil." Clearly one indispensable element of U.S. foreign policy is the need to successfully demonstrate and communicate to the Soviets and our own allies alike, our military capability and our national resolve. We must never allow any emerging element within the Soviet hierarchy the luxury of even logically presenting a plausible argument for embarking on an expansionist course and we must never allow our allies to assess the United States as either unwilling or unable to protect their vital interests from Soviet aggression. As Gen. David C. Jones, Chairman of the Joint Chiefs of Staff noted:

> It is inherently unknowable whether the Soviets are embarked on a master plan for conquest or are simply adept at creating and exploiting targets of opportunity . . . The more useful perspective for the responsible strategist is to confront the realities of Soviet capabilities, take into account their clearly articulated sense of "manifest destiny" and take the actions necessary to deny the Soviets exploitable opportunities.

CONCLUSION: THE PEACE OFFENSIVE?

While the general public at home and around the world adjusts to the dangerous precedent established by the extension of the Brezhnev doctrine to a previously neutral nation, we are already witnessing the anticipated blitzkrieg on another front: The so-called Soviet peace offensive. It is clear that the Soviets are attempting to deflect criticism and attention away from their occupation of Afghanistan, and are attempting to place themselves in a favorable light. They are offering assurances to the world that once the Afghan people and their revolution are secure from Western subversion, Moscow would be more than willing to withdraw its troops in return for guarantees of Afghan neutrality.

Of course, behind the rhetoric is in reality, a Soviet demand to the effect that Soviet troops will be withdrawn on the condition that the Western powers help to preserve the Soviet-installed Afghan puppet regime. At the same time, the Soviets will be seeking to exploit the lure of a potentially lucrative Soviet market for Western technology and goods as well as the desire to participate in the 1980 Moscow summer Olympic games. As the initial shock of the Soviet invasion of Afghanistan begins to recede, one can begin to discern a considerable softening among the Western nations. If we allow this to happen, we have indeed gone beyond the turning point. We and our allies cannot be permitted to forget the tactical and strategic implications of the recent Soviet action, especially in light of the projected Soviet domestic situation.

If the next 12 to 24 months indicate that the Soviet "peace offensive" has seduced any of the vital links in the NATO chain, then the Soviets will have achieved one of their long-held objectives: Driving a wedge between the United States and its allies. If this were to occur, then the course of international relations will have been altered to the detriment of all who share our ideals. As Defense Secretary Brown has argued:

> Critical turning points in the histories of nations are difficult to recognize at the time. Usually, they become clear only in retrospect. Nonetheless, the United States may well be at such a turning point today. We face a decision that we have been deferring for too long: we can defer no longer. We must decide now whether we intend to remain the strongest nation in the world. The alternative is to let ourselves slip into inferiority, into a position of weakness in a harsh world where principles unsupported by power are victimized, and to become a nation with more of a past than a future.

It is truly unfortunate that the Carter administration's reaction to the Soviet challenge is so belated and of such questionable duration. However, our political system insures that this, too, is subject to change.●

RAIL ACCIDENTS: THE SHORT-TERM COST OF DEFERRED MAINTENANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. GLICKMAN) is recognized for 10 minutes.

● Mr. GLICKMAN. Mr. Speaker, twice recently I have taken the floor to discuss some of my concerns about the safety of our railroad network. Today, I will continue with the third in a series of discussions on this growing problem.

The Federal Railroad Administration's (FRA) statistics on rail accidents clearly show that our current rail policies are creating an environment prone to disaster. From 1968 to 1978, the number of train derailments has increased by nearly 50 percent. In 1968, 26,967 persons—18,266 of whom were railroad employees—were killed or injured in U.S. rail accidents. By 1978 that number had skyrocketed to 74,191 with 65,925 railroad employees killed or injured.

In dollar terms, during that same period, the cost of damages increased by more than $18.6 million annually with damages in 1978 surpassing $300 million. Ironically, that dramatic increase in both casualties and property damages occurred after Congress enacted rail safety legislation in 1970. Clearly, we need to take another look at our Federal policies.

The National Transportation Safety Board (NTSB) conducted a study in January 1974, that concluded that broken rails caused 5,756 accidents between 1963 and 1972. More than twice as many accidents occurred in 1972 than in 1963. Improper maintenance of tracks and railbeds is the major cause of derailments and accidents that occurred last year as well. According to a recent series of articles on the subject in the Washington Star, about 50 percent of all rail accidents were caused by poor inspection and maintenance of track. The Star article also noted:

> Derailments and collisions took place at the rate of about one every hour, with damages totaling more than $850,000 a day.

When trackage is found to be in need of repair, the FRA's policies allow the railroad to downgrade the track to a speed considered safe. The company is not required to make the necessary repairs. And slowing down the trains does not necessarily stop derailments. An accident in Kansas in 1972 with an official damage estimate of $150,000 to $250,000 happened on track downgraded to 5 miles per hour. On top of that, the practice of downgrading track speeds obviously slows down the movement of commodities shipped by rail dramatically.

We continue to suffer from rail car shortages which were particularly severe in 1972–73 and 1977–78. These shortages seem logically to be a side-effect of our track maintenance problems. Given the widespread practice of downgrading the maximum speeds on tracks rather than fixing them, the lag time for the delivery of such needed rail cars increases. Clearly, if trains can only travel at speeds of 20 miles per hour or less, problems develop in moving agricultural commodities. That adds considerably to the problems facing the already depressed farm economy.

If the numbers thus far do not convince my colleagues that we have a problem in the rail sector, then consider that in the first 8 months of 1974, when the FRA first began their rail inspections, the Federal Railroad Administration recorded less than 12,000 defects in trackage. In the first 6 months of 1979, nearly 50,000 defects were found. In those 6 years, the problem had worsened by more than 300 percent.

There are many causes underlying railroad accidents: employee error, equipment failures, incidents involving automobiles and trespassers. But by far the most serious and most readily correctable cause is trackage and roadbed deterioration. Of the 7,800 derailments in 1977, 4,360 were related to maintenance problems. The tracks were simply in disrepair. They had not been properly maintained.

Incidentally, this deterioration of the railbeds and trackage is not a universal trend. A recent study by the Office of Technology Assessment comparing Canadian and American approaches to rail safety has shown that while derailments in this country continue to increase, derailments in Canada have stabilized. The study concluded that the continued increase in U.S. derailments was the result of deferred maintenance and increased axle loadings on freight equipment.

Clearly, the statistics on U.S. rail accidents are frightening. But when translated into specific examples, those numbers become human lives and livelihoods. The lives lost and people injured in derailments and the dollars lost in repairs to railroad property, shipments and adjacent property reveal a national problem that is growing daily because there is no concerted, coordinated effort to resolve it.

Perhaps the serious nature of our history of increasing derailments will become clear as we look at the transportation of hazardous materials by rail. Recently the Washington Star reported that serious spills resulting from accidents involving hazardous materials are taking place at the rate of once a month. Further, the FRA reported that of the over

7,800 derailments in 1977, 500 of them involved hazardous materials.

It does not take much imagination to translate the numbers into catastrophe. Imagine a train carrying propane, chlorine gas, or nuclear waste derailing in the middle of a densely populated area in one of the Nation's major cities. Imagine the cars being punctured in the accident. Consider the potential for disaster.

Unfortunately, this is not just the stuff from which science fiction is made. Ask the citizens of Mississauga, Ontario, if they had images of what could happen when a rail derailment last year involving chlorine gas supplanted derailment statistics with a real disaster. Over 220,000 people had to be evacuated. An estimated $21 million per day in lost production and wages resulted, and no one knows how much the cost will be in lawsuits.

In November 1979, there were accidents involving carloads of lethal materials in Florida, Michigan, and Indiana. There were over 58,000 people evacuated as a result of those accidents. And all indications are that this trend will continue.

In montary terms, damage attributable to bad tracks and railroad property in 1972 alone amounted to $20,000,000. One estimate of the total cost of rail accidents due to bad tracks and railbeds for the decade of the 1970's is over $500,000,000. The Government response has been little more than acquiescence. Railroad companies have been given the choice of fixing the track or downgrading its speed. Downgrading the speed is obviously not the answer, but that has been the option most often taken.●

RESOLUTION EXPRESSING SORROW OVER DEATH OF U.S. AMATEUR ATHLETIC UNION BOXING TEAM

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, on March 14, 1980, 22 members and officials of the U.S. Amateur Athletic Union Boxing Team were killed when their plane crashed in Warsaw, Poland. Today I am introducing a concurrent resolution expressing sorrow over the death of these athletes and extending condolences to their friends and families.

These athletes were to be U.S. ambassadors of good will in Poland. The tragic crash stunned people around the world. Offering our condolences is a small gesture to make to the families of these American athletes, and surely they deserve this honor.

I urge the speedy adoption of this resolution.

The resolution follows:

H. CON. RES. —

Concurrent resolution expressing sorrow over the death of 22 members and officials of the United States Amateur Athletic Union boxing team in a plane crash in Poland, and extending condolences to the friends and families of such members and officials

Whereas the United States Amateur Athletic Union boxing team was representing the United States in international sport competition before a plane crash in Warsaw, Poland, on March 14, 1980, took the lives of 22 of its members and officials;

Whereas such team exemplified the fine tradition of American amateur athletics; and

Whereas amateur athletic teams and officials act as ambassadors of good will for the United States; Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That (1) the Congress hereby expresses a deep sense of loss and sorrow over the death on March 14, 1980, of Kelvin Anderson, Joseph Bland, Colonel Bernard Callahan, Elliott Chavis, Tyrone Clayton, Walter Harris, Tom Johnson, Byron Lindsey, Andre McCoy, Paul Palomino, Byron Payton, George Pimental, John Radison, Richard Robinson, Yrenio Robles, David Rodriguez, Steve Smiegel, Lemuel Steeples, Jerome Stewart, Ray Wesson, Dolores Wesson, and Lonnie Young, members and officials of the United States Amateur Athletic Union boxing team, in a plane crash in Warsaw, Poland, and extends to the friends and families of such team members and officials its condolences, and (2) the Speaker of the House shall transmit copies of this resolution to families of such team members and officials.●

LAFALCE CALLS FOR A SMALL BUSINESS SURVIVAL WEEK

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. LAFALCE) is recognized for 15 minutes.

● Mr. LAFALCE. Mr. Speaker, the week of May 11, 1980, has been designated the Small Business Week of 1980, in order to emphasize the importance of small business within our economy.

Today I am introducing a resolution to express the will of the Congress that the President rename the week of May 11 as the Small Business Survival Week of 1980, in order to emphasize and draw attention to the dire straits now confronting this country's small businesses.

During the past 2 days my Small Business Subcommittee on General Oversight has conducted extensive hearings concerning the impact of double-digit inflation and the administration's anti-inflation policies on small business. I solicited testimony from the White House Conference on Small Business, the National Federal of Independent Businesses, the National Small Business Association, the U.S. Chamber of Commerce, and the National Association of Home Builders, in order to ascertain exactly how desperate conditions are for small businesses throughout the country.

The message which these small business proprietors brought to my subcommittee was one of unrelenting horror for this country's small businesses. Witness after witness, representing business from western New York, Missouri, Wisconsin, Long Island, Ohio, and other areas, described growing problems for most small businesses. Serious cash flow problems, inability to obtain credit at reasonable terms, and increasing capital problems were cited by every witness. One witness who noted that his company had survived the great depression, admitted that he worried about the future viability of his concern in economic terms.

A number of witnesses predicted that 1980 would experience a wave of bankruptcies among small businesses worse than anything since the 1930's. Rather than indulging in reckless rhetoric, each witness described adverse business situations in concrete detail for their own and neighboring businesses. Based on the testimony which the subcommittee received, I do not believe that these many small business proprietors were engaging in any hyperbole; indeed, small business may be confronting the most serious set of problems they have faced since the Great Depression.

The other major goal of the hearings was to elicit testimony from Federal agencies concerning their efforts to assist small businesses through these economically uncertain times. Spokesmen from the Federal Reserve Board, the Department of Housing and Urban Development, the Small Business Administration, the Council on Wage and Price Stability, the Department of Agriculture, and the Department of Commerce analyzed the impact of the administration's anti-inflation policies and remedies for small businesses.

Although a number of the agencies have instituted programs which are specifically designed to provide much-needed assistance to small businesses, there was one extremely troubling omission. As I stated in my opening statement, there is a mandatory need for a comprehensive national plan or policy to survive both double-digit inflation and the administration's anti-inflation policy. What was conspicuously missing during the subcommittee's hearings was the presence of such a plan or policy.

Clearly, the administration and that is to say, the White House, apparently has not formulated a conscious strategy for helping small businesses survive the worst economic conditions since the great depression. Even more distressing is the seeming absence of an awareness among top policymakers that there could be a monumental wave of bankruptcies among small businesses, which could have extremely adverse effects on a macroeconomic level.

However, there were two possibly encouraging developments as a result of the subcommitee's hearings. First, Milton Stewart, Chief Counsel for the SBA's Office of Advocacy, promised that the SBA would return to the subcommitee on May 13 with a comprehensive national strategy for assistance to small businesses, in order to help them survive inflation and the administration's anti-inflation policies.

Second, Frederick Schultz, Vice Chairman of the Federal Reserve Board, announced a new program to provide emergency lending capacity to financial institutions for loans to small businesses and farmers. Although that program is well-intentioned, its primary impact will be assistance on a seasonal basis for farmers in certain States, and to businesses in rural communities.

Mr. Speaker, unless more importance is attached to the importance of and the problems facing small businesses in this country, small businesses could be threatened by cataclysmic damage; and the damage to individual humans and families can scarcely be imagined. The administration must take the lead and declare that the survival of this country's small business is a national priority. Therefore, I urge the adoption of this resolution, as an indication that the survival of small businesses is a necessity for the economy and the American people.

The text of the resolution follows:

Whereas, small businesses throughout the nation are in the midst of the worst crisis since the 1930's and there is a very real threat of bankruptcy on the part of literally hundreds of thousands of small businesses in all parts of the country; and

Whereas, small businesses generally have been unable to obtain credit necessary for the continued health of their operations at reasonable terms; and

Whereas, small businesses in particular have been experiencing increasingly serious cash flow problems; and

Whereas, small businesses in particular have suffered from severe shortages of capital needed for stability and growth; and

Whereas, the development of a national strategy on small business and inflation must be a critical item on our national agenda;

Now, therefore, be it resolve by the Senate an the House of Representatives of the United States, in Congress assembled, That the President shall be authorized to redesignate the week of May 11 through May 18, 1980, "National Small Business Survival Week," in lieu of the present designation of that week as "National Small Business

TRIBUTE TO FATHER BIRKENHAUER, S.J.

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Ohio (Ms. OAKAR) is recognized for 5 minutes.

● Ms. OAKAR. Mr. Speaker, one of the great institutes of learning in the city of Cleveland is John Carroll University. Today I rise in tribute to the current president of that university, Father Henry Birkenhauer, S.J. A scientist and educator of national repute, Father Birkenhauer has served as president since August 1970. During his tenure he has guided the university skillfully and energetically through a crucial decade for higher education.

Father Birkenhauer first came to John Carroll in 1946. In 1947 he was appointed director of the Seismological Observatory at the university, having received his doctorate in geophysics in 1945. Father Birkenhauer is nationally known for his work in Antarctica. During the International Geophysical Year of 1958 he was chief seismologist and deputy scientific leader of the U.S. research team in the Antarctic. During his 15 months there he studied the rocks under the polar ice and the seismic waves generated by earthquakes. For this work Father Birkenhauer gained the nickname "the Polar Priest."

Though he has devoted most of his energy to the university, Father Birkenhauer participates in many civic and professional affairs. He is a member of the President's Committee of the Associated Colleges of Cleveland and the Cleveland Commission on Higher Education. He has also served our metropolitan area as a member of the advisory boards of the Cystic Fibrosis Foundation of Cleveland and the Greater Cleveland Safety Council. He has always responded to the call to serve his community.

All of the citizens of Greater Cleveland wish Father Birkenhauer the best of luck in his retirement. Although we will miss his skillful hand at the helm of John Carroll, we know that his successor, Father Thomas O'Malley will continue the great tradition of leadership exemplified by Father Birkenhauer. Those of us who are John Carroll graduates have great pride in this educational institution and the individuals who have served it so well.●

A FEW COMMENTS ABOUT PRODUCTIVITY ON "GROWTH DAY"

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. DORNAN) is recognized for 60 minutes.

GENERAL LEAVE

Mr. DORNAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of my special order on today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DORNAN. Mr. Speaker, at the 1943 Yalta Conference, Josef Stalin proposed a toast, "to American production, without which this war would have been lost."

It was an ironic tribute to the Western capitalist economic system coming from the Red Czar of the Eastern Communist empire. But I thought it worth mentioning, because the truth of Stalin's remark, like a mustard seed, might not otherwise penetrate the crania of two of my constituents, Tom Hayden and Jane Fonda, who, among others, are daily dedicating their energies to the destruction of what is left of the private sector, free market economic system of the United States.

In post-World War II era, the United States experienced an explosion of productivity. For millions, the American dream was becoming a concrete reality. An expansion of economic opportunity enabled post-war veterans to return home with the prospect of saving for their families and finally owning a house. Millions of Americans whose parents were immigrants to the United States started sending their children to colleges and universities, as a result of the hard work and savings of their forbears.

Nevertheless, the intellectual foundations of post-war economic policy were still rooted in the 1930's. For it was, after all, Lord Keynes and his followers who favored a positive regulation of the economy, a stimulation of demand through government spending measures designed to bring about full employment. A policy of deficit financing had become entrenched. In spite of warnings from various critics that a continuation of such policies, and the resultant inflation, would prove disastrous in the long run. Lord Keynes dismissed these criticisms with the casual remark: "In the long run, we are all dead."

Lord Keynes did in 1946. And his long run has become our short-run. We have taxed and spent with abandon. Since the mid-1960's, every administration has held to the basic principle that the Federal Government is a competent manager of the national economy. In 18 out of the last 19 years, this Congress has approved deficit after deficit, increased Federal expenditures, a corresponding increase in money supply, and an extension of credit beyond any real increase in goods and services. Indeed, the increase in taxation and spending has accelerated during the past 3 years of this administration, with total Federal spending accounting for 22 percent of the gross national product and the highest tax increases in the Nation's history, with tax increases this year alone expected to jump by almost $100 billion over fiscal year 1980. I am not saying that this administration is solely responsible for the current rate of inflation. But, through a dogmatic adherence to the economic theories of the past. It has allowed itself to practice politics as usual, to spend and tax without restraint, but always spending more than taxing. It is therefore no surprise that an inflation rate of 5 percent 4 years ago is now over 18 percent.

The American people are crying for relief. But from this Congress, acting like a fiscal drug peddler, they only get another fix, another temporary high. For relief from the effects of high taxation, overregulation, and deficit spending, they get from this Congress only more taxation, more regulation, and more Government control. When Chrysler Corp. was in trouble because of the economic climate which the Federal Government had helped to create, the expected response of this Congress was to take out the fiscal hypo and inject yet another $1.5 billion. This is a recent example. There are many more. We seem unable to resist the temptation to rely upon the temporary pain killer that never relieves special interest addicts of their special addictions.

But we should not have created the sense of overdependency that now undermines the strength of our national economy. We should do everything to change the climate for business and industry, labor and the small entrepreneurs of the private sector. Last year, there were 77,498 pages of Federal regulations printed to govern the private sector, many of them in contradiction to each other, most of them contributing to a silly and unnecessary burden of paperwork, diverting precious time and energy away from generation of productivity and real wealth.

Consider the housing industry. Perhaps no industry in the country is more diverse, made up of large and small firms. Such a diverse industry should not be subject to general regulations, and, moreover, the increased costs of current regulations have seriously hampered productivity, limited supply and have created severe hardships for young people who wish to purchase homes. In Denver, Colo., for example, the American Continental Corp., a home construction firm, had to provide data for a huge "environmental impact statement," involving nearly 50 local, State, and Federal agencies. This regulatory procedure took up to 18 months, replete with consultations, building plan reviews, and inane and time-consuming meetings with various Government officials. The conclusion of the regulatory review process, after all of the costs to the Continental Corp. in time and money, was that the corporation should notify the local bus company that it is building a housing development. Can you imagine such incredible waste and stupidity in an economy that is being ravaged by the double pressures of inflation and recession.

Mr. Speaker, we are at a crossroads in our economic history. We have been feeding the growth of the public sector at the expense of the private sector, at a cost to incentive, investment, savings, and productivity. We must now sharply reverse our policy. If we continue down this path, we are going to reap the impoverishment and regimentation that will inevitably follow. The standard of living of every American will ultimately be determined by our response to the decline in productivity. The poor can only hope to get a larger piece of the pie, as long as the pie is growing larger, not smaller.

According to the London Economist, the average age of American plants is 20 years, compared to 12 years for German plants, and 10 years for Japanese plants. The obvious answer is to cut tax rates, along with the adoption of solid Federal spending limitations, and encourage capital formation and thus new employment opportunities.

There will be no increase in productivity until we create a financial climate that allows for capital formation. And there will be no significant increase in capital formation unless and until we encourage savings. Compared to West Germany and Japan, the percentage of income devoted to savings is simply abysmal. As a percentage of after tax income, U.S. savings amount to 5 percent. In Japan, savings after tax income amounts to 21.5 percent; in France, 16.2 percent, and in Germany, 14.

One would think that the U.S. policy would be such as to encourage savings and thus establish a strong foundation for capital investment, especially in high technology items, to stimulate increased productivity. Not only has the Federal Government refused to protect the small saver from the ravages of inflation, now the most recent proposal in the Carter administration's budget plan is to impose a withholding tax on interest in savings accounts and other capital investment. It is incredible. We should, of course, be doing exactly the opposite, providing strong incentives for savings. And what will be the impact of this brilliant proposal to scoop up a projected $2 billion for the Federal Treasury? It will mean that funds that would have been available within the private sector to be employed for private investment, in houses, plant expansion, and new jobs during the fiscal year, will be sitting in the Federal budget, helping to finance more public sector jobs. That is just what we need, more money in the Federal Treasury and less in the hands of the private investors.

With inflation running as high as 18 percent, it makes little sense for a small saver to put his money in a bank for a return of 5.25 percent. Savers, particularly small savers, cannot be expected to put up with a policy that directly discourages them from putting aside their income, and it is no wonder that, in record numbers, they are withdrawing their funds. It is this drain that is now contributing to the destruction of the Nation's housing market, as well as reducing the availability of funds for investment in capital formation and jobs creation.

Congress has before it today a number of bills which will go far in stimulating economic growth. The capital cost recovery act, various spending limitation and balanced budget bills, Kemp-Roth II, and my own legislation, H.R. 1000, the American Tax Reduction Act, will all make more money available to create private sector jobs.

Dr. Norman B. Ture, an economic adviser to Presidents Kennedy and Nixon, recently completed an econometric study of H.R. 1000 to determine its probable effects on the economy. The act would reduce income taxes 25 percent over 4 years, index all tax brackets, reduce capital gains taxes, and restrict spending. Dr. Ture found that had it been enacted in 1979, there would be 790,000 more jobs today than currently exist. A responsible reduction in taxes as embodied in H.R. 1000 would truly help the unemployed by providing permanent new jobs.

There are those who will say the "profits" have never been higher. But business profits are largely on paper. In order to keep shareholders happy and portray themselves as investment-worthy, corporations put on their best face. They take depreciation on capital assets based on historical cost, not replacement cost. This keeps expenses down and yearly profits up, but it is not realistic. Inflation drives replacement costs much higher than businesses are willing to report to shareholders. As a result, paper profits go up, taxes take an even bigger share of real earnings, and less income is left for capital reinvestment.

Today, the American bureaucracy covets every dollar, every ounce of wealth produced by the private sector because it feels it can spend it more wisely, it can direct the money to the "proper channels." This is the same old paternalism that created the mess we are in. Our current policies are bent on penalizing businesses until they can no longer function, at which point we are asked to give them Federal assistance. Government must get its hands off the private sector before Keynes' long run reaches the finish line. Our country is at a crossroads. Either we return the reins of production to the producers that built the Nation or we strangle the economy.

I would like to close my remarks with some disturbing opinions of Americans researched by the Heritage Foundation using the Sindlinger Co., from March 22 to April 12 (1,426 interviews).

First. Nearly 85 percent of the public feel Government regulation discourages economic growth. While they hold this attitude, however, nearly three-fifths of the public—53.3 percent—do not think economic growth is incompatible with goals such as clean environment or equal opportunity.

Second. Nearly three-fourths of the public do not believe that greater Government control is needed to solve environmental and social problems. Only 17.7 percent expressed the belief that greater Government control of American business is needed.

Third. Nearly 85 percent of the public would like to see the economy grow at a rate equal to or faster than the current rate, and a slightly lesser number—75 percent—said they feel a no-growth economy will guarantee a bleak economic future for America.

Fourth. From 1948 to 1969, the average yearly increase in output per worker's hour in the private sector was approximately 3 percent.

Then from 1969 to 1973, the annual average increase was 2.3 percent. From 1973 to 1977, the annual increase dropped to 1 percent. But last year, the Joint Economic Committee reported that total private business productivity was actually minus 1.9 percent—shocking.

Edwin Feulner, president of Heritage Foundation, explained that the study was commissioned as part of Heritage's observance of April 17 as Growth Day, a day set aside to recognize the contributions that our economic system has made to the progress and well-being of the American people and the American way of life.

It is significant that while the American people want to see the economic pie continue to expand, they do not think this has to be done at the expense of a better living environment. Those in this country lobbying for a slowdown in economic growth argue that we are confronted by an either-or set of choices: either we pursue growth or we pursue social objectives. The American people apparently do not buy this pessimistic outlook. They want both, and they think we can have both if we keep the economic engine running.

Thank you, Mr. Speaker.

Mr. DERWINSKI. Mr. Speaker, a bevy of Washington-oriented experts, operating with the self-assurance that all knowledge is their special province, are participating in another rabble-rousing project. In this, their latest ego trip, they claim they will be educating, protecting, and saving the consumers by undermining the Nation's free enterprise system.

They have billed their highly orchestrated demonstration "Big Business Day, April 17, 1980." That is a misnomer. What they are doing should be correctly identified as "Anti-American Day." Their projects, protests and demonstrations will be limited only by the range of their imaginations. If you take them seriously, corporate America must be held accountable for all of the Nation's problems.

There is nothing dishonest or immoral about profits. I am just old-fashioned enough to believe American businesses have helped to make our country the greatest and most envied in the world. As long as businesses have the opportunity to continue to grow opportunities for all of our citizens will continue to expand.

Today, the biggest stockholders in America are pension funds, mutual funds, insurance companies and trust funds representing the earnings and investments of working people. These institutions and organizations invest on behalf of millions of individuals who share in the dividend income involved. Limitations on or interference with our productive capabilities would result in a stagnant economy and lead inevitably to a lower standard of living.

Our businesses pay salaries, dividends and taxes and are among the leaders in contributions to charitable foundations. While our business leaders have demonstrated that they have the ability to produce the greatest variety of products and services in the world, they also have shown they are concerned about the well-being of our Nation. Since 1970, business has spent approximately $124 billion to purify our air and water. No other country in the world has made a comparable commitment.

The leaders in the effort to discredit business really are trying to reclaim some of the media attention that once was provided them almost routinely. Their ultimate goal, however, remains the same. They are for the enactment of legislation which would dismantle the free enterprise system.

I do agree with one of their claims. Business does have an enormous impact on our society, but it is a positive impact which has given us the highest standard of living in the world.

As usual, the paranoic critics of the business community are looking in the wrong direction for solutions. They should be concentrating on the need to reduce taxes, cut Government spending and reduce Federal regulation. If we kill the goose that lays the golden eggs, all we will have left to merchandise will be feather dusters.

SUBSTANTIAL REVISION OF THE LONGSHORE ACT URGENTLY NEEDED

(Mr. ERLENBORN asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. ERLENBORN. Mr. Speaker, as the ranking minority member of the Subcommittee on Labor Standards with jurisdiction over the Longshoremen's and Harbor Workers' Compensation Act, I have become increasingly appalled at the disastrous effects of the act's 1972 amendments on employers and insurance carriers.

Early in 1979 I introduced H.R. 2448 which addresses many central ills of this politicized compensation system. Shortly, I will introduce legislation providing a more comprehensive revision of the act. Additionally, the subcommittee held 6 days of oversight hearings late in 1979 which confirmed my worst fears about the future ability of employers—mostly stevedores, shipbuilders, and private employers in the District of Columbia—to adequately insure their businesses at any price. In my floor remarks of February 7, 1980—Congressional Record, pages 2316–2318 I focused specifically on the mounting insurance crisis in the District and its effects on the District's employment and tax bases.

Sentiment favoring substantial revision of the Longshore Act is widespread and growing. Only the unions, not surprisingly, whose members collect the rich benefits offered by the act, adamantly oppose any improvement. This continuing self-destructive myopia will hasten the flight of jobs from the District to the lower-cost suburbs, from domestic stevedores to Canadian stevedores, and from domestic shipbuilders to foreign shipbuilders. To paraphrase an old adage: With friends like their union leadership, union members need no enemies.

An ad hoc committee to rewrite the Longshore Act—presently 50 members strong—has prepared a summary of the act's problems. I consider it a cogent synopsis that will be useful in the future as Congress, like it or not, begins rectifying the awful mess it midwifed in 1972. Accordingly, I bring it to my colleagues' attention along with the membership list of the ad hoc committee:

The Longshoremen's and Harbor Workers' Compensation Act: A Federal Program In Crisis

(Prepared by members of an ad hoc coalition seeking reform of the Longshore Act)

Runaway costs for employers, inadequate response to employee medical needs, and unpredictability of the insurance risk exposures involved have brought the workers' compensation program established under the Longshoremen's and Harbor Workers' Compensation Act to an operational crisis.

Enacted in 1927 and administered by the Department of Labor, the Longshore Act provides for payment of medical expenses and wage replacement benefits for employment-related injuries. As presently interpreted, the law covers more than one million employees. The beneficiaries include, not only longshoremen and harbor workers, but also workers in the shipbuilding, ship repair, marina, construction, boatyard and offshore drilling industries; some U.S. personnel overseas; private employees in the District of Columbia, and many others.

Geography—a work site over navigable waters or out of the country—prevents many workers from qualifying for protection under state workers' compensation systems. But many employees who could receive state workers' compensation benefits are covered by the Longshore Act because Congress, the Department of Labor and the courts have extended jurisdiction of the federal law unnecessarily and in a confusing pattern. In fact, coverage has been expanded to such an extent that construction and other activities remote from the longshore and harbor workers' industries are caught under the umbrella.

Problems with the law stem from the Congressional amendments to the Act passed in 1972. Technical omissions and unspecific language, combined with generous interpretations of the revised law, have moved the program well beyond medical benefits, rehabilitation, and income replacement into life insurance, pension benefits, and other supplemental income.

Compensation benefits, for instance, are often awarded when workers continue to work at full pay, and survivors' benefits are payable even when the death is unrelated to the deceased's employment injury. Such coverage was never intended by those who drafted the original law and does not belong in any workers' compensation program.

The generous benefits provided by the 1972 amendments and the jurisdictional confusion arising from them have created a legal and financial nightmare for employers and insurers. The Longshore Act today is virtually uninsurable because it is impossible to predict the degree of risk exposure. As a result, the number of insurance companies willing to underwrite this line of protection has dwindled.

Because of the generous benefits available under the law, the companies which will still underwrite the coverage are forced to charge extremely high rates for it. Similarly, self-insured employers must incur and finance exorbitant costs.

Because the expense of workers' compensation insurance is usually passed through the distribution system, the high cost of Longshore coverage creates additional pressure on the present inflationary economy. For example, in the case of stevedoring companies, much of the cost is transferred to shipowners, then to their customers, and ultimately to consumers of the products involved. Shipyards also must pass the high price of Longshore coverage through to shipowners.

The high cost is passed along, to the detriment of American industry and the number of jobs it can provide. At the point the cost is reflected in the price which those buying shipping services must pay. American ships and ports become less competitive in the market for handling world trade, and business can be lost.

The cost, as it affects the non-commercial consumer, can clearly be seen in the District of Columbia, where, through an anomaly, all private sector employees are covered under the Longshore and Harbor Workers' Compensation Act. The District, which rates as one of the safest jurisdictions in the nation in terms of incidence of work-related injuries and illnesses, has workers' compensation insurance rates which are three to four times higher than those in the neighboring jurisdictions of Maryland and Virginia. This translates directly into higher consumer costs. For example, a new $95,000 town house in the District of Columbia would sell for $5,000 less if workers' compensation insurance costs were equivalent to those in Maryland or Virginia.

There is another price the nation as a whole is paying—in the area of affirmative action and opportunity for all citizens regardless of background or handicaps. Since the generous benefits paid under the Act are tax-free, many individuals receive awards approaching or exceeding pre-injury take-home pay. This constitutes a negative work incentive which has had the effect of unnecessarily prolonging disabilities and inviting claims for conditions more serious than they really are.

The Longshore Act has thus effectively discouraged rehabilitation, and return to work within reasonable time—concepts fundamental to all workers' compensation programs.

THE ILL-CONCEIVED AMENDMENTS OF 1972

Mystery surrounds the origin of some of the most troublesome provisions of the 1972 amendments. Those who hammered out the changes during the last days of the 92d Congress lacked and failed to seek cost studies and other hard data as a basis for their decisions. It is doubtful that anyone understood the full implications of the revisions made.

The 1972 amendments were enacted to remedy two situations: the low weekly benefit level being offered at the time, and the loss—through judicial interpretations—of employers' "exclusive remedy" protection under the Act. Over the years, the Supreme Court had interpreted the law to permit third party liability and indemnification actions in which an injured longshoreman could sue a shipowner for damages. The shipowner could, in turn, sue the employer of the longshoreman to recoup those damages, thus indirectly allowing the employee to sue his employer. This had eliminated the fundamental no-fault principle of workers' compensation.

The 1972 amendments seemingly struck a balance among labor, management and government concerns. Through specific new language in the law eliminating employer liability in third-party suits, workers' compensation was re-established as the exclusive remedy employees have under the Longshore program. In return, compensation benefits were substantially increased.

Far from achieving balance, however, the 1972 amendments removed controls which provided balance and left other intentions unclear. The effect in a few short years was to make compensation under the Longshore Act an inordinately generous and expensive program. Maximum disability benefits have increased from $70 a week in 1972 to $426 a week in 1979, and are automatically escalated annually.

The built-in generosity has been compounded by galloping inflation and by the liberal interpretations of the Act which enable many workers having marginal eligibility or marginal claims to qualify for benefits.

DIMENSIONS OF THE CRISIS

Problems under the Longshore Act were graphically described by stevedores, shipbuilders, small boat builders and repairers, marinas, port authorities, insurers, state insurance funds, and many others at hearings before the House Subcommittee on Compensation, Health and Safety in 1977–78.

The same groups appeared, joined by a growing number of others affected by the Act, for additional hearings in late 1979 before the House Labor Standards Subcommittee, which now has jurisdiction. All pointed to 1972 as the year trouble began.

By vastly expanding the opportunities to receive high tax-free benefits, and lacking counterbalancing controls, the 1972 amendments triggered a surge in utilization of the program. According to Department of Labor statistics, injuries reported under the Act (excluding those for private employees in the District of Columbia) rose from 72,087 in 1972 to 105,384 during 1973, and to 151,274 during 1974. In 1977, the number was 205,584.

This is an increase of 185% in only 5 years. Conversely, during the period immediately preceding the amendments, reported claims had dropped steadily—from 96,944 in 1969 to the 72,087 in 1972, a decrease of 25% in three years. The 1972 amendments emphatically and expensively reversed the downward trend of compensation claims.

Besides the stimulus to increased utilization which the amendments provide, the ambiguity of the revised law leaves great latitude to the Labor Department review process and the courts to rule in favor of claimants whether grounds for the awards are justified or not.

The problems with the Longshore program today are even worse than they were at the time of the original hearings in 1977–78:

Jurisdiction

Before passage of the 1972 amendments, the concept of "water's edge" clearly prevailed. Employees who worked seaward of the water's edge were covered under the Act. Those landward were covered under the applicable state system. The 1972 amendments extended the coverage landward but left doubts about how far and to whom.

No one today can say with assurance where Longshore coverage ends and where state workers' compensation jurisdiction begins. This has encouraged employees to "migrate" from state programs if there is the possibility of qualifying for the higher Longshore benefits. It has also created extensive litigation and caused all reviewing courts to complain about the lack of clarity in the amendments and their legislative history.

Benefits escalation (indexing)

The 1972 amendments quadrupled the weekly benefit level and pegged it permanently to two-thirds of the worker's income, not to exceed 200 percent of the national average weekly wage. This means that there is an open-ended annual tax-free increase in benefits—both for those who will have claims in the months and years ahead and for those with claims in the process of being paid.

The increase is determined by the Secretary of Labor each October 1 based on the percentage increase during the previous year in the national average weekly wage. For example, the increase was 8.05 percent for 1978 and 7.5 percent for 1979, bringing the maximum benefits for disability to the current $426 a week.

These are quantium jumps. Inability to project the increases gives employers and insurers their greatest risk assessment problems. The adjustments are also a major factor in employers' escalating premium costs.

Insurability

Insurance companies and their reinsurers are retreating from the Longshore market because of its unpredictability. Not knowing clearly who is covered under the Act, and how inflation will affect future benefits, both insurance companies and self-insurers cannot project their risk exposure and claims losses. A one percentage miscalculation of inflation rates for the year ahead can literally make millions of dollars' difference in the cost of claims.

As Longshore insurance has become less available, many employers have had to turn reluctantly to self-insurance, if they are large enough to afford the bonding, or to more costly and less effective assigned risk coverage. However, for both self-insurers and insurance companies, the same problem then looms: reinsurance. Reinsurers are reluctant to accept unlimited escalation when there is no possibility of obtaining adequate rates.

Ultimate losses simply cannot be predicted when future claims payments are linked to inflationary factors which make it impossible to collect or set aside reserves adequate to protect both insurers and their reinsurers.

Predictability is essential to retain the involvement of companies still voluntarily underwriting or reinsuring Longshore risks, and to attract others back into the market.

Cost

Because benefits are high and continually escalating, opportunities to qualify are many, and administration of the program has been generous, insurance premiums and self-insurance costs have soared. In New York, the employers' rate for general stevedoring coverage runs $363 per employee per week or $18,872 a year. For many employers under the Act, workers' compensation is the second greatest cost after direct payroll.

The effects of the generous program must also be assessed in terms of disincentive to return to work and the loss of productivity this involves.

Evidence even has emerged suggesting that the volume of trade and number of jobs at American ports is being affected. During 1974–1976, more than $1 billion in cargo was exported by land and loaded for shipment overseas at Canadian ports where Longshore rates are much lower. If the trend continues and is positively linked to Longshore rates, the greatest cost—lost jobs and pay—could be experienced by the very people the program is designed to protect.

Unrelated death benefits

The Longshore Act is the only workers' compensation law paying death benefits to survivors of permanently disabled employees when the death was not employment or employment-injury related, such as by murder or suicide. This costly form of life insurance was not contemplated when the Act was originally passed, and it further complicates the matter of risk predictability.

Maximum death benefits

Through a quirk in the law upheld by the Supreme Court, death benefits to surviving spouses can be tremendous since they are granted tax-free at half the actual gross income the deceased was earning, subject to no maximum. Additional benefits are paid to surviving children. Not only that, all death benefits are escalated annually.

This interpretation literally puts a premium on death. The surviving spouses of high-paid workers can collect benefits at a higher rate than the workers would have received in disability compensation had they lived—benefits which can total millions of dollars tax-free over the spouses' lifetime.

"Unscheduled injury" awards

In the case of unscheduled injuries—primarily back and head injuries and occupational disease—employees can receive permanent partial disability payments, unqualified, for a lifetime. An employee can thus resume work at full pay, with the permanent partial benefits serving, in effect, as supplemental income.

Administration

The most frustrating administrative practices for both employers and employees are found in the Labor Department's review process. Creation of the Benefits Review Board by the 1972 amendments as the top layer of the process has slowed procedures considerably and made contested cases more difficult to close.

Approximately two years is required for review—first by a Deputy Commissioner, then by an Administrative Law Judge, and finally by the Board. If the case is appealed further, it takes another year-and-a-half at least for a decision from the appropriate federal appeals court. Prior to 1972, decisions of the Deputy Commissioner could be apappealed directly to the U.S. District Court.

Members of the Board are appointed by the Secretary of Labor, for an indefinite term, without Congressional review of their credentials or appropriateness. With no Departmental guidelines and an ambiguous law, the Board's judgments, along with those of the Administrative Law Judge, have favored claimants whether for good cause or not.

Medical treatment

The medical service provision in the 1972 amendments is interpreted by the Department of Labor to allow any physician to treat and evaluate Longshore injuries instead of only those doctors experienced in industrial medicine and willing to cooperate with the Longshore program. As a result, many employees receive incompetent medical care.

Besides the failure to exercise supervisory authority over medical treatment given to employees, the opportunities for rehabilitating the disabled have also been overlooked. Practical rehabilitation efforts which fit the aspirations and remaining abilities of those disabled to jobs where they can truly be productive have been neither developed nor encouraged under the Longshore Act. The situation stands out as one of the most tragic indictments of the program.

The special fund

By limiting the liability an employer has under workers' compensation for an employee who at the time of hiring had a disability, the Special Fund is designed to encourage employment of the handicapped. If a work accident occurs and the employer can show that previous disability existed, his liability for the accident is limited to payment of the first 104 weeks of compensation. The Special Fund pays the rest of the claim.

The Special Fund is administered by the Department of Labor, and claims payments made by the Fund are financed through annual assessments on insurers and self-insurers. The cost of these usually open-ended claims is thus spread among all those underwriting the Longshore program.

Absence of administrative safeguards for the Fund creates the temptation to use it in cases which may not be justified—to encourage the development of a record in such cases which would establish both total disability and preaccident disability.

During the period 1972-75, claims payments by the Special Fund increased from $42,000 to $2,200,000, a jump of 388 percent. Claims currently being paid by the Fund are increasing at the rate of an additional $10 million in liability each month. Even greater increases are expected.

To complicate matters, the Fund is not subject to reserving practices and other insurance procedures to assure that claims obligations can be met. Concern is spreading over the escalating liability and the need for a realistic plan to handle the cases involved.

SOLUTIONS TO THE LONGSHORE DILEMMA

The 1972 amendments to the Longshoremen's and Harbor Workers' Compensation Act have created many more problems than they solved. Designed to provide a balanced trade-off of increased benefits for re-establishment of the "exclusive remedy" principle, they have instead produced excessive costs, uninsurability, more administrative delays, court confusion, and an unnecessary additional need for legal services.

These results have had adverse effects for both employers and employees. Society as a whole also suffers because the consumer ultimately pays for the additional costs in the price of products and services.

The only effective cure is to start at the core of the dilemma, the law itself. The Longshoremen's and Harbor Workers' Compensation Act cries out for revision. Even the Supreme Court has noted that it is about as unclear as any statute could conceivably be.

Legislation—not simply renovation of administrative and operational procedures under the Longshore Act—offers the only hope for true reform.

AD HOC COMMITTEE TO REWRITE THE LONGSHORE ACT

Alaska Insurance Company.
Alliance of American Insurers.
American Association of Port Authorities.
American Boat Builders & Repairers Association.
Associated General Contractors of America.
American Home Assurance Company.
American Insurance Association.
American International Group.
American International Underwriters of Dallas.
American Life Insurance Company.
American Waterways Shipyard Conference.
Birmingham Fire and Marine Insurance Company.
C. V. Starr Company.
Chamber of Commerce of the United States.
Commerce and Industry Insurance Company.
Crane & Rigging Association.
Crum & Forster Insurance Companies.
Delaware American Life Insurance Company.
Great Lakes Terminal Association.
Greater Washington Board of Trade.
Hartford Insurance Group.
Hawaii Fire & Marine Insurance Company.
Illinois Fire & Marine Insurance Company.
Independent Insurance Agents of America.
Independent Liquid Terminal Association.
Inland Rivers Ports & Terminals, Inc.
International Association of Drilling Contractors.
Kemper Group.
Landmark Assurance.
Life Insurance Company of New Hampshire.
Master Contracting Stevedore Assn. of the Pacific Coast, Inc.
New Hampshire Insurance Company.
National Association of Casualty and Surety Agents.
National Association of Independent Insurers.
National Association of Manufacturers.
National Association of Stevedores.
National Constructors Association.
National Food Processors Association.
National Marine Manufacturers Association.
National Union Fire Insurance Company.
Pacific Union Assurance.
Professional Insurance Agents.
Reinsurance Association of America.
Sheetmetal & Air Conditioning Contractors National Assn.
Shipbuilders Council of America.
Southeastern Risk Specialists.
Southern California Marine Association.
Southwestern Risk Specialists.
UBA, Inc.
Vermont Accident & Health Insurance Company.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. White (at the request of Mr. Wright), for today, on account of illness.

Mr. Charles H. Wilson of California (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Porter) to revise and extend their remarks and include extraneous material:)

Mr. Ashbrook, for 20 minutes, today.

(The following Members (at the request of Mr. Daschle) to revise and extend their remarks and include extraneous material:)

Mr. Glickman, for 10 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Ms. Holtzman, for 5 minutes, today.
Mr. LaFalce, for 15 minutes, today.
Mr. Pepper, for 5 minutes, today.
Ms. Oakar, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Erlenborn, and to include extraneous material, notwithstanding the fact that it exceeds two pages of the Record and is estimated by the Public Printer to cost $982.50.

Mr. AuCoin's remarks to appear after the gentleman from Massachusetts in today's debate on the sea grant authorization.

Mr. Forsythe's remarks place in the body of the Record following completion of Mr. McCloskey in the debate on the sea grant bill.

(The following Members (at the request of Mr. Porter), and to include extraneous matter:)

Mr. Brown of Ohio in two instances.
Mr. Young of Alaska.
Mr. Moorhead of California.
Mrs. Snowe.
Mr. Ritter.
Mr. Royer.
Mr. Beard of Tennessee.
Mr. Ashbrook in three instances.
Mr. Emery.
Mr. Paul.
Mr. Bafalis.
Mr. Gilman.
Mr. Hyde.
Mr. Abdnor in two instances.

(The following Members (at the request of Mr. Daschle), and to include extraneous matter:)

Mr. Kogovsek.
Mrs. Schroeder.
Mr. Mollohan.
Mr. Gore.
Mr. Bailey.
Mr. LaFalce.
Mr. Shelby.
Mr. Lundine.
Ms. Oakar.
Mr. Mavroules.
Mr. Harris.
Mr. Udall.
Mr. Jones of Oklahoma.
Mr. Peyser.
Mr. Rose.
Mr. Weiss.
Mr. Patterson.
Mr. Ottinger.
Mr. Van Deerlin.
Mr. Fascell.
Mr. Vanik.

ADJOURNMENT

Mr. DASCHLE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 2 o'clock and 56 minutes p.m.), under its previous order, the House adjourned until Monday, April 21, 1980, at 12 o'clock noon.

EXPENDITURE REPORTS CONCERNING OFFICIAL FOREIGN TRAVEL

Reports of various House committees, and miscellaneous reports filed with the Committee on House Administration, concerning the foreign currencies and U.S. dollars utilized by them during the first, second, third, and fourth quarters of calendar year 1979 and the first quarter of calendar year 1980 in connection with foreign travel pursuant to Public Law 95-384 are as follows:

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Hon. Fernand J. St Germain	10/1	10/4	Yugoslavia				235.13				235.17
	10/4	10/8	Turkey				59.07				59.03
Hon. Joseph J. Minish	10/1	10/4	Yugoslavia				235.13				235.13
Hon. John J. Cavanaugh	10/1	10/4	Yugoslavia				235.13				235.13
Hon. Les AuCoin	10/1	10/4	Yugoslavia				235.13				235.13
Hon. Doug Barnard, Jr	10/1	10/4	Yugoslavia				235.13				235.13
	10/4	10/8	Turkey				59.07				59.07
Hon. Chalmers Wylie	10/1	10/4	Yugoslavia				235.13				235.13
Paul Nelson	10/1	10/4	Yugoslavia				235.13				235.13
	10/4	10/8	Turkey				59.07				59.03
Michael P. Flaherty	10/1	10/4	Yugoslavia				235.13				235.17
James C. Orr	10/1	10/4	Yugoslavia				235.13				235.13
	10/4	10/8	Turkey				59.07				59.07
Graham Northup	10/1	10/4	Yugoslavia				235.13				235.13
	10/4	10/8	Turkey				59.07				59.07
Gregory P. Wilson	10/1	10/4	Yugoslavia				235.13				235.13
	10/4	10/7	Turkey				42.20				42.20
Hon. James A. S. Leach	11/26	11/27	Abu Dhabi		0		0				0
	11/27	11/28	Kuwait		0		154.00				154.00
	11/28	11/29	England		115.00		374.75				489.75
Hon. Edwin R. Bethune	11/26	11/27	Abu Dhabi		0		0				0
	11/27	11/28	Kuwait		0		0				0
	11/28	11/29	England		115.00		318.00				433.00
Anthony Valanzano	12/6	12/15	England		1,150.00		394.00				1,544.00
Total					1,380.00		4,164.73				5,544.73

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Mar. 21, 1980.

HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON BANKING, FINANCE AND URBAN AFFAIRS, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN OCT. 1 AND DEC. 31, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
Hon. Fernand J. St Germain	10/4	10/8	Turkey				315.20				315.20
Hon. Doug Barnard, Jr	10/4	10/8	Turkey				315.20				315.20
Paul Nelson	10/4	10/8	Turkey				315.20				315.20
James C. Orr	10/4	10/8	Turkey				315.20				315.20
Graham Northup	10/4	10/8	Turkey				315.20				315.20
Gregory P. Wilson	10/4	10/7	Turkey				225.14				225.14
Total							1,801.14				[3] 1,801.14

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Transportation and other expenses.

Mar. 27, 1980.

HENRY S. REUSS,
Chairman, Committee on Banking, Finance and Urban Affairs.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Van Deerlin, Lionel (Congressman)	1/14	1/16	Venezuela	847.45	198.00					847.45	198.00
	1/16	1/19	Brazil	12,085.45	276.00					12,085.45	276.00
	1/19	1/20	Costa Rica	640.50	75.00					640.50	75.00
Military							959.52				959.52
Commercial							350.30				350.30
Corcoran, Tom (Congressman)	1/3	1/6	England	154.02	345.00					154.02	345.00
	1/6	1/7	England	37.95	85.00					37.95	85.00
	1/7	1/13	France	2,400	600.00	276.40	69.10			2,676.40	669.80
	1/13	1/16	Germany	610.47	357.00		112.80			610.47	469.00
Commercial							1,119.90				1,119.90
Bienstock, Steven J	1/3	1/6	England	154.02	345.00					154.02	345.00
	1/6	1/7	England	37.95	85.00					37.95	85.00
	1/7	1/13	France	2,400	600.00	276.00	69.10			2,676.40	669.10
	1/13	1/16	Germany	610.47	357.00		112.80			610.47	469.80
Commercial							1,119.90				1,119.90
Finnegan, David B	1/3	1/6	England	154.02	345.00					154.02	345.00
	1/6	1/7	England	37.95	85.00					37.95	85.00
	1/7	1/12	France	2,400	600.00	276.40	69.10			2,676.40	669.10
	1/12	1/16	Germany	610.47	357.00		112.80			610.47	357.00
(Less value of unused railroad ticket, returned to U.S. State Department)							−31.20				81.60
							81.60				81.60
Commercial							1,119.90				1,119.90
Totals					4,710.00		5,184.02				9,894.02

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

Mar. 27, 1980.

HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.

AMENDED REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMITTEE ON INTERSTATE AND FOREIGN COMMERCE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Van Deerlin, Lionel (Congressman)	1/14	1/16	Venezuela	847.45	198.00		219.12		0	847.45	417.12
	1/16	1/19	Brazil	12,085.45	276.00		62.36		4.81	12,085.45	343.17
	1/19	1/20	Costa Rica	640.50	75.00		47.67		57.80	640.50	180.47
Military							959.52				959.52
Commercial							350.30				350.30
Corcoran, Tom (Congressman)	1/3	1/6	England	154.02	345.00					154.02	345.00
	1/6	1/7	England	37.95	85.00					37.95	85.00
	1/7	1/13	France	2,400	600.00	276.40	69.10			2,676.40	669.10
	1/13	1/16	Germany	610.47	357.00		112.80			610.47	469.80
Commercial							1,119.90				1,119.90
Bienstock, Steven J	1/3	1/6	England	154.02	345.00					154.02	345.00
	1/6	1/7	England	37.95	85.00					37.95	85.00
	1/7	1/13	France	2,400	600.00	276.40	69.10			2,676.40	669.10
	1/13	1/16	Germany	610.47	357.00		112.80			610.47	469.80
Commercial							1,119.90				1,119.90
Finnegan, David B	1/3	1/6	England	154.02	345.00					154.02	345.00
	1/6	1/7	England	37.95	85.00					37.95	85.00
	1/7	1/12	France	2,400	600.00	276.40	69.10			2,676.40	669.10
	1/12	1/16	Germany	610.47	357.00		112.80			610.47	357.00
(Less value of unused railroad ticket, returned to U.S. State Department.).							−31.20				
							81.60				81.60
Commercial							1,119.90				1,119.90
Total					4,710.00		5,513.17		62.61		10,285.78

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[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

HARLEY O. STAGGERS,
Chairman, Committee on Interstate and Foreign Commerce.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, COMMISSION ON SECURITY AND COOPERATION IN EUROPE, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND MAR. 31, 1980

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Oliver	1/12	1/15	London	118.86	261.00		[3] 842.00				
	1/15	1/17	Bonn	307.80	180.00						
	1/17	1/19	Amsterdam	317.02	166.00						
	1/19		Dulles								
Wise	2/8	2/11	Italy	181,420	225.00		[3] 1,255.00				
	2/11	2/14	Bucharest	2,565.6	240.00						
	2/14	2/16	Geneva	329.05	204.00						
	2/16	2/21	Hamburg	1,078.80	620.00						
	2/21		Dulles								
Davidson	2/10	2/15	Bucharest	4,252	400.00		[3] 1,179.00				
	2/15		Dulles								
Pederson	2/17	2/22	Hamburg	1,078.80	620.00		[3] 852.00				
	2/22		Dulles								
Sletzinger	3/17	3/21	Brussels	12,647	428.00		861.00				
	3/21		Dulles								
Wise	3/17	3/21	Brussels	12,647	428.00		[3] 861.00				
	3/21		Dulles								
Brescia	3/18	3/21	Brussels	9,485,15	321.00		[3] 880.96				
	3/21		Dulles								
Total					4,123.00		6,730.96				

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[1] Per diem constitutes lodging and meals.
[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.
[3] Round trip.

DANTE FASCELL,
Chairman, Commission on Security and Cooperation in Europe.

Mar. 31, 1980.

MISCELLANEOUS REPORTS (REPORTS FILED WITH THE COMMITTEE ON HOUSE ADMINISTRATION AND FORWARDED TO THE CLERK TO BE HANDLED IN THE SAME MANNER AS FOREIGN TRAVEL REPORTS FILED BY COMMITTEES)

REFORT OF EXPENDITURES FOR OFFICAL FOREIGN TRAVEL, UNITED STATES GROUP, INTERPARLIAMENTARY UNION, COMMITTEE OF NINE PLUS, ROME, ITALY; AND SPRING MEETING PRAGUE, CZECHOSLOVAKIA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN APR. 10 AND 22, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Edward J. Derwinski	4/14	4/21	Czechoslovakia		715.00						715.00
	4/21	4/22	Holland		217.00						217.00
Military transportation[3]							1,261.00				1,261.00
Claude Pepper	4/14	4/20	Czechoslovakia		477.00						477.00
	4/20	4/22	Holland		173.00						173.00
Military transportation[3]							798.00				798.00
L. H. Fountain	4/14	4/20	Czechoslovakia		593.00						593.00
	4/20	4/22	Holland		229.33						229.33
Military transportation[3]							798.00				798.00
J. J. Pickle	4/14	4/20	Czechoslovakia		630.00						630.00
	4/20	4/22	Holland		240.00						240.00
Military transportation[3]							798.00				798.00

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
David R. Bowen	4/14	4/15	Czechoslovakia		85.00						85.00
	4/18	4/21	Czechoslovakia		255.00						255.00
	4/21	4/22	Holland		130.00						130.00
Military transportation[3]							1,261.00				1,261.00
Elliott H. Levitas	4/14	4/19	Czechoslovakia		525.00						525.00
	4/21	4/22	Holland		130.00						130.00
Military transportation[3]							722.00				722.00
Robert McClory	4/10	4/13	Italy		500.00		1,996.00				2,496.00
	4/15	4/20	Czechoslovakia		525.00						525.00
	4/20	4/22	Holland		240.00						240.00
Military transportation[3]							456.00				456.00
Clarence Brown	4/14	4/20	Czechoslovakia		510.91						510.91
	4/20	4/22	Holland		213.85						213.85
Military transportation[3]							798.00				798.00
Lawrence Coughlin	4/14	4/20	Czechoslovakia		630.00						630.00
	4/20	4/22	Holland		240.00						240.00
Military transportation[3]							798.00				798.00
M. Caldwell Butler	4/14	4/20	Czechoslovakia		6 30.00						630.00
	4/20	4/22	Holland		213.00						213.00
Military transportation[3]							798.00				798.00
Edmund L. Henshaw Jr	4/14	4/20	CzechosloVakia		630.00						630.00
	4/20	4/22	Holland		240.00						240.00
Military transportation[3]							798.00				798.00
P. Vance Hyndman	4/10	4/14	Italy		500.00		998.00				1,498.00
	4/14	4/21	Czechoslovakia		581.00						581.00
	4/21	4/22	Holland		115.00						115.00
Military transportation[3]							919.00				919.00
Ellen P. Rayner	4/14	4/20	Czechoslovakia		405.00						405.00
	4/20	4/22	Holland		152.00						152.00
Military transportation[3]							798.00				798.00
Diane Lyn Stoner	4/14	4/20	Czechoslovakia		392.00						392.00
	4/20	4/22	Holland		165.00						165.00
Military transportation[3]							798.00				798.00
Ann D. Bolton	4/14	4/20	Czechoslovakia		472.86						472.86
	4/20	4/22	Holland		176.50						176.50
Military transportation[3]							798.00				798.00
Delegation expenses:											
Official meals	4/14	4/20	Czechoslovakia		887.39						887.39
	4/20	4/22	Holland		929.58						929.58
Control room	4/14	4/20	Czechoslovakia		1,165.21						1,165.21
	4/20	4/22	Holland		416.36						416.36
Transportation	4/14	4/20	Czechoslovakia				1,330.43				1,330.43
	4/20	4/22	Holland				367.02				367.02
Overtime (Embassy personnel).	4/14	4/20	Czechoslovakia						193.90		193.90
Gratuities	4/14	4/20	Czechoslovakia						35.00		35.00
	4/20	4/22	Holland						45.00		45.00
Miscellaneous	4/14	4/20	Czechoslovakia						51.72		51.72
Total					15,329.99		17,290.45		325.62		32,946.06

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] DOD transportation provided pursuant to 31 U.S.C. 22A.

Feb. 27, 1980.

—— ——, Chairman.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, UNITED STATES GROUP, INTERPARLIAMENTARY UNION, FALL CONFERENCE, CARACAS, VENEZUELA, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN SEPT. 10 AND SEPT. 22, 1979

Name of Member or employee	Date		Country	Per diem[1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]	Foreign currency	U.S. dollar equivalent or U.S. currency[2]
Richardson Preyer	9/12	9/16	Venezuela		395.00		[3] 252.00				647.00
Edward J. Derwinski	9/10	9/16	Venezuela		600.00		456.00				1,056.00
							[3] 120.00				120.00
Claude Pepper	9/12	9/16	Venezuela		422.98		[3] 252.00				674.98
E de la Garza	9/12	9/16	Venezuela		440.00		[3] 252.00				692.00
Robert McClory	9/12	9/16	Venezuela		460.00		[3] 252.00				712.00
Guy Vander Jagt	9/12	9/16	Venezuela		460.00		[3] 252.00				712.00
William F. Goodling	9/12	9/16	Venezuela		350.00		[3] 252.00				602.00
J. J. Pickle	9/19	9/22	Venezuela		375.00		[3] 833.00				1,208.00
Robert Duncan	9/19	9/22	Venezuela		310.00		[3] 833.00				1,143.00
Antonio B. Won Pat	9/16	9/22	Venezuela		690.00		[3] 242.00				932.00
M. Caldwell Butler	9/19	9/22	Venezuela		303.00		[3] 833.00				1,136.00
Edmund L. Henshaw, Jr	9/12	9/22	Venezuela		1,050.00		[3] 252.00				1,302.00
Paul V. Hyndman	9/10	9/22	Venezuela		1,032.00		456.00				1,488.00
							[3] 120.00				120.00
Ellen P. Rayner	9/12	9/22	Venezuela		667.80		[2] 252.00				919.80
Diane Lyn Stoner	9/12	9/22	Venezuela		625.10		[3] 252.00				877.10
Ann Bolton	9/12	9/16	Venezuela		315.00		[3] 252.00				567.00
Delegation expenses:											
Official meals	9/12	9/22	Venezuela		2,562.20						2,562.20
Control room	9/12	9/22	Venezuela		2,014.21						2,014.21
Transportation	9/12	9/22	Venezuela				2,231.32				2,231.32
Overtime (Embassy personnel).	9/12	9/22	Venezuela						588.79		588.79
Gratuities	9/12	9/22	Venezuela						39.26		39.26
Official calls	9/12	9/22	Venezuela						72.02		72.02
Xerox	9/12	9/22	Venezuela						252.33		252.33
Miscellaneous	9/12	9/22	Venezuela						33.25		33.25
Committee total					13,072.29		8,644.32		985.65		22,702.26

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Military transportation provided pursuant to 31 U.S.C. 22A.

RICHARDSON PREYER,
Chairman, Venezuela-United States Interparliamentary Group.

Feb. 27, 1980.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, CANADA-U.S. INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Andrews, M.	8/9	8/15	Canada		308.26		[3] 60.94				369.20
	8/15	8/17	United States		121.00		[3] 282.12				403.12
Boland, E.	8/9	8/15	Canada		283.91		[3] 138.52				422.43
	8/15	8/17	United States		154.45		[3] 345.60				500.05
Bonker, D.	8/9	8/15	Canada		300.35		[4] 462.00				762.35
	8/15	8/17	United States		103.45		[3] 138.80 [4] 203.81				446.06
Brennan, K.	8/9	8/15	Canada		237.04		[3] 138.52				375.56
	8/15	8/17	United States		104.45		[3] 326.40				430.85
	11/6	11/9	United States		282.92		[4] 542.00				824.92
Broyhill, J.	8/9	8/15	Canada		319.73		[3] 138.52				458.25
	8/15	8/17	United States		126.20		[3] 345.60				471.80
Fascell, D.	8/9	8/15	Canada		456.80		[3] 138.52				595.32
	8/15	8/17	United States		156.35		[3] 345.60				501.95
Finley, M.	8/9	8/15	Canada		327.49		[3] 138.52				466.01
	8/15	8/17	United States		100.00		[3] 345.60				445.60
Gibbons, S.	8/9	8/15	Canada		290.45		[3] 138.52				428.97
	8/15	8/17	United States		120.00		[3] 345.60				465.60
Hanley, J.	8/9	8/15	Canada		298.94		[3] 138.52				437.46
	8/15	8/17	United States		132		[3] 345.60				477.60
Ingram, G.	8/9	8/13	Canada		203.19	[4] 180.70	[3] 138.52				522.41
	11/16	11/18	United States		234.72		[4] 542				776.72
Johnson, H.	8/9	8/15	Canada		299.93		[3] 138.52				438.45
	8/15	8/17	United States		153.80		[3] 345.60				499.40
La Falce, J.	8/9	8/11	Canada		89.03		[3] 138.52				227.55
O'Regan, C.	8/9	8/15	Canada		236.89		[3] 138.52				375.41
	8/15	8/17	United States		100		[3] 326.40				426.40
Stangeland, A.	8/9	8/15	Canada		282.45		[3] 138.52				420.97
	8/15	8/17	United States		123.10		[3] 345.60				468.70
Winn, L.	8/9	8/15	Canada		289.81		[3] 138.52				428.33
	8/15	8/17	United States		126.35		[3] 345.60				471.95
Delegation Expenses									[5] 8,781.71		
Total				6,363.06		[4] 1,930.51 [3] 6,045.82			8,781.71		23,121.10

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; If U.S. currency is used, enter amount expended.

[3] DOD.

[4] Commercial.

[5] Stationery items, $307.30; control rooms, $977.38; official delegation meals, $5,608.47; costs for delegation meals and control room on plane, $1,527.98; late hotel charges, $13.76; deposit for 1980 Conference, $50; and miscellaneous, $296.82.

DANTE B. FASCELL,
Chairman, Canada-United States Interparliamentary Group.

Mar. 4, 1980.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, MEXICO-UNITED STATES INTERPARLIAMENTARY GROUP, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [3]
de la Garza, E.	1/8	1/9	Mexico				[3] 96.82				96.82
	3/15	3/19	Mexico				[3] 473.15				473.15
	5/24	5/29	Mexico		486.08		[4] 772.73				1,258.81
Yatron, Gus	5/24	5/29	Mexico		621.63		[4] 772.73				1,394.36
Wright, Jim	5/24	5/29	Mexico		476.86		[4] 772.73				1,249.59
Kogovsek, Ray	5/24	5/29	Mexico		365.25		[4] 772.73				1,137.98
Kazen, A.	5/24	5/29	Mexico		261.07		[4] 772.73				1,033.80
Miller, G.	5/24	5/29	Mexico		389.48		[4] 772.73				1,162.21
Van Deerlin, L.	5/24	5/29	Mexico		252.12		[4] 772.73				1,024.85
Coelho, Tony	5/24	5/29	Mexico		259.91		[4] 772.73				1,032.64
Rousselot, J.	5/25	5/29	Mexico		305.76		[3] 235.00 [5] 451.10				991.86
Burgener, C.	5/24	5/29	Mexico		288.53		[3] 119.13 [5] 451.10				858.76
Lagomarsino, R.	5/24	5/29	Mexico		229.35		[4] 772.73				1,002.08
Rudd, Eldon	5/24	5/29	Mexico		265.61		[4] 772.73				1,038.34
Gilman, B.	5/24	5/26	Mexico		99.45		[5] 321.63				421.08
Chester, J. C.	5/24	5/29	Mexico		263.02		[4] 772.73				1,035.75
Friedman, G.	5/24	5/29	Mexico		265.70		[4] 772.73				1,038.43
Cooke, J.	5/24	5/29	Mexico		280.35		[4] 772.73				1,053.08
Fox, E.	5/24	5/29	Mexico		327.10		[4] 772.73				1,099.83
Raupe, J.	5/24	5/29	Mexico		250.07		[4] 772.73				1,022.80
Daoust, E.	5/24	5/29	Mexico		293.84		[4] 772.73				1,066.57
Delegation expenses									[6] 3,040.18		[6] 3,040.18
Committee total					5,981.19		[3] 924.10		3,040.18		23,532.98

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[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Commercial.

[4] Department of Defense.

[5] Military.

[6] Stationery items, $293.15; interpreters and Embassy assistance in Mexico, $150.12; control rooms and administrative rooms in Mexico, $771.45; official delegation meals, $160.44; late charge for 1978 bus rental, $176; and costs for delegation meals on planes, $1,489.02.

E DE LA GARZA,
Chairman, Mexico-United States Interparliamentary Group.

Jan. 30, 1980.

REPORT OF EXPENDITURES FOR OFFICIAL FOREIGN TRAVEL, DELEGATION, NORTH ATLANTIC ASSEMBLY, U.S. HOUSE OF REPRESENTATIVES, EXPENDED BETWEEN JAN. 1 AND DEC. 31, 1979

Name of Member or employee	Date		Country	Per diem [1]		Transportation		Other purposes		Total	
	Arrival	Departure		Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]	Foreign currency	U.S. dollar equivalent or U.S. currency [2][3]	Foreign currency	U.S. dollar equivalent or U.S. currency [2]
Phillip Burton	5/25	5/28	Norway		252.00		[4] 307.00				559.00
Lee H. Hamilton	5/25	5/28	Norway		252.00		560.00				812.00
Frank Annunzio	5/25	5/28	Norway		252.00		560.00				812.00
Jack Brooks	5/25	5/28	Norway		252.00		560.00				812.00
Charles Rose	5/25	5/28	Norway		252.00		560.00				812.00
Norman Dicks	5/25	5/28	Norway		252.00		560.00				812.00
Bob Wilson	5/25	5/28	Norway		252.00		[4] 307.00				559.00
Paul Findley	5/25	5/28	Norway		252.00		560.00				812.00
John Paul Hammerschmidt	5/25	5/28	Norway		252.00		560.00				812.00
Peter A. Abbruzzese	5/25	5/28	Norway		252.00		[4] 307.00				559.00
Nancy Drake	5/25	5/28	Norway		252.00		560.00				812.00
Hon. Phillip Burton	10/21	10/23	Canada	260	225.00		119.00				344.00
Hon. Frank Annunzio	10/21	10/23	Canada	260	225.00		119.00				344.00
Hon. Charles Rose	10/21	10/23	Canada	260	225.00		119.00				344.00
Hon. Jack Brooks	10/21	10/23	Canada	260	225.00		119.00				344.00
	10/25	10/27	Canada	177	150.00		179.00				329.00
Hon. Bob Wilson	10/21	10/23	Canada	260	225.00		119.00				344.00
	10/24	10/27	Canada	260	150.66		179.00				329.66
Hon. G. William Whitehurst	10/21	10/23	Canada	260	225.00		119.00				344.00
	10/24	10/27	Canada	177	150.00		179.00				329.00
Hon. Robert McEwen				None	None		313.45				313.45
Peter Abbruzzese	10/21	10/27	Canada	615	525.00		119.00				644.00
Committee total					5,097.66		7,084.45				12,182.11

[1] Per diem constitutes lodging and meals.

[2] If foreign currency is used, enter U.S. dollar equivalent; if U.S. currency is used, enter amount expended.

[3] Includes pro rata share of KC-135 aircraft.

[4] Departed Oslo on speaker authorized visit, returned to United States on June 2, 1977.

PHILLIP BURTON,
Chairman.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4147. A letter from the Acting Assistant Secretary of Defense (Manpower, Reserve Affairs and Logistics), transmitting a report on the adequacy of pay and allowances of the uniformed services, pursuant to 37 U.S.C. 1008(a); to the Committee on Armed Services.

4148. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting a draft of proposed legislation to amend the National Commission on Libraries and Information Science Act; to the Committee on Education and Labor.

4149. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of a proposed license for the export of defense articles and services to Indonesia (Transmittal No. MC-15-80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4150. A letter from the Director, U.S. Arms Control and Disarmament Agency, transmitting the administration's fiscal year 1981 arms control impact statements, pursuant to section 36(b)(2) of the Arms Control and Disarmament Act, as amended; to the Committee on Foreign Affairs.

4151. A letter from the Deputy Assistant Secretary of the Interior for Indian Affairs, transmitting a proposed plan for the use and distribution of the Pribilof Islands judgment funds in dockets 352 and 369-A before the U.S. Court of Claims, pursuant to section 2(a) of Public Law 93-134; to the Committee on Interior and Insular Affairs.

4152. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on shared-schedule residency training positions, pursuant to section 709 (b) of the Public Health Service Act, as amended; to the Committee on Interstate and Foreign Commerce.

4153. A letter from the Director, Administrative Office of the U.S. Courts, transmitting a draft of proposed legislation to amend section 1871(a) of title 28, United States Code, with respect to the compensation of jurors in the U.S. bankruptcy courts; to the Committee on the Judiciary.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CONYERS (for himself, Mr. RODINO, and Mr. EDWARDS of California):

H.R. 7084. A bill to amend chapter 207 of title 18, United States Code, relating to pretrial services; to the Committee on the Judiciary.

By Mr. FASCELL (for himself, Mr. ULLMAN, Mr. ZABLOCKI, Mr. BROOMFIELD, Mr. BUCHANAN, and Mr. DERWINSKI):

H.R. 7085. A bill to amend title 5 of the United States Code and the Internal Revenue Code of 1954 to provide certain benefits to individuals held hostage in Iran and to similarly situated individuals; jointly, to the Committees on Foreign Affairs, Post Office and Civil Service, and Ways and Means.

By Mr. FISHER:

H.R. 7086. A bill to amend section 5305(c) of title 5, United States Code, to provide that the authority of the President to submit any alternative plan for pay comparability adjustments under such section be available only if general wage and salary guidelines or controls are in effect, and for other purposes; to the Committee on Post Office and Civil Service.

By Mr. FRENZEL (for himself, Mr. CONABLE, and Mr. JONES of Oklahoma):

H.R. 7087. A bill to increase the column 2 rate of duty (applicable to products of Communist countries) on anhydrous ammonia to 15 percent ad valorem; to the Committee on Ways and Means.

By Mr. HILLIS:

H.R. 7088. A bill to amend the adjustment assistance programs under the Trade Act of 1974 in order to impose import fees on articles causing injury to domestic workers, firms, and communities sufficient in amount to reimburse the Federal Government for the cost of such programs; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 7089. A bill to establish an office in the National Institutes of Health to assist in the development of drugs for diseases and conditions of low incidence; to the Committee on Interstate and Foreign Commerce.

By Mr. PATTERSON:

H.R. 7090. A bill to amend title 23, United States Code, with respect to the apportionment formula for the Federal-aid primary system; to the Committee on Public Works and Transportation.

H.R. 7091. A bill to amend title 23, United States Code, with respect to the transfer of funds apportioned for resurfacing, restoring, and rehabilitating Interstate System lanes for use on the Federal-aid primary system; to the Committee on Public Works and Transportation.

H.R. 7092. A bill to direct the Secretary of Transportation to study the feasibility of adding high-occupancy vehicle lanes to certain freeways in southern California; to the Committee on Public Works and Transportation.

By Mr. PICKLE:

H.R. 7093. A bill to amend the Internal Revenue Code of 1954 to increase the annual gift tax exclusion and to clarify the gift tax treatment of certain transfers for consumption; to the Committee on Ways and Means.

By Mrs. SMITH of Nebraska:

H.R. 7094. A bill to amend title 23, United States Code, to authorize Federal-aid highway programs; to the Committee on Public Works and Transportation.

By Mr. STANTON (for himself and Mr. SCHULZE):

H.R. 7095. A bill to permit products of U.S. origin to be reimported into the United States under informal customs entry procedures; to the Committee on Ways and Means.

By Mr. VENTO:

H.R. 7096. A bill to amend the Older Americans Act of 1965 to authorize that handicapped or disabled individuals under age 60 yet living at senior citizen centers may participate in congregate nutrition services offered at the center; to the Committee on Education and Labor.

By Mr. LAFALCE:

H.J. Res. 533. Joint resolution authorizing the President to proclaim May 11 through May 18, 1980, "National Small Business Survival Week"; to the Committee on Post Office and Civil Service.

By Mr. STEWART:

H. Res. 640. Resolution expressing the sense of the House of Representatives that the Soviet authorities should permit Veniamin Bogomolny to emigrate from the Soviet Union to join his parents in Israel, and that the Soviet authorities should permit Jews in the Soviet Union to join their families in Israel and other nations; to the Committee on Foreign Affairs.

By Mr. WYDLER (for himself and Mr. Zablocki):

H. Res. 641. Resolution expressing the support of the Congress and the American people for Ambassador Diego Asencio, who is being held hostage in Colombia; to the Committee on Foreign Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. FISHER presented a bill (H.R. 7097), to provide for the posthumous appointment of Temple G. Cole to Foreign Service officer class 4 retroactive to January 1, 1970, and for the relief of his widow and other survivors, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS TO PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 154: Mr. Ginn, Mrs. Bouquard, Mr. Forsythe, Mr. Williams of Ohio, Mr. Cleveland, Mr. Edwards of Oklahoma, Mr. Hutto, Mr. Bowen, Mr. Bauman, Mr. Lehman, Mr. Dornan, Mr. Leach of Louisiana, Mr. Wirth, and Mrs. Holt.

H.R. 4358: Mr. Badham, Mr. Carney, Mr. Luken, Mr. Marlenee, Mr. Ottinger, and Mr. Porter.

H.R. 5211: Mr. Carter, Mr. Cheney, Mr. Collins of Texas, Mr. Erdahl, Mr. Hyde, Mr. Neal, Mr. Leach of Louisiana, and Mr. Buchanan.

H.R. 5658: Mr. McDonald.

H.R. 6303: Mr. Lowry, Mr. John L. Burton, Mr. Anderson of Illinois, and Mr. Phillip Burton.

H.R. 6354: Mr. Hagedorn.

H.R. 6539: Mr. Nichols.

H.R. 6617: Mr. Goldwater, Mr. Hinson, Mr. Addabbo, Mr. Barnes, Mr. Mitchell of New York, Mr. Dornan, Mr. Fazio, and Mr. Barnard.

H.R. 6625: Mr. Brademas, Mr. Harkin, Mr. Bowen, Mr. Hance, Mr. Kastenmeier, and Mr. Gibbons.

H.R. 6637: Mr. Vander Jagt.

H.R. 6675: Mr. Markey.

H.R. 6694: Mrs. Byron, Mr. Fazio, Mr. Dornan, Mr. Corcoran, Mr. Maguire, Mr. Guarini, Mr. Mitchell of Maryland, Mr. Wolpe, and Mr. Mitchell of New York.

H.R. 6798: Mr. Hollenbeck, Mr. Mitchell of Maryland, Mr. Murphy of Pennsylvania, Mr. Evans of Georgia, and Mr. Jones of Tennessee.

H.R. 6887: Mr. Rangel.

H.R. 6928: Ms. Mikulski.

H.R. 6936: Mr. McDonald.

H.R. 7038: Ms. Mikulski.

H.J. Res. 159: Mr. Chappell.

H.J. Res. 451: Mr. Gradison, Mr. Forsythe, and Mr. Cotter.

H.J. Res. 474: Mr. Rudd, Mr. Hutto, Mrs. Snowe, Mrs. Heckler, and Mr. Bowen.

H.J. Res. 504: Mrs. Spellman, Mr. Mitchell of New York, and Mr. Long of Maryland.

H.J. Res. 508: Mr. Corrada, Mr. Guarini, Mr. Scheuer, Mr. Pepper, Mr. Evans of the Virgin Islands, Mr. Fazio, Mr. Maguire, Mr. Jeffries, and Ms. Mikulski.

H. Res. 525: Mr. Duncan of Oregon, Mr. Erdahl, Mr. Hubbard, and Mr. Hutto.

H. Res. 636: Mr. Findley, Mr. Gibbons, Mr. Zeferetti, and Mr. Howard.

PETITIONS, ETC.

Under clause 1 of rule XXII,

333. The SPEAKER presented a petition of the Westchester County Board of Legislators, White Plains, N.Y., relative to revenue sharing, which was referred to the Committee on Government Operations.

EXTENSIONS OF REMARKS

EL SALVADOR FEELS STING OF CARTER'S STATE DEPARTMENT POLICY

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. BAUMAN. Mr. Speaker, the Central American travesty I have been warning my colleagues about continues. President Carter's policy toward the countries in that region has resulted in the plunging of Nicaragua first into bloody civil war, and now its loss to communism. Apparently emboldened by the success of their efforts, our State Department boys have begun a campaign of destabilization aimed at the other nations of the region. In previous remarks, I have already demonstrated how Guatemala is being rocked by State's not-so-subtle hints that this prosperous little country must soon go the way of Nicaragua.

But El Salvador, itself beset by violence as it tries to control extremists, has not been forgotten at Foggy Bottom. There, our own Ambassador, Robert White, has taken it upon himself to give El Salvador a hard shove to the left, regardless of the lives it costs or the impact on the region. His incredibly reckless statements are quickly making him the Andrew Young of Latin America.

At this point, Mr. Speaker, I offer an article published by Human Events last week detailing the State Department's conduct in Central America, and El Salvador in particular. It makes for depressing reading, but I urge my colleagues to see for themselves what our Government is doing to these hapless people.

The article follows:

STATE DEPARTMENT SPREADING MARXISM IN CENTRAL AMERICA

While the media continue to focus on the serious situation in both Iran and Afghanistan, and equally alarming but overlooked drama is developing in Central America. Not only is Fidel Castro making huge gains in this area, but the President's policies are helping to undermine the entire region.

Consider what has happened so far. Nicaragua, which fell to the Sandinistas last year, in large part because we helped to weaken Somoza, is virtually in the pocket of Cuba and the Soviet Union. Top officials of the revolutionary government, led by Moises Hassan Morales, left Moscow on March 22 after having concluded several important economic agreements with the Soviets. Significantly, the Nicaraguans moved even closer to Moscow by concluding a special "program of cooperation" between the Soviet Communist party and the Sandinista National Liberation Front, the kind of bond the Soviets forge with only their closest allies and satellites. In addition, both Nicaragua and the Soviets issued a communique which condemned the "imperialist" policies of the United States in Latin America.

Thus, despite the Administration's effort to persuade Congress to give Nicaragua $75 million in aid—which would go a long way toward implementing Sandinista socialism—Nicaragua's leaders appear to be binding themselves even more closely to the Soviet empire.

In Guatemala, the Cubans have made a major effort to encourage the various Marxist revolutionaries to join in a common front against the elected government—much in the same way they helped fuse together disparate Marxist elements in Nicaragua. But the U.S. government is now weakening the Guatemalan authorities at the very time the violent Left is stepping up its terrorist activities.

As disclosed in our February 16 issue, John Bushnell, the deputy assistant secretary of state for Inter-American Affairs, informed American businessmen in January that the American government had begun to "cool" its relations with Guatemala on the grounds that the present government was bound to fall anyway. Bushnell also went on to stress that the kind of approach we would take toward Guatemala would be similar to the approach we took toward Nicaragua before the Sandinistas conquered—i.e., withdrawal of support from the existing government.

Clearly, we are sending signals that can only encourage the Left. The Carter Administration is now also playing a peculiar role in another Central American country, El Salvador.

The smallest in area of all the Central American nations, El Salvador lies between Guatemala and Honduras, facing the Pacific Ocean. This nation suffers from terrorism more than any other Latin American country, with the Marxist-Leninist forces comprising the most powerful violent elements. Opposed by the State Department, the government of Carlos Humberto Remero—which, whatever its flaws, supported the United States, tried to implement social reforms, and favored free enterprise—was ousted by a coup last October. The new government, which listed left-of-center, was restructured in January and now tilts even further toward port. Moreover, it has a distinctly anti-free enterprise cast, having nationalized the banks, major agricultural areas and the export industry. These actions, as might be expected, have devastated the economy, thus making it more vulnerable to a Castroite takeover.

What is particularly incredible about all this is that the Administration has basically encouraged El Salvador's efforts at nationalization. Couching El Salvador's lurch toward socialism in euphemisms like "reform," State Department spokesman Hodding Carter has said: "We support the revolutionary governing junta's desire to carry out basic reforms that will give all the people a more adequate share in the wealth of the country."

But there's more to this encouragement of socialism than that. President Carter submitted to the Senate on January 22 of this year the nomination of Robert E. White as ambassador to El Salvador. White's major achievement up to then had been his ambassadorial role in Paraguay, where he publicly berated the government and privately turned his back on the American business community.

Under intense probing by Sen. Jesse Helms (R.-N.C.)—who led the unsuccessful battle against White's confirmation—White had some good things to say about the "passionate left" in El Salvador and had some bad things to say about the business community there and the ways of capitalism:

"Capitalism in El Salvador is an alliance between large land-holders, business interests, and the army, designed to reap maximum profits, give minimum benefits and minimum salaries, prevent any kind of organization of the peasantry or workers, and pay as little as possible in taxes into the public treasury, and to permit corruption that was rampant in the government of El Salvador."

White's statement was not only shocking, but totally untrue. El Salvador's business community and its agricultural sector have given the nation a better standard of living than most of Latin America as a whole. A World Bank study shows a dramatic improvement in income distribution between 1965 and 1977, despite El Salvador's rapid population rise. Most of the increased distribution affected, moreover, the 40 per cent of the population in the lowest economic brackets.

"As far as the tax burden is concerned," noted Helms, "in El Salvador, between 1971 and 1977, tax collections as a percentage of the GNP increased from 11 to 17 per cent. This is one of the highest in Latin America."

The State Department's own report on "human rights practices" in El Salvador for 1979, while knocking the Romero government's "limited" efforts to intervene in the economy, concedes: "Even so, government policies have been increasingly oriented to meeting basic human needs. Succeeding governments' expenditures as a per cent of GNP have increased from 10 per cent to 13 per cent in the 1960s to 19 per cent at present. Education and health account for 35 per cent of government expenditures." Total U.S. expenditures as a per cent of GNP is around 21 per cent.

Helms failed in his effort to derail White, but he proved a prophet when he said his selection would be both divisive and inimical to the interests of El Salvador. In a speech on March 28 before the American Chamber of Commerce in El Salvador, White fanned the flames of hatred against the private sector by issuing a blanket condemnation of the American and Salvadoran business community for allegedly financing right-wing "hit squads" engaged in killing and torturing the Left.

Though he had no evidence at hand and could point to no one specifically as the culprit, White also offered a "working hypothesis" that right-wing groups had been responsible for the March 24 slaying of Archbishop Oscar Arnulfo Romero. While some rightists may have done in Romero—the archbishop has just recently suggested that military soldiers disobey their superiors and had seemingly justified "the legitimate right to revolutionary violence"—what shocked the businessmen was White's inflammatory rhetoric indicting the entire business community. So far as is known, moreover, he has made no comparable warning to the Left—even though it is clear

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

they triggered the violence at Romero's funeral where 40 or more people were killed.

White also committed a phenomenal blunder. Not only did he hold the businessmen responsible for Romero's death, but he suggested they had been responsible for the death of Juan Chacon, secretary-general of the Marxist-Leninist Popular Revolutionary Bloc, whose unofficial military arm is the Faribundo Marti Popular Liberation Forces, or FPL. The FPL has been responsible for a number of assassinations. "I understand," said White in deploring tones, "that they shot him this morning and he died a little later. There is no doubt about this."

The only trouble with White's comments, however, is that Chacon surfaced shortly thereafter to say he was very much alive and kicking.

White's statements amounted to pouring kerosene on the incipient civil war flames ready to engulf El Salvador. No words could have been more calculated to incite Marxist terrorists against the entire business community. "Mr. White's statements," said Jose Eduardo Palomo, president of the National Association of Private Enterprise in El Salvador, "have made me a target for everyone. If anything happens to me, he's going to be responsible. I will be one more victim of U.S. misinformation."

White, reportedly, has been temporarily recalled for "consultation" because of his astounding statements, but the Administration does not seem about to jettison its support for El Salvador's "reforms," no matter how absurd or unsound. The Salvadoran business community, for instance, is circulating a letter from a Dr. Jaime Mauricio Salazar to Dr. John Pino, director, the Rockefeller Foundation, in New York.

A Rockefeller Fellow from 1974 to 1977, Salazar became head of research at the National Center for Agricultural Technology in El Salvador. He resigned on March 5, then fled to Guatemala City. In a portion of his letter (misspellings and grammatical mistakes his), he informed Pino:

"Plans for Agrarian Reform began since October 15, 1979. Up to the day of my resignation (March 5, 1980), nobody of the few highly trained specialists in the Ministry of Agriculture had been asked to participate in this plan nor anybody knew details about it.

"The plan that is being carried out is then, a foreign plan, perhaps prepared by specialists from International Organizations. They probably believe that this is the best plan in paper, but being foreign specialists, they could care less if the plan fails in the practice. This is assuming that there was a plan prepared for Agrarian Reform.

"The following are indications that the Agrarian Reform started off in the wrong direction: On March 4th, the announcement was made to 180 people of the Ministry of Agriculture, kept as Hostages in the Hotel Hyatt in San Salvador, that we had to participate in the Agrarian Reform. Up to this moment, nobody knew a thing about the plan.

"The plan was to make a violent take over of the affected farms and to virtually force all personnel of the Ministry of Agriculture to go along with the army.

"The violent takeover was reason enough for myself to resign. However, 27 researchers tried unsuccessfully to make our position valid. We asked, in a written statement, on March 4th, that our participation should be more efficiently utilized in devising a technical assistance plan to support production activities in the affected farms.

"The Secretary of Agriculture, Jorge Villacorta, in complete disregard of the essentiality of technical support, denied our petition. . . . The violent take over began and Army trucks took the hostages from the Hyatt Hotel at 4:00 a.m. on Thursday, March 6th. I left the country on Friday morning (March 7th), fearing for my life."

In a recent issue of Forbes magazine, Washington Bureau Chief Jerry Flint, who wrote a cover article on the growing threat of the revolutionary Left in Latin America, is quoted as saying the U.S. government is insisting on reforms throughout the hemisphere that would be impossible here at home and aren't likely to work. In El Salvador, he says, the United States is demanding nationalization of the banks and expropriation without real compensation of large estates. "These actions are likely to drive out the middle class, the entrepreneurs needed to create jobs, and they don't placate the Marxists," he said. "Worse, taking highly productive plantation land growing export crops such as cotton or sugar and turning it into tiny corn-and-beans plots isn't going to work. But that is what we insist upon."

A group of moderate American businessmen in San Salvador, bitter at White's arrogance and the State Department's attitude, have recently drawn up a memorandum stressing today's reality in El Salvador. That reality, they say, is this:

Farm properties and crops, burned and destroyed.

Industries taken over, burned and destroyed.

Business leaders kidnapped and assassinated.

Hundreds of hostages held for weeks as embassies, government offices, schools and churches are seized.

Economy on the verge of collapse.

What is the State Department's attitude?" they ask. "Their policy has so intimidated the local government regarding human rights violations with threats of sanctions, withdrawal of aid, and non-support that the Salvadorean security forces have for all practical purposes been emasculated as far as controlling violence is concerned.

"The Marxist terrorist groups have wrapped the mantle of The Human Rights doctrine so cleverly around them that totally illegal seizures by armed terrorists are branded as 'peaceful.' Assassinations of the Swiss Charge d'Affairs, the Rector of the National University and kidnap killings of the Israeli Consul, as well as foreign and local business leaders have passed unnoticed or uncommented by such well-known Human Rights organizations as Amnesty International and the local self-appointed Human Rights Committee. The local State Department officials talk on and on about Human Rights as if the Salvadorean security forces were up against unarmed and unprepared school boys.

"The realities are cruelly different. In the past 26 months, excluding regular army forces, there have been 63 policemen, 54 National Guardsmen, 14 Treasury policemen and 212 other security people cold bloodily [sic] murdered and all boastfully admitted by leftist terrorist groups. The State Department is currently backing a Military/Christian Democrat Government dedicated to a program of extreme reforms including the nationalization of banks, the nationalization of traditional exports and a drastic agrarian reform based on expropriation. These programs of state ownership would be totally unacceptable in the United States.

"The Christian Democratic Junta, which even Mr. J. Cheek, Deputy Assistant to Mr. William Bowdler [Assistant Secretary of State for Inter-American Affairs] agrees has very little popular support, is repudiated by every sector of the El Salvador citizenry and stays afloat only because of the outside backing from the State Department and Venezuela, a country where the Christian Democrats are currently in power. Yet this is the party that the U.S. State Department has chosen as the only hope to save El Salvador from going Communist. Ridiculous. Continuing to support the Christian Democrats and their poorly-conceived reforms that will destroy the economy is to play into the hands of the Marxists who have openly declared that their objective is to destroy the economy and then take over the government by force to establish a Communist Government of the Proletariat. The Christian Democrats and extreme left have invented the canard and combat slogans of a Salvadorean 'oligarchy' which is everbody but them.

"There have been rich and dominant families in El Salvador, but this is now ancient history. A strong middle-class center group exists composed of a wide array of professionals, executives, technicians, industrialists, merchants, and farmers, all of whom represent the private sector—the backbone of the economy. The assessment that the State Department officials make is that this group is too identified with the military and the privileged class and do not represent an independent, credible force. This assessment is erroneous."

Erroneous it may be. But the facts are that the State Department, with Ambassador Robert White playing an ugly role, is pursuing this wrongheaded policy not only in El Salvador but throughout Central America.●

TRIBUTE TO JESSE OWENS

HON. JOHN BRADEMAS

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 16, 1980

● Mr. BRADEMAS. Mr. Speaker, Jesse Owens, the man to whom we pay tribute today, was indeed a heroic man—a hero the likes of whom we shall not soon see again.

Jesse Owens' track and field prowess is legendary. The records he set as a youth have now been eclipsed, but the manner in which he set them never will be.

Although best remembered for his sterling performance in winning four gold medals at the 1936 Olympic games in Berlin, Jesse Owens 1 year earlier equaled one world record and broke three others in four separate events during the space of only 45 minutes. That improbable performance is not likely to be equaled.

Beyond his ability as an athlete, Jesse Owens will also be remembered as a man who fought a personal battle against racial discrimination—and won.

As an Olympic athlete he symbolized the worldwide struggle against the tyranny and bigotry of Nazi Germany. As a black American he also had to struggle against bigotry at home.

In discussing the role of black athletes, Jesse Owens once said:

> Any black who strives to achieve in this country should think in terms of not only himself, but also how he can reach down and grab another black child and pull him to the top of the mountain where he is. This is what a gold medal does to you.

Mr. Speaker, despite the enormous success Jesse Owens and others have had in that struggle, it is a battle that must still be fought by those who live on.●

BILL TO LIMIT ALTERNATIVE PLANS FOR FEDERAL COMPARABILITY PAY

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. FISHER. Mr. Speaker, I am introducing today a bill to limit the President's authority to recommend annual Federal white collar pay adjustment different from what is comparable with the private sector. Not only does the President's 1981 budget anticipate a raise for Federal employees which is certain to be below the comparability amount, but press reports indicate that the President may recommend no raise at all. My proposal would limit the President's options and assure fair treatment for Federal employees.

In a period of high inflation workers are concerned that their purchasing power keep pace with the increases in prices. The President has attempted to put some order and restraint in both the wage- and price-setting policies by seeking the cooperation of labor and industry in a program of voluntary wage and price guidelines. He has also exercised his authority over the pay of Federal Government workers by proposing that their annual pay adjustments be less than the comparable adjustments received by private sector workers. To single Federal workers out for unusual and involuntary service in the fight against inflation is unfair. My bill would assure Federal workers the same treatment that is being afforded other workers and would call for the same degree of restraint and sacrifice.

Comparability with the pay for similar private sector jobs is the principle behind the Federal white collar pay system. The process should be allowed to function. Private sector pay levels are determined through an annual survey and Federal pay is adjusted to be equivalent to the private levels. However, the law allows the President to depart from the comparability principle if he determines that a national emergency or economic conditions affecting the general welfare require a different pay adjustment. Since the Comparability Pay Act of 1970 went into effect, Presidents have frequently diverged from the routine established in the law by submitting alternative plans. This has been true 3 out of the last 5 years. Each time that Federal employees receive a pay raise that is less than comparability requires, they fall further behind the private sector. When comparability is not achieved one year, a bigger increase than would otherwise be needed is required the next year to catch up with the private sector. The bigger increase is not likely to be permitted by the President because it gives the appearance of being excessive. And so the Federal workers fall even further behind. The process seems never ending.

The bill that I am proposing would stop this cycle by restricting the President's authority to submit alternative pay plans. The President would be allowed to submit an alternative only if anti-inflation wage guidelines or controls are in general effect. In that case the alternative would have to match either the increase permitted under the guidelines or the median increase if a range is permissible. This new procedure is intended to assure equivalent treatment for public and private employees. Furthermore, if the guidelines covering most workers are effective in setting their wages, the comparability survey should find that an adjustment at the same level as the guidelines would be all that is required. Comparability and the guidelines should be at the same level in a smoothly functioning system. If this is not always the case, then Federal workers should not be penalized by having their wage increases held below the officially established guidelines level. As under the present system, one House of Congress could overturn the President's alternative and permit the comparability amount to go into effect.

This proposal is a refinement of the present pay comparability law. It indicates that the comparability principles should be breached only when non-Federal workers are also being asked to accept limited pay raises. I hope that my colleagues will recognize the basic fairness of this proposal and support it.●

TAX RELIEF FOR HOSTAGES AND THEIR FAMILIES

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. GILMAN. Mr. Speaker, it has been 166 days since the American Embassy in Tehran was seized. The hostages and their families have suffered incredibly at the hands of the Iranian terrorists and the Iranian Government.

Their suffering, Mr. Speaker, is somewhat akin to that of the American military and civilian personnel who were held prisoner during the Vietnam War.

During the war, the Congress passed a special measure to afford POW's and their families a measure of financial relief. Their salaries, during each month they were held hostage, were exempt from Federal income tax.

I propose that we afford the same treatment to the hostages in Tehran and to Ambassador Acensio in Colombia; and I have introduced a bill, H.R. 7074, to accomplish just that. I invite my colleagues to join with me in cosponsoring this bill.

This measure was suggested by one of my constituents, Mr. Victor Vitale, of Nanuet, N.Y., who noted recent media reports that the IRS had issued a ruling permitting the hostages to file their income tax returns up to 3 months after their release. He quite properly queried whether the American taxpayers could not afford to be a little more generous. Agreeing with him, I am offering the following proposal for the consideration of my colleagues:

H.R. 7074. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income compensation received by Federal employees while being held hostage in a foreign country; to the Committee on Ways and Means.●

H.R. 5961

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. PAUL. Mr. Speaker, I would like to call the attention of my colleagues to the testimony that I delivered today before the Trade Subcommittee of the Ways and Means Committee on H.R. 5961. Since the House may have the opportunity to vote on this issue in the near future, and since the bill is quite controversial and my office has received numerous requests from the offices of other Members, I believe that publication of this testimony will be of assistance to all Members:

TESTIMONY OF HON. RON PAUL BEFORE THE SUBCOMMITTEE ON TRADE, COMMITTEE ON WAYS AND MEANS

Mr. Chairman, I am happy to appear before the Subcommittee on Trade this morning to present my view of H.R. 5961, and I commend you for scheduling this hearing. I have received dozens of letters from all over the country opposed to this bill, and I have yet to receive one in favor of it. I understand that other Members of Congress have also received a great deal of mail on this bill, and that those letters have also been uniformly opposed to this bill.

One can make two assumptions about this mail. First, one can assume that all the writers are drug smugglers who believe that business would be hurt by this bill. I regard that possibility as ludicrous. Second, one can conclude that the hundreds of letters that have been received are from people who sincerely perceive a threat to freedom in H.R. 5961. I believe that this latter assumption is correct, and I believe that these people are right in perceiving a threat to freedom. In a few moments, I will explain why.

As I stated, I have not received one letter from any one who favors the bill. Perhaps some Member of Congress has, but I have not. I am confronted then, with a piece of legislation which no constituent wants, but which is eagerly, almost embarrassingly, desired by the Administration. The government wants this bill, and wants it badly. The people do not. Shall this Congress do the will of the people or the will of the Administration? That is one of the first questions we must answer. Are we representatives of the Department of Treasury and

Justice, or are we representatives of the American people? I think the answer is obvious, and I hope that the action taken by this honorable Subcommittee reflects that answer.

This confrontation between what the people want and what the government wants is not a slight issue, for their disagreements go to the very foundation of our constitutional system. The letters I have received allege that basic rights would be infringed by this legislation were it to become law. I agree. But the government has written letters expressing its opinion that the legislation is constitutional and that its passage would harm no one's rights. These letters have been cited repeatedly by the sponsors of this bill whenever the constitutional issue is raised. I suggest, however, that these letters are comparable to the opinions of a thief regarding the legitimacy of theft. Soliciting the Justice Department's opinion of the constitutionality of H.R. 5961 is a bit like asking a fox if it's OK to steal hens. The Justice Department—and the entire Administration—has an axe to grind, and its opinions on constitutional law must be examined rather skeptically.

H.R. 5961—NOT A DRUG BILL

With that out of the way, let us begin an examination of the bill itself. The bill was sold to the Banking Committee and is being sold to the Congress as a drug trafficking control bill. I quote from the remarks of a proponent of this bill as typical of the rhetoric that has surrounded the bill's movement through Congress:

"Drug abuse in this country has reached astounding proportions. One of the reasons that drug abuse continues, and that the supply of illegal drugs is so prevalent, is because of a few unintentional loopholes in the Bank Secrecy Act * * * H.R. 5961 has received strong endorsement from the administration—to help in the fight against international drug trafficking."

At the previous hearing on this bill held by this Subcommittee, one witness testified that H.R. 5961 will have a "significant" effect on controlling drug traffic, and he defined "significant" as 100 percent improvement." The Commissioner of Customs has expressed his opinion that "this Act can be a potent weapon in the Federal Government's effort to stop illegal drug trafficking." This bill has even become popularly known as the drug trafficking control bill.

I would have no objections to any of this if, indeed, that is what the bill is. But I call your attention to the text of the bill itself. It does not contain even the most oblique reference to drug trafficking. It states quite clearly, however, that it could make it illegal to attempt to import or export unreported monetary instruments, that it would allow customs officials to search for such instruments just as they could search for contraband, and that it would establish an informer program to catch smugglers of these monetary instruments.

If one can get past the rhetoric about the bill and examine the bill itself, it is undeniable that the bill is not a drug control bill, but a money control bill, and only a money control bill. When I offered an amendment in the Banking Committee that would have written a provision about drug trafficking into H.R. 5961, my amendment was vigorously opposed by proponents of this bill, and it was defeated. This is not a drug control bill. It mentions only monetary instruments, not drugs, and it is vital that this fact, which has been obscured by the administration, be recognized.

How, then, can a money control bill be used to fight drug trafficking, as some claim? Obviously, it can be used only if the monetary instruments are more easily detected than the drugs themselves. Let me be clear on this. The government has failed to stop international drug trafficking, i.e., it has failed to detect drugs smuggled across borders. Senator DeConcini is holding hearings in Phoenix this week to investigate the "drug glut" in this country. The Senator says that his Subcommittee has "already accumulated some convincing evidence that the illicit drug trade in America is at an all-time high. It appears that drug-related deaths are up nationwide, the amount of heroin entering this country from southwest Asia is enormous, and federal and local law enforcement officials are finding it almost impossible to keep up." The director of the drug treatment and prevention programs in New York State recently stated that "The supply of heroin is greater and the heroin stronger and the price cheaper than any time in the last twenty years." The General Accounting Office has reported that "Federal supply reduction efforts have not had a significant impact on the overall drug problem." One can only conclude from this that the federal drug trafficking control program has been a complete failure. The same people who have failed to detect drug smuggling are now asking us to believe that they can detect the smuggling of monetary instruments. What is a "monetary instrument"? It is not, as some have guessed, merely currency. It is virtually anything the Treasury decides. Let me quote from the law itself:

> The term "monetary instruments" means coin and currency of the United States, and in addition, such foreign coin and currencies, and such types of travelers' checks, bearer negotiable instruments, bearer investment securities, and stock with title passing upon delivery, or the equivalent thereof, as the Secretary may by regulation specify * * *."

We are being asked to believe that agents who can't detect drugs are able to detect travelers' checks or stocks. That assumption, upon which this bill is based, is absurd. But the shift in the attention of the government from drugs to "monetary instruments" is ominous. It will involve the activities of millions more people, which itself is another reason for the absurdity of treating monetary instruments as contraband. Not only is the government asking us to believe the fairy tale that it can control drug trafficking better by searching for items more easily concealed and carried by millions more people, but it intends to inhibit the actions of persons engaged in inherently innocent activity, carrying money.

This bill would transform that innocent action, carrying or transporting monetary instruments, into carrying contraband. It would greatly enlarge the scope of the government's present activities to the detriment of the freedom and convenience of the American people. And there is absolutely no reason to believe that this infringment of freedom and creation of inconvenience will be of any help in controlling drugs. In fact, drug control will become more difficult should this bill become law, simply because millions more people carry money than drugs, and money is more difficult to detect.

TITLE I

Title I of the bill amends the Currency and Foreign Transactions Reporting Act so that a person who transports or causes to be transported or attempts to transport or receive monetary instruments into, out of, or through the United States without filing a report with the government is guilty of a crime and liable for civil and criminal penalties ranging up to $500,000 in fines and 5 years in prison, in addition to forfeiture of the monetary instruments seized.

The argument has been made that the provision making it a crime to attempt to transport unreported monetary instruments is in keeping with the uniform practice of making an attempt to commit a crime itself a crime. I believe, however, that there is one key difference. If, for instance, one is convicted of attempted murder, it usually, if not always, means that one has attempted murder and failed. One had shot the victim, but he lived, or one had poisoned his food, but he skipped a meal. That meaning of "attempt" is fairly clear. But what can "attempt" mean in this bill? Does it mean that one is trying to leave the country with monetary instruments and one's plane crashes just short of the border? No, it means something quite different.

The Administration feels it necessary to have this "attempt" provision in order to avoid events such as those that ensued after the arrest of one Henry Gomez-Londono in New York. In its decision on that case, the U.S. District Court for the Eastern District of New York held that Gomez-Londono, who had not checked himself in as an airline passenger nor surrendered his ticket for passage from New York to Columbia, had not transported any monetary instruments and therefore had not violated the law. Specifically, the Court declared:

"It may be suggested that the statute (the Currency and Foreign Transactions Reporting Act) would be defeated of its purpose if liability did not attach until the moment of departure. That does not appear from the facts of the present case, nor does it appear as a likely consequence in general of a reading of the statute and the regulations which confines them to the plain meaning of the word used . . . The purpose of the Act is not to garner transgressions but to secure disclosure of the Currency movements and the indentities of those bringing them about."

Evidently the Administration has a very broad view of what constitutes transporting monetary instruments and thus may be expected to have an equally broad view of what constitutes an attempt. Perhaps, as in Gomez-Londono's case, it will be purchase of an airline ticket. Perhaps it will be possession of a passport. Perhaps mailing of a letter containing monetary instruments or presence at a post office. Who knows? The point at which an action becomes an attempt is left to the discretionary wisdom of the Treasury Department. In its decision reversing the District Court's judgment in the Gomez-Londono case, the Appeals Court referred to the present law as one which may "charitably be described as ambigious." If H.R. 5961 is added to it, I believe that it would be unconstitutionally vague.

TITLE II

Title II of the bill is probably the most controversial, for it empowers "any customs officer" to "stop, search and examine without a search warrant, any vehicle, vessel, aircraft or other conveyance, envelope or other container, or person entering or departing from the United States on which or whom he shall have reasonable cause to suspect there are monetary instruments in the process of being transported for which a report is required * * *."

I would like to point out several things about this language. First, no one and no object is exempt from such warrantless searches. That means persons, vehicles, mail, and I must conclude, telephonic and telegraphic signals. It is difficult to avoid the conclusion that this section authorizes not only strip searches for money of persons leaving or entering the U.S., opening of letters leaving or entering the U.S., searches of vehicles entering or leaving the U.S., but also warrantless wiretapping. That conclusion is based not only on the broad language of Title II, but also the sweeping definition of monetary instruments which may easily comprehend electronic transfers of funds.

Second, no search warrants would be needed under this provision.

Third, reasonable cause, not probable cause, is the criterion named. When asked the meaning of this phrase during debate in the Banking Committee, the sponsor of the bill indicated that it was a phrase used by the Supreme Court and did not offer a definition. In any event, it is a weaker standard than probable cause.

Fourth, the customs officer need not suspect that any crime has been committed or is about to be committed. This point deserves some emphasis, for a letter circulated by the bill's sponsor refers to searches for "illegal currency." The Title says nothing about currency, but speaks only of monetary instruments; nor does it refer to illegal monetary instruments. It refers only to "monetary instruments * * * for which a report is required." Such instruments might be entirely legal; a report might already be on file for them. Yet this bill grants customs officers the right to search anyway, with no suspicion of a crime involved.

Fifth, under the law (19 U.S.C. 1401), a "Customs Officer" is "any officer of the Bureau of Customs of the Treasury Department * * * or any commissioned, warrant, or petty officer of the Coast Guard, or any agent or other person authorized by law or designated by the Secretary of the Treasury to perform any duties of an officer of the Customs Service." It is bad enough that this class of government agents called "customs officers" is authorized to violate the Fourth Amendment to the Constitution with impunity, but it is even worse when we find that the Secretary of the Treasury may designate anyone a customs officer. Moreover, this power of the Secretary is itself delegated to subordinates within the Customs Service. It is intolerable that any government agents should operate outside the Constitution, but to give unconstitutional powers to an indefinite and expandable class of agents is sheer folly.

Sixth, for the first time, this bill would give the Customs Service statutory authority to search persons leaving the country. My staff has been unable to find any such authority in the law, and the Customs Service has also failed to provide us with any language authorizing such exit searches. I think that this innovation is very important, because it establishes, for the first time, that American citizens will not be free to travel abroad with their property. Such exit searches and regulations are characteristic of totalitarian states, not free societies.

Finally, this Title obviously violates the Fourth Amendment to the Constitution which proscribes unreasonable searches and seizures, and defines unreasonable searches as warrantless searches. In this regard, it is instructive to recount a little history. In its "Analysis and Interpretation" of the Constitution, the Congressional Research Service says that:

> In the colonies, smuggling rather than seditious libel afforded the leading examples of the necessity for protection against unreasonable searches and seizures. In order to enforce the revenue laws, English authorities made use of writs of assistance, which were general warrants authorizing the bearer to enter any house or other place to search for and seize "prohibited and uncustomed" goods * * *"

Does this sound familiar? Of course the present Administration is not enforcing the Revenue laws; it claims to be enforcing the drug laws. And, of course, it does not issue writs of assistance, but would authorize warrantless searches and seizures. And further, the goods in question are not "uncustomed," but unreported. The Fourth Amendment was incorporated into the Constitution to avoid precisely what H.R. 5961 would do. I trust that this government will not be so foolish as George III and try to impose its will on an unwilling people.

Recently the Supreme Court of the United States left intact a ruling of the California Supreme Court that police need a search warrant to search suitcases and other containers found in a stolen car. According to the news report in the Washington Post, "The ruling followed past high court rulings that established the police need for warrants to search luggage in a car, even luggage suspected of containing contraband * * * The Court * * * left intact the California Supreme Court ruling that even car thieves have a right to the privacy of concealed contents they place in a stolen vehicle."

I can only conclude from this news report that if H.R. 5961 becomes law, car thieves will enjoy a right to privacy that law-abiding citizens will not enjoy. Perhaps the citizen who is leaving the U.S. should inform the border police that his wallet is stolen so that they will have to get a warrant before searching it.

I suggest that this Congress is bound by the plain meaning of the Fourth Amendment, that:

"The right of the people to be secure in their persons, houses, papers, and effects, against unreasonable searches and seizures, shall not be violated; and no warrants shall issue but upon probable cause * * *"

If we have created a class of government agents that are empowered to violate this amendment, let us correct our mistake. Let us not compound it by expanding the pretenses under which privacy might be destroyed.

Title III

Title III of the bill would establish an informer program to reward those who aid in the arrest and conviction of smugglers of monetary instruments. The Internal Revenue Service operates a similar program whereby envious persons can turn in their neighbors and profit from it.

Programs such as these are also characteristic of totalitarian states. Many people have objected to the practical problems that invariably arise with such programs. My objection concerns the moral problem. The government is attempting to set citizen against citizen through these programs in the age-old device of divide and conquer. The Communist states have the program down to a science, and we are fast moving in that direction. Bear in mind that this title does not deal with drug smugglers. Nothing in the whole bill does. It deals with people who take monetary instruments across borders and fail to tell Big Brother where they are going or how much they have. The rewards are not for those who help in the apprehension of drug smugglers. They are for those who help in the apprehension of money smugglers. This bill completes the framework created in 1970 for currency and exchange controls, and we should have no delusions about fighting drug peddlers. The bill deals solely with money, not drugs.

Conclusion

In conclusion, Mr. Chairman, let me quote from a letter that was addressed to you from a gentleman in Illinois. He writes:

> I have a past involvement in law enforcement and am a founder of two drug rehabilitation agencies. There is no way H.R. 5961 will dent the drug traffic * * *. What you are succeeding in doing is just making another law, something that many of you have been doing for years, and the results can be seen daily. I would agree with all of Congressman Ron Paul's comments regarding the infringement of personal rights, but the overriding factor is the absolute worthlessness of the law.

Mr. Chairman, I cannot say it better than this gentleman. I urge this Subcommittee to report this bill unfavorably and urge that its life be ended before it reaches the House floor. Thank you.●

POLITICS AND THE OLYMPICS

HON. NICHOLAS MAVROULES

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. MAVROULES. Mr. Speaker, I would like to take this opportunity to bring to your attention the accomplishments of a young constituent of mine, Ms. Jana Angelakis, of Peabody, Mass.

Jana is a summer Olympic games aspirant with the U.S. Olympic fencing team. For years now, Jana had dedicated herself to the pursuit of excellence. She is a bright, devoted individual who is extremely proud to be an American—a person who stands as a shining example to all who strive for higher goals.

It seems a grave injustice indeed that politics have come to play such a paramount role in these upcoming summer Olympic games. Unfortunately, though, historical events ranging from the 1936 Olympics in Nazi Germany to the terrorism of the 1972 Olympics seem to indicate that politics are an unavoidable part of this international event.

Short of military force, moving or boycotting the Olympics is one of the strongest sanctions we can use to express our outrage at the Soviet action. This represents a difficult and extraordinary step, but I believe the situation warrants the response. I recognize fully the sacrifice this action would entail for Jana and our other Olympic athletes and thus strongly endorse the idea put forward by some of holding an alternative international athletic competition while the official games are held in Moscow.

For Jana, as well as all of our Olympic aspirants, it is my sincere hope that this tragic situation will be rectified in time for the games to go on as scheduled. What a terrible shame for the years of effort and dedication which have gone into the preparation for these games to have been in vain.●

IMAGINATION IN SALT LAKE CITY

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. VAN DEERLIN. Mr. Speaker, Philo T. Farnsworth, a Mormon, invented the television tube. The Church of Jesus Christ of the Latter-day Saints is still in the forefront of the communication revolution. On

Easter Sunday, 4 million Mormons around the world celebrated the 150th anniversary of their church together—in a conference made possible by radio, television, and communications satellites.

On April 6, the apostles of the Latter-day Saints spoke to the world from Salt Lake City, Utah. Their words were transmitted by the Western Union Westar I and the RCA Satcom I satellites, and received by commercial and public broadcasting stations, as well as some 1,500 cable TV systems. In addition, the Mormon church installed satellite receivers at church meeting houses in Chicago, Washington, D.C., Morristown, N.J., Dallas, Boston, and Rochester, N.Y.

The satellite dishes near Rochester, N.Y., received live programing from the Mormon Tabernacle, and transmitted live segments back to Salt Lake City. These segments, from the western New York State birthplace of the church, were beamed first to Utah and then into space to be transmitted to the rest of the system—including New York. The signals made the round trip of over 100,000 miles in a fraction of a second.

The Mormon church is to be congratulated for its imaginative use of the new technologies. In doing so, it maintains the tradition of innovation begun by Philo Farnsworth. I hope that other groups profit from the example of the church and exploit the new possibilities to their fullest extent.●

BROTHER M

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. SHELBY. Mr. Speaker, it does all of us good from time to time to sit back and take notice of how others are living their lives in today's difficult and scrappy world. When you find a person like Malcolm Lockhart, you feel a glimmer of hope about the world at large.

Macolm Lockhart delivered his first sermon as a Baptist minister 57 years ago in Alabama, and hasn't stopped ministering to the needs of his neighbors since. "Brother M," as he is fondly known throughout my area of that State, has faithfully served over 50 small churches throughout central Alabama, at a few he has even been recalled for additional tenure. Brother M can recite some amazing statistics: he has performed 350 weddings, conducted 400 funerals, baptized 450 babies, held 125 revivals, built 13 churches, ordained 150 deacons, and followed the progress of 9 young men from his own congregations as they became ministers—in addition to his own son.

But Brother M's memory evokes much more than formal ceremonial trappings. He has always been available for counsel and advice when any of his congregation, or any of the local citizenry, sought him out. Brother M's deep, strong, and powerful faith has been a stabilizing force for scores of Alabamians whose life he has touched over the past 57 years. His unwavering spirit and powerfully enunciated beliefs have made him beloved and revered both as a man and as a minister by all those who have known him.

His wife, Ruth, has been at his side in church and at home as mother to their seven children and as the perfect minister's wife. Now the grandparents of 25 and the greatgrandparents of 19, Ruth and Malcolm have served their country as devotedly as any public servant I have ever known. Moreover, they have touched the lives of so many in such intimate and meaningful ways that theirs is a service of incomparable value. It is my honor to take special note of Malcolm and Ruth Lockhart here today.●

RAISE TAX-FREE GIFTS AMOUNT

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. PICKLE. Mr. Speaker, today I am introducing a bill that would raise the $3,000 limit on tax-free gifts to $10,000, and also spell out that money given for "qualified transfers for consumption" is not a gift within the meaning of the gift tax.

The reason that I am asking that the amount be raised from $3,000 to $10,000 is really just to keep up with inflation. The figure $3,000 was adopted in 1942 and we all know what has happened to the dollar since then. The revenue loss is not expected to be large since we are presently realizing just $150 million a year from this tax.

The theory of the estate tax, of course, is not only to raise money for the Government but to break up large concentrations of wealth. The $10,000 exclusion for gifts would be a kind of encouragement to make transfer during your life as well as helping with administration, a kind of de minimis rule.

One problem that present law does not spell out is an exclusion of expenditures made to pay for a relative's education, medicine, dental costs, costs of food, clothing, and maintenance—a kind of consumption that should not be taxed. For example, money to a child who has not attained the age of 21, or any other individual who resides in the transferor's household at the time of the transfer. The gift must not retain significant values after 1 year. The bill excludes payment for current educational, medical or dental costs, or payment for reasonable food, clothing, and maintenance of living accommodations of any individual dependent on the transferor for support.

We should encourage those who are able to support other members of the family whether it be education for a child, or payment of hospital expenses for a parent. This the taxpayer should be able to do without risking incurring a gift tax.●

GENE WEISBERG'S ANTI-INFLATION MESSAGE

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mrs. SCHROEDER. Mr. Speaker, Gene Weisberg, executive vice president of Frankel Manufacturing Co., in Denver and a friend of mine, has written a very thoughtful letter about our economic situation. I would like to share it with my colleagues.

The letter follows:

FRANKEL MANUFACTURING CO.,
Denver, Colo., March 10, 1980.

Congresswoman PATRICIA SCHROEDER,
Rayburn House Office Building,
Washington, D.C.

DEAR PAT: The letter I am going to be writing to you is a lengthy letter, but I feel that it is a letter that must be written, because I feel that I will express, not only, my views but the views of Middle America.

It seems that the Government, both Congress and the Executive Branch, want business and everybody else to conserve and pull in their horns, but they have no consideration, themselves, of doing the same.

Pat, history has shown that a true democracy has never survived. In my opinion, our great democracy, is no exception and is being systematically destroyed by our own politicians. Unless radical changes are made, at once, our great Government will cease to exist. The problems are apparent, they are numerous, the most important problem that we have facing us today is inflation. Inflation, at this time, is absolutely out of control and none of the actions taken by the Government is going to help it one single bit.

What has caused this inflation? The gradual erosion of the once sacred dollar is the only answer you need. What caused this erosion is the fact, as Milton Friedman says, constant printing of money by the Government. Cut out this printing of the money and you will cut back on inflation. Regardless of what anyone else says, the problem is this simple, excepting the politicians do not want to face it. The whole history of this started in the Roosevelt era, with the great promise that deficit financing was the answer to all our monetary problems. The public was sold a bill of goods that the Government is the "sacred cow" and the Government would take care of everyone's problems, regardless of the cost, our Country could afford it. What the Government really did, was buy some temporary prosperity and brought about long-term and, maybe, permanent disaster to our Country. This is "so called" brilliant economic theory advanced by such economists as J. Kenneth Galbraith, told the public that a certain amount of deficit financing was good. People actually believed this, Congress and the Executive Branch suddenly realized this is the way to get elected. They abandoned the Jeffersonian philosophy of Government and no longer, the less Government, the better Government; but it was now spend, spend, spend; print more money, what is the difference, we only owe it to ourself; add bureau after bureau, increase the role of Government in everyone's life—the Government will take care of all of our problems. The politicians decided this was the way to get elected and to hell with the good of our Country. Politicians convinced the public that only they could take care of their problems. They cater to all pressure groups, the minorities, the unions, the farmers and business and they convinced everyone that the Government would take care of all their problems. We are now starting to pay for this horrendous mistake.

Today, we are so over-regulated that it costs the public billions and billions of dollars yearly and adds to inflation every single day. Even today, the politicians can't stop promising everything. They can't stop adding bureaus to the Government. They can't stop this excess Government spending and they won't even go back to the 1980 budget and cut down on this foolishness of spending, spending, spending. This printing of the money has to stop or we are doomed.

The politicians have also decided that profit is a bad word and that anyone making a profit should be punished. They try to take, through the taxes, any profits that anyone is smart enough to make. They systematically destroyed individual initiative and no longer do people want to face the adventure of risk taking. It is now, if you are smart enough to make money, the Government wants to take it all away. However, if you are not smart enough to make money and lose money, the politicans then set to work in rewarding inefficiency. The politicians love to penalize initiative, brains and hard work. They reward inefficiency and laziness. The best example of this is the bail-out of Chrysler and Lockheed. However, business people really feel this is distasteful and it wasn't that they bailed out Chrysler and Lockheed, it's the fact that if they weren't bailed out, there would be some unemployment. Instead of trying to figure out a way in which their factory could have been used by a profit-making concern, the Government, once again, steps in and lets the entire public pay for the inefficiency of someone.

Now, the idea of the Government is to penalize the oil companies, because they are making some profit. If you really look at the profit they are making, it is not excessive, based upon their sales or their investment, but the President and Congress likes to attack oil companies, even though we are still obtaining our oil cheaper than any place in the democratic countries throughout the world.

The philosophy of this country is to pay the Arabs whatever they want and to penalize anyone in this country for drilling oil. It is funny how the politicians mind works, they can only think about getting elected and have no conception of really what could be done to bring this country to its former greatness.

The Government continues to operate on a deficit, year after year. For some reason, everyone in the Government feels that it is alright. With this myopic type of vision, the Congress and the Executive Branch now looks at business as if they make a profit, this is unfair, because the Government is operating at a deficit, they feel there is no reason everybody else shouldn't. What makes the Government feel that they are so adept in spending the taxpayers' money. In my opinion, everything the Government spends, or about 90 percent, could be spent better, if it weren't for all the bureaus and all the redtape that they go through.

Frankly, Pat, I am disgusted with the Congress, with the President and nothing that they have done has helped solve any of our problems, they have only compounded them. Their energy views are absolutely a horror—their spending policies are unforgivable and on top of all of this, they have placed themselves above the law. The recent "Abscam" operation, showed how Congress thinks. They don't seem a bit concerned because their people took bribes, they are incensed because the FBI caught them. They are not interested in punishing the guilty Congressmen, they want the FBI investigated. It is a sad commentary on our Government.

Pat, I could go on and on, but I have this hopeless feeling that nothing will be done, until the dollar is completely destroyed and our way of life ceases to exist, then, it will be too late.

Now, the Federal Reserve Board has come out with these high interest rates, with the promise that this is going to cure inflation. It, not only, will not cure inflation, but in the long run, these excessive high rates must add to inflation. The politicians are not smart enough to realize this, all they want to do is take temporary steps, not anything permanent to really get to the problem.

The real solution lies with all of us. But, all of us can only react if our governing bodies will react properly. First and foremost, balance the budget today and not 1981; cut out these useless bureaus, even if it takes laws of Congress. Cut out the waste, cut out the useless spending, force each department to cut, at least, 5 percent off their budget immediately. Business would react in this way, if they were faced with this problem, why not Government? Secondly, Congress and the President should cut on their franking privilege, their free mailing privileges, their traveling privileges and cut down on their own budget, at least, 5 percent to 10 percent. The biggest disgrace that I know of, is the building being built for Congress now and it is typical of their thinking. It is alright for them to overspend by billions of dollars, but penalize any fellow who is attempting to build on his own.

Next, give tremendous tax incentives to business for expansion and for discovery of new energy sources. Let them make the money, let them make excessive money—if they come up with a way to relieve us of importing so much oil, what a wonderful Godsend this would be.

Thirdly, do away with people abusing the productivity rate. Encourage people that produce, do not discourage production. Make it unlawful for unions, or any organization, to hold down production by any means, whatsoever. Reward the people who produce.

Stop kidding the public that the cause of inflation is the high cost of oil. While this certainly is a contributing factor, it is far from the basic cause. And, if it is such a large factor, then do more to make ourselves independent of the Middle East. Parenthetically speaking, if this is such a large cause of inflation, why does Germany, Switzerland and Japan, who depend 100 percent on foreign oil, have such a low rate of inflation.

Pat, the answer is right in front of Congress. But, I have little hope that they or the Executive Branch will listen. I have become very cynical of our Government. We have at the present time, probably the most inept President in our history. Congress has become only the tool of the pressure groups. The thinking of the Congress and the Executive Branch must change, at once. The answers to the problems are there; but whether anyone has the courage to take the necessary steps, is the question that remains unanswered.

I would like, very much, to have this letter read in the Congressional Record. I have little hope that anyone will pay any attention to it. But, it is the view of millions of people today and I hope that someone will listen.

Very truly yours,

E. J. WEISBERG,
Executive Vice President.●

RELIEF FOR THE LARGEST SALMON RETURN IN THE HISTORY OF THE UNITED STATES

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. YOUNG of Alaska. Mr. Speaker, on March 19, 1980, I introduced H.R. 6885 to provide the Bristol Bay salmon season much needed relief. The predicted salmon return to the Bristol Bay for the year of 1980 will be the largest run in the history of the fishery. That prediction enumerates a salmon return within the range of 50 to 80 million fish. Mr. Speaker, I cannot overemphasize the impact of this amount of fish over a period of 2 weeks in a relatively small area.

The State of Alaska has requested this Congress to offer assistance with the great task of harvesting and processing the largest salmon run in the history of these United States. Mr. Speaker, H.R. 6885 would allow domestic processors to utilize foreign vessels for transportation of overabundant salmon to other areas within Alaska. These other areas would be able to process the salmon that could not be handled by the existing capacity in Bristol Bay. If the extra amount of salmon cannot be transported to these other areas, then the overcapacity catch will have to be lost. This would be a horrific waste of one of our most valuable resources, and simply cannot be tolerated.

Mr. Speaker, I urge that this Congress give serious consideration to the passage of H.R. 6885. We must insure the domestic use of our salmon resources. This act has the support of the domestic seafood processors as well as the support of the commercial fishermen within Alaska.

Mr. Speaker, this Congress passed the Fisheries Conservation and Management Act with the intention of successfully utilizing the seafood resources within the 200 mile fisheries conservation zone. The large salmon return facing Bristol Bay is an excellent example of the success of the FCMA. It is our task to maintain the success of our 200 mile fisheries limit and H.R. 6885 will be a proponent of that maintenance.

Mr. Speaker, we must realize our good fortune brought on by this over abundant salmon return. We must grasp the opportunity to benefit from this resource and take the necessary steps to utilize this resource in the most efficient manner possible.●

THE "REPLACEMENT IN KIND" ISSUE

HON. ROBERT H. MOLLOHAN

OF WEST VIRGINIA
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 17, 1980

• Mr. MOLLOHAN. Mr. Speaker, on April 15 I introduced H.R. 7050 to amend the Clean Air Act.

The purpose of this amendment is to provide for more reasonable treatment of facilities that are built by industry to replace existing facilities.

Current Environmental Protection Agency (EPA) regulations classify the replacement of a production facility by a new facility of the same kind with no increase or rated production capacity or allowable emissions as "construction of new sources."

By classifying these replacement facilities as "new sources," EPA is requiring industry to meet much more stringent air emission standards. This is costing industry a tremendous amount of money. For example, by classifying one proposed replacement coke oven battery at a steel mill in my district as a "new source," EPA regulations would add $12 million to the cost of that one improvement. In other words, it would cost the company $12 million less to build that replacement coke oven battery if it could be built to meet the air quality standards currently in force under the State implementation plan (SIP) for the existing facility.

The impact of current EPA regulations on replacement facilities is particularly detrimental to the steel industry, which already is plagued by import pressures, productivity problems, and difficulties in capital formation. But other important basic industries are impacted, as well, including paper, glass, oil refining, and others.

The key point in this matter is that a replacement facility is not a "new source" of air pollution. In fact, a replacement facility generally will yield a lower level of air emissions than the older facility it is replacing. Furthermore, a replacement facility will often have emission levels below the maximum permissible levels established under the SIP for the facility being replaced.

But despite this, EPA steadfastly contends that this is not good enough. The regulation it has issued and which it is enforcing states that if the replacement cost is 50 percent or greater than the initial capital cost of the facility being replaced, then it is a new source, whether it is a replacement or not. Period. And given the impact of inflation on capital investment costs, it is not at all unusual for a replacement facility to cost 50-percent more than the facility being replaced.

What this regulation is doing is encouraging industries to patch up older, less productive, and less environmentally sound facilities and limp along with them—to the detriment of the environment and in spite of the penalty exacted in lower output and productivity. This is not rational regulation. This is blind, obtuse regulation. This is regulation that actually undermines environmental goals and that contributes to the further erosion of U.S. industrial productivity and competitiveness.

Therefore, H.R. 7050 proposes changing the definition of "modification" in conjunction with construction as currently defined in section 169(2)(c) of the Clean Air Act. It also changes the definition of the terms "modification" and "modified" in section 171(4) of the Act.

These changes would make it possible for industry to replace facilities with equivalent modern facilities of the same rated capacity and the same allowable emission rates without the necessity and the tremendous costs of complying with the complex "new source" standards currently prescribed by EPA.

Mr. Speaker, this is a reasonable, desirable, and highly justifiable amendment. The people of this country are demanding commonsense government—government that addresses concerns reasonably and not capriciously or arbitrarily.

This is a commonsense amendment, and it is my fervent hope that it will be favorably reported by the House Committee on Interstate and Foreign Commerce and that it will be adopted by the whole House.

The text of H.R. 7050 follows:

H.R. 7050

A bill to amend the Clean Air Act to revise the standard for the application of title I of the Act to modifications of facilities which emit or may emit any air pollutant

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 169(2)(C) of the Clean Air Act (42 U.S.C. 7479(2)(C)) is amended to read as follows:

"(C) The term 'construction' when used in connection with any source or facility, includes the modification of any source or facility. For purposes of part C, the term 'modification' shall mean any physical change in, or change in the method of operation of, a stationary source which increases the net amount of any air pollutant emitted by such stationary source, of which results in the emission of any air pollutant not previously emitted by such stationary source by either 100 tons per year or more for any category of stationary sources identified in paragraph (1) or by 250 tons per year or more for any other stationary source.".

(b) Section 171(4) of such Act (42 U.S.C. 7501(4)) is amended to read as follows:

"(4) The terms 'modifications' and 'modified' mean any physical change in (including a complete replacement), or a change in the method of operation of, a stationary source which increases the net amount of any air pollutant emitted by such stationary source, or which results in the emission of any air pollutant not previously emitted by such stationary source by 100 tons per year or more.".●

DESPITE SANCTIONS SOVIETS "BUY AMERICA"

HON. JOHN M. ASHBROOK

OF OHIO
IN THE HOUSE OF REPRESENTATIVES
Thursday, April 17, 1980

• Mr. ASHBROOK. Mr. Speaker, there has been much talk over the fact that our allies have not joined the United States in placing sanctions on the U.S.S.R. for its invasion of Afghanistan. Commentators and State Department officials have been highly critical of the lack of solidarity to punish the Kremlin for its aggression. I suggest that those who find so much to criticize in our allies should look no further than our own Commerce Department if they want to criticize the circumventing of the sanctions.

Just last week the International Trade Commission boasted about how trade between the United States and non-market-economy countries has grown to record levels. In 1979 trade rose to $11 billion or 53 percent above the level of 1978. Of this figure $8.2 billion was in American exports to the Soviet Union, China, and Eastern Europe. This translates into a 64-percent increase in U.S. exports to Communist nations.

Has this flood of exports dried up since the invasion of Afghanistan? Apparently not. At the end of March the Commerce Department issued a new set of rules governing the sanctions to the Soviet Union. The new rules provided for a case-by-case review of export licenses for goods bound for the U.S.S.R. Anyone with a knowledge of preinvasion export license procedure will realize that the new rules are really the old rules. In other words it is back to business as usual at the Commerce Department.

The first major export contract to be saved by this change at Commerce is an $8.5 million assembly line system produced by Ingersoll-Rand. This highly advanced production system is going to the Kama River truck factory. This is the very same factory that turned out many of the vehicles that rolled into Afghanistan and were pictured being unloaded at the Kabul airport. I find this ludicrous. How can we be serious about punishing the Soviets, and making a big show of pressuring our allies and our own athletes to fall in line, when at the same time the Commerce Department, with supposed White House blessing, is allowing technology to flow into the Kremlin's war machine?

There is definitely something wrong going on here. The Ingersoll-Rand assembly line will bring Kama River up to 100 percent of its production capacity. The Commerce Department is allowing this equipment to be shipped via general license, meaning that they see no problems with its use at the plant. However, a new assembly line will vastly improve production output. Another argument used is that there is foreign availability of the equipment. This is untrue. The Soviets have been adamant on having the Ingersoll-Rand system to assure interface with other systems in the complex.

The International Trade Commission just released another report that states that the sanctions against the Soviets will fail. No wonder. With business as usual at the Commerce Department the flow seems to be unimpeded by the sanctions. In addition to this direct failure to enforce the sanctions there has been the total ignoring of the trade links of Warsaw Pact nations with the U.S.S.R. At no time has any effort been mounted to stop technology flow to these other nations. How can the Commerce Department be so blind to this fact? Is it really so surprising that our allies have been less than enthusiastic to join in sanctions when our own are so superficial?

The link of American technology to the Soviet Union's capacity to carry out its offensive in the Persian Gulf area is being substantiated more and more. There are photographs of vehicles that are produced at the Zil factory, another beneficiary of U.S. technology, being unloaded at the Kabul airport. How can the Carter administration be so blind to this substantive evidence of direct military linkages?

This Nation faces a mounting crisis in the Persian Gulf. By all accounts we are badly outnumbered in the region both on the ground and on the sea. The preparedness of our military is fair at best in the region. Any showdown with the Soviets or a client state would find the United States in a difficult position. Part of the edge the Soviets have comes from their ability to mass mobile rifle and armored units on any given battlefront. The vehicles for these vital units roll off the assembly lines of Kama River, Zil, and other complexes. All receive the benefits of American technology either directly or indirectly. It is ominous to realize that when we ever meet the enemy he will be us.●

HOUSE HEALTH FAIR

HON. ALBERT GORE, JR.

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. GORE. Mr. Speaker, on April 2 and 3 Speaker Tip O'Neill, Representative Charles Rangel, and I sponsored the first House Health Fair. More than 1,100 House employees participated in the fair and received extensive preventive health care services at no cost. A similar health fair for Senate employees was sponsored by Senator Warren Magnuson. I am proud to say that both health fairs were resounding successes and I hope they will be but the first of an annual health screening event for congressional employees.

For those who were not able to participate, the congressional health fairs provided a variety of valuable health education and screening services on an individual basis. While screening services of this type are not an adequate substitute for a complete physical examination, these tests are important in warning individuals of potential health problems. During the 2-day fair, many people were alerted to anemia, blood pressure, or vision problems. A member of my staff, for example, was warned of a potential glaucoma problem which, if unchecked, could have caused blindness. Many others will be startled to learn the results of their health hazard appraisal test, which will give participants a statistical estimate of their health age and explain steps that should be taken to bring this age into line with their actual age.

One of the greatest obstacles to preventive health care is cost. Many people find it prohibitively expensive to go to a doctor for a physical examination, and, with inflation raging, preventive care is too often seen as a luxury which can be put off for another day. Yet if we are to be effective in bringing down the costs of health care in this Nation, we must put renewed emphasis on preventive services rather than our traditional reliance on curative medicine. The House Health Fair provided that ounce of prevention in a painless, efficient, and professional manner.

The value of this program is not only that it is free, but that it brings together the community, the media, and private organizations to help meet a pressing national need. The congressional health fairs were the kickoff for a nationwide program of health fairs occurring this week in 16 metropolitan areas and 43 States. The metro health fairs are open to the general public while the health fairs outside the cities are sponsored by the Administration on Aging primarily for senior citizens. I am pleased to note that Tennessee has the largest senior citizen health fair program in the country.

In any undertaking of this magnitude, there are many, many people who must be thanked for making the House Health Fair a success. Foremost in that group is the National Health Screening Council for Volunteer Organizations, a nonprofit corporation which organizes health fairs around the country. Special thanks go to Dr. John Brensike, director of the organization, and to Gail Britton, the Washington project coordinator who organized both the House and Senate Health Fairs.

The House Health Fair would not have been possible without the tireless and unselfish efforts of the volunteers. House employees owe a debt of gratitude to the American Red Cross and their chapters in Fairfax County, the District of Columbia, Arlington County, and Montgomery County. Others involved in the House Health Fair included the American Academy of Ophthalmology, The Temple School, Howard University School of Nursing, NVCC Medical Lab Technology Curriculum, the Suburban Hospital Medical Explorers, George Washington University Physician's Assistant Program, Georgetown University Department of Community Dentistry, George Washington University School of Medicine, Georgetown University School of Nursing, Columbia Union College Nursing School, and Georgetown School of Science and Art.

The national health fair programs owe a special note of thanks to the national television networks and the Administration on Aging. In the Washington area, WRC and Peoples Drug Store played a vital role and should be commended.

In addition, I would like to thank the House Superintendent's office, the Office of Property Supply, and the Services Subcommittee for their guidance and their time.

The concept behind health fairs is self-reliance. They are an excellent example of how people can pull together and give of their time to meet a common need. And it is refreshing to note that no Federal grants were involved in this project.

I was proud of the health services we provided at the congressional health fairs. If we were able to inform just a handful of people of a potential health hazard, it will have been a success—and it was. I hope this excellent preventive health care program will continue in the future, and that this becomes an annual event for House employees.●

CALL FOR ACTION

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. ABDNOR. Mr. Speaker, the reluctance of the Committee on the Judiciary to undertake hearings and other appropriate action relating to the passage of a human life amendment is a source of dismay to many of us—not only in the Congress but throughout the land.

I call the attention of the committee and my colleagues to a concurrent resolution, adopted March 12, 1980, by the South Dakota House of Representatives and the South Dakota Senate, memorializing the Congress to take such action. The text of the resolution follows:

House Concurrent Resolution No. 1031

A concurrent resolution, memorializing the Congress of the United States to immediately initiate hearings and take other appropriate actions for the passage of a human life amendment to the United States Constitution.

Whereas, on January 15, 1980, the United States District Court for the Eastern District of New York ruled in Mcrae v. Secretary, HEW (Civ. No. 76C1804) and New York City Health and Hospitals Corporation v. Secretary, HEW (Civ. No. 76C1805) that the provisions, commonly known and referred to as the Hyde Amendment, contained in HEW's appropriations acts since fiscal year 1977 that limit the use of federal funds for abortions are unconstitutional; and

Whereas, although those decisions have been appealed to the United States Supreme Court, the United States Supreme Court on February 19, 1980, declined to stay the implementation of such United States District Court decisions pending the outcome of the appeal on the merits; and

Whereas, subsequent thereto, the United States Department of Health and Welfare has advised each state, including South Dakota, that they must utilize medicaid payments for abortions performed by qualified medicaid providers in cases in which the abortions are determined necessary in the professional judgment of the pregnant woman's attending physician, and further directed all state medicaid authorities, including South Dakota, that they must communicate this federally mandated policy to all local medicaid authorities and providers of pregnancy-related care to medicaid eligible women; and

Whereas, such directions and policies are contrary to the laws of the sovereign state of South Dakota and the will of its people as expressed in House Joint Resolution 503 exercising the state's Article V power to apply to Congress to call a convention for the purpose of proposing a human life amendment to the Constitution of the United States; and

Whereas, the Legislature of the state of South Dakota desires to express extreme disappointment, frustration and disagreement with such recent United States District and Supreme Court decisions: Now, therefore, be it *Resolved, by the House of Representatives of the Fifty-fifth Legislature of the State of South Dakota, (the Senate concurring therein)*, That the United States Congress be memorialized respectfully but with firm conviction by the Legislature of the state of South Dakota to immediately initiate public hearings and take such other actions as may be necessary and proper to submit to the states a human life amendment to the United States Constitution in order to insure legally the protection of sacred life and the dignity of human kind; and be it further *resolved*, That copies of this resolution be sent to the United States Senators and United States Congressmen representing the state of South Dakota in the Congress of the Untied States, the Clerk of the United States House of Representatives, the Secretary of the United States Senate, and to the Honorable Jimmy Carter as the President of the United States, requesting that they immediately initiate such actions as may be necessary and proper to implement the purposes of this resolution.

Adopted by the House of Representatives, March 12, 1980.

Concurred in by the Senate, March 12, 1980.●

ARMED FORCES MANPOWER CRISIS

HON. ROBIN L. BEARD

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. BEARD of Tennessee. Mr. Speaker, once again, I wish to bring to the attention of my colleagues an article which appeared in the Washington Star recently, entitled "Army Views Manpower Situation as a Crisis."

This article describes the manpower crisis which our Armed Forces are currently experiencing. This is one of several very critical problems of the All-Volunteer Force which can no longer be ignored. I have introduced House Concurrent Resolution 57, which would establish a joint select committee to study the problems of the All-Volunteer Force and to make legislative changes to correct the shortcomings of the present system.

I urge my colleagues to read the article printed below, and to demonstrate their concern about our country's defense posture and capabilities by cosponsoring House Concurrent Resolution 57.

The article reads:

ARMY VIEWS MANPOWER SITUATION AS A CRISIS

(By John J. Fialka)

The All Volunteer Army is facing the most severe manpower crisis in its eight-year history as the quality of troop training and the intelligence scores of recruits appear to be slumping to record low levels.

Because of budget cuts and an emphasis on sophisticated hardware and other non-training aspects of the Army, the length of basic training for the average soldier has shrunk to seven weeks. That is shorter than it was during the post-Pearl Harbor manpower panic in World War II, when recruits were required to have a minimum of eight weeks of basic training before being rushed off to war.

In 1943, according to the Army Center of Military History, the Army decreed that recruits had to have at least 17 weeks of basic training to be effective once they reached the front.

Other indicators being studied by the Pentagon include a recent study showing that the quality of Army drill sergeants has dropped markedly because of ineffective "self-pacing" training programs that have been introduced for them.

The study also says that lieutenants who deal with recruits at training centers often have little or no field experience because "current Army personnel assignment policies give the training establishment a low assignment priority."

In sum, there is now considerable evidence that the All Volunteer Army is far from the elite "professional" force that its founders envisioned in 1972.

The evidence includes the latest published results of Skill Qualification Tests, the Army's basic "report card" of combat skills. They show that only 14 percent of a sample of 1,574 artillery crewmen passed their qualification test. Of 385 nuclear weapons maintenance specialists tested, 10 percent passed. Of 371 tank turret and artillery repairmen tested, only 2 percent passed.

A study by the Army Training and Doctrine Command shows that the armies of five major U.S. Allies (Australia, Canada, Great Britain, France and West Germany) now give their soldiers about four times the formal training given the average U.S. soldier.

DEBATE OVER QUALITY

For several months, the Pentagon has been having an internal debate over the "quality issue." The debate became public recently when Robert B. Pirie, assistant secretary of defense for manpower, admitted before a Senate subcommittee that the services may have between four and five times as many recruits in the lowest approved mental category—category four—as had been previously thought. This was because of an error in measuring test scores against older tests.

By far the hardest hit service was the Army, which may now be drawing as high as 45 percent of its recruits from category four. These recruits are those between the 10th and 30th percentile of intelligence as measured against the spectrum of those tested in World War II.

What the statistics don't show, however, is that at boot camp, the "quality" problem is being compounded by a variety of training problems, some of which are detailed in an internal study completed for Pirie last summer by a team headed by Army Maj. Gen. Donald E. Rosenblum.

The study noted that to cope with a sharp decline in reading capability, the services have resorted to a number of new training techniques, including self-pacing, which allows a recruit to progress at his own rate and, to some extent, teach himself.

The Rosenblum team found that self-pacing tended to increase attrition and disciplinary problems. The negative impact appeared to be most serious in the Army Drill Sergeant School, the school that trains the trainers.

The results of the sergeants' venture into self-training, the study stated, has produced "criticism from trainers and commanders at all levels."

INEXPERIENCED LIEUTENANTS

The study also noted that current Army personnel assignment policy systematically feeds inexperienced officers to training units.

At one training post visited, the study team found that many of the officers were new lieutenants who "had no prior troop-leading experience." The Marine Corps, the Navy and the Air Force, the study noted, all require officers to have field experience before they teach recruits.

The resulting lack of combat skills among soldiers being sent to the field has been showing up in the Skill Qualification Test scores, a system of testing that was introduced five years ago to quantify training results.

Recent SQT scores obtained from Army sources and from Rep. Robin Beard, R-Tenn., an All Volunteer Army critic who regularly collects SQT results, show a pattern of abysmally low scores in the more complex weapons, maintenance and logistic systems. These are the systems that would be crucial to carrying out the Army's basic mission, which is to "fight outnumbered and win" in a NATO vs. Warsaw Pact conflict.

Recent scores include: Hawk surface-to-air missile crews, the main air defense system for the Army—1,095 tested, 82 percent failed; cannon fire direction specialists—2,794 tested, 86 percent failed; ammunition specialists—1,547 tested, 81 percent failed; traffic management specialists—1,122 tested, 74 percent failed; track vehicle mechanics—3,022 tested, 89 percent failed; computer programmers—1,633 tested, 77 percent failed.

Gen. Donn A. Starry, the Army's top training official, said that is not entirely true because some of the SQT tests are invalid. Last year Starry, formerly head of the Army's Armor School, threw all of the tests relating to armored units out. "I just couldn't get a test that we could validate," he said.

More recently the Army has tried a different approach, lowering the required SQT score needed for promotion from 80 percent to 60 percent.

LOWER READING LEVELS

Starry said he has found the SQT results troublesome. His command is changing the tests to emphasis fewer written questions and more "hands on training." He attributed the major training difficulty, however, to two other problems over which he has no direct control.

Formal training, he explained, has had to be slowed down to accommodate lower reading levels and smaller training budgets. That means some basic skills have been left untaught, left for field commanders to deal with. This system, according to Starry, doesn't work very well.

Starry used the Military Occupational Specialty 11-B, the basic infantryman, as an example. The Army has identified 70 basic skills as being critical to his performance in the field.

"I can only give him 49 of these skills, a little over half of the critical skills," Starry said, "before the soldier leaves basic training. If he has to fight he really needs all 70 of these critical skills.

The theory is that the rest of the skills are taught in the field, but that often doesn't happen because of the impact of another problem. Crews that handle high firepower equipment, such as tanks and artillery, must train together, but the turnover in Army units is so high—between 30 and 40 percent a year—that at any given time one of three men in a weapons crew is now a half-trained beginner.

The Rosenblum report noted that commanders in the Marine Corps in Okinawa and Army commanders in Europe say they have "reduced combat effectiveness due to personnel not having sufficient skill training to enable them to become effective members of a combat unit in a minimum amount of time."

Starry estimates that unless the Army figures out how to replace entire crews rather than individual members, the turnover rate is about "two times too high" to train troops effectively in the field.●

MARGARET DANIELS COPELYN

HON. CARLOS J. MOORHEAD

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. MOORHEAD of California. Mr. Speaker, on May 20, 1880, in Mount Prairie, Tex., in a log cabin, Margaret Daniels Copelyn was born.

On that special day, Margaret Copelyn experienced her first Thursday. On May 20, 1980, she will have the unique privilege of experiencing her 5,200th Thursday.

Very few of us have the strength of body or the tranquility of soul to reach our 100th birthday. Margaret Copelyn has possessed large amounts of both virtues and on May 20, she will be warmly welcomed into that most elite of groups, the centenarians.

A special birthday celebration will be hosted by the Friendship Baptist Church of Pasadena and the Reverend Stanley W. Lewis. Margaret joined the Friendship Baptist Church in 1943 after she married one of its members, Mr. Ed Copelyn.

Since that time, Margaret and the church have had a long, loving and active relationship, She is, without question, one of the most venerated and honored members of the church. She is, says the Reverend Lewis, "a respected mother of the church who has the ear of the pastor, trustees, and deacons."

Mr. Speaker, I am grateful for this opportunity to pay tribute to this dear and enduring woman on her 100th birthday.●

SHOULD THERE BE A NATIONAL NUTRITION POLICY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. LaFALCE. Mr. Speaker, the Departments of Agriculture and Health, Education, and Welfare have published their joint effort, "Nutrition and Your Health, Dietary Guidelines for Americans," a 20-page brochure outlining seven key components important to health maintenance through good dietary habits.

The recommendations embodied in the brochure are, to some Americans, further endorsement of already established eating habits. To others, the recommendations underscore deficient dietary habits which may, in the long run, lead to serious health problems.

The dietary guidelines are: First, eat a variety of foods; second, maintain ideal weight; third, avoid too much fat, saturated fat, and cholesterol; fourth, eat food with adequate starch and fiber; fifth, avoid too much sugar; sixth, avoid too much sodium; and seventh, if you drink alcohol, do so in moderation.

The Government, through publication of the dietary guidelines and other materials, is responding to an increasingly health conscious population. However, the Government's role in mandating a national nutrition policy is not defined and the extent of Federal involvement in this field is an issue of ongoing debate.

The attached article by Jane E. Brody appeared in the New York Times on April 10, 1980. It is an excellent discussion of this issue which I respectfully submit for my colleagues' attention:

SHOULD THERE BE A NATIONAL POLICY ON NUTRITION?

Generations of Americans were reared to worry about eating enough to obtain the nutrients vital to health. A good eater was a big eater, and schoolchildren were admonished to consume a certain minimum number of servings per day of foods in the Basic Seven (later abbreviated to the Basic Four) to assure an adequate intake of protein, vitamins and minerals.

Today eating enough is not the problem for most Americans; eating wisely is. Americans are faced with a superabundance of foodstuffs, many highly attractive to consumers but of doubtful nutritive value. In some cases, the foods we were taught to cherish are now accused of undermining our health and contributing to our deaths.

The Government agencies that taught us to be wary of nutritional deficiencies are now warning us about the dangers of excess. Most recently, the Department of Agriculture and Department of Health, Education, and Welfare, the two agencies directly concerned with food and health, issued a series of guidelines that basically urge Americans to eat less of what they have come to love most: foods high in fat, sugar and salt.

These guidelines, though vague, are the cornerstone of an emerging national nutrition policy that could eventually reshape the nation's food supply. Any day now, suggested menus and recipes incorporating the principles of the new guidelines will be issued by the Agriculture Department's Human Nutrition Center.

But while some observers say that official concern about our surfeit of dietary riches is long overdue, others insist it is ill-conceived and premature. Not unexpectedly, the strongest opposition to revamping the American diet has come from the food industries that would be most directly hurt by the proposed shifts. Some independent scientists and the American Medical Association share their concern.

THE BACKGROUND

Most people base their dietary habits not on what is good for them but on social and cultural factors like familiarity, availability, tradition and status, and on personal matters like taste and pleasure. In mid-20th-century America, these factors have resulted in a national diet rich in meats, dairy products, alcohol and processed foods that are laden with fats, cholesterol, sugar, salt and calories.

Increasingly, Americans have been exhorted to scrap this diet and opt for simpler fare that may help to ward off premature death and disability. In the 1970's, 15 major health organizations here and abroad urged an overhaul in eating habits to stem the epidemic of diet-related diseases, particularly those that afflict the heart and blood vessels.

And in 1977, the Senate Select Committee on Nutrition and Human Health, headed by George McGovern, Democrat of South Dakota, issued a groundbreaking report, "Dietary Goals," advising Americans to cut down on fatty meats and dairy products, eggs, salty foods and snacks, and nutritionally deficient sweets and alcohol. In their place, the committee recommended lean meats, fish and poultry, fruits, vegetables, whole grains and other foods rich in complex carbohydrates, fiber, vitamins and minerals and low in fat and refined sugars.

The McGovern report provoked a widespread and continuing controversy, with the criticized industries, the American Medical Association and a number of independent scientists calling it premature and unwarranted on the basis of available evidence.

Finally in February, the Department of Agriculture and Department of Health, Education and Welfare, in an historic joint enterprise, released a report, "Dietary Guidelines for Americans," that at least in principle adopts the McGovern plan. In brief, the guidelines say: "eat a variety of foods; maintain ideal weight; avoid too much fat, saturated fat and cholesterol; eat foods with adequate starch and fiber; avoid too much sugar; avoid too much sodium (salt); if you drink alcohol, do so in moderation."

Unlike the far more specific "Dietary Goals," the new guidelines suggest no numerical proportions to follow and condemn no foodstuffs. For healthy Americans, they say, everything is permissible—in moderation. If you like eggs, Agriculture Secretary Bob Bergland said in announcing the guidelines, go ahead and eat them, but think twice about the other sources of fat and cholesterol you consume.

FOR A NATIONAL POLICY

Those who urge Americans to abandon their rich diet note that the epidemic of heart and blood vessel diseases that grips the nation has paralleled the increase in cholesterol. Animal foods account for 70 percent of the protein Americans eat, as against only 30 percent at the turn of the century.

Proponents also point out that the decline in whole grains, vegetables and fresh fruits has stripped our diet of natural fiber that, experimental evidence suggests, can help to counter obesity, diabetes, high blood pressure and cancer of the colon.

Their evidence is based primarily on studies of populations, which suggest that the more Americans like the diet, the higher the death rates from the above-mentioned diseases. Also, in a few studies, dietary change appears to have reduced the risk of disease.

Proponents insist that we cannot afford to wait for definitive proof of the benefits of dietary modification. Change, they say, cannot hurt and in all likelihood will help. Even though a modified diet cannot guarantee an individual will be immune to diet-related diseases, advocates argue that reducing the risk for the nation as a whole would reduce the risk for each person.

AGAINST A NATIONAL POLICY

"No one really knows" whether the current diet causes disease or whether changing it will prevent illness, opponents insist. Dr. Elizabeth Whelan, executive director of the American Council on Science and Health, observed: "It is premature to recommend specific nutrient changes in the diets of most Americans. We have no evidence to suggest that use of products such as meats, eggs, butter and other dairy products in an otherwise balanced diet poses a human health hazard."

The American Medical Association cautions against blanket recommendations for all Americans, advising instead that persons "at risk" see their doctors for individualized dietary guidance. Dr. Alfred E. Harper, a nutritionist at the University of Wisconsin who is chairman of the National Academy of Sciences' Food and Nutrition Board, says that before a "drastic modification" of the food supply is undertaken, the "public should be assured of substantial benefits."

The National Cattlemen's Association, conceding an economic interest in the status quo, believes the Government misleads the public with advice based on an unproved, albeit popular, theory linking diet to certain chronic diseases.

THE OUTLOOK

The controversy is expected to continue for years, perhaps indefinitely, because the studies required to prove the value of dietary change are too costly and impractical to undertake.

Meanwhile, Americans have been changing their dietary habits. They are eating, among other things, fewer eggs and less animal fats, but more vegetable oils and margarines. Coincident with these changes, cholesterol levels and deaths from cardiovascular diseases have dropped, though how much of the decline can be attributed to dietary changes is unknown.

In issuing dietary advice, the Government is responding to the demands of an increasingly health-conscious America. The public wants help now in choosing a presumably healthier diet, and future guidelines and regulations are likely to reflect that concern. Those who oppose changing the diet fear that force of opinion, rather than fact, will keep the ball in motion.●

INTERNATIONAL CODE OF BUSINESS CONDUCT

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. BROWN of Ohio. Mr. Speaker, today I am introducing a joint resolution asking President Carter to call for the development and adoption of an international code of business conduct when he attends the June 22 economic summit in Venice. Congressman JOHN H. ROUSSELOT is joining me in introducing this resolution. Senator LLOYD BENTSEN is introducing the same resolution in the Senate.

This resolution grows from a study mission last January when the Joint Economic Committee held 10 days of hearings in the Philippines, Korea, Taiwan, and Hong Kong to determine how the United States can improve its competitive position in East Asia, the world's fastest growing trade area. I was pleased to participate in that study mission.

We found some good news and some bad news. The good news was that U.S. two-way trade with East Asia is now equal to that of all Europe; U.S. exports to Asia account for more than 1 million jobs in direct employment, and another 2 million jobs in indirect employment.

The bad news is that some of the toughest trade competitors come from that part of the world—particularly Japan and other East Asian industrialized nations, and there is a growing U.S. trade imbalance with Asia. The overriding message we brought home is that increased exports are essential to future U.S. economic growth and that if the United States is to compete in the international marketplace, we must awaken to the new realities of trade between nations.

The main problems confronting U.S. firms in world trade are not economic, but legal and regulatory. The U.S. Government acts as a nay-sayer to its own exporters by shackling them with a host of disincentives and restrictions while the home governments of our world trade competitors act as cheerleaders to their exporting firms.

To be very specific, one problem with which we were confronted is that the rest of the world does not operate by the same high ethical standards imposed on U.S. business firms by the Federal Corrupt Practices Act. In fact, I am sure our world competitors are delighted that the FCPA puts strong inhibitions on U.S. traders while giving a free hand to traders from other nations to gain business that U.S. firms could very easily gain were it not for the threat of prosecution in competing for contracts where questionable payments are expected.

Let me make it very clear that I am not recommending a lowering of our standards of business conduct. We should hold to the high moral ground. The United States has established the world standard for honest dealings in trade. I am merely trying to paint a realistic picture of what Americans face in this tough competitive world. The fact is, the price of our unique morality is lost markets, reduced economic growth, and a resulting lower rate of employment.

The FPC Act is so complex, confusing, and ill administered that U.S. firms simply capitulate and withdraw from a market opportunity rather than risk being at odds with domestic enforcement agencies. And sometimes the termination of a relationship comes from the other direction. On our East Asia mission we heard numerous reports of Asian businesses and government officials who were frustrated and wanted out of dealing with a U.S. firm mired down in cumbersome recordkeeping and reporting requirements of the FCPA.

We can correct our problems without seeking the lowest common denominator of business practice.

First, we should find ways to streamline the administration of the FCPA to make it predictable and consistent. This will take some time, patience, and legislative skill. In the meantime, there is something we can and should do right now. We should seek to extend the worthy goals of the FCPA on a reasonable worldwide basis. Accordingly, the resolution I am introducing today requests the President to utilize the forum of the Venice economic summit to seek development and adoption of an international code of business conduct.

The resolution further urges the President to pursue bilateral and multilateral negotiations on standards of business behavior and report to Congress by January 1981, on the results of such discussions. Upon receipt of this report, Congress, through the Joint Economic Committee, would have 60 days in which to review it and propose additional actions or initiatives to help realize the objective of an international code of business conduct.

The United States seeks no advantage over other nations. We simply want fair play. U.S. firms are now victims of a double standard of morality. We won't lower our standards, and we cannot force our trading partners to abide by our code of conduct. But, we can certainly ask other nations to join in a common effort to eliminate corruption by establishing an international code of business conduct.

I hope the House will move swiftly to adopt this resolution.●

THE HOLOCAUST

HON. PETER A. PEYSER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. PEYSER. Mr. Speaker, this week, 37 years after the dramatic struggle at the Warsaw ghetto, we have commemorated this period as the "Days of Remembrance of Victims of the Holocaust."

At first glance, one may ask why we remember this vicious era of genocide and degradation. Is it not better to put these unfortunate memories aside? We cannot forget the atrocities that occurred at Buchenwald, Treblinka, Auschwitz, Bergen-Belsen, and Dachau. Six million innocent men, women, and children were brutally tortured and murdered, not for what they had done, but for the simple fact that they were Jews. The Nazi government successfully divided a nation, splitting human society, and eliminated individuals that they thought to be inferior and undesirable. An annihilation of this magnitude cannot be compared to anything else in history.

The world's failure to recognize the truth over 40 years ago permitted this action to happen. Methodically, the Nazis attempted total destruction, one step at a time. With each move—from the establishment of concentration camps to the extermination of human beings—they waited for a reaction. None came, so, slowly, the genocide began. Butchers and bankers, mechanics and merchants, all were systematically killed and few spoke up.

Today, we remember this despicable era in history. The President's Commission on the Holocaust, chaired by Elie Weisel, was established to study the holocaust so that we might prevent this from happening again. They recommended that a living memorial be established that will speak not only of the victims' deaths but of their lives—"a memorial that can transform the living by transmitting the legacy of the holocaust." We can hope that all who see this memorial will be constantly reminded of our past omissions and of our determination to prevent a recurrence of such actions anywhere on Earth in the future.

George Santayana wrote that "those who cannot remember the past are condemned to repeat it." This week, let us remember the heroes of Warsaw, the children of Dachau, and the other victims of repression throughout Europe during this era. Let our reaffirmation of human rights for all individuals ring clear at the time; and let us work together in the future to erase prejudice, racism, and terrorism from the Earth.●

OIL IMPORT FEE: ANOTHER COSTLY REGULATORY NIGHTMARE

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. BROWN of Ohio. Mr. Speaker, I have joined an effort to block the President's action to impose a so-called conservation fee on motor gasoline because this new tax places a heavy burden on the consumer that will not significantly help our efforts to reduce our dependence on foreign oil.

Imposing a new tax is not the way to fight inflation. As it is, the Federal tax revenues anticipated for fiscal year 1981 will be double what they were just 5 years ago, $600 billion in fiscal year 1981 compared to $300 billion in fiscal year 1976. Since President Carter has been in office, we have already seen increases in social security taxes and in income taxes due to inflation pushing people into higher tax brackets, and an imposition of a windfall profits tax on domestic crude oil production. These new taxes will add some $60 billion a year to the Federal Treasury. Now the President seeks to saddle the taxpayer with another tax to swell Federal coffers by another $10 to $12 billion a year. Such tax increases push wage and material costs higher and will trigger a new round of price increases.

In addition, increases in taxes reduce the individual's discretionary income and his ability to save. That accordingly reduces formation of private capital needed to build a more productive economy.

Making real cuts in Federal spending, not imposing new taxes, is the best approach to reducing inflation.

I also oppose the President's conservation fee because it is not a solution to the Nation's dependence on foreign oil.

The President's proposal averages the import fee over all crude oil by transforming the import fee into a 10 cent fee on every gallon of gasoline—no matter whether the gasoline is made from domestic or foreign crude oil.

Such a tax will not stimulate domestic production, but may actually discourage it. Thus, there is no assurance that any decline in crude oil consumption due to the higher prices resulting from the tax will reduce imports. Much of the anticipated 100,000 barrels a day projected reduction in demand will come from domestic production. Meanwhile, we will impose added costs and higher prices of over $10 billion a year. Since the tax will not result in either a significant reduction in imports or a significant increase in domestic production, it will not buy much national security either.

If the President wishes to discourage consumption further by raising consumer prices of gasoline higher, why doesn't he merely take the price controls off of domestic crude oil production and gasoline sales now rather than waiting until the autumn of 1981 as he has announced?

The consumer price impact would be about the same. Additional profits to the industry would be recovered under the recently passed windfall profits tax. But at least domestic producers would be able to spend more on producing oil in the United States.

Even more importantly, he could terminate the administratively costly entitlements programs now in existence which cost taxpayers and consumers hundreds of millions of dollars—without encouraging any domestic oil production.

I am troubled by the creation of a new entitlement mechanism to transfer the import fee onto motor gasoline. We have had a complex crude oil entitlement program in place since October 1974, and it has been an open invitation to chaos, confusion, and gross abuse and inefficiency, and special interest pricing mechanisms.

I believe that we have learned our lessons about petroleum price and allocation regulations which are now scheduled to expire on September 30, 1981. We should not set up another entitlements bureaucracy to interfere with the petroleum marketplace.

The following editorial from the Wall Street Journal clearly spells out the costly regulatory nightmare this new import fee will create and its certain adverse impact upon domestic oil production:

> OIL FLIP-FLOP
>
> Throughout the Carter administration, and even before, one of the principal objectives of national energy policy has been trying to get rid of the entitlements system, a regulatory nightmare under which refiners of domestic oil subsidize refiners of imported oil. Now, however, the administration is proposing a new entitlements program, superimposed on the old one.
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> We got into the entitlements mess because the U.S. government was determined to hold the price of U.S. oil below the world price. This meant that refiners of domestic crude would have a cost advantage over refiners of imported crude. To make things "fair," the government required refiners of domestic crude to pay an entitlement for the right to refine oil. This payment was then transferred to the refiner who had to pay OPEC prices.
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> You don't need entitlements, or the bureaucracy that administers them, if there is only one price of oil. So a year ago the President accepted decontrol; his backers cited the advantage of ending entitlements. The "windfall profits" tax, you remember, was supposed to substitute for them. But the President stretched decontrol out into 1981 on the grounds that the price at the pump should be allowed to rise only slowly.
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> Now, in another of the flip-flops that have marked his adminstration, the President wants the price of gasoline to go up fast. But instead of speeding decontrol, he has imposed an oil import fee and directed that all of its price effects must be passed through on the part of the barrel made into gasoline. The fee once again creates a two-price oil market, and market forces may not dictate the pass-through solely on gasoline. To deal with these problems, the White

House has put forth, guess what? Yes, a brand new, sparkling entitlements system.

Under this scheme, refiners would have to obtain entitlements to refine gasoline. The proceeds would be used to reimburse importers of oil for the $4.62 oil import fee collected by the Treasury. All the bizarre results of this new regulatory nightmare cannot be known in advance, if indeed the detailed regulations to implement it can ever be written. But the broad outline is as follows.

The effect will not be to discourage imports of OPEC oil, since importers will be reimbursed for the fee. Rather, since the tax will fall on gasoline refiners, the effect will be to discourage the production of gasoline. Refiners can avoid paying entitlements to the extent that they can switch production from gasoline to diesel fuel and other products. There are limits to the switching that is possible, of course, but the incentive definitely exists for the refiners to move away from the production of gasoline.

Hoping to reduce our dependence on OPEC oil, the President set out to lower the demand for gasoline by raising its price with a tax. But in the process he gave refiners an incentive to reduce the supply of gasoline, increasing the likelihood of supply tightness and gasoline lines this summer.

At the same time, he has reversed the thrust of decontrol and clamped the oil industry tighter into the regulatory vise. How the $4.62 import fee translates into an entitlement for gasoline depends on the quantities of oil imported and gasoline refined. Since this relationship is constantly shifting, and since the program itself contains incentives that affect it, the DOE bureaucrats will have years of work ahead trying to keep everything straight.

It's hard to explain a foul-up of this magnitude. If the government that believes in the windfall profits tax is after more revenues and a higher gasoline price to reduce demand for gasoline, it could simply proceed faster with crude oil decontrol. The higher price in the market would discourage demand and also produce more oil company revenues subject to both the windfall profits tax and the corporate income tax. This approach would avoid both an incentive to produce less gasoline and a new layer of regulation.

The consequences of the oil import fee are a good indication of the way things work when regulators take over from the market. It also shows that regulators faced with being phased out are very good at phasing themselves back in. It would be wonderful indeed if somehow all this bureaucratic resourcefulness could be channeled into the production of energy.●

POULTRY AND EGG MONTH IN NORTH CAROLINA

HON. W. G. (BILL) HEFNER

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. HEFNER. Mr. Speaker, I invite my colleagues to read a newsstory about the $750 million a year poultry industry in North Carolina. Of this total of farm income from poultry foods in the State, some $205.8 million is generated in the counties composing the Eighth Congressional District, which I represent in the House of Representatives.

I am pleased and proud to point out that Union County, one of the counties in my district, leads North Carolina in poultry-related farm income. Last year $107 million was earned by poultry farmers, processors, and agribusinessmen in Union County.

April has been proclaimed "Poultry and Egg Month" in North Carolina in recognition of the advancements, achievements, and superb leadership of the State's poultry industry and the men and women who are a part of it.

The story follows:

NORTH CAROLINA'S HUGE POULTRY INDUSTRY MAKES RAPID STRIDES IN DECADE

Enough broiler chickens were produced in North Carolina last year to supply the needs of the state's 5.6 million residents plus more than 17 million consumers elsewhere.

"This is just one indication of the extent to which poultry—North Carolina's largest food industry—has developed over the past 10 years," said Dr. R. Charles Brooks, poultry marketing economist with the N.C. Agricultural Extension Service.

Broilers grown in the state last year totaled nearly 377 million, up almost 35 percent from the 280 million raised a decade earlier.

Total live weight of the birds was 1.54 billion pounds. At a normal 73 percent yield this would have converted to 1.12 billion pounds dressed weight—a volume sufficient to meet the needs of 23 million people for the year, Brooks said.

U.S. per capita consumption of broilers in 1979 reached a record high of 48.9 pounds (dressed weight), 40 percent greater than the 34.8 pounds per person consumed in 1969.

The economist said gross farm income from broilers in North Carolina rose from $159 million a decade earlier to $388 million in 1979.

"The broiler industry continues to make phenomenal gains in production and marketing efficiency and these gains are passed on to consumers in the form of lower retail prices," Brooks said.

"Expressed in constant dollars with 1967 as the base, retail prices for dressed, ready-to-cook broilers dropped sharply during the past decade, falling from 38.4 cents per pound in 1969 to 31.1 cents last year."

(These calculations are based on year-to-year increases in the Consumer Price Index, which reflects the rate of inflation.)

Brooks said North Carolina is a leading state in production of broilers, turkeys and eggs. In the past decade, quail and ducks have been added as commercial enterprises.

The farm value of poultry production in the state increased from $328 million in 1969 to more than $750 million last year. Poultry prices increased less than the rate of inflation, but production increased sharply, he said.

Growth in turkeys has been more rapid in North Carolina than in any other state. Production in 1979 exceeded 23 million, more than double the 9.4 million raised in 1969.

"North Carolina now ranks second in turkey production and will probably become the leading state within a year or two," Brooks said.

Gross farm income from turkeys in North Carolina rose from only $37 million in 1969 to $170 million last year.

Nationwide, per capita turkey consumption last year amounted to 9.9 pounds, up from 8.3 pounds in 1969. Retail turkey prices adjusted for inflation, declined from 44 cents to 42 cents.

Brooks said the turkey industry has developed a wide range of processed products for the consumer. He predicted continued gains in further processing by the industry.

The state's 1970 turkey output, the economist said, was sufficient to meet the needs of all Tar Heels plus 27 million consumers in other states.

Approximately 3.15 billion eggs were produced in North Carolina last year, and about a third of them were used for hatching purposes, mainly to supply the state's large broiler industry. The other two-thirds were sold as table eggs.

Gross farm income from eggs in North Carolina in 1979 was $174 million. In terms of dollars at the 1967 level of value, retail prices of table eggs fell from 56 cents to 39 cents per dozen.

After many years of decline, per capita consumption of eggs has increased for the past couple of years and reached 281 eggs per person in 1979.

The North Carolina Poultry Federation, with offices in Raleigh, coordinates promotional efforts for the Tar Heel poultry industry. Special activities are planned during observance of April as "Poultry Month" in North Carolina.●

FEDERATED DEPARTMENT STORES, INC., SUPPORTS CAPITAL COST RECOVERY ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, I have the pleasure of announcing that the Federated Department Stores, Inc., have endorsed the Capital Cost Recovery Act, H.R. 4646. In a letter from their chairman, Ralph Lazarus, the Federated Department Stores emphasize the positive effect this bill will have in increasing productivity and employment, and reducing inflation.

Since my colleague BARBER CONABLE and I introduced this bill, it has received broad based bipartisan support in Congress, where it has close to 300 cosponsors. The congressional support has been matched by its strong backing in the business world. H.R. 4646 should be the first major step toward increasing capital formation and our country's sagging rate of productivity. I insert Mr. Lazarus' letter at this point in the record:

FEDERATED DEPARTMENT STORES, INC.,
Cincinnati, Ohio.

Hon. JAMES R. JONES,
U.S. House of Representatives, Washington, D.C.

MY DEAR CONGRESSMAN JONES: As Chairman of Federated Department Stores, Inc., with sales of over $5 billion and over 120,000 employees, I want to express my deep concern about the negative impact of the present tax structure on the retailing industry.

In my view, as well as the view of other retailers and members of the business community, H.R. 4646, the Capital Cost Recovery Act, is critical to dampening inflation, increasing productivity, increasing employment and creating a more efficient distribution sector.

Of major importance, from retailing's view, is the inclusion of structures and buildings in the proposed legislation. Retailers do not invest as heavily in capital goods—especially machinery and equipment—as do manufacturers. Instead, a significant portion of our capital is invested in buildings. For this reason, the retailing industry also strongly supports legislation, such as H.R. 4041, which extends the investment tax credit to other tangible property used as an integral part of the retail and wholesale trade and H.R. 4042, which extends the investment tax credit to buildings. For example, parking spaces in manufacturing qualifies for an investment tax credit, while parking spaces in shopping centers do not.

The new ten year write-off period for nonresidential buildings will particularly help retailers. Buildings, warehouses and distribution facilities constitute the major portion of retailing's investment in fixed assets.

The shortened recovery period for buildings is particularly important to retailers because investment in these assets does not currently qualify for the investment tax credit, which is available to a considerably larger extent to manufacturers for their investment in such capital assets as machinery and equipment. The retailer currently qualifies for the investment tax credit only as to 40 percent of his total capital investment while the manufacturer enjoys the benefit of the investment tax credit on about 65 percent of his capital investment.

Because retailing is labor intensive, tax incentives provided to it are magnified as they are transformed into jobs. There is a major advantage to retail investment in terms of a multiplier effect. According to a recent study by the Northwestern University Graduate School of Management, $100 million of capital investment in the distribution sector will involve approximately 3800 jobs—more than three times the numbers of jobs associated with a like investment in the manufacturing sector. This difference results from the fact that retailers require substantially more support in the way of clerks, stockkeepers, drivers, packers, buyers, etc. than do manufacturers for an equal amount of capital investment. Any increase in retail capital investment as a result of the CCRA is therefore likely to have a strong positive impact on employment. Moreover, this increased employment in retailing would likely benefit the economic groups most in need of employment opportunities. At present, retailing provides many of the jobs held by those most likely to be unemployed—the unskilled, the young and the part-timers.

Retailing plays an important role in the U.S. economy. It brings products to the market place in the right quantities and locations. Retailing assumes the risk, with its own capital, of being able to sell the output of the other sectors of the economy. Thus, increased capital investment in retail structures, which lowers the distribution cost of a product, will stimulate demand and economic growth in exactly the same way as will increased capital investment in more efficient machinery in the manufacturing sector. Because retailing is highly competitive, lower costs achieved through efficiency result in lower prices to consumers. An efficient distribution system creates a market and exerts a strong "pull through" effect on manufacturing. Thus, the entire economy benefits from a healthy and efficient distribution sector.

Much has been said about the revenue loss generated by capital cost recovery. A study by Data Resource, Inc. ("DRI") estimates that the CCRA would result in "static" revenue loss ranging from $4.8 billion in 1980 to $32.9 billion in 1984, based on a ten year phase-in period. (The actual revenue loss would be somewhat higher because of the five year phase-in for buildings compared with their ten year lifetime.) However, the Treasury would realize a feedback of tax revenues from the newly stimulated economic activity. The CCRA would raise fixed business investment by an average of $10 billion a year between 1980 and 1984, would add 0.3 percent to the gross national product, would increase growth and labor productivity by 0.7 percent, and would increase employment gains by an average of 200,000 jobs per year over the next five years. Because of this "feedback" of induced economic activity, the net cost of CCRA as simulated in the DRI model would be only $4.2 billion in 1980, rising to $16.1 billion in 1984. Thus, the CCRA would be self-financing to some extent.

We are also aware of recent attempts to have buildings excluded from the capital cost recovery proposal. We feel strongly that would be a mistake. In that same DRI study we mentioned earlier, it was pointed out that the shortened recovery period for buildings represented only 25 percent of the total loss in the capital cost recovery package. This is based on the estimated static revenue loss of $3.9 million average loss between 1980 and 1984 in category for buildings, and an average loss of $14.3 million for equipment and light vehicles.

Capital cost recovery would provide a strong stimulus to business fixed investment, and stimulate real economic growth, productivity and employment. It would aid capital recovery by substantially shortening the recovery period and providing greater deductions in earlier years. The 1979 report of the Joint Economic Committee shows the United States lagging extremely far behind its trading partners Japan, West Germany, Italy, France and Canada in average annual percent changes in productivity, production growth rates, and rates of investment in nonresidential business. The CCRA would encourage the modernization and expansion of productive facilities that would enable U.S. industry to compete more effectively in world markets.

With increased capital investment in more efficient retail structures, the distribution costs of a product would be reduced, resulting in lower prices to consumers.

Capital cost recovery is not a radical departure from the present depreciation system. It is merely the next logical step in the process of the evolution away from useful life depreciation. The shorter recovery periods in the CCRA substantially increase the cash flow of businesses and enhance their ability to make large new capital investments to increase productivity.

Sincerely,

RALPH LAZARUS.●

RED CROSS HONORS MR. WINSTON M. CHURCHILL

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. STARK. Mr. Speaker, it is my pleasure to bring to your attention a noteworthy citizen of California's Ninth District, Mr. Winston M. Churchill.

On January 6, 1979, Mr. Churchill, trained in Red Cross first aid, became concerned about the safety of an elderly woman no one had seen for 5 days. Sensing the woman was in danger, Mr. Churchill entered her home and found her lying on the floor of her bedroom, unable to speak or move and barely conscious. Apparently she had suffered a minor stroke or fall and was unable to call for help. Mr. Churchill phoned for assistance, and soon the victim was on her way to the hospital for emergency treatment. Without a doubt, Mr. Churchill's rescue saved the victim's life.

Mr. Churchill has been named to receive the Red Cross Certificate of Merit and accompanying pin. This is the highest award given by the American Red Cross to a person who sustains or saves a life by using skills or knowledge learned in a volunteer training program offered by the Red Cross. The certificate bears the original signatures of the President of the United States, honorary chairman, and Jerome Holland, chairman of the American Red Cross. Mr. Churchill's honorable action certainly merits this fine award.●

ST. MATTHEWS LUTHERAN CHURCH CELEBRATES ITS 85TH ANNIVERSARY

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. OTTINGER. Mr. Speaker, I would like to bring to my colleagues' attention an important occasion for White Plains, N.Y., a community in my district. It is an important event for that city, because St. Matthews Lutheran Church, a landmark in the city and an integral part of the city's religious community, is celebrating its 85th anniversary.

As part of that commemoration, the church is issuing bronze and silver medals, recognizing not only this congregation's 85th anniversary, but also the 450th anniversary of the Augsberg Confession, a signal event in Lutheran theology. The confession establishes the basis of the Lutheran Church and its philosophy.

On April 27, I will join church officials, community leaders, and the bishop of the Metropolitan New York Synod of the Lutheran Church in America in a worship service marking the anniversary.

Because of this church's long history of worship and involvement in the White Plains community, I would like to take this opportunity to quote from a letter to me on the history of the congregation from Rev. Frederick J. Schumacher, pastor of St. Matthews:

> St. Matthew's Lutheran Church was organized in William Finke's grocery store at the corner of Battle Avenue and Smith Street on April 28, 1895. On that Sunday, nine men gathered, formally establishing the "German Evangelical Lutheran St. Matthew's Church," the name later becoming simply, "St. Matthew's Lutheran Church." Among the nine men were August Brocking, William Fink, and Oswald Patzold. White Plains was a village in 1895 and would not become a city for another 16 years. The population of the village was then about 6,500.
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> For more than a decade all the records of the church were in German.
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> In 1899 the church moved to The Old Auditorium at Mamaroneck and Railroad Avenues, now Main Street, where it stayed for 13 years. In 1902 the congregation moved to the Adler School on Church Street near Main, the previous location of

the Reporter Dispatch. In 1908 the church purchased the old Westchester Congregational Church and moved the building to Lexington Avenue. At last the church had its own house of worship.

Under the leadership of the Reverend Frederick Melville the present church building was built, the cornerstone laying ceremony taking place on Nov. 24, 1924.

Buildings are important, of course, but I would just like to mention the people involved in this 85th anniversary effort: The anniversary committee is made up of Marie Bahnmuller, president, Robert Bormann, vice president, Ruth Renken, secretary, Joan Meyer, treasurer and Albert Jansen, assistant treasurer.

Others whose names deserve special mention include Minot Bridgham, Edmund F. Wagner, William Von Rein, Howard Schrecke, Hobart Utter, Robert Josephson, Frank B. Veber, John Monsees, Philip Sabin, and Raymond Hert. All are past presidents of the congregation.

This is an important occasion to them. But it is also an important occasion to their community—members and nonmembers alike—for a vital institution is celebrating a very special event.●

THE UNIVERSITY OF TEXAS—A CENTER FOR FUSION RESEARCH

HON. J. J. PICKLE

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. PICKLE. Mr. Speaker, the University of Texas at Austin is already well known as a center for fusion energy research. Beginning soon, however, the university will gain even a worldwide reputation in this new field. The Department of Energy recently selected the University of Texas as the location of the new Institute for Fusion Studies. The center will concentrate on all theories of fusion technology.

The University of Texas is already the location of the National Experimental Research Facility. The Fusion Research Center, also at University of Texas is building a larger and more advanced version of the first Texas Tokamak, a plasma containment device. So our university has been a center of fusion research for over 15 years.

DOE is providing $5 million over 5 years. Which will be matched by the university for this new project. The center will attract senior fusion researchers from around the world to address fundamental scientific questions about how to make fusion work. The center begins operation this fall. Eventually, some 40 senior scientists will conduct research, including 10 people in faculty positions being created by the university.

Many scientists express optimism that fusion can play a role in our energy mix shortly after the year 2000. If fusion works. It will be a clean, inexhaustible resource for the future. As you probably know, our Nation's effort in fusion is divided into two areas. Several national labs are conducting experimental research using large, expensive devices to demonstrate the feasibility of fusion. Complimenting the labs are basic research programs at over a dozen universities, exploring fundamental scientific issues of fusion. This is where the University of Texas will fit in.

I am obviously pleased that the Department of Energy has recognized the accomplishments of the University of Texas at Austin in fusion research. Our university will not become the foremost location of this country's basic scientific research in fusion energy.

But most important to all of us, the entire Nation will benefit from the research conducted as the new Institute for Fusion Studies. Research centers and labs around the country have made giant strides to unlock the secrets of fusion. But we are still in the pioneer stage of this technology. We can look to the brains and leadership of the University of Texas and the Department of Energy to help us advance the cause of energy independence.●

ENVIRONMENTAL CONCERNS—AN INTERNATIONAL PERSPECTIVE

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. BROWN of California. Mr. Speaker, as we approach Earth Day 1980, it is useful to reflect upon some of the changes in our environmental perspective over the past 10 years. One major shift in views is the almost daily recognition that environmental concerns are truly global, and not just a concern for developed nations. And in case one thought that only the affluent could afford to be concerned about the environment, one need only look at the nature of our global environmental problems, which clearly affect all classes of people.

Mr. Speaker, yesterday the Subcommittee on Science, Research, and Technology, which I chair, and the Subcommittee on Natural Resources and the Environment, chaired by JEROME AMBRO, held joint oversight hearings on the Department of State's Bureau of Oceans and International Environmental and Scientific Affairs, a small but very important coordinating office in the Department of State. I was again impressed with the wide range of environmental and scientific issues our foreign policy must deal with, and the inadequacy of the resources our Government devotes to this crucial subject.

Among the witnesses at the hearing was Thomas B. Stoel, of the Natural Resources Defense Council, who delivered excellent testimony on the environmental functions and activities of the Department of State.

I commend this testimony to my colleagues, not only for Earth Day, but for our legislative deliberations on the budget of the Department of State.

The testimony follows:

STATEMENT OF THOMAS B. STOEL, JR., BEFORE THE SUBCOMMITTEE ON SCIENCE, RESEARCH AND TECHNOLOGY OF THE HOUSE COMMITTEE ON SCIENCE AND TECHNOLOGY, ON THE STATE DEPARTMENT'S BUREAU OF OCEANS AND INTERNATIONAL ENVIRONMENTAL AND SCIENTIFIC AFFAIRS, APRIL 16, 1980

My name is Thomas B. Stoel, Jr. I am the Director of the International Project of the Natural Resources Defense Council, a nonprofit organization dedicated to the preservation of environmental quality and wise use of natural resources. NRDC has over 40,000 members, located in all 50 states and in many foreign countries. I appreciate the opportunity to testify before you today.

NRDC's international activities have the objective of protecting the environment outside the United States. I have directed these activities since early 1974. During this six-year period, I have become familiar with the activities of the State Department's Bureau of Oceans and International Environmental and Scientific Affairs (OES), which was established late in 1973.

The Bureau of OES is a small, little-known unit of the United States government. Yet I believe it is one of the most important. The importance of OES becomes clear when one realizes the magnitude of the environment and resource-related international problems which face the United States and the world today.

I. INTERNATIONAL ENVIRONMENTAL PROBLEMS

Unintended effects of modern technologies, rapid depletion of nonrenewable resources such as oil, and unsustainable demands upon the earth's biological systems—oceans, forests, grasslands, and croplands—pose grave threats to mankind. Together with the dangers of the thermonuclear arms race and population growth, these international environmental issues are the most serious facing humanity. The United States is a major cause of some of these problems, but also has been a leader in trying to find solutions. Yet our efforts must increase greatly in the coming years if we are to avoid catastrophes.

The key question with respect to the earth's resources is what rate of growth in per capita consumption can be sustained. Unfortunately, the news is not good. The world's per capita production of oil leveled off about 1973, and by the year 2000 will be more than 30 percent below the current level. With respect to renewable resources, wood production peaked in 1967 and is now down 10 percent; fish production peaked in 1970 and is down 15 percent; and beef and grain production appear to have peaked in the last few years. Rapid worldwide population growth—expected to result in nearly a 50 percent increase in the world's population by the year 2000—will accelerate these per capita trends.

These trends have not only environmental significance but also major economic implications. During the 1970's, the real income of the average American worker grew little if at all, and the United States experienced a high rate of inflation. A major reason was that the costs to American consumers of key commodities have risen as fast as or even more rapidly than productivity. Viewed from the American perspective, the real cost of oil has risen sharply, while technology has not enabled us to produce the quantities of low-cost oil we would like to have. Food, another major contributor to inflation, may be abundant in this country but is scarce worldwide. As a recent Washington Post editorial noted, "the central fact of the world grain market is steadily rising demands as people in every region raise their standard of living."

The future costs—economic and otherwise—if environment and resource problems are not solved stagger the imagination. Nuclear weapons proliferation threatens the structure of peace. The buildup of carbon dioxide in the atmosphere, acid rain, ozone depletion, and ocean pollution put at risk the earth's life-support system. Exhaustion of oil threatens our industrial way of life, and soil erosion endangers the basis for agriculture. Only a few years remain in which to meet and overcome these fateful challenges.

Nuclear weapons proliferation

Most thoughtful observers agree that nuclear weapons proliferation is the greatest problem connected with nuclear power. At the end of the 1960's, five nations possessed nuclear weapons. During the past decade, new nuclear weapons states (Israel, India, South Africa) have appeared in three unstable regions of the world: the Middle East, South Asia, and Southern Africa. Others, such as Pakistan, appear to be on the verge. When half-mad dictators like Libya's Colonel Qaddafi or subnational groups like the PLO acquire nuclear weapons, which could occur in 5-10 years if present trends are allowed to continue, the world will be a different place.

The nuclear weapons proliferation of the last decade has not resulted from overt programs to build weapons. Instead, nations have crept toward the Bomb under the guise of developing peaceful, civilian nuclear power. The spread of civilian nuclear technologies to more and more nations, and the movement towards a commercial "plutonium economy," featuring reprocessing of plutonium from spent fuel and reliance on commercial breeder reactors, threaten to smash the weak barriers to weapons proliferation. Ten or more additional nations could acquire the Bomb very quickly.

The Carter Administration, with help from the Congress, has made the United States the world leader in trying to control weapons proliferation. However, U.S. diplomacy has not always proceeded effectively, and U.S. commercial nuclear interests sometimes have undermined the Administration's policy.

Carbon dioxide

The combustion of fossil fuels, and perhaps the destruction of tropical forests, is causing the level of carbon dioxide in the atmosphere to increase. Leading scientists, recently backed by a National Academy of Sciences study, fear that this CO_2 buildup will cause an essentially irreversible warming of the atmosphere. The consequences could include a shifting of agricultural zones, including the U.S. grain belts, and even a melting of the polar icecaps which would cause the oceans to rise and flood coastal cities.

If the scientists are right, we have only a few years to avert these horrific consequences. The only apparent way of doing so is to lessen humanity's reliance on fossil fuels, and perhaps to reduce the rate of tropical deforestation. U.S. scientists have been leaders in identifying this problem, but more needs to be done.

Acid rain

Fossil-fuel power plants emit sulfur oxides. Many miles downwind from the plant, these oxides cause "acid rains," which render lakes unlivable for fish and other organisms, damage vegetation, and affect soil fertility. There may also be serious effects on the oceans.

Acid rain mainly occurs regionally, in North America and Europe, though there is some evidence that acid rain is crossing the polar cap from Europe to North America. Acid rain is a significant international issue between the United States and Canada.

This issue has been considerably neglected, though recently there has been movement toward negotiations between the United States and Canada. The problem must be given a much higher priority, the long-term consequences of various courses of action carefully evaluated, and steps taken to achieve a solution. These may necessitate less reliance on fossil-fuel power plants.

Energy: Conservation and renewable sources

The world is running out of oil. The United States already has run out of low-cost oil. Reliance on the other major fossil fuel, coal, may have unacceptable costs: increased atmospheric carbon dioxide levels and acid rain. Nuclear power has dangers of its own, and in any event will cease when uranium supplies run out, unless we move to a plutonium economy with the near-certain consequence of nuclear weapons proliferation. There is, therefore, a need to accelerate on a world-wide basis, the transition to renewable energy sources and, in the short term, to conserve energy.

Ozone depletion

The National Academy of Sciences in November 1978 confirmed once again the theory that release of fluorocarbons from aerosol spray cans, refrigerators, air conditioner, and industrial processes will irreversibly deplete the stratospheric ozone layer. The consequences will include a sharp increase in the incidence of skin cancer, even more severe impacts on animals and plants, and a significant warming of the atmosphere. The United States, beginning in the Ford Administration, has been a leader in addressing this problem. The United States banned all nonessential uses of aerosol sprays in 1978, and is exploring ways of reducing emissions from nonaerosol sources. The rest of the world is lagging behind. The United States needs to exert firm diplomatic leadership so others will match our performance in banning nonessential aerosol uses and will work with us in reducing nonaerosol usage.

Toxic chemicals

The control of toxic chemicals has become a global problem, as the use of chemicals in agriculture and industry has increased worldwide. There are some 30,000 chemicals now on the market, and about 1,000 new chemicals are introduced each year. It is estimated that world chemical exports exceeded $100 billion in 1979.

During the last decade, the U.S. and other industrialized nations have taken steps to protect public health and the environment against chemical hazards. However, the focus has been upon domestic manufacture, transportation, use and disposal of toxic chemicals, with little or no concern about international commerce. One result has been repeated "dumping" abroad of banned or highly restricted chemicals. The developing countries, which often lack the capability to monitor and control chemical imports, are the most likely victims. Attention was focussed earlier this year upon proposals to ship hazardous chemical waste products from the U.S. to Sierra Leone and Haiti. The State Department has recognized that it is in our own interest to assure that importing countries have the opportunity to make an informed judgment as to hazards and benefits associated with particular products. While "caveat emptor" remains the prevailing norm in international chemical trade, the U.S. has begun to push for fuller disclosure and exchange of information.

A related problem involves the need to harmonize the controls imposed by various nations. The United States is now engaged in important consultations with other countries of the Organization for Economic Cooperation and Development, which it is hoped will result in an agreement among the major chemical nations on consistent standards and procedures for testing new chemicals. Harmonization of toxic chemical controls will reduce the need for duplicative testing, and perhaps approval, of chemicals moving in international commerce. More important, it could assure that data on chemical hazards is widely shared.

Soil erosion

By the year 2000, about 80 percent of all the people on earth will live in the developing countries. In many of these nations, soil erosion is increasing rapidly due to poor agricultural practices on marginal lands and unwise deforestation. Deserts are spreading, once-forested lands are becoming totally unproductive, billions of tons of topsoil are being washed or blown away, and the world faces the horrifying prospect of using up much of its precious capital of fertile soil in one or two generations.

The consequences will not be limited to the developing world. As worldwide demand for food rises and agricultural productivity is limited by soil erosion, the pressures on U.S. agriculture to meet the demand will become overwhelming. To the extent we try, we will accelerate already unacceptable levels of erosion in our own country, which grew sharply after we adopted a policy of all-out production to meet world needs in the mid 1970's. Moreover, increased worldwide demand coupled with limited supply will drive food prices higher everywhere, exacerbating the problem of inflation in the United States.

This is a complex problem, and the solutions are not easy. However, one needed step is to take the good action plan of the 1977 United Nations Conference on Desertification off the shelf and implement it.

Tropical forests and genetic diversity

The world's tropical forests are disappearing at an appalling rate. In some countries, they are nearly gone. In others, they will disappear by the year 2000 if present trends continue. Not all deforestation is bad, but much of it is unwise and unplanned. The consequences include a major contribution to the soil erosion problem just described, interruptions of vital water supplies, adverse effects on local climates, possible changes in the global climate, and the extinction of animals and plant species.

Forty percent of all the animals and plants on earth are thought to dwell in tropical forests. We are faced with the awesome prospect that within the next 20 years, one-fifth of all the species on earth will become extinct due to tropical deforestation. If this is allowed to occur, it will be one of the greatest impoverishments ever suffered by mankind. The potential benefits of these species for drugs, medical research, increased agricultural productivity, and industry is incalculable, but in dollars it surely comes to many billions. To cite just two examples: the rubber tree was once an unknown tropical forest species; and scientists in 1978 discovered in a remote area of Mexico a perennial variety of corn which, if domesticated, could revolutionize agriculture worldwide.

The Carter Administration has established a middle-level Interagency Task Force on Tropical Deforestation, with the State Department taking the lead. The Task

Force is expected to report to the President this month. He is likely to endorse its recommendations and ask agencies to develop programs to carry them out. The Administration is moving in the right direction, but much more effort is needed to ensure that the problem will be given enough priority when it is time to spend actual resources.

II. THE ROLE OF OES

These are only some of the major international environment and resource challenges we face. I have scarcely mentioned the problem of population growth, the root cause of many of the others, the environmental effects of trade in toxic substances, or important issues concerning the oceans and Antarctica. However, the issues I have discussed surely consititute, when considered together, one of the greatest threats to mankind's future on this planet.

All the issues I have mentioned—including population, toxic substances, oceans, and Antarctica—are the responsibility, within the State Department, of the Bureau of OES. All the issues I have discussed in detail fall within two divisions of the Bureau: the Division of Nuclear Energy and Energy Technology Affairs and the Division of Environmental Affairs. Those are the divisions of OES which I know best, and the rest of my testimony will be limited to them.

The Division of Nuclear Energy and Energy Technology Affairs comprises four offices containing a total of 14 regular professional staff positions, plus four officers on detail from other agencies and one part-time expert. Of these, twelve regular officers and three detailees work on issues relating directly to nuclear weapons proliferations and nuclear exports. Two regular officers and one detailee work on other international energy matters.

My organization, the Natural Resources Defense Council, active since 1975 in influencing United States policy so as to prevent nuclear weapons proliferation. We have often disagreed with the State Department's policies in this area, and those disagreements have been detailed in hearings before other congressional committees. However, we have generally found the responsible State Department officials willing to listen to our point of view and as informative as national security considerations permitted.

Despite these disagreements, we at NRDC strongly believe, as I indicated earlier, that nuclear weapons proliferation is one of the most serious problems facing the United States and the world. It is appropriate, if not inevitable, that a major locus for dealing with this problem should be the United States Department of State. We do not believe anyone could conclude that the 15 persons allotted to this function in OES are excessive. Nor, given the evident importance of achieving a rapid, worldwide transition to renewable energy sources, can the three officers in the Office of Energy Technology Cooperation be considered enough. This Office has played an important role in facilitating the preparation of badly needed national energy assessments in developing countries, such as Egypt and Peru. It also makes arrangements with other nations for cooperation in the development of renewable energy technologies.

All of the other issues mentioned above—the carbon dioxide problem, acid rain, ozone depletion, toxic chemicals, soil loss, and tropical forests destruction—are the responsibility of the Division of Environmental Affairs. This Division consists of the Office of Environment and Health, with seven professional staff members, and the Office of Food and Natural Resources, with six professional staff members, a total of thirteen professional positions.

Despite the comparatively small size of this Division, its staff constitutes by far the largest group of professionals working on these vital international issues anywhere in the United States Government. In addition to working on these major issues, the Division has other responsibilities, such as assisting in the preparation of environmental impact statements and other environmental assessments and carrying out international environmental functions mandated by wildlife protection statutes.

We at NRDC have worked closely with this Division of OES. While we have occasionally disagreed with members of its staff, we have found them to be hard-working, competent, dedicated, and ready to accept suggestions and criticisms. OES's past and present priorities have generally met with our approval. Currently, for example, the Division treats as priorities all the major issues discussed above. Under the direction of OES, the United States has been the leader in attempting to solve many of these problems, as described previously.

This Division of OES, the focus within the United States Government for addressing these enormously important problems, is severely understaffed. This problem is compounded by the fact that most officers rotate through the Division, usually on three-year assignments. Inevitably, much of the first year is spent "learning the ropes," and the time of others in the office is required in the learning process. While some officers should and do remain in the Division on a long-term basis in order to provide experience and continuity, this pattern is probably desirable. If environmental and resource issues are to become central rather than peripheral in the making of U.S. foreign policy, as they must if we are to survive on this planet, (we noted with pleasure Secretary Vance's recent inclusion of this area as one of the eight foci of U.S. foreign policy, even if he did place it last), it is important for talented officers to pass through OES on the way to the top levels of the State Department. OES should not become an "environmental ghetto." However, to expect thirteen officers, no matter how dedicated and intelligent, to give enough attention under these conditions to issues of such enormous importance, and to others besides, is to expect the impossible. That OES has done and is doing such a good job is a tribute to the competence, dedication, and stamina of its staff. However, extremely important issues—for example, the problems of carbon dioxide buildup and soil loss—inevitably have received too little attention.

Even in a time of severe budgetary pressures, concern for our future and that of our children calls for greatly increased investment in the work of this Division of OES. It would be the height of folly to reduce its budget.●

DAYS OF REMEMBRANCE

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. OTTINGER. Mr. Speaker, it is important to note that this week has been designated as "Days of Remembrance of Victims of the Holocaust." On this occasion let us remember and commemorate the 6 million Jews and countless other innocent people who were systematically murdered by the Nazis.

It is imperative that all Americans always remember the magnitude of the atrocities committed against humanity during the holocaust, for apathy is no solution to evil. This occasion should therefore serve as a time for remembrance, but the best way to remember is to act to assure that such atrocities can never occur again.

This means that each and every one of us must speak out and reaffirm our commitment to insuring that Israel, the refuge for the survivors of the holocaust and of persecution everywhere, not be abandoned by the free world. We must commit ourselves to that task and make sure that Israel is not pressured to jeopardize its security by accepting the terrorist PLO on its borders, that Jerusalem is not again divided and that we not allow the oil cartel's blackmail to continue to distort the free world's foreign policies.

In every generation there have been those who have sought to terrorize and annihilate Jews and other innocent peoples. Let us therefore seize this opportunity to raise our voices against tyranny and more importantly recommit ourselves to the realization of a humane world, where all people are truly free and can live in peace and security.●

LACK OF COAL POLICY ON FEDERAL LAND

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. RAHALL. Mr. Speaker, enclosed is a statement by Congressman JAMES D. SANTINI highlighting the lack of urgency and priority given to development of coal on Federal lands. In this statement he points out leadtimes will delay substantive new coal development on Federal land until the end of this decade. I urge my colleagues to review Congressman SANTINI's remarks.

COAL LEASING AND THE FEDERAL COAL MANAGEMENT PROGRAM

It is a pathetic spector when one of the most energy-rich nations in the world is so vulnerable that any one of a dozen fiefdoms can turn off 10 percent of our energy supplies at will and as a result create disruption bordering on crisis in this nation. When we consider that our energy resources exceed those of Saudi Arabia 100 times in coal alone, we have been deplorably unproductive in our development of energy resources. President Carter has declared a "moral equivalent to war" and stated that coal is our major weapon. However, we are abandoning that weapon on a national battlefield of regulatory suffocation.

On July 19, President Carter, as a result of the Camp David Energy Summit, gave unparalleled importance to increased domestic production of energy resulting in a new $20 billion request program to develop domestic fuels stating: "I am asking Congress to mandate—to require as a matter of law—that our nation's utilities cut their massive use of oil by 50 percent within the next decade and switch to other fuels—especially COAL, our most abundant energy source."

It is more than ever imperative that there be a balance in the management of the enormous federal resources held in stewardship for the American people. I ask "How can any utilities of this nation switch to coal if federal coal is dedicated to non-development?" Proper and timely use is essential for the nation's energy health. Since we will never import more oil than in 1977 unless we change our present state of governmental inertia, will we have to import coal into Wyoming?

URGENCY LACKING IN FEDERAL LEASE PROGRAM

On June 4, 1979, the Secretary of the Interior announced a new Federal Coal Management Program which would "promptly" lease 1.5 billion tons of federal coal in targeted regions starting with 531 million tons in sales in January 1981, and ending with 776 million tons in the Powder River Region of Montana and Wyoming in 1982, of course following preparation of new regional sale environmental impact statements. This would presumably measure up to Department of Energy's 1978 production goals. Given a lead time of six years, some new production might start in 1986 and 1987 provided other leases in the logical mining units were not relinquished by excessive diligence requirements. Incidentally, DOE's production estimates were made before the President's July 15 speech and do not include any synthetic fuels.

The fundamental assumption in this program is that there is enough coal already under lease to supply most of the nation's needs. What does this proposed lease figure really mean? The 1.5 million tons reduced to average seam thickness represents little more than one township out of the nearly 100 million acres of unleased federal coal. This graphically demonstrates that arbitrary constriction of available coal resources will stifle any meaningful attempt at timely energy development and will barely supplement a few existing leases.

Since the country's future is so heavily mortgaged on the development of the leased coal, a brief analysis of those acres under lease is necessary to understanding the sufficiency or deficiency of the proposed program. A 1975 Interior analysis of existing coal leases showed existing leases to have 16 billion tons of reserves. These 16 billion tons were broken down into various categories, thereby reducing 16 billion to a far smaller amount which might be actually available for mining. Leases on 24,000 acres have been issued since 1975 and, taking into account relinquishments of existing leases, approximately the same amount is now under lease as in 1973. Since that time the original leasing, mining and burning of coal has become far more difficult.

The Coal Leasing Amendments Act, the Surface Mining Act, Federal Land Management and Policy Act, Amended Clean Air Acts and a myriad of restrictive regulations have effectively eliminated many of the required tracts necessary to make logical mining units. Of what use are the billions of tons of reserves now under lease for the Kaiparowitz Project? What is the answer to this question?

It is my concern that should serious deficiency in available reserves develop, balance between energy demand and our ability to proceed and plan for both production and proper environmental safeguards cannot be met. Shortages in available coal would increase cost to consumers, reduce national competitiveness by unnecessarily raising energy costs, and make us ever more dependent on foreign energy supplies.

PROPOSED LEASING GOALS AN EXERCISE IN FICTION

In 1974, Project Independence of the Federal Energy Administration estimated the 1985 coal average production potential for the Northern Great Plains Region at 155 million tons per year.

Now, the Department of Energy forecasts the 1985 medium coal production forecasts at 327.5 million tons, over twice the earlier production forecasts. The new coal program relies heavily on these new projections to establish rates from leasing, yet the leasing rate remains at zero. Given existing realities, the proposed leasing goals may be the greatest exercise in fiction since "Alice in Wonderland."

The announced leasing targets by 1981-1982 include only areas where existing land use plans are complete. Leasing in additional areas which do not yet have adequate plans will delay leasing until 1985 or later. On top of this, an additional six year lead time is required to mine a lease provided the necessary permits are obtained. Even this may be optimistic. New technologies may need different quality coals in 10 years, yet we will be inflexibly committed to what was once determined acceptable lease areas.

BUREAUCRATIC BURDENS TO LEASING ARE SIZABLE

What are the in-place bureaucratic barriers that must be surmounted? There are at least four basic bureaucratic burdens and they are sizable obstacles.

First, coal has been assigned a low comparative land use value by the Department of the Interior.

Second, the coal leasing prospect may be wiped out by an "unsuitability" determination when weighed against other DOI land use considerations.

Third, the possibility of a coal lease must surmount the administration's traditional trade off on all federal land uses.

Fourth, and fundamentally, the surface owner consent screen must be satisfied. If the prospective coal lessee survives the foregoing bureaucratic bewilderment, he then faces the demanding, unpredictable process of obtaining a permit. Now the prospective producer has permission to tackle a whole new set of complex rules and regulations involving additional authorities and rulemakers. The administration's newest thrust on energy independence must consider economics. The National Energy Plan II, states: "The Administration intends to discourage higher coal prices that do not reflect real increases in the cost of producing and delivering coal supplies."

The American people must ask: "If the lowest cost coal is not made available to industry through timely and fair leasing—how can reasonable prices be assured?"

We now have a Surface Mining Act where reclamation is assured. The Secretary is required to issue coal leases only after satisfying elaborate land use exceptions. These plans appear to place almost every land use plan consideration above coal production. Furthermore, stringent "diligence requirements" eliminates any speculation since no lease would be acquired for years and those that are must be promptly developed. Yet, there is still only token leasing action even planned by the Department of the Interior.

GOVERNMENT ITSELF FORCING UP PRICE OF COAL

There appears to be little certainty that existing leases issued prior to the 1973 moratorium can, in fact, meet the needs of an energy-short nation after at least 10 years of technical and legal changes made subsequent to their issuance. Thirty-six percent of those the administration calculates will self-destruct because of stringent diligence requirements. When this is coupled with a reluctance to issue any substantial leases until the mid 1980s, there is a virtual guarantee of a government induced shortage.

I have had five government agencies testify at my subcommittee hearings. The Justice Department expressed grave concerns that, because so little was being put up for lease, the government was in the position of becoming itself a monopolist and forcing the price of coal higher than its true cost. How can the government encourage substitution of coal for oil in our power plants when we do not make every effort to make the lowest cost coal available to our industry?

Secondly, we came to an astounding realization about our national policy. The Council on Wage and Price Stability testified on a report it sent to Interior recommending they do a basic cost benefit analysis on their newly adopted program. The only such study available showed this new program to have negative benefits in social and environmental costs, even without considering the increased cost of producing coal.

Interior has continually taken refuge in the assumption that there are enough reserves already under lease—some 16 billion to 17 billion tons—to satisfy any anticipated demand. However, GAO found not one shred of evidence that this impressive figure accurately reflects production potential in the near future.

INTERIOR PROGRAM VIEWED AS UNNECESSARILY COSTLY

Interior's new program involves a number of complex screens, each of which will reduce the amount of coal to be considered for lease, let alone the amount actually selected for lease sales. This is done without even considering the value of the coal. When this happens, a single two-acre picnic area may prevent development of coal reserves that could supply energy to a major city for many, many years. Furthermore, by ignoring the value of the coal, and by not making the lowest cost reserves available, production that could be carried out in a concentrated area will be dispersed over an enormous area, creating a substantially higher real, social and environmental cost.

Finally, the driving force behind Interior's new program is not the free market, but production goals dictated by the Department of Energy. These require that Interior's land use planning must be complete, including all new regulations, before new leases can be issued with the slight exception of the 1982 announced targets. These new plans cannot be completed before 1985, after which the process of leasing may add an additional two or more years. The Coal Leasing Amendments Act clearly allowed for leasing under plans existing in 1976, and even without plans in some areas that had a land use analysis. The new program puts the earliest possible use of known resources at 1987, almost an entire decade away.

SCREENING PROCESS REPLACES FREE MARKET

The Justice Department has termed this take-over of the market place a "formidable threat to a national policy of increased reliance on coal." Further, Justice states that two or three times as much coal should be leased as the latest version of the Department of Energy's production targets are not necessarily used by Interior. Interior determines how much acreage should be leased to meet these targets, whatever the targets happens to be at this time.

This decision requires revised land use plans, involving a long, costly, and tedious processing of new regulations. This added process screens out large portions of coal, regardless of the value, eliminating coal by using at least 22 different "unsuitability" criteria. This costs millions of dollars and hundreds of man years of the taxpayers' money. Why can't we just let industry nominate the best coal areas and then analyze the environmental trade-offs in these few areas?

After four of these screens, Interior may or may not lease some coal, which may or may not be sufficient to form an economic tract, which may or may not be given permission to mine. I, as the Justice Department does, view with horror the idea of relying so heavily on this new scheme as a replacement of the free market. A mistake in gasoline allocations may mean a month of shortage, while the same mistake in coal allocation could entail a decade of shortage.

Finally, I would like to raise the issue of coal preference right leases. There are approximately 180 preference right lease applications outstanding. The present administration feels many of these are "give aways" or are in areas that may be "unsuitable." The issue is what right do holders of prospecting permits have to coal they found in "commercial quantities." Bureau of Mines commented that this process of Interior's new program would itself determine whether an applicant got a lease, rather than if he made an actual discovery of coal as the 1920 Act required. Interior responded to this internal criticism with deliberate suffocation resulting in the expunction of all of the Bureau's comments from the Federal Coal Management Program EIS. This illustrates administrative censorship of the rankest order and opens the entire federal program to the question of its balance regarding economics and mineral engineering feasibility, or in short, the program's practical workability.

DELAY IN USE OF COAL RESOURCES INCOMPREHENSIBLE

In conclusion, it is absolutely incomprehensible how we could have delayed so long in utilizing our vast coal resources. With the technology and manpower available in this country, it is hard to believe that we can't develop these resources without devastating the environment and do it on a more cost effective basis.

We must figure out a way to get on with the job of our nation's energy survival. There is not much time left. We must do everything we can to turn this self-destructive course around. We must do it together. Please do all you can do to help us.●

TAIWAN AND THE IMF

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. HYDE. Mr. Speaker, I have just learned that a vote is scheduled to take place today in the International Monetary Fund Board of Governors on the seating of the People's Republic of China. When that vote occurs, the U.S. representative to the Fund will be under certain moral and legal responsibilities, of which I want to remind this administration.

It is my understanding that within the last month the People's Republic of China has opened new channels of communication with the IMF and has expressed a willingness to join. Substantive discussions have taken place with IMF officials on the technical procedures for joining. And most recently, last Monday, a final decision was taken by the Executive Board on the distribution of gold previously placed with the IMF by the Republic of China. This move was preparatory to a final decision on the Chinese membership question.

I do not in principle oppose the seating of the People's Republic of China in the IMF. What is at issue here is the impact which such a decision will have on the future seating of the Republic of China in that body. All indications are that seating the People's Republic of China will mean the expulsion of the Republic of China from the IMF. It also appears that this administration is about to actively support Peking's seating, regardless of its effect on Taipei's status. Administration officials have stated that they would "warmly welcome" Peking's joining the IMF, and that they expect its quick admission.

I would remind our responsible officials in the State and Treasury Departments of two things, however. The first is the Republic of China's longstanding membership in the IMF and its responsible record as a leading member of that body. The Republic of China as a major trading nation with a strong economy has acted both effectively and responsibly as an IMF member of the IMF since its inception. Second, I would remind this administration of the language of the Taiwan Relations Act, section 4(d) of which read:

> Nothing in this Act may be construed as a basis for supporting the exclusion or expulsion of Taiwan from continued membership in any international financial institution * * *.

That language was placed in the act last year with the IMF and World Bank specifically in mind. It expresses the concern of the Congress for Taiwan's continued membership in those bodies, and our intention that the severance of U.S. diplomatic relations with that country not lead to U.S. support for any ouster of Taiwan from them.

For the United States to actively support the admission of the People's Republic of China to the IMF without making any corresponding effort to keep Taiwan in that organization would be an abrogation of the spirit and intent of the Taiwan Relations Act, as well as of our ethical responsibility to assure that the friendly nation of Taiwan remains a full member of the international economic community. I therefore believe that the U.S. Treasury Department is dutybound to take every possible measure to affirm the Republic of China's continued right to participation in and affiliation with the International Monetary Fund.●

FATHER HENRY BIRKENHAUER

HON. CHARLES A. VANIK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. VANIK. Mr. Speaker, I want to extend my warmest personal congratulations and best wishes to Father Henry Birkenhauer, a very dear friend and longtime president of John Carroll University, on the occasion of his retirement. A scientist and educator of national repute, he has served since August 1970 as the 19th president of John Carroll University.

Father Birkenhauer is best known for his work in the Antarctic as chief seismologist and spiritual adviser to the 27-man International Geophysical Year research expedition operating at Wilkes Station on Vincennes Bay. During his 15-month stay, he made studies of the composition of rocks under the polar icecap and recorded seismic waves from earthquakes. Upon returning to Cleveland in 1959, he was hailed as John Carroll's polar priest and was named University Heights Citizen of the Year.

We have all benefited from Father Birkenhauer's service. During his tenure as president of John Carroll, Father Birkenhauer has been dedicated to both the university and the greater Cleveland community. I wish Father Birkenhauer good health and a happy retirement. His work at John Carroll was important and well done.●

BIG BUSINESS DAY

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. WEISS. Mr. Speaker, I offer this statement in recognition and support of Big Business Day and the Corporate Democracy Act.

The political agenda of the 1970's, ushered in by Watergate, often focused on the size and abuses of big government. I believe that the political agenda of the 1980's, ushered in by Big Business Day, should focus on the size and frequent abuses of big business. Who governs our giant corporations, and how they in turn govern America—economically and politically, should be a preeminent issue in a democracy where large institutions are expected to be accountable to their various constituencies.

Our political government is held accountable by means of the Constitution and elections. But our economic government is largely unaccountable to its constituencies—shareholders, workers, consumers, local communities, taxpayers, small business, and perhaps most importantly, to future generations. Yet these vast pockets of power can spend decisive amounts in elections; market products that threaten the one ozone layer this planet has;

can determine which towns thrive and which die; help to stabilize or overthrow foreign governments by their investments; and develop technology that can take or save lives. Big business can control our food, our energy, our health, our workplace, our homes, our career, and our environment.

The clear distinctions between the public and private sectors becomes blurred when we are taxed by big business in the form of collusion or price fixing; when we are coerced by giant corporations to ingest carcinogenic industrial pollution; and when the willful marketing of defective tires and automobiles with exploding gas tanks leads to the needless loss of human lives.

For these reasons I support and cosponsor the Corporate Democracy Act, H.R. 7010. Its enactment will help insure that the economic government is more responsible by giving stakeholders of the giant corporations a greater access to it and a greater voice in it.

H.R. 7010 will apply to corporations with assets in excess of $250 million or a working force of over 5,000 persons. The Act creates self-regulating mechanisms to assure greater corporate accountability. The bill mandates greater disclosure of information to stockholders, workers, consumers, and affected communities and requires democratic corporate structures. It futher requires that the largest corporations have a majority of independent members on the boards of directors as well as requiring prenotification of plant closings and just cause for the termination of employees. It restricts interlocking directorates, establishes standards of loyalty and due care on the part of directors, and establishes criminal and civil penalties against corporate crime.

An important coalition of labor, consumer, environmental, and public interest groups has endorsed and encouraged Big Business Day and the concept of the Corporate Democracy Act. Greater corporate responsibility is essential to the economic and social health and well-being of this country. I urge all my colleagues to join in this important effort.●

USEFUL REFLECTIONS

HON. STANLEY N. LUNDINE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. LUNDINE. Mr. Speaker, Rev. Harold T. Armstrong, a South Dayton, N.Y., constituent, recently wrote to President Carter and me expressing his personal views on nuclear weapons and warfare. Reverend Armstrong is deeply concerned regarding the proliferation of such weapons, the use of germ warfare, and increased defense spending. He advocates, instead, the proliferation of greater love and understanding among our fellow man. He particularly addresses the plight of those who suffer and are oppressed. While there are differences of opinion concerning the best way of moving closer to the goals Reverend Armstrong espouses, I think we all share his concerns and can benefit from reflecting on his comments. I am pleased, therefore, to share the context of Reverend Armstrong's letter with my colleagues:

South Dayton, N.Y.,
March 23, 1980.

Representative Stanley N. Lundine,
39th District,
Jamestown, New York

Hon. Stanley N. Lundine: I take this opportunity to thank you for agreeing to see me concerning many pressing issues of todays world community. I share a very deep and abiding concern over the direction our nation has taken on many issues, and speak to them so as to abide by my own conscience and the word of our Lord and Savior Jesus Christ. Over the past year I have written to several government officials who, for one or many reasons have refused to speak with me. That in and of itself is a sad testimony for their record of serving the people who elected them to office. I have offered to speak with President Carter, who claims to be too busy, yet finds time to speak with all manner of persons including gas station attendants. I have offered to speak before the Congress, the Senate, or any body willing to pursue the course of "peace on earth, goodwill towards all mankind." The offer still stands, and I wish it so recorded in the congressional record so that future generations may know that someone spoke while others refused to listen, to a man seeking only to obey his conscience in the light of Holy Scripture, and the knowledge of a loving God who looks upon all his people.

1. The Social Principles of the "United Methodist Church," state, "The strength of a political system depends upon the full and willing participation of its citizens. We believe that the state should not attempt to control the Church, nor should the Church seek to dominate the state. 'Separation of church and state' means no organic union of the two, but does permit interaction. The Church should continually exert a strong ethical influence upon the state, supporting policies and programs deemed to be just and compassionate and opposing policies and programs which are not."

I stand fully willing to participate in dialogue with all areas of government bodies who are now responsible for many areas of dangerous and disagreeable attitudes concerning world peace. I am wholly against the further construction of more nuclear weapons, most particularly "a neutron bomb." I also stand against the further development of any and all germ warfare developments.

I stand in full contrast to the further spending of millions of dollars daily to build armaments, the likes of which the world has never seen and does not need. It becomes the height of pure folly when we utter the words, "world peace," and continue to build such weapons for the sole purpose in mind of their possible and very real use upon another human being. Future generations will question, I am sure, why more persons were not heard to protest the terrible use and construction of such weapons, while millions starve in foreign nations, the poor go hungry, naked, and crying for help. These issues lay themselves at the feet and upon the conscience of mankind, and so thrust themselves upon my own soul that I cannot rest without speaking to these issues. It becomes my solemn duty to speak with righteous indignation and protest against the continued, unending use of resources for war, when they are so needed simply to feed the hungry and neglected. I must place myself as it were, in their standing to see what I actually should do, for surely we out of necessity would seek the bare sustenance for our own loved ones in the same, given situation.

I do not need in these days to spell out the needs which are flashed before millions daily on their televisions. Can not the Congress, Senate, or President spare a man a little room to speak for those who suffer for their very lives sake? Have we become so unfeeling that we silently brush aside the issue and the man? Do we throw away all sanctity for human life, while we allow approximately 1.4 billion dollars (per day) to be thrown away in the building of more weapons? May Almighty God forgive me if I do not protest in the loudest voice possible, while still doing it in the loving example of our Lord Jesus Christ, who was and is, the Godhead incarnate.

I suffer inward pain at the thought of the use of such weapons, and the misuse of the earth's elements, which could instead be used for food, and life sustaining developments. Perhaps we need to feel some of their pain upon our souls to make leaders more acutely aware, and accountable for their actions regarding the spending of personal tax dollars for such folly.

The initiative must rest with each and every one who desires to see a more peaceful world order accomplished, rather than to see the hatred of war unleashed upon innocent people who have had no hand nor desire in the construction of such weapons, without protest. It becomes paramount that government officials stop to see to what voice are they listening? The voice of man, or God?

2. "Governments and laws should be servants of God and of human beings. Citizens have a duty to abide by laws duly adopted by orderly and just process of government. But governments, no less than individuals, are subject to the judgment of God. Therefore, we recognize the right of individuals to dissent when acting under the constraint of conscience and after exhausting all legal recourse, to disobey laws deemed to be unjust. Even then respect for law should be shown by refraining from violence and by accepting the costs of disobedience. We offer our prayers for those in rightful authority who serve the public and we support their efforts to afford justice and equal opportunity for all people. We assert the duty of Churches to support everyone who suffers for cause of conscience, and urge governments seriously to consider restoration of rights to such persons-while also maintaining respect for those who obey."

3. "We believe war is incompatible with the teachings and example of Christ. We therefore reject war as an instrument of national foreign policy and insist that the first moral duty of all nations is to resolve by peaceful means every dispute that arises between or among them; That human values must outweigh military claims as governments determine their priorities; that the militarization of society must be challenged and stopped; and that the manufacture, sale, and deployment of armaments must be reduced and controlled." Recent events in the middle east have brought dire threats to the continuance of world peace, yet officials advance their own self policies, being unwilling to listen or speak with the general populace. Ideas are advanced as being, "American," when indeed few Americans have voiced nationwide acceptance of the boycott of the Olympic games, except President Carter and a small group of other high ranking officials.

Have we as a nation lost the good common sense God provided in the form of reason? The stopping of Olympic games is merely the closing of another door in which to advance the cause of peace, further adding to already existing tensions! The idea, that what the President proposes, is the mainstream of American thought is not necessarily true. Thousands are now marching in protest of the renewal of the draft, yet it is stated to be the thing to do. It is however, or should be common knowledge that any nation, would not want to see such heinous weapons used under any circumstances!

I state that I am categorically opposed to the further construction of nuclear weapons, germ warfare methods, and the proposed MX Missile System, which seems the height of pure nonsense in the light of reality. It is a shame that man falls so far from God's good grace to indulge in such fantasies when few people on the face of the earth really want such things in their own lives, or anyone elses! The people of the world cry out for peace, yet governments continually amass weapons to threaten his own continued existence. Our nation is becoming a hodge-podge of nuclear contaminated hotspots which will most likely affect humanity, in one respect or another, for thousands of years to come. History shows us the tragic, inhuman, unacceptable results of the use of atomic or nuclear weapons. Even the over-use of peaceful nuclear power, including breeder reactors and various other types pose massive waste-technology problems; which if given to a state of uncontrol could kill millions, and leave large tracts of land desolate and useless for centuries.

Recently much attention has been given to the family as a unit and several proposals have been suggested for maintaining family stability. This stability is often and repeatedly threatened from the uncaring actions and attitudes of our own government, by their refusal to speak with the people in solving many problems. I have seen the results of stress in my own childrens lives, in my own life, and in the lives of several Church members as accidents occurred at Three Mile Island, allowing the release of nuclear contamination into the air. The people are seldom told the truth in such matters, while the former AEC has printed all the facts one would need to examine to see the possibilities that exist. The NRC should be made fully accountable for its regulatory commission and enact very strictly to the code of safety! But again, the real tragedy is that government officials feel little responsibility to hear the people, thus negating their final duty in the highest sense of the word!

I would suggest that a bill be introduced to stop the further development of the neutron bomb, MX Missile System, and new germ warfare methods. No nation needs more weapons, all nations need to reduce their destructive capabilities, if peace is even to be thought of. We need to share more fully and equally the worlds goods, to bring an end to war, starvation, disease, discontent, and the worst enemy, greed. I do earnestly ask you to read this statement, before both houses, and enter it in the Congressional Record, that one man was willing to speak the truth in the love of Christ's name. I repeat I am willing to speak before any of the before mentioned bodies to make plain my views and to seek better answers for humanity.

If I am denied the common right which should be of each and every citizen to speak to the leaders of the nation, I will consider seeking full legal recourse and possible alternative measures in following my conscience to share my views with the world, and my fellow human beings. I will print as widely as possible the names and offices of all who refuse to speak with me, when indeed they have spoken with many others, for reasons of far less importance and consequence. I am dedicated to the cause of world peace and so write and speak towards that end. Being a Christian Minister I shall give to the District Superintendent a copy of this petition and keep one in my possession.

I make myself open, willing, and available to serve on any national, or international committee in the pursuit of these goals. I make myself available to speak with any national leader, at my own expense of travel, before any body of government that is willing to listen, before any committee who has ears to hear; and will continue to print the names of those who again, are unwilling to speak with a man so inclined.

Yours in Christ's Service,

REV. HAROLD T. ARMSTRONG.●

SANTA MARIA MAYOR ELWIN E. MUSSELL RETIRES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I am honored to advise my colleagues in the House of the retirement of Elwin E. Mussell as mayor of the city of Santa Maria, Calif. Next week, his many friends and colleagues will gather in Santa Maria to mark the culmination of his 20 years of public service, and I wish to extend the felicitations of this body to Elwin on the occasion.

Elwin and his wife, Barbara, along with their sons Douglas and James, are longstanding members of the community. Elwin came to the valley from his native North Dakota in 1921, nearly 60 years ago, when the city had a population of less than 4,000. In his long career, he has been publisher of the Santa Maria Free Advertiser, owner of Santa Maria Printing, and director of the Santa Maria Valley Chamber of Commerce, the Kiwanis Club, the Elks, Santa Maria Beautiful, United Fund, and the Santa Maria Valley Historical Society.

Builder of the Mussell Fort Western Museum, he was also a charter member and organizer of the Vaqueros de los Ranchos, Santa Maria Valley Sportsmen's Association, the California State Commission on Community Development, the Santa Barbara County Range Improvement Association, and chairman of the Santa Maria Chapter of the American Cancer Society.

Elwin was named "Citizen of the Year" in 1969 by the Chamber of Commerce, and has received service awards from the YMCA, Santa Maria Boys' Club, Boy Scouts of America, and Future Farmers of America for his many years of youth work.

Elwin's years of formal public service began in 1941, when he served on the Santa Barbara County grand jury. He has since served as a member of the Santa Maria Planning Commission, the City Subdivision Committee, chairman of the City Tree Committee, member of the city council for 14 years, and mayor of Santa Maria since 1974.

Mr. Speaker, there are few people who can match a career of civic and public service such as this—and I am sure there are a few things I have even left out. It is said you can judge the life of a man by the mark he leaves on his community, and in Elwin's case, that mark has been both broad and far reaching. I am sure I speak for all the people of the Santa Maria Valley, and for my colleagues in this House as well, when I say that we are honored and grateful to have been the beneficiaries of his unending energy and civic devotion, and to extend to him our most sincere congratulations and thanks.●

JEWISH HERITAGE WEEK

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. WOLFF. Mr. Speaker, I wish to say a few words in reference to House Joint Resolution 474, a resolution of which I am an original cosponsor.

Jewish Heritage Week will serve to recognize the invaluable contributions of the Jewish people to western civilization, particularly to our American culture. To list the individuals to whom our society is deeply indebted, the Einsteins, the Cardozos, the Brandeises, the Salks, would require volumes; the list is that extensive. Collective contributions by the people as a whole are matters of historical fact. Our legal system, our scientific community, and even our entertainment industry owe much to the contributions of American Jewry.

It is no coincidence that the week of April 21-28 has been designated in this resolution. The holiday of Passover ended just a week ago; no other observance in the Jewish legacy represents more the distinctive Jewish ideals and aspirations. The ideal of freedom, an ideal quite alien to the ancient Middle Eastern society in the midst of which it was developed, is expounded during the Passover celebration. Such a phenomenon defies the logical progression of history; an enslaved and dispirited people, engulfed within the absolute rule of the ancient Pharaohs, consciously formulated the very modern notions of individual liberty which we Americans hold so dear. The passage inscribed on the Liberty Bell, "And thou shalt proclaim liberty throughout the land," represents a uniquely Jewish admonition, written in the Book of Deuteronomy.

It was the same concept of liberty and dignity which later propelled the valiant ghetto fighters of Warsaw to challenge the Nazi war machine. It is on the anniversary of the Warsaw ghetto uprising that we commemorate the Nazi slaughter of 6 million Jews in

Europe. A once flourishing ethnic community, spread across the entire European continent, was decimated in the years 1939-45; very little of the once vibrant European Jewish culture remains. The Warsaw ghetto uprising was a spark amid the ashes, a spark which helped to ignite the fire which led to the foundation of the State of Israel.

Holocaust Commemoration Day takes place in a few weeks, as does Israeli Independence Day. The Jewish notion of national independence, again, totally alien to the ancient cultures of the Middle East amid which it was developed, was harbored by the Jews for two millenia, to be revitalized upon the formation of the Jewish homeland in Israel.

Jewish Heritage Week will increase the awareness of the American people of the Jewish roots of our unique culture. It should provide the impetus across the country for the initiation of educational and cultural programs dealing with Jewish heritage. I am proud to have lent my support to such a measure.●

AN INTERNATIONAL FOREIGN POLICY?

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. RITTER. Mr. Speaker, in an editorial in the Wall Street Journal on April 16, 1980, Irving Kristol presents an interesting point of view on the disenchantment many Americans feel about their country's foreign policies. Mr. Kristol's article relates to the conflict between our internationalist foreign policies and our basic nationalism.

I commend his article to my colleagues' attention:

The Trilateral Commission Factor

For reasons which only a Middle Eastern scholar can comprehend, there is intense hostility between the existing regimes of Iran and Iraq. So intense, indeed, is this hostility between these two neighboring Moslem states that border skirmishes, assassinations and sabotage have become an everyday affair, and an outbreak of full-fledged warfare is a possibility. So, let us assume that, one bright morning, Iraqi troops launch an attack across the border into Iran. The question I wish to raise is: What would be the position of our State Department in such an eventuality?

Well, we know what our State Department's position would be. It would deplore this "act of aggression" and would staunchly support a United Nations resolution which (a) censured Iraq for its transgression of international law, and (b) demand the prompt withdrawal of Iraqi troops from occupied territory. We know this would be the State Department's position because that was exactly what it did when the ruthless Communist regime of Vietnam invaded Cambodia and overthrew the utterly insane and genocidal Communist regime established there.

Now, I submit that, so far as the average American is concerned, such an attitude on the part of our State Department makes no sense whatsoever. Was it really in our national interest that Pol Pot should continue to rule, undisturbed in his homicidal enterprise, in Cambodia? Is it really in our national interest that the Ayatollah continue to rule in Iran? And if it is pointed out, by way of rejoinder, that the aggressors in these cases were no less anti-American than the aggressees—well, then, why should we not declare a plague on all their houses, and perhaps even take some malicious pleasure in watching our enemies fight one another?

This, I think, would be the natural reaction of the average, uninformed, unsophisticated American. In contrast, it would not be the reaction of the professionals in our State Department, of the majority of knowledgeable experts on foreign affairs who are members of the Council on Foreign Relations, or of many editorial writers. On the whole, they all believe that any such "act of aggression" is at least a sin, and perhaps a crime.

PROFOUND DIVISION

It is the profound division between the popular instinct with regard to foreign policy and the professional management of this policy which explains the very odd role that something called The Trilateral Commission has played in recent Republican primaries, to the great disadvantage of George Bush, who was at least a nominal member.

Let me say right off that I am not and never have been a member of the Trilateral Commission. On the other hand, some very good friends of mine were or are, so I suppose guilt-by-association can be imputed to me. And I am a member of the Council on Foreign Relations, which is in truth *the* foreign policy "establishment," of which the Trilateral Commission is a natural if unofficial offshoot. But, still on another hand, my own views on foreign policy make me a distinctly dissident member of that establishment.

The Trilateral Commission was founded in the early 1970s by a group that consisted primarily of internationally-minded businessmen—"enlightened," I would guess, is the word they would feel most appropriate—from North America, Western Europe and Japan, along with a handful of scholars and politicians, all equally enlightened. They meet; they talk; they listen to lectures; they appoint study groups that produce papers for which the commission itself claims no official sanction—and that's about it. Were it not for the fact that the Carter administration is so heavily populated with former members, there would be no reason to be particularly interested in the cast of mind—the "ideology," if you will—of this group.

Indeed, the ideological complexion of the Trilateral Commission does not significantly differ from the ideological complexion of our foreign policy establishment as a whole. It is, in short, liberal in essence, though—as befits distinguished business leaders—very moderate and cautious in expression. Though appalled by Soviet behavior in Afghanistan, Africa, and the Middle East, it remains loyal to the idea of detente and is opposed to any effort to have us "return to the cold war climate which prevailed prior to 1970" (to quote from the latest issue of Trialogue, its official publication). It is not opposed to military expenditures for "defense" but is not all that enthusiastic about them either—and is very apprehensive about our using military force for any purpose that is not unambiguously defensive. It believes that the goal of American foreign policy should be the rule of law in international affairs, and that the United Nations represents a step—however faltering and occasionally wayward—in that direction.

It believes in a generous foreign aid program and in similar policies that would help redistribute the world's goods from the more affluent "North" of the globe to the less-developed "South."

All of these beliefs are held in the sincere conviction that, in the world of today, they add up to the best possible definition of our "national interest." And there's the rub—that is the point of friction with an American popular feeling which is skeptical, suspicious and distrustful of this definition of our national interest.

To put the matter bluntly: The American people believe that our foreign policy establishment has an insufficiently nationalist conception of our national interest—that its entire view of the world, and of America's role in it, is far too "internationalist" in its premises.

One uses that word, "nationalist," with some uneasiness. Over these past decades, our foreign policy establishment has given a nasty coloration to that word. Only "less-developed" countries are permitted to be nationalist without incurring opprobrium, because they are presumed still to be in the adolescent stage of their history. We, in contrast, should have outgrown nationalism. We should shape our foreign policy in accordance with some set of vague, transnational ideals, not displaying an excessive, "parochial" attachment to American institutions and American values.

This conflict between popular nationalist sentiment and the articulated "internationalist" ideology of our foreign policy elites goes back to the 1920s, when the public rejected as utopian Woodrow Wilson's belief that international conflict could henceforth be repressed, and world peace achieved, under the aegis of the League of Nations. It emerged again after World War II with the dissatisfaction over the Yalta agreement—our accepting Soviet hegemony over Eastern Europe as the price of a United Nations that would ineluctably move the world toward peace and justice. It has been visible in popular antagonism to our foreign economic aid programs—perceived, not incorrectly, as an international welfare system. And it was visible, too, in popular dissatisfaction with the way both the Korean war and Vietnam war were conducted—with the people believing, in their primitive way, that wars entered into should be won, or else not entered into at all.

In fact, a history of American foreign policy since World War I can be written—though it has yet to be written—in terms of this tension between popular, provincial sentiment and elite, worldly idealism. To the degree that scholars have paid attention to this theme, it has always been in terms of the difficulties encountered by our foreign policy elites in gradually pushing and shoving a parochial, mindless populace toward a more "enlightened" view of world affairs. But what if the elites have been basically wrong, and the populace basically right?

That, obviously, is more or less the way I see it. Mind you, I am no "populist" who thinks the populace is always in the right. In fact, precisely because it lacked intellectual guidance and articulation, popular sentiment on foreign affairs has frequently degenerated into a crude chauvinism, isolationism, or even downright paranoia. Some of the correspondence I have received from readers of The Wall Street Journal paints the Trilateral Commission a kind of sinister conspiracy to "sell out" American interests to any or all anti-American regimes. Though something like that "sell-out" frequently occurs, there is no sinister conspiracy behind it—only well meaning people who define our national interest in terms, not of the sordid realities of power conflict, but rather of an "interdependent world order" in which the "anachronism" of conflict will finally be discarded.

To put it another way: Our foreign policy elites define American foreign policy within a long-term "global" perspective not as the instrument of a great power, the United States, engaged in a constant struggle with other powers for advantage, influence and authority. Our State Department really does feel it represents the world and humanity, and history's best impulses—not (or at least not primarily) us.

FOCUS OF ATTENTION

And it is precisely because the Carter administration's foreign policy, over these past three years, has so doggedly acted within this perspective, and with such disastrous and humiliating consequences, that the Trilateral Commission has become the focus of attention. If the commission did not exist, presumably the Council on Foreign Relations, or the United Nations Association, or the Foreign Policy Association would have become the symbolic target. For what we are witnessing is a powerful nationalist revival in this nation, a revival that coincides with the twitching death throes of an American foreign policy that has always regarded American nationalism more as a problem than as an ally.

It is a dangerous coincidence, for no nation can have a successful foreign policy without *both* nationalist sentiments to buttress it and an elite to define and refine these sentiments constructively. But it is also an opportunity—an opportunity to shed the illusions of the past half-century that have gravely undermined the position of the Western democracies, and to assert an American leadership that might shape events instead of being continually imprisoned by them.

What the American people want is rather more Theodore Roosevelt, and a lot less Woodrow Wilson, in their foreign policy. This is the message they are sending forth. To say that it is an unwelcome message to our foreign policy elites would be the understatement of the year. Strenuous efforts will be made—are being made—to ignore it, to reinterpret it out of existence to discredit it. That strategy worked in the past, but no more. A new era in American foreign policy is about to be born—against the best advice of our doctors, who would really prefer a therapeutic abortion.●

IN HONOR OF MURRAY HENDEL

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. HOLLENBECK. Mr. Speaker, I would like to take this opportunity to ask my colleagues to join with me today in recognizing one of the great leaders within the Jewish community, Murray Hendel.

As one of the founders, a past vice-president, longtime member of the board of directors and board of governors of the Beth Tikvah New Milford Jewish Center, Murray Hendel has been one of its most dedicated and tireless workers.

A resident of New Milford, N.J. for almost 30 years, Hendel has been a continuous guiding force in the growth and progress of Beth Tikvah New Milford Jewish Center since its inception.

The Beth Tikvah New Milford Jewish Center, which provides religious, cultural, educational, social, and other services to residents, not only from New Milford but from surrounding boroughs and towns, has come a long way from its early beginnings when Murray Hendel and a handful of other stalwarts struggled to pave the way for the edifice that now stands at 435 River Road in New Milford.

The first meeting to construct a synagogue and center in New Milford was held in Hendel's home. Hendel had the foresight to see the growth of the Jewish community in the area and persuaded others to join him in raising funds to purchase land and erect a building in which Jews could worship. Hendel recalls the spirit of warmth, friendship, brotherhood, and understanding when the Presbyterian Church was the first official meeting place of the Jewish Center, and the congregation had its first religious service in the Trenton Street firehouse.

He served on the center's first building and fundraising committees and was chairman of its board of education when its curriculum expanded from a 1-day-a-week Sunday school to a professionally staffed regular religious school with classes conducted during the week as well. When the congregation outgrew its original building, Hendel was again called upon to be chairman of the building fund drive that resulted in today's modern center.

One of the first presidents of the center, Hendel helped draft its constitution, as well as make revisions in the future years. His organizational expertise was utilized for many years by the center when he served as its parliamentarian.

The Beth Tikvah New Milford Jewish Center has always been part and parcel of Hendel's life. His name has been synonymous with all areas of charity, philanthropies, and fundraising, not only for the New Milford Jewish Center, but for many other drives, campaigns, and organizations.

A member of the board of directors of the Bergen County YMHA, Hendel has actively served on all levels of campaigns for Israel bonds, the United Jewish Appeal, and the Jewish National Fund. His extreme generosity in helping others was also reflected in his being one of the first "Sugar Daddies" for the Juvenile Diabetes Foundation. He was a past member of the New Milford Planning Board, and was past chairman of the New Milford Rent Leveling Board. Hendel is also a member of the New York State Society of CPA's, the New York Bar Association, the B'nai B'rith, the Jewish War Veterans of the United States of America, and is treasurer and a member of the executive committee of the Northeast Regional Association of Small Business Investment Corporations.

Murray and his wife, Thelma, are parents of two children and have two grandchildren. Their daughter, Paula, is married to Jeffrey Ross who, as a youngster, attended the center's religious school. They and their two children now reside in Vermont. The Hendel's son, Steven, lives at home.

This year marks the 25th anniversary of Murray Hendel's first being elected as president of the Beth Tikvah New Milford Jewish Center and the 25th anniversary of the erection and dedication of the center's first and original building. The original building, now part of the expanded, modern synagogue and center, is the site of the congregation's youth lounge. With Murray Hendel's constant concern and interest in the youth of the congregation from the center's inception, it was fitting that the original building he inspired and helped build is now the meeting and recreation area of all the center's youth activities.●

DRAFT REGISTRATION POLL

HON. RAY KOGOVSEK

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. KOGOVSEK. Mr. Speaker, I insert the results of my recent district poll regarding the draft registration issue into the CONGRESSIONAL RECORD:

[From the Denver Post, Apr. 2, 1980]

REINSTATEMENT OF DRAFT SIGNUP FAVORED IN KOGOVSEK POLL

(By Ann Schmidt)

WASHINGTON.—The reinstatement of registration for the draft is favored by a significant majority of southern Colorado citizens who responded to a poll taken recently by Rep. Ray Kogovsek, D-Colo.

Releasing the poll results Tuesday, Kogovsek noted that registration of women as well as men also was favored by a majority of his constitutents, although by a lesser percentage. Of the nearly 12,000 responding, 82 percent answering the questionnaire favored draft registration; close to 60 percent said young women should be registered as well as men.

However, 72.4 percent of those responding thought women should be limited to noncombat roles in the event of a draft and 53.4 percent think young people should be given an option to serve in a non-military capacity if the draft were reinstated.

The poll of six draft and defense-related questions was mailed last month to 214,000 households in Kogovsek's 3rd District. The results have been tabulated by Action Data of Maryland.

Kogovsek said that although the response represents less than 10 percent of those polled, the surveys returned cover all segments of the district. Responses that arrived too late for the initial tabulation still are being received, and tend to reflect the same percentages, an aide in his office said.

Kogovsek said he thinks the response is "representative of the district's attitude toward registration, draft and defense issues."

His constituents feel, although not by the same overwhelming majority, that defense spending is inadequate and would favor using military force against the Soviet Union if further aggression is exhibited in the Persian Gulf.

Nearly 60 percent of those responding feel the proposed 5 percent increase in defense spending is inadequate; 29.4 percent think it is enough, and 11 percent had no opinion.

Military force would be favored by 57.6 percent; 29.7 percent oppose using it, and 12.7 percent failed to answer the question.

Kogovsek said he was "a little surprised" at the overwhelming majority of his constituents who favor registration.

"It seems the people are reacting very strongly to both the Iranian and Afganistan crises and want to make sure the United States has a ready and able defense, which they apparently don't believe we have with the volunteer system," Kogovsek said.

"Even though there's a hue and cry for balancing the federal budget, people are willing to let the government spend money on beefing up our defenses."

The House is expected to vote on the registration issue soon after the Easter break, which will end April 14. Kogovsek said he will support registration of men, and if an amendment to register women is offered, he will vote in favor of that.

In test votes, two House subcommittees have voted against including women.●

SPINAL CORD INJURY

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. WALGREN. Mr. Speaker, the following article which appeared in the Washington Post, Wednesday, April 16, 1980, provides further impetus for the support and passage of legislation to provide additional funding to accelerate research of spinal cord injury. It is apparent that the day is drawing nearer when we will discover a cure for the paralyzing trauma of broken necks and backs. Certainly the great cost and personal loss that come with spinal cord injury justify and require a disciplined research effort to find a cure.

INJECTIONS ENABLE PARALYZED ANIMALS TO WALK AGAIN

(By Victor Cohn)

Two Army scientists have enabled animals paralyzed by spinal-cord injuries to walk by injecting them with a drug.

If their revolutionary treatment continues to prove effective in animal and then human trials, it could offer the first real hope to the thousands of humans paralyzed every year in auto crashes and other accidents.

The feat, a series of discoveries based on new knowledge of the brain and brain chemicals, was performed at the Walter Reed Army Institute of Research here. Walter Reed Drs. Alan Faden and John Holaday are to report on it today before the Federation of American Societies for Experimental Biology, meeting in Anaheim, Calif.

In their research, Faden and Holaday first created paralyzing spinal-cord injuries in anesthetized cats.

After waiting 45 minutes, to simulate the probable situation in treating human injury, they injected the cats with naloxone, a drug widely used to counter heroin and morphine overdoses.

Within 24 hours, most of the cats could walk again—some of them normally, other with some spasticity or jerkiness.

Of the first six cats injected, all could walk by the time they were sacrificed after 24 hours. Of nine cats injected later, three walked normally, four walked in a mildly jerky fashion, and two died, which is not uncommon after spinal-cord injury.

All the cats were sacrificed, after three weeks at longest, so the scientists could study the drug's action.

"It is unlikely that there would be any reversal of the healing after three weeks," Holaday said yesterday. "If anything, there probably would be further improvement!"

How soon might the drug be tried in humans, if the animal work continues to go well? "I don't think this will happen this year," was all Holaday would say.

"We want to be cautious and proceed slowly. We will keep some animals alive for long periods to observe long-term effects. We want to make sure we know what we're doing."

The doctors also say that no drug can help prevent spinal-cord injury unless it is given quickly, before cells die.

Doctors in some hospitals are trying to use cortisone-like drugs to prevent permanent spinal-cord damage, but no striking results have been reported.

Faden is a neurologist and a major in the Army Medical Corps. Holaday is a civilian pharmacologist, or specialist in drug effects, and a former Army Medical Corps captain. The were aided by Tom Jacobs and Dr. Donald Rigamonti.

Their work started not with spinal-cord damage but with study of the common physiological problem called shock, a train of events that can cause death in injured persons.

In recent years, scientists have been making one discovery after another about a new-found class of brain chemicals called endorphins. They are often called "the brain's own opiates" because of their role in relieving pain.

In rats, dogs and cats, the Army scientists believe they have shown that endorphins, far from being always beneficial, apparently play a role in causing shock. They do this, it seems, by helping produce a severe drop in blood pressure.

By giving bacterial toxins or causing spinal-cord injuries or causing blood loss, Holaday and Faden repeatedly induced shock and low blood pressure in their animals.

Then they used naloxone—a known antagonist or counter to the endorphins, as well as to morphine and heroin—to restore blood pressure and relieve the shock, dramatically saving the animals' lives.

That work then led the Army scientists to test naloxone on spinal-cord injury, where there is so severe a decrease in blood flow that it kills cells.

In collaboration with the Walter Reed scientists, doctors at several medical centers have begun a trial of naloxone in humans in shock.

ASME CELEBRATES FIRST CENTENARY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. LONG of Maryland. Mr. Speaker, the American Society of Mechanical Engineers (ASME) is this year celebrating its first centenary. I would like to offer special congratulations to the membership of the Baltimore section and the officers: Past Chairmen William Arnold, Jr., and Harold Brooks; Chairman Randolph Harding; Vice Chairman Richard Hirsch; Secretary Courtney Alvey; Treasurer Clyde Humbert.

Now nearly 100,000 members strong, ASME is dedicated to the advancement of the art and science of mechanical engineering. By providing continuous training to professional mechanical engineers, by disseminating information about new technologies and processes, ASME's efforts better the lives of all citizens, as breakthroughs in engineering are incorporated into the workings of American industry.

ASME also serves as a fulcrum of exchange between scholars, students, professional engineers, government, and industry. Its 31 technical divisions include air pollution control, bioengineering, computer technology, ocean engineering, rail transport, and solar energy. The society's 12 quarterly journals report on a broad spectrum of engineering experience and research.

ASME is concerned with the development of the engineering student of today into the practicing engineer of tomorrow. Nearly a fifth of ASME's members are students.

Mr. Speaker, I invite you and my distinguished colleagues to join me in paying tribute to the tradition—and future—of the American Society of Mechanical Engineers.

Mr. Speaker, I welcome 30 of the 9th and 10th grade students from Owings Mills Senior High School in Maryland who, accompanied by Mr. Chuck Prunte, are visiting the Capitol.

My constituents, in connection with a course on American Government, will tour the Congress, attending committee meetings and observing floor action.

Mr. Speaker, I invite you and my distinguished colleagues to make welcome my friends from Owings Mills.●

BEOG CUTBACKS: SHORT SIGHTED AND ILL TIMED

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. DRINAN. Mr. Speaker, as an educator and legislator, I am convinced that education is one of the noblest functions of government. And so I am distressed that the basic educational opportunity grant (BEOG) program is threatened by budgetary considerations. I understand the need for fiscal responsibility, but a cut in this program would be more than unfortunate. It would be short sighted and ill timed.

Basic educational opportunity grants (BEOG's) are awarded to undergraduate students on the basis of need in amounts ranging from $200 to $1,800. In fiscal year 1980—academic year 1980-81—approximately 82 percent of BEOG benefits will go to students from families with incomes below $15,000. Seventy-one percent of the recipients will be from such families.

The House of Representatives recognized the importance of this program by approving the Education Amendments of 1980 last November 7 with an overwhelming vote of 385 to 15. This bill would permit students to collect larger maximum grants which in turn could constitute a higher percentage of their education expenses.

BEOG grants are now limited to half of college costs. If that were raised to 55 percent, an estimated 84 percent of the additional benefits would accrue to students with family incomes below $15,000; 95 percent of the additional funds would be received by students attending State and other public schools. By the academic year 1985-86, students under the bill may receive up to $2,520 to cover as much as 70 percent of the cost of their education. Both the grant amount and percentage of coverage represent an increase of 40 percent over current limits. Such a change will eliminate the bias against lower income students enrolled in the least expensive college.

I was particularly pleased that the Education Amendments of 1980 incorporated in a bill I introduced to remove home value from determination of a student's eligibility under the BEOG program. Currently, a home is grouped with such assets as savings, stocks, bonds, and other investments in determining what a family can be expected to contribute toward the cost of higher education. But a home is not a liquid asset and should be distinguished from other assets that are a potential source of supplementary income. Since variations in home value do not accurately reflect a student's ability to afford an education, my proposal will help advance one stated objective of the BEOG program—"To treat all students in a consistent manner on a national basis."

The changes in the BEOG program as detailed by the Education Amendments of 1980 would allow 313,000 more students to receive awards, a 12-percent increase. The key word under the basic educational opportunity grant program is "opportunity." The bill represents the greatest commitment to guaranteeing access to higher education since passage in 1978 of the Middle Income Student Assistance Act.

But the Education Amendments of 1980 have not become law. While awaiting Senate enactment of this important legislation, a budget-cutting sentiment swept the Congress. And of the student financial assistance programs, BEOG is sadly vulnerable. Funding cannot be reduced for supplemental educational opportunity grants or national direct student loans below the fiscal year 1980 appropriations of $370 million and $286 million respectively, because those figures represent the minimum under law. The fiscal year 1980 appropriation of $550 million for the college work-study program is only $50 million above the statutory minimum.

The House Budget Committee has recommended that $135 million in budget authority for BEOG's be rescinded in fiscal year 1980. If adopted, this recommendation would reduce the award by $50 of each of the estimated 2.7 million BEOG recipients. The minimum award would be reduced to $150, and the maximum to $1,750. The committee also recommended that the current policy mandating BEOG eligibility be maintained, instead of expanded. Such an action would disqualify approximately 150,000 students who will receive BEOG's in the academic year 1980-81 from receiving them in 1981-82 due to increased family income.

It is ironic that the BEOG program, a program of financial aid based on need, is being eyed for cutbacks. Here is a clear example of the budget being balanced on the backs of the people most affected by inflation.

To trim BEOG's would not be timely. Students of higher education are now closer in age to their siblings than in the past. The resulting sibling overlap strains the resources of families trying to finance the educations of their sons and daughters. Sixty percent of American families in 1969 had more than one college-age child; in 1978, the percentage was up to 65. In 1969, 20 percent of families had three or more college-age children; by 1978, it was 24 percent.

The financial stress of sibling overlap is compounded because the costs of attending private colleges and universities is increasing more rapidly than family income.

More than 4,600 students attending private institutions in my district receive BEOG awards. If cutbacks in the program force them to transfer to the University of Massachusetts, yes, the Federal budget may be closer to being balanced, but no, the taxpayer will not necessarily save money. Tuition for State residents at the University of Massachusetts in the next academic year will be $750, a subsidy per student of approximately $3,000.

The BEOG is threatened by Congress austerity mood. Inflation has catalyzed this mood. I share my colleagues' alarm at the intolerably high rate of price rises, and would like to take a moment to note that there are many causes of inflation. A wide range of methods to attack the problem must therefore be employed. One way to slow inflation is to spur productivity. It has been estimated that a 1-percent increase in productivity will stem inflation by 1 percent.

Productivity can be increased by investment such as capital investment or education. The first is investment in machinery and equipment, the second is investment in people.

In 1974, the Nixon and Ford administration tried to battle inflation by imposing excessive fiscal and monetary restraint on the economy. They succeeded in reducing capital investment, which is necessary to increase productivity, and reduce future inflation.

America now faces a far graver threat from inflation than 6 years ago. The mistakes of the past must not be repeated. We must not respond by slicing investment in education—investment in people's future—an investment that will increase productivity. Let us not be shortsighted.●

ARMS: THE EASY ANSWER

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. STARK. Mr. Speaker, the editors of the Christian Science Monitor continue to perform a valuable service by giving space to some of the wisest critics of U.S. international security policies.

Charles W. Yost, former United States U.N. Ambassador, addressed the role of arms in U.S. international relations on April 11.

I found his criticisms of the MX ICBM, the new intermediate range missiles to be deployed in Western Europe and the rapid deployment force to be right on target.

I applaud his conclusions: That there is a good deal of fat in the Pentagon budget, that strategic and conventional arms limitations negotiations must go forward and that effective foreign aid may "contribute, dollar for dollar, far more to world stability, and hence to our national security, than many of our most expensive military programs do."

Mr. Yost's column, published April 11, follows:

ARMS: THE EASY ANSWER

Whenever the United States feels particularly insecure, its instinctive response is to reach for its guns. There is no question that, with the world as it is, guns are necessary. However, this is one of many areas of modern life in which more is not necessarily better—or even safer.

President Carter, reacting to the demands of the hawks in the SALT II debate and subsequently to the Soviet invasion of Afghanistan, is asking for a real increase in defense spending of 5 percent. His proposed military budget for 1981 is just under $150 billion, an amount so far totally exempt from the drastic federal budget cutting now under way. Indeed two Senate committees last week voted to increase the President's military budget by $6.5 billion.

Much of the rationale for these increases comes from the steady rise in Soviet military expenditures. There is no doubt that a rise has taken place. However, since we calculate their expenditures by estimating what it would cost us to do what they are doing, and since they are much more parsimonious than we in soldiers' pay and many other components, our statistics almost certainly exaggerate their real costs.

In fact, the elevation of our military budget is as much a reaction to our own perceptions as to real threats, though these of course exist. When our military and our hawks complain loudly and long enough about Soviet "superiority," an unwarranted inferiority complex is self generated, for which it then becomes politically necessary to compensate, usually to overcompensate.

Of course the Soviets have contributed substantially to these perceptions by their unnecessary buildup of heavy strategic missiles and intermediate missiles targeted on Europe, and their provocative interventions in Angola, Ethiopia, South Yemen, and Afghanistan.

However, U.S. military responses, while necessary up to a point for political reasons, often seem, to a layman at least, to be militarily irrational, sometimes ludicrously so. One cannot help but suspect that many of them are as much the product of interservice ambitions and rivalries as of sober calculations.

It seems fairly safe to predict that a few years from now everyone will wonder how we could have seriously considered building such a Rube Goldberg monstrosity as the MX missile system. Its cost would be absolutely fabulous; the General Accounting Office estimates $56 billion, which is probably on the low side. Yet the MX could conceivably be expected to work only if the limitations on warheads per missile imposed by SALT II were maintained, which, given our failure to ratify SALT, seems increasingly unlikely.

Moreover, no one has satisfactorily explained why we have to spend $50 billion to maintain the theoretical invulnerability of one "leg" of our strategic deterrent "triad" when we have two other "legs," one seaborne, the other airborne, both of which are being substantially upgraded, the latter with armadas of cruise missiles.

The rationality and expediency of other aspects of our elevated military response are also open to question.

The NATO decision taken last December to introduce intermediate-range nuclear missiles into Western Europe, as a counter to increasing deployment of Soviet SS-20s, was a political asset at the time. It was agreed to by the Europeans, however, on the understanding that limitations on missiles of both sides would be negotiated in SALT III. If there should be no SALT III, because there is no SALT II, the decision could become a source of interallied friction rather than of strength.

In actual fact, its effects in any case may be more cosmetic than real. If the Soviets are not deterred by fear that an American president would use our strategic missiles in case of need, they are unlikely to be deterred by fear he would use intermediate missiles in Europe, to which they would almost certainly make a strategic response against us.

Finally, it is not at all clear that we have thought through what a "rapid deployment force," for which additional billions are being budgeted, could actually do and hence how it should be composed. It is too small to cope with a Soviet invasion of the Persian Gulf area, which is in any case most unlikely. On the other hand, it may well be considerably larger and more conspicuous than any of our friends in the area would want us to employ there to suppress internal uprisings.

Three conclusions may be drawn from this rapid survey.

First, there is a good deal of "fat" in the Pentagon budget, in the sense that there are very costly programs which have not been sufficiently thought through and which should not be heavily funded until they have been. If inflation demands drastic cuts in critical domestic programs, there are certainly limits to what we should contribute to military posturing, as distinct from real military need.

Second, we should at the earliest possible moment, for many reasons of which the budget is only one, press forward with U.S.-Soviet negotiations for far more serious reductions in both strategic and conventional arms than have been hitherto contemplated. Technology is already dangling over our heads even more horrendous and costly weapons systems than those we have.

Finally, and this must be the subject of another article, much more thought needs to be given to whether foreign aid programs, currently being butchered by Congress, do not contribute, dollar for dollar, far more to world stability, and hence to our national security, than many of our most expensive military programs do.●

A TRIBUTE TO REV. HENRY F. BIRKENHAUER, S.J.

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. STOKES. Mr. Speaker, I rise today to pay tribute to a national scientific and educational leader who the Cleveland area has been honored to have as a citizen for over 30 years, Rev. Henry F. Birkenhauer, S.J.

Since 1970, Father Birkenhauer has served most ably as a president of John Carroll University. He has elevated an already excellent institution into one of national reputation, while still taking the time to teach and remain active in his scientific specialties. These last 10 years have been a remarkable cap to an outstanding career.

Father Birkenhauer was ordained a Jesuit priest in 1945, the year before coming to John Carroll as a mathematics instructor. In 1947, he became chairman of the mathematics department and, in the first formal recognition of his skills in geophysics, director of the seismological observatory.

The International Geophysical Year in 1958 brought Father Birkenhauer national recognition, when he served as deputy scientific leader of a research effort in Antarctica. The polar priest, as he came to be known, served as chief seismologist and spiritual adviser to the 27-man team during the 15-month stay at Wilkes Station on Vincennes Bay. Father Birkenhauer's own projects involved pioneering studies of rock under the icecap and of earthquake seismic waves.

Father Birkenhauer also left John Carroll for a short while in the early 1960's to pursue theological studies in Rome. For the 5-year period after that, he was assigned as spiritual director of young Jesuits at centers in Cleveland and Michigan. He also, during that time, edited a book entitled "The Spiritual Exercises: Text and Interpretation."

Father Birkenhauer returned to John Carroll full time in 1969, where he has served so extraordinarily since. He has taught, administered, and counseled. He has been active in professional and civic affairs as well. His contributions to the community have been outstanding.

Mr. Speaker, the one regret I have in making this tribute is that I must note with regret that Father Birkenhauer will be retiring as president of John Carroll University later this year. However, I am gratified that he will continue his contributions to Cleveland and the Nation through affiliation with the Cleveland Archdiocese. The cities in northeast Ohio and this country as a whole need people the caliber of Rev. Henry F. Birkenhauer, S.J.●

UNDERMINING AGRICULTURE

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. ABDNOR. Mr. Speaker, the farmers of America have always been a hardy lot, ever looking forward to next year despite the problems which confront them. Be it drought, hail, grasshoppers, wheat rust, low prices—our farmers have persevered with an optimistic challenge at the future.

Not so, today, Mr. Speaker. My travels across South Dakota during the Easter recess have exposed a pessimism unprecedented in my over 30 years of farming experience.

Our farmers do not know what to do: They can not afford to plant a crop this year and they can not afford not to.

They feel victimized by the administration's foreign and economic policies—and betrayed by the Department of Agriculture, an agency designed to help them.

Dick Hansen, Jr., a farmer and farm writer for the Great Falls, Mont., Tribune discusses the "new" Department of Agriculture in an article reprinted Monday in the New York Times. I commend it to the attention of my colleagues:

FARMERS ARE IN AGRICULTURE, TOO

(By Dick Hansen, Jr.)

JOPLIN, MONT.—Agriculture Secretary Bob Bergland's traveling road show, "Dialogue on the Structure of Agriculture," which hit the road in November and is scheduled to close in April, was viewed by many as a harmless bit of politics in advance of the Presidential election.

There was ample precedent. Charles F. Brannan, who served as Agriculture Secretary under Dwight D. Eisenhower, and Orville Freeman, under John F. Kennedy and Lyndon B. Johnson, organized their versions of public dialogues to try to influence farm policy. Mr. Brannan called his "Family Farm Policy Review" and Mr. Freeman picked "Shirt-Sleeve Conferences" as a more earthy title. All good clean fun. But was this latest one really that?

In theory, at least, all Cabinet officials are supposed to develop some input and policy recommendations on matters affecting their particular fiefdoms to assist elected officials in decision- and policy-making. The emphasis is on input, not on taking over. But more and more agency heads, bureau chiefs and other unelected officials are attempting to shortcut Congress and to get right on with the making of policy decisions themselves.

This latest "dialogue" is a good case in point. It was heavily loaded in favor of drawing nonfarm influence into setting farm policy and influencing legislation. Not only is Congress being given the fast shuffle here but also producers and all others who live indirectly by the land, since Agriculture Department officials handpicked those allowed to speak at the gatherings.

The department is now top-heavy with a new breed of administrator: the consumer activist, the public-interest lawyer, the hunger-lobbyist. All this heavily sways the direction of the department, such as its budget, in which some two-thirds of the money now goes for food stamps, feeding programs and the like, and not for conservation, research and other farm needs.

Virginia Smith, a member of the House from Nebraska, said recently: "We now have at U.S.D.A. assistant secretaries for consumers, nutrition, and a handful of other specialties far removed from . . . insuring the nation's supply of food and fiber." She said that we have instead an overabundance of policy-makers who seem to feel that farmers are unnecessary as long as we have supermarkets.

Agriculture Department wanderings have shifted the emphasis from farmers to consumers in representation, policy direction and focus. It's possible then, as many suggest, that department officials are plotting a program that would provide cheap food and land redistribution in order to swing a gigantic bloc of votes. Individuals who believe this say that the farm-structure issue is simply a badly camouflaged land-redistribution scheme.

Added weight is provided by the increasing concern of Agriculture Department economists over the fact that distribution and ownership of our farm land is "uneven."

Allen Grant, past president of the American Farm Bureau, an organization of farmers, has asked: "Why is agriculture singled out? Why is it so singularly important that the public be stirred to help direct the farming business?" He has asked why, for example, the same public approach is not considered for other important segments of the economy such as labor. "Surely," he said, "the structure and future direction of the labor movement in the United States is of great public interest."

What about the power of a handful of unionized rail workers or grain handlers to completely halt movement of grain from an entire region during peak harvest time—isn't that of public concern?

For Agriculture Department officials to try to speak, or decide, what's best for farmers is simply ridiculous. It seems clear the wandering trail being followed by the department's new consumer drivers needs close watching by the nation's food and fiber producers, not only in light of a new farm bill that will be written next year but in an attempt to bring them back on course.

Undermining the present structure of American agriculture presents an equally grave danger to the nonfarm public as well. Any threat to our family-farm system puts our continued supply of low-cost and abundant food for the future in jeopardy.●

SUNSHINE BARGAINING

HON. L. A. (SKIP) BAFALIS

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. BAFALIS. Mr. Speaker, the State of Florida is well known for its sunshine laws. These laws are based on the citizen's right to know and require that virtually all aspects of the State government be opened for public view.

Collective bargaining is included in the Florida sunshine laws. The cost and quality of public services—policemen, firemen, teachers, and so forth—vitally affect each and every citizen/taxpayer in the State. And the impact that sunshine bargaining has had in Florida is significant and well worth noting.

"Sunshine Bargaining: A Viable Alternative," a position statement by Dr. Donald Magruder, executive director of the Florida School Boards Association, Inc., details the success of open bargaining quite clearly. I commend it to my colleagues for their thorough review:

SUNSHINE BARGAINING: A VIABLE ALTERNATIVE

Collective bargaining in the public sector is a fairly recent activity in the history of management-labor relations. The active use of this method of personnel relations by states and local governmental agencies is not yet twenty years old. It was inevitable that when public employees decided to form and join unions for collective bargaining purposes, that representatives of both labor and management would look to the private sector, with its long history, legal precedent and common practice, as a guide in effecting collective bargaining in the public sector.

Most of the states which assumed early leadership in adopting collective bargaining legislation for public employees utilized, as a guide for collective bargaining practices, most of the time proven practices of the private sector, with two major exceptions related to the assured continuity of governmental services, i.e. prohibition of the right to strike, and the guarantees that elected representatives of the public would retain final decision-making, i.e., prohibition of final and binding interest arbitration. Most states, while willing to permit collective bargaining in the public sector, were not willing to go "all the way" with the private sector model. State legislatures, in effect, recognized from the beginning that private sector and public sector conditions were considerably different and these conditions called for a significantly different approach.

The arguments advanced by lawmakers who prevailed in limiting public sector bargaining were, indeed, compelling:

Local governments, unlike private businesses could not close down and move to another location.

Local governments, unlike private business, could not always increase the price of their product to cover a contract which increased the cost of the means of production—in this case, services to the public—sometimes the public failed to increase tax revenues.

Public employers' responsibilities for services to the public were often mandated by a higher legislative authority. The local governing body had no option but to comply.

Recognizing these limitations, all states adopting collective bargaining legislation placed some restrictions upon the free and traditional use of the private sector model of collective bargaining when this process involved governmental employees.

Most public sector collective bargaining observers who have watched the collective bargaining process develop through the years realize that there are other modifications to the traditional method of bargaining in the private sector when this model is applied to those engaged in providing services to the taxpaying public. It is to one of these modifications—bargaining in the public—that this position statement is addressed.

SUNSHINE OR "GOLDFISH BOWL" BARGAINING

An innovative experimental technique in collective bargaining in the public sector began in Florida in 1974, with the legislative adoption of a public collective bargaining law. After several years' study of the public sector collective bargaining laws of other states, and, especially, the Taylor Law of New York, the Florida legislature decided to require that all public sector negotiations be conducted in open meetings. Recognizing the fact that there could be no meaningful negotiations if both parties were required to disclose parameters in bargaining, the Florida legislature wisely permitted governmental management units to meet in executive session to study and establish their positions with respect to demands made by the bargaining units. But the actual bargaining sessions were required to be open to citizens, the news media, or any other observer who wished to attend.

THE CITIZENS' RIGHT TO KNOW

The major reason why public sector collective bargaining in Florida was opened was based upon the citizens' "right to know." It is obvious that public services such as police and fire protection, education, sanitation, transportation and other services provided to the public are provided at public expense. It is also obvious that the quality of these services directly affect the citizens. Prior to the establishment of collective bargaining contracts as a way of life, citizens could monitor the cost and the quality of services very easily—they could attend public meetings of the governmental agency or follow news media reports. The advent of collective bargaining in the public sector, however, provided an excuse for the doors of public decision-making to be firmly closed to those who were affected the greatest—the citizen/taxpayer. The proposition that the city council or school board must ratify the contract, in open session, after it had been bargained, was considered by the Florida legislature and rejected. After all, what public input could really be made to a governing body after the contract has been completed, agreed to by the negotiators and presented to the parties for ratification. By that time it is all over—it is too late for the public to voice their concerns in an effective way. The time for public involvement in the decision-making process by communicating with those performing the bargaining ritual is while bargaining is in progress, not after it's all over.

HOW HAS THE FLORIDA EXPERIMENT WORKED?

Let me start right off by reporting that, in each annual session of the Florida legislature held subsequent to the 1974 session, this body has rejected any attempts to modify sunshine bargaining. The legislature which has changed twice in substantial numbers through elections strongly support and retain open bargaining in the public sector in Florida.

After nearly two years in operation, this author conducted a comprehensive survey of those affected directly by sunshine bargaining in the educational phase of local government. The study reviewed open bargaining as it had been implemented in local school districts. Surveys among school board members, superintendents, chief negotiators, members of the public, news media and teacher unions were conducted. Briefly, the results were as follows:

1. Among school board members responding, 68 percent favored retention of sunshine bargaining. Seventy percent indicated that they had encountered no difficulties in bargaining in the sunshine.

2. It was assumed that the chief executive officers of the school systems, the superintendents, would oppose open bargaining. This assumption was not supported by evidence. Sixty-three percent of the school superintendents stated that they preferred sunshine bargaining to executive session bargaining.

3. As expected, the chief negotiators indicated that they preferred to "bargain in the shade," but only by a slight majority—23 favored closed bargaining to 18 favoring open bargaining. The negotiators believed that school district weaknesses were pointed out to the press, and that it was difficult to openly express and discuss options and alternatives.

4. This early study also reported that although the public had the opportunity to observe collective bargaining sessions, very few of them chose to do so. The study did indicate that the news media coverage was extensive in the large, highly populated districts, and slight in the small, rural districts, unless reporters were led to believe that the situation was "heating up."

5. Teacher union leaders at first took no stand with respect to sunshine bargaining. Since the time of the study, however, both the National Education Association and the American Federation of Teachers units in Florida have adopted positions in opposition to sunshine bargaining. This position is in conformance with national positions, i.e., the less the citizen is involved the better.

SUMMARY OF STUDY

The study found that open negotiations slows down the collective bargaining process slightly, costs a little more, hardens positions and sometimes fosters unnecessary adversary relations on the one hand; however, on the other hand, it was learned that union representatives were less inclined to make misleading or untrue statements; the public became aware of excessive union demands for more funding than the people were willing to pay and they became aware of reductions in the quality of public services prior to the reduction in quality. More importantly, the public was kept aware of the negotiations process through attendance at the session or through the news media coverage, and citizens had the opportunity to provide their views to the governmental agency before it was too late.

Finally, language used at the table was "cleaned up" considerably.

CONCLUSION OF POSITION STATEMENT

In Florida, when public sector collective bargaining became a reality, and sunshine bargaining was initiated, the lack of experienced negotiators brought about much "playing" to the audience, press, the television news cameras, and seemed to support claims by opponents to open bargaining that open bargaining stimulated a "carnival like atmosphere" in the highly technical serious labor relations function.

The years have shown, however, that time, experience and sophistication have all but ended the original immature approach to open negotiations, and "goldfish bowl" bargaining has proven to be not only workable, but an effective and positive innovation for the public sector. The citizens of Florida have the opportunity to witness, first-hand, which of their critical public services are being tampered with, and how deeply their wallets are being tugged. These citizens can, and do, relate their views on services and dollars to their elected representatives—in plenty of time for it to be effective.

Florida's successful "sunshine bargaining" is now being picked up by other states. The citizens' movement, which includes the "right to know," is growing all over our country. "Second generation" public sector collective bargaining laws are now reflecting the citizens' movement in government. Minnesota now requires open bargaining. California has altered their law to require that union demands be made public a decent interval before negotiations commence. Many localities are experimenting with open collective bargaining sessions. The trend is definitely moving to bring public negotiations "out of the closet." Florida has shown the nation that open negotiations will work. Any closed door in government including the door to the collective bargaining room, invites suspicion—and rightly so.●

WHAT IS BIG BUSINESS DAY REALLY ABOUT?

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. ASHBROOK. Mr. Speaker, Big Business Day is at hand. The media hype for this latest of the Nader causes is beginning to build. The speeches heaping scorn on big business are beginning to appear like spring potholes throughout Washington. Is big business as bad as the myth makers would want us to believe? What is the point of Big Business Day if the myth makers are wrong?

The Nader zealots have so convinced themselves of the inherent evils of the capitalist system that they have become blinded to the realities of what they are attacking. I remember back in 1977 when Amory Lovings, a pro-Nader, no-growth spokesman, testified on Capitol Hill on nuclear power. He stated that even if nuclear power was proven clean, efficient, and not dangerous, he would still be opposed to it because it represented the evil bigness of corporate America. Is this, then, what Big Business Day is all about? That there is some nirvana for alternative lifestyles that is being destroyed because capitalism is too successful? That the successes of small businesses which grow into big businesses proves the evil of the system because bigness in itself is bad? The antibigness is the governing yardstick to outweigh the benefits from economies of scale and the improvement of our standard of living?

It is a disquieting thought to realize that the radicals behind Big Business Day have received press coverage simply because it is in vogue to take pot shots at anything big. It is surprising that this vogue has not extended to the big government whose largess many of the Nader minions draw on in the form of intervenor fees and Government grants. It is to be hoped that the blatant hypocrisy of this day and its followers will insure that this too shall pass and the Nation can get on to the business of building a better life for its citizens through private initiative and the marketplace.

My good friend John Chamberlain, a great American, has written an excellent article that expands upon what the real targets of Big Business Day are and the absurdity of its arguments. It was published Sunday in the Washington Post. I urge my colleagues to take a few minutes to review this thought provoking article:

NADER CAN KNOCK BUSINESS, BUT CAN HE BUILD A CARBURETOR?

(By John Chamberlain)

How many times must we go over the same script? We had a League for Industrial Democracy in the first decade of the century, started by Jack London and other socialists. Now we have the Tom Hayden-Jane Fonda resurrection of the same. In the depressed '30s, the Economic Royalists provided New Dealers with a convenient scapegoat—until Franklin D. Roosevelt needed business help to win a war. Now we have Ralph Nader sloshing around in Roosevelt's discarded shoes and, with his April 17 Big Business Day, proclaiming a pox on all the dwellers in corporate suites.

It wasn't only the approach of war that gave the lie in the '30s to the idea that business had led us into the swamps of the Mature Economy and left us there. The '30s were also the decade of the streamlined and diesel-drawn trains, the proliferation of the airlines, the building of huge Mult-au-matic turret lathes, the discovery of new cobalt and tungsten alloys, the spread of the continuous wide-strip steel mill, the replacement of silk and cotton with synthetic fabrics, and the steady substitution of electric calculating machines and punchcard systems for the old ink-stained business ledger.

The new discoveries and the little businesses of the '30s were the progenitors of what Nader anathematizes today. Big must be little first. Mistakes by pioneers have undoubtedly been made: For example, we knew all too little about the side-effects of industrial waste until cumulative practices exposed them. Now we have companies such as U.S. Filter to correct them.

What the Galbraiths, the Naders, the Jane Fondas and the Douglas Frasers conveniently overlook is that the innovative pattern of the '30s is a continuing reality going into the '80s. Axion Number 1—that big has to begin small—still holds. And Axion Number 2—that Big Business must be backed by thousands of small feeder companies—is just as real today as it was when Henry Ford was scavenging his "tin lizzie" floorboards from packing cases.

Despite the rigors of inflation and overregulation, the business scene of the past 20 years completely discredits those who sing the monopoly blues.

The animating force in the economy remains private-business enterprise, which pays the government bills, produces the sinews of defense and satisfies the greatest linked consumer and private-investment demands the world has ever witnessed.

Our private-business enterprise system continues to be spurred by an endless flow of creative frontiersmen. The electronic revolution continues apace, with little companies spinning off from big.

Franchising, as practiced by auto service stations, job placement agencies and fast food chains (who employ hundreds of thousands of teenagers—more than any other industry in the country) now accounts for 27 percent of the gross national product. Direct selling, one of the fastest growing segments of our economy, is represented by companies like Amway which didn't exist 20 years ago and now has sales of more than $1 billion generated by more than 500,000 distributors.

New builders proliferate, many in the South and West where right-to-work laws have forestalled the ossification that takes over in closed shop construction industries in the Frost Belt. There are the makers of magic glues. Jon Lindbergh, son of the Lone Eagle, has deserted the upper air for the seas, raising salmon for the restaurant market in protected tanks in Puget Sound. Contracting for the government yields a profit from a success that government itself cannot produce (*vide* the reading instruction methods developed by Roger Sullivan of Gould Inc. for Detroit and Miami public schools). The businesses of selling corporate jets and training the pilots to run them have made millionaires on the fringes of the aviation industry.

The Hercules Co. of Wilmington, Del., gives up its merchants-of-death dynamite business to turn old pine stumps into profitable sources of industrial resins. Blacks have made it in business: John H. Johnson of Chicago, born in Arkansas poverty, ran a $500 stake from hocking the family furniture into a publishing empire around Ebony; and Henry Parks, another black, put his Parks Sausage Co. of Baltimore ("More Parks sausages, mom, please") on the national map by letting an all-American, Penrod-type youngster right out of Booth Tarkington be his voice on radio.

We could go on and on. Several years ago Forbes magazine published a list of 100 largest privately owned companies. These go their own way, sometimes supporting extreme libertarian causes. Since they are generally anti-Establishment, one wonders what Nader would make of them.

There are myriad representative stories that prove the case for the fecundity of the American enterprise system of the past 20 years. There is the phenomenon of the so-called Silicon Valley in Santa Clara County, Calif. Fairchild Semiconductor and Varian are old stories in Silicon Valley, but their progeny grow. The success that two former Fairchild employes, Robert Noyce and Gordon Moore, have achieved in a 10-year span with their Intel Corp. is based on the production of transistors that can be inscribed on a silicon chip the width and height of three typed letters. In 1971, an Intel engineer added two memory systems to a chip's capabilities. Now a $10 chip can replace a $100,000 computer.

An Wang, the China-born inventor whose An Wang Laboratories Inc. introduced the first desktop electronic calculator in the early 1960s, found himself outpaced by Texas Instruments, with their hand-held calculators. But An Wang is now using the Intel "computer on a chip" in computers that effectively combine word and data processing. An Wang and his family own half of the outstanding equity in a $200 million company which has some 10,000 employes. It was a one-man operation in the 1950s.

The new electronic marvels include instant translators (hand-held computers that sell for around $225 and can be switched from Spanish to German or whatever by the mere substitution of a cartridge.) The first translator was developed by a young Greek immigrant, Anastasios Kyriakides, in Miami. Kyriakides had no electronic background, but he was prepared to buy the tiny memory chips that permit the storage of 1,500 words and phrases for his Lexicon Corp. models.

Profits in synfuels have not yet materialized, but the business of fuel exploration tool-making, which can be adapted to oil shale and tar sands as well as to older fuel resources, is no longer symbolized by the Hughes trademark. In 1975 E.H. (Hubie) Clark took over the management of the dormant Baker International. Gambling on the rise of crude oil prices even before the Arab embargo, Clark began collecting 21 other oil-services tool-supplying companies. In the past 10 years Baker International has shown the highest return (an average of 20 percent) to shareholders of any company in the Fortune 500. Baker's revenues in 1965, when Clark took over, were $47 million. Last year they were $1.2 billion.

Energy comes in kilowatt-hours and in multiples of barrels, gallons and tons; safety can be measured in drops. Playing around in his Trinity College laboratory in Hartford, Conn., after World War II, a Pennsylvania Dutch chemistry professor named Vernon K. Krieble unlocked some secrets of an anaerobic "glue" that has tremendous hardening and bonding properties when kept away from oxygen. A drop of it on a screw thread will make the grip of a bolt practically inviolate. The Loctite Corp. that the Kriebles, father Vernon and son Bob, built on the basis of adhesive chemistry now has annual sales of around $160 million and employs several thousand people.

General Motors uses Loctite anaerobics for its gaskets. The high-speed British Railways train operating north of London has 68 Loctite applications, and underseas divers rely on air regulators sealed with anaerobic drops.

Frederick W. Smith's Federal Express, an air-freight parcel service that thrives on the decrepitude of the federal Postal Service, owns its own fleet of planes, which pick up and deliver packages up to 70 pounds in weight in 89 cities. The Postal Service is now trying to imitate Smith, but necessarily lacks its own planes, which makes it dependent on the vagaries of commercial transport. It could be a commentary on Yale Ivy League economic teaching that Smith got a very poor mark for a term paper that originally amplified his Federal Express company project.

The complaints that capital for starting new enterprises is hard to come by are justifed, particularly at present interest rates. But franchising, as exemplified in the fast-food chain operation of Ray Kroc's McDonald's hamburger empire, is one way of coping with the dilemma. He did not originate franchising, but with 4,000 McDonalds dispensing billions of hamburgers all over the world, his franchising operation has probably created more millionaires than any comparable enterprise—and it made the fortune of Jack Simplot in Idaho.

Simplot, a frontier character, got a contract for providing Kroc with potatoes cut to french fry proportions. The spin-off here in money earned may radically change our energy picture: Simplot has contracted with the Schaflander Co. of California to take $16 million in hydride (hydrogen) fuel for his farm tractors. The deal is conditional on Schaflander being able to produce the hydride cheaply by mass-produced photovoltaic cells.

The ultimate refinement in the making of millionaires through the creation of independent distributors has been pioneered by Jay Van Andel and Richard DeVos of the Amway Corp. of Ada, Mich. It's every-man-a-capitalist with Amway, which sets up the distributors of its home care, houseware and nutrition products to recruit and train other self-employed salesmen and saleswomen, with a percentage of the trainee's profits going to the sponsoring team leader.

Van Andel and DeVos told me that "the production of material wealth should not be a major goal in life. But only when a society or nation produces surplus wealth is it possible to develop all the other aspects of the good life—better education, better health, more leisure, cultural activities, music, art, literature, churches, schools and hospitals. All these depend on surplus wealth. Even the poor in a free economy have more than the rich in other systems. A rising tide raises all boats, large and small."

The work of the new enterprising Americans is the key to this country having the best fed, best dressed and best housed people in the world. We have built tens of thousands of great schools, thousands of great hospitals and conquered diseases in a way beyond the wildest dreams of the medical practitioner a century ago.

A hundred million buildings have been constructed to house us and to house the great factories that produce our jobs and wealth, millions of acres of land have been cleared and the greatest agricultural production the world has ever seen has been created.

All of this work, the work of enterprising Americans, is dismissed contemptuously by Ralph Nader's anti-growth legions. But if Jehovah could ask Job if he could make a horse, on April 17 we are surely entitled to ask Ralph Nader if he can make a carburetor.●

WASTEFUL YEAREND SPENDING SPREES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. HARRIS. Mr. Speaker, as chairman of the House Civil Service Subcommittee on Human Resources, I have been conducting a major investigation into wasteful Federal contracting and yearend spending abuses. The subcommittee's probe has revealed that millions, perhaps billions, of taxpayers' dollars are wasted on unnecessary projects and purchases during the last 2 months of the fiscal year. In fiscal year 1979, seven major Federal agencies spent more than 20 percent of their single year appropriations in the last 2 months of the fiscal year—HUD spent 47.2 percent, EPA spent 41.7 percent, Commerce spent 30.3 percent, HEW spent 22.9 percent, Interior spent 23.1 percent, Postal Service spent 22.1 percent, DOT spent 22.8 percent.

I feel strongly that direct congressional action must be taken to stop the yearend spending sprees. I have introduced legislation (H.R. 4717) to limit yearend spending to 20 percent of an agency's annual appropriation and it was approved by the House Post Office and Civil Service Committee last December. The bill is now pending before the House Government Operations Committee and I am hopeful it will be considered by the full House in late spring or early summer. I also plan to offer a yearend spending amendment to the fiscal year 1981 budget resolution when it is considered by the full House later this month. Congress must plug this loophole which allows uncontrolled Federal spending to continue.

I would like to share with my colleagues an editorial that ran in the Daily Press in Newport News, Va., on March 28, 1980, in support of my efforts to stop wasteful yearend spending sprees by Federal agencies:

BAN SPENDING BINGES

Eighth District Rep. Herbert Harris is a liberal Democrat who tends to cringe at cutting funding for social programs in the federal budget. But, unlike many of his liberally inclined colleagues in the Congress, he feels that federal spending must be reduced and he is proposing ways to do it which make eminent sense.

He is going after budget fat and waste in the departments with two proposals.

His first is to cut back on contracting for consultant services. A General Accounting Office (GAO) study made at his request revealed that the government is now spending upwards of $150 billion a year on consultant studies.

Some are perfectly proper and the consultant firm brings and expertise and fund of data to the problem that the contracting federal agency may not have.

But there is also evidence that some consultant reports either are of little or no use or they are simply put on the shelf and forgotten.

Others were contracted for simply because there was budget money enough to spare. Representative Harris and Sen. David Pryor have joined forces in drawing legislation to provide for more selective agency consideration of in-house capabilities prior to contracting for consultant services. The two men estimate the bill would be instrumental in saving as much as $10 billion a year.

Mr. Harris is also proposing legislation to put a cap on how much spending a federal agency can do in the final month of a fiscal year.

He says his investigations have shown that, in fiscal 1979, seven major agencies spent more than 20 percent of their year's budget during the final month.

Obviously, this is in keeping with the old bureaucratic maxim: "spend it or lose it."

The Harris bill would simply limit last-month spending to 20 percent of an agency's budget.

That certainly leaves ample room for the prudent agency executive who sees how the year will go before he makes certain optional expenditures such as furniture or equipment.●

JESSE OWENS

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 16, 1980

● Mr. STOKES. Mr. Speaker, thank you for giving me the opportunity to participate in this special order in the U.S. House of Representatives honoring this country's greatest athlete—Mr. Jesse Owens. The son of an Alabama sharecropper, James Cleveland Owens, popularly known as Jesse Owens, died of lung cancer on Monday, March 31, 1980, at the age of 66. Because of the District work period, this is the first opportunity that my colleagues and I have had to salute this great American.

Jesse Owens was the symbol of athletic excellence in this country. Moreover, he was the beacon of hope and inspiration for those who had to compete in the sometimes turbulent races that life presents. The dignity and courage that he displayed in his most recent race against cancer underscores his greatness in victory as well as in defeat.

I have always felt a special closeness to Jesse Owens. We have been friends through the years. He grew up in Cleveland where he began his illustrious track career on the sidewalks of East 107th Street. His track career progressed through his student days at Fairmount Junior High School and East Tech High School in Cleveland. Finally, he entered Ohio State University as a world track contender.

From these beginnings, Jesse Owens went on to dominate the world of track in the 1930's. He won the Big Ten championships in Ann Arbor, Mich. in 1935 setting world records in the broad jump, the 220-yard dash, the 220-yard low hurdles and tying the world record in the 100-yard dash. Jesse's performance in this competition proved only to be an overture to his phenomenal performance in the 1936 Berlin Olympics.

Jesse Owens was one of only 10 black members of the U.S. 1936 Olympic team. The late Congressman Ralph Metcalfe was also a member of that team. During the Olympics, Jesse Owens became the first man ever to win four gold medals by winning the 100-meter dash, the 200-meter dash, the broad jump, and the relay. He set a world record in the 200-meter dash in Berlin. His performance was so stunning that one sports writer commented: "His German rival couldn't have equaled his performance even if he had been fired from a cannon."

In 1936, I was 11 years old. When Jesse Owens came back to Cleveland, there was a great parade staged in his honor. My family and I then lived on East 69th Street between Cedar and Central Avenues. I can recall joining our entire neighborhood to watch the parade come down Central Avenue. As Jesse passed us in a Lincoln convertible, my heart swelled with pride to see this great Cleveland athlete. Needless to say, most of the black youth in Cleveland, including myself, thought we too would grow up someday and become great track stars like Jesse Owens.

There were also many newspaper articles about his achievement. The most memorable one for me was the one in which Jesse recanted his feelings before one of the races in Berlin. He said:

> You think about the number of years you have worked to the point where you are able to stand on that day to represent your Nation. It's a nervous, terrible feeling. You feel as you stand there, as if your legs can't carry the weight of your body. Your stomach isn't there and your mouth is dry, and your hands are wet with perspiration. And you begin to think in terms of all of those years that you have worked. In my case, the 100 meters, as you look down the field, 109 yards 2 feet away, and recognizing that after 8 years of hard work that this is the point that I have reached and that all was going to be over in 10 seconds. Those are great moments in the lives of individuals.

But, his four gold medals, which was not surpassed until the 1972 Olympics, proved to be more than an athletic victory. It also served to set the record straight on Hitler's Aryan racial superiority philosophy. The world seemingly embraced this lesson as people of all nationalities and from all walks of life rallied to become eternal fans of Jesse Owens. For many, he was the sports hero of the world.

The athletic honors he amassed during his track career are too long to note here. But I think that it is appropriate to note that in addition to his Olympic triumph, the Associated Press selected him as the best athlete of the first 50 years of this century. Because of his dedication to athletic excellence, he had been dubbed by the American people as our "Ambassador to Sports."

But, the last two tributes are late in coming. For when Jesse Owens returned to this country from Berlin, there were no grand receptions at the White House. But rather, he was only honored in small gatherings like the parade in Cleveland that I witnessed. He was an athletic hero. But, in his native land, he was discriminated against like other blacks. He never let this destroy his love for his country.

Jesse Owens was more than just a premiere athlete and devoted American. He was a humble and kind man who possessed an uncanny ability to motivate others. He especially loved working with young people. He once said:

> We all have dreams, but in order to turn dreams into reality, it takes an awful lot of determination, dedication and self-discipline and effort. These things apply to everyday life. You learn not only sports but things like respect of others, ethics in life, how you are going to live and how you are going to treat your fellow man.

And with these words and the countless inspirational speeches he gave through the years, it is evident that he was dedicated to helping others become winners. Accordingly, he proved himself to be the champion among champions.

He was a giant both on and off the track. Embracing this philosophy, he once said:

> Regardless of his color, a man recognized as an athlete has to learn to walk 10-feet tall but he must have his dignity off the athletic field.

We will all miss Jesse Owens for his stirring performances. This country and the world has lost a great man. Therefore, at this time, Mr. Speaker, I would like my colleagues to join me in mourning the loss of my friend and the greatest sports hero of our times—Mr. Jesse Owens. I also enter an article in the Record on this great American written by Warren Jackson which appeared in the Gannett Westchester papers:

JESSE OWENS: A TRUE AMERICAN HERO

In 1934, people busied themselves with digging out of the devastation left by the depression years. If times were tough on whites, they were much worse on blacks. You were lucky, if you had a job . . . any job. You were really blessed if you worked for the Post Office, railroad, or were a teacher or policeman. There wasn't much for young blacks to aspire to, nor role models to emulate. The word "hero" was mostly just that, a word.

All of this was to change with the almost magical performance of one solitary man; James Cleveland Owens. He would be better known to the world in the ensuing year as Jesse Owens; a man who became a champion, and more than that, a genuine hero.

The first time I ever saw Jesse Owens was in 1937. My father took my brother Charlie and me to the AME Zion Church that sits atop Irving Place in Yonkers. I can remember him sitting on the right hand side of the church, in a pew half way up the aisle. What is most remarkable about this memory is the fact that I was barely seven years old, but the occasion became indelibly imprinted in my mind, once my dad told my brother and me that this man was a hero . . . a star.

I have deliberately held today's column back a week, because everyone was reporting on Jesse's death. Although it's true, he is dead, and death is irrevocable even for heroes, I chose to remember him through the few experiences and meetings I was priviledged to have with this remarkable human being.

The next time I saw Jesse Owens was some 37 years later. It was a chance meeting on a plane going from Chicago to Detroit. As luck would have it, our seats were together. After introducing ourselves, we settled down for what was a memorable meeting.

I can remember, even then, the never ending reaching for a cigarette, the match, a long draw, and the quick, almost apologetic smile.

During that conversation, some six years ago, we talked of age. His legs were just beginning to bother him. He discussed our mutual professions, public relations and communication, laughing loudly over stories of the excuses offered by some corporations for not retaining a black owned business.

His personal joys were his lakeside home in Michigan, his home in Phoenix, his wife, Ruth, and his daughters. He punctuated our time together with anecdotes about all of these.

A year later, our paths crossed at a golf tournament in Washington, D.C. which was put on by Tuesday Magazine, a black monthly supplement. Jesse had played eighteen holes, and the legs that had carried him to world wide fame were aching, but his humor and personality were indefatigable.

Later that evening, standing on those some weary legs, he literally left the audience of celebrities and golf world greats like: Jim Colbert, Lee Elder and Johnny Miller spellbound with one of the patterned Owens' speeches on fair play, clean living and a love for America.

Jesse Owens on his feet, before a microphone was an orator par excellence. He had the ability to touch one's inner spirit and make it soar.

I recall him stating, at another meeting, how the winds of change had effected much of America's black youth, and he wondered who was wrong, he or they. These concerns and reflections initiated his writing two books, both on subjects slightly foreign to him. One was "Blackthink" written in 1970 which decried racial militancy, and the other in 1972, entitled "I Have Changed," indicating he was somewhat in error in previous views expressed.

Jesse was never overtly active in the civil rights movement. He was however, very sensitive to the needs of his race. In his lifetime, he accomplished what we all hope to see our athletes achieve. After tasting the fruits of victories on the sporting fields, he set an example for all to follow, during the next 45 years of his life. He became a successful businessman, and he became a spokesman for not only his race, but for America. Somewhere, he once said with reference to the value of sport:

"We all have our dreams. But in order to make dreams into reality, it takes an awful lot of determination, dedication, self-discipline and effort. These things apply to every day life. You learn not only the sport, but things like respect of others, ethics in how you are going to live, how you treat your fellow man, how you live with your fellow man.

On or off the field, Jesse was a man of dignity, personality, charm and class. That's the way most of us will think of him—Jesse Owens, hero.

Thanks for the memories.●

TRIBUTE TO MSGR. RICHARD W. POWER

HON. BILL ROYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. ROYER. Mr. Speaker, this Sunday, April 20, 1980, is the 50th anniversary of the priesthood of the Rev. Msgr. Richard W. Power, the pastor of Our Lady of Mercy Church, Westlake, Daly City, Calif.

Ordained on June 15, 1930, at St. Patrick's College, Thurles, County Tipperary, Ireland, for the Archdiocese of San Francisco, Monsignor Power served as assistant pastor at St. Anselm's, in San Anselmo, Calif., and in Holy Name Parish in San Francisco, Calif.

Thereafter Monsignor Power served 7 years in the U.S. Air Force—a span encompassing both World War II and the Korean conflict. During his years in the military, he served in Africa, Italy, France, and Germany. During this period of time he earned five battle stars, one Presidential citation, the Purple Heart, and the Bronze Star. He retired from the military as a lieutenant colonel.

Following his distinguished military service, he served 5 years as the chaplain at St. Mary's Hospital in San Francisco. He was the founding pastor at St. Stevens Parish in San Francisco. Thereafter, he established and is the current pastor at Our Lady of Mercy Church and School in Daly City—a post he has held since 1954.

Presently he is a director of the Cow Palace, a member of the Olympic Club, on the advisory board of Mary's Help Hospital as well as Mercy High School. He is also on the advisory board of the U.S. Air Force Officers Association. He has served on the board of regents of St. Ignatius Preparatory School in San Francisco and also on the advisory board of St. Anne's Home for the Aged. He is a member of the Priest Senate of the Archdiocese of San Francisco and is on the board of consultors to the Archbishop of San Francisco.

Mr. Speaker, the foregoing is but the merest tip of the iceberg of Monsignor Power's service to the citizens in the northern portion of San Mateo County. If the truth be known, he is and has been for many years the architect of the north San Mateo County community life, the spiritual guide to thousands, and a source of inspiration to every citizen in the county.

I count myself as being extremely fortunate to know this man and to be able to say that he is my friend. I therefore commend him on his 50 years of service in the priesthood, I thank him for the years of guidance and illumination he has rendered to his flock, and I ask my colleagues to join with me in this salute to a unique and Godly man.●

THE LAWMAKERS

HON. CHARLES-ROSE

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. ROSE. Mr. Speaker, there are times when a ray of sunshine penetrates the fog of confusion obscuring public affairs. Such an occasion occurred on April 10 when the Speaker was interviewed on television by Paul Duke on "The Lawmakers," WETA/26's new half-hour weekly feature dealing with congressional activities and personalities.

The Speaker was afforded the opportunity to provide insights into the legislative process. As usual, the Speaker acquitted himself brilliantly.

At a time when there is deep anxiety in our Nation over the ability of the Congress to understand and respond to the crises of our times, the new WETA/26 program is especially welcome. A new link between lawmakers and citizens is provided.

"The Lawmakers" features congressional highlights and the views of legislators with different views and political persuasions. It is now seen only on WETA/26, serving the Washington, D.C. area.

I hope that the Public Broadcasting Service will make available such a valuable program to public TV stations nationally.

"The Lawmakers" was produced by WETA/26 with funding from the Corporation for Public Broadcasting. I urge support of public television and such innovative and valuable programing as "The Lawmakers."

I commend to the attention of my colleagues the news release describing the new program:

HOUSE SPEAKER "TIP" O'NEILL TALKS WITH PAUL DUKE ON WETA/26's, "THE LAWMAKERS"

President Jimmy Carter—"One of the most brilliant men I know."

Gerald Ford—the architect of a smooth transition after Watergate and the American people should be grateful.

Richard Nixon—anyone who squawked after losing a $20 pot in poker should never be President.

Lyndon Johnson—was a master politician—outspoken, but affection for military leaders during Vietnam was his political downfall.

John Kennedy—if he had lived, he would have been truly great.

Dwight Eisenhower—politically, he was no hero and his administration had no real problems.

These are some of the thoughts of Thomas P. O'Neill, Jr., Speaker of the United States House of Representatives. On Thursday, April 10 at 9:30 p.m., WETA/26 televises Paul Duke's interview with "Tip" O'Neill on The Lawmakers, a new half-hour weekly series dealing with congressional activities and personalities.

Funded by a grant from the Corporation for Public Broadcasting under the Federal City Project, The Lawmakers will be offered to PBS for national distribution. Underwriters are being sought for the project, which represents the first attempt to provide a weekly televised summary of major news developments in the House and Senate.

Paul Duke, moderator of WETA/26's public television series, Washington Week in Review, is the host of The Lawmakers. Duke, a seasoned political reporter, has interviewed presidents and political powerbrokers and brings to his new assignment a great deal of political knowledge, journalistic experience, and objectivity. "The Hill is the liveliest place in town, but you'd never know it from what you now see on television," says Duke. "The networks long have ignored Congress except for their coverage in bits and snippets on the nightly news programs. Our aim is to show the enormous amount of activity that goes on and to do so in a coherent way that makes the legislative process more understandable and interesting to everyone."

The Lawmakers will also feature guest commentators, including Charles McDowell, Washington correspondent for The Richmond Times-Dispatch, Maryon Allen, Washington Post columnist and several others. Producer for the series is Gregg Ramshaw.●

OBSOLETE MX

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. UDALL. Mr. Speaker, many of us in Congress and many citizens across the country are having increasing doubts about the wisdom of constructing and deploying the new MX missile. I personally have great fears about the incredible cost of this new system, about the very serious damage to the environment that it may cause, about its impact on the small towns of Utah and Nevada, about the destabilizing effect it may have on United States-Soviet strategic deterrence. The Governors of Utah and Nevada, the only States where the MX is now planned for deployment, were recently in Washington to express their doubts about the Air Force's plans.

The Arizona Republic, which is not usually known for a soft position on defense policy, recently published an editorial calling for cancellation of the MX and for a study of alternatives. I have included the editorial here, and I commend it to my colleagues' attention:

[From the Arizona Republic, Apr. 9, 1980]

OBSOLETE MX

When the Salt II treaty still was under consideration by the U.S. Senate, The Arizona Republic said it should be ratified only if President Carter first promised to build the proposed MX missile system, which he eventually did.

The Senate later put Salt II on the shelf, and it's now all but dead.

We believe the MX missile system should die with it, and that an alternative system should be devised to make certain that Soviet Russia cannot wipe out the nation's arsenal of long-range nuclear weapons in a first strike.

For, without Salt II, the MX missile will be almost as vulnerable to Soviet ICBMs as the Minuteman missile it's supposed to replace.

The MX missile system consists of putting each of the 200 missiles on a road loop with 23 blast-resistant shelters.

The missile would be placed on a launcher, and moved constantly from shelter to shelter. Thus, the Soviets would never know precisely where any of the missiles was.

The SALT II treaty was supposed to put a limit on Soviet Russia of about 6,000 warheads for its ICBMs. With the MX missiles hidden in 4,600 shelters, this was hardly enough to enable the Soviets to risk a first strike.

Without SALT II, the Soviets will be able to mount as many warheads as they want on their ICBMs.

Pentagon experts say that by 1986, the date scheduled for deployment of the MX, the Soviets could have 10,000 warheads.

James Foster of the Rand Corp., a think tank that does research for the Pentagon, recently declared: "I'm not sure the MX makes any sense with SALT, but it surely makes no sense without it."

Defense Department officials say they can build more shelters as fast as the Soviets put more warheads on their missiles and at less expense.

This overlooks certain ecological and political realities.

The plans are to build the MX missile loops on 45,000 square miles of the Great Basin desert of Utah and Nevada. Utah and Nevada don't want them.

The desert has barely enough water to support the 60,000 people who live there. Building the loops would require 135,000 construction workers. That would leave the present inhabitants with an even more decreased supply of water.

Utah and Nevada could prevent the construction of the MX missile system by denying it water. They certainly would attempt to scotch any extension of the system.

The nation's ICBMs must be made invulnerable to a Soviet first strike.

Since the proposed MX missile system will not do the job, the Pentagon should start looking for alternatives.●

YOUTH OPINION SURVEY

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. ROTH. Mr. Speaker, during the recent District work period I had the opportunity to review current events in foreign affairs with students from two junior high schools in my district. I was very impressed with the maturity and insight these students demonstrated by their knowledge and wisdom of these important matters.

While visiting with these young people, I took a survey, and would like to share that information with you. The "Youth Opinion Survey" included a tabulation of data from about 250 students of Denmark Junior High School, Denmark, Wis., and about 500 students of Clintonville Junior High School, Clintonville, Wis.

The survey follows:

YOUTH OPINION SURVEY

[In percent]

Questions	Denmark		Clintonville	
	Yes	No	Yes	No
1. Do you support President Carter's boycott of the summer Olympics in Moscow?	59	41	40	60
2. Do you agree with the manner in which the American hostage situation in Iran has been handled?	14	86	18	82
3. Do you believe that the United States must take a stronger stand against further Soviet aggression?	91	9	85	15
4. Do you favor a return to the selective service system beginning with registration of all males between 18 to 20 years of age?	40	60	38	62
5. Do you favor registration of women?	49	51	37	63
6. Do you think a person should have a choice between serving in the military or volunteering for an alternative such as the Peace Corps or community service?	85	15	85	15

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CONGRESSMAN PATTERSON TESTIFIES ON THE SURFACE TRANSPORTATION ACT OF 1980, H.R. 6417

HON. JERRY M. PATTERSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. PATTERSON. Mr. Speaker, yesterday afternoon I testified before the Surface Transportation Subcommittee of the House Public Works and Transportation Committee concerning three specific legislative proposals in the highway and transit areas. The proposals referred to in my testimony have been introduced today as H.R. 7090, H.R. 7091, and H.R. 7092. The justification of these proposals is contained in my testimony, which is inserted into the RECORD at this point:

TESTIMONY OF HON. JERRY M. PATTERSON

Mr. Chairman and members of the subcommittee, I wish to thank you for the opportunity to testify today on the Surface Transportation Act of 1980. I believe this bill is a significant and comprehensive approach to meeting the transportation challenges in the decade ahead. This afternoon I wish to offer three proposed amendments to H.R. 6417 and hope that you and your colleagues on the subcommittee will consider them favorably.

(1) The first proposal I wish to discuss concerns the primary system apportionment. The current Federal aid primary system apportionment formula is structured as to provide two-thirds of a State's apportionment based upon rural factors, and one-

third for urban factors. The amendment I propose to H.R. 6417 changes the current formula. It does not seek to disadvantage rural areas, but rather to redress the inequity in funding to our urban areas that is built into the current formula. The amendment creates a new section 124 on page 20, after line 3.

My proposed apportionment formula, based upon a 50-50 breakdown between rural and urban factors, does not result in a noticeable apportionment loss for any state. In fact eleven states, Pennsylvania, Ohio, New York, New Jersey, Michigan, Massachusetts, Maryland, Illinois, Florida, Connecticut, and California, will witness an increase in their apportionment, while many states will see no change at all.

In meeting the transportation challenges of this decade, we must not financially slight those areas of our Nation which will be facing increasing transportation volume, and subsequent congestion, as well as problems of pavement deterioration and restoration. A national highway inventory and performance summary has addressed the problems of urban and rural congestion. Based upon a certain congestion level of 1.0 percent the summary concludes that while 80 percent of the total rural mileage has a volume to capacity ratio of under 0.5 percent, more than 12 percent of all reported urban mileage has a volume to capacity ratio greater than 0.9 percent, thus indicating definite congestion. Moreover, the summary also indicates that while pavement condition for most urban and rural mileage is in fair to good condition, there is a significant amount of urban mileage ranked in the poor to very poor range. Under such conditions, pavement deterioration accelerates markedly.

Mr. Chairman, it is clear from these figures, that our urban transportation areas currently experience and most assuredly in the future will face greater problems related to highway congestion and pavement condition. The problems of the various parts of the Nation must be addressed in a comprehensive fashion, putting them into perspective with national policy objectives. Localized problems if ignored are exacerbated and invariably become the seeds of national dilemmas.

I respectfully urge that your committee consider this revision to the FAP apportionment formula and I remain willing to cooperate with you and your subcommittee in further reviewing the merits of this proposal.

(2) Mr. Chairman, I wish to propose an amendment to language currently in section 105, under the interstate system resurfacing authorization of H.R. 6417 (pages 4 and 5). At present interstate maintenance funds may be transferred to primary highway system needs only if a State certifies to the Secretary that such funds are in excess of State needs for the resurfacing, restoration, or rehabilitation of interstate system routes. As the language is currently worded, States must exhaust all of the interstate system projects before any funds can be transferred to primary system projects. In some States, this has resulted in a backlog of needy primary system highway projects because funds must first be allocated to all interstate projects of varying significance. It is not uncommon for funds to be spent for an interstate landscaping project, while primary system highways must defer maintenance for lack of funding.

I propose that the current language regarding funds allocated under section 105 be amended to read: "* * * except that where a State certifies to the Secretary that any part of such funds are excess to the needs of such State, for its highest priority projects * * *".

The inclusion of highest priority projects will allow for funds transfer to the primary system after funds have been allocated for the highest priority projects of a State's interstate system. This will allow funds to be spent on significant interstate projects, and transferred, if necessary, for the use of primary system projects. Moreover, this should also allow for the more effective use of Federal funds as transportation dollars can be spent on the most pressing highway projects. This flexible language will benefit several States which have primary system project backlogs, including Illinois, Ohio, Texas, and California, among others.

A positive side effect of my proposal is the opportunity to improve Federal control and oversight of Federal Transportation dollars, for I do not favor granting the States the authority to determine what constitutes highest priority projects. Project priority determination properly rests at the Federal level.

(3) Mr. Chairman, the last amendment I am proposing to H.R. 6417 concerns a DOT feasibility study on adding high occupancy vehicle, or HOV lanes to freeways in the South Coast Air Basin of southern California. This amendment is another addition to title I (page 20, after line 3). Specifically, this study would focus on the feasibility and cost benefit analysis of adding HOV lanes to freeways which provide service to the three major airports in the south coast air basin—Ontario International Airport, Orange County (John Wayne) Airport, and Los Angeles International Airport.

Concurrent to the commendable and necessary thrust of the Surface Transportation Act of 1980, the feasibility study that I am proposing will provide needed answers to pressing transportation concerns, and may well generate recommendations which will provide direction to other regions of the country facing transportation conditions similar to those in southern California.

These transportation conditions of southern California may be appropriately deemed as mounting problems, given the increased demand for air passenger travel, with resultant highway congestion on freeways which service the three major airports mentioned earlier. Passenger air travel in southern California is not likely to decrease in the years ahead, as a recent 1979 study indicates. For instance, Orange County Airport, which is operating at seven times design capacity, currently services 3.3 million passengers annually, and this figure is expected to increase by 15 million by 1990; Ontario International Airport expects to service 12 million passengers by 1990; and Los Angeles International Airport is already near capacity with 25 percent of its traffic coming from Orange County.

These figures indicate, and various studies concur, that HOV lanes and fringe parking facilities will be needed in the upcoming years in order to accommodate the rising air and highway passenger travel demand in southern California. By 1990 the southern California region will witness a substantial, if not devastating, impact in terms of air pollution, traffic congestion, energy consumption, and travel time if improvements are not made to the southern California freeway system.

Mr. Chairman, in recognizing the exemplary and comprehensive nature of the Surface Transportation Act of 1980, I offer my proposed amendment as a compliment to the transportation systems management portion of H.R. 6417, in order to insure the opportunity for continued thought and study of unique transportation problems.

In conclusion, Mr. Chairman, I wish to reiterate my appreciation for this opportunity to testify today on the Surface Transportation Act of 1980. I will be quite willing to extend my full cooperation to the subcommittee in reviewing the proposed amendments I have discussed here this afternoon.●

ARNOLD CHAMBER OF COMMERCE HONORS OUTSTANDING MEMBERS

HON. DON BAILEY

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. BAILEY. Mr. Speaker, it is a pleasure for me to bring to your attention a few very distinguished and most respected residents of the 21st Congressional District recognized by the Arnold Chamber of Commerce for their outstanding service to the chamber and the community.

Our chambers of commerce have been a remarkable force behind the growth and development of business communities across the Nation. The ideas and advice exchanged among chamber members is invaluable for present and aspiring business persons. The importance of these organizations cannot be overstated.

But, as in any organization, it is the people—the membership—who determine the group's ultimate success and effectiveness. This year, Robert Adamek, president of the Arnold Chamber, is being honored for his outstanding leadership of the chamber and the community in the past year.

Currently an assistant vice president with Equibank, Mr. Adamek's strong business sense and solid leadership abilities are highly respected by his colleagues and the community. But his interest in civic activities goes beyond his service to the chamber, he also has served as president and director of the Jefferson Highland Aqua Club and treasurer of the Eastland Businessmen's Association. Presently, he is treasurer of the Arnold Ambulance Service.

Soon after moving to Arnold, Mr. Adamek was elected to the chamber board of directors, then served as executive vice president, completed the unexpired term of President John Migliorisi, and was elected president in 1978.

The city has greatly benefited by this man's unselfish service and outstanding dedication. And I am sure that he will be the first to agree that a successful chamber is the result of teamwork. So the chamber has chosen to honor several other dedicated members who greatly contributed to the past year's success. Please allow me to speak of them briefly.

Domenic Saulle, a life-long resident of the Allegheny-Kiski area and remarkable civic leader, is being honored for his distinguished and unselfish service as secretary of the chamber, chairman of the past presidents testimonial dinner, and Arnold city clerk. Without fail, Mr. Saulle is always ready and willing to give of his time and talents. The Arnold community is fortunate to benefit by this man's wisdom and insight.

John Minnick, a very distinguished veteran and native of New Kensington, Pa., is recognized for his outstanding contributions to Arnold as a 26-year-member of the city council. He has given countless hours of time and concern to bettering the city.

Jean Nicastro, is singled out by the chamber for her concern and benevolence in helping persons less fortunate than she. Married and the mother of four, Mrs. Nicastro has been and is extremely active in many civic organizations including the American Cancer Society and the Heart Fund, Italian Sons and Daughters of America, and Women of the Moose.

Additionally, the chamber is expressing its appreciation to P. Louis DeRose, Esq., recipient of the "Outstanding Professional Achievement Award in the Practice of Law." Mr. DeRose served as a very effective Arnold city solicitor; New Kensington-Arnold School District solicitor; and also served as Westmoreland County court administrator.

The "Outstanding Humanitarian Award for 1979" is being presented to the Reverend Father Francis Ginocchi for his total involvement to developing an understanding and cooperation among the city clergy. He takes extreme personal interest in the prosperity of not only his own parish, Mount St. Peter's, but in churches throughout the area. He is a member of the Pastoral Council of the Diocese of Greensburg, chairman of the Commission for Ecumenism of the Diocese, and past president of the New Kensington Area Clergy Association. The recognition of his heartfelt service is most deservant.

Last, but certainly not least, I would like to say a few words about Gene and Dorothy Miller. Extremely successful in their business, they have shown their loyalty to Arnold by sharing their enterprising thoughts and ideas with other men and women in the business community.

Mr. Speaker, I extend my sincere congratulations to these award recipients and I truly hope that Arnold will continue to reap the benefits made possible by these fine community leaders. Their wisdom and insight is to be admired always.●

STATEMENT ON DRAFT REGISTRATION

HON. JACK F. KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. KEMP. Mr. Speaker, I voted today in the full Appropriations Committee to restore registration for the draft. It was in place for 35 years in this country and should not have been stopped in the first place.

For more than 3 years, American foreign and defense policy has been characterized by hesitation, inconsistency, tolerance for Soviet adventurism, and a general unwillingness on the part of the administration to face squarely the serious threat posed to American security by Soviet foreign policy and military power. The litany of the administration's foreign and defense policy disasters is already too well-known to describe in detail. Suffice to say, the image of weakness and vacillation this administration has presented to friend and foe alike has contributed to the most serious foreign policy challenge we have faced since World War II.

The Soviet invasion of Afghanistan in December 1979 coupled with the government-sponsored terrorism in Tehran has made it clear, even to the most reluctant officials in the current administration, that some significant action must be taken to prevent further catastrophic erosion of our international position. Rather than take explicit measures that would serve to increase American military power—an act which would require substantial additional investment in defense, the administration has chosen to cut back investment in defense hardware simply to pay the increased fuel costs needed to execute approved defense programs.

The response of the administration has been reduced to a gesture—the revival of selective service registration. The justification for registration is simple enough; to provide a reduction in mobilization leadtime in the event of war. The administration has, by this gesture, reduced the test of the resolve of Congress and the American people in the eyes of both our allies and our adversaries to support for selective service registration. The irony of the circumstance is that while registration will do nothing to improve our current military capability, failure to support registration will convey a message to the Soviets—mistaken in my view—that the United States will offer no response to the most flagrant acts of aggression by the Soviet Armed Forces. Having gained such a perception, the military position of the United States can only worsen.

The tragedy of the administration's response to the dangerous decade we are entering is that its policy indicates that while it is willing to register, and eventually conscript young Americans for military service, it is not willing to request spending levels to get sufficient weapons, ammunition and pay to have an adequate defense. The United States desperately needs leadership that has the courage to request of the Congress resources adequate to assure our defense. The astounding complacency of the administration toward the Soviet military threat reflected in its unwillingness to take steps which would significantly increase American military power jeopardizes our fundamental security interests. Reducing the American response to the Soviet invasion of Afghanistan to a mere gesture assures further challenges to American security.

The administration's military manpower policy has served to undermine the currently serving Active Armed Forces as well. Failure to request sufficient funds to prevent a loss in purchasing power in military compensation has caused the loss of experienced senior noncommissioned officers and middle-grade officers. They are leaving the Armed Forces in large numbers jeopardizing the readiness of all services. The failure to provide adequate compensation is crippling our efforts to recruit individuals to serve in the Armed Forces, both active duty and Reserves. As a result, all of the services have experienced recruiting shortfalls during the past year.

Former Secretary of Defense Melvin Laird has pointed out that the Armed Forces have suffered a cut in real income of around 20 percent since 1976 as a consequence of a failure to offset the effects of inflation on both purchasing power and higher marginal tax rates. It is disgraceful that young men and women in our military must "moonlight" jobs in order to survive.

The consequences of administration policy are grave indeed. Inadequate military hardware is being requested to meet the needs of a future conflict. The readiness of the Armed Forces is jeopardized by its failure to request funds for adequate compensation for military personnel. Finally, the credibility of American foreign policy is left with little more than a gesture—selective service registration which will do little for any substantive dimension of America's defense needs.●

UNITED STATES-CANADIAN EAST COAST FISHERIES RESOURCE AGREEMENT

HON. DAVID F. EMERY

OF MAINE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 17, 1980

● Mr. EMERY. Mr. Speaker, this week the Senate Foreign Relations Committee is holding hearings on the ratification of the United States-Canadian East Coast Fisheries Resource Agreement. This treaty contains some essential concepts relating to intelligent management of our marine resources. While the United States and other coastal nations have made great progress in the management of their territorial waters, the nature of the marine environment demands that we recognize that fish stocks do not restrict their biologic cycles to the waters of one nation. Thus, we must seek to develop international management schemes.

At this time, I am unconvinced that the proposed treaty allocates and manages fishery resources in an optimal manner. I therefore, take this opportunity to introduce for the Record the testimony of Senator William Cohen of Maine before the Senate Foreign Relations Committee and urge my colleagues to reflect upon his remarks as they evaluate this treaty.

The statement follows:

Mr. Chairman, members of the Committee on Foreign Relations, thank you for allowing me to appear before you this afternoon to comment on the United States-Canadian East Coast Fishery Resources Agreement (Ex. V, 96-1) and its adjunct, the Maritime Boundary Settlement Treaty (Ex. V, 96-1).

Although primarily precipitated by the enactment of Canadian and United States statutes establishing 200 mile economic zones, the two agreements can actually be traced to 1970 when representatives of the two countries met to discuss a continental shelf boundary which would determine jurisdiction over the seabed for oil and gas development. The matter was still unresolved in 1976 when the U.S. enacted its 200 Mile Limit Act (formally known as the Fisheries Management and Conservation Act or FCMA) and the Canadians followed suit shortly thereafter.

To facilitate the continuation of traditional fishing patterns within the context of extended jurisdiction, the United States and Canada entered into an interim agreement which allowed nationals of each country into waters of the other and excluded third party nations.

In the fisheries-rich disputed zone, which is comprised of the northern third of Georges Bank, both nations continued to harvest stocks in whatever amounts they saw fit. No coordinated management and conservation efforts were undertaken.

The interim agreement was renewed once, and continued in force through June, 1978, at which time the Canadian Government, apparently in an effort to force progress in the negotiations, barred U.S. fishing vessels from undisputed Canadian waters. The United States responded by similarly prohibiting Canadian fishing in undisputed U.S. waters.

This, gentlemen, is the situation which prevails even as you begin your deliberations today. U.S. fishing vessels may harvest stocks in U.S. waters and in the disputed zone. Canadian vessels may fish in Canadian waters and in the disputed zone. Neither nation's fleet may venture into the undisputed waters of the other nation.

Last spring, after some 18 months of negotiations, Secretary of State Vance signed, and President Carter submitted to the Senate, the two documents which make up the agreement package.

One of these documents, the Maritime Boundary Settlement Treaty provides a dispute settlement mechanism, which, once put into place, will eventually insure that a boundary line will be drawn.

Canada, we are told by the administration, refused to consent to this agreement for boundary dispute settlement, unless the U.S. simultaneously would agree to a complicated scheme for managing and conserving trans-boundary stocks in the North Atlantic 200 mile economic zones of both countries. The U.S. acceded to the Canadian position that the two concerns be linked; they did so against the advice of many fishermen in the Northeast.

The question of whether or not the U.S. should have granted to Canada the concession on linkage is one which I urge this committee to give its very serious consideration.

Let me just note in passing that no one with whom I have discussed this matter has objected to the dispute settlement procedure set forth in the agreement. What rankles the vast majority of fishermen in the Northeast is the fact that our negotiators appear to have placed greater importance on the goal of settling the boundary question than they did on preserving the integrity of the 200 Mile Limit Act, the passage of which took so long to achieve.

The remainder of my comments will focus on the East Coast Fishery Resources Agreement, that is, the management and conservation document on which lies most of the controversy.

Central to the management agreement is a new Joint Commission. The body would manage North Atlantic species of mutual interest in what is now the disputed zone, and in waters which are indisputedly Canadian or American. The Commission would have 14 members—7 from each nation—and two cochairmen. Each delegation has one vote. The U.S. delegation would include two members from NOAA, three members of the New England Fisheries Management Council, and two from the Mid-Atlantic Council.

In addition, the agreement divides into three groups the covered species. "A" stocks would be managed jointly by the Joint Commission; "B" stocks would be managed by one nation according to a plan approved by both; and "C" stocks would be managed completely by one nation according to its own domestic management policies. When disagreement over management policies arose, the questions in dispute would be arbitrated.

Lastly, the agreement allocates to the United States and Canadian harvesters percentage shares of each covered stock and stipulates the areas of the Gulf of Maine and the North Atlantic in which United States and Canadian fishermen may harvest these shares.

From the time the President submitted this agreement to the Senate, I have stressed that my decision on approval would be based on the degree to which it benefits the elements of our domestic fishing industry which I represent. In order to make such a determination, I found it necessary to call upon the Congressional Research Service and the National Marine Fisheries Service for assistance in seeking the answers to a number of questions which I believe should be addressed. With the Committee's permission, Mr. Chairman, I would like to submit for your permanent record these questions and the responses I received. I believe they will be most helpful to you in your deliberations.

Having examined this information, Administration documents, and a sizeable hearing record developed by the House Merchant Marine and Fisheries Committee, I have come to the conclusion that the agreement should not be approved by the Senate and ratified by the President, in its present form. I arrive at this position for several basic reasons:

First, I believe the allocation of management authority for ground fish important to Maine is inequitable. In these fisheries, Canada is given equal opportunity to participate in management in undisputed U.S. waters. No comparable management participation in Canadian waters is given to the United States for these fisheries.

Second, such a stringent management arrangement is not needed now. It could only be justified if one believes—as the negotiators did—that fishermen, if left unregulated, will deplete the stocks on which their livelihoods depend.

Third, the agreement in its present form should not be approved because many of its entitlements place our domestic fishing industry at a disadvantage vis-a-vis the Canadian industry. Take for example, the case of Pollack. The agreement requires U.S. fishermen to reduce their take of the fishing on Georges Bank from 40 percent to 25 percent. At the same time, Canada is permitted to increase its catch on the Bank.

In a number of species—such as haddock—unequal swaps occur whereby the United States gives up more fish from its waters than the Canadians give up from their waters. Even when the tonnage of fish is equal, American fishermen are still worse off than they would be with no treaty. They will have to pay increased energy costs to obtain from distant Canadian waters the same amount of fish they caught earlier in their own waters.

Fourth, the agreement should not be approved because it undermines the management system embodied in the 200 Mile Limit Act because it transfers primary management responsibilities from the New England Fisheries Management Council to the Joint Commission. Yes, three of the seven American Commissioners would be members of the Council, but the treaty in no way directs the three to represent Council views. Currently, under the 200 Mile Limit Act, the Council can take the Commerce Secretary to court if the Secretary overrules a Council management plan and the Council believes that the rationale for the Secretary's decision contravenes the act. Under the agreement, council plans are subject to review and revision by the Joint Commission, the federal governments of both countries, and an arbitrator. In other words, for the species most important to New England, fishermen lose the right and ability to directly take part in the formulation and enforcement of management plans. This is clearly unacceptable.

Thank you.●

SENATE—*Friday, April 18, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., in executive session, on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O Lord, in whom we live and move and have our being, help us to live this day and all days under the perspective of eternity. May we ever remember that Thou art both Creator and Judge and that our accountability is to Thee. Keep our lives from being cluttered with things which do not matter and our time from being squandered on trivia. May no weariness of body or mind move us to compromise with the highest and best in life. May the world of justice, brotherhood, and peace for which we strive begin with us.

We pray in His name who walked the hard road before us. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 18, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order the majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I have no need for my time. If the distinguished Republican leader wishes to have my time, I will be glad to yield.

Mr. BAKER. Mr. President, I thank the majority leader. He is characteristically kind and generous. I also have no need for my time under the standing order and no request for time. So I am prepared to yield it back.

Mr. ROBERT C. BYRD. Mr. President, I yield back my time.

Mr. BAKER. Mr. President, I yield back my time.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to exceed 15 minutes, as in legislative session, and that Senators may speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

GENOCIDE CONVENTION OF INTERNATIONAL CONCERN

Mr. PROXMIRE. Mr. President, we live in an age where it is becoming increasingly important for the world as a whole to work together and come to agreement over a wide range of concerns. The kind of massive horror that genocide exemplifies affects all the world in one way or another. And genocide is genocide no matter where it is committed. The convention is a worldwide condemnation of what is perhaps the most horrible crime man can commit—and it provides for international cooperation in its prevention and punishment.

The Genocide Convention deals with the most basic right of all humans—the right to live—and the universal respect for this right is of the utmost importance. The American Bar Association, which had for many years opposed the convention, reversed its position in February 1976. A report issued by an ABA committee concluded that the rights of all humans are matters of "international concern." Clearly those 84 nations which have already ratified the convention believe that genocide is a proper subject of international concern. These nations, from a wide variety of ideological backgrounds, have rallied behind the Genocide Convention and the universal ideals it embodies: the right to live to all racial, ethnical, national, and religious groups.

Mr. President, it is time that we join together with these other nations in promoting the international recognition of this most basic right to live. It is time to join them in condemning the most shocking and hateful crime of genocide to insure that this kind of human devastation never again occurs. We must once and for all end our country's long isolation as the only major power that has not gone on record as being against mass murder.

Both our national interests and values forbid us to turn our backs on the victims and potential victims of genocide around the world. It is a role that people of other nations—as well as our own—have come to expect.

Mr. President, when any fellow human being is stripped of his humanity; when any group of persons is singled out for systematic annihilation on racial, ethnic, national, or religious grounds—then all humans suffer. This kind of inhumanity concerns us all because it threatens us all. We must join with the other 84 nations in taking the first step toward the complete elimination of the crime of genocide from this Earth. We must ratify the Genocide Convention.

Mr. President, I yield the floor.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

NOMINATION OF WILLIAM A. LUBBERS

The ACTING PRESIDENT pro tempore. The Senate will now proceed to the consideration of the nomination of Mr. William A. Lubbers, of Maryland, which the clerk will state.

The legislative clerk read as follows:

Nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.

The Senate resumed consideration of the nomination.

Mr. ROBERT C. BYRD. Mr. President. I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

The ACTING PRESIDENT pro tempore. The cloture motion, having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the nomination of Mr. William A. Lubbers, of Maryland, to

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

be General Counsel of the National Labor Relations Board.

Harrison A. Williams, Jr., Daniel Patrick Moynihan, Spark M. Matsunaga, Paul E. Tsongas, John A. Durkin, Robert C. Byrd, Thomas F. Eagleton, Birch Bayh, Henry M. Jackson, Edmund S. Muskie, Gary Hart, Claiborne Pell, Jennings Randolph, Max Baucus, George McGovern, Dennis DeConcini, and William Proxmire.

Mr. BAUCUS addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Montana is recognized.

Mr. BAUCUS. Mr. President, I rise in strong support of the nomination of William A. Lubbers to the office of General Counsel of the National Labor Relations Board. Mr. Lubbers would bring to the post of General Counsel precisely those qualities of knowledge, competence, and nonpartisanship that are demanded by such an important post. Over the many years that Mr. Lubbers has been active in the field of labor law, he has developed an expertise that is matched by few in the field. He is widely regarded as one of the most brilliant theoreticians that the agency has ever produced. No witness before the Labor and Human Resources Committee has questioned his competence or integrity. It is indeed a strange and unusual circumstance that the qualifications of such an individual are questioned.

Indeed, I think that it is fair to say that the competence, integrity, or substantive qualifications of Bill Lubbers for the post of General Counsel have not, in fact, been challenged by the opponents of his nomination.

Instead, the opponents have suggested that because he has worked for the present Chairman of the Board for many years, this would give the appearance that he could not independently discharge his duties as General Counsel. In a backhanded way, the opponents have challenged precisely those very attributes that they dare not challenge directly, namely his competence and integrity. The opponents have raised an army of shadow arguments, and would have us do battle with myths and innuendos.

I say to you that this does a great dishonor to a man who has dedicated much of his adult life in distinguished service to his country. I believe that it would serve us well to review the record of service of Mr. Lubbers to this country.

Like many of our great leaders, Bill Lubbers began his service to this country in the Army in World War II. He served with distinction in the Asiatic-Pacific campaign and was wounded in action in the Philippine liberation campaign. His higher education was deferred until he was honorably discharged from the Army.

Following his return home, Bill Lubbers completed his formal education and law degree from the University of Wisconsin, one of our country's most outstanding universities. After a brief period of time in the private sector, Bill Lubbers again entered Government service with the Wage Stabilization Board. After roughly a year with the Wage Stabilization Board, Bill Lubbers was hired as a staff attorney by former U.S. Senator and Board member Abe Murdock. It should be noted that it was not until 5 years later, well after Bill Lubbers had developed a respected reputation for excellence, that he began working for member Fanning.

Bill Lubbers acquired nearly 25 years of experience working for Board members Murdock and Fanning. During this period of time, he acquired an outstanding knowledge of National Labor Relations Board procedures and labor law. During this period of time, he probably personally participated in reviewing over 3,000 cases. There are few persons in our country who could parallel Bill Lubbers' breadth of experience, and I believe that he is unquestionably the most knowledgeable and competent individual ever nominated for the position of General Counsel.

His qualifications are obvious. It was for these reasons that the five-member National Labor Relations Board elected Bill Lubbers solicitor in July 1977. The vote was unanimous. One year later, Bill Lubbers was appointed Executive Secretary to the National Labor Relations Board. Again, it was a question of the merit of the candidate. The Executive Secretary position in the NLRB is a competitive service position. The candidates were rated by an intra-agency panel. Bill Lubbers received the highest rating, and was subsequently selected by a vote of four of five of the board members, including the two Republican members.

Mr. President, I believe that the record of distinguished service of Bill Lubbers is strong testimony to his eminent qualifications to the office of General Counsel of the National Labor Relations Board. The President's choice is an excellent one and deserves our support.

Mr. HATCH addressed the Chair.

The ACTING PRESIDENT pro tempore. The Senator from Utah is recognized.

Mr. HATCH. Mr. President, I have really enjoyed the representations of the proponents that this man's competency has never been challenged and that he is unquestionably the most adequate, sophisticated, and important man who has ever been nominated to this office.

His competence was questioned. I questioned it. At least there were a number of witnesses who questioned it during the hearings. They were former members of the National Labor Relations Board, including, among others, a former General Counsel.

This man is not competent for this job, although he is an experienced labor lawyer. This job is to be held by people who have experience in the field over which this job supervises. This is the General Counsel. It is an independent position. It should be independent. It should not have a person who has worked for 20 years or more under the thumb of the Chairman of the Board.

Mr. President, you had to be at the committee hearings to see the advocacy by the Chairman of the Board, Mr. Fanning. It was almost as though he was in a frenzy over the possibility that his very dear friend and protege, Mr. Lubbers, would not be able to work in tandem with him while he acted as Chairman of the Board and Mr. Lubbers would act as General Counsel.

Let me bring out a couple of other things and I will read some of those statements into the RECORD. Any reasonable person would have to say that these very expert people were questioning Mr. Lubbers' competence for this position, although not for other positions. And, I might add, although admitting that he is a nice person, as I do, that he could serve in a variety of other ways where he would be competent and would do a very good job.

Let me just read into the RECORD an American Bar Association 1978 annual meeting transcript, held in New York on labor relations law. It was held in the Trianon Ballroom, New York Hilton, New York, N.Y., on August 9, 1978.

This was a meeting of august leaders in the field of labor law. They were talking about the state of the NLRB, labor law reform, or whatever.

One of the panelists was known as Mr. Goldberg. I am starting with page 60, where Mr. Goldberg says:

> I would also like to see the Board going into a true panel system. And if it does not do that, put a deadline on the writing of dissents. And if the dissent is not forthcoming within that deadline period, publish the majority report and let the dissent come along later. But do not hold up the decision for the period of time it is taking to get these dissents. Because let us face it, it is the majority opinion which is going to guide us, it is not the dissent. The dissent only guides us as to who we are going to support for reappointment. And that really should not be controlling on the issuance of decisions.

And let me emphasize what he goes on to say.

> So I think these are administrative things that the Board, without labor law reform, can do. And then finally, the area that I think would cut down on cases—and the biggest case of all that is going on now—I think that effective remedies is cutting down case intake. If the Board would face up to it and come out with strong remedies that the circuit courts have said "You can come out with", where it costs a little to violate the Act—Let us face it right now. You fire an 8(a)(3), you break the organizing campaign. And then four years later you have to pay compensatory back pay. And then every one of us sitting here pays 50 percent of that compensatory back pay because it is an income tax deduction on the books of the company which fired this worker.
>
> Now, I know the Board does not have the authority today to come up with 1½ times back pay, or 2 times back pay. But the Board could be coming out with—In the last General Counsel's report he talks about something like 25 percent of the authorizations for 10(j)'s having been of all the cases that went to the Board. We know that the average 10(j) authorization does not go to a federal district court. Once the authorization comes out, the case either settles or an

> accommodation of some kind is made, pending the unfair labor practice trial.
>
> Use the power that you have. Let people know, whether they are employers or the unions, that if you violate the law, it is not going to be fair game to violate it. Look for meaningful remedies. Impose meaningful remedies. And if the word gets out that there are meaningful remedies for violating the National Labor Relations Act, then there will be less willingness to violate the Act.

And then Mr. Siegel then speaks. He said:

> Mr. SIEGEL. Bill, I am going to give you the last word on this. I find we have just a few minutes. Let me give you the last word on the panel.

And then, lo and behold, Mr. Lubbers speaks.

> Well, I think it is interesting, the recent Supreme Court decisions, Beth Israel, Eastex, and in some respects even Sears Roebuck. I read those decisions, apart from what they held in those cases, as strong statements by the Supreme Court that the Board has a great deal of policy-making power, and that the Court will look to the Board and let the Board decide cases.

And let me underline what Mr. Lubbers goes on to say.

> And if it exercises its policy-making powers in the proper way and rationalizes its decisions properly, that it is the agency to make national labor relations policy.

I would like to underline that last statement.

Mr. Lubbers goes on to say:

> I think that this is something which the Board will assimilate, and some of these powers which I think Congress was trying to direct the Board to use in the Labor Law Reform Act are some powers that the Board has. And in that respect, I think that maybe in the future, as the Board assimilates the message from the Supreme Court, they will deal with some of the problems along the lines that Arthur indicated. They may have the power to do so.

He goes on to say:

> I would like to think some of our bright young people stay beyond 2 years, et cetera.

I think implicit in what Mr. Lubbers was saying is that, in spite of the fact that the U.S. Senate rejected the labor law reform bill—and I think for very good and just reasons—he seems to be saying:

> To heck with the United States Senate. We in the bureaucracy continue long after the Senators leave and we are going to be here just like all bureaucrats. The President comes and goes. The Congress comes and goes. But we are still going to be there and we are going to make the policy decisions that they refuse to make.

I think that is wrong and I think if any statements like this can be accepted as accurate and proper, those who accept them are wrong.

Let me just recite some of the remarks, or at least summarize some of the remarks, by some of the expert witnesses who testified in the hearings pertaining to Mr. Lubbers.

One of the matters that has been made an issue in this debate is the experience level of various General Counsel. Now, keep in mind, I am attacking Mr. Lubbers' experience level. He has never supervised an organizational election. He admits that. He has not had a great deal or any experience in most all of the things that the General Counsel should do. He has never supervised more than 30 people, even though this involves 2,500 lawyers and all kinds of other personnel. There are 33 regional offices.

He, basically, has worked for the chairman of the board most of his political and bureaucratic life. Contrast that with some of the other recent General Counsel.

Take Peter Nash, who, I think, the chairman of the committee tried to intimate perhaps was not experienced when he came in.

First, Peter Nash, who was an excellent counsel of the National Labor Relations Board and I think most people would agree was fair, had the experience of many years in private practice before being named Solicitor of Labor. His experience in private practice was in labor law and in precisely the matters, among others, that are supervised by the General Counsel of the National Labor Relations Board.

Second, as Solicitor of Labor, he had the administrative responsibility of hundreds of labor attorneys and the administrator of 15 major laws. He had a broad background as a result of the Solicitor of Labor position, as well.

Third, he then went to the General Counsel of the National Labor Relations Board, where he was universally acclaimed as a brilliant and effective administrator, named by the President of the United States as one of the best men in the Federal Government at that time.

I do not know anybody on either side of the various issues in labor law who would not throw accolades at the feet of Mr. Peter Nash as one of the absolutely most outstanding labor attorneys in this country and one of the all-time great General Counsels. The reason he was is that he was fair, he was impartial, he did not come in under circumstances of impropriety, he did not come in after having worked for 20 years under the thumb of the Chairman of the National Labor Relations Board. He came in from the outside—really, from the inside, as Solicitor of Labor, after having had tremendous experience on the outside as an expert in labor laws and an expert in the matters over which the General Counsel presides.

Let us take John Irving.

Before I get to John Irving, let me read, right out of the transcript, the Nash statement at the hearing pertaining to Mr. Lubbers:

> There are presently three individuals who are engaged in the representation of organized labor, individuals who, in my judgment, understand not only the practical problems involved in the labor-management sphere, but also who are professional enough to make judgments straight down the middle without any philosophical biases.
>
> In my judgment, that lack of experience from the labor community on the Board over these years is negative as far as the Board is concerned; and it is a negative that could be corrected by the appointment of any one of those three individuals.
>
> For that reason, I think that the present nomination is a mistake and that an opportunity has been lost by this nomination to appoint someone with that kind of practical experience that would not bring with it the appearance, at least, of lack of independence.

I believe Mr. Nash was referring to three people—two labor union attorneys and the black Regional Director of the National Labor Relations Board in the Atlanta region, Curtis Mack, who, himself, is without peer as a labor lawyer with experience in these areas. I think maybe Mr. Nash was directly saying that Mr. Lubbers is not the person for this position because of this appearance of impropriety, let alone possible and potential impropriety.

If you take into consideration the statements made at that ABA conference on labor law, from which I quoted earlier in my remarks today, it is easy to conclude that Mr. Lubbers does not have the independence, nor does he have the experience, that it takes to operate in this position, this very important position, which I maintain is at least as important as, if not more important than, the Chairman of the Board himself because of his ability to form labor law through the prosecution of unfair labor practices and other matters and because he has life-and-death control over what cases are brought, what cases are dismissed, et cetera. From that standpoint, he could set the whole tone of labor law in this country.

If we continue to have confrontations on labor law as we have had over the last few years because one special-interest group wants it all its own way, we are going to find that in this country, there is going to be labor chaos, because the other side of that equation is not going to put up with it. I think that would be catastrophic, especially since the history of the Board has been one of conciliation, one of at least trying to work out the difficulties between management and labor.

Let me go to another General Counsel who, I think, has not been given his due as a tremendous expert in the field. That is John Irving, who recently served. I understand that a statement was made that John Irving had as little, or less, administrative experience as Mr. Lubbers. That simply is not true. I do not know why my colleagues persist in telling things that are inaccurate. In fact, I say that statement is false. Mr. Irving was Deputy Counsel under Mr. Nash for 3 years; in other words, No. 2 man for the Board, where he exercised all kinds of experience on the job before succeeding Mr. Nash.

I believe the lack of experience by Lubbers directly bears upon his competence. I do not know anybody who understands the field or understands the specific and the professional nature of this job would really disagree with that statement. I think we have here a demand by one special-interest section of our community to ignore the willingness of business to have a prounion, prolabor General Counsel who does not have the potential of impropriety and the look of impropriety about him in pushing, without consideration of the liabilities, the nomination of Mr. Lubbers.

I think it is time for us to get rid of the concept that everybody says he is competent. I think he is a fine man, but I do not think he is competent for this position and I do not think others have felt that way, either, who have testified before the Board.

Those who are in the one special-interest category, I am sure, do, but that is because they want this man very, very badly to run this Board position.

I can say this: Mr. Lubbers has indicated, and we have it from inside the Board itself that Mr. Lubbers has indicated, from time to time, that if he has this nomination and can have it for the full 4-year term, he will, as indicated in his remarks before the American Bar Association on labor relations law, by opinions of the General Counsel's position which he will hold, enact labor law reform in spite of the fact that this legislative body rejected it.

I do not see how we, as Senators, could put up with that, regardless of whether Senators want to support the unions and everything they do or not. I think there is a question of ethics, of propriety, and the appearance of evil. I think there is a question of why not the best? I think there is a question of advocacy by the Chairman of the Board that looks to be improper and, had you sat in the hearings that day, you would have to say, "My gosh, it was way beyond the bounds of propriety."

I think his statement said in an emotional frenzy, that if Mr. Lubbers were rejected he would have to reassess his position indicates the lack of objectivity of the Chairman of the Board and, I think, the more-than-close relationship of the Chairman of the Board pertains to Mr. Lubbers.

Let me go to some other testimony at the hearing on this matter. Former Chairman of the Board, Ed Miller, gave some testimony on the independence issue. This is what he said:

> Bill Lubbers was a very conscientious, able assistant to John Fanning. He worked hand-in-glove with John for well over a decade. He became thoroughly expert in expressing John's views on almost every imaginable question of interpretation of the National Labor Relations Act. That is what he was supposed to do. That is what he did, and did well.
>
> Today, we have a vacancy in the General Counsel's position. There are, as has been referred to here today, tens and probably hundreds of able lawyers, expert in labor law, available for that position. Tens and hundreds of them who did not spend most of their legal careers as an amanuensis of the present Chairman of the National Labor Relations Board.
>
> Able men and women are available whose independence from the Board could not possibly be doubted. In my view, you have every right to insist, and you ought to insist, that one of them be chosen.

Those are his remarks to us on the Labor and Human Resources Committee.

He goes on to say—remember, that is Ed Miller, the former Chairman of the National Labor Relations Board, I think there is a parenthetical thought that needs to be put in here: Nobody wants to come in and testify against a man who has the complete support of labor, along with a whole bunch of other people, who, in their eyes, is very likely to get this position whether or not he is opposed, and thus put their experience and their reputations on the line and, of course, their practical experience that has to occur before the Board. It is not easy for these people to say these things.

These people know that they are going to have to come before the Board and when the Chairman himself is such an ardent advocate, he is not going to forget what they said. I think he should; any quasi-judicial leader in this Government should. But this man is so emotionally involved in the Lubbers nomination that I suspect that if one looks at it carefully, one would know that it took guts and integrity and belief in this country to come in and testify.

As you well know, they were not running down Mr. Lubbers as a human being. Neither am I. But they were questioning the propriety of this nomination and really his competency for this job. It was not an easy thing for them to do and it was an uncomfortable thing to do. They expressed their discomfort in doing this. But they thought that the process was more important than either Mr. Fanning or Mr. Lubbers, and so do I. I think it is much more important than either of these able people, especially when there are other people who are equally prounion who could be chosen.

This has become a Donnybrook because labor has said, "Look, we want this man whether anyone likes it or not. We know Mr. Goldberg and Mr. Frenkel, acceptable to business, would be just as acceptable. And we know that Curtis Mack would be impeccably fair to the labor union cause."

I think Curtis Mack would be equitably fair to both sides. He is probably the most excellent choice of anybody. Of course, I do not make the choices.

All I can say is that it was not easy for these people to come in and testify.

Let me continue with former Chairman Miller's comments. He said:

> Able men and women are available whose independence on the Board could not possibly be doubted. In my view, you have every right to insist, and you ought to insist, that one of them be chosen. You know the names of several who are under consideration.

I have named three here today.

> Had any one of them been chosen, I would not be here today. Some of them are lawyers representing unions. Their views on labor policy would not be the same as mine. But I would not be here to oppose the selection of any of them. I am here to speak for a principle, not for or against any man or any woman.

Let me repeat that:

> I am here to speak for a principle, not for or against any man or any woman. I am here to say that the independence of the NLRB's General Counsel should be assured. There are lots better ways to assure it than by naming a candidate who has spent the better part of his professional career learning and practicing the art of expressing the views of the current Chairman of the National Labor Relations Board.

You know, that is a pretty devastating statement. Here is a man who likes Mr. Lubbers, as I do. Here is a man who finds him to be a nice man, as I do. Here is a man who has found him to be an able lawyer, as I do. Here is a man who has found him to be an able advocate of the Chairman of the Board's viewpoints, which by the way, are basically 100-percent prounion for all of his 27 years, or at least certainly the last decade of his career. He has expressed his views because he feels exactly the same as him, and he has a right to do that. He has been used to speaking for Mr. Fanning. He has been used to making appearances for Mr. Fanning. He has been used to being the spokesman for Mr. Fanning. He has been used to speaking for the labor movement in America. All of these things he has a right to do.

But what he should have done, it seems to me, is not put his name in the ring for one reason, and that is that he has worked with Mr. Fanning, as Mr. Miller so aptly put it, as amanuensis for basically 20 years or better.

I do not care who we are. This is not an issue of running down Mr. Lubbers. This is not an issue of partisanship. This is not a prounion or antiunion issue here on the floor as we raise it. This is an issue of propriety. This is an issue of competence. This is an issue of experience. This is an issue of competence to do this job. When I speak of competence, I am talking specifically to do this job.

I personally believe Mr. Lubbers is competent to do the job he has done for the last number of years with Mr. Fanning.

At the hearing, and anybody who wants to take the time can certainly find this out, Mr. Lubbers acknowledged that he agrees with Mr. Fanning's labor law case decisionmaking over the years they have worked together. Mr. Lubbers, it was pretty clear, is going to do whatever Mr. Fanning wants him to do.

And that is not the way the independent General Counsel's position should be. This would put back labor-management relations back before the Taft-Hartley Act when everybody was complaining about the Board being judge, prosecutor, and jury in labor-management relations cases. I do not think we should go back to that day when there are, as we say, tens of hundreds of competent labor lawyers who are promanagement, prounion, and in the middle, who would probably be the better choices for this position.

It really worries me that this position has to be such a Donnybrook when business is willing to be conciliatory; when business is willing to compromise; when the business community is willing to accept union General Counsel as named; when business is willing to accept a regional director for the Atlanta region for this position. Why are we in a Donnybrook over this particular nomination which has all of the earmarks of impropriety?

Somebody has to ask the question and I am asking it. Why are we being put to this type of a test on the floor of the Senate by our colleagues in the Senate who really ought to all be working for the best in Government, who ought to all be working for the best possible people for these independent positions, who ought to all be working for fairness and equity to both sides, who ought to all be working for a reasonable approach to labor-management relations, who ought to all realize that in their respective States, if we get into a constant conflict over impropriety because of a 100-percent bias in the appointment process with regard to labor law, we are going to be in problems all over this country in labor-management relations like never before?

It does not take many brains to realize that the equities are on our side in this matter. We are not attacking Mr. Lubbers as a person. We are not attacking his ability as a labor lawyer to work for Mr. Fanning. We are not attacking his ability to head many other positions in Government. I would not oppose him for many other positions of Government.

We are raising the question of propriety. We are raising the question, Why not the best? We are raising the question of administrative ability which this man has no experience with. We are raising the question of independence because the General Counsel has to be independent of the Board.

If the General Counsel's main guru in labor relations is the Chairman of the Board, then we can count on a tremendously bad precedent to be set. As a matter of fact, it could turn around because if the Republican nominee is elected President in 1980, and there seems to be at least a reasonable opportunity for that—and I would suggest more than a reasonable opportunity—then the whole Board can be changed around the other way. Then it just becomes a partisan mishmash that does not benefit America or anybody else.

In the end, if that were the case and this precedent is set, I would not blame any Republican President who would say, "If they are going to play hardball that way then we are just going to have totally biased people" for whatever particular persuasion or philosophy he has. Or if you have a Democratic President who does not agree with labor, and that is possible.

Labor has continually decried some of the things President Carter has stood for, though I have to admit he has basically done whatever labor has wanted. and this is a perfect illustration of it.

I do not want a Republican President coming in here and saying we are going to have an all pro big business or all pro small business person here. I do not want that happening either. I want fairness and equity. I hope we can have people in Government who are the best.

What really galls a lot of us is that during the 1976 campaign—and this is not just the Republicans but also a lot of the Democrats in the Senate—here was a candidate who ran on the principle of why not the best, and who has continually flooded the Government with a lot of people who are not the best but quite less than the best, and some who are only average.

I hope that my colleagues on both sides of the floor realize that there is no animosity or desire to cause disconcertion to Mr. Lubbers or anybody else in this matter, but mainly to stand up for what we consider as principles.

There is another important point to consider. That is, what will be the harm to the National Labor Relations Board and its ability to adjust labor disputes if Mr. Lubbers is confirmed?

Here is what former Board member Walther said at the hearing:

> In my opinion, the Washington "ivory tower" approach of the Board in deciding the difficult cases presented to it is one of the main reasons why the Board has been unsuccessful in getting even 50% of its orders enforced in the Courts in the past two years.

That is an amazing statement. If I can interpolate here, they have less than 50 percent of its orders enforced because of the partisan nature of the Board and the partisan position it has come to.

Let me continue with the Walther comment:

> Since January 1978, through this past Monday, the weekly labor case reporting services have reported 517 Circuit Courts of Appeals' decisions involving the enforcement of National Labor Relations Board Orders. In only 238 (47%) of these 517 cases did the Court enforce in full the Board's Order. 53% of the time, the Circuit Courts have found it necessary to revere, modify, or remand part or all of the Order.

Let me interpolate again. Fifty-three percent of the time, the National Labor Relations Board's orders have been rejected by the courts.

That is a pretty high percentage. Some people would say that 10 percent would be high.

Let me give an illustration. My colleagues on the Judiciary Committee, with regard to a moderate woman who was nominated for a judgeship in one of our eminent States in this Union, raised Cain because she had something like a 10 percent reversal rating by courts of appeals when, in fact, that was not really very much of a reversal rate.

The National Labor Relations Board was in here complaining. They came before our committee and said, "Well, this is awful." They tried to make out a case that this was a tremendously bad thing.

Yet, here we have a Board dedicated to serve all sides of the various issues, management and labor, whose orders are rejected 53 percent of the time in the last 2 years. The reason for that is because the people in Government today are making the National Labor Relations Board a partisan, biased Board. If it continues, they will run the effectiveness of the National Labor Relations Board to the detriment of labor-management relations in this country.

What really bothers me is that even though the business people in this community are willing to accept pro-union, independent General Counsels, who have experience in this area and have competence and tremendous background, but, nevertheless, are 100 percent biased in favor of the unions, even though they are willing to accept those, the administration will not consider them.

I take it that a number of my colleagues will not consider it, on both sides of the floor. But there are sufficient numbers of our colleagues who will reject this.

I serve notice that this is not going to be a simple thing.

Perhaps the majority here will win on cloture. I do not know. The odds are heavily against our side. I know that, because I do not know of any case where there has been extended educational dialog with regard to a Presidential nomination. There may have been, but I do not recall it.

All I can say is that I believe Mr. Lubbers should be rejected.

Let me go on a bit further in Mr. Walther's testimony. Keep in mind, he has just brought out that in 53 percent of the present Board's rulings over the last 2 years, basically, the upper courts have failed to enforce them in full.

Mr. Walther goes on to say:

> During this same period, the Regional Offices under the command of the General Counsel have increased the percentage of settlements from about 81% to over 85%. It is the artful mediation developed by this well-respected Division of the Board, the Office of the General Counsel, that has brought about this recent development.

In other words, it is John Irving and another member who have increased the ability to settle cases because they did not act as partisan or biased people in their service on the Board.

I think our distinguished chairman, my dear friend (Mr. WILLIAMS), would agree with that.

Mr. Walther goes on to say:

> Management and labor alike have been able to feel secure in fully presenting their respective views of a labor dispute to the neutral field personnel who serve under the General Counsel. Their security is founded in the knowledge that those who serve under the General Counsel are experienced and understand the precise nature, complexity and working background behind the problem presented. Clearly, what this great agency needs is a General Counsel who has experience and understands the field operations

> and the mechanics of the compromise of labor disputes. The settlement function, so carefully programmed and developed, simply will not tolerate at its apex one so recently weaned from Washington's ivory tower. This is simply much too important an office for on-the-job training.

That is a pretty strong indictment. Let me repeat, because it is true. "This is simply much too important an office for on-the-job training."

Mr. Walther goes on to say:

> I saw the work of the nominee during the two years while I was on the Board. He has been an able and knowledgeable staff counsel and functions effectively as Executive Secretary in the "ivory tower." But he does not possess the administrative experience, field experience, or the actual experience in solving labor disputes that is essential to be able to function as a successful General Counsel.

Mr. President I think that testimony is devastating from a former member of the Board. I do not think it is refutable.

I commented earlier in the debate here that I felt this was probably the first time there was extended educational dialog on a judicial nomination. But I think there were at least two Supreme Court nominees who were debated quite extensively. They were the Haynsworth and Carswell nominations. As I recall, Strauss for Secretary of Commerce was debated at length, as well.

There may have been others, but those are the only ones I know of. So, this is a fairly unique situation. It is the first time any nominee for the National Labor Relations Board, and especially the General Counsel, has been extensively debated on the floor.

(Mr. DECONCINI assumed the chair.)

Mr. HATCH. Mr. President, in regard to the nomination of William A. Lubbers to the position of General Counsel of the National Labor Relations Board, I feel my fellow Senators should keep in mind the turmoil the Board has gone through since the White House announced Mr. Lubbers' temporary appointment. In particular, I would like to briefly discuss the appointment's implications on Betty Southard Murphy. Mrs. Murphy resigned from the Board after many years of dedicated service, rather than accept an interim appointment.

Although it was the White House's intention to reappoint Mrs. Murphy after Mr. Lubbers' appointment was confirmed, she refused to be held "hostage" by a political puppeteering practice. One can imagine how Mrs. Murphy felt. After many years of dedicated public service, she is rewarded in a manner that signifies gross injustice not only to Mrs. Murphy, but also to the National Labor Relations Board and consequently the handling of labor relations throughout the country. Mrs. Murphy is one of those precious few that both organized labor and management have genuinely accepted as a Board member. Therefore, it is most unfortunate that this confirmation of Mr. Lubbers' nomination has dealt such a blow already to the delicate balance of labor relations. Mrs. Murphy, in her letter of resignation, illustrated her dedication to public service and her regret to leave the Board.

I should like to share Mrs. Murphy's letter of resignation with my fellow Senators, and I quote:

> DEAR MR. PRESIDENT: I have served on the National Labor Relations Board as Chairman and member for over 4½ years now. I originally came on the Board because Dr. John Dunlop believed that individuals who were experienced in collective bargaining and who were acceptable to both labor and management had a responsibility to serve in public positions. Having represented unions and employers for 14 years in private practice, I was in that category.
>
> It is one of the greatest compliments of my life that after serving a term on the Board I have been urged by both organized labor and the business community to remain. Although I have considered helping to formulate the national labor policy a privilege, I have decided not to accept the offer of an interim appointment conveyed to me on your behalf by the Department of Labor, or renomination for a second term.
>
> Accordingly, I submit my resignation, effective December 14, 1979, in order to return to the private sector where I hope to serve the common interests of constructive labor-management relations.
>
> Sincerely,
>
> BETTY SOUTHHARD MURPHY.

It seems shameful that Mrs. Murphy was offered an interim appointment rather than renomination for a second term. The impact of her resignation was felt immediately by members of both the business and labor community. Lane Kirkland, AFL–CIO president, said:

> Mrs. Murphy has done an outstanding job as Chairman and as a member of the National Labor Relations Board, and we regret her resignation. We know, however, that she will continue to make a real contribution to the improvement of labor-management relations in the United States.

On behalf of business, Dr. Richard Lesher, president of the U.S. Chamber of Commerce was quoted as saying:

> We regreat that Betty Murphy has resigned from the National Labor Relations Board. Both as Chairman for 2 years and later as a Board member she has done a superb job demonstrating a strong commitment to fairness and objectivity so essential to public confidence. It is the finest tribute to her that both organized labor and business expressed confidence in her work.
>
> We are confident that she will continue to be a stabilizing influence on labor-management relations in the country, not only by virtue of her Broad experience, but also because of her practical experience prior to her board tenure.

It should be clear to my colleagues that the public good—our purpose for being present here today—has been dealt a great setback. I pray that this type of predicament will not be repeated again. The loss of a true public servant due to political dickering is not in the better interests of our country.

Mrs. Murphy's departure from the Board can be attributed to her being offered an interim appointment until Mr. Lubbers' nomination was confirmed, rather than an instant renomination with the support of all sides in this matter.

It is a disgrace that politics were played with respect to her nomination. She would be sitting on the Board today, representing both sides well, and listening and being ethical and decent and doing those things to bring about a feeling on the Board of competence and clarity, honor and integrity, working for the interests of all, if it had not been for the political dickering that went on in holding her renomination hostage while trying to get the Senate to accept, by force, the Lubber's nomination.

Mrs. Murphy's departure from the Board can be attributed to her being offered an interim appointment until Mr. Lubbers' nomination was confirmed, rather than a renomination.

It should be clear to my colleagues the reason for offering her the interim appointment—the White House, questionable about Mr. Lubbers' integrity in serving as General Counsel of the National Labor Relations Board, and his subsequent confirmation in the Senate, felt it necessary to delay Mrs. Murphy's renomination until Mr. Lubbers' nomination was confirmed.

Obviously, Mrs. Murphy's unfortunate departure from the Board can be directly attributed to the lack of confidence displayed by the White House in Mr. Lubbers' ability to be confirmed on his own merits. Consequently, we should inform the White House, by rejecting this nomination, that we share its doubts about Mr. Lubbers' ability, and that we object to the treatment given so dedicated a public servant as Mrs. Murphy.

I wish also to add that in this nomination holding Mrs. Murphy hostage, while presenting this doubted nomination, doubted by everyone and trying to, in essence, for the Senate to accept the nomination, that all of us who would have liked to have seen Mrs. Murphy renominated, and so would all of labor and so would all of business for one of the first times in history, was not only a disgrace but less than a honorable thing to do.

I think it is very important that we understand that this raises two important issues. Not only was one of the leading women feminists in this country mistreated by this approach, but since I think all of business and all of labor would also accept one of the leading black labor lawyers in the country, who has inestimable experience. Curtis Mack's treatment has also been a very, very interesting and regrettable occurrence.

Mr. Mack not only knows the workings of the General Counsel's office because he has run one of the better regional areas for the NLRB, but Mr. Mack has had tremendous experience in labor law and in precisely the areas overseen by the General Counsel to the National Labor Relations Board.

I think there have been two major slights by this political dickering, by this issue, a slight to the women of this country because of the officious and rude approach toward Mrs. Murphy, who served with distinction both as Chairman and a member of the Board, but also I think a major slight to the blacks of this country, who have been asking this administration to find the very best black leaders in America and give them opportunities in our Government and in our country today.

Mr. Mack would not make much more money than he makes now if he became General Counsel of the National Labor Relations Board. But it would be a recognition that he is not only one of the leading black leaders in this country but he is one of the most esteemed labor lawyers in this country, that he has viable and valid administrative experience and that he has the capacity to operate in this position better than Mr. Lubbers ever could, in my opinion, because of the long-term and devoted relationship he has had with Mr. Fanning.

I do not see how anyone looking at this issue would fail to see that this involves ethics. It involves why not the best. It involves the integrity of the national labor relations' process. It involves the integrity of the National Labor Relations Board. It involves the integrity of the General Counsel's office. I do not see how anyone can fail to understand those particular points here.

But what really should offend a lot of people is the calculated mistreatment of one of the leading women in our country, Mrs. Murphy, who is acceptable to both sides, a good friend of labor and a good friend of business, a person who was fair on the Board. I myself did not agree with all of Mrs. Murphy's decisions. In fact I guess I could say I did not agree with the majority of her decisions. But I did agree that she was a devoted and outstanding member of the Board and deserved renomination since she had the support of everyone. I think it goes to show that the Board itself was denigrated because of the refusal to renominate her ahead of Mr. Lubbers, thinking as small political minds do that if they held Mrs. Murphy's renomination hostage she must have wanted it so badly that somehow or other we here in the Senate would accept Mr. Lubbers by default.

I can remember chatting with Mrs. Murphy about this, and she can speak so well for herself I would not even try to paraphrase what she felt at the time.

But suffice it to say, she was very, very badly mistreated and she knew who the mistreaters were and are.

In the process the National Labor Relations Board has been denigrated because when we have a nominee who would have come through the Senate by acclamation, supported by the labor union leaders and all of labor, supported by the business leaders and all of business, held up because somehow or other labor thinks or this administration thinks or both think that this nomination is more important, I cannot see how the Board can survive as the most important of the two positions.

There is no use kidding about it. This is a major, major problem, and I think we have not heard the last of it.

If Mr. Lubbers is confirmed, I believe that it will cause chaos ultimately in labor-management relations in this country just as labor law reform would have done because I think that he will do everything in his power to ignore the wishes of the Senate and to put in place those provisions of the Labor Law Reform Act that have been so decisively rejected by the Senate and not just after a little insignificant battle. It was an intense battle waged by both sides, and I might say I think waged effectively and well by both sides.

It was a good debate because people could really understand maybe for the first time in many years how important our labor laws are in our country and how important they are to all of us.

I believe that Mrs. Murphy was done an injustice and I believe women have been done an injustice in this society. I believe that Mr. Mack has been done an injustice since he would have had the support of all concerned and thus I believe that the black community has been done an injustice because here is a perfect opportunity for this administration or any administration to put in an outstanding black leader in this country in a field where he is equal to anyone and better than most at a time in our country's existence where he has earned the right. That is what is almost pathetic about this.

In the interest of politics, women and blacks have been ignored.

Mr. President, for our consideration today is the appointment which at first glance might seem innocuous enough. Generally, Presidents send us appointees who are perfunctorily confirmed. No one wants to vote against the President's nominees. I do not want to. I have not voted against very many of them and only when I have felt that they did not merit those positions, and in this particular case I do not believe Mr. Lubbers merits this position.

In the usual situation little time is expended on the qualifications of the nominee as we assume that the President has done his homework and has made an appointment which if not the best candidate is certainly one suitable for the position. This is to say that most persons are confirmed with too little investigation.

However, today, the appointment of Mr. Lubbers demands our total attention and consideration for we are doing more than placing a figurehead into a job for the next few years. We are setting policy for labor relations law that will extend for years after Mr. Lubbers has left his position. In addition the confirmation of Mr. Lubbers is a definite statement to both management and labor. To labor we are stating that we believe it deserves more power. We are also thanking organized labor for its past support. To management we are turning our backs and saying that businesses can no longer look to Congress for needed support or even neutral legislation. I am not sure that we want to make such a pronouncement, and I am sure that we should not make such a statement.

Now I have nothing against Mr. Lubbers. I am told that he has been a good Government servant over the past years. But he has been closely alined with pro-labor interest, more so than is fair in the continuing cooperative competition between labor and management.

I am sure that some of you are unaware of the power wielded by the General Counsel. The General Counsel is more in control of policy and practice than any judge or Labor Board member that we could appoint. It is the General Counsel who determines what complaints shall be filed against violators of the National Labor Relations Act. It is the General Counsel who determines policy for enforcement of the act. He approves settlements and effects regulations for all the regional offices operating around the country.

The General Counsel has final authority, subject neither to appeal to the NLRB nor to the Federal courts, both as to the investigation and prosecution of unfair labor practice charges by management, labor, and the public at large. The investigation of all unfair labor practice charges is totally and exclusively within his control. Because his decision is unreviewable, the failure to issue a complaint in an unfair labor practice case leaves the aggrieved party with no local recourse. On the other hand, if a complaint is issued by the General Counsel on the basis of a nonmeritorious charge, needless harassment results.

Finally, if the General Counsel unnecessarily delays his decision, he will, as a practical matter, significantly affect if not deny substantive rights. It is critical, therefore, that the General Counsel impartially investigate and prosecute unfair labor practice charges, and do so in a timely fashion; that nonmeritorious charges be dismissed and not used as a ploy by either labor or management for strategic objectives.

Members of the Labor Board do not have nearly the latitude of the General Counsel. Their function is to decide cases. They set very little policy individually.

Like the General Counsel, a member of the National Labor Relations Board is expected to be fair. However, members of the Labor Board represent different positions which, taken collectively, form the consensus for a decision. Further, people know what to expect from each Board member and in the past appointments have been made to keep the Board's interests balanced between labor and management.

Yet there is but one General Counsel. If he favors labor over management, fewer complaints will be issued against unfair union practices. More management practices will be questioned. More decisions will be rendered against businesses, all resulting in a loss of confidence in the workings and equality in the labor processes. While he is the prosecutor regarding labor matters, he is to prosecute both sides equally and fairly. He is not to be a sword for labor or management. In this regard, he must be fairer and more objective than any Board members.

I say to fellow Senators, a biased, arbitrary, or unfair General Counsel will result in a loss of confidence in that Office, and a rejection and total disregard for fair labor practices. We all know that if a person does not believe that he can get justice, he will attempt to take matters into his own hands. If an individual believes that the rules are unfair, he will disregard them. That is the situation we must seek to avoid.

Congress has always intended to keep a delicate balance between management and labor. It has attempted to keep the rules of the game fair, and keep the judges and prosecutors honest and impartial. Every piece of labor legislation that has passed has been intended to maintain a fundamental fairness in labor relations.

Recently, we have seen several efforts intended to strengthen labor. Efforts such as the Labor Law Reform Act 2 years ago, the passage of higher minimum wages, and the Humphrey-Hawkins bill. Some of these bills have been passed. None, so far, has eroded the delicate balance that exists between labor and management.

But, the pendulum can only swing so far before we see a major revolt or the necessity for major changes in labor relations.

Should we go too far in either direction for management or for labor, we can expect a disregard for the law, attempts to circumvent legislated or regulated practices, and a revolt among part of our constituencies. This need not occur.

Let me say that I do not think that William Lubbers is the straw that will break the camel's back. But he could be sufficiently biased to make a major prolabor swing if his assistance to unions on labor law reform is an indication. At this point, I do not think anyone knows just how much in labor's camp Mr. Lubbers is.

I do know that management groups around the country universally oppose him. Moreover, he has written many of Chairman Fanning's decisions, including several of those which have reversed long-standing Board precedents. In each instance, the new decision has taken a much more prounion status. And, while overturning an out-of-date decision is not a bad thing, the positions advocated by Chairman Fanning and his protege Mr. Lubbers are obvious.

As a matter of public policy, it is the belief of management groups that this appointment will give rise to a perception of impropriety which will undermine public confidence in the integrity of the agency. This perception of impropriety has been underscored by the overt support for Mr. Lubbers' appointment as General Counsel by Chairman Fanning, and by the Chairman's threat to resign if Lubbers is not confirmed. Does this not indicate something?

It is because of this perception of impropriety between two ideologically similar men that there is the need for Mr. Lubbers' defeat. Congress has wisely separated the Board from the General Counsel. We should not reunite these offices by indirect action. Should it be our intention to integrate these offices, let us do it through direct legislation. For that matter, if we desire to favor organized labor over management, let us take an open position. I am proud of my position in this matter. I am willing to be fair. I implore each of you to be as honest, for whatever you believe. We owe a duty of candor and fairness on this issue.

Mr. President, for the reasons I have stated, I oppose the confirmation of Mr. Lubbers. Confirmation would violate the clear statutory mandate and congressional intent embodied in section 3(d) of the National Labor Act regarding the independence of the Office of General Counsel.

We must insist that the President send to us a nominee who is objective, honest, and who does not favor one position over the other. I think we should vote against William Lubbers.

Mr. President, I believe one of the best single documents I have read outlining the fundamental prerequisites an acceptable General Counsel must have is the resignation letter of the immediate past General Counsel, John Irving. This is the man who was the No. 2 man in the General Counsel's office for 3 years prior to his selection as General Counsel, where he served a full term. He is in an excellent position to understand the needs and demands of a person assuming the General Counsel's role. I ask unanimous consent that Mr. Irving's letter, dated July 10, 1979, be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

OFFICE OF THE GENERAL COUNSEL,
Washington, D.C., July 10, 1979.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: This is to advise you that I plan to resign as General Counsel of the National Labor Relations Board effective October 19, 1979. Although my term does not expire until November 20, 1979, I believe my early departure may facilitate the timely selection and confirmation of my successor prior to the Congressional winter recess. As I am sure you appreciate, having as little hiatus as possible between appointments is important to the effective administration of the National Labor Relations Act, and this early announcement of my departure, hopefully, will assist in this process.

I am sincerely thankful to have had the opportunity to serve the public in an Agency in whose mission I deeply believe. It is my hope and belief that substantial contributions have been made to promoting harmony in the labor management community and to the swift and peaceful resolution of industrial disputes. Throughout my thirteen years with the National Labor Relations Board, I have been privileged to serve with dedicated and competent people who possess the finest attributes of public service.

Concerning my successor, and hopefully without appearing presumptuous, the importance of certain qualities should be underscored. It goes without saying that thorough familiarity with the substantive and procedural provisions of the National Labor Relations Act is essential. Equally, management and private individuals who have business with the Agency must be dealt with even-handedly and openly if confidence in the National Labor Relations Board is to be maintained.

It is further evident from my experience as General Counsel, that the position must be filled by a capable manager. The General Counsel has direct administrative responsibility for the Agency's field offices, for over 2500 of the Agency's 3000 employees, for the processing of over 50,000 cases annually, and for most of a budget of over $100,000,000. Managerial responsibilities consume a large portion of any General Counsel's time, and sound administrative skills will to a large extent determine the success of his or her administration.

In closing, I would also like to thank you for your cooperation with this Agency. Your recognition of our independence and concern for the effective enforcement of the National Labor Relations Act have been manifest, particularly through the budget process and the cooperation we have been afforded by the staff of the Office of Management and Budget. Without this cooperation, my Office would have been unable to maintain its reputation for timely and effective casehandling and it would have been difficult for me to live up to my statutory responsibilities.

Once again, it has been a distinct honor and privilege to have served as General Counsel of the National Labor Relations Board.

Respectfully,
JOHN S. IRVING, Jr.,
General Counsel.

(The following proceedings occurred during the presentation of Mr. HATCH's remarks and are printed at this point in the RECORD by unanimous consent:)

Mr. HATCH. Mr. President, I yield to the distinguished majority leader.

ORDER FOR A VOTE ON THE MOTION TO INVOKE CLOTURE ON MONDAY AT 5:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to invoke cloture on Monday begin at 5:30 p.m.

The PRESIDING OFFICER. Is there objection? Without objection it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under the rule begin at 4:30 p.m. without the automatic quorum that is required. This would make it possible for the vote to begin at 5:30. So I ask unanimous consent that the 1 hour begin running at 4:30 p.m.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Without the automatic quorum.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Without any quorum.

ORDER FOR RECESS UNTIL MONDAY, APRIL 21, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand recessed until the hour of— I believe, under the order of yesterday, I can just announce the hour for Monday.

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. I will consult with the distinguished Republican leader.

The Senate will come in at 12 o'clock on Monday and, in the meantime, under the order, it would recess over.

So I guess that is about it.

The debate has been heated and very edifying and constant and participated in by at least a half-dozen Senators. Any time it winds down today I will be glad to suggest that we have some routine morning business and not go back to the nomination today.

Mr. HATCH. I thank the distinguished majority leader.

Mr. ROBERT C. BYRD. I do not want to shut off any Member from speaking. I do not want to appear to be hasty in my comments.

Mr. HATCH. Perhaps we can wind down this strenuous debate, articulate debate, and interesting debate about a quarter to 1, if that is satisfactory to the majority leader.

Mr. ROBERT C. BYRD. Does the Senator mean a quarter to 1 in the morning?

Mr. HATCH. Why not make it a quarter to 12, right now?

Mr. ROBERT C. BYRD. A quarter to 12, now?

Mr. HATCH. Sure. That would be fine with me. I will defer my very, very important remarks until next Monday at 12 noon.

Mr. ROBERT C. BYRD. That causes me to hold my breath over the weekend. [Laughter.]

Mr. HATCH. I would not want to do that, so I will make a Xerox copy and the majority leader can read them at home.

Mr. ROBERT C. BYRD. I am having a little trouble reading everything I need to read. I am almost persuaded to vote with the Senator. If he does not complete his remarks——

Mr. HATCH. If the Senator will vote with us against cloture all the way——

Mr. ROBERT C. BYRD. Not against cloture. But I am almost convinced to vote against the nominee.

Mr. HATCH. I would expect that the distinguished majority leader would, just by realizing the facts, be convinced to vote against the nominee.

Mr. ROBERT C. BYRD. I have not had all the facts laid before me.

Mr. HATCH. We will make sure we do that between 12 and 4:30.

Mr. ROBERT C. BYRD. But I like to listen. My ear gets to my soul better than my eye. Playing the violin is such a stimulative.

Mr. HATCH. There is nothing that gives me more pleasure than chatting on the floor of the U.S. Senate, particularly with the distinguished majority leader. In fact, I love to listen to the distinguished majority leader and I have listened to him for hours and hours over the last couple of years and he has always been articulate.

Mr. ROBERT C. BYRD. I have never seen the Senator listening when I am speaking. I do not even see him on the floor when I am speaking.

Mr. HATCH. That is the only way to learn the rules, to listen to the distinguished majority leader.

Mr. ROBERT C. BYRD. I do not talk about the rules very much.

Mr. HATCH. I know, but watching the Senator in action teaches us all about the rules.

Mr. ROBERT C. BYRD. Watching me in action? What does the Senator mean by that?

Mr. HATCH. Well, I think just the constant, enjoyable and great leadership approach that the Senator uses, not just in this segment. I have seen the Senator all over this forum. Of course, nobody admires the distinguished majority leader more than I do. I admire him because of his knowledge of the rules. I admire him because of his fairness. I admire him because of his ability to be tough and his ability to be——

Mr. ROBERT C. BYRD. His ability to be what?

Mr. HATCH. His ability to be tough, his ability to be compassionate, his ability to understand.

Mr. ROBERT C. BYRD. My wife would not say that.

Mr. HATCH. I am sure your wife would not say that. This is meant as a compliment.

Mr. ROBERT C. BYRD. What is meant as a compliment?

Mr. HATCH. That you can be very tough.

Mr. ROBERT C. BYRD. About what?

Mr. HATCH. About everything.

Mr. ROBERT C. BYRD. What is everything?

Mr. HATCH. Well, you will have to define that for me. That is where we started when we began this colloquy. That is when I listen to the distinguished majority leader.

Mr. ROBERT C. BYRD. When is that?

Mr. HATCH. Every day. Every day we are in session.

Mr. ROBERT C. BYRD. I do not speak every day.

Mr. HATCH. Well, almost every day. By the way, this is one of the best colloquies we have had during the entire time. I admire the majority leader. I am willing to do whatever he wants us to do. I would suggest that a reasonable time would be a quarter to 1 today and I am happy to talk until then. If the Senator wants to go beyond that, I will exert effort to do it, but I think it would be overdoing it today when we will have a cloture vote we have all agreed to by unanimous consent at 5:30 on Monday. I think that is a reasonable approach. I will leave it to the majority leader. I am amenable to anything the majority leader wants to do.

Mr. ROBERT C. BYRD. Vote then?

Mr. HATCH. Well, I mean, that is reasonable.

Mr. President, I ask unanimous consent that my speech not show any of the interruption that we have had, and that my speech continue as though it was given in full without interruption.

The PRESIDING OFFICER. The Senator's remarks are not to be interrupted by the colloquy between him and the majority leader?

Mr. HATCH. That is correct.

The PRESIDING OFFICER. Without objection, it is so ordered.

(Conclusion of earlier proceedings.)

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed now with routine morning business, as in legislative session, that the period not extend beyond 1 hour, and that Senators may speak therein up to 5 minutes each, as in legislative session.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Mr. HATCH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, the Senate, at 12 noon, recessed until 1 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BUMPERS).

The PRESIDING OFFICER. Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I will ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS FOR 1 HOUR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, the Senate,

at 1:05 p.m., recessed for 1 hour; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BURDICK).

The PRESIDING OFFICER. The Senate will be in order.

Mr. BUMPERS addressed the Chair.

The PRESIDING OFFICER. Is there further morning business?

The Senator from Arkansas.

THE CONCENTRATION OF ECONOMIC POWER

Mr. BUMPERS. Mr. President, I have spoken on the floor several times in the past year about the concentration of economic power into fewer conglomerates.

In the first quarter of 1979 there were twice as many mergers as there were in the first quarter of 1978, and the total dollar value involved in those mergers was $34 billion, which is by far the highest in the past 10 years. More than 2,000 mergers occurred in 1978.

The growth potential of the conglomerates is demonstrated most graphically by the Gulf + Western Corp., which is now the 59th largest industrial firm in the United States. Twenty years ago Gulf + Western was a small manufacturing concern in the Midwest with $8 million in annual sales and 500 employees. According to its most recent report, in the past 20 years the corporation has gained control over 100 companies, employing more than 100,000 workers, and with revenues of $4 billion. Gulf + Western bought 64 advertising pages in Time magazine to boast that it owns Madison Square Garden, grows sugar cane in the Dominican Republic, produces movies for Paramount Pictures, publishes books under Simon and Shuster, makes cigars, weaves clothing, manufactures pulp, rolls steel, and lends money, just to name a few of its businesses.

Recently Montgomery Ward and American Can were swallowed up by Mobil Oil; Kennecott Copper purchased the Carborundum Corp. for more than a half-billion dollars; Philip Morris drank up Miller Brewing Co.; Sun Oil Co. acquired Becton, Dickinson, one of the best surgical instrument makers in the country, for $293 million. The list is endless.

About 60 percent of the manufacturing assets of this country are in the hands of 200 corporations. That is a doubling of the concentration of manufacturing assets into fewer and fewer hands in the past 25 years.

Mr. President, this morning the Washington Post printed the first of a series of articles dealing with this subject. The article in this morning's paper is entitled "Playing The Takeover Game." It is a very comprehensive, in-depth study of acquisitions by conglomerates in this country.

I would not have any quarrel with this trend if I thought these conglomerates were more efficient than the small concerns they are acquiring. However, all indications are that the opposite is true.

It is my belief that this is a significant contributor to inflation. If one of these conglomerates does not have enough significant competition to challenge its market position, it can raise the price of its goods regardless of the demand.

The article states:

> Prominent among the cash rich suitors have been major oil companies. Last year, for example, Exxon easily won the hearts of the stockholders of Reliance Electric Corporation, the third largest maker of electric motors, by paying them more than double the market price of their shares.

Many Senators will recall that Reliance Electric was selling on the New York Stock Exchange for $36 a share. All of a sudden it jumped to $72 because Exxon offered that price for its stock.

The total acquisition cost was $1,016,000,000. But you know, Mr. President, that was not the biggest acquisition. Two other 1979 acquisitions cost more than Exxon's.

RCA Corp. paid $1.35 billion for C.I.T., and Shell Oil paid $3.6 billion for Belridge Oil.

Mr. President, I have requested a study by the Library of Congress about the acquisitions of the major oil companies in recent years. Not only are they capturing nonenergy-related corporations, but they are also buying small independent oil companies. The independent producers are taking the risks, making the investments to go out and explore for oil, using 100 percent of their revenues to do it and even more in some circumstances. Once they develop reservoirs and reserves of oil, the majors come in and take them over, because they know that the price of that product is increasing dramatically.

It does not bode well for the free enterprise system when conglomerates continue to swallow up related and unrelated industries, eliminating competition. It is a very serious indictment of the lack of effectiveness or enforcement of the antitrust laws of this country.

Mr. President, I ask unanimous consent that the article, the first in a series appearing in the Post this morning, be printed in the RECORD at this point.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the Washington Post, Apr. 18, 1980]

PLAYING THE TAKEOVER GAME

(By Morton Mintz)

Once upon a time, if you heard the name of a company, you knew what it made. And if you heard the name of a product, you knew who made it.

R. J. Reynolds meant Camels, Philip Morris meant Philip Morris, and both meant cigarettes. Consolidated Foods meant what it said. So did National Steel. Greyhound meant intercity buses. Colgate-Palmolive meant toothpaste and soap.

Today, such once-stable corporate personalities have been split in a wave of business mergers. Most of these are not old-fashioned mergers—one company buying another in the same line of business. They are mainly conglomerate, unions of unrelated businesses, a kind of economic hopscotch aimed in part at corporate diversification.

Some companies are playing this takeover game for defensive reasons; they are in withering industries, and want to broaden their base. Others are also in it because they have large amounts of idle cash, and the stock market is depressed. Stocks—whole companies—are one of the cheapest things you can buy in America today.

As they buy and sell each other—always for their own good reasons—the merger wavemakers are changing the economy and country.

Their decisions affect areas as diverse as competition, efficiency, innovation, the growth rate of the economy, overseas trade, local philanthropy, and the viability of whole communities.

In some industries, the merger movement has increased economic concentration. It also may have lessened growth: instead of spending money to create new plants, companies buy old ones.

You have to look behind the logos today. Well-known R. J. Reynolds has lessened its dependence on tobacco by acquiring Burmah Oil & Gas and Del Monte. Before being bought, Del Monte had moved beyond bananas and green beans into building maintenance and security services.

Philip Morris, which had swallowed Miller Brewing in 1970, drank more deeply of the beverage market by buying Seven-Up Co.

Consolidated Foods got into panty hose by buying Hanes Corp.

National Steel, which earlier had hedged its bets on a shrinking industry by buying into aluminum, recycled aluminum profits into the nation's seventh-largest publicly owned savings and loan enterprise, the 86-branch United Financial Corp. of California.

Greyhound, following earlier detours into computers, meats and soaps, drove down another byroad to buy Verex, an insurer of home mortgages.

And Colgate-Palmolive became the corporate casing of a salami venture by buying Riviana foods, a rice business that had eaten Hebrew National Kosher Foods.

These acquisitions cost a total of $2.4 billion. That was only froth on a merger wave of tidal force. It began to form in 1975. Since then, by the estimate of Chairman Harold M. Williams of the Securities and Exchange Commission, it has reshuffled the ownership of a stunning $100 billion in corporate assets.

In 1979 alone, says Chicago merger specialist W. T. Grimm & Co., 2,128 acquisitions brought a record $43.5 billion—nearly one-quarter more than 1978's total, and double 1977's. Sixteen had a price tag exceeding $500 million, compared with six in 1978, and 83 cost at least $100 million, as against 80 in 1978 and 41 in 1977.

A simpler indicator of merger activity is the courtship of a particular firm. One you've probably never heard of is NN Corp. of Milwaukee, an insurance holding company. At least 25 times since 1973, one or another conglomerate has approached NN. It's stayed independent up to now.

Financial statements can reveal how far a company has departed from its original business. An example is United States Steel, which has diversified as far afield as real estate. Steel-making accounted for 69.4 percent of all of USS's capital investment in 1976, the first year in which it broke out such data. In 1978 it was down to 59.1 percent and in 1979 53.6 percent, the Massachusetts Institute of Technology's Bennett Harrison told a reporter.

Some cash-rich independent firms have been understandably cynical toward cash-poor conglomerates that sweet-talk about the nonsinful synergies of marriage. But cash-rich suitors also have often been received as friends, lovers or polygamous partners of convenience. In many cases, stockholders of bought-up companies have done well.

Prominent among the cash-rich suitors have been major oil companies. Last year, for example, Exxon easily won the hearts of the stockholders of Reliance Electric Corp., the third-largest maker of electric motors, by paying them more than double the market price of their shares.

The purchase price was $10.16 billion. Yet two other 1979 acquisitions cost more than Exxon's. RCA Corp. paid $1.35 billion for C.I.T. Financial. Shell Oil, in a horizontal merger—the kind that joins like businesses—paid $3.65 billion for Belridge Oil.

Belridge's owners were pleased enough that they paid a marriage-arrangement fee of $14.6 million to Morgan Stanley & Co., the leading investment banking house. Was the fee out of line? It came to only 0.4 percent of the price tag on the biggest acquisition in U.S. history.

A company wanting to diversify sometimes looks for a comfy "fit" between its business and a target firm's. An often-cited example of a good fit was that between Raytheon, a high-technology firm, and Amana, a maker of home appliances. After buying Amana in 1965, Raytheon first pioneered and then took a substantial share of the microwave oven market.

Yet many conglomerates buy businesses that don't thrive in their care, fit or no fit. Part of the problem may be found in a quip by Lammot duPont Copeland, a former president of E. I. duPont de Nemours "Running a conglomerate is a job for management geniuses, not for mortals like us at duPont."

In some cases, conglomerates have sold back acquisitions to buyers, including—conspicuously—heirs of the founders of the acquired firms. This was true of Colgate-Palmolive, which recently disgorged Hebrew National, and of Beatrice Foods and Hart Ski. Started in World War II by three high school dropouts, Hart Ski prospered, was bought in 1968 by Beatrice, which lost money on it; was sold in 1977 to a group including a son of one of the founders, and began to prosper anew.

Acquisitions may make perfect sense for many firms—particularly those too big to be gobbled up by anyone else. In the period 1971–1978, for example, none of the top 50 industrials—firms such as the major oil companies, General Motors, IBM—was acquired.

For many likely targets, however, acquisition is such a repugnant prospect that their managers disrupt their normal activities to develop elaborate defensive strategies, such as retaining a "White Knight" to gallop to the rescue by acquiring control of the target before a raider can.

The takeover game has become a managerial preoccupation. It has to be.

Even among the 1,000 largest industrial firms, nearly 400 consider themselves vulnerable to takeover, and 450 have developed formal defensive strategies, according to a late 1978 survey by the National Association of Accountants.

Some firms have reacted to takeover attempts by bolting the doors, calling the regulatory cops at the SEC and state capitals, going to court, hiring private investigators to dig for scandal, and mounting guerrilla warfare.

To stay out of the clutches of financier Victor Posner Sharon Steel in 1976, Foremost-McKesson (foods, drugs, liquors) got an injunction against further purchase of its stock. When the injunction ran out, Foremost was ready with a contingency plan to be bought up by friendly private investors.

In 1978, Occidental Petroleum made a bid, ultimately unsuccessful, for Mead Corp. Launching a swift counteroffensive, the paper firm's two top officials sent Mead share owners a letter recalling that Occidental and its chairman, Armand Hammer, had had some nasty brushes with the securities laws. Phrases such as "criminal violations" and "fraudulent course of conduct" were underlined.

Some firms contrive to make a takeover illegal. Daylin Inc. (women's wear, health foods, home improvement items) did that in defeating a $129 million takeover bid by W. R. Grace (chemicals, natural resources). It offered $68 million for a firm in some of the same lines of business as Grace, thus making Grace—if it actually were to buy Daylin—a potential antitrust violator.

Other firms, suspecting that their allure is mainly in their large cash dowries, spend them on acquisitions of their own, hoping thereby to repel unwanted suitors. This device was used in 1978 by Carrier Corp., a maker of heating and air conditioning equipment. Facing a takeover by United Technologies Corp. (UTC), Carrier bought Jenn-Air (appliances) for $82 million. It didn't work: UTC swallowed 49 percent of Carrier for $476 million.

An abundance of restless cash in corporate tills has been a major catalyst for mergers, there being meager rewards for letting cash sit idle or for paying it out to stockholders.

In 1978, before buying Reliance Electric, Exxon could have bought—using only its cash and liquid assets—a 50 percent share of more than a dozen of the 500 leading industrial corporations on the Fortune magazine list, including Anheuser-Busch, E.I. du Pont, Goodyear Tire & Rubber and J.C. Penney. IBM could have done the same.

Exxon paid cash for Reliance, and Shell paid cash for Belridge, RCA, completing its acquisition of C.I.T. last January, paid $662 million of the purchase price in cash. Thus the cash outlay in just three mergers totaled $5.47 billion. This was in keeping with a trend. In 1976, about 54 of 100 acquisitions were financed entirely with cash. In 1968, by contrast, only 16 of 100 were paid for—even in part—in cash.

For many corporations, obviously, buying up existing companies is simply the most appealing option. These firms may not be bargains according to classical economics, which holds that the market price reflects true value. But many of them—at least one-third of those listed on the New York Stock Exchange, according to SEC Chairman Williams—are selling below book value. And the cost of starting new companies from scratch, particularly in a roaring inflation, may be excessive.

The use of $100 billion to rejuggle existing corporate assets is troubling because, as Northwestern University's F. M. Scherer put it, "The real growth upon which our nation's prosperity depends comes only from making real investments."

He acknowledged to the Senate antitrust subcommittee that the evidence is inconclusive, but said: "One cannot help wondering, where would the cash to finance 'growth' through takeovers have gone if massive conglomerate mergers had been prohibited? How much real investment was displaced by the mere financial investment that mergers entail?"

Without equivocation, the SEC's Williams says that the $100 billion "could have been devoted to new production and employment opportunities." This money, he emphasized, does not "flow back as new capacity, improvements in productivity, innovation, new products or new jobs."

Yet the merger wave hasn't furthered over-all concentration of the economy, according to data from congressional hearings, the Federal Trade Commission, and other sources. Instead, according to the FTC's Bureau of Competition, the wave has prevented the deconcentration that normally would have occurred in an expanding economy.

For this result, many experts put some of the blame on what they see as a tilt in the federal tax code toward mergers and bigness.

Effective tax rates have been lower for big firms: in late 1976, firms with assets of at least $1 billion paid 34.5 percent, while firms with assets under $10 million paid 9.5 points more. The code also invites retention of earnings, which then can be used for acquisitions, and lets stockholders in acquired firms who accept stock rather than cash defer taxation.

One key index of concentration is the proportion of manufacturing and mining assets held by industrial firms.

Last year, when there were about 217,000 of them, the top 200 controlled 59 percent, compared with 53 percent in 1955. The number with assets of at least $10 billion was 12, as against five in 1965.

At the peak of the pyramid, a mere 40 of the 217,000 corporations accounted in 1978 for an estimated 31 percent of all industrial assets.

Also by 1978, 71 industrial firms had at least 50,000 employes (including 22 with at least 100,000), compared with 32 in 1958, 51 in 1967 and 61 in 1972.

In retailing, the top 40 firms accounted for 29 percent of all assets. In food processing, the top 50 of 32,000 firms accounted for nearly 60 percent of the assets and almost 90 percent of the profits. In copper, oil companies owned 40 percent of domestic production facilities.

The current merger wave is the latest in a series.

The initial one, running from 1895 to 1904, saw more than 3,000 companies vanish through consolidations in industries such as distilling, railroads, steel and tobacco.

Over the next decade, 2,300 more companies disappeared into 319 industrial trusts, and 2,400 more were absorbed by 127 utilities.

For Congress, this was proof that the Sherman Act of 1890 was insufficient to prevent the creation of monopolies. So, in the Clayton Act of 1914, it included an anti-merger provision intended to curb monopoly power "in its incipiency."

The provision proved to be no barrier to a new wave of mergers—4,583 of them—between 1925 and 1929. Most were horizontal—matings of firms in similar lines of business. Some were vertical, in which customers or suppliers were acquired. Relatively few were conglomerate.

In 1950, after a new surge, Congress, in the Celler-Kefauver Act, amended the 1914 law to forbid any merger where the effect "may be substantially to lessen competition, or tend to create a monopoly."

There's no doubt of the sponsors' intent to reach conglomerate mergers, which had begun to flourish and which, lacking theoretical limits, could forever let large firms be swallowed by larger ones, and larger ones by still larger ones. In a 1966 column, Art Buchwald foresaw the day when Samson Securities, owner of every company west of the Mississippi River, and Delilah Corp., owner of every company east of the Mississippi, would seek to merge.

But enforcement agencies and judges saw no threats to competition—as conventionally defined—in a merger of a firm making, say, agro-chemicals with a company making zippers. The result was that conglomerate mergers proliferated while horizontal and vertical mergers languished.

At one point, the Supreme Court sent an apparent signal inviting an attack on certain conglomerate mergers. The Kennedy and Johnson administrations ignored the signal, but an aggressive incoming Nixon administration swiftly filed lawsuits to block five of them.

By this time, the 1960s conglomerate merger wave was cresting. In 1968 alone, 210 acquisitions gathered up nearly one of 10 firms with assets of at least $10 million. Attorney General John N. Mitchell was warning that the "danger . . . to our economic, political and social structure cannot be overestimated."

The lawsuits were built on a theory, offered by the late Richard W. McLaren, head of the

Justice Department's Antitrust Division, that competition could be substantially lessened—and Celler-Kefauver violated—by certain conglomerate mergers. He specifically cited the type that joins two very large (assets exceeding $250 million) diversified firms, each a leader in a concentrated industry.

Such a merger, McLaren argued, "increases concentration in the concentrated markets in which [the two firms] may both compete," serves also to entrench existing competition in concentrated markets wherein only one competes as a leading producer," and eliminates "potential competition between the existing producer in a concentrated market and the other firm as a potential entrant thereto."

Trial judges rejected McLaren's argument. He had expected them to, but believed he had a serious chance to win in the Supreme Court. His test case was to be three acquisitions by International Telephone and Telegraph. But no test occurred because in September 1971, in an atmosphere of political intrigue at the White House and Justice Department, he agreed to settle with ITT out of court.

By then, the merger wave of the 1960s had fallen into a trough. It had been foreordained to do this, because it had been propelled by unstable forces, such as speculation in "glamor" stocks, "creative" accounting and the egos of corporate "Napoleons," as they were called by the late Henry Simons, a University of Chicago economist.

But the ITT settlement lowered the last potential high barrier to conglomerate mergers. The new wave began to roll in 1975. This time, it isn't "Chinese" money and corporate Napoleons. "It's the establishment doing it to itself." Salomon Brothers' partner Ira Harris has said.

Mr. **BUMPERS**. Mr. President, I yield the floor.

The **PRESIDING OFFICER**. The Senator from Arkansas.

NRTA-AARP LEGISLATIVE COUNCIL ECONOMIC POLICY STATEMENT

Mr. **PRYOR**. Mr. President, approximately 25 million persons in the United States are 65 years or older, or almost 1 out of every 9 Americans.

For many older Americans, inflation is their No. 1 concern. This is certainly true for my constituents in Arkansas, the State with the second highest proportion of people 65 years or older.

In recent years the elderly have felt the shock waves of rapidly escalating prices. As a group, they have been especially hard hit by the double-digit inflation during the past year.

Millions of older persons have seen their purchasing power shrink. Large numbers are discovering that a comfortable income a few years ago may just barely cover the minimum necessities today. Cost-of-living adjustments for social security and other programs for older Americans provide some relief. But there is still considerable lag time between the periods for measuring inflation and the cost-of-living adjustment.

Our economy is sick now and needs a strong dose of corrective medicine on several fronts. The legislative council for the National Retired Teachers Association and the American Association of Retired Persons recently developed a comprehensive economic policy statement to make our economy healthy.

Mr. President, I believe that the legislative council for this fine organization has recently come up with some extremely plausible suggestions as we look at the coming weeks and months ahead on how the Congress of the United States is going to deal with the budgetary crisis in which we find ourselves today.

While I may choose to differ with some of the economic proposals made by NRTA-AARP, I believe these recommendations deserve the close and careful attention of Members of Congress because NRTA and AARP are well-respected organizations representing nearly 13 million persons. In addition, Congress has enacted into law many prior legislative council policy proposals.

Mr. President, I ask unanimous consent that the NRTA-AARP legislative council economic policy statement be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

ECONOMIC POLICY

THE PROSPECT OF RECESSION: IMPACTS ON THE FEDERAL BUDGET AND SPENDING LEGISLATION

The recovery from the last recession, which hit bottom in the Spring of 1975, has been the second longest during the post-World War II period. The belief was widely held among economists during the first quarter of 1979 that a mild to moderate recession, commencing in the second or third quarter of the year would end the recovery. However, forecasters were confounded by a continuation of rising employment levels, relatively stable unemployment rates and satisfactory sales statistics right through the end of the third quarter. Nevertheless, the economy has been slowing down during 1979. It now seems likely that a recession will start during the first or second quarter of 1980.

A recession will have important consequences for the federal budget and the Associations' legislative program in 1980. A recession implies that as business and commercial activity decreases and employment levels drop, revenues from payroll and income taxes will grow more slowly than anticipated, thus lowering the expected level of government income. At the same time, expenses for unemployment insurance and welfare will rise more than anticipated, thus raising the expected level of government expenditures. The expected $30 billion federal budget deficit for fiscal year (F.Y.) 1980 is certain to increase under the influence of a recession. The more serious the recession, the greater will be the increase in the size of the deficit.

Fiscal year 1981 had been scheduled by the Carter Administration as the target year for finally bringing the federal budget into balance. Now however, the Administration, in developing its budget proposals for F.Y. 1981, has apparently backed away from the target in recognition of the inevitable effects that the high rate of inflation and the anticipated recession will have on the budget. Nevertheless, the Administration is likely to try to do everything it can to offset, to the extent possible, these budgetary effects and bring the deficit at last reasonably close to its original target.

In such a budgetary atmosphere, the Associations expect that proposals that would provide new cash or in-kind benefits or expand existing ones—even benefits for the elderly—but do so only by adding large increases to program costs, will have a very difficult year in the legislative process. Indeed, the Association fully expect to have to combat renewed attempts to prune benefits already existing under the Social Security Act and efforts to cut back expenditures for existing programs under the Older Americans Act and other statutes.

INFLATION: THE PRIMARY ECONOMIC PROBLEM FACING THE NATION

As serious and costly as a recession will be this year, the principal economic problem facing the nation, as well as most other industrialized nations, is likely to remain inflation. After hitting a peak in excess of 11 percent in 1974 as measured by the Consumer Price Index (C.P.I.), the inflation rate dropped back to just under 5 percent from December 1975 to November 1976 under the influence of the recession that year—the most serious and costly recession since the Great Depression of the 1930s. However, since then the rate of inflation has accelerated with each passing year. In 1978, the rate was about 9 percent. During the third quarter of 1979, the rate was running in excess of 13 percent. The inflation spiral seems to be accelerating out of control. The 60 percent increase in OPEC oil prices in the first part of 1979 and further unofficial increases subsequently can be held responsible for only part, but by no means all, of the 1979 inflation rate.

The economic development of the 1970's: the background essential to an understanding of and appreciation for the present economic problems and remedies.—

Before considering the various factors contributing to the inflation spiral, it would be well to review briefly the economic history of the decade of the 1970s. An understanding of what preceded the somber economic prospects, and hard choices that face the nation is essential to an appreciation of the critical need for the implementation of a package of potentially effective remedies, despite their disadvantages.

The decade of the 1970s has been labeled a decade of economics in disarray, both here and abroad. The Bretton Woods Agreements, which closely controlled the exchange value of the world's major currencies broke down in August 1971; the U.S. dollar became completely inconvertible into gold by foreign central bankers. This move severed the dollar's last link with gold. The dollar has remained an important reserve currency for foreign central banks, but it is now irredeemable paper currency, the long term value of which is dependent on the credit and productivity of the United States.

The inability of the nation to cope with inflation, along with declining productivity, has led to the continued weakening of the dollar. The declines of the dollar against the Japanese yen and the German mark became so severe in 1978 that a "rescue" program was commenced in November. This program met with only temporary success. The continuation of high inflation rates during 1979, along with the expectation that the Administration's anti-inflation program would do little to lower the rates during coming years, helped precipitate "runs" against the dollar. Gold prices began a spectacular rise. In October of 1979 the Federal Reserve System inaugurated a new set of criteria to use in controlling the expansion of money and credit.

Another disturbing development related to foreign transactions was that in 1971, for the first time in the post World War II period, the country ran a merchandise deficit of $2.2 billion dollars, importing that much more than we exported. Greatly assisted by rising OPEC crude oil imports, the trade deficit rose to $34 billion in 1978.

Highly unsettling for both economists and the public in the 1970s was the emergence of "stagflation"—an economic situation characterized by a combination of high rates of inflation and unemployment, low, if not negative, rates of growth in real G.N.P., declining productivity, and significant amounts of unused productive capacity. Previously, it had been a widely held belief among economists that a high inflation rate could not exist simultaneously with those other factors.

A major shock for the public was the Arab embargo on crude oil shipments in late 1973 and early 1974. This created not only long lines at gasoline stations but industrial stoppages. While this was thought to be, at least, in part, contrived by the international oil companies, it became painfully apparent that the nation had become very vulnerable to cartel action by allowing itself to become dependent on imports for 38 percent of its crude oil requirements. This dependence increased to 47 percent by 1979. The cartel, which the exporting crude oil nations formed (OPEC), raised the price of crude oil from $1.77 a barrel in 1973 to a base of $24 a barrel in 1979, with much crude oil moving on the "spot market" at nearly double the higher prices. Thus the 1970s saw the age of cheap energy come to an end. Because of the intensive use of energy in the United States and the nation's increasing dependency on OPEC-priced oil, the much higher costs of energy after 1973 probably cut possible real G.N.P. growth rates by at least ½ percent a year.

Another adverse development during the 1970s was the discovery that the nation was saving less than other industrial nations and investing less per worker in new productive facilities. Investment in research and development fell off. The rate of increase in worker productivity declined over the period. We found ourselves less able to compete with imports on the basis of price and quality with respect to an increasing range of products.

Finally, during the 1970s there was the inflation. From 1969 through the third quarter of 1979 prices as measured by the C.P.I. had doubled, growing at an average of 7 percent a year.

What was so disturbing about the price levels was that any retreat from the ever-higher levels achieved by the periodic advances was temporary. When the inflation rate settled back down to a lower level, that lower level was always higher than the preceding low level. Forces would then begin to raise the level of inflation once again. The explanations by economists as to why the level of inflation trended steadily upward during the 1970s have been conflicting and insufficient.

THE MAJOR FACTORS RESPONSIBLE FOR THE INFLATION SPIRAL

While there is considerable disagreement among analysts as to the extent to which various factors have been responsible for the development of the inflation trend, it is clear that among the causes the following factors have been important:

First, there was the fiscal policy of the federal government that countenanced deficit spending year after year, in both good and bad economic times. The federal budget has not registered a surplus since fiscal 1969, and even then it was very small.

Another factor was the excessively expansionary monetary policy pursued by the Federal Reserve, the nation's central bank. This "easy money" policy expanded the growth of the supply of money and credit at a rate well in excess of the rate of growth in real G.N.P. The monetary policy thus accommodated the huge increase in both public and private debt and in the process of facilitating the creation of that debt facilitated the inflation spiral also.

A third factor has been the upward ratcheting of costs and prices by the wage/price spiral. The rising cost of oil and other sources of energy, both domestic and imported, has been still another major contributor. The depreciation of the U.S. dollar against most other major currencies increased the price of imports, aggravated the country's balance of payments problem, and added to the inflation. The abuse of market power by concentrated industries characterized by "administered" (not set competitively) prices was another important factor. Excessive and unnecessary government regulation that pushed up costs and prices and discouraged competition also deserves mention. Finally, there have been government legislated tax push, cost push and price push actions of all kinds that have taken their toll with respect to price stability.

In view of the inflation effect of all this, there has developed among the general public a psychology of inflation. Since people expect inflation to continue, they adjust their actions accordingly. This has been manifested by wage demands far in excess of anything that could be justified by gains in worker productivity and by the rush to buy gold, houses and anything else that promises to at least keep up with inflation.

CONSEQUENCES OF INFLATION

Whatever weight one wants to assign to the various factors contributing to the development, perpetuation and acceleration of the current inflation, it is clear that in combination they have created an insidious force that is doing great damage. Inflation defrauds those who do not have the "market power" to protect themselves against it—a category which includes the elderly. It does this by transferring income and wealth from those who are unable or less able to protect themselves to those groups and individuals who are well enough organized to have the market power to protect themselves, for example, by being able to set prices regardless of market conditions, or obtain wage increase equaling or surpassing inflation rates. As these effects become apparent to the affected groups, social tensions are created or exacerbated.

Inflation also discourages savings, because savings are not protected, and simultaneously encourages going into debt, because debtors can expect to repay in depreciated dollars. The reduced supply of savings tends to reduce investment, on which future gains in productivity and living standards are largely dependent. Limiting interest rates paid on savings, as is currently done under Regulation Q, makes the problem worse.

Accounting as a tool for business management greatly diminishes in value, because inflation distorts year-to-year comparisons of income and expenses. The business man who faces uncertain future rates of inflation does not know how much to set aside out of current incomes for future expenditures, as for example the cost of replacing depreciating plant and equipment. There are decided limits to what may be set aside out of current income for future business capital needs and liabilities, but these provisions may be totally inadequate at higher levels of inflation.

Inflation disrupts both equity and debt financial markets. Equity markets are disrupted both because real profits tend to be lowered and because it becomes increasingly difficult to forecast the trend of profits. Debt markets, even the short term markets, tend to be disrupted because interest rates cannot be intelligently determined in a climate of uncertain inflation rates (and the rates always tend to be uncertain, since they cannot be closely controlled).

The disruption of financial markets tends to favor very large businesses, since they can finance expansion out of retained earnings and other internal cash flows. However, this disruption is detrimental to small business—small business that the economy needs to maintain a healthy degree of innovation and price competition. Larger businesses are rarely innovative and tend to lift themselves above price competition rather than engage in it.

Inflation raises interest rates both because lenders, in order to realize real interest, must have a margin over the rates of inflation, and because the lenders must tend to overestimate the future course of inflation rates, in order to protect their capital. But higher interest rates tend to raise costs and thus promote inflation, thus creating a spiral of higher interest costs. Yet because the public perceives higher interest rates as undesirable, the government tends to suppress them by interest rate ceilings (such as Regulation Q) and by subsidizing lower rates of interest for certain borrowers. These subsidized rates are frequently negative in real terms, in that they are set lower than the actual rates of inflation. Below market, subsidized rates of interest have costs which are borne by small savers and taxpayers or by the public at large.

Inflation distorts the workings of the tax system. When the structure of income taxes is progressive as it is in the U.S., the phenomenon of "bracket creep" takes over. Whenever the rate is a rising percentage of taxable incomes that are being increased by inflation, tax receipts grow at rates faster than the rate of inflation. This promotes more spending by government without careful consideration of the necessity for it. The combination of inflation and progressive tax mechanisms automatically increases revenue to the government without the consent of the taxpaying public.

Finally, for the elderly, the inflation trend has caused, and continues to cause, deterioration of their living standards. Although the elderly are not the only victims of inflation, they are, as a group, more severely affected than virtually all other groups in the population. This is so for a number of reasons. For the most part, the elderly are not in the labor force; if they were, they would have a better chance of maintaining their living standards because they would have much larger amounts of wage income, the form of income that is best protected against inflation.

Instead, their income is largely in forms which are unprotected against inflation, such as private pension payments, or less than fully protected like social security benefits. Finally, it must be observed that the inflation in recent years has been most rapid with respect to necessities—food, housing, fuel and medical care—those goods and services which loom much larger in the expenditure pattern of the elderly than in that of the population as a whole.

SHORT TERM POLICY OPTIONS

Something effective must be done to control an inflation rate that now exceeds one per cent per month and is one of the highest among the industralized nations of the world. While there are no overnight solutions to the problem, a package of remedies must be pursued that will be effective in reducing inflation to a more tolerable 3 to 5 per cent range in a reasonably short period of time—perhaps 2 to 3 years. Ultimately, the annual rate must be reduced to 1 to 2 percent.

It must be recognized that there are no solutions that do not entail some pain, disadvantage and/or costs for specific groups. However, the cost to society and the nation of allowing inflation to take its uncontrolled course is far larger. Inflation is sapping the economic strength of the country. Unless brought under control, it may do much more irreparable damage.

Most economic policymakers agree that the inflation rate could be brought way down rapidly if the nation were willing to suffer a sharp, deep and sustained drop in output and associated unemployment rates in the range of 20 to 25 percent. However, so staggering would be the costs to the nation in terms of lost output, and unemployment that such a policy should not be pursued. The cure would likely be worse than the disease.

Ruling out a depression-induced deflation as a cure, we are left with a variety of policy options, more of which can do the job by itself but all of which, in the aggregate, should be able to reduce inflation to tolerable levels. These policies would be aimed at the various factors contributing to the current inflation—an inflation that is multi-causal.

A. Fiscal policy

With respect to fiscal policy, the federal budget must be brought into balance and that balance must thereafter be maintained over the business cycle (but not necessarily in each year). While we recognize that the effect of balancing the budget will be to reduce the inflation rate only slightly compared to what it otherwise would be, nevertheless, balancing the budget is one of the things that must be done if the inflation is to be brought under control.

We recognize that a recession and continued, high rates of inflation will make it more difficult to achieve, but a sustained effort ought to be able to achieve the objective in 2 to 3 years, assuming no major economic or national security calamities intervene.

Given the economic and world situations, it is probable that spending for unemployment insurance and defense and national security will be substantially increased (in real terms) in the near future. We suggest that, to the extent possible, any such increased spending come from the savings that can be effected through the more efficient and cost effective administration and operation of government and government programs.

A constitutional amendment to force a balanced budget has been suggested as means for achieving the objective. While it may be a means to the end, it is an inappropriate one since it would put government economic policy in a straitjacket and foreclose the use of discretionary and automatic fiscal measures in times of economic difficulty. Instead, the Administration should recommend, and the Congress should consider and then impose upon itself through its budget-making process, a set of priority setting guidelines, the objective of which is a balancing of the budget within 2 to 3 years from now.

B. Monetary policy

When considering monetary policy, it must be remembered that an important method of dealing with inflation is to reduce the rate of expansion in the supply of money and credit. For the most part, the rate of expansion in the 1970's was excessive. These prevailing excess money and credit supply growth rates must be gradually reduced over the next 3 to 5 years until the rate of expansion is no greater than the rate of expansion of real G.N.P.

In connection with the implementation of the proposed monetary policy, it should be recognized that the Federal Reserve System, independent as it is (and ought to be), is from time to time subjected to strong political pressures. To ameliorate this situation, the Congress should impose on the System guidelines designed to effectively limit the rate of growth in the supply of money and credit. The Federal Reserve's latest policies of limiting the supply of money and credit by focusing on the growth rate rather than by focusing on interest rate manipulation should be endorsed by such guidelines.

C. Stand-by controls

In order to deal effectively and resolutely with the wage/price spiral and inflationary expectations, the President should be given stand-by authority to impose price and/or wage controls in those sectors of the economy that are leading the inflation parade. The health care industry is an outstanding example of just such a sector; the rate of escalation in health care costs has been clearly out of control for some time.

The hard core inflation, estimated to be running at about 7 to 8 percent now, needs to be brought down by methods which effectively dampen the public's expectations of still more inflation. Stand-by authority for the implementation of controls on a selective basis will immediately alert the public to the fact that the government is serious about reducing inflation to tolerable levels within two to three years. The more forcefully it is indicated to the various groups that they must cooperate in the common effort, the less likely it is that the stand-by authority will have to be exercised in more than just a few cases.

D. Regulatory/deregulatory/antitrust actions

In many economic sectors, price competition is either non-existent or too weak to act as an effective restraint on the rate of increase in prices or as an effective stimulant to efficiency. In those sectors where regulatory action would be appropriate to promote price competition—as for example, the implementation of the Federal Trade Commission's Funeral Rule with respect to the funeral industry—such action should be taken and supported. Where government regulation is or has become anticompetitive or is simply cost-enhancing without yielding compensating public benefits, such regulation should be reformed or eliminated (i.e. the sector should be deregulated) whichever is more appropriately promotive of price competition. (The trucking industry is an example of an industry that ought to be deregulated.) Finally, in those sectors where vigorous enforcement of the antitrust laws would promote price competition, such action should be taken. The Congress should support and oversee such action and assure its effectiveness by enacting any necessary amendments to the antitrust statutes.

E. Restraint of (Government price push, cost push and tax push actions of all kinds)

A significant portion of the current inflation spiral can be attributed to government legislation at all levels that promote or approve price, cost and tax increases of many kinds. At the national level, farm price support, minimum wage and payroll tax increase legislation are examples. The Congressional budget process must be strengthened so that the Congress becomes far more sensitive to the inflationary impacts of such legislation and much more selective about where such action is necessary. The inflationary effects of any such legislation deemed essential must be kept to an irreducible minimum.

F. Restraint of rising regulatory-induced housing costs

Inflation in the housing area is second only to inflation in the energy area within the category of special items that helped send the inflation rate for 1979 into double digits. The present high costs of mortgage money is an important factor contributing to higher housing costs. The answer to this problem, however, is not to have the government subsidize lower mortgage interest rates at the expense of small savers through government regulation and at the expense of everyone through the further inflation that the excessive expansion of the supply of money and credit entails. Mortgage interest rates will only trend downward as the rate of inflation is brought under control. In the interim housing needs to be deregulated, to the extent possible, at all levels of government. Regulations of all kinds have contributed heavily to housing cost inflation over the past ten years.

G. Conservation of energy

The extraordinary increases in OPEC oil prices and the concomitant increases in domestic energy prices during 1979 are estimated to have been responsible for 3 to 4 per cent of the year's 13 per cent rate. After having examined the short term options available to reduce the inflationary pressures generated by domestic and international developments with respect to energy (see subsequent section on ENERGY POLICY), it is clear that the only viable one is conservation to constrict aggregate energy demand. While every effort should be made to induce such conservation, as, for example, through educational programs, tax breaks, the expansion of weatherization programs and the expansion of mass transit, some form of rationing is needed with respect to crude oil product utilization.

Whether such a program would ration through the price mechanism (as, for example, by the addition of taxes) or through administrative action (for example, by quotas with respect to the amount of OPEC oil that may be imported or the amount of gasoline available to each person) or through a combination on the two, the program must have specific conservation targets and be strong enough to meet them. To the extent that rationing by price is employed, with the price increases effected through the imposition of new taxes, the revenues from such taxes should be channeled back to the general public, especially the most needy among them.

LONG TERM POLICY OPTIONS

Many of the recommended short term anti-inflation remedies would of course have continuing application in the long term also, as for example, maintaining a balanced federal budget over the business cycle and restricting the rate of growth in the nation's supply of money and credit to the rate of growth in real G.N.P. However, the longer range goals of a continuing and effective anti-inflation policy must involve the promotion of significant increases in the rate of savings and investment in the economy for the purpose of fostering increased gains in worker productivity. Success with respect to these objectives will help reduce inflation pressures and contribute to the maintenance of inflation rates at tolerable levels. Although more will be said on this point in other sections (see sections on TAX POLICY and INCOME POLICY), changes in the tax law to encourage savings and investment and changes in the income support structure designed to encourage and reward increased work effort on the part of the elderly would be most helpful.

Research and development should also be encouraged through government grants and through the tax laws. Small business should also be encouraged through the tax laws and through the restoration of vigor and stability to the financial markets. The success of the efforts undertaken to promote the competitive market system should also yield benefits, since that is the best system for encouraging worker productivity while maintaining effective restraint on price increases. Finally, the success of short and long term efforts to conserve energy and the success of long term efforts to promote the expansion of domestic energy supplies will yield significant benefits in terms of achieving these goals.

THE OIL IMPORT FEE

Mr. PRYOR. Mr. President, I strongly oppose the President's recent action imposing an import fee on oil which effectively increases the cost of a gallon of gasoline by 10 cents. I can see no advantage in terms of gasoline conservation which would justify the enormous costs that every American will pay as a result of this action. In addition, the 10-cent-a-gallon tax very clearly disadvantages certain segments of the population unfairly.

Of course, in hard financial times, people must suffer to a certain degree—and I think they understand and accept that. However, I think it is our responsibility to see that the burden is borne equally if it is within our means.

One part of America that is going to be disadvantaged unfairly is the State of Arkansas and other rural areas, where an automobile or a pickup truck is not a luxury but is, in fact, a necessity. My particular concern is that the brunt of the President's action will be borne by the people of Arkansas proportionately more than the citizens of perhaps any other State.

Arkansas is unique in any rationing situation—whether by price or by distribution. Arkansas' per-vehicle consumption is 27 percent above the national average, for reasons which have little to do with waste. It is a very rural State, with only one city of over 100,000 population. Taking advantage of the most ordinary and essential services often involves a trip of many miles.

The problem comes in with the fact that most Arkansans have no alternative to the private automobile. We have no commuter rail line subsidized by the Federal Government, no subway systems, and bus service in only two or three cities. So, to force consumers in my State to cut down on their travel is to literally threaten their health, economic well-being, and comfort.

An additional 10-cent "tax" on gasoline is not insignificant, and it will not go unnoticed and without opposition. In fact, I expect a torrent of opposition in coming days. The fact is that an additional 10 cents on the price of a gallon of gasoline—already at the level of $1.30 in many areas—can and will have serious negative impacts on our economy and on the average citizen. The White House readily admits that the import fee will cause a rise in the annual inflation by three-quarters of 1 percent. It is easy to understand why when you look at some of the statistics for the State of Arkansas:

The average vehicle owner in Arkansas will pay at least an extra $103 annually because of this import fee. Yet the average vehicle owner in the Nation will pay only $81.30. The two-car family—a more common situation in Arkansas—will pay over $206 annually. And even though the import fee does not affect diesel fuel, Arkansas farmers will nevertheless be affected by the fee to the tune of $15 million, since they account for 10 percent of all gasoline usage in the State. This figure does not account for the fact that farm machinery achieves lower-than-average gasoline efficiency. The commercial sector will end up paying an extra $30 million annually. And, finally, the entire State of Arkansas, with 1.5 million licensed drivers each paying over $100, will pay $150 million annually as a result of the President's action imposing an import fee on oil.

Many knowledgeable observers believe that this new import fee will not have a significant impact on the amount of gasoline used in this country. The primary purpose of the fee would thus seem to be to give the President a cushion in his effort to balance the budget. While I am a strong supporter of the need for a balanced Federal budget, the way to achieve such a goal must be by reducing spending and not by raising taxes.

Mr. President, we cannot allow this added burden to be placed on consumers who already cannot make ends meet. I intend to support any efforts in the Senate to disapprove the President's action; and I will certainly oppose any legislation to replace the import fee with an additional 10-cent tax on gasoline.

Mr. President, I have done a very quick workup on what this fee is going to amount to and how it will impact the automobile and truck owner of a State like the State of Arkansas.

I ask unanimous consent that my letter to President Carter on this subject be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 18, 1980.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I must state my strong opposition to the action which you have recently taken under the authority of the Trade Expansion Act and the Emergency Petroleum Allocation Act whch effectively increases the cost of gasoline by 10 cents per gallon.

While there is a need for every American to be restrictive and efficient in his usage of gasoline, I cannot agree with the policy of forcing conservation by pricing the fuel out of the reach of many consumers. The burden caused by this import fee will be borne inequitably among Americans; and it will work a particular hardship on the citizens of the state I represent.

Because of the rural character of Arkansas and its lack of mass transit systems, the state's per-vehicle consumption rate is 27 percent higher than the national average. Reducing frequency and length of travel is in most cases difficult or impossible without sacrificing physical and economic well-being.

Many knowledgeable authorities question whether your action will have a significant impact on gasoline usage. Moreover, it is clear that the import fee will have a serious effect on the already-strained budgets of most American families. Arkansas consumers alone will pay an additional $150 million annually.

It is my understanding that you intend to use the $12.6 billion which the fee will bring into the Federal Treasury as a cushion for your efforts to balance the budget. I am committed to the goal of a balanced budget, but I think it must come about through reduced federal spending, rather than through increased taxes on the consumer.

My intention is to actively support any efforts to disapprove your action and to oppose any legislation to replace the import fee with a 10-cent gasoline tax.

Sincerely,

DAVID PRYOR.

LICENSING OF SECURITIES SALESMEN

Mr. PRYOR. Mr. President, yesterday morning, the North American Securities Administrators Association (NASAA) announced a uniform system of streamlined licensing for securities salesmen. I am proud to note that the president of the NASAA is Harvey L. Bell, securities commissioner of my State of Arkansas.

Under the current system, anyone wishing to sell securities must be licensed in the State in which he wishes to sell. This means going through 50 certification proceedings if a salesman wishes to operate throughout the country.

To alleviate this expensive, time-consuming and unwieldy morass, the NASAA has come up with a central registration depository—a clearinghouse for certification information, which should provide the public, licensing authorities, and the industry as a whole with easily available information.

The depository will have several obvious benefits:

Certification officials can borrow information about an applicant from the depository rather than requiring him to submit duplicate information. In fact, the association estimates that the depository could result in savings of $20 to $30 million in paperwork costs.

Complete information on the qualifications of securities salesmen may be easily obtained by the public through the State authorities.

The increased efficiency of the CRD will free up time in the regulatory agencies to devote to more productive areas of investor protection, such as investigations and direct regulation.

The NASAA, which represents all 50 States as well as the Canadian Provinces and Mexico, sees this clearinghouse as a giant step toward uniform licensing and as a model for further cooperative projects. The National Association of Securities Dealers will operate the system under the supervision of NASAA.

Mr. President, Commissioner Bell has described this new system to me, and I share his enthusiasm for the potential cost savings which it represents. As a cosponsor of the Paperwork and Redtape Reduction Act, I have pushed for a reduction in the flood of Federal regulations, which may cost as much as $150 billion a year to comply with. Some of these regulations are worth while, others are not. All could probably be streamlined by requiring less in the way of forms, files, facts and figures which are often of no use at all to the agencies here in Washington which request them and which often duplicate material which is already available.

The Federal Government should take a page from the securities administrators' book, and I congratulate NASAA for its fine work in this area.

Mr. President, I yield back the remainder of my time.

The **PRESIDING OFFICER.** Is there further morning business?

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. HARRY F. BYRD, JR). Without objection, it is so ordered.

THE UNITED STATES SENATE

Mr. ROBERT C. BYRD. Mr. President, the Constitution of the United States in article I, section 2, paragraph 5, reads as follows:

> The House of Representatives shall chuse their Speaker and other Officers;

We see, therefore, that the Speaker of the House of Representatives is a constitutional officer. The office has its genesis in the Constitution.

As I indicated on a previous occasion, the Speaker of the House of Representatives does not have to be a Member of that body. There is no constitutional requirement that he be a Member of the House of Representatives. But no Speaker has ever been selected from outside the membership of the House of Representatives.

The majority leader of the U.S. Senate is the closest equivalent in the Senate to the office of Speaker in the other body. There is a majority leader in the House of Representatives. There is a minority leader in the House of Representatives. But it is the Speaker who, in truth, is the leader of the majority party in every sense of the word in the House of Representatives.

The majority leader in the Senate is not only not a constitutional office but the genesis of the office itself is of rather recent vintage. The offices of the majority leader and minority leader in the Senate, as we know them today, are recent developments in the history of the Senate, although, since 1789, various Senators have assumed leading roles in the determination of what the Senate would or would not do.

The power and influence of some Senators in various periods of our history have been such as to cast them in a role of leadership by virtue wholly because of their stature or influence or personality at the particular time.

Caucuses of Senators of a particular party, of a common interest, of a region, of a geographical area, or of some particular bloc have been called from time to time, from the beginning of the Senate, for all kinds of purposes, including the determination of a position or the determination of a strategy to be followed in connection with dealing with particular issues.

For example, the late Richard B. Russell was recognized as the head of the southern bloc of Senators in the Senate for many years and was the leader of that group, in dealing with civil rights issues in particular.

Senator Russell had a great knowledge of the rules. He was very highly respected by all Senators, on both sides of the aisle. He was respected for his fairness, his evenhandedness, his levelheadedness, his commonsense and good judgment. He was looked upon by the group of southern Senators and by others as the leader of that group. His judgment was highly respected, and he was highly regarded.

This was an example, in my own time, of a block of Senators held together by an overriding issue, a group of Senators from a region of the country held together in a common cause, and led by a superior tactitian in dealing with that issue.

Those southern Senators would meet from time to time. Their meetings were referred to occasionally as the Southern Caucus in the Senate, but those meetings were not invoked to perform as organized political caucuses for the purpose of selecting persons to serve as floor leaders or any such purpose.

It was not until the latter part of the 19th century that the Senators of each political party organized and assembled separately as a unit for the purpose of electing someone from their own party to represent the party as an agent in operating the legislative machine. According to all the records that have been studied thus far by scholars of Senate history, it was not until the 20th century that the posts of majority leader and minority leader became official political positions in the Senate.

It is difficult to point to any particular individual who served as the majority leader of the Senate until the end of the 19th century. There was no particular officer, designated as the majority leader, who attempted to schedule the legislation or to enforce unity in voting. The conferences, or caucuses, frequently had served as an instrument of party leadership; but Senators, well into the latter part of the 19th century, usually performed their tasks without party superintendence.

There have been various Senators at different periods of our early Nation's history who stood out as legislative leaders. They were not selected by their official parties to act in that capacity. A few examples:

Senator Maclay, to whom I have referred on earlier occasions, a Senator from the State of Pennsylvania, left a characteristic account of the proceedings of the First Congress. It is to his notes that we turn for perhaps most of our impressions and knowledge of what occurred behind the closed doors of the First Congress, from April 6, 1789, to the adjournment of the First Congress. He wrote as follows:

> It was patching, piecing, altering and amending and even originating new business. It was, however, only for Ellsworth, Henry or some of Hamilton's people to rise, and the thing was generally done.

Another Senator without any official title as leader who left a characteristic impression upon the product of the Senate was Henry Clay. Another Senator once remarked about Clay as follows:

> When the Senator (Clay) shakes his head and says, "I hope not," then we know how the yeas and nays will stand, as well as if they had been taken account of.

On another occasion, Clay commented:

> I do not like to be a dictator in any sense.

Another Senator replied:

> You do it so well. You ought to like it.

But Clay's leadership was not in the Senate alone. He was the leader of the Whig Party throughout the Union.

Leland Sage who was a biographer of Senator William Allison wrote:

> After 14 years in the Senate, Allison was a recognized leader of that body.

But the biographer added that the Senate was dominated not by one Senator but by a collegial group, including Nelson Aldrich of Rhode Island, John Spooner of Wisconsin, Eugene Hale of Maine, Orville Platt of Connecticut, Joseph Hawley of Connecticut, James McMillan of Michigan.

Woodrow Wilson once wrote in the late 19th century:

> No one is *the* Senator. No one may speak for his party as well as for himself.

By the beginning of the 20th century, it became clear as to who the chairmen of the party caucuses were, but it was still not clear as to who the majority leader of the Senate was because neither party elected a leader as such.

Each party, since 1903 in the case of the Democrats and 1911 in the case of the Republicans, has elected one of its members to be chairman of its respective caucus.

For example, in 1905, the Democrats elected Senator Arthur P. Gorman to be chairman of its caucus, and in 1906 Senator Joseph C. S. Blackburn of Kentucky was elected to that position, but not to be its leader.

The caucus then adopted the following resolution:

> The Democratic Senators, in selecting as the chairman of this conference Senator Blackburn of Kentucky, congratulate themselves and their several constituencies upon the fact that they have among their number one so well fitted by his marked capacity, his great requirements, and his large experience in Congressional work, and especially by his power as an orator and debater, to render to his party associates the most signal and valuable services as their chosen official leader in the great forum of the Senate of the United States.

So, in the early years of this century both parties elected chairmen for their respective party conferences or caucuses but no Senator was elected to be the majority leader or the minority leader as we know the offices today.

As late as the 1930's when I was in high school—I having graduated in 1934—it was common practice for the chairman of the standing committees to move to proceed to the consideration of legislation and then proceed to manage the legislation reported by their respective committees.

The center aisle seats until that time were not always occupied by the "leaders." Nor were the "leaders" always the spokesmen for their parties on the floor. They were chairmen of their party meetings and they played an important role in the determination of legislation in that capacity.

In the early years of this century, the conferences and caucuses were called more frequently than they are today at least by the Democratic Party. I doubt that can now be said of the Republican

Party. In the Senate, the Republican Party I believe has a conference——

Mr. COCHRAN. Once a week.

Mr. ROBERT C. BYRD. Once a week. But the Democratic Party does not have a regularly scheduled conference in the Senate.

I schedule conferences when I feel conferences are a necessity. I feel that one can have too many conferences.

I have lived through periods here when there were just too many caucuses. There were conferences that were held too often and the result was that only a shirttailful of Senators often attended and many times the decisions of the majority party were made by a half dozen or 10 or 12 or 15 Senators.

I do not subscribe to that kind of procedure. If there is going to be a decision by the Democratic caucus, then as far as I am concerned it is going to be a decision by a majority of the caucus and I will not call conferences and caucuses for the mere sake of having conferences and caucuses.

And when I call a conference I expect it to be of importance sufficient to justify the attendance of Senators who are busy and who have other things to do and have committee meetings to attend and many other assignments that create onerous demands on their time.

But from the beginning, conferences on both sides of the aisle have been called to resolve such things as what the position will be of the particular party on pending legislation or to have discussions of legislation, to discuss what amendments may be offered, what the general strategy will be on legislation.

The Republican Party at the present time is in the minority, and I hope it will be in the minority until the prophecies of the Book of Revelation have been completely fulfilled. It assumes the role of being the loyal opposition, and its role is a little different from that of the majority party. Its role is not to obstruct but it has a certain adversary role and it is a built-in opposition role.

The Democratic Party has the role of carrying forward the program, scheduling the legislation, and keeping the legislative process moving.

But our conferences, in the main, are for those respective purposes, developing the tactics and the strategy, in my judgment, whenever they need to be called.

It was the feeling of my illustrious predecessor that at any time a single Senator wanted a caucus there would be one. I do not see it that way. I have never suggested that we would automatically have a caucus in the event that one of my colleagues wants one. I will certainly call one if the matter is serious enough or of sufficent moment that a caucus is necessary.

I merely mention that to illuminate the differences in the approach of two majority leaders in that very small, minute respect.

On January 15, 1920, for the first time the Democratic Conference was called for the purpose of selecting a leader for the Democrats. According to the caucus minutes this was a meeting to select a "leader," not just a chairman of the party caucus.

In May 1920, it was stated for the first time that the meeting was called to order by Senator Underwood, the minority "leader."

At the meeting of March 5, 1921, the Democratic Conference was called to elect officers of the party, "including the Democratic leader." Thus, it had been fully established that the Democratic Party had created the office of party leader to serve as minority or majority leader of the Senate, depending upon whether it was the majority or the minority party.

The story of the Republican conference was much the same. According to the minutes of its conference from 1911 until 1925 the Republicans, just as the Democrats, had elected one of its members to be chairman of its conference. But in 1925, James E. Watson of Indiana nominated Charles Curtis to be the chairman of the conference and the floor leader.

So the Democrats were first to elect a floor leader, and that was, in time, followed by the Republicans who elected a floor leader.

The hierarchy of leadership of the Republican Party has been diffused and is shared by various members of that party.

Conversely, in the Democratic Party organization, the majority leader is chairman of the Democratic Conference, he is chairman of the Democratic policy committee, he is chairman of the Democratic steering committee.

The Democratic steering committee recommends assignments of Senators to committees. The Democratic policy committee determines policy for the party, policy as to the shape and form of legislation, policy as to whether or not certain legislation will be called up.

I have already discussed the Democratic Conference. Incidentally, the decisions of the Democratic steering committee are taken up before the Democratic Conference and are subject to its approval.

Some of the policies of the policy committee are likewise discussed in the Democratic Conference.

Under my majority leadership I have established a committee of committee chairmen. I chair that committee, and from time to time conduct meetings of committee chairmen to elicit their views and opinions with respect to legislation and to the scheduling of legislation.

I think it would be interesting to indicate the number of years served by leaders of each party prior to their becoming leader, and also as leader. My predecessor, the very distinguished Senator from Montana, Mr. Mansfield, served longer as majority leader than has any other majority leader. He served 16 years in that position.

Before becoming leader, Mr. Mansfield served in the Senate 8 years.

Lyndon Johnson, who was Mr. Mansfield's predecessor, and under whom I first served when I came to the Senate in January 1959, had been a Senator for only 4 years before becoming leader. He served as leader 8 years.

Senator Kern was a Senator only 2 years before he became leader.

Senator McFarland, who is still living, served 10 years before he became leader.

Senator Lucas served 10 years before he became leader.

Senator Barkley served 10 years before he became leader.

Senator Robinson served 10 years before he became leader. Senator Underwood served 5 years; and Senator Martin served 16 years, in broken terms, before he became leader.

Among the Republicans, Senator Lodge served 26 years, before he became leader.

The late Senator Dirksen served 8 years.

Senator Scott served 10 years.

Senator Knowland served 9 years.

Senator Taft served 14 years.

Senator Bridges served 15 years before becoming leader.

For my own part, I served 4 years as secretary of the Democratic Conference, 6 years as Democratic whip, thus serving 10 years in the leadership and 18 years in the Senate before I became majority leader.

The floor leaders of each party are selected by a majority of the Senators of their respective parties assembled in the conference—or what is sometimes called the caucus—and, of course, the practice is to serve a 2-year term.

The majority leader has to be on his good deportment all the time because at the beginning of each new Congress he has to go before the bar of judgment of his peers and stand for reelection if he chooses to do so.

The majority and minority leaders are elected spokesmen on the Senate floor of their respective political parties. The office is a political one.

It is not created by the rules of the Senate. But the Legislative Reorganization Acts of 1946 and 1970 did confer certain unique authority on the majority and minority leaders.

For example, standing committees, except the Committee on Appropriations, may not meet beyond 2 hours while the Senate is in session except by the consent of the Senate. But the two leaders, under the Reorganization Acts, are authorized to grant such consent without action by the Senate, notwithstanding the provision of the rule, and so on.

Unlike the original system that obtains in the House of Commons in Britain, the leaders in the party hierarchy in the Senate and in the House do not have the powers through patronage that are the privileges of the leaders in the English parliamentary system, particularly the House of Commons.

Incidentally, the whip system of the House of Representatives is more highly structured than is the whip system in the Senate and is more like that of the English House of Commons.

The office of whip, which I held for 6 years, originated in the English system. The whip notice, which I, to a considerable extent, developed in the Senate and which has long been developed in the House of Representatives, in which I served before coming to the Senate, originated in England.

The whip notice, the whip letter, was originally a circular letter. It was a secret letter that was sent out to the King's supporters in the House of Commons by a certain officer. He sent it as far away, perhaps, as France, urging the members, the supporters of the King, to be on hand at a certain time and to be prepared to vote a certain way in support of the King. Those were secret letters.

In the 1600's the secret letters themselves were referred to as whips. And in later times the individual who dispatched the letters became known as the whip.

Edmund Burke referred to that individual as the "whipper-in." The whipper-in; two words, connected with a hyphen. The whipper-in.

The whipper-in was the person who was employed to keep the hounds from straying from the field during the fox chase. And so Burke said that there was no more apt term to be applied to that person than the "whipper-in"—to keep the Members from straying away during the critical votes; bring them in for the critical votes.

So that person himself, then, later became known as the whip. And so in the House of Commons, there is the chief whip and there are the deputy whips.

But in the case of the British parliamentary system, these individuals have very high ministerial positions in the government and they, indeed, do wield power. They can hand out patronage and they can use the bullwhip in getting the votes. The opposition, of course, developed the same kind of whip system. And the same is true in our own House and Senate—each party having its whip organization.

Well, in the Senate, we have the whip notice that goes out, indicating what days there will be votes and what votes there will be. Senator CRANSTON is the majority whip. He gets out the whip notice, which indicates information to Members on this side of the aisle which will help them in scheduling their business so as to be here when needed to vote.

One of the key functions of the leadership is to be able to have the right Senators at the right place at the right time. So if we have a certain vote coming up, if there is a partisan position on the matter, or if the leadership feels that it is important for the party to try to carry the vote on a particular item, then the leadership tries to get the right Senators at the right place at the right time.

Take the distinguished Senator from Virginia, Senator HARRY F. BYRD, JR., who now presides over the Senate, who is an Independent but who sits with the Democrats in their conferences and who sits on this side of the aisle; if we feel that Senator BYRD's vote is going to be needed and he is going to vote with us, we want to be sure to try to schedule the vote at the time HARRY F. BYRD, JR., is here. If HARRY F. BYRD, JR. is not going to vote with us, then we are not quite so concerned as to whether Senator BYRD is in the right place at the right time.

I say that facetiously, but it scores a point that is a vital one when it comes to leadership in a parliamentary body.

The important thing is to have the right Senators at the right place at the right time.

And so we run our attendance sheets and find out what Senators will be here, for example, on cloture. There is a cloture vote on next Monday. We run our whip attendance sheet. We want to try to schedule the vote when we will be able to get one more vote than we would be able to otherwise get, or two more votes than we would be able to get, for cloture at a particular time.

And we find, for example, that on Monday—let us take Monday—the attendance sheet shows, as far as this side of the aisle is concerned, that we will get about the same number of votes at any time on Monday up until 5 o'clock. Well, at 5 o'clock, there will be a Senator here who will not be here earlier in the day. That Senator will vote.

Strange as it may seem, he is not going to vote with the Democrats, who are trying to invoke cloture. He is going to vote with our Republican friends. Not all of the Republicans are going to vote against cloture, but a good many of our Republican friends who are filibustering this nomination—and they are doing it, certainly, under the rules of the Senate. They have a right to do that. But this particular Senator is going to vote with them.

Now, why did I schedule that vote at 5 o'clock to accommodate a Democratic Senator who is not going to vote with me?

Well, here is the reason: First of all, we try to accommodate all Senators. I especially have a duty of trying to accommodate my colleagues, trying to arrange the votes when they can be here, and so on. The distinguished minority leader, Senator BAKER, has the same responsibility to his Senators.

But in this instance, I am accommodating this particular Senator because he will not vote for cloture on the first vote. Some Senators will not vote for cloture the first time around. Some will only vote for cloture the second time around or the third time around. So I know I am going to lose that vote on Monday.

But I want to accommodate this particular Senator, even though he is not going to vote for cloture the first time.

I am going to lose his vote the first time.

But there are several Senators who will not vote for cloture the first time.

This particular one; I want him to be here and vote, even though he is going to vote against me, because then I would hope that on Tuesday he would vote with me.

That is just a little interesting insight into how we have to weigh all things, how we have to schedule and program, calculate how we will get this vote and how we will get that one. That is the way it goes.

Let it be said for all time that one of the cardinal principles of leadership is to have the right Senators—the right Senators meaning Senators who are going to vote with us—the right Senators at the right place, and at the right hour, when the clerk starts calling the roll.

The relations between the majority and minority floor leaders with respect to party membership are very important. A great deal of cooperation is required in moving legislation through this body. A great deal of cooperation is required between the majority and the minority. We operate on the basis of a set of rules, 42 in number now, some of which have existed in one form or another for 191 years. A lot depends upon courtesy, cooperation, comity, respect in this body. Otherwise, the legislative process could break down and not function well, and the people, of course, would then be the sufferers of such a breakdown. So there is that relationship of compromise and forbearance so important in order to function in this body.

The function of the majority leader is manyfold. I have often said that he has to be a traffic cop, babysitter, welfare worker, minister, lawyer, umpire, referee, punching bag, target, lightning rod—all these and more.

Individual Senators often consult their leaders as to when to participate in debate, what committee assignments to seek, what appointments may be desired, when a particular piece of legislation will be brought up, when it is likely to pass. They discuss particular nominations. They discuss desired administrative action by the executive branch, especially when the President and the majority in control of the Congress are of the same political party.

The leader is the cement that holds his party group together. Former President Lyndon Johnson, when majority leader of the Senate, stated once in an interview that—

> The only real power available to the leader is the power of persuasion. There is no patronage, no power to discipline, no authority to fire Senators like the President can fire members of his Cabinet.

Continuing, Lyndon Johnson said:

> A good leader should not only know about the working of the committee and how the members arrived at the content of the bill as finally recommended, but he must also know the problems of each individual State and the temperament of each individual Senator.

Having served under Lyndon Johnson, I think he lived up to his own criteria. Lyndon Johnson was a great majority leader. His prowess as majority leader is legendary. But Lyndon Johnson could not lead this Senate today as he led the Senate in his day. I do not say that with any measure of disrespect for him, but it is a different Senate. Half the Members of this Senate today have not served one complete 6-year term.

I served under Mr. Johnson, I served under Mr. Mansfield, and the Senate has changed.

Back when Lyndon Johnson was majority leader, there was Speaker Sam Rayburn from the same State of Texas the Speaker of the House of Representatives, and they worked closely together

The issues were different. The civil rights issue was perhaps the overriding issue at the time. That issue itself made it possible for all of the Senators from a region of the country to hold together. It was the cement, a lot of the cement, that held together Southern Senators. Moreover, the States of the old Confederacy were all represented by Democrats. Just to name a few, there was the late Senator Richard Russell, who was the chieftain of the clan, if I may use that term. He was looked up to and respected by Northerners, Westerners, Easterners, Republicans, Democrats, liberals, conservatives, or otherwise.

And there was Harry Byrd, Sr., the late illustrious father of the senior Senator from Virginia, who now presides over this body, Olin Johnston, Spessard Holland, John McClellan, Jim Eastland, Lister Hill, John Sparkman, Willis Robertson, Sam Ervin, and others. The only remaining Southern Senators today in this Senate who were Senators when I entered the Senate are Senator LONG of Louisiana, Senator STENNIS of Mississippi, Senator TALMADGE of Georgia, and Senator THURMOND of South Carolina.

In those days, there were those 26 Democratic, Southern Senators who held together in a bloc, as a unit, and Senator Johnson, as majority leader, could turn to Senator Russell for support and there, as a bloc, were 26 Senators. Of course, Senator Johnson was one of the Southern Democratic Senators also, from the State of Texas.

Today, that situation no longer exists. Those 13 States are not today represented by Democrats in their entirety, as they were then. We have, for example, from the State of Tennessee, the minority leader (Mr. BAKER), a Republican Senator. South Carolina has a Republican Senator, Senator STROM THURMOND, who, by the way, was once a Democratic Senator. The State of Virginia has one Republican Senator (Mr. WARNER) and one Independent (Mr. BYRD). Mississippi has one Republican Senator (Mr. COCHRAN), and the State of Texas has one Republican Senator (Mr. TOWER); North Carolina has one Republican Senator (Mr. HELMS). So we see the breakup of this formerly solid Democratic representation from the States of the Old South. That was then a part of Lyndon Johnson's strength. Not only that, but the single national issue that was the cement that held the old southern group together is, for the most part, now gone.

So, Lyndon Johnson was right: there is no patronage, no power to discipline.

By custom and practice, the two leaders get preferential recognition. The majority leader has first consideration from the Chair. Following the majority leader, the minority leader is accorded preferential recognition. Vice President Garner, while presiding over the Senate in 1937, said:

> The Chair recognizes the Senator from Kentucky because he is the leader of the Democratic side of the Chamber. He would recognize the Senator from Vermont, Mr. Austin, acting Republican leader, in the same way.

The manager of a bill also is entitled to preferential recognition—not ahead of the two leaders, but following in line, and is accorded that recognition generally by the Chair.

The two front-row seats on either side of the center aisle, from about 1920, I guess it was, or 1921, have been allocated to the leaders.

Senator leaders have carved their names into these desk drawers. The first Senator whose name is carved in the majority leader's desk drawer was Senator Robinson of Arkansas, then Senator Barkley of Kentucky, Senator Lucas, Senator McFarland, Senator Johnson. Senator Johnson carved his name in here as minority leader; then he carved it in as majority leader, so he has it in twice. And Senator Mansfield has his name in here.

I have not yet carved my name in the drawer.

As I indicated earlier, Senators have generally served quite a long apprentice role before becoming leaders.

Other than the role that I have already described, I should add that I have the function of trying to secure time agreements on legislation. Sometimes it is pretty difficult to secure a time agreement on legislation. I have probably secured more time agreements in my time in the leadership role, which includes the office of Secretary of the Democratic Conference and the office of majority whip, than has any other Senator in the history of the Senate. I have no doubt that that statement will hold up under the closest scrutiny, because during the last 10 years when Mr. Mansfield was majority leader, it was my task, for the most part, to work out time agreements.

Also, during that period, we developed the multitrack system under which the Senate would be operating on different pieces of legislation during the same day—in the early part of the day on a given measure and then going to another measure later in the day, and having that as the established practice for over a period of 1 or more days during which those same pieces of legislation were being discussed.

So when Mr. Mansfield became leader, he became heir to an office that had changed with the changing Senate, as time went on and the civil rights issue became less important to a region, and as the Republican Party broke into the South and began electing Senators from Southern States, Mr. Mansfield, like myself, could not turn to a single Senator who commanded a fourth of the Senate, as was the situation when Senator Russell was living and Senator Johnson was majority leader.

So Senator Mansfield and I found it quite different in that respect.

I found Senator Mansfield to be, one might say, an altogether different type of leader from the type typified by Mr. Johnson. Two different personalities, of course, with different viewpoints as to what the role and function of the leaders should be, also living in different times, with different issues, and with a very different makeup of the Senate body.

There were days in the old days when a Senator came to the Senate and knew he was expected to be seen and not heard, and perhaps sat in this body for months, even for years, before he made his maiden speech.

These days, however, Senators who come into the Senate have more to say than a lot of us who have been here for many years. Quite often, they come with stars in their eyes and they feel that this institution ought to be changed. They have served, some of them, in State legislatures and they acquire an idea that the U.S. Senate ought to operate like a State legislature, like a West Virginia Senate or House of Delegates, for example, in which I served.

The fact that the Senate just does not roll over and change after they have been here a fortnight is somewhat frustrating to some of them, and I can understand their frustration. But the Senate has been here a long time and it is larger than the sum of all its parts.

One hundred Senators do not make up the total of the Senate. In addition to those 100 Senators who come and go, while the stream of the Senate goes on forever, there are the traditions, the customs, the rules, the precedents, the history, and the role that the institution plays under our constitutional system. All of these things, and more, make up the Senate.

I have seen men who had served as judges, as Governors, as Members of the U.S. House of Representatives, who served in their State legislatures, who served as Cabinet officers, but who then, more than anything else, wanted to be a U.S. Senator. I will give an example. Just this week I heard Senator RIBICOFF, who is retiring from the Senate—really and truly he has been a great Senator, a fine Senator, a Senator in every sense of the word—every sense of the word—say that he had been a member of his State legislature, he had been a judge, he had been a Member of the U.S. House of Representatives, he had been Governor of his State, he had been a Cabinet officer, he had been a U.S. Senator, and the greatest of all these, in his estimation, was the office of U.S. Senator.

Often, as I have observed persons running for the U.S. Senate, I have thought to myself that they would give their right arms to win—that is a personal opinion, of course—and become Members of the U.S. Senate. How soon they forget, once they become a Member of this body.

All too often, they are the first to criticize it, not that it should not be constructively criticized, but they are the first to appeal to the galleries of public opinion, the first to seek the plaudits of the crowd at the expense of the institution which meant so much to them when they were seeking to be elected.

I have never—never—sought to get a laugh or a bit of applause at the expense of this body. The Senate is more, much more, than my membership in it, and it will go on long after—long after—I no longer serve here.

To me, the Senate is what we make it, and it is made up of men and women from all walks of life.

I was once the community garbage collector. I was an attendant in a gas station—they did not have service stations in those days, it was a gas station. I was once a produce salesman, once a meatcutter, once a welder in the shipyards, once a grocery store owner. I went to law school at night, never intending to become a lawyer, and over a period of 10 years.

That is just one example. Look around me. We see men and women from all walks of life in this body, and, for the most part, they are dedicated in their service.

Any Senator worth his salt can leave this body and receive a higher salary than he gets from being a Senator. Any Senator worth his salt can leave this body and get paid far more than he can get paid being a U.S. Senator.

So there has to be a certain amount of dedication to service, and it is becoming more difficult. That has been my experience: it is becoming more difficult.

We are living in a time in which there are single-issue groups, groups that write to us and say, "It does not make any difference about your record over the years. You have a fine record. But if you vote against (or for) this one issue, I'll be against you and I'll work against you, and I've got a family of 17 cousins and in-laws, and we'll all be against you, too."

That is the way it goes—single-issue politics.

Campaigning in this day is much different from what it was when I came to the Senate 22 years ago. I can remember the days, back in West Virginia, when a good stump speaker could rally crowds, and crowds would turn out to hear and meet a Senator from the State of West Virginia.

Those were the days when there were 135,000 coal miners in West Virginia, and John L. Lewis was the Mineworkers' chieftain who could turn them out. John L. Lewis and Senator Matt Neely turned out the miners. Today, you cannot turn them out.

I am not just talking about the miners—you cannot turn anybody out. They will not come out. There are a few who will come out to listen to a political speech. All too many people prefer to sit at home and drink a beer and watch television. You cannot get them to vote. All too often, those who do not vote are the first to grouse—grouse about this and grouse about that, grouse about people who are elected to office.

In any event, these changes we have seen have permeated the political scene of this country and have permeated the political scene in this body to some extent. What I am saying is that times and things have changed. Younger Senators come into the Senate. They are more independent. The "establishment" is a bad word. Each wants to do his "own thing."

There is not enough discipline, political discipline. There should be more political discipline in this body, because, after all, there has to be leadership. There has to be party leadership; there has to be party unity. A party has to be held responsible for the governance of a nation.

So the Senate leader is responsible for developing programs, for getting time agreements, for determining when certain measures should be scheduled. He will make that determination based on his discussions with the committee chairmen of the subcommittee chairmen or others who are going to manage the particular bills. Also, he will touch base, through his staff, with Senators who will be calling up amendments, so as to find a time when the manager can be in place, the ranking manager on the other side of the aisle can be in place, Senators who have amendments can be here, and so forth.

The majority leader and the minority leader also have to keep themselves reasonably briefed and informed on national and international problems and certainly need to be in a position to deal with procedural matters. They need to be reasonably conversant with the rules and precedents. They must keep their respective memberships currently advised as to proposed actions on pending measures and protect their respective sides in connection with voting, and so forth.

The leaders are clearinghouses for information for their respective party memberships as to the status of pending legislation, and the majority leader commonly tries to post the Senate on such matters.

Most matters are called up by unanimous consent, the majority leader having cleared with the minority leader and our respective Members on both sides of the aisle the calling up of a measure by unanimous consent. If it is not possible to call up a controversial measure by unanimous consent, then the majority leader calls up the matter by motion, which, under ordinary circumstances, is debatable.

The majority leader stays on the floor most of the time, as does the minority leader, or very near the floor, and they are present to protect the rights of their respective sides and to keep the legislation moving.

The leaders participate in debate from time to time. I have always felt that one can talk too much and that it is best not to talk too often.

I spoke about time agreements a moment ago. A time agreement is an agreement on a bill which sets forth the amount of time for debate on the bill. These time agreements, once they are secured, are set forth on the front page of the Calendar of Business.

For example, there is a time agreement on H.R. 39, dealing with certain public lands in the State of Alaska. That time agreement provides that there will be an overall limitation of 20 hours for debate on that bill. The time agreement will specify that there be a certain amount of time for any amendment in the first degree and any amendment in the second degree and will allocate a limitation on time for any debatable motion.

For example, a motion to table is not debatable, so no time is allowed for that, but it is allowed for debatable motions, appeals, or rulings of the Chair. The Chair decides points of order, but the Chair, in its wisdom, may entertain discussion by the Senate on a point of order, for the edification of the Chair, or, on a constitutional question, will refer it to the Senate for its decision.

In any event, the time agreement lays out the amount of time on amendments, appeals, and points of order, if such are submitted, and so forth.

This particular time agreement states that this bill, H.R. 39, shall not be called up before July 4, 1980, but does authorize the majority leader to call up the bill on any date after July 4.

And it was the understanding of Senators who entered into that agreement that the majority leader would do that and the majority leader intends to do that on the very first day after the Senate returns from the July 4 holiday, which includes the days out of session for the Republican Convention.

I do not know why they are having a convention, but the Republicans are going to have a convention in July.

And upon the return of the Senate following that convention it will be my intention to call up that bill, I believe, unless there is an emergency of some nature that requires the calling up of some other measure.

In any event, that, for the most part, is what a time agreement consists of.

The approach of each majority leader varies from that of other majority leaders, and the approach will depend largely on his own political approach, his own personal characteristics, and the circumstances at a given moment in connection with a piece of legislation. So no two leaders are alike. But any effective leader must never lose sight of any other Senator's rights and must always be cognizant of the fact that other Senators have to exercise their own independent judgments and that they are elected by their own constituencies.

And I have found that patience, patience is one of the greatest assets that one can bring to bear in this difficult role.

I have often felt that being majority leader of the U.S. Senate is in many ways more difficult than being President of the United States. I have never been President of the United States. But it is extremely difficult to deal with the wishes and needs of 99 other Senators, attempting to schedule legislation because almost in every case at any time it is scheduled it inconveniences some Senator and I cannot fire any of them.

It is extremely difficult and largely a labor of love because as far as the financial remuneration is concerned it is not worth it. The majority leader gets roughly $7,500 more than any other Senator, and about half of that goes to the Internal Revenue Service and another part of it to the State of West Virginia for income taxes.

I often say when I am to fill out a form and the form says "occupation," I should put "slave." The form has on it "employer." I feel like putting "U.S. Internal Revenue Service and the Vepco Electric Co. over in the State of Virginia." That company gets an increase, it seems to me, every few days, and it does not appear to get one increase without filing for another. My electric bill last month was around $350 and the month before it was between $400 and $500. So these Vepco Electric bills are becoming intolerable and we still nearly freeze to death in the winter.

Yes, I do get a leased car and I drive it myself some times. I do better under the steering wheel than I do when I am the driver in the backseat. But when I do not drive it, a person on my staff, who is also employed to do a lot of other work in the office, drives it for me, and it does afford me an opportunity to read, and I have a good bit of reading to do. It is also for the use of other Senators when they need a car.

But there it is: a leased automobile, a driver when I use the driver who works in the office also, roughly $7,500 more a year, half of which goes to the Internal Revenue Service, the Federal, and another portion to the West Virginia tax people, and more headaches than the average Senator has by far.

But someone has to do the job. I asked for it and my colleagues gave me the job, and they expect me to hold up under it and carry forward and do my best, and I do that, and I am sure that every other majority leader who has been my predecessor has been in the same circumstance.

That about covers the subject of the majority leader, Mr. President. So, on another day at another time I will continue this discourse on the U.S. Senate.

The U.S. Senate will celebrate its 200th anniversary in 1989. So I would think that in between this day and that day I and others who are likewise minded will have an opportunity to increasingly turn our eyes toward that event and make preparations for it.

Mr. President, let me thank all who have so patiently endured my circumlocutions, verbosity, and prolixity as I have expounded on the history of the majority leadership. I thank them for their indulgence and their patience.

Mr. COCHRAN. Mr. President, will the distinguished majority leader yield at that point?

Mr. ROBERT C. BYRD. Yes.

Mr. COCHRAN. While the Chamber was not full, those of us here, I am sure, all enjoyed and were edified by the statements of the majority leader. It was a pleasure to hear your remarks on that subject.

I would add, in response to your query as to why the Republicans were having a convention in July of this year, I would hope that in time it will come to be known by the distinguished majority leader that the Republicans held a convention to nominate the next President of the United States.

Mr. ROBERT C. BYRD. Well, Mr. President, realizing that the wish is often father of the thought, I understand the Senator's statement.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 3:30 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6614. An act to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes.

HOUSE BILL REFERRED

The following bill was read twice by its title and referred to the Committee on Commerce, Science, and Transportation:

H.R. 6614. An act to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983, and for other purposes.

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3585. A communication from the Assistant Secretary of the Navy (Manpower, Reserve Affairs, and Logistics), reporting, pursuant to law, that a study has been conducted with respect to converting the function of providing aircraft refueling services at Marine Corps Air Station, El Toro, California, and a decision has been made that performance under contract is the most cost-effective method of accomplishing the function; to the Committee on Armed Services.

EC-3586. A communication from the Secretary of the Navy, reporting, pursuant to law, that a study has been conducted with respect to converting the functions of providing custodial services at the Naval Air Station, Whiting Field, Milton, Florida, and a decision has been made that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3587. A communication from the General Counsel of the Department of Defense, transmitting an amendment to the budget of the amounts requested for appropriation for the Department of Defense for fiscal year 1981; to the Committee on Armed Services.

EC-3588. A communication from the Secretary of Housing and Urban Development, transmitting proposed changes to S. 2383, 96th Congress, the department's proposed fiscal year 1971 authorization legislation; to the Committee on Banking, Housing, and Urban Affairs.

EC-3589. A communication from the President, Export-Import Bank of the United States, transmitting, pursuant to law, a report on the operation of Eximbank for fiscal year 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3590. A communication from the Secretary of Commerce, transmitting, pursuant to law, a report on the activities of the department during fiscal year 1979 with regard to the Fair Packaging and Labeling Act (Public Law 89-755); to the Committee on Commerce, Science, and Transportation.

EC-3591. A communication from the General Counsel, Department of Energy, transmitting a draft of proposed legislation to authorize additional appropriations to the Department of Energy for civilian programs for fiscal year 1979; to the Committee on Energy and Natural Resources.

EC-3592. A communication from the General Counsel, Department of Energy, transmitting, pursuant to law, on meetings related to the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3593. A communication from the Deputy Secretary of Energy, transmitting, pursuant to law, the 1979 annual report for the State Energy Conservation Program; to the Committee on Energy and Natural Resources.

EC-3594. A communication from the Chairman, Lowel Historic Preservation Commission, transmitting, pursuant to law, the commission's draft preservation plan; to the Committee on Energy and Natural Resources.

EC-3595. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, a prospectus which proposed continued occupancy under a succeeding lease of space located at 7839 Churchill Way, Dallas, Texas; to the Committee on Environment and Public Works.

EC-3596. A communication from the Acting Secretary of the Interior, transmitting, pursuant to law, the fourth annual report on the Tule elk herds in California; to the Committee on Environment and Public Works.

EC-3597. A communication from the Administrator, General Services Administration, transmitting, pursuant to law, an amended report of building project survey, pertaining to the proposed consolidation of the Nuclear Regulatory Commission (NRC) in the Washington, D.C. area; to the Committee on Environment and Public Works.

EC-3598. A communication from the Fiscal Assistant Secretary of the Treasury, transmitting, pursuant to law, the ninth annual report on the financial condition and results of the operations of the Airport and Airway Trust Fund; to the Committee on Finance.

EC-3599. A communication from the United States Trade Representative, transmitting a draft of proposed legislation to provide authorization for the Office of the United States Trade Representative through fiscal year 1985 and to provide express authority for certain necessary actions; to the Committee on Finance.

EC-3600. A communication from the Commissioner of Social Security and Secretary, Board of Trustees, Social Security Administration, Department of Health, Education, and Welfare, reporting, for the information of the Senate, that the 1980 annual report of the Board of Trustees, which was due by law on April 1, 1980, will be several weeks late; to the Committee on Finance.

EC-3601. A communication from the Secretary of the Treasury, transmitting, pursuant to law, the seventh annual report entitled "The Operation and Effect of the Domestic International Sales Corporation Legislation"; to the Committee on Finance.

EC-3602. A communication from the Director, Peace Corps, transmitting a draft of proposed legislation to authorize appropriations for the Peace Corps, and for other purposes; to the Committee on Foreign Relations.

EC-3603. A communication from the Assistant Legal Advisor for Treaty Affairs, Department of State, transmitting, pursuant to law, international agreements other than treaties entered into by the United States within sixty days after the execution thereof; to the Committee on Foreign Relations.

EC-3604. A secret communication from the Director, United States Arms Control and Disarmament Agency, transmitting, pursuant to law, the administration's fiscal year 1981 Arms Control Impact Statements; to the Committee on Foreign Relations.

EC-3605. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a list of GAO reports issued or released in March 1980; to the Committee on Governmental Affairs.

EC-3606. A communication from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members, and for other purposes; to the Committee on Governmental Affairs.

EC-3607. A communication from the Chairman, National Science Board, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3608. A communication from the Chairman, Securities and Exchange Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3609. A communication from the Chairman, United States International Trade Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3610. A communication from the Chairman, Federal Home Loan Bank Board, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3611. A communication from the General Counsel, Inter-American Foundation, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3612. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-173, "Closing of a Portion of Whitehaven Parkway, T, S, and R Streets, N.W., and the Public Alley Systems within Squares N-1312, and S-1312, and Abandonment of Highway Plan Streets within Squares N-1312, 1313 and 1320 Act of 1980," together with a report, adopted by the Council on March 18, 1980; to the Committee on Governmental Affairs.

EC-3613. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-174, "Solid Waste Regulations Amendment Act of 1980," and report, adopted by the Council on March 19, 1980; to the Committee on Governmental Affairs.

EC-3614. A communication from the Chairman, Council of the District of Columbia, transmitting, pursuant to law, Act 3-172, "Closing of a Portion of Maine Avenue, S.W. Act of 1980" and report, adopted by the Council on March 18, 1980; to the Committee on Governmental Affairs.

EC-3615. A communication from the Chairman, Interstate Commerce Commission, transmitting, pursuant to law, a report on the administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3616. A communication from the Deputy Assistant Secretary for Indian Affairs, Department of the Interior, transmitting a proposed plan for the use and distribution of the Pribilof Islands judgment funds in Dockets 352 and 369-A before the U.S. Court of Claims; to the Select Committee on Indian Affairs.

EC-3617. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Congressional Monitoring of Planning For Indian Health Care Facilities Is Still Needed," April 16, 1980; to the Select Committee on Indian Affairs.

EC-3618. A communication from the Director, United States Water Resources Council, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3619. A communication from the Chairman, National Endowment for the Arts, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3620. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, orders in the cases of certain aliens who have been found admissible to the United States under the Immigration and Nationality Act; to the Committee on the Judiciary.

EC-3621. A communication from the Director, Administrative Office of the United States Courts, transmitting a draft of proposed legislation to amend section 1871(a) of title 28, United States Code, with respect to the compensation of jurors in the United States bankruptcy courts; to the Committee on the Judiciary.

EC-3622. A communication from the Chairman, National Endowment for the Humanities, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3623. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report on Shared-Schedule Residency Training Positions; to the Committee on Labor and Human Resources.

EC-3624. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the National Diffusion Network; to the Committee on Labor and Human Resources.

EC-3625. A communication from the Chairman, National Commission on Libraries and Information Science, transmitting a draft of proposed legislation to amend the National Commission on Libraries and Information Science Act; to the Committee on Labor and Human Resources.

EC-3626. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report of the National Center for the Prevention and Control of Rape; to the Committee on Labor and Human Resources.

EC-3627. A communication from the Chairman, National Mediation Board, transmitting, pursuant to law, the board's annual report for fiscal year 1978; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table, as indicated:

POM-651. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE JOINT RESOLUTION No. 59

"Whereas, Virginia has significant potential to contribute to fuel alcohol production because of her diversity of agricultural crops and abundance of non-petroleum fuel sources for process heat; and

"Whereas, on-farm production of fuel alcohol, whether by individuals or co-operatives, is an attractive alternative for Virginia farmers and is to be encouraged; and

"Whereas, it is technically feasible and readidly accomplished for on-farm fermentation and distillation processes to produce alcohol at sixty to ninety percent concentration but is not generally feasible to produce anhydrous alcohol in on-farm processes; and

"Whereas, fuel alcohol of sixty to ninety percent concentration can be used directly in internal combustion engines provided that those engines have been suitably modified, but alcohol at this concentration cannot be blended to gasohol which requires anhydrous alcohol; and

"Whereas, the production of fuel alcohol would be considerably boosted if one could ferment and distill to an alcohol concentration of sixty to ninety percent and then to sell this product to a central distillation facility for final processing to anhydrous alcohol for gasohol blending.

"Significant economies should result from being able to market the less concentrated product, namely:

"a. Central distilleries would not have to expand fermentation capacity;

"b. Feed grains are left at the farm obviating their transport back to the feeding site;

"c. Reduces requirement for capacity for drying distillers feed grains;

"d. Shipping could be easily accomplished in a way similar to milk pick-up. In the case of alcohol, the product is stable and can be stored as necessary; and

"Whereas, there are regulatory barriers to marketing alcohol from on-farm production facilities, namely:

"a. There is no established market for the sixty to ninety percent concentration alcohol;

"b. Bureau of Alcohol, Tobacco and Firearms requirements are prohibitive for the small producer to market anhydrous alcohol;

"c. Bureau of Alcohol, Tobacco and Firearms limitation of twenty-five hundred gallons per year for exeprimental use; and

"Whereas, one existing and one planned distillery have endorsed and encouraged the concept of on-farm fermentation and partial distillation and plan to have still capacity for the final step to produce anhydrous alcohol available; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring*, That the Congress of the United States be memorialized to take such steps as may be necessary to establish procedures within the Bureau of Alcohol, Tobacco and Firearms to allow marketing of sixty to ninety percent alcohol by on-farm producers; and, be it

"*Resolved further*, That the Clerk of the House of Delegates be instructed to transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the Senate of the United States, and the members of the Virginia delegation to the Congress of the United States that they may be apprised of the sense of this body."

POM-652. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Agriculture, Nutrition, and Forestry:

"HOUSE JOINT RESOLUTION No. 78

"Whereas, the Farm Credit Act of 1971 authorized production credit associations and federal land bank associations to make financial related services available to borrowers, members and applicants; and

"Whereas, the General Assembly of Virginia is unclear as to the meaning and intent of this Act as it relates to the ability of production credit associations and federal land bank associations to provide insurance as a part of such financial related services; and

"Whereas, the eight farm credit institutions in Virginia have adopted a resolution not to negotiate or effect any kind of insurance in this State in certain clearly defined areas for a period of two years; and

"Whereas, the Commonwealth of Virginia has not taken a position on this matter; now, therefore, be it

"*Resolved by the House of Delegates, the Senate concurring,* That the Congress of the United States is hereby memorialized to more clearly define the right of farm credit institutions to provide, as a financial related service to borrowers, members and applicants, insurance on collateralized property and to further define and clarify what is meant by collateralized property; and, be it

"*Resolved further,* That the Clerk of the House of Delegates is hereby instructed to transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, the Secretary of the United States Department of Agriculture, and the members of the Virginia congressional delegation, in order that they may be apprised of the sense of this body."

POM-653. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Agriculture, Nutrition, and Forestry:

"House Joint Memorial No. 27

"Whereas, legislation is now pending before the United States Congress to amend the National School Lunch Act and allow all states to operate school lunch on a cash basis; and

"Whereas, the Boise School District operated a pilot project which demonstrated an $87,000 savings for one year of operation as a cash basis school lunch program, resulting in 4.6 cents lunch savings; and

"Whereas, under the pilot project, the Boise School District found that they had better planning capability, lower labor costs, decreased plate waste, and greater student satisfaction with the school lunch program; and

"Whereas, the present commodity portion of the school lunch program results in significant costs to the taxpayer as a result of waste in duplication in the purchase, storage, and transportation of commodities, which costs would be greatly reduced if the free enterprise system resumed food distribution in response to a cash school lunch program; and

"Whereas, the Boise District pilot project was one of eight conducted nationally, and all demonstrated a cost savings under the cash program; and

"Whereas, estimated savings, nationwide, would exceed $160,000,000 with adoption of the cash alternative to the present commodity portion of the school lunch program.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the Senate and House of Representatives concurring therein, that we urge the Congress of the United States to act favorably upon adoption of amendments to the National School Lunch Act which would enact the cash alternative to commodity distribution.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-654. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Armed Services:

"House Joint Memorial No. 17

"Whereas, the people of Idaho desire to defend their women and families; and

"Whereas, the protection of women and family has been the highest goal of patriots since the founding of this great nation; and

"Whereas, the people of Idaho recognize the important role of women in the bearing and caring of children; and

"Whereas, not one woman has ever been drafted for compulsory military service in the entire two-hundred year history of our country.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully oppose the proposed draft registration for women, and do not favor the repeal of any federal law exempting women from the draft.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-655. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on the Budget:

"House Concurrent Resolution No. 1029

"Whereas, section 7 of public law 95-435, codified as 31 USC 27, as enacted by the Ninety-fifth Congress and signed into law by President Carter on October 10, 1978, reads as follows:

"§ 27. Federal budget ceiling.

"Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts."; and

"Whereas, President Carter has submitted a budget for fiscal year 1981 calling for outlays of six hundred fifteen billion eight hundred million dollars and receipts of six hundred billion dollars, and as a result a budget deficit is requested by the administration despite the fact that Congress is preparing the largest tax increase in American history in the form of the so-called "windfall profits" tax; and

"Whereas, the budget deficit is requested despite the fact that federal tax revenues are anticipated to reach 21.7 percent of the gross national product, the second highest level in history and the highest percentage since the record level of 21.9 percent reached at the height of World War II in 1944; and

"Whereas, these increases in taxation and spending have been taking place despite rapid and dangerous decreases in defense spending as a percentage of the gross national product, defense spending having averaged 4.6 percent of gross national product in the 1977-1979 period compared with 5.4 percent in 1973-1976; and

"Whereas, defense spending per se is not inflationary having averaged a much larger 11.4 percent of the gross national product in the minimally inflationary 1954-1960 period and 9.3 percent in the 1961-1965 period; and

"Whereas, the combined effect of inflation, increasing marginal income tax rates, and deposit rate ceilings for passbook and similar savings accounts at commercial banks and thrift institutions has been devastating to small savers and destroyed their incentive to save through financial intermediaries; and

"Whereas, federal loan and loan guarantee programs, many of them not included in the formal budget, are expected to reach four hundred twenty-eight billion eight hundred million dollars by the end of fiscal year 1981 including an expected extension of one hundred forty-two billion dollars in new credit; and

"Whereas, despite OECD fiscal indicators showing an overall negative fiscal impact from federal, state and local spending between 1976 and 1979, and the more conventional indicators showing federal deficits declining as a percentage of the gross national product during the same period and, therefore, presumably federal borrowing becoming less stimulative, the rapid growth in the money supply experienced by the United States after 1975 indicates that fiscal policies were too stimulative requiring monetization of federal deficits by the Federal Reserve System; and

"Whereas, the experience of Germany and Japan in controlling inflation despite the much greater proportion of petroleum products which those countries import compared to the United States indicates that root cause of inflation is the combination of fiscal, monetary, tax and regulatory policies pursued by the United States government rather than petroleum prices; and

"Whereas a fiscal policy of constant economic stimulation under all economic circumstances is increasingly inflationary because the public changes its traditional savings and spending patterns in anticipation of impending action of federal economic policy makers; and

"Whereas, it is becoming increasingly evident that high spending and taxation and high marginal tax rates are incompatible with a healthy economy for the United States given its structural characteristics and its ultimate dependence on the initiative of private individuals and organizations to produce real growth:

"Now, therefore, be it resolved, by the House of Representatives of the Fifty-fifth Legislature of the state of South Dakota, the Senate concurring therein, that the Congress of the United States symbolize its commitment to controlling inflation by balancing the 1981 federal budget; and

"Be it further resolved, that the Congress of the United States achieve a balanced budget in fiscal 1981 by cutting nondefense expenditures; and

"Be it further resolved, that the Congress of the United States begin a long-range program to gradually reduce the level of federal taxation and spending below eighteen percent of the gross national product; and

"Be it further resolved, that the Congress of the United States begin reducing spending by rewriting entitlement formulas for the so-called 'uncontrollable' portions of the federal budget in order to restore 'control' of the federal budget to the representatives of the people and to provide aggregate expenditures at levels that do not interfere with the orderly growth of the economy; and

"Be it further resolved, that Congress remove or alter the authority of the Federal Reserve Board and other federal regulatory authorities to artificially hold rates for small savers below market rates and increase the incentives for small savers to utilize commercial banks and thrifts as financial intermediaries by granting an exclusion on interest earned by such savers similar to that provided on corporate dividends in the federal income tax system; and

"Be it further resolved, that the Congress of the United States recognize the structural problem created for the economy and credit markets by its attempts to allocate credit through massive loan and loan guarantee programs and develop a long-range system to weigh the effectiveness of these programs against each other as well as determine the overall level of federal credit allocation desirable within the economy; and

"Be it further resolved, that the Congress of the United States recognize the dynamic effects of marginal tax rates on productivity and growth in the United States economy and begin a systematic revision of the tax laws to stimulate capital formation and reward productivity in order to preserve a decentralized economic and political system which relies on individual initiative; and

"Be it further resolved, that the Congress of the United States recognize that the economic climate is created not only by current facts viewed in one fiscal year but also by the public perception of the economic and political trends over several years, and that if the Congress of the United States wishes to improve the public's confidence in the country's economic future it must symbolize its determination by balancing the budget and undertake the more substantive long-range reforms necessary to show that a balanced budget is not mere symbolism but a commitment to a federal system of government and a market economy; and

"Be it further resolved that this petition for a balanced federal budget in fiscal year 1981 be forwarded by the chief clerk of the South Dakota House of Representatives to Speaker of the United States House of Representatives and the chairman of its Appropriations Committee, Ways and Means Committee and Budget Committee, the President of the Senate of the United States and the chairmen of its Appropriations Committee, Finance Committee, and Budget Commitee, the chairmen of the Joint Economic Committee, and the members of the South Dakota congressional delegation."

POM-656. A resolution adopted by the House of Representatives of the State of Oklahoma; to the Committee on Commerce, Science, and Transportation:

"RESOLUTION NO. 1054

"Whereas, Oklahoma is confronted with the continued erosion of its rail transportation system with recent abandonment of an additional 1,000 miles of railroad in Oklahoma; and

"Whereas, truck, transportation carries three out of every four tons of freight and is now the lifeline transportation system for the 910 cities, towns and communities in Oklahoma; and

"Whereas, 515 of these communities are completely dependent on trucks for freight service; and

"Whereas, under present law, motor transport service must be rendered uniformly and rates for such service must be nonprejudicial, reasonable and nondiscriminatory; and

"Whereas, Oklahoma's regulatory system guarantees the continuation of a stable motor transportation service to meet the public need intrastate; and

"Whereas, legislation is being contemplated by the United States Congress whereby similar federal regulation would be abolished; and

"Whereas, discontinuance of federal regulation in this area would devastate our nation's ability to ensure adequate interstate transportation service; and

"Whereas, if there is no common carrier obligation to provide uniform transportation of goods, drastic deterioration in service to small towns and a precipitous rise in rates will quickly come about; and

"Whereas, the preservation of service is absolutely imperative to the economic well-being of our state and nation.

"Now, therefore, be it resolved by the House of Representatives of the 2nd session of the 37th Oklahoma Legislature:

"SECTION 1. The House of Representatives of the State of Oklahoma does hereby memorialize the Oklahoma Congressional delegation and the Congress of the United States to take immediate and decisive action to continue regulation of this country's motor transportation system in order to avert a transportation crisis of the highest magnitude in Oklahoma and the nation.

"SEC. 2. Copies of this Resolution shall be dispatched to the President of the United States; the Oklahoma Congressional delegation; to the Chairman, Subcommittee Chairmen and each member of the United States Senate Commerce Committee; to the Chairman, Subcommittee Chairmen and each member of the Public Works Committee of the United States House of Representatives; to each Governor of every state in the Union; and to each Speaker of the House of Representatives and President Pro Tempore of the Senate of the Legislatures of every state in the Union which have such offices."

POM-657. A concurrent resolution adopted by the Legislature of the State of Iowa; to the Committee on Commerce, Science, and Transportation:

"HOUSE CONCURRENT RESOLUTION 119

"Whereas, the basic economy of the state of Iowa is dependent upon railroad transportation; and

"Whereas, it is critical that rail shipments both inbound and outbound not be interrupted for even a short period of time; and

"Whereas, a partial disruption or reduction rail service will result in severe economic hardship to many individuals and corportations in Iowa; and

"Whereas, the economy of the nation will be adversely affected by the reduced ability of Iowa to continue contributing to the reduction of the deficit level in balance of payments; and

"Whereas, the directed service carrier (Kansas City Terminal Railway) is presently maximizing rail service in Iowa and has done a commendable job serving the "Heartland Core" as well as providing the flexibility required beyond Iowa's borders; and

"Whereas, the initiation of temporary service by another carrier will result in diminution of service and further complicate operational problems unnecessarily; and

"Whereas, labor protection agreements have been signed covering employees of bankrupt carriers hired by a successor carrier, and legislation, already passed by the Senate, is being progressed in the United States Congress to protect employees of bankrupt carriers not hired by a successor carrier; and

"Whereas, this legislation will encourage potential successor carriers to finalize offers to buy Rock Island trackage; now therefore,

"Be it resolved by the House of Representatives, the Senate concurring, That the Iowa General Assembly urges the United States Congress to legislate an extension of directed service operations to be continued by the current operator (Kansas City Terminal Railway), for a period of at least forty-five days beyond the expiration of the presently authorized period, which expires on March 23, 1980, and to provide the necessary funding therefor, in order to maintain the present level and frequency of service keeping the "Heartland Core" in Iowa and the extensions beyond Iowa to Minneapolis, St. Paul, Chicago, and Kansas City, intact; and

"Be it further resolved, That the Iowa General Assembly urges that the completed legislation be effected without delay to prevent the service reduction and economic harm which will result if directed service operations are not continued; and

"Be it further resolved, That the Secretary of State of Iowa is directed to send copies of this Resolution to the Speaker and the Clerk of the United States House of Representatives, the President and the Secretary of the United States Senate, and each member of the Iowa Congressional delegation.

"We, William H. Harbor, Speaker of the House and Terry E. Branstad, President of the Senate, and David L. Wray, Chief Clerk of the House and Frank J. Stork, Secretary of the Senate, hereby certify that the above and foregoing Resolution was adopted by the House of Representatives and the Senate of the Sixty-eighth General Assembly, Second Regular Session."

POM-658. A resolution adopted by the Senate of the State of Pennsylvania; to the Committee on Energy and Natural Resources:

"RESOLUTION

"Whereas, Title II of the Natural Gas Policy Act of 1978 provides far incremental pricing of certain industrial uses of interstate natural gas. The Federal Energy Regulatory Commission must issue Rule II of this act by May 9, 1980 which will expand the application of incremental pricing to other industrial users but is subject to review by the Congress; and

"Whereas, Incremental pricing will have a direct adverse impact on the increase of prices for domestic goods and products for all consumers, thereby fueling inflation; and

"Whereas, Implementation of incremental pricing will result in the displacement of natural gas with foreign oil in the industrial sector. This runs counter to Federal policies; and

"Whereas, A recent study by the Wharton Econometric Forecasting Associates implies that incremental pricing would increase inflation, reduce economic growth, reduce private domestic investment and increase unemployment; and

"Whereas, Industrial users who cannot convert to alternate fuels could be forced into less competitive positions in the domestic or international market places because of arbitrary and artificial high natural gas prices that will result under incremental pricing; and

"Whereas, Incremental pricing will not achieve the intended effect of sheltering residential and other high priority customers from the impacts of higher cost forms of natural gas but will in all probability have the opposite effect; and

"Whereas, Incremental pricing interferes with State PUC authority over natural gas ratemaking and presents a significant departure from the ratemaking principle that each customer class should bear the costs which it actually imposes on a utility system; therefore be it

"Resolved, That to prevent these devastating effects on our overall economic climate the Senate of Pennsylvania recommends that the Congress of the United States either adopt H. 5862, 'The Repeal of Incremental Pricing of Natural Gas" Title II or that Congress veto Rule II when presented by the Federal Energy Regulatory Commission; and be it further

"Resolved, That copies of this resolution be immediately transmitted to the Speaker of the House, the President pro tempore of the Senate and to each Senator and Congressman from Pennsylvania."

POM-659. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"SENATE JOINT MEMORIAL NO. 108

"Whereas, the series of federal laws of the 1960's and 1970's and the regulations promulgated thereunder, concerning public lands, wilderness, environmental protection, grazing, water and other issues of particular concern to the western states have had tremendous impact on the sovereign states and our citizens; and

"Whereas, the critical national needs for energy have focused national attention, as never before, on the vast resources of the West; and

"Whereas, the conflicting demands of energy development and environmental constraints have been recognized but never systematically analyzed; and

"Whereas, public policy decisions by local, state and federal governments concerning public lands cannot be intelligently or responsibly made without a fuller understanding of the economic and environmental aspects and their interactions.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we urge the Congress to authorize and fund a study of the economic impact of federal laws and regulations on public lands. In particular, such a study should address the conflicts between environmental restraints and the economic needs of the nation and the impacts on state and local governments in the public lands states, and recommend guidelines for determining when one value should be placed above the other.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, to the Secretary of Interior, Cecil Andrus, to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-660. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"SENATE JOINT MEMORIAL NO. 110

"Whereas, the Carey Act, the Desert Land Act, and the 1902 Reclamation Act, provide means for the development and reclamation of western lands, but at the same time impose acreage limitations which are unrealistic; and

"Whereas, the size of a viable family farm has changed through recent modernization of farming techniques, and is highly dependent upon local soil and climatic conditions; and

"Whereas, because enforcement of the current acreage standards would clearly jeopardize the family farm concept, considerable attention has focused on reasonable revisions of the limitations.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the Senate and the House of Representatives concurring therein, that we strongly support amendment to the necessary acts to redefine the size of economically viable, family units in reclamation projects and consistent with maintaining family farm sized units. In consideration of such amendments, Congress should seek to establish flexible criteria to allow adjustments for differences in local or regional soil and climatic conditions.

"Be it further resolved that the Secretary of the Senate be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the Secretary of the Interior, Cecil Andrus, the Secretary of Agriculture, Robert Bergland, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-661. A joint memorial adopted by the Legislature of the State of Washington; to the Committee on Energy and Natural Resources:

"SUBSTITUTE HOUSE JOINT MEMORIAL NO. 31

"We, your Memorialists, the Senate and House of Representatives of the State of Washington, in legislative session assembled, respectfully represent and petition as follows:

"Whereas, State and federal licensing procedures for energy or power generation and development are needlessly cumbersome and cause excessive delay; and

"Whereas, For example, the complete environmental impact statement procedures required under the state environmental protection act are complex and thorough, but cause delay in adding new small-scale hydrogeneration facilities of up to thirty megawatts; and

"Whereas, Even with streamlined procedures, the federal energy/regulatory commission has a rather complex process established for construction of a small power dam which, to some extent, is duplicative of the state process; and

"Whereas, Geothermal exploration on federal lands is extremely difficult because it is very hard, if not impossible, to obtain federal permission even to explore for a resource let alone to obtain permission for the explorer who finds a resource; and

"Whereas, The United States forest service has completed only one environmental impact statement to date and the statement accorded low priority to geothermal exploration; and

"Whereas, Many projects simply do not get started because of undue delays in federal grant applications;

"Now therefore, Your Memorialists respectfully pray that the President immediately issue an Executive Order that will designate a lead agency to be responsible for coordinating federal agencies with statutory responsibility in issuing permits, licenses, or other approval for energy development projects and to submit appropriate legislation to Congress that would remove any roadblocks in such designation, and would require coordination of federal efforts by a single federal agency. Any legislation that is brought before Congress should be immediately considered and approved; and further

"That, To the greatest extent possible, the lead agency should coordinate and consolidate federal review procedures including a unified application, notice requirements, hearings, and records and establish a prescribed time-frame for review and approval. If decisions are not reached within the specified time-frame, and delays are not justified, then applications would be deemed to be approved; and further

"That, The federal approval process for energy generation in the State of Washington up to a limit of sixty electrical megawatts be delegated to the State of Washington for a three-year trial period. This delegation would be granted upon demonstration by the State of Washington of the state's ability to process these applications.

"Be it resolved, That copies of this Memorial be immediately transmitted to the Honorable Jimmy Carter, President of the United States, the President of the United States Senate, the Speaker of the House of Representatives, and each member of Congress from the State of Washington."

POM-662. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on Energy and Natural Resources:

"RESOLUTIONS MEMORIALIZING CONGRESS TO REPEAL THE PROVISIONS WHICH ESTABLISH LIMITS OF LIABILITY FOR ACCIDENTS IN NUCLEAR POWER PLANTS

"Whereas, Nuclear power has become an increasingly unsafe and costly means of generating electricity; and

"Whereas, Accidents at nuclear power plants are increasingly likely given the present state of the technology and inherent risks of nuclear fission; and

"Whereas, Numerous panels of experts and reports including the Kemeny Commission appointed by the President of the United States have predicted more serious accidents without significant changes both in the design and the regulation of such nuclear power plants; and

"Whereas, Subsidization of the atomic power industry, at the expense of the taxpayers of the United States under the provisions of the Price-Anderson Act which establishes certain limits of liability for nuclear accidents, is the major factor causing the continuation of this dangerous method of generating energy; therefore be it

"Resolved, That the Massachusetts General Court hereby requests the Congress of the United States to act expeditiously and to enact H.B. 789 to repeal the Price-Anderson Act and end the unprecedented and unwise indemnification of a private industry; and be it further

"Resolved, That copies of these resolutions be forwarded by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress, to the members thereof from this Commonwealth and to the Governor of the Commonwealth."

POM-663. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"HOUSE JOINT MEMORIAL NO. 23

"Whereas, Idaho is blessed with many wildland areas which are of sufficient quality to warrant inclusion into the National Wilderness Preservation System, and which are being considered for such inclusion by Congress; and

"Whereas, passage of any such wilderness legislation will have a direct and marked impact upon the people and economy of the State of Idaho which is, to a large extent, dependent upon those lands and their resources for jobs and other economic and recreational benefits; and

"Whereas, Idaho has experienced job loss and depletion of resource bases due in part to continuing wilderness studies, which, if not resolved immediately and totally will result in continued employment losses as well as a diminished quality of life and changes in traditional lifestyles for Idaho citizens whose welfare and employment opportunities are dependent upon these lands and their resources; and

"Whereas, excessive regulatory restraints have resulted in uncertainties about the continued availability of adequate surface and mineral resources on wilderness study lands and nonwilderness lands; and

"Whereas, the United States imports ninety-seven percent of its current cobalt needs; and

"Whereas, cobalt is essential in the production of aircraft engines, gas turbines, steel for high speed tools, cement carbides and magnets; and

"Whereas, the United States strategic mineral defense stockpile is currently 40.8 million pounds, far short of the federal government's stockpile goal of 85 million pounds; and

"Whereas, the area known as West Panther Creek, which is recommended for wilderness designation currently before Congress, contains the only known significant deposit of cobalt in the United States; and

"Whereas, all national forest lands of the United States Forest Service which are not designated as wilderness should be placed in a statutory multiple-use status to assure the economy of Idaho of the availability of future resources and access to those resources and to guarantee that no further jobs will be lost in Idaho because of unexpected wilderness designations by Congress; and

"Whereas, the legislation dealing with the West Panther Creek area which was recently passed by the United States Senate does not represent a balanced approach which is consistent with the aforementioned goals and needs of the State of Idaho.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we urge the adoption of more responsible federal legislation which would provide a more balanced approach to wilderness. Specifically, we endorse and support federal legislation which excludes the West Panther Creek area from the wilderness area, and includes the West Panther Creek area in multiple-use status. Furthermore, we endorse federal legislation which includes multiple use of the United States Forest Service lands, which will guarantee timber supplies to the timber-dependent Idaho communities of Elk City, Salmon, Riggins, Emmett, Horseshoe Bend, Cascade, Council and to our neighbors in Darby and Connor, Montana. Finally, grazing rights and mineral claims for exploration should be reaffirmed by the passage of responsible federal legislation.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the Honorable Members of the House of Representatives Committee on Interior and Insular Affairs and to the Honorable Senators and Representatives representing the State of Idaho in the Congress of the United States."

POM-664. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on Energy and Natural Resources:

"House Joint Memorial No. 21

"Whereas, Section 17(d)(2) of the Alaska Native Claims Settlement Act of 1971 directed the Secretary of the Interior 'to withdraw from all forms of appropriation under the public land laws, including the mining and mineral leasing laws, and from selection under the Alaska Statehood Act . . . up to, but not to exceed, 80 million acres of unreserved public lands in the State of Alaska . . . which the Secretary deems suitable for addition to or creation as units of the National Park, Forest, Wildlife Refuge, and Wild and Scenic River Systems'; and

"Whereas, the same 1971 Act required Congress to act upon the Secretary's recommendations within seven years; and

"Whereas, both the United States House of Representatives and the United States Senate have had under consideration legislation responding to the recommendations of the Secretary entered in accordance with the mandate of the 1971 Act, but Congress has failed to agree on a single version of Alaska national interest lands legislation; and

"Whereas, the President, Secretary of the Interior, and Secretary of Agriculture, acting in accordance with authority purportedly granted by the Antiquities Act (16 U.S.C. 431), the Federal Land Policy and Management Act (43 U.S.C. 1701), and other statutory bases for land withdrawals and reclassifications, have reserved or reclassified more than 110 million acres of Alaska land, compromising Statehood Act selection rights and threatening or severely restricting, if not altogether precluding, both traditional land and resource use activities and opportunities for resource development throughout much of Alaska; and

"Whereas, the Legislature of the State of Idaho desires to support the earnest petition of the Legislature of the State of Alaska that the matters remaining unresolved be given the necessary Congressional review and speedy disposition.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that the Legislature of the State of Idaho supports and concurs with the Legislature of the State of Alaska in the following seven points:

"(1) Congress should revoke each and all of the 1978 executive or administrative orders withdrawing lands in Alaska;

"(2) By legislation, Congress should convey to Alaska its full entitlement of federal lands authorized by the Alaska Statehood Act, and to Alaska Natives the full entitlement of public lands authorized to Alaska Natives by the Alaska Native Allotment Act, 48 U.S.C. 357 (Act of May 17, 1906), as amended, and by the Alaska Native Claims Settlement Act, as amended;

"(3) Congress should provide for a rational means of providing access to state and private lands across any federal enclaves created;

"(4) State management of fish and game on all lands in Alaska should be continued;

"(5) Congress should exempt highly valuable mineral deposits and other commodity resources from inclusion in federal systems which obviate development;

"(6) Traditional land uses on all lands in Alaska should continue; and

"(7) The President and the Secretary of the Interior should be precluded from establishing or adding to any conservation system unit within Alaska by means of any executive or administrative authority.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-665. A resolution adopted by the House of Representatives of the State of Washington; to the Committee on Energy and Natural Resources:

"House Floor Resolution No. 80-163

"Whereas, The Yakima River System provides a vital supply of water for one of the state's most productive agricultural areas; and

"Whereas, Changing weather patterns, expanding populations and the development of additional irrigated acres have resulted in water shortages as well as water of poor quality; and

"Whereas, This shortage has not only caused the loss of crops but also numerous costly lawsuits over the rights to the use of water of the river system, all of which are detrimental to the social and economic well-being of the Yakima Valley; and

"Whereas, The Department of Ecology of the state of Washington, working with the Yakima Indian Nation and others, has developed a proposed Yakima River Basin Water Enhancement Project for resolving the conflicts and suffering arising from water shortages by providing more water for agricultural uses as well as fishery, recreational and other instream uses; and

"Whereas, The Legislature of the state of Washington has supported this meritorious project by submitting to the state's voters a $50 million bond issue, and has appropriated funding to facilitate an immediate study; and

"Whereas, On December 28, 1979, President Jimmy Carter signed Public Law 96-162 which authorizes the Secretary of the Department of the Interior to conduct a feasibility study of the Yakima River Basin Water Enhancement Project; and

"Whereas, The Department of Ecology of the state of Washington by authority of Chapter 263, Laws of 1979, extraordinary session, stands ready to transfer the sum of five hundred thousand dollars to the Secretary of the Department of Interior for the purpose of financing the initial portion of that study;

"Now, therefore, be it resolved, By the House of Representatives of the state of Washington, That the representatives urge the Honorable Cecil B. Andrus, Secretary of the United States Department of Interior, to exercise the authority provided him in Public Law 96-162 by initiating immediately a feasibility study of the Yakima River Basin Water Enhancement Project by processing the study to completion as quickly as is reasonably possible; and

"Be it further resolved, That copies of this resolution be immediately transmitted by the Chief Clerks of the House of Representatives to the Honorable Jimmy Carter, President of the United States; to the President of the United States Senate; to the Speaker of the United States House of Representatives; to the Secretary of the Interior; and to each member of Congress from the state of Washington."

POM-666. A resolution adopted by the House of Representatives of the State of Kentucky; to the Committee on Environment and Public Works:

"A Resolution

"Whereas, the industrial development of the Tennessee Valley in general, and that part of Kentucky lying within the Tennessee Valley in particular, depends on low electricity prices; and

"Whereas, the Tennessee Valley Authority was founded for the purpose of providing the Tennessee Valley area with low electricity rates, primarily to attract industrial development; and

"Whereas, sharply rising utility rates are greatly detrimental to industrial development as well as to residential customers; and

"Whereas, Mr. David Freeman, Chairman of the Tennessee Valley Authority has recently announced proposed electricity rate increases which will greatly exceed the President's Wage and Price Guidelines;

"Now, therefore,

"Be it resolved by the House of Representatives of the General Assembly of the Commonwealth of Kentucky:

"Section 1. The proposed rate increases recently announced by the Tennessee Valley Authority through its chairman, Mr. David Freeman, are hereby condemned as being excessive, inflationary, detrimental to the industrial development of the area, and in violation of the President's Wage and Price Guidelines. The Authority and its chairman are hereby petitioned and requested to insure that future rates increases are not excessive and are held in compliance with the President's Wage and Price Guidelines.

"Sec. 2. That the Clerk of the House of Representatives shall forward a copy of this resolution to the Honorable S. David Freeman, Chairman of the Tennessee Valley Authority, the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States, and to the President of the United States."

POM-667. A resolution adopted by the House of Representatives of the State of Illinois; to the Committee on Finance:

"House Resolution No. 634

"Whereas, On December 7, 1979, a special U.S. Congressional Advisory Council issued a report on the manner in which the Social Security System could be improved; and

"Whereas, Of the numerous recommendations proposed one in particular is causing much distress to those of our citizens who depend and will depend on Social Security payments; and

"Whereas, This proposal to tax 50 percent of Social Security payments as actual income for federal tax purposes will place further financial burdens on the already perilous position of our elderly; and

"Whereas, The purpose of the entire system is to provide a steady income for retirees and those disabled; therefore, be it

"*Resolved*, by the House of Representatives of the Eighty-First General Assembly of the State of Illinois, That we strongly urge the President of the United States, President of the Senate, Speaker of the House of Representatives and the Illinois Delegation to Congress to oppose such a proposal if it comes up for a vote; and, be it further

"*Resolved*, That suitable copies of this preamble and resolution be presented to the President of the United States, the President of the U.S. Senate, the Speaker of the House of Representatives and each member of the Illinois Delegation to Congress."

POM-668. A motion adopted by the Legislative Council of the State of Arkansas; to the Committee on Finance:

"State of Arkansas,
"Legislative Council
"*Little Rock, Ark., March 24, 1980.*
"Hon. Walter Mondale,
"*Vice President of the United States,*
"*Washington, D.C.*

"Dear Mr. Vice President: At the meeting of the Arkansas Legislative Council on March 21, 1980, the Council unanimously adopted a motion to express its opposition to the levy of additional federal motor fuel taxes, but expressing the consensus of the Council that if it is necessary to levy additional federal motor fuel taxes to reduce consumption of motor fuel, revenues derived from the additional taxes should be returned to the respective states in which collected to be used for highway purposes only.

"Very truly yours,
"Kern L. Treat,
"*Assistant Director.*"

POM-669. A joint memorial adopted by the Legislatuure of the State of Idaho; to the Committee on Finance:

"House Joint Memorial No. 19

"Whereas, the United States is the greatest nation on the face of the earth; and

"Whereas, the greatness of this Nation can at least be partially attributed to the presence of the family unit and the stability that it fosters; and

"Whereas, an option should remain open to married women who desire to be homemakers and help bolster the family unit; and

"Whereas, there are a variety of external pressures which seem heavily weighted toward fostering the breakup of the American family unit; and

"Whereas, the Social Security System has always recognized and provided for the contribution of homemakers in the traditional single income producing family; and

"Whereas, the expansion of the wage base and programs of the Social Secuurity System during times of high inflation are producing hardships on working families.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that we respectfully request that the Social Security Administration not adopt changes in Social Security laws which would alter the present method of providing for benefits to nonincome producing spouses.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, the Director of the Social Security Administration, Baltimore, Maryland, the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-670. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Foreign Relations:

"House Joint Resolution No. 63

"Whereas, the invasion of Afghanistan by the Union of Soviet Socialist Republics on December twenty-five, nineteen hundred seventy-nine, flagrantly violated public international law, including treaty obligations of the Union of Soviet Socialist Republics; the right to self-determination of sovereign nations, such as Afghanistan; and the fundamental human rights not only of the Afghan people, but of the peoples of the world; and

"Whereas, the invasion of Afghanistan by the Union of Soviet Socialist Republics constitutes a threat to the security both of the United States and of the entire world; and

"Whereas, the invasion of Afghanistan has been condemned by the General Assembly of the United Nations as a breach of the principles of the Charter of the United Nations; now therefore, be it

"*Resolved* by the House of Delegates, the Senate concurring, That this body firmly and publicly expresses its support of President Carter's [, Congress's,] and the federal government's efforts to change the location of the 1980 Summer Olympic Games from Moscow, or any other place in the Union of Soviet Socialist Republics, to a free-world site, boycotting any Games in Moscow as long as the Union of Soviet Socialist Republics maintains military forces in Afghanistan; and, be it

"*Resolved further*, That the Clerk of the House of Delegates is hereby instructed to transmit copies of this resolution to the President of the United States, the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia delegation to the Congress of the United States in order that they may be apprised of the sense of this body."

POM-671. A resolution adopted by the House of Representatives of the State of Washington; to the Committee on Labor and Human Resources:

"House Floor Resolution No. 80-150

"Whereas, Berry farming is an essential factor in the agricultural economy of the state of Washington that is placed in jeopardy without an available supply of berry pickers; and

"Whereas, Berry picking is primarily performed by the youth of this state; and

"Whereas, Berry picking provides numerous jobs for the youth of our state, especially near urbanized areas, which furnishes our youth with worthwhile activities to occupy their summer vacation time; and

"Whereas, Berry picking fosters a work ethic in our youth that is essential to our nation; and

"Whereas, Regulations by the United States Department of Labor preclude ten and eleven year old youths from picking berries because of the use of particular pesticides even though the Environmental Protection Agency has determined that such pesticides are not harmful;

"Now, therefore, be it resolved, By the House of Representatives of the State of Washington, That jurisdiction over any restriction on berry picking which is based upon the alleged harmful effects of a pesticide, herbicide or fungicide be removed from the Department of Labor and placed in the Environmental Protection Agency which has expertise in this area, that a public hearing on this matter be held to receive input from affected parties, and that this problem be resolved as soon as possible to avoid hardships in the forthcoming summer; and

"Be it further resolved, That copies of this Resolution be transmitted by the Chief Clerks of the House to the Honorable Jimmy Carter, President of the United States; the President of the United States Senate; the Speaker of the United States House of Representatives; and each member of Congress from the state of Washington."

POM-672. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on the Judiciary:

"House Joint Resolution No. 20

"Whereas, in nineteen hundred forty-five, the Congress of the United States enacted the McCarran-Ferguson Act (Title 15, United States Code, §§ 1011–1015) in which it was stated that "Congress declares that the continued regulation and taxation by the several states of the business of insurance is in the public interest"; and

"Whereas, in the course of regulation, the states have encouraged and required continued improvements in insurance coverages and the provision of insurance at reasonable rates; and

"Whereas, the states have continually reviewed, experimented with, and altered various approaches to regulation in an effort to assure the public of the availability of insurance at the lowest practicable cost; and

"Whereas, the business of insurance has developed a competitive structure and the public has benefited from the competitive structure of the insurance industry and from the regulation of the insurance industry by the states; and

"Whereas, it has not been shown that the states cannot continue to effectively regulate the insurance industry; and

"Whereas, it has not been shown that federal regulation of the insurance industry, by limiting state regulation and permitting the application of the federal anti-trust laws, will have a beneficial effect upon the industry or otherwise benefit the public; and

"Whereas, it is often necessary, subject to state regulations, to pool the resources of several insurance companies in order to provide more coordinated actions to provide effective insurance coverage of certain risks and to provide the public with reasonable prices, efficiency in which the services are rendered at a reasonable cost, and innovation in which new products and services are made available; and

"Whereas, [the officials of the federal government have publicly, although unofficially, recommended] amending the McCarran-Ferguson Act so as to limit state regulation of the business of insurance; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That the Congress of the United States is hereby memorialized to reject any legislation amending the McCarran-Ferguson Act; and

"Be it further resolved, That the Clerk of the House of Delegates is directed to send copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the delegation of this Commonwealth to the Congress of the United States in order that they may be apprised of the sense of this body."

POM-673. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on the Judiciary:

"House Joint Resolution No. 54

"Whereas, the majority of Americans has historically believed in seeking God's protection and guidance through prayer; and

"Whereas, the value of expressing spiritual convictions through public prayer has been recognized as a firm basis on which to conduct public proceedings; and

"Whereas, Supreme Court decisions during the early nineteen hundred sixties have had the effect of severely restricting the practice of any manner of public prayer although these decisions simply addressed prescribed or compulsory prayer; now, therefore, be it

"Resolved by the House of Delegates, the

Senate concurring, That the General Assembly of Virginia urges the Congress of the United States to assume its responsibility in correcting the unnecessary problems created by court rulings which prohibited prescribed or compulsory prayer; and, be it

"Resolved further, That the General Assembly of Virginia urges the Congress of the United States to express its majority belief in the value of voluntary prayer in public schools and at other public gatherings; and, be it

"Resolved further, That this body memorializes the United States Congress to pass legislation to permit the concept of voluntary school prayer; and, be it

"Resolved finally, That the Clerk of the House of Delegates is directed to send copies of this resolution to the members of the Virginia Delegation to the United States Congress, the President of the United States Senate, the Speaker of the House of Representatives, the Chairmen of both the Senate and House Judiciary Committees, and the President of the United States."

POM-674. A joint memorial adopted by the Legislature of the State of Idaho; to the Committee on the Judiciary:

"HOUSE JOINT MEMORIAL NO. 12

"Whereas, in 1945 the McCarran-Ferguson Act (Title 15, United States Code, Section 1011–1015) was enacted into law; and

"Whereas, in that Act it was stated that 'Congress declares that the continued regulation and taxation by the several States of the business of insurance is in the public interest'; and

"Whereas, in the course of such regulation, the several States have encouraged and required continued improvements in insurance coverages and the provision of insurance at reasonable rates; and

"Whereas, the several States have continually reviewed, experimented with, and altered various approaches to regulation in an effort to assure the public of the availability of insurance at the lowest practicable cost; and

"Whereas, the business of insurance has developed a competitive structure; and

"Whereas, the public has benefited from the competitive structure of the insurance industry including, at the retail level, a wide variety of organizations; often small business, intensely competing, and from regulation of the industry by the several States; and

"Whereas, federal regulation has repeatedly been shown not to be a panacea; and

"Whereas, it is becoming increasingly clear that federal regulation increases the cost of government, often increases the cost of products and services to the consumer, and often without providing offsetting benefits to the public; and

"Whereas, federal regulation often adds confusion and delay; and

"Whereas, there has been no showing that federal regulation of the insurance industry by limiting state regulation and permitting the application of the federal anti-trust laws will have a salutory effect upon the industry or otherwise benefit the public; and

"Whereas, it is often necessary, subject to state regulations, to pool the resources of several insurance companies in order to provide for coordinated actions to provide effective insurance coverage of certain risks and to provide the public with reasonable prices, efficiency in which the services are rendered at reasonable cost, and innovation in which new products and services are made available; and

"Whereas, officials of the federal government have publicly, although unofficially, recommended amending the McCarran-Ferguson Act so as to limit state regulation of the business of insurance.

"Now, therefore, be it resolved, by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, respectfully memorializes the Congress of the United States to reject any legislation amending the McCarran-Ferguson Act (15 U.S.C. Sections 1011–1015, 59 Stat. 33 (1945)).

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the Senate and the Speaker of the House of Representatives of Congress, and the honorable congressional delegation representing the State of Idaho in the Congress of the United States."

POM-675. A concurrent resolution adopted by the Legislature of the State of South Dakota; to the Committee on the Judiciary:

"HOUSE CONCURRENT RESOLUTION NO. 1031

"Whereas, on January 15, 1980, the United States District Court for the Eastern District of New York ruled in McRae v. Secretary, HEW (Civ. No. 76C1804) and New York City Health and Hospitals Corporation v. Secretary, HEW (Civ. No. 76C1805) that the provisions, commonly known and referred to as the Hyde Amendment, contained in HEW's appropriations acts since fiscal year 1977 that limit the use of federal funds for abortions are unconstitutional; and

"Whereas, although those decisions have been appealed to the United States Supreme Court, the United States Supreme Court on February 19, 1980, declined to stay the implementation of such United States District Court decisions pending the outcome of the appeal on the merits; and

"Whereas, subsequent thereto, the United States Department of Health and Welfare has advised each state, including South Dakota, that they must utilize medicaid payments for abortions performed by qualified medicaid providers in cases in which the abortions are determined necessary in the professional judgment of the pregnant woman's attending physician, and further directed all state medicaid authorities, including South Dakota, that they must communicate this federally mandated policy to all local medicaid authorities and providers of pregnancy-related care to medicaid eligible women; and

"Whereas, such directions and policies are contrary to the laws of the sovereign state of South Dakota and the will of its people as expressed in House Joint Resolution 503 exercising the state's Article V power to apply to Congress to call a convention for the purpose of proposing a human life amendment to the Constitution of the United States; and

"Whereas, the Legislature of the state of South Dakota desires to express extreme disappointment, frustration and disagreement with such recent United States District and Supreme Court decisions:

"Now, therefore, be it resolved, by the House of Representatives of the Fifty-fifth Legislature of the state of South Dakota, the Senate concurring therein, that the United States Congress be memorialized respectfully but with firm conviction by the Legislature of the state of South Dakota to immediately initiate public hearings and take such other actions as may be necessary and proper to submit to the states a human life amendment to the United States Constitution in order to insure legally the protection of sacred life and the dignity of human kind; and

"Be it further resolved, that copies of this resolution be sent to the United States Senators and United States Congressmen representing the state of South Dakota in the Congress of the United States, the Clerk of the United States House of Representatives, the Secretary of the United States Senate, and to the Honorable Jimmy Carter as the President of the United States, requesting that they immediately initiate such actions as may be necessary and proper to implement the purposes of this resolution."

POM-676. A resolution adopted by the Legislature of the State of Massachusetts; to the Committee on the Judiciary:

"RESOLUTIONS MEMORIALIZING THE PRESIDENT OF THE UNITED STATES TO CONVENE A SPECIAL WHITE HOUSE CONFERENCE TO ESTABLISH THE RIGHTS OF THE UNBORN

"Whereas, The Supreme Court of the United States has legalized the taking of unborn human life during certain stages of pregnancy; and

"Whereas, Last year more than one million abortions were performed in the United States as a result of the Supreme Court's rulings; therefore be it

"*Resolved*, That the Massachusetts General Court calls upon the President of the United States to convene a special White House Conference to establish the rights of the unborn and to recommend appropriate measures to the Congress of the United States to restore legal protection for all human beings, during every stage of biological development, from beginning to end; and be it further

"*Resolved*, That in addition to experts in family law, medicine and the social services appointed by said President to attend such Conference, that the legislature of each state, the Speaker of the United States House of Representatives, the Vice-president of the United States, and the Secretary of the Department of Health, Education and Welfare send official representatives; and be it further

"*Resolved*, That public hearings be conducted throughout the country to invite citizens comments and recommendations and that after such hearings are held, said Conference shall issue its official report to the public; and be it further

"*Resolved*, That copies of these resolutions be forwarded forthwith by the Clerk of the House of Representatives to the President of the United States, the presiding officer of each branch of Congress and to the members thereof from this Commonwealth."

POM-677. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Veterans' Affairs:

"HOUSE JOINT RESOLUTION NO. 86

"Whereas, Americans who served their country in the armed forces during World War I have now reached considerably advanced ages; and

"Whereas, these Americans, not unlike other citizens of their age, are more likely than average Americans to face large medical bills, while at the same time being less likely to have the financial resources to meet these bills; and

"Whereas, veterans of World War I, like other older Americans, are more likely to face the spiraling cost of living with only the resources of a fixed income; and

"Whereas, it is undesirable that those who have have answered their country's call to military service should suffer impoverization and be driven onto the welfare rolls; now, therefore, be it

"Resolved by the House of Delegates, the Senate concurring, That this body hereby memorializes the Congress to grant to military veterans of World War I a pension of one hundred fifty dollars monthly in token of their service to the nation and in recognition of their financial needs; and, be it

"Resolved further, That the Clerk of the House of Delegates is hereby directed to transmit copies of this resolution to the Speaker of the United States House of Representatives, the President of the United States Senate, and the members of the Virginia delegation to the Congress in order that they may be apprised of the sense of this body."

POM-678. A resolution adopted by the House of Representatives of the State of Washington; to the Committee on Veterans' Affairs:

"House Floor Resolution No. 80–188

"Whereas, The veterans of World War I now find themselves denied financial consideration at a time when the need is greatest by virtue of age (an average age of 84 years). Many are handicapped, requiring outside assistance in everyday livelihood; and

"Whereas, The Congress of the United States does not seem to recognize that the veterans who served in World War I in the defeat of Kaiser Wilhelm were equally as important to preserve that freedom as the veterans of World War II. The World War II veterans have been given financial assistance in many forms, yet Congress has neglected to recognize that the veterans of World War I and/or their widows have need for modest assistance; and

"Whereas, The ages of the members of Congress, both in the House and Senate, are such that these members would have to read the history of World War I to realize the sacrifices made, lives lost, disabilities suffered, and the famous battles fought, too many to enumerate; and

"Whereas, Many of those who served in World War I gave up their opportunity to complete their education; gave up their jobs to others; were separated from their families; enlisted instead of being drafted; bought Liberty Bonds with their meager pay, and otherwise were one hundred percent patriots;

"Now, therefore, be it resolved, That the Washington State House of Representatives urge Congress to enact House Bill No. 1918, a World War I veterans' pension, said pension to be free of strings, classifications and conditions, to the World War I veterans."

POM-679. A resolution adopted by the Legislature of the State of New York; to the Committee on Veterans' Affairs:

"Legislative Resolution No. 317

"Whereas, The families and friends of veterans of World War I have expressed their deep concern over the lack of a comprehensive program for providing pensions for World War I veterans, and

"Whereas, Veterans of World War I are not covered under the G. I. Bill of Rights of 1944, and are not eligible for home and farm loans which are available to veterans of more recent wars; and

"Whereas, Many veterans of World War I are over eighty-four years old and are unable to support themselves solely on social security benefits; and

"Whereas, Veterans of World War I heroically risked their lives protecting the rights and freedoms of their fellow Americans, yet have not been justly compensated; now, therefore, be it.

"*Resolved,* That the Legislature of the State of New York hereby memorializes the Congress of the United States to enact H.R. 2057 and H.R. 1918 which would provide pensions for these neglected veterans who served so honorably during World War I; and be it further

"*Resolved,* That copies of this resolution, suitably engrossed, be transmitted to the Speaker of the House of Representatives of the United States, to the President Pro Tempore of the United States Senate, to each member of the Congress of the United States from the State of New York, and to the Honorable Jimmy Carter, President of the United States."

POM-680. A resolution adopted by the Legislature of the State of New York; to the Committee on Veterans' Affairs:

"Legislative Resolution No. 294

"Whereas, During the conflict in Vietnam, Agent Orange, a defoliant, was widely used to clear away vegetation, and many United States servicemen were exposed to the chemical; and

"Whereas, Such exposure has subjected many New York veterans and their families to existing and potential medical problems, including possible birth defects; and

"Whereas, Legislation is pending in Congress to meet these problems and should be promptly passed; now, therefore, be it

"*Resolved,* That this Legislative Body memorializes Congress to pass legislation which would include disabilities resulting from exposure to Agent Orange while in service as service connected disabilities; and be it further

"*Resolved,* That copies of this resolution be transmitted to the President Pro Tem of the United States Senate, The Speaker of the House of Representatives, and to each member of Congress from the state of New York."

POM-681. A joint resolution adopted by the Legislature of the State of Wisconsin; to the Committee on Veterans' Affairs:

"1979 Assembly Joint Resolution 89

"Whereas, high concentrations of deadly toxins were found in the chemical herbicide known as 'Agent Orange' which was used extensively in U.S. military defoliant operations during the Vietnam War between 1962 and 1971; and

"Whereas, widespread use of these toxic chemicals in Southeast Asia was eventually terminated following public outcry over study conclusions and reports which linked birth defects and other human health hazards to the exposure to herbicides containing dioxin contaminants; and

"Whereas, many American servicemen who participated in the Vietnam War became directly exposed to these toxic herbicides during our military involvement, resulting in several recent class action suits by concerned Vietnam veterans; and

"Whereas, the Veterans Administration has established inadequate procedures for identifying those servicemen who were exposed to the chemical herbicides, and for testing and defining the ill health effects of exposure to Agent Orange; now, therefore, be it

"*Resolved by the assembly, the senate concurring,* That the legislature memorializes Congress to direct the Veterans Administration and the Department of Defense to cooperatively seek out, identify and thoroughly test those Vietnam veterans who have suffered ill effects or were directly exposed to 'Agent Orange' and similar chemical defoliants during their tours of duty; and, be it further

"*Resolved,* That the legislature urges the President and Congress to require the Veterans Administration to begin proper treatment of these individuals, and if necessary, extend disability benefits to those who have suffered health consequences from exposure to military chemical defoliants; and, be it further

"*Resolved,* That duly attested copies of this resolution be transmitted to the Honorable Jimmy E. Carter, President of the United States, the secretary of the U.S. Senate, the Chief Clerk of the U.S. House of Representatives and to each member of the congressional delegation from this state."

POM-682. A joint resolution adopted by the Legislature of the State of Alabama; to the Committee on Veterans' Affairs:

"House Joint Resolution No. 112

"Whereas, sixty-three years ago, the Nation declared war on Germany and Austria in defense of freedom of the seas and over four and one-half million young Americans left their jobs and classrooms to help win the war that was 'To make the World safe for Democracy'; and,

"Whereas, Alabama sent 86,000 men to fight in World War I and some 8,000 of them are still living at an average age of 84 years, with a large percentage of them being house-bound and in desperate need of care; now therefore,

"Be it resolved by the Legislature of Alabama, both Houses thereof concurring, that Congress pay the debt that America owes these needy, aged, veterans, by enacting into law H.R. 1918.

"Be it further resolved that the Secretary of State be directed to transmit enrolled copies of this Resolution to the President of the United States, the Honorable Jimmy Carter, the President of the United States Senate, the Speaker of the United States House of Representatives, and to each Member of Congress from our State."

POM-683. A joint memorial adopted by the Legislature of the State of Idaho; ordered to lie on the table:

"House Joint Memorial No. 24

"Whereas, the XIII Winter Olympics were held in 1980 in Lake Placid, New York; and

"Whereas, the Winter Olympics bring together the finest athletes in the world in their respective sports; and

"Whereas, the Winter Olympics bring out, to the fullest extent, the drama of human athletic competition with the thrill of victory and the agony of defeat with the resultant display of good sportsmanship by the victors and nonvictors alike; and

"Whereas, all the athletes respresenting the United States in the XIII Winter Olympics are amateur athletes in the purest sense of the word and receive no direct subsidy from the United States Government for competing; and

"Whereas, all members of the United States Winter Olympic team are to be commended for their athletic achievements; and

"Whereas, all persons winning gold medals in the recent Winter Olympic Games are to be especially commended as being the best athletes in the world in a particular sport.

"Now, therefore, be it resolved by the members of the Second Regular Session of the Forty-fifth Idaho Legislature, the House of Representatives and the Senate concurring therein, that the members of the Legislature take this opportunity to recognize and honor the athletes on the United States Winter Olympic Team and to further recognize and honor Mr. Eric Heiden for his memorable achievement of being the first American to win five gold medals in a Winter Olympics and to further recognize and honor the accomplishment of the United States ice hockey team for winning a gold medal over the team from the Soviet Union which was thought to be, by far and away, the best ice hockey team in the world.

"Be it further resolved that the Chief Clerk of the House of Representatives be, and she is hereby authorized and directed to forward copies of this Memorial to the President of the United States, Jimmy Carter, to the United States Olympic Committee, to Mr. Eric Heiden, to Mr. Herb Brooks, who is coach of the United States ice hockey team, and the honorable congressional delegation representing Idaho in the Congress of the United States."

POM-684. A proclamation by the Governor of the State of New York; ordered to lie on the table:

"PROCLAMATION

"Few noble efforts in defiance of persecution and tyranny stand out as vividly in humanity's collective memory as the Warsaw Ghetto uprising 37 years ago.

"We remember with sorrow and pay tribute to the memory of the Warsaw Ghetto resisters, who in their heroic struggle against the atrocities of the Nazi army of occupation, have become symbolic of the struggle of all people against oppression and have proven that heroism can oppose hatred.

"For centuries, New Yorkers have joined freedom-loving people the world over to condemn persecution and discrimination. It is incumbent upon citizens of all faiths to join with our Jewish friends and neighbors in commemorating the gallantry of those who died in the struggle for freedom. The remembrance should serve as a reminder to future generations that the tragedy of Warsaw and the inhumanity of genocide must never happen again.

"It is fitting that we remember the Ghetto uprising so that the courage and indomitable spirit of its victims live on in the hearts and minds of all men and women who love freedom and despise tyranny. To forget them is to betray our heritage of freedom and protection of human rights.

"Now, therefore, I, Hugh L. Carey, Governor of the State of New York, do hereby proclaim April 13, 1980, as WARSAW GHETTO DAY in New York State."

POM-685. A resolution adopted by the Borough of Morris Plains Council, Morris Plains, New Jersey, urging the issuance of a new commemorative stamp honoring Philip Mazzei; to the Committee on Governmental Affairs.

POM-686. A resolution adopted by the Council of the City of Bedford Heights, Ohio, memorializing the Ohio General Assembly and the Congress of the United States to oppose gas and oil price increases; to the Committee on Energy and Natural Resources.

POM-687. A resolution adopted by the City Council of Elizabeth, New Jersey, expressing deep concern and sympathy for its Cuban friends in the Embassy of Peru and elsewhere in Cuba in their quest for freedom; to the Committee on Foreign Relations.

POM-688. A resolution adopted by the Board of County Commissioners, St. Louis County, Minnesota, in support of the continuation of revenue sharing; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

H.R. 4197. An act to amend the Wool Products Labeling Act of 1939 with respect to recycled wool (Rept. No. 96-655).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment:

S. 2585. An original bill to revise and codify the Shipping Act, 1916, and related laws (Rept. No. 96-656).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. DOMENICI (for himself and Mr. Schmitt) (by request):

S. 2583. A bill to designate certain National Forest System lands in the State of New Mexico for inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Energy and Natural Resources.

By Mr. HART (for himself and Mr. Armstrong):

S. 2584. A bill to amend the authorization for the Closed Basin Division of the San Luis Valley Project, in the State of Colorado; to the Committee on Energy and Natural Resources.

By Mr. CANNON (from the Committee on Commerce, Science, and Transportation):

S. 2585. A bill to revise and codify the Shipping Act, 1916, and related laws. Original bill reported and placed on the calendar.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOMENICI (for himself and Mr. Schmitt) (by request):

S. 2583. A bill to designate certain National Forest System lands in the State of New Mexico for inclusion in the National Wilderness Preservation System, and for other purposes; to the Committee on Energy and Natural Resources.

● Mr. DOMENICI. Mr. President, this legislation introduced by request today is a proposal designating certain U.S. forest lands as additions to the wilderness system.

This proposal has been promulgated in New Mexico and is intended to be widely discussed in upcoming Senate hearings. The New Mexico delegation is receptive to additional information and foresees subsequent additions or deletions based on the hearing record.

I ask unanimous consent that the letter from the New Mexico congressional delegation announcing this legislation be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

New Mexico Congressional Delegation,
Washington, D.C.

The New Mexico Congressional delegation has completed a draft proposal designating certain U.S. forest lands as additions to the Wilderness system.

This bill is based on the solicited responses the delegation received from New Mexicans and from the recommendations made by the Forest Service. All told, we heard from the Governor, the Secretary of the Department of Agriculture, Livestock representatives, Mining Companies, the Environmental Community, Indian tribes, Timber interests and concerned individual citizens.

We as the representatives of the citizens of New Mexico in the Congress feel that this proposal is in the best interest of all New Mexicans. We, however, remain open-minded to any additional comments prior to introduction of this legislation. Comments will be accepted until May 15, 1980. Congressional Hearings on the bill will be held shortly thereafter.

We promised that New Mexicans would decide the use of land in New Mexico. This legislation is the embodiment of that promise.

Pete V. Domenici.
Harrison H. Schmitt.
Manual Lujan, Jr.
Harold Runnels.●

By Mr. HART (for himself and Mr. Armstrong):

S. 2584. A bill to amend the authorization for the Closed Basin Division of the San Luis Valley project, in the State of Colorado; to the Committee on Energy and Natural Resources.

CLOSED BASIN DIVISION OF THE SAN LUIS VALLEY PROJECT, COLORADO

● Mr. HART. Mr. President, This bill will amend the authorization for the Closed Basin division of the San Luis Valley project, to allow it to be constructed according to the most effective design.

The Closed Basin project is in Saguache and Alamosa Counties in southwestern Colorado. The project is a noncontroversial environmentally-sound project designed to help Colorado deliver to New Mexico the full amount of water required by the interstate compact for the Rio Grande River. The project will augment the flow of the Rio Grande River by transferring to it water from a nearby closed basin—where water collects underground, trapped above impermeable rock in a watershed with no outlet. The water in that basin is not now being put to any beneficial use, and cannot effectively be put to use within that basin.

The project is now in a construction phase, with construction funding approved by Congress last year. However, when the Water and Power Resources Service reached the point of actually beginning construction, they discovered that the project's design needs to be modified to make the project more effective. Essentially, the project's system for collecting the underground water needs to be enlarged by about one-third. This increase in size will raise the project's eventual total cost to $57 million, which is above the current authorization level of $40 million. Congress needs to increase the authorization level before the WPRS can make an irrevocable commitment to the new and more expensive design. To avoid a delay in the project, the WPRS, in an arrangement worked out the Colorado delegation and the authorizing committees, is this year performing various construction activities, but is avoiding any steps which would involve an irrevocable commitment to either the original design or the new design. Because WPRS will soon be at the point of having to choose between the old design or the new one, Congress needs to rapidly resolve the question so the construction work is not slowed. Any delay in construction, of course, means that the final cost will be even higher.

The bill also makes it clear all existing water rights are protected from harm by the project. The authorization already includes a provision insuring that the diversion of underground water from the basin will not cause the water level of existing wells to drop more than 2 feet. The bill makes it clear that this protection applies to all wells throughout the basin, not just those within the actual boundaries of the project.

The bill which Senator Armstrong and I are introducing was prepared with the assistance of the Colorado Water Conservation Board. The Water and Power Resources Service was also helpful in answering our requests for specific information about the project and our proposed legislation.

Congressman Ray Kogovsek is introducing an identical bill on Monday, when the House of Representatives next meets.

I urge Congress to act quickly on this bill to avoid any delay in the construction of an essential project, and to avoid the higher costs that would be caused by any delay.●

ADDITIONAL COSPONSORS

S. 1287

At the request of Mr. Goldwater, the Senator from Iowa (Mr. Jepsen) was added as a cosponsor of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1940

At the request of Mr. Nelson, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 1940, a bill to amend the Securities Act of 1933 to authorize the sale of certain securities to accredited investors without filing a registration statement under such act, to amend the Investment Company Act of 1940 to grant an exemption from such act to certain issuers which engage in the business of furnishing capital or providing financing for business ventures and activities, and for other purposes.

S. 2166

At the request of Mr. Melcher, the Senator from New Mexico (Mr. Domenici) was added as a cosponsor of S. 2166, a bill to promote the development of Native American culture and art.

S. 2237

At the request of Mr. Church, the Senator from Montana (Mr. Melcher), and the Senator from Idaho (Mr. McClure) were added as cosponsors of S. 2237, a bill to amend the Colorado River Basin Project Act to prohibit any Federal official from undertaking reconnaissance studies of any plan for the importation of water into the Colorado River Basin.

S. 2366

At the request of Mr. Huddleston, the Senator from South Carolina (Mr. Thurmond), and the Senator from Missouri (Mr. Danforth) were added as cosponsors of S. 2366, a bill to require adjustments in census population figures for aliens in the United States illegally so as to prevent distortions in the reapportionment of the House of Representatives, the legislative apportionment and districting of the States, and the allocation of funds under Federal assistance programs.

S. 2545

At the request of Mr. Armstrong, the Senator from Wyoming (Mr. Simpson), and the Senator from California (Mr. Hayakawa) were added as cosponsors of S. 2545, a bill to authorize certain additional measures to assure accomplishment of the objectives of title II of the Colorado River Basin Salinity Control Act, and for other purposes.

SENATE JOINT RESOLUTION 153

At the request of Mr. Bumpers, the Senator from North Dakota (Mr. Burdick) and the Senator from Florida (Mr. Stone) were added as cosponsors of Senate Joint Resolution 153, a joint resolution to freeze Senators' salaries for 3 years.

SENATE JOINT RESOLUTION 154

At the request of Mr. Bumpers, the Senator from North Dakota (Mr. Burdick) was added as a cosponsor of Senate Joint Resolution 154, a joint resolution to reduce funds for Senate personal and committee staff by 5 percent.

SENATE JOINT RESOLUTION 156

At the request of Mr. Burdick, the Senator from South Dakota (Mr. McGovern), the Senator from Utah (Mr. Hatch), the Senator from Pennsylvania (Mr. Heinz), the Senator from Montana (Mr. Baucus), the Senator from Indiana (Mr. Lugar), the Senator from Michigan (Mr. Levin), the Senator from Kentucky (Mr. Huddleston), the Senator from Utah (Mr. Garn), the Senator from New York (Mr. Moynihan), and the Senator from Indiana (Mr. Bayh) were added as cosponsors of Senate Joint Resolution 156, a joint resolution to authorize the President to issue annually a proclamation designating that week in November which includes Thanksgiving Day as "National Family Week."

SENATE RESOLUTION 409—SUBMISSION OF A RESOLUTION DIRECTING SENATE LEGAL COUNSEL TO APPEAR AS AMICUS CURIAE

Mr. HATCH submitted the following resolution, which was placed on the calendar pursuant to the provisions of section 711 of Public Law 95–521:

S. Res. 409

Whereas, pursuant to sections 703(c), 706 (a), and 713(a) of the Ethics in Government Act of 1978 (2 U.S.C.A. §§ 288b(c), 288e(a), and 2881(a) (Supp. 1979)), the Senate may direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate: Now, therefore, be it

Resolved, That the Senate Legal Counsel is directed to appear before the United States Supreme Court as amicus curiae in the name of the Senate in the case, now pending before such Court, of *Harris* v. *McRae* (October term, 1979; No. 79–1268) in support of the exclusive authority of the Congress to appropriate money under Article I, § 9 of the Constitution of the United States.

Mr. HATCH. Mr. President, I am submitting a resolution calling upon the Senate legal counsel to appear before the U.S. Supreme Court as amicus curiae, in the name of the Senate, in the case of *Harris* v. *McRae* (October term, 1979; No. 79–1268).

In that case, the United States is appealing an order of Judge John F. Dooling, Jr., U.S. district court judge for the eastern district of New York, in which the Department of Health, Education, and Welfare has been ordered to fund medical operations, that is, nontherapeutic medicaid abortions, for which no appropriations have been provided in the annual Labor-HEW appropriation bill. Not only were there no appropriations for such operations, but the bill was explicit in forbidding funds to be used for this purpose.

Whatever one's views on the merits of funding medicaid abortions, it is clear that there is a far broader constitutional issue at stake in the McRae case. Article I, section 9 of the Constitution states:

> No money shall be drawn from the Treasury, but in consequence of appropriations made by law.

It is the extent of this authority that is at issue in McRae. It is the propriety of a Federal judge ordering the direct expenditure of funds that have never been appropriated by Congress that is at issue.

It is precisely this issue, however, that is being avoided at all costs by those litigating in behalf of the United States. The brief in Harris against McRae filed by the Solicitor General refuses to argue this constitutional issue despite the fact that Judge Dooling himself admitted during oral argument on the case that the article I, section 9 issue was the "hardest point in the case."

The Solicitor General's brief, in view of this fact alone, is deficient. Partially correcting this is a brief filed on behalf of more than 238 Members of Congress as amicus curiae in which the constitutional issue is central. I believe that participation by the Senate legal counsel offers further potential for raising this issue, and focusing the attention of the court on the immense separation of powers implications in the McRae case. The prerogatives and authority of the legislative branch of the Government, including the U.S. Senate, are an integral issue in this case. If the normal litigating arm of the United States—the Solicitor General—is not going to raise these issues, it is incumbent that the legislative branch do so directly.

Again, I wish to emphasize that, while medicaid funding of nontherapeutic abortions is the immediate issue in controversy. The more fundamental issue, and the one that is likely to endure well after resolution of the abortion controversy, is the relationship between the legislative and judicial branches of our National Government.

I ask unanimous consent that the following documents be printed in the Record: The brief filed in the McRae case in behalf of individual Members of Congress, the Solicitor General's brief in the same case, and correspondence from the Solicitor General to a Member of Congress with respect to his refusal to address the separation of powers issue.

There being no objection, the material was ordered to be printed in the Record, as follows:

[In the Supreme Court of the United States, October Term, 1979, No. 79–1268]

BRIEF OF REP. JIM WRIGHT, REP. JOHN J. RHODES, REP. ROBERT H. MICHEL, REP. LINDY BOGGS, REP. MARY ROSE OAKAR, SENATOR WILLIAM PROXMIRE, SENATOR THOMAS F. EAGLETON, SENATOR EDWARD ZORINSKY, AND CERTAIN OTHER MEMBERS OF THE CONGRESS OF THE UNITED STATES AS AMICI CURIAE

(Patricia R. Harris, Secretary, United States Department of Health, Education, and Welfare, Appellant v. Cora McRae Jane Doe, Mary Doe, Susan Roe, Ann Moe, Individually and on Behalf of All Others Similarly Situated; Planned Parenthood of New York City, Inc.; and Irwin B. Teran, M.D., Jane Hodgson, M.D., David B. Bingham, M.D., Hugh Savage, M.D., Edgar W. Jackson, Lewis H. Koplik, M.D., Individually and on Behalf of All Others Similarly Situated; Women's Division of the Board of Global Ministries of the United Methodist Church, Theressa Hoover, Its Associate General Secretary, Ellen Kirby, Its Executive Director, Appellees, and Senators James L. Buckley and Jesse A. Helms, Congressman Henry J. Hyde and Isabella M. Pernicone, Esq., Intervenors-Appellees, and New York City Health and Hospitals Corporation, Appellee.)

INTEREST OF THE AMICI CURIAE

The *amici curiae* consist of 238 members of the Congress, including more than a majority of the members of the House of Representatives, as follows:

Abdnor, James, S. Dak., 2nd; Albosta, Donald Joseph, Mich., 10th; Ambro, Jerome A., N.Y., 3rd; Andrews, Mark, N. Dak., AL; Annunzio, Frank, Ill., 11th; Applegate, Douglas, Ohio, 18th; Archer, Bill, Texas, 7th; Ashbrook, John M., Ohio, 17th; Aspin, Les, Wis., 1st; Atkinson, Eugene V., Pa., 25th; Badham, Robert E., Calif., 40th; Bafalis, L. A. (Skip), Fla., 10th; Bailey, Don, Pa., 21st; Baldus, Alvin, Wis., 3rd; Barnard, Doug, Ga., 10th; Bauman, Robert E., Md., 1st; Beard, Edward P., R.I., 2nd; Beard, Robin L., Tenn., 6th;

Bedell, Berkley, Iowa, 6th; Benjamin, Adam, Jr., Ind., 1st; Bereuter, Douglas K., Nebr., 1st; Bethune, Ed, Ark., 2nd; Bevill, Tom, Ala., 4th; Biaggi, Mario, N.Y., 10th; Boggs, Lindy, La., 2nd; Boland, Edward P., Mass., 2nd; Boner, William Hill, Tenn., 5th; Bonior, David E., Mich. 12th; Bouquard, Marilyn Lloyd, Tenn., 3rd; Bowen, David R., Miss., 2nd; Breaux, John B., La., 7th; Broomfield, William S., Mich., 19th; Brown, Clarence J., Ohio, 7th; Burgener, Clair W., Calif., 43rd;

Burlison, Bill D., Mo., 10th; Byron, Beverly B., Md., 6th; Campbell, Carroll A., Jr., S.C., 4th; Carney, William, N.Y., 1st; Cavanaugh, John J., Nebr., 2nd; Chappell, Bill, Jr., Fla., 4th; Cheney, Richard Bruce, Wyo., AL; Clausen, Don H., Calif., 2nd; Clinger, William F., Jr., Pa., 23rd; Collins, James M., Texas, 3rd; Conte, Silvio O., Mass., 1st; Corcoran, Tom, Ill., 15th; Coughlin, Lawrence, Pa., 13th; Corrada, Baltasar, P.R., Res. Com.; Courter, James A., N.J., 13th; Crane, Daniel B., Ill., 22nd; Crane, Philip M., Ill., 12th;

D'Amours, Norman E., N.H., 1st; Daniel, Dan, Va., 5th; Daniel, Robert W., Jr., Va., 4th; Dannemeyer, William, Calif., 39th; Davis, Robert, Mich., 11th; de la Garza, E, Texas, 15th; Deckard, H. Joel, Ind., 8th; Derwinski, Edward, Ill., 4th; Devine, Samuel, Ohio, 12th; Dickinson, William, Ala., 2nd; Donnelly, Brian, Mass., 11th; Dornan, Robert, Calif., 27th; Dougherty, Charles, Pa., 4th; Duncan, John, Tenn., 2nd; Early, Joseph, Mass., 3rd; Edwards, Jack, Ala., 1st; Edwards, Mickey, Okla., 5th; Emery, David, Maine, 1st;

Erdahl, Arlen, Minn., 1st; Erlenborn, John, Ill., 14th; Evans, Billy Lee, Ga., 8th; Fary, John G., Ill., 5th; Fish, Hamilton, Jr., N.Y., 25th; Fithian, Floyd, Ind., 2nd; Fuqua, Don, Fla., 2nd; Gephardt, Richard, Mo., 3rd; Gibbons, Sam, Fla., 7th; Gingrich, Newt, Ga., 6th; Goldwater, Barry M., Jr., Calif., 20th; Goodling, William, Pa., 19th; Gradison, Willis D., Jr., Ohio, 1st; Gramm, Phil, Texas, 6th; Grassley, Charles, Iowa, 3rd; Grisham, Wayne, Calif., 33rd;

Guarini, Frank, N.J., 14th; Guyer, Tennyson, Ohio, 4th; Hagedorn, Tom, Minn., 2nd; Hall, Sam B., Jr., Texas, 1st; Hammerschmidt, John Paul, Ark., 3rd; Hanley, James M., N.Y., 32nd; Hansen, George, Idaho, 2nd; Heckler, Margaret, Mass., 10th; Hillis, Elwood, Ind., 5th; Hinson, John, Miss., 4th; Hopkins, Larry J., Ky., 6th; Hubbard, Carroll, Jr., Ky., 1st; Huckaby, Jerry, La., 5th; Hutto, Earl D., Fla., 1st; Ichord, Richard, Mo., 8th; Ireland, Andy, Fla., 8th; Jacobs, Andrew, Jr., Ind., 11th; Jeffries, Jim, Kansas, 2nd;

Jenkins, Ed, Ga., 9th; Kazen, Abraham, Jr., Texas, 23rd; Kelly, Richard, Fla., 5th; Kemp, Jack, N.Y., 38th; Kildee, Dale, Mich., 7th; Kindness, Thomas, Ohio, 8th; Kramer, Ken, Colo., 5th; LaFalce, John, N.Y., 36th; Lagomarsino, Robert, Calif., 19th; Latta, Delbert, Ohio, 5th; Leach, Claude, La., 4th; Leach, Jim, Iowa, 1st; Lederer, Raymond F., Pa., 3rd; Lee, Gary, N.Y., 33rd; Lent, Norman, N.Y., 4th; Lewis, Jerry, Calif., 37th; Livingston, Robert L., La., 1st; Loeffler, Thomas, Texas, 21st; Long, Gillis, La., 8th;

Lott, Trent, Miss., 5th; Lujan, Manuel, Jr., N.M., 1st; Luken, Thomas, Ohio, 2nd; Lungren, Dan, Calif., 34th; Markey, Edward, Mass., 7th; Marlenee, Ron, Mont., 2nd; Marriott, Dan, Utah, 2nd; Mavroules, Nicholas, Mass., 6th; Mazzoli, Romano, Ky., 3rd; McClory, Robert, Ill., 13th; McDade, Joseph, Pa., 10th; McDonald, Larry, Ga., 7th; McEwen, Robert, N.Y., 30th; McHugh, Matthew, N.Y., 27th; McKay, Gunn, Utah, 1st; Mica, Dan, Fla., 11th;

Michel, Robert, Ill., 18th; Miller, Clarence, Ohio, 10th; Minish, Joseph, N.J., 11th; Mitchell, Donald, N.Y., 31st; Moakley, John, Mass., 9th; Montgomery, G. V. (Sonny), Miss., 3rd; Moore, W. Henson, La., 6th; Moorhead, Carlos, Calif., 22nd; Mottl, Ronald, Ohio, 23rd; Murphy, Austin, Pa., 22nd; Murphy, John, N.Y., 17th; Murphy, Morgan, Ill., 2nd; Murtha, John, Pa., 12th; Myers, John, Ind., 7th; Myers, Michael, Pa., 1st; Nichols, Bill, Ala., 3rd; Nowak, Henry, N.Y., 37th; O'Brien, George, Ill., 17th; Oakar, Mary Rose, Ohio, 20th;

Oberstar, James, Minn., 8th; Pashayan, Charles, Jr., Calif., 17th; Patten, Edward, N.J., 15th; Paul, Ron, Texas, 22nd; Perkins, Carl, Ky., 7th; Petri, Thomas, Wis., 6th; Porter, John, Ill., 10th; Price, Melvin, Ill., 23rd; Quayle, Dan, Ind., 4th; Quillen, James, Tenn., 1st; Rahall, Nick Joe II, W. Va., 4th; Regula, Ralph, Ohio, 16th; Rhodes, John, Ariz., 1st; Rinaldo, Matthew, N.J., 12th; Robinson, J. Kenneth, Va., 7th; Roe, Robert, N.J., 8th; Rostenkowski, Dan, Ill., 8th; Roth, Toby, Wis., 8th; Rousselot, John, Calif., 26th; Royer, William, Calif., 11th; Rudd, Eldon, Ariz., 4th; Runnels, Harold, N.J., 2nd; Russo, Martin, Ill., 3rd; Santini, Jim, Nevada, AL; Sawyer, Harold, Mich., 5th; Schulze, Richard, Pa., 5th; Sebelius, Keith, Kansas, 1st; Sensenbrenner, F. James, Jr., Wis., 9th; Sharp, Philip R., Ind., 10th; Shelby, Richard, Ala., 7th; Shumway, Norman, Calif., 14th; Shuster, E. G. (Bud), Pa., 9th; Simon, Paul, Ill., 24th; Smith, Virginia, Nebr., 3rd; Snyder, Gene, Ky., 4th; Solomon, Gerald B., N.Y., 29th; Spence, Floyd, S.C., 2nd; St Germain, Fernand, R.I., 1st; Stangeland, Arlan, Minn., 7th; Stanton, J. William, Ohio, 11th; Stenholm, Charles, Texas, 17th; Stockman, Dave, Mich., 4th; Stratton, Samuel S., N.Y., 28th; Stump, Bob, Ariz., 3rd; Symms, Steven, Idaho, 1st; Tauke, Thomas, Iowa, 2nd; Taylor, Gene, Mo., 7th; Thomas, William, Calif., 18th; Traxler, Bob, Mich., 8th; Trible, Paul S., Jr., Va., 1st; Vander Jagt, Guy, Mich., 9th; Volkmer, Harold, Mo., 9th; Walker, Robert, Pa., 16th; Wampler, William, Va., 9th; Whitehurst, G. William, Va., 2nd; Williams, Lyle, Ohio, 19th; Wilson, Bob, Calif., 41st; Winn, Larry, Jr., Kansas, 3rd; Wright, Jim, Texas, 12th; Wydler, John, N.Y., 5th; Wylie, Chalmers, Ohio, 15th; Yatron, Gus, Pa., 6th; Young, C. W. Bill, Fla., 6th; Young, Don, Alaska, AL; Young, Robert, Mo., 2nd; Zablocki, Clement, J., Wis., 4th; Zeferetti, Leo C., N.Y., 15th.

Boren, David L., Okla., Church, Frank, Idaho; Eagleton, Thomas F., Mo.; Exon, J. James, Nebr.; Garn, Jake, Utah; Hatch, Orrin G., Utah; Roth, William V., Jr., Del.; Humphrey, Gordon J., N.H.; Jepsen, Roger W., Iowa; Laxalt, Paul, Nev.; Lugar, Richard G., Ind.; McClure, James A., Idaho; Proxmire, William, Wis.; Stone, Richard (Dick), Fla.; Zorinsky, Edward, Nebr.[1]

The *amici curiae,* as members of the Congress of the United States, are vested, by Article I, Section 1, of the Constitution, with all legislative powers granted in the Constitution. It is their sworn duty and common purpose to "support and defend" the Constitution of the United States.

Article I, Section 9, Clause 7 of the Constitution provides: "No Money shall be drawn from the Treasury but in Consequence of Appropriations made by law." The Congress is the sole law-making body under the Constitution. Clause 7 establishes the appropriations power in the Congress and the Congress alone.

In the present case, a judge of the United States District Court for the Eastern District of New York has held an appropriation act of the Congress unconstitutional and ordered the Congress to spend monies not appropriated.

It is the interest herein of the *amici curiae,* as members of the Congress, to protect the constitutional powers of that body over appropriations. Closely related to that interest, and of profound concern to the *amici,* is their interest in the preservation of that essential principle in the American Constitution known as the separation of powers.

The *amici* desire to point out to the Court that their interest in presenting this brief is not with respect to the question of abortion. The *amici* consist of members of the Congress who have voted for the Hyde Amendment (restricting the funding of abortions) and who have voted against that amendment.

The unique interests of the *amici* in protecting both the Congressional power of the purse and the principle of separation of powers have not been presented by other parties in this case. Counsel for all parties have consented to the filing of this brief.

SUMMARY OF ARGUMENT

Independently of any other issue involved in this appeal is the primary concern of the members of Congress who are *amici* here, with respect to the separation of powers, the law-making power of the Congress, and the fact that the judgment of the court below violates the appropriations power of the Congress as given in Article I, Section 9, Clause 7 of the Constitution. The enactment known as the "Hyde Amendment" is an appropriations act according to long-established Congressional, executive and judicial understanding of the nature of appropriations. The district court erred in treating that enactment otherwise.

The appropriation and expenditure of tax funds is inherently a political question and therefore was explicitly left to that branch of our government which is closest to the people and most responsive to its needs and sensitivities. The frequent refusal of Congress to appropriate (as seen in riders to annual appropriations bills) points clearly to the inherently political nature of the appropriations process.

The case at bar involves an express refusal by the Congress to appropriate moneys in the exercise of an explicit constitutional grant of power. U.S. Const., art. I, § 9, cl. 7. This Court has never taken the position that the judiciary may oversee the appropriations process or set itself up as the ultimate arbiter of federal fiscal policy.

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[1] Senator Jesse Helms, N.C., and Rep. Henry J. Hyde, Ill., 6th District, are not listed as *amici* solely because they are intervenors-appellees.

To so hold would embroil the judiciary in a process which would require constant and ongoing judicial balancing of competing political demands for limited financial resources. Such power was explicitly left to Congress by the founding fathers and any change should come pursuant to the Article V Amendment process, not by judicial decree.

ARGUMENT

I. The District Court's Order Violates the Appropriations Clause of Article I.

The Constitution, Article I, Section 9, Clause 7, provides:

"No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law; and a regular Statement and Account of the Receipts and Expenditures of all public Money shall be published from time to time."

This language is plain and has been faithfully observed since its adoption. Until the instant case, it had governed the conduct of our government and marked an essential difference between the judicial and legislative branches.

The Court has before it a judicial order that challenges this section of the Constitution. That the order of the district court draws money from the Treasury, or attempts to draw it, can scarcely be denied. That, however, it appropriates money "by Law" must be denied. "By Law" refers to the legislative power, all of which is vested by Article I, Section 1, in the Congress. The district court's order, not, of course, being an appropriations bill, cannot draw money from the Treasury.

The district court's position can be paraphrased thus: "Congress appropriated the money for Medicaid with a condition which we find unconstitutional. We strike the condition. The appropriation already made by Congress now operates without the restriction which the condition had attached and funds the very activity for which the condition denied appropriations." That response, however, ignores the nature of the appropriations power, disregards the practice and the precedents of Congress, and in the most fundamental way subverts the Constitution of the United States by making meaningless the reservation to Congress of the right to determine when "Money shall be drawn from the Treasury."

The Three Deficiencies of the District Court's Order.

1. That the Act before the Court is an appropriations act is beyond cavil. It is the annual Act appropriating money for the Departments of Labor and Health, Education and Welfare. Whether in the form of a regular appropriations act as in 1976 and 1978 or in the form of a Continuing Resolution as in 1977 and 1979, it supplies money. It originates in the House of Representatives. It is the object of deliberations by the Committee on Appropriations of the House. Like many other appropriations acts it says in so many words what it is appropriating money for and what it is not appropriating money for. In explicit terms it says it is not appropriating money to pay for abortions except in certain specific situations. Except for these situations, the Act says, "None of the funds contained in this act shall be used to perform abortions." The court below held the invalidated provision (the Hyde Amendment) to have effected a substantive change in the Medicaid Act, 42 U.S.C. § 1396, *et seq.* Slip op. 282–283. Accord, *Preterm, Inc. v. Dukakis,* 591 F. 2d 121 (1st Cir. 1979). While other courts have recently held to the contrary, *e.g., Doe v. Busbee,* 471 F. Supp. 1326 (N. D. Ga. 1979), *Hodgson v. Board of County Commissioners,* No. 4–78 Civ. 525 and No. 3–79 Civ. 56 (D. Minn. 1979), *Planned Parenthod Affiliates of Ohio v. Rhodes,* —F. Supp.— (S. D. Ohio 1979), *amici* consider the point irrelevant. Whatever its relationship to other enactments, the Hyde Amendment was part of an appropriation bill and an exercise of the appropriation power of the Congress.

"None of the funds contained in this act" is the language by which Congress has frequently refused to appropriate money for a specific purpose. For example, such language is used in 92 Stat. 1025 (1978), the general appropriations act for the State Department, to refuse to appropriate money for the promotion of the doctrine of one world government. The appropriations act for Labor and Health, Education and Welfare for that year uses the same language to refuse to appropriate money for any activities on behalf of any alien who is illegally in the country. 92 Stat. 1571 (1978). The same appropriations act uses the same language to refuse to appropriate money for a loan or salary to any individual at an institution of higher education who had used force to attempt to change the curriculum. 92 Stat. 1589 (1978).

Language of this kind is negative. It rejects a drawing from the Treasury. The negative cannot be converted by judicial magic into something positive. The refusal to draw cannot be made into a mandate to draw plus a condition.

The order of the court below treats "none of the funds contained in this act shall be used" as a condition. The wording is not the wording of a condition. Nothing in the Act, says, "Money is appropriated on condition that it not be spent for abortion." The only "conditions" in the act are the exceptions which specify the conditions under which abortion may be funded. If these exceptions are struck as too restrictive, there remains only the negative prohibition. Excising the exceptions which are stated leaves simply an absolute refusal to appropriate for abortion.

Under Rule XXI of the Rules of the House of Representatives, the language of refusal could not have been voted on in connection with an appropriations bill if the House had not deemed it to be language "retrenching expenditure." CONSTITUTION, JEFFERSON'S MANUAL AND RULES OF THE HOUSE OF REPRESENTATIVES, SEC. 835 (ed. Deschler, 1967). Substantially the present form of the retrenchment rule known as the "Holman Rule" had been adopted in 1876 and employed till 1885. It was revived in 1912 and has continued in effect until the present. *Ibid.* There is a substantial body of precedents indicating the House's understanding the Rule. These precedents indicate that a limitation on the use of appropriated funds constitutes a decision not to appropriate for that purpose. See, *e.g.,* Ruling of the Chair, January 27, 1931 (limitation offered by Fiorello La Guardia). CANNON, PRECEDENTS OF THE HOUSE OF REPRESENTATIVES, 7.

In dozens of rulings on amendments offered under the Holman Rule, the House for over a century has taken the position that amendments so offered become, if accepted, part of the appropriations act itself. See, C. CANNON, supra, secs. 1431–1560 (1935). They are not considered separate legislation. If they are voted in, the appropriations act is limited by the words of the amendment. Consequently, when the Act says "None of the funds contained in this act shall be used . . .," the Act no longer contains an appropriation for the purpose for which "none of the funds" can be used. Simply put, there are no funds appropriated for the proscribed purpose, and *none can become available unless Congress appropriates them anew.*

There can hardly be disagreement that it has always been understood that the formula used in a Holman Rule amendment is an explicit declaration that Congress is not appropriating for a use that might otherwise be thought to fall within the appropriation. After such an amendment has been accepted, no law exists by which an appropriation for this use has been made.

The district court's order, therefore, ignores the nature of the appropriations power. The order assumes that there is some general sum appropriated with a variety of conditions attached which federal judges are free to alter if they think it constitutionally desirable. But the essence of the appropriations power is the ability to appropriate or not appropriate. Congress exercises that power when it says it is appropriating money and when it says it is not appropriating money. The power is fully and effectively exercised when Congress says it is not appropriating. Under our Constitution no federal judge is empowered to turn that negative into an affirmative.

2. The district court's order also disregards the practice and the precedents of Congress. For over a century, amendments of the Holman Rule type have been a central part of the appropriations process in Congress. The Democratic Study Group has observed that this kind of restriction has been used for a vast variety of purposes from controlling water projects to ending police activities in Vietnam and preventing the Central Intelligence Agency from destabilizing foreign governments. See Democratic Study Group of the United States, House of Representatives, "The Appropriations Rider Controversy," Special Report No. 95–12, February 14, 1978, p. 6. The explicit refusal to appropriate money for a specific purpose is an essential tool of democratic control of the business of bureaucratic government. To treat such explicit refusal to appropriate as conditions which a single federal judge may brush aside is to pay neither respect nor attention to the experience of a coordinate branch of government.

3. Finally, the district court's order subverts Article I, Section 9, of the Constitution. In an age marked by an immense increase in constitutional litigation it is remarkably easy to convert any disappointment on policy into a claim that a constitutional right has been infringed. If the court below is right, any group which has lost a legislative battle so completely that appropriations have been explicitly denied them is free to rush into the federal courts—as the appellees did—obtain an injunction requiring the expenditure of money for the purpose for which Congress has explicitly refused to appropriate, and through the agency of a single federal judge achieve what the Constitution had committed to the care of Congress.

The district court's theory gives a power something like a line item veto to the federal judiciary. Given the ease with which policy disputes may be converted into constitutional questions, a loser in the legislative process can acquire a new forum by asking a federal judge to strike any specific refusal to appropriate, and on the theory of the court below the non-appropriation will become an appropriation. The power which a federal judge can thereby exercise is greater than the veto power of the President. The President can only reject entire acts, and he can never turn a non-appropriation into an appropriation. The district court's theory permits a federal judge to pick a specific provision, invalidate it, and by the very invalidation make appropriated what Congress had declined to appropriate.

Indeed if a federal court is empowered to change a refusal to appropriate into an appropriation because of a judge's constitutional misgivings, why not the President, too? The President is sworn to uphold the Constitution. If he deems a restriction in an appropriations act unconstitutional, why may he not, on the district court's theory, ignore the restriction and treat as appropriated what Congress had refused to appropriate? Neither in logic nor in practice could the

Executive branch be asked to limit itself if the district court's view of the appropriation power is sound. Every federal district judge and the President and the President's appointees would have a charter to treat funds as appropriated in accord with their own understanding of the Constitution. If the integrity of the appropriations process as a power belonging to Congress is to be preserved, there can be no picking and choosing by President or court among provisions of an appropriations act. If an appropriations act is unconstitutional, let a court so say. But the appropriations power of Congress is gone if a court or the President may amend an appropriations act and turn a non-appropriation into an appropriation.

President Nixon, it may be recalled, picked and chose among provisions of an appropriations act and declared that he was impounding certain appropriated funds. This impoundment of over eight billion dollars was characterized as exercise of "a line item veto," and legislation was soon introduced to correct it. See 119 Cong. Rec. 5086 (1973). It was noted that the President's action was contrary to the advice he had received from the Assistant Attorney General in charge of the Office of Legal Counsel. *Ibid.* It was observed that the President's action hurt "America's most disadvantaged groups" and at the same time destroyed the separation of powers. The President, it was pointed out, "is not empowered to sign the bill and then substitute an amount of his own choosing for that specified in the law." *Id.* at 10160. This invasion by President Nixon of the appropriations power was characterized as an "abuse of his powers" and given as an example of how President Nixon "systematically arrogated to himself the powers of Congress." See Additional Views of Rep. Holtzman, Report of the Committee on the Judiciary, House of Representatives, Impeachment of Richard M. Nixon, President of the United States, 93rd Cong., 2nd Sess. Report No. 95–1305 (1974) p. 301; see also Additional Views of Mr. Conyers. *Id* at p. 291. But what President Nixon did was far less than the district court did when it not only exercised a line item veto but turned a negative into an affirmative.

This is not a case like the *School Desegregation Cases* where the federal judiciary is enforcing the paramount law of the land against individual States and where, absent Eleventh Amendment problems, the Constitution poses no barrier to this Court's requiring the States to provide a remedy. Even in such a case a federal court order may have a "profoundly disturbing" financial impact. Powell, J., concurring in judgment, *Milliken v. Bradley*, 433 U.S. 267, 298, n. 3 (1977). This is a case where there is an express constitutional provision protecting a co-ordinate branch of the federal government.

The Extent of the Challenge to the Constiutional Authority of Congress.

This issue is not limited to the abortion question; the inviolable and exclusive power of the purse is one that touches on all of what Congress does. To tamper with that exclusive power is to tamper with the very essence of constitutional, representative government. Once done, Congress could become a mere bookkeeper for a judiciary, or even executive, that has arrogated unto itself a power denied it by the framers of our system.

So clearly has this been understood that some of the harshest language ever used to describe a violation of the separation of powers has been used with respect to this problem. Montesquieu wrote:

"Again, there is no liberty, if the judiciary power be not separated from the legislative and executive. Were it joined with the legislative, the life and liberty of the subject would be exposed to arbitrary control; for the judge would be then the legislator. Were it joined with the executive power, the judge might behave with violence and oppression."—The Spirit of the Laws, 154 (6th ed. 1792, T. Nugent, trans.).

Madison was even more direct on the proper view of the appropriations power in his Federalist Paper No. 58:

"The House of Representatives cannot only refuse, but they alone can propose the supplies requisite for the support of government. They, in a word, hold the purse—that powerful instrument by which we behold, in the history of the British Constitution an infant and humble representation of the people gradually enlarging the sphere of its activity and importance, and finally reducing, as far as it seems to have wished, all the overgrown prerogatives of the other branches of the government. This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure."

The Federalist No. 58 at 380 (Modern Library ed.) (J. Madison). Hamilton was equally adamant in his Federalist Paper No. 78:

"The legislature not only commands the purse but prescribes the rules by which the duties and rights of every citizen are to be regulated. The judiciary, on the contrary, has no influence over the sword or the purse; no direction either of the strength or of the wealth of the society, and can take no active resolution whatever. It may truly be said to have neither Force nor Will but merely judgment; and must ultimately depend upon the aid of the executive arm even for the efficacy of its judgment."—*Id.* at 504. Congress' exclusive power of the purse, therefore, has its roots in clear and unambiguous history.

With unblemished consistency this Court, and the federal courts in general have understood and respected this very basic separation of powers between Congress and Court. Whenever the issue has been raised this Court has concluded that an appropriation by Congress is required before moneys may be drawn from the federal Treasury. *Knote v. United States*, 95 U.S. 149 (1877); *Austin v. United States*, 155 U.S. 417 (1894); *Hart v. United States*, 118 U.S. 62 (1868); *Reeside v. Walker*, 52 U.S. (11 How.) 623 (1850). And see *Cincinnati Soap Co. v. United States*, 301 U.S. 308 (1937); *United States v. Lovett*, 328 U.S. 303 (1946).

The Civil War gave this Court several opportunities to confront the appropriations question. After that war numerous controversies arose over Congressional attempts to limit the payment of the claims of persons who had aided the Rebellion, but who had subsequently received Executive pardons. In *Knote* v. *United States, supra*, President Johnson pardoned petitioner Knote for his part in the Civil War and relieved him of all disabilities and penalties attaching to his rebellion. Pursuant to that pardon Knote sought to recover the proceeds of his property previously condemned and sold under an earlier confiscation act. At the time of his claim the proceeds had already been paid into the U.S. Treasury.

Counsel for Knote raised the issue squarely: "The proceeds of the sale of the claimants' property are held by the government. . . . . His right to them under the pardon imposes legal obligations on the government, and *may be judicially enforced.*" *Knote v. United States, supra*, at 151 (emphasis added). This Court's reply was equally clear: Undoubtedly Knote had a right to the restoration of his property, but ". . . if the proceeds have been paid into the treasury, the right to them has so far become vested in the United States that they can only *be secured to the former owner of the property through an act of Congress. Moneys once in the treasury can only be withdrawn by an appropriation by law.*" *Id.* at 154 (emphasis supplied). Contrary to the argument of the petitioner's counsel, this Court held that no judicial remedy could draw funds from the Treasury; such was beyond the control of the Court: *See also, Austin v. United States*, 155 U.S. 417 (1894); *United States v. Klein*, 13 Wall. (80 U.S.) 128 (1872) and *Hart v. United States*, 118 U.S. 62 (1886).

In Reeside v. Walker, supra, the estate of James Reeside sought and won a set-off of its claims against those of the United States. The jury found that the government was, in fact, indebted in the amount of $188,496.06. In an attempt "[t]o save future expense and litigation in [the] case, with a view to obtain[ing] the desired judgment" this Court articulated the clear and unambiguous rule that a court may not order the Treasury to pay out unappropriated moneys:

"No officer, however high, not even the President, much less a secretary of the treasury or treasurer is empowered to pay debts of the United States generally, when presented to them. If, therefore, the petition in this case was allowed so far as to order the verdict against the United States to be entered on the books of the treasury department, the plaintiff would be as far from having a claim on the secretary or treasurer to pay it as now. The difficulty in the way is the want of any appropriation by congress to pay this claim. It is a well-known constitutional provision, that no money can be taken or drawn from the treasury except under an appropriation by Congress. See Constiution, Art. I, § 9, I Stats. at Large, 15,

"However much money may be in the treasury at any one time, not a dollar of it can be used in the payment of any thing not thus previously sanctioned. Any other course would give to the fiscal officers a most dangerous discretion.

"Hence, the petitioner should have presented her claim on the United States to congress, and prayed for an appropriation to pay it. If congress after that make such an appropriation, the treasury can, and doubtless will, discharge the claim without any *mandamus*. But without such an appropriation it cannot and should not be paid by the treasury, whether the claim is by a verdict or judgment, or without either, and no *mandamus* or other remedy lies against any officer of the treasury department, in a case situated like this, where no appropriation to pay it has been made." 52 U.S. (11 How.) 626–28 (emphasis by the Court).

Thus, even in the face of a building obligation or judgment, or an unconstitutional withholding of funds in the Treasury, no court may order the funds to be paid where not authorized by Congress. *Stitzel-Weller Distillery v. Wickard*, 118 F. 2d 19 (1941); *Collins v. United States*, 15 Ct. Cl. 22 (1878); *Doe v. Matthews*, 420 F. Supp. 865 (D. N. J. 1976). And see *Cincinnati Soap Co. v. United States*, 301 U.S. 308 (1937); *Spaulding v. Douglas Aircraft Co.. Inc.*, 60 F. Supp. 985 (S. D. Cal. 1945). In the case at bar, appellees are requesting precisely such relief since they seek not merely a declaration of rights, but an order to spend funds expressly not appropriated.

Again in *United States v. Lovett, supra*, this Court and the Court of Claims had occasion to apply the rule against court-ordered appropriations. *Lovett* was a challenge to an appropriations measure that provided that certain named government employees not be paid their salaries unless Congress confirmed their continued employment. The three named individuals continued to work despite the Congressional act and sued for their compensation in the Court of Claims.

That court decided that the claimants were entitled to the money, but did not entertain the illusion that it could order the Treasury to pay, or the Congress to appropriate, the funds:

"Congress, by enacting Section 304, did not foreclose itself from thereafter appropriating for the payment of these salaries. Congress even now *may* appropriate, and authorize a selected disbursing agency to pay them. Claims therefore, presented to Congress, *may* be satisfied by an appropriation to pay them, as claims. Judgments, recovered here, *may* be satisfied by any appropriation out of which the judgments *may* be by Act of Congress, payable."

Lovett v. United States, 66 F. Supp. 142, 147 (Ct. Cl. 1945) *affirmed on other grounds, United States v. Lovett*, 328 U.S. 303 (1946). (Emphasis supplied.) The order of the Court of Claims that the plaintiffs were "entitled to recover" specific dollar amounts was the authorization of payment; but as with the usual congressional authorization, an appropriations act was necessary to provide the money.[2]

This Court affirmed the Court of Claims and held the salary prohibition an unconstitutional bill of attainder. But again, no order was made to appropriate or pay the funds. That determination was properly left to Congress. This Court did not reach back to the appropriation, strip it of the salary prohibition, and order payment as though the funds had been appropriated and illegally constrained.

In Congress there was at first disinclination to provide the funds to meet this Court's judgment. The most outspoken congressman in favor of honoring the judgment admitted that it was within the power of Congress to provide the money or not. Congressman Javits, for example, urged that the Deficiency Subcommittee "again consider this matter" 93 Cong. Rec. 2977 (1947).

Congressman Gwynne observed: "Of course we have the power to refuse to appropriate the money" while urging that it was "duty of Congress to vote the money." *Id* at 2990. Congressman John F. Kennedy suggested that it was "a question of whether the House should honor a decision of the Supreme Court." *Id.* at 2989; and he went on to say: "If because we have the power in this chamber to do so, we should hold back part of this money and not honor the decision of the Supreme Court, we would be breaking down that division [of the three powers] . . . this claim should be honored." *Id.* at 2990.

Congressman Keating, also speaking in favor of providing money to satisfy the judgment, observed as to the successful plaintiffs: "The only way they can translate their piece of paper called a judgment into cash in hand is through an appropriation made by this Congress." *Id.* at 2990. The plaintiffs would never have been compensated had not a nearly evenly divided House—after long debate—subsequently voted 99–98 to pay the amount due under the decision. 93 Cong. Rec. 2973–75, 2977, 2987–91 (1947).

The long-standing respect for the appropriation power evidenced in the opinions of this Court has been similarly reflected in lower court decisions. On the very issue raised by the case at bar one district court judge reached the exact opposite conclusion of the court below. In *Doe* v. *Matthews*, 420 F. Supp. 865 (D. N. J. 1976) Judge Buinno faced a challenge to the Hyde Amendment; his opinion reached the heart of the issue:

"[N]one of the cases relied on deal with one obvious question raised by the challenge to the Hyde Amendment, namely, the impact of the provision in the United States Constitution, Art. I § 9 cl. 7 that: 'No money shall be drawn from the Treasury but in consequence of appropriations made by law'

"Neither the complaint, the moving papers nor the initial brief discuss this question. Yet it cannot be avoided because, on the record before the Court, the Congress simply has not appropriated any moneys for fiscal 1977 to reimburse Medicaid States with a federal share for elective abortions." *Id.* at 870.

Judge Buinno has stated well the rule that must govern this case. No court has ever done what the court below has done.

When the district court first ruled in the instant case, twenty-two days after the law went into effect in 1976, and ordered the Security of HEW to pay for abortions throughout the country contrary to the appropriations act, the court was under the impression that it had a precedent in the *Lovett* case. See opinion of Dooling, J., in *McRae* v. *Matthews*, 421 F. Supp. 533, 540–541 (E. D. N. Y. 1976). Plainly, however, the court misread *Lovett* and reached a result directly counter to the self-restraint exercised by the judiciary in *Lovett*. Ruling again in the instant case almost four years later, the court below has put its chief reliance on a very recent decision of this Court which, arising after his initial ruling, seems now to it to justify its extraordinary action in October, 1976, and its return to it in January, 1980. The district court has invoked *Califano* v. *Wescott*, — U.S. —, 61 L. Ed. 2d 382 (1979), decided by a vote of five to four.

The court has, however, ignored two vital differences between this recent case and the instant case: First, in *Wescott*, the appropriations issue was not argued to this Court. As the Court observed, the federal appellant did "not question the relief ordered by the District Court." *Id.* at 387 (L. Ed. 2d). Consequently *Wescott* cannot be construed as having disregarded a section of the Constitution and as a departure from an old and settled line of decisions. Second, in the act thereunder consideration there had been no exercise by Congress of the *appropriations* power. Congress had restricted certain benefits to unemployed fathers. It had not refused to appropriate money for unemployed mothers. It had inserted a broad severability clause, 42 U.S.C. sec. 1303. A single federal judge was not commanding, where Congress had said "No appropriation", that an appropriation be made.[3]

The district court's extraordinary action is based not only on its misreading of *Lovett* and *Wescott*, but also on its belief, disclosed in its opinion, that the ability of a federal judge to declare a portion of an appropriations act unconstitutional is "the inescapable responsibility of the judiciary." (Slip op. 291–292). This confuses the power of judicial review with the power to appropriate money.

The court below goes on to cite five cases-- *The Abortion Cases* (*Wade* and *Bolton*) and *The Abortion Funding Cases* (*Beal, Maher* and *Poelker*)—to show that the federal courts can pronounce on the constitutionality of law dealing with abortion. While no one would deny that, none of the cases cited has any bearing on the power of a single federal judge to appropriate money or draw it from the Treasury of the United States.

In the court's opinion appears to lurk the fear that if a federal judge cannot control a Congressional appropriation, Congress will appropriate money for all sorts of unconstitutional purposes without check or balance from the other branches of government. But as *Lovett* makes clear, if an appropriations act does offend against an express command of the Constitution, there is adequate check and balance in the power of the judiciary to declare the act unconstitutional. What the Constitution forbids in Article I, Section 9, is not judicial review but judicial intrusion into the legislative powers and judicial usurpation of the power of the purse.

If this Court should find that a provision of the Appropriations Act for the Departments of Labor and HEW transgresses a command of the Constitution, the Court is free to declare that provision of the Act unconstitutional, leaving Congress the option of not funding these departments or complying with the Court's criteria of constitutionality. Such a remedy, while harsh, is far from vain. It is what in actuality is the appellees' remedy if they are correct in their claim that the appropriations act is unconstitutional. What it has not power to do is to make a nonexistent appropriation into an appropriation.

The judicial power of injunctive relief, exercised negatively, goes to the very limit of encroachment on the appropriations power yet still does not convert a nonappropriation into an appropriation; but injunctive relief, exercised selectively and positively as in the instant case, creates an appropriation where none was intended, where indeed an appropriation was denied. The power is a great power which, no doubt, will be exercised sparingly because of the possibility of catastrophic ramifications; the denied power is a great power which, as in this case, may be exercised mistakenly and must inevitably substitute judges for legislators as the holders of the power of the purse.

But the question may then arise, whether a declaration of unconstitutionality without an order of payment is an illusory remedy. Clearly, it is not. If an act of Congress is truly so extreme that it violates the Constitution, and this Court exercises its power to so indicate, it cannot be supposed that Congress would be insensitive to such teaching of this Court. But it is not within the constitutional power of this Court to compel Congress to appropriate where it chooses not to appropriate.

The "inescapable responsibility of the judiciary" is to exercise the judicial responsibility entrusted to judges by Article III of the Constitution. It is ironic that a district court, invading the power of Congress to appropriate, should defend its action as observing what "is intrinsic to the separation of powers." (Slip op., 292). What is intrinsic to the separation of powers is that each branch of government exercise responsibly the power entrusted to it by the Constitution. Each branch, as this Court has stated, "must initially interpret the Constitution, and the interpretation of its powers by any branch is due great respect from the others," but the basic powers of each branch, such as the veto power of the Executive, cannot be shared. *United States v. Nixon*, 418 U.S. 683, 704 (1974). The power to appropriate is unshareable.

II. The District Court Erred in Not Dismissing the Action as Nonjusticiable in That It Presented a Political Question.

In the first part of this brief, *amici* have assumed, *arguendo*, that *U.S. v. Lovett, supra*, applies, and that this therefore was the kind of case in which judicial review of an appropriations act is in order. In this second part of the brief *amici* put aside that assumption. *U.S. v. Lovett* dealt with a rare kind of appropriations act—an act of Congress found to be in violation of a specific provision of the Constitution and in violation of the rights of three named persons. Like a court order, that act operated upon those persons immediately and directly, and, as the court held, without trial and unjustly, to divest them of individual rights. The act there in question was very different from the appropriations act now before this Court. For the reasons stated below, *amici* submit that *U.S. v. Lovett* does not govern here, and that the issue presented in this case, because it presents a political question, is nonjusticiable.

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[2] See Rule XXI, Constitution, Jefferson's Manual and Rules of the House of Representatives, ed. Deschler, sec. 837.

[3] The District Court had also invoked the teaching of Mr. Justice Harlan, concurring in *Welsh v. United States*, 398 U.S. 333 (1970), on a court's power to extend the exemptions of a statute. But neither Mr. Justice Harlan in *Welsh*, a case involving exemptions for conscientious objectors, nor this Court in *Wescott*, a case involving an authorization statute with a severability clause, had addressed the appropriations power or contemplated a challenge to the exercise of that power by Congress.

The "political question" doctrine has long informed this Court's decisions on the justiciability *vel non* of certain constitutional issues. The most thorough and oft-cited description of this doctrine is that of Mr. Justice Brennan in *Baker v. Carr*, 369 U.S. 186 (1962). The essence of the doctrine is "the relationship between the judiciary and the coordinate branches of the Federal Government. . ." *Id.* at 210. Further, "[t]he nonjusticiability of a political question is primarily a function of the separation of powers." *Ibid.* Justice Brennan defined the doctrine in the following language:

"Prominent on the surface of any case held to involve a political question is found a textually demonstrable constitutional commitment of the issue to a coordinate political department; or a lack of judicially manageable standards for resolving it; or the impossibility of deciding without an initial policy determination of a kind clearly for nonjudicial discretion; or the impossibility of a court's undertaking independent resolution without expressing lack of the respect due coordinate branches of government; or an unusual need for unquestioning adherence to a political decision already made; or the potentiality of embarrassment from multifarious pronouncements by various departments on one question." *Id.* at 217. While the doctrine requires that only "one of these formulations [be] inextricable from the case at bar" in order to effect a "dismissal for nonjusticiability on the ground of a political question's presence", the instant case involves five of these criteria.

The view of the district court that this case is an act ruled by *U.S.* v. *Lovett, supra,* is plainly erroneous. That case concerned an extraordinary provision refusing to appropriate salaries for three named persons, an act amounting to a bill of attainder. Like a court order it operated to punish these persons. The appropriation in question there involved standards entirely manageable by a court. It did not involve, as does this case, a broad issue of social policy on which the electorate and the elected members of Congress have repeatedly expressed themselves.

1. Textual Commitment of the Power to Congress.

The appropriations clause of the Constitution is found under Article I thereof which defines legislative powers. The appropriations power is textually committed to Congress. In addition, the statement in that clause, "made by law", plainly refers to appropriations made by and through the prescribed Congressional procedures. Article I, Section 1, vests all law-making powers ("[a]ll legislative powers") in the Congress. Consequently, there is no clearer statement in the Constitution that a power is textually committed to a coequal branch. It is similar to the statement of Article I, Section 8, Clause 16 which vests in Congress the power "[t]o provide for organizing, and disciplining, the militia. . ."

In *Gilligan* v. *Morgan*, 413 U.S. 1, (1973) this Court held that this "militia power" was exclusive to Congress and that the Court could not, as plaintiffs asked, evaluate the training of the Ohio National Guard to see whether it was constitutionally deficient under the due process clause. This Court's reasons for finding nonjusticiability in *Gilligan* are similar to the reasons why the action brought by the plaintiffs below should have been dismissed as nonjusticiable.

"It would be difficult to think of a clearer example of the type of governmental action that was intended by the Constitution to be left to the political branches, directly responsible—as the Judicial Branch is not—to the elective process. Moreover, it is difficult to conceive of an area of governmental activity in which the courts have less competence." *Id.* at 10. This Court went on to say that such issues must remain "[t]he ultimate responsibility [of] branches of the government which are periodically subject to electoral accountability." *Ibid.*

Those words seem tailored for the instant case. The judicial branch has been consciously excluded from the appropriation decision both because it lacks competence in that area, and because such decisions *must* be made by popularly elected representatives who can reflect the will of their constituencies.

2. Lack of Judicially Manageable Standards.

Once it should be held that the appropriations power may be usurped by the courts, the use of that power will predictably not be limited to abortions. A multitude of financial and budgetary questions will be laid at the courthouse door. Every loser in the representative processes will seek a judicial appropriation for his program. Consequently, the courts will consistently be asked to allocate scarce financial resources—allocations that should be made by the elected representatives of the people of the United States.

Consider the examples cited earlier from appropriations acts of 1978. The appropriations act for the State Department says that "None of the funds appropriated in this title shall be used . . . for the promotion, direct or indirect, of the principle or doctrine of one world government," 92 Stat. 1025 (1978). Surely the advocates of one world government have a right of free speech guaranteed by the First Amendment which is no whit inferior to the right to free exercise of religion which the court below has made one basis for its order commanding that public money be spent for abortions. (Slip op. 326–328.) Under the holding of the district court, an advocate of one world government may now challenge the constitutionality of the State Department appropriations act because it denies him money to support his constitutional right of speech.

Or consider the language of the Labor-HEW Appropriations Act cited earlier, which operates to deny federal unemployment benefits to an alien illegally in the country. 92 Stat. 1571 (1978). As an alien has certain constitutional rights, he may now, under the teaching of the court below, litigate to strike such a provision and collect his unemployment pay on the ground that denial of appropriations for this purpose is a denial to him of the very means of subsistence.

Or take the language of the same Act forbidding loan or salary to a student who after 1969 used force to attempt to change college policy on curricula. 92 Stat. 1589. No doubt such a student has a case to make that such discrimination is a penalty imposed without due process of law. Is he free, it may be asked, to litigate his claim and succeed in getting his benefit if somewhere in this country he finds a federal judge who thinks Congress' refusal to appropriate was unconstitutional?

There are as many differences and distinctions drawn in appropriations acts as there are in tax laws. The very recent study by Fischer on the authorization-appropriations process[4] provides a multitude of examples of the essentially political process of appropriating and refusing to appropriate. Unless this Court is to command uniformity of treatment in the name of Due Process or Equal Protection, each distinction and each difference can be turned so as to present a constitutional difficulty. This Court and the lower federal courts will have to enter wholeheartedly into the appropriations process and weigh and determine a vast variety of cases.

3. Impossibility of Deciding Without a Policy Determination of a Kind Clearly for Nonjudicial Discretion.

Nothing can be clearer than the fundamentally legislative nature of appropriations decisions. Who shall be funded and who shall not is at the heart of the legislative process. Any judicial appropriation for abortions requires an initial policy decision that something else not be funded. Any judicial order to expend money for abortion puts the federal judiciary squarely in the legislative area. See J. NOONAN, A PRIVATE CHOICE, 112-117 (1979).

4. Expression of Lack of Respect Due to a Coordinate Branch of Government.

Almost a century ago an acute observer of our institutions, James Bryce, wrote: "There remains the power which in free countries has long been regarded as the citadel of parliamentary supremacy, the power of the purse. Congress has the sole right of raising money and appropriating it to the service of the state." BRYCE, THE AMERICAN COMMONWEALTH, 158 (MacMillian, 1905). It is this citadel which the district court's order has subverted, and this Court is asked to ratify that subversion.

The Majority Leader of the House, Congressman Jim Wright, an *amicus* here, has expressed the deep concern the House has felt at this sudden challenge to its basic power:

"Whatever one's feeling may be as to the social ethics involved, surely the right of Congress to enact a specific limitation on the use of tax moneys for any such purpose is a right long established. It is a right without which Congress could not perform its duty to the American taxpayer.

"That right is indispensable to the legislative branch in carrying out its constitutional responsibility, and I trust that the Supreme Court will speedily and decisively reaffirm that right in this case." 126 CONG. REC. 1062 (1980). Abortion aside, the lower court ruling treats Congress as the stepchild in our constitutional system.

5. Unusual Need for Unquestioning Adherence to a Political Decision Already Made.

Here again the words of Madison are of value: "This power over the purse may, in fact, be regarded as the most complete and effectual weapon with which any constitution can arm the immediate representatives of the people, for obtaining a redress of every grievance, and for carrying into effect every just and salutary measure." THE FEDERALIST No. 58, at 380 (Mod. Lib. ed.) (J. Madison). The amount of money affected by the district court's order may be estimated, on the basis of earlier experience, as at least $88 million (see *The Washington Post*, February 20, 1980, A 14). If this money is used for the purpose rejected by Congress and required by the court below, less money will be available for needs for which Congress did appropriate.

It does not seem to lie within the competence of the judiciary to determine the seriousness of the needs Congress sought to meet—no data on them has been presented in this process. Nor does the judiciary appear to have the competence to determine what needs will then go unmet or to forecast the response of Congress to a judicial redistribution of federal funds.[5] There is an unusual need, therefore, for the judiciary to adhere to the political decision already made as to the appropriation.

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[4] L. FISHER, THE AUTHORIZATION-APPROPRIATIONS PROCESS: FORMAL RULES AND INFORMAL PRACTICES (Congressional Research Service, Library of Congress, 1979).

A more obvious example of a political question is difficult to imagine. Not one, but five, of Mr. Justice Brennan's criteria are met in the case at bar. Overriding all is his admonition that primarily the doctrine is concerned with the separation of powers. A judicial usurpation of the appropriations power is no less a threat to the separation of powers than would be a unsurpation of the militia power, or the war power, or the taxing power. These are simply not powers that were intended for the judiciary. They were intended for the people's most immediate representatives; the Congress of the United States.

The very first words of Article I of our Constitution are: "All Legislative Powers herein granted shall be vested in a Congress of the United States . . ." A matter that has been hotly contested within each body of the Congress and between the two bodies, a matter which has been an issue in municipal and state and national legislatures is indisputably legislative, and it is difficult to believe that any issue could be more political. No doubt members of the federal judiciary have strong views as to what the right outcome of the political contest should be. A number of these judges have not concealed their opinions. Members of the judiciary are called, not to further the political cause they think is right, but to respect the foundations of our government of separate and limited powers, of which the power of the purse is democratically entrusted to the Congress.

CONCLUSION

For all of the foregoing reasons, it is respectfully requested that the judgment of the district court, violating Article I, Section 9, Clause 7 of the Constitution, violating the principle of separation of powers, and representing an exercise of jurisdiction to resolve a political question contrary to Article III, be reversed.

Respectfully submitted,

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MARCH 18, 1980.

CERTIFICATE OF SERVICE

I hereby certify that on this 18th day of March, 1980, three copies of the Brief *Amicus Curiae* were mailed, postage prepaid, to Wade H. McCree, Jr., Esq., Solicitor Geenral of the United States, Department of Justice, Constitution Avenue between Ninth and Tenth Streets, N. W., Washington, D. C. 20530, Richard P. Caro, Esq., 225 Cadman Plaza East, Brooklyn, N. Y. 11201, counsel to appellee, Rhonda Copelon, Esq., 853 Broadway, New York, N. Y. 10016, Janet Benshoof, Esq., 22 East 40th Street, New York, N. Y. 10016, Sylvia A. Law, Esq., 40 Washington Square South, New York, N. Y. 10012, Jill Laurie Goodman, Esq., 22 East 40th Street, New York, N. Y. 10012, Nadine Taub, Esq., 14 Washington Street, Newark, N. J. 07102, counsel for appellee women and medical doctors and for appellee Women's Division of the Board of Global Ministries of the United Methodist Church, Harriet F. Pilpel, Esq., 437 Madison Avenue, New York, N. Y. 10022, counsel for appellee Planned Parenthood of NYC, Inc., Ellen Kramer Sawyer, Esq., 125 Worth Street, #523, New York, N. Y. 10013, counsel for appellee New York City Health and Hospital Corporation, Patrick A. Trueman, Esq., AUL Legal Defense Fund, 230 North Michigan Avenue, Chicago, Ill. 60601, counsel to intervenors-appellees. I further certify that all parties required to be served have been served.

WILLIAM B. BALL.
BALL & SKELLY.

HARRISBURG, PA.

[In the Supreme Court of the United States, October Term, 1979, No. 79–1268]

PATRICIA R. HARRIS, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, APPELLANT *v.* CORA MCRAE, ET AL.

PATRICIA R. HARRIS, SECRETARY OF HEALTH, EDUCATION, AND WELFARE, APPELLANT v. NEW YORK CITY HEALTH AND HOSPITALS CORPORATION

(On appeal from the U.S. District Court for the Eastern District of New York)

BRIEF FOR THE SECRETARY OF HEALTH, EDUCATION, AND WELFARE

OPINIONS BELOW

The opinion of the district court on remand is not yet reported.[1] The initial opinion of the district court (76–1113 J.S. App. 1a–25a) is reported at 421 F. Supp. 533.

JURISDICTION

The judgments of the district court (A. 86–89) were entered on January 15, 1980. On the same day, the Secretary of Health, Education, and Welfare filed a notice of appeal to this Court (A. 19), and, on February 11, 1980, the Secretary applied for a stay pending disposition of her appeal. On February 19, 1980, this Court denied the stay, treated the application as a jurisdictional statement, and noted probable jurisdiction (A. 332). This Court's jurisdiction rests on 28 U.S.C. 1252.

QUESTIONS PRESENTED

1. Whether the Hyde Amendment violates the equal protection component of the Due Process Clause of the Fifth Amendment by authorizing the use of federal funds for medically necessary services generally and for abortions only "where the life of the mother would be endangered if the fetus were carried to term" but not for other "medically necessary" abortions.

2. Whether, by restricting the availability of federal funds for "medically necessary" abortions, the Hyde Amendment deprives pregnant women of the liberty protected by the Due Process Clause of the Fifth Amendment or the religious freedom protected by the Free Exercise Clause of the First Amendment.

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The relevant constitutional and statutory provisions are reprinted in the appendix to this brief (App., *infra*, 1a–2a).

STATEMENT

1. Title XIX of the Social Security Act, as amended, 42 U.S.C. 1396 *et seq.*, establishes a medical assistance program, commonly known as "Medicaid," under which the federal government provides financial assistance to those states that choose to reimburse the costs of medical treatment for needy persons. For a state to qualify for federal assistance under Title XIX, its Medicaid plan must include coverage for the "categorically needy"[2] for at least five general categories of medical treatment: (1) inpatient hospital services, (2) outpatient hospital services, (3) other laboratory and x-ray services, (4) skilled nursing facilities services, periodic screening and diagnosis of children, and family planning services, and (5) physician's services. 42 U.S.C. 1396a(a)(13)(B) and 1396d(a)(1)–(5).

The Act does not expressly require that participating states pay for the cost of abortions or any other particular medical procedures,[3] but the statute does provide that Medicaid beneficiaries must receive, at minimum, services within the categories specified above. A federal regulation under the Act provides that state Medicaid agencies "may not arbitrarily deny or reduce the amount, duration, or scope of a required service [*i.e,* a service within any or the five mandatory categories] * * to an otherwise eligible recipient solely because of the diagnosis, type of illness, or condition." 42 C.F.R. 440.230(c)(1), as corrected, 43 Fed. Reg. 57253 (Dec. 7, 1978).

With respect to the persons eligible for Medicaid benefits and the level of payments available, the Act requires each state Medicaid plan to "include reasonable standards * * * for determining eligibility for and the extent of medical assistance under the plan which * * * are consistent with the objectives of [Title XIX] * * *." 42 U.S.C. 1396a(a)(17)(A). An implementing regulation permits participating states to place reasonable limits on the amount of a particular kind of care that will be covered. 42 C.F.R. 440.230(b). The same regulation authorizes state agencies to "place appropriate limits on a service based on such criteria as medical necessity * * *." 42 C.F.R. 440.230(c)(2), as corrected, 43 Fed. Reg. 57253 (Dec. 7, 1978).

2. In September 1976, Congress limited the availability of federal funds to reimburse the cost of medically indicated or "therapeutic" abortions. Section 209 of Pub. L. No. 94–439, the appropriations act for the Department of Health, Education, and Welfare for fiscal year 1977, provided that "[n]one of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term." 90 Stat. 1434. This provision is commonly known as the Hyde Amendment, after its original congressional sponsor, Representative Henry J. Hyde of Illinois.

On December 7, 1977, Congress passed a joint resolution providing appropriations for HEW for the last 10 months of fiscal year 1978 and including a modified version of the Hyde Amendment to govern the availability of federal Medicaid funds for abortions during that period. Pub. L. No. 95–205, 91 Stat. 1460; 123 Cong. Rec. S19439–S19446, H12769–H12776, H12827–H12831 (daily ed. Dec. 7, 1977).[4] The modified Hyde Amendment listed two additional exceptions to the general prohibition against the use of appropriated funds for abortions. It stated:

> [N]one of the funds provided for in this paragraph shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

This revised version of the Hyde Amendment was repeated in the HEW appropria-

Footnotes at end of article.

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[5] The statement of Mr. Justice Stewart is apropos:

"We do not decide today that the Maryland regulation [limiting total amounts allotted to families with dependent children under Title IV of the Social Security Act] is wise, that it best fulfills the relevant social and economic objectives that Maryland might ideally espouse, or that a more just and humane system could not be devised. Conflicting claims of morality and intelligence are raised by opponents and proponents of almost every measure. . . . But the intractable economic, social and even philosophical problems presented by public welfare assistance programs are not the business of this Court." *Dandridge v. Williams,* 397 U.S. 471, 487 (1970).

tions act for fiscal year 1979 (Pub. L. No. 95-480, 92 Stat. 1586).

In large measure because the Senate and the House of Representatives could not agree on whether this modified approach to federal funding for abortions should be retained for fiscal year 1980, Congress was unable to enact a new annual appropriations bill for HEW by the October 1979 deadline.[5] Instead, on October 12, 1979, Congress adopted a joint resolution providing appropriations for HEW for the period ending November 20, 1979, and deleting the third exception in the modified Hyde Amendment language originally enacted in December 1977. Pub. L. No. 96-86, 93 Stat. 659, 662; 125 Cong. Rec. 28103-28110, 28027-28033, Oct. 12, 1979). The new appropriations measure stated:

> [N]one of the Federal funds provided by this joint resolution * * * shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service.

After further debate, the same language was included in another joint resolution adopted by Congress on November 16, 1979, making appropriations for HEW for the remainder of fiscal year 1980. Pub. L. No. 96-123, 93 Stat. 925, 926; 125 Cong. Rec. 32967-32970, 32854-32861, Nov. 16, 1979).

Thus, the currently effective statutory limitation on the use of federal funds for abortions under the Medicaid Act is broader than the original Hyde Amendment in that it permits the use of federal funds to terminate pregnancies resulting from promtply reported rape or incest. It is narrower than the modified version of the Hyde Amendment that governed during fiscal years 1978 and 1979 in that it does not permit the use of federal funds to terminate pregnancies that will result in severe and long-lasting damage to the mother's physical health.

3. These consolidated cases were filed in the United States District Court for the Eastern District of New York on September 30, 1976, the day that Congress enacted the initial version of the Hyde Amendment. The original plaintiffs in No. 76-C-1804 were Cora McRae, a New York resident and Medicaid recipient who was in the first trimester of pregnancy and wished to have an abortion but did not allege that the procedure was medically necessary or that continuation of the pregnancy would endanger her life;[6] Irwin B. Teran, a physician who performs abortions for Medicaid recipients;[7] and Planned Parenthood of New York City, a non-profit corporation that provides family planning services and operates clinics where abortions are performed for Medicaid recipients. The plaintiff in No. 76-C-1805 is the New York Health and Hospitals Corporation, a public benefit corporation that operates 16 municipal hospitals, 12 of which provide abortion services.

Both complaints named the Secretary of Health, Education, and Welfare as the sole defendant. On October 19, 1976, the district court permitted Representative Henry J. Hyde of Illinois, Senator James L. Buckley of New York, and Senator Jesse A. Helms of North Carolina to intervene as defendants. The court also appointed Isabella M. Pernicone as the guardian *ad litem* for unborn children and permitted her to intervene as a defendant.[8]

Plaintiffs sought to enjoin enforcement of the Hyde Amendment. They complained that by prohibiting federal financial assistance for abortions except where the mother's life was in danger but at the same time permitting federal payments for costs associated with childbirth, the statute violated the equal protection principle embodied in the Due Process Clause of the Fifth Amendment. Plaintiffs asserted that the Hyde Amendment drew an invidious distinction between Medicaid recipients who carry their pregnancies to term and Medicaid recipients who choose to have an abortion for any reason other than the preservation of their own lives. (A. 37). They further contended that the statute deprived the plaintiff pregnant women of "their right to control their own persons, and to privacy and liberty in matters relating to marriage, sex, procreation and the family, all in violation of the Fourth, Fifth and Ninth Amendments to the Constitution" (A. 37). In addition, the complaint alleged that the Hyde Amendment deprived the plaintiff physicians of "the right to practice medicine in accordance with their best medical judgment as guaranteed by the First, Fourth, Fifth and Ninth Amendments to the Constitution" (A. 39). Finally, plaintiffs maintained that the Amendment served no secular purpose and therefore constituted an establishment of religion, in violation of the First Amendment (A. 40).

4. After a hearing, the district court entered a preliminary injunction on October 22, 1976, prohibiting the Secretary from enforcing the Hyde Amendment and requiring him to "[c]ontinue to authorize and expend federal matching funds for abortions provided to women eligible for Medicaid at the proportionate level and in accordance with the standards under which they were being paid before enactment of" that statute. *McRae* v. *Mathews*, 421 F. Supp. 533, 543, reprinted in 76-1113 J.S. App. 23a-24a. In addition, the court ordered the Secretary to give notice of the injunction to all state and local Medicaid authorities and providers (*id.* at 24a-25a). The court certified No. 76-C-1804 as a class action on behalf of (1) pregnant or potentially pregnant Medicaid-eligible women in the State of New York who decide to have an abortion within the first 24 weeks of pregnancy; and (2) duly-licensed and Medicaid-certified providers of abortion services to Medicaid-eligible pregnant women (*id.* at 23a).

On October 29, 1976, the district court denied the Secretary's motion to amend the preliminary injunction to provide that Medicaid funds paid to the states as a result of the court's order would be subject to recoupment if the order were reversed on appeal (76-1113 J.S. App. 26a-29a). At the same time, the court observed that, because its preliminary injunctive order was not the final judgment, the accompanying opinion "did not explicitly hold that [the Hyde Amendment] was unconstitutional." The court added, however, that such a holding was "implicit in the granting of the injunction" (*id.* at 29a).

The Secretary appealed to this Court and suggested that the case be held for disposition in light of two other abortion funding cases then pending before the Court, *Maher* v. *Roe*, 432 U.S. 464 (1977), and *Beal* v. *Doe*, 432 U.S. 438 (1977). After deciding *Maher* and *Beal*, this Court vacated the injunction in *McRae* and remanded the case for further consideration in light of those decisions. *Califano* v. *McRae*, 433 U.S. 916 (1977). See also *Califano* v *McRae*, 434 U.S. 1301 (1977) (Marshall, Circuit Justice).

5. On remand, the district court permitted several additional plaintiffs to intervene. Plaintiffs Jane Doe, Mary Doe, Susan Roe, and Ann Moe are Medicaid recipients who wished to have abortions that allegedly were medically necessary but did not qualify for federal funding under either the 1977 or the 1978 version of the Hyde Amendment (A. 60-61).[9] Plaintiffs Jane Hodgson, David Bingham, Hugh Savage, Edgar Jackson, and Lewis Koplik are physicians who practice in states other than New York and who perform abortions for Medicaid recipients (A. 62-63).[10] Plaintiff Women's Division of the Board of Global Ministries of the United Methodist Church is the policymaking body for United Methodist Women, an organization whose membership allegedly includes (1) "poor, pregnant women who are dependent on Medicaid to obtain safe, legal abortions, whose ability to obtain such is impeded or precluded by the Hyde Amendments, and who object to having someone else's religious beliefs about abortions imposed upon them thereby, inhibiting their freedom of conscience" and (2) "federal taxpayers who object to the Hyde Amendments as violating the First Amendment's limitations on the taxing and spending powers" (A. 63-64). Plaintiffs Theressa Hoover and Ellen Kirby are officers of the Women's Division and federal taxpayers (A. 64-65).

In January 1978, plaintiffs filed an amended complaint challenging the various versions of the Hyde Amendment on numerous grounds. They alleged first that the Hyde Amendment, to the extent it permits states participating in the Medicaid program to refuse to fund some medically necessary abortions, violates the Medicaid Act (A. 72-73). In the alternative, they argued that, notwithstanding the Hyde Amendment, participating states remain obligated under the Medicaid Act to fund all medically necessary abortions (A. 72, 73).

Plaintiffs further asserted that the Hyde Amendment violates the equal protection component of the Due Process Clause of the Fifth Amendment in several ways: (1) by distinguishing between medically necessary services generally and medically necessary abortions; (2) by distinguishing between women, for whom federal Medicaid funds are not available for one kind of medically necessary care, and men, for whom federal Medicaid funds are generally available for medically necessary services; (3) by distinguishing between women who choose to carry their pregnancies to term and women who seek to terminate their pregnancies by abortion; (4) by distinguishing between indigent women and women who are able to pay for abortions; and (5) by distinguishing between women who are members of racial or ethnic minorities and other women (A. 72-76). Plaintiffs also alleged that the Hyde Amendment "punishes" pregnant women who choose to exercise the right to obtain an abortion guaranteed by the First, Fourth, Fifth, and Ninth Amendments to the Constitution (A. 75).

With respect to the plaintiff class of physicians, the amended complaint contended that the Hyde Amendment denies those doctors "the right to practice medicine in accordance with their best medical judgment" and also deprives them of "substantial income from abortion services normally rendered to Medicaid-eligible women" (A. 77).

Finally, plaintiffs asserted that "[t]here is no seculuar justification for the Hyde Amendments" and that the federal abortion funding restriction "constitute enactment into law of one religious belief respecting abortions and the nature of the fetus and the imposition of that religious view on Medicaid-eligible women who would otherwise choose abortion in accordance with their religious or nonreligious beliefs" (A. 79). On this basis, plaintiffs maintained that the Hyde Amendment violates both the Establishment Clause and the Free Exercise Clause of the First Amendment.

6. Between August 1977 and September 1978, the district court conducted a trial during which plaintiffs introduced voluminous evidence concerning the medical reasons for abortions and the diverse religious views on the subject.[11] On January 15, 1980, the district court issued an opinion that summarized the evidence at length and in-

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validated all versions of the Hyde Amendment on equal protection grounds. The court held that the statutory distinction between medically necessary abortions and other medically necessary services bears no rational relationship to any legitimate governmental interest (Opinion 310–315, 316–323). In the court's view, when an abortion is "medically necessary to safeguard the pregnant woman's health, * * * the disentitlement to medicaid assistance impinges directly on the woman's right to decide, in consultation with her physician and in reliance on his judgment, to terminate her pregnancy in order to preserve her health" (*id.* at 313). In addition, citing a provision in the Adolescent Health Services and Pregnancy Prevention and Care Act, 42 U.S.C. (Supp. II) 300a–21(a), the court ruled that the Hyde Amendments are invalid because they "clearly operate to the disadvantage of one suspect class, that is to the disadvantage of the statutory class of adolescents at a high risk of pregnancy * * * and particularly those seventeen and under" (Opinion 315).

Turning to plaintiffs' First Amendment challenges to the abortion funding restrictions, the court rejected the Establishment Clause argument but held that the Hyde Amendments violate the constitutional right to the "free exercise" of religion (Opinion 323–328). Although the court acknowledged that the purpose of the Hyde Amendments was not "identifiably religious" and did not become so merely because "the most vigorous spokesmen for [the statutes] put their case in religious terms" (*id.* at 324), it ruled that the Amendments "do raise grave First and Fifth Amendment problems affecting individual liberty" (*id.* at 326). Relying on evidence regarding the teachings of Conservative and Reform Judaism, the American Baptist Church, and the United Methodist Church (*id.* at 178–199), the court stated that, in some cases at least, a pregnant woman's decision to have a medically necessary abortion may be based on religious considerations. The court declared that "[t]he liberty protected by the Fifth Amendment extends certainly to the individual decisions of religiously formed conscience to terminate pregnancy for medical reasons" (*id.* at 327–328). The opinion concluded with the following paragraph (*id.* at 328):

> A woman's conscientious decision, in consultation with her physician, to terminate her pregnancy because that is medically necessary to her health, is an exercise of the most fundamental of rights, nearly allied to her right to be, surely part of the liberty protected by the Fifth Amendment, doubly protected when the liberty is exercised in conformity with religious belief and teaching protected by the First Amendment. To deny necessary medical assistance for the lawful and medically necessary procedure of abortion is to violate the pregnant woman's First and Fifth Amendment rights. The irreconcilable conflict of deeply and widely held views on this issue of individual conscience excludes any legislative intervention except that which protects each individual's freedom of conscientious decision and conscientious nonparticipation.

Accordingly, the district court ordered the Secretary to "[c]ease to give effect" to the Hyde Amendments insofar as they forbid federal Medicaid payments for abortions that are "necessary in the professional judgment of the pregnant woman's attending physician exercised in the light of all factors, physical, emotional psychological, familial, and the woman's age, relevant to the health-related well-being of the pregnant woman" (A. 87). The court directed the Secretary to "[c]ontinue to authorize the expenditure of federal matching funds" for such abortions (A. 87). In addition, the court ordered the Secretary to inform HEW's regional directors of the court's decision and to require them to instruct participating states to notify all Medicaid providers of the existence of the injunction (A. 87). Finally, the court recertified the *McRae* case as a nationwide class action on behalf of all Medicaid-eligible pregnant women who wish to have medically necessary abortions and all Medicaid-certified providers of abortion services for such women (A. 92–93).

SUMMARY OF ARGUMENT

I

The Hyde Amendment is a legislative measure rationally designed to further the legitimate governmental interest in preserving potential human life and encouraging childbirth. Medically necessary services other than abortion do not involve the termination of potential human life, and Congress therefore had a rational basis for permitting Medicaid payments for abortion on a more limited basis than for other medically necessary services. The district court's decision to the contrary is similar to the ruling of another district court in *Zbaraz* v. *Quern*, 469 F. Supp. 1212 (N.D. Ill.), question of jurisdiction postponed, Nos. 79–4, 79–5, and 79–491 (Nov. 26, 1979), and we rely primarily on the government's brief in the latter case to demonstrate the flaws in the district court's "equal protection" reasoning here.

Although the opinion of the district court is somewhat cryptic, the court may have intended to invalidate the Hyde Amendment on the independent ground that the statute discriminates impermissibly on the basis of age. That ruling is also erroneous. The Hyde Amendment treats pregnant women of all ages identically, and there is no indication that the statute was passed in order to impose a special disadvantage on persons below the age of 21. If teenage women are disproportionately represented within the group directly affected by the Hyde Amendment, it is because they are more likely to become pregnant and to seek abortions, not because Congress adopted a statutory classification based on age.

II

A. The Hyde Amendment does not violate the Establishment Clause of the First Amendment. There are substantial secular reasons for seeking to encourage childbirth and to discourage the premature termination of pregnancies. As this Court observed in *Roe* v. *Wade*, 410 U.S. 113, 130–131, 134–135, 141–143 (1973), opposition to abortion can be traced to such diverse and secular sources as the ancient Greeks, common law authorities, and the American Medical Association. Congressional judgments on matters of public morality are not invalid merely because they happen to harmonize or coincide with the tenets of a particular religion or religious denomination. *McGovern* v. *Maryland*, 366 U.S. 420, 442 (1961). Nor does the participation of religious organizations in public debate on a subject automatically render any resulting statute that is consistent with the views of such organizations vulnerable to attack on Establishment Clause grounds.

As the district court recognized (Opinion 323–324), the Hyde Amendment reflects "traditionalist" attitudes toward abortion more than the position of any single religious group. Acceptance of the contrary position advocated by appellees in the district court would have implications far beyond this case. In particular, it would cast substantial doubt on the constitutionality of numerous criminal statutes—for example, those prohibiting polygamy or adultery—that parallel the rules of conduct espoused by various religious groups.

B. The Hyde Amendment does not violate the Free Exercise Clause of the First Amendment. The constitutional right to practice the religion of one's choice does not entail a corresponding government obligation to pay the cost of conduct undertaken in fulfillment of a person's perceived religious duties. Even assuming that the district court correctly determined that one or more religious denominations teach that abortion is the proper course where necessary to preserve the health of the mother, appellees are not entitled to relief on free exercise grounds.

In the first place, no named pregnant appellee has alleged that her personal religious beliefs impelled her to seek an abortion. Under such circumstances, neither the individual appellees nor the members of the class they represent have standing to assert a cause of action based on the Free Exercise Clause.

Furthermore, even if the free exercise argument is properly presented here, it is incorrect on the merits. The Constitution guarantees numerous personal rights, but it does not require the government to expend public funds in order to ensure that indigent persons may engage in constitutionally protected activities. Religious observance is no more entitled to public subsidy than the speaking and publishing activities protected by other portions of the First Amendment. Indeed, because of Establishment Clause constraints, religious activity may, if anything, be less eligible for public financial support.

Although this Court has recognized a pregnant woman's constitutional right to obtain an abortion, that right does not become imbued with a special status simply because, in a particular instance, its exercise may be religiously motivated. As in the case of other constitutional rights, the government may not interfere with private decision-making, but it need not provide financial encouragement for every conceivable choice a person might make.

ARGUMENT

I

The Hyde Amendment does not violate the due process clause of the fifth amendment because Congress had a rational basis for treating abortion differently from other medically necessary procedures:

To the extent that the district court invalidated the Hyde Amendment on equal protection grounds, its decision is similar to the ruling in *Zbaraz* v. *Quern*, 469 F. Supp. 1212 (N.D. Ill.), question of jurisdiction postponed, Nos. 79–4, 79–5, 79–491 (Nov. 26, 1979).[12] Both district courts have held that no legitimate governmental interest justifies the congressional choice to fund medically necessary services generally but to restrict the availability of federal payments for medically necessary abortions. In our view, the district court decisions are incorrect because the Hyde Amendment, in each of its forms, is a rational legislative measure for advancing the legitimate governmental interest in preserving potential human life and encouraging childbirth. The statute also serves the legitimate congressional goal of limiting the expenditure of public funds for a purpose that many taxpayers find morally objectionable.

Because this Court has decided to hear the present case in tandem with *Zbaraz*, we do not repeat in detail the equal protection arguments already advanced by the government in the Illinois case. Instead, we rely primarily on the relevant portion of the government's brief in *Zbaraz* (pages 50–64) to demonstrate the errors in the district court's reasoning here.[13] We add only a brief comment on two aspects of the district court's equal protection ruling that distinguish it to some extent from the decision in *Zbaraz*.

1. In attempting to assess the rationality of the Hyde Amendment, the district court compiled a massive evidentiary record on the nature of the social problem addressed by

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Footnotes at end of article.

Congress. During a 13-month trial, the court investigated such matters as the number of abortions performed annually in the United States and other countries, the ratio of abortions to live births, the percentage of maternal deaths attributable to abortions, the practical consequences of abortion funding limitations, the relationship between poverty and maternal health, the possible psychological effects of an unwanted pregnancy, and the special medical problems encountered in adolescent pregnancies. The extensive inquiry conducted by the district court reflects the fundamental flaw in the court's approach to judicial review of the Hyde Amendment. The court addressed itself to the question whether the challenged congressional action is a good idea rather than the question whether the limitation on federal funding for abortions satisfies constitutional requirements. The questions are not identical. Courts do not sit as general fact-finding and policy-making bodies charged with the task of identifying and implementing the most desirable solution to broad social problems. That is Congress' responsibility. Reviewing courts decide only whether the legislature has acted within permissible bounds.

Here, the district court uncovered no evidence to contradict this Court's conclusion that Congress and the state legislatures have an "important and legitimate interest in protecting the potentiality of human life." *Roe* v. *Wade,* 410 U.S. 113, 162 (1973). See also *Beal* v. *Doe,* 432 U.S. 438, 445–446 (1977). Nor did the court disagree with the proposition that abortion is the only medically necessary service that involves the purposeful termination of potential human life. See *Maher* v. *Roe,* 432 U.S. 464, 480 (1977). Nor did the court find that the Hyde Amendment's funding restrictions will not contribute to the preservation of fetal life by discouraging abortions and encouraging childbirth. In the absence of any such finding or evidence, the court should have sustained the validity of the statute.

By undertaking instead an elaborate inquiry into the practical implications of pregnancies among Medicaid-eligible women, the court revealed its misconception of its own role; by concluding that public funds must be provided for medically necessary abortions, the court substituted its judgment for that of Congress and usurped the function of the people's elected representatives. Even if the court's lengthy opinion proved beyond any doubt that the Hyde Amendment is an unwise measure, it would not justify invalidation of the statute on equal protection grounds. Nothing that the court has said detracts from the critical considerations that support the statute's consitutionality:. Congress had a rational basis for treating abortions differently from other medically necessary services in dispensing public monies, and that is all that the Due Process Clause requires.

2. An unclear passage toward the end of the district court's opinion (Opinion 315–316) suggests that the court may have held the Hyde Amendment invalid on an independent equal protection ground, separate from and in addition to the allegedly impermissible statutory distinction between abortion and other medically necessary services. The court stated that the Hyde Amendment "clearly operate[s] to the disadvantage of one suspect class, that is to the disadvantage of the statutory class of adolescents at a high risk of pregnancy * * *, and particularly those seventeen and under * * *." The "statutory class" to which the court referred is derived from the Adolescent Health Services and Pregnancy Prevention and Care Act, 42 U.S.C. (Supp. II) 300a–21 *et seq.* Apparently on the basis of statistics indicating that women under 21 years of age may be disproportionately represented among those for whom an abortion is medically necessary (see Opinion 133–150), the district court determined that the Hyde Amendment discriminates against teenagers and that "[n]o legislative interest outweighing the interest in the teenagers' health can be advanced to justify the discriminatory denial of necessary medical care" (Opinion 316). The court's use of the phrase "suspect class" may have been intended to suggest that a heightened level of equal protection scrutiny must be applied when a statutory classification discriminates on the basis of age. If so, the court erred in two respects.

In the first place, the Hyde Amendment does not treat pregnant teenagers differently from other pregnant women. Federal funds for abortions are available to prospective teenage mothers on the same basis as they are available to older women. Pregnancy, of course, is a condition that does not occur before puberty or after menopause. Any law affecting pregnancy therefore invariably applies only to females within an age range far narrower than the full spectrum from birth to death. This does not mean that Congress discriminates on the basis of age whenever it legislates on the subject of pregnancy or abortion.

Despite its exhaustive discussion of the legislative history, the district court cited no evidence whatever to show that Congress intended to discriminate against teenagers when it passed the various versions of the Hyde Amendment or that it "selected or reaffirmed a particular course of action at least in part 'because of,' not merely 'in spite of,' its adverse effects upon an identifiable group." *Personnel Administrator of Massachusetts* v. *Feeney,* 442 U.S. 256, 279 (1979).[14] A mere statistical showing of disproportionate impact does not suffice to establish a legislative classification when the statute itself draws no such distinction. See *Dayton Board of Education* v. *Brinkman,* 433 U.S. 406, 413 (1977); *Village of Arlington Heights* v. *Metropolitan Housing Development Corp.,* 429 U.S. 252 (1977); *Washington* v. *Davis,* 426 U.S. 229, 239 (1976); *Jefferson* v. *Hackney,* 406 U.S. 535, 548 (1972). If the rule were otherwise, few Acts of Congress could survive equal protection scrutiny. Any tax or social welfare provision, for example, could be challenged on the ground that the group directly affected does not represent a perfect cross-section of society. This Court's equal protection decisions have never suggested that the Constitution requires such an absurd result.

Moreover, assuming that Congress did intend to treat teenagers differently from adults, this Court's cases establish that age is not a "suspect" classification for equal protection purposes. *Vance* v. *Bradley,* 440 U.S. 93 (1979); *Massachusetts Board of Retirement* v. *Murgia,* 427 U.S. 307 (1976). Similarly, the Court has reviewed legislative classifications involving pregnancy in accordance with the rational basis test. *Geduldig* v. *Aiello,* 417 U.S. 484, 495–496 (1974). There is no principled reason why a legislative distinction based on both age and pregnancy should be held to a higher standard. Indeed, when this Court reviewed a classification that imposed special burdens on minors seeking abortions, it did not say that strict scrutiny was required, even though both an age classification and the "fundamental" right to obtain an abortion were involved. The Court invalidated a requirement that pregnant teenagers obtain the consent of one parent before obtaining an abortion, not because the State failed to show a compelling governmental interest, but because it failed to show any "significant" interest at all. *Planned Parenthood of Missouri* v. *Danforth,* 428 U.S. 52, 75 (1976).

The proper standard of review having thus been identified, it bears repeating, for purposes of the present case, that Congress has not adopted different Medicaid abortion funding rules based on the age of the prospective mother. The Hyde Amendment treats all pregnant Medicaid recipients equally. If the class of Medicaid-eligible women who seek medically necessary abortions includes proportionally more teenagers than the population at large or the class of Medicaid-eligible women generally, that circumstance does not convert the Hyde Amendment into a statutory classification based on age. Not even a rational justification for age discrimination need be identified where no discrimination has occurred.

II

The Hyde Amendment does not violate the First Amendment or deprive Medicaid-eligible pregnant women of the liberty guaranteed by the Fifth Amendment.

A. The District Court Correctly Concluded that the Hyde Amendment is not a "Law Respecting an Establishment of Religion."

Appellees argued vigorously in the district court that the Hyde Amendment violates the Establishment Clause of the First Amendment because it allegedly incorporates into law the Roman Catholic Church's doctrines concerning the time at which human life begins and the sinfulness of abortion (see Plaintiffs' First Amendment brief 206–299). The district court properly rejected this argument (Opinion 323–326). As this Court held in *McGowan* v. *Maryland,* 366 U.S. 420, 442 (1961), a statute does not violate the Establishment Clause merely because it "happens to coincide or harmonize with the tenets of some or all religions."

To be sure, neither a state nor the federal government can "pass laws which aid one religion, aid all religions, or prefer one religion over another." *Everson* v. *Board of Education,* 330 U.S. 1, 15 (1947). But that does not mean that Congress violates the Establishment Clause whenever it regulates conduct or spends public funds in a way that provokes different reactions among different religious groups. When Congress legislates for the general welfare of society, the Establishment Clause is not offended simply because the resulting statute elicits greater approval from one religious denomination or sect than from another. As the Court explained in *McGowan* (366 U.S. at 442):

> Thus, for temporal purposes, murder is illegal. And the fact that this agrees with the dictates of the Judaeo-Christian religions while it may disagree with others does not invalidate the regulation. So too with the questions of adultery and polygamy. [Citations omitted.] The same could be said of theft, fraud, etc., because those offenses were also proscribed in the Decalogue.

The belief that life begins at conception is not exclusively religious in character and is not solely attributable to the Roman Catholic Church.[15] This Court has traced the belief to such diverse secular sources as the Pythagorean school of Greek ethical philosophy and the American Medical Association. *Roe* v. *Wade, supra,* 410 U.S. at 131, 141. The Court also noted that, although it is uncertain whether the common law treated abortion as a crime, Coke did describe the artificial termination of pregnancy as "a great misprision," and Coke's view influenced the development of the law in some American jurisdictions. *Id.* at 135–136.

During the 19th century, the vast majority of states passed strict criminal abortion laws. *Roe* v. *Wade, supra,* 410 U.S. at 138–141. Those laws remained in force for more than a century, and they had a significant effect in shaping public morality with respect to abortion. Within six months of this Court's decision in *Roe* v. *Wade,* 30 states imposed restrictions on the use of their public funds for abortions. Note, ***Medicaid and The Abortion Right,*** **44 Geo. Wash.**

Footnotes at end of article.

L. Rev. 404, 405 n.7 (1976), citing 2 *Family Planning Pop. Rep.* 82, 83 (1973). Such a widespread reaction, occurring in states with very different demographic patterns and ethnic populations, demonstrates that the legislative refusal to fund abortions except in the most compelling circumstances is the product of deeply felt public sentiment and not an outgrowth of the political activities of a single religious group.[16] Accordingly, the district court properly held that the Hyde Amendment reflects "traditionalist" attitudes towards abortion and is not a "law respecting an establishment of religion" within the meaning of the First Amendment.

B. The Hyde Amendment Does Not Restrict the Free Exercise of Religion Or Deprive Pregnant Women of the Liberty Guaranteed by the Fifth Amendment.

The district court ruled that the various versions of the Hyde Amendment "raise grave First and Fifth Amendment problems affecting individual liberty" (Opinion 326). Although the court did not explain its view of the relationship between the two constitutional provisions cited, it did hold that the congressional refusal to fund some medically necessary abortions "violate[s] the pregnant woman's First and Fifth Amendment rights" (*id.* at 328). Relying on testimony from representatives of several church bodies, the court determined that, in some instances, a woman's decision to seek a medically necessary abortion may be a product of her religious beliefs.[17] The court concluded that "[t]he liberty protected by the Fifth Amendment extends certainly to the individual decisions of religiously formed conscience to terminate pregnancy for medical reasons" (*id.* at 327–328). We believe the court's decision is wrong both because appellees lack standing to raise the Free Exercise Clause argument and because Congress does not violate the Constitution by refusing to fund constitutionally protected activity.

1. None of the appellees has demonstrated the injury in fact necessary to confer standing to challenge the Hyde Amendment as an unconstitutional imposition on the First Amendment right freely to exercise one's religion. Cora McRae, Jane Doe, Mary Doe, Susan Roe, and Ann Moe are the named appellees who sued on behalf of the class of indigent pregnant women. They made no allegations in the complaint, much less submitted evidence, concerning their actual religious or moral beliefs. None of them testified at trial, and their affidavits do not suggest that they sought abortions for reasons of conscience or, if so, what those reasons were. Accordingly, none of the appellee pregnant women has standing to present a contention with respect to the Free Exercise Clause. *McGowan* v. *Maryland, supra,* 366 U.S. at 429.

The amended complaint does allege that the named appellees sued on behalf of "women of all religious and nonreligious persuasions and beliefs who have, in accordance with the teachings of their religion and/or the dictates of their conscience determined that an abortion is necessary" (A. 65). But such an allegation, even if it is endorsed by the district court (as it was in the present case[18]), cannot create standing for the class unless the named appellees have established their own standing to sue. *O'Shea* v. *Littleton,* 414 U.S. 488, 494–495 (1974); *Bailey* v. *Patterson,* 369 U.S. 31, 32–33 (1962). Likewise, the possibility that some class members might have been able to bring their own lawsuit alleging a violation of the Free Exercise Clause is not enough to confer standing on the named appellees. *Warth* v. *Seldin,* 422 U.S. 490, 502 (1975). It follows, therefore, that neither the named pregnant women nor the class of Medicaid-eligible women whom they represent can pursue a "free exercise" cause of action on this record.

Appellees Theressa Hoover and Ellen Kirby are officers of the Women's Division of the Board of Global Ministries of the United Methodist Church. They did provide the district court with a detailed description of their personal religious beliefs. However, neither woman alleged that she is pregnant or likely to become pregant or that she is eligible for Medicaid. The Hyde Amendment therefore has absolutely no practical effect on appellees Hoover and Kirby or on their right to choose an abortion in accordance with the tenets of their faith.

The Women's Division itself intervened as a plaintiff on behalf of its members, and the amended complaint alleges that the organization's membership includes "poor, pregnant women who are dependent on Medicaid to obtain safe, legal abortions, whose ability to obtain such is impeded or precluded by the Hyde Amendments and who object to having someone else's religious beliefs about abortion imposed upon them thereby inhibiting their freedom of conscience" (A. 63–64). But the Women's Division does not identify a single member who was deterred or prevented by the Hyde Amendment from seeking a medically necessary abortion for reasons of religion or conscience. It is thus not at all certain whether the Hyde Amendment actually influences the individual moral choices of the Division's members. Moreover, an association may not assert the contitutional rights of its members where those rights are so personal as to require individualized proof. *Hunt* v. *Washington State Apple Advertising Commission,* 432 U.S. 333, 342–343 (1977); *Warth* v. *Seldin, supra,* 422 U.S. at 511. A lawsuit that challenges an alleged governmental interference with personal religious or moral choice ordinarily requires individualized proof focused on the beliefs of a particular plaintiff. Such a case presents precisely the kind of situation in which associational representation is inappropriate. As this Court has stated, "it is necessary in a free exercise case for one to show the coercive effect of the enactment as it operates against him in the practice of his religion." *Abington School District* v. *Schempp,* 374 U.S. 203, 223 (1963). Following this principle, the Court has found no violation of the Free Exercise Clause where the litigants "have not contended that the [statute in question] coerces them, *as individuals* in the practice of their religion." *Board of Education* v. *Allen,* 392 U.S. 236, 249 (1968) (emphasis added).

It is possible, of course, that in a particular case there may be a compelling reason why the members of a religious organization cannot speak for themselves, and in such circumstances it might be desirable to permit the organization to assert the free exercise rights of its members. Cf *NAACP* v. *Alabama ex rel. Patterson,* 357 U.S. 449, 459 (1958) (association permitted to assert members' constitutionally protected interest in not having membership status revealed). Or a particular free exercise claim might, for some reason, be especially amenable to resolution in a lawsuit brought by an association rather than an individual. Even conceding the existence of such possibilities, however, there is no reason in the present case to permit the Women's Division to press the cause of its unnamed members.

The Division has argued that the abortion decision is a personal moral choice that each pregnant woman must make for herself in light of her own individual conscience and circumstances and "the principle of responsible parenthood." See Opinion 192–197, 327. The only thread that unites the membership of the Women's Division on this subject is an avowed commitment to respect a diversity of views. In such a situation, the principles established in *Warth, Hunt,* and Abington School District are particularly compelling. The association should not be permitted to assert its members' interest in a matter of personal moral choice.

2. Assuming that appellees' free exercise argument is properly presented in this case, it should be rejected because the Constitution does not require the government to subsidize the exercise of First Amendment rights. Similarly, the Fifth Amendment does not require the use of public funds to support every activity comprehended within the "liberty" protected by the Due Process Clause.

The Free Exercise Clause of the First Amendment guarantees the right to practice one's religion without government interference. This does not mean that the government must bear the cost of each person's religious observances.[19] This Court has never required the government to expend public funds in order to enable indigent persons to engage in whatever constitutionally protected activity they choose. On the contrary, the Court has recognized numerous constitutional rights for which public financial assistance need not be provided. For example, in *Maher* v. *Roe, supra,* the Court observed that, although the Constitution protects the right to travel interstate, it does not obligate the government to pay the bus fares of indigent travelers. 432 U.S. at 474–475 n.8. By the same token, although the Court has sustained parents' right to select private rather than public school education for their children, it has rejected the argument that a state violates that right if it chooses to fund public but not private education. *Id.* at 476–477; *Norwood* v. *Harrison,* 413 U.S. 455, 462 (1973).[20]

This reasoning applies with even greater force when the constitutional right invloved in the right to the free exercise of religion. If the government must provide publicly funded abortions so that indigent women may act in accordance with their religious beliefs, there is no principled reason why it should not also be required to distribute Bibles and other religious materials at public expense, in order to assist poor persons in their religious devotions. Such efforts surely would run afoul of the Establishment Clause and therefore are not compelled by the Constitution.

The Hyde Amendment does not preclude or interfere with "individual decisions of religiously formed conscience to terminate pregnancy for medical reasons." It simply prohibits the use of federal Medicaid funds for such abortions, unless a continuation of pregnancy would endanger the life of the mother. Pregnant women are neither barred from nor penalized for acting in accordance with their religious beliefs. The Hyde Amendment therefore does not violate the Free Exercise Clause of the First Amendment or the Due Process Clause of the Fifth Amendment.

CONCLUSION

The judgment of the district court should be reversed.

Respectfully submitted.

WADE H. MCCREE, Jr.,
Solicitor General.
ALICE DANIEL,
Assistant Attorney General.
PETER BUSCEMI,
Assistant to the Solicitor General.
ELOISE E. DAVIES,
Attorney.

MARCH 1980.

FOOTNOTES

[1] On March 17, 1980, the Court granted the Secretary's motion to dispense with the printing of the district court's opinion and accompanying annex.

[2] The "categorically needy" group includes families with dependent children eligible for assistance under the Aid to Families with Dependent Children program (42 U.S.C. 601 *et seq.*) and the aged, blind, and disabled eligible for benefits under the Supplemental Security Income program (42 U.S.C. 1381 *et seq.*). See 42 U.S.C. 1396a(a)(10)(A). The

states may also choose to extend Medicaid coverage to other persons, termed the "medically needy," who would be eligible for AFDC or SSI payments if they did not have income or resources in excess of the statutory standards and who have insufficient income and resources to pay for necessary medical care. See 42 U.S.C. 1396a(a)(10)(C).

[3] Indeed, when Title XIX was added to the Social Security Act in 1965 (79 Stat. 343), most "medically necessary" abortions were illegal in most states. *Roe* v. *Wade*, 410 U.S. 113, 118 & n.2 (1973). This Court's rulings in *Wade* and its companion case, *Doe* v. *Bolton*, 410 U.S. 179 (1973), established the constitutional right of a woman to seek an abortion during the first trimester of pregnancy.

[4] HEW appropriations for October and November 1977, the first two months of fiscal year 1978, were provided by joint resolutions that simply continued in effect the original version of the Hyde Amendment passed the previous year. Pub. L. No. 95–130, 91 Stat. 1153; Pub. L. No. 95–165, 91 Stat. 1323.

[5] The details of the legislative disagreement during the summer of 1979 are summarized in *United States* v. *Zbaraz*, No. 79–491, Jurisdictional Statement 6 n.3. See also the annex to the district court's opinion at pages 293–313.

[6] Plaintiff McRae sued on her own behalf and on behalf of "the entire class of pregnant or potentially pregnant women in the State of New York who are eligible for Medicaid, who with their physician have decided on abortions, for whom abortions are medically appropriate and who are prevented from obtaining medical termination of their pregnancies by the Hyde Amendment" (A. 33).

[7] Plaintiff Teran sued on his own behalf and on behalf of "the entire class of duly licensed physicians and surgeons certified for participation in Medicaid and presently performing or desiring to perform the termination of pregnancies of members of the * * * class of women" named in the complaint (A. 34).

[8] Under Rule 10(4) of the Rules of this Court, the intervenor-defendants are appellees in the Secretary's direct appeal to this Court. When the term "appellees" is used in the remainder of this brief, however, it refers to the parties who were plaintiffs in the district court.

[9] Plaintiff Jane Doe is a resident of Connecticut and the other three named pregnant women who intervened as plaintiffs on remand are residents of Minnesota. Together with plaintiff McRae, these plaintiffs asked the district court to certify a class of all "pregnant or potentially pregnant women who are eligible for medical assistance provided under their state plans; who with their physicians have decided on abortions; for whom abortions are medically necessary; who have been, are or will be prevented from or impeded in obtaining medical termination of their pregnancies by the Hyde Amendments" (A. 65). The amended complaint asserts that the class includes women "of all religious and nonreligious persuasions and beliefs who have, in accordance with the teaching of their religion and/or the dictates of their conscience determined that an abortion is necessary" (*ibid.*). None of the named plaintiffs claimed that she personally sought an abortion for reasons of religion or conscience. See A. 60–61.

[10] Together with plaintiff Teran, the intervening physician plaintiffs sought to proceed as representatives of the class of all "duly licensed and Medicaid certified providers of abortional services to eligible women" (A. 66).

[11] The record contains more than 400 documentary and film exhibits. The transcript of the district court proceedings exceeds 5,000 pages.

[12] Unlike the district court's holding in *Zbaraz*, the decision in the present case is not limited to medically necesary abortions prior to fetal viability. When the district court certified the plaintiff classes in January 1978 (A. 92–93), it removed the earlier language limiting the class of pregnant women to those who sought abortions within the first 24 weeks of their pregnancies. See page 11, *supra*.

[13] We have furnished a copy of the government's brief in *Zbaraz* to all of the parties in this case.

[14] If anything, Congress has discriminated in favor of teenagers by enacting the Adolescent Health Services and Pregnancy Prevention and Care Act. The Act provides federal financial support for local efforts to prevent unwanted pregnancies among adolescents, to enable pregnant adolescents to obtain proper care, and to "assist pregnant adolescents and adolescent parents to become productive independent contributors to family and community life * * *." 42 U.S.C. (Supp. II) 300a–21(b)(1).

[15] For this reason, the Court's decision in *Epperson* v. *Arkansas*, 393 U.S. 97 (1968), does not control here. In that case, the Court reviewed a state statute that banned the teaching of Darwinian evolution because that theory supposedly conflicted with the Biblical account of creation. The Court invalidated the statute because it had no secular justification whatsoever. *Id.* at 107–108. The Court did not suggest that a state law based on secular considerations, including notions of public morality, must fall simply because those considerations parallel the views of some religious groups.

[16] Religious persons and organizations have the same right to participate in the political process as anyone else. *McDaniel* v. *Paty*, 435 U.S. 618 (1979) To hold that a religious group can speak on a political issue only at the risk of having any resulting legislation invalidated under the Establishment Clause would significantly chill the group's members in the exercise of their First Amendment rights of freedom of speech and association.

[17] Although we regard the matter as essentially irrelevant to the disposition of this case, we question the propriety of the procedure employed by the district court to ascertain the views of different religious and religious denominations. The testimony of selected representatives of particular religious groups hardly seems a sufficient basis on which to make findings about the personal beliefs of pregnant women who are members of those groups.

[18] In an order entered on January 29, 1979 (A. 92–94), the district court recertified the plaintiff class of pregnant women in accordance with the allegations in the amended complaint. The order stated that "[t]he class includes women of all religious and nonreligious persuasions and beliefs who have, in accordance with the teaching of their religion and/or the dictates of their conscience determined that an abortion is necessary."

[19] Indeed, the Court has upheld secular laws that have the incidental effect of making some forms of religious observance more expensive than others. See *McGowan* v. *Maryland, supra; Braunfield v. Brown*, 366 U.S. 599 (1961). See especially *id.* at 605–606 (plurality opinion).

[20] Additional examples are not difficult to find. The First Amendment protects the freedom of speech and the freedom of the press, as well as the free exercise of religion, yet it would be foolish to suggest that the constitutionally guaranteed rights to speak and publish entail a corresponding entitlement to federal financial assistance to support those activities. Cf. *Houchins* v. *KQED, Inc.*, 438 U.S. 1, 9 (1978) (plurality opinion). Similarly, this Court has recognized a constitutionally protected right to use contraceptives, but the existence of that right does not require public funding to aid its exercise.

The logic of the First Amendment portion of the district court's opinion, it should be noted, would apply equally even if the Medicaid Act had never been passed. If Congress infringes appellees' free exercise rights by refusing to pay for medically necessary abortions, that refusal would offend the First Amendment no less if Congress also refused to pay for other medically necessary services. The district court's decisions, therefore, apparently holds that the Constitution requires public funding of medically necessary abortions, even if Congress provides no other medical services for indigents. This result is inconsistent with *Maher* v. *Roe*, *supra*, in which the Court declared that "[t]he Constitution imposes no obligation on the States [or the federal government] to pay the pregnancy-related medical expenses of indigent women, or indeed to pay any of the medical expenses of indigents" (432 U.S. at 469).

[Appendix]

CONSTITUTIONAL AND STATUTORY PROVISIONS INVOLVED

The First Amendment to the Constitution provides in pertinent part:

Congress shall make no law respecting an establishment of religion, or prohibiting the free exercise thereof * * *.

The Fifth Amendment to the Constitution provides in pertinent part:

No person shall * * * deprived of life, liberty, or property, without due process of law * * *.

Section 109 of the Joint Resolution making further continuing appropriations for the fiscal year 1980, and for other purposes, Pub. L. No. 96–123, 93 Stat. 926, provides in pertinent part:

Notwithstanding any other provision of this joint resolution except section 102, none of the funds provided by this joint resolution shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victim of rape or incest when such rape or incest has been reported promptly to a law enforcement agency or public health service * * *.

Section 210 of the Act Making Appropriations for the Departments of Labor and Health, Education, and Welfare, and Related Agencies for the fiscal year ending September 30, 1979, and for other purposes, Pub. L. 95–480, 92 Stat. 1586, provides in pertinent part:

None of the funds provided for in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term; or except for such medical procedures necessary for the victims of rape or incest, when such rape or incest has been reported promptly to a law enforcement agency or public health service; or except in those instances where severe and long-lasting physical health damage to the mother would result if the pregnancy were carried to term when so determined by two physicians.

Section 209 of the Act Making Appropriations for the Department of Labor and Health, Education, and Welfare, and Related Agencies, for the fiscal year ending September 30, 1977, and for other purposes, Pub. L. No. 94–439, 90 Stat. 1434, provides:

None of the funds contained in this Act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term.

U.S. DEPARTMENT OF JUSTICE,
OFFICE OF THE SOLICITOR GERERAL,
Washington, D.C., March 25, 1980.
Hon. HENRY J. HYDE,
House of Representatives,
Washington, D.C.

DEAR REPRESENTATIVE HYDE: The Attorney General has shared with me your letter of March 19, 1980, requesting the Department of Justice to join in the portion of your amicus brief in *Harris* v. *McRae*, No. 79-1268, addressed to the separation of powers issue.

This argument was given careful consideration by the Department after your meeting with Deputy Solicitor General Kenneth Geller and attorneys from the Civil Division on February 29, 1980. We concluded, however, that although the argument may have substantial force in another context, we should not present it in this case.

Congress has already appropriated federal monies to fund medically necessary procedures under the Medicaid Act. If the Supreme Court were ultimately to determine that thereapeutic abortions must be treated like all other medically necessary procedures under the Medicaid Act, it would not be necessary for Congress to appropriate another fund. Accordingly, I do not believe that a persuasive argument can be made under Article I, Section 9 of the Constitution in this case. Moreover, as Mr. Geller explained at the meeting, the Court's acceptance of such an argument could lead to the invalidation of the entire Medicaid Act as the only remedy available should the Court also find an alleged equal protection violation.

In any event, the argument is before the Court in the *Amicus* brief, and we have not taken a contrary position in our opening brief. The Court thus will have full opportunity to consider the argument on its merits.

Sincerely yours,
WADE H. MCCREE, Jr.,
Solicitor General.

[From the Washington Post, Apr. 4, 1980]

ABORTION BY THE COURTS

(By George Will)

Supreme Court rulings have made abortion the most divisive issue confronting Congress. But now a district court, acting true to the Supreme Court's legislative spirit, has overreached in an abortion ruling, and has caused a remarkable coming-together in Congress.

The controversy concerns Rep. Henry Hyde's amendment to the act appropriating money for Medicaid. The amendment says that Congress is not appropriating money to pay for abortions except in limited, specified situations.

A district court has declared, for many reasons (as is common when a court is surer of the result it wants than it is of a reason justifying the result), that the Hyde Amendment is unconstitutional. And the court has ordered the government to pay for abortions contrary to provisions of the appropriations act.

Now, the Supreme Court, which will review the district court's ruling, has received a "friend of the court" brief from 247 representatives and senators, including a majority of the House of Representatives, which is the originator of appropriations measures. The brief argues that the ruling "in the most fundamental way subverts the Constitution of the United States by making meaningless the reservation to Congress of the right to determine when 'Money shall be drawn from the Treasury.'"

Nothing in the Constitution is clearer than the following as a textual commitment of a particular power to a coequal branch: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ." And the first words of the first article of the Constitution are: "All legislative powers herein granted shall be vested in a Congress of the United States. . . ."

Clearly, the district court's order, commanding the government to subsidize abortions in situations where Congress has decided not to subsidize them, is an attempt to draw money from the Treasury. It is an attempt by the judiciary to exercise a power vested exclusively elsewhere. It seems to assume that federal judges have something like a "line-item veto," only even more powerful: they can turn a negative into an affirmative. As the congressional brief says:

"The power which a federal judge can thereby exercise is greater than the veto power of the president. The president can only reject entire acts.

The brief warns that such judicial redistributions of federal funds will multiply if tolerated: "In an age marked by an immense increase in constitutional litigation it is remarkably easy to convert any disappointment on policy into a claim that a constitutional right has been infringed." So, "a multitude of fiscal and budgetary questions will be laid at the courthouse door. Every loser in the representative processes will seek a judicial appropriation for his program."

The attempt to overturn the Hyde Amendment is additional evidence that when representative processes do not yield liberal results, some liberals clearly demonstrate that their commitment to those results takes precedence over a commitment to representative processes.

The Hyde Amendment is just one of several recent uses of the words: "None of the funds contained in this act shall be used" for this or that purpose. As the congressional brief notes, "the explicit refusal to appropriate money for a specific purpose is an essential tool of democratic control of the business of bureaucratic government," a tool used recently to end the Vietnam War and to prevent the CIA from undertaking certain kinds of activities.

When President Nixon selectively impounded funds in appropriations acts, he was rightly denounced for usurping power and threatening the separation of powers. Now some of the political forces that opposed Nixon are defending the district court's even more drastic usurpation of congressional power. Liberals worried about the waning moral force of their movement should consider the contrast between their result-oriented behavior and their rhetorical celebrations of democratic due process and other principles.

On both sides of the abortion issue there are strong passions, hot words and some indefensible actions. Some antiabortion extremists have committed intolerable vandalism against abortionists' facilities. But the most lasting damage is being done by judges and their inciters who want the already inflated notion of judicial review further swollen to encompass the power to superintend fiscal policy and appropriate money.

A double negative, although stylistically awkward, expresses the awkwardly antidemocratic doctrine of the district court and other pro-abortion extremists. Congress cannot not subsidize abortions of all sorts.

That is vandalism against the Constitution.

NOTICES OF HEARINGS

SPECIAL COMMITTEE ON AGING

● Mr. CHILES. Mr. President, I would like to announce that the Special Committee on Aging will open a series of hearing on "Work After 65: Options for the 80's" on April 24, 1980, beginning at 10 a.m., in room 5110, Dirksen Senate Office Building.

In 1978 Congress amended the Age Discrimination in Employment Act to remove entirely mandatory retirement for Federal employees. At the same time the mandatory retirement ago for the private sector was raised from age 65 to 70.

Yet, despite this rather dramatic and sweeping change in the law, there is virtually no hard evidence to indicate that substantial numbers of older workers are deciding to delay retirement and work longer. In fact, during the two decades prior to 1978, the labor force participation rate of older workers exhibited a steady decline. Although the trend toward retirement at a younger age appears to have slowed down, there are still large numbers of older persons who are retiring early. I view this trend with some alarm.

With the legal door now open to end mandatory retirement, and with vast numbers of today's workers due to reach their retirement years at the beginning of the next century, we must begin now to anticipate the new problems that lie ahead. Yet at a time when older persons are indicating that they want to work longer; at a time when double-digit inflation is eating away at the retirement income of so many; at a time when many workers are questioning the financial integrity of the social security system; at a time when more and more private pensions are in serious trouble; why is it that so little is being done to stimulate work opportunities for older persons?

As the familiar baby boom moves toward old age, this Nation cannot simply wait for trends to evolve. We cannot once again be guilty of a lack of planning and a failure to anticipate problems. Therefore, in an effort to shed light on this issue of growing social and economic importance, the Special Committee on Aging will begin to examine this area of concern. The attention and interest of my colleagues will be welcome.●

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. NELSON. Mr. President, the Select Committee on Small Business will postpone its hearing on "Crime and Its Impact on Business" which was scheduled for April 22, 1980, until further notice.●

SUBCOMMITTEE ON TAXATION AND DEBT MANAGEMENT

● Mr. HARRY F. BYRD, JR. Mr. President, the Subcommittee on Taxation and Debt Management of the Committee on Finance will hold a hearing on Friday, April 25, 1980, on minor tax bills.

The hearing will begin at 9 a.m. in room 2221 of the Dirksen Senate Office Building.

The following pieces of legislation of general application, unless otherwise noted, will be considered. Additional revenue estimates will be available at the time of the hearing.

S. 1854.—Introduced by Senator JOHNSTON. Would provide for an election to treat income from certain spacecraft as income from sources within the United States. Beneficiaries of this bill would be companies who lease spacecraft. The revenue effect of this measure is estimated to be negligible through 1985.

S. 2239.—Introduced by Senator PACKWOOD. Would create a new category of stock options called incentive stock options. It would permit employees to exercise certain stock options while deferring income tax effects until the stock is disposed of.

S. 1384.—Introduced by Senator HATFIELD. Provides for a 10-percent tax credit to farmers who contribute certain crops to charitable organizations.

S. 2179.—Introduced by Senator HAYAKAWA. Would define the term "artificial bait" for purposes of the excise tax on sporting goods. A principal beneficiary of this bill is the Don Rich Company, Inc., of La Canada, Calif. The revenue effect of this measure is estimated to be negligible through 1985.

S. 2396.—Introduced by Senator JEPSEN. Would change the treatment of certain lending and finance companies with respect to the tax on personal holding companies. A principal beneficiary of this bill is the Dial Corp. of Des Moines, Iowa.

S. 2367.—Introduced by Senator BOREN. Provides for a change in the determination of the amount to be treated as ordinary income on the sale of foreign investment company stock. A principal beneficiary of the bill is the Williams Co. of Tulsa, Okla. This measure is estimated to result in a revenue loss of $5 million in its first year, and less than $1 million per year thereafter.

S. 1867.—Introduced by Senator DURENBERGER. Would provide that the amount of the charitable deduction allowable for expenses incurred in the operation of a motor vehicle will be determined in the same manner Government employees determine reimbursement for use of their vehicles on Government business. Under present law, this would increase the deduction for automobile use from 8 cents per mile to 20 cents per mile. This measure is estimated to decrease revenues by $76 million in 1981; $91 million in 1982; $107 million in 1983; $126 million in 1984; and $148 million in 1985.

S. 1826.—Introduced by Senator DURENBERGER. Would permit losses due to Dutch Elm disease to be treated as casualty losses.

S. 2415.—Introduced by Senator PACKWOOD. Would provide for the application of the investment tax credit to property purchased by a person who is engaged in the trade for business of furniture rental or leasing to others. This measure is estimated to decrease revenues by $6 million in 1981; $2 million in 1982; $3 million in 1983; $4 million in 1984; and $4 million in 1985.

S. 753.—Introduced by Senator INOUYE. Would increase the amount of credit for the elderly. This measure is estimated to decrease revenues by $352 million in 1981; $360 million in 1982; $388 million in 1983; $407 million in 1984; and $428 million in 1985.

H.R. 5973.—Section 4. Would provide that the rules relating to investment indebtedness with respect to tax exempt organizations do not apply with respect to the sale of certain real property held by the organization since 1951. A principal beneficiary of this bill is the Tillamook YMCA, Tillamook, Oreg. This measure is estimated to result in a one-time revenue loss of less than $50,000.

Witnesses who desire to testify at the hearing must submit a written request, including a mailing address and phone number, to Michael Stern, staff director, Committee on Finance, room 2227 Dirksen Senate Office Building, Washington, D.C. 20510, by no later than the close of business on April 16, 1980.

Written statements.—Witnesses who are not scheduled to make an oral presentation, and others who desire to present their views to the subcommittee, are urged to prepare a written statement for submission and inclusion in the printed RECORD on the hearings. These written statements should be typewritten, not more than 25 double-spaced pages in length, and mailed with five copies to Michael Stern, staff director, Committee on Finance, room 2227, Dirksen Senate Office Building, Washington, D.C. 20510, not later than, Friday, May 16, 1980.●

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY RESOURCES AND PRODUCTION

Mr. BAUCUS. Mr. President, I ask unanimous consent that the Subcommittee on Energy Resources and materials Production of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today to hold a hearing on stategic petroleum reserves.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY REGULATION

Mr BAUCUS. Mr. President, I ask unanimous consent that the Energy Regulation Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on the National Academy of Sciences' report entitled "Energy in Transition 1985–2010."

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RURAL HOUSING AND DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Rural Housing and Development Subcommittee of the Committee on Banking, Housing and Urban Affairs be authorized to meet during the session of the Senate on Tuesday, April 22, 1980, to continue its hearing on the rural housing authorizations for fiscal year 1981.

The PRESIDING OFFICER. Without objection, so ordered.

ADDITIONAL STATEMENTS

AMATEURS IN THE WORLD POWER GAME

● Mr. DOLE. Mr. President, yesterday I rose to speak about the empty symbolism and rhetoric President Carter insists upon using to cloud all the issues, foreign and domestic, every time we have an important primary coming up. Always it is an "important new development" or a "significant step" in achieving the release of our hostages in Iran, and once the primary or caucus is over we find that no particular breakthrough has actually occurred. It seems to many that this has become almost a weekly ritual, and sure enough yesterday, 4 days before the Pennsylvania primary where some polls show Mr. Carter trailing, we see the President holding a press conference on Iran.

TV RERUN SEASON STARTS AGAIN

At 4 o'clock yesterday afternoon we saw a repeat of the weekly, preprimary, get-tough-on Iran news conference. A reporter from the Washington Post wondered aloud at the timing of so many of these historic, foreign policy bulletins, just before elections the President's chief opponent might win. The President said there were so many primaries it was purely chance that his press conferences coincided so neatly with the primaries—failing to explain why so many of these conferences were nothing but rhetoric, filled with hollow symbolism, enacting policies and actions that had either already been in effect for months, or could have been from the very beginning of the crisis. And many of us urged that they be done from the very start.

Well yesterday, in a déjà vu performance we have come to expect, President Carter announced a five-point program of "new" sanctions against Iran. First, a prohibition on all financial transfers to Iran, a move that blocks practically no assets that were not already stopped.

Second, a ban on all imports from Iran, of which there are practically none.

Third, a prohibition on all travel by American citizens to Iran. The only Americans I know of trying to go there have been U.S. ministers to provide religious services to the hostages, and the mother of one of our soldiers held so long by the militants in the Embassy—and they will not even let her get into the country.

Fourth, military equipment that was paid for by Iran was seized to be resold or used by our own Government: But we had already impounded this equipment.

Fifth, an authorization through Congress to pay reparations from Iranian funds to the hostage families and to reimburse the Government and U.S. firms for losses and claims due to the crisis. But these funds were already frozen months ago, and several lawsuits have already been filed against them to pay for these same grievances.

NO NEW ACTIONS

In sum, Mr. President, Mr. Carter's highly publicized media-event before the Pennsylvania primary was "full of sound and fury, but signifying nothing." The Iranian official response has been, predictably, extremely mild compared to their previous outbursts. They cannot help but realize that nothing new has been imposed upon them—no new burden to give them an incentive to release our hostages.

Mr. President, it is the hope of the Senator from Kansas that we have seen the last of these shallow events. It does no good for American foreign policy. It does not help the hostages. It does the public a disservice by clouding the important issues of rampant inflation, high interest rates, rising unemployment, and unbounded Russian military adventures. These are vital issues that the voters should be judging, not being whipsawed by ersatz developments on Iran.

In closing, Mr. President, I submit for the Record today's article by Mr. Jack Anderson. It is a prescient account of Mr. Carter's performance to date on Iran and his likely actions in the future.

The article follows:

CARTER'S RECORD ON CONFRONTING IRAN

Despite dark hints of military reprisals, President Carter's crackdown on Iran won't lead to armed conflict if he adheres to his past pattern.

This is the assessment of military advisers who have dealt with the White House throughout the Iranian crisis. The introspective, indecisive Carter has held back from military measures at every turn in the emergency. Repeatedly he has approached a military confrontation but has always backed away at the last minute. Here is the confrontation record:

When the shah began to lose his grip on Iran, the Joint Chiefs of Staff urged Carter to send a nuclear task force into the Persian Gulf as a show of support. They argued that the United States had to demonstrate its willingness to defend its oil sources. The President agreed to dispatch a naval force, led by the carrier Constellation, from the Philippines to the Persian Gulf. Then he decided the move was too provocative and canceled the order.

After the Iranian militants overran the U.S. Embassy and seized the American hostages, Carter broadcast reassurances that the United States would not be provoked into a military response. Not until his advisers pleaded that it would be better to keep the Iranians guessing did he speak of possible military reprisals and rush naval reinforcements into the area. But he continued to make so many conflicting statements that even his own joint chiefs were unsure of his policy.

The President gave advisers the impression last December that he was ready to order a precision strike against the Iranian island of Kharg. This is Iran's great oil port in the Persian Gulf. The strangling of Iranian oil exports, the analysts calculated, would hurt Iran more than it would the West. They estimated that Ayatollah Ruholiah Khomeini had to ship between 2.5 million and 3.5 million barrels of crude a day to avert an economic collapse. But Carter couldn't bring himself to sign the order.

The President has moved 30 warships and 1,800 Marines into the crisis zone. The original intention was also to deploy at least one carrier task force right in the Persian Gulf. The move was scheduled last December, but he decided at the last minute to keep the ships at a safer, less provocative distance.

Defense Secretary Harold Brown, meanwhile, pressed for a larger military buildup in the troubled area. In a secret memo to the President, Brown reported: "By combining Marine Corps amphibious units normally afloat in the Mediterranean and the western Pacific, we could rapidly assemble and deploy a small Marine Amphibious Brigade. This would provide some limited near-term presence and combat capability ashore . . . Deployments above [this] level could be sustained for only a few weeks without causing severe personnel rotation and equipment maintenance problems." Carter has hesitated to make this extra commitment.

Brown has asked the President for enough logistical support, according to a secret estimate, to maintain "approximately 10,000 Marines for approximately 15 days." But Carter has held up his approval.

He is considering a naval blockade as his next move to tighten the screws on Iran. Intelligence reports warn that the Soviet Union has offered to help break the blockade if it is imposed. The President's inclination, military advisers say, is to back away from a military confrontation with the Soviets. But lately Carter has been under intense political pressure to end the Iranian stalemate. The same advisers who have privately deplored his hesitancy to take firm measures against Iran in the past are now concerned that he might go too far and do something precipitous. Amateurs in the world power game, like Carter, sometimes tend to overreact, the professionals say.●

ORDER PERMITTING COMMITTEES UNTIL 5 P.M. TO FILE REPORTS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session, that the committees may have permission to file reports today until 5 p.m.

The PRESIDING OFFICER. Without objection, it is so ordered.

NOMINATIONS ON EXECUTIVE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now proceed, for not to exceed 1 minute, to consider the nominations on the Executive Calendar beginning on page 2.

The PRESIDING OFFICER. The nominations will be stated.

The assistant legislative clerk proceeded to read nominations on the Executive Calendar.

Mr. ROBERT C. BYRD. Mr. President, if the distinguished acting minority leader, Mr. COCHRAN, has no objection, I ask unanimous consent that all of the nominees on page 2 be considered and confirmed en bloc.

The PRESIDING OFFICER. Without objection, the nominations are considered en bloc and confirmed en bloc.

The nominations considered and confirmed en bloc are as follows:

NATIONAL COUNCIL ON THE ARTS

Leonard J. Farber of Florida, and Sandra J. Hale, of Minnesota, to be members of the National Council on the Arts for the remainder of the term expiring Sept. 3, 1980.

NOMINATIONS PLACED ON THE SECRETARY'S DESK IN THE AIR FORCE, ARMY AND NAVY

Air Force nominations beginning Randy D. Abele, to be first lieutenant, and ending Anthony Zych, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Air Force nominations beginning Joe W. Crow, to be colonel, and ending Stephen L. Meek, to be major, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Air Force nominations beginning Raymond M. Beckage, to be lieutenant colonel, and ending Craig W. Fischer, to be lieutenant colonel, which were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Army nominations beginning Donald D. Clark, to be colonel, and ending William T. West, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Navy nominations beginning Thomas K. Aanstoos, to be lieutenant, and ending Kathleen A. McKnight, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Navy nominations beginning Ronald L. Aasland, to be lieutenant (j.g.), and ending Edward C. Zurey, Jr., to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Navy nominations beginning Germaine M. Barker, to be ensign, and ending Scott F. Milner, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider en bloc the vote by which the nominations were confirmed.

Mr. COCHRAN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation of these nominations.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER TO PROCEED TO THE CONSIDERATION OF S. 2177 ON MONDAY NEXT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on Monday the majority leader be authorized, after consultation with the minority leader or his designees, to proceed to the consideration of Calendar Order No. 693, S. 2177.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. I make that request as in legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, the Senate is in executive session, is it not?

The PRESIDING OFFICER. The Senator is correct.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, as in legislative session—I do not believe I have done so earlier—that the legislative Journal be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RECOGNITION OF SENATOR STENNIS ON MONDAY

Mr. **ROBERT C. BYRD.** Mr. President, I ask unanimous consent, as in legislative session, that on Monday, after the two leaders or their designees have been recognized under the standing order, Mr. STENNIS be recognized for not to exceed 15 minutes.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

RECESS UNTIL MONDAY, APRIL 21, 1980

Mr. **ROBERT C. BYRD.** Mr. President, if there be no further business to come before the Senate, I move that the Senate stand in recess until 12 meridian on Monday next.

The motion was agreed to; and at 4:03 p.m., the Senate recessed, in executive session, until Monday, April 21, 1980, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 18, 1980:

DEPARTMENT OF STATE

Robert V. Keeley, of Florida, a Foreign Service officer of class 1, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to Zimbabwe.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Charles C. Blanton, [redacted] FR, U.S. Air Force.

Lt. Gen. Abbott C. Greenleaf, U.S. Air Force (age 53), for appointment to the grade of lieutenant general on the retired list pursuant to the provisions of title 10, United States Code, section 8962.

DEPARTMENT OF STATE

Charles E. Marthinsen, of Virginia, a Foreign Service officer of class 2, to be Ambassador Extraordinary and Plenipotentiary of the United States of America to the State of Qatar.

THE JUDICIARY

George Ross Anderson, Jr., of South Carolina, to be U.S. district judge for the district of South Carolina, vice James Robert Martin, Jr., retired.

CONFIRMATIONS

Executive nominations confirmed by the Senate April 18, 1980:

NATIONAL COUNCIL ON THE ARTS

The following-named persons to be members of the National Council on the Arts for the remainder of the terms expiring September 3, 1980:

Leonard L. Farber, of Florida.

Sandra J. Hale, of Minnesota.

The above nominations were approved subject to the nominees' commitments to respond to requests to appear and testify before any duly constituted committee of the Senate.

IN THE AIR FORCE

Air Force nominations beginning Randy D. Abele, to be first lieutenant, and ending Anthony Zych, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Air Force nominations beginning Joe W. Crow, to be colonel, and ending Stephen L. Meek, to be major which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Air Force nominations beginning Raymond M. Beckage, to be lieutenant colonel, and ending Craig M. Fischer, to be lieutenant colonel, which were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

IN THE ARMY

Army nominations beginning Donald D. Clark, to be colonel and ending William T. West, to be first lieutenant, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

IN THE NAVY

Navy nominations beginning Thomas K. Aanstoos, to be lieutenant, and ending Kathleen A. McKnight, to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Navy nominations beginning Ronald L. Aasland, to be lieutenant (j.g), and ending Edward C. Zurey, Jr., to be lieutenant (j.g.), which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

Navy nominations beginning Germaine M. Barker, to be ensign, and ending Scott F. Milner, to be commander, which nominations were received by the Senate and appeared in the CONGRESSIONAL RECORD on March 24, 1980.

HOUSE OF REPRESENTATIVES—*Monday, April 21, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

We have heard with our ears, O God, our fathers have told us, what deeds Thou didst perform in their days, in the days of old * * *.—Psalms 44: 1.

Gracious Lord, as we meditate on Your mighty works done for the sake of Your people, grant that we will strive to be faithful to the tasks before us. When we are weak or afraid, give us zeal and confidence; when we lose sight of the heavenly vision, give us insight and enthusiasm to discern your purpose and presence.

We pray specially for the hostages and all of those for whom the gift of freedom is denied. Protect, comfort, and give peace to all troubled souls as Your Spirit leads and directs each person this new day. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

REPORT ON RESOLUTION PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 307, FIRST CONCURRENT RESOLUTION ON THE BUDGET FOR FISCAL YEARS 1981, 1982, AND 1983

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–886) on the resolution (H. Res. 642) providing for consideration of the concurrent resolution (H. Con. Res. 307), setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, which was referred to the House Calendar and ordered to be printed.

PERMISSION FOR COMMITTEE ON RULES TO FILE PRIVILEGED REPORT

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file a privileged report.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

FARMER HAS HAD TO ACCEPT LION'S SHARE OF BURDEN OF GRAIN SALES TO SOVIET UNION

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, on January 4 of this year, in response to the Russian invasion of Afghanistan, the President suspended all grain sales to the Soviet Union over the 8-million-metric-ton level. The promise made at that time was that the American farmer would not suffer an unfair portion of the cost in relation to the rest of the taxpayers of this country. To this point, 108 days after the suspension of sales, the farmer has had to accept the lion's share of that burden.

The major action by the administration to shore up the price was the removal of an equal amount of grain from the domestic market. Last week the Department of Agriculture finished buying the 4 million metric tons of wheat and the price dropped 12 cents the next day.

On January 3, the day before the suspension, wheat was selling for $4.40 a bushel in Kansas City and for $3.95 per bushel at the elevator in Sunray, Tex. Today the price is $3.19 per bushel in Sunray, Tex., and $3.77 in Kansas City.

The fact is, the administration has intended all along to place 4 million metric tons of wheat in a food reserve. In the case of wheat, there has been nothing done that would not have happened anyway. And the price to the farmer shows that fact. We are approaching harvest for wheat and there is no place to go with the grain.

The surest, simplest solution, then and now, would be to raise the loan level on those commodities to the preembargo level. It is the only way farmers will be protected. If we were spending the $2 to $3 billion that is estimated on underpinning the existing farm program, the effect would be tremendous.

I call on the administration today to give the American farmer the support that was promised and that he deserves.

A STACKED DECK TO MAINTAIN HIGH FEDERAL SPENDING UNDER THE 1981 BUDGET RESOLUTION

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, American citizens throughout the country have let Congress know that they expect firm action to reduce Federal spending—especially some of the substantial nondefense increases proposed under the 1981 Federal budget.

But when we take up the first budget resolution later this week, we will be asked to approve a highly restrictive rule that would allow consideration of only 11 specific amendments—7 of them to increase funds for certain domestic programs, and only 1 amendment to reduce spending proposed by the budget resolution.

No other amendments would be permitted under this proposed rule, and none of the selected amendments would be amendable by other Members of the House.

With inflation and interest rates now at an unprecedented 20 percent, how can we in good conscience allow consideration of only one amendment to reduce increased spending under the proposed $612 billion Federal budget—a budget which would increase the tax burden of the American people another unconscionable $102 billion in just 1 year.

When the House takes up the proposed modified closed rule for consideration of the budget resolution this week, I hope it will be rejected so that the House can consider a much wider range of amendments to reduce spending and the burden of taxes under the President's proposed 1981 Federal budget.

ADMINISTRATION RETREAT FROM FILLING OF STRATEGIC PETROLEUM RESERVE IS A NATIONAL EMBARRASSMENT AND A DANGEROUS CONFESSION OF FAILURE

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. CONTE. Mr. Speaker, a recent Washington Post editorial brought to light the fact that the administration has retreated from the filling of the strategic petroleum reserve. The article states that this decision is a "national embarrassment and a dangerous confession of failure." I, too, agree with this assessment.

The Congress realized the critical importance of developing such an insurance policy against future OPEC black oil blackmail, and decreed that such a reserve should have in place at least 150 million barrels of oil by 1978. Future administrations have raised the supply target to 1 billion barrels.

However, the recent decision to acquiesce to the OPEC oil ministers and halt the filling at 91 million barrels, which is the equivalent of merely 11 days' imports, underscores this Nation's national security vulnerability. The prudent decision on this matter is to resume filling this central reserve at 100,000 barrels per day, but with domestic crude oil, if necessary. Currently, the administration is auctioning its crude oil produced from the national petroleum reserve in California.

As the editorial indicates, the intelligent solution is to stop selling the naval petroleum for money and instead swap it for domestic oil produced near the storage site.

Mr. Speaker, this country must make it perfectly clear to the world that no longer will it be dictated to in terms of energy policy.

HUYSER MISSION TO IRAN

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAGOMARSINO. Mr. Speaker, over the weekend, there was considerable press attention to the mission of Air Force Gen. Robert Huyser to Iran in January 1979.

Some reports claim that President Carter had sent Huyser to Iran with the purpose of preventing the Ayatollah Khomeini from coming to power by persuading the Iranian military to take over the government. Other reports suggest Huyser's mission was to prevent the Iranian military from intervening.

Much of the information on Huyser's mission is based on a study by Alvin Cottrell entitled "American Policy During the Iranian Revolution: The Huyser Mission." That article appears in the latest volume of the "International Security Review" which I am placing in the RECORD in today's Extension of Remarks.

I believe the article will provide additional insight into the Huyser mission, while still leaving unanswered the true purpose of his assignment.

I also believe a congressional review should still be undertaken of this ambiguous foreign policy overture of the Carter administration.

ALTERNATIVE BUDGET RESOLUTION

(Mr. OTTINGER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. OTTINGER. Mr. Speaker, I take this time to advise the House that I will introduce today an alternative budget resolution that has been approved by the Rules Committee for consideration by the House at the appropriate time. The budget resolution adopts the budget submitted by the President in January, as most recently reestimated by CBO, and balances that budget by adopting revenue reform measures that everybody that has looked at our tax code over the years agrees ought to have been addressed a long time ago.

It does not balance the budget on the backs of the working people of the country. It does not balance the budget by depriving cities and driving them into bankruptcy. They are already in a very precarious state.

It leaves the surplus exactly the same as the House Budget Committee surplus of some $2 billion, and does not touch the revenue that is anticipated from the President's oil import fee. It thus leaves the same estimated $20 billion available for investments into additional productivity which will really address the problem of inflation before this country and for energy efficiency improvements that will directly help protect against inflation in this country.

I think this kind of approach provides for the investment in America's future that is absolutely needed and will not make the cuts that are being contemplated that I think will really undermine the basic strength of this country.

AID TO NICARAGUA INCOMPREHENSIBLE; DESERVES A "NO" VOTE

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, in February this House acted by a 5-vote margin to give $75 million of American taxpayers' hard-earned money to the Communist-controlled Government of Nicaragua. That bill has never gone to conference and last Thursday, as most of my colleagues know, a rule sending it to conference was unceremoniously yanked from the Calendar because the majority leader, as he put it, did not want to get rolled twice in a row.

I noticed over the weekend the State Department has prevailed and the bill will be scheduled for House action tomorrow. I urge all Members to read carefully information I will be inserting in the Extension of Remarks today showing how the Nicaraguan Government has alined itself with the Soviet Union on Afghanistan, approving of their invasion; how they have alined themselves with the Ayatollah Khomeini and approve the keeping of American hostages, and how they have swallowed the Communist line and signed a pact with the Kremlin. This is, I assume, why President Carter wants to give them $75 million.

Many things the President does are incomprehensible to me, and I suspect to most Americans, as will be evidenced in November.

I urge a "no" vote tomorrow on the Nicaraguan aid bill.

APPOINTMENT OF MEMBERS FROM PRIVATE LIFE TO BOARD OF TRUSTEES OF AMERICAN FOLKLIFE CENTER

The SPEAKER. Pursuant to section 4(b); Public Law 94-201, the Chair appoints to the board of trustees of the American Folklife Center in the Library of Congress effective March 4, 1980, the following members from private life: Mr. St. John Terrell, Trenton, N.J.; and Dr. Edward Bridge Danson, Flagstaff, Ariz.

COMMUNICATION FROM THE CLERK OF THE HOUSE

The SPEAKER laid before the House the following communication from the Clerk of the House of Representatives:

WASHINGTON, D.C.,
April 18, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
The Speaker, House of Representatives, Washington, D.C.

DEAR MR. SPEAKER: I have the honor to transmit herewith a sealed envelope from the White House received in the Clerk's Office at 5:10 p.m. on Thursday, April 17, 1980, and said to contain a message from the President concerning Iran, together with a copy of an Executive Order.

With kind regards, I am,

Sincerely,
EDMUND L. HENSHAW, Jr.,
Clerk, House of Representatives.
By W. RAYMOND COLLEY,
Deputy Clerk.

FURTHER PROHIBITIONS ON TRANSACTIONS WITH IRAN—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-302)

The SPEAKER laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, referred to the Committee on Foreign Affairs and ordered to be printed:

(For message, see proceedings of the Senate of Thursday, April 17, 1980, page 8209.)

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. Pursuant to the provisions of clause 3(b) of rule XXVII, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcall votes, if postponed, will be taken on Tuesday, April 22, 1980.

JEWISH HERITAGE WEEK

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the joint resolution (H.J. Res. 474) to authorize and request the President to issue a proclamation designating April 21 through April 28, 1980, as "Jewish Heritage Week."

The Clerk read as follows:

H.J. RES. 474

Whereas the Congress recognizes that an understanding of the heritage of all American ethnic groups contributes to the unity of our country; and

Whereas intergroup understanding can be further fostered through an appreciation of the culture, history, and traditions of the Jewish community and the contributions of Jews to our country and society; and

Whereas the month of April contains events of major significance in the Jewish calendar—Passover, the anniversary of the Warsaw Ghetto Uprising, Israeli Independence Day, Solidarity Sunday for Soviet Jewry, and Jerusalem Day: Now, therefore be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the President is authorized and requested to issue a proclamation designating April 21 through April 28, 1980, as "Jewish Heritage Week" and calling upon the people of the United States, State and local government agencies, and interested organizations to observe that week with appropriate ceremonies, activities, and programs.

The SPEAKER. Pursuant to the rule, a second is not required on this motion.

The gentleman from Virginia (Mr. HARRIS) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. DERWINSKI) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. HARRIS).

☐ 1220

Mr. HARRIS. Mr. Speaker, House Joint Resolution 474 would authorize the President to issue a proclamation designating April 21 through 28, 1980, as "Jewish Heritage Week."

In previous years, Jewish Heritage Week has been very successful in terms of generating understanding and appreciation of the Jewish culture, history, and tradition.

Jewish Heritage Week recognizes the history of the Jewish people and their contributions to life in America. With the observance of Jewish Heritage Week we will also show our commitment to pursue the human rights of all those who have known fear and persecution. Most of all, it should remind us all to continue our struggle for world peace.

House Joint Resolution 474 has been cosponsored by 225 Members of the House.

Mr. Speaker, this legislation was introduced by Representative ADDABBO on January 22, 1980; since that time, more than one-half of the membership of the House has joined as cosponsors. In order to enact this legislation promptly the chairman of the committee, Mr. HANLEY, has consented to waive formal committee action.

Mr. Speaker, I reserve the remainder of my time.

Mr. DERWINSKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of House Joint Resolution 474, designating the week of April 28, 1980, as "Jewish Heritage Week."

For the Jewish community the month of April is most significant. The Jewish Calendar contains such major events as Passover, the anniversary of the Warsaw ghetto uprising, Israeli Independence Day, Solidarity Sunday for Soviet Jewry, and Jerusalem Day.

It is good not only to recognize the events which occur in the month of April, but also to bring them to the attention of the young men and women of the Nation. Throughout our Nation's history, the Jewish community has contributed to every facet of American life.

It is therefore fitting and appropriate that the week of April 28 be designated as "Jewish Heritage Week." I urge my colleagues to approve this resolution and recognize publicly the major role the Jewish people have played in contributing to our American heritage.

I have no further request for time and reserve the remainder of my time.

Mr. HARRIS. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. ADDABBO).

Mr. ADDABBO. Mr. Speaker, I rise in support of this resolution.

Mr. Speaker, though I was very much disappointed that this resolution did not come before the House last week as expected, I am pleased that the committee has reported it for consideration today. I would like to thank my colleagues on the committee for their timely attention to this measure, with special gratitude to a distinguished fellow New Yorker, Mr. GARCIA.

Jewish Heritage Week is being celebrated in many areas of the country beginning today, and I strongly urge my colleagues to join me in support of this occasion. As you may know, several dates of major significance in the Jewish calendar are included in and around the scope of this week, which is traditionally a time of exploring the universal significance of these events.

Jewish Heritage Week is primarily an educational venture, and, as such, has met with wide success. I am hopeful that national recognition will further add to an appreciation of the culture, history, and traditions of the Jewish community, especially as they relate to the history and philosophy of our own country.

I am a firm believer that all the ethnic groups who helped found and nurture this great Nation of ours have made their own individual and collective contributions. An understanding of the heritage of each, promotes a stronger bond among us all.

This effort, I and 225 other cosponsors have supported will encourage this intergroup understanding. I sincerely hope that others will join us at this time.

● Mr. OTTINGER. Mr. Speaker, I rise in support of House Joint Resolution 474, to authorize the President to issue a proclamation designating April 21 through April 28 as "Jewish Heritage Week." As a cosponsor of House Joint Resolution 474 I believe this measure makes a significant contribution toward promoting intergroup understanding amongst the diverse groups which have made this Nation great.

These particular dates are of major significance in the Jewish calendar. Passover, the anniversary of the Warsaw ghetto uprising, Israel Independence Day, Solidarity Sunday for Soviet Jewry, and Jerusalem Day all fall within or around its scope. Since 1977 New York has commemorated this week through educational programs which explore the universal significance of these events. Appreciation of the Jewish comunity's culture, history, and traditions in this way gives us the opportunity to acknowledge the contribution the Jewish people have made to our society and to reaffirm our commitment to promoting understanding amongst all peoples of this Nation and the world. At this critical time for the Jewish State of Israel, I urge you to join me in supporting this important resolution as an expression of our commitment to the realization of a world free from fear and persecution and dedicated to peace and understanding.●

● Mr. PORTER. Mr. Speaker, I urge the House to favorably consider House Joint Resolution 474, to authorize and request the President to issue a proclamation designating April 21 through April 28, 1980, as "Jewish Heritage Week." The month of April includes many dates of major significance to the Jewish people—Passover, the anniversary of the Warsaw ghetto uprising, Israeli Independence Day, Solidarity Sunday for Soviet Jewry, and Jerusalem Day.

The resolution is a positive action to set aside this week in April to educate us to the struggle that the Jews have undergone for centuries. And this struggle is not over. Still, Jews in the Soviet Union are being punished and harassed. The Soviet Union will not allow Jewish refuseniks to practice their religion and will not grant them exit visas to Israel.

I have "adopted" a Soviet refusenik, Vladimir Kislik, who has been denied permission to leave the Soviet Union since 1973. North Shore Congregation Israel, a synagogue in my district, began writing to Mr. Kislik in 1976, and I began writing to Mr. Kislik, and on behalf of Mr. Kislik to Soviet dignitaries, shortly after my election to the Congress.

One of my constituents met Mr. Kislik in 1976, and was impressed with the feeling that he was not running away from something, but to something. She was deeply moved by his sincere desire to rejoin the nation of Israel, the spiritual haven of the Jewish people. He must have hope, we must have hope, and he must not be forgotten.

In the last 9 years, 5,000 Soviet Jews have emigrated to the Chicagoland area. Many organizations have established volunteer programs to contribute funds, to host refugees, to introduce refugees to Jewish family customs, and to tutor refugees. The Jewish community in my district has cared for its own and for many others, and the humanitarianism in these times and in other times must be commemorated. The compassion of the Jewish people, amidst struggle and oppression, should be recognized nationally in Jewish Heritage Week.●

● Mr. GILMAN. Mr. Speaker, I rise to express my support for the enactment of House Joint Resolution 474, which I co-sponsored, designating the week of April 21–28, 1980, as Jewish Heritage Week, and to commend the gentleman from New York (Mr. ADDABBO) for his efforts in bringing this measure before us.

This April, Mr. Speaker, a range of dates of importance to the Jewish people occur: Passover—the Festival of Freedom, the anniversary of the Warsaw ghetto uprising, Holocaust Remembrance Day, Israel's Independence Day—which, according to the Jewish calendar, falls today—and Solidarity Sunday for Soviet Jews.

It is entirely appropriate, then, that we celebrate Jewish Heritage Week at this time of year.

The purpose of Jewish Heritage Week is to call the attention of all of the people of the United States to the contributions of the Jewish people to our Nation and, indeed, to Western civilization.

In addition to their individual contributions to America, the Jewish people as a whole, and the values to which they adhere, have enriched our country. In the growth of higher education and the advancement of science, in the civil rights, labor, and other movements for social reform, Jews have been among the leaders, and their Jewish values have been used in arguing for the adoption of the aims of those movements.

Jewish Heritage Week presents us with an occasion not only to review the past, but to look to the future and to celebrate Jewish renewal here and throughout the world.●

● Mr. DOUGHERTY. Mr. Speaker, this week, Jewish Heritage Week, it is appropriate for us to call attention to the significant contribution the Jewish people have made to our national life and heritage. Jewish Heritage Week is a time of opportunity for further understanding and appreciation of Jewish culture, history, and tradition. Because Israeli Independence Day is being celebrated during this week, Jewish Heritage Week is also a time for reaffirming our commitment to the independence of Israel, one of our most important allies.

And surely Jewish Heritage Week is a time for renewing our dedication to the cause of human rights. The history of the Jewish people continues to inspire us to pursue the human rights of all those who have known fear and persecution throughout history and in our world today.

The Jewish people understand, perhaps more fully than any other people, the tragedy of defining human rights on the basis of race, creed, or color and the human suffering that results when any society ignores the basic rights of any individual or group of people. The Jewish community in my district has long been concerned with the fundamental deprivation of human rights that exists in South Africa. Because of their concern about racial conflict in South Africa, the Jewish Community Relations Council of Greater Philadelphia has called upon the Government of the United States to actively work to end apartheid and bring about freedom and democracy in South Africa. The council has adopted the following resolution on apartheid:

> The Jewish Community Relations Council of Greater Philadelphia believes that the South African apartheid system is incompatible without traditional belief in the dignity of all humans and our commitment to secure full freedom for every man, woman, and child. We find the concept that a person's rights and status in society can be defined by his birth to be totally repugnant.
>
> Apartheid is a particularly cruel form of racial discrimination. It had resulted in the denial of equal opportunity to the black, Asian, and colored citizens of South Africa who constitute 70 percent of the total population. It has resulted in the unequal delivery of public services, the forced separation of families, the detention of large numbers of people, the incarceration of political activists and the cruel treatment of civilians.
>
> The JCRC is mindful that many South Africans, black and white, have been struggling to overcome the oppressive apartheid system of their homeland. Some have paid with their lives for their commitment to this struggle. Countless others have suffered exile, ostracism, and detention. The JCRC fully supports the position of the South African Jewish Board of Deputies which has called on South Africa to move away as quickly and effectively as is practicable from discrimination based on race or color, and that we must accord to every man and woman respect, human dignity and the opportunity to develop to their fullest potential. We laud this and similar efforts to promote racial harmony and justice in South Africa.
>
> We believe the United States must work to end apartheid, discrimination, and violence in South Africa.

Mr. Speaker, Jewish Heritage Week is an opportunity for us to express our gratitude to the Jewish community not only for the invaluable contributions they have made to our society, but also for their dedication to the cause of human rights, a dedication which inspires us to redouble our own efforts to insure the basic human rights of every individual regardless of race, creed, or color.●

Mr. HARRIS. Mr. Speaker, I yield back the remainder of my time.

The SPEAKER pro tempore (Mr. OTTINGER). The question is on the motion offered by the gentleman from Virginia (Mr. HARRIS) that the House suspend the rules and pass the joint resolution (H.J. Res. 274).

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the joint resolution was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. HARRIS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include extraneous matter on the joint resolution just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

SETTLEMENT OF CLAIMS FOR LOSSES FROM EVACUATING U.S. PERSONNEL FROM A FOREIGN COUNTRY

Mr. DANIELSON. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 6086) to provide for the settlement and payment of claims of civilian and military personnel against the United States for losses in connection with the evacuation of such personnel from a foreign country, as amended.

The Clerk read as follows:

H.R. 6086

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Military Personnel and Civilian Employees' Claims Act of 1964 (78 Stat. 767, 31 U.S.C. 240 et seq.) is amended by adding at the end thereof the following new section:

"SEC. 9. (a) Subject to any policies that the President may prescribe, the head of any agency, or his designee, may settle and pay not more than $40,000 for any claim against the United States made by a member of the uniformed services under the jurisdiction of that agency or by a civilian officer or employee of that agency for damage to, or loss of, personal property in a foreign country, incurred on or after December 31, 1978, which damage or loss was incident to the service of that member, officer, or employee, and

"(1) (A) that member, officer, or employee was evacuated from that country on or after December 31, 1978, in accordance with a recommendation or order of the Secretary of State or other competent authority which was made in response to incidents of political unrest or hostile acts by people in that country, and (B) that damage or loss resulted from that evacuation or from any such incident or hostile act; or

"(2) that damage or loss resulted from acts of mob violence, terrorist attacks, or other hostile acts, directed against the United States Government or its officers or employees.

"(b) The head of the agency, or his designee, authorized under subsection (a) to settle and pay a claim of a person described in such subsection may, if such person is deceased, settle and pay any claim made by the decedent's surviving (1) spouse, (2) children, (3) father or mother, or both, or (4) brothers or sisters, or both, that arose before, concurrently with, or after the decedent's death and is otherwise covered by this section. Claims of survivors shall be settled and paid in the order set forth in the preceding sentence.

"(c) A claim may be allowed under this section only if it is presented in writing within two years after the claim accrues, or within one year after the date of the enactment of this section, whichever is later.

"(d) The head of each agency shall issue regulations to carry out this section. The same standards applied in adjudicating a claim under section 3 of this Act shall be applied in adjudicating a claim under this section. Any claim to which this section applies but which has been adjudicated under section 3 of this Act by the applicable head of an agency before the date of the enactment of this section shall not be adjudicated under this section, but any amount of loss adjudicated under such section 3 in connection with that claim which has not been paid shall be payable to the extent permitted in this section.

"(e) Upon payment of a claim under this section, the United States shall, to the extent of the amount of such payment, be subrogated to any right or claim, with respect to the same damage or loss for which the claim under this section was paid, that the claimant may have against the foreign country in which that damage or loss occurred.".

SEC. 2. No funds may be obligated or expended pursuant to the amendments made by this Act, for fiscal years beginning on or after October 1, 1980, except to the extent provided in advance in appropriation Acts. Any payments made pursuant to such amendments before October 1, 1980, may only be made from funds appropriated before the date of enactment of the Act.

The SPEAKER pro tempore. Is a second demanded?

Mr. MOORHEAD of California. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from California (Mr. DANIELSON) will be recognized for 20 minutes, and the gentleman from California (Mr. MOORHEAD) will be recognized for 20 minutes.

The Chair recognizes the gentleman from California (Mr. DANIELSON).

Mr. DANIELSON. Mr. Speaker, this bill, H.R. 6086, is to provide an avenue for very dramatic relief needed by some U.S. Government personnel. It stems from the fact that a year ago a number of American personnel were evacuated from Iran on very short notice and were compelled to leave behind them much, if not all, of their personal property. The existing law which would pertain to a similar situation provides for a ceiling of $15,000 on claims for such loss or damage to the property of Government personnel which has been injured or damaged in a foreign country or as an incident to their Government service. On the occasion of the lamentable situation in Iran, Government personnel were compelled to evacuate on extremely short notice. Many of them were limited to carrying two suitcases, and they had to leave everything else they owned behind them. As a result, the $15,000 limitation simply does not begin to make them whole in a very large number of cases. This is not the fault of those who were evacuated. Insurance could not be obtained to cover the loss situation that developed. Those who did have insurance to cover anything in excess of the $15,000 limitation found that their insurance would not cover loss or damage under circumstances that would prevail, namely, under damage resulting from civil commotion. There is one insurance company which held that these people abandoned their property and, therefore, of course, they did not have to pay the insurance claims.

The subcommittee took a good deal of testimony on the matter. The bill was reported out unanimously by the subcommittee and also in the full Committee on the Judiciary. The limitation of $40,000 covers most citizens involved. The committee report reflects there are very few claims which do exceed the limitation, but they are very few in number. It is deemed by both the subcommittee and the full committee that the $40,000 limitation which is created by this bill will do justice to all concerned.

I would like to point out that this bill addresses itself only to the emergency situations comparable to that which would prevail in Iran. We have since that time had two similar situations, one when the U.S. Embassy in Pakistan was taken over by a mob about a year ago and burned to the ground. Many of the people lost everything that they owned. They all had to be evacuated in 24 hours. There was a similar situation in Libya later in 1979. I believe the amount of damage was very small in that case.

The $40,000 limitation will apply only to the emergency evacuation type of case and not to the situation of an ordinary traditional loss of or damage to property.

Mr. Speaker, the bill, H.R. 6086, provides for the settlement and payment of claims of U.S. civilian and military personnel for losses of their personal property resulting from acts of violence directed against the U.S. Government or its representatives in a foreign country or from an authorized evacuation of personnel from a foreign country.

This would be accomplished by adding a new section 9 to the Military Personnel and Civilian Employees' Claims Act of 1964. The new section would authorize the head of any agency to pay a military member or a civilian employee for damage or loss of personal property in a foreign country suffered incident to that individual's service for damage or loss resulting from either an evacuation of U.S. personnel in response to political unrest or hostile acts in that country or from any such incident or hostile act, or from acts of mob violence, terrorist attacks or other hostile acts, directed against the U.S. Government or its officers or employees.

This new authority would make it possible to compensate U.S. personnel for property lost, damaged or abandoned when the Government has authorized an evacuation, and the loss results from that evacuation or was caused by the incident or hostile action which prompted the evacuation. As I have stated, the amended bill would also provide authority to pay for loss or damage to property in a foreign country resulting from mob violence, terrorist attacks or other hostile acts directed against the United States or its personnel. The bill provides a ceiling of $40,000 on compensable claims to apply to a settlement for the depreciated value of the lost, damaged or abandoned personal property.

Since the amendments are effective on and after December 31, 1978, the provisions of the new section would apply to losses sustained by Federal personnel evacuated from Iran in 1979, and in the violence in Pakistan in November of 1979, and in Libya in December of 1979, both of which also prompted evacuations.

The mob violence which was recently directed against the U.S. Foreign Service posts in Pakistan and Libya illustrates the problem faced by our personnel overseas. The State Department in testimony before the subcommittee pointed out that personnel might not be evacuated in all such instances. It was pointed out that such events might not lead to an evacuation because of political considerations or because a host government takes immediate steps to prevent recurrence of such incidents. As I stated at the outset, the amended bill would provide the necessary authority to pay losses in such cases as well.

At the hearing held on the bill H.R. 6086 and companion measures on February 6, 1980, it was also pointed out that the circumstances which prompted evacuations, and cases where damage resulting from mob violence, terrorist attacks and hostile acts involved instances in which personnel cannot protect their possessions by obtaining insurance. Where employees and military personnel have obtained insurance to protect their belongings in foreign countries, the policies have exclusions for damage resulting from such acts. As a practical matter, for such losses in overseas areas, insurance against the increased risks of loss occasioned by political unrest, civil disorders, and forced abandonment of personnel property is simply unavailable. The committee has been advised that, in fact, many Iranian evacuees who thought they had insurance against such risks were shocked and dismayed when they later were informed by their insurance carriers to the contrary.

The amended bill now being considered under suspension in section 2 obviates any possible difficulty concerning the Budget Act by providing that any payments made before October 1, 1980, can only be made from funds appropriated and made available before the enactment of this bill and by requiring any expenditures for fiscal years beginning October 1, 1980 must be provided in advance by appropriation acts.

The testimony presented at the hearing on February 6, 1980, by the Department of State and Justice supporting this legislation and the information supplied the committee by those Departments in addition to that testimony establish a clear basis and define the need for the amendment provided for in the amended bill. It is urged that the amended bill be considered favorably.

Mr. Speaker, I reserve the remainder of my time.

Mr. MOORHEAD of California. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, all Americans continue to share a genuine frustration and deep outrage over the illegal confinement of the American hostages in Iran. Our hearts go out to the hostages and their families, with the hope that there will be a favorable resolution of this situation very soon.

The mob seizure of the U.S. Embassy in Tehran symbolizes a frightening trend in the world—a disregard for the basic principles of international law and diplomatic immunity. The current turmoil in Iran and similar incidents that have occurred in Pakistan and Libya demonstrate the vulnerability of American governmental personnel when serving overseas.

The legislation we consider today does not deal with the personal safety of such American personnel. I know of no way we can do that by legislation. But it will provide a remedy for the serious economic consequences that are suffered as the result of such unlawful action. H.R. 6086 would amend the Military Personnel and Civilian Employees' Claims Act so as to permit a maximum recovery of up to $40,000 for losses of personal property and household effects by military personnel and Federal civilian employees serving overseas. The $40,000 maximum would apply only in those instances where the loss is incident to Federal service and directly results from political unrest or hostile acts in a foreign country directed against the United States, its representatives, or employees. This measure would reimburse the American hostages in Iran and their families for such losses. In addition, it would establish an ongoing program to deal with similar situations in the future.

This bill, which I cosponsored with Administrative Law Subcommittee Chairman GEORGE DANIELSON, does not alter the existing $15,000 maximum for claims based upon routine property losses. That is, moving from one employment station to another. Our approach, instead, was to establish a separate claims category for the unique situation of losses resulting from terrorism, mob violence and the emergency evacuations made necessary by such situations. The $40,000 maximum claim amount is made retroactive to December 31, 1978, to insure that those military personnel, Foreign Service officers and other Federal employees who were present in Iran at the outbreak of the revolution will be the first to benefit from these new claims provisions. The administration supports this legislation. Our subcommittee received testimony from both the Department of State and the Department of Defense calling for legislation which at least would deal with "Iranian-type" emergencies.

I strongly urge that the House of Representatives suspend the rules and pass H.R. 6086.

☐ 1230

Mr. Speaker, the honorable gentleman from Illinois (Mr. McClory), who serves as ranking Republican on the full Judiciary Committee, is absent today because of other congressional business; however, he is fully behind this legislation, and if present would speak in favor thereof.

● Mr. McCLORY. Mr. Speaker, I want to express my full support for what is a judicious legislative solution to a growing and serious problem. H.R. 6086 would amend the Military Personnel and Civilian Employees' Claims Act, so as to permit the reimbursement of governmental personnel for personal property damage or losses incurred while serving in foreign countries. The current statutory maximum allowed for such claims is now $15,000. Under this measure it would be raised to a maximum of $40,000 in certain special circumstances.

However, this amendment requires that the losses be incident to governmental service and, in addition, must have occurred as a result of two alternatives. These are: First, the individual was authorized to be evacuated from a foreign country on or after December 31, 1978, in response to political unrest or hostile acts, and the losses resulted from evacuation from such hostilities; or second, the losses resulted from mob violence or hostile acts directed against the U.S. Government or its employees. The reason for the retroactive feature is to insure that those Americans who have suffered as a result of the upheaval in Iran will benefit from these new provisions.

The Subcommittee on Administrative Law and Governmental Relations of the House Judiciary Committee heard testimony from administration witnesses on February 6, 1980. They and other witnesses urged us to raise the $15,000 statutory ceiling across the board. However, as a result of these hearings, our subcommittee was unconvinced that the case had been made to raise the $15,000 limit for routine losses of personal property and household goods. Instead, the subcommittee chose to create a new section in the Military Personnel and Civilian Employees' Claims Act to deal with emergency evacuation claims and losses resulting from terrorist acts.

The bill the House considers today was cosponsored by the chairman of the Administrative Law Subcommittee, Mr. Danielson of California, and the ranking Republican on the subcommittee, Mr. Moorhead of California. I congratulate both of the honorable gentlemen from California for their leadership and efforts to resolve this problem.

I urge the House to support H.R. 6086.●

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the bill, H.R. 6086.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANIELSON. Mr. Speaker, I have no further requests for time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from California (Mr. Danielson) that the House suspend the rules and pass the bill, H.R. 6086, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

The title was amended so as to read: "A bill to provide for the settlement and payment of claims of United States civilian and military personnel against the United States for losses resulting from acts of violence directed against the U.S. Government or its representatives in a foreign country or from an authorized evacuation of personnel from a foreign country.".

A motion to reconsider was laid on the table.

PRESIDENT CARTER'S RASH THREAT

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BINGHAM. Mr. Speaker, President Carter's seemingly casual statement in an interview that military action will have to be taken against Iran if the hostages are not released in the next few weeks is nothing less than terrifying.

Surely a decision of this magnitude should be taken only after thorough review within the administration and after the most careful consultation with the Congress. Indeed, in view of the fact that there is ample time available for such review and consultation, the War Powers Act requires congressional involvement before such military action could be undertaken.

Most Americans are deeply frustrated and angered by the irrational behavior of the current regime in Iran, but the last thing we ought to do is to lose our tempers and act irrationally ourselves.

The most commonly mentioned form of military action is a blockade by mining of Iran's port facilities. Is there a shred of evidence to suggest that Ayatollah Khomeini and Iran's Revolutionary Council would knuckle under to such pressure. It seems more likely that Iran's fanatic leaders would welcome the martyrdom entailed and would proclaim to the world that America's acts of violence confirm the charges they have been making of our demonic nature.

Embarking on military action would lose us the sympathy and support we have had up to now among Moslem nations and would embarrass and damage our allies. Even more seriously, it might well result in active Soviet involvement in support of Iran.

The President should ask himself who it is among us that wants the United States to engage in acts of war against Iran. Surely not the hostages or their families. Being incarcerated month after month is hideously painful, but it is not to be compared with death.

True, the American people seem to have grown more and more dissatisfied by the President's policy of economic pressure, but that is not to say that they want acts of war. If the President must suffer politically because of the American voter's frustration at the lack of results in Iran, then he must have the fortitude and the integrity to accept that. For him to embark on a rash and ill-considered course of action in a frantic search for votes would condemn him in the eyes of history.

Perhaps the President's casually stated threat does not represent the administration's policy. I hope that is the case, even though it would once again present this Presidency as a wildly erratic one.

But if the case is otherwise, and the threat represents a considered policy, then the leadership of this Congress must demand that the Congress be fully involved in the decision before it becomes final, as the Constitution and the War Powers Act require.

In today's Washington Post, the distinguished columnist Clayton Fritchey makes essentially these same points, far more eloquently than I can do. His column follows:

MIXED SIGNALS ON IRAN

(By Clayton Fritchey)

It is not surprising that America's allies feel imposed upon in being required—without prior consultation—to reinforce a White House crackdown on Iran about which they have grave misgivings. However, if it's any comfort to our foreign friends, they are not alone in being ignored by the president in the formulation of a policy that could well lead to military involvement. Congress has not been consulted either.

There is no law, of course, obliging the president to get a green light in advance from the allies, but there is one—the 1973 War Powers Resolution—that requires prior consultation with Congress on military initiatives, except in an "emergency" when there is no time to consult.

For the last two weeks or so, Carter and his spokesmen have been threatening to take drastic steps that "might very well involve military means" if the economic sanctions already imposed fail to free the hostages. The time for decision, says Zbigniew Brzezinski, the national security advisor, is "a matter of weeks at the most."

Nobody in the administration is counting on the present sanctions (largely symbolic), or the severing of diplomatic relations with Iran, to win the release of the hostages. Hence, the United States is on the brink of what Carter says "would be very strong and forceful" action. Both a naval blockade and the aerial mining of Iranian oil ports have been intimated.

The president's tough new posture has been described by his press secretary as a public relations triumph, which it may be for the moment. But in adopting it, Carter has paid scant heed to the War Powers Act that was enacted in the wake of Vietnam to inhibit chief executives from initiating military moves entirely on their own.

It may be that Carter intends to consult Congress before using the armed forces. If so, the time to do it is now—not at the last minute, or after the fact. It also may be that he has privately confided in some of his friends on the Hill, but there is no record of it.

In any case, that's not the kind of broad conferring called for in Section 3 of the 1973 resolution. It provides that "the president in every possible instance shall consult with Congress before introducing U.S. armed forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances."

The resolution further says that the president's powers in such situations "are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces."

Pat Holt was chief of staff of the Senate Foreign Relations Committee when the resolution was debated and adopted. This is the way he interprets it:

"Since both a declaration of war and specific statutory authorization require an act of Congress, this means that the president can act on his own authority in the case of hostilities or of an imminent threat of hostilities only when there is a national emergency caused by an attack on U.S. territory or on U.S. armed forces. This does not include a national emergency arising from other causes; nor does it include attacks on civilian Americans."

The dilemma of our European and Asian partners has aroused sympathy in unexpected quarters. Ronald Reagan, for instance, is saying, "A long string of conflicting signals from the White House, State Department and the National Security Council to the allies clearly is causing them to wonder if the Carter administration really 'knows what it is doing." He has a point.

The allies, being so dependent on Persian Gulf oil, naturally are not eager to join the United States in economic and diplomatic warfare against Iran, let alone military involvement. They feel it would not only be against their best interests, but against the best interests of the alliance as well.

There is also concern here and abroad that a resort to raw force could be fatal for the hostages and jeopardize the long-range interests of the United States in the whole area, especially if Iran, in desperation, should turn to neighboring Russia for help.

Since Carter pursued a constructive policy of patience and quiet diplomacy for almost six months, why not extend it for a couple of more months to give the new Iranian parliament, now being elected, a chance to resolve the hostage question, as proposed by Ayatollah Khomeini? Even if it turns out to be just another delaying tactic, there is little to lose.

The danger to the hostages, who have been well treated, is not losing their liberty between now and summer, but the possibility of losing their lives if U.S. armed force is invoked. Being confined is no picnic, but it is certainly better than being killed.

GRACIOUS OFFER OF GEORGIA O'KEEFFE REFUSED BY NATIONAL PARK SERVICE

(Mr. LUJAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LUJAN. Mr. Speaker, we in New Mexico are very proud of the accomplishments of the world famous artist Georgia O'Keeffe. Her brilliant portrayals of the New Mexico landscape and other masterpieces have brought pleasure to millions.

As you may know, Georgia O'Keeffe resides in northern New Mexico and recently made a most gracious offer to the Government and the people of the United States. She offered to donate her home and studio to the National Park Service for conversion into a national historic site. But incredibly the Park Service rejected the offer.

The events surrounding this rejection are most curious and very disturbing. The Albuquerque Journal recently editorialized about this strange governmental saga and today I am submitting it for review by my colleagues. The editortal thoughtfully sums up the situation and urges this body to approve Miss O'Keeffe's home and studio as a national historic site. I have introduced legislation that would realize that goal. It is currently being studied by the House Interior Committee.

Despite the reluctance of the Park Service to recognize the value and cultural significance of this proposal, I am sure the Congress will disagree. The editorial follows:

"GIFT HORSE" REJECTED

The U.S. National Park Service's thanks-but-no-thanks response to New Mexico artist Georgia O'Keeffe's offer of her home and studio for conversion into a national historic site leaves the artist's New Mexico neighbors puzzled and dismayed.

The most logical and acceptable explanation for the federal agency's bent to treat the O'Keeffe property as a gift horse—budgetary problems—offered an excuse the Park Service did not see fit to invoke. To accept the property would be to assume obligations for its maintenance in perpetuity and for the accommodation and supervision of visitors to the historic site.

The facts refute and invalidate the one reason offered by the Park Service: that the agency's rules provide that "properties achieving historical importance within the past 50 years will not, as a general rule, be considered unless associated with persons or events of transcendant significance."

Transcendent significance? It is doubtful that any other artist in any land in any time frame, except for Picasso, has become such a legend in the artist's own lifetime as has Georgia O'Keeffe. The esteem in which her paintings are displayed in national and international exhibitions, the insatiable demand for her originals, the praise so lavishly poured out in her honor in books, magazines and radio-television programs distinguish both the artist and her works as living history.

The invalidity of that excuse gives greater credence to the third excuse: rumors to the effect that Ms. O'Keeffe had donated or was about to donate a painting to support the campaign of Sen. Edward M. Kennedy, D-Mass., for the presidency. The political angle would give either the secretary of the interior or the director of the Office of Management and Budget—or both—a personal reason to balk at an action that would venerate a most deserving New Mexico artist.

Whatever the excuse, secret or spoken, the move to create a national historic site to honor the life and works of Georgia O'Keeffe has extraordinary merit. In this instance Congress should assert its constitutional prerogatives: the lawmaking body should declare in unmistakable terms that it is issuing the orders and that it is the administration's duty to carry them out.

□ 1210

CARTER SLEIGHT-OF-HAND

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. DEVINE. Mr. Speaker, today, Navy ships cannot leave port for lack of experienced petty officers. Tens of thousands of servicemen and their families are forced to ask for food stamps to supplement their meager pay. Airplanes and ships sit idle for lack of spare parts.

How does President Carter intend to remedy these problems? He is going to cut 1980 defense spending by $82 million. Why cut defense spending only a few months after he vowed to increase defense spending?

According to an internal Defense Department memo, the cuts will be made to insure that the 1981 Defense budget will reach the minimum 3 percent increase that Carter promised. The Democrats refuse to increase defense spending, so rather than admit failure, the administration provides the facade of a percentage increase for next year by taking away money this year. The old shell game. Give it to them in the large print, and take it away in the small.

Mr. Speaker, this deception clearly reveals that this President is more concerned with his political image than with the Nation's security. How much longer will this Nation be misled?

I insert the following article:

[From the New York Times, Apr. 17, 1980]

PENTAGON SPENDING FOR YEAR CUT SO IT CAN RISE LATER

(By Richard Burt)

WASHINGTON, April 16.—To keep its pledge to increase military spending by 3 percent for the next fiscal year, the Carter Administration has found it necessary to cut Pentagon spending this year.

A Defense Department memorandum discloses that earlier this month senior Pentagon and White House budget aides agreed to cut $82 million from the Pentagon's budget for the fiscal year 1980 to show 3 percent real growth from 1980 to 1981.

White House and Pentagon aides said the decision was made early this month when it became clear that, because of an unexpected increase in military spending this year, the 1981 budget request for the Pentagon would no longer provide a 3 percent increase after inflation.

Holding down military spending for the fiscal year 1980, officials explained, made it easier to show a 3 percent growth for next year.

The memorandum also discloses that the real increase for 1981 may be widened to 3.1 percent, necessitating further cuts in 1980 spending.

In the memorandum, a senior Pentagon aide reported on April 8 to Defense Secretary Harold Brown that Pentagon and White House budget officials had agreed on a formula for showing a 3 percent increase in the 1981 budget after inflation. Outlays for 1980, the memorandum says, "were lowered by $82 million as a compromise position to account for 3.0 percent real growth" from 1980 to 1981.

"Now we are told," the memorandum continues, "that we must show 3.1 percent real growth. To accomplish this requires a further lowering of 1980 outlays of $83 million."

Pentagon officials said today that military spending for 1980 would thus be cut by a total of $165 million. The memorandum did not specify spending areas to be cut.

According to Administration budget aides, the financial maneuver of trimming 1980 spending was prompted by the desire of high-level officials to follow through on President Carter's commitment to raise military spending for 1981.

Pentagon aides said there had been no effort to give a false impression of the Administration's military spending plans. "This is not a novel procedure," one official said. "This has been going on for time immemorial."

Defending the Administration's military spending record, the official said that Mr. Carter had rejected the advice this week of White House budget aides and agreed to stick with existing plans to increase the Pentagon's budget from 1982 through 1985 by 4 percent annually.

The disclosure that the Administration has reduced military spending for 1980 to accentuate the growth in next year's budget is likely to fuel the growing debate on Capitol Hill over the adequacy of American military expenditures.

INFLATION ESTIMATES KEY

Critics of the Administration have asserted that, in calculating the percentage difference in the size of the 1980 and 1981 military budgets, officials have underestimated the impact of inflation on military spending. In a speech last week, for example, Henry A. Kissinger, the former Secretary of State, asserted that the real increase in the Pentagon budget for 1981 would only be about 1 percent.

The Administration has presented Congress with a military spending request of $147 billion for 1981, but there is strong sentiment, particularly in the Senate, to increase this amount by $5 billion or so.

Mr. Carter first announced his commitment to a 3 percent annual increase in military spending in 1977 as part of a program meant to bolster the defenses of the Western alliance. Last December, the Administration said it would adopt about a 4 or 5 percent increase, after inflation, in the Pentagon's 1981 budget in an attempt to gain Senate support for the Soviet-American treaty limiting strategic arms.

Early this year, after the Soviet drive into Afghanistan, some military aides predicted that the 1981 budget would be increased by an even larger percentage.

But rising concern over inflation led the Administration to begin a drive last month to balance the Federal budget. As part of this process, a decision was made to seek only a 3 percent increase in military spending for 1981.

CUTS IN POSTAL APPROPRIATIONS

(Mr. DERWINSKI asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DERWINSKI. Mr. Speaker, my remarks are slightly critical of the President, not as much so as the previous speaker. I suggest the Members read them in the Record tomorrow.

Without benefit of even rudimentary research, the House and Senate Budget Committees and the administration are pushing for cuts in postal appropriations which are not in the public interest.

Unfortunately, the chain reaction so haphazardly triggered now looks unstoppable. Whether the public likes it or not, 6-day delivery of mail appears headed down memory lane. That such a dramatic and wide-ranging development should be considered with so little information on or understanding about postal problems is a travesty.

It also illustrates the absurdity of our budgetary procedure. It has become a farcical process which features double talk and sleight of hand. The recommended cuts of the budget report are immediate savings. The Postal Service's labor contracts with its craft unions contain no-layoff clauses. The Postal Service cannot unilaterally end 6-day service. Such a proposal must be processed by the Postal Rate Commission.

In slashing away at the Postal Service's public service appropriation, the budget cutters ignored the carefully established timetable for gradual and orderly reductions. Beginning with the current fiscal year and continuing through fiscal year 1984, the public service subsidy decreases by $92 million a year until it totals $460 million. At that time, the Postal Service will make a determination on continuation or elimination of the public service subsidy. The decision would be based on facts and experience. The President's revised budget relies on the meat-ax approach by eliminating the public service subsidy after fiscal year 1981.

Some of the budget cutters, apparently under the impression they were lashing out at the Nation's advertising mailers, recommended cuts in the revenue foregone appropriation. The regular nonprofit mailers receive no subsidy. The revenue foregone appropriation provides reduced rates for religious, charitable, and educational organizations and institutions.

There is a crisis situation confronting the Postal Service. Thus far, its attempt to utilize technology which would permit it to offer electronic mail service have been hampered by over zealous regulators at the Federal Communications Commission and the Postal Rate Commission. If it is forced to end 6-day mail delivery, the private express statutes could be challenged in the courts.

The problems of the Postal Service require fine-tuning by professionals. It is not a time for precipitous action of the kind that puts pencil to paper and strikes a balance.

NEW PACFLEET HEAD BELIEVES MICRONESIA VITAL TO UNITED STATES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Guam (Mr. Won Pat) is recognized for 5 minutes.

Mr. WON PAT. Mr. Speaker, in the complex world of international strategic politics, it is important that this Nation not lose sight of its long-range goals.

Recently, I participated in a congressional visit to various Middle East areas, including the newest major U.S. facility at Diego Garcia. While I will soon submit a special statement about my thoughts on our role in the Middle East, I did come away deeply concerned about our attitude toward the Pacific area.

Last week, the U.S. Navy announced it was pulling all of our Polaris submarines out of Guam. They will be replaced by Trident subs stationed on the northwest coast of the United States. Such action, I believe, is not in the best interest of this country and will cause considerable economic harm to the island of Guam—the only U.S. base in the western Pacific.

While I fully recognize that we have only so many ships and a limited supply of taxpayers' money for defense, I have become increasingly concerned in recent years that this Nation's defense planners are paying too much attention to Europe and the Middle East and forgetting that we are essentially a Pacific power.

It would be a strategic blunder of immense proportions for this Nation to drain the Pacific Fleet of fighting capacity at this juncture in history. The Soviets are certainly doing their level best to build up their global capabilities while we are finding ourselves with fewer and fewer line vessels each year.

A key ingredient in our defense strategy is our Pacific bases. And Guam is one of the most vital of all since it, and only it, can prove 100 percent loyalty to the American flag. We are safe from revolution. We are safe from anti-American tirades. And we are safe from those who would cripple U.S. defense capabilities in the Pacific.

No one likes to be like the lone wolf crying in the night wind. And I am pleased to note that my comments are echoed by the new commander of all U.S. forces in the Pacific (CINCPAC)—Adm. Robert Long. I have had the privilege of meeting with Admiral Long and am most impressed with his outspoken views and his illustrious career.

Recently, he was interviewed about his tough new job by the Honolulu Star-Bulletin. His comments are most timely and, for anyone who is the slightest bit concerned about a repeat of Pearl Harbor, Admiral Long's comments are an absolute necessity.

Noting that "the naval forces in the Pacific are stretched thin," Admiral Long went on to note that he believes Guam and other portions of Micronesia continue to be of vital importance to this Nation's defense posture.

I am pleased to see that our Pacific forces are led by a man of such important insight. As a member of the House Armed Services Committee, I shall continue my efforts to support new shipbuilding programs and examine alternatives such as reactivating our reserve fleet capacity. With the pullout of Polaris submarines from Guam, we will leave the western Pacific without a major ability to "show the flag." This is certainly no way to preserve our hegemony in the Pacific. We must not repeat the mistakes of the thirties: If we leave a vacuum it will most certainly be filled by others—at our expense.

I submit for the Record the text of Admiral Long's interview with the Honolulu Star-Bulletin editorial board and commend it to my colleagues for reading:

A Talk With Adm. Robert Long

The new commander of all U.S. forces in the Pacific—CINCPAC—or Commander in Chief Pacific—is Adm. Robert Long.

His area of responsibility extends over half the globe from the North to the South Pole, from the U.S. West Coast across the Pacific and Indian Ocean to Africa.

Recently, he met with the Star-Bulletin editorial board to discuss the problems he faces.

The following exchange took place:

Question: Last October, just before your predecessor, Adm. Weisner, retired, he said our chances of keeping the Persian Gulf access open in a conflict were on the order of 50–50. This month, a Ford administration

Defense Department official said here the odds against us in the Persian Gulf are more like 20 to 1. Would you tell us how you view the situation?

Adm. Long. There's an infinite number of scenarios you could paint. Basically, you have to look at it in the context of a more global situation. I see three potential levels of conflict that interrelate. The first level is a purely nuclear exchange between the United States and the Soviet Union.

My own view is that the chances of a nuclear exchange between the United States and the Soviet Union are really quite remote, assuming that you maintain an adequate level of strategic deterrence which I think we have at the present time.

The next level would be a conventional conflict with the Soviets. Some people talk about the possibility of a confrontation only in Europe. I don't subscribe to that. If we have to take the Soviets on, it's going to be on a global basis. In my opinion, that's also the likelihood in response to your question about the Persian Gulf.

Here again, I don't see that as the most likely challenge or test for the United States and its allies. But there is a linkage of these two levels into a third level—that of regional conflict. That's the one we have seen in the past and I predict that we'll continue to see in the future.

Through the use of Soviet proxies or surrogates in places like Angola, Ethiopia, South Yemen, Vietnam, and to some degree, North Korea, the United States and its allies are being tested. My prediction is we're going to continue to see that kind of regional confrontation.

Now, talking only about a regional conflict, say an insurgency that's being supported by the Soviets in the Persian Gulf area, I think that today we clearly have the ability to handle such a situation. If you are talking about facing the Soviets there, in a direct confrontation, you're also talking about a confrontation elsewhere in the world as well. That means not only the United States and the Soviets, but other allies may become involved.

Can the United States survive in that kind of a conflict? Given the will of the United State government, including the American public and the Congress, I think that we do have the ability to carry out our job of protecting our interests, not only there but elsewhere. However, I believe that margin is becoming very thin in many parts of the world. I testified to that before the Congress recently.

Today, the Soviets have a big momentum in building their armed strength. We have allowed some of our forces to go unattended for a good number of years.

Q.: Your official duties have had you traveling quite a lot lately. Could you tell us basically some of the meetings you've been to and places you've been?

A.: You're right. As you know, the Pacific Command covers half of the earth's surface, and traveling goes with the territory. I made my initial visits to the Western Pacific. To Japan, Korea, Singapore, Thailand and the Philippines. In addition, I was called back to testify before the House and the Senate Armed Services Committees. Then I attended a meeting of the ANZUS Council—Australia, New Zealand and the United States.

Q. What did you discover on your Pacific trip?

A. There is very definitely a growing concern in most countries that I've visited about Soviet adventurism and aggression, not only in Southeast Asia, but particularly in Afghanistan.

All the leaders I talked with strongly supported the actions the United States has taken including our increased naval presence in the Indian Ocean. They see that as protecting their vital interests as well as ours.

Q. Aren't they nervous about our pulling forces out of the Pacific to send to the Indian Ocean?

A. I made it as clear as I could that the United States still had every intention of meeting its commitments in the Western Pacific despite some draw-down of forces there, and that we have the ability to move more forces into the region if required.

Some leaders who welcomed the stiffening of the United States' position said very candidly, "Yes, but how long is the U.S. going to maintain this posture?" I told them the past couple of years have shown a change in attitude of the American public, the administration, and the American Congress. I also felt that our allies were concerned and were reassessing their own defense efforts.

I gave them my judgment that we are not going to return to the drift that we had after the Vietnam War; that there are several manifestations of this: in our increased defense spending, in the commitment for an increased military presence in the Indian Ocean, the push for Selective Service registration, the sanctions and the other actions that the United States is carrying out against the Soviets, the reaffirmation of the United States' comitment to our allies in the Western Pacific, including Pakistan.

Q. Do we have the forces to create a new fleet, to maintain a three-ocean navy—Atlantic, Pacific, Indian?

A. The naval forces in the Pacific are stretched thin. For us to meet not only our commitments in the Western Pacific, but also in the Indian Ocean, we have had to seek forces outside the Pacific. Those forces now in the Indian Ocean are in a good measure from the Atlantic, such as the carrier Nimitz, and other combat and support ships.

Another fleet would be a more permanent thing. That surely is an option that we have down-stream but at the present time, I would not recommend that.

Q. We've been moving forces forward from the West Coast and Hawaii to Guam, the Philippines and even the Indian Ocean.

A. Well, we must best use what we have. One of the options that we are engaged in is transporting additional ships closer to the Indian Ocean and closer to some of our treaty commitments. When Prime Minister Fraser visited Washington several weeks ago, he offered us the use of Australian facilities. The Australians also intend to provide greater presence in the Indian Ocean in the form of naval ships and aircraft.

Q. There have been news stories about taking battleships and cargo ships out of mothballs. Is this something you favor?

A: That is one option being considered in Washington at the present time; that is the reactivation of ships out of the reserve fleet—primarily looking at battleships and an old aircraft carrier, the Oriskany. In my opinion it is something we should look at, because we need about 25 percent more force, particularly naval and air force, within the Pacific. In this regard, another factor that must be considered is the ability to man those ships if they are reactivated. One of the major problems that all of the services are facing, including the Navy, is the relatively unsatisfactory retention of supervisory people. This is in a steady decline. These are people who are around the 10-year point—first-class petty officers, staff sergeants. I'm not talking about old salts like myself. I'm talking about the element of the military that is the backbone of operational ships and aircraft squadrons. That is a major factor to be considered when the people look at the immediate reactivation of some mothballed equipment.

Q: To take those things out of mothballs, and get them ready to put back into service, will require two years before they can go. That isn't very immediate.

A: It's relative. You know how long it takes to build an aircraft carrier? It takes some six to seven years from the time Congress authorizes the money to the time you get it set up for floating.

The bottom line is that they're looking at the possibility of having additional ships deployed into position. We should see some results shortly in the positioning of merchant-type ships in the Indian Ocean. Those ships will have Army, Air Force and Marine equipment; heavy equipment that could then be sent wherever the United States needs to send in a relatively large contingency force. We could fly in the manpower, and the material would be there.

We're considering a seven-ship unit—two or three roll-on, roll-off ships, a couple of tankers, plus some freight bulk ships. We're looking at having that capability sometime this year, hopefully this summer.

Also under consideration is the possibility of chartering or buying some large container ships called SL–7s. These are 33-knot ships of about 30,000 tons. They would be used primarily to augment our limited sealift capability. There are other measures in the president's '81 budget to improve our airlift capability, including the possibility of a new transport aircraft.

Q: Can we mount a land war anywhere in your domain today?

A: Yes, we do have the capability in the Pacific Command, all the way from the West Coast of the United States to the coast of Africa. It's not as great as I think we should have, but some of our expansion programs promise a major payoff in relatively short time.

Given the sealift capability that we have today, plus the arrangements that we have with commercial airlines, we can haul lots of people. The problem really is the ability to move the very heavy material. We are improving that capability.

Q: Do you have the bases you need?

A: When you look at possible operations in the Persian Gulf area, you're immediately struck with the remoteness of the area, and you're also struck with the difficulty in conducting operations there without the availability of bases. As a result, there has been a continuing series of discussions and negotiations with some of the countries in that part of the world, specifically with Oman and Kenya and Somalia. Those negotiations are not yet completed. But they have progressed to a point where now it appears that we will have greater access to some of the facilities in those countries. In the next several weeks, we should see a better definition as to our access to those air heads and ports.

Q: Pravda said the Indian Ocean is in the Soviet sphere of influence.

A. They didn't clear that with me.

Q: You admit that your forces are stretched very thin. Earlier this year for the first time in years we had no carriers in the Western Pacific, in the vicinity of Japan. Can you keep these forces in the Indian Ocean for an extended period and meet your other responsibilities?

A: When you look at the second level possibility of a global conventional war, my judgment is that we do not have sufficient naval forces to meet all the possible situations worldwide simultaneously. We just don't have enough. So that means that you have to allocate your mobile forces according to priorities. At the present time, the priority of allocation of resources is definitely in the Persian Gulf. In my opinion, that area of the world has become so important to the United States and the industrialized nations that we're probably going to maintain an increased presence there for some time to come. I do not believe that we will go back to the presence that we had there a year ago.

Q: A recent speaker in Honolulu referred to a current movement of Soviet attack submarines into the South China Sea that he called very ominous. Would you comment on that?

A: The buildup of the Soviet Navy in the

Pacific has been very impressive. They have modernized their Pacific naval forces and brought one of their aircraft carriers into the Pacific. Their new surface combatants are impressive. They also have a fairly large strategic submarine force as well as an attack submarine force. The Soviets now have access to several major ports and airheads in Vietnam. They have a major geographical strategic plus in their ability to operate a sizable portion of their Pacific fleet from Cam Rahn Bay and Danang, instead of Vladivostok or Petropavlovsk. At the present time they have about 20 ships operating in the South China Sea and 30 to 35 in the Indian Ocean.

This does give me a lot of concern because it puts their forces in a more favorable and effective position. But I would not characterize this as ominous.

Q: Are there going to be fewer or more forces here in Hawaii in the next few years?

A: For the short term, I don't see any major change in the forces that are actually homeported here or in Guam. There might be more transient forces here. I would hope that in the longer term, there will be more forces assigned to the Pacific. But for the short term, I don't see any major change in the forces assigned here, to Oahu or to the other Hawaiian Islands.

Q: Can you tell us a little something about the strategic role of Guam and the islands of the Trust Territory as you envision it, both short-range and long-term?

A: From my perspective as the field commander in the region, I have several interests in the Trust Territory, Guam and the Northern Marianas. One is that we must always recognize that it's in the United States' interests that we have some alternative basing options to those that we currently have in the Western Pacific.

Therefore, in any negotiations on the Trust Territory, I hope that we protect the option to establish bases in some parts of the Trust Territory. Specifically, I'm interested in three locations—one is that we continue the use of Kwajalein as a test range; second, that we retain the option to establish a base, if necessary, in the Northern Marianas, primarily Tinian; and third, that we keep the option to establish a base, if necessary, at Babelthuap, down in the Palau Islands.

Additionally, in the negotiations, we must avoid the establishment of so-called archipelagic regimes which in effect extend territorial sovereignty out some 200 miles. That could result in the denial of our ability to operate ships, aircraft, or submarines in the entire Micronesian area. It is conceivable that, if those regimes were established and recognized, I could not get forces from Japan into the Indian Ocean without going back to the coast of South America and then come around. Obviously, that would not be in the interest of the U.S. or our allies.

Q: An archipelagic regime I gather is where the foreign entity would have the right to keep us out of their waters?

A: Some of the emerging island countries have a series of islands they consider an archipelago. They want to draw a boundary around all of those islands and consider all of the water inside to be their territorial waters, just like our three-mile limit. That would set aside very large chunks of the ocean where we could not enter without the permission of those new countries.

Q: Doesn't, or wouldn't, the compact being negotiated grant the U.S. rights to use those waters?

A: Ambassador Peter Rosenblatt is the president's representative to these negotiations. He is confident the security interests of the United States are being properly protected.

Q: Do you foresee any specific buildup of Andersen Air Force Base or any other military facilities on Guam?

A: It's my understanding that when the Navy studies the possibility of home-porting additional ships, Guam will be one of the options.

As to Andersen, for the past two months we have maintained an additional B-52 squadron there that is directly in support of the Commander in Chief Pacific. That helps compensate for the draw-down in naval presence in the Western Pacific.

Q: What do you see as the Soviets' objective in Afghanistan?

A: Obviously I'm not reading their mail, but I think that we need to ascribe to their actions something more than a single objective. One of the things that they were faced with was a Marxist government in Afghanistan that was essentially falling apart. It's conceivable that they felt they couldn't afford to allow this government to fall apart. At the same time I think they certainly recognized the impact that action would have on their image and relations around the world. The question is, did they underestimate the American reaction? My own judgment is they did, but they also recognized that by invading Afghanistan, they were fostering other objectives. In real terms by being there, they're several hundred miles closer to the Persian Gulf; and in a stronger position to impact on those neighboring states. They are also in a stronger position to project their support more easily into such areas as Baluchistan where there is an incipient nationalist movement. I think they have deliberately taken a naked aggressive step, a major step in furthering their long-term objectives in the entire area.

Q: Some people ask why we should object to the Soviets being in that area of the world when we are there, too, and farther from home.

A: We're there because the United States interests, vital interests of both the U.S. and allies, are on the line. If that oil were cut off it could bring the economies of Europe and Japan right to their knees which could cripple the world economy. Why are the Soviets there? They're an exporter of oil. They don't need the oil today, they may later on. They recognize that oil is a major economic necessity for the United States and its allies. I believe that the action they've taken has not only been taken for their short-term interests; but very definitely it could be of extreme importance to their long-term objectives.

Q: I recall Adm. Weisner talked many times off the record and in private conversation, registering his concern about the Indian Ocean and the Russians. His predecessor, Adm. Gayler, also was much concerned about the Soviets and so were CINCPACs before that.

Their warnings went to a succession of presidents and Congresses yet it almost seems as though no one was listening. As he was leaving his post last October, Adm. Weisner warned Russian forces in Afghanistan had tripled. If indeed no one is listening, it almost sounds as though the United States and the mood of the people to move the Congress, is such that we'll never be a first rate power militarily unless we're faced with a crisis. Where we have to have preparation thereof, we're going to be lagging behind almost all the time.

A: Let's admit there was a period after the Vietnam War, when the American public, the Congress, and other political officials did not want to talk about military involvement of the U.S. in the world. Frankly, for a period of time the United States essentially turned its primary focus to areas other than the Pacific.

That was somewhat of a national feeling. That's the way most of the American people felt at the time. I believe Vietnam was so traumatic that the consensus was, "Let's not look back to Vietnam or the Pacific." That resulted in several things. One was that the United States appeared to drift insofar as the Pacific was concerned. There was reluctance to stand up as a superpower, almost as being ashamed of power. Certainly during that period of time, from a security point of view, there was almost total preoccupation with Europe and NATO.

I believe that situation has changed and is continuing to change. First of all, I think the American people are tired of drifting, tired of being pushed around. I'm not suggesting for an instant that they're ready to go over and shoot somebody. However, I do believe that they're getting out of the lethargy they had so far as our important world obligations are concerned.

From an economic point of view, people now understand the Pacific is really the No. 1 trading area for the United States. If you really look for the major turning point, I think it was the change in government in Iran. Essentially before the change we looked upon Iran as a stablizing country. When the shah left, that changed the balance of power to a significant degree. The events since then in Iran and Afghanistan have given our nation a new resolve and an awareness that the Pacific is very important as is the Indian Ocean.

Q: Do you think that resolve that we're talking about extends down into the 18-19-20 and 21-year age level?

A: Yes, I do. They're as proud of their country today as when you and I were growing up. However, I find a number of people, not necessarily young men and women, who automatically equate the registration with the draft. Registration does not mean an automatic draft. Apparently there has not been a good job of explaining that. The legitimate debate as to whether you should register men and women may help clarify the issue.

Q: But wouldn't you say, though, that the reason for registration is to instigate a draft?

A: Having gone through several wars, and having recently had the occasion to review our capability to mobilize for a major war, I know that we are not in as good a position to mobilize manpower as we should be. The whole mechanism needed to be tested and improved. In time of national crisis I think that one of the prudent things would be to see to it that we are able to mobilize quickly if necessary.

For the Soviets to know that machinery does not properly exist weakens our deterrent capability. The primary reason for having a military force, including the ability to mobilize quickly, is to prevent war. To answer your question—does registration automatically mean draft? I don't think it means that any more than buying an ICBM means that you're going to launch that ICBM.

Q: But that anticipation of the draft . . . basically I think people will believe that when you register, it would be for perhaps the probability . . .

A: That's right. The reason that you buy an insurance policy is in anticipation that some day you might need to use it. The reason that you have registration is an anticipation that some day you may be required to mobilize. I hope that at that time there will be a readiness to help deter war rather than increase the probability of one.

Q: Last year we were quite concerned about relations between the military and civilian populations here in Honolulu. And it's been relatively quiet in recent months.

Is this something that your command has been working on or is it a coincidence?

A: I'd like to take credit for the improvement but I really can't. The component commanders—that's the Army, the Navy, the Air Force and Marines—are all working very hard in improving community relations. Over the past year they have taken a series of steps that have been designed to improve the relations with the civilian community. My own assessment is that those actions—and not only by the military but by the civilians—are paying off. We will continue our efforts to eliminate or prevent significant problems. I think this joint effort, and media support, have minimized the problems. I assure you, that is the way I'd like to keep it.

COAST GUARD AIR STATION SAVES 1,500TH LIFE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Louisiana (Mr. Livingston) is recognized for 5 minutes.

● Mr. LIVINGSTON. Mr Speaker, Coast Guard Air Station New Orleans celebrated a landmark achievement recently with the saving of the 1,500th life since the unit began operations in 1955. The noteworthy event occurred on the morning of March 24, 1980 when one of the Air Station's HH–3F helicopters evacuated five severely injured men from an oil rig in the Gulf of Mexico to awaiting ambulances in Galveston, Tex. The men were injured in an explosion on a Pennzoil-owned gas production well 100 miles southeast of Galveston. The explosion was so forceful that 6 men were killed outright, 24 suffered varying degrees of injuries, and 4 were still missing the following day. The commander of the 8th Coast Guard District, Rear Adm. P. A. Yost, congratulated the helicopter crew for their exceptional performance of duty in this mission.

Coast Guard Air Station New Orleans began operations in 1955 at the old Naval Air Station on Lake Pontchartrain. In 1957 it moved to its present location at the Naval Air Station in Belle Chasse, La. Operating three Sikorsky HH–3F long-range helicopters, Air Station New Orleans is responsible for search and rescue coverage from Appalachicola, Fla., to the Texas-Louisiana border. During a typical year, the helicopters log over 3,000 flight hours and participate in over 500 rescue efforts, saving property valued in excess of $7 million.●

● Mrs. BOGGS. Mr. Speaker, I am proud to join my colleague, Bob Livingston, in commending the U.S. Coast Guard Air Station in Belle Chasse, La., for its recent landmark rescue.

By saving the 1,500th life in its 25-year history, this station has demonstrated its ability to meet the immediate needs of those in danger.

The New Orleans area is surrounded by water. Lake Pontchartrain forms its northern boundary; the Mississippi River flows with tremendous power through the Port of New Orleans; and the Gulf of Mexico lies to the south. Thus, we depend heavily on the extensive search and rescue services and navigational patrols of the Coast Guard Air Station nearby.

As representatives of the grateful citizens of the First and Second Congressional Districts of Louisiana, Bob Livingston and I hope that another 25 years of service and protection by the air station will be available. We congratulate the helicopter crew members who participated in the March 24 rescue mission, and the other personnel for their dedication.●

TARGET PRACTICE RANGES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New Mexico (Mr. Lujan) is recognized for 5 minutes.

● Mr. LUJAN. Mr. Speaker, I am introducing legislation to assist sportsmen such as myself in our efforts to find suitable target practice ranges.

Throughout the United States, and especially in the Southwest and Far West, there is an established interest in the use of handguns and rifles. There is also a demonstrated lack of facilities or shooting ranges on which to use them. My bill would help to remedy this situation.

I proposed that the Department of the Interior be permitted to lease land owned by the Federal Government to other units of Government to be developed into and used as shooting ranges. The land in question could be any Federal land under the jurisdiction of any Federal agency as long as that agency agrees to its being used as a shooting range. The lessee would obtain the lease free of charge for a 5-year period, with it being renewable for subsequent 5-year periods if agreed to by both parties.

I believe that such legislation, if enacted, would greatly benefit the sport of target shooting, and I look forward to consideration of this bill. Thank you.

The bill follows:

H.R. —

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) (1) the Secretary of the Interior (hereafter in this Act referred to as the "Secretary") shall, in accordance with this Act, lease lands owned by the United States to units of State, territorial, tribal, county, parish, or municipal government for use as shooting ranges. No such lease shall be issued unless an application therefor has been submitted to the Secretary in such form and containing such information as the Secretary may require. The Secretary shall approve each such application—

(A) if the head of the department, agency, or other instrumentality of the United States Government which administers the lands applied for determines that such lands are suitable for or reasonably adaptable to use as a shooting range and are not required by the United States for some other use, and

(B) if such application shows to the satisfaction of the Secretary that the applicant, either by itself or through contractual obligations with other parties, has the ability and intention to construct, operate, maintain, and insure a shooting range on the lands applied for according to section 2 and regulations issued by the Secretary under section 3.

(2) Upon approval of an application under paragraph (1) the lands applied for shall be transferred to the control of the Secretary if the Secretary does not already administer such lands.

(b) Upon the approval of an application under subsection (a) (1), the Secretary shall issue to the applicant a lease for the lands applied for. Such lease shall be issued at no cost to the applicant for a five year term, and shall be renewable at the end of each term for another five year term if the lessee can show to the satisfaction of the Secretary that the land has been and will continue to be used as a shooting range according to section 2 and regulations issued by the Secretary under section 3, and if the land remains available and suitable for such use under subsection (c) (2).

(c) (1) If at any time during the term of any lease issued or renewed under subsection (b)—

(A) the Secretary determines that any lands so leased are not being used as a shooting range according to section 2 and regulations issued by the Secretary under section 3, or

(B) the head of the department, agency, or other instrumentality of the United States Government which had administered the leased lands before the initial leasing for use as a shooting range under subsection (b) determines that any lands so leased are required by the United States for national security reasons, such lease may be terminated by the Secretary.

(2) If at the end of the term of any lease issued or renewed under subsection (b) the head of the department, agency, or other instrumentality of the United States Government which had administered the leased lands before the initial leasing for use as a shooting range under subsection (b) determines that such lands are no longer suitable for such use or are required for other uses by the United States, such lands shall be returned to the control of such department, agency, or instrumentality.

(d) Upon the expiration or termination of a lease issued or renewed under subsection (b) the head of the department, agency, or other instrumentality of the United States Government which had administered the leased lands before the initial leasing for use as a shooting range under subsection (b) may require that the lessee return the land to substantially the same condition it was in prior to such initial leasing.

Sec. 2. (a) Lands leased under this Act may be used only for the shooting of rifles, shotguns, pistols, bows, and similar instruments at targets, and for other activities necessarily incident to such uses.

(b) Any shooting range operated on land leased under this Act shall be open to the public, and no admission or use fee may be charged.

Sec. 3. The Secretary may issue such regulations as may be necessary to carry out this Act.●

THE COMPREHENSIVE HOUSING DEVELOPMENT ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. Ashley) is recognized for 10 minutes.

● Mr. ASHLEY. Mr. Speaker, I am today introducing the Comprehensive Housing Development Act on behalf of myself and a number of members of my Subcommittee on Housing and Community Development. This bill attempts to address two major problem areas in the housing industry today; the severe downturn in the construction of new single family residential housing and the chronic lack of new rental housing.

The latest figures on housing starts for March are 1,040,000 units at an annual rate, a drop since earlier this year of 20 percent. Homebuilders across the country are experiencing far more difficulty this time than in the last housing downturn of 1974–75, and for many builders the most severe drop in construction activity since the end of World War II. Inflation, record high construction loan interest rates and mortgage interest rates, skyrocketing material costs, and the resulting consumer-buyer resistance have placed our homebuilding industry in a depression.

Mr. Speaker, past housing downturns have always caused the Congress and past administrations to respond to these cyclical downturns with programs to prop up our housing industry with Government assistance in various forms. Budgetary restraints and the efforts to restrain our current inflationary surge make our usual approach to housing downturns most difficult. I have been a persistent critic of our past one-shot efforts since the sector of the public benefitting has been those at the upper end. These past efforts have been substitutional, inefficient and have benefited only a small number of builders. My efforts in this bill seek to redress these past efforts.

REVISED SECTION 235 PROGRAM

The bill that I am introducing today would provide a one-time program stimulus for single-family homebuilding, making use of the existing section 235 homeownership assistance program. This program has been on the books since 1968, but has been generally inactive since 1973. Approximately $165 million of already authorized and appropriated contract authority is currently available for mortgage interest subsidies. My bill would make 75 percent of these funds available until October 1, 1981, a one-time stimulus with a terminating date. Families earning up to 120 percent of area median income would be eligible—$20,000 national—for assistance in subsidizing mortgages of $50,000—$60,000 in high-cost areas.

These mortgages would be FHA-insured single-family homes—as defined under the National Housing Act, one- to four-family structures are considered single family—and mobile homes consisting of two or more modules on a lot insured under the National Housing Act. The mortgage may be subsidized down to 8 percent but could be higher at the HUD Secretary's discretion. The downpayment would be 3 percent of the cost of purchase. A new twist in this revised section 235 program would be a recapture of the interest subsidy by the Federal Government at the time of sale by the homeowner, thereby repaying the Federal Government for its assistance. I would estimate that this new use of the section 235 program could produce 80,000 to 100,000 new single-family units by October 1, 1981, depending on the depth of the subsidy and the income eligibility of the program.

BROOKE-CRANSTON

My bill would make programmatic updates in the so-called Brooke-Cranston GNMA tandem program. Existing mortgage limits and purchase price limits are too low under current market conditions. Mortgage limits would be raised to $60,000 and purchase price limits would be 105 percent of the mortgage limits. While these limits are not as high as the administration recommendations, they do reflect our past practice of holding Brooke-Cranston loan limits to a level below FHA limits and national median sales prices. The 7½ percent statutory interest rate would be deleted with authority for the HUD Secretary to set the rate at a level determined adequate to meet the needed market stimulus. Eligible for purchase for the first time would be mortgage loans guaranteed by the Farmers Home Administration.

RENTAL HOUSING

New rental housing, with the exception of public housing and section 8, is not being produced in this country. There is a significant sector of our population whose housing needs are rental and not ownership, and whose needs are not being met. Senior citizens, young couples, singles, immigrants, and people with shorter term housing needs find themselves with little available on the rental market. Indeed, condominium conversion is seriously depleting the rental housing stock in many areas of the country.

The rental housing initiative in my bill would provide a shallow subsidy on a project mortgage down to 7½ percent. This subsidy would be fixed for the first 10 years, but could be phased out during the remaining 20 years of the contract period. A rental project to be eligible would have to contain a minimum of 20 percent and a maximum of 30 percent of the units for section 8 tenants (people of up to 80 percent of area median income); the remaining tenants could not have incomes of above 150 percent of area median income. A project would have to remain rental housing for at least the 30-year contract term. Rents would be subject to the approval of the HUD Secretary and not subject to local rent control. Location of a project would have to be consistent with the locally approved housing assistance plan. The mortgage value could not exceed the amount set for section 207 of the National Housing Act.

If the HUD Secretary approves the conversion of a project to other than rental use prior to the expiration of the contract, the owner would be required to repay the entire amount of the interest subsidy. After the 30th year, the project could be converted, but the owner would have to repay the subsidy. For every year after the 30th year that a

Projects receiving contributions from serve people whose income is below 150 percent of area median, the amount to be repaid would decrease by 10 percent.

Projects receiving contributions from State and local governments—other than through tax-exempt debt—would receive a priority in funding. These local contributions could include tax abatement, capital contributions, land write-downs, but would exclude contributions of services. This local contribution would have to pass through the value of the contribution to the renter. Approval of these projects would, in part, be based on a community's performance under its housing assistance plan goals.

Implicit in this rental housing initiative is the funding target for assisted housing approved by the House Budget Committee, $33 billion in budget authority, and the target of assisting some 300,000 low-income people. My proposal would fund this initiative from our assisted housing budget contained in section 5(c) of the U.S. Housing Act. Assuming the House Budget Committee's target figure for assisted housing and shifting resources from the section 8 new construction program, I estimate that a total of 438,000 new units of rental housing could be committed during fiscal year 1981. Of this amount, some 120,000 units would be for the new rental initiative, leaving 317,000 units for the low income in public housing, section 8 existing housing, section 8 assistance for State agency financed projects, section 202 housing for elderly projects, and Farmers Home Administration use of section 8.

The long-term financing of this new rental program would be through GNMA mortgage-backed securities. Construction financing would be eligible for an interest subsidy.

Reduction in the level of assisted housing from the House Budget Committee and the administration's targets would mean a reduced level of starts from what I have projected. In short, Mr. Speaker, my rental initiative would produce a greatly increased number of units with no additional budget authority. It also addresses a perplexing problem of the very high costs of building rental projects for exclusively low-income people. My subcommittee, the House and Senate Budget Committees, the House Appropriations Committee and the Senate Banking, Housing, and Urban Affairs Committee have all been exasperated at the skyrocketing cost of new assisted rental housing. What we are attempting here is to shift resources to a more beneficial and economic use.

Mr. Speaker, the Subcommittee on Housing and Community Development will begin markup on this bill and the other pending housing and community development bills this Thursday morning. It is my hope that we can move rapidly and have a bill to the floor by mid-May, so that this House can promptly address one of our major economic problems.

The bill follows:

H.R. 7100

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "comprehensive Housing Development Act of 1980".

SECTION 235 AMENDMENTS

SEC. 2. Section 235 of the National Housing Act is amended—

(1) by striking out "$32,000", "$38,000", "$38,000", and "$44,000" in the last proviso in subsection (b)(2) and inserting in lieu thereof "$40,000", "$47,500", "$47,500", and "$55,000", respectively;

(2) by striking out "and" immediately after "July 1, 1971," in the second sentence of subsection (h)(1);

(3) by inserting before the period in the second sentence of subsection (h)(1) the following: ", and by such sums as may be necessary on October 1, 1981";

(4) by striking out "$32,000", "$38,000", "$38,000", and "$44,000", wherever they appear in subsection (i)(3)(B) and (i)(3)(C), and inserting in lieu thereof "$40,000", "$47,500", "$47,500", and "$55,000", respectively;

(5) by striking out "$44,000", and "$49,000" in subsection (i)(3)(D) and inserting in lieu thereof "$55,000", and "$61,250", respectively; and

(6) by adding at the end thereof the following new subsections:

"(p) The Secretary may insure a mortgage under this section involving a principal obligation which exceeds, by not more than 10 per centum, the maximum limits specified under subsection (b)(2) or (i)(3) of this section, or, if applicable, the maximum principal obligation insurable pursuant to subsection (o) of this section, if the mortgage relates to a dwelling to be occupied by a physically handicapped person and the Secretary determines that such action is necessary to reflect the cost of making such dwelling accessible to and usable by such person.

"(q)(1) Notwithstanding any other provision of this section, in order to prevent inflationary conditions and related governmental actions or other economic conditions from having a severely disproportionate effect on the housing industry, and to avoid a resulting reduction in the volume of home construction or acquisition which threatens seriously to affect the economy, the Secretary may make and contract to make periodic assistance payments, to the extent of authority available pursuant to subsection (h)(1), to mortgagees or other lenders on behalf of homeowners (including the owners of mobile homes) as provided in this subsection. The authority to enter into new contracts to provide assistance payments and new commitments to insure mortgages under this subsection shall terminate on September 30, 1981, or at such earlier date as the Secretary may deem appropriate, upon a determination by the Secretary that the conditions which gave rise to the exercise of authority under this subsection are no longer present.

"(2) Payments under this subsection may be made only on behalf of a homeowner who satisfies such eligibility requirements as may be prescribed by the Secretary and who—

"(A)(i) is a mortgagor under a mortgage which meets the requirements of and is insured under this subsection, or (ii) is the original owner of a new mobile home consisting of two or more modules and a lot on which the mobile home is situated, where insurance under Section 2 of this Act covering the loan, advance of credit, or purchase of an obligation representing such loan or advance of credit to finance the purchase of such mobile home and lot has been granted to the institution making such loan, advance of credit, or purchase of an obligation; and

"(B) has a family income, at the time of initial occupancy, which does not exceed 120 per centum of the area median income for the area (with adjustments for smaller and larger families, unusually high or low median family income, or other factors), as determined by the Secretary.

"(3) Assistance payments to a mortgagee by the Secretary on behalf of a homeowner shall be made only during such time as the homeowner shall continue to occupy the property which secures the mortgage or loan. If approved by the Secretary, assistance payments may be made on behalf of a homeowner who meets the requirements of paragraph (2)(B) and who assumes a mortgage insured under this subsection with respect to which assistance payments have been made on behalf of the previous owner, and who assumes the obligations of recapture described in paragraph (14). The Secretary may, where a mortgage insured under this subsection has been assigned to the Secretary, continue making such assistance payments.

"(4) Assistance payments on behalf of a mortgagor whose mortgage is insured under this subsection shall not at any time exceed the lesser of—

"(A) the balance of the monthly payment for principal, interest, taxes, insurance, and mortgage insurance premium which the mortgagor is obligated to pay under the mortgage which remains unpaid after applying 20 per centum of the mortgagor's income; or

"(B) the difference between the amount of the monthly payment for principal, interest, and mortgage insurance premium which the mortgagor is obligated to pay under the mortgage and the monthly payment for principal and interest which the mortgagor would be obligated to pay if the mortgage were to bear interest at a rate determined by the Secretary which shall not be less than 8 per centum per annum.

"(5) Assistance payments on behalf of the owner of a mobile home shall not at any time exceed the lesser of—

"(A) the balance of the monthly payment for principal, interest, real and personal property taxes, insurance, and insurance premium chargeable under section 2 of this Act due under the loan or advance of credit remaining unpaid after applying 20 per centum of the mobile homeowner's income; or

"(B) the difference between the amount of the monthly payment for principal, interest, and insurance premium chargeable under section 2 of this Act which the mobile homeowner is obligated to pay under the loan or advance of credit and the monthly payment of principal and interest which the owner would be obligated to pay if the loan or advance of credit were to bear interest at a rate derived by subtracting from the interest rate applicable to such loan or advance of credit the interest rate differential between the maximum interest rate plus mortgage insurance premium applicable to mortgages insured under paragraph (11) at the time such loan or advance of credit is made and an interest rate determined by the Secretary which shall not be less than 8 per centum per annum.

"(6) The Secretary may include in the payment to the mortgagee or other lender such amount, in addition to the amount computed under paragraph (4) or (5), as the Secretary deems appropriate to reimburse the mortgagee or lender for its reasonable and necessary expenses in handling the mortgage or loan.

"(7) Procedures shall be adopted by the Secretary for recertification of the homeowner's income at intervals of two years (or at shorter intervals where the Secretary deems it desirable) for the purpose of adjusting the amount of such assistance payments within the limits of the formula described in paragraph (4) or (5).

"(8) The Secretary shall prescribe such regulations as the Secretary deems necessary to assure that the sales price of, or other consideration paid in connection with, the purchase by a homeowner of the property with respect to which assistance payments are to be made is not increased above the appraised value on which the maximum mortgage which the Secretary will insure under this subsection is computed.

"(9) Assistance payments pursuant to paragraph (5) shall not be made with respect to more than 20 per centum of the total number of units with respect to which assistance is approved under this subsection.

"(10) The Secretary may, in addition to mortgages insured under subsections (i) or (j), insure, upon application by the mortgagee, a mortgage executed by a mortgagor who meets the eligibility requirements for assistance payments prescribed by the Secretary under paragraph (2). Commitments for the insurance of such mortgages may be issued by the Secretary prior to the date of their execution or disbursement thereon, under such terms and conditions as the Secretary may prescribe.

"(11) To be eligible for insurance under this subsection a mortgage shall—

"(A) be a first lien on real estate held in fee simple, or on a leasehold under a lease which meets terms and conditions established by the Secretary.

"(B) have been made to, and be held by, a mortgagee approved by the Secretary as responsible and able to service the mortgage properly;

"(C) involve a one- to four-family dwelling which has been approved by the Secretary prior to the beginning of construction, or if not so approved, has been completed within one year prior to the filing of the application for insurance and has had no previous owner-occupant other than the mortgagor;

"(D) involve a principal obligation (including such initial service charges, appraisal, inspection and other fees as the Secretary shall approve) (i) in the case of property on which is located a single-family residence, an amount not to exceed $50,000 ($60,000 in any geographical area where the Secretary authorizes an increase on the basis of a finding that cost levels so require): (ii) in the case of property on which is located a two-family residence, an amount not to exceed $55,000 ($65,000 in any such geographical area); (iii) in the case of property on which there is located a three-family residence, an amount not to exceed $64,000 ($76,000 in any such geographical area); and (iv) the case of property on which there is located a four-family residence, an amount not to exceed $73,000 ($87,000 in any such geographical area);

"(E) have maturity and amortization provisions satisfactory to the Secretary;

"(F) bear interest (exclusive of premium charges for insurance, and service charges if any) at not to exceed the maximum rate applicable with respect to mortgages insured pursuant to section 203(b);

"(G) be executed by a mortgagor who shall have paid in cash or its equivalent, on account of the property, at least an amount equal to 3 per centum of the Secretary's estimate of the cost of acquisition; and

"(H) contain such other terms and conditions as the Secretary may require.

"(12) Where the Secretary deems it appropriate, a mortgage assisted under this subsection may provide for graduated payments pursuant to section 245. Notwithstanding the limitations contained in the last sentence of section 245(b), the Secretary may provide assistance under this subsection to assist mortgagors who meet the requirements of section 245(b) and may insure mortgages with varying rates of amortization as provided therein, for not to exceed 100,000 mortgages, and such mortgages shall not be included in the determination of the number of mortgages which may be insured as provided in the last sentence of section 245(b).

"(13) Assistance provided under this subsection shall not be subject to the provisions of section 213 of the Housing and Community Development Act of 1974. Prior to making assistance available under this subsection, the Secretary shall develop a system to allocate such assistance in a manner which furthers and promotes the purposes of this subsection.

"(14) Upon the disposition or nonoccupancy by the homeowner of any property assisted pursuant to this subsection, except any property with respect to which there is an assumption in accordance with paragraph (3), the Secretary shall provide for the recapture of all or a portion of the assistance provided under this section with respect to such property. In providing for such recapture, the Secretary shall include incentives for the homeowner to maintain the property in a marketable condition. Notwithstanding any other provision of law, any such assistance shall constitute a debt secured by the property to the extent that the Secretary may provide for such recapture.”.

AMENDMENTS TO EMERGENCY HOME PURCHASE ASSISTANCE ACT OF 1974

SEC. 3. (a) Section 3(b) of the Emergency Home Purchase Assistance Act of 1974 is amended by striking out “October 1, 1980” and inserting in lieu thereof “October 1, 1981”.

(b) Section 313 of the National Housing Act is amended—

(1) by striking out “(1) which cover more than four-family residences” and all that follows through “(2)” in subsection (b);

(2) by inserting “or guaranteed under title V of the Housing Act of 1949” before “or by qualified” in subsection (b);

(3) by striking out “or to finance” and all that follows through “Act” in subsection (b)(B);

(4) by striking out “$42,000” and all that follows in subsection (b)(B) and inserting in lieu thereof “$60,000, or $67,500 in Alaska, Hawaii, Guam, and any other geographical area where the Secretary authorizes such increased amount on the basis of a finding that cost levels so require;”;

(5) by striking out “the lesser of (i) 7½ percentum per annum, or (ii)” in subsection (b)(C);

(6) by striking out “$48,000” and all that follows in subsection (b)(D) and inserting in lieu thereof “$105 percentum of the amount described in paragraph (B) of this subsection; and”;

(7) by striking out “enactment of this section” in subsection (e) and inserting in lieu thereof “the issuance of the commitment to purchase the mortgage”; and

(8) by striking out subsection (h).

MULTIFAMILY HOUSING INITIATIVE PROGRAM

SEC. 4. (a) The purpose of this section is to increase the Nation’s stock of rental housing, and thereby reduce rental charges paid by tenants for such housing, by encouraging the construction of new or substantially rehabilitated multifamily rental housing projects designed for families with incomes which do not exceed 150 percent of the median income of the area in which the project is located.

(b)(1) The Secretary may make, and contract to make, periodic interest reduction payments (in such amounts as are authorized pursuant to section 5(c) of the United States Housing Act of 1937 and as may be approved in appropriation Acts) on behalf of the owner of a multifamily rental project eligible for assistance under this section.

(2) Such payments shall be made for a period of not more than 30 years to mortgagees holding mortgages secured by such project and upon such other terms and conditions which are with the purpose of this section and are specified by the Secretary.

(3) The amount of such payments shall be established and maintained for each such project at an amount which—

(A) the Secretary determines is the minimum amount necessary to establish the project in the area, and

(B) does not exceed the differences between the monthly payment for principal, interest, and mortgage insurance premium (if any) which the project owner as a mortgagor is obliged to pay under the mortgage and the monthly payment for principal and interest such project owner would be obligated to pay if the mortgage were to bear interest at the rate of 1½ percent per annum; except that—

(i) after the first ten years of such payments, the Secretary may reduce the payments during the remaining term of the contract but in no case may such payments be reduced in any year by more than 10 percent of the amount of the payments made during the tenth year of such payments;

(ii) after the first nine months after the project is first available for occupancy, the Secretary may increase the payments above the minimum amount established for the project under this paragraph if (I) a substantial number of the units in the project (excluding units assisted under section 8) are unoccupied at the end of such nine-month period and the Secretary determines that such increase is necessary to assure that such units will become occupied, and (II) such increase in payments does not increase the average amount of payments made per mortgage under this section above the difference described in subparagraph (B) of this paragraph; and

(iii) such payments may be increased by an amount necessary to reimburse the mortgagee for its reasonable and necessary expenses in handling the mortgage.

(c) Payments may be made under this section only with respect to a rental housing project—

(1) which is newly constructed or substantially rehabilitated at the time the payments are commenced and which contains five or more dwelling units and is used predominantly for residential purposes;

(2) in which at least 20 percent and not more than 30 percent of the dwelling units are or will be occupied (during at least the first twenty years of such payments) by families assisted under section 8 and in which all the dwelling units not occupied by such families are or will be occupied by tenants whose incomes, at the time they initially occupy the units, do not exceed 150 percent of the median income of the area (with adjustments for smaller and larger families, construction costs, unusually high or low median family incomes, or other factors considered by the Secretary to be consistent with the purpose of this section), as determined by the Secretary;

(3) which will meet the requirements of this subsection and subsection (d) for at least 30 years;

(4) which secures a mortgage (A) with a principal amount not more than the amount which could be insured for the project under section 207 of the National Housing Act, and (B) with an interest rate and other terms and conditions which the Secretary determines are reasonable;

(5) the location of which is consistent (at the time the payments are commenced) with the housing assistance plan submitted, pursuant to section 104 of the Housing and Community Development Act of 1974, by the unit of general local government with jurisdiction over the area in which the project is located; and

(6) meets other conditions consistent with the purpose of this section and specified by the Secretary, including conditions relating to energy conservation.

(d) Notwithstanding any other provision of law, the Secretary shall provide that any project assisted under this section be regulated or restricted, at least until the termination of the payments, by the Secretary as to rents or sales, charges, capital structure, rate of return, and methods of operations of the project to such an extent and in such manner as to provide reasonable rentals to tenants and a reasonable return on the investment.

(e)(1) The Secretary may waive the requirement of paragraph (3) of subsection (c) during the period of 30 years beginning with the initial payment made under this section with respect to such project only if the Secretary determines that the lack of such waiver would impose an undue hardship upon the owner of, or the families residing in, such project.

(2) In the event of such a waiver, the owner of the project shall repay the entire amount of assistance made under this section with respect to such contract.

(3) The Secretary shall provide that, if such project fails to be utilized in the manner specified in paragraphs (1) and (2) of subsection (c) after the 30-year period beginning with the initial payment made under this section with respect to the project, the owner shall make a payment to the Secretary in an amount which equals—

(A) the total amount of payments made under this section with respect to such project, minus

(B) an amount derived by multiplying 10 percent of such total amount times the number of years, after such 30-year period, during which such project so utilized.

(4) Notwithstanding any other provision of law, any assistance made under this section shall constitute a debt secured by the security instruments given by the mortgagor to the Secretary.

(f) The Secretary shall provide that payments made under this section are made only with respect to that part of the mortgage concerning the portion of the project which is used for residential purposes and only for the benefit of the families residing in such projects.

(g) Payments may be made only to a project located within the jurisdictional boundaries of a unit of general local government which, as determined by the Secretary, has made substantial progress in meeting its annual goals for housing for lower-income persons as specified in its housing assistance plan submitted pursuant to section 104(a)(4) of the Housing and Community Development Act of 1974.

(h) The Secretary shall, in making assistance available under this section, give a preference to projects which have or will receive financial contributions from a State or local government which will result in lower rental charges to the families residing therein or in lower payments being made under this section with respect to the project; except that such contributions may not relate to notes or other obligations which are issued by such State or local government and the income of which is exempt from Federal taxation.

(i) The Secretary may make assistance payments under this section with respect to advances on mortgages insured under the National Housing Act during construction; except that payments authorized by this subsection may not exceed one-twentieth of the total amount of payments to be made with respect to the project under this section.

(j) As used in this section—

(1) the term “income” means income as determined under section 8 of the United States Housing Act of 1937;

(2) the terms “mortgage”, “mortgagee”, and “mortgagor” shall have the meanings given such terms under paragraphs (1), (2), and (3), respectively, of section 207(a) of the National Housing Act; and

(3) the term “mortgage insurance premium” shall have the same meaning given such term in section 236(b) of the National Housing Act.

(k) Section 104(a)(4) of the Housing and Community Development Act of 1974 is amended by striking out “and” at the end of subparagarph (B), by inserting “and” at the end of subparagraph (C), and by adding the following new subparagraph at the end thereof:

“(D) accurately surveys the condition of housing stock in the community designed for persons who have incomes which do not exceed 150 percent of the median income for the area and who are not taken into account in subparagraph (A), (B), or (C); assesses the housing assistance needs of such persons; specifies a realistic goal of the number of rental dwelling units which will be provided such persons as a result of the program described in section 203 of the Housing and Community Development Act of 1980; and indicates the general locations of such dwelling units;".

(l) Section 213(b) of the Housing and Community Development Act of 1974 is amended—

(1) by inserting "or" at the end of paragraph (1);

(2) by striking out "; or" at the end of paragraph (2) and inserting in lieu thereof a period; and

(3) by striking out paragraph (3).●

GENERAL LEAVE

Mr. BAUMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and to include therein extraneous material on the subject of the special order today by the gentleman from Louisiana (Mr. LIVINGSTON).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Maryland?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. HEFNER (at the request of Mr. WRIGHT), for April 21 through April 24, on account of a death in the family.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. WON PAT, for 5 minutes, today.

(The following Members (at the request of Mr. BAUMAN) to revise and extend their remarks and include extraneous material:)

Mr. LIVINGSTON, for 5 minutes, today.

Mr. LUJAN, for 5 minutes, today.

(The following Members (at the request of Mr. DANIELSON) to revise and extend their remarks and include extraneous material:)

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ASHLEY, for 10 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. BAUMAN) and to include extraneous matter:)

Mr. WYDLER.

Mr. DERWINSKI.

Mr. WHITEHURST.

Mr. LAGOMARSINO.

Mr. FRENZEL in three instances.

Mr. BADHAM.

Mr. BAUMAN.

(The following Members (at the request of Mr. DANIELSON) and to include extraneous matter:)

Mr. O'NEILL.

Mr. ASPIN.

Mr. ANDERSON of California in 10 instances.

Mr. GONZALEZ in 10 instances.

Mr. BROWN of California in 10 instances.

Mr. ANNUNZIO in six instances.

Ms. HOLTZMAN in 10 instances.

Mr. JONES of Tennessee in 10 instances.

Mr. BONER of Tennessee in five instances.

Mr. CLAY.

Mrs. CHISHOLM.

Mr. BRODHEAD.

Mr. AUCOIN.

Mr. LAFALCE.

Mr. HAMILTON.

Mr. DRINAN.

Mr. LONG of Maryland in five instances.

Mr. BOLLING.

ADJOURNMENT

Mr. DANIELSON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 12 o'clock and 39 minutes p.m.), the House adjourned until tomorrow, Tuesday, April 22, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4154. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting notice that a study has been conducted of the aircraft refueling services function at Marine Corps Air Station, El Toro, Calif., and that a decision has been made that performance under contract is the most cost-effective method of accomplishing it, pursuant to section 806 of Public Law 96-107; to the Committee on Armed Services.

4155. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a copy of Presidential Determination No. 80-15, finding that it is in the national interest for the Export-Import Bank to extend credit in connection with trade with the People's Republic of China, pursuant to section 2(b)(2) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4156. A letter from the Secretary of Housing and Urban Development, transmitting proposed amendments to pending H.R. 6606, the Housing and Community Development Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

4157. A letter from the Vice President of the United States, transmitting the summary report of the Vice President's Task Force on Youth Employment; to the Committee on Education and Labor.

4158. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations to govern the national diffusion network, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4159. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Gordon R. Beyer, Ambassador-designate to Uganda, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4160. A letter from the Chairman, National Endowment for the Arts, transmitting a report on the Endowment's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552 (d); to the Committee on Government Operations.

4161. A letter from the Director, U.S. Water Resources Council, transmitting a report on the Council's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4162. A letter from the Comptroller General of the United States, transmitting a list of reports issued or released by the General Accounting Office during March 1980, pursuant to section 234 of the Legislative Reorganization Act of 1970; to the Committee on Government Operations.

4163. A letter from the Secretary of the Interior, transmitting a draft of proposed legislation to establish the Martin Luther King, Jr. National Historic Site in the State of Georgia, and for other purposes; to the Committee on Interior and Insular Affairs.

4164. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of a deferral of payment of the annual construction charge installment due December 15, 1979 for P. & C. Irrigation Association, Inc., near Carey, Idaho, pursuant to section 17(b) of the Reclamation Project Act of 1939, as amended; to the Committee on Interior and Insular Affairs.

4165. A letter from the Secretary of Commerce, transmitting the 12th annual report on the Department's activities under the Fair Packaging and Labeling Act, covering fiscal year 1979, pursuant to section 8 of the act; to the Committee on Interstate and Foreign Commerce.

4166. A letter from the Deputy Secretary of Energy, transmitting the 1979 annual report on the State energy conservation program, pursuant to section 365(c) of the Energy Policy and Conservation Act; to the Committee on Interstate and Foreign Commerce.

4167. A letter from the General Counsel, Department of Energy, transmitting notice of various meetings relating to the international energy program to be held on April 23 and 24 in Paris, France, and on April 30 and May 1 in White Plains, N.Y.; to the Committee on Interstate and Foreign Commerce.

4168. A letter from the Chairman, National Mediation Board, transmitting the 44th annual report of the National Mediation Board, including the report of the National Railroad Adjustment Board, covering fiscal year 1978, pursuant to section 4 (second) and section 3 (first) (w) of the act of June 21, 1934; to the Committee on Interstate and Foreign Commerce.

4169. A letter from the Associate Executive Director for Information Management, Federal Communications Commission, transmitting a report on pending applications and hearing cases in the Commission for December 1979, pursuant to section 5(e) of the Communications Act, as amended; to the Committee on Interstate and Foreign Commerce.

4170. A letter from the Acting Secretary of the Interior, transmitting the fourth annual report on the Tule elk herds in California, pursuant to sections 3 and 4 of Public Law 94-389; to the Committee on Merchant Marine and Fisheries.

4171. A letter from the Director, Office of Personnel Management, transmitting a draft of proposed legislation to amend chapter 87 of title 5, United States Code, to increase the amounts of regular and optional group life insurance available to Federal employees and provide optional life insurance on family members, and for other purposes; to the Committee on Post Office and Civil Service.

4172. A letter from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the necessary funds for the completion of certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Public Works and Transportation.

4173. A letter from the Administrator of General Services, transmitting a prospectus proposing the continued occupancy under a succeeding lease of space located at 7839 Churchill Way, Dallas, Tex., pursuant to section 7 of the Public Buildings Act of 1959, as amended; to the Committee on Public Works and Transportation.

4174. A letter from the Administrator of General Services, transmitting an amended report of a building project survey pertaining to the proposed consolidation of the Nuclear Regulatory Commission, in the Washington, D.C., area; to the Committee on Public Works and Transportation.

4175. A letter from the Fiscal Assistant Secretary of the Treasury, transmitting the ninth annual report on the financial condition and results of the operations of the Airport and Airway Trust Fund, pursuant to section 208(e)(1) of the Airport and Airway Revenue Act of 1970, as amended; to the Committee on Ways and Means.

4176. A letter from the Commissioner of Social Security, Department of Health, Education, and Welfare, transmitting notice of a delay in the submission of the 1980 annual report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Disability Insurance Trust Funds, required by section 201(c)(2) of the Social Security Act; to the Committee on Ways and Means.

4177. A letter from the Comptroller General of the United States, transmitting a report on the adequacy of the Defense Logistics Agency's efforts to use productivity and work measurement data in budgeting and staff management (FGMSD-80-41, Apr. 18, 1980); jointly, to the Committees on Government Operations and Armed Services.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on April 17, 1980, the following report was filed on April 18, 1980*]

Mr. WHITTEN: Committee on Appropriations. House Joint Resolution 521. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System; with amendment (Rept. No. 96-885). Referred to the Committee of the Whole House on the State of the Union.

Submitted April 21, 1980

Mr. BOLLING: Committee on Rules. House Resolution 642. Resolution providing for the consideration of House Concurrent Resolution 307. Concurrent resolution setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980 (Rept. No. 96-886). Referred to the House Calendar.

Mr. FUQUA: Committee on Science and Technology. H.R. 6721. A bill to provide for the improvement of the Nation's airport and airway system, and for other purposes; with amendments (Rept. No. 96-887, pt. 1). Ordered to be printed.

Mr. BOLLING: Committee on Rules. House Resolution 643. Resolution providing for the consideration of House Joint Resolution 521. Joint Resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System (Rept. No. 96-888). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. AMBRO (for himself, Mr. Blanchard, and Mr. Walker):

H.R. 7098. A bill to authorize appropriations for atmospheric and climate activities of the National Oceanic and Atmospheric Administration for the fiscal year 1981, and for other purposes; to the Committee on Science and Technology.

H.R. 7099. A bill to authorize appropriations for environmental research, development, and demonstrations for the fiscal year 1981, and for other purposes; to the Committee on Science and Technology.

By Mr. ASHLEY (for himself, Mr. Reuss, Mr. Moorhead of Pennsylvania, Mr. St Germain, Mr. Hanley, Mr. Fauntroy, Mr. LaFalce, Mr. AuCoin, Mrs. Spellman, Mr. Blanchard, Mr. Vento, Mr. Garcia, and Mr. Lowry):

H.R. 7100. A bill to provide comprehensive assistance for the development of affordable housing; to the Committee on Banking, Finance and Urban Affairs.

By Mr. CORMAN (for himself and Mr. Gilman):

H.R. 7101. A bill to amend the Internal Revenue Code of 1954 to provide that motion picture films and video tapes which are produced for sale or rent as training films are to be treated as educational films for purposes of the investment credit; to the Committee on Ways and Means.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

438. By the SPEAKER: Memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the availability of credit; to the Committee on Banking, Finance and Urban Affairs.

439. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the Federal Energy Regulatory Commission's incremental pricing proposal for natural gas; to the Committee on Interstate and Foreign Commerce.

440. Also, memorial of the House of Representatives of the Commonwealth of Pennsylvania, relative to the use and distribution of the President's proposed additional fee on imported oil; jointly, to the Committees on Ways and Means and Government Operations.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5040: Mr. Pease.

H.R. 6364: Mr. Hagedorn.

H.R. 6380: Mr. Cavanaugh.

H.R. 6586: Mr. Skelton, Mr. Nichols, Mr. Zablocki, Mr. Downey, Mr. Hubbard, Mr. Dodd, Mr. Solomon, Mr. Price, Mr. Fary, Mr. Evans of Delaware, Mr. Russo, Mr. Lloyd, Mr. Danielson, Mr. Mitchell of Maryland, Mr. Ford of Michigan, Mr. Mineta, Mr. Blanchard, Mr. Brademas, Mrs. Chisholm, Mr. Akaka, Mr. Neal, Mr. Foley, Mr. Smith of Iowa, Mr. Jones of Tennessee, Mr. de la Garza, Mr. Miller of California, Mr. Hamilton, Mr. LaFalce, Mr. Benjamin, Mr. Peyser, Mr. Fascell, Mr. Carr, Mr. Charles Wilson of Texas, Mr. Symms, Mr. Kildee, Mr. Traxler, Mr. Findley, Mr. Early, Mr. Ertel, Mr. Murphy of Pennsylvania, Mr. Mazzoli, Mr. Vento, and Mr. Fauntroy.

H.R. 6763: Mr. Symms, Mr. Thomas, Mr. Forsythe, Mr. Corcoran, and Mr. Livingston.

H.R. 6807: Mr. Symms.

H.R. 6930: Mr. Ritter, Mr. Hopkins, and Mr. Atkinson.

PETITIONS, ETC.

Under clause 1 of rule XXII, petitions and papers were laid on the Clerk's desk and referred as follows:

334. By the SPEAKER: Petition of the 11th district, the American Legion, Indianapolis, Ind., relative to recognition of a state of war with Iran; to the Committee on Foreign Affairs.

335. Also, petition of the City Council, Cleveland, Ohio, relative to revenue sharing; to the Committee on Government Operations.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 307

By Mr. CONABLE:

(Amendment to section 2 (fiscal year 1981).)

—In the matter relating to function 850, General Purpose Fiscal Assistance, increase the amount of new budget authority by $2.3 billion and increase the amount of outlays by $1.7 billion.

In the matter relating to function 920, Allowances, reduce the amount of new budget authority by $2.3 billion and reduce the amount of outlays by $1.7 billion.

By Mr. GIAIMO:

(Amendment to H. Con. Res. 307 or to any amendment in the nature of a substitute to H. Con. Res. 307.)

—Section 1, page 2, line 8, is amended by striking out $22,300,000,000 and inserting in lieu thereof $4,300,000,000;

Section 3, page 12, line 7, is amended by striking out $22,200,000,000 and inserting in lieu thereof $4,200,000,000; and

Section 6, pages 20-23, is amended by striking the entire text and inserting the following in lieu thereof:

"Sec. 6. Sections 1 and 2 of Senate Concurrent Resolution 53 are revised to read as follows:

Section 1. That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $100,000,000;

(2) the appropriate level of total new budget authority is $660,300,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979 the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,900,000,000;

(B) Outlays, $30,100,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,800,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000.

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850);

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000.

(B) Outlays, $65,100,000,000.

(18) Allowances (920);

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,300,000,000;

(B) Outlays, —$22,300,000,000."

By Mrs. HOLT:

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $613,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $22,300,000,000;

(2) the appropriate level of total budget authority is $694,800,000,000;

(3) the appropriate level of total budget outlays is $611,800,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,000,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $166,600,000,000;

(B) Outlays, $153,000,000,000.

(2) International Affairs (150):

(A) New budget authority, $23,200,000,000;

(B) Outlays, $9,000,000,000.

(3) General Science Space, and Technology (250):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,300,000,000.

(4) Energy (270):

(A) New budget authority, $7,400,000,000;

(B) Outlays, $7,000,000,000.

(5) Natural Resources and Environment (300);

(A) New budget authority $11,800,000,000;

(B) Outlays, $12,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,100,000,000;

(B) Outlays, —$100,000,000.

(8) Transportation (400):

(A) New budget authority, $22,800,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,000,000,000;

(B) Outlays, $9,400,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $31,300,000,000;

(B) Outlays, $29,000,000,000.

(11) Health (550):

(A) New budget authority, $71,300,000,000;

(B) Outlays, $61,600,000,000.

(12) Income Security (600):

(A) New budget authority, $251,500,000,000;

(B) Outlays, $219,500,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,700,000,000;

(B) Outlays, $21,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

(18) Allowances (920):

(A) New budget authority, —$1,700,000,000;

(B) Outlays, —$1,700,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$24,600,000,000;

(B) Outlays, —$24,600,000,000.

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $1,120,000,000 in budget authority and $1,120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal year 1981, budget authority provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $533,000,000 in budget authority, and $507,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $839,000,000 in budget authority and $786,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committe on Public Works and Transportation and the Senate Committee on Environment and Public

Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $717,000,000 in budget authority and $1,869,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Commerce, Science, and Transporation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 on outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $917,000,000 in budget authority and $2,069,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $22,200,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b) (1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2) (C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submited pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $694,800,000.000;

Fiscal year 1983: $804,100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300.000,000;

Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $768.300.000,000;

Fiscal year 1983: $842,000,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $684,400.000.000;

Fiscal year 1983: $753,200,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $10.400.000.000;

Fiscal year 1983: $50,900,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $955,500.000,000;

Fiscal year 1983: $948,400,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $187,000,000,000;

(B) Outlays, $171,600,000,000.

Fiscal year 1983:

(A) New budget authority, $209,400,000,000;

(B) Outlays, $191.400.000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,200,000.000;

(B) Outlays, $10,000,000,000.

Fiscal year 1983:

(A) New budget authority, $15,900,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays $6,700,000,000.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $10,400,000,000.

Fiscal year 1983:

(A) New budget authority, $10,100,000,000;

(B) Outlays, 11,600,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $13,200,000,000;

(B) Outlays, $13,000,000,000.

Fiscal year 1983:

(A) New budget authority, $13,700,000,000;

(B) Outlays, $13,400,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $5,500,000,000;

(B) Outlays, $2,300,000,000.

Fiscal year 1983:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $2,300,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,000,000,000.

Fiscal year 1983:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $33,700,000,000;

(B) Outlays, $31,200,000,000.

Fiscal year 1983:

(A) New budget authority, $38,200,000,000;

(B) Outlays, $36,500,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,000,000,000;

(B) Outlays, $70,000,000,000.

Fiscal year 1983:

(A) New budget authority, $94,800,000,000;

(B) Outlays, $79,100,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $289,200,000,000;

(B) Outlays, $248,900,000,000.

Fiscal year 1983:

(A) New budget authority, $317,700,000,000;

(B) Outlays, $273,900,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority $4,400,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$27,300,000,000;

(B) Outlays, −$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, −$29,700,000,000;

(B) Outlays, −$29,700,000,000.

Sec. 6. S. Con. Res. 53 is revised to read as follows:

(a)(1) the recommended level of Federal revenues is $528,800,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000;

(2) the appropriate level of total new budget authority is $660,200,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000;

(5) the appropriate level of the public debt is $896,700,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b)(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000-000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,900,000,000.

(B) Outlays, $30,100,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,700,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000;

(B) Outlays, −$22,300,000,000.

Sec. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

By Mr. OBEY:

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000,

(2) the appropriate level of total budget authority is $695,700,000,000;

(3) the appropriate level of total budget outlays is $612,500,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,100,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $160,900,000,000;

(B) Outlays, $148,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,000,000,000;

(B) Outlays, $9,600,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,300,000,000.

(4) Energy (270):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $7,100,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $12,500,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,200,000,000;

(B) Outlays, −$100,000,000.

(8) Transportation (400):

(A) New budget authority, $22,900,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,000,000,000;

(B) Outlays, $9,400,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $33,600,000,000;

(B) Outlays, $31,000,000,000.

(11) Health (550):

(A) New budget authority, $71,500,000,000;

(B) Outlays, $61,800,000,000.

(12) Income Security (600):

(A) New budget authority, $252,100,000,000;

(B) Outlays, $220,100,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,800,000,000;

(B) Outlays, $21,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $7,300,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

(18) Allowances (920):

(A) New budget authority, −$400,000,000;

(B) Outlays, −$400,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$24,600,000,000;

(B) Outlays, −$24,600,000,000.

Sec. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $520,000,000 in budget authority and $520,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture.

Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $533,000,000 in budget authority, and $507,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $839,000,000 in budget authority and $786,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $300,000,000 in budget authority and $300,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $717,000,000 in budget authority and $1,869,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Commerce, Science, and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $917,000,000 in budget authority and $2,069,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $4,200,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982; $694,800,000,000;

Fiscal year 1983; $804,100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300,000,000;

Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $767,300,000,000;

Fiscal year 1983: $864,500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $683,100,000,000;

Fiscal year 1983: $775,400,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $11,700,000,000;

Fiscal year 1983: $28,700,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;

Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $182,100,000,000;

(B) Outlays, $166,500,000,000.

Fiscal year 1983:

(A) New budget authority, $203,900,000,000;

(B) Outlays, $185,600,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,200,000,000;

(B) Outlays, $10,000,000,000.

Fiscal year 1983:

(A) New budget authority, $15,900,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,700,000,00.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $8,600,000,000;

(B) Outlays, $10,500,000,000.

Fiscal year 1983:

(A) New budget authority, $10,200,000,000;

(B) Outlays, $11,700,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $13,200,000,000.

Fiscal year 1983:

(A) New budget authority, $13,900,000,000;

(B) Outlays, $13,600,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $5,500,000,000;

(B) Outlays, $2,300,000,000.

Fiscal year 1983:

(A) New budget authority, $5,700,000,000;

(B) Outlays, $2,300,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,000,000,000.

Fiscal year 1983:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $36,500,000,000;

(B) Outlays, $33,900,000,000.

Fiscal year 1983:

(A) New budget authority, $41,000,000,000;

(B) Outlays, $39,300,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,100,000,000;

(B) Outlays, $70,100,000,000.

Fiscal year 1983:

(A) New budget authority, $119,000,000,000;

(B) Outlays, $103,300,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $289,900,000,000;

(B) Outlays, $249,600,000,000.

Fiscal year 1983:

(A) New budget authority, $318,400,000,000;

(B) Outlays, $274,600,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, —$27,300,000,000;

(B) Outlays, —$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,700,000,000;

(B) Outlays, —$29,700,000,000.

SEC. 6. Sections 1 and 2 of Senate Concurrent Resolution 53 are revised to read as follows:

SECTION 1. That the Congress hereby determines and declares, pursuant to section 310 (a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $100,000,000;

(2) the appropriate level of total new budget authority is $660,300,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979 the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (950):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (44):

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $30,100,000,000.

(11) Health (550):

(A) New budget authority, $29,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,800,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,300,300,000;

(B) Outlays, —$22,300,000,000.

SEC. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

By Mr. OTTINGER:

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $630,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $23,700,000,000;

(2) the appropriate level of total budget authority is $713,000,000,000;

(3) the appropriate level of total budget outlays is $628,300,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,000,000,000; and

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $162,800,000,000;

(B) Outlays, $149,300,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,600,000,000;

(B) Outlays, $9,800,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,400,000,000.

(4) Energy (270):

(A) New budget authority, $8,000,000,000;

(B) Outlays, $8,700,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $13,300,000,000;

(B) Outlays, $13,100,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,500,000,000;

(B) Outlays, $2,400,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $900,000,000.

(8) Transportation (400):

(A) New budget authority, $23,600,000,000;

(B) Outlays, $20,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,900,000,000;

(B) Outlays, $9,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $35,000,000,000;

(B) Outlays, $32,400,000,000.

(11) Health (550):

(A) New budget authority, $72,200,000,000.

(B) Outlays, $62,400,000,000.

(12) Income Security (600):

(A) New budget authority, $254,100,000,000;

(B) Outlays, $222,800,000,000.

(13) Veterans Benefits and Services(700):

(A) New budget authority, $22,100,000,000.

(B) Outlays, $21,400,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

(A) New budget authority, $4,800,000,000;

(B) Outlays, $4,700,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $9,600,000,000;

(B) Outlays, $9,600,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

(18) Allowances (920):

(A) New budget authority, $2,200,000,000;

(B) Outlays, $1,700,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$24,600,000,000;

(B) Outlays, —$24,600,000,000.

SEC. 3. (a) The first section of the concurrent resolution entitled "Concurrent resolution revising the Congressional budget for the United States Government for the fiscal years 1980, 1981, and 1982", approved November 28, 1979 (S. Con. Res. 53), is amended by striking out paragraphs (1), (2), (3), (4), and (5) and inserting in lieu thereof the following:

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000;

(2) the appropriate level of total new budget authority is $661,100,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b) Section 2 of such concurrent resolution is amended by striking out paragraph (1) and all that follows through the end of the section and inserting in lieu thereof the following:

(1) National Defense (050):

(A) New budget authority, $145,100,000,000;

(B) Outlays, $134,400,000,000.

(2) International Affairs (150):

(A) New budget authority, $13,800,000,000;

(B) Outlays, $11,200,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $41,000,000,000;

(B) Outlays, $7,200,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,600,000,000;

(B) Outlays, $13,000,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,100,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $10,200,000,000;

(B) Outlays, $6,200,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,600,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,400,000,000;

(B) Outlays, $9,100,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $31,300,000,000;

(B) Outlays, $30,700,000,000.

(11) Health (550):

(A) New budget authority, $60,300,000,000;

(B) Outlays, $56,600,000,000.

(12) Income Security (600):

(A) New budget authority, $223,400,000,000;

(B) Outlays, $190,100,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,200,000,000;

(B) Outlays, $20,700,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,900,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,900,000,000;

(B) Outlays, $8,900,000,000.

(17) Interest (900):

(A) New budget authority, $64,500,000,000;

(B) Outlays, $64,500,000,000.

(18) Allowances (920):

(A) New budget authority, $100,000,000;

(B) Outlays, $100,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,200,000,000;

(B) Outlays, —$22,200,000,000.

Amend the title so as to read: "Concurrent Resolution setting forth the Congressional budget for the United States Government for the fiscal year 1981 and revising the Congressional budget for the United States Government for the fiscal year 1980.".

By Mr. QUILLEN:

(Substitute for the amendment by Mr. CONABLE.)

Section 1: In the matter relating to the appropriate level of total budget authority, decrease the amount by $1.85 billion.

Section 2: In the matter relating to function 150, International Affairs, decrease the amount of budget authority by $3.6 billion and decrease the amount of outlays by $1.2 billion.

In the matter relating to function 250: General Science, Space, and Technology, reduce the amount for budget authority by $0.1 billion; and reduce the amount for outlays by $.05 billion.

In the matter relating to function 850, General Purpose Fiscal Assistance, increase the amount of budget authority by $2.3 billion and increase the amount of outlays by $1.7 billion.

In the matter relating to function 920: Allowances, reduce the amount for budget authority by $0.45 billion; and reduce the amount for outlays by $0.45 billion.

SENATE—*Monday, April 21, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12 o'clock meridian, in executive session, on the expiration of the recess and was called to order by Hon. J. James Exon, a Senator from the State of Nebraska.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O Lord, our God, we commend to Thee all who are engaged in the Government of this Nation, especially all whose work is in this place; grant to them integrity of purpose and unfailing devotion to the cause of righteousness. May all legislation be such as promotes the common welfare and advances Thy kingdom on Earth. May each person here or in support of the work done here, grow in the ways of Thy Spirit, with the quiet confidence that Thy grace is sufficient for all our needs. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 21, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. James Exon, a Senator from the State of Nebraska, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. EXON thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the majority leader.

Mr. ROBERT C. BYRD. I thank the Chair.

THE OLYMPIC BOYCOTT

Mr. ROBERT C. BYRD. Mr. President, last Saturday, Norway became the first Western European country to join the increasing number of nations that will boycott the Moscow Olympics. The Norwegian Sports Federation voted 73 to 57 not to send a team to Moscow.

Today the nine European Community members will meet in Luxembourg to consider a boycott of the Moscow Olympics in July. The Foreign Minister of Japan is also attending these meetings.

This decision comes at a very critical time. The governments of several important Olympic nations have declared their support for the boycott, but not all of their Olympic committees have reached a decision. In other instances, both the government and the committee have yet to decide. These undecided governments and committees are looking to the leadership of other nations and other committees for guidance.

The support of the European Community for the boycott would be especially fitting. The nations that make up the Community have a long history of independence, great national pride, and a belief in the right of self-determination. It is from the crucible of many of these nations that we derived our own form of self-government.

Even today, these nations have close relations with many Third World countries that are developing their own type of self-determination.

Yet several of the European Community nations also have known the oppression of being occupied by a foreign power. They have known from direct experience the human suffering and economic destruction that go with the presence of an occupying military force. These nations have tasted the bitter pill of aggression.

The Soviets seek to use the Moscow Olympics as a sign of the correctness of their national policies, including their foreign policy. They have stated this to their own citizens, and this has been the pattern of their use of athletics and the Olympics in the past.

Nations which respect principle and oppose aggression must not submit to being used as a stamp of approval of the invasion of Afghanistan. This is why a boycott of the Moscow Olympics is necessary.

The eyes of the world turn to the European Community nations for a strong statement against aggression. It is hoped that these nations will follow the example of their neighbor to the north, Norway.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, as in legislative session, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield 1 minute to the Senator from Wisconsin (Mr. Proxmire).

Mr. PROXMIRE. I thank the majority leader.

THE GENOCIDE CONVENTION: LEST WE FORGET

Mr. PROXMIRE. Mr. President, in 1945 America stood aghast, as did the rest of the world, as the atrocities committed by the Hitler regime became known. It was this horrible revelation which led to the drafting of a treaty which declares genocide a crime under international law and provides for its prevention and punishment—the Genocide Convention.

It has often been asked, "How could this terrible nightmare been allowed to happen?" The Simon Wiesenthal Center for Holocaust Studies in Los Angeles is attempting to answer this and many other questions asked about the Holocaust of World War II. The task is not easy. But it is essential. The center is attempting to build a permanent record which will serve not only as a monument to the victims of the holocaust, but also a reminder to present and future generations of the great lessons to be learned from this black period of world history.

We must remember what led up to and happened during the holocaust. We must remember and understand the type of thinking and events which led to the holocaust in order to prevent such a deliberate and systematic extermination of a group of people from ever again happening.

The philosopher, George Santayana, once said:

> Those who cannot remember the past are condemned to repeat it.

By providing the answers to the many questions surrounding the holocaust, the Simon Wiesenthal Center seeks to create a lasting reminder of the atrocities that have happened, and may again, unless we take upon ourselves the responsibility of remembering, understanding, and preventing the circumstances which led to this hateful crime of genocide.

Mr. President, it is time for us to take on such a responsibility. We must do our part to safeguard the world against future holocausts. We must ratify the Genocide Convention.

I ask unanimous consent that the text of a brochure I recently received from the Simon Wiesenthal Center be printed in the Record.

There being no objection, the brochure was ordered to be printed in the Record, as follows:

Answers to Significant Questions About the Holocaust

When speaking about the "Holocaust," what time period is being referred to?

The term "Holocaust" refers to the period from January 30, 1933 when Hitler became Chancellor of Germany to May 8, 1945 (V-E Day) when the war in Europe ended.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

What does the term "Final Solution" mean and what is its origin?

The term "Final Solution" refers to the Germans' plan to physically liquidate all the Jews in Europe. The term was used at the Wannsee Conference—held in Berlin in 1942—where German officials discussed its implementation.

When did the "Final Solution" actually begin?

While thousands of Jews were murdered by the Nazis or died as a direct result of discriminatory measures instituted against Jews during the initial years of the Third Reich, the systematic murder of Jews did not begin until the German invasion of the Soviet Union in June, 1941.

What were the first measures taken by the Nazis against the Jews?

The first measures against the Jews are traced to April, 1933. At that time (1) Nazis boycotted Jewish shops and businesses (2). A law was passed expelling all non-Aryans (anyone with a Jewish parent or grandparent) from civil service. (3) A law was passed prohibiting the admission of non-Aryans to the bar of lawyers and denying permission to practice law to non-Aryans already admitted to the bar. (4) Patients insured by the national medical insurance who consulted non-Aryan doctors would not have expenses reimbursed (5) Jewish enrollment in German high schools was restricted to 1.5% of the student body. In communities where Jews constituted more than 5% of the population, they were allowed to make up 5% of the student body. A Jewish student was considered a child with two non-Aryan parents.

When was the first concentration camp established and who were its first inmates?

The first concentration camp established was Dachau, opened in 1933. The camp's first inmates were primarily political prisoners, homosexuals, Jehovah's Witnesses, habitual criminals and those considered anti-social (beggars, vagrants), as well as others considered problematic by the Nazis, such as: Jewish writers and journalists, lawyers, unpopular industrialists and officials.

What was the difference between the persecution of the Jews and the persecution of other groups classified as enemies of the Third Reich?

The Jews were the only group singled out for total systematic annihilation by the Nazis. In theory, there was nothing a Jew could do besides leaving Nazi-occupied Europe to escape the death sentence imposed by the Nazis. Every single Jew was to be killed, according to the Nazis' plan. In the cases of other enemies of the Third Reich, their families were usually not held accountable. So if a person was executed or sent to a concentration camp, it did not mean that every single member of his family was going to meet the same fate.

What did the people in Germany know about the persecution of Jews and other enemies of Nazism?

Certain initial aspects of the Nazis' persecution of Jews and other opponents were common knowledge in Germany. For example, everyone knew about the boycotts of Jewish businesses and the discriminatory April Laws and Nurenberg Laws, because they were fully publicized. Moreover, offenders were often publicly punished and shamed. The same holds true for subsequent anti-Jewish measures. "Kristallnacht" (the night of broken glass) was a public program, carried out in full view of the entire population. While information on the concentration camps was not publicized, a great deal of information was available to the German public, and the treatment of the inmates was generally known although exact details were not easily established.

As for the implementation of the Final Solution and the murder of others considered undesirable, the situation was different. The Nazis attempted to keep the murders a secret and therefore took precautionary measures to ensure that they would not be publicized. They realized, for example, that public protests by various clergymen led to the halt of the euthanasia program in August, 1941. These protests were obviously the result of the fact that many people were aware that the Nazis were killing the mentally ill in special institutions.

As far as the Jews were concerned, it was common knowledge in Germany that they had disappeared. It was not exactly clear to large segments of the German population what had happened to them. On the other hand, there were many thousands of Germans who participated in and/or witnessed the implementation of the Final Solution.

Did all the Germans support Hitler's plan for the persecution of the Jews?

Although the entire German population was not in agreement with Hitler's persecution of the Jews, there is no evidence of any large-scale protests regarding their treatment. There were Germans who defied the Jewish boycott and purposely bought in Jewish stores, and there were those who aided Jews to escape and to hide but their number was very small.

Did the Allies and the people in the Free World know about the events going on in Europe?

The various steps taken by the Nazis prior to the Final Solution were all taken publicly and were therefore reported in the press. Foreign correspondents reported on all the major anti-Jewish actions taken by the Nazis in Germany, Austria and Czechoslovakia prior to World War II. Once the war began, obtaining information became more difficult, but reports nonetheless were published regarding the fate of the Jews. Thus, although the Nazis did not publicize the Final Solution, less than one year after the systematic murder of the Jews was initiated, details of the murders began filtering out to the West.

Who is Simon Wiesenthal?

For more than 40 years, since shortly after he was himself released from a Nazi concentration camp, Simon Wiesenthal has almost singlehandedly carried on the struggle and vigil to track down Nazi war criminals so that their trials would serve as an unforgettable reminder of Nazi genocide. For his dedication to this task, he has been lauded by government leaders throughout the world and has been honored in Italy and Holland, where he was decorated by the Queen.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the remainder of my time may be given to the control of Mr. STENNIS at such time as his order begins.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the acting minority leader.

SENATOR BAKER SUPPORTS GOVERNOR REAGAN FOR PRESIDENT

Mr. STEVENS. Mr. President, we have noted with interest the statement made by our minority leader HOWARD BAKER while campaigning in Pennsylvania in support of Governor Reagan's candidacy for the Presidency.

It is a timely statement, I think, once again, that demonstrates his astuteness in the political field. Because, having made that announcement at the time he made it, I am confident that it will have a significant impact upon the outcome of the Pennsylvania primaries.

Those of us who already have announced our support for Governor Reagan are grateful to Senator BAKER for being with Governor Reagan in Pennsylvania and for the timeliness of his announcement of the support of the Governor's candidacy.

Mr. President, I yield such time as she may need to the Senator from Kansas (Mrs. KASSEBAUM).

The ACTING PRESIDENT pro tempore. The Chair recognizes the Senator from Kansas.

THE BLOCKADE OF IRAN

Mrs. KASSEBAUM. Mr. President, I appreciate the minority whip yielding me this time.

The pundit's definition of a zealot is "one who, having lost sight of his objective, redoubles his effort." I fear that the Iranian situation has inspired just such a reaction in a frustrated and angry America. The President talks of a naval blockade. Is such action likely to attain our objective—release of the hostages? Reasonable minds may differ on whether a blockade is going to further entrench the Iranians or actually lead to some positive response.

Our experience throughout the events of the past months, the deteriorating order in Iran, and the diminished capacity of Iranian institutions create serious doubts that a blockade will secure the safety of our people in Iran.

I do not, I admit clearly, have a counterproposal. Just because an individual does not have a plan to free the hostages, one should not be disqualified from addressing the merits of a blockade. My own concern is that the Nation, in its desire to do something, has not calculated the pluses and minuses of a blockade. We have not taken the kind of accounting that allows us to judge whether this action will be a net gain or loss. Not only have we failed to fully reflect and deliberate, but I believe that, in fact, the difficulties we face as a result of a blockade are dangerously severe.

First of all, there is the potential for execution of the hostages—a tragedy which would almost certainly lead to full-scale war between the United States and Iran.

A blockade would totally disrupt world oil markets thereby aggravating the already fragile health of the industrialized world. Would the United States be able to meet domestic or allied petroleum needs?

There is also the risk of an outbreak of violent anti-American hostility in the Moslem world which would not only pose an immediate threat to peace, but, in the long run, could destroy any chances for a durable Middle East settlement. Would the Saudi Arabian monarchy be able to withstand another anti-American Islamic reaction?

Without question, military hostilities between the United States and Iran would create an excellent opportunity for the Soviet Union to begin moves toward dominating Iran.

If we attempt a passive blockade by mining the harbors, what happens when Iran or another nation begins a sweep? Would a naval battle ensue? Probably. Would it precipitate further combat? Possibly. Could Iranian politicians prevent Iranian fanatics from touching off a greater conflagration by deliberately ramming a mine? Is there reason to believe that a blockade will solve anything or lead to nothing more threatening? Is the Pentagon being asked to commit itself to another no-strategy, no-win confrontation?

I do not believe the President should continually repeat his threat of a blockade. Such rhetoric diminishes, rather than enhances, our credibility abroad and obscures the real debate at home. Surely, if we do resort to a blockade, it is important, if only for history's view of us, that we act with our eyes wide open and a clear comprehension of the ramifications. The United States owes Iran nothing by way of apology or restraint. We do owe ourselves the benefit of a rational policy, military if necessary, designed with something more in mind than assuaging popular frustration.

Mr. President, I yield back the remainder of my time.

Mr. STEVENS. Mr. President, I yield back the remainder of my time.

RECOGNITION OF SENATOR STENNIS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Mississippi (Mr. Stennis) is recognized for not to exceed 18 minutes.

Mr. ROBERT C. BYRD. Mr. President, how much time does Mr. Stevens have remaining to him?

The ACTING PRESIDENT pro tempore. The Senator from Alaska has 5 minutes.

Mr. STEVENS. Mr. President, I am happy to yield that time to the Senator from Mississippi should he desire it.

The ACTING PRESIDENT pro tempore. The Senator from Mississippi is recognized for not to exceed 23 minutes.

Mr. ROBERT C. BYRD. Mr. President, will the distinguished Senator yield?

Mr. STENNIS. I am very happy to yield to the distinguished majority leader.

Mr. ROBERT C. BYRD. Mr. President, I ask that the time that I consume not be charged against Mr. Stennis.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

TIME-LIMITATION AGREEMENT—S. 2177

Mr. ROBERT C. BYRD. Mr. President, as in legislative session I ask unanimous consent that at such time as Calendar Order 693, S. 2177, the Emergency Home Purchase Assistance Authority Amendments of 1980, is called up and made the pending business, there be a time agreement thereon as follows:

Two hours equally divided on the bill to be controlled by Mr. Williams and Mr. Garn; 1 hour equally divided on any amendment; 2 hours on an amendment by Mr. Williams on revising existing 235 housing programs; 2 hours on an amendment by Mr. Garn in the second degree to the Williams amendment to lower recapture requirements, limiting mortgage subsidy; 1 hour equally divided on a Proxmire-Garn amendment to limit interest subsidy on mortgages for single/multifamily structures; 1 hour on an amendment by Mr. Durkin to establish State allocation formulation formula for funds provided under the Emergency Home Purchase Assistance Authority; 30 minutes equally divided on any other amendment in the second degree; 20 minutes on any debatable motion, appeal, or point of order if such is submitted to the Senate; provided further, that there be 1 hour on an amendment by Mr. Tower to title V part b section 512 of the Depository Deregulation and Monetary Control Act of 1980; provided further, that the agreement be in the usual form, and that the majority be authorized to call the bill up at any time after consultation with the minority leader or his designee, beginning with today.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I thank the distinguished acting Republican leader and all of the Senators who have been party to the agreement.

Mr. STEVENS. Mr. President, I did not object, but it was my understanding that the calling up of that measure will be in consultation with the minority leader.

Mr. ROBERT C. BYRD. Or his designee, that is correct.

Mr. STEVENS. I thank the Senator.

Mr. ROBERT C. BYRD. I thank the Senator from Mississippi for his courtesy in yielding. It is my understanding that his time is not to be affected by the unanimous-consent request.

The ACTING PRESIDENT pro tempore. The majority leader is correct.

The Chair recognizes the Senator from Mississippi for not to exceed 23 minutes.

THE MILITARY MANPOWER SITUATION

Mr. STENNIS. First, Mr. President, I thank the majority and minority leaders for yielding to me this additional time.

Mr. President, let me say at the beginning that under the circumstances of the regular legislative calendar, I did not expect this to be a day of full attendance. Nevertheless I picked today to present some remarks on a subject matter that I think is very grave and highly important. I decided that I had the special duty to say something about it as chairman of the Senate Armed Services Committee and to say it now rather than wait until these points come up during the session this year when the subject matter was being considered piecemeal and too late perhaps to get one's points over to the membership.

Let me emphasize, Mr. President, that my remarks today concern the volunteer forces concept—supplying the necessary manpower for our military services. This is by no means a complaint. I am not trying to assess any blame for the conditions that we have. I am just bringing the matter to the attention of Senate membership. We will have it in the Congressional Record for anyone who might wish to read a tabulation of facts as well as opinions on this subject matter.

I have no grievance, no regret, about anything in the past, since the Selective Service law was changed. Even though I was against that change, I am pleased that we had a chance to try out the volunteer forces concept. I think it has had a fair trial, time-wise and money-wise. The services have certainly tried to put it over and make it work.

I think we did not fully realize then, and maybe we do not fully realize now, that a volunteer forces concept does not fit in. It requires so many men that it does not fit in too well. With our leadership in international affairs, we have to have military men and units stationed in many places far beyond our own boundaries. I think the facts of last year or two prove that this trend will certainly continue.

In other words, a volunteer forces concept might meet the peacetime needs for an isolationist country. But I do not think it ever had a chance to meet fully those needs when we have farflung obligations, as well as requirements of necessity, like protecting the oil lines that lead from the Middle East oil fields to our own ports here, at home, as a necessary part of our day-to-day economy—not luxury cars, but day-to-day economy-sized automobiles for people going to and from work.

We have already gone above $160 billion for our Department of Defense alone. The $164 billion is the lowest figure here mentioned. That is the President's current budget, with the prospect this year of running as high as $175 to $180 billion. So I am here today to try to state some of these facts to my colleagues and to the American people.

For many years, Mr. President, I have been on both the Armed Services Committee of the Senate and the Appropriations Committee. For several years, it has fallen to my lot to handle, with much splendid help, both the overall authorization bill for the military and the appropriation bill that provides the money for the Department of Defense. After working on these two bills for several years now—at the original hearings, the markups, the floor debates, and the conferences with fellow Members and with the House of Representatives—one does acquire a feel for the program and the knowledge of the facts. Each year, as these bills go on, finally, to the White House for final approval, I know in my mind that the weakest part of our entire military preparedness program is the fact that we depend totally—totally—on the volunteer system to supply the manpower.

We argue here that a tank—just a

tank—now costs $1.5 million. We argue in committee at great length and on the floor and in conference about the qualities of that tank, without a word ever being said, except occasionally, about the men that are going to be on that tank—their capacity, their discipline, their capacity under fire. We just do not have enough. And there are many other places of equal demand. We just do not have enough manpower in the service now to man all of those positions.

We just do not have enough. Whether we are going to register women, has nothing whatsoever to do with the merits of the problem that is before us. Fortunately, we already have enough now of the fine ladies in the services that we need. "Need" is the key word. I am talking now about selection in other fields where we do not have enough of the type of manpower we need in these key places.

Let me emphasize, then, that we have a lot of very fine men in the services, who come up to every expectation of the American military uniform. In my judgment, those expectations are very high because the standards have always been maintained as being very high. And that is necessary. Great numbers of them, thousands of them, meet that qualification in every way. But my argument is that we do not have enough under the volunteer system to leave ourselves totally dependent on it. It is not enough even now.

I know the present system is inadequate to supply enough of the type of manpower we must have because I believe it has been fully tried. I feel that I know that this deficiency cannot be overcome by merely throwing in more money. So often, when we bring up these matters of greater need, we say, "Well, we shall just put in some more money." We have done that over and over. It is not going to supply that need. We are lacking, in this respect, in the things that money cannot buy—discipline, character, dedication, raw courage, and many other personal qualities.

Mr. President, it is sickening to me to see that recruiting for these important positions has become more or less a game in some places and, at times, at contest, an ordeal. Recruiting for the military service, much of it, is not in keeping with the dignity of the military services. It is not in keeping with the dignity that goes with the American military uniform. The trouble that I am talking about is with the system. I think overwhelmingly, to supply our present needs of enough talent, we must go back to a modified form of a Selective Service System, and I shall explain a little later what I mean by a modified form. Otherwise, our military preparedness will be inadequate and, I believe, it will collapse.

Fortunately, there is time to provide a remedy by starting now with a registration plan that all seem to agree is a step that is needed. All agree that it is certainly not an overwhelmingly evil thing. All do not favor it, but there is nothing significant brought against it except that it might lead to a Selective Service System.

I believe in just being frank about it from the beginning: Yes, that is why I am for it; it will lead to this necessary step.

We argue and contend among ourselves, our membership, for more money for military needs, especially weaponry. I have already referred to that. I have been among those contending for those funds for years. But I come back and emphasize again that money will not supply this need. We have to go further. We have to dig deeper. As a minimum, we should move forward promptly with a registration plan for the males and then proceed with that registration. We must have further in-depth hearings, as I see it, during the remainder of this calendar year, to show the present conditions and the need. These facts will be fully convincing. A full-scale plan, an added plan, for manpower can be presented as soon after registration as is reasonable after this preparation is done.

I am definitely not proposing a reenactment of the old selective service act and the administration thereof as we had in the war in Vietnam. I am talking about a selective service act that has absolute fairness and equality as the main guidelines with no full deferments except for major disability, with no exemptions except for actual religious beliefs, and a limited number of scientific students, and in those cases a substitute service shall be required.

I am convinced, and I say this to the American people, the mothers and fathers in particular, that in most cases 18 months—or maybe as little as 15 months—of actual service will be sufficient, and less in cases of these assigned to reserve units for limited further service over a 3- to 4-year period. I would match every month—and I believe Congress would—that a person was required to serve in the military with government-paid educational training of a top order. Personally, I believe that those who render this military service will be far better off in a personal way after having served, and would by all means be a more valuable citizen in every way, as well as better trained to earn his own living and contribute to his community, to society and his country during the rest of his life.

I favor our giving our National Guard and our Reserves more of these men to fill out the units, give the units more assignments and responsibilities, and give them the tools and weapons for carrying out their mission.

We have many thousands of men with talent, with undeveloped and unused talent, who could participate in limited military service but do not care to make it a career. These men, that we have in some of these units now, have shown they can man our Reserve units and make the score as high, or even higher in a few cases, than our regular units.

Mr. President, I feel we are dragging our feet as we fail to tackle this problem in a more consistent and solid way.

Every major part of our military program has active people, on the Hill and off the Hill, industries, organizations, and everything pulling for parts of this military program, except the most essential part, and that is the manpower part.

That is why I have awakened to the realization that we have no more time to lose. I am thankful we do have some time, though, to bring this remedy about.

We are dragging our feet, presently, if we fail to tackle this problem.

The first step is to enact a registration requirement and follow up with a realistic, but fair, selective service plan.

Mr. President, I have certain other remarks. May I ask the Chairman what time I have left?

The ACTING PRESIDENT pro tempore. The Senator has 5 minutes remaining.

Mr. STENNIS. I thank the Chair.

Mr. President, Senator NUNN and the very valuable subcommittee helping him have already held many valuable hearings on this subject matter and, as far as they went, have developed the facts. They are entirely capable and they will develop the facts further.

I have no resentment at all when we go to bring these problems up here on the floor that somebody gets up and talks about increasing pay. That is an inference that can come from the facts. But I want to emphasize again that this pay method is not the remedy that it is going to take. We have tried that considerably. I will not repeat it all now.

Mr. President, senior enlisted personnel—the sergeants and chiefs—and junior officers have often made the point that there was a decline in the quality of new recruits.

I have here a brief statement that relates to Mr. Pirie's testimony. He is a very competent, capable civilian Assistant Secretary in the Department of Defense. He presented this in some hearings before the House Armed Services Subcommittee on Military Personnel. We in turn, followed up and checked out some of this information.

But it develops now that a great number of these recruits in the Army that have been listed in the intervening years as coming within a certain mental classification, that were all in error. A great many of them belonged in category 4, which is the lowest, or category 3, which is next to the lowest. At any rate, his testimony speaks for itself. It is tragic to me.

Mr. President, I ask unanimous consent that excerpts from the testimony of Assistant Secretary Pirie, that I have already identified, together with a memorandum of remarks that I have be printed in the RECORD at this point.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

EXCERPTS

There has been great inconsistency in the past several years in the comments from military members on the quality of new recruits. Senior enlisted personnel and junior officers have often made the point that there was a decline in the quality of new personnel. On the other hand, general officers and DoD civilians have argued that the quality of new recruits is high, and as measured by standard tests, much higher than the draft years.

Recent testimony from Assistant Secretary

of Defense for Manpower, Robert Pirie, indicates that the problem has been that the test scores have been inflated and as a result instead of taking markedly fewer of those from the lower end of the mental group range, the military has been taking substantially more.

In 1964, 21% of new Army recruits were in Mental Category IV. Mental Category IV corresponds to a score that would place an individual in the 10th to 30th percentile of the relevant population. Those in Category V, the lowest 10%, are excluded from military service by law. Previous statistics claim that only 10% of the Army recruits in 1979 fell in Category IV. But now because of problems with the test, DoD estimates that 45% of new recruits are in Category IV—more than four times the proportion originally claimed.

To make matters worse, only 38% of Army male recruits are high school graduates. This is a sharp decline from the 55% high school graduates recruited last year over the same period.

Attached is a copy of Mr. Pirie's testimony before the House Armed Services Subcommittee on Military Personnel on Tuesday, February 19, 1980.

To make a bad situation worse, there is accumulating evidence that calibration of the current test is highly imperfect as well. Of special concern to me is my growing conviction that the calibration problem with today's test, combined with the effects of test compromise, means that the reported mental test scores of our recruits, at the lower ability levels, have in fact, been inflated. At this time, we cannot be certain of the numbers; but statistical sampling suggests that a sizeable fraction (less than one half but probably more than a quarter) of FY 1978 male recruits labeled as mental group III should have been labeled as mental group IV (FY 1979 data are now being analyzed). This implies that when compared with the draft of the early 1960s, instead of taking markedly fewer of those from the lower end of the acceptable range, we are in fact taking more. (One should note in this context that we continue to reject about 25 percent of those who apply—well over 100,000 people in FY 78—on the basis that their mental test scores are not high enough.)

We need, obviously, to be able to measure the quality of our accessions in light of more accurate and comprehensive data than are now available. In this respect we are undertaking three major efforts. First, for historical reasons we ought to understand the relationship between present test scores and previous scores. I am convinced that disinterested external expertise should help us to establish this relationship with maximum confidence and credibility. Towards that end I have hired the Educational Testing Service and asked them to administer the test we are now introducing, predecessor tests, and the World War II test to select populations of high school students. That effort—due to be completed and reported to me this May—should give us a greater occasion for confidence in relating the mental quality of our current accessions to the World War II service population.

Mr. STENNIS. Mr. President, I refer to this again as being a sad set of facts. But it shows what we are up against.

I do not say anyone violated the law, or ought to be prosecuted. I do not think it makes a case of that kind. I am bringing it here to show what we are up against when we try to get the real facts. As we get into this thing and identify the problem, we will try to find a remedy that will meet the situation.

Mr. President, I say that in-depth hearings—I used that term in talking with Senator NUNN—will bring out the facts. The American people have got to be better informed on it. They are entitled to be. The membership here is entitled to be. These facts can and will be developed.

Mr. President, I am going to speak from time to time on some of these points again, trying to meet the situation of getting them out before our colleagues, before issues are joined here on the floor regarding a number of these matters.

I think, as a whole, each of the services has worked hard trying to make this plan work. I traveled around the country visiting military bases during the first 2 years of the plan. I know they put some of their very best into it, tried to make this plan go, and make it work. As time has gone on, it has become clearer that it is inadequate and that something must be done.

I hope we can get all these facts together and get the matter into proper perspective. When that is done, election year or no election year, I feel that this body and the other body will act on it and we will find a system that will work. We will have to do that or change our position in international affairs and go back more to an isolationist position.

Mr. President, will the United States adopt a new Selective Service System for military manpower that is affordable, fair, and reliable? Despite numerous military problems, this question is the most critical security issue facing America in the decade ahead. Our ability to correct our current manpower deficiencies is the single most important factor in developing the military capabilities to meet the security challenges of the future to deter Soviet adventurism.

The importance of manpower to our defense program is not new. Our military capabilities have historically rested on the quality of the individual soldier, sailor and airman and those who lead them. Insuring a skilled American Military Manpower Force of adequate strength in times of need has become a significantly greater challenge in today's world. Changes in four important factors have contributed to this growing challenge: The diminished role of geographic buffers and nuclear technology in American defense strategy; the expanded reach of Russian military power; reductions in the time available to mobilize; and the declining American population of potential military recruits.

WE CANNOT RELY SOLELY ON GEOGRAPHY AND TECHNOLOGY FOR DEFENSE

As the superpower of the free world, we can no longer depend on geography or technology alone for our defense and protection of our interests. Prior to World War II, the United States could and did rely on the oceans for protection of its interests and deterrence of foreign enemies. The buffer that the oceans once provided is no longer available. World interdependence has grown to the extent that U.S. interests can be critically damaged in world areas and oceans at great distances from U.S. soil. The United States and the free world depend extensively on the seas for the free movement of commerce and critical raw materials. Disruption of the flow of raw materials—especially oil—would devastate Western economies and way of life. The United States must now be prepared to protect the sea lanes and distant sources of raw materials.

After World War II, we largely relied on a dominance of nuclear weapons for overall protection and deterrence. However, Korea and Vietnam proved that nuclear technology could not be relied on to deter or win limited, regional conflicts. Moreover, because neither side could now survive a nuclear war undevastated, U.S. nuclear capabilities play a reduced role in our worldwide defense strategies. In sum, our military forces must continually be capable of projecting military might in critical overseas areas and must rely more on manpower-intensive conventional capabilities.

THE RUSSIANS HAVE BUILT UP MILITARY POWER AND ARE GIVING IT REACH

Over the past 15 years, the Russians have steadily built up their conventional forces—land, sea, and air. But what may be more significant, they are now greatly extending the reach of these forces by adding worldwide deployment capabilities. The Russians showed their new airlift ability by transporting large amounts of Cuban troops and equipment to Angola. Afghanistan is another demonstration of the Russian capacity to quickly move substantial conventional forces over long distances. Even though Afghanistan borders the U.S.S.R., some Russian units there came from as far away as East Germany. There is no sign that the Russians will stop improving their naval, airlift, and sealift capacities which now pose serious and numerous challenges to U.S. worldwide interests and increase the demands on U.S. forces.

THE TIME AVAILABLE TO MOBILIZE IS FORESHORTENED

The speed at which conventional warfare can develop is greatly increased from the past. It took months or even years for countries to mobilize in World War II, compared to days or weeks for mobilization now. The past luxury of time to gather, equip and train our military men is long gone. We do not now have an adequate trained manpower supply that can respond as quickly as needed. Without that adequate manpower supply, in emergencies the United States could be faced with early and undesirable military choices. The choices could be limited to letting the Russians take by force whatever they may choose, or committing our available military units piecemeal without a real chance of fast and adequate reinforcement and relying on the early use of nuclear weapons backup.

FEWER YOUNG MEN WILL MAKE RECRUITING HARDER

The World War II baby boom has ended. More people turned 18 years old in 1975 than ever in the history of the country. Each year, fewer and fewer will turn 18, and that pattern will continue into the 1990's. Certainly for the next decade, recruiting under the volunteer approach will be more and more difficult and the U.S. military manpower situation will get worse and worse. Given these facts, something different is needed.

THE VOLUNTEER CONCEPT IS UNDEPENDABLE

In this dangerous decade, an undependable manpower supply greatly adds to the danger. The volunteer concept has been shown to be undependable because it cannot supply the manpower when it is needed the most—in wartime or emergencies. This fact has not been disputed. The Defense Department's own data show that 90 days after mobilization, the Army would only be able to fill 52 percent of its infantry, 73 percent of its artillery and 28 percent of its tank positions. The manpower situation would even be worse after 90 days.

Moreover, we are now witnessing the failure of the volunteer concept to supply adequate manpower even in peacetime. In simple terms, we have reached the point that the volunteer force is limiting what this Nation can do to meet legitimate defense needs—and that is a dangerous situation for world peace. The Navy is threatening to tie up its ships because of lack of crews. There have been suggestions that our national security now requires an increase in the fleet and that some powerful battleships and an aircraft carrier should be taken out of mothballs and added to the active fleet. But the constraints raised in those discussions do not focus on money; rather, the point is made that the volunteer force cannot supply the manpower needed. All of the Army divisions in the United States are unprepared because they lack qualified personnel. In fact, we have Army units with no manpower assigned at all, where equipment sits unused. Such units hardly deserve the label "Active" Army. The National Guard and Reserve are below a reduced authorized strength. The Commandant of the Marine Corps has declared the volunteer concept a failure. According to the Air Force Chief of Staff, General Allen:

> The United States needs to have, in being, a system which will provide a continuous inventory of potential inductees for mobilization. That capability does not now exist. The national security risk associated with a weak Selective Service System is significant.

While technology has greatly increased the firepower, mobility, and information capacity of U.S. forces, technology does not fight wars—people fight wars, and that means manpower. Who would say that the Russians with their growing conventional might can be deterred from further adventures if the United States has only its understrength active duty forces to rely upon, a week Reserve and no dependable source of military manpower?

THE VOLUNTEER CONCEPT IS UNFAIR

The volunteer concept has been shown to be unfair because it exempts the middle and upper classes of our society from military service. Only 1 percent of the new volunteers are college graduates and more than 25 percent are high school dropouts. In addition, some 30 percent of volunteers are from minority groups. The reading level has dropped greatly requiring the military services to rewrite their training manuals for sophisticated equipment to the fifth-grade level and to spend large amounts of time and money on remedial education programs. Most disturbing are the recent revelations that test scores of recruits have been "adjusted" in the past to show far higher levels of mental aptitude than were the case among new recruits. There is concern now that about 50 percent of all Army recruits are in the lowest category of mental aptitude.

Despite these alarming trends in the quality of new recruits, the Army, which needs to expand recruiting by 25 percent to maintain its current strength, is now lowering its quality standards in an effort to get more numbers of people. The Army will lower the proportion of high school graduates it seeks, accept 17-year-old dropouts, eliminate minimum education criteria for recruits and now accept women high school dropouts and those women in the lowest mental group for the first time.

The volunteer concept, based on economics, may be suited to feudal, mercenary, and very small armies. It is not suited for a country that stands for liberty and freedom in the world and where the citizens recognize their duty and agree to equitably share the burdens of protecting their freedom. A 19th century British soldier and author, Sir William Francis Butler, put it well:

> The nation that will insist on drawing a broad line of demarcation between the fighting man and the thinking man is liable to find its fighting done by fools and its thinking done by cowards.

We cannot go back to the old Selective Service System because it was not fair. But we must adopt a new draft system that fairly spreads the burden of military service among all social and economic groups.

THE VOLUNTEER CONCEPT IS UNAFFORDABLE

The volunteer concept has proven itself unaffordable. Manpower funding has gone up from 44 percent to 56 percent of the overall defense budget. In the decade of the 1970's, the United States spent $100 billion more on manpower than if the proportion of the defense budget for manpower had remained at 44 percent. While this is not fully attributable to the volunteer concept, the drive for volunteers prevents taking action to save on manpower costs.

There are those who call for more indiscriminate increases in military pay. I would simply ask for the evidence that more pay would in any way solve our military manpower problems rather than continue to make them worse. We doubled recruit pay in 1972 and have added more bonuses and allowances since then. In this inflationary economy there has been erosion in the buying power of many of our people, including military personnel since 1972. But in real buying power, after inflation, junior enlisted men today are paid about 125 percent more than in 1964 and senior enlisted, about 20 percent more in buying power. Will more across-the-board pay, costing billions, in this troubled economy, really help the worsening manpower situation? I think not.

More likely, public attitudes in this troubled economy could well shift against needed defense spending if pay is portrayed as the overriding military priority while the rest of the American people are tightening their belts.

In addition, with the tremendous and justifiable resource demands to modernize our forces to counter the unrelenting buildup and advances in weapons sophistication of Soviet forces, we cannot continue to allow our manpower spending to eat up such a large portion of the budget.

THE MILITARY PAY STRUCTURE MUST BE CHANGED

There are problems in military pay that should be remedied. But that cannot be done fully until the source and supply of manpower has been determined.

We must develop a concept of military pay that will work. We had one that worked for almost 200 years and abandoned it in 1972 in favor of "cash on the barrelhead" to buy military service. Since then, we have spent billions more than we would have under the old system and the problems get worse. Our problems can only be remedied by changes in the basic concept and structure of military pay. George Washington said in 1783:

> A proper difference should be made between the pay of the non-commissioned officers (sergeants particularly) and privates, to give them that pride and consequence which is necessary to command.

At the time he wrote, sergeants were paid 2½ times a private's compensation. We carried that idea and pay difference through the 1960's, but in an effort to get more volunteers, it was abandoned. Today a sergeant is paid only 60 percent more than a private, has far less chance for promotion than a private, and must train and discipline privates of little talent and capacity to take discipline. This is a system designed to lose the best, most talented and skilled non-commissioned officers. Across-the-board pay raises will only perpetuate this problem.

THE MILITARY MANPOWER SYSTEM MUST BE IMPROVED

The time has come to put our military manpower system in order. There is danger and uncertainty ahead in the next decade; we cannot afford to take the risks of the current manpower system.

We must make a start leading back to the use of a fair form of the draft to supply our military manpower for the active and reserve forces. This means revitalizing the almost defunct Selective Service System so that it can efficiently and effectively do the job. It means beginning registration and all the steps needed to acquire the names and status of our young men. It also means a top to bottom review and rewrite of the whole body of law pertaining to the Selective Service with the elimination of all but the minimum required exemptions, so that our people can be assured that the new system is fair and reasonable and that the risks and burdens are shared. There must also be a full-scale effort to explain to the American people why the country must return to the draft.

NEED A COMPLETE REVIEW OF THE MANPOWER SYSTEM

Rather than confusing the need for the simple process of registration with the invasion of Afghanistan, what we really need is a complete and timely review of every aspect of the entire military manpower system—active and reserve—aimed at changing the current system to meet the challenges of the 1980's. There are many difficult questions that need to be addressed and answered in this review.

Part of this review should consider changes in the structure of military pay. Should sergeants have a substantial pay difference from privates? Should pay be the only means of rewarding personnel or should there be more emphasis on military benefits? Should all skills be paid the same or should there be some differential for highly skilled nuclear technicians? Should all personnel in a particular grade receive the same pay or should high quality personnel promoted early be recognized with higher pay? Should there be an expansion in the scope and use of warrant officers in highly technical skills or should all officers be in the same system?

Organization and callup procedures for the Reserve Forces also need review and change. Should Reserve units be copies of Active units or should more be tailored to fit into Active units? Should there be more use of units manned by both Active and Reserve personnel?

Reduction in numbers and an improvement in quality of life for those who make a military career may also be needed. Should there be tight screening of personnel before they are given career status and their pay improved or should all who wish be allowed to stay on active duty?

Our training system and promotion system for enlisted men and officers needs to be redesigned. Do we promote too many people too fast and give them more pay with no more responsibility? Do we have too many people in the higher grades? Are schools and promotion the right of all who stay on active duty or should the selection be careful and more restricted?

A rethinking and change of the laws and policies which govern and affect military discipline are also a part of this review. Must a sergeant or commander consult a lawyer to deal with minor infractions of discipline?

The policies which affect military life also need rethinking and change—is military service to be a 24-hour duty or a 40-hour job? Is it a life in barracks or a morning commute? Is it large numbers of dependents overseas or is it shorter tours and dependents cared for at home?

America has sought many partial solutions to its manpower problems during the 1970's. They have failed. The most senior U.S. military commanders have identified manpower deficiencies as their No. 1 problem. We must now have a comprehensive and innovative review of the entire military manpower system. New, effective, and durable programs are needed—not shortsighted, temporary fixes which have been popular. We need a toughening up and tightening down of our entire military personnel system. Without it, we will not have the preparedness nor the public acceptance to meet the security challenges ahead.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I compliment the distinguished Senator from Mississippi (Mr. Stennis), the chairman of the Committee on Armed Services, on the remarks he has just made. His was a very timely statement, very pertinent to the problems that have an impact upon the defense posture of this country at the present time. I feel that he has performed a service in discussing this matter.

I think we are still in agreement that we want our country to be prepared for any eventuality that might occur. I, like he, felt that the Voluntary Army concept certainly was worth being given a trial, being given an opportunity .

Many of us here feel, as he does, that this country's national security interests would be much served by registration. I do not see any necessity for the registration of women. I do see a necessity for the registration of men.

I have a feeling that registration in itself would have a favorable impact upon strengthening of our Reserve Forces; and that is where we, as a nation, have to go to find trained men to fill in the gaps in the event of a national emergency.

So I compliment the chairman on his statement, and I associate myself with his remarks.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, as in legislative session, that the period not extend beyond 30 minutes, and that Senators may speak therein, as in legislative session, not to exceed 5 minutes.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONSULTATION ON U.S. REFUGEE PROGRAMS

Mr. ROBERT C. BYRD. Mr. President, at the request of the chairman of the Committee on the Judiciary (Mr. Kennedy), I am submitting for the Record the results of the consultations completed this past week on U.S. refugee programs for the remainder of fiscal year 1980.

This material is submitted in compliance with the provisions of section 207 of Public Law 96–212, "The Refugee Act of 1980," which requires that the President's representatives consult with the members of the Committee on the Judiciary on the admission of refugees to the United States beyond the "normal flow" ceiling of 50,000.

In fulfillment of its statutory obligations, the Judiciary Committee conducted a public hearing on April 17, where it received the "Report to Congress on Proposed Refugee Admissions and Allocations for Fiscal Year 1980," as submitted by Secretary of State Cyrus Vance on behalf of the President.

Mr. President, I ask that this report, as well as the statements of Secretary Vance and Senator Kennedy, be printed at this point in the Record.

The material follows:

Senator Kennedy's Statement at Judiciary Committee Hearing on United States Refugee Programs

Today's hearing before the Judiciary Committee is the first formal "consultation" on United States refugee programs required under the terms of the new refugee bill—The Refugee Act of 1980—which was signed into law last month. This new Act is the first major reform in nearly three decades of our Nation's laws on the admission and resettlement of refugees.

We are at a watershed point in our effort to respond to the needs of the world's homeless. For even as the new law gives our country new and better tools to help assist and resettle refugees, never has there been a time in modern history when more refugees needed our help.

There are over 13 million refugees in the world today. Over the past three years alone the number has escalated by more than 2,000 a day. And just since the last meeting of the U.N. High Commissioner for Refugees in October, the number of new refugees needing his assistance has nearly doubled.

So this hearing this morning is far more than a mere formality required by law. It represents the partnership that must exist between the Executive Branch and Congress if our country is to be able to respond to the urgent resettlement needs of thousands of refugees for whom we feel we have a special humanitarian concern.

Refugee problems are of deep concern to the American people, not only because of our Nation's long and proud humanitarian record in assisting them—but also because refugees pose critical foreign policy problems for us and the international community. We know from recent history that massive refugee movements can unbalance peace and stability as much as any arms race or political or military confrontation.

We see this today in Southeast Asia, where a human tide has fled conflict and the aftermath of war in Indochina, creating critical political and military problems for Thailand and neighboring countries.

We see it in Pakistan where over half a million Afghan refugees have escaped invading Soviet troops.

We see it in Somalia, where nearly a million refugees from Ethiopia are now encamped on a bleak desert landscape with little food, medicine or water—and even less hope.

And we have seen it most recently in the tragic human drama that has seized the Peruvian Embassy in Havana, where some 11,000 Cubans have rushed to seek political asylum.

Obviously, the agenda before us is large. The world's refugee problems are difficult and complex. We face life-and-death situations among tens of millions of homeless men, women and children. If massive human tragedies are to be avoided, the American people and others in the international community must understand what more we can and must do to help.

Today's witnesses will help provide this better understanding by reviewing for us projected United States refugee programs around the world, helping us chart the course we should take in implementing the generous refugee legislation enacted by Congress.

We need to know what more must be done to cope with Indochinese refugees—especially the crisis among Cambodian refugees. What are we doing to deal with the root causes behind this massive crisis of people? What more can our diplomacy do to help improve conditions inside Cambodia, rather than deal with the tragic symptoms on the periphery?

I am pleased to see that the Administration has now finally endorsed the call I made one year ago, in April 1979, for an international conference to deal with the political and military issues behind the conflict in Cambodia. Clearly, we must move from a helpless stance of simply accepting more and more refugees from Cambodia without actively trying to secure a ceasefire as well as a political settlement.

And, most important, we need to know what we plan to do now—not months later—to help avert a second and ruinous famine in Cambodia predicted for later this year.

In Cuba and other areas of Latin America—so close to our shores and so important to our national interests—we need to know how we are going to respond to the needs of Cuban, Haitian, and other Latin American refugees. The recent refugee crisis in Havana at the Peruvian Embassy illustrates only too well the importance of the emergency provisions of the new Refugee Act—and we need to know more fully how those provisions will be implemented in the future.

The problems of Haitian refugees must also be of urgent concern to us. We should now move—as I urged the Attorney General last November—to resolve all pending Haitian cases in Florida. We should wipe the slate clean and institute new and fairer procedures to deal with Haitians under the terms of the new Refugee Act. For too long, Haitians have been the victims of discriminatory American law and policies, and they have been treated with little compassion and even less regard for their welfare.

Finally, we need to know what more can be done for both Jewish and Arab refugees in the Middle East, resulting from the tragic conflicts between Israel and its neighbors, from the devastating civil war in Lebanon, and now from the escalating confrontation between Iran and Iraq.

I am especially proud of our efforts over the years to assist Jewish refuges from Communist countries—by obtaining permission for them to emigrate and by facilitating their transit through Vienna and Rome to Israel as well as other countries. In this connection, I am concerned over the recent downturn in the emigration rate for Soviet Jews, and I believe we must do all we can to encourage a reversal of this disturbing trend.

Clearly, millions of refugees strewn across the globe have a claim upon the attention and concern of the international community. Some require immediate food and relief to sustain life. Some need local settlement assistance. Some need temporary safehaven. Some seek voluntary repatriation to their homelands. And some require third country resettlement.

All of these problems need to be addressed today, and we need to review how the provisions of the new Refugee Act will be implemented for the remainder of this fiscal year and prospectively for 1981.

STATEMENT BY HONORABLE CYRUS R. VANCE

Mr. Chairman and Members of the Committee:

I am pleased to have this opportunity to consult with you, in accordance with the Refugee Act of 1980, on our plans for refugee admissions and resettlement assistance for fiscal year 1980.

The Administration has long shared the views of this Committee that a uniform, coherent, manageable policy governing refugee admissions to this country is necessary. The Refugee Act of 1980 represents a cooperative effort by the Congress and the Administration to establish the legal framework for such a policy. It is an accomplishment of which we all may be justly proud.

At the same time, the Refugee Act of 1980 is the beginning of the long and challenging task of formulating a more comprehensive and equitable basis for our refugee programs. We look forward to continuing to work closely with you in implementing the Act.

I would like first to discuss with you briefly this morning our basic approach to the growing refugee problem, and then to address the major considerations which underlie our proposed fiscal year 1980 refugee admissions. With me—to answer your detailed questions about the operation of our refugee admissions and domestic assistance programs—are Ambassador Victor Palmieri, the U.S. Coordinator for Refugee Affairs; Nathan Stark, Under Secretary of Health, Education and Welfare; and Doris Meissner, Deputy Associate Attorney General.

Let me begin with a few words about our overall approach to refugee problems.

Through an active diplomacy, through economic and security assistance programs, through practical support for human rights progress, we shall persist in our efforts to resolve the conflicts and ameliorate the underlying conditions that give rise to large numbers of refugees. At the same time, it is both in our national character and in our national interest to respond compassionately and sensibly to a mounting refugee problem.

Events around the world in the past few months vividly illustrate the magnitude and the complexity of the refugee problem confronting the international community. From Kampuchea . . . from Afghanistan . . . from Ethiopia . . . from many other countries, refugees totaling in the millions have fled their homes in the face of external aggression, political and religious persecution, and civil strife. They constitute a vast sea of uprooted, homeless, aggrieved people.

We cannot be blind to their suffering, or to the consequences for stability and peace if we leave them to languish without hope.

In nearly every instance, an enormous burden has fallen on countries of first asylum—a burden most have borne with extraordinary compassion and generosity. But it would be unrealistic and unwise to expect that these nations can bear this burden alone. International efforts are essential, both to alleviate human suffering on a massive scale and to lessen the unsettling political, economic, and social tensions that large refugee populations can create for first-asylum countries.

Our initial objective in responding to specific refugee situations has been to join in international efforts to provide relief to the refugees in place, that is, in the countries of first asylum, and to promote voluntary repatriation of refugees where possible. Many nations have contributed generously—through the United Nations High Commissioner for Refugees, and in other ways. The U.S. has been in the forefront among contributors to these international relief efforts. Often, the leadership of the U.S. has been instrumental in generating the broad international response these situations require.

In some cases, however, resettlement of refugees is a practical necessity. Last spring, for example, thousands of Indochinese fled their homes—by sea and by land—only to be turned back by neighboring countries already overwhelmed by large refugee populations. President Carter's pledge to double our rate of resettlement of Indochinese refugees to 14,000 a month was a critical factor in generating new resettlement pledges by over twenty countries at the Geneva conference last July. This demonstrated willingness on the part of the international community to share the burden led the nations in the region to resume granting of first asylum.

Against this general background, let me outline for the Committee how we propose that the United States participate—consistent with the Refugee Act of 1980—in international resettlement efforts during the remainder of this fiscal year.

By eliminating the previous geographic and ideological restrictions on granting of refugee status, the Act enables a more flexible system for refugee admissions and assistance. We intend to avail ourselves of this flexibility to establish admissions criteria that are as comprehensive and equitable as possible. In doing so, we will pay close attention to the resettlement needs of refugees in regions not explicitly encompassed by the prior legislation.

Let me be frank in pointing out, however, that it will take time to translate the goal of greater equity into a workable system. Many of the factors which contributed to our previous refugee admissions practices will of necessity continue to play an important role for some time. Indeed, these factors should be taken into account as we strive to define the elements of a more equitable system.

Among the considerations which have helped shape our admissions proposals for fiscal year 1980 are the following:

We must continue to be sensitive to the needs of refugees with close ties to the United States. We shall remain dedicated to reunifying families and to aiding those who have had past employment ties to the United States.

Where the United States has stood uniquely as a symbol of freedom from oppression for a particular group, we must respond to their understandable aspirations for safe haven in our country.

We must consider how our participation in refugee resettlement efforts can further our broader foreign policy objectives—for instance, by promoting the stability of friendly, democratic governments in countries of first asylum.

And we will continue to be guided by our assessment of the opportunities for resettlement in other countries, and the practical limits on U.S. resources.

In fiscal year 1980, we propose to admit into the U.S. 231,700 refugees. This figure includes over 114,000 refugees admitted before April 1 under previous statutory limits and parole programs authorized by the Attorney General and approved by the Congress. For the second half of the fiscal year, we propose to admit approximately 117,000 refugees, including up to 3,500 of the Cubans at the Peruvian Embassy in Havana.

Let me briefly review the major groups of refugees we propose to admit and the considerations underlying these proposals.

In Southeast Asia, we face a human tragedy of staggering dimensions. The enormous Indochinese refugee burden is also a continuing challenge to the stability of neighboring nations. We propose to continue to resettle 14,000 Indochinese refugees per month in the U.S.—a total of 168,000 this fiscal year. This level would continue the admission rate pledged last year by President Carter and previously authorized for fiscal year 1980 under the Attorney General's parole authority, with Congressional concurrence. In addition to the major humanitarian dimension of this commitment, it is an important, tangible demonstration of the U.S. support for the ASEAN nations.

At the Geneva conference last year, the world community more than doubled its resettlement offers and the Vietnamese pledged an end to forced departures. Since the conference, the rate of new arrivals of "boat people" has declined. Resettlement in third countries has increased. This has somewhat eased the burden on first asylum countries. Boats of refugees are not now being pushed back to sea.

Nevertheless, the situation remains grave. In addition to some 150,000 Khmer in temporary holding centers in Thailand, some 230,000 Indochinese remain in refugee camps. Many of those in refugee camps have been waiting for resettlement for as long as five years. Without sustained resettlement commitments from the U.S. and other countries, these people face a bleak future—an existence without hope. Many are haunted by the prospect of forced repatriation, with persecution or possible death in their homelands. Flagging international interest, a sharp new influx of refugees, or new tension in the region could prompt changes of policy toward the refugees by the countries of first asylum.

Most of the Indochinese refugees we propose to admit this year have ties to the United States—relatives already in this country or past associations with the U.S. Government or U.S. institutions. In addition, we propose to admit a substantial number of refugees who have been languishing for years in refugee camps and have no other resettlement prospects.

Let me note that some of the Vietnamese qualified for admission by virtue of family ties or political persecution may come directly from Vietnam to the United States, if the Vietnamese authorities permit the planned "direct departure" program to go forward.

From the Soviet Union and Eastern Europe, we propose to admit 33,000 and 5,000 refugees respectively.

It has been the policy of the United States to offer a haven to any refugee from the Soviet Union who wishes to resettle in this country. This will remain our policy. We deplore the restrictions by Soviet authorities that have resulted in a recent decline in the number of Jews allowed to leave the Soviet Union. Should these restrictions be eased and the trend reversed, we are fully prepared to consult the Congress immediately on additional admissions and the necessary funding to accommodate all Soviet Jews who seek admission to the United States. We also anticipate admitting Soviet Armenians and other Christians who wish to resettle here, as well as Eastern Europeans of diverse backgrounds who have suffered discrimination in their homelands.

We propose to admit 20,500 refugees from Latin America. This figure includes 19,500 Cubans.

The U.S. has a long and proud history of aiding Cubans fleeing repression under the Castro regime. To date some 800,000 Cubans have resettled in the United States. In recent years, Cuban refugee admissions have been limited primarily to former political prisoners and their families, and to cases involving reunification. Persons in these categories will continue to comprise the bulk of the Cuban refugees we will admit.

The rush to the Peruvian Embassy compound in Havana nearly two weeks ago by some 10,000 Cubans seeking asylum is stark evidence of the oppressive conditions under which Cubans live. The large number of these persons who have expressed a desire to resettle in the United States is vivid proof that the United States remains a strong symbol of freedom and safe haven.

We are hopeful that the international effort begun yesterday with the movement of the first group of refugees from Havana to Costa Rica will continue at an accelerated pace—particularly in view of the deteriorating health and sanitation conditions at the Peruvian Embassy.

For our part, we have pledged to accept up to a third of these Cubans for resettlement in the U.S., to a maximum of 3,500. This figure is included in the 19,500 Cuban admissions total. We intend to give priority to refugees seeking family reunification and former political prisoners and their families.

A number of other countries have offered to accept some of these people. We anticipate that additional pledges will be forthcoming.

It is our hope that arrangements can be made to move these Cubans to Peru or a third country where they can be processed for final resettlement in an orderly manner.

In addition to Cubans, we anticipate admitting 1,000 other refugees from various parts of Latin America. These include Central Americans fleeing civil strife in their homelands.

We are strongly committeed to expanding admissions of refugees from Africa. The geographical restrictions in the previous legislation severely limited the number of Africans who could qualify for refugee status. Nearly all of those who did qualify came from the Horn of Africa, defined by the prior legislation as a part of the Middle East. The Refugee Act of 1980 eliminates this restriction, making it possible for refugees in any part of Africa to apply for admission. The Immigration and Naturalization Service currently is developing temporary procedures for reviewing applications from Africans, pending ese establishment of an INS presence in Africa.

We propose 1,500 admissions this fiscal year for African refugees. This level constitutes a three-fold increase over last fiscal year. It is our best estimate of the number who will wish to apply for and will qualify for refugee status during this fiscal year. Our experience in the coming six months should provide us with a sound basis for adjusting this number in calculating fiscal year 1981 admission levels.

We shall maintain our long-standing policy of resettling persons fleeing political and religious persecution in the Middle East. We propose to admit a total of 2,500 refugees from this region. This reflects a growing demand for resettlement among religious and ethnic minorities in the region, such as Christians from Iraq. Internal repression; and now the Soviet invasion of Afghanistan has also created large numbers of Afghan refugees, some of whom are also seeking admission to the United States.

Mr. Chairman, we recognize that there remain large regional disparities in the numbers of proposed refugee admissions. I believe the considerations I have noted compel these disparities for the present. As I have indicated, however, we are determined to develop a system which permits refugees in all parts of the world freely to apply for admission to the U.S. and to have their applications fairly considered.

In addition to the refugees we propose to admit into the U.S. from abroad, the Act also authorizes an adjustment to permanent resident status of up to 2,500 persons in the United States who have been granted political asylum. These 2,500 would bring to 234,200 the total number of refugee admissions and adjustments for this year.

The cost to the federal government of processing, transporting, and initially resettling these refugees in the United States will be approximately $267 million for fiscal year 1980. We estimate that domestic assistance—funded through the Department of Health, Education and Welfare—will cost an additional $243 million. A number of other federal agencies will incur lesser expenses for providing services to these refugees.

It is important to note that the private sector, particularly voluntary agencies, contribute generously to refugee resettlement programs. Our ability to work closely with dedicated private organizations and individuals has helped to make resettlement a remarkably effective process.

The U.S. Coordinator for Refugee Affairs will be working with the Departments of State, Justice, and Health, Education and Welfare—and with the Congress—to refine the admissions criteria and procedures needed to implement the new Act.

Mr. Chairman, the refugee admissions I have discussed constitute a major commitment by our government and by the American people. Helping these persecuted and uprooted persons begin new lives in our country will require the creative use of limited resources. But I am confident that our nation, which provided a new life for our forefathers, will faithfully uphold this humanitarian tradition and meet this challenge.

UNITED STATES COORDINATOR
FOR REFUGEE AFFAIRS,
Washington, D.C., April 16, 1980.

Hon. EDWARD M. KENNEDY,
Chairman, Committee on the Judiciary, U.S. Senate.

DEAR MR. CHAIRMAN: The President has asked me to initiate the consultation process required in the Refugee Act of 1980 on refugee admissions levels and allocations for Fiscal Year 1980. In anticipation of Secretary Vance's appearance before your Committee on April 17, I am pleased to transmit the information required by the Act on the Administration's proposal to admit up to 231,700 refugees for permanent resettlement in the United States during Fiscal Year 1980. This projected level of admissions includes the up to 3,500 Cubans about whom telephonic consultations were undertaken with an appropriate member of your staff last week, while the Congress was in recess.

Included in this package is a short appendix analyzing the conditions at the Peruvian Embassy in Havana which led to our decision to engage in emergency group admissions consultations in the event we had to move some of the Cubans to the United States before Congress reconvened. Secretary Vance and I look forward to providing you with additional information on this issue as part of the consultations process. Following the completion of the consultations, I will report back to the President with the views of the Committee concerning these proposals before he issues his final determination on the admissions levels and allocations for this year.

Sincerely,

VICTOR H. PALMIERI.

CONSULTATIONS ON THE ADMISSION OF REFUGEES

By the authority vested in me as President by the Constitution and laws of the United States of America, including the Refugee Act of 1980 (P.L. 96–212; 8 U.S.C. 1101 note), the Immigration and Nationality Act, as amended (8 U.S.C. 1101 *et seq.*), and Section 301 of Title 3 of the United States Code, it is hereby ordered as follows:

1–101. Exclusive of the functions otherwise delegated, or reserved to the President, by this Order, there are hereby delegated the following functions:

(a) To the Secretary of State and the Attorney General, or either of them, the functions of initiating and carrying out appropriate consultations with members of the Committees on the Judiciary of the Senate and of the House of Representatives for purposes of Section 101(a)(42)(B) and 208(a), (b), (d), and (e) of the Immigration and Nationality Act, as amended (8 U.S.C. 1101(a)(42)(B) and 1157(a), (b), (d), and (e)).

(b) To the United States Coordinator for Refugee Affairs, the functions of reporting and carrying on periodic discussions under sections 207(d)(1) of the Immigration and Nationality Act, as amended.

1–102. (a) The functions vested in the United States Coordinator for Refugee Affairs by Section 1–101(b) of this Order shall be carried out in consultation with the Secretary of State, the Attorney General, and the Secretary of Health, Education, and Welfare.

(b) The United States Coordinator shall notify the Committees on the Judiciary of the Senate and of the House of Representatives that the Secretary of State and the Attorney General, or either of them, wish to consult for the purposes of Section 207(a), (b), or (d) of the Immigration and Nationality Act, as amended. The United States Coordinator for Refugee Affairs shall, in accord with his responsibilities under Section 301 of the Refugee Act of 1980 (8 U.S.C 1525), prepare for those Committees the information required by 207(e) of the Immigration and Nationality Act, as amended.

1–103. There are reserved to the President the following functions under the Immigration and Nationality Act, as amended:

(a) To specify special circumstances for purposes of qualifying persons as refugees under Section 101(a)(42)(B).

(b) To make determinations under Sections 207(a)(1), 207(a)(2), 207(a)(3) and 207(b).

(c) To fix the number of refugees to be admitted under Section 207(b).

1–104. Except to the extent inconsistent with this Order, all actions previously taken pursuant to any function delegated or assigned by this Order shall be deemed to have been taken and authorized by this Order.

JIMMY CARTER.

THE WHITE HOUSE, *April 15, 1980.*

PROPOSED REFUGEE ADMISSIONS AND ALLOCATIONS FOR FISCAL YEAR 1980 IN ACCORDANCE WITH THE REFUGEE ACT OF 1980

SUMMARY

The attached report has been prepared for the Committees on the Judiciary of the House and the Senate in compliance with the requirements of the Refugee Act of 1980. The Act requires that the Committees be provided with information on the six areas of concern as follows:

(*1*) *Nature of the refugee situation*

During the past year, there have been significant increases in the numbers of refugees and displaced persons throughout the world, with estimates as high as 14 million. Although some crises are short lived because refugees are repatriated or resettled in place, situations in Southeast Asia, the Horn of Africa and Afghanistan suggest an ominous trend toward massive and long-term refugee problems. Large numbers of refugees impose economic and political strains on countries of first asylum and are a threat to peace in their respective regions.

(*2*) *Number and allocation of refugee admissions*

The proposed number and allocation of refugees to be admitted to the United States during Fiscal Year 1980 is as follows:

REFUGEE ADMISSIONS, FISCAL YEAR 1980

Area of origin	Approximate number admitted 1st half of fiscal year	Approximate number to be admitted remainder of fiscal year	Total number of admissions for fiscal year 1980
Asia			169, 200
Indochinese	84, 000	84, 000	(168, 000)
Other	600	600	(1, 200)
Soviet Union	18, 000	15, 000	33, 000
Eastern Europe	2, 000	3, 000	5, 000
Middle East	500	2, 000	2, 500
Latin America			17, 000
Cubans	9, 000	7, 000	(16, 000)
Other	64	936	(1, 000)
Africa	120	1, 380	1, 500
Subtotal	114, 284	113, 916	228, 200
Asylum status adjustments			2, 500
Total			230, 700

(*3*) *Proposed plans and cost of their movement and resettlement*

A framework for the selection, processing, transporation and resettlement of refugees is provided. We propose to give preference to refugees with ties to the United States, such as close relatives or past associations with the U.S. Government or American institutions, and to refugees without such ties who are of special humanitarian concern to the United States, such as political prisoners.

Resettlement assistance includes placement with sponsors, reception, and initial assistance and orientation by voluntary agencies. In addition, refugees are eligible for federally-funded assistance necessary to help them become self-sufficient in the shortest possible time, including language and vocational training and job placement. Needy refugees are also eligible for cash and medical assistance. Special services are provided to unaccompanied minors.

It is expected that the total cost of assistance to refugees being resettled in the United States during Fiscal Year 1980 will be approximately $1.05 billion.

(*4*) *Anticipated social, economic, and demographic impact of their admission to the United States*

Despite the difficulty that refugees have created in some parts of the country, we expect that they will make a positive contribution to the United States as have refugees before them.

(*5*) *Resettlement efforts of other countries*

Third country participation in the resettlement of refugees has been and is expected to continue to be substantial during Fiscal Year 1980. Of the 736,025 Indochinese refugees resettled, 432,749 have been admitted to countries other than the United States, including 254,345 resettled by the People's Republic of China. Africa and Latin America have resettled most of their refugees within their own regions. Canada, Western Europe, and Scandinavian countries, Australia, New Zealand and Israel have accepted significant numbers of refugees from other regions.

(*6*) *Impact of refugee resettlement on foreign policy*

The acceptance of refugees for resettlement in United States is of critical importance in furthering U.S. humanitarian as well as political and strategic objectives in the world.

(*1*) *A description of the nature of the refugee situation*

Over the past year, there have been significant increases in the numbers of refugees and displaced persons throughout the world. The total number is estimated to be as high as 14 million. Civil strife, armed conflict, and human rights violations, including persecution on ethnic, religious, racial and political grounds are among the primary causes for the continued growth of the world refugee population.

Refugee problems affect every continent. Although some crises are short-lived because refugees can be repatriated or resettled in place, recent developments in Southeast Asia, the Horn of Africa and Afghanistan suggest an ominous trend toward massive and long-term refugee problems.

Large numbers of refugees impose serious economic strains on countries of first asylum; they have a destabilizing impact on the internal political, social and ethnic balance of their societies; and they are a threat to peace and stability in their respective regions. Refugees seeking a place to live have resettlement needs which must be shared by the international community. We are prepared to offer resettlement opportunities consistent with our long history of humanitarian concern.

For further details on the worldwide refugee situation see the "Overview of the World Refugee Situation," Section H.

(*2*) *Number and allocation of the refugees to be admitted and conditions in their countries of origin*

In response to urgent humanitarian needs and foreign policy concerns, it is proposed to admit 228,200 refugees to the United States during Fiscal Year 1980 and to adjust the status of up to 2,500 persons granted asylum in the United States in earlier years, pursuant to Title II, Section 209(b) of the Refugee Act of 1980.

The 228,200 admissions include approximately 114,284 refugees already admitted during the first half of the fiscal year. Admission of Soviet and Indonese refugees at levels described were approved in Congressional consultations in October and December. For the second half of Fiscal Year 1980, the numbers and allocations have been adjusted to reflect the provision of the Refugee Act of 1980.

The table which follows provides a breakdown of the proposed total:

REFUGEE ADMISSIONS, FISCAL YEAR 1980

Area of origin	Approximate number admitted 1st half of fiscal year	Approximate number to be admitted remainder of fiscal year	Total number of admissions for fiscal year 1980
Asia			169,200
Indochinese	84,000	84,000	(168,000)
Other	600	600	(1,200)
Soviet Union	18,000	15,000	33,000
Eastern Europe	2,000	3,000	5,000
Middle East	500	2,000	2,500
Latin America			17,000
Cubans	9,000	7,000	16,000
Other	64	936	1,000
Africa	120	1,380	1,500
Subtotal	114,284	113,916	228,200
Asylum status adjustments			2,500
Total			230,700

ASIA

The proposed number of admissions from Asia for Fiscal Year 1980 is 169,200. Of this number, 168,000 will be refugees from Indochina and 1,200 will be other refugees from Asia.

Under the parole authority vested in the Attorney General by Section 212(d)(5) of the Immigration and Nationality Act (INA) prior to its amendment by Section 203(f)(3) of the Refugee Act of 1980, approximately 84,000 Indochinese were admitted during the first half of Fiscal Year 1980. The total number of Indochinese refugees who were accepted in the United States under parole or other provisions of the INA during the five years since the collapse of the former governments of South Vietnam, Laos and Cambodia was 332,000 as of March 31, 1980. The admissions projected for the remainder of Fiscal Year 1980 will bring the total to 416,000.

The current and proposed resettlement rate of 14,000 Indochinese a month is in keeping with President Carter's announcement at the Tokyo economic summit on June 28, 1979, that the United States intended to double its resettlement of Indochinese in response to the crisis in Southeast Asia caused by mounting arrivals of refugees by land and especially by boat in countries of first asylum where refugee camps were already overflowing.

At that time, nearly 360,000 refugees were living in crowded, unsanitary sites on the periphery of the South China Sea or in a string of camps running along the Thai border. The plight of the boat refugees and their impact on first asylum countries in the spring of 1979 attracted worldwide attention and galvanized the international community. United Nations Secretary General Waldheim convened a meeting in Geneva on July 20–21, 1979 to deal with the crisis. Following the U.S. decision to double Indochinese refugee resettlement, many nations pledged additional resettlement offers. As a result, since September, the monthly departures of refugees from the camps to permanent homes increased to an average of 25,000 a month. At the same time, the arrivals of refugees dropped sharply after the Socialist Republic of Vietnam (SRV) indicated at the Geneva meeting that it would suspend its program of forced departures of its unwanted ethnic Chinese minority and control the clandestine escapes of ethnic Vietnamese.

There are presently 230,000 boat and overland refugees in first asylum countries: 120,000 from Laos, 100,000 from Vietnam, and 10,000 from Kampuchea. Food shortages and civil war have driven another 150,000 Khmer into Thai holding centers since October, but the Thai Government has not granted refugee status to these "new Khmer" for fear that they would be added to the rolls of the 140,000 Indochinese who have been in Thailand for years awaiting resettlement. Clustered along the Thai-Kampuchean border are hundreds of thousands of Khmer seeking food and a haven from the fighting consequent to the Vietnamese invasion.

An estimated 20,000 of the 150,000 new Khmer in Thai holding centers have close ties with the United States by virtue of family connection or former employment. It is necessary, however, to proceed cautiously in dealing with this problem because of Thailand's concerns regarding the status of these people and the possibility of movements of additional Khmer to and over the border. Even though the Southeast Asian camp populations have been reduced by approximately 130,000 since last summer, the number of those remaining in camps is unacceptably high to first asylum countries and must be further and steadily reduced if new arrivals are not to be turned back to sea or forcibly repatriated.

New Indochinese refugee flows are inevitable. Armed forces of the governments of Laos and of Vietnam are harassing Hmong and other hill tribespeople of Laos. Those who have not yet abandoned their traditional way of life and been relocated in rigidly controlled areas have been subjected to air, artillery, and infantry attacks, and according to repeated refugee claims, chemical warfare. Ethnic Lao, both farmers and tradespeople, are severely taxed and deprived of political liberty. From five to six thousand Hmong and Lao move into Thailand each month. The Hmong survivors, who make up half of that number, often show evidence of brutal attacks, the severity of which suggests that Pathet Lao and Vietnamese are retaliating for previous associations of the Hmong with the United States.

The SRV also continues to penalize those associated with the former government of the Republic of Vietnam and is especially repressive to ethnic Chinese. Those who previously were members of the middle class are subjected to economic persecution. Political liberties are almost nonexistent for the entire society. The war in Kampuchea and the confrontation with the People's Republic of China (PRC) have compounded the food production problems of the SRV. Military recruitment to support aggression in Kampuchea has increased the incentives for escape from what is an ever more rigid totalitarian state. Even with the SRV's moratorium on forced departures and the intensified surveillance against covert escapes, the number of boat refugees has averaged approximately 3,000 a month during the first half of Fiscal Year 1980.

Moreover, Vietnamese authorities have made it quite clear in exchanges with other countries that the moratorium on the expulsion of its unwanted citizens will not be sustained unless resettlement countries accept people directly from Ho Chi Minh City in addition to those who qualify under the normal immigration procedures of those countries. Renewal of the officially sponsored expulsion program by the Vietnamese authorities, which refugee reports indicate could be reinstituted very rapidly, would subject people to lifethreatening circumstances if first-asylum countries were to shut their doors and reject a large proportion of new arrivals, as they did last year.

The 14,000 monthly admissions of Indochinese are drawn from the refugee populations in all the first-asylum countries and will also be drawn from Vietnam as soon as the SRV permits persons who qualify for admission to the United States to leave that country. Section 201 of the Refugee Act of 1980 states that the President, after appropriate consultation with members of the Judiciary Committees of the Senate and the House of Representatives, may specify for special circumstances that a person within the country of his nationality is a refugee. Accordingly, following these consultations, the President plans to specify that persons in Vietnam who otherwise qualify for admission to the United States under the Refugee Act of 1980 are refugees of special concern to the United States.

The decision concerning the allocation of movements from individual first-asylum countries is based on several factors including the rate of flow of new arrivals into specific countries, the composition of that flow in terms of our criteria for selection based on links to the United States, and the political situations and refugee policies in those countries. Presently, more than half of our monthly refugees intake is drawn from Thailand. Hmong, Lao, and Khmer overland refugees now constitute approximately 50 percent of the monthly admissions to the United States, and Vietnamese nationals make up the remainder. No fixed proportions can or should be set, however, because of the uncertainties of the situation.

In addition to Indochinese, we propose that the United States admit up to 1,200 other Asian refugees who will seek and qualify for admission to the United States during Fiscal Year 1980. Of this number, 600 have already been admitted during the first half of Fiscal Year 1980. Many of these refugees are expected to be ethnic Chinese who have escaped from China. This is a continuation of the previous program of admitting Chinese under conditional entry (Seventh Preference).

SOVIET UNION

The proposed number of refugees to be admitted from the Soviet Union for Fiscal Year 1980 is 33,000. Approximately 18,000 Soviet refugees have been admitted during the first half of Fiscal Year 1980.

Refugees coming from the Soviet Union are expected to continue to be primarily Soviet Jews, with Armenians making up most of the non-Jewish arrivals. Last year over 50,000 refugees left the USSR of whom some 60 percent came to the United States and 30 percent resettled in Israel. Of the remaining 10 percent, most resettled in Australia, Canada, New Zealand and Western Europe. Although it is not possible to predict the absolute number of Soviet refugees for Fiscal Year 1980, we expect the previous pattern of distribution to continue.

The United States has had a special concern for Soviet Jewish refugees since World War II which has been reinforced by Congressional action and by the establishment of the President's Commission on the Holocaust. Jews now leave the USSR because they are subject to severe discrimination by the Soviet authorities. Some of these refugees also leave in order to be reunited with relatives in the United States.

The estimates for admissions of Soviet refugees in Fiscal Year 1980 reflect a downturn in recent months in the number of Jews permitted to depart the Soviet Union. In order to do justice to the needs of an increasing number of refugees worldwide, we must base our projections on current perceived trends. We, of course, deplore restrictions by Soviet authorities which have led to the downturn in the number of Jews permitted to leave the USSR. Should there be an increase in the numbers of Soviet Jews seeking admission to the United States, we are prepared to consult with the Congress on additional refugee admissions numbers and, if necessary, seek additional funds.

In addition to Soviet Jews, there are Armenians and other Christians who have suffered discrimination in the Soviet Union and have aroused the special interest of members of various religious denominations in the United States. Armenians have had a particularly difficult time since their return to the Soviet Union after World War II. The discrimination which Armenians and members of certain other Christian groups face and their strong desire for family reunification make these refugees of special humanitarian concern to the United States.

EASTERN EUROPE

The proposed number of refugees to be admitted from Eastern Europe for Fiscal Year 1980 is 5,000. Approximately 2,000 have been admitted during the first half of Fiscal Year 1980. Based on Fiscal Year 1979 movements, an estimated 10,000 refugees will leave for the West from communist-dominated countries of Eastern Europe other than the Soviet Union during Fiscal Year 1980.

Romanians are the largest Eastern European group expected to be admitted into the United States during this period. Under a special Third-Country-Processing (TCP) program, Romanians seeking reunification with relatives in the United States are pre-screened by our Embassy in Bucharest, and subsequently travel to Rome for final documentation by the Immigration and Naturalization Service (INS). The TCP program was initiated early in 1975 and has steadily increased in volume to reach the current rate of 1,200 persons per year. Additional Romanians fleeing their country are processed in Western Europe for third country resettlement, and many of them come to the United States.

In view of the emigration provisions of the Jackson-Vanik Amendment to the Trade Act of 1974 under which Romania was granted Most Favored Nation tariff treatment, we anticipate that the Romanian authorities will permit a steady flow of refugees. If the level of Romanian refugee cases increases, we will consult with the Congress on additional refugee admissions numbers and funding if necessary.

Other Eastern European refugees—the majority from Czechoslovakia, Poland and Hungary, and lesser numbers from Bulgaria and Albania—find their way to countries in Western Europe which offer them temporary asylum. If patterns of previous years persist, about half of these Eastern European refugees will remain in Western Europe or emigrate to Canada or Australia. The other half will apply for admission to the United States.

Eastern European refugees are of special humanitarian concern to the United States principally because of the oppression they have suffered under communism. In addition, many of them have relatives in the United States.

MIDDLE EAST

The proposed number of refugees to be admitted from the Middle East for Fiscal Year 1980 is 2,500. Approximately 500 have been admitted during the first half of Fiscal Year 1980.

The present situation in the Middle East—defined here as extending from the Indian sub-continent to the Mediterranean, and along the North African littoral—is such that it is difficult and impractical to break down refugee allocations by separate groups for the remainder of Fiscal Year 1980. Consequently, the proposed 2,500 refugee admissions will be allocated among the groups noted below depending on circumstances of concern to the United States.

Some 2,000 Assyrians, Christians who left Iraq during the past few years claiming persecution, are temporarily in Greece where they have applied to the INS for admission into this country as refugees. Many persons in this group have relatives in the Assyrian-American communities of Chicago, Detroit, Los Angeles and Hartford. Representatives of these communities support the claims of the Iraqi Assyrians that they were subject to persecution in Iraq. It is difficult to confirm these claims at this time. Nevertheless, during Fiscal Year 1980, we propose to admit a certain number of Assyrian-Christians, principally those who can demonstrate family reunification objectives in coming to the United States, and who can meet the requirements of the law for admission as refugees.

Another Middle Eastern group of special concern to the United States consists of 30,000 Iraqi Kurds who fled to Iran and remained there after the collapse of the Kurdish revolt in Iraq in 1975. We have identified a group of approximately 700 Kurds whose close family members were admitted to the United States in 1976 and 1977. If the United Nations High Commissioner (UNHCR) is able to arrange for the movement of any of these Kurds from Iran, we are prepared to accept them if they otherwise qualify.

Uncertainty over the future of Iran has begun to generate a significant number of applications at our posts in Europe from Iranians seeking admission into the United States as refugees. Although conditions of persecution affecting Jews, Bahais, Armenians and other Iranians are unclear at present, members of these various Iranian groups are fearful of persecution should they return to Iran. We would consider, as part of the total of 2,500, the admission of a certain number of Iranians who could demonstrate compelling humanitarian reasons for admission to the United States and who could otherwise qualify as refugees under the law.

Conditions in Afghanistan are generating increasing numbers of Afghan refugees, many of whom are seeking admission to the United States. We propose to admit a certain number who have been persecuted, or have a justified fear of persecution, and who wish to be reunited with family members and can otherwise qualify as refugees under the law.

LATIN AMERICA

The proposed number of refugees to be admitted from Latin America during Fiscal Year 1980 includes 16,000 Cubans and 1,000 other Latin Americans. Approximately 9,000 Cubans and 64 other Latin Americans entered the United States during the first half of Fiscal Year 1980.

Most refugee admissions to the United States from Latin America historically have come from Cuba. During the 1960's and early 1970's, the United States followed a policy of accepting Cuban citizens fleeing their homeland as refugees. Internal opposition to the Cuban Government resulted in the arrest and sentencing of tens of thousands of Cubans for political reasons. Since 1959, almost one million Cubans fled their homeland, and nearly 800,000 of them were resettled in the United States.

In the early 1970's, however, the Government of Cuba placed severe restrictions on the number of its citizens allowed to leave the island. This lasted until late 1978 when the Government of Cuba instituted a more liberal immigration policy and agreed to release several thousand political prisoners being held in Cuban jails. The Cuban Government also began to issue exit permits to political prisoners previously released from Cuban jails. In terms of actual departures from Cuba, the effect of the new Cuban policy was not felt until the second quarter of Fiscal Year 1979.

In Fiscal Year 1980 we propose to admit 16,000 Cuban refugees for resettlement in the United States. Of this number, approximately 12,000 will be former political prisoners and family members and approximately 4,000 will be family reunification cases.

We estimate that during Fiscal Year 1980 some 17,000 former political prisoners and family members will apply for entry into the United States. Of this number, 2,500 will qualify for immigrant visas. The remainder (14,500) will apply for admission as refugees. Of this number 12,000 will be admitted as refugees during Fiscal Year 1980. Of the remaining 2,500, some will go to other countries; the balance, mostly applicants in the latter part of the year, will be processed in Fiscal Year 1981. Most of the 4,000 family reunification cases admitted during the first half of Fiscal Year 1980 entered the United States from Spain under the conditional entry (Seventh Preference) provisions of the Immigration and Nationality Act.

Historically, the United States has also provided a haven from persecution to refugees from other Latin American countries. Prior to the 1970's, refuge was offered to those who qualified for political asylum in the United States. In recent years, in addition to providing asylum, we have implemented several refugee programs designed to offer permanent resettlement to small groups of qualified refugees. Since the summer of 1978, the Hemispheric "500" Program has assisted political detainees and other refugees from the area to enter the United States for resettlement. This program has issued certificates of eligibility in 239 cases, mostly political detainees in Argentina. The Government of Argentina, however, has failed to allow the departure of the great majority of these individuals. To date, only 80 individuals (40 of the 239 certified cases) have traveled to the United States. The others have a commitment from the United States to allow them to resettle here. They are waiting for exit permits from their governments.

During Fiscal Year 1980, we propose to admit up to 1,000 Latin American refugees, in addition to Cubans, for resettlement in the United States. Included in this figure are 650 individuals already approved through the Hemispheric "500" Parole Program. Their ability to move to the United States during Fiscal Year 1980 will depend on the willingness of their home governments to provide them with exit permits.

In admitting Latin American refugees, the United States is upholding its long-standing humanitarian tradition of offering a haven to residents of the Western Hemisphere.

HAITI

We are not proposing to admit any Haitians as refugees because we do not expect that a significant number of those outside the United States will meet the eligibility requirement of the Refugee Act definition and demonstrate that they are subject to political persecution in their homeland. Several thousand Haitians have applied for political asylum after arrival in this country, but to date only a few hundred have successfully shown that they are fleeing political persecution rather than economic hardship.

Nonetheless, we will continue our longstanding policy of examining on a case-by-case basis applications for political asylum from Haitians already in this country. We are fully committed to affording political asylum to all Haitians who qualify. We will also begin accepting applications from Haitians in third countries who wish to enter the United States as political refugees, and will examine each case on its merits. As with refugees from Latin America and elsewhere, we will consider admitting Haitians who are able to demonstrate that they are unable or unwilling to return to Haiti because of a well-founded fear of political persecution, that they have a close association with the United States, that they have no other resettlement opportunities, or that there are other humanitarian reasons for admitting them to the United States as refugees.

AFRICA

The proposed number of African refugees to be admitted during Fiscal Year 1980 is 1,500. Approximately 120 were admitted during the first half of Fiscal Year 1980 prior to the enactment of the Refugee Act of 1980.

Internal strife, international conflict and racial discrimination continue to generate large numbers of refugees from African countries. In 1979, the UNHCR estimated the number of refugees in Africa to be nearly two and one-half million. Other estimates of refugees and displaced persons in Africa are close to 4 million. African governments and people generally view the problem of refugees as their own responsibility and, for the most part, asylum for African refugees is provided within Africa. Thus, despite the increasing demands for outside financial assistance to care for refugees in Africa, to date there has been limited demand for resettlement of African refugees in countries outside Africa.

However, we expect a steadily growing number of applications for admission to the United States from Africans. Religious differences, political affiliations and racial considerations make it increasingly difficult for Africans to obtain asylum in neighboring countries. In addition, the Refugee Act will enable many more Africans to apply for admission to the United States as refugees. Prior to the enactment of the Refugee Act of 1980, most Africans were ineligible for admission. Eligibility was restricted to Africans fleeing communist-dominated countries or coming from that portion of the Horn of Africa defined by law as part of the Middle East.

Previous numbers of applicants did not accurately reflect African interest in resettlement in the United States because lack of access to U.S. processing centers made it difficult for most Africans to enter the application process.

The proposed admission levels for Africa are continent-wide rather than country-specific because of the volatile nature of African politics and the difficulty of foreseeing precisely which African countries will generate those who actually apply and qualify for refugee status during Fiscal Year 1980. Nonetheless, by far the largest number of Africans seeking admission to the United States is expected to continue to be Ethiopians. The number of Ethiopians admitted has increased as follows:

Year:	*Number admitted*
1976	14
1977	25
1978	154
1979	342

The voluntary agencies in Europe reported in January 1980 that 700 Ethiopians registered with them and estimated that another 1,400 unregistered Ethiopians in Europe are also seeking resettlement. In addition, an estimated 30 Ethiopians in Somalia, 570 in Djibouti, and 500 in the Sudan need third country resettlement opportunities and would qualify under existing U.S. refugee laws.

While as many as 3,200 Ethiopians may apply for admission to the United States as refugees, we believe that 1,200 is a realistic estimate of those who could qualify and be processed during the remainder of Fiscal Year 1980.

Most of the remaining refugee admissions numbers are expected to come from southern Africa where the United States has traditionally supported majority rule, stability and free institutions. We expect to receive applications from Africans from this region who have been persecuted or have a well-founded fear of persecution, should they return. Those who are of special concern to the United States because of family reunification, previous employment and/or educational ties to U.S. institutions and individuals would be given preference.

In addition to Ethiopia and southern Africa, other situations may develop in Africa which will create refugee issues of special humanitarian concern to the United States.

ASYLUM

During the second half of fiscal year 1980, pursuant to Title II Section 209(b) of the Act, we intend to permit the adjustment of status of up to 2,500 individuals who were granted asylum in the United States during past years. Making these numbers available will not increase the cost of the program, since these individuals are already in the United States and are permitted to stay under the terms of the UN Protocol Relating to the Status of Refugees. Adjustment simply frees them of the uncertainties of asylum or parole status by granting them permanent resident alien status. Because adjustment in this fashion was not available until enactment of the Refugee Act, it is not possible to predict the likely number of applicants. If fewer than 2,500 applications for adjustment of status are received, the additional numbers will lapse at the end of the fiscal year.

(3A) *Proposed plans for their movement and resettlement*

The Refugee Act of 1980 provides a comprehensive and flexible framework for refugee admissions that will make it possible for the United States to respond quickly and effectively to situations where compelling humanitarian and foreign policy concerns warrant moving refugees from first-asylum countries (and in some cases from their country of nationality) to the United States for resettlement. Because the Refugee Act eliminates the previous geographical and ideological criteria for admission, it will also enable a much larger pool of people to apply for refugee admission than were previously eligible. Given the expected number of applicants from around the world and the limit on our resources for absorbing refugees in this country, we must now develop criteria for assigning priority to applicants from groups determined to be of special humanitarian concern to the United States.

The U.S. Coordinator for Refugee Affairs will be working closely with the Secretary of State and the Attorney General to develop such criteria and other procedures necessary to implement the Refugee Act. That Act defines a refugee as a person who is persecuted or has a well founded fear of persecution on account of race, religion, nationality, membership in a particular social group or political opinion.

In admitting such persons to the United States, we expect to give preference to refugees with ties to the United States through close relatives, past employment with the U.S. Government or U.S. institutions (including training in the United States), and involvement in programs and policies supported by the U.S. Government, and to refugees who do not have such ties but who are of special humanitarian concern to the United States such as former or current political prisoners.

We welcome Congressional views on such criteria and ways to ease the transition to a more equitable and rational admissions system. It will clearly take a great deal of time and careful consideration before new procedures can be put into effect. In the meantime, our policies may reflect as much historical precedence as the spirit of the new Refugee Act. Thus, differences in admissions levels and the processing of applicants from various parts of the world do not necessarily indicate the importance we attribute to particular regions or groups of people. Although we hope to move toward a more equitable geographic distribution of refugee admission numbers, we must maintain the flexibility to respond to changing refugee needs and compelling national interests in specific areas.

In tandem with our efforts to develop a more rational and equitable admissions system, we will be intensifying our efforts to seek international solutions to the political causes as well as the humanitarian consequences of refugee problems.

While we are prepared to continue taking the lead in supporting multilateral refugee relief and resettlement efforts, we believe it is imperative for other countries to do their share as well. We would hope that universal support for the principles of burden-sharing would lessen the need for the kind of massive U.S. refugee assistance we foresee for the near future. We would also hope that respect for fundamental human rights would allow people to remain in their homelands, rather than feel obliged to seek asylum elsewhere.

Although we anticipate that most refugees will be processed at the Immigration and Naturalization Service (INS) ports which have traditionally prepared refugees for movement to the United States, we do not exclude the possibility that some refugees may be processed at newly established INS posts or by State Department officers.

The following sections describe plans for selecting refugees from various parts of the world, transporting them to the United States, and assisting their resettlement in this country. Under the Refugee Act, all refugees, regardless of country of origin, will be eligible for those basic services which help them become self-supporting and contributing members of society as soon as possible. In the past, these services were developed primarily with the Indochinese and Cubans in mind. The programs described in the section on the Indochinese will be accessible to all other refugees, with the exception of a few Indochinese-specific programs including educational aid to school districts with large concentrations of Indochinese children.

SOVIET AND EASTERN EUROPEAN REFUGEES

The majority of Soviet refugees leave the Soviet Union and enter the West by rail into Austria where those who wish to resettle permanently in Israel are processed by the Jewish Agency for Israel. The remainder are registered by several voluntary refugee agencies under contract to the United States Department of State. Refugees then go by rail to Rome, Italy, where they are maintained at less expense and are processed for admission to other Western countries, principally the United States. After the documentation process is completed, the Intergovernmental Committee on European Migration (ICEM) arranges for their flight to the United States.

Other refugees from the Soviet Union, principally Armenians, are usually preprocessed by our Embassy in Moscow. They fly to Rome at their own expense, where the final steps in documentation are completed by INS. After a short stay, these refugees are flown to the United States by ICEM.

Eastern European refugees are divided into two groups. Those persons in the Romanian

Third Country Processing (TCP) group are pre-processed in the Embassy at Bucharest, and then fly at their own expense to Rome for a very short period of final processing by INS, after which ICEM moves them to the United States.

The other group consists of refugees leaving other Eastern European countries without the permission of their governments to emigrate. They are received in refugee camps in the countries of first asylum in Western Europe, principally Austria, Italy, the Federal Republic of Germany, Greece, and France. When accepted in those countries for first asylum, the refugees are registered by one of the various voluntary agencies which can be most helpful in getting a permanent resettlement opportunity for the particular individual or family as quickly as possible. After such a settlement is developed and admission documentation is completed, those refugees who have selected the United States for admission and have been found to qualify are flown to the United States by ICEM.

The policy of the United States has been to accept all Soviet and Eastern European refugees who wish to come to this country, subject to eligibility under the law. The Administration proposes to continue this policy. Should more Soviet and Eastern European refugees apply for admission to the United States than the proposed allocation of admissions numbers, the Administration would expect to consult with the Congress concerning additional refugee admissions and supplemental funding.

The INS officers determines the acceptance of all Soviet and Eastern European refugees.

REFUGEES FROM THE MIDDLE EAST

Refugees from the Middle East who reach INS processing posts in Western Europe, i.e., Rome, Vienna, Athens, and Frankfurt, are permitted to remain in the country of first asylum, usually on the assumption that they will be resettled elsewhere. They usually establish contact with a voluntary agency of their choice and in some cases are assisted by the country of first asylum and an international relief organization. Some refugees accepted for resettlement have paid for their own transportation to the United States.

Our policy has been to accept those refugees from the Middle East who have demonstrated that they have suffered persecution or fear of persecution. At posts where INS officers are located, they will continue to determine the acceptance of refugees from this region.

CUBAN AND OTHER LATIN AMERICAN REFUGEES

The Cuban refugee program is primarily concerned with the admission for resettlement in the United States of current and former political prisoners and their families. This group will be given first priority and will be moved directly from Havana to Miami, as provided in Title II Section 201 (b) of the Refugee Act of 1980.

Within this group, preference will be given to those individuals and their families who served the longest prison terms. Second priority will be given to a limited number of family reunification cases of extreme humanitarian concern. These latter cases will be processed on a case-by-case basis and be judged on their own merits by INS. For those Cuban refugees who fled to Spain, a third priority will be created, allowing individuals who do not qualify under the first two preferences to enter the United States and be processed in Spain on a first-come-first-served basis before entering the United States. Except for cases of extreme emergency we do not plan to process Cuban refugees in any other country.

Transportation for the movement of most Cuban refugees being resettled in the United States is paid by the Cuban-American community, either through organizations or individuals assisting their families and friends. In some cases, primarily those arising in Spain, ICEM has provided travel loans to individual Cuban refugees. In the second half of Fiscal Year 1980, the United States will, if necessary, support the movement of 5,500 Cuban refugees from Havana to Miami, plus an additional 1,500 Cubans who will arrive from Spain. The bulk of Cuban resettlement takes place in the Miami area although, over time, as many as half of the newly arrived refugees move to other areas of the country. Domestic resettlement assistance is provided through the Cuban refugee program funded and operated by HEW.

Resettlement of these refugees in the southern Florida area may, at times, present short-term problems, e.g. housing, but the absorptive capacity of the Cuban community in southern Florida, numbering between 500,000 and 600,000 out of a total population of 3.0 to 3.2 million people, has traditionally succeeded in facilitating the integration of new arrivals into the local society and economy.

With regard to other Latin American refugees, first priority will be given to political prisoners (or detainees) and their families. Second priority will be given to Latin American refugees under UNHCR protection. Third priority will be given to humanitarian family reunification cases. Cases in both first and third priorities will usually be processed as provided in Title II Section 207(b) of the Act. Within each priority, the cases will be processed on a first-come-first-served basis.

The movement of these refugees will be carried out individually and, to the extent possible, financed by their own funds. In cases where financial assistance for the movement is necessary, support from ICEM is secured on a loan basis. Domestic voluntary agencies will assist in the resettlement of these individuals.

AFRICAN REFUGEES

In admitting refugees from Africa to the United States, the following criteria will be considered in assigning priority to applicants who otherwise meet the requirements of U.S. law:

First priority will be given to reuniting nuclear families;

Second priority will be given to persons who have had close links to the United States Government or private American institutions.

In limited cases, we will consider applications from those who are faced with compelling humanitarian reasons to seek resettlement elsewhere.

Since this is essentially a new program, we have not yet worked out the procedures for transporting African refugees to the United States. We expect that those who apply for refugee admission from INS posts in Europe will be processed and transported in a similar way as other refugees processed in those posts.

INDOCHINESE REFUGEES

The current and proposed methods of selecting Indochinese refugees to be admitted to the United States from first asylum camps and directly from Vietnam are based on two principal considerations: (1) life-threatening factors related to circumstances in which a particular refugee group finds itself; and (2) priority standing under established admission criteria.

As a first step, a determination is made of the number of refugees to be admitted from each of the first asylum countries, which include Thailand, Malaysia, Indonesia, the Philippines, Singapore, and Hong Kong, and directly from Vietnam. Quotas for each country are based on the refugee population of the country of first asylum, the resettlement programs of other countries, the proportion of refugees in the asylum country qualifying for high priority status under U.S. program criteria and political factors within the country and the region including those affecting the status and safety of the refugees.

In the spring and summer of 1979, Malaysia and Indonesia were given higher quotas because of the heavy flow of boat refugees into those countries. More recently, the quota for Thailand, with its growing number of land refugees, has been increased because of a significantly lighter flow out of Vietnam by boat and a larger number of land refugees in Thailand. Country quotas are regularly reviewed and adjusted. While we expect to adhere to the above principles during the remaining period covered by this consultation, we believe that an advanced U.S. commitment to specific country quotas would be unwise.

Within the quota established for any first asylum country, priority in the selection of refugees to be admitted from that country is based on U.S. program criteria. These criteria are as follows: Category I consists of close relatives of people residing in the United States; Category II includes former U.S. Government employees; Category III is made up of persons with a former close association with the United States; and Category IV includes more distant relatives of people residing in the U.S., and on humanitarian grounds, others not resettled elsewhere. Those in Categories III and IV generally cannot be considered if they have been offered resettlement opportunities in countries other than the United States. The criteria to be used in admitting refugees directly from Vietnam will similarly include close relatives, former U.S. Government employees, and other persons formerly closely associated with the United States.

In order to select those refugees from the larger groups who are eligible for inclusion in the U.S. program, a full screening of all refugees seeking admission to the United States is conducted. The preliminary screening is undertaken by voluntary agency personnel under contract to the U.S. Government for this purpose. In each major location where such processing takes place, one of the resettlement agencies is called upon to fulfill the role of the Joint Voluntary Agency Representative (JVR). The agency so designated:

Provides support to the U.S. Government refugee coordinator in the screening and processing of refugees;

Serves as the link between the field and the American Council of Voluntary Agencies (ACVA) for the coordination of sponsorship assurances; and

Serves as the joint representative for all resettlement agencies in responding to individual case inquiries or other matters of interest to the resettlement agencies at the location in question.

The JVRs in major first asylum countries are:

Church World Service in Malaysia

American Council for Nationalities Service in Indonesia

U.S. Catholic Conference in Singapore and in the Philippines

Lutheran Immigration and Refugee Service in Hong Kong

International Rescue Committee in Thailand

The JVR staff interviews interested refugees and compiles biographic information which leads to a preliminary classification of the refugee into one of the program categories. Parallel activities are undertaken at this time, such as security checks, and U.S. relative and former U.S. Government employment verifications. As files near completion, a U.S. refugee officer from the Department of State reviews them to determine the categories of the refugees and to resolve outstanding questions, whereupon the refugees are interviewed by an (INS) officer and approved or rejected for admission into the U.S. program. Files on approved refugees are then sent to the voluntary agencies for sponsorship assurances. Such assurances are in turn provided to the refugee office overseas.

Many refugees now coming to the United States already have contacts here; the voluntary agencies have estimates that up to eighty percent of arriving refugees have friends or relatives already in the United States. The practice of the voluntary agencies has been to seek a sponsor in the location where such a friend or relative resides on the assumption that the refugee would, in any case, choose to go to that location. If refugees were to go elsewhere, experience has shown that they often would remain only temporarily before proceeding to join friends or relatives, leaving behind a disappointed sponsor and wasted resettlement resources.

When the sponsorship assurance is received by the JVR in the country of first asylum, the case is turned over to the local staff of ICEM, which has a contract with the Department of State to provide outprocessing and transportation services. Such services include health screening to determine whether a refugee will be allowed to immigrate to this country. Currently refugees are screened for medical conditions which, under immigration law, may prevent them from immigrating to this country. The Center for Disease Control (CDC) of the U.S. Public Health Service, oversees the health screening procedures used by ICEM. Once medically cleared overseas, refugees travel to the United States carrying their medical records, which include chest x-rays. All refugees receive a visual inspection and medical records review at U.S. ports of entry by CDC quarantine officers. If necessary, refugees may be quarantined or assisted in gaining access to emergency medical treatment as required. CDC provides state and local health departments with prompt notification of refugees arriving within their area of jurisdiction.

ICEM arranges for the travel of refugees to the United States. This is accomplished through the booking of block commercial space at the ICEM rate which is normally 50 percent of the economy fare, and through the booking of refugee charter flights. Because of the requirement to compensate charters for out-bound flight time, the per capita costs are significantly higher in the case of refugee charters. It has proved possible, however, to use some of these outbound flights for personnel and supplies involved in relief programs, particularly the Kampuchean relief effort.

Refugees arriving by commercial flights are often booked straight through to the airport nearest their sponsor's location. In the case of charters, flights are booked through Travis Air Force Base near San Francisco, and overnight accommodations are available as required in barracks at the former Hamilton Air Force Base in the same area which have been made available to the refugee program. Both ICEM and the individual voluntary agencies provide some assistance to the refugees in transit at ports of entry, including the provision of warm clothing when necessary, onward bookings, and overnight accommodations where required.

When the refugees arrive at their resettlement location, they are met by the voluntary resettlement agency responsible for their reception, placement, and initial resettlement assistance. For Fiscal Year 1980, the State Department provides a $500 per capita grant to the resettlement agency to assist in meeting the expenses involved in such services. The Department of State has recently negotiated new grant agreements with the resettlement agencies which define the basic minimum services which the resettlement agencies are expected to make available to the refugees other uses to which the grant funds can be put. While these new grant agreements have not yet been signed and certain technical negotiations are still under way, the agencies have acknowledged their basic agreement in principle services which include pre-arrival services, reception, counseling and referral, consultation with public agencies, and assistance to unaccompanied minors.

In the public sector, the lead Federal agency in domestic resettlement is the Department of Health, Education, and Welfare (HEW), which administers almost all assistance programs for refugees. Before the passage of the new Refugee Act, HEW reorganized and strengthened its Office of Refugee Resettlement, with the Director reporting directly to the Under Secretary and the Secretary. In the regions, refugee programs report directly to the principal HEW regional officials.

HEW's programs and government refugee policies are designed to help refugees become economically self-sufficient in the shortest possible time.

The Department's refugee programs include: Cash Assistance—

In order to receive income assistance, refugees must meet the same income and resource eligibility requirements as nonrefugees in their state of residence. Like other residents, they are limited to the usual level of resources permitted (bank accounts, personal property, real estate, etc.) and to the level of income specified by each state.

Like other residents, refugees receiving cash assistance must register with state or local employment services and agree to accept jobs which they are capable of performing. Refusal to accept suitable work or training can result in termination of a refugee's eligibility for cash assistance.

Some state and localities do not provide cash assistance to non-refugee adults without minor children, or to non-refugee families with employable males as the heads of household. The Federal Government has waived these restrictions in the case of refugees on grounds that to do otherwise could promote the dissolution of newly arrived or reunited refugee families, could place a burden on local charitable resources, or could encourage secondary migration to areas having more comprehensive assistance and programs. The waiver does not place added burdens on local or state resources since cash assistance is 100 percent federally funded.

Medical Assistance.—Like U.S. residents, refugees who receive cash assistance are automatically eligible for medical assistance. Refugees who do not receive cash assistance are nonetheless eligible for medical assistance if they meet the income and resource limitations which apply in the state's Medicaid medical assistance program. Additionally, like other residents, some refugees whose incomes are above the medical assistance standard may be eligible if their medical expenses are so high that, after such expenses are deducted, the refugee's net income meets cash assistance eligibility standards. This is called the "spend-down" provision.

Largely because of hardships encountered in fleeing their homelands, or as the result of lengthy confinements in refugee camps, refugees tend to have more health problems than the U.S. population in general. Ensuring refugees adequate health care early can save health care dollars over the long term, while assisting the refugees in reaching economic self-sufficiency as soon as possible.

Social Services.—Like U.S. residents, refugees who meet income and resources criteria are eligible for the broad range of social services offered under Title XX of the Social Security Act. However, because the comprehensive service plans required of states under Title XX do not always cover services which refugees urgently need—such as English language training—HEW's Office of Refugee Resettlement also funds "refugee-specific" social services. These usually are provided by state purchase of service agreements with local service provider agencies. In addition to language training, these projects offer a wide array of services, including skills training, job counseling, information and referral, and social adjustment services, designed to help refugees become fully productive residents in the United States as quickly as possible.

Special Projects.—HEW's Office of Refugees Resettlement has also funded, through competitive special project grants, a variety of language instruction, skills training and mental health projects specifically designed to help Southeast Asian refugees gain self-sufficiency. More than half of the grants have been awarded to non-profit, private resettlement and social service agencies.

In Fiscal Year 1980, the Office of Refugee Resettlement will fund national coordinating services to support different phases of resettlement, including:

English as a Second Language (ESL), technical assistance and clearing house services;

Information for state and local governments,

Capacity building for local voluntary agencies and Indochinese self-help groups;

Joint ventures with other government agencies.

Educational Assistance. Through a series of separate authorizations, Congress has provided funding to school districts to help them meet the special educational needs of refugee children, primarily English language training. In late 1979, the Congress appropriated $12 million for this purpose in the 1979–80 school year, with the money going to the states for redistribution to school districts in the form of per capita grants.

The Director of the Office of Refugee Resettlement is working with the Department of Education to design specific educational programs which will be better able to target funds to those schools which need help for refugee children.

Increasingly, other Federal agencies have become involved in the resettlement process, primarily through the operation of the Interagency Committee on Refugee Affairs chaired by the U.S. Coordinator. The aim of their involvement is to insure that refugees, if they meet program eligibility criteria, can receive appropriate services. Refugees do not receive preferential treatment from these other agencies but are eligible for such assistance in light of their disadvantaged condition upon arrival in this country. For example, a number of programs in the Department of Labor (DOL) are being used to assist refugees in securing training and jobs.

The DOL is committed to making its national program, the Comprehensive Employment and Training Act (CETA) work for all eligible disadvantaged persons, whether they are native-born or not. With many Indochinese refugees still dependent on public support, there is a need to make sure that job-training programs reach them and help them become self-sufficient as quickly as possible.

For a number of reasons, the DOL has decided to emphasize services for refugee youth:

Young people in the 16 to 21-year-old

bracket make up one-fifth of all new refugee arrivals;

Their arrival coincides with a rapid expansion of youth job-training programs; and

The young refugees have full careers ahead of them, so they will probably benefit most from employment and training services.

One of the first steps the DOL is taking to help refugee youth is to enroll more of them in the Job Corps. There will be as many as 2,000 this year. These youngsters will be placed in clusters in 20 Job Corps centers located near communities with substantial refugee populations. Language instruction and other parts of the regular Job Corps curriculum are being adapted to their special needs.

The DOL also plans to provide extra funds for regular CETA job-training programs to cities and counties with large numbers of refugee youth. These additional dollars will make it possible to hire multilingual staff, supplement existing youth programs, and test ways to best serve this group.

So that the experience gained in serving these youthful participants will not be lost, a plan is being drawn up for the careful study of their progress while in the program and later when they enter the labor market. The youth emphasis will have spillover effects that should improve assistance to the refugee groups as a whole.

Also taking part in the effort is the DOL's network of 2,500 local Job Service offices that offer all workers, including refugees, basic employment services including counseling, testing, and job referral.

The new Targeted Job Tax Credit Program also helps the entire refugee group. It provides tax credits over two-year periods for private employers who hire workers with various disadvantages.

ACTION, through a number of its programs, is also giving increased attention to the need for local community involvement in the refugee program. HEW has recently signed an interagency agreement with ACTION to utilize the latter's resources to marshal more volunteers to aid local resettlement efforts in areas with high refugee populations. ACTION will offer training to Indochinese self-help groups under the agreement.

In addition, the Community Relations Service of the Department of Justice has responded to various local communities where refugees are resettling.

These activities will assist the Indochinese refugee population in gaining needed skills to earn their livelihood and create an environment where they can begin to build new lives.

State and local governments, besides administering various programs for refugees, have taken an active role in resettlement. Three states actually function in the role of resettlement agencies under contract with the Department of State—Iowa, Michigan, and most recently, Idaho. Many states, under the direction of their respective governors, have formed coordinating units or task forces to respond to refugee needs and problems. At the local level, coordinating councils or forums have also been established, with participation by a broad range of groups. These coordinating units are exceedingly important in the resettlement program because they can respond to unique local situations.

(3B) ESTIMATED COST OF REFUGEE MOVEMENT AND RESETTLEMENT

Cost associated with the care and maintenance, processing, transportation and initial reception and placement of refugees are borne by the Department of State. Once refugees arrive in this country, they are eligible for many of the same services available to disadvantaged Americans. Costs associated with these services are borne by many other federal agencies, but primarily by the Department of Health, Education, and Welfare (HEW). During Fiscal Year 1980 it is expected that the total cost of assistance to refugees being resettled in the United States will be approximately $1.05 billion.

During Fiscal Year 1980, the United States expects to admit a total of 230,700 refugees for permanent resettlement, including 2,500 already in the United States who will have their asylum status adjusted. This total, as indicated previously, is composed primarily of Indochinese refugees (168,000), refugees from the Soviet Union (approximately 33,000), Cuban and other Latin American refugees (about 17,000) and several other groups. All of these groups, except ex-Cuban political prisoners who are resettled directly from Havana, have a significant impact on costs borne by the Department of State.

Department of State costs for the care, maintenance, and resettlement of Indochinese refugees are expected to total approximately $272 million: $62 million for care and maintenance in Southeast Asia and $210 million for resettling 168,000 Indochinese refugees in the United States.

Costs in Southeast Asia include:

[In millions of dollars]

Projected U.S. contribution to the UNCHR care and maintenance program for Indochinese refugees [1]	$30
Projected U.S. contribution to Refugee Processing Center (RPC) construction costs	15
Estimated costs for transportation of refugees to RPC's	9
Estimated cost of refugee oriented aerial reconnaissance program in South China Sea	8
Subtotal	62

Department of State cost of Indochinese resettlement in the United States include:

[In millions of dollars]

Selection and documentation of refugees	$10
Transportation to the U.S.[2]	116
Reception and placement grants	84
Subtotal	210
Grand toal	$272

[1] Does not include U.S. contribution to Khmer relief program.

[2] These funds are contributed by the United States to a loan fund managed by the Intergovernmental Committee for European Migration (ICEM) which finances transportation of Indochinese refugees to the United States.

Of the 60,200 non-Indochinese proposed for admission to the United States in Fiscal Year 1980, it is estimated that the admission of 51,000 will be aided by utilizing funds from the State Department appropriation for Migration and Refugee Assistance. It is estimated that significant overseas and initial assistance will not be required for about 9,200 entrants, most of whom will be Cubans.

These approximate costs include:

[In millions of dollars]

Contractual assistance [1]	$37.9
Transportation [2]	6.0
Reception and placement grants	17.8
Far East refugee program [3]	.3
Total	62.0

[1] Contractual assistance includes care and maintenance for some refugees while they await processing for resettlement to the United States, the costs of documentation, voluntary agency operations and language training for a small percentage of the refugees.

[2] These funds are contributed to a loan fund managed by ICEM which finances transportation for these refugees.

[3] The Far East Refugee Program (FERP) provides limited services to refugees from the People's Republic of China who escaped into Hong Kong and sought permission to enter the United States under the conditional entry (Seventh Preference) provisions of the Immigration and Nationality Act.

Approximately 16,000 Cuban refugees, of whom 12,000 are former political prisoners and their families, will be admitted to the United States in Fiscal Year 1980. Most of these individuals will be processed for admission directly through the U.S. Interest Section in Havana. The vast majority of Cuban refugees are assisted monetarily by the Cuban community in the United States in financing their travel to this country. The small portion of Cuban refugees not able to secure community financing secure assistance from ICEM with funds contributed by the United States. In the second half of Fiscal Year 1980, the United States will, if necessary, provide $50 each or a total of some $300,000 for 6,000 former political prisoners and their families to provide support for their movement.

The only other significant and identifiable costs associated with the admission of these refugees are administrative and operational expenses borne by the Department of State for all refugee related activities and the Immigration and Naturalization Service (INS) for financing overseas processing of these refugees. These costs are estimated to total approximately $7.5 million in fiscal year 1980.

Domestic assistance

Once refugees arrive in this country, under U.S. law they are eligible for assistance to become productive and self-sufficient. While there are a series of programs for which refugees may be eligible because of their income level, e.g., food stamps, comprehensive employment and training programs, Section 8 housing, the focus of our review in this report is on those costs associated with refugee admissions which are directly attributable to such admissions under the HEW refugee assistance program.

The major components of HEW's refugee assistance program are:

(1) Reimbursement to states in providing cash and medical assistance to refugees and services such as English language and vocational training, employment counseling and a variety of social services similar to those funded under Title XX of the Social Security Act;

(2) Matching grant assistance to voluntary agencies which provide comprehensive resettlement services to Soviet Jewish refugees; and

(3) Proposed educational assistance, on a discretionary basis, to selected school districts to meet the unique educational needs of refugee children.

Other activities under the umbrella of HEW's refugee assistance program include the continued phasedown of the Cuban refugee program, and special projects to assist Southeast Asian refugees in becoming self sufficent.

(4) AN ANALYSIS OF THE ANTICIPATED SOCIAL, ECONOMIC, AND DEMOGRAPHIC IMPACT OF REFUGEE ADMISSIONS TO THE UNITED STATES

It has been estimated that the total number of arriving refugees in the current year will increase the U.S. population, estimated at 220,400,000 in July 1979, by about one-tenth of one percent (0.1%).

Another way of assessing the demographic impact is to analyze what the arrival of the refugees does to the rate of U.S. population growth. In the last 5 years, the Census Bureau has estimated the U.S. population has grown an average of 1.7 million a year. This figure is determined by adding births and gross immigration, and then subtracting from that sum the number of deaths and the number of persons leaving the Nation permanently (emigration). The rate of growth in FY 1980, which is quite low by world standards, will be increased from 0.77% to about 0.87% because of the arrival of refugees who will constitute about a third of the total flow of aliens migrating legally to the United States during the year.

Refugee populations have different sets of demographic characteristics, just as do different segments of the resident population. Some populations are older, on the average, than others; some have somewhat differing proportions of men and women. For comparative purposes: the U.S. population in 1975 was 51.3% female; 25.1% were under the age of 15; and the median age for males was 27.6 years, and for females, who live longer, it was 30.0.

Assuming the continuation of past trends among refugees, we except that the Eastern Europeans and the Cubans will be somewhat older as a group with a smaller proportion of children (about 20%) than in the general American population. The Indochinese, on the other hand, are likely to be younger than the resident population. The earlier arrivals had a median age of between 19 and 20 years. There will be a higher percentage of males than in the resident population, perhaps 55% or slightly more, and there will be a much larger proportion of children, about 38%, as compared with 25% in the total U.S. population.

Because of the large proportion of children among the Indochinese refugees, the ratio of dependents to workers will be higher, in this population than in the population at large, for some years. The proportion of refugees entering schools similarly will be higher than would be the case for a comparable number of American residents. The new refugee pupils are expected to be largely concentrated in the 10-16 age group. This may pose special problems because of the need to fit them into the middle or latter half of the elementary-secondary progression. Their lack of English and long periods without schooling may further complicate planning for these pupils. For the older pupils, job training also becomes an important consideration.

The refugee population as a whole, like other segments of the population, will not be distributed evenly over the Nation. Because the United States gives the highest priority to family reunification in the admission of new refugees, most of the new arrivals are expected to join family members who are already in this country and therefore to settle in patterns similar to those set by the earlier groups of refugees.

The Eastern European refugees are expected, similarly, to follow the pattern of Eastern European immigrants over the years, settling in the major cities of the North and the East, with some going to the West Coast. The Cubans will settle principally in Florida. There will be refugees arriving in all states of the Nation and in all major cities.

We have learned in the last few years that the refugees make use of their hard-won freedom of movement. Among the Indochinese refugees, there has been a substantial amount of secondary, i.e., post-arrival, migration. This secondary migration has been in the same direction as the internal movements of the resident population, i.e., to the South and to the West. It is estimated, for example, that the net secondary migration of Indochinese refugees to California and Texas was approximately 7,250 and 1,760 respectively during the period from February 1, 1978 through January 31. 1979.

Estimates of subsequent secondary migration will be developed when January 1980 alien registration data become available in late Spring of 1980.

There are indications that the Indochinese, like other groups of newcomers to the United States, are tending to draw together in ethnic neighborhoods. Although an analysis of the geographic locations of the Indochinese alien population as of January 1979 showed that a majority of the refugees were living in zip-code areas with less than 100 other Indochinese, there has been an increasing proportion of the population concentrated in zip-code areas with 250 or more Indochinese: there were 38 zip-code areas with 250 or more refugees in January 1977 containing 13% of the total U.S. Indochinese population; 48 such areas in January 1978 containing 16% of the total; and 72 such areas in January 1979 containing 22%.

(HEW/ORR) ESTIMATED NUMBER OF REFUGEES (INDOCHINESE) BY STATE

	Arrived in March 1980	Total as of March 31, 1980
Alabama	49	1,722
Alaska	17	268
Arizona	83	2,398
Arkansas	62	2,398
California	4,037	107,792
Colorado	228	6,807
Connecticut	151	3,020
Delaware	13	195
District of Columbia	216	3,776
Florida	280	6,952
Georgia	175	3,106
Hawaii	160	5,045
Idaho	30	569
Illinois	579	11,689
Indiana	156	3,054
Iowa	252	5,418
Kansas	150	4,222
Kentucky	75	1,594
Louisiana	166	9,567
Maine	37	513
Maryland	108	3,368
Massachusetts	388	3,880
Michigan	332	5,832
Minnesota	683	9,768
Mississippi	24	1,057
Missouri	116	3,020
Montana	25	937
Nebraska	78	1,891
Nevada	80	1,765
New Hampshire	10	222
New Jersey	97	2,779
New Mexico	117	1,481
New York	504	9,299
North Carolina	162	2,937
North Dakota	25	550
Ohio	206	4,566
Oklahoma	245	5,131
Oregon	554	9,626
Pennsylvania	504	13,416
Rhode Island	85	1,951
South Carolina	34	1,160
South Dakota	29	609
Tennessee	194	3,182
Texas	983	31,048
Utah	321	3,848
Vermont	25	112
Virginia	323	9,112
Washington	698	13,294
West Virginia	27	299
Wisconsin	236	4,467
Wyoming	23	250
Virgin Islands	0	11
Guam	8	375
Puerto Rico	0	28
Other and unknown	0	1,475
Total	14,110	332,851

Ethnically and linguistically the 1980 refugee arrivals in the United States will include eight major groups of persons and many smaller groups. The major groups are:

Spanish speaking Cubans, who are literate in their own language, but few speak English;

Africans speaking several languages, including some with French or English as a second language;

Eastern Europeans speaking Russian and/or other languages;

Ethnic Chinese from Vietnam with literacy in both Vietnamese and several Chinese dialects;

Vietnamese, some of whom are illiterate;

Laotians, most of whom are literate and have varying abilities in other languages;

Cambodians, some of whom are illiterate in their own language;

Lao Hmong, from a nonliterate society, some of whom speak Lao.

It is expected that, in the long term, the economic impact of the refugees will be positive. Historically, refugees, like immigrants, have proven to be viable, productive people in their new lands. Typically, they were productive citizens in their own countries.

Most refugees, however, arrive in the U.S. destitute. At the outset they face a new language and many problems of adjustment. Often, they do not find jobs immediately and require assistance while looking for employment or while undergoing training. As a result, the majority of newly arrived refugees will be eligible for cash and medical assistance. It is estimated that an average of 49 percent of newly arriving refugees will require cash assistance and medical assistance during their first two years in the United States; this includes an estimated 33 percent who will require partial aid to supplement low earnings in order to meet minimum family needs. In addition to these direct expenditures on refugees, one or two percent of the new arrivals will be too disabled or too old to work, and they will receive supplemental security income. Further, school children, who comprise at least 28 percent of the new refugee flow, require special educational services such as English as a Second Language, counseling, tutorial services and instructional materials.

Another economic impact of the refugees is on the labor market. The newly arriving refugees will increase the size of the labor force, in the year to come, by about seven hundredths of one percent (0.07 percent), adding an estimated 70,000 to a labor force numbering about 105,000,000. Although there is continuing concern about potential competition for jobs among different groups, there have been no major disruptions to date and only isolated instances of direct economic competition.

Working-age refugees have to overcome a number of obstacles to employment in the United States. Most of the refugees, when they enter the U.S. labor market are in an alien environment where the work to be done, the work place patterns, and the language are all different from what they experienced in the past. Recent refugees from Cambodia, Laos, and Vietnam have had less formal education, and perhaps, have fewer marketable skills than their predecessors who came to this country in 1975. Most new refugees speak no English and some are illiterate in their own language. For many of the women among the Asian refugees, securing child care arrangements is necessary in order to work.

For these and related reasons, it often takes time for refugees to find jobs and to secure work at or near their skill levels. For those who must make a downward occupational adjustment, as many do, it is particularly painful process. For those increasing numbers of refugees, without experience in a developed, urban society, training and orientation will be required in order to be able to enter the job market at even the lowest levels.

There are indications, in recent data, that the Indochinese refugees, even 2 or more years after arrival, tend to have lower labor force participation rates than other Americans of the same sex and age group. The history of refugee movements, however, suggests that this is a passing phase, and that labor force participation rates and employment climb with the passage of time, and that dependency rates fall. For example, among Indochinese refugees who arrived in the United States during 1975, labor force participation rates show a direct relationship to length of time in the United States. A survey conducted in April-June 1979 showed that 58.4% of adult males who arrived in 1977 were in the labor force, compared with 65.5% of those who arrived in 1976 and 69.1% of those who arrived in 1975. The same survey showed the rates for adult females to be 29.6% for 1977 arrival, 34.4% for 1976 arrivals, and 42.9% for 1975 arrivals as of April-June 1979. The comparable U.S. labor force participation rates are 78.2% for males and 50.7% for females.

An economic impact of the refugees, which is often overlooked, is their role as taxpayers. Many refugees pay Federal and State income taxes. These contributions, added to those that are being made by prior waves of refugees, are sure to climb in 1980 and thereafter, as will the refugees' contributions to the social security system.

There is an additional economic impact of the refugees which is both self-evident and hard to quantify. This is the increasing number of businesses, large and small, which the refugees have started, thus creating jobs for themselves and for others, generating corporate and sales taxes, and spinning off other economic benefits as well. There is no adequate data on this subject, but the substantial Cuban business community in South Florida, and the recent mushrooming of Indochinese-operated small businesses provide evidence of this trend.

There are always social impacts accompanying large movements of populations, and this is the case with refugee movements as well. While most of these impacts are mild or beneficial, some are not. In recent months several cases of community tensions between refugees and resident populations have arisen. While very few problems can be considered to have purely social impacts, there are a number of sources of tensions, principally group rivalries for what are perceived to be, and often are, limited resources in housing, in government-provided services, and in economic opportunities.

Housing, particularly, has been a source of tension for social and economic reasons. While the total number of refugee families to be housed is small, housing often may be the center of problems because:

There is a serious nationwide shortage of rental housing units in many areas. During the first quarter of 1979, the national vacancy rate declined to 4.8 percent, the lowest since the Census began its survey in 1956.

Most incoming refugees eventually resettle with family, friends, or others with similar ethnic or cultural backgrounds, perpetuating the concentration of refugee in certain areas. Where these areas have housing problems, they may be exacerbated by refugee resettlement. This is particularly relevant in such areas as Denver, Honolulu, Houston, New Orleans, San Francisco and the counties of Los Angeles and Orange in southern California.

In a similar vein, much of the tension along the Gulf Coast between the refugee and indigenous populations has related to competition for limited quantities of shellfish and seafood among residents and refugee fishermen. Another source of tension is lack of knowledge. Residents perceive the life patterns of the newcomers as strange and threatening; the refugees, on the other hand, being new arrivals, are unaware of the folkways of their new neighbors and may unwittingly offend them. Finally, there is often some element of racism underlying these tensions. Both refugees and receiving communities need orientation, cultural knowledge, and social skills in order for mutual adjustments to take place. But despite these efforts, in the years to come there may be additional flare-ups. If America's experience with past immigrant and refugee populations runs true in the future, time does tend to dull these passions as the newcomers become a part of the community and the economic system.

Many refugees come to the United States with little orientation to or understanding of life in this country. Their preparation for migration is less complete than that of other immigrants, those who leave their homeland voluntarily, and generally in a more well-planned manner. For the Indochinese refugees, the Department of State is now considering the feasibility, costs and benefits of providing some orientation and language training prior to their arrival in the United States.

In terms of physical health, refugees have a somewhat different range of health characteristics than the resident population. On the one hand, it is the fit who survive the often severe trauma of exodus. On the other hand, the refugees carry with them some scars of those experiences, months or years of malnutrition for some, and camp-induced health problems for others. Some Indochinese refugees arrive with health problems, such as the frequent presence of internal parasites, and commonly need substantial dental work. These conditions are severe for the individual, but do not present public health hazards. Like several other immigrant populations, Indochinese refugees have a higher incidence of tuberculosis. However, proper health screening procedures, as are being implemented prior to the refugees' departure to the United States from Southeast Asia, lead to early identification, treatment, and effective control. While refugees' health suffers, they present minimal risk to the public health.

Refugees must adjust to the social and economic realities of life in American society. Suddenly, they find themselves in a society in which the class system is less rigid than the one they know in which both social and economic mobility are greater and in which the democratic system of government is both nonrepressive and less paternal. In this context, refugees sometimes are faced with frustrations and sometimes are forced to make accommodations in order to get by, but like immigrants they are also faced with new challenges and opportunities for advancement from whatever initial entry they make into American life.

In summary, most of the short-term impact of the refugees on U.S. life is transitory; and since their numbers are relatively small, these passing effects of the refugees are those of immigrants generally—effects that the United States has historically determined to be favorable, on balance, both to the newcomers and to the host society.

(5) EXTENT TO WHICH OTHER COUNTRIES WILL ADMIT AND ASSIST IN THE RESETTLEMENT OF REFUGEES

Third country participation in refugee resettlement has been and is expected to be substantial in Fiscal Year 1980. A description of that participation follows:

INDOCHINESE REFUGEES

Prior to the United Nations meeting on Indochinese refugees held in July 1979, non-communist third countries had resettled approximately 100,000 Indochinese since 1975. France, Canada, and Australia accounted for three-fourths of that total. Since the July meeting, the number of refugees resettled in third countries has increased significantly. Nearly 100,000 more refugees have been resettled in several non-communist countries with Canada accepting the largest single block of this number.

Another 260,000 Indochinese refugees, most of them ethnic Chinese, were resettled during 1979 in the People's Republic of China. In addition, China offered to accept an additional 10,000 refugees for resettlement from the camps in Southeast Asia at the July United Nations meeting and that effort is proceeding.

Roughly three-quarters of a million Indochinese have been resettled in third countries, including some 332,000 in the United States as of March 31, 1980. During the last half of Fiscal Year 1980, it is anticipated that the number of Indochinese being resettled each month will average 25,000 of whom 14,000, or 56 percent, will be resettled in the United States. A table showing third country resettlement figures for Indochinese refugees follows.

REFUGEES FROM THE SOVIET UNION

Assuming past trends hold true, some 60 percent of the Jews who leave the USSR in Fiscal Year 1980 will seek to be resettled in the United States. Israel, which is willing to accept all Jews who wish to immigrate there, will receive about 30 percent of the total. The remainder can be expected to resettle in Australia, Canada, New Zealand and Western Europe. Over 50,000 Soviet Jews emigrated in calendar year 1979.

The other principal group of refugees will be Armenians of whom some 3,500 emigrated from the Soviet Union in Fiscal Year 1979 bound for the United States.

We anticipate admitting approximately 33,000 refugees in Fiscal Year 1980 who will be coming to the United States for purposes of family reunification and other reasons which will qualify them for entry into this country.

INDOCHINESE REFUGEES—THIRD COUNTRY RESETTLEMENT, LAND AND BOAT REFUGEES

[Pro rated to annual rate]

Resettlement country	Resettled prior to August 1977	Resettled August 1977 through Jan. 31, 1980	Cumulative resettlement	Resettlement offers
Australia	5,857	28,242	34,109	14,000
Austria	218	330	548	580
Belgium	889	1,850	2,739	2,062
Canada	8,543	31,145	39,688	36,000
China (PRC)	0	254,345	254,345	10,000
Denmark	300	1,055	1,355	800
France	33,980	26,211	60,191	22,600
Germany (Federal Republic)	1,059	10,107	11,166	10,000
Hong Kong	157	112	269	0
Israel	66	262	328	200
Italy	222	962	1,184	1,000
Japan	9	246	255	500
Luxembourg	6	58	64	100
Malaysia	1,584	735	2,319	600
Netherlands	276	2,347	2,623	1,360
New Zealand	261	1,384	1,645	1,200
Norway	399	1,344	1,743	2,400
Philippines	119	12	131	0
Sweden	0	1,549	1,549	2,000
Switzerland	839	2,805	3,644	1,000
United Kingdom	1,196	5,642	6,838	10,000
Other	2,477	3,549	6,026	7,888
Total	58,457	374,292	432,749	241,920
United States	145,567	157,709	303,276	168,000
Grand total	204,024	532,000	736,025	292,920

REFUGEES FROM EASTERN EUROPE

Roughly 10,000 Eastern Europeans can be expected to seek resettlement in fiscal year 1980 of whom half will settle in Western Europe, Australia, Canada, or New Zealand. The balance will seek resettlement in the United States.

REFUGEES FROM THE MIDDLE EAST

It is not possible to predict, with any degree of accuracy, the number of persons from the Middle East who may seek refuge in other countries. However, Western European countries, Australia, Canada, and New Zealand have traditionally accepted refugees from Middle Eastern countries, particularly Assyrians, Kurds, and Iranians and would consider accepting Afghans. Since receiving countries can be expected to permit entry for family reunification cases, Canada, Australia, and Sweden can be expected to accept some Assyrians. Modest numbers of Kurds would likely be accepted by Austria, the Federal Republic of Germany, Canada, the United Kingdom and the Netherlands. Iranians might be accepted in a number of Western European states and Canada. Israel would accept all Iranian Jews wishing resettlement there.

LATIN AMERICAN REFUGEES

The United States historically has accepted most Cuban refugees wishing to enter the United States for permanent settlement. In the past, Costa Rica, Venezuela, Colombia and other Latin American countries have provided asylum to significant numbers of Cuban refugees.

Of the other Latin American refugees, most find resettlement in other Latin American countries.

AFRICAN REFUGEES

African refugees, for the most part, have been provided resettlement opportunities in other African countries or in European countries. The United States traditionally has provided entry for resettlement mostly to refugees from Ethiopia. However, Scandinavian countries, France, Germany and Canada also admit Ethiopian refugees on a case-by-case basis.

(6) IMPACT OF THE PARTICIPATION OF THE UNITED STATES IN REFUGEE RESETTLEMENT ON THE FOREIGN POLICY INTERESTS OF THE UNITED STATES

The acceptance of refugees for resettlement in the United States is of critical importance in furthering humanitarian, as well as political and strategic objectives in the world.

INDOCHINESE REFUGEES

In Southeast Asia, the provision of first asylum to refugees fleeing Indochina is directly or implicitly dependent upon reasonable assurances that the refugees will be resettled in third countries. A variety of political, economic, and social factors preclude the first asylum countries of Southeast Asia from accepting for permanent settlement the large numbers of refugees who have fled Indochina. There are presently 230,000 Indochinese being provided first asylum in Southeast Asian countries, mostly in Thailand, in addition to the hundreds of thousands of Khmer who have sought refuge along, the Thai-Kampuchea border. Although the outflow of refugees from Laos and Vietnam has markedly declined since mid-1979, the rate of exodus has begun to rise again and is reaching 7,000 per month.

Some ASEAN countries at times in the past have refused to provide the refugees first asylum and have physically pushed them back across borders or towed them back out to sea at great costs in terms of human sufferng and death. At present, the new government in Thailand is facing the dilemma posed by the presence of large numbers of Khmer and other Indochinese refugees within and along that country's borders. A continuation of U.S. resettlement efforts at the current level is vital if Thailand and other first asylum countries are to continue to accept refugees entering their countries and refrain from physically ejecting those presently within their borders.

A major reduction in the numbers of refugees the United States accepts from Southeast Asia would likely signal the Vietnamese authorities that we take for granted the continued moratorium on their expulsion by boat of their unwanted populations. Such a signal could destroy any hope for successfully etablishing a program for the orderly departure of those wishing to leave Vietnam and block the departure of thousands of persons wishing to be reunited with family members in the United States and other countries. In such circumstances, it is likely that the Vietnamese would revert to the practices which led to the massive boat exodus in 1979. Resumption of boat departures on such a large scale would seriously aggravate political and other difficulties for the ASEAN states, would heighten U.S. concern for the stability of the region, and could have profound humanitarian consequences.

Another result of a reduction or a slowing down in the number of refugee departures from the first asylum countries of Southeast Asia could be to extend the time in which the refugees would be confined to unproductive and unhealthful life in refugee camps. The prospect of a possible long-term refugee presence has always been a serious concern of the first asylum countries of Southeast Asia and would directly add to pressures for those governments to deny entry to or expel the refugees.

The President's decision in July 1979 to double the U.S. Indochinese refugee intake to 14,000 per month has been among the most effective means of demonstrating our support for ASEAN in the face of Vietnamese aggression. That rate of admission, in addition to being significant in absolute terms, also sets an example for other refugee-receiving nations and, in large measure, has been responsible for similarly positive actions by those countries. For example, from October 1979 through February 1980 other nations accepted an average of 11,000 Indochinese refugees per month for resettlement. It is not likely that rate would be possible without U.S. leadership. In sum, U.S. refugee admissions are the most tangible and to the nations of Southeast Asia, the most vital element in the states U.S. commitment to that region's stability and progress.

REFUGEES FROM THE SOVIET UNION AND EASTERN EUROPE

The United States has traditionally supported the concept of freedom of movement and other human rights in its policy toward the Soviet Union and Eastern Europe. This position has been reinforced by the Jackson-Vanik Amendment to the Trade Act of 1974 which linked freedom of emigration to foreign trade, the United States adherence to the Final Act of the Conference on Security and Cooperation in Europe signed in Helsinki in August 1975, and the overall emphasis on human rights which has characterized U.S. foreign policy since 1977.

The continuity of the United States refugee policy as it pertains to persons from the Warsaw Pact States has followed logically from U.S. policy since the end of World War II and the Cold War. Assistance, including admission to the United States, for those able to escape or otherwise exit those States has become an integral part of our policy toward that part of the world. That policy, and its consequent refugee admission level, has had the consistent and continued support of the Congress.

REFUGEES FROM THE MIDDLE EAST

The United States has traditionally supported the development of stable and independent nations in the Middle East and that policy is of even greater importance to U.S. national interests today. The resettlement of persons from the Middle East who fear persecution and wish permanent settlement outside of that region can contribute importantly to the stability of the area. In those countries of the region where communist-dominated regimes have emerged, our refugee admissions policy is similar to that which the United States follows toward refugees from the Warsaw Pact States discussed above.

LATIN AMERICAN REFUGEES

The admission of refugees from Latin America is an important element in U.S. foreign policy toward that region. Allowing fellow residents of the Western Hemisphere who wish to flee their countries of nationality to escape persecution or other violations of human rights is fundamentally consistent with promoting free and democratic societies in the Latin American region generally. Of particular interest to the United States has been the freedom of Cuban political prisoners to migrate, a policy re-enunciated by every U.S. Administration since that of President Kennedy.

AFRICAN REFUGEES

Although African refugees in most cases prefer resettlement within Africa, it is important for the United States to provide admission for those Africans who seek the opportunity to settle in the United States and who qualify for admission under the Refugee Act of 1980. The impact of the new Act in terms of the number of refugee admissions from Africa is not possible to predict at this time. For Fiscal Year 1980, it can be anticipated that most refugees from that continent who will seek admission to the United States will be those who have fled the communist-dominated regime in Ethiopia. Most such persons have had close previous association with the United States or will have family members in the United States with whom they will wish to be reunited.

APPENDIX A

EMERGENCY ADMISSION OF CUBAN REFUGEES

NATURE OF THE REFUGEE SITUATION

Cubans began crowding into the Peruvian Embassy compound in Havana seeking asylum on April 4, after Cuba withdrew police protection from the Peruvian Embassy and announced that anyone wanting to leave for Peru would be allowed to do so. By April 7, the compound was jammed shoulder to shoulder with an estimated 10–12,000 Cubans awaiting Peruvian action. The Cuban Government announced that those inside would be free to come and go without reprisal and would be provided with medical help, food, and water.

This event followed months of contention between Cuba and Peru and Venezuela over the right of asylum. The dispute stems from several attempts by Cubans seekings asylum to crash through gates at Peruvian and Venezuelan diplomatic properties. Cuba contends that the right of asylum does not extend to those who force their way into embassies. Venezuela and Peru argue this is solely up to them to decide. The situation was exacerbated last week when a Cuban guard was killed, apparently by gunfire from fellow guards, while attempting to stop a group from gate-crashing the Peruvian Embassy.

The incident has provoked an outpouring of feeling from Cuban Americans in Dade county, and various efforts around the country to collect food and medicines for the refugees.

Several nations, including Peru, Spain and Costa Rica, have publicly pledged resettlement opportunities for some of these persons. Many other nations are currently reaching decisions concerning the possible permanent resettlement of these refugees.

NUMBER TO BE ADMITTED TO THE UNITED STATES

In response to this tragic situation, the United States has decided to accept for permanent resettlement between 25 and 33 percent of the people who have sought refuge at the Peruvian Embassy compound, up to a maximum of 3,500 people. The persons to be admitted are those who either have close family ties to persons in the United States or who are ex-Cuban political prisoners and their families.

The White House announced this decision on April 14, following emergency consultations with the Congress, in accordance with the provisions of the Refugee Act of 1980 (PL 96-212). The specification and determination signed by President Carter concerning this group is attached.

PROCESSING AND RESETTLEMENT

In view of the lack of detailed information on the number of people in the Peruvian Embassy and the absence of biographical information on the refugees, it is difficult to describe accurately our plans for allocating these refugees admission among the potential pool of applicants. The United States hopes that one or more of the Latin American countries will agree to establish a sanctuary while these Cubans undergo processing for resettlement to third countries. At the present time, Costa Rica has offered to serve as one of the staging points. This arrangement will allow for thorough screening and processing of those refugees to be admitted to the United States. We would hope that this generous offer by the Government of Costa Rica will make it possible to resettle these people in an orderly fashion.

COST OF RESETTLEMENT

The preferred method of resettlement from third countries would cost the State Department up to an estimated $4.25 million, including the U.S. "fair share" of the cost of transporting all 10,000 asylum seekers to a third country (or countries), care and maintenance while the refugees are being processed and the transportation of up to one-third (a maximum of 3,500) of the refugees to the United States for permanent resettlement.

It should be noted that the Department of State does *not* intend to pay for reception and placement grants for these refugees. This decision reflects the clear commitment of the Cuban-American community to provide substantial assistance to these persons, most of whom will be relatives of Cubans already in the United States.

Once in the United States, these refugees will be eligible for assistance intended to aid in their successful resettlement and integration into life in the United States. The Department of Health, Education and Welfare, which funds most of this domestic assistance, expects that it will be able to absorb the added costs with funds currently available, or currently sought, for Fiscal Years 1980 and 1981.

ANTICIPATED SOCIAL, ECONOMIC AND DEMOGRAPHIC IMPACT

Since this admission decision is primarily designed to facilitate family reunification, we expect both their initial and long-term resettlement patterns will be similar to the existing Cuban-American community, with most going to South Florida and smaller numbers to the New York metropolitan area, California and elsewhere. The Cuban-American community has adapted well and prospered in the United States. We see no reason to expect that these new arrivals (who would amount to less than 0.5 percent of the total number of Cuban refugees admitted to date) would be any less successful in this process of integration.

THE WHITE HOUSE,
Washington, D.C., April 14, 1980.

MEMORANDUM FOR THE SECRETARY OF STATE

Presidential Determination No: 80-16

Subject: Specification pursuant to Section 101(a)(42) of the Immigration and Nationality Act (INA), as amended, and Determination pursuant to Sections 2(b)(2) and 2(c)(1) of the Migration and Refugee Assistance Act of 1962, as amended (the "Act"), authorizing the obligation of $4,250,000 in funds.

Pursuant to Section 101(a)(42) of the INA as amended, I hereby determine, after appropriate consultation with the Congress, that special circumstances exist such that persons who have taken sanctuary in the Peruvian Embassy in Havana who otherwise qualify may be considered refugees even though they are still within their country of nationality or habitual residence.

Pursuant to Section 207(b) of the INA as amended, I determine that an unforeseen emergency refugee situation exists, that the admission in response to the emergency refugee situation of 25 to 33 percent of the persons who have taken sanctuary at the Peruvian Embassy in Havana, up to a maximum of 3500 refugees, is justified by grave humanitarian concerns and is otherwise in the national interest, and that the admission to the United States of these refugees cannot be accomplished under subsection 207(a) of the INA.

In order to respond to the urgent humanitarian needs of those people in Cuba who have taken sanctuary at the Peruvian Embassy in Havana, I hereby determine pursuant to Section 2(b)(2) of the Act that it is in the foreign policy interests of the United States to designate such persons at this Peruvian Embassy as a class of refugees eligible for assistance under the Act. Pursuant to Section 2(c)(1) of the Act, I hereby determine that it is important to the national interest that up to $4,250,000 in funds appropriated under the United States Emergency Refugee and Migration Assistance Fund be made available to aid in the resettlement of these refugees.

The Secretary is requested to inform the appropriate committees of the Congress of this determination and the obligation of funds under this authority.

This Determination shall be published in the Federal Register.

JIMMY CARTER.

REFUGEE ADMISSIONS, FISCAL YEAR 1980

Area of origin	Approximate number admitted 1st half of fiscal year	Approximate number to be admitted remainder of fiscal year	Total number of admissions for fiscal year 1980
Asia			169,200
Indochinese	84,000	84,000	(168,000)
Other	600	600	(1,200)
Soviet Union	18,000	15,000	33,000
Eastern Europe	2,000	3,000	5,000
Middle East	500	2,000	2,500
Latin America			17,000
Cubans	9,000	10,500	(19,500)
Other	64	936	(1,000)
Africa	120	1,380	1,500
Subtotal	114,284	117,416	231,700
Asylum status adjustments			2,500
Total			234,200

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

ONE-HOUR RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, the Senate, at 12:47 p.m., recessed until 1:47 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. RIEGLE).

QUORUM CALL

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to legislative session.

There being no objection, the Senate resumed the consideration of legislative business.

EMERGENCY HOME PURCHASE ASSISTANCE AUTHORITY AMENDMENTS OF 1980

Mr. ROBERT C. BYRD. Mr. President, under the order previously entered, the majority leader is authorized, after consultation with the minority or his designee, to call up S. 2177, Calendar No. 693, Emergency Home Purchase Assistance Authority Amendments of 1980.

I have consulted with the distinguished acting Republican leader, Mr. STEVENS, with Mr. GARN, who will manage the bill on his side of the aisle, and with Mr.

WILLIAMS, who will manage the bill on this side of the aisle; and I am authorized to say on their behalf that all parties named are ready to proceed, and they are present in the Chamber at this time.

Therefore, I ask that the Chair have the bill reported to the Senate.

The PRESIDING OFFICER. The bill will be stated by title.

The legislative clerk read as follows:

A bill (S. 2177) to amend the mortgage amount, sales price, and interest rate limitations under the Government national mortgage association emergency home purchase assistance authority, and for other purposes.

The Senate proceeded to consider the bill, which had been reported from the Committee on Banking, Housing, and Urban Affairs with an amendment to strike all after the enacting clause, and insert the following:

That this Act may be cited as the "Emergency Home Purchase Assistance Authority Amendments of 1980".

SEC. 2. Section 313 of the National Housing Act is amended—

(1) by inserting "and if the Secretary determines that the implementation of this section will not significantly worsen inflationary conditions," after "1968," in the first sentence of subsection (a) (1);

(2) by inserting ", and to promote the construction of multifamily rental housing" before the period at the end of the second sentence of subsection (a) (1);

(3) by adding at the end of subsection (a) the following:

"(4) The program authorized by this section may not be activated unless the most recently available four-month moving average annual rate of private housing starts (seasonally adjusted and exclusive of mobile homes) as determined by the Director of the Bureau of the Census is less than 1,600,000.

"(5) The program activated pursuant to paragraph (4) shall be terminated whenever the most recently available four-month moving average annual rate of private housing starts (seasonally adjusted and exclusive of mobile homes) as determined by the Director of the Bureau of the Census is 1,600,000 or more.";

(4) by inserting "or loans" before "(1) which cover" in the first sentence of subsection (b);

(5) by inserting "including mobile homes" after "four-family residences" in the first sentence of subsection (b) (2);

(6) by inserting "or a mobile home" after "four-family residence" in clause (A) of the second sentence of subsection (b);

(7) by striking out all that follows "such mortgage involves an original principal obligation not to exceed" in clause (B) of the second sentence of subsection (b) and inserting in lieu thereof the following: ", for that part of the property attributable to dwelling use in the case of a more than four-family residence, the per unit limitations under the section of the National Housing Act under which the project mortgage is insured or, in the case of a mobile home loan, the limitation contained in section 2(b) of this Act which would apply to such loan if insurance with respect to an obligation representing such loan were provided under section 2 of this Act:";

(8) by striking out "the lesser of (i) 7½ per centum per annum, or (ii)" in clause (C) of the second sentence of subsection (b);

(9) by striking out all that follows "such mortgage involves a principal residence the sales price of which does not exceed" in clause (D) of the second sentence of subsection (b) and inserting in lieu thereof the following: ", in the case of a one-family residence, 90 per centum of the average new one-family house price in the area, as determined by the Secretary; or in the case of a two-family residence, 100 per centum of such average; or in the case of a three-family residence, 120 per centum of such average; or in the case of a four-family residence, 140 per centum of such average.";

(10) by striking out "enactment of this section" in subsection (e) and inserting in lieu thereof; "the issuance of the commitment to purchase the mortgage";

(11) by striking out "the lesser of (A) the per unit amount specified in subsection (b) (B), or (B)" in subsection (h) (1);

(12) in subsection (h)—

(A) by inserting "and" at the end of clause (3);

(B) by striking out paragraph (4); and

(C) by redesignating paragraph (5) as paragraph (4); and

(13) by adding at the end thereof the following new subsection:

"(i) The Association may not purchase under this section any mortgage or loan which was executed or made (1) to finance the conversion of an existing rental housing project into a condominium or cooperative project, or (2) to finance the purchase of an individual unit in a condominium project or the purchase of a share in a cooperative project, in connection with such a conversion.".

The PRESIDING OFFICER. The Chair advises that there is a time limitation on this bill.

Mr. WILLIAMS. Mr. President, I yield myself such time as I may need for an opening statement on this measure.

Mr. President, this is legislation designed to revise and update the provisions of the Emergency Home Purchase Assistance Act of 1974, to make it more workable in light of today's economic conditions. This legislation comes before the Senate at a time when we face the grim reality of a serious decline in housing production, a decline so grave, it may be unprecedented in the post-war era.

Housing starts have been on a continual slide for several months already. The latest figures—for the month of March—showed a disastrous 300,000 unit decline from the February rate, to an annualized rate of 1 million units, close to the lowest rates experienced during the 1974–75 recession.

A production level of 1 million units a year is only half the amount we need, at a minimum, to meet the continually expanding housing needs of our population, and bears out some of the worst predictions of housing analysts.

The economic impacts of a housing collapse are staggering. For every 100,000-unit drop in housing starts, it has been calculated by the National Association of Homebuilders that 176,000 jobs would be lost, as well as wages amounting to more than $3 billion; and revenue losses to Federal, State, and local governments would total over $814 million. The total direct economic activity lost would be more than $13.6 billion. A sharp drop-off in housing production at a time of continued demand can only mean a shortage of housing in the next few years, which will cause intense upward pressures on house prices, similar to the housing cost spiral which started after the housing recession of 1974.

A decline in housing production also has serious impacts on related industries. The Wall Street Journal, for example, recently pointed out that the wood products industries are suffering significantly as a result of the housing downturn. These and other industries will also see an increase in unemployment, a cutback in production that will undoubtedly create inflationary shortages, and long-term damage to productive capacity that will be keenly felt when credit eventually becomes more available and less expensive.

Mr. President, I have painted a gloomy picture to start our consideration of this legislation. I believe that my colleagues should be aware of the seriousness of this situation as the debate begins, because the purpose of this debate transcends the simple act of revising the Brooke-Cranston program. The debate today will bring us face to face with a difficult dilemma: The complex task of fighting inflation and preserving our economy will inevitably cause dislocations in certain sectors of the economy, and these dislocations may exacerbate the very problems we are trying to solve.

Our purpose today is to revise a program which was originally designed to cushion some of the impact of this dislocation. The Emergency Home Purchase Assistance Act, commonly known as Brooke-Cranston, was originally enacted during the 1974 recession to respond to a severe decline in housing production. At that time, housing starts dropped below the million mark. The purpose of the program was to stimulate the housing market during periods of economic downturn by assuring that below market rate mortgages would be purchased by the Government National Mortgage Association.

The program has been used three times for single-family housing, providing for the purchase of 190,000 mortgages. The program has also been used as a spur for multifamily production, resulting in the purchase of mortgages covering 185,000 multifamily units.

The Banking Committee has reported this legislation because the program as currently structured would be unworkable in today's economy. Under current law, the maximum allowable interest rate on mortgages to be purchased is 7½ percent—in a market where mortgage rates are double that figure, or higher. The basic mortgage limit of $42,000 and sales price limit of $48,000 are also unrealistically low, in light of today's marketplace.

In order to make Brooke-Cranston an effective and workable standby program, the reported bill would make the following changes:

The cap on interest rates would be removed, allowing the Secretary to establish a rate up to the FHA rate.

The existing mortgage and sales price limits would be removed for single-family housing and in place we would have a new method keyed to area price differentials. The price limit would be 90 percent of area average new house price—with corresponding increases for two through four unit houses. Multifamily housing—whether FHA or conventional—would be subject to the mortgage limits of the comparable FHA program.

These two changes allow the program to be available as standby assistance, without the need periodically to relegislate costs and interest rates.

The committee's bill also makes several other changes to the program:

The program could not be implemented unless the 4-month average housing start rate has dropped below 1.6 million. It would also be automatically deactivated when the average rate goes above 1.6 million.

The Secretary must find that implementation of the program would not significantly worsen inflationary conditions.

To the extent feasible and consistent with the main purpose of the section, the Secretary would have the discretion to direct a portion of assistance to promote construction of multifamily housing.

The authority of the Secretary to include mobile home loans in the program is clarified.

The bill also expands the existing prohibition regarding use of this program to purchase blanket or individual mortgages in a conversion of a rental building to condominium ownership.

Mr. President, I believe that these changes proposed in the committee's bill would significantly strengthen the Brooke-Cranston program as a standby, emergency measure to help slow a serious decline in housing production.

It is important to note at this point that passage of the legislation in question will not, in itself, activate this program—or even authorize any new funds. The funds are now authorized—up to $17.75 billion in purchase authority. They would have to be released in an appropriations act, and the program would have to be activated by the Secretary of HUD.

However, it has become clear to both the administration and many Members of Congress that Brooke-Cranston is an initially expensive program, and its implementation could make more difficult the achievement of a balanced budget for fiscal year 1981. It is viewed as expensive because the program requires high initial outlays of cash to purchase home mortgages before the bulk of the outlays can be recaptured through their later sales by GNMA.

The hesitation of many Members was evident in the failure of the Budget Committee to include any allowance for the use of Brooke-Cranston in either fiscal year 1980 or fiiscal year 1981. Moreover, it is no secret that despite the severe problems facing the housing industry, the administration has not yet indicated any inclination to release appropriations or to trigger the program.

The Senate leadership has been concerned enough about the current state of the housing market and in response to that groups have gathered together and out of this have come suggestions to spur housing production that would have little or no budgetary impact. One of the suggestions was developed into an amendment to S. 2177, a proposal that will help achieve our goal as effectively as Brooke-Cranston but at less initial cost.

However, we must first focus on the basic purpose of this legislation before us—to have available an effective countercyclical housing assistance program. We cannot rule out the possibility that Brooke-Cranston with its substantial resources, may be needed before this current slump is over. And we cannot avoid the fact that the program must be revised so that it can provide a quick, efficient stimulus when necessary.

For this reason I am strongly urging the passage of S. 2177 as reported and will state that after the co-floor leader, the Senator from Utah, has spoken, I will offer the amendment that I think is more realistic in many ways from our immediate needs.

Mr. President, I ask unanimous consent that the following staff members be accorded the privilege of the floor during consideration of S. 2177: Albert Eisenberg, David Yudin, Frank Shafroth, Steven Rohde, Carolyn Jordan, Robert Woods, Jesselie Barlow, Philip Sampson, Scott Brown, Michele Trucotte, and John Collins, of the staff of the Committee on Banking, Housing, and Urban Affairs, and David Gogol, of Senator LUGAR's staff.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, it is a pleasure to yield now to the distinguished Senator from Utah, the co-floor manager of the bill.

Mr. GARN. Mr. President, I thank the distinguished Senator from New Jersey.

Today we have a housing legislative package before us revising the Brooke-Cranston and section 235 homeownership program.

There was a joint meeting 3½ weeks ago with the majority and the minority Senate leadership and administration officials to discuss the seriousness of present housing conditions.

Today we have a joint agreement on a package containing amendments to the Brooke-Cranston and section 235 programs. However, this is possible only because of the agreement reached Sunday between the staff. The minority was excluded from Housing Task Force and subsequent meetings for over 3 weeks and was only brought in on Wednesday of last week. Would it not have been better to have worked together so we could bring a clean bill to the floor which we could all support? I am not pleased with the way this has been handled.

We all share the same concern that the home-building related industries not bear a disportionate share of the burden in our joint efforts to balance the budget and reduce Federal spending.

Now I shall address the specifics of the legislation before us. Traditionally, I do not like these so-called "emergency programs" because they often find their way into becoming permanent, costly Government substitutes for private sector activity.

But I agreed to support amendments in committee that would update, not expand, the program and keep it in line with its original purpose to act as a countercyclical stimulus on an emergency basis to help homebuilders with unsold inventories and home buyers who have been temporarily priced out of the market because of rising interest rates.

We recognize that there are many who predict worsening market conditions will become such that HUD Secretary may well want to reactivate this program in the near future. Therefore, it makes sense that we should have a workable program in place that corresponds with today's economic conditions.

However, this is not the time to make major changes or unnecessarily broaden the original purposes of this act.

During committee markup I strongly supported a Proxmire amendment to limit the subsidy to 2 percent and thus assure the program provided only a narrow subsidy the way it was originally used back in 1975–76. That amendment was defeated by 1 vote. I, therefore, voted against reporting S. 2177 out of committee because it was impossible to assure that the program would be targeted to those who had been temporarily priced out of the market.

The program can be activated at the HUD Secretary's discretion and could become a powerful political tool, especially in an election year. This coupled with the need to balance the budget and reduce Federal spending, makes the subsidy limitation absolutely critical.

I am not against Brooke-Cranston. I just want to see it remain as originally intended, targeted to those homebuilders and home buyers temporarily knocked out of a market because of rising interest rates.

I will join with Senator PROXMIRE in again bringing up an amendment limiting the interest rate subsidy. Our amendment will limit the subsidy to 3 percent for single-family, and 4½ percent for multifamily, below the prevailing market rate which is generally one-half to 1 percent above the FHA rate.

An agreement has been reached this weekend with the majority of the committee to accept a compromise on this rate limitation.

Furthermore, I am very supportive of the concept of a revised section 235 program which Senator WILLIAMS will bring up later. I will have an amendment to his, which is a series of cleanup revisions which Senator WILLIAMS has agreed to accept.

However, because of the signals we are sending out to the credit markets with this revised section 235 program, it is even more imperative that we adopt the Proxmire-Garn amendment to limit the Brooke-Cranston subsidy. I am pleased that we have reached an agreement on this matter.

This is not the time to make major changes or unnecessarily broaden the original purposes of Brooke-Cranston, especially coupled with an expanded section 23 program.

Even though the revisions to the section 235 program is viewed as a substitute for Brooke-Cranston, there is nothing to prohibit the Secretary from reactivating the Brooke-Cranston program at some future date. Assuming the Senate adopts the two amendments which have joint agreement; namely, to limit the Brooke-Cranston subsidy and my section 235 amendment, I will support and vote for S. 2177.

Mr. WILLIAMS addressed the Chair.

The PRESIDING OFFICER (Mr. STENNIS). The Senator from New Jersey.

AMENDMENT NO. 1705

(Purpose: To amend section 235 of the National Housing Act)

Mr. WILLIAMS. Mr. President, I send an amendment to the desk and ask that it be stated. I offer this on behalf of the Senators who are stated in the amendment, together with the Senator from Utah, who is the floor manager for the minority on this bill.

The PRESIDING OFFICER. The clerk will report the amendment.

The assistant legislative clerk read as follows:

The Senator from New Jersey (Mr. WILLIAMS) for himself, Mr. PROXMIRE, Mr. CRANSTON, Mr. MORGAN, Mr. RIEGLE, Mr. STEWART, Mr. CHILES, Mr. BRADLEY, Mr. MAGNUSON, Mr. TSONGAS, and Mr. GARN proposes an amendment numbered 1705.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the end of the bill, add the following:

SEC. . Section 235 of the National Housing Act is amended by adding at the end thereof the following:

"(p) (1) Notwithstanding any other provision of this section, the Secretary shall make and enter into contracts to make periodic assistance payments on behalf of homeowners, to mortgagees holding mortgages (A) which cover dwellings the construction of which is completed on or after the date which was one year prior to the date of enactment of this subsection and which have never been owner-occupied, (B) which meet the requirements of this subsection, and (C) which are executed, or for which the commitments have been made, on or after the date of enactment of this subsection and prior to March 1, 1981, or such earlier date as the Secretary may deem appropriate where the Secretary determines that there is no overriding need for emergency stimulation of the housing market.

"(2) A mortgage to be assisted under this subsection shall—

"(A) where the Secretary deems appropriate, provide for graduated payments pursuant to section 245(a);

"(B) involve a principal residence the sales price of which does not exceed 80 per centum of the average new one-family house price in the area, as determined by the Secretary, or $60,000, whichever is greater; and

"(C) bear interest at not to exceed such rate and contain such other terms and conditions as the Secretary may prescribe.

"(3) The amount of the assistance payments shall not at any time exceed the lesser of—

"(A) the balance of the monthly payment for principal, interest, taxes, insurance, and any mortgage insurance premium due under the mortgage remaining unpaid after applying 20 per centum of the mortgagor's income; or

"(B) the difference between the amount of the monthly payment for principal, interest, and any mortgage insurance premium which the mortgagor is obligated to pay under the mortgage and the monthly payment for principal and interest which the mortgagor would be obligated to pay if the mortgage were to bear interest at the rate of 11 per centum per annum.

"(4) The Secretary shall recertify the mortgagor's income at intervals of not more than two years for the purpose of adjusting the amount of assistance payments payable under this subsection.

"(5) Assistance payments to a mortgagee by the Secretary on behalf of a mortgagor shall be made only during such time as the mortgagor continues to occupy the property which secures the mortgage.

"(6) The Secretary shall provide, upon disposition of the property, for recapture of an amount equal to the lesser of (A) the amount of assistance actually received under this subsection, or (B) an amount equal to 75 per centum of the net appreciation of the property, as determined by the Secretary. For the purpose of this paragraph, the term 'net appreciation of the property' means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and any increase in the loan balance as of the time of sale over the original loan balance. In providing for such recapture, the Secretary shall provide incentives for the borrower to maintain the property in a marketable condition. Notwithstanding any other provision of law, any assistance under this subsection whenever rendered shall constitute a debt secured by the security instruments given by the borrower to the Secretary to the extent that Secretary may provide for recapture of such assistance.

"(7) The Secretary shall establish limits applicable to mortgagors to be assisted pursuant to this subsection. In setting such limits, the Secretary (A) may prescribe different limits for different areas, taking into account variations such as prevailing levels of construction costs, unusually high or low median family incomes, or other factors, and (B) shall, to the maximum extent feasible, assure that the assistance payments pursuant to this subsection shall be used to promote homeownership opportunities for moderate income homebuyers.

"(8) The Secretary may not make assistance payments under this section with respect to any dwelling which does not meet all minimum property standards applicable under this Act. The Secretary shall develop a system to allocate funds available under this subsection so that preference in allocating funds shall be given to areas where housing construction activity is most in need of stimulation.

"(9) The aggregate amount of contracts entered into under this subsection shall be limited to the amount of contract authority available under subsection (h) (1) and shall not exceed $135,000,000 per annum.".

Mr. WILLIAMS. This amendment would create a special homeownership assistance program under section 235 of the National Housing Act as a temporary low-cost response to the deepening crisis in the Nation's housing markets. Let me make clear from the outset that this program is not meant to supplant Brooke-Cranston as our primary countercyclical program. Rather, it is designed to offer meaningful and relatively inexpensive assistance to our troubled housing sector in the near term, in recognition of the fact that triggering of Brooke-Cranston is unlikely at any time soon, and that Brooke-Cranston does entail sizable outlays for fiscal year 1981. The need for revising and updating of the Brooke-Cranston program is not affected by this amendment.

The amendment results from the efforts of groups brought together by the distinguished majority leader, and which I am pleased to chair. The majority leader deserves to be warmly commended for his foresight, concern, and leadership in stimulating early response to the needs of the housing market by the Senate.

The mandate, as it come to us from the leadership, in light of the hardships plaguing homebuilders and homebuyers alike, was to develop proposals to assist the housing sector of the economy, consistent with the goal of a balanced budget for fiscal year 1981.

This amendment fulfills that charge. It would require no new budget authority, no new appropriations, and less than $100 million in outlays for fiscal year 1981. I am pleased to be joined on this measure by the distinguished chairman on the Senate Banking Committee, Senator PROXMIRE, and by the other members of the task force, Senators CRANSTON, RIEGLE, MORGAN, STEWART, CHILES, and BRADLEY. I am also pleased that despite its initial skepticism, the administration has decided to lend its support to the thrust of this proposal contained in this amendment that has just been offered.

Specifically, my amendment would create a special section 235 homeownership assistance program that would authorize below market interest rate mortgages for as many as 100,000 homebuyers. Assistance would take the same form as with the existing section 235 program—a direct Federal payment to the lender on behalf of the homebuyer, with the amount of the payment keyed to income and mortgage amount. However, the special program would provide a much shallower subsidy, reducing the effective subsidized rate to as low as 11 percent, as opposed to as low as 4 percent under the present program. In addition, the amendment would authorize the Secretary of Housing and Urban Development to add a section 245(a) graduated payment feature to the program to reduce effective interest rates to the homebuyer to as low as 8 percent.

Under this special section 235 program, assistance payments would be available for persons buying dwellings that sell for up to 80 percent of the average new house price for their area, or $60,000, whichever is higher. Income limits would be set by area and at a level to be determined by the Secretary, with the stipulation that those of moderate income be served to the maximum extent feasible. The special program would also provide for the recapture of all or part of the Federal subsidy upon sale of the home, if there is appreciation in the value of the home, thus significantly reducing the program's ultimate outlays.

In keeping with the program's temporary purpose, the program would remain in effect only through March 1, 1981, unless the Secretary of HUD determines that there is no longer a need for emergency stimulation of the housing market.

Approximately $165 million of contract authority is currently available for the section 235 program, pursuant to a 1975 court order that overturned the impoundment of the program's appropriations during the Nixon-Ford administration. The amendment proposes that $135 million of this amount would be used for the special section 235 program, retaining $30 million for the existing program. Up to 100,000 mortgages could be assisted under the special program, reserving sufficient authority for about 10,000 units for the existing program in 1980 and 1981.

This program would be available, based on the Secretary's determination to spur production of new housing or to provide assistance to those caught with housing inventories that restrict their ability to start new production. According to estimates of the Congressional Budget Office, if the program becomes operational by August, there would be no outlays for fiscal year 1980, and approximately $86 million in outlays for fiscal year 1981, minus of course any recapture of subsidy.

Mr. President, let me take a brief moment to illustrate how this special assistance program would lower mortgage payments: A $50,000 mortgage at 14 percent interest (the current FHA rate) requires a monthly payment of about $600, and an annual income of $35,500 to support that mortgage. Under my amendment, that $50,000 mortgage, with a GPM provision attached, would have an initial monthly payment of $364, and require an annual income of $21,800. Without the graduated payment mortgage provision, the homebuyer would be required to pay $476 a month, still substantially lower than the unsubsidized amount. Under the program, homebuyers would be required to pay at least 20 percent of their monthly income toward their mortgage payment, as in the existing 235 program. This required payment, combined with the rising income of the homebuyer, can be expected to reduce, and ultimately wipe out, the Federal subsidy. According to HUD, two-thirds of those who have entered the 235 program are no longer receiving any subsidy.

Mr. President, this amendment would provide a strong, yet prudent response to the worsening crisis in housing production. It is a unique opportunity to use available funds to cushion the fall-off in housing activity, while respecting the goal of a balanced budget for fiscal year 1981. It is not designed to replace Brooke-Cranston, which needs to be updated, and which may yet be called upon to play a role in averting depression in the housing activity, while respecting the provide, however, a more immediate shot in the arm that I believe is urgently needed by the housing industry to protect its productive capacity and to keep it from suffering unfairly from broad efforts to bring inflation under control. I hope that the Senate will give this amendment speedy approval.

Mr. President, I ask unanimous consent that a table showing how the section 235(p) program will work be included at this point in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

Section 235(p) program example assuming $50,000, 30-year mortgage

With a standard 14% mortgage: Monthly principal and interest: $592.43; income to qualify: $35,545.80.

With a standard 11% mortgage: Monthly payment: $476.16; income to qualify: $28,569.70.

With a GPM 245(a) plan III: First year monthly payment: $364.14; income to qualify: $21,848.40.

Under GPM plan III, monthly payment increases by 7.5% each year for five years. Monthly payments escalate as follows:

Year 1	$364.14
Year 2	391.44
Year 3	420.80
Year 4	452.36
Year 5	486.29
Years 6–30	522.76

Mr. WILLIAMS. I think that the 235 program has a proven record of usefulness to those who have qualified under it for homeownership. It does go to one of life's most sought after goals for families—homeownership; and it does so in a way that can be useful now in this period when interest rates are keeping moderate income people out of the market.

This proposed special 235 program is a significant improvement, of course, not only in terms of price limits and interest rates, but also with the graduated payment mortgage (GPM) provision included in it. I am happy to note, and I note it with a pleasant feeling of nostalgia, that the GPM in its present form is so much the product of the creativity and wisdom of the Senator from Utah.

So this 235 update impresses me as a wise, and effective, response to what we know is needed across the country, so that in all our communities we can have good, modest homes.

And I think this can happen under this proposal. I am happy to note that the Senator from Utah is still creative in this process and will have some amendments that we look forward to.

The PRESIDING OFFICER. May we have quiet? We do not have many Senators in attendance, but the Chair is having trouble hearing the speakers, nevertheless.

The Senator from Utah.

UP AMENDMENT NO. 1045

Mr. GARN. Mr. President, I submit an unprinted amendment to amendment No. 1705 and ask for its immediate consideration.

The PRESIDING OFFICER. The Chair is advised that, until time has expired on the Williams amendment, further amendments are not in order, except by unanimous consent.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that Mr. GARN may offer his amendment.

The PRESIDING OFFICER. Is there objection? The Chair hears none. It is so ordered.

The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from Utah (Mr. GARN) for himself, Mr. PROXMIRE, and Mr. WILLIAMS, proposes an unprinted amendment numbered 1045.

Mr. GARN. Mr. President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 1, line 9, strike out "owner-occupied" and insert in lieu thereof "sold".

On page 2, line 6, after the period add the following: "The Secretary may establish such criteria, terms, and conditions relating to homeowners and mortgages assisted under this subsection as the Secretary deems appropriate, consistent with the provisions of this subsection. The Secretary is authorized to insure a mortgage which meets the requirements of and is to be assisted under this subsection.".

On page 2, line 11, strike out "(a)".

On page 2, line 16, strike out "and".

On page 2, between lines 16 and 17, insert the following:

"(C) involve a principal residence the sales price of which does not exceed the appraised value of the property, as determined by the Secretary; and".

On page 2, line 17, strike out "(C)" and insert in lieu thereof "(D)".

On page 3, lines 5 and 6, strike out "which the mortgagor is obligated to pay under the mortgage" and insert in lieu thereof "which would be required if the mortgage were a level payment mortgage bearing interest at a rate equal to the maximum interest rate which is applicable to mortgages insured under section 203".

On page 3, line 8, strike out "to bear" and insert in lieu thereof "a level payment mortgage bearing".

On page 3, line 21, strike out "75" and insert in lieu thereof "50".

On page 4, line 3, after "shall" insert ", to the extent necessary,".

On page 4, strike out lines 5 through 9.

On page 4, line 16, after "feasible" insert "consistent with the emergency purpose of this subsection".

Beginning with the word "The" on page 4, line 23, strike out all through page 5, line 2, and insert in lieu thereof the following: "The Secretary shall allocate funds under this subsection so that preference is given to areas where housing construction activity is most in need of stimulation, as measured by factors such as population, the relative decline in building permits, and such other factors as the Secretary may deem appropriate. Section 213 of the Housing and Community Development Act of 1974 shall not apply to this subsection. A mortgage which meets the requirements of this subsection may be eligible for assistance under this subsection irrespective of how many other mortgages covering dwellings in the same subdivision will be assisted under this section.".

Mr. GARN. Mr. President, as I have already discussed, I support the concept of the special mortgage assistance program created by amendment 1705. The program will help homebuilders sell a modest number of homes and builds on the 235 program which has been very successful in Utah. Plainly put, a number of technical and correcting changes are needed to make the program workable. My amendment will accomplish that, but would have been unnecessary if this program had initially been developed with the bipartisan cooperation that the seriously troubled housing industry deserves.

That bipartisan cooperation did come over the weekend and that is why I think we have been able to come to some very worthwhile agreements.

The changes made by my amendment are:

First, the houses which are eligible for assistance under the program must "have never been sold" rather than "have never been owner-occupied." This change will insure that the assistance is focused on home sales by builders whether directly after completing construction or after the builder rents the home to cover carrying costs. Without this change an investor could buy a house and then sell it under the program.

Second, explicit authority to insure the mortgages assisted under the program is added. Without this amendment, the mortgage limits in present FHA insurance authorities would in many cases prevent HUD from insuring mortgages which meet the higher sales price limit this new emergency program allows. It should be noted that the mortgage does not have to be insured, but with this amendment it can be if the lender, home buyer and FHA agree it should be.

Third, the authority to add a graduated payment mortgage feature to assisted mortgages is amended to include the graduated payment mortgages authorized in section 245(b) by the Homeownership Opportunity Act which was part of last year's housing authorization legislation.

The distinguished Senator from New Jersey mentioned that I played a part in that. Yes, I did. But without his help we could not have had it passed. We had a difficult time with that program in the House of Representatives. It took several weeks to have them see the light of day. I want to acknowledge the help that Senator WILLIAMS gave me on that GPM program in the Homeownership Opportunity Act last year.

Fourth, a limitation is added so that the sales price of the home cannot exceed its appraised value. This will help insure that the Government does not make extra assistance payments for an overpriced home.

Fifth, the amount of the assistance payments is limited to the difference in monthly payments between a normal mortgage at the FHA interest rate and one at 11-percent interest. (If it is a smaller amount, the remainder of the monthly mortgage payment after the buyer pays 20 percent of income would be the maximum assistance.) By limiting the assistance formula to the FHA interest rate, the homebuyer will have an incentive to find the best financing arrangement possible. As originally drafted, the Government's assistance would automatically increase no matter how high the lender raised the interest rate. Furthermore, this change makes it clear that even for a graduated payment mortgage the assistance calculation is based on a level payment mortgage.

Sixth, the provision for recapturing the assistance payments on the sale of the house is made more reasonable by limiting the recapture to 50 percent, rather than 75 percent, of the net appreciation. (The recapture would also never exceed the total assistance payments.) While I support the concept of recapture as a way to reduce the long-run program costs, leaving the homeowner with only one-fourth of appreciation nearly eliminates one of the big attractions of home ownership and may drastically reduce the incentives for proper maintenance and upkeep. A 50–50 split of net appreciation between the Government and the homeowner is provided in my amendment and is more reasonable. Because the recapture concept is new to FHA programs, the Secretary should insure that potential homebuyers understand the program and will not assume it is like the existing section 235 program which does not have recapture.

Seventh, a technical correction is made to the provision giving the Secretary authority to establish income limits for the program.

Eight, under amendment 1705, funds are to be allocated with preference to areas where housing construction is most in need of stimulation. My amendment makes it more specific that need is to be measured by factors of population, the relative decline in building permits, and other objective factors. Frankly, I am concerned that this program could be implemented with too much regard to election year politics. Under my amendment objective factors must determine where the limited assistance is allocated.

Finally, two technical provisions are added to override the limit that no more than 40 percent of the homes in a subdivision can be assisted by the present 235 program and the requirement for local government review for consistency with housing assistance plans of projects with more than 12 houses. Neither of these were meant to apply to moderate income housing.

I think these changes will make the amendment by Senator WILLIAMS a very workable program that will at least give some rather immediate short-term assistance to at least a moderate number of homebuilders who are in difficulty in this country and, even more importantly, provide that some people who simply are priced out of the market will be able to get into adequate housing.

Mr. WILLIAMS addressed the Chair.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, I will be very brief. I just want to rise to commend the Senator from Utah and also to thank him for his positive helpful role in the development of this section 235 proposal before us. The amendment, I know, is another demonstration of the Senator's deep concern for the serious economic problems facing the housing sector and his sensitivity to the need for a rational and prudent response to what I describe as a grave problem in our Nation today.

Mr. President, I am pleased to accept and cosponsor the amendment of the distinguished Senator from Utah.

The Senator's amendment would make several important refinements to the 235 proposal as originally drafted.

A few of the more important provisions should be noted:

Specific authority is created for the Secretary to insure mortgages under subsection 235(p). It is important to clarify that this program can be used for both FHA-insured and conventional mortgages, and it is over intent that the program be available for both kinds of financing.

The graduated payment feature, if used, could be pursuant to either section 245(a) or section 245(b), the new GPM developed in last year's housing bill. The 245(b) GPM allows for a smaller downpayment and a smaller increment in annual income and will help assure that this program is targeted to moderate-income families. This provision might also encourage HUD to step up their implementation of the 245(b) program.

The maximum assistance payment for a conventionally financed dwelling under 235(p) would not exceed the payment level that would be applicable if the mortgage were FHA insured. This will help moderate the cost of this program and exert some downward pressure on the interest rates used in this program.

The recapture provision would be modified to limit recapture of the subsidy upon the sale of the home to 50 percent of the appreciation on the home, or the actual subsidy received. This provides for an effective recapture mechanism while assuring that homeowners have the proper incentive to maintain their properties.

The allocation provision would be amended to provide additional direction to the Secretary as to how the program funds should be allocated. It stresses that the Secretary should focus his allocation primarily on sectors such as population. He would also be able to utilize other factors that may be appropriate.

Mr. President, these are some of the important features of this amendment. I believe they strengthen the proposal and help assure that we will create a workable response to a serious housing crisis.

All of the provisions of the amendment have been outlined. It impresses me that each one of them is significant in making this kind of program that can go to work efficiently and quickly after we have passed this legislation and it has been signed. Every one of them is a significant contribution to making section 235 fairly and finely tuned to the needs it is designed to meet.

I commend the Senator from Utah and thank him. I am very grateful to be a part of this as a cosponsor of this amendment.

Mr. PROXMIRE. Mr. President, will the Senator from New Jersey yield time on the amendment?

Mr. WILLIAMS. Mr. President, I yield.

Mr. PROXMIRE. Mr. President, I am pleased to cosponsor the amendment offered by the distinguished Senator from New Jersey, as it will be amended by the distinguished Senator from Utah (Mr. GARN).

In developing the approach embodied in this amendment, we were faced with the dilemma of attempting to constructively respond to the immediate crisis in homebuilding while at the same time not endanger the overriding objective of a balanced budget which is essential in combating inflation. I believe that this amendment is a responsible effort to respond to this dilemma. Indeed it has the special attraction of providing very substantial long-term cost savings compared to current law.

There cannot be any doubt that home construction in the United States is now encountering a real crisis. Housing starts in March were at a seasonally adjusted annual rate of 1,041,000, a drop of approximately 300,000 units from the February level. The March level of housing starts is the worst month since April 1975. Building permit data for March was at a seasonally adjusted annual rate of 941,000 units, which indicates continued trouble in the months immediately ahead. The sharp downturn in housing starts is creating serious unemployment in the construction industry.

It must be emphasized that the root cause of today's homebuilding crisis is inflation. An inflation rate of close to 20 percent inevitably results in interest rates which, by historical standards, seem incredibly high. As a long-term solution, there is simply no alternative to winning the fight against inflation. On a short-term emergency basis, however, we should take action to stimulate new construction and assist homebuyers, as long as such action does not impede the overriding objective of combating inflation.

This amendment has the potential for providing assistance for up to 100,000 units, depending on market conditions at the time the program is implemented. Whether and to what extent this assistance would be provided for the existing inventory, or be used instead to stimulate new construction, would be left entirely to the discretion of the Secretary to evaluate the need at the time the program is implemented.

It must be emphasized that the benefits of this amendment can be realized without the need for any new authorization or appropriation. The amendment utilizes an existing pot of funds obligated years ago. It is true that since the funds would be spent initially at a somewhat faster rate than currently anticipated, there would be a net increase in outlays, according to a CBO estimate, of approximately $86 million in fiscal year 1981. By contrast, however, to assist 100,000 single family units under the Brooke-Cranston program could require outlays of $5 billion, almost 60 times as much. I repeat that—60—times as much.

While the net increase in outlays in fiscal year 1981 is estimated at $86 million, on a long-term basis this amendment to the section 235 program will actually result in very substantial cost savings. This is attributable to the recapture provision which is included in the amendment. There is no similar recapture provision in the existing section 235 law.

According to a CBO staff estimate, based on an assumption of an average annual appreciation rate of only about 5 percent, which I think is very conservative, in the value of houses assisted under the temporary program, it is estimated that approximately 76 percent of the actual subsidy dollars paid out will ultimately be recaptured, even with the amendment or it would be amended by the Senator from Utah. Assuming that the entire $135 million in available annual contract authority is utilized for the emergency program, the estimated total of actual subsidy payments under the temporary program would be $1.1 billion, of which an estimated $835 million would ultimately be recovered pursuant to the recapture provision.

If the $135 million in annual contract authority were instead used as contemplated under the existing law without the amendment, it seems reasonable to assume that the actual subsidy payments would be at least $1.1 billion, with none of it recaptured. Thus, using these assumptions, the effect of this amendment to the section 235 program would be to save at least $835 million in long-term cost.

I am speaking of the amendment as modified by the Senator from Utah.

There is one significant disadvantage to this proposed temporary program which must be noted. While the amendment would guarantee retention of enough contract authority to assist approximately 10,000 families under the existing section 235 program which is targeted to more moderate income homebuyers, it must be recognized that as a result of this amendment, up to $135 million in contract authority will be redirected to address the needs of the immediate crisis. This $135 million in contract authority could have assisted perhaps 35,000 families under the existing section 235 program.

The decision to redirect this contract authority is indeed painful. However, given the realities of the crises we are facing in homebuilding and inflation, I believe that this amendment, while painful, is nevertheless in the overall public interest.

I urge favorable consideration of the amendment by the Senate, and I congratulate the Senator from New Jersey for offering the amendment.

Mr. WILLIAMS. Mr. President, will the Senator yield?

Mr. PROXMIRE. I am happy to yield to my good friend.

Mr. WILLIAMS. Mr. President, I will say that the Senator from Utah has amendments, too, which impress me as making a good product a lot better.

Mr. PROXMIRE. I agree wholeheartedly. I was speaking on the amendment as proposed to be amended by the Senator from Utah.

The PRESIDING OFFICER. Who yields time?

Mr. WILLIAMS. Mr. President, the Senator from North Carolina is seeking recognition.

Mr. MORGAN. Mr. President, I also want to speak on the amendment and on the bill.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. MORGAN. Mr. President, I will present comments which apply generally to the bill. I do support the amendment of the distinguished Senator from Utah. My homebuilders in North Carolina tell me they agree with it.

Mr. President, I also wish to record my support for the proposed changes in the section 235 homeownership program.

This program has benefited homebuilders and homebuyers in North Carolina. It recently has proved to be very successful in expanding homeownership opportunities in smaller towns and rural areas of the State.

The present program, however, has increasingly been limited in applicability by income and mortgage ceilings which have not kept up with inflation.

The amendments proposed today could encourage homebuilding activity very quickly without significant impact on the budget, since funds for the programs are already authorized and appropriated. They could encourage homebuying by families in need of assistance. but not at significant cost to the Treasury, since the revised program would authorize a recapture of the subsidy at the time of sale or transfer of the house.

New authority to use a graduated payment mortgage in conjunction with the homeowners assistance program would enable homebuyers who need the program the most, such as the first-time homebuying family, to manage the higher payments made necessary by the recent increases in interest charges.

It is estimated that the revised program could result in the production or sale of an additional 95,000 houses, and the creation or retention of twice as many housing industry jobs.

Mr. President, we need increased housing production and housing industry employment now. We need such selective aid if we are to avoid a deep recession in the months ahead. I believe the proposed amendments to the section 235 homeowner program will, if enacted now, help avoid a deep recession without necessarily fueling further inflation.

I urge my colleagues in the Senate to vote "yes" on the proposal to revise the section 235 homeownership program.

Mr. President, I join my colleagues on the Banking, Housing, and Urban Affairs Committee in urging the Senate to pass S. 2177, the Emergency Home Purchase Assistance Act Amendments of 1980 now.

The Emergency Home Purchase Assistance Act, which I generally refer to as the Cranston-Brooke Act in recognition of the key legislative role played by my distinguished colleague from California, was enacted to stimulate the housing industry in the face of a severe decline in home building and sales in 1974.

The emergency program had substantial success then. Housing starts and employment rose after the program was enacted. Sales of some 190,000 single family and 185,000 multi-family units were spurred by the program. The Nation's gross national product was enhanced by over $1 billion, according to estimates made by the General Accounting Office.

Mr. President, the housing industry is in similar circumstances today. Building suppliers, lenders, and others who work to satisfy our shelter needs are in depressed economic circumstances. Families who need housing are finding themselves frozen out. Although the Congress has enacted a number of programs to end the boom-and-bust cycles that have affected the housing industry for many decades, housing activity again has turned sharply downward. While the administration has taken steps to shield the housing industry from carrying the burden of anti-inflationary measures alone, the simple fact is that homebuilders and buyers are today bearing most of the burden.

The Committee on Banking, Housing, and Urban Affairs has recognized this situation and has approved amendments to the Emergency Home Purchase Act in order to permit it to function more effectively. I strongly urge my colleagues to approve the committee's recommendations.

The proposed amendments would improve the program by:

First. Requiring the Secretary to make a finding that first implementing it will not significantly worsen inflationary conditions and second prohibit implementing unless housing starts are less than 1.6 million starts over the most recent 4-month period.

Second. Eliminating the existing requirement that the prescribed mortgage interest rate be 7½ percent. Under the amendment, the Secretary of HUD would have discretion to set rates up to the established FHA rates. The amendment makes clear, however, that the Secretary is to minimize the amount of subsidy provided, consistent with making the program work.

Third. Limiting the sales price of eligible single-family houses to a price equal to 90 percent of the average new-house price in the area. The present relatively inflexible program ceiling would be updated and improved by granting the Secretary of HUD authority to establish ceilings by local area.

The amendments would also make clear that:

First. The Secretary continues to have the authority to use a portion of the funds for buying mortgages on existing houses which were constructed more than 1 year before the issuance of purchase commitments.

Second. The Secretary should allocate funds on a State-by-State basis, and should promote use of the program by first-time homebuyers and by builders constructing energy-efficient houses.

The amendments would continue existing authority to encourage construction of multifamily residences, but would prohibit use of program funds for buildings being converted from rental to condominium or cooperative status.

Mr. President, the EPHA amendments should be approved now. The downturn in housing threatens to spread depression today and to insure inflation in the future. By approving this measure, we will, I believe, be taking a prudent step in the right direction.

I thank my distinguished colleague for yielding.

Mr. PROXMIRE. Mr. President, we have not acted yet on the Garn amendment, I take it.

The PRESIDING OFFICER. Who yields time?

Mr. GARN. Mr. President, I yield back the time on my amendment.

Mr. WILLIAMS. Whenever it is appropriate, I yield back any time that I have on the amendment.

The PRESIDING OFFICER. Is all time yielded back on the Garn amendment? Does the Senator from New Jersey yield back his time?

Mr. WILLIAMS. Yes, I yield it back, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from Utah.

The amendment was agreed to.

Mr. CRANSTON. Mr. President, I believe everyone recognizes the economic problems facing our Nation's housing construction industry and the impending gloomy predictions for the future facing us as a result of the Federal Reserve Board's belt tightening—high interest rate policies. The housing construction industry is facing its worst recession since World War II. This recession in the housing construction industry could be the forerunner of a deep recession for the entire economy unless we take prompt action. However, whatever action we take must be carefully balanced so as not to add to our inflation woes, or interfere with our first priority, a balanced budget in 1981.

The Senate Housing Task Force, of which I am a member, has developed several proposals dealing with homeownership assistance that will soften the impact of the impending housing downturn. The Senate Task Force, appointed by Senator ROBERT BYRD and chaired by Senator HARRISON A. WILLIAMS, is charged with finding solutions to the housing crisis that are neither inflationary nor bust the budget. We came up with several recommendations, both legislative and administrative. Administratively, we urged HUD to extend FHA section 203(b) authority to interim construction financing presently being held by builders on their inventory. High cost construction financing is a problem for the builders who find it difficult to continue to roll these funds over. The extension of 203(b) authority to existing financing will allow the builders to roll over these mortgages at a lower FHA interest rate which is currently 14 percent. I am told that HUD will soon make this authority available.

Legislatively we are recommending several approaches. The first is to amend the Emergency Home Purchase Assistance Act of 1974, so that the cyclical Cranston-Brooke program will be updated to meet today's economic needs if the Secretary of HUD decides that it needs to be activated and can be activated when all failures are considered. Second, we are revising the section 235 program so that 100,000 new units will be available immediately without budgetary impact.

I am pleased to have been the coauthor, along with the distinguished Senator Edward Brooke, of the Emergency Home Purchase Assistance Act of 1974, commonly referred to as the Cranston-Brooke tandem program. In 1974, when this program was first proposed, it was intended to be a temporary cyclical shot in the arm to the homebuilding and construction industry in severe economic times when low housing starts, little or no mortgage credit availability, high interest rates, recession and high unemployment were prevalent.

The program attempts to help stabilize the housing market against cyclical slumps by increasing the supply of reasonably priced credit to stimulate the purchase of new and existing single family and multifamily units. Mortgage assistance is provided by allowing GNMA to issue commitments to purchase privately written, below market interest rate mortgages. GNMA purchases these mortgages at below market interest rates and subsequently sells these mortgages at the market rate. The actual cost of the program is the difference between the aggregate price of the mortgages purchased at the below market interest rate and the aggregate sales price of the mortgages at the market rate when they are sold.

It is generally accepted that each dollar of Government assistance for housing triggers private investment of between $15 and $20 for construction. This creates a demand for housing and related goods and services and thereby jobs and tax revenues are generated. On this premise, Senator Brooke and I sought to provide a program to stimulate housing and the economy in periods of economic strain at the lowst cost to the Government.

In January 1980, single family housing starts were down 17 percent from the previous January. Multifamily starts fell 33 percent from the level achieved in January 1979. Overall starts for February showed a decline to a rate of 1.3 million. Alarmingly, the March figures show that the expected starts declined 300,000 units in 1 month to a figure of 1.04 million. One million units is one-half of our Nation's housing start goal.

When housing starts are down dramatically, workers are idle not only in the housing construction industry but in other related industries as well. Industries that manufacture and sell home appliances, real estate, insurance, small businesses, and financial institutions all feel the strain of a depressed housing industry.

I believe that economic conditions facing today's housing market may warrant the triggering of Cranston-Brooke in the near future. In order to activate the program, the Emergency Home Purchase Assistance Act of 1974 (12 U.S.C. 1723(c)) must be amended so that it will be responsive to current market conditions.

The amendments we are considering today make these needed revisions by modifying the mortgage amount, sales price, interest rate limitations, and the triggering mechanism in the original act.

The first one of these revisions adds two new conditions to be met before the tandem program can be activated. The first requirement is that the Secretary of HUD must determine that the use of Cranston-Brooke will not significantly worsen inflationary conditions. This provision is intended to assure that the

Secretary takes into account a broad view of the economic impact which would result from the implementation of the program.

The second requirement is that implementation cannot occur unless the 4-month moving average annual rate of housing starts is below 1.6 million. This is only a floor and is not intended as a mandate for the implementation of the program. After the moving average reaches 1.6 million starts, it is still within the Secretary's discretion to activate the program.

Multifamily housing is an area that I am very concerned about. I am pleased that we are mandating eligibility for multifamily housing assistance under this program. This country is facing a severe rental housing shortage. Los Angeles County alone estimates that it currently needs 100,000 new rental units. The Cranston-Brooke program can be used to provide some assistance directed at our multifamily housing problems. However, we must take a closer look at all our programs for rental housing, including the tax laws, to see why they are not working in today's marketplace.

Interest rates under the original Cranston-Brooke bill were to be set by the Secretary of HUD based upon market conditions. It was our intent that the interest rate should be as high as the market could bear to reduce the cost to the Government.

It was Senator Proxmire, however, who fought on the floor in 1974 for the 7½-percent interest rate and won. It was my feeling at the time that such a deep subsidy was not required to make this program go and that it would cause unnecessary costs to the Government. I am pleased that S. 2177 strikes the 7½-percent interest rate level in existing law and allows flexibility for the Secretary of HUD to set the interest rate.

I believe that the new formula contained in S. 2177 for a sales price limitation is a good one. The sales price limit of 90 percent of the average (mean) new house price in the area, as determined by the Secretary, allows this program to reach more people than the old limit of $48,000, and thus makes the program more effective. It takes into consideration regional disparities of home costs, whereas the old fixed limit did not. Multifamily housing under the amendments will continue to be subject to a mortgage limit as determined by the National Housing Act.

Another significant amendment to the program permits mobile homes to be considered eligible for funds under this program. Many people are discovering that this form of housing better suits their needs and is a lower cost alternative to traditionally built homes. I supported the addition of mobile homes to these provisions.

Mr. President, it is imperative that this Congress pass S. 2177. As already outlined, the home building industry is in a recession and many in the industry are on the verge of default or bankruptcy. Traditionally, Cranston-Brooke has been the economic tool that has been used to assist that industry in similar times. We are updating the program so that all the tools necessary will be at our immediate disposal if they are needed.

Currently, the section 235 program offers mortgage insurance to increase homeownership opportunities for low- and moderate-income families, especially those families that are displaced by urban revitalization. HUD insures lenders against loss of mortgage loans to finance the purchase, construction, or rehabilitation of low cost one- to four-unit family housing. The interest rate for these loans are subsidized down to 4 percent and the maximum mortgage amount is $32,000. This program has been used very little since the 1974 moratorium on assisted housing by then President Nixon.

Senator Williams and I are offering an amendment that would temporarily change this program to direct HUD to use the $165 million available in contract authority to provide an emergency shallow interest rate subsidy for moderate-income housing. Of the $165 million currently available under 235 contract authority, up to $135 million would be used for the new program. This leaves sufficient authority to build 10,000 units of old 235 units in 1981 and the rest of 1980 as planned by HUD. It is important to retain these units because we must not turn our backs on our commitment of helping resettle low- and moderate-income displaced people and these 10,000 units will remain for that purpose.

In 1979, 8,000 units were built under the existing 235 program, and it is predicted that only 18,000 units will be constructed in 1980. Our new crash program will stimulate construction of around 100,000 moderate-income units which is a fivefold increase over the present rate. This program uses money that has previously been appropriated but never spent and will have little budgetary impact. It requires no new budget authority and increases outlays by a slight $75 million. This new 235 program will subsidize the interest rates down to 11 percent and mortgage limits would be $60,000 or 80 percent of mean area new house sales price, whichever is greater.

The new 235 mortgage will be combined with a graduated payment mortgage feature, allowing for lower monthly payments in early years. This would allow an initial monthly payment equal to that required under an 8-percent standard mortgage. These lower payments will qualify many first-time home buyers and lower income persons for this program. The program is to stay in effect for 9 months following enactment, unless the Secretary of HUD terminates the program earlier. After 9 months, the 235 program reverts back to its original purpose. There is also a recapture provision that requires the homeowner to pay back on resale of the home the amount of assistance actually received under the program.

Mr. President, while we cannot insulate the housing industry from the recession, I believe that the legislative and administrative steps that we are advocating will assist the housing construction industry and help to soften the impact of a recession in that industry. I urge that the Senate pass the Cranston-Brooke update and the section 235 revision.

● Mr. CHILES. Mr. President, I am pleased to be an original cosponsor of the amendment to broaden the section 235 housing program to allow its use for temporary relief to the hard-hit housing industry. High interest rates have brought housing construction to a screeching halt in Florida, as elsewhere in the country, and some Federal action is necessary.

This amendment was developed by an ad hoc task force of Senators who are particularly concerned with the housing industry, and I am glad that we were able to come together with the administration on a reasonable course of action.

Our amendment will allow the Secretary of Housing and Urban Development to provide assistance to help homeowners afford mortgages with interest rates over 11 percent. Even where mortgage money has been available, high interest rates have kept many low- and middle-income families from being able to afford them. The amendment also allows the Secretary to assist graduated payment mortgages, which are suitable for young families whose incomes can be expected to increase significantly over the course of the mortgage.

We have tried to build in a variety of protections for the taxpayer. First, we provide that the amount of subsidy paid shall be "recaptured" upon sale of the house, up to 75 percent of the net appreciation in value. Thus, the Federal Government becomes a co-investor to the extent that it participates in carrying the cost of the home.

Second, the assistance can only be used for a principal residence, where the sales price is not more than 80 percent of the average new one-family home price of the area, up to $60,000. The subsidy cannot be used for speculation, for vacation homes or to help people invest in high priced houses.

Finally, only families whose income does not exceed 130 percent of the area's median income will be eligible. While this will help the middle class families who are too strapped by inflation to qualify for regular mortgages, it will not provide subsidies to upper income people.

The bill we are amending is the reauthorization of the emergency mortgage assistance program, known for its original sponsors as the "Brooke-Cranston" program. This provides a much broader form of mortgage assistance at times of economic crisis. The Brooke-Cranston program works by buying up mortgages from lenders during periods of low liquidity, which often occurs when high interest rates cause people to take their money out of savings accounts and put it into short-term securities. I support the reauthorization of Brooke-Cranston, so that we have it in place when we need it. This bill makes some improvements by tightening up the original version, and this should insure that it is a good bargain for the taxpayers.

Some people have argued that we ought to put out $10 billion of Brooke-Cranston assistance right now. I think that would cause more harm than good. Right now, the problem does not seem to be a lack of available funds for mortgages. Rather, the problem is that people cannot afford to pay the high interest rates. What has driven up interest rates is runaway inflation, and expectations by the financial market that the Government is not serious about restraining inflation.

Over the last few weeks, we have just begun to change those expectations. I was part of a Democratic leadership group that worked with the administration to develop a balanced Federal budget for the coming year. The Senate Budget Committee, of which I am a member, has reported a balanced budget resolution. The credit markets are beginning to believe us, and we have seen the first, small reductions in interest rates on Treasury bills. If we move ahead to spend an extra $10 billion on housing assistance before we have enacted the legislation to produce a balanced budget, no one will believe we are serious about inflation, and interest rates will stay high. That would be a disaster for housing and the rest of the economy.

Mr. President, no one likes to see the industry collapse. It drives people out of work in construction, in building materials, and in related industries like furniture and home appliances. In the long run, major housing downturns are inflationary. The experts tell us that there will be 2 million new families ready to buy houses this year and next year. If we lose a million units of production this year, all we are doing is cutting down on supply while demand stays high. That has got to drive up prices next year.

Some medicines can kill the patient rather than curing him. Further deficit spending by the Federal Government will add to financial instability and kill the housing industry, not cure it. I questioned the Secretary of the Treasury about whether we could expect some relief on interest rates by the fall. He responded that if we stay on track, both inflation and interest rates could be down sharply by the fall. That would allow the housing industry to recover and put more homes on the market in time for the big spring selling season. I think that if we do not see improvement by the fall, then we ought to consider further Federal assistance for housing.●

Mr. PROXMIRE. Mr. President, I understand that the pending business is the Williams amendment as modified; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Who yields time on the amendment of the Senator from New Jersey?

Mr. PROXMIRE. Mr. President, I have another amendment I should like to offer as soon as the Williams amendment is disposed of.

Mr. WILLIAMS. Mr. President, I yield back my time on the Williams amendment.

Mr. GARN. I yield back the minority's time on the Williams amendment, Mr. President.

The PRESIDING OFFICER. All time having been yielded back, the question is on agreeing to the amendment of the Senator from New Jersey.

The amendment, as modified, was agreed to.

Mr. GARN. I move to reconsider the vote by which the amendment was agreed to.

Mr. WILLIAMS. I move to lay that moton on the table.

The motion to lay on the table was agreed to.

Mr. GARN. Mr. President, if the Senator from Wisconsin will yield, I promised the Senator from Connecticut that, if he has no amendment, he could make a statement. If the Senator would allow him to make the statement, then we can proceed with his amendment.

Mr. PROXMIRE. Mr. President, I have no objection.

The PRESIDING OFFICER. The Senator from Connecticut is recognized.

Mr. WEICKER. Mr. President, I commend the distinguished senior Senator from New Jersey and his colleagues for this response to the difficulties of the housing industry. The amendment offered by Senator WILLIAMS is a beginning. It has the particular virtues of being capable of immediate implementaton, inasmuch as funds are immediately available for it. The proposed revisions in section 235 should have the effect of broadening the availability of this instrument, and expanding its use. And putting the most optimistic face on this, let us concede the estimate that this amendment to S. 2177 may benefit some 100,000 prospective home buyers.

At this point, I believe it is important to review the legislative history of S. 2177 as reported out of the Banking Committee. Last December—December of 1979—the administration and I introduced separate pieces of legislation, S. 2177 and S. 2178, to update and revise the Emergency Home Purchase Assistance Act, commonly referred to as the Brooke-Cranston program. In anticipation of the growing housing crisis, I believed it was essental to have this emergency assistance program "ready to go", should the Secretary of HUD decide to activate it. Between 1974 and 1975, when the housing industry last hit bottom, Brooke-Cranston pumped approximately $9 billion of reasonably priced mortgage funds into the market. This initiative helped to stabilize the industry, save jobs, and build houses. In short, it threw to a critically important industry a life preserver as it fought to survive in turbulent economic waters.

Last October, the President of the National Association of Homebuilders warned the members of the Senate Small Business Committee that housing starts will drop drastically by June of this year. His worst prediction has come true. However, instead of anticipating the problem, the administration has dragged its feet. Only when confronted with a crisis situation in the housing industry did the administration, in concert with a Democratic housing task force, hastily slap together a revised section 235 program. I commend my colleagues for this action, however delayed.

Mr. President, the fact remains that the remodeled 235 program still does not adequately address the problems facing the housing industry; therefore, it does not address the difficulty facing prospective home buyers. Finally, it does nothing to attack the inflation which is, in a circular manner, both a cause and an effect of the housing crisis today.

Mr. President, the administration's housing proposal is not a solution; it is only a part of a solution. It is a beginning, and nothing more. Let me be frank to say that it may give a salutary appearance of action, which is especially desirable in an election year. I urge that we not avoid taking the right economic actions today merely because these may be construed to be the wrong political actions.

The fact is that the revision and implementation of section 235 is not a substitute for funding and activating Brooke-Cranston—the Emergency Home Purchase Assistance Act. My colleague makes no pretense that this proposal is a substitute for Brooke-Cranston. He tells us that Brooke-Cranston cannot be triggered "in the near future, largely because of the sizable outlays in fiscal 1981 its implementation would require."

Mr. President, the word "triggered" is problematic. It pertains to an action to be taken by the HUD Secretary upon certain findings. These findings, however, are findings of objective fact. Whether the Secretary makes the finding does not alter the facts. The Secretary may, for political or other reasons, refuse to acknowledge facts. Whether the Secretary acknowledges it or not, there exists today "inflationary conditions and related governmental actions on other economic conditions (which) are having a severely disproportionate effect on the housing industry and the resulting reduction in the volume of home construction * * *" and so forth. I am quoting from the enabling legislation.

Whether the Secretary of HUD admits it or not, we have inflation approaching 20 percent, and it has a debilitating effect on the housing industry. Government has forced interest rates over 20 percent to help deal with inflation. This has a disproportionate effect on the housing industry. Housing starts have dropped 42 percent since March 1979. In other words, there is a "resulting reduction in the volume of home construction."

The refusal to trigger Brooke-Cranston does not obscure the circumstances which reconstitute implementation of Brooke-Cranston, Mr. President. It is that simple. Further, if you subtract, as it were, the impact on our housing situation, the remainder would still be of such proportions as to constitute a crisis requiring further and more forceful action. The required action, obviously, is funding and implementing Brooke-Cranston.

In short, we need the revised 235 program and we need Brooke-Cranston. During the recession our country experienced in 1974, Congress provided for funding of an $8.8 billion Brooke-Cranston program and, in addition, approved an income tax credit for the purchase of housing. The Brooke-Cranston program alone spurred the purchase of 190,000 single-family housing units and 117,000 multi-family housing units, for a total of over 300,000 units. The tax credit was utilized by 483,926 home purchasers.

An assistance program of the same magnitude is needed now. Activation and funding of the Brooke-Cranston program, which will produce 200,000 new housing units, in combination with a revised section 235 program and the 80,000 to 100,000 units it will add, would be a more appropriate response.

Mr. President, there can be no doubt that we must respond to the existing crisis in the housing industry on a level at least equal to that of our response during the 1974–75 recession. Figures released last Wednesday by the Commerce Department show that the crisis in the industry is far worse than even the most dire predictions. Total starts for the month of March fell to an annual rate of 1.041 million, a rate 22 percent below February and 42 percent lower than the year-ago month. Single family housing starts dropped to an adjusted annual rate of 606,000—the lowest since October 1966. Building permits, an indicator of future activity, were issued at a rate 18 percent lower than in February and 42 percent below the March 1979 rate.

The situation threatens to get worse. The National Association of Home Builders now project that housing starts for 1980 will fall below 1 million for the year—to a level of 965,000. Single-family starts are expected to reach only 525,400 for the year. This would be the lowest level of annual housing starts since 1945.

In short, the housing industry is hemorrhaging. It needs more than the band-aid of a revised section 235 program. It needs a remedy commensurate with the magnitude of the problem—activation and funding of both Brooke-Cranston and the 235 program.

In conclusion, Mr. President, let me say that some hard choices are going to have to be made—hard choices between the political rhetoric of balancing the budget and the human condition that is now being confronted in terms of those who cannot find a home, cannot rent a home, cannot build a home. Unfortunately, that choice is going to have to be made.

I do not see anything so glorious in an economic condition that has one balancing books while human beings find themselves without a roof over their heads, or, in the case of the construction industry, find themselves without a job.

Is there one among us here that would not go ahead and unbalance the budget to give a person a job, or a roof over his head, or an education, or to take care of those that are ill? I could go down the whole checklist.

I have heard nothing but balance the budget, balance the budget. Now we are confronted with the harsh economic realities of this time, which means it will no longer be possible to spend large sums of money and buy elections with public moneys come November. Instead, it will require a great deal of political courage to stand up for that which should be a priority to all of us—the condition of the people of this Nation—in the face of calls for a balanced budget.

There is no question in my mind that the problem of inflation has not been attacked. It will only be attacked when we develop an energy program. That is the cause of inflation, not an unbalanced budget. But, more importantly, why should the political campaigns be paid from the coinage of the unemployed, of those not housed, of those not getting an education, and so on down the line?

I will tell you what the section 235 revision is. It is an attempt to give the impression of something being done in the area of housing without abandoning the balanced budget. However, under these economic conditions, we cannot have both, 80,000 or 100,000 units means nothing in this country today, either in terms of those building the houses or those who need them.

I have made my choice. I have stated it here. In terms of alleviating the human condition, I am afraid we cannot balance the budget this year, and anything to the contrary is a charade.

I hope the administration will not feel, in any way, that it will get away with having done the job that must be done in the housing area by virtue of what takes place here today on the floor. Rather, there are steps that they could have taken 6 months ago—the implementation of Brooke-Cranston program.

I am glad we have updated the Brooke-Cranston program and revised the 235 housing program. Anything less than implementation of both of these programs, however, is only half a job done. It would not be sufficient nor adequate for the country at this time.

UP AMENDMENT NO. 1046

(Purpose: To exercise Congressional control over the cost of the Brooke-Cranston program)

Mr. PROXMIRE. Mr. President, I send an unprinted amendment to the desk, cosponsored by Senator GARN, and I ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated. The assistant legislative clerk read as follows:

The Senator from Wisconsin (Mr. PROXMIRE), for himself and Mr. GARN, proposes an unprinted amendment numbered 1046:

On page 5, strike out lines 6 through 8, and insert in lieu thereof the following:

(8) striking out in clause (C) of the second sentence of subsection (b) the words "such mortgage involves an interest rate not in excess of that which the Secretary may prescribe, taking into account the cost of funds and administrative costs under this section, but in no event shall such rate exceed the lesser of (i) 7½ per centum, or (ii) the rate set by the Secretary applicable to mortgages insured under section 203(b) of the National Housing Act" and inserting in lieu thereof the following: "such mortgage involves an interest rate which the Secretary may prescribe which shall be as high as feasible consistent with meeting the objectives of this section at the lowest feasible cost, but if such mortgage is executed to finance the acquisition of a one-to-four family residence, it may not bear interest at a rate lower than three percentage points below the average contract commitment rate for single family, 30 year conventional mortgages with loan-to-value ratios of 98 per centum in the monthly survey of all major lenders conducted by the Federal Home Loan Bank Board which is most recently available at the time that funds are released, and if such mortgage is executed to finance the acquisition of a more than four-family residence, it may not bear interest at a rate lower than 4½ percentage points below such average contract commitment rate";

Mr. PROXMIRE. Mr. President, my amendment is designed to place some limitations on the cost of the Brooke-Cranston program.

In doing this, it would make it more practical, feasible, and, in my judgment, make it more consistent with the attempt to balance the budget. I do not think these two priorities need necessarily contradict each other.

What impressed me with the homebuilders from my State is that they want both. They realize there is no way the housing industry will make progress until we get inflation under control. No way. We are just kidding ourselves if we say we will make a half a deal here and there and then balance the budget and fiscal policy does not matter.

That is not the view of the homebuilders nationally or, certainly, from my State.

Mr. President, this amendment would provide for economy in the Brooke-Cranston program by providing that the depth of the subsidy shall be as economical as feasible consistent with meeting the objectives of the program at the lowest feasible cost, and by providing an absolute floor on the interest rate which, for one- to four-family mortgages, would be not lower than 3 percentage points below the level, at the time that funds are released, of an index maintained by the Federal Home Loan Bank Board.

That means, at the present time, the index is 14.39 percent. This means at the present time the rate can go down to 11.39 percent. There is no question mortgages would move well at that level, and there is every indication mortgage interest rates are much less likely to rise than to fall.

For a multifamily mortgage, the floor would be set 4½ percentage points below this index.

As reported by the Banking Committee, the bill would leave responsibility for the decision on the ultimate cost of implementing the Brooke-Cranston program entirely to the discretion of the Secretary. While Congress authorizes purchase authority under this program, and releases such purchase authority in appropriations acts, the ultimate cost of the program is controlled not by the purchase authority but by the depth of the subsidy on each loan purchased. Under the bill as reported by the Banking Committee, there is no limit placed on the depth of the subsidy.

It is instructive to review the costs of the program, given different assumptions about the depth of the subsidy. According to CBO, if the subsidy is 5 percentage points, for each $1 billion in loans purchased the net cost to the Federal Government would be an estimated $275 million. If the full $15 billion in authorized purchase authority were utilized, the net cost would therefore be $4.13 billion. By contrast, if the subsidy were limited to 3 percentage points, the net cost would be an estimated $153 million for each $1 billion in loan purchases. If the full $15 billion authorized were used, the net cost would be an estimated $2.30 billion. This, of course, is a very sizable cost but it is still substantially below $4.13 billion.

At the hearing on this bill held by our Housing Subcommittee, we received testimony that the program works best at about a 1½ percentage point subsidy for one-to-four family mortgages. There was some testimony that if the Secretary were to decide to implement the program for multifamily mortgages, a somewhat deeper subsidy might be desirable. In order to provide flexibility to the Secretary, I offered in committee an amendment to place a 2-percentage point floor on the subsidy for one-to-four family mortgages, and a 3½ percentage point limit for multifamily mortgages. This amendment was defeated in committee by only one vote.

The amendment I am offering today is a compromise from the earlier amendment, in that it provides additional flexibility to the Secretary. In offering this compromise, I want to stress that except for very extreme conditions, I would expect the depth of the subsidy to be substantially below the limits prescribed in the amendment. This view is consistent with the provision in the amendment which requires that the interest rate on the mortgage be as high as feasible consistent with meeting the objectives of the program at the lowest feasible cost.

It should also be noted that if the subsidy on each loan is relatively small, the same amount of Federal subsidy can be used to assist many more units than if the subsidy is deep. Given the dramatic drop in housing starts in March to a seasonally adjusted annual rate of 1,041,000, if the program were to be implemented, the importance of spreading potential subsidy dollars to as many units as possible is obvious. So keeping the subsidy relatively small means more housing starts at less cost.

In making this point, I think it must be emphasized that given the need to balance the budget in fiscal year 1981—and I think that is a need, a necessity, if we are to have any kind of credible anti-inflation program—I do not think it is not realistic to expect that the Brooke-Cranston program would be activated any time soon. The temporary section 235 program which we are passing today is the appropriate vehicle for addressing the immediate crisis, because of its much smaller budget impact.

The index specified in my amendment currently is at a level of 14.39 percent. Thus, if the program were implemented today with this provision in effect, the interest rate for one-to-four family mortgages could be set at 11.39 percent, and 9.89 percent for multifamily loans. While these rates are high by historical standards, they are indeed a bargain in today's market, and clearly there would be takers at such rates—tens of thousands of them at that rate.

Mr. President, the failure to set limits such as are contained in this amendment would be a serious abdication of congressional responsibility to exercise control over the costs of the program. I urge favorable consideration of the amendment.

Mr. GARN addressed the Chair.

The PRESIDING OFFICER. The Senator from Utah.

Mr. GARN. I yield to my colleague from Pennsylvania.

Mr. HEINZ. Mr. President, I thank my friend from Utah for yielding. I shall not take a great deal of time.

First, I say to my colleagues that I support the passage of S. 2177. I urge swift action on this side of the Capitol and the other because we must take appropriate action to ease the impact that soaring interest rates have on those desiring to purchase a home. and on the housing industry in general.

This is not the most effective answer to the problems affecting housing, the homebuilders, and people who want to buy and own a home. In many ways this is really first-aid. It is a field dressing to allay the patient's fears, to keep the wounded alive until we confront the real culprit, the real enemy, which is inflation.

That is why I find myself in agreement with the Senator from Connecticut, and the Senator from Wisconsin, the distinguished chairman of the committee—that the war we must fight and win is a war aimed at none other than bringing inflation to its knees. This I hope we will do.

However, in the meantime, since inflation has been a problem that probably Congress has been too long contributing to, over too many years, the fact is that action now is necessary to deal with the disproportionate burden of the fight against inflation being placed on the housing industry.

Before setting forth later in my remarks a more comprehensive legislative program with which to deal with housing, I should like to cite a few statistics which dramatize the severity of the situation facing the housing industry today.

Since last year, housing starts have fallen off some 42 percent nationwide. In my home State of Pennsylvania, starts are off about 46 percent. During the meetings I have had in recent weeks with numerous representatives of the housing industry from Pennsylvania, I have heard distressing reports that in some parts of the State housing construction is off by as much as 90 percent.

Largely to blame for this rapid decline in housing starts, which in itself is inflationary as pent-up demand for housing continues to grow, is the weekly climb in interest rates.

To get an idea of just how devastating those interest rates are on the ability of prospective buyers to afford a home, I have some statistics.

A $60,000 home financed at 9.5 percent will cost a prospective buyer about $505 a month in principal and interest payments, on an equal monthly payment plan. Using the rule of thumb that a household should spend no more than 25 percent of its income on housing, a prospective buyer would have to earn slightly more than $25,000 to qualify for a mortgage at the 9.5 percent rate. We know, unfortunately, that 9.5 percent mortgage money is long gone at this point. Indeed, if you could get a mortgage at 14 percent today, it would be fortunate.

At 14 percent, the same $60,000 home would cost a prospective buyer today, in equal monthly payments, $711 a month. What that means is that that prospective buyer would have to earn about $800 more a month, or about $9,600 more per year, to qualify for that same home mortgage.

At a 20-percent interest rate, the monthly payment on the same $60,000 home would rise to more than $1,000. In order to qualify for that home, a prospective buyer would have to earn not the $25,000 of my first example, not the just under $35,000 of my second example, but close to $50,000—in other words, twice the income required in the first example, when the mortgage interest rate was 9½ percent.

So that housing construction does not grind to a virtual halt; so that massive unemployment in the housing industry does not result; so that the dream of homeownership can be realized for most Americans; and so that inflationary pressures are not created by a pent-up demand for housing—we need to move quickly at the Federal level to protect the vast productive resources of our Nation's housing industry. Specifically, we need:

First, passage and activation of the emergency home mortgage assistance program, popularly known as Brooke-Cranston;

Second, continued use of tax-exempt mortgage revenue bonds;

Third, new financial devices to encourage large institutional investors such as pension funds and insurance companies to provide additional mortgage money; and

Fourth, passage of legislation I have introduced, S. 1964, to promote additional savings and investment.

Let me briefly explain each of these proposals.

BROOKE-CRANSTON

The Brooke-Cranston program provides the Government National Mortgage Association (GNMA) with standby authority to subsidize interest rates on single-family and multi-family mortgages by purchasing reduced rate mortgages from lenders and then selling them at a loss.

On February 20, 1980, the Senate Banking Committee reported S. 2177 to allow the HUD Secretary to activate the program if he determined that inflation was having an inordinate effect on the housing industry. During committee consideration of the bill, I was instrumental in blocking efforts by other Senators to add additional conditions to the program which I felt would hamper its effectiveness in providing quick stimulus to the housing industry.

Although critics of the bill charged that it was inflationary, I felt that the budgetary impact of activating the program would be far less than the consequences of numerous bankruptcies within the housing industry. For example, it has been estimated that if 3 percent of the Nation's homebuilders were to go bankrupt the Federal budget deficit would increase by $5.8 billion.

I urge my distinguished colleagues to speed passage of this bill and to contact the administration in support of its activation.

TAX-EXEMPT MORTGAGE REVENUE BONDS

Use of tax-exempt mortgage revenue bonds has provided an efficient means for State housing finance agencies and local housing authorities to provide low-interest mortgage money for home purchase and rehabilitation. The advantages of this type of financing are that it does not require a massive Federal bureaucracy to administer, it leaves a great deal of discretion and control in local hands, and it draws upon the resources of the private sector to provide needed housing.

Unfortunately, the Carter administration opposes continued tax-exempt status for mortgage revenue bonds; and on March 26, 1980, the House of Representatives passed 238 to 178 H.R. 3741, a Ways and Means Committee bill that effectively precludes continued use of this source of housing finance. If the use of tax-exempt mortgage revenue bonds is to be maintained, the Senate will have to produce an alternative to the House bill. As a member of both the Finance and Banking Committees, I have introduced S. 1726 to allow continued use of tax-exempt mortgage revenue bonds. I urge my distinguished colleagues in the Senate to support passage of legislation to allow this source of housing finance to continue.

NEW FINANCIAL INSTRUMENTS

To provide a larger pool of mortgage money, I am currently working to develop a means of making mortgage investments attractive to large institutional investors such as insurance companies and pension funds which normally are not active in the mortgage lending and secondary markets. The potential for large institutional investors to provide a massive pool of new mortgage money is great: For example, private pension funds have assets of over $321 billion, and Government pension funds have assets of over $234 billion. Ultimately, the solution would seem to be creation of a mortgage-backed security which would be attractive to large institutional investors.

S. 1964

The Individual Savings and Investment Act, which I introduced in December 1979, would encourage the additional savings needed to finance additional home mortgages. Although the "small savers" interest exemption adopted as part of the windfall profit bill is a step in the right direction, it really does not encourage new saving.

My bill would provide an inducement for individuals to put more money into savings—and to keep it in a savings account or investment—by establishing tax-deferral "rollover" accounts for reinvested interest, dividends, and capital gains. Adoption of this measure would not only encourage additional savings to provide funds for home mortgages, it would help encourage the additional capital formation needed to increase our productivity and thus reduce inflation. I ask your active support of S. 1964 with my colleagues on the Senate Finance Commitee and that you contact members of the House in support of its companion, H.R. 5779.

I urge my distinguished colleagues in the Senate to support S. 1964 and its companion, H.R. 5779.

In the long run, of course, we will see the reduction in interest rates which is necessary if homeownership is to be affordable and if the housing industry is to survive, only when the inflation rate is reduced. I am very disappointed that in his March address to the Nation the President did not propose stronger steps to deal with the double-digit inflation which I believe is the greatest single threat to our national security today.

Rather than a one-time series of spending deferrals and tax increases to produce a balanced budget in an election year—as the President has proposed—I favor a long term commitment to Federal fiscal responsibility. This longer term commitment should include:

First a constitutional requirement for a balanced budget and limits on the growth of Federal spending, which my bill, Senate Joint Resolution 56, would accomplish;

Second, limits on the proportion of our Nation's output which the Federal Government can usurp;

Third, a multiyear congressional budget process setting taxing and spending limits for future years; and

Fourth, controls over the burgeoning growth of Federal credit—which is increasing at a rate twice that of Federal spending.

In addition to this needed fiscal restraint, a credible anti-inflation effort will also require meaningful regulatory reform, including:

First, insuring that before regulations such as the building energy performance standards—which could add $3 to $5 per square foot in construction costs—are issued, the benefits can be justified relative to the costs imposed on the private sector;

Second, "weeding out" unnecessary, overlapping, and conflicting Federal regulations;

Third, making all Federal regulations subject to "sunset" provisions;

Fourth, requiring that regulatory goals are attained in the most cost-effective manner; and

Fifth, putting a budget-like cap on the costs that Federal regulatory agencies can impose on the private sector.

The final component of a successful anti-inflation effort must be a restructuring of our system of tax and other incentives to improve our alarmingly low rate of savings—now less than 3 percent compared to over 15 percent in West Germany—and to improve our rate of productivity growth which has traditionally been second to none but which is now actually negative.

Ultimately, inflation can only be reduced not by causing a recession but by "supply-side" measures allowing us to "outproduce" the rate of inflation. These include:

First, legislative changes to ease the tax burden on savings and investment;

Second, revisions in the tax depreciation schedules for business investment so that businesses are not penalized for investing in new plant and equipment;

Third, promotion of exports so that by increasing the sales of American goods overseas we import jobs; and

Fourth, adoption of meaningful regulatory reform and long-term Federal fiscal restraint.

These proposals were set forth in greater detail in my statement before the Senate Banking Committee on March 17, 1980, a copy of which was inserted in the CONGRESSIONAL RECORD of March 18, 1980.

Mr. President, I hope that I can count on the support of my colleagues in the Senate, for these proposals which I believe would go a long way toward addressing the concerns that we all have about the impact of inflation and high interest rates on the vital housing sector of our economy.

And with respect to S. 2177, Mr. President, I commend Senator WILLIAMS and Senator GARN for their very expeditious work in bringing this important measure to the floor. I support it, and I urge my colleagues to support it.

Mr. GARN. Mr. President, I support the amendment of the Senator from Wisconsin. I believe this is an amendment that is absolutely necessary; and in my initial remarks, I conditioned my vote on the entire bill today on its being agreed to.

The Secretary has the discretion to set interest rates. This amendment assures that the program remains the way it was originally intended, as a narrow or shallow subsidy. We expect the Secretary to use the maximum 3 percent subsidy only if required by extraordinary circumstances.

In addition to being a cap on the spending, so that we are not sending out signals of unrestricted bailouts regardless of cost, I think there is another important feature of this amendment and that is that it would allow more people to participate by spreading the money out in more shallow subsidies than deep subsidies to a few.

So I certainly support the Proxmire amendment, and I urge its adoption.

Mr. WILLIAMS. Mr. President, when the Banking Committee marked up the Brooke-Cranston revision legislation, it considered at length an amendment, which I opposed, placing a floor on the interest rate that the Secretary of HUD could establish for mortgages originated under the program. The amendment would have established a floor below the market rate—2 points below for single family mortgages, and 3½ percent points below for multifamily mortgages. The amendment was defeated, and for several excellent reasons. The most important reason was that the interest rate floors were unrealistically high, and could have imposed an inflexibility on the Secretary that would have threatened the program's effectiveness. Moreover, there was not, and has not been, any reason to believe that the Secretary of HUD would act so irresponsibly as to establish interest rates for the program lower than necessary to spark the intended renewal of construction. Still, it should be acknowledged that the amendment's sponsors were certainly correct in desiring that the program's cost be held to a minimum.

The amendment offered today by the distinguished Senators from Wisconsin and Utah is much improved over the one offered in the committee. If current interest rates stay about where they are, or decline, I believe that the interest rate floors would not work at cross-purposes to the operation of the program. Interest rates under the program in the 11-percent range for single-family dwellings, and in the 10-percent range for multifamily projects should allow for helpful stimulus. The recent reduction in the prime rate by several major institutions may signal that mortgage interest rates have peaked and may actually be starting a most welcome decline. As a result, I have decided not to oppose the amendment.

However, a number of strong reservations remain. If interest rates should renew their climb, then the floors on the program allowable interest rate may prove to limit the program's reach and thus its effectiveness. Because the amendment would restrict the amount of subsidy permitted, with every jump in mortgage interest rates, more and more homebuyers would find Brooke-Cranston of little use. Calling something a bargain does not make it one.

Brooke-Cranston mortgages at 3 percent below market can hardly be considered attractive enough to draw sufficient numbers of buyers back into the market if the market rate increases to, say, 16 or 17 percent.

It has always seemed to me that the delegation of authority to the Secretary for the mechanisms of the program's implementation have served us in good stead in the past, and would no doubt continue to serve us well. The effectiveness of a program such as Brooke-Cranston depends on its ability to respond quickly and accurately to the conditions that exist at the time of its implementation. Flexibility for the Secretary to direct the program is thus essential. We cannot afford to impose restrictions on the program that so tie the Secretary's hands that the program becomes powerless to fulfill its mission.

While I do not feel that the interest rates allowed under this amendment pose any substantial obstacle to the program's operation if it should happen to be triggered in the near future, I must reserve the right to reevalute the amendment at the time that Brooke-Cranston goes to conference with the House. If conditions are changed so that the interest rate floors set in the bill would clearly interfere with the program's work I am hopeful that the sponsors themselves will acknowledge the need for, and be anxious to participate in, making necessary revisions, within, of course, the bounds set by conference committee rules.

I am happy to support the distinguish chairman of our committee in this amendment.

I yield back the remainder of my time.

Mr. GARN. I yield back the remainder of my time.

Mr. PROXMIRE. I yield back the remainder of my time.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

Mr. PROXMIRE. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

UP AMENDMENT NO. 1047

(Subsequently numbered Amendment No. 1711)

(Purpose: To allocate funds to the States)

Mr. DURKIN. Mr. President, I have an amendment at the desk which is covered by the time agreement.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

> The Senator from New Hampshire (Mr. DURKIN) proposes an unprinted amendment numbered 1047.

Mr. DURKIN. Mr. President, I ask unanimous consent that reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

> At the bottom of page 5, add the following:
>
> (12 by inserting after the first sentence of subsection (g) the following: "The amount of commitments to purchase mortgages pursuant to this section in each State and in the District of Columbia, Puerto Rico, Guam, the Virgin Islands, the Northern Mariana Islands, and the Trust Territory of the Pacific Islands shall bear the same ratio to the total amount available for commitment as the population of the State or other jurisdiction bears to the population of the United States, as determined by the Secretary of Commerce, except that no State of the fifty States shall receive less than ½ of 1 per centum of the total amount of allocations. Where the Secretary determines that any allocations under the preceding sentence will not be used, then the Secretary shall expeditiously reallocate the unused funds to those areas where they will be used most rapidly.".
>
> Redesignate succeeding paragraphs accordingly.

Mr. DURKIN. Mr. President, I ask unanimous consent that the names of the following Senators be added as cosponsors of my amendment: The Senator from Montana (Mr. BAUCUS), the Senator from Delaware (Mr. BIDEN), the Senator from North Dakota (Mr. BURDICK), the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from South Dakota (Mr. MCGOVERN), the Senator from Montana (Mr. MELCHER), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. WALLOP), and the Senator from Alaska (Mr. GRAVEL).

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. Mr. President, as a cosponsor of this important legislation and a supporter of the Brooke-Cranston program, I offer this amendment to insure that our smaller States would receive a fairer share of available Brooke-Cranston money. Too often, in targeting Federal assistance programs, we shortchange the smaller States. As the General Accounting Office recently pointed out:

> Rural families have not benefited from Federal housing programs to the same extent as urban families.

On several occasions, Congress has recognized this type of inequity and has acted to insure a fairer distribution of Federal funds. This has been accomplished by including a State minimum allocation in such Federal programs as local public works—which was my amendment a couple of years ago—and another amendment I offered in the energy conference on the hospital energy conservation program. Such a solution is the sole purpose of my amendment.

My feelings on Brooke-Cranston were set forth a week or two ago in a Senate statement, and I think the need is even greater today than it was when I made the statement last week.

In New Hampshire, we are well on the way to having the majority of our homebuilders out of work, as well as the people they employ.

As we grapple to balance the budget, I think we must remind ourselves that each 1 percent increase in unemployment, beyond what it does to the family unit, beyond what it does to the individual who is unemployed, increases the Federal deficit by approximately $20 billion.

As an old timer said to me in a town meeting in Berlin, N.H., in the middle of the winter, he said:

> Senator, I am impressed with your command of the statistics, but let me assure you the national figures are interesting, the State figures are interesting, the regional figures are interesting, but when I am out of work, the unemployment rate is 100 percent as far as I am concerned.

So the need for the Brooke-Cranston legislation is probably more pressing today than it was 1 week or 10 days ago. It is not my desire to alter the committee's intention to allocate Brooke-Cranston funds by population—except to add the requirement that no State shall receive less than one-half of 1 percent of the funds which are made available under the program. Nor do I intend to override or modify the committee language which insures that the Secretary can reallocate Brooke-Cranston money if it is not being used by a given State. For that reason, I have included a portion of the committee report language in my amendment.

I recognize that is very important language because until election night 1978 we had in the State of New Hampshire for 6 years a Governor who did not believe in federally assisted housing, and did his utmost to make sure that virtually little or no Federal housing money went into the State of New Hampshire.

So I concede that in some areas like

that the smaller States have not responded, but I might point out that that problem in New Hampshire was rectified on election night 1978, and we have a Governor in the State now who is totally committed to not only get our fair share but to try to make up for the 6 years where Federal housing was looked upon as a form of leprosy.

New Hampshire and our other smaller States—including Vermont, Rhode Island, North Dakota, South Dakota, Delaware, Montana, Idaho, Wyoming, Nevada, Alaska, and Hawaii—would benefit from this amendment. No great allocation bureaucracy would be required; and the amendment affects only 2.3 percent of the total Brooke-Cranston allocation.

There are special reasons for adding the State minimum to this vital antirecession program. As noted, the General Accounting Office has made it clear that equity is needed in Federal housing programs. In addition, our smaller States typically have smaller financial institutions that tend to suffer disproportionately during times of tight credit. I believe that explains some of the difficulties they had in using the Brooke-Cranston program when it was activated in 1974 through 1975. Obviously, the resources—administrative and financial—of the smaller financial institutions can be more easily strained and are being strained to the utmost today.

Beyond that, a housing unit tends to cost less in our smaller States. Accordingly, the effect of increasing the percentage of funds allocated to smaller States could in fact increase the total number of housing units constructed under the Brooke-Cranston program.

In sum, my amendment will insure fair play, will extend the impact of the Brooke-Cranston program, and will insure that our smaller financial institutions will have a better opportunity to participate. I urge my colleagues to support this first step in the effort to promote rural equity in Federal housing programs. And, of course, I urge your support of the effort to insure that the administration will in fact invoke the Brooke-Cranston program so that our housing industry will not collapse.

I think there is another reason that a minimum State allocation formula is important. This year is the year of the movable projects. We have projects announced Saturdays, we have projects announced Sundays, and we have projects announced on Monday just before the particular Presidential primary. And we see the projects moving westward.

New England's primaries are over and projects that were being talked about in my State and other States are ironically being discussed in Pennsylvania, in Philadelphia, which does not even have a shoe industry. During the New England primaries, they told our shoe industries they were concerned with the shoe laboratory for the area of the country that has been devastated by shoe imports. Lo and behold, the Secretary of Commerce goes to Philadelphia and announces in the last few days that the shoe laboratory is going to be put right next to Constitution Hall in Philadelphia.

And if they do not have the ground breaking before Tuesday, that shoe laboratory could wiggle across this country and probably show up in Ohio for the Ohio primary, probably be dangled in front of the Michigan voters before the Michigan caucuses, probably be discussed in Oregon, and it will be discussed in 10 counties in California before June 3.

So I think we have to pin down and make sure that the departments do not allocate funds based upon Presidential primary dates and how well the polls show the President is doing in the Presidential primary because the unemployed homebuilder in New Hampshire is just as unemployed and is up against the rope just as much as the homebuilder in Pennsylvania, Michigan, Ohio, Oregon, and California.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. DURKIN. I am happy to yield for a question.

Mr. WILLIAMS. Just along the lines that the Senator has been speaking about, has this prompted any thought in New Hampshire that maybe the next time will move their primary back farther and be part of the process longer? New Hampshire is the first in and the first out.

Mr. DURKIN. There has not been such an unprecedented mobility of projects in the country until this year, so we have not given much thought to that. But I think that New Hampshire will and should retain the first in the Nation Presidential primary even if we have to hold it at halftime of the Rose Bowl game. It may adversely impact us after the primary system or after the New England primaries are over, but it does give us a certain amount of impact during the 3 years prior to the New Hampshire primary because most incumbents if they are going to seek reelection know that the New Hampshire primary is first.

So I for one hope the State of New Hampshire keeps the primary first in the Nation, as I say, even if we have to hold it at halftime of the Rose Bowl game.

With all due respect to the chairman, I realize there is a little political event coming up in New Jersey and I did not want to leave New Jersey out as one of the States that may be considered by the administration.

There is another problem. New Hampshire is the second fastest growing State in the Union east of the Mississippi. Restricting housing in the misguided attempt to fight inflation—the growth is there—is going to trigger another round of inflation because the existing housing is forced up in value, forced up in cost, resulting in more and more of our people now having to pass up the American dream. So artificially restricting the housing market in any State but especially such a fast growing State as New Hampshire makes no economic sense whatsoever.

Mr. President, I have no great desire to continue debating at this particular point, and I would be especially happy to yield if the floor managers can accept this amendment.

Mr. GARN. Mr. President, I would like to accommodate my friend from New Hampshire, but I am not able to accept his amendment.

Interestingly enough, I rise in opposition to the amendment, but I am certainly not unsympathetic with the problems of a small State, representing one myself.

Those on the Banking Committee know there is a standard Garn amendment that goes on every housing bill that I can get it on which is known as the fair share amendment.

Mr. DURKIN. I would be glad to be added as a cosponsor.

Mr. GARN. Fair share allocation based on population, because I have been disturbed in the past by a change in the allocation formula where certain areas of a smaller State were not able to use housing money that, before it was made available to other housing agencies within that particular State, was taken away and reallocated to another State.

The essence of my amendment is to simply say that a State should be allowed to use its fair share. We ought to have every opportunity to use that first before it can be reallocated.

So essentially what you are doing is going beyond what I have been doing for 4 years or 5 years on the Banking Committee, that is, putting a fixed percentage on, and I oppose that because essentially what you are doing is giving to 10 States and taking away from 40.

They are not large amounts of money, but I look at the situation in the last allocation to New Hampshire, which was allocated two-tenths of a percent of the funds the last time. However, they were not used, for whatever reason, whether it was your Governor or not, and they were reallocated to another State.

I certainly think you should have had your full two-tenths of a percent to be used, based on population, and it should not have been taken away and given to another State.

But to go to this one-half of 1 percent beyond the population fair share I do not think is entirely fair. Apparently New Hampshire the last time used one-tenth of 1 percent, one-half of what they were actually allocated, and the rest was given to another State.

So GNMA feels the same thing would happen again even if you are allocated half of a percent, five-tenths, rather than two; that it probably would not be able to be used, and that would be true of other States as well.

One of the key things we are trying to accomplish here is speed. There is concern from GNMA that it would delay and postpone the allocation process.

I certainly would defend your fair share on the basis of population, as I have been doing for 5 years, but I would not go beyond that type of a fair share allocation to set a minimum amount for smaller States regardless of their population.

Mr. DURKIN. Mr. President, if the Senator will yield, as I indicated, one of the problems, and a very real problem, was that the Governor, Governor Thomson, did not want the Federal housing money spent and, as you know, the Governor has a certain amount of influence in the State.

Since then, the New Hampshire Housing Authority has been energized by Governor Gallen and, in fact, one of the major planks in Governor Gallen's campaign was more adequate housing for the State of New Hampshire which, as I say, is the second fastest growing State east of the Mississippi, after Florida.

The amendment would not, as the committee amendment does not, differentiate on past performance, and in the event the State did not use the money the Secretary would still be in position to reallocate it, depending on what the final figure is, and again it is my understanding that the administration is opposed to this whole package, the whole effort, and does not want to take the steps that could be taken already.

Mr. GARN. Mr. President, will the Senator yield for just a comment? I want to make very certain that my opposition to this amendment is for entirely different reasons from those of the administration. I do not want to be associated with the administration at all.

Mr. DURKIN. That is funny, that is a growing feeling around town.

Mr. GARN. Some of us have had that feeling for 3 years, Senator. [Laughter.]

Mr. DURKIN. You are looking at one right here. I do not know if we have to continue——

Mr. WILLIAMS. Let me, before the Senator gets away, say that I would like to indicate support for the amendment of the Senator from New Hampshire, although I do it with some reservation, some concern, particularly if there is a limited appropriation of Brooke-Cranston funds.

The amendment would allocate funds in a manner that does not accurately reflect either past performance or per capita need of individual States that might benefit from the amendment, as we have reviewed it here. It could, consequently, limit the flexibility of the Secretary to make allocations in an efficient manner consistent with the intent of the program.

Mr. DURKIN. I have a high regard for Secretary Landrieu, and I think he has demonstrated admirable flexibility in the past. My amendment only impacts on 2.3 percent of the appropriation, and that gives him 97.7 percent flexibility.

Mr. WILLIAMS. Well, I do not know whether we are going to reach a vote on this today or not. But with some reservation, I still feel it is a fair approach that the Senator from New Hampshire has advanced.

Mr. DURKIN. I thank the floor manager.

● Mr. BAUCUS. Mr. President, I rise in support of the amendment proposed by the Senator from New Hampshire. While I understand and applaud the desire to allocate Brooke-Cranston moneys fairly and according to need, I do not believe that allocation by population accomplishes these objectives. For too long, Federal agencies have built in a bias against the less populous, more rural areas of this country by resorting to neat, clean allocation formulas, such as allocation by population. Taking the easy way out and agreeing to a strict population formula obviates the need to do the work necessary to discover where real need exists.

A recent GAO report entitled "Ways of Providing a Fairer Share of Federal Housing Support to Rural Areas" confirms that the distribution of Federal housing assistance has not been consistent with the relative need. The report finds that rural areas receive only about 20 percent of the Federal housing support available despite having one half of the substandard housing. Allocation of funds by population is only partly to blame. Unlike banks in large metropolitan centers, financial institutions in small cities, towns and rural areas do not have the resources to devote to low interest, long term mortgage loans. They are called upon to supply a wide range of credit needs. Alternative loan opportunities often provide a higher return to these banks. Moreover, officers in these banks have had only minimal experience administering Federal programs. They therefore do not aggressively seek out Federal loan assistance. Since the Federal housing agencies do not hear from these financial institutions and make little effort to seek them out, the money flows to urban centers more accustomed to handling Federal programs. And so it goes. A cycle is created that is difficult to break. Senator DURKIN's amendment can start us on the right track.

Assuming a $10 billion Brooke-Cranston package if the program is activated (the current assumption), Montana would receive approximately $30 million based upon a strict population of the United States. With Senator DURKIN's amendment, the Montana allocation would increase to $50 million. I have been in touch with bankers across the State of Montana, and they believe that $50 million comes close to meeting Montana's mortgage credit needs. They also assure me that if $50 million is allocated, they will use the entire allocation. Critics of providing more of this type of assistance to the less populous areas of this country contend that additional allocations are wasted because they are not used. This simply will not be the case in Montana. Problems encountered the last time Brooke-Cranston was activated will not be repeated. Expensive lessons have been learned.

Mr. President, it is time to stop treating the less populous States like second class citizens. It is time to begin targeting Federal assistance to meet the greatest needs. It is time to bring smaller, rural financial institutions into the game so that they can learn to adequately handle Federal assistance programs. It is time to recognize that a family in Libby or Plentywood, Mont., has the same right to an affordable home as does a family in Atlanta or Cleveland. For these reasons, I urge my colleagues to support this amendment.

On a related matter, next week the Senate will be called upon to renew and extend funding for the Brooke-Cranston program. Personally, as a matter of principle, I support a counter-cyclical housing program of this type.

On many occasions, I have commented to my colleagues about the substantial extent to which the State of Montana's economy depends upon the national housing market. Twelve of our most populous counties in western Montana depend almost entirely upon the forest products industry, which now is in severe depression because of reduced housing construction throughout the Midwest.

At the same time, I am committed to insuring a balanced budget for fiscal year 1981. Accordingly, I call upon my colleagues to work with me in developing programs that will insure countercyclical housing funds and yet maintain a balanced budget for next year.●

Mr. DURKIN. Mr. President, I suggest the absence of a quorum, to see if we can work out the time when we can have a vote and this can be voted on.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I understand there is only one additional amendment to be called up. The manager of the bill, Mr. WILLIAMS, and the ranking manager, Mr. GARN, feel that is the only amendment; that there will be no further amendments.

UNANIMOUS-CONSENT AGREEMENT

Mr. President, I ask unanimous consent that on tomorrow, notwithstanding the outcome of the cloture vote, and notwithstanding rule XXII, the Senate immediately resume consideration of the pending business, S. 2177; that there be 10 minutes of debate to be equally divided between Mr. GARN and Mr. WILLIAMS; that no further amendments be in order; that upon the disposition of that debate, the 10 minutes being used or yielded back, the Senate immediately proceed without further debate, amendment, motion, point of order, or appeal, to vote on the amendment by Mr. DURKIN; that upon the disposition of that amendment, the Senate then, without further debate, amendment, motion, point of order, or appeal, immediately proceed to third reading of the bill S. 2177, and that without further debate, motion, point of order, or appeal the Senate then proceed immediately to vote on passage of the bill, which means that there would be two votes back to back following 10 minutes after the cloture vote, with the following proviso: That the Senate at 1:30 p.m. tomorrow go into recess for 30 minutes; that upon the reconvening of the Senate at 2 p.m. the Chair immediately, and without the required quorum call under rule XXII, order the clerk to call the roll and there be a vote on cloture.

Mr. STEVENS. Reserving the right to object and I shall not object——

Mr. ROBERT C. BYRD. That would mean that the Senate would come back into session at 2 p.m. in executive session and immediately upon the disposition of the cloture vote, notwithstanding the outcome, the Senate would go into legislative session for such length of time as is necessary to carry out the order with respect to S. 2177, and upon consummation of that order we would return to executive session.

Mr. STEVENS. Mr. President, that answers one of my questions. The other question that I would ask is this: Is it my understanding that the 10 minutes to be divided here between the managers of the bill is prior to the vote on the Durkin amendment or after the vote?

Mr. ROBERT C. BYRD. Prior to the vote.

Mr. STEVENS. And once the 10 minutes are over, there will be two back-to-back votes?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. And following those votes, we will resume consideration of the nomination?

Mr. ROBERT C. BYRD. Yes.

Mr. STEVENS. I have no objection. I believe this is for the convenience of the Senate. There is some waiving of prerogatives under this agreement but it is necessary under the circumstances.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DURKIN. I thank the leader.

Mr. ROBERT C. BYRD. I thank all Senators. I thank Senator Hollings for his patience.

Mr. DURKIN. Mr. President, I will be happy to yield back the remainder of my time.

Mr. GARN. Mr. President, I yield back the remainder of my time on the Durkin amendment.

Mr. DURKIN. Mr. President, I ask for the yeas and nays on my amendment.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. GARN. Mr. President, I ask unanimous consent that it be in order to ask for the yeas and nays.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. GARN. Mr. President, I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

UP AMENDMENT NO. 1048

(Purpose: To amend section 512 of the Depository Institutions Deregulation and Monetary Control Act of 1980)

Mr. TOWER. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk read as follows:

The Senator from Texas (Mr. TOWER) proposes an unprinted amendment numbered 1048.

Mr. TOWER. Mr. President, I ask that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

At the appropriate place in the bill, insert the following:

Sec. . Section 512 of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended by adding at the end thereof the following: "A loan shall be deemed to be made during the period described in the preceding sentence if such loan—

"(A) (i) is funded or made in whole or in part during such period, regardless of whether pursuant to a commitment or other agreement therefor made prior to April 1, 1980;

"(ii) was made prior to or on April 1, 1980, and which bears or provides for interest during such period on the outstanding amount thereof at a variable or fluctuating rate; or

"(iii) is a renewal, extension, or other modification during such period of any loan, if such renewal, extension, or other modification is made with the written consent of any person obligated to repay such loan; and

"(B) (i) is in an original principal amount of $25,000 or more; or

"(ii) is part of a series of advances if the aggregate of all sums advanced or agreed or contemplated to be advanced pursuant to a commitment or other agreement therefor is $25,000 or more.".

Mr. TOWER. Mr. President, this amendment provides a technical change to the recently passed Depository Institutions Deregulation and Monetary Control Act of 1980. During Senate passage of the conference report, the distinguished chairman of the Senate Banking Committee (Senator PROXMIRE) and I entered into a colloquy regarding applicability of the preemption of State usury laws for business and agricultural loans. It was our intent to show that title V, part B, of the bill did apply to floating rate loans made prior to April 1, 1980, and to any renewal, extension, or modification of an existing loan made on or after April 1, 1980.

While we thought that the issue was clarified, apparently such was not the case. I have received many calls from lawyers, bankers, and other lenders stating that the law is unclear and requesting clarification at the earliest possible time. The language I am offering today simply makes it clear that the highest rate allowed either under State or Federal law can be charged on floating rate loans made prior to April 1, 1980, or on any renewal, extension, or modification of an existing loan where such renewal, extension, or modification is made on or after April 1, 1980, and is made with the written consent of the person obligated to repay the extension of credit.

I urge the adoption of the amendment.

Mr. President, I have discussed this amendment with the distinguished Senator from Wisconsin, the chairman of the committee (Mr. PROXMIRE). I have discussed it with the distinguished manager of the bill (Mr. WILLIAMS) and with the distinguished ranking member of the committee (Mr. GARN). It is my understanding that this amendment is acceptable to them.

Mr. WILLIAMS. Mr. President, that is accurate. The chairman of the full committee (Mr. PROXMIRE) has indicated his full support. This brings into statutory language what was understood at the time of conference as to that legislation. Am I right on that?

Mr. TOWER. Mr. President, that is correct.

Mr. WILLIAMS. Sometimes, it is wise to do it that way.

Mr. TOWER. Mr. President, I ask unanimous consent that I be permitted to have printed in the RECORD at this point the colloquy between Mr. PROXMIRE and myself on this report.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Mr. TOWER. Mr. President, if the distinguished Senator from Wisconsin will indulge me, I have a question about a provision of the bill I would like to get clarified. It relates to preemption of State usury laws for agricultural and business loans over $25,000.

It is my understanding that, on floating rate loans where the interest is contractually tied to the prime interest rate plus additional points, and where the total effective rate that is stipulated in the contract could not be put into effect because of the existence of State or Federal usury ceilings, the full effect of the contract interest rate could be charged on the total loan amount, assuming the increase does not exceed the limitations of this bill.

As an example, let us assume that a loan was made in January 1980, which called for an interest rate of prime plus 5 percent. Let us assume that a State usury law limiting such loans was 18 percent, and the effective contract rate could not be charged, because the prime rate was 18 percent and, if the 5 percent was added, the total would exceed the State usury law. With enactment of this bill, however, the State usury law would be preempted and, while the lender could not charge the maximum amount allowable in this example, 23 percent, it could charge up to 21 percent, the maximum amount allowed today under this bill.

Mr. PROXMIRE. May I say to my friend from Texas that I agree that a loan which called for an interest rate of prime plus 5 percent, and in this example the assumption is that prime is 18 percent, this bill would allow floating rate loans to be adjusted upward to the maximum amount allowed under this bill.

The precise language of the particular contract would be governing, in any particular case. But, if a contract stated that the interest rate to be charged would be prime plus 5 percent, or the maximum amount allowed under law, not to exceed prime plus 5 percent, or other similar language which would provide flexibility in determining what the rate would be, I see no reason why the rate allowed under this bill could not be charged on existing floating rate loans.

Of course, any person governed by these provisions should consult with their own lawyer about particular factual situations because of possible penalties under State usury laws, which, of course, differ.

Mr. TOWER. I thank the distinguished chairman.

Mr. GARN. Mr. President, I think this is a necessary clarifying amendment and I am willing to accept it on behalf of the minority.

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. WILLIAMS. I yield back what time I have.

The PRESIDING OFFICER The question is on agreeing to the amendment of the Senator from Texas.

The amendment was agreed to.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the amendment was agreed to.

Mr. GARN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

● Mr. DOLE. Mr. President, I rise to express my support of the Emergency Home Purchase Assistance Authority Amendments of 1980.

The housing crisis presently facing our Nation does not just affect one segment of our economy. It has broad, wide ranging impacts throughout our entire economy. Most importantly, of course, thousands of Americans are unable to realize the dream of owning their own home. But others are suffering as the housing market dwindles. Home builders and subcontractors are going out of business. Construction workers are being laid off. Savings and loans and banks are losing business. Community growth dwindles.

All of these groups which are bearing the brunt of the housing crunch are supporting the Brooke-Cranston program amendments. I have heard from concrete contractors, home builders, realtors, savings and loans, banks, civic organizations, mortgage brokers, and city officials urging me to support this bill. We have all received hundreds of two-by-fours aimed at expressing the urgency of the problem.

The housing industry needs help. As interest rates are soaring, housing starts are plummeting. When the consumer cannot afford to buy, the contractor is not going to build. I think we would all agree that the root cause of the present problems in the housing industry is uncontrolled inflation. Inflation is disrupting the home building industry in the same way that it disrupts the entire economy. We must conquer inflation if we hope to turn this around.

We in Congress must make some difficult decisions in the next few months. We must restore public confidence by cutting spending and balancing the Federal budget. We must reduce taxes to speed development in the private sector. We must meet our energy problems, a major cause of inflation, head-on. Only by doing these things can we bring interest rates down and truly solve our housing problems.

The bill we are considering today can play an important role in increasing housing construction. Should the administration use its authority to implement the emergency Brooke-Cranston program, it will be important that Brooke-Cranston is designed to operate effectively in 1980 to meet today's needy. These amendments do that by updating legislation originally established in 1974. They bring new types of housing into the program and improve the criteria.

I urge my colleagues to vote for S. 2177. It is not the sole answer to our present housing problems, but it is an important step.●

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to executive session.

There being no objection, the Senate proceeded to the consideration of executive business.

NOMINATION OF WILLIAM A. LUBBERS

The PRESIDING OFFICER. The clerk will state the pending business.

The assistant legislative clerk read as follows:

Nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.

Mr. ROBERT C. BYRD. Mr. President, the 1 hour under the cloture rule begins running at 4:30 today, does it not?

The PRESIDING OFFICER. The Senator is correct.

RECESS UNTIL 4:30 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 4:30 p.m. today.

There being no objection, the Senate, at 3:58 p.m., recessed until 4:30 p.m., whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. PRYOR).

Mr. CRANSTON. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, the National Labor Relations Board is a critically important agency. It is the focal point of the Federal Government's responsibility for seeing that workers in the private sector of our economy are able to make truly free choices as to whether or not they wish to be represented by a labor organization, and for seeing that the collective bargaining process, which is the cornerstone of our industrial democracy, is carried out fairly and effectively. It is important that the NLRB, operating as it does between the frequently antagonistic and adversarial representatives of labor and management, be both administratively efficient and scrupulously neutral in carrying out the mandates of the National Labor Relations Act. These requirements are as applicable to a position of General Counsel as they are to each of the five Board members themselves. The NLRB has deservedly enjoyed generally an excellent reputation as an exemplary regulatory Federal agency, and I have long had a keen interest in seeing that its excellent record continues undiminished.

Mr. President, the nomination of Mr. William Lubbers to be General Counsel of the National Labor Relations Board has engendered enormous controversey, principally concerning his ability to perform the duties of this position independent of Chairman John Fanning. Section 3(d) of the National Labor Relations Act grants the General Counsel "final authority, on behalf of the Board, in respect of the investigation of charges and issuance of complaints under section 10, and in respect of the prosecution of such complaints before the Board, and shall have such other duties as the Board may prescribe or as may be provided by law." This prosecutorial authority, in contrast to the decisionmaking judicial authority of the Board itself, has required that the General Counsel operate independently of the Board in the exercise of these prosecutorial functions.

The Labor and Human Resources Committee explored this issue and related objections to the nomination before us today. The hearings revealed that the nominee enjoys an excellent reputation within the labor-law community based upon his record of long service to the Board. There was no challenge to the nominee's ability competently to perform the duties of General Counsel, nor in my view was there basic evidence to support the contention that Mr. Lubbers does not bring a balanced perspective toward labor-management relations to this position. What was reiterated at the hearing was the simple assertion that Mr. Lubbers' long association with Chairman Fanning somehow prejudiced the ability of Mr. Lubbers to be an independent General Counsel, or to give the assurance of independence to the labor and management communities.

Mr. President, I do not believe that it would be proper to presume that the nominee's ability to be fair and independent is prejudiced by previous service in the agency to which he or she is nominated. If this were a proper standard for nominees, our country would be deprived of many outstanding public servants.

This nomination should be considered on the personal qualifications of the nominee, rather than on suspicion as to his independence. I hope that those who oppose his nomination will consider this criterion, and will seek not to rekindle the labor-management antagonisms that marked the labor law reform controversy in the 95th Congress. This is not the time in our history when we can afford to divide labor and management. If we are to solve the problems of inflation and declining productivity, a creative partnership between labor and management is vital. I urge my colleagues to keep this in mind as we consider the nomination before us.

One thing that does disturb me about this nomination, and that is the charge—and I have done my utmost to try to look into it because I thought it was so important—that the business community had a right to be deeply disappointed at the way in which this choice was made; that is, it had been given assurance that it would have some input in respect of this General Counsel, and that at least it would have a full opportunity to demur if it objected to the choice which was finally made.

I cannot say, Mr. President—I would like to but I cannot say—how much validity there is to that argument. It has been made with deep sincerity by very distinguished people, and I have worried about it. Otherwise, I would have spoken on this nomination sooner. I have worried about it, but I have been unable to find sufficient backing for that point to justify me in casting my vote against the nominee.

For all of these reasons, Mr. President, I shall vote to confirm the nomination of William Lubbers.

Mr. HATCH. Mr. President, the most important labor relations issue since the 1977 Senate defeat of the so-called labor law "reform" bill is now before us. It concerns the President's appointment of William A. Lubbers to a 4-year term as General Counsel of the National Labor Relations Board.

Why is this appointment so important?

The NLRB's General Counsel is not simply another Government lawyer. He wields tremendous power over management, labor, and employees. It is crucial that the General Counsel be independent, impartial, and experienced. Mr. Lubbers is none of these.

WHY IS "INDEPENDENCE" NECESSARY?

Before 1947, the General Counsel was subject to the authority and direction of the Board. To remedy the oft-repeated charge that the NLRB served as prosecutor, judge, and jury, which prevented a fair hearing in unfair labor practice cases, Congress amended the law to separate the two functions. The 1947 Taft-Hartley Act amendments clearly created an independent Office of General Counsel—a "public" prosecutor of unfair labor practice charges. The law is undisputed that the General Counsel must be entirely separate from and independent of the five NLRB members or their staffs.

Without an independent General Counsel, the NLRB will once again become prosecutor, judge, and jury and the process of settling labor disputes is again tainted by the lack of separation of powers.

WHY IS "IMPARTIALITY" NECESSARY?

The General Counsel has final authority, subject neither to appeal to the NLRB nor to the Federal courts, both as to the investigation and prosecution of unfair labor practice charges by management or labor. Because his decision is unreviewable, the failure to investigate or file a complaint in an unfair labor practice case leaves the aggrieved party with no legal recourse. On the other hand, if a complaint is issued by the General Counsel on the basis of a frivolous charge, needless harassment results. Finally, if the General Counsel deliberately delays his decision, he may as a practical matter affect substantive rights.

For example, if a union is illegally picketing business property, the employer should have confidence that the General Counsel will impartially investigate and prosecute unfair labor practice charges, and do so in a timely fashion. Or, if a union brings frivolous charges before the General Counsel, an employer has a right to expect that he will not be harassed by unnecessary prosecution of such charges. In short, management needs to have confidence that the General Counsel will be fair and impartial as the "public" prosecutor of unfair labor practices.

WHY IS "EXPERIENCE" NECESSARY?

The General Counsel should be an individual with firsthand, practical experience in labor relations—not an "ivory tower" Washington bureaucrat who has never been involved in the real world, day-to-day problems involving labor and management. And since the General Counsel is responsible for administering the NLRB's 34 regional offices, and hundreds of Government employees—around 2,500, to be exact—he should have administrative experience.

Lacking practical labor relations and administrative experience can result in problems not only for the General Counsel, but also for the unions and employers that rely on the agency to settle disputes in a timely and fair fashion.

WHY IS LUBBERS UNQUALIFIED?

Lubbers lacks the independence, impartiality, and experience necessary for the job.

Independence? For 20 years, Mr. Lubbers served on the staff of present NLRB Chairman John Fanning. He admitted at his confirmation hearing that he agrees generally with the case decisionmaking by Chairman Fanning and in fact helped write many of the decisions issued by Fanning and the NLRB. He also admitted being very close to John Fanning. Prior to that, Lubbers served for 6 years on the staff of former NLRB member Abe Murdock. A total of 26 years on the staff of an NLRB member. And now he is expected to be "independent" from the NLRB or its staff?

Impartiality? Mr. Lubbers has helped write decisions for one of the most prounion members of the NLRB—John Fanning. Last year, during the labor law "reform" fight in Congress, Lubbers acknowledges offering "technical assistance" to union leaders, even though as an NLRB employee he should have remained neutral as three prestigous former Board officials, ex-General Counsel Nash, ex-Chairman Miller, and ex-Board member Walther testified was Board custom and policy. Again, his lack of objectivity is seen in one of his first decisions as General Counsel. Based on his recent arguments in the Dalmo Victor case, Mr. Lubbers has already expressed his views in favor of the nonstatutory and implied right of a big union to maintain solidarity during a strike, which Mr. Lubbers considered superior to the act's section 7 rights of individual employees to resign from a union. Apparently, when it comes to a showdown between a big union—in the Dalmo Victor case, the Machinists—and an individual employee—in that case, three women who resigned from the Machinists after an 18-month strike to go back to work—Mr. Lubbers will choose the union side and employees will suffer. It is interesting to note that early in his career, Lubbers was employed as an organizer for the American Federation of State, County, and Municipal Employees. And now he is expected to be impartial?

Experience? With the exception of his AFSCME employment, Lubbers has spent his entire career in Washington with the NLRB, writing decisions from case files. He has no "hands on" experience. He has never been responsible for administering a huge staff, spread out around the country. And now he is expected to be "experienced" to administer the NLRB's 33 regional offices?

In summary, Mr. President, what the Congress achieved by the 1947 Taft-Hartley amendments has withstood the test of time. The General Counsel and the Board have been substantially independent in the enforcement of the law—one the prosecutor, the other the judge. Clearly, that independent relationship may be undone by amending the act. Unfortunately, that independent relationship may also be reduced or even eliminated by another means—the relationship between the person who is chairman of the National Labor Relations Board and the person who is its General Counsel.

Regretfully I must insist that a relationship of the duration and intensity of that between Chairman Fanning and Acting General Counsel Lubbers has the potential for destroying the statutory duality of those offices.

It is, perhaps, unfortunate if an otherwise qualified person is denied appointment to a high Government office because a longstanding business relationship may affect the independence of his performance in that office. I submit, however, that it would be even more regretful if the delicate balance required between the two offices was injured or destroyed by such an appointment.

There are, Senators, many men and women, blacks and other minorities (NLRB Regional Director Curtis Mack was considered by the White House) who are as qualified as Mr. Lubbers to fill the office of General Counsel.

I believe and I hope that Mr. Lubbers and Chairman Fanning intend to comport themselves in accordance with the statutory design. I submit, however, that the public, labor and management, are entitled to an appointee free of even the appearance of impropriety.

In the name of fairness and impartiality, I urge this Senate to reject the nomination of William Lubbers. Let us consider in his place the name of someone in whom both labor and management can have confidence.

I might mention that this is not a prounion/antiunion approach. It is not a union/antibusiness approach or business/antiunion approach. It is not a Republican or Democratic issue. It is an issue of what is right under the circumstances.

Business had accepted three potential nominees: Two general counsel from major unions, who would certainly be as prounion as Mr. Lubbers, and Curtis Mack, who certainly is prounion, who is the regional director of the National Labor Relations Board, with tons of experience in the field that is involved here. All three of those have tons of experience.

So business has not necessarily stood aside and said: "We don't want to work with you." They have been willing to, but they have had the Lubbers' nomination rammed down their throats.

Now, I have made the point that Mr. Lubbers lacks independence, impartiality, and experience. But let me add a few other points.

Opponents of the Lubbers' nomination have been fair in an attempt to avoid a confrontation. There are many others, including competent union-affiliated lawyers, that business is willing to support and accept.

I also mentioned the top level black leader in this country in labor law, a regional director in Alabama, Curtis Mack, would be acceptable to business.

If we are going to give opportunities to blacks in our society, would not this have been a great opportunity for this administration? Let me give another.

The matter is essentially the same as the Agriculture Committee's handling of the Hugh Cadden nomination who was opposed because:

He came from the staff of a current commissioner in violation of the independence required by the Commodities Futures Trading Commission Act; and

He had absolutely no practical experienec or knowledge of commodity markets or trading; and

He was an ivory-tower bureaucrat.

If you add it all up, I think we have made pretty good arguments that it would be better for all concerned if we would reject this nomination. Why not the best? Why can we not have the best for these nominations—and certainly, especially when both business and labor can be in agreement—rather than have a confrontation every time we turn around because somebody wants to cater to one group or the other?

What the Congress achieved by the 1947 Taft-Hartley amendments has withstood the test of time. The General Counsel and the Board have been substantially independent in the enforcement of the law—one the prosecutor, the other the judge. Clearly, that independent relationship may be undone by either amending the act, or doing as has been done here, putting somebody in who, frankly, would not be independent of the Board itself.

I think it is something to think about.

The duration and intensity of that relationship between Chairman Fanning and Acting General Counsel Lubbers has the potential for destroying the statutory quality of those offices.

I think a good case has been made here. I hope that my colleagues will consider the importance of this particular position and the possible dislocation the Lubbers' nomination really could have between business and labor in this country especially since there has been a reasonable approach by business in this matter.

I think it is important for us to realize that we should not have people who have the slightest question concerning their devotion to being independent in this particular position.

The General Counsel's position is a life-and-death position in many ways. That position can be used in fairness, equity, and impartiality from a neutrality standpoint, or it can be used in a most partial way that basically could destroy the act, it could destroy the National Labor Relations Board, and could destroy the delicate balance we have today of basic good workmanship between management and labor in our society.

Let me say one other thing. I might mention that some inside sources at the Board have told us that Mr. Lubbers has made the statement which he denied in the hearing—I want that to be understood—he has made the statement, and I think these are reliable sources, that if he could get this position for 4 years he would do that which the Senate refused to do in 1978, and that is by independent General Counsel fiat enact labor law reform, even though the most able legislative body in the world rejected that particular contention and those particular points.

I think it important that everybody knows this. It involves very important issues. I think we have approached it in a reasonable and moderate way. I hope my colleagues will give every consideration to voting against cloture here today because that would be, at least in our opinion, the right way to go.

Mr. WILLIAMS addressed the Chair.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. WILLIAMS. Before the Senator from Utah leaves, I wonder if I can ask a question on his last observation. The Senator understands, and I think he said, from inside sources.

Mr. HATCH. That is correct.

Mr. WILLIAMS. I suggest it is dangerous to come to that conclusion which he came to on anything but a competent record that we can look at and understand, a decision or something within the public visibility of the individual. Could I ask, was this brought to the Senator as a description of a casual conversation?

Mr. HATCH. This was brought to me by impeccable sources within the National Labor Relations Board before the Lubbers' nomination was made and since, by the way. Of course, if the chairman can imagine, I cannot disclose the sources, but they were reasonable. I would say they were impeccable. I believe them to be true.

I also read into the Record last Thursday Mr. Lubbers' comments at the labor symposium in New York City where he implied exactly the same thing on the record. I think a reasonable mind would conclude that Mr. Lubbers has pretty well made up his mind to do that which the Senate decided not to do.

I know my colleague and friend from New Jersey would agree with me that if the Senate has spoken, we should abide by that, and so should the bureaucrats who run the agencies in our society as well.

Mr. WILLIAMS. Well, the Senator has said the Senate has spoken on labor law reform.

Mr. HATCH. That is correct.

Mr. WILLIAMS. We did not get a chance to speak definitively.

Mr. HATCH. Well, we spoke for 6 weeks.

Mr. WILLIAMS. No, no. There have been statements made repeatedly that the labor law reform was defeated or rejected. It was not. It was never decided because we never got to a vote, as the Senator will recall.

Mr. HATCH. I think my colleague from New Jersey would have to admit that under the rules a piece of legislation can be defeated through the use of extended debate, if the extended debate is not able to be overcome. That is what happened on that matter. It is one of the ways that a controversial piece of legislation can be defeated. It is a rule of freedom that the Senate provides for the minority in these matters.

Mr. WILLIAMS. Let us put it this way: Let us say, and this will be so accurate, labor law reform was obstructed by the failure to get 60 votes, not 51. The issue would come up if there had been 51 votes there.

Mr. HATCH. It was defeated by a proper utilization of the rules allowing what I call extended educational dialog, which apparently that was. All I can say is, be that as it may, the Senate did act through its rules. All I am saying is—and I think my great friend and colleague from New Jersey would agree—that he would not want ivory-tower bureaucrats, regardless of how good or nice or wonderful they may be, putting into effect statutes that the Senate has refused to put into effect. Am I correct?

Mr. WILLIAMS. I read the Record from Friday and I noticed that former member Murphy indicated there is a policy role for members of the National Labor Relations Board. Evidently the Supreme Court has indicated this, too. This was all record material.

Mr. HATCH. I have no doubt that there may be a policy role as long as it does not conflict with the actions of the U.S. Senate and House of Representatives, and as long as those policies do not conflict with the act itself, the National Labor Relations Act, the other appropriate labor laws, and the legislative record that we have.

Let me just say this: In terms of Lubbers' track record my distinguished chairman will recall when I asked him what cases he acted upon, Mr. Lubbers refused to answer on the basis of attorney-client privilege in front of the committee. I thought that was a pretty serious thing. As a matter of fact, I do not know what could be more serious than refusing to answer an august committee when some of the questions got a little tougher.

Mr. WILLIAMS. I think that this shows that he is a man who lives under law, and the law that he worked under when he was in those positions clearly prohibited him from revealing what was asked in some of the questions in the Senator's letter to him.

Mr. HATCH. If the Senator will permit me, he even refused to tell us the number of cases that he worked with Mr. Fanning on. He indicated there were plenty, but he did not tell us the number, and even refused to give us that little statistic. I thought that that alone has to cause any reasonable person looking at the record to question whether or not this person has been candid with the committee.

Mr. WILLIAMS. Without reading it, if the Senator will yield further——

Mr. HATCH. Surely.

Mr. WILLIAMS. Let me observe further that regulation 18020, and I think these have been included in the RECORD already in this debate, certainly lays out those situations where there is confidentiality. I should think the Senator from Utah would be more disturbed if the nominee were furnishing information in violation of the clear regulations that he worked under.

Mr. HATCH. Will the Senator yield on that point?

Mr. WILLIAMS. Yes.

Mr. HATCH. I would be disturbed if he were divulging confidential matters that should not be divulged. I do not think our questions asked for confidential matters. We merely asked how many cases he had helped to write and helped decide with Mr. Fanning. We asked him to describe those cases, as I recall, and he refused to do that.

Those cases are on the record. I do not see anything so difficult or confidential or otherwise impossible about those matters.

Mr. WILLIAMS. On page 22 and page 23 of our hearings, I believe that we have a full record on all this and it was Mr. Lubbers' response to the letter of request. It runs to page 29. That certainly most completely and clearly indicates just why some of those questions could not be answered and have Mr. Lubbers continue to live within the law and the regulations that he worked under.

Mr. HATCH. The question of how many cases? Is that confidential? I would have even taken a percentage or an estimate. I presume that he has helped to write almost every case that Mr. Fanning has decided.

Mr. WILLIAMS. He included the Senator's entire request, which said:

> So that we can evaluate this allegation, I ask you to collect and furnish to me, as soon as possible, every issued decision of the NLRB either recommended or written by you during the last five years of your staff association with Chairman Fanning. I believe this is a minimal requirement on your part to satisfy the concerns that you will be in fact independent in light of the perceptions your nomination has created among the public.

The response was:

> During the period in question, July 3, 1972 to July 3, 1977, when I was appointed to the position of Solicitor, I served as an Assistant Chief Counsel to Member Fanning until May 4, 1976, supervising and directing the work of three or more legal assistants and advising Member Fanning on whatever other cases or policy matters he assigned to me.

He goes on, if I may just skip now:

> All Board decisions issued and printed in bound volumes of NLRB reports during this period are reported in Volumes 198 through 230. Board decisions are obviously in the public domain. For me to identify cases assigned to Member or Chairman Fanning, and by him to me, as compliance with your request to "furnish every issued decision of the NLRB either recommended or written by [me] during the last five years of [my] staff association with Chairman Fanning" would necessarily cause me to do, would involve me in an unauthorized disclosure of matters I, as former staff counsel, am required to keep confidential. I must, therefore, respectfully decline to comply with this request.

I would be more worried, if I were the Senator from Utah, if this man were just spilling out a lot of information that he was prohibited from disclosing within their own basic law and regulation.

Mr. HATCH. Will the Senator yield again?

Mr. WILLIAMS. Yes.

Mr. HATCH. I thank my friend from New Jersey.

The letter that I wrote to Mr. Lubbers, I thought, was a reasonable request. It was written on December 5, 1979:

> DEAR MR. LUBBERS: I am aware that you have been nominated by the President to be the next NLRB General Counsel. As you know, your confirmation hearing is scheduled for 9:30 a.m. on December 14.
>
> Several business organizations suspect that your 20 years on the staff of NLRB Chairman John Fanning disqualifies you from assuming the independent duties of the General Counsel. They say that your role in writing many of Mr. Fanning's pro-union decisions will cause the public to question your independence and impartiality as you carry out the duties of the General Counsel.
>
> So that we can evaluate this allegation, I ask you to collect and furnish to me, as soon as possible, every issued decision of the NLRB either recommended or written by you during the last five years of your staff association with Chairman Fanning.

We did not ask for all 20 of them.

> I believe this is a minimal requirement on your part to satisfy the concerns that you will be in fact independent in light of the perceptions your nomination has created among the public.
>
> Also, you might want to send me any speeches you have given or articles you have written while a Board employee on labor-management relations.
>
> In addition, today in an interview with me you acknowledged that you furnished so-called "technical advice" to various supporters of the "Labor Reform Act" during the period you were an employee of the NLRB. You specifically mentioned meetings with Tom Donahue and Larry Gold of the AFL-CIO. Kindly list the occasions and approximate dates when you discussed any aspect of that legislation and with whom. Explain your specific role in drafting or discussing any of the provisions of that bill. Please attach a copy of all memos, letters, etc. you prepared concerning any of the proposals to amend the NLRB even though your name did not appear on those documents.
>
> Sincerely,
>
> ORRIN G. HATCH,
> *U.S. Senator.*

What I am trying to bring out, Mr. President, is that I think those were reasonable requests, which he refused. He refused to give us explanations concerning the technical assistance he provided. I suspect the reason he did is that it was more than technical. That is up to him, but I felt our committte should have required him to give these rather reasonable requests, because we are talking about the independence, the impartiality, and the experience of a man who will have inordinate power once he gets that position.

Mr. WILLIAMS. I had not thought of this at the time, but it occurs to me now that we might have helped his confirmation as General Counsel, because if he had done what the Senator requested, he might well have been discharged from his job in the agency, and so he would have come in without that heavy weight on his back. He would have been a former person working at the National Labor Relations Board, because this regulation clearly says, and I think I had better read it again, that if he had disclosed it, he would be creating "grounds for discharge from his employment." Let me read what it says under "Confidentiality of Cases" one more time:

> Confidentiality of Cases: Staff counsel are confidential employees of the Board Member for whom they work. When a case is pending before the Board for any type of action, staff counsel are under an obligation not to reveal (1) the identity of the Board Member or staff counsel assigned to cases; or (2) the status of cases to unauthorized persons, e.g., persons outside the Agency, or General Counsel or Division of Judges personnel. The only personnel with whom staff counsel are authorized to discuss pending cases are those on the Board side of the Agency; i.e., Board Members', Executive Secretary's, Solicitor's, or Division of Information staffs.
>
> Unauthorized disclosure of the above information either before or after a case has issued is a serious matter, constituting grounds for discharge of any person making such disclosure.

Mr. HATCH. Will the Senator yield again?

Mr. WILLIAMS. Yes.

Mr. HATCH. Those rules apply to pending cases.

Mr. WILLIAMS. It says "before or after a case has issued."

Mr. HATCH. If the Senator will read it carefully, it says pending cases.

Mr. WILLIAMS. Either before or after a case has issued.

Mr. HATCH. That is true. Of course, he should not give information as to whom the case is assigned or who has responsibility, particularly during a pending case. We are talking about cases over the last 5 years, and they are on record. I do not see the problem.

Mr. WILLIAMS. The only loophole here after it has been decided is another paragraph that says:

> After final action by the Board, cases pending enforcement may be discussed with those persons on the General Counsel's staff who are responsible for enforcing Board Orders.

Now, there is one other thing that has not been discussed, but I think it might, this whole question of appearances of lack of impartiality. Appearance, appearance, appearance has been raised time and again.

Certainly, Peter Nash raised it at our hearing. I would like to read what he had to say in that connection. At our hearing, Mr. Nash said:

> I am confident in my own mind, knowing Bill Lubbers and John Fanning, that never would they breach either the letter or the spirit of section 3(d) of the Labor Act. But there are people in this world who do not know Chairman Fanning and Bill Lubbers; and I am concerned that the same kind of conviction that applied when I was a young, starting labor lawyer in upstate New York, might apply again. I think that is to the detriment of the administration——

He had said earlier:

> However, when I was practicing law in upstate New York, nobody in upstate New York believed that. At least not those with

> whom I talked, and there was a conviction that ran among labor attorneys that when the General Counsel issued a complaint that seemed to be foreclosed by Board precedent and the Board then reversed itself and found a violation consistent with the General Counsel's complaint, there was a conviction that the General Counsel and the Chairman had sat down and discussed whether or not a complaint ought to be issued and, indeed, what the theory ought to be of that complaint.

Now, Mr. Nash said that he knows this would never have happened with Mr. Lubbers and Mr. Fanning, but people who did not know them would feel that that might be the situation.

On these nominations, if we looked at each one to see where a person came from on his way to the position to which he has been nominated, we would be foreclosing many people from the positions they were nominated to.

We have so many people out of the U.S. Attorney's offices that have an aspiration to be on the bench, to be a judge, and they get appointed from their position within the U.S. Attorney's office to sit on the Federal district bench.

With respect to appearance, nothing can be closer, I am sure, than a group of lawyers working in the U.S. Attorney's office. When they leave the U.S. Attorney's office and then go to that bench, the same kind of wall has been built between the judge and the U.S. Attorney as the wall we have between the National Labor Relations Board and the General Counsel.

It seems to be convenient to raise this appearance business now, but if it were to be generally applied we would have many individuals frozen out of an opportunity to advance into positions of responsibility.

I can think of others, too. Judges coming out of private practice. History will show that some of the greatest members of the Supreme Court of the United States, right here, ran into this appearance business when they were nominated. Harlan Fiske Stone, for one. Hugo Black, another. Louis Brandeis was a third. They ran into this appearance debate, that they would bring to the Supreme Court all of their association from their practices of law prior to their nomination. Fortunately, the Senate cut through all this appearance business and went to the individual and examined the individual on the only thing that has to be found on any of these appointments, integrity, character, and, of course, competence.

Competence, character, and integrity have all gotten, on the range of one to four, the marks from every Member, every person, that has spoken in hearings on this nomination. We had no negatives on character, integrity, and competence.

There was no question on experience because Mr. Lubbers has been a faithful, faithful, faithful servant of the people in public position by working at the National Labor Relations Board, one way or another, for 27 years.

That kind of steadfastness and loyalty to a great institution, I should think, would be commended, but here it is found to be debilitating.

Mr. President, as I have stated at greater length earlier in these deliberations, no real reason exists to challenge the nomination of Mr. William A. Lubbers to be General Counsel of the National Labor Relations Board. Mr. Lubbers has a well-deserved reputation as a superb labor lawyer. His competence and his integrity are beyond question.

Mr. Lubbers' qualifications for this position are so apparent, and the reasons advanced against him so insubstantial, that it is remarkable that the debate on confirmation of this nomination has now extended for 4 days.

Mr. President, the record is clear with regard to Mr. Lubbers. His ability, his training, and his experience make him one of the most highly qualified candidates to be General Counsel this body has ever had the opportunity to consider.

His well established record and reputation for independence and integrity place virtually beyond question the fact that he will properly fulfill the office of General Counsel, with the utmost dedication to the law and to the public interest.

Unfortunately, however, there are those, as you know, who have attempted to raise questions where no real basis exists for inquiry.

I believe this matter requires comment, because the organized special interest groups that are fueling this debate and attempting to generate controversy where none should exist should not be permitted to cause further deterioration in an already strained labor-management relations atmosphere.

There has been considerable discussion over the past few days of the significance of two letters addressed to the White House by representatives of the business community. These letters, from representatives of the Business Roundtable and the National Association of Manufacturers, indicated that business interests would support any one of three alternatives to Mr. Lubbers if they should be nominated to be General Counsel.

These proposed alternatives were: A regional director in charge of the Board's Atlanta region, and two lawyers representing labor unions.

Mr. President, I submit that, upon analysis, this suggestion of "alternatives" to Mr. Lubbers in effect amounts to no more than an attempt to dictate to the President that he should nominate the mentioned regional director.

This is so because of the well-known fact that organized labor has never supported the appointment of any labor union lawyer or labor union official to a Presidential appointment at the National Labor Relations Board. The business spokespersons who wrote to the White House purporting to suggest a list of three alternatives have been involved in these matters long enough to know that this is so. Their memories cannot be so short, or their vision so narrow, that they do not appreciate the unacceptability of partisan labor union lawyers as nominees to the position of General Counsel.

Thus, they were in effect seeking to tell the President that instead of nominating William Lubbers, he should nominate the Atlanta regional director to be General Counsel.

The effrontery of this attempt to dictate the President's selection of a nominee has nothing to do with the qualifications of the Atlanta regional director. But it is most offensive to have partisan advocates in the business community generate a controversy based upon insubstantial and cynical arguments as a means of seeking to veto the President's selection and force their own alternative upon him.

This muscle-flexing by a well-financed special interest lobby threatens to further strain labor-management relations that are already suffering from recent confrontations over labor law reform and other issues.

If they are successful, the heretofore baseless argument that this nomination might harm labor relations or weaken the Board, will have proven to be a self-fulfilling prophecy. But, if that occurs, the fault will not lie with the President or with Mr. Lubbers; it will lie with the special interest lobbyists who have chosen to make an issue out of this nomination.

Mr. President, I have already stated the view that opponents of this nomination are applying a double standard here—they are raising against Mr. Lubbers arguments that could have been made—but were not—respecting prior nominees to this position.

Both the hearing record and the record of this debate are full of testimony as to Mr. Lubbers' unquestioned character and integrity, and his ability as a lawyer. Every witness who testified orally before the committee attested to the nominee's integrity. Those who have been in a position to know attested as well to his otustanding ability as a labor lawyer.

For example, former General Counsel Peter Nash testified that Mr. Lubbers is "by reputation" and by Mr. Nash's knowledge, "a superb lawyer." Further, Mr. Nash testified that he was comfortable in his own mind that "never" would Mr. Lubbers "breach either the letter or the spirit" of the law requiring the General Counsel to function independently of the Board.

Another former General Counsel of the Board, Arnold Ordman, who is the only two-term General Counsel in the history of the Board, also testified about Mr. Lubbers' ability and integrity, he stated:

> I personally observed Mr. Lubbers' work at the Board. I can attest to the high quality of that work, his incisive analysis, his perceptive grasp of the whole problem and his stubborn resistance to popular but sometimes inadequate decisions.
>
> These qualities have been recognized by his peers and superiors. He has moved up to increasingly responsible posts and discharged those responsibilities ably as has been attested to by every witness we have had here.

With regard to the assertion that Mr. Lubbers might not be sufficiently independent or impartial because of his prior association with Board Chairman Fanning, Mr. Ordman stated:

I resist the temptation to jeer . . . I have complete faith, like everyone else, in the nominee's integrity and high competence, and I commend him to you.

That is as he addressed our committee hearing on this nomination.

It is little wonder that Senator HUMPHREY stated last Wednesday:

We are not in any way questioning the man's integrity. It is beyond question.

Likewise, on the question of training and background, the record clearly demonstrates that Mr. Lubbers brings abundant experience to this position from his prior practice. As former General Counsel Ordman testified:

I know of no better way to learn the procedures of the techniques as well as the pitfalls of litigational strategy than the kind of work that Mr. Lubbers has done for years. Only the very oldest and most active practitioners in the labor field could have as much experience.

Likewise, former Board Chairman Frank McCulloch testified:

The NLRB is the best place to acquire training and experience in the administration of the labor law. Lubbers has that training and experience to an exceptional degree. The volume and scope of the agency's caseload and its heavy court docket compel senior attorneys to become experts in labor law as enacted by Congress and applied by the Board and courts. Lubbers' grasp of the law is recognized as outstanding. The sharply contested nature of the issues decided by the agency subjects it to a heavy legal crossfire, that requires balance, steadiness, insight and fairness in arriving at conclusions. Lubbers fully demonstrated that crucial balance and fairness in all his recommendations that I observed.

In the final analysis, all the arguments about Mr. Lubbers' qualifications for this post utterly fail, and his opponents are reduced to the argument that, even though there is nothing really wrong with this nomination, or this nominee, it should be rejected because the business community would not like the "appearance" it would create. To quote from the extended debate on this nomination last Thursday, an opponent (Senator SIMPSON) said:

I must stress there that word "perception." It is on the appearance of things we rise or fall in this arena, in Washington and in this Government—not on whether it is so, or is not so, but on the appearance of things. It is unfortunate that the judgment is made, but, nevertheless, it is.

On this point I will say just what I said when this argument was made to the committee:

The day we start guiding ourselves on unwarranted perceptions, or a false image, that is when we lose our rudder in life here. Believe me, I know this is an age of not substance but image, but I have got to stay with the substance.

But the most devastating rebuttal of the "appearances" argument is made by the opponents of this nomination. They would have us believe that they oppose Mr. Lubbers because he might appear less than impartial, but they would not feel that way about a labor union lawyer as General Counsel.

Mr. President, I submit that it is totally incredible to suggest that a dedicated union lawyer would automatically be accorded more trust by the business community than a career civil servant.

In any case, as in this case, the only assurance any of us can have is the oath of impartiality taken by the General Counsel, and the reputation of the General Counsel, individually, as a person of integrity.

On that score, as we have seen, Mr. Lubbers receives the highest possible marks from everyone who knows him.

Indeed, both the hearing record and the record of the debate are so full of testimonial for Mr. Lubbers' character, his integrity and his ability as a lawyer that long after his confirmation and service as General Counsel, when he is talking to his grandchildren or even their children, he will tell them not only about his distinguished career as General Counsel, but also about his proud reputation for integrity and ability which has been described in such glowing terms these past few days.

Mr. President, without impugning the sincerity or conviction of the Senators who have been leading the opposition to this nomination, I nevertheless suggest that the discussion of this matter has long since become redundant and unnecessary. Over the years that I have served in this body, I have had great admiration and respect for the sincerity and depth of conviction, as well as the dedication, that Senators have brought to this floor when they have found it necessary to engage in extended discussion as a means of defending and preserving principles that they deem important. It is within the rules of this body, and within the rights of Senators to do this.

This has occurred in recent Congresses on issues like the Panama Canal Treaty, natural gas deregulation, and labor law reform. And I remember well the extended discussions we had about the landmark civil rights legislation of 1964 and 1972. I submit that the questions asked here about this nomination—all of which have been fully and conclusively answered—simply do not warrant this kind of extended discussion. The 4 days of the Senate's time that have already been taken for this matter have been more than enough.

An objective review of the proceedings on this nomination demonstrates conclusively that no issue has been raised in debate that was not raised with the committee before it favorably reported this nomination. No substantial argument has been made on any day of our deliberations that was not made on the first day of our deliberations. Time, and a sense of proportion, compel the conclusion that it is time to vote on the merits of this nomination.

Mr. JEPSEN. Mr. President, separation of powers, as a doctrine, is a primary cornerstone of our American way of Government. The operation of judicial and administrative functions of Government have been, and should be, a basic tenet of insuring the rights and freedoms of individuals, and the precepts of our democracy. In a more direct focus, the separation of powers between prosecutor and judge, between the administrative general counsel and the judicial board of appeals cannot, by any principle even arguably within the parameters or bounds of our Constitution be condoned or permitted.

The appointment of William A. Lubbers as General Counsel of the NLRB blatantly contradicts these legal, political, and democratic ideals which we have safeguarded so long. To confirm such an appointment would disregard the doctrine of separation of powers and perilously endanger the credibility of a major Federal agency with a paramount impact on American employers, employees, and unions, by subjecting the business community to a General Counsel divorced from objectivity, independence, and undue influence, while married to the purposes of unionization as a longstanding doctrinaire of organized labor.

As independent agencies must be free of executive control, so must administrative positions be free from judicial control.

Numerous factors would prevent Mr. Lubbers from making impartial judgments. His clear political bias and philosophically set prounion prejudice would be improper and unacceptable influences on what should be independent execution of his duties as General Counsel.

It is clear that besides a political and philosophical bias, Mr. Lubbers is subject to improper outside pressures.

The same person cannot be allowed to investigate the facts of a case, and institute proceedings, when ultimately he would come from, and still exercise, bias, prejudgment, and influence on the ultimate adjudication.

The Administrative Procedure Act, section 554(d), places strict limitations on the mixing of functions at the administrative law judge level, which is particularly analogous here since administrative law judges' duties are technically administrative as employees of the executive branch placed within administrative agencies, yet in terms of practice their roles are clearly—unlike the NLRB's General Counsel position—judicial in nature. Section 554(d) strictly limits the mixing of functions, providing that these administrative personnel may not "be responsible to or subject to the supervision or direction of an employee or agent engaged in the performance of an investigative or prosecuting function for an agency." Section 554(d) further provides, and this is keenly relevant to the issue of Mr. Lubbers, "An employee or agent engaged in the performance of investigative or prosecuting functions for an agency in a case may not * * * participate or advise in the decision, recommended decision, or agency review, pursuant to the Administrative Procedure Act, section 557 of the title."

The preconceptions with which a decisionmaker, with unreviewable discretionary powers such as Mr. Lubbers would have, come to play in the proceedings in various forms: Either opinions considering law or policy, prejudice against a party or parties, or personal bias, or other disqualification.

Although generalized views and questions of law and policy, as distinguished from views as to the practices of particular parties to the proceedings, do not generally disqualify an agency representative from adjudicating in, participating in, or exercising discretionary authority on prosecutions, the "expertise" acquired by Mr. Lubbers would not be an advantage, but would be a handicap since his past records and his present record under the interim appointment as General Counsel demonstrate his inability to maintain any visage of neutrality.

The actions of the General Counsel have binding consequences and therefore we cannot ignore Mr. Lubbers' qualification, or lack thereof, and expect with any certainty whatsoever normal adjudicatory proceedings by the NLRB. The rules against combination of functions cannot permit the appointment of a General Counsel so lacking in independence, impartiality, practical experience, and freedom from undue influence. The circumstances and the record, particularly evidenced in the Delmo Victor case, indicate that Mr. Lubbers has fixed opinions regarding labor relations which would interfere with the proper resolution of conflicts and performance of his responsibilities in a manner which theoretically, and by law, must reflect neutrality and objectivity.

The bias of Mr. Lubbers can be found in his prior public statements which indicate his clear hostility toward both management and workers who resist unionization or union coercive tactics.

A case involving the Federal Trade Commission, although not particularly on point, does have some relevance and interesting parallels to the issues present in the case of Mr. Lubbers. In American Cyanamid Co. against FTC, an FTC Commissioner who has previously served as counsel to a Senate subcommittee investigating the drug industry, during which time he had made statements which indicated that he believes American Cyanamid had violated the antitrust laws and had helped draft reports which were critical of the company, was held by the courts to be sufficient to disqualify him for FTC hearings involving the same issues.

Similarly Mr. Lubbers had also previously served as counsel to a panel, and in particular to the Chairman of that panel—the NLRB—where his record in drafting statements and opinions, where his remarks and speeches, and where clearly his advice and counseling of Chairman Fanning was blatantly antimanagement. His counseling of organized labor on congressional issues of labor law reform while a Government employee whose salary was paid from taxpayer payments, illustrates his clear disregard for the principles of conflict of interests, high caliber professional integrity and responsibility, and separation of the powers and functions of Government and the private sector.

Another FTC example is also relevant. In Cinderella Career & Finishing Schools against FTC, prior statements in a speech by an FTC Commissioner later led the court to set aside a decision by the FTC. Even though the Commissioner had not referred to the party by name, the court noted that the "appearance of fairness" had to be maintained. Although the present issues of Mr. Lubbers involve not a single case but his inability to maintain objectivity categorically, it is obvious, as in the FTC case, that prior statements in a speech by Mr. Lubbers illustrate dramatically that he cannot and does not emote an "appearance of fairness." It appears virtually impossible that employers would be able to change the General Counsel's mind as a result of his previous contacts with the subject matter and inherently discriminatory views fostered as a blatantly adversarial member of Mr. Fanning's staff.

Furthermore, congressional involvement in the present case is a concomitant problem. The issues involved in the suitability and appropriateness of Mr. Lubbers for the General Counsel position at the NLRB raise the specter of undue future legislative involvement. The controversy involving Mr. Lubbers has risen to such intense levels that continued calls upon Congress would likely ensue. Furthermore, it is hard to believe a more suitable compromise candidate is not available. Moreover, the strong influence and efforts exerted by parties in interest to the outcome of this proposed appointment could not help but have a substantial influence, consciously or subconsciously, on Mr. Lubbers' actions in the future performance of his duties.

It is obvious that Mr. Lubbers previous experience—as a union organizer for the American Federation of State, County, and Municipal Employees, as a key staff member and author of many prounion decisions for NLRB Chairman Fanning, and as an advocate of labor law "reform" legislation and provider of technical assistance to organized labor and congressional labor battles—has caused Mr. Lubbers to form deeply rooted philosophical conclusions as to the issues presented in current labor-management relations. What has developed is more than philosophical perspective of the issues, but rather formation of conclusions of fact which require Mr. Lubbers to be disqualified for consideration for this powerful position. We deeply question his ability to consider the merits of labor-management controversies.

It is of paramount importance that we insure the appearance of impartiality so as to guard against actual bias. Not only is Mr. Lubbers' failure to be impartial a matter of record, but the issue of "appearance" of impartiality is rendered moot by the very documented and predominant atmosphere of philosophical concreteness and prounion prejudice.

The parties who come before the National Labor Relations Board in earnest and good faith efforts to appeal the decisions of administrative law judges are entitled to fair, unbiased, and impartial evaluation of the record and decision-making as to their disposition. No doubt, bias or partiality would play a part in the unreviewable decisions of Mr. Lubbers. Such unfettered and unreviewable discretionary power such as the NLRB General Counsel has, cannot tolerate any semblance or visage of impropriety, collusion, or preordained belief.

The appointment of William Lubbers to the position of General Counsel of the NLRB would create serious doubts as to the credibility and feasibility of the Board to function in either its judicial or administrative capacities. The ability of the business community to seek good faith recourse via the agency would be severely inhibited. The perception of the NLRB within the business community could not help but be significantly lessened and compromised which ultimately would reflect poorly on the agency, on the administration, on the goals of effective and equitable labor-management relations, and on the purposes of the National Labor Relations Act itself. Such an appointment constitutes no less than an invasion of the agency's judicial function.

It is clear that the decisions of the General Counsel, should this appointment be confirmed, would be rendered by an individual whose thought processes has been subjected to inordinate influence, pressure, and a measure of union self-interest. Administrative decisions are invalid if based in whole or in part upon pressures exerted by outside forces. A person occupying a position as important as the NLRB General Counsel is bound to base his decisions strictly on the merits of the case, and should be free from undue influences past, present, and future. William Lubbers clearly does not meet this requirement.

Mr. Lubbers' track record indicates his clear preference for union ideologies, and that he considers the interest of organized labor to be paramount to the legitimate and lawful statutory rights, duties, and protections afforded to employees alike by the National Labor Relations Act.

Without an independent NLRB General Counsel, the often unnecessary and unjustified strife between organized labor and workers, or between organized labor and management, can only be heightened to the ultimate disservice of the NLRA and the congressional intent of the legislators who mandated it. We cannot permit the travesty which would ensue if Mr. Lubbers was allowed, in an atmosphere of prejudice and partiality, to combine the roles of prosecutor, judge, and jury. Mr. Lubbers is not the candidate of employers, is not the candidate of employees, is not the candidate of moderates, is not the candidate of rank and file labor. He is the candidate of organized labor bosses. A rational, reasonable, and responsible approach could never condone a General Counsel so much an ideologist and doctrinaire of one side of an issue which is already too polarized and uncompromising.

Mr. HOLLINGS. Mr. President, over the past several days we have heard an earnest and forthright debate on the confirmation of Mr. William A. Lubbers for General Counsel of the National Labor Relations Board. Many I suppose are surprised that a nomination of a Government lawyer would receive this much attention. Ordinarily it does not, and I will not take a lot of the Senate's time to recount or summarize the arguments that so many of my colleagues have stated. I, for one, oppose the nomination of Mr. Lubbers to this important job.

It must be pointed out, first of all, that the position Mr. Lubbers has been nominated to fill, General Counsel of the National Labor Relations Board, is unlike other positions of similar title. This position is statutorily defined in such a way to establish a strong and effective referee in the struggles between organized labor and management.

The National Labor Relations Act provides that the General Counsel "shall have final authority, on behalf of the Board, in respect of the investigation of (unfair labor practice) charges and issuance of complaints—and in respect of the prosecution of such complaints before the Board." This individual's power is final and has been so recognized by the Supreme Court. The free hand and broad discretion this individual has in making his prosecutorial decisions is total. The recourse for those who would oppose the General Counsel is to refuse to cooperate with the Board's investigations and elections processes, to defend against the General Counsel's complaints and litigate every disagreement, and to appeal the Board's decisions to the courts whenever possible.

Within our governmental system for the regulation of the labor disputes the National Labor Relations Board plays a key role. Its function is to remove all of the causes of labor strife in a manner that is consistent with our Nation's free-market system, and to promote the peace between the sometimes warring factions of industry and labor. In recent years the Board has enjoyed a reputation for impartiality, objectivity, and integrity matched by few other institutions or Government agencies.

It is because of this reputation, and the confidence that it inspires in both management and labor, that the Board has been largely successful in its mission of keeping the wheels of our economy turning. The Board could not function without this reservoir of confidence that it enjoys. Consider the facts: Ninety-five percent of the nearly 39,000 cases filed in fiscal year 1978 were never litigated by the Board. They were settled, dismissed, or withdrawn. The largest proportion of these charges were either settled by the respondent at the Board's suggestion, or were withdrawn by the charging party, again at the Board's request.

If the proportion of individuals who would agree voluntarily to settle cases were to fall by a few percentage points, the Board's administrative resources for enforcing the statute would be seriously strained. Therefore the confidence the Board has generated over the years and the creditability it has within the community it serves has been critical in its ability to function to its demonstrated high level of competence. Central to the Board's operation is the General Counsel. He is quite often the focal point, due to the discretion and power authorized under the act, and how he performs his job and the creditability he commands in the process of making tough decisions that confront the Board daily affects the total operation of the Board. The respect labor and management has for his discretion, judgment and objectivity in handling the cases before the Board is vital to the performance of his duties.

Not only is the General Counsel the Board's chief prosecutor, he is also the chief administrator of its field offices. He manages the staff of over 3,000. So long as the General Counsel is able to retain the respect of the representatives of both labor and management, his field attorneys and regional office personnel will continue to be successful in achieving the high degree of voluntary compliance with the law that they have in the past. But, if that respect is compromised for any reason, in fact or perception, the success of subordinate personnel will be limited.

I believe we must consider both of these distinct features of the job when we consider Mr. Lubbers. I will not join some of my colleagues in an attack upon Mr. Lubbers' integrity. I believe that his more than 20 years of Government service commend his honor. I will not attack his legal skill as others in this body have done. His record of advancement within the Board speaks well of his legal capacities and growth in this most specialized area of the law. Nor will I comment upon his lack of administrative experience, for this is not, in my mind at least, the most serious problem about his candidacy. On the other hand this omission on my part should not be taken as a dismissal of this deficiency.

My major reservation concerning Mr. Lubbers is the very controversy that surrounds his nomination to this most important and sensitive position. Not in my memory of service in this body has a candidate for this position elicited such strong and undying opposition as has Mr. Lubbers. Even when the nominee was selected from within the camp of labor, or of management, there was no similar swell of objection as we are now experiencing. This compels us to examine whether Mr. Lubbers can maintain the degree of confidence in both the labor and management ranks—confidence which I have described which is critical to the performance of the job as General Counsel. I do not believe he can. He is the wrong person, for the wrong job at the wrong time.

The objections to Mr. Lubbers' appointment have been voiced not solely by individuals representing management groups, but by at least one former Chairman of the National Labor Relations Board, Mr. Edward Miller, as well as a former member and a former General Counsel.

I feel that if we should confirm Mr. Lubbers as the General Counsel of the Labor Board, he would not be able to garner the trust and cooperation from all elements of the labor relations community upon which the success of his performance depends.

I am concerned that the implicit faith that each side has in the integrity, fairness, and objectivity of the Board would be endangered.

Without this trust and confidence, I have no doubt that the respect for the Board and for its processes would be seriously diminished.

Without this trust and confidence, the delicate relationship between the adversaries of labor and management will deteriorate.

That balance of power between labor and management institutions is a fragile equilibrium.

It is dependent upon the continued exercise of self-restraint both by labor and by management in their use of their inherent powers against each other.

I do not believe it is realistic for us to expect the continuance of this self-discipline and cooperation if employers, either in fact or perception, expect administrative bias.

It is unlikely that companies will continue to voluntarily comply with regional officers' requests for settlement of cases and avoidance of costly litigation and appeals where they feel, or perceive, that the agency's processes are inherently prejudiced.

Mr. Lubbers has been called a protege of Chairman Fanning. Allegations have been made that he is beholden to the Chairman, for whom he worked for 17 years.

It is doubtlessly true that Mr. Fanning has aided Mr. Lubbers in his rise within the agency.

Without a doubt the need for independence of the Board's prosecutorial and judicial arms from each other has been well established in our history.

It became apparent to us shortly after the passage of the Wagner Act.

The integrity of the Board was constantly compromised in those days before Congress wisely separated the General Counsel's office from the Board and carefully delineated the responsibilities of each.

It is important, no it is vital, that both the independence of the two functions, and the appearance of this independence be closely guarded and maintained.

Like Ceasar's wife, the General Counsel must not only be above reproach; he must also seem above reproach.

This cannot, in my opinion, he said for Mr. Lubbers.

The loud suspicions raised concerning his independence will not be quieted by our vote in favor of his confirmation.

Former Chairman of the NLRB Edward Miller succinctly stated the problem:

> [N]obody would ever think of running the judge's brother for district attorney. How could any accused person ever feel that he would get a fair trial if the district attorney and the judge were of the same family or had a long personal association? It wouldn't make any difference if the judge and his brother were the most honorable people in the world. You could never persuade a defendant that the deck wasn't stacked against him.

Mr. President, this is the problem with Mr. Lubbers. Regardless of the fact that both he and Chairman Fanning are civil servants who are above reproach, regardless of the merit he has shown in all his many years of dedicated public service, and regardless of the wisdom, or the lack of wisdom we may discern in his legal judgments, his long association with the present Chairman of the NLRB will always cloud, or be perceived to cloud, his decisions on how to exercise the discretionary powers of his office into question.

This is a time of great economic difficulty for our Nation. Time and time again our attention is called to the fact that the productivity of our workers is falling. At the same time profits for many corporations, a reaping of profits of unbelievable magnitude—in fact I put a statement in the Record last Thursday reflecting the vast profit of the oil companies. We are confronted with a myriad of important and compelling problems and both business and labor will have to act in concert if we are going to see our way clear of this situation. In part this solution calls for the maintenance of stability in labor relations.

As I read the signs, the necessary cooperation between the competing camps of labor and management will not be assured by confirming Mr. Lubbers as the General Counsel to the NLRB. There are other candidates for this position, Mr. President, who are as qualified as he, and who will not elicit the opposition or suspicion that has been raised with Mr. Lubbers. Others have mentioned the names. There is no paucity of talent available for this job. Mr. Lubbers is the wrong person under the circumstances. For the reasons I have stated, Mr. President, I urge my colleagues to oppose this nomination.

CLOTURE MOTION

The PRESIDING OFFICER (Mr. Riegle). The hour of 5:30 p.m. having arrived, the clerk will state the motion to invoke cloture.

The legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the nomination of Mr. William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.

> Harrison A. Williams, Jr., Daniel Patrick Moynihan, Spark M. Matsunaga, Paul E. Tsongas, John A. Durkin, Robert C. Byrd, Thomas F. Eagleton, Birch Bayh, Henry M. Jackson, Edmund S. Muskie, Gary Hart, Claiborne Pell, Jennings Randolph, Max Baucus, George McGovern, Dennis DeConcini.

VOTE

The PRESIDING OFFICER. A quorum call under the rule XXII having been waived, the question is, Is it the sense of the Senate that debate on the nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board shall be brought to a close? The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Indiana (Mr Bayh), the Senator from Texas (Mr. Bentsen), the Senator from Iowa (Mr. Culver), the Senator from Kentucky (Mr. Huddleston), the Senator from Massachusetts (Mr. Kennedy), the Senator from Louisiana (Mr. Long), the Senator from Hawaii (Mr. Matsunaga), the Senator from New York (Mr. Moynihan), the Senator from Connecticut (Mr. Ribicoff), and the Senator from Alabama (Mr. Stewart) are necessarily absent.

I further announce that, if present and voting, the Senator from Texas (Mr. Bentsen) would vote "yea."

Mr. STEVENS. I announce that the Senator from Tennessee (Mr. Baker), the Senator from Idaho (Mr. McClure), and the Senator from Pennsylvania (Mr. Schweiker) are necessarily absent.

I also announce that the Senator from Wyoming (Mr. Wallop) is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber desiring to vote?

The yeas and nays resulted—yeas 46, nays 40, as follows:

[Rollcall Vote No. 79 Ex.]

YEAS—46

Baucus
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee
Church
Cranston
Danforth
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Inouye
Jackson
Javits
Leahy
Levin
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Muskie
Nelson
Packwood
Pell
Percy
Proxmire
Randolph
Riegle
Sarbanes
Sasser
Stevenson
Tsongas
Weicker
Williams
Zorinsky

NAYS—40

Armstrong
Bellmon
Boschwitz
Byrd, Harry F., Jr.
Cannon
Chiles
Cochran
Cohen
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Heinz
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
Morgan
Nunn
Pressler
Pryor
Roth
Schmitt
Simpson
Stafford
Stennis
Stevens
Stone
Talmadge
Thurmond
Tower
Warner
Young

NOT VOTING—14

Baker
Bayh
Bentsen
Culver
Huddleston
Kennedy
Long
Matsunaga
McClure
Moynihan
Ribicoff
Schweiker
Stewart
Wallop

The PRESIDING OFFICER. On this vote, the yeas are 46, the nays are 40. Three-fifths of the Senators duly chosen and sworn not having voted in the affirmative the motion is not agreed to.

Mr. ROBERT C. BYRD. Mr. President, this will be the last rollcall vote today.

CLOTURE MOTION

I send to the desk a cloture motion.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.

> Robert C. Byrd, Alan Cranston, John A. Durkin, Wendell H. Ford, Donald W. Riegle, Jr., John Glenn, William Proxmire, Harrison A. Williams, Jr., Max Baucus, Gary Hart, Jennings Randolph, Claiborne Pell, Paul E. Tsongas, Adlai E. Stevenson, Joseph R. Biden, Jr., Dennis DeConcini.

ORDER FOR RECESS UNTIL TUESDAY, APRIL 22, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its busines today, it stand in recess until the hour of 12 o'clock tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business, as in legislative session, and that it not extend beyond 30 minutes, and Senators may speak, as in legislative session, for not to exceed 5 minutes.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate will be in order. The Chair would ask Senators standing to find seats, and other persons in the Chamber also to find seats.

JOHN REDSTROM: A EULOGY

Mr. WARNER. Mr. President, the Commonwealth of Virginia lost one of its outstanding citizens on April 9, 1980 when John Redstrom died. John was the executive director of the Mental Health Association in Virginia. He was a young man, only 44 years old. His untimely death came as a shock to all of us.

As young men of his generation did, John served 3 years in the armed services of the United States. Upon return to civilian life in 1957, he made a list of the career routes which he felt would provide the greatest opportunity for his talents to be used in the service of his fellow men. He selected the mental health field. While an employee at the Farmington State Mental Hospital in Missouri, he started the first Jaycee chapter in a mental hospital. He also started a Boy Scout troop in a hospital for the mentally retarded. In 1964, the Jaycees voted him the honor of Outstanding Young Man in America.

John Redstrom's work with the Mental Health Association started in Florida. A tour of duty with the National Mental Health Association and with the State Association in New Mexico preceded his arrival in Virginia in 1971.

As State executive director for the Mental Health Association in Virginia, he provided a quality of staff leadership to the State board and the association's 26 affiliated chapters that was necessary to make that private-citizen volunteer organization an effective advocate of good mental health and a strong supporter of adequate services for the mentally ill.

His depth of character, his integrity, his compassion for his fellow man, his dedication to the needs of the mentally ill, his devotion to his family, and his reverence for the things that are God's earned John the respect, the love, and the confidence of all who knew him.

To his wife Martha, to his daughter Venita, to his son Rinaldo, to his brothers, his sisters, and his parents, let it be known that Virginia is a better place for having had John Redstrom with us. We all shall miss him, very much.

THE REMARKABLE GEORGE KOCH

Mr. HELMS. Mr. President, a recent story in the Washington Post offered strong testimony to the power that one individual with a dedication to justice can exert in a free society.

The story related the battle of George W. Koch on behalf of the rights of the employees of the Congressional Country Club. By profession, a trade association executive; by political allegiance a conservative Republican, Mr. Koch's action on behalf of the less fortunate reflects the American tradition of individual commitment to community life.

Following the Post story, the Capital Baptist, a National Capital area church publication, saluted George Koch in an editorial titled "Christ—and the Spirit of the Prophets—are Alive!"

Mr. President, because the Capital Baptist editorial contains material of inspirational quality to the society and the National Capital community, I ask unanimous consent that it be included in the Record.

There being no objection, the editorial was ordered to be printed in the Record, as follows:

Christ—And the Spirit of the Prophets—Are Alive!

The prophet Amos reappearing in Washington? You've got to be kidding. The astounding thing is that someone with courage, tenacity, and above all a passion for justice—seeking redress of apparent wrongs against the lowly at the hands of the rich and mighty—like that eighth century B.C. Hebrew prophet, has surfaced at, of all places, suburban Washington's Congressional Country Club.

Congressional is the most prestigious golf and country club in the environs of the nation's capital. Set in Potomac on 300 acres of immensely valuable real estate, it has been the scene in recent years of the U.S. Open, the world's premier golfing event, and the PGA tournament. Beginning this year the Kemper Open moves from North Carolina to a new berth at Congressional.

Playground for presidents and wealthy business and professional men and their wives, the club for several years has been facing a court test from one of its own members, George W. Koch.

Three years ago a black waitress complained to Koch (pronounced Cook) that she had not been receiving all the salary due her from the club. According to The Washington Post, this stirred Koch to try to right what he saw as an injustice by the high and privileged, his peers and fellow club members, against one who served them.

His investigation widened. He has interviewed over 100 waitresses, dishwashers, locker room attendants, guards and maids, and worked through some 40,000 club documents—documents which the establishment apparently tried to dispose of as trash.

Koch believes Congressional has, by as many as 15 different schemes, defrauded hundreds of employees out of more than $1 million in wages since 1948. What started as a check of one employee's complaint has opened a Pandora's box of alleged gambling, accounting irregularities and kickbacks in purchasing.

Koch filed suit three years ago. He has been paying heavily ever since. The pursuit of justice has absorbed an enormous amount of time of this man who is president of the Grocery Manufacturers of America. It is no surprise that he and his family have been ostracized by some fellow club members.

Ten days after filing the lawsuit, Koch brought his wife and children to one of Congressional's restaurants. They were both shunned and harassed. Says Koch, "I wanted to teach my children a lesson . . . that you must never be driven from your home, your church or your country club because of harassment."

If his adversaries felt they could intimidate Koch they have been badly mistaken. A warning to Koch to "keep his nose out of personnel matters", which he perceived as an implied threat, only confirmed his indignation.

The club's attorney has asked if Koch has any history of mental disorder (the same insinuation was raised by Alger Hiss's attorneys about Whittaker Chambers, and it is a charge frequently used against dissidents in the Soviet Union).

As to financial costs, the Post reports that Koch has kept paying legal costs, now "upwards of $100,000".

Because of legal jockeying, no adjudication has yet come through the courts. But conditions have improved. The 20 percent deduction that the club took from the checks of workers as "standard restaurant practice" has ceased, and a dental plan has been instituted for employees.

The thing that his peers can't fathom is what motivates this man. It's obvious he has nothing to gain from his marathon efforts—and that's about all the secular mind can conceive as the mainspring of human endeavor.

Nothing would have been simpler than for Koch to ignore the first complaint, and never to have become involved. But, says this man of the best prophetic and Christian tradition, "Those people have been waiting on me since 1961. I have a responsibility to do those things which the board has refused to assume. If you don't, you have a cancer that will fester and corrupt society."

His opponents charge him with "a corny belief in the simple verities." All such attempted put-downs have failed to deter him. Koch is outraged by the defrauding of the less privileged: "I couldn't believe morally, ethically, or socially these people would steal from the little people. Stealing becomes more despicable when you steal from people who are working for you."

With a rare commitment to justice for the lowly, Koch says: "I can't save the world. But I have to carry out my responsibility where I have it. I will not stop until I have rectified what has been done wrong."

The waitress whose complaint started Koch on his quest was finally rehired and some of her back pay reimbursed. She wrote to Koch that he "was the kind of person that Christ taught his followers to be. Jesus said help the poor and see that justice be given to them. This is all you have tried to do for me and I do appreciate it."

The best sermons are those which are lived before and on behalf of others. We salute George W. Koch for a superb 'sermon', one which is evidently on-going.

What motivates this man? It seems clear that his inspiration arises essentially from the prophets and from Christ. He personifies what St. Paul experienced after coming to know the crucified but risen Lord: "With us therefore worldly standards have ceased to count in our estimate of any man; even if once they counted in our understanding of Christ, they do so now no longer. When anyone is united to Christ, there is a new world the old order has gone, and a new order has already begun" (Cor. 5:16–17 NEB).

George Koch is giving this city, and all who hear about his deeds, fresh and powerful evidence of Christ's resurrection. He has set an exceedingly high standard for all Christians.

ROBERT W. RUARK

Mr. TOWER. Mr. President, for the past few months, our Republican platform committee, of which I serve as temporary chairman, has been conducting hearings throughout the country in order to gather input from citizens at the grass roots level. I have been greatly impressed with the variety and caliber of testimony we have heard, as well as the common concerns which are clearly shared by people from all walks of life, and all areas of the country.

Needless to say, the big problem on everybody's mind these days is the economy, and we have heard many suggestions as to why we are in this mess and what to do about it. One of the often-cited causes of inflation and economic disruption in the marketplace is government regulation. Time and again we have heard of nit-picking and often contradictory standards set by the various Government agencies, and the cost burden they inflict on the private sector.

Just last Friday, I chaired our hearings in Davenport, Iowa, and was particularly impressed with a statement given by Mr. Robert Ruark, president of ABCO Engineering Corp., Oelwein, Iowa. In his comments, Mr. Ruark shared with our committee his own first-hand experience with regulations affecting his own small business operation, and I think it would behoove my colleagues to read his thought-provoking testimony.

Mr. President, I ask unanimous consent that Mr. Ruark's testimony be printed in the Record.

There being no objection, the statement was ordered to be printed in the Record, as follows:

Testimony by Robert W. Ruark

Ladies and Gentlemen: You have before you today an "uncooperative citizen". That was the title given me over the phone by a lady bureaucrat of the F.T.C. a couple of years ago. But first let me give you a history of how I worked my way up to that distinguished title of "uncooperative citizen".

Thirteen years ago the Ruark family moved to Iowa (because of Taft-Hartley 14B) to start a small business to design and manufacture engineered belt conveyor systems for coal mines, rock quarries, gravel pits, etc. We incorporated under the laws of Iowa and named our business ABCO Enginering Corp. Today we employ thirty-five people and sell a little over a million dollars worth of conveyors per year to all parts of the U.S., South America and North America. In one sense we are lucky; we have not been as successful as General Motors, Chrysler, Exxon or Lockheed. That's the basic difference, you know, between "small" and "big business"—the degree of success and consequential government interference. We, also, don't provide nearly as many jobs.

But, back to ABCO's history and my title of "uncooperative citizen". Approximately six months after we started ABCO, Oelwein, Iowa was hit by a tornado! We had just started—our leased building came down around our ears—our creditors said you have no choice but apply for an S.B.A. loan. We did. We were granted $4,000.00—after giving the Government a mortgage for over $15,000.00 worth of new machine tools. The time involved during the summer of 1968 in applying reapplying, filling out forms, getting statements and dealing with a succession of rotating bureaucrats when we should have been moving rubble was not worth it. Conclusion: The S.B.A. value to small business is not worth the cost to the taxpayers of this country. Let's stop all subsidies, loans and Government help for business and let private insurance provide protection. The Free Enterprise system is predicated on the right to failure as well as to success.

We sold a conveyor to the University of Iowa in October, 1972. In March of 1974 we received a four page Equal Employment Opportunity data reporting form with accompanying letter from the State Board of Regents Compliance officer stating that the Governor had signed Executive Order No. 15 in April, 1973, and that we had to break down our entire employee-force by male, female, race, job categories, promotions, etc.

Now, Oelwein, Iowa is a small North-Eastern Iowa town of 8,000 people. When we did not bother to answer this ridiculous form, he sent more letters threatening prosecution and banning us from all State Government business. We informed him that, not only would we not fill out this form, we would never sell a government agency or department our products again. Today they pay a 20 percent premium on parts and new machines because they have to purchase from our dealer and we have never sold direct to any government agency since that time.

I can hardly wait until E.R.A. is passed so that politicians and bureaucrats can get ahold of that one to start their harassing affirmative action programs, etc., to make sure that business complies to the "letter-of-the-law". I urge this committee to promote rights of all people regardless of race, religion or sex, as stated in our present Constitution.

In those early years of starting our little business my mother-in-law, who was our company bookkeeper, stated many times that she spent over 50 percent of her time on calculations and forms for the Government —social security, taxes, unemployment reports, etc. Today we hire an expensive accounting firm to help our bookkeepers—most of that time is directed toward government reports, etc. Our society is becoming less productive everyday in terms of real goods and services, but at ABCO we are filling out government forms and producing that type of information like never before.

I have a question. How do you post government documents (i.e., OSHA, minimum wage, etc.) as required by law by such-and-such date, when the Government printing office is so backlogged that they haven't even gotten around to printing them, and our postal service couldn't get them to us in time anyway.

CETA? Now there is a good example of a program intended to do a little good at a tremendous cost to the taxpayer. We tried several years ago to use their "service"—anyone can qualify, you know. Just tell the unemployment official what his or her handicap is and that employee, or potential employee, immediately qualifies for up to 50 percent wages paid by the taxpayers. It is nothing but a subsidy to business that costs a thousand dollars for every $10.00 worth of good. Lowering of the minimum wage would do more in one year towards hiring untrained and underprivileged than ten years of CETA will ever do. Government has no business advertising on T.V. and in newspapers and magazines promoting welfare and unemployment programs at the expense of the taxpayer. The current census ads even sound to me like they are promoting socialized medicine!

In 1970 we received the "long form" at ABCO. Now, we are reading much about 1980's "long form" for private citizens. But you ain't seen nothin' compared to a census long form for corporations! If I had answered that accurately in 1970, I would have put in at least two weeks of solid work.

You know, the law always states the penalty for not filling out these government forms, but they never say how accurate they must be. Please remember that the next time you read some statistic released by one of our Government agencies.

Profit Sharing and Retirement Plans? They must be Government approved. The rules and forms change every year. The Government really is making it hard on an employer to share profits with his employees.

NLRB, OSHA, EEOC, DEQ? What can I say, except basically, "You, the employer, is guilty, until you prove yourself innocent" . . . and always at your own time and expense.

Have you seen what President Carter sent us a few months ago? A twelve page bulletin on emergency building temperature restrictions. 1984 will soon be here!

How about a "non-exit" sign over the one door in my plant that does not go outside? I've looked everywhere and I can't find one. If anyone knows where I can buy a sign that says "NON-EXIT", please contact me. OSHA "on-site" consultations are a farce! If I want an expert on safety, my insurance company will send one, but forget about those government inspectors. We had one young Federal lady inspector who didn't know the difference between the hot and ground cables on a welding machine. OSHA shouldn't be just weakened, it should be abolished for good! It hasn't made working conditions safer!

Product liability costs? The "deep pocket" theory that has developed in this country in the last few years really is fueling inflation. The idea that all corporations have insurance and they can afford to share their wealth with private individuals must be controlled. Ralph Nader preaches against "his business", but he really is against ALL business—except that owned or totally controlled by Government.

Approximately March of 1977, I received form No. 59–101 and letter from the F.T.C. informing me that I had been picked to provide them with statistical information about my Company for two years, on a quarterly basis. This form required me to restate my entire balance sheet and profit and loss statements to fit their ridiculous form. And to mail it by the 25th of the month ending the quarter. Now, originally we only had annual statements. Then after a few years we felt we could afford semi-annual statements, but we had progressed to quarterly statements by 1977.

Only one problem—we didn't even get our inventory counted by the 25th of the month, let alone have completed statements from our accountants. So we were always late. We received many threatening form letters, telegrams, and one time even a telephone call direct from those hallowed walls of the F.T.C. building in Washington. I told that lady that I could not possibly get her the information by the 25th. She said just guess at it! I asked her why didn't she do it for me, if she had to have it that fast and it only required guessing. That's when she called me an "uncooperative citizen" and threatened me with—you guessed it—more forms to fill out over a longer period of time.

Ladies and gentlemen, this "uncooperative citizen" says, "Let's put these bureaucrats out of work and turn this nation back into a free enterprise, productive society that is free of 90 percent of the government controls we have today."

SMALL BUSINESS PERFORMANCE IN THE REGULATED ECONOMY

Mr. TOWER. Mr. President, the Center for the Study of American Business on February 1980 published an informative study entitled "Small Business Performance in the Regulated Economy" which brings home the plight of the small business firms in this country.

The authors of this study, Kenneth W. Chilton and Murray L. Weidenbaum, observe that the regulatory system is not neutral with respect to the size of the business firm but that a great deal of Government regulation has disproportionately adverse effects on smaller businesses. One of the most serious threats to the continued existence of the small firm is the requirement for major capital expenditures to meet environmental or workplace safety standards. The major conclusions reached by the authors of this study are;

It is more costly for small firms to borrow funds needed to meet regulatory requirements than it is for large firms.

The manufacturing sector is particularly hard-hit by the capital requirements of Federal regulations.

Federal standards may have a severe impact on the marketability of individual products.

Product bans have a selective but devastating impact on small firms.

The paperwork burden is particularly frustrating to the small entrepreneur.

This study makes clear that it is absolutely essential that Congress take steps to get Government off the backs of small business firms.

Mr. President, because of the importance of this report. I ask unanimous consent that its summary be printed in the RECORD at this point.

There being no objection, the summary was ordered to be printed in the RECORD, as follows:

SMALL BUSINESS PERFORMANCE IN THE REGULATED ECONOMY

(By Kenneth W. Chilton and Murray L. Weidenbaum)

SUMMARY

In spite of the widespread concern about the various burdens imposed by government regulation in America today, there seems to be a naive belief on the part of some government policymakers and much of the public that the regulatory system is neutral with respect to the size of the business firm. In reality, a great deal of government regulation has disproportionately adverse effects on smaller businesses.

One of the most serious threats to the continued existence of the small firm is the requirement for major capital expenditures to meet environmental or workplace safety standards. Less frequent, but no less serious, are regulations that reduce the market for a firm's product, such as a ban on a product, or a performance standard that precludes the use of the product for its normal market application.

Typically, the small firm must rely on relatively short-term debt in order to finance its operations, and this reliance tends to make the firm a poor candidate for increased debt to meet regulatory requirements. For instance, if a large company has access to bond markets and borrows one million dollars to meet regulatory capital expenditures at a 10 percent rate, the annual amortization of principal plus interest on a 20-year bond would amount to approximately $96,500 a year. The same amount of money borrowed by a small firm on a ten year term loan basis at a 15 percent rate would require principal and interest payments of $193,000 a year—double that of the firm with access to bond markets. Furthermore, the small firm does not have the same ability to pass along those increased costs to the consumer. The large firm with large production quantities and less than proportional regulatory costs can pass along its increased costs with a smaller increase in unit pricing. In other words, capital expenditures mandated by government regulation produce artificial "economies of scale."

It is also important to know which industry sectors are having the most difficulties with federal regulation and how serious these problems are. On the basis of the research in this report, it is clear that the manufacturing sector is particularly hard hit by the capital requirements of federal regulation.

In a survey of chemical specialties manufacturers conducted by the Center for the Study of American Business (89 respondents from a surveyed population of 225 firms), the increased operating expenses and capital expenditures required by the Environmental Protection Agency and the Occupational Safety and Health Administration were cited as being particularly troublesome. Fifteen percent of those firms having difficulty with EPA regulations (13 respondents) felt that the agency's regulations could cause the firm to close for an unspecified period. In addition, nearly 12 percent of these small chemical specialty manufacturers (10 respondents) felt that EPA regulations could cause a change in ownership of their firm.

A similar survey of the forging industry (a sample of 58 small firms in the industry) revealed that OSHA and EPA requirements could also cause these firms to close for some period of time. Twenty-two percent of the forging firms felt that OSHA could cause such a closing and 17 percent felt that the EPA could have a similar effect. Similarly, a study done by Charles River Associates in 1977 for the Lead Industries Association indicated that OSHA air/lead regulations could force the closing of about 113 single-plant battery firms in this industry, made up of a total of only 143 firms.

In other instances, federal standards may have severe impact on the marketability of individual products. One example of this is the effects of energy conservation standards set by the Department of Housing and Urban Development and by the Farmers Home Administration. In rural states such as Wisconsin, the FHA rule could force 80 percent of the concrete block plants to close, according to a spokesman for the Wisconsin Concrete and Products Association.

Product bans also have a selective but devastating impact on small firms. This is particularly true because of the narrow product lines typically offered by a small firm. One cogent example of this impact was the ban of the chemical Tris by the Consumer Product Safety Commission. The small, family owned, independent cloth cutters and sewers were ultimately forced to pay for the recall of all Tris-treated sleepwear products—a very heavy burden for these small firms. Furthermore, some forms of regulation, such as the Interstate Commerce Commission regulation of the trucking industry, clearly present barriers to entry by small firms. This protection of the approved carriers, of course, results in increased transportation costs to the firms using those approved carriers and ultimately to the consumer.

In an overriding sense, the adverse impact of the government's large paperwork burden is a qualitative matter. The very notion of paperwork is anathema to many small business people. The qualities of drive and independence that motivate a person to strike out as an entrepreneur can be hostile character traits when it comes to filling out bucreaucratic reports. It is impossible to measure the disincentive to this independent spirit provided by federal regulation.

A variety of regulatory reforms in this area has been suggested, including: exemption from minor paperwork requirements, two-tiered regulations for small and large firms, small business impact statements, and even total exemption of small firms from regulation. The simplest reform measure would be for the regulatory agencies to weigh carefully the effects of their activities on business in general and small business in particular, prior to final rule setting. This procedure would require a change in outlook on the part of many regulators from their current attitude that small business is an unfortunate but necessary casualty of their mission to serve "the public interest."

It is clear that the variety of regulation calls for a variety of reforms. In some instances, dissemination of information rather than standards is needed, as in product safety. In other areas, reorientation of the regulatory agencies toward goals rather than requirements is what is required, as in the case of workplace safety. Virtually all regulatory programs would benefit from a more reasonable approach of weighing their costs and benefits and setting priorities among regulatory programs so as to maximize the benefits derived. Some programs need to be specifically reviewed and revised by Congress to remove their impossible zero-risk requirements on American business. Reform of federal regulation is urgently needed to ensure the vitality of the small business sector of the American economy, as well as to assure other important national objectives.

MORE GAS LINES TO COME?

Mr. PERCY. Mr. President, according to the Department of Energy, current stocks for gasoline and other petroleum products are at high enough levels to give cause for optimism that the 1980 driving season may not bring long gas lines. If the demand for gasoline remains at or below 1979 levels, and if we suffer no interruption in our supply of imported oil, we should avoid serious problems this summer.

These are important "ifs," however, and the Nation must be prepared for any contingencies. Two of the most important energy responsibilities of the Federal Government are to make careful plans for coping with supply shortages, and to manage those shortages fairly and effectively whenever they do occur. This is especially true in light of the risk that a showdown in the Iranian crisis may cause a sudden and very serious crude oil shortage throughout the world. If Iranian harbors are mined this spring, we may indeed find ourselves lining up for gasoline this summer.

I am very concerned that should a gasoline shortage arise because of Iran or any other reason, the Department of Energy may be as ill-equipped to respond as it was last year. During the shortage of 1979, it became apparent that the gasoline allocation system failed to meet at least some of its intended objectives, resulting in competitive imbalances, public inconvenience, and some real economic hardship. No improvements of any consequence have been made in the 8 months since the disappearance of most gas lines. I find this surprising, as one would expect that DOE's difficult experience with these rules would motivate the Department to prepare itself better for any future shortages.

Unfortunately, if we do have a supply crisis this year, we are likely to see a repeat performance of what happened last year: long gasoline lines in some areas, more than enough supplies in others, real financial hardship for many small businesses, and the spectacle of watching the Nation's 250,000 gas station operators paging through 1,000 pages of regulations to learn how to comply with the rules.

Very shortly, the General Accounting Office will release a report very critical of DOE's administration of the gasoline allocation program—a report prepared at the request of a number of Senators and Representatives who had heard many constituents' complaints about the program. I hope that DOE will respond quickly to any recommendations made in this report. However, if DOE's past serves as any guide, we should not expect too much.

A few weeks ago, I asked the staff of the Senate Permanent Subcommittee on Investigations to make a preliminary review of this area. That review is now well underway. Additionally, I sent a letter to Secretary Duncan last week asking him to respond to five specific concerns:

The complexity of the allocation regulations;

The emergence of the Office of Hearings and Appeals as a de facto policymaker not subject to usual administrative procedures;

DOE's lack of "crisis management" capability in time of shortage;

DOE's failure to propose any substantive changes in the rules until now, with any future changes likely to occur too late to be of much help;

The absence of well-understood, carefully analyzed contingency plans in case we have to allocate home heating oil next winter.

When I receive a response to this letter, which I have requested by May 9, I shall have it published in this RECORD. We should then have a better idea whether the Government can manage the next supply shortage any better than it did the last one.

SOVIET CHEMICAL WARFARE IN AFGHANISTAN

Mr. CHURCH. Mr. President, there is mounting evidence that the U.S.S.R., as part of the Soviet effort to suppress the Afghan peoples' struggle for freedom, has resorted to the use of chemical warfare in Afghanistan. Reports of the use of incapacitating and even lethal nerve agents by the Soviet Union have now become so numerous that an international investigation should be carried out to gather the evidence available and make it known to the international community. Such despicable behavior would require condemnation by the entire world, lest Soviet leaders conclude that their brutal actions would go unnoticed.

Resort to chemical warfare by the Soviet Union would violate recognized international standards of conduct. It should be noted that the Soviet Union is a signatory to the Geneva Protocol of 1925, which prohibits the use in war of "asphyxiating poisonous or other gases, and all analogous liquids, materials or devices."

Admittedly, the Soviet Union, in signing the 1925 Protocol, included a reservation that stated the Protocol would not apply to countries which had not ratified the Protocol." Thus, the Soviets may attempt to argue that use of lethal nerve agents in Afghanistan does not violate the 1925 Protocol because Afghanistan has not ratified the protocol.

However, Soviet use of methods used by no other country—not even Nazi Germany—since the invention of these nerve agents shortly before World War II would be an affront to fundamental notions of human decency.

The Soviets may also be violating other international agreements. The Soviet Union ratified the Hague Convention of 1907 respecting the laws and customs of war on land, and the four Geneva Conventions of 1949. These international agreements prohiibt the use of poison or poison weapons for killing or wounding participants or combatants. The Soviet action in supplying such materials to Vietnam, which Vietnamese troops used in Laos and possibly Cambodia, is further evidence of Moscow's brutality.

The use of nerve agents is one of the most inhumane and tortuous means of killing. They can nauseate, immobolize, paralyze, and blind their victims before they die.

Over 6 months ago, I warned that the Soviet Union might send its military forces into Afghanistan. On September 26, 1979, I stated that the Russians risked becoming bogged down in a struggle that "will cost them dearly in blood, money, and international prestige." The accuracy of this prediction has been confirmed by events during the 3 months since their invasion occurred. The Soviets have suffered 6,000 to 7,000 casualties, of whom well over 1,000 have been killed. While over 500,000 Afghan refugees have been forced into Pakistan, Moscow has so far made slow progress in suppressing the insurgents, who continue to fight bravely against heavily armed Soviet forces.

The Afghan puppet regime of Babrak Karmal, which was installed when the Soviets overthrew and killed his predecessor, is regarded with contempt by virtually the entire Afghan nation. The Afghan Army continues to disintegrate, and the Karmal regime could not remain in power a week without Soviet troops to protect it. One wonders how long the Soviet leaders will tolerate such an ineffective and unpopular regime before they cast it aside in their search for the impossible—a regime that is loyal to Moscow and acceptable to the Afghan people.

The Soviet Union should heed the repeated calls of such organizations as the United Nations and the Islamic Foreign Ministers' Conference for the removal of all foreign troops from Afghanistan. Only when Moscow recognizes the inalienable rights of the Afghan people to control their own destiny will the peace and security of Southwest Asia be assured.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

At an executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the Committee on Armed Services.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 3:28 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 474. A joint resolution to authorize and request the President to issue a proclamation designating April 24 through April 28, 1980, as "Jewish Heritage Week".

The message also announced that, pursuant to section 4(b), Public Law 94–201, the Speaker has appointed Mr. St. John Terrell of Trenton, N.J., and Dr. Edward Bridge Danson of Flagstaff, Ariz., to the Board of Trustees of the American Folklife Center in the Library of Congress, effective March 4, 1980.

HOUSE JOINT RESOLUTION ORDERED HELD AT DESK

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that House Joint Resolution 474, a joint resolution to authorize and request the President to issue a proclamation designating April 24 through April 28, 1980, as "Jewish Heritage Week," be held at the desk pending further disposition.

The PRESIDING OFFICER. Without objection, it is so ordered.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred or ordered to lie on the table, as indicated:

POM–689. A joint resolution adopted by the Legislature of the State of Virginia; to the Committee on Appropriations:

"Senate Joint Resolution No. 97

"Whereas, the hydraulic model was constructed as part of the comprehensive study for the Chesapeake Bay, which was authorized by Congress in Section 312 of the Rivers and Harbors Act of 1965; and

"Whereas, continued funding for the hydraulic model will be terminated after federal fiscal year nineteen hundred eighty-one; and

"Whereas, it has only been since federal fiscal year nineteen hundred seventy-nine that studies have begun to be undertaken using the model's capabilities in the areas of harbor, canal, estuary, low flow, high flow, wastewater and dispersion tests; and

"Whereas, additional research problems, capable of being addressed through use of the model, will need to be addressed after currently authorized funding for the model expires at the end of the federal fiscal year nineteen hundred eighty-one; and

"Whereas, the Chesapeake Bay Hydraulic Model is a scientific tool capable of being used in the future by the engineers, scientists, and water resources planners from different levels of government and from different academic institutions to analyze hydraulic problems that cannot be resolved from text books, experience, or the recently emergent numerical modeling field; and

"Whereas, the model as an instrument and physical display is unexcelled in its potential for the education of an interested public in the scope and magnitude of the problems and conflicts that affect this valuable resource both now and in the future; and

"Whereas, the model as an operational focal point promotes more effective liaison among the many agencies working in the Chesapeake Bay waters and helps to reduce duplication of research effort; and

"Whereas, by applying the knowledge gained from the Chesapeake Bay Study and the hydraulic model plans can be formulated that will insure a balance approach to developing the Chesapeake Bay's resources while protecting her natural beauty; and

"Whereas, the model is in place and operational after the expenditure of significant resources involved in its design, construction, adjustment and verification, and is a readily available tool to analyze phenomena of the nation's largest estuary; now, therefore, be it

"Resolved by the Senate, the House of Delegates concurring, That the Commonwealth of Virginia memorializes the Congress of the United States keep the model operational beyond federal fiscal year nineteen hundred eighty-one and that funds necessary to keep the model operational be appropriated by the Congress of the United States, with required resources and model uses determined and recommended to the Congress by a committee of representatives of the United States Army Corps of Engineers, the Commonwelath of Virginia and the State of Maryland; and, be it

"Resolved further, That the Clerk of the Senate is hereby instructed to transmit copies of this resolution to the Speaker of the House of Representatives, the President of the Senate of the United States, and the members of the Virginia delegation to the Congress in order that they may be apprised of the sense of this body."

POM–690. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Energy and Natural Resources:

"House Resolution No. 219

"The Federal Energy Regulatory Commission invoking section 202 of the Natural Gas Policy Act has proposed the three tier incremental pricing rule.

"Operation under phase 2 of the incremental pricing rule, proposed with the intent to ease the burden of deregulation on the residential consumer, will almost double the price of natural gas for most industrial users.

"Nationally, according to business experts, the loss of jobs could run into the hundreds of thousands and the cost run up for industry into the billions of dollars.

"A study of Wharton Econometric Forecasting of the University of Pennsylvania indicates phase 2 of the proposed incremental pricing for natural gas would result in a ½ percentage point increase in the national inflation rate and eliminate 600,000 jobs.

"According to the American Gas Association if the phase 2 incremental pricing goes into effect it will add over one billion dollars in increased foreign oil payments.

"The steel industry will be among the hardest hit. Its annual gas bill would increase by as much as 1.1 billion dollars.

"The consumption of natural gas is an integral part of the manufacturing process of the glass and ceramic industry which would be severely damaged; therefore be it

"*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania memorialize the Congress of the United States to support legislation to nullify the current Federal Energy Regulatory Commission's incremental pricing proposal for natural gas and to seek alternative solutions to the energy problem; and be it further.

"*Resolved*, That copies of this resolution be transmitted to the presiding officers of each House of the Congress of the United States and to each Senator and Representative from Pennsylvania in the Congress of the United States."

POM-691. A concurrent memorial adopted by the Legislature of the State of Arizona; to the Committee on the Judiciary:

"SENATE CONCURRENT MEMORIAL 1004

"Whereas, there is a growing perception by the American public that governmental problems alone are not capable of solving the social and economic problems which confront our nation; and

"Whereas, real disposable income has declined in recent years as inflation has both eroded the purchasing power of the dollar and caused most taxpayers to enter higher tax brackets; and

"Whereas, governmental spending, a major contributor to the rate of inflation, has been insulated from the effects of inflation because of the increased tax revenues resulting when taxpayers enter higher tax brackets; and

"Whereas, the lack of formal limitations on governmental spending has led to the development and growth of the "tax revolt", as evidenced by the passage in 1978 of "Proposition 13" by the voters of the State of California, by the subsequent passage of measures with similar intent by many other states and by the proposal of a new taxation-reduction initiative in California and other states; and

"Whereas, the effort to control governmental taxation and spending has led to the call for a constitutional amendment to balance the federal budget or for a constitutional convention for such purpose, or both, by at least thirty of the states, including eight of the thirteen western states; and

"Whereas, Article V of the Constitution of the United States provides that the Congress shall propose amendments to the constitution whenever two-thirds of each house has determined that this action is necessary; and

"Whereas, an expenditure limitation is a reasonable approach to control governmental spending, stabilize the burden on taxpayers and yet allow government to continue to provide essential services; and

"Whereas, a constitutional expenditure limitation at the federal level would be safe from the pressures of bureaucrats, special interest groups and politicians seeking to exceed a limitation otherwise established; and

"Whereas, the gross national product is a reliable index by which to measure the ability of taxpayers to support governmental spending.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays:

"1. That the Congress of the United States again be advised of the concern of the People of the State of Arizona, as represented in the Arizona Legislature, in regard to the need for controlling governmental spending and taxation at all levels.

"2. That the Congress of the United States propose and submit for ratification by the states an amendment to the Constitution of the United States to impose a limitation upon annual federal government expenditures as a percentage of the gross national product.

"3. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the House of Representatives of the United States, to each Member of the Arizona Congressional Delegation and to the President of the Senate and the Speaker of the House of Representatives of each of the states in this nation, together with the hopes and request of the Arizona Legislature that such state legislative bodies will swifty adopt a similar Memorial."

POM-692. A resolution adopted by the Senate of the State of Rhode Island; to the Committee on Foreign Relations:

"RESOLUTION

"Whereas, It was recently disclosed that a member of the inner circle at Buckingham Palace had confessed in 1964 to being a Communist spy, and that for fifteen years his solicitous friends in British government had covered up his overt treason so that he was still accepted in the best society, so-called; and

"Whereas, The citizens of the state of Rhode Island and Providence Plantations are revolted by the marked contrast between justice meted out to Father Patrick Fell, a working class priest of Coventry, on the one hand, and to a confessed communist spy member of the ruling class of Great Britain on the other hand; and

"Whereas, In 1973, Father Patrick Fell, an assistant at All Saints Church in Coventry, was sentenced on the flimsiest evidence to twelve years' imprisonment, not on the basis of any overt crime, but for conspiracy, which skeptics throughout the world question as the prevailing British ruling class definition of bad thoughts; and

"Whereas, Sentenced with Frank Stagg, who later was martyred by a hunger strike, Father Fell has been held in solitary confinement much of the time 'for his own protection,' denied visitors, refused visitation by Bishop Dreery of Corpus Christi who twice traveled to England to see him, and unable to see his aged father in Ireland who is not in good health and cannot journey to the prison; and

"Whereas, Beaten by his guards, the long suffering Father Fell will have his day before the European Court of Human Rights as the British government will once again be prosecuted for manifest violation of his rights; and

"Whereas, Already having served six years, Father Fell has been eligible for parole since April of the past year, but has been repeatedly refused parole by the British Home Secretary; and

"Whereas, The indignant citizens of the state of Rhode Island, confident in the belief that those who deny mercy shall receive none, assert that the case of Father Patrick Fell cries out for equal justice under a suspect British legal system which, historically, has denied equal protection to those of the Irish race and to those who sympathized with the suffering of that race under English domination; now, therefore, be it

"*Resolved*, That this senate of the state of Rhode Island and Providence Plantations hereby urges the President and the Congress of the United States to exercise their best offices in securing clemency for Father Patrick Fell from the British government; and be it further

"*Resolved*, That the secretary of state be and he hereby is authorized and directed to transmit duly certified copies of this resolution to the President of the United States; to the presiding officer of each branch of Congress, to each member of the Rhode Island delegation in the Congress, and to the British Home Secretary."

POM-693. A concurrent memorial adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources:

"HOUSE CONCURRENT MEMORIAL 2001

"Whereas, since the early years of this century, commercial river running through the Grand Canyon of the Colorado River has been a popular and accepted enterprise; and,

"Whereas, motorized watercraft have become widely used in river running because of flexibility, maneuverability, safety, efficiency and speed and are so popular with passengers that over eighty per cent choose motorized trips through the Grand Canyon; and

"Whereas, due to the perceived impact of numerous visitors to the Grand Canyon, particularly those running the Colorado River, the Grand Canyon National Park prepared a Colorado River Management Plan which, among other things, proposes the elimination of motorized watercraft on the Colorado River between Lees Ferry and Lake Mead; and

"Whereas, the recommendation to eliminate motorized watercraft was not based on environmental impact because none can be demonstrated above what is otherwise allowed by the National Park Service; and

"Whereas, the recommendation to eliminate motorized watercraft does not propose a reduction in the actual use of the Colorado River, but the management plan contemplates an increase in total annual use in numbers of participants, trips and user days; and

"Whereas, the recommendation to eliminate motorized watercraft was not based on safety factors because the safety record of motorized craft, in terms of incidents on the river per user day, is better than that of oar powered craft; and

"Whereas, the recommendation to eliminate motorized watercraft was not based on energy consumption; and

"Whereas, the management plan, which was initiated because of environmental concerns, recommends the elimination of motorized watercraft as a value judgment, justified solely on the basis of a sociological survey which has been refuted by those surveyed and has been tainted by fraud and bias; and

"Whereas, to eliminate motorized trips will result in increased inconvenience and expense to the public who wish to experience the majesty of the Grand Canyon from the Colorado River; and

"Whereas, to eliminate motorized watercraft will cause substantial economic hardship or displacement to fourteen established, responsible commercial concessioners who currently operate such craft; and

"Whereas, the management plan contemplates a dramatic increase in the number of noncommercial trips, participants and user days at the expense of commercial trips, participants and user days; and

"Whereas, noncommercial trips will be largely by inexperienced, unsupervised and less qualified persons drawn from an unknown sociological group whereas commercial concessioners have an abiding interest in preserving the canyon's environmental, historical and archeological resources and in providing a safe and professional service.

"Wherefore your memorialist, the Legislature of the State of Arizona, prays:

"1. That the Congress of the United States enact legislation to maintain the number of user days of commercial motorized watercraft travel permitted on the Colorado River in the Grand Canyon.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States Senate, the Speaker of the United States House of Representatives and to each Member of the Arizona Congressional Delegation."

POM-694. A resolution adopted by the House of Representatives of the State of

Pennsylvania; to the Committee on Banking, Housing, and Urban Affairs:

"HOUSE RESOLUTION No. 154

"Whereas, The Federal Reserve Board policy has forced the prime interest rate over 15%; and

"Whereas, The economic and social well-being of Pennsylvania is dependent upon the availability of a reasonable supply of credit which allows for the continuous growth of businesses, agricultural and manufacturing concerns that are located in this Commonwealth; and

"Whereas, The Federal Reserve Board interest rate policies are forcing real estate, construction companies, savings and loan institutions, savings banks, automobile dealerships and urban centers into economic hardship; therefore be it

"*Resolved*, That the House of Representatives of the Commonwealth of Pennsylvania urges the Pennsylvania Congressional delegation to request that the Federal Reserve Board reevaluate its policy to ensure that the necessary credit is available for productive investment and to maintain present employment levels; and be it further

"*Resolved*, That copies of this resolution be delivered to the presiding officers of the United States Congress and to each Senator and Representative from the Commonwealth of Pennsylvania."

POM-695. A resolution adopted by the Delegates of the Eleventh District, The American Legion, Indianapolis, Indiana, recognizing that a state of war has existed between the United States and Iran since that nation violated international law and human decency on November 4, 1979; to the Committee on Foreign Relations.

POM-696. A resolution adopted by the Westchester County Board of Legislators, White Plains, New York, petitioning the Congress of the United States to continue the revenue sharing program; to the Committee on Finance.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. CHURCH, from the Committee on Foreign Relations, with an amendment and with a preamble:

S.J. Res. 89. A joint resolution permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes (Rept. No. 96-657).

By Mr. CHURCH, from the Committee on Foreign Relations, without amendment:

S. Con. Res. 88. An original concurrent resolution stating that the Congress does favor the submission of the President with respect to the second amendment to the Agreement for Cooperation Between the International Atomic Energy Agency and the United States of America of May 11, 1959, done at Vienna, Austria, on January 14, 1980 (Rept. No. 96-658).

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. RANDOLPH, from the Committee on Environment and Public Works:

Gary Blakeley, of New Mexico, to be Federal Cochairman of the Four Corners Regional Commission.

(The above nomination from the Committee on Environment and Public Works was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. CHURCH:

S. 2586. A bill to amend the Internal Revenue Code of 1954 to provide for repayment of the oil import fee in the case of certain uses of gasoline; to the Committee on Finance.

By Mr. TALMADGE: (by request):

S. 2587. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act for 2 years; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. CHURCH (by request):

S. 2588. A bill to authorize appropriations for the Peace Corps, and for other purposes; to the Committee on Foreign Relations.

By Mr. PELL (for himself, Mr. HOLLINGS, Mr. CANNON, Mr. MAGNUSON, Mr. PACKWOOD, and Mr. STEVENS):

S. 2589. A bill to amend the National Sea Grant College Program Act, as amended, and for other purposes; to the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. CHURCH:

S. 2586. A bill to amend the Internal Revenue Code of 1954 to provide for repayment of the oil import fee in the case of certain uses of gasoline; to the Committee on Finance.

GASOLINE TAX REFUND

● Mr. CHURCH. Mr. President, I am introducing legislation to provide a mechanism to refund the 10-cents-per-gallon increase created by the President's decision to impose a fee of $4.62 per barrel on imported oil. This refund will be limited to those categories of consumers who are currently exempt from the existing 4-cents-per-gallon Federal excise tax on gasoline.

The President has imposed this fee in an effort to further encourage the conservation of gasoline and diesel fuel. However, I have opposed the imposition of this fee because of the inflationary impact it will have on all Americans. The White House has indicated that this fee will result in an increase in the Consumer Price Index of roughly three-fourths of 1 percent. This impact is. in my view, the type of inflationary action which fuels the fires of inflation and adds further to our economic problems.

I have, therefore, joined in an effort to rescind this action. However, there still remains the chance that the Congress will not be able to pass legislation repealing this fee increase before it takes effect on May 15. Thus, I am today offering legislation designed to remove the burden this tax will cause from those classes of users currently exempt from existing gasoline taxes. This bill establishes a refund from the fee-based tax for agriculture, the construction industry, State, county, and municipal government, nonprofit educational organizations, intercity, local, and schoolbus systems, and vessels or aircraft.

If this fee does take effect, it is imperative that agriculture be allowed to seek a refund. Since Congress, over the years, has determined that the above users should be exempt from the current Federal excise tax on gasoline, it is logical that they should have available a refund from the contemplated tax increase, as well.

There should be a clear understanding that our agricultural sector is reeling under the double blows of low market prices and high interest rates. Our farmers have suffered through a year in which diesel fuel prices doubled and many of their markets were lost due to the Soviet invasion of Afghanistan and the resultant embargo. Farmers in Idaho, and across the land, are struggling with devastating interest rates and the difficulty in obtaining credit needed to plant this year's crop. The last thing they need is to be knocked in the head by further increases in fuel costs.

Mr. President, Idaho's farmers are hard-working people who can understand the need to conserve energy. Yet I remind my colleagues that fields must be plowed, crops must be cultivated and ultimately harvested. Fuel must be used and the increased costs of fuel and credit will mean twin disaster for food and fiber consumers this fall. Additionally, the housing construction industry has been so battered by the effects of tight credit that it is just not sensible to hit them with a new tax on fuel.

Mr. President, this legislation is a companion bill to one introduced last week by Congressman TOM DASCHLE of South Dakota. I urge my colleagues to join with me in supporting this bill.

I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2586

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subchapter B of chapter 65 of the Internal Revenue Code of 1954 (relating to rules of special application for abatements, credits, and refunds) is amended by adding at the end thereof the following new section:

"SEC. 6429. REPAYMENT OF OIL IMPORT FEE.

"(a) ALLOWANCE OF PAYMENT.—If any gasoline is used in an exempt use, the Secretary shall pay (without interest) to the ultimate purchaser of such gasoline an amount equal to 10 cents for each gallon so used.

"(b) EXEMPT USE.—For purposes of this section, the term 'exempt use' means—

"(1) any use by a State or local government,

"(2) any use of a nonprofit educational institution (as defined in section 4221(d)(5)),

"(3) any use as supplies for vessels or aircraft (as defined in section 4221(d)(3),

"(4) any use on a farm for farming purposes (within the meaning of section 6420(c)),

"(5) any qualified business use (as defined in section 6421(d)(2)), and

"(6) any use which meets the requirements of section 6421(b) (relating to use in intercity, local, or school buses).

"(c) TIME FOR FILING CLAIMS; PERIOD COVERED.—

"(1) GENERAL RULE.—Except as provided in paragraph (2), not more than one claim may be filed under subsection (a) by any person with respect to gasoline used during his taxable year; and no claim shall be allowed under this paragraph with respect to gasoline used during any taxable year unless filed by the purchaser not later than the time prescribed by law for filing a claim for credit or refund of overpayment of income tax for such taxable year. For purposes of this subsection, a person's taxable year shall be his taxable year for purposes of subtitle A.

"(2) EXCEPTION.—

"(A) IN GENERAL.—If $1,000 or more is payable under subsection (a) to any person with respect to fuel used during any of the first 3 quarters of his taxable year, a claim may be filed under this section by the purchaser with respect to fuel used during such quarter.

"(B) TIME FOR FILING CLAIM.—No claim filed under this paragraph shall be allowed unless filed on or before the last day of the first quarter following the quarter for which the claim is filed.

"(d) APPLICABLE LAWS.—

"(I) IN GENERAL.—All provisions of law, including penalties, applicable in respect of the taxes imposed by section 4081 shall, insofar as applicable and not inconsistent with this section, apply in respect of the payments provided for in this section to the same extent as if such payments constituted refunds of overpayments of the tax so imposed.

"(2) EXAMINATION OF BOOKS AND WITNESS.—For the purpose of ascertaining the correctness of any claim made under this section, or the correctness of any payment made in respect of any such claim, the Secretary shall have the authority granted by paragraphs (1), (2), and (3) of section 7602 (relating to examination of books and witnesses) as if the claimant were the person liable for tax.

"(e) INCOME TAX CREDIT IN LIEU OF PAYMENT.—

"(1) PERSONS NOT SUBJECT TO INCOME TAX.—Payment shall be made under this section only to—

"(A) the United States or an agency or instrumentality thereof, a State, a political subdivision of a State, or any agency or instrumentality of one or more States or political subdivisions, or

"(B) an organization exempt from tax under section 501(a) (other than an organization required to make a return of the tax imposed under subtitle A for its taxable year).

"(2) EXCEPTION.—Paragraph (1) shall not apply to a payment of a claim filed under subsection (c)(2).

"(3) ALLOWANCE OF CREDIT AGAINST INCOME TAX.—

"For allowances of credit against the income tax imposed by subtitle A for fuel used or resold by the purchaser, see section 39.

"(f) REGULATIONS.—The Secretary may by regulations prescribe the conditions, not inconsistent with the provisions of this section, under which payments may be made under this section.

"(g) TERMINATION.—This section shall not apply to gasoline purchased after the close of the calendar month in which the oil import fee imposed by the President on April 2, 1980 ceases to apply.

"(h) CROSS REFERENCES.—

"(1) For civil penalty for excessive claims under this section, see section 6675.

"(2) For fraud penalties, etc., see chapter 75 (section 7201 and following, relating to crimes, other offenses, and forfeitures)."

(b)(1) Subsection (a) of section 39 of such Code (relating to certain uses of gasoline, special fuels, and lubricating oil) is amended by striking out "and" at the end of paragraph (3), by striking out the period at the end of paragraph (4) and inserting in lieu thereof a, and", and by adding at the end thereof the following new paragraph:

"(5) under section 6429 with respect to exempt uses of gasoline (determined without regard to section 6429(e))."

(2) Subsection (b) of section 39 of such Code is amended—

(A) by striking out "or 6427" and inserting in lieu thereof "6427, or 6429", and

(B) by striking out "or 6427(h)" and inserting in lieu thereof "6427(h), or 6429(e)".

(c)(1) Section 6206 of such Code is amended—

(A) by striking out "or 6427" each place it appears and inserting in lieu thereof "6427, or 6429",

(B) by striking out "and 6421" and inserting in lieu thereof ", 6421, and 6429", and

(C) by striking out "AND 6427" in the subsection heading and inserting in lieu thereof "6427, AND 6429".

(2) The table of sections for subchapter A of chapter 63 of such Code is amended by striking out "and 6427" in the item relating to section 6206 and inserting in lieu thereof 6427, and 6429".

(3) Paragraph (9) of section 6504 of such Code is amended—

(A) by striking out "or 6427 (relating to fuels not used for taxable purposes)" and inserting in lieu thereof "6427 (relating to fuels not used for taxable purposes), or 6429 (relating to repayment of oil import fee)"; and

(B) by striking out "6424, or 6427" and inserting in lieu thereof "6424, 6427, or 6429".

(4)(A) Subsection (a) of section 6675 of such Code is amended by striking out "or 6427 (relating to fuels not used for taxable purposes)" and inserting in lieu thereof "6427 (relating to fuels not used for taxable purposes), or 6429 (relating to repayment of oil import fee)".

(B) Paragraph (1) of section 6675(b) of such Code is amended by striking out "or 6427" and inserting in lieu thereof "6427, or 6429".

(5) Sections 7210, 7603, 7604(b), 7604(c), and 7610(c) of such Code are each amended by striking out "6427(g)(2)" and inserting in lieu thereof "6427(g)(2), 6429(d)(2)".

(6) Subsection (a) of section 7605 of such Code is amended—

(A) by striking out "6427(g)(2), or 7602" and inserting in lieu thereof "6427(g)(2), 6429(d)(2), or 7602", and

(B) by striking out "or 6427(g)(2)" and inserting in lieu thereof "6427(g)(2), or 6429(d)(2)".

(7) Paragraph (1) of section 7609(c) of such Code is amended by striking out "or 6427(g)(2)" and inserting in lieu thereof "6427(g)(2) or 6429(d)(2)".

(d) The amendments made by this section shall apply with respect to gasoline purchased on or after May 15, 1980.●

By Mr. TALMADGE (by request):

S. 2587. A bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act for 2 years; to the Committee on Agriculture, Nutrition, and Forestry.

● Mr. TALMADGE. Mr. President, I am introducing at the request of the administration a bill to extend the Federal Insecticide, Fungicide, and Rodenticide Act (FIFRA) for 2 years.

The bill authorizes appropriations to carry out FIFRA for fiscal years 1981 and 1982. The appropriations would include funds for registration and reregistration, classification, and labeling of pesticides; training and certification of pesticide applicators; assistance to State pesticide regulatory agencies; registration and regulation of pesticide-producing establishments; and basic operating expenses and salaries.

I ask unanimous consent that the text of the bill and the letter from the Administrator of the Environmental Protection Agency be printed in the RECORD.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2587

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 31 of the Federal Insecticide, Fungicide, and Rodenticide Act (7 U.S.C. 136y) is amended by inserting before the period at the end thereof the following: "; and for the period beginning October 1, 1980 and ending September 30, 1981, the sum of $64,480,000; and for the period beginning October 1, 1981 and ending September 30, 1982, such sums as may be necessary".

U.S. ENVIRONMENTAL
PROTECTION AGENCY,
Washington, D.C. March 3, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is our proposed bill "To extend the Federal Insecticide, Fungicide, and Rodenticide Act, as amended, for two years."

The bill extends our authorities under section 31 of the Act through fiscal year 1982. These authorities expired on September 30, 1979.

This extension will enable us to continue the non-research programs envisioned by the Act. We have requested extension of related research and development appropriation authorities in another draft bill, "The Environmental Research, Development and Demonstration Authorization Act of 1981." The enclosed draft bill provides appropriation authorization for our non-research program conducted under the Federal Insecticide, Fungicide and Rodenticide Act, including registration and reregistration, classification, and labeling of pesticides, training and certification of pesticide applicators, assistance to State pesticide regulatory agencies, registration and regulation of pesticide-producing establishments, and funding for basic operating expenses and salaries. We recommend that this bill be referred to the appropriate Committee for consideration and that it be enacted.

Our request for appropriation authorizations in the enclosed draft bill for fiscal year 1981 for these non-research activities under the Federal Insecticide, Fungicide, and Rodenticide Act is $64,480,000. This is the amount requested in the President's 1981 Budget for these activities.

The Office of Management and Budget advises that enactment of this legislative proposal would be in accord with the program of the President.

Sincerely yours,

DOUGGLAS M. COSTLE.●

By Mr. CHURCH (by request):

S. 2588. A bill to authorize appropriations for the Peace Corps, and for other puropses; to the Committee on Foreign Relations.

PEACE CORPS AUTHORIZATIONS

● Mr. CHURCH. Mr. President, I introduce by request a bill to authorize appropriations for the Peace Corps and for other purposes.

The bill has been requested by the

Director of the Peace Corps and I am introducing it in order that there may be a specific bill to which Members of the Senate and the public may direct their attention and comments.

I reserve my right to support or oppose this bill, as well as any suggested amendments to it, when the matter is considered by the Committee on Foreign Relations.

I ask unanimous consent that the bill be printed in the Record at this point, together with the section-by-section analysis of the bill and the letter from the Director of the Peace Corps to the President of the Senate dated April 16, 1980.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2588

Be it enacted by the Senate and the House of Representatives of the United States in Congress assembled, that this Act may be cited as the "Peace Corps Act Amendments of 1980."

Sec. 2. Section 3 of the Peace Corps Act (hereinafter the "Act") is amended—

(a) in subsection (b), by inserting, "for the fiscal year ending September 30, 1981, $114,300,000 and for the fiscal year ending September 30, 1982, such sums as may be necessary", after "$105,404,000"; and

(b) in subsection (c) by inserting "fiscal year 1981 and fiscal year 1982" after "fiscal year 1980".

Sec. 3 Section 15(d)(7) of the Peace Corps Act is amended by striking out "$5000" and inserting in lieu thereof "$20,000".

Sec. 4 The Domestic Volunteer Service Act of 1973 (P.L. 93–113; 42 U.S.C. Sec. 4951 *et seq.* is amended—

(a) in Section 401, by—

(1) striking out "two" the first time it appears and by inserting in lieu thereof "one";

(2) striking out "One such" and by inserting in lieu thereof "Such".

(3) striking out ", and the other such Associate Director" and all that follows through "(22 U.S.C. 2501 et seq.)".

(b) in Section 405 by—

(1) striking out "and the Peace Corps Act (22 U.S.C. 2501 et seq.)" in subsection (a);

(2) striking out "and the Peace Corps Act (22 U.S.C. 2501 et seq.)" in paragraphs (b)(1) and (b)(2); and

(3) striking out "Acts" in paragraph (b)(2) and inserting in lieu thereof "Act".

(c) in Section 417 (c)(1), by striking out "and the Peace Corps Act (22 U.S.C. 2501 et seq.)".

SECTION-BY-SECTION ANALYSIS

Section 1 is the enacting clause. It also establishes the short title of the Act as the "Peace Corps Act Amendments of 1980."

Section 2 authorizes the appropriation of $114,300,000 for activities under the Peace Corps Act in the fiscal year ending September 30, 1981, and such sums as may be necessary for the fiscal year ending September 30, 1982. The request for funds for fiscal year 1982 is made necessary by section 607 of the Congressional Budget Act. The section would also authorize the appropriation of such sums as may be necessary for increases in salary, pay, retirement or other employee benefits authorized by law in fiscal years 1980 and 1981.

Section 3 of the bill increases the amount authorized for expenditures not otherwise authorized by law to meet unforeseen emergencies arising in the Peace Corps from $5,000 to $20,000. The present authorization was established in 1961, and the increase is needed to offset inflation. The basic purpose of this provision is to permit equitable relief in emergency of unforeseen circumstances in which legal authority is inadequate. The equivalent appropriation category (in a much larger amount) provided to the State Department is provided as "Emergencies in the Diplomatic and Consular Service."

Section 4 makes certain technical amendments to the Domestic Volunteer Service Act of 1973 to remove references to the Peace Corps. These include abolishing the position of Associate Director for International Operations in ACTION, and removal of authority of the National Voluntary Service Advisory Council to advise with respect to Peace Corps. These changes recognize the autonomous status of Peace Corps provided by Executive Order 12137.

Peace Corps,
Washington, D.C., April 16, 1980.

Hon. Walter Mondale,
President, U.S. Senate,
Washington, D.C.

Dear Mr. President: Transmitted herewith is a proposal for legislation amending the Peace Corps Act to authorize the Peace Corps to continue its activities on behalf of world peace and friendship in the Fiscal Years ending September 30, 1981 and September 30, 1982.

The proposed legislation would authorize the appropriation of $114,300,000 for activities under the Peace Corps Act in Fiscal Year 1981, and such sums as may be necessary for Fiscal Year 1982. It would also authorize the appropriation in each fiscal year of such sums as may become necessary as a result of increases in compensation, retirement, and other employee benefits as required by law. The request for $114,300,000 is a reduction from the originally requested figure of $118,800,000, and results from the Administration's just completed budget review.

The proposed legislation would also increase the funds available to the Director to meet unforeseen emergencies arising in the Peace Corps from $5,000 to $20,000. The $5,000 limit was set in 1961, and has been eroded by inflation.

Several amendments to the Domestic Volunteer Service Act of 1973 are proposed to remove references to the Peace Corps contained in the Domestic Volunteer Service Act, reflecting the autonomy of Peace Corps provided by Executive Order 12137.

The Office of Management and Budget has advised that there is no objection to the submission of this proposed bill to the Congress, and that its enactment would be in accord with the program of the President.

Sincerely,

Richard F. Celeste,
Director.●

By Mr. PELL (for himself, Mr. Hollings, Mr. Cannon, Mr. Magnuson, Mr. Packwood, and Mr. Stevens):

S. 2589. A bill to amend the National Sea Grant College Program Act, as amended, and for other purposes; to the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources, jointly, by unanimous consent.

● Mr. HOLLINGS. Mr. President, it is with pleasure that I join Senator Pell today in introducing legislation for the reauthorization of the National Sea Grant program. Sea Grant, a university based program in partnership with the Federal Government, is contributing substantially to the knowledge and understanding essential to the wise use of our coastal and ocean resources.

The program is administered by the National Oceanic and Atmospheric Administration within the Department of Commerce and is the single outreach program within that agency. It supports marine education, applied marine research and marine advisory services at colleges and universities around the country. It also sponsors research on special national project and an international cooperative assistance program.

In light of increasing demands on our marine resources, it is important that Congress continue to support Sea Grant. At a time when inflation requires cutting back on wasteful spending, it is also important to recognize programs making a strong contribution. We are becoming more and more dependent on our renewable and nonrenewable marine resources. We must develop the means and knowledge to use the oceans wisely. Sea Grant works, works well, and deserves our continued support.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced by Senator Pell, for himself and others, to amend the National Sea Grant College Program Act, as amended, be referred jointly to the Committee on Commerce, Science, and Transportation and the Committee on Labor and Human Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I make the same request for the House-passed bill on the same subject, H.R. 6614.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 223

At the request of Mr. Danforth, the Senator from Maryland (Mr. Sarbanes) was added as a cosponsor of S. 223, a bill to amend the Antidumping Act, 1921, the Tariff Act of 1930, section 801 of the Revenue Act of 1916, and for other purposes.

S. 1247

At the request of Mr. Gravel, the Senator from Oregon (Mr. Packwood) was added as a cosponsor of S. 1247, a bill to amend the Internal Revenue Code of 1954 to reduce the tax affect known as the marriage penalty by permitting the deduction, without regard to whether deductions are itemized, of 10 percent of the earned income of the spouse whose earned income is lower than that of the other spouse.

S. 1287

At the request of Mr. Goldwater, the Senator from Missouri (Mr. Danforth) was added as a cosponsor of S. 1287, a bill to repeal the earnings ceiling of the Social Security Act for all beneficiaries age 65 or older.

S. 1384

At the request of Mr. Hatfield, the Senator from California (Mr. Cranston) was added as a cosponsor of S. 1384, a bill to amend the Internal Revenue Code of 1954 to allow a credit against tax for contributions of certain crops by farmers to certain tax-exempt organizations.

S. 1435

At the request of Mr. NELSON, the Senator from Ohio (Mr. GLENN) was added as a cosponsor of S. 1435, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 1543

At the request of Mr. NELSON, the Senator from South Carolina (Mr. THURMOND) was added as a cosponsor of S. 1543, a bill relating to tax treatment of qualified dividend reinvestment plans.

S. 2177

At the request of Mr. WILLIAMS, the Senator from Iowa (Mr. CULVER), the Senator from Wisconsin (Mr. NELSON), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of S. 2177, a bill to amend the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

S. 2435

At the request of Mr. CHILES, the Senator from Utah (Mr. GARN), the Senator from Oklahoma (Mr. BELLMON), the Senator from North Carolina (Mr. MORGAN), and the Senator from Ohio (Mr. METZENBAUM) were added as cosponsors of S. 2435, a bill to rescind certain appropriations provided for the purchase of furniture by Federal departments, and for other purposes.

SENATE JOINT RESOLUTION 153

At the request of Mr. BUMPERS, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of Senate Joint Resolution 153, a joint resolution to freeze Senators' salaries for 3 years.

SENATE JOINT RESOLUTION 159

At the request of Mr. DOLE, the Senator from South Dakota (Mr. PRESSLER), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE RESOLUTION 401

At the request of Mr. TOWER, the Senator from Utah (Mr. HATCH), and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Resolution 401, a resolution expressing disapproval of the Senate of certain aspects of the proposed model adoption legislation and procedures.

SENATE RESOLUTION 404

At the request of Mr. TALMADGE, the Senator from North Dakota (Mr. BURDICK), and the Senator from Indiana (Mr. BAYH) were added as cosponsors of Senate Resolution 404, a resolution requesting the National Academy of Sciences to conduct a comprehensive review of all pertinent scientific information relating to the risks and benefits associated with human exposure to nitrites.

AMENDMENT NO. 1698

At the request of Mr. WEICKER, the Senator from Michigan (Mr. LEVIN) was added as a cosponsor of amendment No. 1698 intended to be proposed to S. Con. Res. 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

AMENDMENT NO. 1705

At the request of Mr. WILLIAMS, the Senator from Utah (Mr. GARN), the Senator from Illinois (Mr. PERCY), and the Senator from Massachusetts (Mr. KENNEDY) were added as cosponsors of amendment No. 1705 proposed to S. 2177. A bill to amend the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

SENATE CONCURRENT RESOLUTION 88—ORIGINAL CONCURRENT RESOLUTION REPORTED RELATING TO AMENDMENT TO THE AGREEMENT FOR COOPERATION BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE UNITED STATES

Mr. CHURCH, from the Committee on Foreign Relations, reported the following original concurrent resolution which was read twice and placed on the calendar:

S. CON. RES. 88

Resolved by the Senate (the House of Representatives concurring), That the Congress does not favor the submission of the President containing the text of the Second Amendment to the Agreement for Co-Operation Between the International Atomic Energy Agency and the United States of America of May 11, 1959, done at Vienna, Austria, on January 14, 1980, transmitted to the Congress by the President on February 1, 1980.

SENATE RESOLUTION 410—SUBMISSION OF A RESOLUTION TO REFER S. 1172 TO THE COURT OF CLAIMS

Mr. GRAVEL submitted the following resolution, which was referred to the Committee on the Judiciary:

S. RES. 410

Resolved, That the bill (S. 1172) entitled "A bill for the relief of Doyon, Limited" now pending in the Senate, together with all the accompanying papers, be referred to the Chief Commissioner of the United States Court of Claims. The Chief Commissioner shall proceed according to the provisions of sections 1492 and 2509 of title 28, United States Code, and report back to the Senate, at the earliest practicable date, giving such findings of fact and conclusions that are sufficient to inform the Congress of the amount, if any, legally or equitably due from the United States to the claimant.

AMENDMENTS SUBMITTED FOR PRINTING

CRIMINAL CODE REFORM AND REVISION ACT OF 1979—S. 1722

AMENDMENTS NOS. 1706 THROUGH 1710

(Ordered to be printed and to lie on the table.)

Mr. DOLE submitted five amendments, intended to be proposed by him to S. 1722, a bill to codify, revise, and reform title 18 of the United States Code, and for other purposes.

EMERGENCY HOME PURCHASE ASSISTANCE AUTHORITY AMENDMENTS OF 1980—S. 2177

AMENDMENT NO. 1711

(Ordered to be printed.)

Mr. DURKIN proposed an amendment to S. 2177, a bill to amend the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

AUTHORITY FOR COMMITTEES TO MEET

SUBCOMMITTEE ON ENERGY REGULATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Energy Regulation of the Committee on Energy and Natural Resources be authorized to meet during the sessions of the Senate on Wednesday, April 23, and Friday, April 25, to hold hearings on S. 2470, the Power Plant Fuels Conservation Act.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

SENATE CAUCUS ON NORTH AMERICAN TRADE

● Mr. BAUCUS. Mr. President, my colleague Senator DOMENICI and I have worked hard over the past several months to develop within the Senate a focal point for interest in North American trade. We are very pleased to announce that we have formed a caucus in the Senate, to which we invite all our colleagues who are interested to join. We ask to print in the RECORD a copy of our letter announcing the caucus.

The letter follows:

U.S. SENATE,
Washington, D.C., March 14, 1980.

DEAR COLLEAGUE: We the undersigned have come together to establish within the Senate a North American Trade Caucus. We would like you to join us in this important endeavor.

We are cognizant of the proliferation of caucuses in the Congress, and do not favor unnecessary additions. However, we firmly believe that such a caucus is not only warranted, but necessary.

Extensive interest has been generated in new trading relationships with our North American neighbors. The world has moved increasingly toward regional economic blocks. This motion is proving productive and valuable to its participants and henceforth, will undoubtedly accelerate in the future. The countries of North America share many problems and opportunities; it is time to pursue more actively a policy strengthing trade relationships on our continent. It is to our benefit, as well as our neighbors, to begin in this direction immediately.

We have found that the interest in further integrating North American trade is not unique to the U.S., but that our neighbors are also concerned, and fear domination by the U.S. However, they are also the first to understand, should economic reality create closer ties, that it is in the interest that developments be sensible and benefit all parties. Both Canada and Mexico are watching closely the development of the Administration's study of North American trade as mandated by the Senate's amendment to the 1979 Trade Act.

Interest has been generated outside of the federal government, too. The National Governors' Association, for example, has made North American Trade one of its primary areas of focus, and the Dean Rusk Center has recently completed for the Association a lengthy and detailed study which echoes many of the proposals we have made in the Senate on this subject. A number of other academic centers and research organizations have been similarly engaged.

The keynote address at the recent National Association of Manufacturers' Convention in Atlanta specifically addressed the feasibility of greater North American trade, and the U.S. Chamber of Commerce is devoting substantial resources to examine the subject in detail. Finally, many major business firms have displayed a willingness to take an active part in the development of the concept and seem interested to see these ideas transformed into reality.

As a result, we have concluded that the Senate can and should participate in any efforts to explore this concept fully. We also shall propose that the private sector establish a committee to address the issue and provide the necessary leadership. We shall ask the private sector to ascertain to what extent their counterparts in Mexico and Canada are interested, and where appropriate, obtain their participation as well. Also, we shall look to the private sector to advise us on proper approaches to the subject: For example, should we follow sectoral policies? Should we first work with one country bilaterally, either Mexico or Canada and then move to the next? Should we expand already existing mechanisms, or resurrect past mechanisms?

Finally, we would like to underline that our initiative to form a caucus is partially in response to specific requests from others that we do so. The National Governors' Association, as well as the private sector, have indicated that it would be beneficial to their efforts if there were a caucus or committee within the Senate which could become the focal point for Congressional participation. We would like to have you become part of this effort. If you have any questions, or would like to join the caucus, please call Ed Nef of Senator Baucus' staff (224–2651) or Dave Moran of Senator Domenici's staff (224–6621).

Sincerely,

Pete Domenici, Max Baucus, Robert Dole, Russell Long, Jacob Javits, Edward Zorinsky, Ted Stevens, Bill Bradley, Orrin Hatch, Dennis DeConcini.

Mr. BAUCUS. Mr. President, I wish to emphasize several points as we take this important step.

First, I believe the caucus reflects the growing and significant view that we in the United States need to seek new trade relationships with our closest neighbors. Movements toward regionalism are occurring all over the world, and we should begin to explore ways we as a continent can protect ourselves both internally and externally against harmful effects of such movements, while at the same time benefitting from the greater markets and trading opportunities they provide.

Second, it is important that our neighbors recognize that no action should be taken which is not mutually beneficial. It is my view that economic reality has brought us all closer together; it is to the interest of all to make sure that proximity does not lead to domination, while at the same time offering enlarged trading opportunities. While comparisons are always difficult, I note that other nations in the world have found close association in trade in no way means domination or political control. Indeed, structural relationships serve to protect weaker parties rather than exploit them, in my view.

Third, I want to emphasize the interest we have found in the private sector to our approach. Indeed, part of our motivation for forming the caucus comes as a result of a specific suggestion by the private sector. We are now attempting to form a private sector committee which will serve as a counterpoint to our efforts. The private sector must show leadership in this effort.

Fourth, I believe the caucus can be a strong and positive force in resolving through the trade mechanism some of the outstanding issues between our countries. For example, with Canada we have taxation, broadcasting, and fisheries problems which threaten to disrupt other aspects of our relationship. Perhaps the caucus might propose alternative ways to resolve them to the mutual satisfaction of the parties concerned.

We shall be doing more with this caucus, and will keep all its members informed of our developments, and seek its advice with our initiatives. I believe this is an important development in our trade relationships, and I am very pleased that so distinguished a group of Senators have joined in our effort. We now have a total of 19 Senators who are members of the caucus. Recent additions are Senators CRANSTON, BENTSEN, WILLIAMS, MCGOVERN, SCHWEIKER, SCHMITT, TALMADGE, COCHRAN, and THURMOND.

I am also taking the liberty of submitting for the RECORD an article prepared by Prof. Sidney Weintraub of the University of Texas on Trade in North America which I found interesting and commend for reading by my colleagues.

The article follows:

NORTH AMERICAN FREE TRADE?

(By Sidney Weintraub)

WHY FREE TRADE?

Those who advocate free trade in North America must believe that this would raise incomes in all the countries above what they otherwise would be. The position must be that a North America free of trade barriers would improve efficiency of investment and production, that productivity would be increased, and at the same time that additional jobs would be created from the dynamic economic growth that would ensue. The argument in favor of free trade must be economic since the internal politics of both Mexico and Canada would argue against potential submersion of their economies into that of the United States.

The argument for North American free trade must also be that this is preferable to other options open to the countries. The other options include: (1) maintaining the status quo with only slight modification, that is, some trade liberalization but accompanied by protection for many industries that might not be able to compete under free-trade conditions; (2) gradual trade liberalization through reciprocal negotiation, that is, a reduction of trade barriers vis-à-vis all countries and not just the other countries of North America; or (3) a deliberate effort by Canada and Mexico to shift much of their trade to reduce reliance on the United States.

My purpose here is not advocacy but rather analysis of the arguments for and against free trade in North America.

By free trade I do not have in mind an abrupt move but rather a gradual transition (10 years, 20 years?) under which the countries would reduce and eventually eliminate their tariffs and nontariff restrictions against imports from the other members of an agreement while retaining trade barriers against nonmember countries. The free market among them would encompass virtually all trade. There are other conceptions of free trade. What some people have in mind is a series of industry or sector agreements, such as that which now exists between Canada and the United States in the automotive industry in which mutual trade is freed in that industry while the remainder of trade is conducted much as it is now. One defect of this system is that it violates the spirit and in most cases the letter of the General Agreement on Tariffs and Trade. Perhaps more germane substantively is that there would seem to be few individual industries in which the United States would add as much to its market potential as it would sacrifice to make this as interesting an arrangement as generalized free trade.

The members of the agreement could form a customs union, and gradually unify their external tariffs, or a free-trade area, under which they would continue separate external tariffs. Most of my discussion will be based on the free-trade area concept for two reasons: it simplifies the politics of the discussion since reaching a common external tariff involves one degree more of economic integration; and it simplifies the economics, since it will not force the low tariff country (the United States) to raise its external tariffs or the high tariff country (Mexico) to lower its external tariffs in the averaging process to reach a single level.

By North America I have in mind Canada, Mexico, and the United States, or the United States with any one of the other, that is, either bilateral or trilateral free trade. I exclude the countries of Central America and the Caribbean because their inclusion would complicate the analysis. Their economies are primitive compared with any of the other three. Any agreement that is reached, bilateral or trilateral, presumably would be open for new members.

ARGUMENTS FOR FREE TRADE

I will look first at the arguments of those who favor free trade in North America.

The factual base from which free-trade advocates start is that the economies of each of the other two countries already are inextricably interlinked with that of the United States. In 1978 both Mexico and Canada sent 70 percent of their merchandise exports to the United States. Seventy percent of Canada's imports that year came from the United States and 60 percent of Mexico's. These percentages are typical of recent years. The three countries are further linked by reliance on the capital market in the United States. Neither Canada nor Mexico can conduct a monetary policy that diverges extensively over any protracted period from that in the United States without this being reflected in exchange-rate changes. Since such a high degree of interdependence exists, can it be made more effective by formal ties of free trade?

One illustration can be given of how Mexico and Canada would have been better off with a formal link. In August 1971, when the United States imposed a temporary 10 percent surcharge on dutiable imports from all countries, both Canada and Mexico requested exemption on the ground of need, but to no avail. The incident still rankles in both countries. They almost certainly would have been exempted had there been a formal link.

However, the major argument in favor of free trade is that protectionism is inefficient. I will look at the three countries separately.

Canada has developed an industrial structure (and it is mainly to industry that advocates of free trade look) of many modest-sized plants each producing on a limited scale for the relatively small Canadian market.

As a result, Canadian productivity is lower than that of the United States in virtually all industries. Little research and development is conducted in Canada because plants tend to be too small to hire the necessary engineers and scientists and because the constrained market makes this uneconomic. The trade barriers did not protect Canadian investors as much as they encouraged foreign investors, mostly from the United States, to jump the tariff and set up a branch plant in Canada. More than 50 percent of Canadian industry is foreign owned.

One can look at the effect of this protective structure in two ways. The first is to argue that it did attract many industries and did serve to bring Canadian income levels to a par with those of the United States. Why change? The second is to question the durability of the structure. Can income levels be maintained with an industrial structure that is mostly (not fully) inefficient by world standards? Those who call for change thus advocate opening Canadian industry to more external competition in return for expanding the size of the barrier-free market for Canadian industrial products. Those who advocate this position support either a movement to multilateral free trade (this was the position taken by the Economic Council of Canada in its 1975 report entitled Looking Outward: A New Trade Strategy for Canada), or to bilateral free trade with the United States (this was the position taken by the Senate Standing Committee on Foreign Affairs in its 1978 report on Canada-United States Relations).

Those who advocate bilateral free trade believe that much industrial investment will come to Canada because the location of such areas as southern Ontario and western Quebec are closer to the prime industrial areas of the midwest and the northeast in the United States than are many parts of the United States. They believe that the sophisticated physical and human infrastructure that exists in Canada will be attractive to investors able to set up plants of a scale sufficient to be competitive internationally.

Mexico's industrial structure also has been set up behind stringent trade barriers, sometimes absolute. The main protective device used by Mexico for 30 years was the use of import licenses. The refusal of a license can cut off external competition completely in the Mexican market. However, this had a price. Because of the lack of competition, coupled with the high duties industries pay on inputs, Mexican industry can not compete abroad without subsidies or benefits granted by the importing country. Examples of the latter are the general systems of preferences of the industrial countries and, in the case of the United States, those provisions of the tariff schedule that permit assembly plants in Mexico to pay the U.S. duty only on the value added in Mexico. These two categories combined made up two-thirds of Mexico's exports of manufactured goods to the United States in 1978.

The consequences of Mexico's protective system have been serious. About 40 percent of Mexico's economically active population is either unemployed or underemployed. Of the roughly 700,000 new entrants each year into the labor force, at least half can not find jobs. Since about half of Mexico's population is under 15, there will be many new entrants into the labor force in the years immediately ahead. Unemployment and rural underemployment have served to skew Mexican income distribution to the point that it is now one of the most unequal in the world, particularly for the middle tier of countries at Mexico's income level.

As with the case of Canada, one can look at this structure and argue in favor of liberalization generally or restrict the drastic liberalization to a bilateral free-trade area. The arguments in Mexico of those who favor liberalization have been for general liberalization. There is little overt support for a bilateral free-trade agreement, partly on the political ground that this would exacerbate Mexican dependence on the United States, and partly on the economic ground that Mexico would not attract sophisticated industries if some protection were not retained. The Economic Council of Canada in choosing the multilateral liberalization option discussed eventual "free" trade. Mexico is a long way from looking at the world in this fashion. Indeed, those who successfully opposed Mexican adherence to the General Agreement on Tariffs and Trade argued that membership would limit Mexico's ability to use nontariff measures to protect its industry.

The crux of the issue is whether Mexico would attract investment in sophisticated as well as simple industries during and after the gradual movement to free trade. Because of lower wage rates than in either Canada or the United States, one would expect Mexico's textile, apparel, and other noncomplex industries to grow at the expense of these industries in the other two countries (and the export of these products would no longer face quotas in the United States whereas the exports from other countries would), as probably would assembly industries (which would pay no U.S. tariff, not even on value added in Mexico). Other industries that might benefit from some combination of natural resource endowment, location, and low wages are petrochemicals, steel, and the production of parts for and assembly of automobiles.

Canadian wage rates are about equal to those of the United States and Canada could not attract industries on the basis of a wage differential. Mexico's rates are much lower and this could be an attraction. If it were, over time Mexico's wage rates would increase, but if this occurs as a result of increased demand for labor, the free-trade arrangement will have succeeded.

Why should the United States want either bilateral or trilateral free trade? The answer is not self-evident. If free trade fostered investment on the basis of camparative advantage without the wedge of trade barriers disturbing this, the resultant increase in efficiency should benefit the collectivity of the free-trade area. If it improved incomes and general stability in the North American area, this would be a clear benefit for U.S. policy. If the sophisticated industry were all attracted to the United States, leaving Mexico and Canada as backwashes (more on this later), this might appeal to those who believe that high U.S. incomes are the result of exploitation of peoples of other countries, but it would hardly be a victory if the United States had unstable and unprosperous countries on its borders. Benefits of scale of the type which might accrue to Canada and Mexico from a barrier-free North American market are less important to the United States since its domestic market already provides the basis for this without the addition of the other two markets.

The answer to the question of potential benefit to the United States has to lie in the belief that efficiency from free trade will enhance the welfare of each of the countries and facilitate an advantageous division of labor. Having said this, the potential benefits to the United States probably are less exciting than for Canada and Mexico.

ARGUMENTS AGAINST FREE TRADE

Part of the argument of Canadians who oppose bilateral free trade is that the present system has brought great benefits to Canada. Its per capita income is as high as that of the United States. Productivity of its industrial structure needs improvement, but this does not require entering into thoroughgoing free trade with the United States. Why take the risk of bilateral free trade? This might lead to the destruction of most Canadian industry.

The other major basis for opposition to bilateral free trade is the fear that it will lead to the political and cultural extinction of Canada. When Canada chose the "third option" policy in 1972, that which called for reducing Canada's "vulnerability" by diversifying its economic relations more broadly, one of the reasons for rejection of the second option of moving more deliberately toward closer integration with the United States was that this would lead to political integration. I will return to this theme—that one thing leads to another—because I think it is false reasoning, but there is no doubt that it influences the Canadian decision on bilateral free trade. Discriminatory Canadian taxes on advertising in U.S. periodicals and on U.S. television are part of this same concern of national identity. Prime Minister Trudeau, following his recent election, made it clear that Canada wants to be a friend of the United States but not a satellite. (Incidentally, the third option did not work. Canadian dependence on the United States for trade and capital did not diminish, despite Canadian efforts at diversification.)

The emotional opposition in Mexico to bilateral free trade is, if anything, more intense than in Canada on political and economic grounds. Among Mexican intellectuals, the word "interdependence" seems to come from their lips and pens like a four-letter word and bilateral free trade certainly accepts interdependence. The debate on whether to join the GATT took on this emotional character. Many of the economists who opposed Mexican adherence did so on the ground that reduction of Mexico's nontariff protection would increase Mexico's dependence on the United States. In cultural matters, Mexico prides itself on its differences with the United States, both ethnic and in patterns of thought. Mexico is more history-minded than the United States, and the United States more pragmatically progress-minded.

Getting away from emotion, the major economic opposition in Mexico to bilateral free trade is the fear that Mexico would become a backwash. Gunnar Myrdal and others have argued that in free trade between a developed and a developing country, the more developed area would attract investment in advanced industries and the less developed area would become a backwash producing raw materials, processing these to some extent, and engage primarily in labor-intensive forms of simple manufacturing. The reasoning is that most investment in industry would take place where the skilled workers existed, the transportation, communications and other infrastructure were superior, where industries providing inputs and taking output were conveniently available, and where the bureaucratic structure was more efficient.

Is a backwash effect inevitable? I don't know, but I doubt it. For a long time there was polarization between the North and the South in the United States, but listening these days to the wails of the North, it is evident that industrial investment is no longer confined to the North. In the European Economic Community, Ireland is attracting investment even though the backwash theory would argue that it should not. Backwashes and polarizations do occur, both within and between countries. What is less clear is whether they are inevitable, or whether steps can be taken to prevent them. The backwash in the South in the United States took place not when tariffs in the free-trade area that was the United States were low but when they were high.

Finally, I suspect that most opposition in the United States to free trade will focus on the reverse of the backwash effect. U.S. labor is apt to fear the runaway of industries to Mexico to take advantage of cheap labor. U.S. labor will fear the flooding of the U.S. market with textile, electronic, and other labor-intensive goods, many of which now are restricted by quota limitations. There already have been complaints in the United States about U.S. automobile companies setting up production facilities in Mexico to produce engines and other parts for use in automobiles assembled in the United States. Bilateral free trade with a low-wage country like Mexico would not be universally welcome in the United States. Bilateral free trade with Canada would not bring opposition on low-wage grounds.

EXTRANEOUS ISSUES

Opponents of bilateral or trilateral free trade often base their opposition on one or more of the following grounds. In Mexico, the argument is often heard that the United States seeks bilateral free trade only to gain control over Mexican oil and natural gas production and marketing. There is fear that bilateral free trade would result in loss of Mexican control over decisions regarding its own industry and trade policy.

And there is concern that free trade would involve political and cultural dependence on the United States. In Canada, as already noted, the free-trade option was rejected earlier out of concern it would lead to political union. In both Mexico and Canada, there is disquiet that a free-trade agreement would imply free movement of capital and hence U.S. control over their national industries. In the United States, the concern would be about free movement of the other factor, labor, and that Mexican workers would flood the U.S. market even more than now when they enter without legal sanction.

The issues are false. In each case, steps beyond free trade would require separate decisions agreed to by all partners. There is nothing in a free-trade agreement that need remove Mexican control over its own industrial decisions or its hydrocarbon industry. Free capital and labor movement might enhance free trade, but they are not crucial. The free movement of goods can serve as a reasonable substitute for free factor movement. The historical record contradicts the thesis that free trade leads to political union. One need only look at the record of the European Free Trade Association for proof of this, or even at the EEC in which each country clings to its own sovereignty despite the thoroughgoing nature of free trade, common commercial policy, common agricultural policy, and the current effort at monetary union. Indeed, one can argue that a formal agreement on free trade will enhance Canadian and Mexican ability to influence U.S. trade policy decisions.

Let me repeat: there is no basis for the argument that free trade must lead to further integration. There is no inevitable progression from free trade to free factor movement, monetary union, economic union, or political union. There is no inevitable loss of control over domestic oil and natural gas policy. What further steps countries wish to take, or not take, are matters for separate decision.

CONCLUSIONS

I can be brief. Let me make just two points.

1. The principal impediment to free trade in North America is political. The weaker countries economically, Mexico and Canada, fear that free trade would lead to some loss of sovereignty and cultural identity. This emotional reaction cannot be overcome by intellectual argument alone and it is likely to be decisive in preventing a movement towards North American free trade, at least for now.

2. However, we can get on with the debate on the economic merits and defects of the free-trade option. That is my purpose here, to encourage this debate, and not just in Canada and the United States, where it has been taking place, but in Mexico.●

NORTH AMERICAN TRADE CAUCUS

● Mr. DOMENICI. Mr. President, the ability of America to compete with the various regional economic blocks of the world has always been a subject of great concern to me. Due to many factors, the United States finds itself battling harder than ever before for its share of world markets. Economic reality suggests that we can ill afford a continual pattern of isolationism and protectionism in an increasingly interdependent world.

For these reasons I have joined with my colleague from Montana, Senator BAUCUS, in forming within the Senate a North American Trade Caucus. The United States shares many of the same opportunities and problems that currently confront both Mexico and Canada and it is in our best interest to improve present relations while generating new ones. It is thus the intent of the caucus to participate in the advancement of the concept of North American trade integration and to help improve the Nation's relations with both Mexico and Canada.

To achieve this goal we plan to employ the assistance of the private sector. The caucus will ask various sectors of private enterprise to establish a committee to study the issue and afterward provide us with its findings. To maximize the potential for success of its efforts, the caucus and the proposed committee will emphasize the need to be aware and sensitive to the political currents in Mexico and Canada and will analyze our neighbors trade and economic policies in depth. We recognize that our neighbors will question our motives with some skepticism and because of this the caucus will enlist, to some degree, the cooperation and assistance of appropriate foreign officials.

It is important to add that the concept of North American trade interdependence is viewed as a long-term effort. The caucus, in conjunction with the private sector committee, will identify and stress specific areas of current and future trade interest among the North American countries. From those areas that offer possibilities for mutually beneficial agreements the caucus hopes to work toward agreements that are more long term and comprehensive in nature.

Formation of the caucus has received a wide and favorable response from both within and outside of the Government, and it is hoped that the enthusiasm will continue.

Original members of the caucus are Senators BAUCUS, DOLE, LONG, JAVITS, ZORINSKY, STEVENS, BRADLEY, HATCH, DECONCINI, and myself. Joining the caucus since then have been Senators SCHMITT, WILLIAMS, THURMOND, COCHRAN, CRANSTON, BENTSEN, McGOVERN, TALMADGE, and SCHWEIKER.●

HE SPEAKS SOFTLY AND PACKS A BIG WALLOP

● Mr. ARMSTRONG. Mr. President, the National Automobile Dealers Association recently exercised great wisdom in selecting George S. Irvin as their new national president.

I have known George Irvin for years. Mr. Irvin is a leader in the Colorado business and civic community because he is so thoughtful, honest, and straightforward.

Auto dealers face tough problems. High energy and interest costs are challenges to be resolved in the eighties. George Irvin's 30 years experience in the auto industry will help auto dealers meet these challenges.

Mr. President, I know my colleagues will want to get better acquainted with George Irvin. Therefore, I ask that Al Fleming's article "He Speaks Softly and Packs a Big Wallop," be printed in the RECORD.

The article follows:

HE SPEAKS SOFTLY AND PACKS A BIG WALLOP

(By Al Fleming)

George S. Irvin is a low-key leader whose influence spans a multitude of horizons.

From the mile-high vista of a Denver Chevrolet dealership to the sea-level dealings of Washington politics, government and intrigue, Mr. Irvin talks softly but carries a big wallop.

Mr. Irvin's clout expands Feb. 13 in New Orleans, when he becomes president of the National Automobile Dealers Assn. (NADA). As the guiding force behind 21,000 franchised new-car and truck dealers, he assumes command of an industry with big problems. "Challenges," he corrects the interviewer: High interest rates. Inflation. Energy.

Mr. Irvin cites the high cost of floor plans as a major nightmare, ". . . more than double in a year."

He adds: "NADA will be fine-tuning its business-management committee to furnish members with the tools to repair damage from the flow of cash from dealerships to financial institutions. You combat it by going back to good business basics. Watch inventories. Be a shrewd buyer of both new and used stock."

Mr. Irvin's vision switches quickly from practical lessons learned during 30 years as a dealer to national policy. He has spent a decade in the NADA hiearchy and knows the issues. Energy is a long-term problem. We need to move ahead on alternative fuels. Certainly, we need incentives for domestic oil and gas production," he says.

The 55-year-old, silver-haired entrepreneur's thoughts switch from Denver to western Colorado—the heart of oil-shale country and where he holds financial interest in a Chevrolet dealership at Gunnison. "Water supply is the problem with oil shale," he says.

As for claims of spoiling the landscape with mining, Mr. Irvin quips: "It's desolate. Anything they do with that part of Colorado will make it look better."

With personal conviction fostered by his 27-year-old married daughter, Jill Zamora, a nuclear chemist, Mr. Irvin says: "We need to get the hysteria of Three Mile Island behind us. Nuclear energy is safe. Our nation needs it."

Mr. Irvin has plenty of energy of his own. For the past year, as first vice president of NADA, he spent half his time in national affairs working closely with his predecessor, William C. Doenges. "Bill had me involved in all phases of NADA business," Mr. Irvin says. "Being president shouldn't take any more time."

Mr. Irvin's time is already divided. He personally operates one of 11 Chevrolet dealerships in Denver, garnering his 10 percent of the market. Next door is his Subaru dealership. Ten blocks away is his Mercedes-Benz-BMW dealership. A four-way drive takes him to the Chevrolet-Oldsmobile-Buick dealership in Gunnison.

Flying the "Friendly Skies of United" 2,000 miles to Washington may be even more romantic. Mr. Irvin's blonde, Irish-born wife, Lillian, has been a United Airlines stewardess for 22 years.

Mr. Irvin keeps trim with frequent tennis or golf matches, but admits he lost six strokes from his handicap since he undertook successive positions of vice president, treasurer and chairman of two key NADA committees.

In Denver he remains active in state and metro auto dealers associations as well as the Salvation Army and Rotary Club.

Mr. Irvin learned the car business from his father, George, who launched a Denver dealership in 1921. After working two other dealerships and World War II service, he returned home and bought the family business in 1950.

Denver journalist Chuck Moozakis writes: "The base of his operation is calculatedly well spread. Not only is he selling Chevrolets, America's favorite car, he also sells Subarus to get the foreign-car enthusiast, as well as owning part interest in Murray Motors down the street, a dealership specializing in high-priced imports and other luxury cars. Mr. Irvin, in a nutshell, is tapping all three markets—low-, mid- and high-price—and should be able to weather any upcoming storms."

Considering the lines of businesses under "George Irvin" signs along Colorado Blvd., Mr. Irvin is asked how much time he can spare away from Denver attending national affairs.

"As much as it takes," he replies, reaching for a telephone that rings continuously. "Already I have a sore left ear, and the year is just starting."

Along with President Irvin, NADA elected these officers for 1980: First V.P. Wendell H. Miller, Dodge/Lincoln-Mercury/Honda dealer, Binghampton, N.Y.; Secretary Frank C. Davis Jr., Buick-Opel dealer, Nashville, TN; Treasurer George W. Lyles, Chevrolet/Rolls-Royce dealer, High Point, NC.

Directors elected as v.p.'s: Leslie M. Emerson, Chevrolet dealer, Lewiston, ME, region 1; Bertrand A. Feiber, Chevrolet/Buick dealer, Bogalusa, LA, region 2.

Directors elected to the finance committee: C. J. Thorstad, Chevrolet dealer, Madison, WI, five-year term; Joseph A. Barry, Pontiac/Buick/Volvo/Datsun dealer, Newport, RI, one-year term.

Elected to three-year terms on the board of trustees of the retirement fund: Allan R. Rhodes, Ford/Honda dealer, Paducah, KY; Jerry M. Bielfield, Ford dealer, Detroit.

Elected to three-year terms on the board of trustees of the insurance trust: William C. Curry, Buick-Opel dealer, Dallas; Frank Ellsworth, Dodge dealer, Idaho Falls, ID.●

COAL SEVERANCE TAXES

● Mr. BAUCUS. Mr. President, proposals have been introduced in the Senate and the House of Representatives (S. 1778 and H.R. 6625) that would limit the ability of States to impose severance taxes on energy resources.

I can sum up my position on these proposals in a few short words.

They are unprecedented, unfair, and unreasonable.

They are the most blatant, disgusting examples of special interest legislation I have ever seen in my years in public office.

The legislation is being promoted by a handful of midwestern and southern electric companies who are willing to spend thousands of dollars each week in a thinly-veiled attempt to enact some of the most selfish legislation ever conceived.

And, on the bottom line, if they succeed, they will do virtually nothing to reduce the electric bills of their consumers.

Mr. President, Montanans were told in the early 1970's that our State's coal was the Nation's energy "ace in the hole."

And, we were concerned. We were concerned about the impact coal development would have on our State's social structure, its environment, and its ability to govern itself effectively.

Montana took several steps to insure that our coal would be developed and used by the rest of the Nation—but without exploitation of our people and our land.

Montana enacted legislation in the 1970's that was monumental: the Federal Strip Mining Act is virtually a carbon copy of legislation enacted earlier in the Montana State Legislature.

The State established a Major Facility Siting Act to insure that coal-burning facilities are built to minimize environmental and socioeconomic damage. And. Montana enacted a Coal Severance Tax.

Montanans understand that they will—and must—play a role in solving this Nation's energy crisis.

But we know that coal mining brings coal miners—who need houses, schools, hospitals, roads, sewers, police and fire protection, and other public services.

We know that coal mining creates whole new towns where once only prairie dogs lived.

And, we know that all this costs money.

Montana is not an indudstrial State. Virtually our entire income comes from natural resources: Agricultural products, forest products, and minerals. Because we have a small population and a small industrial base, our only means of raising revenue to deal with the costs of coal development is through taxation of the coal itself.

Opponents of the severance tax have made much of the fact that a proportion of the severance tax proceeds are placed in a trust fund.

I should point out that Montana's citizens voted 2 to 1 in 1976 to create this trust fund. They could just as easily voted for immediate tax relief.

But we recognize that Montana's coal is a nonrenewable resource. Some day it is going to run out. Montanans have long experience with natural resource development. We know that the costs of development do not end when the resources are gone.

Fabulous gold deposits, and then fabulous copper reserves were exploited—and sent out of State.

Today these resources are largely gone. But the environmental and social damage remain—and is still being paid for Montanans.

Montanans also watched the coal boom in Appalachia. We saw what happened when the boom turned to bust—the abject poverty, the ruined, sterile environment, the lack of economic opportunity.

Mr. President, Montanans believe that we should not come to the Federal Government for help in dealing with the problems of energy development. So, we have moved to fill this void by imposing a reasonable and responsible tax on coal.

We intend to protect our soil, water, and wildlife for the good not only of Montanans, but for all Americans. We intend to develop the social structure that is necessary for energy development. We intend to develop the highways, schools, and other facilities that are needed if the rest of the Nation is going to use our coal.

Recent stories in the newspaper have referred to Montanans as "blue-eyed Arabs." The proponents of the legislation to limit severance taxes would have you believe that there really is a sheik of Great Falls or a shah of Billings.

But let us imagine for a moment what would happen if the tables were turned. Let us imagine that Montana's utilities wanted to buy coal from areas represented by the proponents of this legislation.

What would their attitude be then? Would they want their constituents to foot the bill for developing the coal used by Montana utilities? Would they want their constituents to pay for the roads, schools, hospitals, police, and fire protection for thousands of miners moving into their States? Would they want their constituents to pay higher taxes so that Montanans could benefit from their coal deposits?

I find it hard to believe that any Senator would want the Federal Government to limit his State's ability to deal with impacts of development.

Finally, Mr. President, let us examine the cost of Montana's coal severance tax. On average, the severance tax adds less than 1 percent to the total cost of utilities that use Montana coal. Many States' sales taxes add significantly more to utility bills. But I am not here today arguing that these sales taxes are exorbitant, unfair, excessive tax profiteering.

In Minnesota, Montana's coal severance tax adds at most 2 percent to utility bills. But the Minnesota sales tax adds 4 percent to the same bill. Which tax is too high? What would happen to the State's treasury if that 4-percent tax were abolished?

But of course, if you are from Texas, you would not have to ask that question. Their severance tax raised $1.2 billion in 1979, compared to only $59 million raised by Montana. Alaska's State energy taxes will raise $4.4 billion in 1980.

And every time a Montanan goes to

the gas pump he pays a little of that Texas severance tax and a little of the Alaska severance tax. But, again, I am not asking for a limitation on their taxes.

Mr. President, some big-spending utilities are trying to deflect attention from their inability to reduce electric rates. Legislation to reduce severance taxes is an election year scapegoat for their ineffective efforts to conserve energy and keep utility rates down.

While Montana's coal severance tax contributes less than 1 percent to utility bills, the cost to construct and operate a coal-fired generating plant is 50 percent of that bill. And, transporting the coal from Montana is over one-quarter of the bill.

In 1977, transportation counted for about 60 percent of the delivered cost of Montana coal. In recent years, annual freight rate increases have significantly exceeded the total amount of the Montana coal severance tax.

I would suggest that the proponents of this legislation concentrate on their efforts to preserving competitive rail service and preventing unreasonable freight rates.

If proponents of this legislation are serious about cutting utility rates for their constituents, they are barking up the wrong tree. Because even if they succeed—and I do not think they will—their constituents are not going to pay less for electricity.

I hope that my Senate colleagues will join me in opposing the unprecedented attack on States' rights represented by S. 1778 and H.R. 6625.●

IMPROVEMENT OF RELATIONS WITH MEXICO AND CANADA

● Mr. DOMENICI. Mr. President, I have often stated on numerous occasions that a special relationship between the United States and her southern and northern neighbors is natural and ought to be encouraged. But as is often the case between neighboring countries, the relationship with our neighbors has often been taken for granted or ignored.

A recent editorial in the Dallas Morning News addresses our relationship with one of our neighbors, Mexico, and emphasizes the inconsistency of pass policies toward them and poses to Congress the challenge of correcting the situation. It is my intention, as it is that of Senator Baucus and of our colleagues on the North American Trade Caucus, to improve and to give due recognition to the special relationship between our Nation and that of both Mexico and Canada. I hope that the Senate will see fit to support the efforts of the caucus. Mr. President, I ask that the article be printed in the Record.

The article follows:

Why Muddle Mexico?

In a presidential election year, it is easy to blame mistakes on the incumbent because there is usually plenty of ammunition handy. But Dr. Roger W. Fontaine, a Latin American affairs specialist, may have borne down too hard on President Carter with his criticism of recent U.S.-Mexico relations.

Dr. Fontaine told a Republican Party platform committee hearing that the nation must move quickly to initiate high-level negotiations on energy, immigration and economic development to overcome mistakes of the Carter administration. And he termed the Mexicans "confused" about U.S. intentions.

That confusion exists in Mexico is understandable. But Congress not the President, should be blamed. Consider these situations:

The U.S. government encouraged Mexico to develop winter vegetables as an export crop. But when Mexican farmers began gaining too large a share of the market, the government almost enforced a law to cut off imports.

While U.S. agricultural products sit in the field because of a railroad car shortage, Congress has refused to waive a tariff that would allow Mexican manufacturers to supply rail cars that domestic producers can't.

And while U.S. employers all but invite illegal aliens into this country where they are often exploited, Congress has declined to either provide funds for enforcing immigration laws or to penalize employers for hiring illegal aliens.

Faced with these contradictions between words and deeds, the Mexicans certainly should be confused. And so are many Americans who wonder why a next-door neighbor hasn't received more sympathetic treatment from Washington for more than a century.●

AN AMERICAN'S DECLARATION

● Mr. HARRY F. BYRD, JR. Mr. President, recently I received from Mollie Glass Pamplin (Mrs. Jack C. Pamplin) of Falls Church, Va., an inspiring statement which she entitled "An American's Declaration."

The theme of Mrs. Pamplin's composition is that while none of us can be the great leaders of America's past, and few of us can hope to emulate them, each of us in his or her own way can make a contribution toward preserving and strengthening our country.

I believe that Mrs. Pamplin's declaration deserves to be widely read, and I ask that the text of "An American's Declaration" be printed at this point in the Record.

The declaration is as follows:

An American's Declaration

I cannot be the "Father of My Country" like George Washington, but I can be proud that this is the country of my fathers, and that it is MY country.

I may not be a great architect like Thomas Jefferson, but I can be the architect of my own fate because I live in this free land.

I cannot sign the Declaration of Independence like John Hancock and his fellow patriots, but I can be sure that I am present at the ballot box casting my vote for freedom as I help to elect my representatives by the democratic process.

I cannot write the Bill of Rights like George Mason, but I can be ever mindful of the rights of others and never allow my rights to infringe on theirs.

I may not ride like Paul Revere shouting "The Redcoats are coming", but I can write to my Congressmen and my President whenever I wish, sounding the alarm when I see dangers arising for my country.

I may not be a great teacher of law like George Wythe, but I can respect the laws of the land and be a law-abiding citizen.

I cannot discover hundreds of uses for the peanut like George Washington Carver, but I can conserve the resources of my country by using carefully its gas, electricity and water and leaving the parks and countryside clean and litter free.

I may not espouse the doctrine of fiscal responsibility nationally as did Senator Harry F. Byrd, Sr. but I can handle my own financial affairs in a responsible manner, living within my means, budgeting my resources, saving a portion and sharing a portion, thus making my contribution to the free enterprise system.

I may not be a great humorist like Will Rogers, but I can develop the ability to laugh at myself, to not take myself too seriously and to have a smile for my fellowman.

I may never be called upon to face serious illness courageously while holding high public office with the eyes of the nation upon me, as did Senator Hubert H. Humphrey, but I can face whatever life sends me with a love of country, love of family and faith in God.

If I can be inspired by the great leaders of my country to live by high principles as they did, then I will be an American citizen who can be proud of his country and my country can be proud of me.●

REPEAL THIS ROBBERY OF OLDER PERSONS

● Mr. GOLDWATER. Mr. President, it was my pleasure today to testify before the Subcommittee on Social Security, chaired by Senator Nelson, regarding S. 1287, which I have introduced together with several other Senators, to repeal the earnings test of social security.

It is my strong belief that this money does not belong to the Government. It belongs to older persons whether they earn extra money or not.

Repeal of the earnings ceiling will benefit older persons and it will benefit the economy. Virtually every economic study done in the last year or so concludes that repeal of the ceiling on earnings will generate tremendous new revenues in social security taxes and income taxes.

In my testimony today, I presented data and arguments from no less than 13 economists who believe elimination of the test will produce substantial additional revenues which will flow into the Social Security System and general revenues.

Mr. President, since this evidence is relatively new, I ask that the complete text of my statement may appear in the Record, where it may be available to any of my colleagues who are interested in this subject, and that the names of all sponsors of S. 1287 may appear in the Record.

The material is as follows:

Repeal This Robbery of Older Persons

(Statement of Senator Barry Goldwater)

Mr. Chairman, I want to personally thank you for your great courtesy in scheduling the hearing for today so that I might appear before you.

Strange as it seems, there has never before been a Congressional hearing solely addressing the earnings ceiling on social security benefits, and I applaud your decision to give me and others an opportunity today to focus on this anomaly in the old age insurance program.

Mr. Chairman, I believe the earnings test should be repealed at age 65, which is the traditional age of entitlement to full benefits.

The bill I have introduced with Senators Bayh, DeConcini, Pressler and Stone as coauthors will do just that. S. 1287 will repeal the earnings ceiling for all persons age 65 and older beginning in January of 1983.

We are joined by 15 other Senators who have cosponsored S. 1287, and I ask that the text of the bill and names of all 20 sponsors may appear at the conclusion of my remarks.

Senator Jepsen has also introduced repeal legislation. I am a cosponsor of his bill. He is a cosponsor of S. 1287.

Mr. Chairman, the law now discriminates against more than 11 million citizens aged 65 to 72. If persons of this age wish to or must continue working, they must pay a surtax of 50%! They lose one dollar of social security for every two dollars of wages on all income earned over $5,000, until their benefits are cut entirely.

This tax of 50% is in addition to any Federal, State, County or city income taxes they will have to pay; and the penalty is on top of continued social security taxes collected from aged workers whether or not they receive benefits.

Mr. Chairman, the law has been improved. An amendment which I offered in 1977, as modified by the substitute amendment of Senator Church, increased the ceiling in stages from $3,000 to $6,000 and lowered the exempt age to 70 from 72. This amendment will be fully effective in 1982.

But I want to go a step beyond the 1977 amendments. The sponsors of S. 1287 want to repeal the ceiling entirely.

We believe the money older persons pay into social security is theirs. It does not belong to the government and the government should have no say in how it is paid back. The government's only responsibility is to pay it back; whether older persons earn extra money or not has nothing to do with it.

And don't let anyone tell you, Mr. Chairman, that the working person does not bear the entire burden of the social security tax. As Professor William C. Mitchell has written:

"Whatever the fiscal illusions involved, the tax on the employer is actually a tax on labor; he passes on his share of the tax to the workers in the form of lower wages." [1]

Professor Mitchell adds:

"The real social security tax on the individual worker is not the 5.85 percent the law stipulates, but double that amount." [2]

In 1982, that tax will be even higher, for a combined tax rate of 13.4 percent. The tax base of workers will have been increased eight times and their tax rates thirteen times.

In the words of our former colleague, the late Senator Paul Douglas, who was a professor of economics and a consultant on social security in the 1930's:

"(These workers) have earned their annuities. To require them to give up gainful employment is, in reality, attaching a condition upon insurance which they have themselves bought." [3]

There are other reasons for repealing the wage test. The American Medical Association has concluded older persons suffer great physical and mental harm by being forced to retire sooner than they wish.[4] Another reason is the heavy drain upon the national economy caused by loss of the skills and output of older persons who retire in order to collect their full social security checks.

Also, we know that many older persons must continue working in order to cope with the high cost of living. They cannot afford the luxury of staying at home.

To these points, I might add the basic inconsistency between a Federal law which discourages employment of older persons and the national policy of eliminating mandatory retirement before age 70. The 1978 Age Discrimination Amendments tell older persons they can work up to age 70 free of compulsory retirement rules. The social security earnings test tells these same persons they must retire at age 65 or suffer a penalty by loss of their benefits.

Several leading economists support repeal of the earnings test. Nobel Prize economist Milton Friedman is one. Professor Carolyn Shaw Bell, Chairman of the Department of Economics at Wellesley College is another.[5]

But what do the economists say about cost? I will turn to that question now.

The Social Security Administration claims it will cost $2.1 billion in additional benefits to repeal the test in 1983.[6] But this estimate does not take account of several savings.

Professor Marshall Colberg of Florida State University, a former president of the Southern Economic Association, has identified at least five important cost savings:

"1. Added income tax collections would accrue from additional earned dollar income as a result of expansion of labor force participation of OASI recipients.

"2. Additional payroll tax collections would be made from the added employees and their employers, and from self-employed recipients of old-age benefits.

"3. More federal excise taxes would be collected.

"4. Underreporting of earned income to the Internal Revenue Service should decline.

"5. A decline in Social Security Administration costs would occur since the earnings test is hard to administer." [7]

Professor Colberg adds a sixth factor in recent testimony before the Senate Special Committee on Aging. He says:

"The whole idea of the cost of repeal of the retirement test is a fallacy based on a narrow accounting view. Extra work effort by the over-65 group would increase the real national product and real income per capita." [8]

Professor Colberg's findings are confirmed by Professor Colin D. Campbell, who is Professor of Economics at Dartmouth College and one of the Nation's leading authorities on social security. Professor Campbell adds that "the disincentive effect of the earnings test on employment makes older persons more dependent upon governmental transfer payments, raising the overall cost of government spending." [9]

In other words, remove the earnings test, and reduce public assistance costs.

Professor Campbell agrees that from the point of view of the economy, removing the earnings test is costless. In a private letter to me, dated September 17, 1979, Professor Campbell criticizes the current Advisory Council on Social Security for looking "at the elimination of the retirement test from the point of view of the social security system rather than from the point of view of the economy as a whole."

He writes:

"From the point of view of the economy, the retirement test is clearly a bad policy. It discourages employment, reduces the supply of labor, and lowers the total output of the economy."

Next, we might ask what is the dollar amount of savings identified by these economists? Professor Colberg has made a detailed analysis of the additional taxes to be collected from persons added to the work rolls if there were no means test at age 65.

In 1977, he estimated repeal would result in added Federal tax collections of $454 million per year. In a private letter, dated September 12, 1979, Professor Colberg has updated this figure for me to 1982. He calculated that removal of the earnings ceiling in 1982 would raise a minimum of $633 million additional payroll and income taxes. Taking account of other factors, Professor Colberg believes the total savings will amount "to at least one-third" of the estimated cost.[10]

Using very conservative estimates, Professor Colberg finds that 219,105 presently retired persons aged 65–69 will be added to the work force by elimination of the test. His analysis does not include any estimate of older persons 65–69 who are already working and may increase their incomes once the ceiling is lifted.

A recent study by Social Security Administration researchers proves that increased tax receipts to the Federal Government will be even higher than Professor Colberg has estimated. This study concludes that if the earnings test were eliminated for workers aged 65–69, the net increase in social security tax receipts and individual income taxes would amount to 79 percent of the cost of increased benefits.[11]

The authors look both at elderly persons who are still working and those who are now retired. They find that social security recipients aged 65–69, who are presently working, will increase their earnings sufficiently to raise an additional $149 million of social secuity taxes and $212 million of individual income tax payments. This group includes 161,422 current workers who are clustered at or just below the ceiling and 923,565 workers who now earn enough to have some, but not all of their benefits denied.

The researchers also find that 615,061 workers, who already make over the upper boundaries of the ceiling and therefore receive no benefits, will reduce their earned income once the ceiling is removed. The authors calculate that this negative effect will lower Federal income taxes by $21 million and drop social security taxes by $10.6 million.

The authors assume that 1,372,828 social security recipients, with wages $900 or more below the ceiling, will not increase their work effort at all.

Finally, the writers believe 299,000 persons aged 65 to 69, who will otherwise be fully retired, will rejoin or remain in the work force if the earnings test is eliminated. These new workers will generate $540 million in new social security taxes and $786 million in added income taxes.

In all, the study finds that repeal will bring in $1.7 billion of increased revenues, which represents 79 percent of the government's estimated $2.1 billion cost.

It is interesting that the study puts added social security taxes at 32 percent of benefit payouts. Another researcher, Philip Cagen, estimated repeal of the test would generate increased payroll taxes equal to 33 percent of the cost in a 1974 report to the Social Security Advisory Council.[12] The consistency of these two government economic studies offers confidence the conclusions do not overstate the savings of repeal.

Since 80 percent of the total tax increases are represented by the earnings of retired persons who will return to work, I will take a closer look at this group. Actually, the Social Security Administration researchers have taken cautious approach to estimating returning workers. They have made a personal judgment that only 5 percent of all fully retired social security recipients aged 65–69 will reenter the work force. There are 5.7 million retired covered workers in this age group. The researchers determine that only 3 million of them have the potential to earn wages above the ceiling.

The authors conclude that only one-tenth of these 3 million retirees will resume work. The authors compare this fraction with the findings of another Social Security Administration researcher, who reported in 1978 that no more than 12 percent of retirees would be very likely to return to work. But the same report indicates that another 24 percent of retired persons "constitute an ambivalent group whose members might return to work." [13]

Also, the researchers might have used another Social Security Administration study which concludes that only 16 percent of retired men age 65 wanted to retire. This study reveals that only 14 percent of all men age 65 had left work because of health reasons. Another 36 percent gave compulsory retirement policies as the reason they left work.[14] But this is no longer as relevant because Congress lifted the mandatory retirement age for most workers from 65 to 70 in 1978.[15]

Applying the earlier survey, adjusted for the new age discrimination law, to the 5.7 million fully retired persons age 65–69, more

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Footnotes at end of article.

than half have no health problems, are not affected by compulsory retirement rules and did not want to retire. Studies of work experience data convince me that most of these persons remain out of the labor force because of the earnings test.

For example, Professors William Bowen and Aldrich Finegan point to the income test as the cause of up to half of retirement decisions at age 65.[16] Professor Michael Boskin of Stanford University, who is pioneering new research of retirement data, finds the earnings test "dramatically increases the probability of retirement." He concludes that a mere reduction "of the implicit tax on earnings from one-half to one-third cuts the annual probability of retirement in half for typical workers." [17]

Professors Robert Kaplan and Arnold Weber of Carnegie-Mellon University also believe government cost estimates failed to consider millions of retired persons who would reenter the work force once the earnings test is repealed. Many of these persons do not have a choice of working part time. They can either work full time or not at all. If the ceiling is eliminated, they will return to work with no additional cost to the system. They are receiving maximum benefits already.[18]

Professor Anthony Pellechio has also demonstrated that eliminating the earnings test will significantly increase labor supply. He believes the clustering of earned income around the exempt amount, and the shifting of this cluster in in step with changes in the exempt amount, present graphic evidence of the relationship between labor activity and the earnings ceiling.[19]

The same effect of changes in the level of exempt earnings was found by Social Security Administration researcher Kenneth Sander in 1970. Mr. Sander concluded that "a fairly large number of workers responded to the higher annual exempt amount by increasing their annual earnings" to the new, higher ceiling.[20]

Mr. Chairman, based on the wealth of consistent findings in these numerous economic studies, I believe it is safe to conclude that the job activity of older persons is directly tied to the earnings test. If the test were repealed, I am certain well over the 5 percent of retired persons estimated by Social Security Administration researchers would resume working.

In my opinion, repeal of the test will virtually finance itself. But, even if the Social Security Administration paper is correct, the short-fall is only a fraction of the cost. I suggest that any deficit should be financed by shifting a comparable part of the welfare component of social security to general revenue financing.

Mr. Chairman, I urge you to give older persons a break. Repeal the earnings test and give them back the money that they have earned.

20 SPONSORS OF S. 1287

Barry Goldwater, Birch Bayh, Dennis DeConcini, Mark Hatfield, John Durkin, David Pryor, Milton Young, Jack Schmitt, James McClure, Roger Jepsen, Richard Stone, Larry Pressler, Paul Laxalt, Strom Thurmond, Pete Domenici, Jake Garn, Richard Lugar, Daniel Inouye, S. I. Hayakawa, John Danforth.

FOOTNOTES

[1] W. Mitchell, "The Popularity of Social Security: A Paradox in Public Choice," American Enterprise Institute for Public Policy Research, 1977, at p. 8.

[2] *Id.*

[3] Paul H. Douglas, "Social Security in the United States 1963," at pp. 171–72.

[4] See "Retirement: A Medical Philosophy and Apnroach, "American Medical Association Committee on Aging, 1972.

[5] C. Bell, "The Cruel Tangled Web Called Social Security," Los Angeles Times, December 16, 1973, part VI, at pp. 1, 4.

[6] See Memo from Office of Chief Actuary, Social Security Administration, to Senator Barry Goldwater, Appendix I.

[7] M. Colberg, "the Social Security Retirement Test; Right or Wrong?", American Enterprise Institute for Public Policy Research, 1978, at pp. 42–43.

[8] Testimony of M. Colberg before the Senate Special Committee on Aging, November 28, 1979. See Appendix II.

[9] C. Campbell-R. Campbell, "Conflicting Views on the Effect of Old-age and Survivors Insurance on Retirement," Economic Inquiry, Vol. 14, Sept. 1976, at pp. 369, 385; see also, C. Campbell, "The 1977 Amendments to the Social Security Act," American Enterprise Institute for Public Policy Research, 1978, at p. 18.

[10] See letter from Dr. M. Colberg to Senator Barry Goldwater, September 12, 1979, Appendix III.

[11] Josephine Gordon and Robert Schoeplein, "Tax Impact From Elimination of the Retirement Test," Social Security Bulletin, vol. 42, September 1979, at pp. 22–32. See Appendix IV.

[12] P. Cagen, "Effect of the Elimination of the Retirement Test on OASDI Revenues." Social Security Administration, Sept. 18, 1974.

[13] D. Motley, "Availability of Retired Persons for Work: Findings From the Retirement History Study," Social Security Bulletin, April, 1978, at p. 27.

[14] V. Reno, "Why Men Stop Working at or Before Age 65," Social Security Bulletin, vol. 34, June 1971, at p. 5.

[15] H.R. 5385, Public Law 95–256, April 6, 1978.

[16] W. Bowen and T. A. Finegan, The Economics of Labor Force Participation, Princeton University Press, 1969, at pp. 281–285.

[17] M. Boskin, "Social Security and Retirement Decisions," Economic Inquiry, vol. 15, January 1977, at p. 13.

[18] R. Kaplan and A. Weber, "A Proposal to Eliminate the Social Security Retirement Test," Social Administration, (Working Paper for the Advisory Council on Social Security), September, 1974.

[19] A. Pellechio, "The Social Security Earnings Test, Labor Supply Distortions, and Foregone Payroll Tax Revenue," National Bureau of Economic Research, August 1978, at pp. 2, 5.

[20] K. Sander, "The Effects of the 1966 Retirement Test Changes on the Earnings of Workers Aged 65–72, "Research and Statistics Note, Social Security Administration, January 30, 1970, at p. 2.●

ARE MICE MIGHTIER THAN NUKES?

● Mr. **GRAVEL**. Mr. President, sometimes it is hard not to laugh at nuclear power fiascoes we keep hearing about—from a worker's shirttail recently shutting down a plant in Virginia when it got caught on a knob to some radioactive coffee that was being served at a plant in Michigan because the water supply was hooked up to a radioactive waste line.

Although such incidents have an amusing side, they should serve as a warning that the nuclear industry is not blessed with perfection, and that the most unexpected events can occur. Unfortunately, such events can lead to accidents the likes of which humanity should never have to suffer.

The vulnerability of the nuclear industry was demonstrated late last year when field mice evidently caused a shutdown at a large nuclear plant in California. Details of the problem and what the Government is doing to solve it are contained in the following two stories, which I ask to be printed in the RECORD.

The articles are as follows:

[From the San Diego Union, Nov. 10, 1979]

SAN ONOFRE PLANT SHUTDOWN BLAMED ON FIELD MICE

Field mice apparently caused the electrical malfunction that shut down the San Onofre nuclear plant Wednesday, Southern California Edison officials said yesterday.

Plant Manager Jarlath Curran said several dead mice were found directly below the burned electrical distribution system, a 480-volt unit located two floors below the Unit 1 reactor control room.

Curran, who said the investigation into the malfunction will continue, said he was not aware there were mice in the room housing the electrical equipment. He said the company is looking into a rodent-control program.

An Edison spokesman said mice, rats, snakes and other animals have caused equipment malfunctions at other power plants.

On Wednesday, an electrical flash occurred in the electrical distribution system, generating heavy smoke. The Camp Pendleton Fire Department was called to the plant, but there was no fire when firefighters arrived.

The malfunction destroyed copper conduits designed to distribute electricity to plant equipment. There was no emergency or immediate safety hazard and there was no release of radiation, Edison officials have said.

Repairs likely will keep the 456-megawatt nuclear unit closed down until late next week.

Each day the nuclear reactor remains closed costs Edison up to $250,000 to buy replacement power. The costs are passed along to Edison and San Diego Gas & Electric Co. customers who receive power from the nuclear plant.

The utility is making use of other power sources in its system to make up for the loss of Unit 1.

[From the San Diego Union, Nov. 14, 1979]

BETTER MICE ARE OUTSMARTING BETTER MOUSETRAP

LIVERMORE, CALIF.—Engineers at Lawrence Livermore Laboratory are attempting to design a better mousetrap.

However, nature might be designing a better mouse.

The U.S. Department of Energy scientists got interested in mousetraps because field mice became a serious problem for them by eating through wires and causing other mischief.

Three of four traps designed at Livermore utilize a teeter-totter or walk-the-plank design in which a mouse seeking bait gets dumped into a container of water where he drowns.

However, when the scientists showed off their traps this week for reporters, a couple of mice proved too smart.

As one mouse walked up the tiny teeter-totter to get some bait, another sat at the bottom end providing a counterweight to keep the teeter-totter from tipping.●

GUNS AND BREAD

● Mr. **McGOVERN**. Mr. President, a recent New York Times editorial brought our guns and butter budget debate into the stark human terms of guns versus bread. The Senate Budget Committee in proposing $1.4 billion in cuts in the food stamp program is literally taking bread off the tables of hungry Americans. The $430 million in cuts recommended by the President and by the House Budget Committee would make 500,000 people presently receiving food stamps ineligible for the benefits, and markedly reduce the support given to other needy Americans. The Senate Budget Committee also agreed to these cuts, but they went much further, taking draconian measures to more than triple the savings. I do not know how many more people these cuts will take off the roles. But I do know that many, many millions of Americans will receive substantially fewer food stamps because of them. These millions will be the growing children who need both the school lunches and the extra nourishment that the so-called duplicate food stamp benefits provide to supplement the inadequate diet that can be purchased with even the maximum amount of food stamps. These millions will also be the young and the old who live in the colder regions of the country who next winter will have to choose between more heat and more food, because their energy assistance moneys that the Government felt was important for them to have will be counted as income in computing their food stamp benefits.

The Times editorial does not mention the cut in the WIC program of $100 million from the $946 million that the Agriculture Committee recommended to the Budget Committee. But this, too, is among the most insidious of the budget cuts, for it takes bread from hungry Americans, among whom are America's most vulnerable from a nutrition standpoint.

We talk of increasing our national defense capability. Yet these drastic cuts in the food stamp and WIC programs will cause an undermining of the health of our Nation that can only weaken the defense capability that we are trying to improve.

I ask that the Times editorial be printed in the Record.

The editorial follows:

Guns and Bread

Few social programs have so altered the conditions of American life as have food stamps. Until these Federal coupons were introduced during the 60's, many poor people went hungry. This month, 20 million are using them to buy food at their grocery stores. But now, the food stamp program faces obstacles in Congress that could cause hardship and hunger.

As if having to choose between guns and butter isn't hard enough, some senators now urge a more callous choice. Beyond the sizable increases in defense spending the Administration has already proposed, they want to add yet an additional $5.8 billion. And to find the money, they would raid the food stamp budget. Their choice, in other words, is guns and bread—and they choose guns. That is not a choice that a sensible, let alone a civilized Senate will allow to stand.

There are two problems. The first is that Congress vastly underestimated the cost of the stamp program this year. Unless it quickly approves increased spending, the program will run out of money in June, four months short. The Senate has acted to add $2.5 billion to the program's $6.2 billion budget. But the politics of cutting the Federal budget have complicated matters, and there is a real danger that Congress will not be able to handle the problem before May 15. In that case, food stamp distribution will stop June 1. How many days delay are tolerable? The answer is another question: How many days must go by before millions of people notice they are not eating?

The second problem involves the budget for fiscal 1981, starting next October, and it is even more grave. There is no question that most Federal spending needs to be reduced. Balancing the budget is a duty, albeit a painful duty. Hence we do not like the saving of $430 million that the House Budget Committee proposes in future food stamp spending, but at least the reduction seems reasonably planned.

The Senate Budget Committee is another story. It would slash $1.4 billion, and in ways that seem almost mean. One idea is to redefine poverty. Anyone who receives emergency Federal payments to help meet higher fuel costs is to be considered a little richer, and thus eligible for fewer food stamps. This nearly transparent fig leaf would save $200 million. Another proposal would cut $600 million on the grounds that some children are subsidized for four meals a day because they get school lunches as well as food stamps.

We recently fell for that one ourselves, because eliminating the "duplicate meal" sounds sensible. But as Secretary of Agriculture Bergland informed us, food stamp benefits are based on a very low-diet plan. Few families spending at such a level get a nutritionally adequate diet. School lunches offset this nutritional deficit somewhat, at least for the children.

More than a decade ago, the United States declared war on hunger and malnutrition. The food stamp program has been the chief weapon in that war, and it is a war America has been winning. Now, unless there is prompt action on the 1980 budget and unless the Senate overturns its budget committee's proposals for 1981, there will be a new battle cry: Oh yes, America is determined to feed its poor people . . . some of them . . . some of the time.

Granted, there must be budget cuts. Granted, everybody will feel them. But there are a lot of things that should go first before taking bread off the table.●

TENTH ANNIVERSARY OF THE MOUNT PLEASANT CATHOLIC EDUCATION CENTER

● Mr. GLENN. Mr. President, Mount Pleasant Catholic Education Center of Cleveland is celebrating its 10th anniversary this week. I would like to take this opportunity to commend the faculty and staff for providing quality education to Cleveland-area students studying under their supervision. I would also like to recognize the efforts of all parents, students and members of the Mount Pleasant community who have worked hard to support this school and to insure many young Ohioans of getting the best educational services available. I would like to acknowledge the special efforts of Sister Ruthmary Powers and Bishop Lyke for their roles in the many activities slated for this week, April 21–25, 1980, to celebrate Mount Pleasant Catholic Education Center's 10th anniversary.●

THE MARRIAGE PENALTY TAX

● Mr. GRAVEL. Mr. President, this week we observed the passing of a universally dreaded day, April 15, the deadline for paying Federal income tax. This day is particularly onerous for millions of two-earner families. They have the distinction of paying excessively high taxes simply because they are married. This year as in previous years, many couples chose to divorce in order to avoid the marriage penalty. Let us hope that next year the largest segment of taxpayers will no longer suffer from this unjust provision.

In this regard, the House Ways and Means Committee recently held 2 days of hearings on the marriage penalty. The overwhelming message of the witnesses was that this "quirk" in the law is inequitable and provides many negative incentives contrary to national objectives.

I request that my testimony before the House Ways and Means Committee be printed in the Record.

The statement follows:

Statement by Senator Mike Gravel

I appreciate the opportunity to submit testimony to the House Ways and Means Committee regarding the marriage penalty tax. This tax is onerous in times of relative economic stability, but is clearly insupportable during periods of uncontrollable inflation. The bill that I introduced last May in the Senate would not totally eliminate the marriage penalty incurred by two-earner families, but it would substantially relieve the unfair additional tax burden on these families without a serious drain on the Treasury. I would like to briefly explain to the Committee my analysis of the problem and my reasons for choosing the legislative solution embodied in S. 1247.

A married couple experiences two phenomena when they fill out their tax form: one, their two single standard deductions have been replaced with the lower married deduction; and two, if both are working the combination of their incomes has catapulted them into a higher tax bracket. The second phenomenon becomes increasingly visible as husband and wife earn equal shares of the family's income. Inflation further exacerbates the problem by pushing them into higher and higher tax brackets while their buying power is ever decreasing.

The often substantial increase in tax liability due to wedlock is inconsistent with my understanding of our existing federal tax policy. We have been guided by several principles which are meant to make our tax system a just one. The most important of these are undoubtedly that taxation should be progressive and that individuals with like incomes should pay similar tax. Another important principle has been that marriage should neither be penalized nor rewarded by our tax law. We cannot totally achieve all three goals; our task has been to adjust all three in order to achieve an equitable distribution of tax burden. I think we have been relatively successful in terms of the single taxpayer and the traditional one-earner family. But our achievement is lacking in terms of the two-earner family because working couples experience a significant increase in tax liability when they marry. We have not successfully extended the principles of marriage neutrality and tax parity (taxing equal incomes equally) to two-earner couples.

To demonstrate the inequity of treatment consider the single person in 1979 who earned $20,000 and was taxed $3,837 as compared to the one-earner family also earning $20,000 and taxed $2,745. Clearly, in terms of tax liability, substantial allowance has been made for the additional financial responsibilities associated with families. Now when you look at the two-earner couple with an income of $20,000 you notice that family status has worsened their tax situation. If you assume each person is earning $10,000 towards the family's $20,000 income their joint tax liability has increased from $2,345 to $2,745. This increase of $391 is due solely to their marriage, for them it is the marriage penalty.

There are proposals before the Committee which would reevaluate the three tax units and perhaps eliminate the single-family distinction. The members of the Committee are well aware of the complexity of the issues involved in this task. I do not necessarily disagree with any of the approaches of these bills; there are pros and cons attributable to all. But, as a member of the Senate Finance Committee, I do not foresee an opportunity in the near future for a thorough investigation and resolution by our respective committees of the very difficult tax policy questions presented by the marriage tax.

And yet, a consensus on the inequity of the marriage penalty tax is building and demanding that we take action. Therefore, I have proposed a tax deduction of 10 percent of the lower earner's income up to $20,000. This approach will substantially reduce the marriage penalty while not altering current tax policy; it also minimally depletes general revenues—approximately $3.5 billion is the estimated cost.

I am very pleased that two members of the Ways and Means Committee have introduced bills similar in concept to S. 1247. With the leadership established in this Committee to explore the marriage penalty tax I feel confident that we can resolve this issue in the near future. I want to add that I would encourage both the Finance Committee and the Ways and Means Committee to study the appropriateness of current tax units when time and resources allow us to effectively deal with all the issues. I am convinced that we need to reevaluate both the relative tax burden distributed among the three tax groups and the rationale for distinguishing between married and single. Our society has changed and its time our tax policy caught up.

I would like to make one further comment about the impact of the marriage penalty tax. As much as any other factor, broadened equal career opportunities for women have encouraged the advent of the two-earner family. Our tax policy which discourages this phenomenon, contradicts those federal policies which seek to bring women into the labor force. The marriage penalty tax provides a negative incentive for women to enter the labor force and unfairly penalizes them when they do.

Our current economic problems will also motivate more women to seek employment. What they will find are government programs and policies assuring them success but imposing a high cost if they are a two-earner family through an excessively high tax on their income. Efforts to increase the family's income to keep pace with double-digit inflation will be a losing battle as long as we allow the marriage penalty tax to continue.

Our constituents are outraged and will not accept excuses why we cannot address this well-known inequity that has a demonstrable negative effect on families. We have the wherewithal to reduce the marriage penalty tax this year. The comprehensive hearings scheduled by this Committee is an encouraging first step.●

HELEN MILLER OF CRS—A DEDICATED AND ABLE AIDE TO THE CONGRESS

● Mr. PELL. Mr. President, as chairman of the Senate Subcommittee on Education, Arts, and Humanities, I would like to take this opportunity to pay tribute to Helen Miller, a gracious lady who has recently retired from the Congressional Research Service in the Library of Congress. For more than three decades, Helen Miller served the Congress by sustaining a high quality of support through some of the most active years of Federal education policy making. She is one of those admirable persons who avoid visibility and receives satisfaction from the products to which she contributes even though they are often attributed to others. In this manner, Miss Miller upheld one of the strongest traditions of the Congressional Research Service and its predecessor agency, the Legislative Reference Service, in serving the Congress.

Following World War II service with the American Red Cross in Australia, Helen Miller joined the Legislative Reference Service and became an invaluable resource for the legislative process. In that era, most of the work consisted of providing various types of information, and she developed an extensive knowledge of the entire field of education, as well as specific knowledge of past and current Congressional actions in education. With the Legislative Reorganization Act in 1970, the Legislative Reference Service became the Congressional Research Service, and Miss Miller found herself facing the challenge of providing leadership during a period when the mission of this Congressional support agency was being dramatically expanded. She admirably rose to the occasion, providing guidance and stability during a decade of change as well as seeking to preserve those traditions that have made the Congressional Research Service an effective congressional support agency.

During the past decade, the Congressional Research Service has become more directly involved in providing support for the legislative process. As the leader of the education section in CRS, Helen Miller served as the teacher for numerous analysts who provide direct support to Members and committees. In this manner, she extended her competencies and shared her expertise to furnish maximum service to every Member of Congress. Through her support and leadership, CRS expanded its services with the development of computer simulation capabilities and extended policy analysis that have become an integral support component during consideration of legislation on education grant and entitlement programs.

Helen Miller's diligence, commitment to excellence, and sense of history will be missed, but she can take pride in knowing that the institution she helped to build will continue to serve the Congress and has been made stronger by her presence. To her we extend our gratitude and hope that retirement provides her with new opportunities to enjoy the beauties of life.●

GENERAL ACCOUNTING OFFICE REPORT ON THE DRUG ENFORCEMENT ADMINISTRATION'S CENTAC PROGRAM

● Mr. BIDEN. Mr. President, on March 27, 1980, the General Accounting Office published a report prepared for the Attorney General of the United States entitled "The Drug Enforcement Administration's CENTAC program—An Effective Approach to Investigating Major Trafficking That Needs to be Expanded." A Central Tactical Unit is created when Drug Enforcement Administration personnel identify a drug trafficking organization that operates on such a scope that it can be effectively investigated and prosecuted only through the combined efforts of DEA field offices in more than one DEA region and of personnel from DEA headquarters. Staff from Internal Revenue Service, U.S. Customs Service, and local police forces may also be assigned to the investigation. Prosecutions are coordinated by the Criminal Division of the Department of Justice. Thus the CENTAC program is a flexible, multiresource approach to the problems posed by drug organizations that are at the top of the criminal hierarchy.

Conclusions drawn by the authors of the report are the product of work that includes review of cases and probation reports at several judicial districts; discussions with judges and U.S. Attorneys; and analysis of DEA criminal investigative files. Results of the report are summarized by GAO as follows:

> Using few resources, Central Tactical investigations have account for a high number of major trafficker arrests. Although Drug Enforcement Administration officials maintain the program is at its optimum level, there is a paucity of data to confirm or refute that position. The Drug Enforcement Administration needs to conduct a rigorous reexamination of its position to serve as a basis for either reallocating existing resources or justifying to the Congress its need for additional resources.
>
> Even though the investigations have been impressive in terms of the number of high-level traffickers arrested, traffickers in general have not forfeited drug-related assets. Changes are needed to improve the Government's ability to cause the forfeiture of those assets.

I congratulate the administration of the Drug Enforcement Administration on a job well done. The Central Tactical Units are certainly successful. Likewise, I congratulate the General Accounting Office on their thorough report.

I am sure the report will aid the Department of Justice in their efforts to improve the effectiveness of their important work against drug traffickers. Congress has the responsibility of making sure that the tax dollars spent to prevent illegal activity are not expended frivolously. This report assures me that the CENTAC program is the best approach to the problem and it points the way for even greater improvements in the future.

At the request of the Subcommittee on Criminal Justice, of which I am chairman, the General Accounting Office is now preparing a similar but more detailed report on the use of criminal forfeiture statutes in major Federal drug cases. I look forward to another thought-provoking report sometime during the summer. Mr. President, I ask that the digest of the GAO report described above be placed in the RECORD in its entirety.

The material follows:

THE DRUG ENFORCEMENT ADMINISTRATION'S CENTAC PROGRAM—AN EFFECTIVE APPROACH TO INVESTIGATING MAJOR TRAFFICKERS THAT NEEDS TO BE EXPANDED

DIGEST

The 1979 Federal Strategy for Drug Abuse and Drug Traffic Prevention states that Federal domestic drug law enforcement should be focused on major drug trafficking organizations. The Central Tactical program was established by the Drug Enforcement Administration to do just that. Under the program, large, centrally controlled, many-faceted, interregional, conspiracy investigations of major drug organizations are conducted.

The program has proven to be an effective method of investigating and prosecuting large numbers of high level narcotics traffickers and should be expanded. Using few resources, Central Tactical investigations have accounted for a high number of major trafficker arrests. But Drug Enforcement Administration officials say the program size is optimum. Data to support or refute the agency's position is limited.

The Drug Enforcement Administration, therefore, needs to conduct a rigorous reexamination of its position to serve as a basis for either reallocating existing resources or justifying to the Congress its need for additional resources.

The Federal strategy also stresses investigations which lead to forfeiture of drug traffickers' assets to immobilize major drug organizations. Central Tactical investigations have had minimal success in this area. Major changes are needed to improve the Government's ability to immobilize traffickers by taking away the financial reward from illicit drug dealings.

CENTRAL TACTICAL UNITS ARE SUCCESSFUL

Initiated in 1973, the Central Tactical program has included conspiracy investigations of 21 major drug trafficking organizations. The program has been praised by officials in the criminal justice system. Even though it comprises only a small portion of the Drug Enforcement Administration's enforcement effort, it has resulted in the arrest and prosecution of many top narcotics violators. For example:

Central Tactical investigations active during the 3-year period (1976–1978) have resulted in indictments of 731 traffickers, of which 260, or over 36 percent, were the highest level violators. Overall, only 12 percent of total agency arrests are high level violators. (See p. 4.)

Central Tactical units have been responsible for over 12 percent of all the high-level violators arrested from 1976 to 1978, while using less than 3 percent of the Drug Enforcement Administration's enforcement resources. (See p. 4.)

Federal prosecutors commented that the Central Tactical units generated some of the Drug Enforcement Administration's best investigative efforts, resulting in convictions and lengthy prison sentences for trafficking organizations leaders. (See p. 5.)

EXPANSION IS IN ORDER

The Drug Enforcement Administration has identified over 100 leaders of major organizations for priority enforcement action. According to Drug Enforcement Administration officials, probing these organizations will require large multiregional conspiracy investigations. (See p. 7.)

Given the success of the Central Tactical units and the need for more multiregional conspiracy investigations, the expansion of the Central Tactical program is warranted. Such expansion would be consistent with the Attorney General's policy guidelines. For fiscal year 1980, he directed the Drug Enforcement Administration to increase its emphasis on major trafficking organizations through Central Tactical Unit operations and the development of major conspiracy cases. However, Drug Enforcement Administration officials said the current size of the program is optimum given existing enforcement resources and required commitments, and its preference for regionally controlled investigations focused on major traffickers. (See p. 8.)

Data needed to support or refute the agency's position is limited. Data available suggests that commitments to investigate other agencies' referrals are largely unproductive. The Drug Enforcement Administration has greater flexibility to reallocate resources to Central Tactical investigations than it admits. Regionally controlled investigations work against one of the major benefits of Central Tactical investigations—effective investigations of the full scope of major traffickers' activities. Until the agency rigorously evaluates the benefits of its various programs, it will not be in a position to know whether to reallocate resources or be able to justify additional resources for Central Tactical-type investigations. (See pp. 8 to 13.)

RISK OF ECONOMIC LOSS MUST BE INCREASED

Even though the forfeiture of drug traffickers' assets is an integral part of the Government's strategy to immobilize trafficking organizations, the Central Tactical program has had minimal success in this area. Although many high-level drug dealers have received substantial prison sentences, in general they have been able to retain their drug-related assets. The estimated annual revenues of the five criminal organizations probed by the Central Tactical units GAO studied in detail totalled at least $65 million, but the Government obtained very little of those revenues. Forfeitures of traffickers' drug-related assets were insignificant and only 10 percent of the 187 convicted traffickers received fines which totalled only $118,000.

The lack of success in obtaining traffickers' assets can be attributed, at least in part, to three interrelated causes.

The Drug Enforcement Administration lacks financial investigative expertise. (See p. 15.)

Many U.S. attorneys are inexperienced in the use of forfeiture statutes, or consider prosecution under these statutes to be too timeconsuming. (See p. 16.)

Asset seizures were not established as a goal in the Central Tactical unit's operational plans. (See p. 18.)

In addition, the Drug Enforcement Administration has requested only a limited amount of tax information for narcotics investigations. (See p. 19.)

The Drug Enforcement Administration's investigative personnel do not have backgrounds in financial analysis. Unlike other investigative agencies which have many agent/accountants, DEA has none. Because of budget limitations, the Drug Enforcement Administration is unlikely to increase its staff with a significant number of financial specialists. (See p. 15.)

One of the key problems identified at a September 1978 Drug Enforcement Administration conference on the use of financial intelligence in narcotics investigations was that many U.S. attorneys had limited knowledge of or tended not to use available criminal and civil forfeiture authorizations. In addition, Federal prosecutors stated that because asset forfeiture cases were so timeconsuming, it may be more efficient to use their time on additional cases rather than attempt forfeiture of the assets of a trafficker already convicted and in prison. (See p. 16.)

Plans and proposals for implementing the five Central Tactical units reviewed did not specifically provide for seizure and forfeiture of traffickers' assets. The combination of the Drug Enforcement Administration's lack of expertise and the U.S. attorney's unwillingness to use forfeiture statutes goes a long way to explain why the five Central Tactical units neither geared up to nor achieved any significant seizures of traffickers' assets. (See p. 18.)

RECOMMENDATIONS

GAO recommends that the Attorney General direct the Administrator of the Drug Enforcement Administration to evaluate the effectiveness of the various methods used to investigate major traffickers with the aim of determining whether redirecting enforcement resources from less productive approaches is feasbile. (See p. 13.)

To increase the use of financial analysis and obtain forfeiture of traffickers' drug-related assets, GAO makes two additional recommendations to the Attorney General. (See p. 20.) ●

NUCLEAR BOOSTER EXPLAINS HOW TO DO WITHOUT IT

● Mr. GRAVEL. Mr. President, a large number of people now reject the idea of building any more nuclear powerplants since the accident at Three Mile Island demonstrated just what a foolish idea it is to depend on these risky machines. However, there is less support for shutting existing plants down because some people have fallen for the nuclear industry's predictions of gloom and doom if plants are shut down.

There are several points which effectively rebut the alarmist industry predictions. In the first place, if future plants should not be built because they are too risky, then existing plants should not be allowed to operate for safety reasons. In fact, they may be more risky than future plants because they lack some of the newer safety devices that could have been used on future plants, because they have suffered the damaging effects of corrosion, stress, radiation, heat, and pressure, and because some are sited in heavily populated areas. A Nuclear Regulatory Commission staffer recently termed the siting of three plants 24 miles from New York City at Indian Point, N.Y., as "insane." I commend him for his honesty and perception.

Mr. President, I am not aware of one contested nuclear licensing case where the utility involved has not insisted their proposed nuclear plant was absolutely essential. Yet, in case after case after case, we find that indeed the plants are not essential because power shortages have not occurred when they are shut down, or when they have not been completed by the time the utility said they would have to be to avoid shortages. Although we have heard a lot of complaints from Pennsylvanians about utility plans to irradiate them by venting radiation from the shutdown Three Mile Island plant, we have not heard of anyone "freezing in the dark" as nuclear advocates predict a nuclear shutdown would cause. Last summer, during a hot New York August, all three of Con Edison's nuclear plants were simultaneously shut down, due to safety and maintenance problems and there was no shortage. Nevertheless, for the past 20 years Con Ed has insisted it needs nuclear power.

Licensed nuclear plants now account for about 13 percent of U.S. electrical generating capacity, or about 3 percent of our total energy supply. Of course, they never produce that much since, typically, they produce about half the energy they were designed to due to shutdowns and deratings related to accidents, maintenance, leaks, safety problems, and so forth.

Figures from the utilities indicate that even on their day of highest electrical demand—a hot summer day when air conditioners are running full blast—35 percent of their generating capacity sits idle. So if we give the nuclear advocates every benefit of the doubt by assuming that none of those idle plants is nuclear, and that the nuclear plants were all running at full capacity, we would still have a 22-percent reserve of idle capacity if we shutdown every nuclear unit; 35 percent minus 13 percent equals 22 percent.

When confronted with these figures, nuclear advocates often point out that the nationwide figures do not show how dependent some areas are on nuclear electricity, and they invariably remind us that Chicago is 40-percent dependent on it. They seem to forget that we have a grid capable of transporting large amounts of power from one area to another, so that power lost from a shutdown nuclear unit can be replaced with "imported" nonnuclear electricity from other utilities.

Well, it turns out that even heavily nuclearized Chicago can do without existing nuclear plants, according to Mr. George Travers of Commonwealth Edison. As related in Ralph Nader's "In the Public Interest" column of March 31, 1980, Travers says that by using idle nonnuclear generating capacity, Com Ed could shutdown all seven of their nuclear plants and only have to import 2,800 megawatts of electricity from other nonnuclear utility sources. Any implementation of cost-effective energy efficiency improvements would reduce the need for imported power, and, in fact. Mr. Nader has told me:

> Mr. Travers also criticized, at a public meeting in a Chicago suburb, the energy wasteful architectural design of the large Chicago skyscrapers built since the 1973 energy crisis began. He deplored the large waste of electricity in these buildings.

Mr. President, if an official of Commonwealth Edison Co. can explain how the most heavily nuclear-dependent part of the United States can so easily do without nuclear power, it seems to me that there is no reason whatsoever to allow any of these ultradangerous plants to operate any longer.

I submit Ralph Nader's column for printing at this point in the RECORD.

The column follows:

IN THE PUBLIC INTEREST

CHICAGO, ILL.—George Travers of Commonwealth Edison Co.—the utility industry's most prolific operator of nuclear plants—believes the anti-nuclear opposition in the Midwest has become more intense. He should know. His job is to represent his boss, James O'Connor, at public meetings where indignant citizens ask him hard questions. . . .

Throughout the farmlands, small towns and cities of northern Illinois, where seven nuclear plants are licensed and six more are under construction, the grass roots drive against nuclear power is spreading. Some of the activity is chronicled in a periodical called "No Nukes News."

Special focus is on the disclosure that the federal government may select the General Electric facility at Morris, Ill. (49 miles southwest of Chicago) as a storage dump for high-level radioactive waste from the United States and foreign countries. Even ultra-reactionary congressman Thomas Corcoran, R-Ill., opposes this move. He has his finger to the wind. At a meeting on Feb. 27 in Morris, Undersecretary of Energy John Deutsch faced 200 very upset citizens. One of them, Warren Olson, told Deutsch to "tell everyone in Washington that Grundy County is going to fight this all the way."

Mounting concerns also is being drawn to the low-level radioactive waste dump at Sheffield (120 miles west of Chicago), which neighboring farmers and residents suspect is leaching.

Less newsworthy but even more portentous for Commonwealth Edison's nuclear juggernaut are meetings in private homes and churches were people are learning about the dangers, costs and bungling associated with this high-risk technology. Those who come to learn today will be in the forefront of the civic movement to shutdown nuclear power tomorrow.

A few days ago, Travers was asked by a Chicago resident what Commonwealth Edison would do if all its nuclear plants were shutdown. Usually, the big utiilty predicts economic catastrophe when asked this question because it has made the Chicago area 40 percent reliant on atomic electricity. This time Travers coolly described now his utility's massive extra generating capacity could be brought to production leaving about 2,800 megawatts to buy from other utilities.

Without even including the savings which could be secured by reducing some of the 50 percent of its electricity that Chicago, like the rest of the country, wastes, Travers showed that even in the densest nuclear thicket replacement of nuclear power is possible now. Nationally, nuclear power accounts for 12 percent of the electricity (equal to about 3 percent of the country's energy)—hardly a point of no return for the nation.

According to the American Institute of Architects, simply applying known energy efficiency methods to old and new buildings would save, at a lower cost and with more jobs, far more electricity than the 200 nuclear plants the industry officially expects to have in operation by the year 2000.

Unofficially the utility industry has largely removed new nuclear orders from its future plans. More than 150 orders have been canceled and no firm new order has been committed in three years. Unfinished nuclear plants are being converted to coal in some states.

One year after the Three Mile Island (TMI) accident, the horrors, expenses and community antagonisms continue to worsen. Hundreds of millions of dollars and nearly 2,000 workers are involved in a four-year effort to clean up the huge quantity of radioactivity loose inside the plant and its water. Many people living nearby want the two plants never to open again. So far, the accident will cost consumers more than $2 billion, apart from any litigation claims.

Recently, I came across a description of the protective clothing required for the TMI workers. In its concreteness this list tells the difference between other electric utility accidents and one dealing with awful amounts of cancerous and gene-damaging radioactivity:

"Two-thousand workers required to complete the cleanup of the plant are anticipated to use 200,000 cloth overalls, 1 million plastic coveralls, 100,000 pairs of rubber boots, 1 million pairs of gloves, 10,000 sponge mops, 100,000 surgical caps and 1 million square feet of plastic shielding.

These items of clothing then become radioactive and must be transported to some storage facility for thousands of years. Yet another heavy present and future price to pay for atomic electricity.●

THE 100th ANNIVERSARY OF NATIONAL POLISH ALLIANCE

● Mr. RIEGLE. Mr. President, I would like to bring to the attention of my colleagues the 100th anniversary of the Polish National Alliance.

Since its founding days in Philadelphia in February of 1880, the Polish National Alliance has grown from a local, autonomous unit of 143 persons to a national organization with over 302,000 members. During the past 100 years of American history, many members of the alliance have given splendid service to our country, not only through valiant service in both world wars, but also in crucial government and diplomatic positions. The current PNA president, Aloysius Mazewski, is a fine example of the caliber of their membership. Mr. Mazewski served as the American delegate to the United Nations 25th convening of the General Assembly, and also represented the United States at proceedings of the European Common Market and the North Atlantic Treaty Organization.

The Polish National Alliance has made great strides in uniting the Polish-American community, giving Polish Americans a sense of pride, national significance, and commitment to the continuing improvement of our great Nation. For their contribution in this area and in other areas of humanitarian concern, the Polish National Alliance deserves the highest commendation.

I salute them in their efforts and wish them well for the future.●

PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million or, in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulated that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

In keeping with my intention to see that such information is immediately available to the full Senate, I ask to have printed in the RECORD at this point the notification I have received. The classified annex mentioned in the attached letter is available to Senators in the office of the Foreign Relations Committee, Room S-116 of the Capitol.

The notification follows:

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C.

Hon. FRANK CHURCH,
Chairman, Committee on Foreign Relations,
Washington, D.C.

DEAR MR. CHAIRMAN: Pursuant to the reporting requirements of Section 36(b) of the Arms Export Control Act, we are forwarding herewith Transmittal No. 80-56 and under separate cover the classified annex thereto.

This Transmittal concerns the Department of the Navy's proposed Letter of Offer to the Netherlands for defense articles and services estimated to cost $70.0 million shortly after this letter is delivered to your office, we plan to notify the news media of the unclassified portion of this Transmittal.

Sincerely,

ERNEST GRAVES,
Director.

[Transmittal No. 85-56]

NOTICE OF PROPOSED ISSUANCE OF LETTER OF OFFER PURSUANT TO SECTION 36(b) OF THE ARMS EXPORT CONTROL ACT

(i) Prospective purchaser: Netherlands.

(ii) Total estimated value: Major defense equipment,* $63.0 million; other, $7.0 million; total, $70.0 million.

(iii) Description of articles or services offered: One hundred (100) MK 48 torpedoes.

(iv) Military Department: Navy (ADR).

(v) Sales commission, fee, etc. paid, offered or agreed to be paid: None.

(vi) Sensitivity of technology contained in the defense articles or defense services proposed to be sold: See Annex under separate cover.

(vii) Section 28 report: Case not included in section 28 report.

(viii) Date report delivered to Congress: April 8, 1980.●

MX MISSILE—PROPOSED DEPLOYMENT

● Mr. HATFIELD. Mr. President, one of this town's worst kept secrets in the spring of 1980 is that there is deepening concern over the budgetary, environmental, and strategic implications of the proposed deployment of the MX missile in the so-called racetrack basing mode. Intense political pressure against the massive MX project has now surfaced in Utah and Nevada, the States where it is to be deployed. The original $38 billion cost estimate of the project has, through the breakdown of SALT II, been effectively thrown out. Estimates of completion costs run at $50 to $70 billion, and seem to take quantum leaps each month.

There is serious talk of the need to abandon the ABM treaty in an effort to defend the proposed MX system beyond the 1980s. There continues to be growing concern over the first-strike counterforce implications of the MX missile, a capability which will put fully 70 percent of the Soviet strategic forces in immediate jeopardy. This action could well force the Soviets to move toward a highly volatile "launch on warning" strategic position in times of future international crisis. A mountain of legal battles and delays by environmentally conscious groups await the project's first shovelful of dirt in the desert.

All these inherent problems with the MX are coming to bear on the viability on virtually any land-based, "shell game" concept. These pressures are certain not to diminish with time, but to become more acute.

Mr. President, recognizing the extreme strategic danger inherent in Secretary of Defense Brown's assertions that the United States itself may adopt a "launch on warning" strategic policy in the coming decade because of the perceived vulnerability of the 35 percent of the U.S. strategic forces resting on its land-based missiles, I have proposed an alternative.

On November 9, 1979, I offered an amendment which envisioned a new strategic concept. It was a concept proposed by some of this Nation's best scientific minds. The alternative is known as the shallow underwater missile (SUM) system.

The SUM system would create a fourth "leg" of the strategic triad. SUM is a fleet of some 100 smaller, diesel-powered submarines. This fleet would patrol in one-half million square miles of waters off the U.S. coast. Unlike the deep-water submarines, they would stay in direct contact with command and control centers on land. The ships could be placed in the water by the mid-1980's, with 2 to 4 neutrally-buoyant, canisterized missiles carried outside the hull.

To rapidly insure the invulnerability of our land-based missiles, and to stop the unnecessary, dangerous and costly deployment of the first-strike MX weapon, I proposed that a portion, or all, of the existing Minuteman III missile force be placed aboard these submarines. Such a deployment could save years of ICBM vulnerability, minimize the length of a U.S. "launch on warning" strategic stance, save billions, simplify future army control negotiations and add a fourth leg to the triad (over 600 of the existing land-based missiles would remain in their silos). The addition of SUM to the Nation's defense would not, as some have alleged, create a "dyad," but would create instead a "quadrad" of strategic forces, thus complicating targeting for Soviet defense strategists.

A recently-concluded study of SUM by the Department of Defense reportedly concluded that SUM could cost nearly that projected for the MX missile ($32 billion). It also estimated that it could be operational at approximately the same time at the MX racetrack. Significantly, after published reports as recent as last month quoting Pentagon planners on SUM vulnerability to nuclear explosion in the water (the Van Dorn Effect), the Pentagon now agrees that such vulnerability does not exist in the deployment mode envisioned for SUM and outlined last November.

Mr. President, as positive as this report is on SUM, I believe it vastly underrates the cost and time savings of the SUM concept with the MX racetrack. I urge my colleagues to consider joining in a request for an immediate, comprehensive and objective study to be undertaken by the Congressional Office of Technological Assessment of SUM/Minuteman III concept as an alternate to presumed vulnerability of our land-based missiles. Perhaps no decision will have a greater impact on the future of the nuclear arms race, and the stability of peace in the decade ahead; $50–100 billion in taxpayers' money is also at stake. We have an obligation to explore all alternatives before finally embarking on the immense, costly and destabilizing MX racetrack decision. I ask that two recent articles on SUM in Defense Week and the New York Times be printed in the RECORD.

The articles follow:

[From Defense Week, Apr. 14, 1980]

MX DEVOTEES TRY TO TORPEDO SUBMARINE RIVAL

(By Richard Barnard)

The debate over the new MX strategic missile seems ready to erupt again. In the final draft of a report to be released this week, the Defense Department mounts a vigorous assault on an alternate system—called the shallow underwater missile system (SUM)—favored by some members of Congress and the academic community for its lower cost.

SUM is characterized as expensive and probably dangerous by Seymour Zeiberg, Deputy Undersecretary of Defense for research and engineering. In his report, Zeiberg says that adoption of a submarine-based missile defense system in lieu of the land-based MX would severely impair American defense capabilities and probably would not be any cheaper than the MX. Another major drawback of the submarine-basing concept, according to Zeiberg's evaluation, is that the West German submarine envisioned for use in SUM is too small. Design and construction of another diesel electricity submarine would cost $28 billion and delay operation of the SUM concept until the 1990s.

"There appears to be no cost rationale for proceeding with a small submarine system as an alternative to the land-based MX unless it was decided . . . to depend on a dyad of strategic forces," Zeiberg said. A triad of retaliatory forces composed of bombers, submarine launched ballistic missiles and ICBMs has long been the philosophical centerplace of U.S. defense strategy. It is based on the assumption that the Soviet Union might be able to knock out one leg of the triad, but never all three. Thirty-three Poseidon and Trident nuclear submarines armed with almost 1000 ballistic missiles already provide the underwater leg of the triad. Placing a second leg at sea would increase the risks for the U.S., Zeiberg said.

Sidney Drell, deputy director of the Stanford Linear Accelerator Center and one of the main architects of the SUM concept, disagrees. He told Defense Week that adoption of SUM "would preserve the diversity of strategic forces" necessary to permit the U.S. to ride out an enemy attack and deliver a nuclear counterpunch. A central thesis underlying SUM, Drell said, is that deployment of about 100 small, quiet submarines in U.S. coastal waters as mobile launchers for Minuteman III or MX missiles would make it impossible for the Soviets to locate and strike all the targets.

Drell scoffed at Zeiberg's suggestion that SUM could not be operational before the 1990s. "We developed the first Nautilus (nuclear submarine) in less than 10 years. And back then, we started at zero. We're a great deal more advanced now," he asserted.

Richard Garwin of Harvard University, co-developer of SUM, described Zeiberg's critique as "very preliminary." The report "changed our concept and then faulted SUM because of the changes made. They expanded the operational range of the (SUM) submarines from 500,000 square miles to about four million square miles. The added range gives you no additional security but it increases the costs."

Garwin and Drell believe SUM could be operational by 1985 when the first of the Air Force's new MX missiles are supposed to be available. Use of Minuteman III missiles would enable DOD to deploy SUM in 1983, according to Sen. Mark Hatfield (R-Ore.), who is championing SUM in Congress. The land-based MX would not be available until 1989, according to the Air Force.

Timing is crucial, SUM advocates say, because the present land-based leg of the U.S. defense triad will become vulnerable to Soviet attack in the early 1980's. In his fiscal

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*As included in the U.S. Munitions List, a part of the International Traffic in Arms Regulations (ITAR).●

1981 report to Congress, Defense Secretary Harold Brown said the Soviets have developed "highly accurate, MIRVed ICBMs [with multiple independently targeted reentry vehicle systems] with the potential of threatening the survivability of our ICBM silos."

In answer to this threat, DOD has proposed development of the land-based MX, an enormous, lethal, costly and, according to the Air Force, virtually invincible version of the age-old shell game. If approved by Congress, it would consist of 200 MX ICBMs each deployed on a closed road leading to 23 protective shelters. When threatened, the Air Force would shuffle the 200 missiles between their shelters, forcing the Soviets, in theory, to exhaust their ICBM warheads by shooting at 4600 shelters, most of which would be empty. The cost of the missiles, shelters and roads—built over 9000 square miles of public lands in Utah and Nevada—would be $34 billion, according to the Air Force or $48 billion, according to the Congressional Budget Office.

Air Force Brig. Gen. Guy Hecker, Air Staff Special Assistant for MX matters, says that the land-based MX is exactly what America needs. It can survive and counterpunch. If the Soviet build more warheads, the U.S. will erect more shelters, giving Russian gunners more empty targets to shoot at. But Hatfield and other critics say that the U.S. is blundering into a taxpayer's nightmare. For example, each new shelter will run the MX bill up another $2.2 million. SUM could survive and counterpunch for $15 billion less than the MX, Hatfield claims.

According to Garwin, the SUM concept calls for 100 submarines each carrying two to four ICBMs in capsules strapped to their sides. When the submarine wants to fire, it releases a capsule which bobs upward and fires as it breaks the surface of the water.

The missiles could be shuffled about without the need for expensive shelters, SUM advocates say, and their plan could be developed faster, cheaper and without the complex environmental consequences presented by the land-based MX.

Zeiberg of DOD is not convinced. He views SUM as a fanciful idea offering no advantages when compared with the MX. For example, he points out, SUM would be vulnerable to a Soviet barrage of the continental shelf with nuclear warheads which would create 100-foot tidal waves and destroy the submarines. Drell retorts that this criticism was deposed of long ago: SUM submarines would patrol beyond the continental shelf at depths of about 800 feet, deep enough to avoid the effects of a nuclear barrage of U.S. coastal waters.

Another obstacle to SUM, Zeiberg says, is that—as continental shelf sitters—the ships would have little room to maneuver and could be located easily by the Soviets. Such criticism, Garwin replies, "is totally irrelevant. I never suggested a bottom sitter. Everyone knows that won't work."

Throughout his report, Zeiberg returns to a central complaint: reliance on SUM would place a second leg of the defense triad at sea and diminish U.S. defense capabilities. If the Soviets improved their antisubmarine warfare techniques to the extent that they could endanger the Poseidon and Trident subs, he indicates, the smaller and slower SUM submarines also would be vulnerable. "But that argument assumes that a sub is a sub is a sub, which isn't so," Garwin told *Defense Week*. Diesel electric submarines have a quieter "signature" and are more difficult to locate than Tridents, he said.

[From the New York Times, Apr. 19, 1980]

PENTAGON ANALYSTS SEE MX ALTERNATIVE IN SEABORNE MISSILE

(By Richard Halloran)

WASHINGTON, April 18.—A recent Pentagon study has concluded that a new nuclear missile system based at sea could be substituted for the controversial MX mobile missile system that the Carter Administration proposes to base on land, according to a senior Defense Department official.

The new report brings up a fundamental question: whether the United States should continue to rely on missiles deployed on land as part of a triad of land-based, seaborne and airborne nuclear weapons for strategic deterrence of the Soviet Union.

The study showed that a seaborne alternative to the MX would be as accurate and secure from attack as the MX, would cost about the same and could be deployed in about the same time, the official said. He asked not to be identified.

PRESERVING STRATEGIC PLAN

But the Government, he said, will continue to push ahead with the land-based mobile missile system to preserve the triad, which has been the basis of American strategic weapons deployment for the last two decades. Most military officials contend that the diversity of the triad makes it nearly impossible for the Soviet Union to mount a surprise attack to which the United States could not retaliate.

The new report, however, was issued at a time when the mobile missile system has come under increasing criticism from residents and public officials in Nevada and Utah, where it would be built in the late 1980's at a cost of about $30 billion. People there say the system would disrupt the economy and harm the environment.

By concluding that, in effect, the system could be moved to sea, the new study appeared likely to shift the debate away from the question of where the missiles might be based and toward the issue of whether a land-based missile is necessary.

With the nation's present international ballistic missiles, called Minuteman, becoming obsolete, military officials have planned to replace them with a new missile system, the MX.

Several alternatives, including new missiles based on submarines, were presented to President Carter last year. The President, on the recommendation of Defense Department officals, chose the land-based version.

RANDOM MISSILE SHIFTS

As it stands now, each missile would be situated on a circular "racetrack" of 23 missile shelters connected with a loop road. The missile would be removed from shelter to shelter on a random schedule so that Soviet rocket gunners would not know where each was at a given moment and thus would be unlikely to score the necessary direct hit to destroy the missile.

But Gov. Robert F. List of Nevada and Gov. Scott M. Matheson of Utah have said publicly that they do not accept the Administration's plan for building the missile bases in their states even though most of the construction would be on Federal land. They have said that the influx of 50,000 people to build and operate the system would destroy a way of life in their states and severely damage the environment.

If they prevail, and if other states resist construction of the land-based system within their borders, the Administration might be forced to seek an alternative.

Among the leading proponents of the seaborne alternative have been Richard L. Garwin, a professor of public policy at Harvard, and Sidney Drell, a physicist at Stanford. They have advocated the deployment of small submarines with MX missiles.

SYSTEM DUBBED SUM

That system has been dubbed SUM, for Shallow Underwater Mobile, even though the submarines would operate in deep water to escape the tidal effect of a nuclear explosion.

The Pentagon study, under the direction of the Under Secretary for Research and Engineering, William J. Perry, was said to have concluded that the cost of the sea-based system would be about the same as the cost for the land version and not cheaper, as advocates of the sea-based system have suggested. That is because many small submarines would cost more than a few larger vessels. The total cost would be about $30 billion.

The study also found, the official said, that it would take about the same time to deploy one system as the other, because present submarines could not be safely modified to carry the new missiles. New ships would have to be built. Advocates of the sea-based system have contended that their system could become operational before the land-based one.

The analysis further determined that, while the sea-based system would be about as secure from Soviet attack as the land-based, the smaller submarines would be more vulnerable than the large Trident ballistic missile submarines coming into service now.

STAYING CLOSE TO HOME

The smaller submarines would be confined to a swath from 100 to 200 miles from the shores of the United States, while the Trident submarines can roam 20 million square miles of ocean.●

PRELIMINARY NOTIFICATION OF PROPOSED ARMS SALES

● Mr. CHURCH. Mr. President, section 36(b) of the Arms Export Control Act requires that Congress receive advance notification of proposed arms sales under that act in excess of $25 million, or in the case of major defense equipment as defined in the act, those in excess of $7 million. Upon receipt of such notification, the Congress has 30 calendar days during which the sale may be prohibited by means of a concurrent resolution. The provision stipulates that, in the Senate, the notification of proposed sales shall be sent to the chairman of the Foreign Relations Committee.

Pursuant to an informal understanding, the Department of Defense has agreed to provide the committee with a preliminary notification 20 days before transmittal of the official notification. The official notification will be printed in the RECORD in accordance with previous practice.

I wish to inform Members of the Senate that such notifications were received as follows: One on April 3; one on April 4; one on April 7; and two on April 9, 1980.

Interested Senators may inquire as to the details of these preliminary notifications at the offices of the Committee on Foreign Relations, room S–116 in the Capitol.

The notifications follow:

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C., April 3, 1980.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 4, 1980.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a European country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY
ASSISTANCE AGENCY,
Washington, D.C., April 7, 1980.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a NATO country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C. April 9, 1980.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country for major defense equipment tentatively estimated to cost in excess of $7 million.

Sincerely,

ERNEST GRAVES,
Director.

DEFENSE SECURITY ASSISTANCE AGENCY,
Washington, D.C. April 9, 1980.

Dr. HANS BINNENDIJK,
Professional Staff Member, Committee on Foreign Relations, U.S. Senate, Washington, D.C.

DEAR DR. BINNENDIJK: By letter dated 18 February 1976, the Director, Defense Security Assistance Agency, indicated that you would be advised of possible transmittals to Congress of information as required by Section 36(b) of the Arms Export Control Act. At the instruction of the Department of State, I wish to provide the following advance notification.

The Department of State is considering an offer to a Southeast Asian country tentatively estimated to cost in excess of $25 million.

Sincerely,

ERNEST GRAVES,
Director.●

DISCOUNTING FUTURE GENERATIONS

● Mr. GRAVEL. Mr. President, for many years opponents of nuclear power, myself included, have insisted that creating vast amounts of radioactive wastes which remain dangerous for 100,000 years and longer is a moral insult to future generations. I would like to think we will leave this world in better shape for future generations than we found it in; I think we certainly ought not leave it in worse shape.

There is no doubt that if we use nuclear power we will leave it in worse shape. No one argues that we will contain 100 percent of the radioactive byproducts of nuclear power; the whole controversy is over what fraction will be contained. The more that is released, the greater will be the number of deaths from radiation—induced cancer and genetic disease.

The magnitude of the problem can be seen in figures supplied to me by one of the world's most eminent nuclear scientists, Dr. John W. Gofman. If 99 percent of the radioactive poisons are successfully contained in a U.S. nuclear power economy of about 200 nuclear plants as planned, the nuclear industry would be responsible for causing about 400,000 Americans to die of cancer each year. Even if 99.9 percent perfection is achieved, the toll would exceed 40,000 per year. Dr. Gofman's complete figures are as follows:

Degree of perfection in containing radioactive poisons	Number of extra cancer deaths each year in United States		
	If 200 nuclear gigawatts	If 400 nuclear gigawatts	If 1,000 nuclear gigawatts
99 percent perfect	406, 420	812, 840	2, 032, 100
99.9 percent perfect	40, 642	81, 284	203, 210
99.99 percent perfect	4, 064	8, 128	20, 321
99.999 percent perfect	406	813	2, 032

Note: Gigawatt equals 1,000 MW. United States has 50 nuclear gigawatts operable.

Mr. President, the callous disregard the nuclear power establishment has for future generations was very well expressed recently by Dr. Kenneth Arrow at a National Academy of Sciences forum on radioactive waste in Washington, D.C., on November 19, 1979. Arrow, a professor of economics at Stanford University, has come up with a solution to the long term radioactive waste problem. He contends that we simply do not have to worry much about future generations—in his words:

> Somebody 50 years hence, or 100 years hence is not valued at the same level as we value ourselves today. . . .

I would like to quote Dr. Arrow further.

> I think in all our dealings with the future, if we're going to analyze what we do every time we make a decision about the future, we shouldn't treat the future on a par with the present. We have, in the ordinary commercial sense, a discounting of the future. It's reflected in ordinary transactions through an interest rate, and I think society not only should but does, in fact, act similarly in all its relations to the future.
>
> You see, we're concerned here about the hazards of what might happen in 500 or 600 years. By any rate of interest you can think of, let's say even something as low as 2 percent, the value of anything that happens 500 years from now is extremely small.
>
> Now, you may say, well, what about the ethics of this we are imposing the risk upon the future . . . Supposing . . . we have some risks 500 years from now. I am saying, if we have the 2 percent discounting per year, it won't come to anything.

Mr. President, I disagree with Dr. Arrow's reasoning and I certainly suspect anyone born after 1979 would disagree with him. I am grateful that our ancestors did not "discount" us and I shudder when I think what will become of our descendents if Dr. Arrow's ethical theories prevail during this atomic age.

Incidently, Mr. President, the limited news coverage of the forum at which Dr. Arrow spoke failed to note that of the seven panelists only one was a nuclear critic, and that the forum was supported by 15 nuclear companies and 3 Government agencies that have consistently defended nuclear power. I think the least the National Academy of Sciences should do is give equal time to those who argue we should not create the radioactive waste in the first place, and not continue to serve as a mouthpiece for a technology which has enjoyed lavish taxpayer and electric utility ratepayer funding for the past 25 years.●

JOHN ASHLEY WELLS

● Mr. JAVITS. Mr. President, New York has lost an outstanding citizen—a distinguished lawyer and public servant. Since 1942, he has held many Government offices, and was one of the most prominent Republicans in New York, holding various party offices and managing successfully the campaign of Governor Nelson A. Rockefeller for the Presidential nomination in 1964, my Senate reelection campaigns in 1962 and 1968, and campaigns for Fiorello LaGuardia, Thomas E. Dewey, and others. He was a law partner of former U.S. Secretary of State William P. Rogers and was well known and very highly regarded throughout the country.

His many faceted career is reflected in the attached obituaries from the Washington Post and the New York Times of April 15 and 16, respectively.

The material follows:

[From the New York Times, Apr. 15, 1980]

John A. Wells, Lawyer Who Ran Rockefeller's Presidential Drive

(By Wolfgang Saxon)

John Ashley Wells, a New York corporate lawyer who was a longtime associate of the late Gov. Nelson A. Rockefeller and managed his campaign for the Republican Presidential nomination in 1964, died Monday at his Manhattan office of a heart attack. He was 72 years old and lived in Rye, N.Y.

A native New Yorker, Mr. Wells was senior partner of the law firm of Rogers & Wells at 200 Park Avenue, a firm that includes William P. Rogers, Secretary of State in the Nixon Administration until 1973.

Mr. Wells also served as the statewide campaign manager for Senator Jacob K. Javits in 1968, helping the New York Republican with his third term in 1968. Mr. Wells' close links with the state's Republican Party dated to 1937 when as a young lawyer he directed a district campaign office of the Thomas E. Dewey for District Attorney Committee.

At the time of his death, Mr. Wells was a Republican state committeeman.

PRAISED BY ROGERS

He did litigation and appeal work in many fields as well as in general business and corporate law. He and Mr. Rogers had been lawyers together in the same office since World War II.

Mr. Rogers yesterday called him "one of New York's leading lawyers, a man of great integrity." He also noted that Mr. Wells had "devoted a great deal of his time and energy to public causes and in support of candidates for public office in whom he believed."

Mr. Wells was born Jan. 14, 1908, the eldest child of Lucien Roy and Maude Suckert Wells. He graduated from Stuyvesant High School and earned nine varsity letters and a Phi Beta Kappa key at Wesleyan University.

He also won a Rhodes scholarship and attended Balliol College at Oxford University from 1932 to 1935, receiving two law degrees. He then spent two years at Harvard Law School and passed the New York bar examinations in 1936.

PARTNER IN FIRM SINCE '48

Mr. Wells spent his first year as a lawyer with the firm of the former Chief Justice, Charles Evans Hughes, which was known as Hughes, Schurman & Dwight. From 1937 until his death, excluding a period of service during World War II, he remained with that firm through a number of name changes before it became Rogers & Wells. He had been a partner in it since 1948.

Taking a leave, Mr. Wells did research for the Republicans at the New York State Constitutional Convention of 1938. Again, he served as a counsel in the Office of Price Administration in Washington in 1942 and chief assistant counsel to the New York State Moreland Commission investigating the administration of the Workmen's Compensation the following year.

From 1944 to 1946, he was assistant counsel to the Navy Price Adjustment Board, rising to the rank of lieutenant commander.

Mr. Wells was the president of the New York Young Republican Club in 1941 and held various offices in the New York Republican Party before the war. He campaigned for Fiorello H. La Guardia's Fusion ticket in 1941.

After the war, he again took up the party banner and served in numerous capacities from year to year. Among other things, he was executive director of the Draft Dewey for Governor Committee in 1950 and worked in many Republican state and national nominating and election campaigns thereafter.

In 1961, he was an assistant to Richard M. Nixon's national campaign manager. He managed Senator Javits's 1962 campaign and then the unsuccessful foray by Mr. Rockefeller into Presidential politics.

After doing battle for John V. Lindsay in 1965, Mr. Wells was the New York City campaign director for the re-election of Governor Rockefeller the next year Mr. Rockefeller died Jan. 26, 1979.

The deep involvement of Rogers & Wells in Republican causes made headlines when Mr. Wells was asked to testify in 1974 before a Senate Committee considering Mr. Rockefeller's designation as Vice President. He told the panel that he played a personal and political role in arranging the publication of a derogatory campaign biography of Arthur J. Goldberg, the former Supreme Court Justice who had lost the gubernatorial race to Mr. Rockefeller four years earlier.

ARGUED CASE FOR CONCORDE

Mr. Wells once again was in the news in 1977 when he helped Air France and British Airways argue their case for landing rights here for the supersonic jet, the Concorde.

Mr. Wells is survived by his second wife, the former Pauline Montali, whom he married after the death of his first wife, Alicia Kenyon. There are five children from the first marriage, Michael Coolidge Wells, Meredith Brownstein, Sharon Quick, Jonathan A, and Christopher D.; and two from the second, Antonie L. and Gregory J.

Also surviving are five grandchildren and a sister, Mary Wormuth of Salt Lake City.

[From the Washington Post, Apr. 15, 1980]

John A. Wells, 72, Dies; Lawyer, Active in Politics

John A. Wells, 72, a senior partner in the Washington and New York law firm of Rogers & Wells who was active in Republican politics, died Monday in his office in New York City after a heart attack.

Mr. Wells was national campaign director for Nelson A. Rockefeller's unsuccessful drive for the 1964 Republican presidential nomination.

Mr. Wells also managed the reelection campaigns of Sen. Jacob K. Javits (R-N.Y.) in both 1962 and 1968.

Mr. Wells had campaigned with Herbert Brownell at Republican conventions, on behalf of Thomas Dewey in 1948 and Dwight D. Eisenhower in 1952. Mr. Wells also was an assistant to Leonard W. Hall in the presidential election campaign of Richard M. Nixon in 1960.

Mr. Wells began his legal career in New York in 1937. He was a member of the New York and District of Columbia bar associations, and also was admitted to practice before the U.S. Supreme Court.

A native of New York City, he graduated with high honors and high distinction from Wesleyan University in Middletown, Conn., in 1932. He was a Rhodes scholar and earned three degrees at Oxford University before returning to this country and earning a law degree at Harvard University.

He has been a partner of Roger & Wells and its predecessor law firms since 1947. William P. Rogers, former U.S. secretary of state and another of the firm's senior partners, said on learning of Mr. Wells' death:

"Jack Wells was a lawyer of outstanding ability, totally and energetically devoted to the best interest of his clients. He was one of New York's leading lawyers, a man of great integrity and a man who will be sadly missed by his many friends and associates."

Mr. Wells was described by another of the firm's attorneys as an authority in general business and corporate law who was active in appellate litigation.

In addition to private practice, he had been chief counsel of the Office of Price Administration in 1942, then assistant counsel of the Navy Price Administration Board in 1944 to 1945. He also served on active duty with the Navy during part of World War II and attained the rank of lieutenant commander.

Mr. Wells and his wife, Pauline, made their home in Rye, N.Y. His other survivors include seven children and five grandchildren.●

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum. There will not be any more business today.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

REMOVAL OF INJUNCTION OF SECRECY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the injunction of secrecy be removed from the Income Tax Treaty with the Republic of Malta Executive E, 96th Congress, 2d session), transmitted to the Senate today by the President; and that the treaty be considered as having been read the first time, that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The PRESIDING OFFICER. Without objection, it is so ordered.

To the Senate of the United States:

I transmit herewith, for Senate advice and consent to ratification, the Treaty between the United States of America and the Republic of Malta with Respect to Taxes on Income, together with a related exchange of notes, signed at Valletta on March 21, 1980. For the information of the Senate, I also transmit the report of the Department of State with respect to the Treaty.

For the most part, the Treaty follows the pattern of the United States model income tax convention, although there are some deviations from the model to accommodate Malta's status as a developing country. For example, in the Treaty, business profits of an enterprise of one country may be taxed by the other only if they are attributable to a permanent establishment in the other country. However, the definition of a permanent establishment is somewhat more broadly drawn in the Treaty than in the model convention.

The Treaty contains the usual rules relating to real property income, shipping income, capital gains, the treatment of entertainers, students, teachers, pensioners and governmental employees, and nondiscrimination and administrative cooperation.

The accompanying exchange of notes sets forth certain understandings between the two Governments.

I recommend that the Senate give early and favorable consideration to the Treaty and give advice and consent to its ratification.

JIMMY CARTER.

THE WHITE HOUSE, *April 21, 1980.*

REQUEST FOR COMMITTEE TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Tuesday, April 22, 1980, to hear and consider three nominees to the

U.S. Arms Control and Disarmament Agency.

Mr. STEVENS. There is no objection.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. Mr. President, will the Senator yield? I cannot hear which committees he is talking about.

Mr. President, may we have order, because I have one committee in mind that I do not want to meet.

The PRESIDING OFFICER. Will the Senator suspend for just a moment?

I appeal one more time, if I may, for order in the Chamber. May I ask that we have order in the Chamber? The majority leader has indicated that there are several important matters that have to be covered and Members need to be able to hear. I ask that we remain in order until this business is completed.

Mr. HELMS. Mr. President, will the Senator yield? Will the Senator review the committees he has covered thus far?

Mr. ROBERT C. BYRD. Yes.

The first request was with reference to the Committee on Foreign Relations.

Mr. HELMS. Mr. President, I was afraid that might have happened. I cannot ask the Senator to rescind it or request he rescind it, but I do not want the Foreign Relations Committee to meet after noon tomorrow, if I could.

Mr. ROBERT C. BYRD. After noon tomorrow?

Mr. HELMS. Yes.

Mr. ROBERT C. BYRD. All right.

Mr. President, I ask unanimous consent that the original request with respect to the Committee on Foreign Relations that it be authorized to meet during the session of the Senate on tomorrow be vitiated.

Mr. HELMS. If the Senator will yield further. We may change that in the morning after I have an agreement with the distinguished chairman.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the request which was granted be vitiated.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS. I thank the Senator.

Mr. ROBERT C. BYRD. Mr. President, can all Senators hear me?

Mr. HELMS. I can now hear the Senator.

Has the Senator yielded the floor?

Mr. ROBERT C. BYRD. Yes, I have yielded the floor.

CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Now, the Senate is in executive session.

The PRESIDING OFFICER. That is correct.

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. The Chair would advise that there are none.

Mr. ROBERT C. BYRD. I thank the Chair.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that following the orders of the recognition of the two leaders or their designees on tomorrow, which would be as in legislative session, the Senate resume its consideration of the nominee and that the time until 1:30 p.m. be equally divided between Mr. Hatch and Mr. Williams on the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, tomorrow the Senate will come in at 12 o'clock meridian. At 1:30 p.m., the Senate will go into recess and at 2 p.m. the Senate will reconvene and will immediately, with the quorum call under rule XXII being waived, proceed to vote in executive session on the motion to invoke cloture.

Regardless of the outcome of that vote, immediately following that vote, the Senate will proceed for not to exceed 10 minutes on the amendment by Mr. Durkin to S. 2177.

Upon the expiration of the 10 minutes, or upon it being yielded back, the Senate then will vote by rollcall, the yeas and nays already having been ordered, on the amendment by Mr. Durkin to S. 2177. Upon the disposition of that amendment the Senate, without further debate, amendment, motion, point of order, or appeal, will immediately proceed to third reading on S. 2177, and in likewise manner will immediately proceed to final passage of S. 2177, after which the Senate will return to executive session. There will be at least three rollcall votes tomorrow.

RECESS

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 12 o'clock meridian tomorrow.

The motion was agreed to; and at 6:01 p.m., the Senate recessed, in executive session, until Tuesday, April 22, 1980, at 12 o'clock meridian.

NOMINATIONS

Executive nominations received by the Senate April 21, 1980;

DEPARTMENT OF THE INTERIOR

Clyde O. Martz, of Colorado, to be Solicitor of the Department of the Interior, vice Leo M. Krulitz, resigned.

DEPARTMENT OF EDUCATION

Albert H. Bowker, of California, to be Assistant Secretary for Postsecondary Education, Department of Education (new position).

IN THE NAVY

The following temporary flag officers of the U.S. Navy for permanent promotion to the grade of rear admiral, pursuant to title 10, United States Code, sections 5780, 5781, and 5791.

LINE

John G. Wissler
Glenwood Clark, Jr.
William E. McGarrah, Jr.
Richard A. Miller
Milton J. Schultz, Jr.
Louis R. Sarosdy
Robert B. Fuller
Joseph B. Wilkinson, Jr.
Charles E. Gurney III
Richard K. Fontaine
Frank C. Collins, Jr.
James E. Service
Frederick W. Kelley
Peter C. Conrad
Dempster M. Jackson
James A. Lyons, Jr.
John B. Mooney, Jr.
James B. Busey IV
Lawrence Burkhardt III
William C. Neel
Walter M. Locke
Donald S. Jones
Joseph F. Frick
Louis A. Williams
Richard A. Martini
Powell F. Carter, Jr.
Harry C. Schrader, Jr.
Wayne D. Bodensteiner
Joseph J. Barth, Jr.
Stanley G. Catola
Richard T. Gaskill

MEDICAL CORPS

Roger F. Milnes
George E. Gorsuch
Eustine P. Rucci

CHAPLAIN CORPS

Neil M. Stevenson

DENTAL CORPS

James D. Enoch

SUPPLY CORPS

Duncan P. McGillivary
Richard E. Curtis

CIVIL ENGINEER CORPS

Paul R. Gates

IN THE NAVY

The following-named midshipmen (Naval Academy) to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Jeffrey R. Abel
James V. Adams III
John C. Aguero
Michael R. Ales
Rex H. Alexander
Paul M. Allen
James L. Allison
Jeffrey R. Allmon
Jesus Almanza, Jr.
Raymond E. Altenburger, Jr.
David M. Anderson, Jr.
John A. Anderson
Robert W. Anderson III
Peter A. Andreasen
Daniel J. Archer, Jr.
Larry E. Arkley
David C. Arnold
Mark R. Arnold
Angelo J. Artuso
Marshall W. Atkins
Richard M. Atwood
Russell E. Averill
Donald E. Babcock
Carl S. Barbour
Jerome A. Barker
Paul D. Bartholomay
Linda J. Bartlo
Andrew J. Barton
William A. Bastian II
Basil B. Bates, Jr.
Mark L. Bathrick
Christopher C. Bayack
Eric J. Bayler
Robert L. Beard
Charles D. Behrle
Thomas J. Belke
Charles G. Beltz
Elizabeth A. Belzer
Thomas K. Bennett
Stephen J. Benson
Donald J. Benzing, Jr.
Robert E. Berdine
Robert D. Berkebile
Jeffrey S. Best
Thomas S. Bethmann
Douglass T. Biesel
David M. Bissot
Robert J. Blunt
Matthew G. Boensel
John P. Bolich
Charles W. Booth
Wayne P. Borchers
Edward M. Borger, Jr.
Michael Borowski
Cameron J. Bosnic
Frederick W. Botero
Milton J. Bouvier III
Johnathan R. Bowden
William H. Bowen, Jr.
Mattrew J. Boyne
Eugene Bradley, Jr.
John K. Brady
James P. Brastauskas
Mark S. Breckenridge
Jeffrey A. Briggs
James B. Brinkman
David J. Broadbent
William L. Broadhag
Edward T. Brodmerkel
George S. Brown
George V. Brown III
Leonard J. Brown
Michael A. Brown
Michael J. Browne
William S. Buchanan
Gerald W. Buck
Michael D. Budney
Jerome L. Budnick

Karl P. Bunker
Larry J. Burks
Brian E. Burlingame
Karl J. Butterbrodt
Jon A. Buttram
Janice L. M. Buxbaum
Michael A. Buzzell
Gerald M. Byers
Richard N. Cacace
Timothy J. Callaghan
John L. Callahan, Jr.
Richard S. Campbell
Catherine-Mary C. Carlin
Richard S. Carlquist
Jeffrey J. Carlson
Brian D. Carmichael
Thomas M. Casey
Jordan W. Cassell
Patrick I. Castleman
Robert P. Catalano
Joseph M. Catoe
William M. Cavitt, Jr.
Robert J. Chamberlain, Jr.
Brandan J. Chang
Michael D. Chapline
Carl E. Chapman
Derek A. Character
Daryl L. Chen
David L. Chilton
Brannan W. Chisolm
Robert D. Christensen
Richard J. Chuday, Jr.
Manly K. Church
Robert E. Clager
Brian T. Clancey
Carl B. Clark
Isaac R. Clark, Jr.
David B. Clement
Fred E. Cleveland
Harry Coker, Jr.
Alan S. Colegrove
Gerard T. Coleman
John W. Coleman II
William F. Collins
Ronald P. Colvin
Edward M. Connolly
Jerome E. Connolly, Jr.
Christopher M. Conroy
Stanley L. Cooper
John J. Corbett
Brian F. Cornish
Dean J. Cottle
John C. Coughlin
Elizabeth S. Cox
Samuel J. Cox
Milton T. Craig III
Mark L. Crook
Mitchell P. Crouse,
William W. Crow
Donald S. Crump
Anatolio B. Cruz III
Kevin G. Currie
Stephan A. Cushanick
Mark W. Czarzasty
Thomas P. Dagostino
Jerry A. Dalo
Joseph G. Dancy
Francis Daniel
Sandy L. Daniels
Leonard A. Dato
Dan W. Davenport
Christopher S. Davids
Gregory S. Davis
Scott M. Dean
Roland E. DeJesus
David M. Delonga
Edward L. Dempsey
John J. Denice
James D. Denmark
Dwayne C. Dennis
Thomas W. Deppe
Tina-Marie Dercole
Carol J. Desmarais
Steven F. Diehl
Ferdinand J. Diemer
James B. Dillingham
Michael H. Dimercurio
Frederik Dimitrew
Lawrence T. DiRita
Joseph A. Disciorio, Jr.
Christopher Dods
Keith J. Doerrer
James M. Donahue
Richard P. Donofrio
Timothy J. Donovan
Joseph G. Doyle
Robin G. Druce
Kevin D. Duermit
Timothy M. Dunlevy
James L. Dunn
Michael R. Durkin
Crawford A. Easterling III
William F. Eckles
Charles M. Edmondson
Joe F. Edwards, Jr.
Oliver R. Edwards
Donald W. Eisenhart, Jr.
William L. Elder
Wendell A. Elento
John Elnitsky II
Richard G. Episcopo
David C. Ernest
James B. Ervin
William P. Eschbach
Johnny B. Esparza
Richard T. Etem
Charles E. Everett, Jr.
Randal D. Farley
George R. Farmer, Jr.
Michael R. Fedor
Thomas M. Feldman
Peggy A. Feldman
Edwin M. Fell
James R. Fenton
Ronnie L. Figgins
Philip G. Finegan
Kenneth D. Fink
Douglas Fiorino
Edward J. Fischer
Tracey A. Fischer
Robert W. Fish
Todd H. Fish
Michael J. Fitzgerald
Scott L. Fitzpatrick
Terrance Fitzpatrick
Richard A. Flak
David J. Flores
Maureen P. Foley
Earl W. Fordham
David D. Foy
Daniel J. Frawley
Michael J. Freix
Herbert D. Frerichs, Jr.
Ronald P. Friddle
John E. Frost
Nels A. Frostenson
John P. Fry
Alexander T. Funke
Douglas J. Fuse
Peter A. Fyles
Gerald S. Gallop
George G. Galyo
Scott A. Garrett
Jack H. Garwood, Jr.
Earl L. Gay
Bradley R. Gehrke
James A. Genter
Barbara A. Geraghty
Jeffrey L. Gernand
Christopher O. Geving
Joseph N. Giaquinto
William J. Gieri
Charles R. Gilbert
Daniel H. Gildea
Will W. Gildner, Jr.
Eric Giosa
Michael R. Glynn
Stefanie E. Goebel
Thomas J. Goebel
Mark J. Gonzalez
Dale R. Gordineer
Leonard B. Gordon
James L. Gosnell
Tobi D. Gottlieb
Joseph A. Grace, Jr.
Anthony G. Gragg
Russell J. Granier
James S. Grant
Thomas M. Gray
Ray A. Green
Michael J. Grieco
Geoffrey T. Grimard
Matthew P. Grissom
Bruce E. Grooms
Cynthia S. Grubbs
Eric P. Grubman
Scott M. Grundmeier
James C. Grunewald
Mark D. Guadagnini
Mark R. Guidoboni
Karl R. Gustafson
Jay A. Gutzler
Leslie M. Hahn
Alan Hale
Miles E. Hale
John R. Haley
Kenneth B. Hall
Lee J. Hall
David K. Haller
John B. Hampshire II
Sharon L. Hanley
Mark D. Happel
Andre C. Hargreaves
Donald P. Harker
Nicholas C. Harman
Wayne J. Harman
Melissa L. Harrington
David M. Harris
Jenefer J. Hawkins
Peter J. Hayase
Joseph C. Hayden
Steven C. Head
Rea M. Heatherington
Gregg A. Hebert
Joseph P. Heil
Carl D. Hendershot
Robert M. Hennegan
Barbette B. Henry
Vincent J. Herda
John F. Herlocker, Jr.
Daniel V. Herrscher
Derek H. Hesse
James E. Hickey
Gregory Hightaian
James A. Hill, Jr.
Dan H. Hinz, Jr.
James K. Hiser
Quincy M. Hodge
Robert R. Hodge
William F. Hoeft, Jr.
James D. Hogsett
John G. Holmes
Kevin D. Holwell
Stephen E. Honan
Frederick A. Hoover
Joseph A. Horn, Jr.
James W. Houck
Eugene F. Hubbard
Stephen H. Huber
James D. Huck
John S. Huckenpoehler
Bobby A. Hudson, Jr.
Jack E. Huegel
Eugene G. Huether
David M. Huey
Robert V. Huffman
Dennis P. Hughes
Francis J. Hughes, Jr.
Jonathan W. Hults
Bruce I. Incze
Lawrence M. Ingeneri
Patrick K. Inglis
Sandra C. Irwin
Roger K. Ishii
Kurt T. Israel
Bruce K. Jackson
James R. Jackson
Scott E. Jasper
David M. Jennings
Peter S. Jerome
Anthony W. Jiles
Jamesina M. Jimenez
Roberto Y. Johnson
Roosevelt Johnson
Stephen M. Johnson
Jeffrey J. Johnston
Steven M. Johnston
Jeffrey C. Johnstone
Donald E. Jones
Paul B. Jones
Robert L. Jordan
Mark S. Kaczmarek
Michael J. Kane
Charles L. Kanewske
Kathryn L. Karlson
John A. Karonis
Robert J. Kastner
Nickolas G. Katsiotis
Patrick D. Keavney
Paul C. Kelleher
Susan C. Keller
Walter B. Kelly, Jr.
David L. Kennedy
David M. Kern
James M. Kern
Kevin C. Ketchmark
Ferdinand V. Kibic
James A. Kiesling
Peter F. Kilger, Jr.
Dennis P. Kilian
William R. Killea
Daniel P. King
Lawrence J. Klawinski
Charles C. Klein
Craig S. Kleint
Karri A. Kline
Charlees I. Knapp
Winford W. Knowles
Timothy S. Kobosko
Steven D. Kornatz
Brian P. Kosinski
Kenneth J. Koteles
Janet F. Kotovsky
Carlton C. Kott, Jr.
Jon C. Kubo
Jeffrey S. Kunkel
James B. Lair
Thomas A. Lake
David E. Lancaster
John R. Langmead
Richard D. Lantz
Gregg B. Larson
Stephen J. Laukaitis
Daniel J. Law
Beth Leadbetter
Douglas E. Leivonen
Bradley S. Lentini
Richard A. Lepper
William K. Lescher
Mark A. Lethbridge
Alan D. Lewis
Chrystal A. Lewis
Beth A. Lindquist
John M. Link
Richard C. Locke
Michael D. Loman
William F. Lonchas, Jr
Michael M. Long
Robert E. Lonn
Michael E. Lopez-Alegria
Paul T. Lorditch
Michael Loretangeli
John R. Loyer
Dale A. Lumme
Mark D. Lundgren
Relle L. Lyman, Jr.
Kevin B. Lynch
Kenneth L. McAdow
Kelly D. McBride
John P. McCarthy
Lawrence H. McCauley
Charles A. McCawley
Gavin G. McCrary
Michael H. McDaniel
James B. McGee
Joseph L. McGettigan
Jon P. McGlocklin
Kenneth J. McIlhenny
James W. McKee
Herbert H. McMillan, Jr.
Thomas W. McNitt
Steven L. McShane
Kevin C. McTavish
Dennis F. McVicker
Kenneth S. MacDonald
David S. MacEslin
Terrence A. Mack
Michael J. Madden
Michael T. Maliniak
William F. Malloy, Jr.
Edward F. Mapes
Mark W. Marcinkowski
Brian P. Marks
Charles N. Marsh
Mark J. Marshfield
Edward B. Martin
Scott D. Martin
Joel R. Martinson
Steven E. Masalin
Michael N. Mason
Michael A. Matson
Stephen D. Matts
Ronald C. Mauldin
Michael D. Maxwell
Jeffrey C. Maynard
Stephen G. Meade
Richard A. Medley
Mel J. Meinhardt
Robert J. Melenovsky
Armando E. Mendez, Jr.
James M. Merrill
John T. J. Merrill, Jr.
William W. Metzger
Lionel Q. L. Mew
Drew P. Meyer
Charles L. Meyers, Jr.
Ted E. Mikita
Carlos A. Miller
Charles C. Miller III
David K. Miller
Gregory A. Miller
Jeffrey B. Miller
Jeffrey D. Miller
Robert W. Miller
Timothy L. Mills
Gregg C. Milo
Ira L. Minor, Jr.
Martin R. Minot
John V. Mokodean
Gregory R. Monson
Christopher M. Mooney
Steven M. Moreau
Slobin Y. Morishita
Robert G. Morissette
Margorie L. Morley
Barbara A. Morris
Glenn P. Morris
Robert K. Morris
Anthony S. Mosley
Jon G. Motter
Scott W. Motz
Richard H. Moyer
Robert J. Mullarkey, Jr.
Andrew J. Mullen
Kevin C. Mulloy
Michael W. Munday
Jeffrey J. Munson
John E. Murphy
Patricia A. Murphy
Patrick X. Murphy
James C. Nance
William B. Nash
Albert L. C. Nelson II
Christopher W. Nelson
Robert A. Nemecek
Kenneth P. Neubauer
Brian S. Neunaber
Charles S. Nichols
Gerald F. Nies
Hugh E. Nixon
William F. Nixon
George M. Norman
Stephen A. Nota
Joseph W. Nowak
Steven S. Nygaard
Daniel I. Nylen
Sean F. O'Branski
Edmund W. O'Callaghan
John B. O'Connor
John F. O'Hara, Jr.
Alan K. Oka
Thomas O. O'Keefe III
Thomas P. O'Keefe
Rebecca C. Olds
David R. Olsen
Patricia M. O'Neill
Joseph W. Osborne
Andres H. Otano
Robert R. Oxborrow
William R. Padgett, Jr
Bruno S. Padovani
Michael J. Palencia
Steve F. Palmer
Frank C. Pandolfe
Wickliff Paul III
Thomas M. Paulk
George H. Pavlakos II
Thomas B. Peck
Samuel Perez, Jr.
William S. Personius
Matthew T. Peters
Michael Peters
Nelse C. Petersen
Richard N. Petersen
Robert W. Petersen
Bradley A. Peterson
David S. Petri
George M. Petro
Michael J. Petrofes
Charles J. Phillips II
Steven W. Phillpott
Hanson D. Pickerl
Gregory J. Pieper
John W. Pierce
James M. Pietrocini
Jon C. Pino
Randolph F. Pizzi
David B. Porter
Alan E. Portillo
Robert E. Pottberg
Marc D. Poussard
Robert B. Powers
Paul B. Prager
Wyatt B. Pratt
Richard T. Press
Susan M. Presto
Charles S. Preston
Wilson D. Preston
David K. Priddy
James A. Prosser
Douglas M. Purin
David L. Quessenberry
John M. Quigley
Karl A. Rader
Lynn M. Rampp
Gregory R. Ramsay
James P. Ransom III
Dominick A. Rascona
David M. Ray
Douglas S. Ray
Catherine J. Rayhill
James K. Reagan
Gary K. Redenius
Jeffrey S. Reed
Michael S. Reed
Wayne R. Reif
Paul A. Remington
Bruce C. Renken
Henry V. Rhodes, Jr.
Mark S. Riddle
Brian E. Riehm
Manuel R. Rivera
Richard T. Rivera
Christopher C. Roberts
Donald J. Roberts
James S. Roberts
Robert M. Robinson
Steven E. Roehl
Joseph H. N. Rogers IV
Marc H. Rolfes
Thomas M. Rossi
Francis M. Rose
Bruce A. Ross
Mark J. Rossano
Lee V. Rossetti
Thomas M. Rossi
Timothy G. Ruck
Claude L. Rucker III
William F. Ruoff III
Mark H. Russell
Robert H. Russell
Richard J. Ryan
Thomas M. Ryan

Felix J. Rymsza, Jr.
Rigoberto Saez-Ortiz
Jose W. Saldana
James E. Salyer
John L. Samuels
Scott E. Sanders
Jeffrey M. Sayre
David M. Schlagel
Robert D. Schlesinger
Kurt T. Schmidt
Paul S. Schmidt
Robert J. Schoeneck
Michael R. Schroeder
Frederick F. Schulz
Alexander Schwan III
Douglas H. Scovil, Jr.
Norman T. Screeton
Michael L. Seaward
Eugene D. Secor
Victor C. See, Jr.
Richard A. Seiler
Edmund R. Selby II
Donald J. Senerius
Joseph Sensi, Jr.
Michael Serafin, Jr.
Edward N. Settle
Roger N. Sexauer II
Curtis M. Shane
Katherine J. Shanebrook
Peter A. Shaner II
Jonathan W. Sharpe
James R. Sheairs
Dale A. Shepher
Michael D. Shettle
Calvin M. Shintani
Ronald W. Shockley
Vincient F. Shorts
Gary M. Siems
Michael J. Sims
William G. Sizemore II
John S. Skerry
Joseph E. Skinner
Kathleen M. Slevin
Thomas D. Sloan
Bradley B. Smith
Brice T. Smith
Burney E. Smith, Jr.
Conrad L. Smith, Jr.
Douglas C. Smith
Jennifer L. Smith
Lawrence R. Smith
Paula P. Smith
Reuben C. Smith III
Victor C. Smith
Keith D. Snider
Ted L. Snider
Vincent J. Sodd, Jr.
Michael D. Sonnefeld
Kevin S. Sophy
Steven R. Southard
Mark A. Sowell
Edward L. Spear
John G. Speer
James M. Spence
John P. Spencer
Cheryl L. Spohnholtz
Richard C. Springman
Frank F. Stagliano
David J. Stahl, Jr.
Thomas L. Stambaugh
Peter W. Stanford
Stephen W. Stanko
William H. Stanley III
Susan M. Stapler
Michael J. Stapleton
Dennis M. Starr
Radenko Stefanovic
Thomas G. Stein
Ann F. Stencil
Jeffrey J. Stenzoski
Elizabeth A. Sternaman
Scott D. Stewart
Harry T. Stovall III
Daniel H. Streed
Steven Streightiff
Russell C. Strand
Paul D. Stroop III
Steven R. Stroup
Steven I. Struble
Robert B. Stucky
William G. Stuehler
Richard M. Styczynski
Ernest L. Styron, Jr.
Kevin P. Sullivan
Sean P. Sullivan
Timothy P. Sullivan
Todd B. Sundsmo
Carl B. Sutter, Jr.
Danel A. Tanner III
Peter R. Tatro, Jr.
Bradley D. Taylor
Philip W. Taylor
William L. Thomas III
Carol A. Thompson
John C. Thompson, Jr.
Ronald D. Thompson
Ronald G. Thompson, Jr.
Ronald N. Thompson
Charles H. Thornton
Paul W. Thrasher
Patricia A. Thudium
Michael J. Timmerman
Christopher H. Tindal
Mark C. Tomb
Jeffrey A. Tomeo
Gerardo Torres
Raymond J. Torres
Jose M. Toves
Regionald E. Trass
Craig A. Trautman
Byron P. Trop
James W. Trueblood
Michael J. Turner
Darrell W. Tworzyanski
Anthony Vanaria IV
Eric A. Van Denhende
David D. Vaughan
Mark B. Vaughan
Clifford B. Vaught
Pamela J. Wacek
Richard L. Waddel
Jerome L. Walker II
Michael A. Wallace
Craig G. Wallington
Dennis G. Watson
Edwin B. Watts III
William T. Webber
Michael G. Wedge
Boris A. Weisheit
Susan S. Welch
Alan K. Wellesley
John A. Wells
Richard A. Wendland
Michael E. Wetmore
Mark K. White
Steven A. White III
Terry S. White
Mark L. Whitfield
Michael R. Whiting
David B. Whitlock
Jay D. Whitlock
Mark Q. Whittle
John P. Widay
Dave E. Wilbert
Craig A. Wilson
James M. Wilson
Ricky E. Wilson
James L. Winter, Jr.
Jeffrey D. Winter
Daniel L. Winterscheidt
William H. Wittpenn III
Robert L. Wohlschlegel
Brian P. Wood
Richard C. Woolridge
Glenn Yoritomo
Danny K. Young
Michael A. Young
Jeffrey N. Zerbe
Michael A. Zieser
Emory E. Zimmer
John D. Zimmerman
Charles A. Zingler
Robert C. Zmirich
Paul J. Zohorsky III

The following-named (Naval Reserve Officers Training Corps candidates) to be permanent ensigns in the line or staff corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

David W. Butt
Floyd R. Cordell
Janice M. Hamby
Randal E. Holl
William L. Lawing
Daven L. Madson
James M. Provo
Terry J. Sullivan

The following-named (U.S. Naval Reserve officers) to be appointed permanent lieutenant commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

John R. Apthorpe
William A. Block
Edward D. Brasted
Isaac W. Browder
Moogil Choe
James B. Creed, Jr.
Carol M. Erwin
Patrick T. Glasscock
Robert E. Hain
David G. Harper
Edward G. Hayhurst
Richard R. Hooper
John R. Howard, Jr.
Roderick S. Kent
John C. Mangrum
John P. Methner
Morris R. Nacke
Leonard P. Neumann, Jr.
Jimmy D. Price
Clyde M. Rasmussen
Jerry R. Rogers
Finley A. Seagle
James P. Studders

The following-named (U.S. Naval Reserve officer) to be appointed a permanent lieutenant commander in the Dental Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

Larry J. Hitchner

The following-name (U.S. Naval Reserve officers) to be appointed temporary commanders in the Medical Corps of the U.S. Navy, subject to the qualifications therefor as provided by law:

David G. Harper
Robert E. Hain
Richard R. Hooper

The following-named (civilian college graduate) to be appointed a permanent commander in the Medical Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Donald D. Johnson

The following-named (U.S. Naval Reserve officer) to be appointed a permanent commander in the Reserve of the U.S. Navy, for special duty (Merchant Marine, deck), subject to the qualifications therefor as provided by law:

Paul A. Reyff

The following-named (U.S. Naval Reserve officer) to be appointed a temporary captain in the Reserve of the U.S. Navy, for special duty (Merchant Marine, deck), subject to the qualifications therefor as provided by law:

Paul A. Reyff

The following-named (U.S. Navy officers) to be appointed temporary commanders in the Dental Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Gary A. Backlund
Jeffrey R. Vinton

The following-named (U.S. Navy officer) to be appointed a temporary commander in the Supply Corps in the Reserve of the U.S. Navy, subject to the qualifications therefor as provided by law:

Charles A. Wilson

WITHDRAWAL

Executive nomination withdrawn from the Senate April 21, 1980:

D. Clive Short, of Nebraska, to be U.S. marshal for the district of Nebraska for the term of 4 years, vice Ronald C. Romans, term expired, which was sent to the Senate on March 20, 1979.

EXTENSIONS OF REMARKS

U.S. CONSTITUTION STUDY UNDERWAY

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. DRINAN. Mr. Speaker, as we enter the decade of the 1980's, it is appropriate that we remind ourselves that this Nation will soon celebrate the 200th anniversary of the ratification of the Constitution of the United States of America. In celebration and commemoration of that 200th anniversary, I am pleased to call attention to the important scholarly work now being undertaken on the "Influence of the U.S. Constitution Abroad." Our Constitution is not only the first and longest lived constitution, but by far the most influential.

The authors and editors of this fundamental study are Albert P. Blaustein, professor of law, and Jay A. Sigler, professor of political science, both at Rutgers—the State University of New Jersey. Both are well qualified to undertake this vital task. Professor Blaustein is coeditor of the 15-volume work, "Constitutions of the Countries of the World" and its companion 6-volume work, "Constitutions of Dependencies and Special Sovereignties." He is also author of such works as "The American Lawyer," "Desegregation and the Law," "Civil Rights and the Black American," and "The Military and American Society." Professor Sigler's works include "The Legal Sources of Public Policy," "American Rights Policies," and "Contemporary American Government." Professors Blaustein and Sigler have worked together before, coediting the commemorative volume, "Independence Documents of the Nations of the World."

Professor Blaustein was a consultant in the preparation of the Bangladesh Constitution of 1972 and the Cambodian Draft Constitution of 1974. In 1979, he was special counsel to Prime Minister Bishop Abel T. Muzorewa on the preparation of the new Zimbabwe Constitution, and he has now been named adviser on the revision of the Constitution of Korea.

I now call to the attention of my colleagues in the House the details of this important project and ask that the prospectus outline which has been prepared be reprinted.

THE INFLUENCE OF THE U.S. CONSTITUTION ABROAD

I—THE PROLOGUE

The end of the 1980's will commemorate the 200th anniversary of the United States Constitution—drafted in 1787 and ratified in 1789. And scholarly studies, as well as public celebrations, must mark these events. For this has been the most successful constitution in the history of the world and it is incumbent upon the scholarly community to present explanations and ultimate progress reports.

Most of the projected studies—and properly so—will be directed toward the impact of the constitution upon the American people and the American way of life. These will be national studies. But there is an international role which likewise demands study and report: "The Influence of the United States Constitution Abroad."

The 200th anniversary of the United States Constitution is recognized as an event of world-wide significance. The formation of the United States Constitution was the most important landmark in the history of constitutions. This was the first single document constitution, and is by far the longest-lived. The whole world has looked to the United States experience as an imperative to consider in each country's own constitution-making. And nearly every nation has demanded an examination of the "Philadelphia formula" as a prelude to its own constitution drafting.

What must be examined (and what must be reported on) are the ways in which United States constitutional guidelines were accepted, adopted, adapted, avoided and abjured during the two centuries past.

What will result, however, will be more than a scholarly evaluation of the influence of the United States Constitution abroad. For by studying and analyzing the United States paradigm in a multiplicity of foreign contexts we will inevitably gain greater insights into the meaning of our constitution and its continuing viability. And the explanation of how the United States Constitution influenced the other constitutions of the world should contribute to its continuing influence.

II—THE PLAN

End Product A: A one-volume (500-600 pages) trade book. This is to be a comprehensive study, tracing the history and evaluating the significance of the influence of the United States Constitution upon the constitutional systems of the other nations of the world. Publication date: Fall, 1986.

End Product B: A two-volume (1500-2000 pages) library reference documentary, collecting the nation-by-nation analyses which will form the research background for the trade book. Publication date: Fall, 1987.

Telling the story of the influence of the United States Constitution is not only a task of years but a task which demands a team effort. "What Must Be Done" at the outset is to assemble the team—a team of constitutionalists which includes American as well as foreign scholars and which is interdisciplinary in scope.

(The Korean study, for example, may be co-authored by an American political science professor and a Korean law professor; the Czechoslovakian study by an American professor of politics and a Czech historian. And some of the major studies—such as those prepared for India and Germany—demand their own sub-teams.

The country-by-country analyses will not await 1987 publication. They will be published seriatim as completed in scholarly reviews devoted to law, history and political science. And some of the analyses may be published as monographs. Each will be accompanied by an editor's note indicating that it is a study prepared for this project as a preliminary to the final comprehensive study.

Publication of studies as completed (in English and in foreign languages) will attract world-wide attention in the scholarly and book-buying communities. Such publication will also provide an early opportunity for critique and criticism, and will furnish guidelines for subsequent studies. Editing (and of course translating) will precede the eventual publication of the nation-by-nation collection.

The preliminary articles and monographs with their own citations to documentary authority will provide the scholarly underpinnings for the major one-volume comprehensive study.

III—THE PROJECT

Objective scholarship is the one indispensable guidepost for this project. The careful assessment of the reception of the United States Constitution by other nations must be free from bias, from chauvinism and from self-effacement. This will not be a public relations exercise in American aggrandizement. The whole story must be told, "warts and all."

The project must be interdisciplinary. For it requires the cross-fertilization of law, history and political science to provide the comprehensive background and the comprehensive analyses that scholarship demands.

Yet scholarship must never neglect the fact that the making of a constitution is one of the most critical events in nationhood. And the drama must not be lost in the footnoting.

Nor can the students of the influence of the United States Constitution limit their thinking to the spread of democratic ideals which had their first successful flowering in this country. The very concept of a single documentary constitution is peculiarly American. On the eve of the 200th anniversary of the United States Constitution only five of the world's 165 nations is without such a charter: the United Kingdom, Canada, New Zealand, Israel and Saudi Arabia. And the adoption of a Canadian Constitution is expected well before 1987.

Even in the totalitarian states—even in the nations which deny their citizenry a bill of rights—there is often a United States influence. This influence is manifested in institutional and structural contributions: the concept of federalism, a presidential system, an electoral college, or a separate national judiciary appointed by the president with the approval of a parliamentary upper chamber.

There will be no equality in the size and scope of these studies. "Great love letters are only written to great women." The chief draftsman of the new Zimbabwe Constitution never thought about the United States Constitution at all; the authors of the 1936 Soviet Constitution purposefully rejected the Philadelphia guidelines as the products of capitalism. These will be among the lesser reports.

The major studies—those which will be forthcoming about the national constitutions most influenced by the United States pattern—will be . . . by continent:

South America: Argentina, Brazil, Venezuela.

Europe: France, Germany.

Asia: India, Japan, the Philippines.

Africa: Liberia, Nigeria.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

From their very beginnings all of the Latin American states borrowed heavily from the United States model and large sections of so many of their constitutions are nothing more than verbatim Spanish translation of the language adopted in Philadelphia. One story which must be told is how the United States concepts fared in translation. Another story is reflected sometimes in continuity and sometimes in change. (Ecuador has had sixteen constitutions since 1812 and all of them are essentially variations of what the United States had adopted. Peru's new 1979 Constitution reads like an amalgam of constitutional precepts from every place but North America.) The Argentina, Brazil and Venezuela studies are the most interesting, as they trace the viability of United States precepts during various historical periods under various types of governments.

While there is less word-for-word United States influence in the constitutions of France and West Germany than in the constitutions of Latin America, the actual influence may be far greater. Individual rights are secured in these European democracies to a far greater extent than in the so many nations in the Western Hemisphere.

Yet that is only a part of the story. The United States constitutional influence was of major significance in Baden, Bavaria and Wuerttemberg even before it played so significant a role in the drafting of the Weimar Constitution. And the United States Constitution—plus United States lawyers, historians and political scientists—provided the foundation for the present West German Constitution.

The French monograph (or monographs) will be particularly significant: (1) The Massachusetts and Virginia Constitutions, precursors of the United States Constitution, played an influential role in the French Revolution. (The U.S. Constitution was not ratified until 1789 and the final document was thus of lesser import.) (2) The entire history of French constitution-making has been influenced by United States constitutional philosophy even where the model has not been followed. And the model was followed in the drafting of the current Fifth Republic Constitution. (3) The very many francophone nations which achieved independence since the end of World War II adopted constitutions heavily influenced by United States constitutional thinking, filtered through the French experience.

Africa will provide very different studies. From its very inception, Liberia adopted the United States model. Nigeria, on the other hand, was given the more or less standard Westminster model when it achieved independence and has now (after years of constitutional experimentation) settled upon a United States type constitution. One of the original states making up the Union of South Africa—the Orange Free State—had a United States style constitution, but the Republic finally opted for the Westminster pattern.

Japan's post World War II constitution is called the MacArthur Constitution—for obvious reasons. The Philippines Constitution is as much like the United States Constitution as one would expect of a former colony. The ways in which the Philippines Constitution—and its interpretation—differ is the more interesting story.

The role of United States constitutionalism in the Indian experience is particularly interesting and particularly complicated. Of course India looked to the United States Constitution for guidance in developing its own federal system; of course India looked to the United States Constitution for guidance in drafting its bill of rights, etc. But India also looked to the entire United States constitutional *experience*. Judicial review is an important part of constitutionalism in India and the Indian Supreme Court uses United States Supreme Court opinions as precedent.

These are only a few of the major countries whose constitutions have been so strongly influenced by the United States model. What is also significant is the fact that the influence has been continuous—from France in 1789 to Kirabati in 1979. What was formerly the United Kingdom dependency of Gilbert Islands, Kirabati is one of the islands of the Pacific—and close enough to the United States Trust Territory of Micronesia to opt for a constitution that borrowed from United States ideas.

And there are many other examples which could be cited and will be documented as research continues.

For the historical approaches, original texts, memoirs, letters, individual interviews, oral history and other documentary sources will be employed. The studies will not be speculative, but rather grounded upon hard data. Since the past two decades have constituted an unparalleled era of constitution-making, many of the draftsmen are still alive, and their experiences should provide a priceless source of information in the preparation of the monographs.

The monographs must also include consideration of:

(A) Misapplications and misunderstandings about the United States model;

(B) Competition between the United States model and other models;

(C) Successes and failures in the application of the United States model (some constitutions, like some wines, do not travel well); and

(D) Application of the United States model in actual practice as well as theory.

Specifically, thought must be given to the following:

(1) The United States constitution as a symbol;

(2) The borrowed concept of "consitution-worship";

(3) The idea of a single-document constitution;

(4) The separation of powers;

(5) Checks and balances;

(6) American-style federalism;

(7) Bicameralism;

(8) Enumerated legislative powers;

(9) The electoral college;

(10) The presidential system;

(11) The amending process;

(12) Judicial review;

(13) The idea of a bill of rights; and

(14) Specific bill of rights safeguards and prohibitions.●

COLGATE ELEMENTARY SCHOOL VISITS CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome 55 students from the Colgate Elementary School in Baltimore who, with their teachers, Mrs. Rena Kelly and Mrs. Bernice Langley, are today visiting the Capitol.

My constituents are studying American Government, and it's a pleasure for me to meet with them to discuss the legislative process. This day promises to be interesting and educational for all of us.

The students are:

Chris Bading, Phillip L. Bean, Francis P. Bielski, Michael S. Brewer, Minos Dargakis, Christopher W. Fahenstock, Frank Hammond, Glenn M. Hasenei, Anthony Lunsford, Brian K. Mollohan, Joseph P. Morgan, Michael G. Nazelrod, Stephen E. Sprouse, Kevin J. Taylor.

Dennis J. Caudill, Mark D. Elliott, Vincent J. Halaj, Steven G. Kline, Michael H. Kolb, John J. McWilliams, Gus Moraitis, Carter J. Myer, David B. Rice, Stephen M. Schultz, George L. Walker, William W. Ward, Timothy L. Wendt, Robert Wheeler, Robert S. Witte, David Fletcher.

Tracey Baisley, Laura L. Freels, Rhonda L. Hill, Diana M. Kenyon, Celeste A. Kilgore, Mary Ann Kingsley, Kimberly A. Otter, Dawn M. Pecorino, Lisa M. Tamberino, Nancy L. Wilson, Brenda L. Worth, Cindy M. Zeitschel, Deana Lynn Olinger, Robin Olsen.

Kimberly D. Aquino, Tina M. Geamon, Noel L. Hively, Eun Joo Lee, Lisa M. Mullaney, Lisa M. Novak, Teresa A. Simmons, Cheryl L. Thompson, Cecilia A. Wagner, Tina M. Williams, Florence Lane.●

READ BEFORE YOU VOTE TUESDAY ON THE NICARAGUAN AID BILL; THE U.S. CONGRESS SHOULD NOT JOIN THE SANDINISTAS AND RUSSIA

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. BAUMAN. Mr. Speaker, earlier today I commented before the House regarding the leadership intention of calling up the special rule which will send the $75 million Nicaraguan aid bill to conference. I am including with these remarks an article from Human Events and one from the Washington Post which details the signing of an agreement between the Sandinista government of Nicaragua and the Soviet Union a few weeks ago. Even more interesting are the joint statements in which the Sandinista leadership joins the Russians in seeking to justify the invasion of Afghanistan as well as the Iranian holding of U.S. hostages. Honestly, my colleagues, how can anyone possibly justify voting to give U.S. taxpayers' money to a government such as this?

The articles follow:

[Human Events, Apr. 26, 1980]

NICARAGUA MOVES CLOSER TO MOSCOW: $75 MILLION AID PROGRAM JEOPARDIZED

The Carter Administration's efforts to shovel $75 million of foreign aid into Nicaragua on the grounds that we can still ween the Sandinista-controlled government away from communism faced tough sledding on Capitol Hill last week. The House leadership, in fact, cancelled a scheduled vote to ease the measure through Congress when they feared the move would fail.

Skepticism toward a Nicaraguan aid program increased dramatically when a high-level delegation, ostensibly led by junta member Moises Hassan but actually under the thumb of Tomas Borge, a member of the ruling Sandinista National Liberation Front, returned to Managua on April 12 after having spent nearly a month in the Soviet Union and its Eastern European satellites.

What fueled the suspicions of many lawmakers was not the tour per se, but the fact that the delegation, in the words of the Washington Post's reporter in Managua, "signed joint communiques with the Soviet Union and East Germany that followed the Soviet line on almost all international issues, including Afghanistan."

In the joint communique, Nicaragua, far from showing signs that it is one of the "non-aligned" nations, as it insists, displayed a slavish devotion to Moscow's every foreign policy whim. Along with the Soviets, the Nicaraguans condemned Red China, embraced Cuba and assailed NATO. The communique specifically attacked any Western European effort to deploy "new U.S. medium-range nuclear missile weapons," insisting this "contradicts the objectives" of détente.

The communique welcomed the Patriotic Front victory in Rhodesia, backed "the struggle of the Iranian people" and called for the creation of an independent Palestinian state. The statement on Afghanistan, Orwellian in its formulation, lent aid and comfort to the Soviet Union's invasion last December by suggesting that it was the West that was interfering in Afghanistan's internal affairs.

"The Soviet Union and Nicaragua," the communique read, "resolutely condemn the campaign of mounting international tension in connection with the events in Afghanistan, which has been launched by the imperialist and reactionary forces [i.e., not the Soviets but the West] and is aimed at subverting the inalienable rights of the people of the Democratic Republic of Afghanistan and of other peoples of the world to follow a path of progressive transformation."

Nor is this all that revealed Nicaragua's close allegiance to the Soviets. The new affinity between Moscow and Managua was also underscored by an agreement between the Soviet Communist party and the Sandinista National Liberation Front, even though the FSLN is not organized as a party. Past Soviet party agreements, moreover, have been signed with ruling parties in regimes tagged by Moscow as countries of "Socialist orientation," a phrase Moscow has not yet formally pinned on Nicaragua.

But the Soviet party-Sandinista agreement, says Soviet analyst Morris Rothenberg in Soviet World Outlook, a publication of Foy Kohler's respected Advanced International Studies Institute, "suggests Soviet confidence" that the FSLN will become a party and, "under Soviet guidance, will take on the characteristics of a Soviet-style organization."

The Nicaraguan Moscow tour also brought a number of economic benefits, including Soviet technical cooperation, aid in developing Nicaraguan mining, light and food industries, power engineering and transport and communications. The Soviets also plan to send experts to Nicaragua, which, in turn, will send personnel to the USSR to be trained.

Rothenberg also makes this ominous observation: "The presence of Nicaraguan Defense Minister Umberto Ortega on the delegation and a prominent place by Soviet Defense Minister and Politburo member Ustinov at ceremonies incident to the visit suggest that the question of military aid was explored. . . . In East Germany, Ortega was received separately by his East German counterpart."

The Nicaraguan visit to Moscow follows what Rothenberg describes as a "decided upsurge" in Soviet attention to the significance of revolutionary activities in Latin America. The Soviet journal dealing with Latin American affairs, Latinskaia Amerika, devoted little attention to the Nicaraguan revolution before this year, but the first three issues in 1980 all had articles on the subject, including a conspicuous report of a roundtable discussion by Moscow's Latin experts on Nicaragua.

A critical outcome of the roundtable was the indication that Soviet theoreticians are beginning to embrace the ideas of Che Guevara on the importance of revolutionary armed struggle in Latin America. In the past, Guevara, while hailed as a hero in the Cuban revolution, has been condemned for his view that guerrilla operations can provide the key to revolutionary victories in Latin America even when taking place in a hostile environment. But one of the participants in the symposium, B. I. Koval, declared:

"The experience of Nicaragua refuted previously existing distorted treatment of partisan actions, confirmed the correctness of the strategic directives of Che Guevara, embodied his idea of the creation of a powerful people's partisan movement." Koval also declared that the Cuban and Nicaraguan experience showed that an "insurrectionary center" is capable of playing a key role in bringing down various Latin governments.

Sergo Mikoyan, editor of *Latinskaia Amerika*, made similar comments. "The importance of such pronouncements," said Rothenberg, "is that they suggest rising Soviet confidence in the efficacy of armed insurrections in Latin America, and especially Central America, a judgment which appears reflected already in Soviet coverage of events in El Salvador and Guatemala."

In spite of Nicaragua's vigorous embrace of Moscow—and vice versa—the Administration seems determined to toss good money after bad, and the odds are that it will put some heat on Congress in the coming weeks to get the aid bill through.

Meanwhile, the Administration, through a device called "reprogramming," has already diverted $15 million of foreign aid funds to the Sandinistas—it managed this while Congress was in recess—and is right now trying to channel another $380,000 to them in military items.

[Washington Post, Apr. 13, 1980]

TOUR BY NICARAGUANS STRENGTHENS TIES WITH SOVIET BLOC

[By Terri Shaw]

MANAGUA, NICARAGUA, April 12.—A high-level Nicaraguan delegation has returned from a lengthy tour of Eastern Europe with a substantial aid package and agreements to strengthen ties with the Soviet Bloc.

The tour by Moises Hassan of the ruling five-member junta and three key leaders of the controlling Sandinista National Liberation Front, illustrates the government's decision to "diversify" its international relations after decades of close U.S. ties fostered by dictator Anastasio Somoza, who was ousted last July. It should result in a substantial increase in the Soviet presence in volatile Central America.

On the tour of almost a month, the Nicaraguan delegation signed joint communiques with the Soviet Union and East Germany that followed the Soviet line on almost all international issues, including Afghanistan.

The communique with Moscow condemned "the campaign by imperialist and reactionary forces to increase international tension around the events in Afghanistan." The campaign, it said, aims to "stifle the inalienable right of the people of . . . Afghanistan . . . to follow the road of progressive change."

While the Soviets and Nicaraguans agreed on a whole litany of issues, most of the positions—such as on Middle East issues—coincide with those of the nonaligned movement. Nicaragua's new government identifies closely with these Third World approaches.

Interior Minister Tomas Borge made a speech in Moscow stressing Nicaragua's "irrevocable decision to be free." He told Soviet leaders at a luncheon that Nicaraguans intend to "continue being the masters of our own destiny."

While that delegation was in Eastern Europe, another headed by junta member Sergio Ramirez and Sandinista leader Bayardo Arce was touring Western Europe. At the same time, Daniel Ortega, a member of both the junta and the nine-man national directorate, visited several Latin American countries and the Vatican.

The Nicaraguan leaders' travels came at the same time that a $75 million U.S. loan to Nicaragua was stalled in Congress. Seeking new sources of aid was an important goal of the trips.

Ramirez and Arce announced that they had received pledges of about $55 million in loans, grants and emergency aid from the European Community as well as Belgium, the Netherlands, West Germany, Sweden, Austria and the special fund of the Organization of Petroleum Exporting Countries based in Vienna.

The total amount of aid obtained on the trip to Eastern Europe has not been announced. Press reports from Prague said Czechoslovakia had provided a $20 million loan and a Foreign Ministry spokesman said new East German aid would total $30 million.

The delegation to the Soviet Bloc was nominally headed by Hassan, a hard-line leftist. The three members of the Sandinista national directorate who went on the trip are considered to be among the most powerful men in Nicaragua: Borge, who as interior minister controls the police, Army commander Humberto Ortega and the popular former guerrila commander Henry Ruiz who has taken over the important Economic Planning Ministry.

In Moscow, the Sandinista front signed a "cooperation program" with the Soviet Communist Party.

The communist governments rolled out the red carpet for the Nicaraguans. According to reports by a correspondent for the Sandinista newspaper Barricada who went along, the Nicaraguans were cheered by thousands of flag-waving Soviet citizens in Leningrad. They attended the Bolshoi Ballet in Moscow and watched a demonstration by East German tanks. They also visited Bulgaria and Czechoslovakia. Army chief Ortega went on to Algeria and Libya.

In each country, the Nicaraguans signed agreements on trade, economic and technical aid and cultural exchange. The Soviet Union has promised to aid the Nicaraguan fishing industry and Czechoslovakia is committed to help build a textile factory.

Nicaraguan lenders, angered by delays and debate in Washington over U.S. aid, stress that aid from both Eastern and Western Europe is "absolutely without conditions." A Soviet ambassador is to arrive here next week and the Soviet airline Aeroflot will begin flights to Managua next month.

The only other Soviet embassy on the Central American isthmus is in Costa Rica. The Soviets also have an embassy in Mexico and are a major presence in Cuba, a close ally of Nicaragua's new government.

Since the takeover last year, members of the junta and the Sandinista national directorate have visited the United States on four occasions. Twelve months after taking office, three junta members met with President Carter at the White House. Interior Minister Borge has been invited to visit the United States later this month.

Even as Nicaragua moves close to the Communist Bloc on the world stage, one of the country's three small communist parties has run into serious trouble. Fifty-five leaders of the Communist Party of Nicaragua were arrested when their union federation staged a series of strikes last month. Many are still in jail. The union federation's office was attacked by members of the Sandinista labor federation and the government has accused the party of collaborating with the CIA to undermine the economy.

The party has been expelled from the Sandinista-sponsored political alliance and a coalition of labor federations.●

INTERNATIONAL CROSS COUNTRY CHAMPIONSHIP

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. BADHAM. Mr. Speaker, I would like to bring to my colleagues, attention the third place finish of the U.S. High School Girls Cross Country Team in the International Cross Country Championship.

The event was held in La Grande Motte, France, on March 9, 1980. There were 24 countries represented with 140 athletes taking part in the 2,800 meter race across soft sand, dirt, and paved surface.

The U.S. team was comprised of four young ladies who attend Edison High School in Huntington Beach, Calif. The American participants were Kiki Lantry, who placed 9th; Leslie Pratt placed 14th; Andrea Kirkorn placed 19th and Tracy Melvin placed 36th.

I commend these young ladies for their sportsmanship and success and wish them the very best in future endeavors.●

UNITED STATES-WESTERN EUROPEAN RELATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. HAMILTON. Mr. Speaker, as the United States pursues sanctions against Iran for its detention of American hostages and against the Soviet Union for its military intervention in Afghanistan, questions abound concerning the adequacy of support from our Western European allies.

I know my colleagues in Congress are searching for answers which will explain why we are not getting more support from our allies. The relationship of our country to our allies in Western Europe is now under close scrutiny, but few observers penetrate the debate to analyze the reasons for European positions and assess the real strength of our alliance with the countries of Western Europe.

I would like to recommend to the attention of my colleagues a speech given here in Washington, D.C., on April 16, 1980, to the Mid-Atlantic Club by Ambassador Fernand Spaak, who is head of the delegation of the Commission of the European Communities, and who has served so ably in Washington over the last several years.

This speech is concise and clear in its explanation of what Western Europe shares with the United States and what it does not share and how that shapes reactions to international events and sometimes creates very different positions. His comments regarding Europe's new institutional diversity and his recommendation of a common foreign policy are most interesting.

Ambassador Spaak emphasizes that, while the Western European response to various international crises such as Iran and Afghanistan may differ from the U.S. response because the West Europeans have their own geopolitical and economic realities, West Europeans always feel a basic solidarity with the United States. I feel that if we can view this diversity as a strength and act accordingly we defeat efforts to exploit these differences as a sign of weakness in the alliance and we protect our traditional affinities to Western Europe.

Ambassador Spaak's speech follows:

SPEECH BY AMBASSADOR SPAAK

The relationship between the United States and Europe is never easy and can never be taken for granted. It does not require great powers of perception to realize that at the moment it is not proceeding particularly smoothly.

The sounds of creaking if not splintering can distinctly be heard.

My personal conviction is that the relationship will survive intact but we have to ask ourselves why we are hearing those sounds at all.

The symptoms of a deterioration in our relationship are well known; our respective responses, apparently so different, to the crises in Iran and Afghanistan. The causes, however, run deeper. They stem first from misconceptions that each has about the other, second, from the way in which the United States reaches its decisions and, third, from the way in which Europe often fails to reach coherent and comprehensive decisions. Compounded with all of those factors is the fault on both sides of the Atlantic of defining the word "security" too narrowly.

First, the misconceptions that Europeans persist in having about the United States. Europeans arriving in the U.S. come with one common prejudice; that what they will find here will be bland, uniform and without variety; and therefore easy to comprehend and deal with.

Movies and television have accustomed them to expect a homogeneous culture based on hamburgers, Coca-Cola, oversized automobiles and, more recently, jogging.

On the surface, that prejudice may be confirmed by initial experience, but what dispels it is the realization that at a deeper level this is, in fact, a country of enormous diversity. Once Europeans have made that discovery, it is something they never quite recover from.

There is the diversity in the origins of every American. One quickly learns that ethnic origin can be nearly as important to individuals, and particularly groups of individuals, as being American itself. E pluribus unum has been realized. The nation-building is over and the nation feels confident enough to admit the racial and ethnic differences of its constituent parts.

It may not yet be admissible to joke about an ethnic group, but it is more than permissible for an individual to readopt some of a culture that was supposed to have been left behind in the Old World. The immigrant father striking his children because they lapse into the language of his native country has been replaced three generations later by Americans who see no conflict or danger in having two identities and who will proudly proclaim themselves as Polish-American, Japanese-American or Mexican-American.

The European begins to appreciate that there are rich and different seams running through what he had supposed to be a single culture carved from one common stone.

At the same time, the European becomes ever more aware of the regional diversities within the U.S. These are not merely differences in topography and climate, the obvious contrast between the wintry forests of the Northeast and the sunburnt deserts of the Southwest.

They are very real differences that stem from deeply ingrained interests; the most obvious example being the tensions that exist between the energy haves and the energy have-nots.

It is at this point that Europeans should begin to become aware of the difficulties the United States has in reaching decisions. Not only is there a diversity of regional interests, but there is the proliferation of special interests, that play an ever-increasing role in the decision making process.

All of these interests, be they farmers, consumers, oil companies, steel companies, doctors, pro-nuclear, anti-nuclear, environmentalists or whatever, are well organized and above all politically organized.

They have taken up well-entrenched positions on the chessboard of national and local politics, in many ways appearing to have taken over from the established political parties. They are very often also a factor in international relations.

So too are the numerous independent and executive agencies whose nameplates seem to adorn every corner of the maze that is political Washington.

It is both right and understandable that domestic interests and agencies should be fully involved in every decision of the U.S. government. But in their multiplicity and diversity there lie inevitable sources of internal conflict, and added degree of pain in the decision-making process and endless possibilities for lack of communication. All of which makes true consultation with America's allies more difficult.

None of this makes life particularly easy for those Europeans in Washington whose tasks it is to explain to their capitals that a decision of the President is not necessarily a decision of the United States. It can be hard for our politicians and civil servants to understand how it is that the gap between executive and legislature yawns ever wider when in our own countries the two are often inseparable. It is harder still for them to understand that the Chief Executive does not have a political party whose support he can count on in carrying out a decision.

This is not a comment on the personalities involved. It is an observation on a system, or at least on how it has evolved.

The checks and balances of a system devised in the 18th century were built-in to deal with the problem of the supposedly divine power of monarchs. With the demise of national political parties, the upsurge of special interest groups, the role of specialized agencies and the total decoupling of executive and legislature, we are left asking whether these checks and balances have not in fact led to a partial paralysis of the temporal power of the presidency.

The consequences for Europeans that flow from this way of doing things are twofold. Contrary to the myths of recent years, Washington does not happen behind closed doors; Europe, on the other hand, does. In the U.S. system the deals and compromises are struck in the open. The whole process is conducted in public. While this may appear to be healthy and indeed democratic, it can result in leadership that is sometimes hamstrung and whose positions are inflexible. Once the domestic deal has been put together there may be little room left for manoeuvre in any negotiation that follows with foreigners. That is the first consequence.

The second flows from the fact that there is nothing final about many decisions taken in the United States. Even when the public bargaining between Congress, White House, and special interests is apparently over, the decision is still contested. There are always the courts, the press and public opinion to whom further appeal can be made.

It is at this point that the executive often turns to the friends and allies overseas and expects to find from them the support it cannot muster at home.

When that support is not automatically forthcoming, there is a sense of betrayal, of a lack of solidarity. This is made all the more acute by the use that is then made domestically and politically of the fact that the President has not been able to win round America's friends and allies to his position.

As we find ourselves ineluctably drawn into the American political process, what are in fact minor differences of opinion begin to take on the proportions of major disagreements.

Suddenly, it appears that Europe can no longer be counted on in a crisis. But the belief that Europe will always react exactly as America does is a misplaced one and stems from a lack of understanding in this country of what we do share and what we do not share with America.

We do not share the same geography.

Our neighbours are not Canada and Mexico, they are the Soviet block, the Middle East, and Africa.

We do not share the same history. Our colonial past is more recent as are our civil wars.

We do not share the same international economic relations. Our economy is far more dependent on external trade than is that of the United States, both in terms of our needs for supplies and for markets.

What we do share with the United States is the same basic set of beliefs and values; more so than with any other country. We also depend on one another for our future prosperity and survival. Those are the things that bind us together and make us partners, whether we like it or not—and I do like it.

But being partners does not only mean shouldering common burdens and responsibilities. For the partnership to work we also have to make an effort to understand the ways in which we each differ and the constraints under which each operates.

Too often we are made to feel in Europe that Americans do not always understand that our interests are not always identical, that we cannot always respond to the same challenge in the same manner.

This does not mean that we do not feel solidarity with the United States, it simply means that we may have our own way of doing things.

We may also have our own way of looking at things. There is always more than one interpretation of an international event. We all know that the Russians are in Kabul, but do we know why? Does any one partner in the alliance have the monopoly of wisdom in answering that question?

In our relations with one another we should be able to tolerate differences of opinion just as we tolerate them within the democratic system of any one of our countries. That is the essence of a real partnership. Anything else is bound to be one-sided and eventually rendered meaningless.

On each side, we may have to agree to disagree at times, either on our analysis of an event or our responses to it; so long as in so doing we are all still faithful to our common interests and values.

What each does may differ but its symbolic significance must remain the same.

There is a clear message in the Community's recent decision to further strengthen its contractual economic links with Turkey, Yugoslavia and Rumania. There is also a cost to us in economic and financial terms.

This is not the kind of action that is accompanied by war-whoops and the roll of drums but it is also not without its political and strategic significance.

There is nothing necessarily wrong with the fact that Europe and the United States differ in their perception of an international event or their responses to it. It would be neither a healthy nor even a credible partnership if we always marched in lock-step. The important thing is that we both understand the differences of one another's approaches and accept that they may be but minor differences.

If on either side, we choose to systematically treat any variation in our views or attitudes as major differences, we shall be giving others the opportunity to drive a wedge between us.

At the same time, it is also important that we do not allow the issue of East-West relations to dominate our thinking to the exclusion of a number of other issues; issues that may not appear to be as immediate or even as politically exciting, but which may both be harder to resolve and which present no less of a threat to our overall security and well-being.

There is the delicate matter of maintaining an open competitive trading system in a period of high inflation, rising unemployment and low growth. There is the question of the proper relationship between the industrialized world and the developing world. There is our continued collective dependence on imported oil.

These are as much security issues in today's world as those we traditionally class as political military issues. One wonders in these areas who makes the greater contribution to overall security. Is it Europe, is it the United States?

Political military and political economic issues both touch on our security; they not only overlap but they are also intertwined.

Once that fact is realized, there is a logical conclusion that we in Europe cannot escape. That is, that we have to develop a common foreign policy.

I believe that the license of expressing one-self personally is something permitted departing diplomats and I should perhaps emphasize that my observations on this question constitute a personal view rather than official commission policy.

It is therefore my own view that if we were to develop a common foreign policy, many of the frictions in our relationship with the United States would be considerably reduced. How often have I heard or read in this country how much more smoothly the relationship between us operates when, as in the field of trade, the United States is dealing with a Community that is speaking with one voice on the basis of a commitment that has been arrived at through the institutional process of the Community. And how often is one reminded of Henry Kissinger's cri du coeur: "To whom do you pick up the phone when you want to speak to Europe?"

That we have so far failed to fully bite the foreign policy bullet will come as no surprise to those who are familiar with the development of the European Community.

Our political institutions are dramatically, chaotically young. They do not necessarily produce decisions as they are needed and the decisions they do produce tend to be more rigid than necessary.

We are talking about nine countries, a Commission, a Council of Ministers, in recent years a European Council and now too, a legitimate and directly-elected Parliament. Each is trying to define its role, with each anxious not to lose any degree of its influence.

There can be a temptation for our foreign partners to exploit this institutional diversity. It increases, if that is possible, the complexity of our relationships as the Community slowly comes of age.

We have, however, agreed that some external economic relations should become an area of Community responsibility, but we have only done so because we maintain a fiction that there is a neat line that divides the economic aspects of foreign policy from the political.

Different people in different groups handle our international relations either in political cooperation or through the Community, according to whether the subjects in question are covered by the Treaties or not. This distinction is weakening the defense of our interests and the strength of our policies.

Four years in Washington have enabled me to see how artificial a distinction it is and how much more difficult it makes our relationship with our partners.

In a sense, we are at a very similar stage to that we were in the late 1940's. At that time, we made the discovery, and acted upon it, that each of us separately in Europe would count for nothing economically if we remained separate and did not pool our resources.

We do now have a certain economic strength as a Community. We can no longer shun the political responsibilities that spring from it. Nor, in our own interest, should we fail to use the opportunities it gives us.

Political cooperation between our countries has been a great step forward. But it is dated. Since 1973, the Community and its member states have been thrown onto the world stage. Our institutions were not ready and our policies had hardly been defined.

For Europe to carry political weight in the world, to be able to be master of its own destiny, intergovernmental cooperation is now not enough. It was not enough to create economic unity. It will not be enough if we are to assume our responsibilities and play the role in world affairs that should be ours.

The problem was clearly identified by Leo Tindemans in his 1976 report on European Union, when he suggested a new step towards a common foreign policy. To make European identity credible to the outside world, he proposed in his own words, "changing the political commitment of the member states which is the basis of political cooperation into a legal obligation".

My own feeling is that the time has come to recognize that a valid and lasting foreign policy for Europe requires us to use to the full the economic importance that we have as a Community. We can no longer afford to pretent that our political strength is unaffected by our economic strength. Our methods and goals in each area are part and parcel of one foreign policy for the Community.

This would not involve a loss of independence; in fact, globally, it would mean quite the reverse. It would meet rather than confirm the fear of those who point to an autarchic economic community. We would in fact no longer be open to the charge that we were exercising economic power without political responsibility.

It would also do much to improve the climate of relations between the United States and Europe as a source of confusion was removed.

There would, however, still remain the fundamental problem of understanding one another, of appreciating and accepting one another's differences.

Although we may each have differences of perception, it is fair to say that our respective governments do understand one another pretty well.

But we have to go further and deepen that understanding beyond the official and diplomatic level. Our peoples themselves have to know one another better and to accept the differences between us as they exist. This can only happen with a constant interchange of people and ideas.

One of the successes of the European idea has been the personal contacts that have developed across our frontiers between students, professionals, businessmen, civil servants and politicians who have all learned to live together and to work together. That is the real fabric of the solidarity that exists between our nine countries; not the bureaucratic institutions that manage the technical details of the Community.

The most striking example of this context at the personal level is the enormous number of exchanges that now take place between our young people, in particular those of France and Germany. This is an area where in relations between the United States and Europe there cannot be too many programs, too many institutions or too many dollars spent.

Europeans now come to the United States more easily and cheaply than they ever used to. The great worry is that fewer and fewer Americans will be able to visit Europe. This is one of the worst consequences of the depreciation of the value of the dollar.

We had grown used to those young Americans apparently loafing about and wasting their time in Paris, Madrid or London. In fact, they were learning to understand the reality of Europe today.

It is the friendships and understanding that are built between ordinary men and women that will ultimately decide the nature of relations between nations and continents. That has been so for the construction of Europe where we have taken as our watchword the thought expressed by Jean Monnet: "We are not forming an alliance of states, we are uniting peoples".

It is just as true for the partnership between the peoples of Europe and those of the United States.●

ASME TO CELEBRATE ITS FIRST CENTENARY

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. LONG of Maryland. Mr. Speaker, the American Society of Mechanical Engineers (ASME) is this year celebrating its first centenary. I would like to offer special congratulations to the membership of the Baltimore section and the officers: past Chairmen William Arnold, Jr., and Harold Brooks; Chairman Randolph Harding; Vice Chairman Richard Hirsch; Secretary Courtney Alvey; Treasurer Clyde Humbert.

Now nearly 100,000 members strong, ASME is dedicated to the advancement of the art and science of mechanical engineering. By providing continuous training to professional mechanical engineers, by disseminating information about new technologies and processes, ASME's efforts better the lives of all citizens, as breakthroughs in engineering are incorporated into the workings of American industry.

ASME also serves as a fulcrum of exchange between scholars, students, professional engineers, government, and industry. Its 31 technical divisions include air pollution control; bioengineering; computer technology; ocean engineering; rail transport; and solar energy. The Society's 12 quarterly journals report on a broad spectrum of engineering experience and research.

ASME is concerned with the development of the engineering student of today into the practicing engineer of tomorrow. Nearly a fifth of ASME's members are students.

Mr. Speaker, I invite you and my distinguished colleagues to join me in paying tribute to the tradition—and future—of the American Society of Mechanical Engineers.●

THE FUTURE OF BANKING

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. LAFALCE. Mr. Speaker, if one were to predict what the business of banking or other financial institutions would be in 10, or even 20 years from now, one would also have to predict the needs and desires of the consumer which will dictate the development of banking.

The depository institutions deregulation bill recently signed into law by the President, heralds a new, deregulated age in banking. How will the financial institutions adapt to this new age? Will they become increasingly specialized or will they meld into one homogenous unit—a family financial center to meet every need?

It is difficult to predict the future with great accuracy for our outlook is so often limited by our present experience—we cannot predict that of which we have no knowledge. Who could have predicted, for example, the age of electronic banking, which is now upon us, back in the early 1900's?

Today I would like to insert into the RECORD one set of predictions for the future of banking made in a speech by Walter Wriston, chairman of Citicorp, before the Reserve city bankers, titled "Looking Backward at the 1980's". Mr. Wriston very aptly describes what the future of banking could be like if the financial institutions do not accept the need for change. Old ways die hard, it is true, but the consumer is tired of waiting.

The speech follows:

LOOKING BACKWARD AT THE 1980's

(By Walter B. Wriston)

Prophecy has been defined as "credibility packaged for future delivery." Obviously, one is better off postponing the due date as long as possible, and it is usually safer to predict the next hundred years than the next ten. But if Bill Miller, John Heimann and Paul Volcker are brave enough to come here and predict what the government and the Federal Reserve are going to be doing during the 1980s, I guess I can summon the courage to do a little prognosticating on behalf of bank holding companies.

Prophesying is a growth industry in America. Futurology has become a profession, and committees and institutes devoted to studying the future are springing up all over. Even Congress has one. At the same time, the study of history is rapidly disappearing from the school curriculum, and history teachers are out looking for a new line of work.

Maybe I can combine my old-fashioned views about history with the current fad of futurology by emulating the example of the writer Edward Bellamy ninety-some years ago, in his best-seller, "Looking Backward". He approached a problem like this by projecting his imagination forward in time to the year 2000 and writing a "history" of everything that had happened since 1887.

Let me read one possible entry from The New Twenty-first Century Encyclopedia—the one on commercial banks:

Banking in the United States functioned as a separate industry from 1781, when the first commercial bank was founded in Philadelphia, until the late 1980s, when its functions were absorbed by various other forms of financial intermediaries. Its final demise, like that of certain fossil species of animals, may be attributed to a continous process of specialization, until finally it was no longer able to adapt to rapid changes in its environment.

The specialization of depository institutions, although ultimately mandated by law, originated in the financial marketplace. The first mutual savings banks came into existence because commercial banks chose to deal only with commercial and government clients. The first savings and loan associations came into existence because both the commercial banks and the savings banks refused to make mortgage loans. The first credit unions appeared because both the savings banks and the S&Ls were prohibited from making consumer loans, and the commercial banks of the time were not interested. The first credit card was issued by others because banks refused to enter the market early. With the passage of time, these self-limiting responses to the marketplace became frozen into law, so that the commercial banks entered the 1980s competing with 28,000 other specialized depository institutions.

Curiously, the commercial banks expended all their efforts on preventing other commercial banks from having an opportunity to compete, and their customers simply gravitated to other intermediaries who were more interested in obtaining their business. Very few bank holding companies proved flexible enough to adapt to the unprecedented social change that followed the combining of the electronic computer with telecommunications on a worldwide scale. The advent of electronic funds transfer and storage had as profound an effect on banks as did the substitution of paper money for bullion, but this phenomenon was not generally understood at the time. By the mid-1990s, commercial banking functions had all been replicated by such institutions as department-store chains, satellite communications companies, and cable TV stations.

That's the end of the article. It's not a very happy entry, but it's easy to guess how it might have happened. All we have to do is look at what banks are supposed to be doing right now—in 1980—and then review what everybody else is doing.

Banks take demand deposits, and pay customers' checks drawn against them. So do credit unions, savings banks, savings and loans, the American Telephone and Telegraph Company, stockbroker cash management accounts, and money market mutual funds.

Banks take time deposits and savings deposits, and pay interest on them. So do brokers, money market funds, and all the S&Ls owned by companies like Sears, Roebuck, National Steel, Beatrice Foods, and Baldwin Piano Company.

Banks lend money secured by collateral. So do brokerage firms, leasing companies, factoring companies, captive finance companies and aircraft-engine manufacturers.

Banks lend money to businesses without collateral. So do other businesses. Indeed, business firms now lend to other firms more than $100 billion in the commercial paper market.

Banks make personal loans and offer credit cards. So does everybody else, from finance companies to department store chains. In fact, bank-issued credit cards account for only about 15 percent of the credit cards outstanding in the country.

Banks deal in government paper. So do corporate treasurers, brokers, mutual funds and the man in the street.

The list is endless, because it covers every so-called banking service. It is doubtful if any of us could come up with anything a bank can do that somebody else is not also doing—and doing nationwide. While we commercial bankers sit around and fret about competing with each other, our customers couldn't care less. The customer wants the best deal for his money, and today that deal is no farther away than the nearest telephone. Perhaps bankers have reached that point described by Karl Mannheim when he wrote:

> * * * Ruling groups can in their thinking become so intensively interest-bound to a situation that they are simply no longer able to see certain facts which would undermine their sense of domination.

Can we not see, for example, that money market mutual funds are nothing more than the offspring of a marriage between Regulation Q and the toll-free telephone? They were up to $42 billion by the end of the seventies, and unless banks are allowed to compete, are likely to capture anywhere from one-fifth to one-third of total consumer savings deposits during the eighties. We encouraged that marriage ourselves, with the help of Washington, and the progeny will continue dipping their hands into our pockets as long as we continue to nourish the conditions that created them. Or until the pockets disappear, whichever comes first.

It does not have to be like that. The section I read you from The New Twenty-first Century Encyclopedia does not have to be published. We are entering upon a chapter in the history of banking, the whole of which will probably be written in the next ten years, certainly within the last twenty years of this century. We are the present custodians of an institution that is as old as this country. Whether it survives into the twenty-first century is a matter that will be determined in no small part by those present in this room. There is no reason why one of us should someday have to write in our memoirs, as Churchill did about his failure to appreciate that Singapore was vulnerable because its guns all pointed the wrong way: "I do not write this in any way to excuse myself. I ought to have known, my advisers ought to have known and I ought to have been told, and I ought to have asked."

As bankers, we will not have even that excuse, because we have been told. Fifty years ago, in February 1930, the first issue of Fortune magazine carried an article on banking containing these words, which might almost have been written yesterday:

> * * * banking has become extremely complex and has long since exceeded the old boundaries of regular banking. The General Motors Acceptance Corp., which finances your purchase of Cadillac or Chevrolet, is doing a banking business—doing it in all 48 states of the Union. The * * * Chase National, no loud proponent of branch banking, owns the American Express Co., which, as everyone knows, no longer carries trunks on its back, but does issue travelers' checks and will soon open its own trust company. Though you should buy such a check in Oskaloosa, it is Mr. Wiggin at 18 Pine Street, New York, who is promptly in command of your money. Building and loan societies, the ubiquitous Morris Plan Banks, and such multibranched investment bankers as Lee Higginson & Co., with its 37 offices and Brown Brothers, are all interstate banks. Even the mail order companies, through financing by deferred payments, may be classed as doing a banking business that is not halted by state boundaries. Dozens of other instances of what are practical forms of nation-wide banking could be cited—the only regulation against interstate banking is in the case of those corporations which are unfortunately chartered for the purpose of doing a banking business.

That was 50 years ago, and someone might reasonably ask how we've survived this long if the threat is that bad. One answer is that many did not. In the 1920s there were about 30,000 banks—today there are about 15,000. Those of us who remain are steadily losing our share of business. There are no reliable statistics for the pre war years, but I can point out that in the first fifteen years after the war, between the end of 1945 and 1960, certainly a time everyone remembers as highly prosperous, the assets of commercial banks rose by three-fifths, while the assets of life insurance companies tripled, those of S&Ls multiplied by nine, and trusteed pension funds by fifteen.

We do not have to let this trend continue. Banking can recover its proper share of the marketplace—but only when we finally see the world clear and agree to abandon practices that were already outmoded 50 years ago.

When I was a boy in Wisconsin, the political power of the dairy lobby forced through laws making it illegal to put any color in margarine, in order to make it look as unappetizing as possible. Later, as consumer pressure mounted, one could buy white margarine packaged with a little bag of dye. If you had strong fingers and were truly dedicated, you could mix to make margarine look more or less like butter. Today, it comes pre mixed, and margarine outsells butter by more than two to one. In banking's attempt to keep other banks out of "our" market, we are making the same losing argument that the butter lobby did, since others are now supplying not only substitute products like margarine, but also what we regard as our own real bread and butter.

There have been periods in our history—not so very long ago—when political campaigners ritually looked forward to the time when the western farmer, and the small-town businessman and the small investor, might have the same access to money and credit as did a Hamilton or a Biddle, or a Morgan. That time is now here. The technological conditions for fulfilling those promises now exist. If bankers do not do it, others will. If history proves anything, it's that the market will not take "no" for an answer.

Let me describe the bank of the future:

It will take your funds for deposit and pay you close to money market interest on them, up to the minute you take them out, by check or otherwise.

It will give you medium- or short-term loans, or a mortgage on your home.

It will invest your surplus funds in anything from gold and real estate to commercial paper, commodities futures or the stock market.

It will insure your life, your mortgage or your business.

It will underwrite stock issues for that business, or negotiate a private placement, or arrange a merger.

It will do all this electronically in most major cities of the world, and it will let you take your account with you wherever you go. In fact, the bank of the future will help you sell your old house and buy a new one somewhere else simultaneously.

The bank of the future will do all this because the customer of the future will be satisfied with nothing less. And the customer already knows that he can demand all this because the bank of the future that I have described already exists. Don Regan runs it, and it's called Merrill Lynch, Pierce, Fenner & Smith. I, for one, applaud him for it.

The author of an article describing these and all the other wonderful services available from Merrill Lynch speculated that they would "clearly like to see Glass-Steagall drastically modified if not entirely repealed" in order to pave their way into commercial banking. I wondered why. Surely it must be obvious by now that the wall built by Glass and Steagall and their friend McFadden to keep people out of the fort is today serving an entirely different purpose. All it does now is keep the bankers locked inside while everyone else with imagination and drive harvests the cash crops growing beyond the stockade.

What is harder to understand is why, whenever parts of the wall show signs of crumbling, bankers themselves are first on the scene to mortar it up. And no one ever seems to notice that the circumference of Fortress Banking keeps getting smaller and smaller. In 1946 we had a 57 percent share of the financial assets of the country; last year it had shrunk to about 38 percent—and it is still shrinking.

We have the spectacle of bankers in one state, in the face of an opinion of a former Solicitor General of the United States, asking their state legislature for a law prohibiting out-of-state bank holding companies from opening any offices in that state. We find bankers in another state standing before the Supreme Court in an attempt to overturn a three-judge District Court ruling that it is unconstitutional for one state to bar trust companies owned out of state from doing business in their area. The Senate of the United States, propelled by 32 state bankers' associations, passed the Stewart Amendment to prohibit the Comptroller from permitting limited-purpose national banks to do out-of-state trust business. While all this is going on, National Steel Corporation buys a Savings and Loan Association in California, American Express buys 50 percent of Warner Communications, Merrill Lynch opens ten new offices in your town, and we bankers stay in our bunkers with our backs to the wall, resolutely talking about keeping fellow bankers out of "our markets."

Those people on the outside of the wall—Merrill Lynch, Sears, Roebuck, G.E. Credit Corporation, the credit card companies, and all the others—are only doing what a market economy demands. All they are doing is giving the ordinary consumer a competitive return on his money. There's nothing wrong with that; what's wrong is the government's attempt to prevent it. And if we encourage these attempts, as many of our colleagues have done, then, as Pogo said, the enemy is us.

All attempts to protect our Fortress Banking will fail, because new technologies like telecommunications and data processing have provided the means to give everyone equal access to the free money markets, and inflation is furnishing the incentive to go there. That's what plastic credit cards and toll-free 800 numbers are really all about. The trend cannot be halted because the public, in this age of consumerism, will no longer accept the inequities. Banks cannot be sheltered from this competition; they can only be banned from participating in it. Indeed, it is useless to anticipate, if we are forbidden to act. And if we do not participate, we are finished as financial intermediaries. It may not be an exaggeration to say that our very survival in the year 2000 may entail giving up our banking charter, if our laws and regulations do not change.

Every lending officer in this room is familiar with the company that fails to adapt to new realities and thus produces a write-off for the bank and becomes another tombstone in the corporate graveyard of America. No one here was around, but we have all heard the story of how Central Leather, once larger than General Motors, failed to adopt new shoemaking equipment and so is no longer alive, let alone the 24th largest corporation in America. Some of us here saw how Curtiss-Wright, builder of the famous P-40 fighter plane, failed to see the demand for jet planes after the war and so is no longer bigger than Boeing or Lockheed, as it was in 1946. All of us here are well aware of Chrysler. We can make our own personal list of companies, and indeed of industries, that failed to provide the service or the goods that people wanted to buy, and so are no longer around. If a given company or industry will not supply goods or services at a fair price, the customer will go elsewhere.

Sometimes the managements of the companies in an industry fail to understand what business they are in, as many railroads failed to understand that they were in the transportation business, and so they failed or disappeared entirely. Sometimes the managements fail to give the customer what he or she wants—instead, paying 5 percent on savings accounts in a 12 percent market, to pick a random example. Sometimes the companies and their regulators fail to reflect the new realities of the world, and whole industries die as unfettered competition comes into the marketplace and runs rings around them. The view of the U.S. Government expressed by the courts and regulators that savings banks don't compete with commercial banks can only be described as bizarre. It's like believing the railroads were a monopoly long after the tracks had rusted, and the buses and the 18-wheelers were rolling down the interstate highways with the 747s flying overhead.

Some of our own banking colleagues, like generals preparing for the last war, still think of Fortress Banking as a separate line of commerce. Sometimes the very executives who bring the crowd at the Lions Club luncheon applauding to its feet, by a ringing defense of free enterprise, go back to their offices and get on the phone to persuade their Congressmen or regulators to protect them from competition. Whatever the reason, history teaches that companies disappear when they fail to adapt to new realities.

The question as we enter the 1980s is not how many people will climb over "our" wall into "our" market, but whether we will allow ourselves to climb over it, out into the sunlight where the customers are.

I would like to see that twenty-first century encyclopedist forced to rewrite our obituary. Whether he does or not will depend on some critically important political decisions that will be made during the 1980's concerning our financial system.

The business of financial intermediation is becoming a high-technology industry, and it is one complicated by political and regulatory factors. Segregated markets now exist only in the minds of people who do not live in the marketplace. Indeed, the only place you can live and make that judgment is in the past. Sometimes the nonexpert says it best. Gertrude Stein was certainly not an expert in finance, but she understood better than anyone what I have been trying to say. "The money is always there, but the pockets change; it is not in the same pockets after a change; and that is all there is to say about money."●

THE PRICE OF CITIZENSHIP

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. WHITEHURST. Mr. Speaker, in the April 12, 1980, issue of the Saturday Review, Carl Tucker has written an editorial entitled "The Price of Citizenship." For the benefit of my colleagues who may not have seen this column, I insert it in the RECORD at this point.

Since we are on the threshold of considering the reinstatement of the registration of our young men, this commentary is particularly timely. Mr. Tucker is to be commended for expressing so well what should be in the hearts of all of us.

The editorial follows:

THE PRICE OF CITIZENSHIP

Something unnerving is happening in the United States. We the people are losing our sense of participation in the great American experiment. We are cheating the government of taxes by neglecting to report cash transactions. We are failing to vote in ever larger percentages. We are reacting to our most pressing national problem—the conservation of energy—as if we had no individual responsibility for solving it. And we yelp when the President, faced with a potential international crisis, suggests draft registration.

The resistance to draft registration, in particular, gnaws at me. When I was in college, my birth date was assigned a low enough lottery number so that being drafted seemed a certainty. My student status exempted me until the draft was discontinued. Had it not, I'm not sure how I would have reacted to being called upon to fight in a war as pernicious as Vietnam. I might have joined those who by their conscientious refusal to fight were trying to change government policy. But I would not have questioned the government's right to demand three years of my life as the price of citizenship.

Many students today see the draft as an unjustifiable imposition, and they concoct a variety of arguments to defend their disinclination to serve. "It's the wrong war," say some, conveniently neglecting that the purpose of instituting a draft is not to wage any particular war, but to improve our ability to react in case of war. Others argue that the government owes us a professional army and that nobody should be forced to enlist. Much of the draft resistance during the Vietnam War could be construed as patriotic. Today's arguments against registration seem like a smoke screen to distort a different mesasage: "Don't bother me. I've got better things to do."

One wonders, with astonishment, if this is the same nation that just two decades ago thrilled to hear, "Ask not what your country can do for you; ask what you can do for your country." There are those who have blamed this transformation on the quality of our leadership. If we had abler or more honest chiefs, if we had been spared Abscam, Koreagate, Watergate, etc., we might feel less cynical about the intentions of government. Accusing the politicians, however, is, to borrow from Samuel Beckett, blaming one's shoes for the faults of one's feet. In a democracy, leaders are ultimately reflective of those who install them. In the past 20 years, Americans have grown steadily less concerned with the national interest and more concerned with selfish interests. We ask what the country can do for us, and what further we can do for ourselves. When the voters are so self-embroiled, it is hardly surprising to find their elected representatives engaged in feathering their own nests.

Where will it end? Perhaps we need some crisis, some terrifying misfortune, to remind us that our way of life is not inevitable, that if we allow our foundations to crumble, even the mighty America could collapse. Such a crisis may prove to be inflation, which, if it continues at its current clip, will erode all confidence in government and cause bitter divisions between the haves and have-nots. It is conceivable (though by no means certain) that another successful land grab by the Soviet Union could awaken us to the precariousness of our position in the world and persuade us to subjugate our personal interests to the national interest. One hopes that such crises may be averted. But the longer we continue to behave like heirs who have no responsibility toward the fortune we've inherited rather than like builders of that fortune, the more the likelihood of preserving our way of life will diminish. The strength of a democracy depends on the active participation of its citizens. If we do not pull together, we will pull apart.

In certain respects, my son Peter reminds me of today's average American voter. He wants what he wants when he wants it, without concerning himself in the least whether his desires or timetable conflict with those of his parents. He doesn't wonder where his food and clothes come from or who provides them. It never occurs to him that he owes anybody anything in return for what he is given or that he has the slightest reason to be grateful.

At the age of six months, such an attitude is understandable. By the time Peter is 18, however, he will have learned (or at least he will have been told) that some self-sacrifice is the price of citizenship and that, in view of the alternatives to the American way of life, the price is well worth paying.●

THE INDEX THAT FEEDS INFLATION

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. LONG of Maryland. Mr. Speaker, I would like to share with my colleagues an article, from the March 24 edition of Business Week, sent to me by a constituent, Mr. Robert H. Patzwall of Towson, Md. Mr. Patzwall suggested that the article from Business Week be required reading for all Members of Congress, and I agree. The article follows:

The Index That Feeds Inflation

(On Jan. 31, 1980, William D. Howard, a retired federal employee, wrote a letter to Mrs. Janet Norwood, Commissioner of Labor Statistics. Business Week has obtained his permission to reprint it. The editors consider it an interesting and informative study of the inflationary impact that results when cost-of-living adjustments in wages or pensions are based on the consumer price index compiled by the Bureau of Labor Statistics.)

Dear Mrs. Norwood: According to the Jan. 2, 1980, issue of The Wall Street Journal, you spoke to the National Association of Government Labor Officials and defended the BLS consumer price index against claims that it exaggerates the inflation rate. . . . I submit to you that an honest analysis of my own personal financial status reveals more about the impact of the BLS's actions than can be derived from opinions of economists.

Let's start with my 43rd birthday, July 1, 1968, when as a middle-management federal accountant, Grade 15, Step 8, I was earning $22,000. Federal workers then became subject to the "Comparability Pay" law. My salary would have changed little had the "average" pay of the private sector surveyed been used, but it wasn't. The BLS used special weighting curves and other refinements they felt necessary to achieve "comparability," and instead of my pay increasing 22% in the next 4½ years, it spurted 54% to $34,971 by January, 1973, without any promotions. It would be $50,112 a year today if I had not retired on my 50th birthday, July 1, 1975.

During the 4½ years since my retirement from federal employment, my Civil Service annuity (#1 810 115), which started at $1,922 a month, will reach $3,075 based on the CPI-W [The index that applies to wage earners and clerical workers] of 230.0 at December, 1979. Thus, I now receive 63% more retired than I did working in mid-1968, primarily due to the impact of the BLS's determination of "comparability pay" and calculation of CPI-based cost-of-living allowances.

In your speech, which I referred to at the outset, you stated:

"We have one official consumer price index, and we will continue to have one official consumer price index."

The CPI is the best measure of purchasing power we have."

"The purpose of CPI cost-of-living adjustment has been to permit people to purchase in today's prices the bundle of goods and services they purchased in the base period, thereby leaving them at least as well off as they were then."

This means that I do not have to switch to pork, chicken, or even pasta, as others do, because the cost of beef and veal has gone up more in the last eight years than meat substitutes. I am entitled, according to you, to eat the same quantity and quality of beef and veal as I did in 1972-73, when it was cheap.

I still get to drive gas-guzzling big cars at 6 to 8 mi. a gal., just like people did when the CPI was "based" and gasoline cost 41¢ instead of the $1.20 now. When the government urges conservation, it is at variance with your contention that we (CPI-based COLA recipients) should be left at least as well off as before. Heating oil was 19¢ a gal. at the CPI base, plentiful too. I can ignore the government's urging that I insulate my home, roll back the thermostat, etc., and heat with the same amount of oil as before at today's prices.

As to my home, I live in a new house acquired just before I retired in 1975, and although the value has doubled and I can take $100,000 tax-free profit, and the monthly payments are not a bit more, the housing components of my CPI increases of more than 50% have handsomely increased my income. Is it true that the CPI assumes that I can only sell my house for the equity I have paid into it and assumes that I repurchase and refinance a portion of my house every year?

My radial tires for my cars get 40,000 mi. these days, but my cost-of-living allowances based on the CPI assume that I still get only 15,000 because quality improvements (except for new automobiles) are ignored.

Medical care costs have risen dramatically in the last eight years, and my CPI-based income has been raised accordingly, yet my former employer continues to pay a large portion of my health insurance, and my costs are about the same.

I know that I am very fortunate to have your CPI income protection, as are 50 million other people who are similar beneficiaries. But don't you think, honestly, that it is unjust enrichment. Frankly, it scares me to contemplate what this transfer of payments from one group of citizens to another means. For myself, I am busily engaged in a second career in the private sector, but not everyone is—due to the influence on incentives.

For example: A local fellow who used to work for the same government bureau I did retired 1½ years ago. I called him last week about a job opening similar to the one I got after retirement. He is a CPA and figured that from the $24,000 salary to start, on top of his CPI-based federal annuity, federal, state, city, and FICA taxes, and commuting expenses would leave him only $9,000 for working, and he therefore was not interested. Why should he support the system?

I understand that BLS's Monthly Labor Review welcomes communications that are factual and analytical, not polemical in tone. Although this one is a bit embarrassing to me personally, it is a story that needs to be told, even if it ultimately results in less unjust enrichment to CPI cost-of-living benefit recipients. Sincerely,

William D. Howard.●

ST. LOUIS TRIBUTE TO ROBERT L. WITHERSPOON

HON. WILLIAM (BILL) CLAY

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. CLAY. Mr. Speaker, I would like to take this opportunity to share with my colleagues an article that appeared in the St. Louis Globe-Democrat newspaper relating to Attorney Robert L. Witherspoon, who recently was honored by the St. Louis community for his many years of consistent service to the black community.

Through the efforts of Attorney Witherspoon many significant civil rights gains were achieved by blacks and other minorities in employment, housing, education, and public accommodations.

I proudly join with the St. Louis community in honoring one of our outstanding citizens, Attorney Robert L. Witherspoon.

R. L. Witherspoon Helped Open up St. Louis for His Fellow Blacks

[By Thomas Newsom]

Shortly after eight o'clock Saturday night, the dinner plates will be set aside in a North Side banquet hall, and some fine words will be said about Robert L. Witherspoon, a soft-spoken St. Louis lawyer with a strong background in civil rights.

Witherspoon will be there, at the head table, immaculately dressed in a three-piece suit, perhaps a bit shy to hear the tributes.

He is low key. Quiet. A bit self-effacing. Yet, he is a strong man who uses words instead of swords; a man who believes in firm principles of right and wrong, in this valium age of situation ethics.

In key part, Robert L. Witherspoon is being honored for his long struggles in the courtrooms of St. Louis and Middle America to help open doors for blacks. In the black emergence into the American mainstream, Bob Witherspoon spans that time period between the days of Booker T. Washington and the days of Martin Luther King Jr. and Benjamin Hooks. In addition to his civil rights work, he is also being recognized Saturday night for his civic and church work in St. Louis.

To the banquet hall in Ville Auditorium, 5325 Union Blvd., it has been a long road from those old cotton and tobacco fields back in South Carolina.

"We gave Bennettsville as our address, but that was where the post office was; we were seven miles out in the country," said Witherspoon, mid 70-ish, reminiscing one morning last week about the pre-World War I South, where he was born.

"What was the nearest Big Town?"

"Darlington," he answered, "was 18 miles away." Darlington, where today the hot stock cars race; Florence and Bennettsville—all in that great sweep of fertile Piedmont area in northeast South Carolina, where green velvet-thin leaves of tobacco grow as big as an elephant's ears, and a fleecy white cover of cotton spreads over the land under the blazing summer sun.

In the first decades of this century, this was also a brooding land of racism that helped shape Robert L. Witherspoon when he was a lad, one of 15 children trying to make a living in the hot fields.

He remembers lynchings . . . and the Ku Klux Klan, and night riders thundering through tobacco country. "Keep the Negro in his place!" was the cry.

Then, and there, Witherspoon decided to be his own man. He worked his way through South Carolina State College at Orangeburg, where one of his professors was Dr. Benjamin Mays, later to be head of Morehouse College at Atlanta.

In college, Witherspoon wrote a thesis, and then orated on the subject: "Resolved: That Negro Education in the South is a Challenge to American Democracy."

Witherspoon remembered and smiled last week: "My eyes were opened in those days; we were quoting the Declaration of Independence, and looking out into a world at what was really going on."

He remembered what a black history teacher told him at Orangeburg: "There are some things in this country that ministers and teachers can't correct; we are going to need lawyers . . ."

Bob Witherspoon later took a Jim Crow traincar north to Washington, D.C., and enrolled in Howard University, where he worked—operating elevators—and studied law at night. In June, 1930, he graduated, and headed west for Kansas City, the biggest city across from Kansas, "a free state."

But, he ran out of money at the St. Louis Union Station, and he's been here ever since. He went into practice with a Howard classmate, David M. Grant, a native of St. Louis. This city was as segregated as the South, in those days, but at least a black lawyer could practice without too much hassle.

Robert L. Witherspoon will be guest of honor at the recognition dinner Saturday night along with Mrs. Naomi Oldham, who is celebrating her 88th birthday, and who is former owner of Victory Cab Company, and, for many years, the Republican committeewoman of the 18th Ward.

The Republican Association of North St. Louis and Vicinity is sponsoring the dinner. Walter R. Jacobs, chairman of the affair, said congratulatory messages are expected from Sen. John Danforth, County Executive Gene McNary and former Gov. Christopher S. (Kit) Bond. Retired Judge Nathan B. Young will be a principal speaker, and Curtis Crawford, a St. Louis attorney, will present plaques to Mrs. Oldham and Witherspoon.

As one source noted, Bob Witherspoon's "adamant cleavage to the Republican Party in a city heavily Democratic-oriented, his refusal to seek a permanent judgeship or any city or state job, and his strict adherence to his beliefs—have not helped to propel him forward in the legal field . . ."

But Bob Witherspoon is his own man! (He is quick to point out that blacks in large numbers were in the Republican Party, from Reconstruction Days down to the era of Franklin and Eleanor Roosevelt.)

He keeps his office, at 1518 N. Sarah, in the inner city. He still serves clients who may not have enough money to pay him for his legal services. In 1976, he took on the controversial North Side Representative William L. Clay, in a run for the Congress—and lost.

Yet, Bob Witherspoon is recognized as "a natural leader" by such men as Judge Theodore J. McMillian of the 8th U.S. Circuit Court of Appeals.

The judge praised Witherspoon as being among "that small nucleus of black lawyers" who helped bring about civil rights change in St. Louis. McMillian also praised Witherspoon for his "well-documented" case work in court, and said he was "like a father figure" to McMillian and other black lawyers when they were just learning the business.

In the early days, in the 1930s, Witherspoon and Grant often worked together on cases. There was one time that a penniless defendant almost went to the hangman's noose at city jail until Grant and Witherspoon fought his case through, discovered he had an Army injury—a piece of knife blade lodged in his skull—and got him declared mentally incompetent, and sent to a hospital for help.

One of Bob Witherspoon's proudest moments, he said, was the famous Lloyd Gaines case, which opened the doors for legal education for blacks in Missouri—through the establishment of Lincoln University Law School, in St. Louis, and later removed to Jefferson City.

That case went up to the U.S. Supreme Court, and Witherspoon recounts that Chief Justice Charles Evans Hughes used some of Witherspoon's arguments in 1939, when the high court decided for the plaintiff Lloyd Gaines, who had tried to enroll in law in Missouri, Prior to Gaines, blacks were given state tuition to go to other states to seek professional training.

As the result of the Supreme Court decision, the state established law studies for blacks at Lincoln University; later, law school doors were opened to blacks at the state universities.

In 1949, Bob Witherspoon was involved in another precedent-setting case, when he assisted George Vaughn in arguing all the way to the U.S. Supreme Court the so-called Restrictive Covenant Case. Witherspoon and Vaughn represented the Black Real Estate Brokers of the city, who claimed that so-called housing covenants violated the constitutional rights of blacks. The case dragged on for years . . . until the High Court reversed the Missouri Supreme Court, outlawing all racial and restrictive covenants in the buying and selling of real estate.

In the early 1950s, Bob Witherspoon was president of the St. Louis branch of the National Association for the Advancement of Colored People, and it was during this period that he was active in filing suits that opened Fairgrounds Park and Lafayette Park swimming pools to blacks.

The U.S. District Court ruled the pools open; this set off some sporadic race fights, as the black youths came to swim.

One of the plaintiffs in the pool case was Clyde S. Cahill Jr., now Judge of Division 10, St. Louis City Circuit Court.

"I learned a great deal from him," Judge Cahill said last week, "his activity in the field of law goes beyond any partisanship activities."

The city court judge said that Witherspoon has "the manners and custom of a real gentleman," and that he has always gone out of his way to help young lawyers on their way up.

Bob Witherspoon was also legal counsel to demonstrators in the Jefferson Bank Demonstrations in the early 1960s. Bill Clay, Bob Curtis, Marion Oldham, Norman Seay and others had taken to the streets outside the bank, which allegedly had refused to give blacks upgraded bank jobs, although "black money" was deposited in the bank, which then was located at Jefferson and Market Streets.

The demonstrators ended up in jail for a while, but banks in black areas of the city later opened up better jobs for blacks.

Motivated, perhaps by memories of those boyhood years in the sun-drenched fields of the South, and the need of education, Bob Witherspoon, in the late 1940s, confronted Washington University regarding the admittance of blacks, since it was a tax exempt institution.

As a result, Witherspoon's wife, Fredda, was one of four blacks who were in the first class graduating blacks, in 1949.

(Dr. Fredda Witherspoon, St Louis educator and community leader, is currently professor of guidance and counseling at St. Louis Community College at Forest Park. She was named a Globe-Democrat Woman of Achievement in 1970.)

Bob Witherspoon's travels in the cause of civil rights took him into Charleston, in the Missouri "bootheel Area" during the early '60s, when demonstrators had been arrested at sit-ins in "dime stores" and drug stores.

"I was a little skittish," he smiled, "but I took my daughter along with me—she was about eight or nine years old then—and I figured they wouldn't lynch both of us."

As it turned out, attorney Witherspoon found "bootheel" justice to be just and after doing is "lawerin'" on behalf of the civil rights demonstrators, he and his daughter drove back to St. Louis.

(Witherspoon and his wife have two children, the daughter, Vanita, who teaches law in Los Angeles, and a son, Robert Jr., who works with Title I program for the federal government in the Washington, D.C. area.)

The man who has served as president of the Mound City Bar Assn., and who was the first black appointed to the St. Louis Board of Election Commissioners (by then Gov. Warren E. Hearnes) was an organizer and leader in the movement to help blacks get jobs as clerks in such "dime stores" as Kresge's and Woolworth's. The efforts were successful, and the blacks were gradually hired as clerks in these stores, as well as in chain grocery stores.

Bob Witherspoon was also instrumental in helping blacks be accepted in all the seats in Kiel Auditorium and in theaters around town. (In one such theater, blacks were permitted to sit only in the extreme top row next to the ceiling, in the so-called "buzzard's roost.")

He has been Sunday School Superintendent for more than 30 years, at Calvary, Greater Calvary and West Side Baptist Churches, and he helped organize the Missouri State Sunday School and BTU Congress, among other works for the church.

His philosophy of life might be summed up in five words, according to his wife, Dr. Fredda Witherspoon. The philosophy is simple, yet powerful:

"If I can help somebody. . . ."●

ONE WILLING TAXPAYER

HON. RICHARD BOLLING

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. BOLLING. Mr. Speaker, the article which follows appeared in the Washington Post of Friday, April 18, 1980. Its author, Bob Ball, is an old friend. As Commissioner of Social Security, he was one of the finest public servants in our Nation's history. His good sense and dedication to the democratic process shine through in every paragraph of this moving statement of a good and wise citizen.

One Willing Taxpayer

Now, don't get me wrong. I am not a masochist trying to make things unpleasant for myself. During the last few years, for the first time in my life, I have had a small amount of money for what they call "discretionary spending"—that is, after what has seemed essential for food, clothing, shelter, medical care and other family needs, there has been a little money left over that we could save or decide to spend as we wished. A good feeling.

Then a strange thing happened. As I was making out my income taxes, it occurred to me that I would get a better bargain if I spent somewhat more of my money on those things that benefit us all and a little less on what I selected individually. That is, I found I had a marginal preference for public goods versus private goods. This will not lead me to make a gift to the federal government, but it will lead me to vote for those who will see that everyone helps pay a fair share of increased expenditures.

Let me take first that bete noir of my liberal friends: defense expenditures. For many of them, the decisions about federal expenditures seem to be easy—just cut the defense budget and leave social programs alone. But I am glad we are planning to increase our defense capability over the next decade relative to the Soviet Union's, and that shouldn't be hard to do. We have a gross national product almost three times as large as theirs, and they are apparently locked into a very low-growth or no-growth situation for many years. Now, I am annoyed by the fact that we seem to be letting the Germans and the Japanese get away without paying a reasonable share of their own defense and thus increasing the total cost to us, but that doesn't change my main point: there is nothing that I can do in the marketplace with my money that will do so much to help create the conditions of a safe and stable world as what the federal government can do if it spends some of that money for me.

And I feel the same way about area after area in the federal budget. Although it is not supported by the income tax but rather by special contributions, I like the idea that I live in a country that has a contributory social insurance system that provides dependable and inflation proof benefits to retired elderly people, the totally disabled, widows and motherless and fatherless children. I like the fact that we have a Medicare program that sees that older people and totally disabled people (and their sons and daughters) are not made bankrupt by serious illness. I like the "entitlement programs" that are supported by income taxes, too—veterans' benefits, the federal government's contribution to the unemployed, to poor women and their children, food stamps for the hungry, medical care for the poor, and so on. I like it that these programs are "uncontrollable"; that they are a commitment in law that people can count on.

I want to buy more not only in these areas of very large expenditures, defense and "entitlement programs." But how can I as an individual help to protect the food and drug supply through expenditures in the private market? How can I buy the new knowledge to reduce disease and promote health? How can I buy in a way that prevents water pollution and promotes clean air? I like the Forest Service, the Park Service and hundreds of other services I get for my federal tax dollar. I want to buy more of these public goods. In my opinion, they do much more toward creating the kind of world I want to live in than anything further I can buy in the marketplace.

Now, all was not sweetness and light as I made out my tax return, I wish IRS would spend more money to catch the cheaters. I feel about them as I do about the shoplifters who run up retail prices. And I am annoyed at waste, inefficiency and dishonesty that run up the cost of either public or private goods. I guess I am even more annoyed when it is a public agency that is at fault. If some of the people in the General Services Administration, say, stole public money, I would hold them to a stricter accounting than those private entrepreneurs caught bilking the public. Public service should have the highest standards, and they are usually observed. All in all, I'm greatly pleased that less than two cents of each dollar contributed to the Social Security program is spent on administration and 98 cents-plus goes out in benefits. That's what I call getting my money's worth!

There was one matter above all that I found irritating on April 15: the notion I kept running into in casual conversations that "they," the government, were taking away "my" money for "their" purposes. It has always seemed to me that, almost exclusively in the history of the world, the U.S. government is not "they" but "us," and it has always seemed to me fatuous that whatever income one could manage to lay one's hands on was somehow to be thought of as entirely the result of one's own work. Obviously, the major part of our income derives from the collective capital that we have all inherited from the past. Our income comes not only from our own effort but also from the knowledge, skills and technology that others have developed and, for example, the advantages we all derive from public health activities and the products of our educational system (it makes sense to print this paper only because someone else has taught children to read).

And we not only stand on the shoulders of all the generations before us when we earn our living, but are also dependent on the current contributions of others in a collective, interdependent economic enterprise. It seems to me, therefore, that the government, expressing the collective will of the people, has the responsibility to take back for broad social purposes a significant share of what we like to think of as our own earnings.

Anyway, I hope when the next budget is submitted and the focus is again on the value of public goods versus private goods that those who make the decisions will keep in mind that there are some of us out here who like what we buy from the government, and that goes for local and state governments, too.●

U.S. GRAIN EMBARGO A FAILURE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. AUCOIN. Mr. Speaker, 3 months ago the United States clamped an embargo on grain exports to the Soviet Union in retaliation for the invasion of Afghanistan.

At that time I joined with many colleagues on both sides of the aisle in supporting the need for firm and decisive responses to blatant Soviet aggression.

I welcomed the President's strong, unequivocal statement that the Persian Gulf is an area of vital interest to the United States, that the invasion of Afghanistan is a matter of gravest concern, and that verbal condemnation of the Soviet Government is not enough—that the Soviet Union must pay a concrete price for its aggression.

However, it was in that context, Mr. Speaker, that I cautioned against turning to trade sanctions as a retaliatory weapon. I cautioned that before rushing into politicizing our trade policy we should have a clear understanding of the costs of our actions—because trade sanctions cut both ways. They involve a price. So at the very least we ought to make sure that the price inflicted on the recipient exceeds the cost we impose upon ourselves.

In the case of the grain embargo, I expressed doubt that it would deal a punishing blow to the Soviet economy.

It is no satisfaction observed in retrospect that the grain embargo has failed, and for the very reasons I cited.

Last month the Agriculture Department issued a new forecast showing that the Soviet Union has been able to purchase enough new grain from Argentina, Canada, and smaller producers to offset all but 2 million tons of the 17 million tons of U.S. corn and wheat withheld from export.

One Agriculture official, trying to put the best face on things, called the embargo a success because it forced the Soviets, in his words, "to go scrounging all over the world for grain."

He called this a real inconvenience for the Soviets.

I call it a mistake, and a failure.

I suggest that the inconvenience our embargo has imposed on the Soviets is far less painful than the sacrifice we have inflicted on American grain producers and losses to our own economy.

Trade sanctions have to be understood in terms of national economic priorities. At a time when Congress is struggling to restrain Federal spending and bring the budget into balance, the embargo will entail the commitment of billions of dollars—on top of the $2 billion already pledged to buy up existing Soviet grain contracts—to shore up grain producers in the years ahead. This will not make balancing the budget any easier.

There are long-term costs of politicizing the grain trade as well. Not only do we endanger existing markets, but we discourage new ones because of the uncertainty—the strings, if you will—that go with buying our grain.

This could not occur at a worse time. Though progress is being made to build markets in Asia, including Singapore, Malaysia, Indonesia, Sri Lanka, and to reopen markets in China, our gains abroad could be undermined if the world perceives U.S. policy as unstable when it comes to trade.

Competition with Australia for Asian wheat markets is expected to be stiff in the 1980's, especially as fuel prices continue to rise. Uncertainty of supply could become the determining factor in whether or not we make sales of our wheat.

Trade is no gift. It is the exchange of goods or services between a willing buyer and seller. In trade, you only have leverage if you are willing to make an exchange. If you are not a buyer will look elsewhere. In our world today, there are plenty of "elsewheres."

Mr. Speaker, if we have gained anything from this embargo, it should be the lesson that trade embargoes, unilaterally imposed, rarely work. To be effective, an embargo cannot be undercut by other nations which have the same trading capacity and choose to do business as usual.

The grain embargo has demonstrated that this is not an abstract theory. It is a fact.●

STUDENTS VISIT THE CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome 30 of the 9th and 10th grade students from the Owings Mills Senior High School in Maryland who, accompanied by Mr. Chuck Prunte, are visiting the Capitol.

My constituents, in connection with a course on American Government, will tour the Congress, attending committee meetings, and observing floor action.

Mr. Speaker, I invite you and my distinguished colleagues to make welcome my friends from Owings Mills.●

JIM McCARTHY, SR.

HON. THOMAS P. O'NEILL, JR.

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. O'NEILL. Mr. Speaker, on Friday, April 18, 1980, in the city of Wilkes-Barre, Pa., a man I have met several times on my visits to that city celebrated his 50th anniversary as a broadcast journalist. His name is Jim McCarthy, Sr., the executive sports director for WILK Radio in Wilkes-Barre. After 50 years, he is still broadcasting, doing three programs a day, and looking forward to many more productive years. And that is why I want to call the attention of the House to this special event.

Jim McCarthy, Sr., was honored by his colleagues, contemporaries, and friends at a dinner party in Gus Genetti's Hotel. Invited were men like "Sleepy Jim" Crowley, one of the famed "Four Horsemen" of Notre Dame and Nestor Chylak, the former chief umpire for major league baseball and the president pro tempore of the Pennsylvania Senate, Senator Martin Murry and Al Flora, former manager of many boxing champions and contenders, and Johnny Unitas, former quarterback of the Baltimore Colts, and many, many more.

The 50 years of Jim McCarthy, Sr., have been full ones. Starting "on the boards" of traveling theater groups on Long Island, through motion pictures in Hollywood, NBC during the Second World War and then "back home" to Wilkes-Barre, where he tried to retire; but the lure of the microphone brought him back to business. Senator Martin Murry presented Jim McCarthy, Sr., with a resolution he authored in the Senate of the State of Pennsylvania honor McCarthy's golden anniversary, and I join in honoring this man who has proven that age is merely a matter of mind. I wish Jim McCarthy, Sr., many more fruitful years in his chosen profession and ask my colleagues to join me in wishing him the very best of good fortune and our warmest wishes for continued good health.

We should also thank Jim, Sr., for training such a wonderful son, Jim, Jr., whom we all know in the press gallery as a correspondent for CBS. Jim, Jr., is one of the finest reporters on Capitol Hill and Jim, Sr. should be proud of him.

The following articles include pertinent information about the Jim McCarthy golden anniversary:

McCarthy Testimonial Is Set for April 18

Jim McCarthy, dean of area sportscasters and a household name in northeastern Pennsylvania sports for a half-century, will be honored at a testimonial dinner on the occasion of his golden anniversary in broadcasting on Friday night, April 18, at Genetti's Motor Inn, Wilkes-Barre.

Scores of local and national sports luminaries from the past fifty years have been invited to attend the affair which starts with cocktails at 6 p.m. and dinner at 7.

Arrangements for the fete are being made by a Friends of Jim McCarthy Committee which includes his co-workers at WILK Radio, where he is currently Executive Sports Director, as well as other long-time associates. The committee includes: James Morgan, Lee Vincent, Al Flora, Sr., Frank Silva, Stan Neishel, Frank Cerreta, Nestor Chylak, Rick Gaydos, Earl Watson, Tom Jones and Lou Delvecchio.

A native of Plymouth, Jim actually began his career in radio as a comedian. He and the late Fred Jones comprised the comic duo, "Glen and Dale," representing the old Glendale Dairy on a half-hour show.

"I guess the show wasn't too successful; we weren't exactly Amos and Andy," recalls McCarthy, noting that the dairy went out of business. He remembers receiving ten dollars for the show.

For twenty-eight years McCarthy was employed by WBRE Radio and television and most of that period served as Sports Director of the Wilkes-Barre based facility. While in this capacity as Sports Director, he not only covered the local sports beat but also most major national sports events as well. For thirty years he and the late Chic Feldman (Scranton Tribune) attended the World Series together.

In the mid-sixties he went to work as Public Relations Director for Pagnotti Enterprises and also was the first Public Relations Director at Pocono Downs when the track opened in 1965.

For the past eleven years he's served as Executive Sports Director and Account Executive with WILK Radio. "My association with Roy Morgan (President and General Manager) and Lee Vincent (Sales Manager) and other staff personnel at WILK have made it the happiest eleven years of my career," McCarthy points out.

Through the years, McCarthy also gained considerable recognition as a ring and race track announcer as well as boxing promoter. "I even announced bingo in the thirties," he muses.

McCarthy was ring announcer for the Pennsylvania Athletic Commission for twenty-five years. In auto racing, he handled the "mike" at the old Bone Stadium and Roosevelt Speedway (New Jersey) and is presently track announcer at Evergreen Speedway.

McCarthy promoted fights in the late forties at Westside Armory and also outdoor bouts at Artillery Park. Among his local proteges was Rocky Castellani, who rose from a "four-rounder boxer" to a main-event performer on McCarthy-sponsored programs.

McCarthy, who'll celebrate his 69th birthday on February 23, has been followed into radio broadcasting by his son, Jim, Jr., CBS Bureau Chief in Washington, D.C. His other children are Michael, Tom, Caroline and Denise.

Jim McCarthy To Be Honored

Wilkes-Barre.—Jim McCarthy, dean of area sportscasters, is celebrating his golden anniversary in broadcasting and will be honored at a testimonial dinner on April 8 at 6 p.m. at Genetti's Morot Inn, Wilkes-Barre.

Scores of local and national sports luminaries from the past 50 years have been invited to attend the affair.

Among the speakers at the affair will be Fran Fisher, play-by-play announcer for Penn State University; Frank "Chic" Mara, former football coach and sports humorist; Monsignor Andrew McGowan, New York Jets coach Walt Michaels, boxer Rocky Castellani, State Senator Robert Mellow, and Jim Crowley, one of the famed "four horsemen" of Notre Dame.

Arrangements for the fete are being made by a "Friends of Jim McCarthy Committee" which includes his co-workers from WILK Radio, where he is currently executive sports director. Comprising the committee are James Morgan, Lee Vincent, Al Flora, Sr., Frank Silva, Stan Neishel, Frank Cerreta, Nestor Chylak, Rick Gaydos, Earl Watson, Tom Jones, and Lou Delvecchio.

McCarthy was employed by WBRE Radio and Television for 28 years, serving as sports director for most of that period. In that position, he not only covered the local sports beat but also reported on most major national sports events as well.

In the mid-sixties, he served as public relations director for Pagnotti Enterprises and was also the first public relations director at Pocono Downs when the race track opened in 1965.

For the past 11 years, he has served as executive sports director and account executive with WILK Radio.

McCarthy was ring announcer for the Pennsylvania Athletic Commission for 25 years, handled the microphone at auto racing events at the Old Bone Stadium and Roosevelt Speedway, New Jersey, and is presently track announcer at Evergreen Speedway.

In the late 40s, McCarthy promoted fights at Westside Armory and outdoor bouts at Artillery Park. Among his local proteges was Rocky Castellani who rose from a "four-round boxer" to a main-event performer on McCarthy-sposored programs.

McCarthy, who recently celebrated his 69th birthday, has been followed into radio broadcasting by his son, Jim, Jr., who is employed as bureau chief of CBS in Washington, D.C. He is the father of four other children, Michael, Tom, Caroline, and Denise.●

THE SETTLEMENT IN STEEL

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. FRENZEL. Mr. Speaker, below is an editorial from the Washington Post which reflects a thoughtful outlook on the recent steel wage settlement, and the competitiveness of the domestic steel and automobile industries. Both major industries have suffered losses of productivity and competitiveness, and the huge wage settlements in both industries have helped to bring about those problems.

The management and the employees' unions have made their choice of higher wages instead of more plentiful jobs. Since they made that choice themselves, it is difficult for other Americans to sympathize with their demands for import restrictions. It makes little sense for U.S. consumers to bail out steel and auto employees by bearing the inflationary brunt of possible import restrictions.

The article follows:

The Settlement in Steel

The hapless steel industry has now arrived at another huge wage settlement, raising its labor costs probably by 40 percent over the next three years. Over the past decade, wages in the steel industry have gone up far faster than the American average, and evidently they are now going to go up faster than ever. In an industry with little growth in productivity, those rising labor costs will make American steel still less competitive against foreign producers. The industry's demands for protection against foreign imports will get louder. There will be more mill closings, and the social distress will be real. But the companies and the unions, together, are bringing this on themselves.

The companies explain—bitterly and accurately—that because theirs is a product basic to many others, they have traditionally been under fierce political pressure to avoid strikes. This year's contract was negotiated under a no-strike agreement that guaranteed a high settlement. The process seems to have become uncontrollable.

There's beginning to be an unhappy resemblance between the steel and automobile industries. Both are in the middle range of technology, both have been raising wages far faster than the average, and both are losing important shares of their markets to imports. When you read about the tremendous layoffs in the automobile industry, and the closing of Ford's big plant in New Jersey, you cannot help feeling sympathy for the unemployed workers. But before you join the United Auto Workers' crusade for import quotas on Japanese cars, you might want to consider for a moment those outsized wage increases that the UAW won last fall.

In these mature industries, disproportionately high wages inevitably mean fewer jobs. It's a choice, and the unions have chosen the wages. That's fair enough—but it's not fair to force consumers, through import restrictions, to pay for high-cost domestic products when there are less expensive alternatives.

President Carter was exactly right when he told the automobile industry, in his press conference yesterday, that there would be no protection from imported cars. Import quotas on foreign automobiles would be intolerably inflationary, and would remove the only real source of competition in the American market.

The steel settlement illustrates a disquieting pattern of wage increases that roll along under their own momentum regardless of economic conditions. The country is probably entering a recession, and the steel companies have a lot of aging and unneeded capacity. But wages are leaping along as though these were boom times in a rapidly growing industry. These very large wage increases are only accelerating the decline in jobs for steelworkers. It's sad. But if the unions and the companies aren't going to do anything about it, taxpayers and consumers don't have much responsibility to bail them out.●

JESSIE OWENS AND VLADAS CESIUNAS

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. DERWINSKI. Mr. Speaker, Rev. Donald M. Parker, editor and publisher of the highly regarded Christian Citizen of Lansing, Ill., dedicated his lead editorial in the April 11 edition to the subject of our boycott of the Moscow Olympic games. As I found this editorial to be especially pertinent and dramatic in its message, I wish to insert it at this point:

[The Christian Citizen, Apr. 11, 1980]

Jessie Owens and Vladas Cesiunas

(By Donald M. Parker, Editor)

Jessie Owens has been laid to rest. His Olympic running prowess in 1936 in Germany's Berlin Olympic Stadium earned the gratitude and praise of fellow Americans. But his championship legs and heart won him as well the anger of Adolph Hitler, who saw in this super black athlete a severe blow to the then current German philosophy of the Nazi super-race. And it certainly didn't include the likes of Jesse Owens.

But another Olympic great died recently, and very little was said about him. Vladas Cesiunas had an illustrious athletic career. In the 1972 Munich Olympic Games he came in first in the 1000 meter race for two-seater canoes, together with a Russian, Lobanov. He also won four world championships. In 1973 and 1974 he was elected by sports fans as the top Lithuanian athlete.

In an interview with a correspondent from the Lithuanian-language daily, Draugas (Chicago, September 4, 1979), Cesiunas disclosed that he had received several Soviet medals and the title of "meritorious physical culture worker," which entitled him to an old-age pension of at least 120 rubles. He noted that the average Lithuanian's old age pension is 12, 30 or 40 rubles.

It certainly pays, even in the Soviet system, to be a great athlete. Or does it?

On August 18, 1979 Cesiunas defected to the West in Dusburg, West Germany where he had come as a tourist to follow the world championship rowing races.

The defector, 39, asked West German authorities for political asylum. He took residence in the town of Altena, near Dusburg, and took German language lessons at the Goethe Institute nearby. On September 13, 1979 he left for school, but never arrived.

After a period of time and inquiry, the German Press Agency (DPA) reported that Cesiunas was brought to Moscow against his will and placed in a Vilnius, Lithuania 'security' (psychiatric) hospital. After all, anyone crazy enough to defect from the blessings of communist rule and rewards must need psychiatric treatment. It would only be fair for both the patient and the rest of society.

Or, to dig a little deeper as to why Cesiunas was kidnapped and institutionalized, consider his answer to the question as to why he close to defect to the West. It was a "dream since my childhood and adolescence" he said. During his participation in athletic competitions abroad he saw the "difference between the free world and the communist 'paradise'."

When asked about the Olympic games to be held in Moscow in 1980, Cesiunas defined them as "pure propaganda." He spoke of writing his memoirs in which he was to expose the "true face of sports in the Soviet Union."

In late February, 1980 the New York Times ran a small story telling of the death of Vladas Cesiunas. The report gave the place of death as a Russian psychiatric hospital. The cause of death—suicide.

Suicide! Can you believe that one?

So go sports, Soviet style. Athletes are valued only as long as they contribute to the propaganda purposes of the Communist Party. When they don't, either by defection or verbalized disenchantment, they are disposable.

The death of Vladas Cesiunas ought to speak as loudly and even more meaningfully to the free world than that of American sports hero Jesse Owens. One thing Vladas' death says loudly and clearly is that communism will do and use anything—everything—to further its tyrannical perversion of truth, freedom and peace.

With President Carter we should say NO to the 1980 Moscow Olympics.●

HUMAN RIGHTS AND U.S. MILITARY AID

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mrs. CHISHOLM. Mr. Speaker, on March 25, 1980, Archbishop Oscar A. Romero of San Salvador was murdered. For the last few years, the archbishop had been the leader of a group of Jesuit priests who were in the forefront of the human rights movement in this Latin American country.

The week before his death, the archbishop had asked President Carter in a letter:

> That if you really want to defend human rights, stop military aid to the Salvadoran Government, guarantee that your Government will not intervene directly or indirectly with military, economic, or diplomatic pressure to determine the destiny of the Salvadoran people.

Despite this plea, the U.S. Government plans to send $5.7 million in military aid to the Salvadoran junta.

The following is a letter sent to the New York Times by Ronald J. Young of the American Friends Service in Philadelphia, Pa., questioning the wisdom of President Carter's decision to supply further military aid to San Salvador:

[From the New York Times, Apr. 8, 1980]

The U.S. Weapons Salvador's Archbishop Feared

Philadelphia, *April 3, 1980.*

To the Editor:

The world was shocked and saddened a week ago on learning of the assassination of Archbishop Oscar Romero, a compassionate prophet of justice and peace in El Salvador. People of conscience everywhere will be equally shocked to learn that the United States plans to send $5.7 million in military aid to the Salvadoran junta, aid which the Archbishop pleaded against because it "will without doubt sharpen the injustice and repression."

U.S. officials in favor of the aid assume that the governing junta is caught in the middle between armed extremists of the right and left. An ecumenical delegation to El Salvador, in which I took part on March

22 to 25, concluded that in fact most of the 900 persons killed so far this year had been victims of the army and other security forces often acting in concert with the supposedly proscribed right-wing paramilitary group Orden.

In a letter to President Carter a few weeks before his assassination, Archbishop Romero said: "The present junta government and above all the armed forces and security forces unfortunately have not demonstrated their capacity to resolve the grave national problems. In general they have only reverted to repressive violence, producing a total of deaths and injuries much greater than in recent military regimes."

In the light of Archbishop Romero's plea to the contrary, the decision to provide military aid to the junta makes a mockery of President Carter's statement of condolence and condemnation over the assassination of the Archbishop. If the President goes ahead with military aid to El Salvador, and a similar package to Honduras, the United States will be rightly condemned for persisting in a pattern of military intervention in Latin America in support of unpopular regimes.

Human rights for the people of El Salvador and other countries of Central America whose governments are backed by U.S. military aid may be postponed once again, but finally they cannot be denied. Popular movements for justice and liberty, with increasing support from the church, may for a time be brutally and bloodily repressed but will eventually triumph, and new societies will emerge.

Unless the people of our country can force a basic reappraisal and reorientation of United States policy toward Latin America, the United States is likely to reap the whirlwind it has sown by a long history of shortsighted and tragically inhumane policies. The Archbishop's appeal and the testimony of his life and death serve as clear reminders of the better policies the U.S. still might choose.

We who were on the ecumenical delegation to El Salvador met with Archbishop Romero the day before he was killed. We were deeply impressed by his humane vision and depth of concern for the suffering people of El Salvador. His death was a tragedy. It must also be a turning point in the struggle for human rights in Latin America.

RONALD J. YOUNG,
Secretary, Peace Education Division,
American Friends Service Committee.●

LINDEN HEIGHTS GOLDEN AGE CLUB

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. LONG of Maryland. Mr. Speaker, today I have the pleasure of meeting with members of the Linden Heights Golden Age Club from Baltimore who are today visiting the Capitol.

My friends from Baltimore will see the House in action, observing floor debate and attending committee meetings. I will be meeting with the members of the Linden Heights Golden Age Club to discuss the legislative process and the major issues of the day.

Mr. Speaker, I invite you and my distinguished colleagues to join me in welcoming:

Mrs. George Duerbeck, Mr. and Mrs. Leroy Vollmer, Mr. and Mrs. Frank Donelan, Mr. and Mrs. M. Fischer, Mrs. Charles Davis, Mrs. William Sturm, Mr. and Mrs. Fred Fink, Mr. and Mrs. John Schafer, Mrs. Mildred Matthews, Mrs. Blair Fargo, Mrs. Naomi DeGrau, Mrs. Laura Chatman, Mrs. Reese Wellenann, Mr. William Rosenberger, Mrs. Marie Muhlhan, Mr. and Mrs. Charles Landeck, Mrs. Bessie Lewis, Mrs. Marjorie Newman, Mrs. Elsie Reich, Mrs. Henry Bernhardt, Mrs. Betty Rock, Mrs. Sophie King, Mr. and Mrs. John Talbot, Mr. and Mrs. Walter Bankard, Mr. and Mrs. William Fritz, and Mrs. Ellen Cranmer.●

THE CASE OF PHILLIP BECKER

HON. WILLIAM M. BRODHEAD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. BRODHEAD. Mr. Speaker, I want to share with my colleagues a remarkable column by George Will from Newsweek on April 14. Mr. Will tells the touching story of Phillip Becker, a 13-year-old boy who has Down's syndrome (mongolism). This case shows that many people consider the lives of such children to be somehow unworthy of saving. I believe it makes a strong case for Federal support of group homes and sheltered workshops, which are much less costly than institutions for perpetual care and which allow victims of Down's syndrome and other retarded citizens to lead productive and happier lives.

THE CASE OF PHILLIP BECKER

(By George F. Will)

The Supreme Court's refusal to hear California's appeal means Phillip Becker's parents have successfully asserted a right to block lifesaving surgery. So Phillip, 13, will die prematurely, probably slowly and painfully, perhaps suddenly, drowning in his blood from bleeding into his lungs. Surely, the reason his parents have promoted, and the law has allowed, this is: he is retarded.

He has Down's syndrome (Mongolism), a chromosomal defect that involves varying degrees of retardation and physical abnormalities. He has a common heart defect, correctable by standard surgery. Uncorrected, it probably will kill him by 30. The pattern is progressive debilitation until reduced to a tortuous bed-to-chair existence, with headaches, chest pains and fainting spells during which the sufferer turns a terrifying blue-black. Already Phillip suffers attacks of weakness and bluishness. His heart must work three times harder than a normal heart. Blood is pumped into his lungs under dangerously high pressure, damaging the lungs' thin vessels. Already he may have passed the threshold of dangerous harm; soon his condition may be inoperable, his decline irreversible.

California, which would have paid, called the surgery a "necessity of life." The Beckers responded with three inharmonious arguments. They said the operation was too risky. There are special risks in surgery with Down's children, but the risk of death in Phillip's case was well within conscionable range, even when not weighed against the awful alternative certainty. Anyway, the Beckers simultaneously argued against surgery because of fear it would succeed. They said they feared he would survive them and, bereft of their attention, might someday receive care so poor that life would not be worth living.

RESPECT FOR PARENTAL SOVEREIGNTY HAS HERE BEEN CARRIED TO ABSURED, NOT TO MENTION LETHAL, LENGTHS

Worthless life? Although they assert a right to make it probable that Phillip will predecease them, they never considered allowing him to live at home. They say he "is an integral part of our family," but only claim to visit him six times a year. The home for handicapped children says the visits are even fewer, that "Phillip doesn't know who his parents are," and that he calls many men "Dad." For years his parents have fought a partial and temporary severance of their autonomy over a child they never even brought home from the hospital and rarely see. What might have been accomplished if the energy devoted to abbreviating Phillip's future had been devoted to providing for it?

However that may be, the Beckers' argument against surgery on the ground that it might mean Phillip might someday lead a life not worth living was superseded by their third argument: that his life is inherently not worth living. They solicited a letter from a pediatrician who said that Phillip leads "a life that I consider devoid of those qualities which give it human dignity." He said Phillip's "simple and innocent nature" makes him a "natural victim" of people bent on "taking his money." Phillip might not "fit into modern suburban society."

A man who talks like that should not announce that someone else is deficient in dignity. I yield to no one in my reverence for pediatricians when the subject is tonsils and the like, but is pediatric medicine definitive on the subject of human worth? I will not speculate about the worth of those who presume to deprecate Phillip's worth, or about the quality of life in a society that, on "quality of life" grounds, truncates a life like Phillip's. But this is tiresome: just when society is beginning to acknowledge an obligation to nurture the significant fulfillment of even the limited potentialities of retarded citizens, the Becker case works to cast those citizens into legal limbo as less than persons with a full right to life.

My aim is not to demonstrate the demonstrable: that respect for parental sovereignty has here been carried to absurd, not to mention lethal lengths, unthinkable were Phillip not retarded. (There even has been court-ordered treatment, against parents' wishes, of deformities that threatened not the lives but only the psychological well-being of normal children.) My aim is to stress this: the idea that the value of human life varies with intelligence is an idea at war with our civilization's core belief in the intrinsic and equal value of lives.

Down's newborns have been allowed to starve to death in hospitals by parents who refused consent for surgery to correct intestinal blockages. In "The Making of a Surgeon," William Nolan recalls a surgeon saying to a pediatrician that he wouldn't worry if a particular patient died during upcoming surgery. The pediatrician replied, "Oh, now I get it. You're doing a Mongoloid." The Beckers testified that one reason they never considered allowing Phillip to live with them is that they did not want him to be a "burden" to his brothers. One reason they blocked the operation was fear that his two brothers might have to be their brother's keeper.

It is often said that someone "suffers from" Down's syndrome. But Down's people lead happy lives when parents and other friends allow their own lives to be enriched by loving and being loved by them. The suffering Phillip faces is premeditated and preventable, so let there be no mincing euphemisms about "passive euthanasia." Euthanasia means "pleasant death," a release from suffering. Phillip's *life* is pleasant.

A boy: People ignorant about retardation, or eager to believe the worst, often produce or seize upon excessively pessimistic prognoses about retarded children's potentialities. Those prognoses become self-fulfilling, even fatal, when used to justify neglect. Those who know Phillip best consider him gentle and promising. His teacher says that he is "working at a very high level" for any retarded child. He assembles Legos and operates a recorder. If allowed to live, he could work in a sheltered workshop and live in a supervised group home with other retarded adults. He is in a Boy Scout troop. He makes his bed, feeds the cat and does other chores where he lives. His taste in TV shows runs to "Six Million Dollar Man."

The Down's child I know best is 7. He is learning to read but prefers "Happy Days," the Washington Bullets and the Baltimore Orioles. These impeccable tastes help explain why neighborhood children treat him as what he, like Phillip, is: a boy.●

U.S. ACHIEVES SECOND PLACE IN THE INTERNATIONAL NUCLEAR LEAGUE

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 21, 1980

● Mr. WYDLER. Mr. Speaker, World Business magazine recently ran an article, "Nuclear Businessmen Fight To Survive the 1980's," which is of particular interest to me since I recently returned from an oversight trip on nuclear energy development in South America. The policy of technology denial that the Carter administration embarked on naively in the spring of 1977 has not resulted in any significant delays in the transfer of critical nuclear technology to the countries of Brazil and Argentina; what it has produced, however, is a massive loss of U.S. influence in nuclear affairs in South America and a curtailment of U.S. nuclear export to these technologically advanced nations. We are seen as an unreliable supplier of both technology and materials, and as a result these countries feel they cannot depend on us for anything. Finally, of course, we have lost our previous ability to have a strong say in the technological affairs of South America.

We have seen a tremendous decline in our nuclear industry capability, and a loss of U.S. preeminence in breeder technology since the beginning of the Carter administration. Brazil, Argentina, and other countries have indicated that they are puzzled by this clear relinquishment of first place to the French in nuclear technology. We have also allowed the Germans, the Canadians, and now the Soviets to obtain the major fraction of the nuclear business in South America and the ground we have lost is irrecoverable.

I recommend this recent article which highlights some of the major drawbacks of our nuclear policy and the fact that, unless it changes, we shall simply not be a strong international nuclear player for the rest of the century.

The article follows:

NUCLEAR BUSINESSMEN FIGHT TO SURVIVE THE 1980'S

The world's nuclear industry spends its time leaping hurdles without getting much closer to the winning post. One fence—the disagreement in 1977 between America and its allies about the risks of fast breeder reactors and nuclear reprocessing—has now to be taken once again. Next week will see the culmination of the International Fuel Cycle Evaluation programme (Infce), which was set up to study the technical aspects of President Carter's anti-proliferation proposals three years ago.

Infce will announce broad measures of agreement on a host of technical subjects, which have together taken up 200 international meetings, 1700 pages of reports and about the same number of expert man-nights in Vienna, the headquarters of the exercise. It will not be able to conceal a fundamental political disagreement about the future of the nuclear industry between the American government and its allies in Europe and Japan.

Even if the disagreements between America and its allies are eventually solved the industry will still have to cope with its underlying problems—some of them so serious that in any other lines of business, they would qualify the industry for the sort of emergency resuscitation now being expensively offered to Europe's steel and shipbuilding industries.

The acceptability of nuclear power, tugged uneasily between 1979's two big events—Three Mile Island and the Opec price rises—is an ever-present worry. Sweden's referendum about whether to permit existing stations to continue, due to take place on March 23rd, dramatises the issue, but the de facto moratoriums on new stations in America and West Germany are just as important.

Whatever happens, it is now certain that orders for the rest of the century will fall well below the industry's present capacity. A recent series of studies, sympathetic to the nuclear cause, have shown just how poor its prospects are. Reactor manufacturing capacity in the seven major western supplier countries is, as the table overleaf shows, capable of producing between 50 and 60 gigawatts of nuclear generating capacity each year. (1 gigawatt=1m kilowatts).

An average rate of ordering between 1980 and 1989 of around 36 gigawatts a year is necessary, say these studies, to produce a total of 892 gigawatts of installed nuclear capacity by 2000—a level well below other typical recent forecasts (eg. the OECD's expectation of 1000 gigawatts of nuclear capacity by 2000 in its member states alone).

Even such low figures demand a rate of ordering 42 percent higher than that achieved in the 1970s. Some of the individual country figures—for example, those of Canada, Sweden and America—look downright implausible. In a number of countries, ordering levels are likely to be below the levels of the 1970s, not above them.

A second, more realistic, study in the same series gives a set of likely actual ordering patterns in the 1980s. The results are shown in the last two columns in the table. They indicate just how bleak the domestic market will be—except in Britain, where delays have kept the industry from over-expanding.

Export markets seem equally depressed. Taken together, developed and developing markets for nuclear power are likely to provide the capitalist world's nuclear industry with between a quarter and a half of the level of work for which it is already equipped. The industry is in a mess.

THE NUCLEAR INDUSTRY SHIVERS IN THE DARK

	GW per year			GW per year		
	Installed reactor manufacturing capacity	Historical workload 1970–79	Percent	Required ordering rates per year 1980–89[1]	Estimated likely ordering rate in 1980's	Likely domestic workload in percent
Canada	3	1.2	40	1.6	0.5–1.0	16–33
France	7	4.0	57	2.0	3.4	43–57
West Germany	6–8	2.4	35	2.3	1–2	12–33
Japan	6			4.9	3–4	50–67
Sweden	1–2	0.6	40	0.6	0–0.5	0–50
Britain	1–2	0.4	27	1.0	0.5–1.5	50–100
United States	25–30	15.2	55	12.1	2–7	7–28
Export markets				11.2	4–6	[2]8–20
Total	49–58	25.1	46	35.7	14–25	24–51

[1] To achieve 892 GW of installed capacity in 2000.

[2] As percent of capacity left after domestic orders met.

Source: columns 1–3: T. J. Connolly et al., World nuclear energy paths; columns 4–5: M. Lonnroth and W. Walker. The viability of the civil nuclear industry, both written for International Consultative Group on Nuclear Energy.

As if this straightforward commercial problem were not enough, the industry is also bedevilled by a host of political, social and geopolitical problems. The issues which Infce has been attempting to explore, for example, weigh uranium-poor countries' fears of shortage and the political caprices of suppliers, against uranium suppliers' fears that attempting to replace uranium with plutonium as a nuclear fuel is helping the spread of nuclear weapons technology.

Infce seems likely to produce a technical "not proven" on these issues. It will conclude that there is no version of the nuclear fuel cycle that is not vulnerable to proliferation (and keen would-be-proliferators are quite likely to make their weapons without having a civil nuclear power programme, anyway). Likewise, it will say, there is no fuel cycle that is universally applicable to countries with different natural resources, needs and industrial structures.

Neither of these results give President Carter any extra arguments to use on the Europeans and Japanese who wish to press ahead with plutonium recycling and the fast breeder reactor. At the same time, they do not stop the American government from making countries dependent on it for supplies of nuclear fuel or technology continue to justify themselves in detail each time they wish to reprocess spent fuel.

What has really changed—a bit—is the underlying attitude of the American government; in part because of the oil price rise of 1979, in part because of Pakistan's move towards a bomb without using reprocessing technology. Negotiations with the EEC and Japan, due to restart after the end of Infce, will probably be conducted in a rather more amiable manner than seemed likely three years ago.

That will be good news for those countries keen to press ahead with the fast breeder (France, Japan and, at a slower pace, West Germany and Britain): to industries dependent on American licensing of technology (France, Britain, Japan) or on American, Canadian or Australian fuel (West Germany, Japan); and to American reactor builders keen to sell technology abroad but worried that their governments' stringency will drive potential customers away. It will not undo the damage that the political uncertainty created by the proliferation issue, and the way President Carter chose to tackle it, have already caused.

Perhaps the central problem of the industry, however, is that as orders are delayed and uncertainties cloud the industry's future, the skilled engineers and craftsmen assembled painstakingly over many years will simply dissipate. They are the cream of a whole generation of engineers, who have devoted themselves for 30 years to the problem. Such experience is irreplaceable—as are the specialist subcontractors who must diversify away from nuclear power or die.

A more embarrassing worry for the industry is the growing commercial coolness with which it is being scrutinised. One recent British study throws up clear differences in operating availability between reactors from different countries, and different firms. The 24 Westinghouse pressurised water reactors that had been running for three years at the time of the study had an average load factor (i.e., output as a proportion of designed output) of 70 percent between 1975 and 1978. Kraftwerk Union's similar reactors achieved 79 percent, and France's 4 managed 75 percent. Japan's seven pressurised water reactors managed only 46 percent in the same period. Britain's 18 gas-cooled reactors, despite some very good individual performances, averaged 64 percent—and the newer they were, the worse they did. Canada's Cinderella reactor, the Candu, did better than anything else, at 80 percent. A row about just whose stations are value for money is the last thing an embattled industry needs.

This issue—perhaps sadly—is unlikely to decide which of the nuclear station builders survives what could well be a rapid weeding out in the early 1980s. Asea-Atom in Sweden, Babcock and Wilcox and General Electric in America, Kraftwerk Union in West Germany, perhaps AECL in Canada, have only a few years to find new orders or consider drastic cutbacks in their nuclear operations.

The other American reactor companies—Westinghouse and Combustion Engineering—will start to face pressures for retrenchment in the mid 1980s, if there is no burst of American orders soon. France's Framatome, Britain's Nuclear Power Company, and one or more of the three Japanese suppliers (Mitsubishi, Toshiba, Hitachi) all seem to have reasonably assured futures into the 1990s. Which proves that politics, rather than efficiency, is likely to be the test that prevails. But then politics, the industry's midwife, will also be its pallbearer.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 22, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 23

8:00 a.m.

Appropriations
District of Columbia Subcommittee
To hold hearings on the administrative practices and policies of the D.C. Government.
1114 Dirksen Building

Armed Services
General Procurement Subcommittee
Closed business meeting, to consider S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD.
224 Russell Building

9:15 a.m.

Banking, Housing, and Urban Affairs
Business meeting, to consider the nomination of Lyle E. Gramley, of Missouri, to be a Member of the Board of Governors of the Federal Reserve System.
5302 Dirksen Building

9:30 a.m.

Veterans' Affairs
To hold oversight hearings on Veterans' Administration programs and policies relating to purchasing, implantation, and monitoring of cardiac pacemakers in VA hospitals for veterans.
412 Russell Building

Select on Intelligence
To hold a closed business meeting.
S-407, Capitol

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Endowment for the Arts.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To continue hearings on Title I, proposed Privacy Protection Amendments of 1979, and Title II, proposed Fair Credit Information Practices Act, of S. 1928, proposed Fair Financial Information Practices Act.
5302 Dirksen Building

Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings on S. 2470, proposed Powerplant Fuels Conservation Act.
3110 Dirksen Building

Foreign Relations
To hold hearings on S. 2141, to establish priorities in the payment of claims against the People's Republic of China.
4221 Dirksen Building

*Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Rules and Administration
To receive testimony on S. Res. 207, to create a Select Committee on Narcotics Abuse and Control; and to consider other legislative and administrative business.
301 Russell Building

10:30 a.m.

*Commerce, Science, and Transportation
To hold hearings on S. 2489 authorizing funds for fiscal years 1981 and 1982 for the U.S Coast Guard.
235 Russell Building

2.00 p.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for programs administered by the Department of Agriculture.
S-128, Capitol

Armed Services
Research and Development Subcommittee
Closed business meeting, to consider S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD.
224 Russell Building

Conferees
On H.R. 3236, to remove certain work incentives for the disabled recipients of supplemental security income (SSI) benefits.
H-208, Capitol

Energy and Natural Resources
Energy Research and Development Subcommittee
To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy.
3110 Dirksen Building

2:15 p.m.

Select on Intelligence
Closed business meeting, followed by open consideration of S. 2284, proposed legislative charter governing the intelligence activities of the United States.
457 Russell Building

2:30 p.m.

Foreign Relations
To hold hearings on the International Natural Rubber Agreement, 1979 (Exec. D, 96th Cong., 2d sess.).
4221 Dirksen Building

APRIL 24

9:30 a.m.

Judiciary
Antitrust, Monopoly, and Business Rights Subcommittee
To hold oversight hearings to examine the alleged misuse of oil company profits through secret executive compensation.
6226 Dirksen Building

Select on Intelligence
To hold a closed business meeting.
S-407, Capitol

10:00 a.m.
Appropriations
Defense Subcommittee
To hold closed hearings on proposed budget estimates for fiscal year 1981 for the defense establishment, to receive testimony in behalf of funds for the intelligence community.
S-126, Capitol

Appropriations
Foreign Operations Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for international organizations and programs of the Department of State.
S-128, Capitol

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Bureau of Land Management.
1223 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Executive Office of the President.
1114 Dirksen Building

Energy and Natural Resources
Business meeting, to consider pending calendar business.
3110 Dirksen Building

Environment and Public Works
Environmental Pollution Subcommittee
To resume hearings on proposed legislation to control the environmental effects of the increased use of coal.
4200 Dirksen Building

Foreign Relations
To resume hearings on S. 2423, authorizing funds for fiscal year 1981 for foreign development and security assistance programs.
4221 Dirksen Building

Governmental Affairs
To mark up S. 1945, to establish a procedure for congressional review of Federal agencies' rules and regulations, and S. 742, to establish Federal programs with respect to the safe disposal of radioactive wastes.
3302 Dirksen Building

Labor and Human Resources
Business meeting, to markup S. 2337, proposed Legal Services Corporation Act Amendments, S. 1177, proposed Mental Health Systems Act, and S. 1843, proposed Domestic Violence Prevention and Services Act.
4232 Dirksen Building

*Special on Aging
To hold hearings to explore initiatives to stimulate opportunities for continued work for older persons.
5110 Dirksen Building

10:30 a.m.
Judiciary
To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

12:00 noon
Labor and Human Resources
Health and Scientific Research Subcommittee
Business meeting, to consider S. 2462, authorizing funds for fiscal years 1981 and 1982 for the National Science Foundation; S. 988, authorizing funds through fiscal year 1983 to increase the effectiveness of research in biomedical sciences; H.R. 4453, to extend to June 30, 1981, the ban on actions by the Secretary of HEW to restrict the continued use of saccharin; and S. 568, to promote the advancement of women in scientific, professional, and technical careers.
4232 Dirksen Building

1:00 p.m.
Environment and Public Works
To hold oversight hearings on the implementation of the Animal Damage Control Program of the Fish and Wildlife Service.
5110 Dirksen Building

2:00 p.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for programs administered by the Department of Agriculture.
1224 Dirksen Building

Energy and Natural Resources
Parks, Recreation, and Renewable Resources Subcommittee
To hold hearings on S. 2551, proposed Big Sur Coast National Scenic Area Act.
3110 Dirksen Building

Judiciary
To hold hearings on pending nominations.
2228 Dirksen Building

2:15 p.m.
Select on Intelligence
Business meeting, to continue consideration of S. 2284, proposed legislative charter governing the intelligence activities of the United States.
6226 Dirksen Building

APRIL 25

9:00 a.m.
Finance
Taxation and Debt Management Generally Subcommittee
To hold hearings on the following miscellaneous tax legislation, S. 1854, 2239, 1384, 2179, 2396, 2367, 1867, 1826, 2415, 753, and H.R. 5973.
2221 Dirksen Building

9:30 a.m.
Environment and Public Works
To continue oversight hearings on the implementation of the Animal Damage Control Program of the Fish and Wildlife Service.
5110 Dirksen Building

Judiciary
Constitution Subcommittee
Business meeting, to consider S. 506, proposed Fair Housing Amendments Act.
2228 Dirksen Building

Labor and Human Resources
To resume hearings on S. 2571, to provide that certain employers who successfully contest citation or penalties under OSHA will be awarded a reasonable attorney's fee and other litigation costs, S. 1486 and 1572, bills to exempt family farms and nonhazardous small business who employ ten or fewer employees from the Occupational Safety and Health Act, and S. 2153, to target OSHA safety inspections to the 10 percent of workplaces with more frequent injuries.
4232 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.
1318 Dirksen Building

Commerce, Science, and Transportation
To hold joint hearings with Labor and Human Resources' Subcommittee on Education, Arts, and Humanities on H.R. 6614, authorizing funds through fiscal year 1983 for the National Sea Grant College Program.
1224 Dirksen Building

Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 2470, proposed Powerplant Fuels Conservation Act.
3110 Dirksen Building

Governmental Affairs
To resume hearings on the President's proposed Reorganization Plan No. 1, to provide for the reorganization of the Nuclear Regulatory Commission.
3302 Dirksen Building

Labor and Human Resources
*Education, Arts, and Humanities Subcommittee
To hold joint hearings with the Committee on Commerce, Science, and Transportation, on the substance of H.R. 6614, authorizing funds through fiscal year 1983 for the National Sea Grant College Program.
1224 Dirksen Building

APRIL 28

9:30 a.m.
*Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 a.m.
Energy and Natural Resources
Energy Regulation Subcommittee
To resume hearings on S. 2322, authorizing funds for fiscal years 1981 and 1982 for energy regulatory programs of the Department of Energy.
3110 Dirksen Building

Environment and Public Works
To hold hearings on S. 2412, to develop an effective oil recycling program to promote resource recovery and enhance the quality of air, water, and land resources.
4200 Dirksen Building

2:30 p.m.
Finance
Unemployment and Related Problems Subcommittee
To hold hearings on H.R. 4007, to permit States with outstanding Federal unemployment insurance (U.I.) loans to avoid the automatic increases in the Federal U.I. tax, specified under current law.
221 Dirksen Building

APRIL 29

9:00 a.m.
Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

9:30 a.m.
Judiciary
Business meeting, to consider pending legislation and nominations.
2228 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, and the U.S. Tax Court.
1318 Dirksen Building

Environment and Public Works
*Environmental Pollution Subcommittee
Business meeting, to consider proposed legislation authorizing funds for fiscal years 1981 and 1982 for the Clean Water Act, and a proposed moratorium extension of the Industrial Cost Recovery Program.
4200 Dirksen Building

Governmental Affairs
To resume hearings on the President's proposed Reorganization Plan No. 1, to provide for the reorganization of the Nuclear Regulatory Commission.
3302 Dirksen Building

Labor and Human Resourees
Business meeting, to mark up S. 1658, proposed Asbestos School Hazard Detection and Control Act, and S. 1839, proposed Higher Education Amendments.
4232 Dirksen Building

12:00 noon
Labor and Human Resources
Health and Scientific Research Subcommittee
Business meeting, to consider S. 2144, 2375, and 2378, bills to provide support for the training of professionals in health service needs.
4232 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to begin consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

2:30 p.m.
Select on Intelligence
To hold a closed business meeting.
S-407, Capitol

APRIL 30

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To hold hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

Energy and Natural Resources
To hold hearings on the potential for improved automobile fuel economy between 1985 and 1995.
3110 Dirksen Building

Governmental Affairs
*Oversight of Government Management Subcommittee
To resume oversight hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year—"hurry-up spending problem"—focusing on administrative and legislative proposals to remedy this situation.
3302 Dirksen Building

Veterans' Affairs
Business meeting, to consider S. 2534, to provide for the recruitment and retention of qualified health-care personnel by the Veterans' Administration, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.
412 Russell Building

Select on Small Business
To hold hearings on the Department of Energy's small business research and development program.
424 Russell Building

Special on Aging
To hold hearings to examine the effects of aging on learning and working abilities.
5110 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the International Buffer Stock Contribution—Rubber, Federal Election Commission, Advisory Committee on Federal Pay, Committee for Purchase from the Blind and Other Severely Handicapped, and the Administrative Conference of the U.S.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on Title I, proposed Privacy Protection Amendments of 1979, and Title II, proposed Fair Credit Information Practices Act, of S. 1928, proposed Fair Financial Information Practices Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for programs under the Coastal Zone Management Act.
457 Russell Building

Labor and Human Resources
To hold hearings on the nominations of Steven A. Minter, of Ohio, to be Under Secretary of Education; Thomas K. Minter, of Pennsylvania, to be Assistant Secretary for Elementary and Secondary Education, Department of Education; and F. James Rutherford, of the District of Columbia, to be Assistant Secretary for Educational Research and Improvement, Department of Education.
4232 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

MAY 1

9:00 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on the volatility of the silver market in the future.
324 Russell Building

Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

9:30 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for programs administered by the Department of Agriculture.
1223 Dirksen Building

*Environment and Public Works
Nuclear Regulation Subcommittee
Business meeting, to consider S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.
4200 Dirksen Building

*Governmental Affairs
Oversight of Government Management Subcommittee
To continue oversight hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year—"hurry-up spending problem"—focusing on administrative and legislative proposals to remedy this situation.
3302 Dirksen Building

*Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget es-

timates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.

1114 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on S. 2492, proposed Ocean Thermal Energy Conversion Act.

235 Russell Building

Governmental Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To resume hearings on S. 2558, H.R. 79 and 826, bills to increase the authority of the President and Congress in postal operations and to provide continued financial security for the Postal Service.

357 Russell Building.

*Labor and Human Resources

Child and Human Development Subcommittee

To hold hearings on issues Congress might consider which would affect youth in the coming decade.

6226 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business Meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

MAY 2

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To continue hearings on the volatility of the silver market in the future.

Room to be announced.

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.

235 Russell Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

MAY 5

10:00 a.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Highway Administration.

1224 Dirksen Building

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings to review the Federal gasoline allocation process.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

2:00 p.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Coast Guard and National Highway Traffic Safety Administration.

1224 Dirksen Building

MAY 6

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To hold oversight hearings on the activities of the Rural Electrification Administration, focusing on the opportunities for energy conservation by rural electric cooperatives, and the effects of conservation on the ability of those cooperatives to remain financially sound.

324 Russell Building

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology, Department of the Interior.

1224 Dirksen Building

Energy and Natural Resources

Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 7

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.

1224 Dirksen Building

Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearings on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.

235 Russell Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

MAY 8

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for fossil programs of the Department of Energy.

1224 Dirksen Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

MAY 9

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.

235 Russell Building

MAY 13

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.

1224 Dirksen Building

Energy and Natural Resources

Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Special on Aging
To resume hearings to explore initiatives to stimulate opportunities for continued work for older persons.
6226 Dirksen Building

MAY 14

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

MAY 20

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To Hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1223 Dirksen Building

MAY 21

9:00 a.m.
*Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.
412 Russell Building

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

MAY 29

9:30 a.m.
*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

CANCELLATIONS

APRIL 23

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 24

10:00 a.m.
Commerce, Science, and Transportation
Science, Technology, and Space Subcommittee
Business meeting, to consider S. 2238, authorizing additional funds for fiscal year 1980, and S. 2240, authorizing funds for fiscal year 1981, both for research and development programs of the National Aeronautics and Space Administration.
235 Russell Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1224 Dirksen Building

APRIL 25

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior.
1114 Dirksen Building

SENATE—*Tuesday, April 22, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 12 o'clock meridian, in executive session, on the expiration of the recess, and was called to order by Hon. David L. Boren, a Senator from the State of Oklahoma.

PRAYER

The Reverend Frank Depro, pastor, the Damascus United Methodist Church, Damascus, Md., offered the following prayer:

Eternal God, Creator and Preserver of all mankind, we pause a moment to recognize the unseen and the values that last forever. In Your everlasting presence, lay hold of our hearts and minds and actions to believe in the highest and best for ourselves and others and confirm our faith in the truth and righteousness for all peoples. Make available to us Your infinite power that we may not fail our Nation or ourselves in these perplexing and trying times. Give us the strength to make the hard decisions that carry the future rather than giving in to the easy way that may carry the day but lose the high destiny we can and must have. With Your power to handle our problems, give us Your power to see new and exciting opportunities.

God, in Your infinite wisdom, make known to each Senator how important he and she is to You and the values that last. Give to each the courage of his convictions and, this day, bring to the Senators and their hard-working staffs a quality of thought and action that can last a thousand years. This day:

Set our feet on lofty places;
  Gird our lives that they may be
Armored with all Christ-like graces
  In the fight to set men free.
Grant us wisdom, grant us courage,
  That we fail not man nor Thee!
  Amen.

—H. E. Fosdick, 1930.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 22, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable David L. Boren, a Senator from the State of Oklahoma, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader, the Senator from West Virginia, is recognized as in legislative session.

Mr. ROBERT C. BYRD. Mr. President, I shall be glad to yield time to the distinguished minority leader if he needs time.

Mr. BAKER. Mr. President, I thank the majority leader. I do not believe I need additional time. I plan to yield briefly first to the Senator from Maryland. I believe he wishes to acknowledge the splendid invocation by the chaplain from Maryland this morning. Then I shall yield to the Senator from South Carolina.

Mr. ROBERT C. BYRD. Fine.

Mr. President, then I reserve my time.

Mr. BAKER. Mr. President, I yield to the Senator from Maryland.

Mr. MATHIAS. I thank the distinguished minority leader.

TRIBUTE TO THE REVEREND FRANK S. DEPRO

Mr. MATHIAS. Mr. President, the Senate is honored today to have as guest chaplain, the Reverend Frank S. Depro of Damascus, Md. Dr. Depro is senior paster of both the Damascus and the Friendship United Methodist Churches.

Dr. Depro will retire from full-time ministry in June 1980, after 40 years service. It is very fitting that his years of dedicated service be recognized by his presence here today. He has had a rich and varied ministry. He has become especially well known in the Damascus, Md., area for his dedication to those who are hospitalized or homebound due to illness or injury and to the bereaved. In a single day he has frequently visited people in six or more hospitals, scattered over a wide area from Hagerstown, Md., to Baltimore to Washington, D.C.

Dr. Depro has served as paster of the 1,000-member Damascus United Methodist Church since 1961. Since 1969, he and a series of associate pastors have also served the small Friendship United Methodist Church, a black congregation. Under Dr. Depro's leadership, strong, enduring links between the two churches have been forged.

From 1948 to 1961, Dr. Depro served the Hillsdale-Chatsworth Methodist Church in suburban Baltimore. Prior to that, he served for 5 years at the Exeter Memorial Methodist Church, 1 year at the Relay Methodist Church, and 2 years as assistant pastor at the Broadway Methodist Church, all in the Baltimore area.

Dr. Depro received the degree of bachelor of sacred theology at Westminster Seminary, Westminster, Md., in 1940, and a masters in theology from that seminary in 1942. He then did graduate work at Drew University. He served on the faculty of Westminster Seminary for 5 years in the 1940's, while also serving as pastor of local churches.

Before being called to the ministry, Frank Depro studied law, receiving an LL.B. from the University of Maryland in 1936, and was admitted to the Maryland Bar. He had earlier done his prelaw work at Loyola College.

Born in Cumberland, Md., the son of Albert and Anna Elizabeth Depro, he grew up in Baltimore and attended City College High School there.

In 1942, Dr. Depro married the former Bernice Johnson of Baltimore. She has been his strong, dedicated partner throughout his ministry.

The Depro's have two daughters—Elizabeth Anne Kroner of Mt. Airy, Md., and Judith Anne Holley of Mt. Pleasant, S.C., and four grandchildren.

Frank and Bernice Depro will move in early July to their retirement home in the Woodlawn area of suburban Baltimore. Based on their past record of service to the community, however, it is doubtful that the Depros will actually retire. They will surely be about God's work wherever they are.

Mr. BAKER. Mr. President, I have no further need for my time under the standing order, and I yield it back.

Mr. ROBERT C. BYRD. Mr. President, how much time do I have under the order?

The ACTING PRESIDENT pro tempore. The Senator has 9½ minutes remaining.

Mr. ROBERT C. BYRD. Mr. President, I yield 2 minutes to Mr. Proxmire and the remaining time to Mr. Bradley.

RAOUL WALLENBERG: ONE MAN'S FIGHT AGAINST GENOCIDE

Mr. PROXMIRE. Mr. President, acts of heroism occasionally come to light that deserve special commendation. A March 30 New York Times Magazine article by Elenore Lester and Frederich Werbell describes just such an act.

During the closing stages of World War II, America and Sweden worked jointly on a project to rescue some of the Jews remaining in Nazi-occupied Hungary. The mission had an extreme urgency; as the Nazis came to realize that defeat was imminent, they sought to inflict Hitler's grim "final solution" on all the Jews remaining under their control. The rescue mission was funded by the American War Refugee Board, but the story is of one man, Raoul Wallenberg.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Wallenberg was the Swedish diplomat selected for this rescue mission. Through his tireless efforts, 20,000 Hungarian Jews were given Swedish passports, passports that literally meant the difference between life and death.

But Wallenberg was no mere administrator; he involved himself at the risk of his own life. He stood on the top of a deportation train handing out Swedish papers to all the hands that could reach them. He then demanded that all those holding papers be allowed off the train. When the trains no longer ran, he pulled people with his own hands out of the "death marches" to the extermination camps in direct defiance of Nazi authority.

Wallenberg acted. He stood as moral authority by reminding the Nazis that through his eyes the entire world was watching their actions. He continually reminded the Germans that anyone committing outrages against civilians would be tried as a war criminal and not as a soldier. Wallenberg lived and breathed compassion in a world choking on its own moral depravity and insensitivity.

How could one man do so much? Wallenberg was effective because he had the courage of his convictions. He was visibly unafraid; his moral presence intimidated the Nazis.

As the war drew to a close, the German and Hungarian Nazis planned a last-minute extermination of the Budapest Jewish ghetto. But this brutal plan was never acted on. Why was it never carried out? It was never carried out because the Nazis were afraid that Wallenberg would make sure they would all be tried for murder.

This is the most amazing and moving part of Wallenberg's story. By handing out Swedish papers he directly saved 20,000 lives. But his moral presence saved another 70,000.

The prospect of killing so many innocent men, women, and children did not trouble the Nazis in the least. Such total lack of concern for the sanctity of life is unbelievable. It is almost impossible to comprehend people calmly plotting the extermination of 70,000 men, women, and children.

But the same men who could plot this despicable act were concerned with the effect that knowledge of these acts would have on world opinion. And more importantly for them, they were concerned about the possibility that they would lose their lives as a result.

Raoul Wallenberg was correct in judging that morality and world opinion could and did influence the actions of even those men hardened enough to contemplate the destruction of 70,000 people.

The Senate should learn a lesson from Wallenberg's ideas and actions. The United States is in an exemplary position to act as Raoul Wallenberg did. We have the power to influence not only world moral opinion but also world actions involving genocide. Why do we not use it? There is no reason not to. We must act now.

The Senate can act by ratifying the Genocide Convention. This convention is a highly visible symbol of our commitment to the most basic human right, the right to live.

Raoul Wallenberg acted in defiance of Nazi authority. He knew that these ruthless men would pay little heed to the legalistic niceties of diplomatic immunity. We do not know what became of Raoul. He disappeared after a meeting with Russian authorities soon after they took Budapest. Whether he is actually dead or alive somewhere in the Soviet gulag, he has paid for his convictions with his "life." But in sacrificing his life, he gave life to many thousands more. What a courageous act.

I ask my colleagues to honor Wallenberg's convictions and courage. I urge them to read the New York Times Magazine article. But more than just honoring Wallenberg, I ask my colleagues to share his convictions against genocide; 84 nations around the world have expressed their conviction that genocide must be outlawed in the international community. They have expressed their hopes for a more civilized world. Why have we not?

No sound reason exists for continued Senate opposition to the Genocide Convention. The American Bar Association has reversed its opposition to the convention and has voted overwhelmingly to endorse it. Every President since Harry Truman has called for Senate consent to ratification. Our own Foreign Relations Committee has reported the treaty favorably four times.

We in the Senate can express our contempt for that most heinous crime, genocide. I call on my colleagues to ratify the Genocide Convention immediately.

Mr. Wallenberg did a magnificent job in saving the lives of Jews in Germany. It is a story that is told brilliantly in a recent New York Times article. I have abbreviated it so that it will not take up much space in the Record. I ask unanimous consent that part of that brilliant article on this great job of trying to save the lives of the persecuted in Germany be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

The Lost Hero of the Holocaust

(By Elenore Lester and Frederick E. Werbell)

It was a time in the destruction of European Jewry for clutching at slender straws. The Nazis, clearly losing the war, were obsessed with wiping out the remaining Jews under their control. Desperate attempts were launched to save Jewish lives. Thirty-two commandos from what was then Palestine parachuted into Yugoslavia in the vain hope of making their way to Hungary to rescue Jews; their mission failed. Joel Brand, a Hungarian leftist Zionist, futilely tried to arrange an exchange with the Nazis of trucks for Jews. The Roosevelt Administration, prodded by Treasury Secretary Henry Morgenthau Jr., finally recognized the plight of the Jews and in January 1944 formed the War Refugee Board to work on a limited number of rescue projects. Ira Hirschmann, a delegate from the board, was sent to Turkey and, working with the International Red Cross, succeeded in getting thousands of Balkan Jews released from camps. The board also asked the Swedish Government if it would send a representative to Budapest whose special function it would be to aid the rescue project. The situation in Hungary then was desperate.

By January 1945, Sweden's Raoul Wallenberg had distributed Swedish passports to at least 20,000 Budapest Jews and he had sheltered 13,000 of them in "safe" houses, which had been rented by Wallenberg and which flew the Swedish flag. These 20,000 Jews thus came under the protection of the Swedish Government and most were spared the massacre that engulfed 90,000 other Budapest Jews.

In carrying out his rescue operation, Wallenberg cared little for his own safety and yet seemed immune to harm by the Germans. He stood on top of a deportation train handing out Swedish papers to all the hands that could reach them, then insisted that the people holding them be allowed off the train. With his own hands, he pulled people out of "death marches" to the Austrian border or brought them bread, soup and medical supplies in the middle of the night when he had no more passports to give out.

On Jan. 17, 1945, three and a half weeks after the Russians entered Budapest on Christmas Eve, Wallenberg and his driver, Vilmos Langfelder, and two Russian officers set out for Debrecen, some 120 miles east of Budapest. Wallenberg wanted to get the Russians' help in dealing with the Arrow Cross gangs. Neither he nor his driver ever returned.

It was Wallenberg's shrewdness, courage and dedication that allowed him to succeed as much as he did. His role was twofold. He had to give terrified Jews the feeling that they could save themselves; and he had to deal with the Nazis, at times winning secret friends among them, and at other times confronting them with threats as to what would happen to them after the war. He could when necessary confront Nazis head on with a blaze of moral authority. For example, he confronted Arrow Cross thugs with their rifles poised and shouted, "Cowards! Slobs! What criminal arrogance! How dare you enter a Swedish-protected house! Nothing takes place here without my permission!" He dressed "Aryan-looking" Jewish young men in S.S. uniforms and set them to guarding safe houses. They hustled off groups of Jews headed for deportation and led them to safety, telling guards they had "higher orders from headquarters."

Wallenberg turned up along the route of death marches with his large car and driver. The impact of his presence was described recently by Susan Tabor, a librarian at the Hebrew Union College.

"He gave us the sense that we were still human beings," she said. "My mother and I were among thousands taken one night to stay at a brick factory outside Budapest. There was no food, no water, no sanitation facilities, no light. Then Wallenberg appeared and said he would try to return with passports, or 'safety passes,' as we called them, and would also try to get medical attention and sanitation facilities. Soon afterward, some doctors and nurses came from the Jewish Hospital.

"The point about Wallenberg is that he came himself. He talked to us and showed us that one human being cared about what was happening to us."

Wallenberg's presence on the scene was also a reminder to the Nazis that their depravity was being observed and recorded. He verbally reminded them that the United States had announced that it would treat those committing outrages against civilians as war criminals, not as soldiers. At one point, as the Russians were beginning to penetrate into Pest, the Germans and the

Arrow Cross men plotted a last-minute extermination of the ghetto. However, one of Wallenberg's contacts, a member of the Budapest police department and a leader of the Arrow Cross, objected. He warned the German commander that if the action was carried out, Wallenberg would see to it that they would all be judged as murderers. The action was called off. Because of this episode, Wallenberg is also credited with indirectly saving an additional 70,000 Jews living in the central ghetto in Pest.

"For many years I've lectured on the Holocaust," she reports, "and I've always talked about Wallenberg. He not only saved our lives, but our belief in mankind and the power of good."

Mr. PROXMIRE. I hope my colleagues will read it, because it is another vivid story on why we should ratify the Genocide Convention.

I thank my good friend, the majority leader.

OUR STRATEGIC PETROLEUM RESERVE

Mr. BRADLEY. Mr. President, time is running out for the United States to provide its citizens with a cushion against the prospect of an oil supply interruption within the next 5 years. The Budget Committee's decision to strip away authority to fill the strategic petroleum reserve and the administration refusal to fill the reserves pushes our Nation closer to the brink of disaster.

Mr. President, this country is in a perilous circumstance. We are dependent for over 40 percent of our oil consumption on imports. Twenty-five percent of our oil comes from the Persian Gulf area of the world, an area which, in the last year, if there was ever any doubt, has been clearly demonstrated as highly unstable and insecure. We could have our oil supply interdicted by any number of points and such an interruption would push this country into an extremely dangerous and terrible economic circumstance that also would threaten our national security.

Mr. President, a recent study by Stanford University has concluded that an interruption of what we presently get from the Persian Gulf area—3.6 million barrels per day—would result in an economic loss to the United States of over $110 billion—$110 billion in lost jobs, higher prices, and lost investment opportunities; $110 billion, Mr. President, is more than this country spent on the entire Vietnam War, and we would lose that from the economy in 1 year of an interruption in our oil supply of the magnitude that we now receive from the Persian Gulf area of the world.

Mr. President, central to a decision to fill the strategic petroleum reserve is the probability that one assesses to an oil supply interruption in the next 1 to 5 years. In the last 6 years we have had two oil supply interruptions.

In the last 30 years, we have had three. In the last 40 to 50 years, we have had four. So we can take our pick.

The probability of an interruption is one in three if we view the last 6 years as a good base period. It is 1 in 10 if we view the last 30 years, or 1 in 15 if we view the length of time that oil has been produced in the Persian Gulf area of the world.

Mr. President, there is clearly a perceived threat to our security, our oil security, our economic security, and our national security.

We have made no purchases for the strategic reserve for over 1 year. Mr. President, that means that we now have 90 million barrels in storage. That is approximately 13 days' supply at our present level of imports.

Recently, we have heard a great deal about the decision by Japan not to purchase oil from Iran. But, Mr. President, let me suggest to the Senate that Japan has in storage enough oil to allow their economy to function for 88 days. We have enough oil to allow our economy to function for but 13 days, Mr. President.

Clearly, there is an absolute need to fill the reserve. If we take the actions of the Soviets in the region—in Ethiopia and South Yemen, and the later action in Afghanistan, and take the administration's response to that, we must conclude that it is a sufficient enough threat to beef our military expenditures significantly.

Mr. President, if that is so, and it probably is, then the likelihood of an oil supply interruption also has increased significantly. Yet, the administration refuses to fill the strategic petroleum reserve. It refuses to make the decision to spend the necessary money to fill the reserve to protect this country against the eventuality of an oil supply interruption, but continues to insist that it will someday do that. Yet, it was not active in the Budget Committee when the committee decided to eliminate the authority to purchase oil for the strategic reserve.

Mr. President, this is a decision that the administration is going to have to face sooner or later. The sooner it faces it, the more secure this country will be, for our national security is in peril.

This is clearly a matter of prime concern to the U.S. Senate and to every American, for every American would be affected if there were an oil supply interruption and prices skyrocketed and oil and gasoline would not be available.

So, Mr. President, in the coming budget debate I will be submitting an amendment to reinstitute the full amount for the strategic reserve. There are a number of other Senators who will be joining with me in that.

Mr. President, for the consideration of this body on this critical international issue, I will submit for the RECORD articles in the Chicago Sun-Times that pertain to the strategic reserve, as well as editorials in the New York Times and the Washington Post, all of which decry the action taken by the Senate Budget Committee, and clearly imply that the administration is procrastinating on this critical national security issue.

Mr. President, I ask unanimous consent that these articles be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[From the New York Times, Apr. 11, 1980]

SHORTCHANGING THE OIL RESERVE

The strategic petroleum reserve is aptly named. It is the first line of defense against an interruption in supplies from the Persian Gulf. Yet in the name of fiscal responsibility and, ironically, national security, the Senate Budget Committee proposes to delay its completion. It is hard to imagine a more shortsighted way to balance the Federal budget.

After the Arab oil embargo of 1973, Congress authorized creation of a billion-barrel emergency oil reserve. Construction delays, competing diplomatic concerns and oil shortages have combined to put the project far behind schedule. The reserve contains only 90 million barrels—barely enough to replace two weeks' worth of foreign imports. Under pressure from Saudi Arabia, President Carter agreed to postpone plans to add more oil until the OPEC meetings in June. But the Administration still hopes to resume purchases for the reserve later this year, using $4.1 billion previously set aside by Congress.

It appears, however, that the reserve is about to fall victim to the budget squeeze. Unless Congress acts to extend the current authorization, $2.3 billion of the $4.1-billion spending authority will be lost on Dec. 31. And with powerful interest groups fighting to save other spending programs, the strategic reserve has become an expendable political orphan. The Senate Budget Committee has recommended that the $2.3-billion authorization be allowed to lapse.

There is a possibility that Mr. Carter would choose not to spend the money even if Congress permits. Saudi Arabia has linked its willingness to maintain high rates of producton to a moratorium on purchases for the reserve. Whether the United States is obliged—or wise—to accept this linkage is an open question. But it would certainly be desirable to give the President the discretion to store more oil with a minimum of further public debate.

The folly of foreclosing this option is made particularly clear by the Senate Budget Committee's posture on related issues. In the name of bolstering the nation's security, it recommends extra billions for defense—money that it proposes to take, in effect, from the oil reserve. Surely the national security depends as much on oil as on new weapons or naval supply ships. How odd to be planning to fight over there for what we refuse to store right here.

[From the Washington Post, Apr. 16, 1980]

TO FILL THE OIL RESERVE

The retreat from the Strategic Petroleum Reserve is a national embarrassment, and a dangerous confession of failure. Instead of providing protection against future disruptions in this country's oil supply, the reserve has become a prominent symbol of American vulnerability.

Congress originally decreed that the reserve should hold at least 150 million barrels of oil by 1978. The Ford administration raised the target to 500 million barrels. The Carter administration doubled it to 1 billion barrels—on paper. How much is actually in the strategic reserve? At present, it's 91 million barrels—the equivalent of 11 days' imports—and not a pint has been added since last summer. The principal reason for the standstill is that Saudi Arabia objects.

Some of the oil going into the reserve was imported from Saudi Arabia. The Saudis agreed to help out in last spring's shortage by keeping their oil production higher than they had intended. They said, correctly, that they were doing the United States a favor. They considered it unreasonable that they should further be asked to supply the oil for a reserve that most Arabs see, also correctly, as a defense against the Arabs' oil weapon.

The Carter administration acquiesced. Worse, it has now sealed that decision by dropping most of the money for the strategic reserve from its 1981 budget. That contributed nearly $1 billion toward balancing the budget.

It is urgently important to begin filling the reserve again. That $1 billion would have bought 100,000 barrels a day for the reserve. It's a rather modest amount, and it can be accommodated without any great effect on the market.

The present shortage is not in oil but in ingenuity and determination. By applying a little of those two qualities, the administration will find it possible to put 100,000 barrels of oil a day into its underground storage chambers without using foreign oil and without unbalancing the budget. The Naval Petroleum Reserve at Elk Hills, Calif., is producing more than that, and the government is auctioning it to commercial buyers. Some of those bids have gone wildly high, to the distress of the administration, which knows that high American prices only invite further increases by OPEC. The intelligent solution is to stop selling the Elk Hills oil for money, and instead swap it for domestic oil produced near the storage sites. Perhaps some imported oil would then go into the Houston refineries, replacing domestic oil put into storage. But that, if we may delicately say so, is none of our Saudi friends' business.

There are several ways to pay for it. Mr. Carter has imposed an oil import fee, for example, that will raise the price of gasoline 10 cents a gallon. Why not go up another penny? That penny would bring in the necessary $1 billion a year. Most drivers consider it intolerably foolish to drive without accident insurance. Another penny a gallon is a small price for an insurance policy against the destructive impact—on driving, on jobs and on the country's prosperity—that is threatened by a serious disruption in the flow of imported oil.

[From the Sun-Times, Apr. 4, 1980]

GET MOVING ON OIL RESERVE

Some of government's biggest mistakes occur because vital issues sit unexamined on official back burners. A current example is the strategic Petroleum Reserve—or, rather, the senseless lack of one. This directly threatens U.S. security.

An oil stockpile is urgently needed to protect the country against a new oil embargo or other interruption of essential imports—threats far more likely than a Soviet attack.

Yet while preparing to invest $30 billion in an MX missile system to defend against the Soviet Union, President Carter and Congress may cut $1 billion already budgeted to buy oil for a reserve.

That wrong-headed approach has many roots, as Sun-Times Washington Bureau reported Thomas J. Moore detailed in his series on "Our unfilled oil reserve."

First, Washington failed after the 1973 Arab embargo steadily to build a strategic stockpile. When it began in 1975, it loudly proclaimed the move to be an anti-OPEC step, angering both friends and foes in the cartel.

After finally deciding to resume filling the sites this year, Energy Sec. Charles W. Duncan Jr. suddenly backed off. He was, said Moore, fearful of—or extremely sensitive to—Saudia Arabia's talk of slashing oil output a million barrels a day if the project resumed. But that's no reason in itself to stop.

The Saudis need U.S. military help as much as we need Saudi oil. The point should be made diplomatically, but clearly, to the Saudis that a vulnerable United States is a shaky ally. Though the sheiks may prefer to keep the United States dependent on their oil, both sides have deep common interests—with or without the strategic reserve.

There are other obvious needs for the stockpile, too. Another embargo could ignite economic chaos in this country. The lack of a reserve might well tie U.S. hands in a new Arab-Israeli conflict. It would obviously give Washington less time to develop peaceful responses to any Mideast emergency.

But powerful interest groups that beat the drum for costly missile systems care little about relatively cheap oil reserves. Thus Carter can vow to use force to protect U.S. interests in the Persian Gulf, while he—and Congress—talk of scrapping a project that could make the use of force unnecessary.

What could be more irresponsible?

An oil reserve should be a major element in the nation's over-all defenses. U.S. allies have them. We see no excuse for not getting on with one for this country.

[From the Sun Times, Apr. 11, 1980]

U.S. VULNERABLE TO OIL IMPORT CUTOFF

(By Thomas J. Moore)

WASHINGTON.—The United States is more vulnerable than any major importing nation to an oil embargo or a severe disruption of vital oil imports.

That is the conclusion reached by Washington oil analyst Edward N. Krapels, a consultant to the State and Energy departments.

Krapels' analysis and other data also show that the official U.S. figures on oil reserves vastly overstate this country's ability to withstand a loss of oil imports.

A severe disruption of oil imports could have drastic consequences. It could create the equivalent of a great depression or force the United States or an ally into early military action to restore the flow of oil.

To avoid such consequences, other industrial nations expanded or built emergency stocks of oil in the years after the Saudi Arabian-led Arab oil embargo of 1973, Krapels said.

The United States, he said, announced the most ambitious plans but actually achieved the smallest emergency reserve, compared with consumption.

The Sun-Times revealed Thursday that Saudi Arabia used its oil power to compel the United States to reverse plans to fill its emergency oil stockpile, called the Strategic Petroleum Reserve. The Saudis threatened to cut oil production if the United States resumed purchases of oil for the reserve.

Here is, according to Krapels, how other key industrial nations have dealt with the oil security problem:

The French require oil companies to keep at least 90 days' supply in the country at all times, about double the amount needed for regular operations.

West Germany established a special corporation to pay the costs of the oil industry storing a 40-day emergency supply. A half-cent gasoline tax on consumers pays the financing costs. An additional 18 days' supply is stored in a government-owned reserve that eventually will hold enough oil to last 25 days.

Japan had no strategic reserves when the Arab oil embargo began. Beginning in 1974, however, the government required its oil companies to add five additional days of stocks each year and has built up a 30-day emergency stock. The government owns and stores another six-day supply.

By comparison, the United States opted for a billion-barrel, government-owned reserve, only part of which has been built after long delays. It contains 91.7 million barrels of oil, good for five or six days of consumption, but has a capacity of 258 million barrels, a 32-day supply.

"Put simply, we blew it," Krapels said, "Japan had the same problem, but they decided to do something. The Department of Energy took two years just to get an environmental-impact statement on the use of the salt domes for storage. By contrast, the Japanese had no place to put the oil. They had no storage tanks, no salt domes, nothing. But recognizing the great importance of emergency stockpiling, they put it in supertankers where they are anchored to this day off the coast of Japan. The moral of the story is, if you're really serious about stockpiling there are all kinds of ways to do it.

"We fiddied away four years during which the circumstances for a strategic petroleum reserve were absolutely ideal. The price of oil was about $12 a barrel and OPEC countries were desperate to sell oil."

New York oil consultant Walter Levy, who was among the first to predict severe oil supply problems because of unstable Middle East regimes, described current U.S. emergency stocks as "woefully inadequate."

In the aftermath of the 1973 Arab oil embargo, the United States joined 15 other industrial nations to form the International Energy Agency (IEA). It was intended as a consuming-nation counter to the Organization of Petroleum Exporting Countries.

The IEA has two important programs to neutralize the oil power of producing nations. First, if oil supplies are reduced more than 7 per cent, the member nations agree to spread the shortage proportionally among themselves. This would be a defense against OPEC attempts to target a particularly vulnerable nation.

IEA members also pledged to achieve by 1980 a reserve equal to 90 days of each member's imports. A genuine reserve of that size, combined with energency rationing, could allow consuming countries to withstand a severe supply interruption for six months or longer without major economic damage.

By 1980, all the IEA members, including the United States, reported having the required stockpiles. The reserves, however, were overstated by all the reporting countries, but particularly the United States, he said. That is because the agreement makes no distinction between working stocks, the oil needed to maintain regular operatons, and true emergency stocks.

If you count every barrel of oil sitting in every storage tank, depot and refinery as an oil reserve, then the United States has more than an 800 million-barrel reserve, he said, And that is how the United States calculates officially that it has a 100-day supply of imported oil.

But that oil, Krapels said, is working stocks, the minimum amount of oil the industry requires to keep petroleum products flowing smoothly. Furthermore, the working stocks fluctuate in response to seasonal demand and price and there is no way to be certain how much oil will be in stock when an unexpected disruption occurs.

Stocks are now high. But in the shortfall caused last year by Iran, stocks were low. And U.S. oil companies began rebuilding their operating stocks, actually reducing oil available to consumers. The Energy Department exacerbated the situation by ordering the industry to build larger stocks of heating oil. The result was gasoline lines.

"The key point about U.S. industry stocks now," Krapels said, "is we absolutely cannot rely on them, under current policies, in a disruption."

Instead of drawing down stocks if supplies were disrupted, he said, the companies might try to build up stocks to protect themselves in case the situation got worse.

Second, stocks are not distributed evenly. Some refineries might have just filled storage tanks and be in excellent shape. Others could have drawn down supplies to near zero in anticipation of a new delivery.

The first stage of a disruption, Krapels said, would cause only a few spot shortages. "But if you keep drawing down reserves, the spots are going to spread like chicken pox."

"Nobody in the U.S. government knows when these spot shortages become widespread or how difficult it would be to cope with them," he said. "That is because we have not planned to rely on the oil companies for emergency supplies. We planned to rely on the Strategic Petroleum Reserve."

But the reserve is one-fourth the planned size and even that facility is not filled.

Levy, while noting he had not reviewed Krapel's analysis, agreed with the basic point that working stocks cannot be fairly counted as an emergency reserve.

"There may be some fat in the industry inventory," Levy said, "but it cannot be substantial."

The only IEA country with a smaller usable stockpile, Krapels said, is Canada. But Canada imported only 200,000 to 300,000 barrels a day and until recently was so close to being self-sufficient that it saw no need to build a stockpile. The Canadian government will face growing need for a stockpile as imports grow in future years, he said.

Krapels, in addition to his work for the federal government, has been a fellow at the prestigious Institute for Strategic Studies in London. He is publishing his research on oil security in a forthcoming book, *Oil Crisis Management*.

SAUDIS VETOED FILLING OF OIL RESERVE

(By Thomas J. Moore)

WASHINGTON.—Saudi Arabia last month forced the United States to cancel plans to fill its strategic oil reserve, the first line of defense against an oil embargo, The Sun-Times has learned.

The Saudis threatened to cut production by a million barrels a day if the United States resumed putting oil into its emergency stockpile. A Saudi production cutback of that size could kill Carter administration hopes of limiting oil price increases this year, a vital element in its inflation-fighting strategy.

The Saudi threat even prevented the United States from using oil pumped from federal lands for the Strategic Petroleum Reserve.

The Energy Department tried to portray the decision on the strategic reserve as a temporary move based on "technical market factors" and concern about world oil demand.

But a Sun-Times investigation reveals a different story.

The Saudi threat, or the extreme sensitivity to Saudi concerns, led Energy Secretary Charles W. Duncan Jr. to reverse his decision to fill the oil reserve just days after he made it.

As a result, the United States will remain vulnerable to the threat of an embargo. A major disruption could rapidly create the equivalent of a deep depression or provoke military moves to avoid that consequence.

The strategic oil reserve will remain little more than five mostly empty caverns in Louisiana and Texas. Most of the $5 billion appropriation to buy oil is expected to lapse, the money not spent. If purchases resume, the oil will cost more. It may be another decade, if ever, before the United States has the stockpile initially desired for the perilous '80s.

The awareness of the need for an emergency reserve was created by the nation that stopped it; Saudi Arabia.

In 1973, Saudi Arabia shocked the Western world by leading an Arab embargo on exports to this country and the Netherlands, both supporters of Israel in the Yom Kippur War.

The strategic reserve was intended to neutralize the most immediate dangers of heavy dependence on imports. With a reserve of oil, this country could less easily be blackmailed or stampeded in a crisis situation.

Thus, the United States in 1975 began building its strategic reserve to counter an embargo or other severe shortage of imported oil.

A terminal in St. James Parish, La., is capable of rapidly unloading oil tankers into underground caverns. In an emergency, huge pumps and pipelines can feed the reserve oil into the nationwide oil distribution network.

An ordinary oil field has only limited use as an emergency reserve. The oil can only be pumped at a certain rate without damaging the field. And many remaining domestic fields are in remote areas, far from the terminals of major pipelines.

The Energy Department managed to get 91.7 million barrels of oil—five or six days' normal consumption—into the reserve before being forced to halt purchases during the worldwide shortage after the fall of Mohammed Reza Pahlavi in Iran. But construction continued, and the facility now can hold 258 million barrels of oil, one-quarter of its intended billion-barrel capacity.

But by early this year, market conditions changed again to a slack market, perhaps even an oil glut. Analysts noted that the producing countries were increasingly facing the choice between lowering prices or cutting production.

The issue came back on the front burner Feb. 4, when Duncan was grilled about the reserve by the Senate Energy Committee.

Sen. Henry L. Bellmon (R-Okla.) wanted to know why Duncan couldn't use the government share of the oil produced on the federal reserve at Elk Hills, Calif., to fill the reserve.

"That is one of the options I am looking at," Duncan replied.

Bellmon appeared unsatisfied by the mere examination of options.

"It looks like you have the total authority to do this. Why don't you?" Bellmon pressed.

Duncan learned the next day that department lawyers believed the government share of Elk Hills oil could be put into the reserve or exchanged for oil located closer to the reserve's Gulf of Mexico loading terminal.

After other consultations in the executive branch, Duncan notified President Carter of his intention to resume filling the reserve at an average rate of 200,000 barrels a day. Half of that amount would come from Elk Hills, with the rest coming from imported oil purchased on the open market.

Next on Duncan's agenda was a scheduled trip to Saudi Arabia, the country most sensitive to the U.S. strategic oil reserve and the largest supplier of imported oil.

He left for the Mideast on Feb. 29, accompanied by Undersecretary of State Richard N. Cooper and a hefty entourage.

The U.S. delegation's reception was warm, but the Saudis expressed a variety of serious concerns. Three extensive meetings were held with the Saudi oil minister, Sheik Ahmed Zaki Yamani. One session was a private conversation between him and Duncan.

Saudi officials pressed Duncan about their increased fears about regional security in the wake of the Soviet invasion of Afghanistan.

Of equal importance was the recent collapse of the uniform price structure of the oil-producing nations into a broad spread of prices in which each nation tried to extract the market maximum.

The Saudis argued—convincingly, according to some present—that it also was in the U.S. interest to aid the Saudis in their efforts to force their oil-producing partners into line, to agree to a common price of oil. This would be achieved by continuing to add to what the Saudis believed was a steadily growing worldwide surplus.

To achieve that orderly oil market, the Saudis were producing at the higher than normal rate of 9.5 million barrels a day and selling at lower prices than many producers.

But on one point, Yamani was specific and blunt. If the United States resumed filling its strategic reserve, Saudi-Arabia would reduce its production by a million barrels a day.

According to well-informed sources, Duncan carefully avoided a direct response to Yamani. A specific commitment to Yamani could have led to serious diplomatic and legal complications.

But the day after he returned, Duncan made it clear to the Saudis—and the world—that the United States had capitulated to the threat.

Duncan returned to Washington on the evening of March 4. The next morning, he held a press briefing where he announced that the petroleum reserve would not be filled. But his explanation was nearly incomprehensible:

Question: Under what terms would the United States begin to fill the strategic reserve again?

Duncan: I think what we would have to see would be in a technical market condition where the beginning of the filling of the reserve would not adversely impact technical factors in the market.

In similarly opaque prose, Duncan also indicated that neither domestic nor imported oil would be put into the reserve. But nowhere in the 17-page transcript of the sessions is it clear why or for how long he had decided to postpone filling the reserve.

If Duncan's statements were not perfectly clear, other department actions were.

A few days after Duncan's return, John Deutsch, the No. 3 man at the department, telephoned one of Carter's top budget aides and cut a deal. Deutsch agreed to give up $850 million budgeted for purchases for the oil reserve in return for restoring other Energy Department cuts proposed as part of the president's effort to balance the budget.

The epitaph for the reserve oil purchases appeared in the back pages of the 1981 budget revisions. It said:

"Defer Strategic Petroleum Reserve purchases from June, 1980, to June 1981."

Just over a week after the meeting with Duncan, Shiek Yamani announced that Saudi Arabia would continue to produce oil at current levels, without cutbacks, through June. He repeated his view that stockpiling and hoarding were occurring all over the world.

But clearly he did not mean the U.S. Strategic Petroleum Reserve.

[From the Sun-Times, Apr. 13, 1980]

OIL PINCH MAY PUSH U.S. TO WAR

(By Thomas J. Moore)

WASHINGTON.—The failure of the United States to fill its emergency oil stockpile could push this country into hasty military action in the volatile Middle East, in the view of some defense analysts and government officials.

It might also limit the United States' freedom of action in a future Israeli-Arab conflict.

These analysts are concerned about this increasingly dangerous combination of trends:

President Carter has declared that the United States has "vital interests" in the Persian Gulf and would use military force to protect those interests.

The region is becoming more unstable, with growing chances for revolution, war or other radical changes in oil-producing countries.

A likely first casualty of a major upheaval would be America's vital flow of imported oil.

Carter, in his State of the Union address this year, minced no words on the importance of Persian Gulf oil: "Denial of these oil supplies to us or others would threaten our security and provoke an economic crisis greater than that of the Great Depression 50 years ago, with a fundamental change in the way we live."

But a substantial Strategic Petroleum Reserve, could serve as both deterrent and margin of safety in a crisis that threatened oil supplies, these analysts believe.

"I can't predict the chances of an oil supply disruption," said Walter Levy, a widely respected oil consultant.

"But they are much greater than if you had sizable [emergency] stocks.

"You are less likely to be disrupted if the effect is remote in time and less certain," he said.

If the disruption were a side effect of local strife or revolution, an emergency oil reserve might allow the United States time to maneuver toward peaceful solutions before the loss of oil causes serious economic effects.

Consultant Melvin A. Conant, a former National War College professor and high-ranking federal energy official, believes that global supply and demand are so delicately balanced that a disruption of 10 percent of the Organization of Petroleum Exporting Countries' production might trigger a major crisis.

"That's a very slim margin," he said.

"A disruption of that amount of oil could lead to actions ranging from seizing the financial assets of a producer to, at the extreme end of the spectrum, a military effort to control production fields."

The major oil companies, Conant noted, have lost much of their capability to blunt the effect of a disruption by replacing embargoed oil from other sources.

"Back in 1973," he said, "the majors could claim they controlled 75 percent of the crude oil in world trade.

"Today, all OPEC exporters keep the right to determine the volume and destination of 100 percent of the oil they supply," Conant added.

Robert Ellsworth, former deputy secretary of defense and ambassador to NATO, said lack of stockpiles could provoke premature or ill-considered action.

"If you get a major cutback, or holdback, you will get the consuming nations losing their poise," Ellsworth said.

"With a supply of eight or nine days, heaven only knows what might happen with people sitting around in meeting rooms under those kinds of pressures.

"And I also mean the meeting rooms in Paris, London, Bonn and Toyko."

Conant and Levy shared Ellsworth's concern.

"If you have large stocks, it gives you flexibility not to act immediately," said Levy.

"The risks of miscalculation increase," said Conant, "if the U.S. denies itself the option of waiting out a particular crisis.

"The Department of Energy's failure to create this essential oil reserve is the war equivalent of having no spare parts, no rations and no reserve ammunition supply," he added. Furthermore, Ellsworth said he was not convinced that our traditional alliances would hold together in a scramble for scarce oil.

An example of Ellsworth's point occurred after the United States declared an embargo on oil imports from Iran.

Japan began purchasing nearly the entire 700,000 barrels a day previously shipped to the United States.

Concern about the lack of an oil reserve was not limited to consultants and former government officials.

Three members of the Senate Energy Committee, Senators Bill Bradley (D-N.J.), Henry Bellmon (R-Okla.) and Robert J. Dole (R-Kan.), have pressed for completion and filling of the Strategic Petroleum Reserve.

"It is my strong conviction that during the next decade, when U.S. and allied vulnerability to oil supply disruptions is at its peak, we will suffer a major curtailment of our imported oil," Bradley wrote to the Senate Budget Committee.

"Whether the curtailment is due to a politically motivated embargo, a terrorist attack, an invasion by hostile powers or mere accident, its political and economic consequences will be enormous," Bradley said.

"The only program that can substantially mitigate these losses and perhaps deter their occurrence is an ample Strategic Petroleum Reserve," he said.

He urged the committee not to slash funds budgeted for oil stockpile purchases.

History provides as many examples of the sensitivity of oil supplies as do the experts' predictions of possible events.

The United States has suffered three supply disruptions in the past decade, two in the past year.

In retaliation for supplying military supplies to Israel in the 1973 Yom Kippur war, Saudi Arabia led the oil world in an embargo.

With the Saudis now supplying 16 percent of U.S. imports—more than double the 1973 level—such a decision today would carry far higher risks.

Iran's total oil output was lost last January in the chaos after the revolution.

And the United States currently embargoes imports from Iran while Iran has enacted a broader counterembargo.

It is not clear when and under what circumstances the Iranians would end the embargo on sales to the United States or any U.S. oil company regardless of the destination of the oil.

A study of the effect of oil policy on the beginning of World War II concludes that the Japanese attack on Pearl Harbor was closely tied to that country's shrinking oil stockpile.

Prof. Irvine H. Anderson Jr., of the University of Cincinnati, concludes that the American freeze of Japanese assets in August, 1941, had the effect of creating an embargo on 81 percent of Japanese oil supplies.

Before its oil stockpile was drained, Japan concluded it had to begin seizing oil fields in Indonesia in December of that year or lose its war-making capability.

To protect the long tanker route from Sumatra to Japan, the Japanese struck first at Pearl Harbor to destroy the United States Pacific fleet.

CHEMICAL DUMP FIRE IN ELIZABETH, N.J.

Mr. BRADLEY. Mr. President, last night in Elizabeth, N.J., a chemical dump exploded and burned. This is a dump which had over 40,000 barrels of unknown toxic substances just 6 months ago.

Through the efforts of the State environmental protection agency and some chemical companies in the State of New Jersey, 10,000 of those barrels had been identified and removed, but 30,000 remained. Last night they went up in smoke, a fire that generated temperatures of 1,500 degrees, a fire in a chemical dump, a toxic chemical dump in the middle of 4 million people, just 5 miles from downtown Manhattan.

Mr. President, this fire not only generated heat and some explosions, but also a cloud of smoke of unknown toxic content that drifted first into the town of Elizabeth and second over Staten Island and toward Manhattan.

Mr. President, I think there need be no more vivid demonstration of the need to have a super fund that will clean up these toxic dumps across the land than the events that took place last night in Elizabeth, N.J.

So, in this time of budget balancing, it is critical to place in perspective what Government must do to protect the citizens of New Jersey and many other States across this country that face a similar peril.

Mr. MOYNIHAN. Mr. President, I join my colleague from New Jersey (Mr. BRADLEY) in calling the attention of the Senate to last night's fire at the Chemical Control Corp., in Elizabeth, N.J. A smoke plume filled with countless chemical compounds whose identity and toxicity are still in doubt has forced the closing of schools and businesses on Staten Island.

The Environmental Protection Agency is attempting to determine the chemical contents of the wind-driven plume, some of which has already settled on land. Preliminary reports indicate that toxics have not been detected in the earliest plume samples taken this morning.

When the pressures of the moment subside and an investigation begins, we will no doubt find even more compelling evidence for the need for a superfund. We in New York with Love Canal and PCB's already have enough evidence. Uncertainty surrounds the health effects the people of the New York metropolitan area may suffer from this accident. But it is inexcusable that these people find themselves in the midst of uncertainty as to how they may recover damages from any harm that may result from their exposure to hazardous chemicals. There should be no uncertainty of the ability of the Federal Government to join with States to respond immediately to this kind of accident to initiate an immediate cleanup of the site and to mobilize the full array of precautions to protect the health of the people in the region.

It is precisely for this kind of contingency that the superfund hazardous waste legislation was designed. And, as important as the rapid response function of the superfund is the legislation's underlying philosophy—that those who trade in dangerous chemicals ought to be encouraged to take all precautions to prevent such occurrences as we are now witnessing in Elizabeth from happening in the first place. That responsibility comes in the form of strict liability for the damages and costs associated with the accident.

The State of New Jersey closed the site last year when it was discovered how poorly managed the chemical control waste site was being managed. The mix of chemicals at the site was staggering. Over the past year the State ordered the removal of some of the more onerous toxics that were discovered on site including nerve gases. One can only imagine the situation which might have been had the State of New Jersey not acted as responsibly as it did during the past year.

The superfund legislation is still in the Environmental Pollution and Resource Protection Subcommittee of the Environmental and Public Works Committee. EPA does not currently have the statutory authority to act in anticipation of such events as we are now witnessing at the chemical control site. We have before us today the best justification for a superfund bill in this Congress.

ORDER OF BUSINESS

The ACTING PRESIDENT pro tempore. The time of the majority leader has expired.

NOMINATION OF WILLIAM A. LUBBERS

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will now resume consideration of the nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.

Time until 1:30 will be equally divided and controlled by the Senator from Utah (Mr. Hatch) and the Senator from New Jersey (Mr. Williams).

The clerk will state the nomination.

The assistant legislative clerk read as follows:

Nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into legislative session for a period of morning business, and that the period not extend beyond 30 minutes, and that Senators may speak therein for 5 minutes each, after which the Senate return to executive session.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Is there morning business?

SENATE CHAPLAIN ELSON'S HALF CENTURY SINCE ORDINATION

Mr. THURMOND. Mr. President, it was indeed a great pleasure to read the excellent article about the Reverend Edward Elson, the Chaplain of the Senate, in the April 19, 1980 issue of the Washington Star. The article, written by Mr. Jim Castelli and titled "Senate Chaplain Looks Back at a Half Century Since Ordination," describes the long and outstanding career of service by Reverend Elson.

Mr. President, the Senate is most fortunate to have had Reverend Elson as its chaplain since 1969. Certainly we congratulate him and rejoice with him in the celebration of his 50th anniversary of his ordination. A special service will be held in his honor at 11 a.m., April 27, at the National Presbyterian Church, where he served as pastor from 1946 to 1973.

Mr. President, in order to share with my colleagues the article concerning Reverend Elson's half century since ordination, I ask unanimous consent that the article from the Washington Star newspaper be printed in the Record following my remarks.

There being no objection, the article was ordered to be printed in the Record, as follows:

Senate Chaplain Looks Back at a Half Century Since Ordination

(By Jim Castelli)

One day early in the first Eisenhower administration, the Rev. Edward Elson, pastor of the National Presbyterian Church in Washington, stumbled over his picture on a poster in Kansas City.

"The President has a pastor," the poster said, "do you?"

Elson, who baptized Dwight Eisenhower shortly after his election in 1952, was indeed the president's pastor, a position that in many ways marked the highpoint of a long career frequently spent dealing with the relationship between religion and public service.

Now chaplain of the U.S. Senate—a post he has held since 1969—Elson will celebrate the 50th anniversary of his ordination in a special service at 11 a.m., April 27, at the National Presbyterian Church, where he served from 1946 to 1973.

Over the years as an army chaplain and pastor, the native of Mongohela, Pa., has been close to public figures from J. Edgar Hoover to William O. Douglas.

Elson, still spry at 73, reminisced about his career in his apartment at the Westchester in Northwest Washington, a home full of momentos—a scrapbook of autographed pictures from his friends in the Senate; a small screen that was a gift from President Thieu of South Vietnam; a pair of silver cufflinks, engraved with his fingerprints, given by Hoover; scores of photographs and paintings, including several walls full of Eisenhower's original artwork and, finally, in a drawer under a cabinet full of medals and captured Nazi weapons, stark photographs Elson took of victims and survivors at Dachau, where he took a census of imprisoned clergy at the close of World War II.

But while he all but reeks of history, Elson is deeply involved in the present, working some 50 hours a week, writing and delivering the Senate's daily prayers, praying at countless official functions, inviting the two guest chaplains a month called for in the Senate rules. He takes pride in the fact that he invited the first woman minister to pray in the Senate in 1971, later invited the first nun and later the first American Indian holy man, an 83-year-old Sioux who brought his peace pipe.

Elson does a number of odd jobs as chaplain: "A senator will call and ask, 'Where's the passage in the Bible about the seven fat and the seven lean years?' Or 'What's the name of the Roman Catholic archbishop of Dubuque?' " Or, Elson said, a senator who is Episcopalian will ask what he should say when he is invited to speak to a large Baptist group.

Some Senators talk to Elson about the moral dimensions of issues such as capital punishment. Others come to him with personal problems. Elson is tight-lipped about such meetings, citing the need for confidentiality. But he will tell you, "We only hear about the failures. We never hear about the acts of redemption and rehabilitation, lives saved and helped."

The Senate's 39th chaplain, Elson is steeped in its history and tradition and plans to write a history of the Senate chaplains. But behind his love of ceremony is an understanding of the political function of the daily prayers required by the Senate. He argues that they provide a reminder of "God's sovereignty" over both church and state, a reminder necessary so that the Senate "can't be Nazified" by identifying the nation's will with God's.

Elson seems more disposed to reminisce than to reflect, but his reflections on the nature of politics and the relationship between politics and religion, when voiced, come out with feeling:

Forty-eight of the 100 senators are still in their first terms, Elson said, adding that that is about as much as you can have without breaking down the system. You need "seasoned" legislators to make the process work.

Elson also sees a danger in a "single-issue" approach to politics which he says loses sight of the nation's broader goals.

He also opposes endorsement of politicians or positions as "Christian . . . There are no Christian positions . . . there are Christians informed by their faith. Two men may be equally devout and come to opposite conclusions; it's not their piety that's at issue, but their perception of reality."

"The role of the church (in politics) is to create people who can make the highest and best moral judgment in the existential situation . . . I don't think the church can tell them how to vote on everything, or anything. How to be the person who can handle situations is the chief witness of the church."

Elson notes with pride that no one in public life has ever asked what political party he belongs to, but it's impossible to imagine him voting against Eisenhower.

Elson recounts the manner in which he came to baptize the newly-elected president: Eisenhower was raised in a religious home in a family that belonged to the Church of the River Brethren, a small denomination that only baptizes adults. By the time he was old enough to be baptized, he was moving across the country, later moving around the world while in the army.

During the 1952 presidential campaign, several of Eisenhower's aides urged that he join a church, but, Elson said he replied, "I'd no sooner join a church during a campaign than I'd join a labor union," and said he would wait until it was clear he was acting out of conscience, not expediency.

RETIREMENT OF VA DEPUTY CHIEF BENEFITS DIRECTOR A. J. "BO" BOCHICCHIO

Mr. THURMOND. Mr. President, I would like to take this opportunity to share with my colleagues the virtues and accomplishments of a truly great American; A. J. "Bo" Bochicchio has retired from 43 years of service to this Nation—34 of those years were with the Veterans' Administration.

Mr. President, I first met "Bo" during World War II when we were assigned to the First Army Headquarters in the European Theater of Operations. As an Assistant Adjutant General under Generals Bradley and Hodges, "Bo" discharged his duties in a most effective manner. There was neither a problem too large nor too small that "Bo" would not undertake. He had the reputation in the First Army as a man who would get the job done. "Bo" considered each assignment of his illustrious career as a serious charge and fulfilled it with the utmost dispatch.

Mr. President, the service that "Bo" rendered his fellow serviceman continued after the war when he joined the VA in 1945 as Director of Contact and Services at the VA Central Office here in Washington. "Bo" quickly distinguished himself in his new assignment and in 1975 he was appointed Deputy Chief Benefits Director for the Department of Veterans Benefits. Throughout this career, "Bo" was dedicated to serving his fellow veteran. During his 43 years of service, "Bo" demonstrated time and again his great capacity, integrity, and courage.

Mr. President, so often when one retires from a position of great trust and responsibility, the ultimate losers are those individual beneficiaries who have become accustomed to relying on the sound judgment and effective leadership rendered by the retiree. This is not the case with "Bo" Bochicchio. I know our Nation's 30 million veterans will be pleased to learn that "Bo" is continuing to be of service to them in his new role as a consultant to the American Legion. The VA's loss certainly is the Legion's gain.

INFLATION, PRODUCTIVITY, AND THE FEDERAL BUDGET

Mr. THURMOND. Mr. President, during these crucial legislative days when we in the Congress are directing our attention to the Federal budget for fiscal year 1981, we should be always mindful that whatever actions we take, directly and indirectly, must be toward correcting the long-term problem of inflation. Inflation, of course, is the problem of primary concern to us since it adversely affects all American people, our overall economy, and even our national security.

With this larger perspective of the inflation problem in mind, Mr. President, I feel it appropriate that we give our most careful consideration to pertinent comments and suggestions made recently by some highly respected and responsible economists and public policy analysts. I will refer here to the statements of only three of these professionals, but there are many others that have expressed similar agreement on these type issues and approaches to a solution.

First, Mr. President, I refer to a statement by Dr. Arthur F. Burns, titled "The Perils of Inflation," published by the American Enterprise Institute for Public Policy Research in March 1980. Dr. Burns does his usual fine job in describing the problem and then he sets forth his four specific suggestions for action.

Briefly stated, these are:

1. A legislative revision of the budget process that would require a balanced budget.

2. A commitment by Congress to a comprehensive plan for dismantling regulations that have been impeding the competitive process, and for modifying others that have been running up costs and prices unnecessarily.

3. Congressional endorsement of the Federal Reserve's efforts to curb inflation.

4. Legislation scheduling reductions in business taxes in each of the next five to seven years.

Mr. President, next I refer to the statement by Dr. Herbert Stein, titled "Fighting Inflation: A Radical Free-Market Proposal," printed in the Economist, American Enterprise Institute for Public Policy Research, March 1980. Dr. Stein suggests a 10-point program which would be a decisive change, which would end the inflation, which would require a balanced budget, which does not include controls, and which would be appropriate for a free economy. I will not discuss the 10 points at this time, however, Mr. President, I strongly encourage my colleagues to give serious consideration to these well reasoned suggestions made by Dr. Stein.

The third statement to which I make reference, Mr. President, is an editorial titled "Lagging Productivity" in the April 15, 1980 issue of the Wall Street Journal. In that editorial, the lagging growth of labor productivity in the United States is discussed, with particular emphasis on the recent writings of Federal Reserve Bank of St. Louis economist John A. Tatom.

As noted in the editorial, productivity growth is dependent upon capital formation. From mid-1972 to mid-1979, capital outlays per worker in the United States grew by only 0.6 percent per year compared with a 2.9 percent per year rate over the previous 22 years. Mr. Tatom calculates that investment per worker in the latter part of the 1970's was 17 percent lower, or about $200 billion lower, than would have existed if the previous growth pattern had been maintained.

Mr. President, to redress this problem, Mr. Tatom offers three essential steps. These are:

1. Use monetary policy to fight inflation and dampen inflationary expectations.

2. Restore incentives to the business sector by cutting various taxes and by elimination of federal government deficits.

3. Lift regulatory restraints to stimulate the supply of resources and output of the economy.

Mr. President, all of these statements and suggestions are directly related to our immediate consideration of revising the Federal budget. In order to share with my colleagues the contents of these three excellent and timely articles, I ask unanimous consent that they be printed in the RECORD following my remarks.

There being no objection, the articles were ordered to be printed in the RECORD, as follows:

THE PERILS OF INFLATION

(By Arthur F. Burns)

The inflation we are faced with today has brought our country to a point of economic crisis unmatched in its dangers since the Great Depression of the 1930s.

There is no need to dwell on the facts about recent price movements. Inflation is clearly accelerating. During the eleven years ending in 1978 the consumer price index doubled, which implies an average annual rate of increase of 6.5 percent. In 1979 the index rose by more than 13 percent—a pace that would lead to another doubling in just 5½ years. So far this year the price level has been rising at an annual rate of about 18 percent. These facts speak for themselves.

The crisis created by our raging inflation obviously differs from that of the 1930s. We are not surrounded by the misery of body and spirit that arises out of widespread, long-continued unemployment and low incomes. The grinding poverty so common in the 1930s has virtually vanished. Indeed, as a people, we have never been so blessed with material wealth and comforts, nor so well protected against the risks of unemployment and disability. For these reasons many economists have tended to underestimate the gravity of our inflation problem. The instincts of the public have been sounder; almost from the beginning of the current inflation the public has been troubled by its progress.

The consequences of rapid inflation can be devastating for the individual family. Erosion of the buying power of bank deposits, savings bonds, insurance policies, and private pensions frustrates all past efforts of working men and women to provide for expected needs of their families. On the other hand, inflation benefits individuals who had piled up debts to purchase a home or other durables that are going up in price. Inflation thus acts like a giant lottery, with the distribution of outcomes both arbitrary and perverse: prudence is penalized, improvidence rewarded.

People need to plan ahead. They need to provide for their retirement, for the education of their children, for the many contingencies of life—all of which require saving. But when faced with the prospect of rapid increases in prices, what are they to do? Individuals of substantial means can try to protect their accumulated savings by investing in real estate, precious metals, works of art, or other so-called inflation hedges; but when many try to do that, prices soar and further investments become risky gambles.

People of modest means generally save through bank deposits or government bonds; for them the certainty that what they put by will rapidly erode in value becomes a cause of despair. Persistent, rapid inflation creates deep feelings of anxiety. It weakens the economic security that Congress sought to build in our nation through massive social legislation.

Inflation leads to anxiety not only as individuals contemplate the erosion of past savings but also as they view their current incomes and expenditures. When the general price level is stable, the structure of prices and wages has a good deal of inertia, and that is highly valuable to a society; people then know where they stand and what their practical options are. But in time of inflation, prices and wages become volatile. With prices changing at frequent intervals and by widely different amounts, and with relative wages among occupations and skill levels continually shifting, people's economic mooring are cut; they are kept off balance, and they live with the continuing concern that their incomes may fall behind in the race against prices or fail to keep up with the incomes of others.

Our inflation has ominous consequences for the longer run as well as for the immediate future. Business investment in new plant and equipment has been the mainspring of the remarkable improvement in living standards that our nation has enjoyed in the past. Capital investment always involves some risk and uncertainty; but inflation greatly magnifies the risks by reducing the ability of business managers to assess costs and prices over the long time horizons typically involved in investment projects and by driving up the interest charges needed for their financing. Moreover, under historical cost accounting—the method used widely for inventories and universally for capital assets—taxes have to be paid on a phantom portion of profits. For all these reason, inflation discourages productivity-enhancing investment, and thereby weakens hopes of a better future for ourselves and our children.

Worse still, if we fail to overcome the current inflation, it may soon begin to dissolve the glue that holds our society together. This risk will grow when it becomes apparent that languishing productivity and the deteriorating terms of our trade with the rest of the world are preventing the economic product available to the American people from increasing. At best, the result will then be an era of deep social divisions, with hostility and bitterness spreading.

To deal with the problem of inflation with some hope of success, it is essential to understand how it came about. Economists have not been at a loss in pointing to sources of the inflationary bias of our economy. Among the factors frequently cited are the power of trade unions, monopolistic tendencies in the business world, the stagnation of productivity, the increasing intervention of government in the economy, the size and persistence of federal budget deficits, the excessive growth of the money supply, as well as various special factors that achieved prominence during the 1970s—such as the devaluation of the dollar, occasional bad harvests, and the vigorous exercise of monopoly power by the OPEC cartel.

The factors undoubtedly have played a role in the inflation process. But concentration on them obscures the fundamental cause of the price revolution of our times—namely, the philosophic and political currents that were released in our country by the depression of the 1930s, then by World War II, later still by the clamor for a Great Society.

A nation that still remembers the Great Depression and the remarkable demonstration during World War II of our nation's capacity to produce both "guns and butter" naturally places a high value on continuing good times. It is not unreasonable for people to want the government to promote full employment. It is not unreasonable for an urbanized industrial society to expect some protection against the hazards of old age, unemployment, poor health, and bad housing. It is not unreasonable for a compassionate people to expect the government to be responsive to the needs of the poor. It is not unreasonable for citizens to be concerned about the degradation of the environment and the hazards to health, and safety of both workers and consumers. And it is not unreasonable in a democracy for particular groups to seek to advance their own economic interests by political means.

However, these wide-ranging and insistent political demands and the government's response to them are basically responsible for the present virulent inflation. Our government has promoted inflation in three ways: by persistently biasing economic policies toward stimulus; by continually interfering with the forces of market competition in order to benefit special groups; and by pursuing objectives for the environment and for the health and safety of our citizens in needlessly expensive ways. A great deal has been said about the third of these; I will concentrate on the first two.

Our fiscal and monetary policies have been biased toward stimulus because of the pressure on government to keep unemployment low. The bias has been evident throughout the postwar period; even in the first Eisenhower administration, in which I served, the government was inclined to respond with greater alacrity and force to signs of rising unemployment than to signs of over-full employment. But the bias tended to grow, partly because rising incomes during the 1950s and early 1960s were not yet accompanied by rapid inflation. As people became more prosperous, they also became less tolerant of the imperfections in our society: and as years of little inflation succeeded one another, they grew less concerned about inflation. These trends in public attitudes were constantly stirred by reformist thought, and they merged with a tendency among policy makers toward greater boldness—a tendency that culminated in the unprecedented effort under Presidents Kennedy and Johnson to accelerate the growth of an already expanding economy by a massive cut in business and personal income taxes. This effort, the major venture of the so-called New Economics, was initially counted as a brilliant success. But as our economy was pressed to its limits by expansionist policies, it became highly inflation-prone; and the rest is history.

A stimulative bias has been imparted to fiscal policy not only by the government's efforts to keep unemployment low but also by its response to demands for economic and social reforms—even when they involved massive redistribution of incomes. Since World War II, the government has steadily expanded the social insurance program—extending its coverage to the bulk of the population in the 1950s, adding disability insurance in 1957 and Medicare in 1966, and repeatedly improving the benefit levels and other terms of old age and unemployment insurance. It has sharply expanded the scale of assistance to the disadvantaged among us, starting with the Great Society programs in the 1960s and continuing in the 1970s. And it has become excessively responsive to demands from special interest groups for subsidies, tax concessions, or preferential credit arrangements.

In pursuing these actions, far too little attention has been given to the inflationary affects of federal budgets. Federal spending tends to be more inflationary than private spending, first because government is usually less efficient than private enterprise, second, because government has encumbered itself with especially high labor costs, third, because the Federal Reserve System cannot as a practical matter offset an upsurge in federal spending to the same degree as an upsurge in private spending. Nevertheless, federal spending would have had relatively little stimulative effect on the economy if it had been accompanied by balancing increases in tax revenues or if the increases in social welfare expenditures had been offset by cuts in other expenditures. But support for such balancing actions has not been strong enough to overcome the pressure from the beneficiaries of fiscal largesse. The consequence is that the federal budget has been more stimulative in recent times, as it is again this year, than the public has realized or than the Congress itself has intended.

It was because of lack of control over the consequences of its separate budget decisions that Congress adopted new procedures in the Budget Act of 1974. In essence, they require Congress to ensure that the detailed taxing and spending decisions conform with its overall fiscal plan. While the new procedures represent an important step forward, Congress is having considerable difficulty in applying them. The very circumstances that originally called forth the reform are still at work—that is, the constituencies in favor of tax cuts and spending increases are better organized and politically stronger than those favoring spending cuts.

The effects of these pressures can be traced in the steep ascent of government outlays during the 1960s and 1970s. Federal expenditures first exceeded $100 billion in 1962, but they have escalated rapidly since then. The $200 billion mark was crossed in 1971, the $300 billion mark in 1975, the $400 billion mark in 1977, and the $500 billion mark in 1979. Tax revenues meanwhile also rose sharply, but they have failed to keep pace with expenditures. The result has been a virtually unbroken string of deficits, extending from 1961 to the present. This acceleration of federal spending reflects the proliferation of social programs—more and more spending on income security, veterans' benefits, food stamps, education, manpower training, health and medical care, community development, and so on. Even before 1965 social welfare expenditures from all public funds were growing faster than our gross national product. But once the Great Society programs got under way, such expenditures exploded, increasing from 12 percent of the gross national product in 1965 to about 20 percent at present.

Undue stimulus through fiscal and monetary policy tends to generate inflationary pressures by causing the aggregate demand for goods and services to rise above the level that can be supplied at existing prices. That is how the current inflation was precipitated in the fatal year 1965, when our government sought simultaneously to fight a war in Vietnam and to launch the Great Society at home while reducing tax rates instead of raising them.

But even when aggregate demand is growing at a moderate rate, inflationary pressures may be released by a faltering of aggregate supply, and this too has happened in our country. Since the mid-1960's, and particularly since 1973, improvements in productivity—that is, output per hour worked—have slowed sharply in the private sector. Last year productivity actually declined. Just as rising costs of imports tend to make us poorer as a nation, so too does sluggish productivity. Something must then give; if some groups are able to maintain or improve their position, the burden will fall on the rest of the economy. It is not enough that we constrain the explosive growth in our demands for the good things of life; until we manage to restore the uptrend in productivity, we must accept a lower standard of living.

Neither Congress nor the American people as yet show sufficient appreciation of this somber fact. The many years of rising real incomes earlier in the postwar period have led the public to expect continuing gains, and even to demand them as a right. When prices are going up rapidly, workers feel justified in insisting that their wages rise still faster. Whether or not employers share this view, they are bound to be concerned about the effects on worker morale of insisting on a smaller increase. And when they grant pretty much what workers demand, as they often do, they ordinarily find it necessary to raise prices correspondingly. Firms in this position are often in danger of pricing themselves out of the market and having to lay off workers. But if such a pattern is widespread, the expected rise in unemployment may well call forth fiscal and monetary policies that in effect validate the wage and price increases. Moreover, businessmen whose sales are suffering because of their pricing policies are likely to join with union officials in demanding that the government protect them from "unfair" competition.

This brings me to the role of government in fostering inflation by acting in restraint of trade. In principle, most of us recognize that the whole nation profits from the market forces that reward the firms and industries with the lowest costs and prices and that penalize those unable to compete effectively. Congressmen, businessmen, union leaders, editorial writers, people in all walks of life will assert this in principle; but in practice many of us take a different view. Let any vocal group be exposed to the penalties of the market—an industry like steel or textiles or shoes that is pressed by foreign competition, a firm like Chrysler that is suffering from mistaken management decisions, farmers in financial difficulty because they paid exorbitant prices for land—and there is a rush to Washington to demand government protection or assistance. Many find their demands granted by a sympathetic government. Usually, the bounty lavished on these groups is much smaller than the costs simultaneously imposed on the nation as a whole in the form of higher prices. But in these proceedings the voice of the general public is often hardly audible against the clamor of the petitioners.

The government's willingness to sacrifice the public interest for the sake of protecting special interests from the rigors of competition is one of the oldest chapters in our economic history. From the tariff laws of the nineteenth century through the labor and agricultural legislation of recent years the theme is the same; the differences lie only in the details of which groups are given how much, and how large is the resulting rise in prices for the nation as a whole. As I and other economists have testified many times before congressional committees, the minimum wage not only increases labor costs but contributes to the grave problem of youth unemployment; subsidizing farmers to cut back production both raises the cost and reduces the supply of food; and the Davis-Bacon Act tends to raise construction costs throughout the country. And yet in 1977 Congress mandated successive increases in the minimum wage; in 1977 and 1978 it raised farm price supports and extended acreage restrictions; and in 1979 it rejected all efforts to narrow the application of the Davis-Bacon Act. Just a few months ago the House of Representatives voted to keep the Federal Trade Commission from removing barriers to competition in the funeral parlor and certain other industries. Evidently, Congress will not even permit us to depart this earth at a competitive price.

The atmosphere of politics as usual in this fascinating city is not confined to a single political party nor to a single branch of government. One listens with a sense of dismay to those candidates for president who promise to cure inflation by massive cuts in taxes. And the Administration's voluminous budget document for fiscal year 1981, as is now widely acknowledged, gave only feeble lip service to the need for fiscal restraint; the more deeply one probes into that document the more one grieves over its failure to come to grips with our domestic crisis. For the current fiscal year—1980—the estimates of federal outlays and of the deficit run sharply higher than the official projection made only three months earlier. Further enormous increases in spending were projected for fiscal year 1981 and later years. And, still sadder to relate, the budget document did not even mention that existing law literally requires a balanced budget in fiscal 1981.

If the January report of the Council of Economic Advisers reflects recent Administration thinking, as I presume it does, it makes equally discouraging reading. The thesis it advances that our problems are largely due to the recent increases in oil prices bespeaks either misunderstanding or unwillingness to face reality. Other industrial countries, including some that import all rather than half of their oil, have experienced the same price increases without a corresponding acceleration of inflation. An insight into the melancholy priorities of the Administration was offered by the announcement that the President deferred the date for achieving the legislatively targeted rates for both unemployment and inflation; for the former the target rate of 4 percent was deferred from 1983 to 1985, or by two years, but for the latter the target rate of 3 percent was deferred to 1988, or by five years.

These documents—the budget and the Council's report—plainly conveyed to the business and financial community that the Administration had no effective program for coping with inflation. This message, together with the startling January increases in consumer and producer prices, brought on the recent collapse in the bond market. Market participants drew the inference that prices of goods and services are likely to rise much faster than they had thought earlier; hence the inflation premium built into bond yields shot up and bond prices dropped correspondingly.

Is there much hope that we can overcome inflation? The members of Congress can answer that question better than I. Apparently, there was some shock value in the price figures for January. According to the press, these figures created symptoms of panic in the Administration, and they have led to a searching reexamination of current policies. The budgetary cuts just announced are to be welcomed as a useful first step. However, the effects of these and of the other new policy measures on inflation are likely to be temporary unless they are soon followed by the credible longer-run program that our country needs.

I will try in the time remaining to sketch the kind of program that I think can prove effective. Given the momentum that inflation has gained, we should not expect it to end abruptly. But we can no longer afford a gradualist policy, calling for the application of mild measures over a period of perhaps five to ten years, such as still appears to be favored in many circles. A gradualist policy has the ring of prudence and caution, but the very caution that inspires it is also likely to lead to its premature suspension or abandonment in practice. Economic life is subject to all sorts of disturbances and surprises. As has happened in the past, a business recession or some other untoward development can readily overwhelm and topple a gradualist timetable for curing inflation. In the present economic environment, gradualist policies offer little hope of success.

In order to make real headway in the fight against inflation, it has become essential to rout inflationary psychology—that is, to make people feel that inflation in our country can be, and that before long it probably will be, brought under control. Such a change in national psychology cannot be accomplished by marginal adjustments of public policy. In view of the strong and widespread expectations of inflation that prevail at present, fairly drastic and consistently applied therapy is needed to turn inflationary psychology around.

Last autumn, I made four specific suggestions that I shall elaborate on today. The first called for a legislative revision of the budget process that would make it much more difficult to run deficits and that would serve as the initial step toward a constitutional amendment directed to the same end. My proposal would require a balanced budget unless a deficit were authorized by something more than a simple majority—say, two-thirds—of each house of Congress. Such a measure would demonstrate to the public that the Congress is finally ready to take stern and responsible action to end the persistent budget deficits that have nourished our inflation.

Deficits can, of course, be eliminated either by raising taxes or by cutting expenditures. I believe the national interest would now be best served by expenditure cuts. Significant reductions, however, are becoming difficult to achieve because of rapid growth of social security and the other entitlement programs that are automatically chained to rising prices. I therefore urge the Congress to consider carefully various proposals to weaken the tie between the price indexes and outlays under these programs, insofar as that can be done without injuring those truly in need. In addition to its beneficial effect on federal spending, such a course would strengthen the constituency opposed to inflation, and it would also set a constructive example for the private economy.

My second suggestion called for a commitment by Congress to a comprehensive plan for dismantling regulations— such as those imposed by the Davis-Bacon Act—that have been impeding the competitive process, and for modifying others—particularly those concerned with the environment, health, and safety—that have been running up costs and prices unnecessarily. As every student of the subject now recognizes, the burdens imposed by our far-flung regulatory apparatus have become enormous; thoroughgoing reform is long overdue.

My third suggestion called for congressional endorsement of the Federal Reserve's efforts to curb inflation. I have said little about monetary policy today because I believe the Federal Reserve is proceeding in the right direction; the only question is whether Congress and the public will permit it to continue to do so. From my service on the Board I learned about the limits on the ability of a central bank—even an independent central bank such as ours—to combat inflation in the absence of strong and steadfast support from the Congress. A concurrent resolution of the Congress making a commitment to such support would permit the Federal Reserve to act forthrightly and with vigor.

My final suggestion called for legislation scheduling reductions in business taxes in each of the next five to seven years—the reduction to be quite small in the first two years but to become substantial in later years. This sort of tax legislation would not run up the budget deficit in this critical year or next; it would thus scrupulously avoid fanning the fires of inflation. Its passage would, however, release powerful forces to expand capital investment, thereby improving the nation's productivity and exerting downward pressure on prices later on. Such tax legislation would also help in the more immediate future to ease the difficult adjustments forced on many businesses and their employees by the adoption of the first three parts of the suggested program.

My suggestions for dealing with inflation are designed to shake the conviction now held by many millions of Americans that inflation will continue over the long future. I recognize that the first three suggestions would impose some hardships on people, perhaps many people, for a while. In my judgment, that can no longer be avoided. A failure to deal promptly and effectively with the problem of inflation would ultimately result in far greater hardships and it might even endanger our democratic way of life.

It is highly important for Congress and the general public to understand that time is working against us; the longer inflation persists, the more difficult it will be to subdue it. Day by day inflationary expectations are becoming more widespread and more deeply embedded. Once people are persuaded that inflation has become the national way of life, they are apt to spend more and save less; in other words, they will modify their behavior in ways that tend to validate that belief. But more ominously, growing numbers are entering into longer-term contractual commitments with respect to interest rates, wages, rents, or prices that can prove disastrous once inflation is curbed. As the clock ticks on there is steady growth in the number of people who, despite sincere rhetoric to the contrary, have become fearful of what will happen when inflation stops. The time available for averting a disastrous climax to our inflation is therefore running short.

[From the Economist, March 1980]

Fighting Inflation: A Radical Free-Market Proposal

I do not propose to spend any of my allotted ten minutes arguing the merits of price and wage controls. Anyone who is old enough to have lived through the experience of 1971–1974 and still "believes in" controls is beyond my powers of persuasion.

I address myself to those who believe, as I do, that it is time for a decisive change in policy to fight inflation but who, while realizing the deficiencies of controls, think there is no alternative that would be decisive. I would like to suggest a ten-point program which would be a decisive change, which would end the inflation, which does not include controls, and which would be appropriate for a free economy.

The president should call upon the bipartisan leadership of the Congress, and the chairman of the Federal Reserve, to meet with him in private and work out an agreement for a nonpartisan, long-run commitment to fiscal and monetary policies that will end inflation (or reduce it to a negligible rate) in the United States in five years. The agreement should then be announced with the concurrence of all the parties.

The agreement should include the specification of a target path for nominal GNP (GNP in current dollars) that would significantly reduce its growth rate over the next five years. Nominal GNP is chosen as a target because the government is capable of achieving the target reasonably closely by the use of its fiscal and monetary instruments, and because if the rate of increase of nominal GNP is significantly reduced the rate of inflation must in time also decline significantly. The administration has projected in its budget annual increases of nominal GNP beginning in 1981 of 10.7 percent, 12.8 percent, 12.9 percent, 12.0 percent, and 11.0 percent. These increases are extremely unlikely to be consistent with any substantial reduction of the inflation rate. The agreed target path for nominal GNP, beginning in 1981, should be something like successive increases of 9 percent, 8 percent, 7 percent, 6 percent, and 5 percent.

The president and the congressional leadership should agree that the budget should be in balance as the economy moves along that path. The president each year will submit a budget which would be in balance in each of the next five years if the economy is on the target path. The congressional leadership will use its influence to have the annual congressional budget resolutions meet the test of balance under the same conditions. In years when nominal GNP runs above the path there should be a surplus; when nominal GNP is below the path there should be a deficit.

The president and the congressional leadership should agree to a ceiling on nondefense expenditures that would be declining as a percentage of the target GNP. In 1960 nondefense expenditures of the federal government were 9.5 percent of GNP. By this year the ratio had risen to 17.2 percent. Agreement on a reduction of this ratio is essential to make the agreement on balancing the budget credible. Just how much the ratio should be reduced is a fundamental political question to be worked out by the president and the congressional leadership in the context of the need for increasing the ratio of defense expenditures to GNP and the strong case that can be made for tax rate reduction in order to promote economic growth. The total tax burden is likely to remain high, and this calls for an open-minded effort to redistribute the tax burden in order to remove unnecessary obstacles to growth.

The congressional budgetary procedure should be revised to extend its application to five years instead of one. The budget resolutions adopted by the Congress each year should specify limits to expenditures for each of the next five years in each of the major categories of the budget. Authorization or appropriation bills that would conflict with these limits would be out of order. This is essential to correct the situation in which a large part of each year's budget is considered to be uncontrollable as a result of legislation enacted outside the discipline of the annual budget process. This procedure would not preclude revisions of the five-year program annually, or more frequently in emergencies, but would require all decisions to be taken with an explicit commitment to their longer run consequences.

The President should be given authority to impound (not spend) authorized and appropriated funds as necessary to conform to the balanced-budget requirement.

The President should appoint a secretary of the Treasury who is a member of the opposition party (that is, President Carter should appoint a Republican) to help assure the bipartisan character of the anti-inflation program.

In reporting to the Congress semi-annually on its targets for monetary growth, as required under existing law, the Federal Reserve should state the target money growth rates that it believes are necessary to achieve the target levels of nominal GNP arrived at in agreement with the administration and the congressional leadership as specified in point 2.

Congress should act affirmatively on the Federal Reserve's announced targets for monetary growth, adopting a resolution either endorsing the targets or recommending others. Present legislation, establishes a procedure for the Congress to do this, after the Federal Reserve makes its report to Congress, but it has not been done. The objective of affirmative action would be to correct the common belief that the Federal Reserve's anti-inflation policy is at best only tolerated by the Congress and will be under political attack at the first sign of difficulty.

There is danger that although the government's intention to slow down the growth of nominal GNP, and so slow inflation, is clearly stated and believed, businesses, unions, and investors may not understand the implications for them. In that case they will continue raising prices, wage rates, and interest rates at the pace that had become customary during the inflation period, and the transition to a noninflationary world will be painful, in lost employment and production.

To help reduce these transitional difficulties, the administration should initiate a "Life Without Inflation" program. The idea is derived from a condition and a program that existed near the end of World War II. Many years of depression and war had elapsed since we had last experienced peacetime high employment. There was fear that we would relapse into depression when the war ended. One difficulty was that businesses would not know what a postwar peacetime prosperity would be like and would plan on employment, production, and investment levels that might seem prudent in the light of their previous depression experience. This could hamper the achievement of postwar high employment, even if the general conditions were otherwise favorable.

The Committee for Economic Development (CED), an organization of businessmen, was established in 1942 mainly to deal with this problem. It worked out a scenario for the likely performance of the national economy, in terms of employment and output. Subordinate committees were set up to make similar projections for individual industries and regions. A large number of volunteers went around the country meeting with industry and civic groups to explain what economic life would be like in postwar prosperity, with the aim of getting private decision makers to adjust their plans to that prospect. As it turned out, the postwar transition was accomplished more smoothly than anyone had anticipated, and the CED effort probably contributed to this result, although no one can say how much.

In a parallel situation today, the government should initiate a program to spell out what the behavior of the economy would be like in a smooth transition to a noninflationary world and to spread understanding of that prospect throughout the country. Although the government should initiate this program, it should turn its execution over to a private organization, possibly one newly created jointly by the AFL–CIO and one or more of the business associations. It would mainly try to study, discuss, and explain to people the patterns of prices and wages that would be most beneficial to them in adapting to an economy without inflation. People should learn that with the government's new, tighter restraint on the rise of nominal GNP, failure to moderate their price and wage increases will cause loss to them in sales and employment, and that this will be true whether or not other businesses and workers are adapting to the less inflationary environment. This is not an incomes policy. The patterns of wage and price behavior would not be set by the government, and there would be no attempt by the government to enforce them, even by persuasion. Moreover, the success of the effort would depend on the prior acceptance of the idea that the government will stick by its anti-inflation policy, so that businesses and workers cannot escape the choices imposed by that fact.

I believe that such a program, as I said at the outset, would end the inflation in a way that is consistent with a free economy. The process of ending the inflation will undoubtedly entail a period in which output and employment are less than we would like. I do not think there is any way to avoid that, starting from where we are. But I believe that the costs of ending the inflation will be greater the longer we defer the beginning of the end. Also, I believe that the costs will be less the clearer is the government's commitment to the persistence of its anti-inflationary policy and the better is the public's understanding of its implications. That is what my proposal attempts to provide.

[From the Wall Street Journal, Apr. 15, 1980]

LAGGING PRODUCTIVITY

The United States is experiencing a problem which threatens to mire the nation's standard of living over the coming years—namely, lagging growth of labor productivity. Unless productivity growth is restored, Americans will find themselves paying more to live and enjoying it less.

Unitl recently, it was assumed that productivity growth was related to the stages of the business cycle—that is, productivity growth usually slows during recessions and speeds up during recoveries. However, this cyclical view was contradicted by the events of the past decade, when the economy expanded at a fast clip but average annual productivity growth was essentially zero after 1973. This was in marked contrast with the historical growth rate of 2.4% per year from 1948 to early 1973.

Writing in the Federal Reserve Bank of St. Louis review, economist John A. Tatom says that a combination of factors came together to result in the flattening of productivity growth—not least of which was the inept handling of monetary policy that resulted in double-digit inflation.

Productivity growth is dependent upon capital formation. From mid-1972 to mid-1979, capital outlays per worker in the United States grew by only 0.6% per year compared with a 2.9% rate over the previous 22 years. Mr. Tatom calculates that investment per worker in the latter part of the 1970s was 17%, or about $200 billion, lower than would have existed if the previous growth pattern had been maintained.

There are many reasons for the slow pace of capital formation. Explanations usually emphasize the slack use of the economy's existing resources, the diversion of funds from investment in plant and equipment to programs for health, safety, clean air and water, and to large federal government deficits which crowd out private borrowers.

But inflation has a manifold effect on business investment, Mr. Tatom says. It undercuts the purchasing power of fixed dollar depreciation expenses which results in lower real cash available for future investments. Also, the tax treatment of interest as income discourages lenders during periods of high inflation. Additionally, high inflationary expectations make investment projects look riskier to both firms and investors and thus many projects are cancelled or scaled down.

Though Mr. Tatom does not stress it, inflation also affects the attitudes of workers who see their standard of living eroded during times of inflation as pay awards do not keep pace with price increases. This problem is further compounded by the progressive tax system which ratchets households into unprecedentedly high marginal tax brackets.

Another factor at work in the 1970s hampering productivity growth, Mr. Tatom says, was less spending, relatively, on research and development programs. He contends, however, that economists have overemphasized the effects of changes in the makeup of the U.S. labor force as the number of women and younger workers expanded.

To redress the problem, Mr. Tatom offers a few essential steps. Using monetary policy to fight inflation and dampen inflationary expectations is one. Incentives must be restored by cutting various taxes, and regulatory restrains must be lifted to stimulate the supply of resources and output of the economy.

Lagging productivity growth is an insidious problem that seriously endangers the economy's ability to grow and prosper. The government must address the problem squarely by cutting inflation, taxation and regulation; it is not a problem that will just go away.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? It not, morning business is closed.

NOMINATION OF WILLIAM A. LUBBERS

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the nomination of William A. Lubbers, of Maryland, in executive session.

The Senator from New Jersey.

Mr. WILLIAMS. Mr. President, we are now entering the fifth and I hope final day of debate on the nomination of William Lubbers to the office of General Counsel of the National Labor Relations Board.

Mr. Lubbers is an outstandingly competent attorney. His years of distinguished service with the National Labor Relations Board have equipped him well as an expert in the field of labor-management relations. Of more importance, his record reveals that he is an individual of unique knowledge, dedication and independence. The record speaks strongly of his fitness to become General Counsel of the National Labor Relations Board. In light of the controversy surrounding his appointment, the Labor and Human Resources Committee carefully reviewed the qualifications of Mr. Lubbers and the arguments made against confirmation. His testimony, and the hearing record, display Mr. Lubbers as an individual who is extremely conscientious, and who is fully aware of the tremendous responsibility endowed in the office of General Counsel, and of the need to discharge the functions of that office with independence, fairness, and impartiality.

Indeed, we have found no hint of partiality, misconduct, or unfairness—absolutely nothing that would warrant the controversy surrounding this nomination or the strange and unusual extended debate of the last 5 days. Mr. Lubbers' unblemished record of distinguished service to his country should serve as an example to all. He is a man that I am proud to stand by and proud to advocate on the floor of the Senate.

Mr. Lubbers' record of service to this country began in World War II when he interrupted his college education to serve in the Army. He served in the Asiatic-Pacific campaign and was wounded in action in the campaign for the liberation of the Philippines. Following his honorable discharge and his return home, he resumed his formal education at the University of Wisconsin. After graduation and a brief period of time in the private sector, Mr. Lubbers entered civilian Government service with the Wage Stabilization Board. Mr. Lubbers was hired away from the Wage Stabilization Board after roughly a year to begin work as a staff attorney with former U.S. Senator and Board member Abe Murdock.

His reputation with the Board as an expert in labor law and a brilliant theoretician was well established by the time he began working with Board member Fanning nearly 5 years later.

In the 25 years that he worked with Board members Murdock and Fanning, Mr. Lubbers acquired a breadth of experience and knowledge of labor law and Board procedure that could be paralleled by few persons in our country. He is, by virtue of his background, the most knowledgeable and competent individual ever nominated for the position of General Counsel. It was on the basis of his superior qualifications that the five-member National Labor Relations Board elected Mr. Lubbers solicitor in July 1977. The vote was unanimous. One year later, by a vote of the Board, he was appointed executive secretary to the highest administrative position at the Board. Again, it was a question of the merit of the candidate. The executive secretary position in the NLRB is a competitive service position. The candidates were rated by an intra-agency panel and Bill Lubbers received the highest rating. His selection was supported by both Republican Board members.

It is regrettable, indeed, that the nomination of William Lubbers to the Office of General Counsel has faced such an unparalleled assault of charges, myths, and innuendo. Over the course of the debate on his nomination, we have sought to avert those charges and dispel the myths, one by one, that have been raised against his nomination.

We have heard it charged that because Mr. Lubbers has worked for the present chairman of the Board for many years, that this would give the appearance that he could not independently discharge his duties as General Counsel. But the record answers that charge. Those who know Bill Lubbers and have worked with him over the years know that he possesses an integrity of mind that assures the independence of that office. Even the opponents of his nomination grant him that. Former General Counsel Mr. Nash, for example, testified that he knew that the independence of the Office of General Counsel would not be compromised. He testified:

> I am confident in my own mind, knowing Bill Lubbers and John Fanning, that never would they breach either the letter or the spirit of section 3(d) of the National Labor Relations Act.

Former chairman of the National Labor Relations Board, Frank McCullough, similarly sought to dispel such fears. He said:

> Such fears—or charges—are groundless. The independent characters of both men—and believe me, I know them to be so—foreclose any possibility of improper intervention. Mr. Fanning never allowed his staff members to be mere "yes men." Mr. Lubbers never showed any tendency in that direction. Both men are acutely aware of the statutory separation and of the obligation of the oaths they take on assuming office.

So much for the charge that the independence of the Office of General Counsel would be compromised by the confirmation of Bill Lubbers. If anything, the record tells us that the independence of that office will be assured.

We have heard it charged that notwithstanding nearly 30 years of experience, Mr. Lubbers lacks the practical experience necessary to fulfill the prosecutorial and administrative functions of the Office of General Counsel.

But the record answers that charge. Mr. Lubbers brings qualifications and experience far superior to the two immediate predecessors of the General Counsel's Office, Mr. Irving and Mr. Nash. The only two-term General Counsel in the history of the Board, Arnold Ordman, has testified that:

> I know of no better way to learn the procedures or the techniques as well as the pitfalls of litigation strategy than the kind of work that Mr. Lubbers has done for years. Only the oldest and most active practitioners in the labor field could have as much experience.

So much for the argument that Mr. Lubbers lacks practical experience. If anything, the record tells us that the administration and prosecutorial functions of the General Counsel's Office will be strengthened by the nomination of Bill Lubbers.

We have also heard the charge that Mr. Lubbers would bring a pro-labor bias to the General Counsel's Office. This is a strange argument to be made by opponents of the nomination who in the second breath recommend two labor union attorneys for nomination to the post.

But the record answers the bias charge, in any event. Mr. Lubbers is not a member of or a participant in the activities of an NLRB union. He is not associated with any union, NLRB or otherwise, and has no union affiliations. The one case that has been cited for the proposition of Mr. Lubbers' pro-union bias, the Dalmo Victor case, stands for quite a different proposition. Far from being a pro-union decision, Mr. Lubbers' action in the Dalmo Victor case, in favoring the issuance of a complaint, was quite at odds with the union position.

The other suggested basis for asserting that Mr. Lubbers has a pro-union orientation is that he worked for the American Federation of State, County, and Municipal employees for a 6-month period nearly 30 years ago. The force of that argument surely does not merit a response.

So much for the argument that Mr. Lubbers has a pro-union bias. The record tells us that Mr. Lubbers would discharge the responsibiilties of the General Counsel's office fairly and impartially.

Finally, we have heard it charged that Mr. Lubbers somehow improperly fulfilled the duties of office when, as solicitor of the Board, he extended technical assistance on the labor law reform legislation. The suggestion that Lubbers acted improperly in the discharge of his duties as solicitor is one of the most baseless and unfair charges raised in consideration of this nomination. And the record answers that charge. Mr. Lubbers' actions as solicitor of the Board were not only proper, they were mandated by the virtue of his assigned duties as solicitor.

He was required to respond to inquiries from outside his agency by providing technical information and assistance—not policy guidance—technical guidance. And that is all he did. Now he is being attacked for doing what, as a conscientious employee, he was required to do. So much for the charge that Mr. Luubbers improperly provided technical assistance. His actions as solicitor were not only proper, they commend him strongly as a responsible civil servant.

One by one, the opponents of the nomination of Mr. Lubbers have raised challenges to his confirmation. One by one we have dispelled those challenges.

The fact of the matter is that there are no substantive challenges to Mr. Lubbers that remain standing. What we are now left with is shadows, myths, and innuendos. The day we begin guiding ourselves on unwarranted perceptions, on false images, myths, or innuendos, that is when we lose our rudder in life around here.

I believe that in judging a nomination, we must address the substance of the qualifications. The record of distinguished service of Mr. Lubbers gives us the substance of his eminent qualifications to the Office of General Counsel of the National Labor Relations Board. It is time to come to judgment on the substance of his qualifications and to end the debate on this nomination.

I yield the floor.

The PRESIDING OFFICER (Mr. EXON). The Chair recognizes the Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, my distinguished colleague from New Jersey noted at the outset that this is the fifth day of discussion about this nomination. I think there is a message in that statement, and the message obviously is that there is a considerable degree of controversy about the nomination of William Lubbers to the post of General Counsel.

It goes without saying, I think, that the post of General Counsel is a sensitive post and when one considers the always delicate balance which needs to be maintained between the interests of business and labor and when one further considers the fine historical record of cooperation between management and labor in this country in contrast to the squabbling we see in other nations, I think the importance of finding someone for this post who can truly be impartial and noncontroversial becomes clear to everyone involved.

There are lots of people who could fill this post well without creating controversy, without raising suspicions of partiality, many, many persons who could do it, but for some strange reason the administration has chosen to nominate to this post a man who has sat at the right hand of the present Chairman of the National Labor Relations Board, and that just automatically raises questions in the minds of many on both sides, I think if they will be honest about it, about partiality and appearances.

The General Counsel to the NLRB is a position of very, very great power, in a way almost dictatorial power. The General Counsel can on his own decide to recommend a complaint to the Board for a hearing or can decide on his own to ignore a complaint. That is very, very great power. I think anyone would have to acknowledge that. So it becomes even more important to all parties that the person who sits in that office, the Office of General Counsel, be a person of unquestioned impartiality, and beyond that, be a person who cannot be accused of even appearing to be partial.

I think that it just follows that as to anyone who has been closely associated with a member of the NLRB, as Mr. Lubbers has for 20 years, a close associate of Mr. Fanning, who is the present Chairman, the appointment of such a man with such connections can only raise doubts in the minds of interested parties about the likelihood of whether or not they will receive a fair hearing should they choose to make a complaint.

I do not know why the administration insists on this particular candidate with his own peculiar background. It is unfortunate because there are a great many highly qualified persons who could fulfill the responsibilities of the post of General Counsel, and only the President knows his motives, but everyone should understand that Mr. Lubbers is not the only one who can fill the post. There are lots of people, and there is no pressing reason why we have to accept this nominee who is so strongly opposed by the business community in this country.

There are other persons who are acceptable to the business community, indeed some with very close ties to the labor movement, as Senator WILLIAMS has pointed out.

Our concerns over this matter go beyond the matter of the next occupant of the post of General Counsel. They go also to the fabric of our system. I am concerned about the damage that will be done to our system of separation of powers if Mr. Lubbers is confirmed.

So I have two concerns: I am concerned not only about his ability to act impartially and equally importantly have the appearance of impartiality, but I am also concerned about the potential damage to our system of separation of powers if Mr. Lubbers, because of his unique background in association with a member of the NLRB is confirmed. I am concerned about that aspect as well.

Mr. President, I thought it might be useful at this point, with respect to the separation of powers, to dwell on the thinking of some of those who helped frame our Government in its early days with respect to this issue.

Separation of powers is the cornerstone of democracy. The approval of William Lubbers, the longtime handmaiden to NLRB Chairman Fanning, would be a blow to the fundamental concept of separation of powers that would take years to overcome.

The doctrine of separation of powers was most eloquently described in The Federalist papers by Hamilton and Madison. Excerpts from various papers are pertinent to this discussion.

I wish to quote from The Federalist No. 37, which was written by Madison:

> When we pass from the works of nature, in which all the delineations are perfectly accurate, and appear to be otherwise only from

> the imperfection of the eye which surveys them, to the institutions of man, in which the obscurity arises as well from the object itself as from the organ by which it is contemplated, we must percieve the necessity of moderating still further our expectations and hopes from the efforts of human sagacity.

Mr. WILLIAMS. Mr. President, will the Senator yield for a question?

Mr. HUMPHREY. I yield.

Mr. WILLIAMS. I did miss the reference.

Mr. HUMPHREY. The Federalist papers No. 37.

Mr. WILLIAMS. Thirty-seven?

Mr. HUMPHREY. Yes.

Mr. WILLIAMS. I thank the Senator.

Mr. HUMPHREY. I am sure all will agree that is remarkable language. It is so grammatically perfect it is hard to understand by present standards.

Mr. President, you really need to read it two or three times to comprehend all of it, but I shall continue:

> Experience has instructed us that no skill in the science of Government has yet been able to discriminate and define, with sufficient certainty, its three great provinces—the legislative, executive, and judiciary, or even the privileges and powers of the different legislative branches. Questions daily occur in the course of practice, which prove the obscurity which reigns in these subjects, and which puzzle the greatest adepts in political science.
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> All new laws, though penned with the greatest technical skill, and passed on the fullest and most mature deliberation, are considered as more or less obscure and equivocal, until their meaning be liquidated and ascertained by a series of particular discussions and adjudications.

I should like to quote now from Federalist No. 47, again on the subject of separation of powers, which is central to the debate over the nomination of Mr. Lubbers:

THE FEDERALIST NO. 47

(Madison)

> One of the principal objections inculcated by the more respectable adversaries to the constitution, is its supposed violation of the political maxim, that the legislative, executive, and judiciary departments ought to be separate and distinct. In the structure of the Federal Government, no regard, it is said, seems to have been paid to this essential precaution in favor of liberty. The several departments of power are distributed and blended in such a manner as at once to destroy all symmetry and beauty of the edifice to the danger of being crushed by the disproportionate weight of other parts.
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> * * * * *
>
> From these facts, by which Montesquieu was guided, it may clearly be inferred that, in saying "there can be no liberty where the legislative and executive powers are united in the same person, or body of magistrates," or "if the power of judging be not separated from the legislative and executive powers," he did not mean that these departments ought to have no partial agency in, or no control over, the acts of each other. His meaning, as his own words imparts, and still more conclusively as illustrated by the example in his eye, can amount to no more than this, that where the whole power of one department is exercised by the same hands which possess the whole power of another department, the fundamental principles of a free constitution are subverted."

THE FEDERALST NO. 48

(Madison)

> It is agreed on all sides, that the powers properly belonging to one of the departments ought not to be directly and completely administered by either of the other departments. It is equally evident, that none of them ought to possess, directly or indirectly, an overruling influence over the others, in the administration of their respective powers. It will not be denied, that power is of an encroaching nature, and that it ought to be effectually restrained from passing the limits assigned to it. After discriminating, therefore, in thoery, the several classes of power, as they may in their nature be legislative, executive, or judiciary, the next and most difficult task is to provide some practical security for each, against the invasion of the others. What this security ought to be, is the great problem to be solved.
>
> Will it be sufficient to mark, with precision, the boundaries of these departments, in the constitution of the government, and to trust to these parchment barriers against the encroaching spirit of power? This is the security which appears to have been principally relied on by the compilers of most of the American constitutions. But experience assures us, that the efficacy of the provision has been greatly overrated; and that some more adequate defence is indispensably necessary for the more feeble, against the more powerful, members of the government. The legislative department is everywhere extending the sphere of its activity, and drawing all power into its impetuous vortex.

That certainly has meaning in this day, I would say, although, perhaps, not particularly with regard to this nomination but, in general.

THE FEDERALIST NO. 51

(Hamilton or Madison)

> But the great security against a gradual concentration of the several powers in the same department, consists in giving to those who administer each department the necessary constitutional means and personal motives to resist encroachments of the others. The provision for defence must in this, as in all other cases, be made commensurate to the danger of attack. Ambition must be made to counteract ambition. The interest of the man must be connected with the constitutional rights of the place. It may be a reflection on human nature, that such devices should be necessary to control the abuses of government. But what is government itself, but the greatest of all reflections on human nature?

Parenthetically, amen. Continuing:

> If men were angels, no government would be necessary. If angels were to govern men, neither external nor internal controls on government would be necessary. In framing a government which is to be administered by men over men, the great difficulty lies in this:
>
> 'You must first enable the government to control the governed; and in the next place oblige it to control itself. A dependence on the people is, no doubt, the primary control on the government; but experience has taught mankind the necessity of auxiliary precautions.
>
> This policy of supplying, by opposite and rival interests, the defect of better motives, might be traced through the whole system of human affairs, private as well as public.

THE FEDERALIST NO. 81

(Hamilton)

> That there ought to be one court of supreme and final jurisdiction, is a proposition which is not likely to be contested. The reasons for it have been assigned in another place, and are too obvious to need repetition. The only question that seems to have been raised concerning it is, whether it ought to be a distinct body or a branch of the legislature.
>
> * * * * *
>
> But perhaps the force of the objection may be thought to consist in the particular organization of the Supreme Court; in its being composed of a distinct body of magistrates, instead of being one of the branches of the legislature, in the Government of Great Britain and that of the state. To insist upon this point, the authors of the objection must renounce the meaning they have labored to annex to the celebrated maxim, requiring a separation of the departments of power. It shall, nevertheless, be conceded to them, agreeably to the interpretation given to that maxim in the course of these papers, that it is not violated by vesting the ultimate power of judging in a part of the legislative body. But though this be not an absolute violation of that excellent rule, yet it verges so nearly upon it, as on this account alone to be less eligible than the mode preferred by the convention. From a body which had even a partial agency in passing bad laws, we could rarely expect a disposition to temper and moderate them in application. The same spirit which had operated in making them, would be too apt in interpreting them; still less could it be expected that men who had infringed the Constitution in the character of legislators, would be disposed to repair the breach in the character of judges.

These quoted words need no elaboration. I would only venture the comment that the writers did not seek brittle perfection or verbally symmetrical paper solutions; they strove for actual workability of functioning governmental institution. It may also be noted that they proceeded upon a quite realistic view of human nature.

I think the crucial question in applying the separation-of-powers doctrine is to ascertain whether there are effective checks and balances on the exercise of governmental power by the Board. The statute, the National Labor Relations Act, in my judgment gives adequate opportunity to private parties in unfair labor practice cases to invoke judicial review and to participate in the litigation which presents the questions for judicial review. Under section 10(f) of the act,

> Any person aggrieved by final order of the Board granting or denying in whole or in part the relief sought may obtain review of such order.

In the U.S. court of appeals. Moreover, the U.S. Supreme Court has held that both the successful charged party and a successful charging party in such cases have the right to intervene in a court of appeals proceeding in which a Board order is being reviewed.

There is one area in the administration of the unfair labor practice sections of the act where there is an unchecked power, and that is with respect to the issuance of complaints. I wish to make it clear at the outset of my remarks on this point that I have only praise for the previous General Counsel's administration of office. I believe he showed an extremely conscientious regard for duty and the exercise of his functions within the limits of the statute. I believe it is the lesson of the quotations which I have set forth earlier, however, that governmental structures cannot be based on personalities.

This question relating to issuance of complaints was given careful consideration by the Advisory Panel on Labor-Management Relations Law in its "Report to the Senate Committee on Labor and Public Welfare Pursuant to Senate Resolution 66 and Senate Resolution 141, 86th Congress," which publication was dated February 2, 1960. The Panel, sometimes known as the Cox committee, recommended that a procedure be established which would allow an appeal to the Board from a decision of the General Counsel—or the Administrator, a new office proposed by the Panel—refusing to issue a complaint.

The objections to the proposal were twofold: First, that a new investigation of the facts by the Board might tend to destroy the separation of prosecuting and adjudicating functions and second, that the appeals would greatly increase the duties of an overburdened Board. It was the unanimous view of the panel that a fair balance between the opposing considerations would be struck by requiring the General Counsel to prepare a summary statement of the facts upon which the decision was based.

His statement would form the basis for an administrative appeal to the Board if the charging party wished to appeal upon the limited grounds that the declination to issue a complaint upon the facts found by the General Counsel is probably inconsistent with the law or the policy of the Board. It was the opinion of the panel that the number of appeals should be very small and the instances in which the Board directs the issuance of a complaint should be still smaller. The sole question would be whether the refusal to issue the complaint had interfered with the policymaking functions of the Board.

The serious problem with the Lubbers' nomination in this regard is that, since he is Mr. Fanning's right-hand man, no complaints would be issued that Fanning did not want to be issued, so that a union or employer would not get his day in court. This would be unfair to both labor and management, and is a perfect example of how the Doctrine of Separation of Powers—that is, between the Board and the General Counsel's office—would be destroyed.

It is for these reasons that I strongly oppose the nomination of William Lubbers as General Counsel to the National Labor Relations Board.

Mr. President, I noted earlier that the authors of the various Federalist Papers, which I quoted in part, were men very wise to the ways of human nature and, in their opinions on the Constitution and the Federal Government, they wanted to be sure that the structure was such that the effects of human nature could be minimized as much as possible.

And yet they knew, at the same time, that there was no such thing as a foolproof Government; no such thing as perfectly tight procedures such that human nature would never interfere in the proceedings to the detriment of one party or another.

I think the question of human nature is central to this debate, as it was to the debate in the early days over the Constitution.

Mr. Lubbers has been as closely associated, in an official capacity, with the present chairman of the NLRB as it is possible to be for a very long period of time—for 20 years, for half of a man's working life. That close association of long duration, I fear, will not only lead to questions about the appearance of impartiality but, in my view, cannot help but lead to real partiality itself.

And there need not be any doubts about the impartiality of the next General Counsel. There need not be any. We can select another nominee. But some wish, for their own reasons, to have this particular nominee. And that has been why we have been debating it now for some 5 days.

I think this kind of a struggle is detrimental to management-labor relations; detrimental to the cooperation between the executive and the legislative departments of our Government. It is detrimental to the relations between the political parties which are represented on both sides of the aisle.

We need not suffer these detriments. We can very easily avoid them. And the President and the distinguished chairman of the Labor and Human Resources Committee know how that can be avoided.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. On whose time?

Mr. WILLIAMS. Mr. President, we will share the time.

The PRESIDING OFFICER. Without objection, the time will be equally divided.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. FORD). Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, yesterday, I did describe some of the background of alternative proposals, for a nominee other than Mr. Lubbers, that the business community advanced to the President for the position of General Counsel. I discussed the letters that went forward from representatives of the business roundtable and the National Association of Manufacturers, indicating that business interests would support any one of three alternatives to Mr. Lubbers if they should be nominated to be General Counsel.

I indicated who these individuals were. There was a regional director in charge of the Atlanta region, and then there were two lawyers who are lawyers for international labor organizations.

I did point out that the record is clear that in the decades of the history of the National Labor Relations Board, organized labor has been consistent in its view that for the two important positions of Board member or General Counsel the individual should not be drawn from among employer advocates nor from an association with the unions. The labor record is clear on that. As President Meany stated at one point, organized labor does not want an employer lawyer as General Counsel, and they have also indicated they do not want a union lawyer as General Counsel.

Knowing that, I suggested that, in suggesting three alternatives, two of them being union lawyers, what they were really doing was directing the appointment of the third alternative, who happened to be a regional director of the National Labor Relations Board, and a good man. But, again, the point is that they were, in effect, directing the President to the appointment of the individual.

I think we might well turn to the Federalist Papers, No. 76, to see that this situation where the Senate, through its advise and consent responsibility under the Constitution, might possibly use that authority to subtly direct an appointment toward an individual.

I will say I am grateful to the Senator from New Hampshire for elevating this discussion, this debate, over the nomination of Mr. Lubbers, elevating it with a very scholarly, very thoughtful, presentation of some of our founders' thoughts that we see in the Federalist Papers. I will say I would not have thought of it until the Senator from New Hampshire did lead us to it through several of the Federalist Papers.

Now I would like to pick up with Federalist Paper No. 76, dealing in the area of nomination confirmation. I will recite from the Federalist Papers, with the indulgence of my colleagues:

> But might not his nomination be overruled? I grant it might. Yet this could only be to make place for another nomination by himself. The person ultimately appointed must be the object of his preference, though perhaps not in the first degree. It is also not very probable that his nomination would often be overruled. The Senate could not be tempted by the preference they might feel to another to reject the one proposed, because they could not assure themselves that the person they might wish would be brought forward by a second or by any subsequent nomination. They could not even be certain that a future nomination would present a candidate in any degree more acceptable to them. And as their dissent might cast a kind of stigma upon the individual rejected, and might have the appearance of a reflection upon the judgment of the chief magistrate, it is not likely that their sanction would often be refused, where there were not special and strong reasons for the refusal.

I suggest that in this situation the sanction should not be refused. There certainly has not on this record been any special and strong reason for the refusal.

Mr. President, in the debate yesterday, the Senator from Utah (Mr. HATCH) indicated that he had some information from inside sources at the National Labor Relations Board that indicated Mr. Lubbers had said that if he is confirmed, he would be in a position, in effect, to enact labor law reform.

I thought that was a very serious statement that had, obviously, serious implication. The Senator indicated that the sources he was relying on were reliable in his judgment; but the Senator from Utah indicated that the reliable sources, and who they were, would not be disclosed.

This is a situation that is fraught with, at a minimum, I think, unfairness, and even problems beyond that.

In light of this, we did get in touch with Mr. Lubbers and he has written me a letter. I would like to read it into the RECORD. It is dated April 22, 1980, as follows:

APRIL 22, 1980.

Hon. HARRISON A. WILLIAMS, Jr.,
Chairman, Committee on Labor and Human Resources, U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

DEAR CHAIRMAN WILLIAMS: It has been reported to me that on April 21, 1980, during the debate on whether the Senate will advise and consent to President Carter's nomination of me to the position of General Counsel of the National Labor Relations Board, Senator Hatch stated:

"I might mention that some inside sources at the Board have told us that Mr. Lubbers has made the statement which he denied in the hearing—I want that to be understood—he has made the statement, and I think these are reliable sources, that if he could get this position for 4 years he would do that which the Senate refused to do in 1978, and that is by independent general counsel's fiat enact labor law reform, ..."

I categorically deny making the statement attributed to me by Senator Hatch's sources.

I pledge again, if confirmed by the Senate, my best efforts to discharge the responsibilities of the office in faithful obedience to the will of Congress as embodied in the Act I will be administering.

Sincerely,

WILLIAM A. LUBBERS.

The seriousness of this impressed itself upon Mr. Lubbers. His denial is a matter of deep conscience.

To insure it would have its full meaning, he did go before a notary public, Joyce W. Creede, and did swear to the accuracy of his statement before the notary. This is a notarized letter attesting to the truthfulness of Mr. Lubbers' statement.

It is unfortunate that it is necessary to place this sort of thing in the RECORD, in my judgment. But, it having been raised yesterday, Mr. Lubbers' denial affirmed and sworn to before a notary will now be made a part of the RECORD.

I think it is important because the RECORD will be there for all to see for a long, long, long time, whether he is confirmed or is not confirmed. I think the RECORD should indicate how he feels on that.

The PRESIDING OFFICER. The Chair wishes to inform the distinguished Senator from New Jersey that his time has expired and the remaining time until 1:30 belongs to the Senator from New Hampshire.

Mr. WILLIAMS. I appreciate the Chair advising the Senator from New Jersey of that.

The PRESIDING OFFICER. Does the Senator from New Hampshire wish to yield time to the Senator from New Jersey?

Mr. HUMPHREY. Yes.

Mr. WILLIAMS. Mr. President, I feel so strongly on the goodness of the person, Mr. Bill Lubbers, I would like my last words before this cloture vote to include my feeling of confidence, respect, and the good warm feelings I have about a man who has done so much in public service, both at the National Labor Relations Board and in his life.

Mr. President, Mr. Lubbers' record of excellent performance has amply demonstrated his qualification for the position to which he has been nominated. He is clearly worthy of our support.

His achievements are matters of public record. In the course of our deliberations concerning this nomination, I have heard nothing either within or outside of this Chamber which in any way shakes my firm conviction that he is the best person for this job. I do want to address a few additional points concerning his nomination.

It has been suggested that in the course of Mr. Lubbers' noteworthy career, he has taken positions on important issues. It is asserted that these positions reveal a point of view which will make it impossible for Mr. Lubbers to carry out the duties of General Counsel in a fair and objective manner.

As I have already explained, there is no basis for the assertion that Mr. Lubbers would be biased in any way in his service as General Counsel. His record, including his record as General Counsel for the past 3½ months, is one of nonpartisanship and dedication to the public interest.

So there is no basis for the argument that Mr. Lubbers is not fair and impartial. But, even apart from the fact that it is baseless, I must strongly object to this line of argument. It is unfair to Mr. Lubbers. It is untrue to our historical traditions. It is an unworthy basis upon which to make so important a decision.

It is true that when important public issues have been presented to Mr. Lubbers, he has not hesitated to deal with them. He has acted forthrightly. He has expressed his views with clarity, reason, and goodwill. For this, he deserves our thanks and our praise rather than our condemnation.

In these days when the actions of Government are increasingly being scrutinized and questioned, it is imperative that we have public servants of the highest caliber. We must have officials who are not afraid to act. We must have officials who exercise their best judgment and are not afraid to explain the basis for their actions. In short, we must have public officials who carry out their responsibilities to the public. In my view, Mr. Lubbers admirably meets these tests.

It has been argued that by carrying out his public responsibilities, by dealing fairly and effectively with issues, Mr. Lubbers has demonstrated that he cannot be fair and objective in his future actions. These arguments are thoroughly misconceived.

Let those who assume that competent and fair-minded officials will respond mechanistically to the challenges of office take note of the lessons of history. Our history books are strewn with the shattered predictions of those who made such rash and unwarranted assumptions.

Before Thomas Jefferson assumed the Presidency of the United States, he was widely and correctly associated with the point of view that the powers of the Federal Government must be severely limited. When Jefferson became President, and was afforded the opportunity to purchase the Louisiana territories, he acted boldly and decisively. It was a daring exercise of Presidential power which doubtless confounded the expectations of those who did not believe Mr. Jefferson to be ideologically capable of taking such action. Today, this Nation continues to benefit from his boldness and his vision. We will always remember Mr. Jefferson. We have forgotten the names of the skeptics.

It was President Woodrow Wilson, a man of peace, who labored with all his force and intellect to keep this Nation out of foreign strife. Yet, it was President Wilson who saw the need for this Nation to move forcefully to protect the world order.

When Senator Hugo Black was nominated to fill a vacancy on the Supreme Court of the United States, many doubted that a former klansman was worthy of so high a trust. Justice Black confounded the doubters and became one of the greatest champions of civil rights and individual liberties that this Nation has ever known.

When he was nominated to serve on the Supreme Court, the New York press stated that Louis D. Brandeis was "a man of furious partisanship, of violent antagonisms, and of irredeemable prejudices" which utterly disqualified him from acting in a judicial capacity "where nothing but calm cold reason should dominate the mind." Despite this criticism, Brandeis was confirmed, and he became known throughout the world as one of the most distinguished and able jurists ever to serve on the Supreme Court.

As a private attorney prior to his appointment to the Supreme Court, Justice Harlan F. Stone vigorously represented wealthy individuals and corporations, and his critics felt such past associations should disqualify Stone from appointment to the Court. To the surprise of his opponents and the "chagrin of his former clients," he repeatedly dissented when the majority of the Court overturned New Deal economic and social legislation, and as the Court's views began to change, his opinions made important contributions to the law in areas such as intergovernmental tax immunities, the commerce power, equity, and patents.

The late Senator Arthur Vandenberg strongly and sincerely believed that this Nation must avoid needless foreign entanglements. And yet, at the conclusion of the Second World War, he saw the urgent need to rebuild the world order. He worked tirelessly and successfully to achieve this objective.

The scoffers and the doubters were wrong. The great Americans about whom I have spoken have fulfilled their obligations to history. Mr. Lubbers will do his duty. We must do ours. We must confirm his nomination as General Counsel of the National Labor Relations Board.

Mr. President, I thank the Senator for having given me this time.

The PRESIDING OFFICER. The Senator from New Hampshire.

Mr. HUMPHREY. Mr. President, in the last few moments before the vote, I wish, for my part, to underscore once again that no one is questioning the integrity of Mr. Lubbers.

Indeed, there is perhaps no person in the United States whose character has been more highly praised, and more often in these last few days on the floor of the Senate, than William Lubbers.

So it is apart from the matter of the man himself. It is his background.

What is needed in this post is a man of independence—a man of independence. And whence comes William Lubbers? Does he come from experience in the business community? No.

Does he come from experience in the labor community? No.

He comes, from all preposterous places, from the National Labor Relations Board, from which he is expected now to show some independence.

It is really absurd. It is ludicrous, to me, for anyone to suggest that Mr. Lubbers can overcome human nature, that human nature which the Founding Fathers so worried about in the Federalist Papers and in other places, and which they strove to screen out by carefully wording the Constitution and carefully constructing the Government.

I fear he will not be able to overcome human nature and the 20-year-long friendship and agreement with the point of view of Mr. Fanning, who, by most objective evaluations, is a man who tilts decidedly in favor of the interests of organized labor and against the interests of the business community, when one could wish that he not tilt in the direction of either.

So it is a question of independence. That is the basis on which I suppose Senators will have to make up their minds.

There are plenty of unquestionably independent and unquestionably well qualified persons who might be nominated to this post, notwithstanding the fine character of this gentleman, Mr. Lubbers.

There perhaps are few who could be, from the standpoint of past associations, less qualified for this post.

It is a matter of independence. It is a matter not only of independence, but of the appearance of independence. It is a matter not only temporal, but one of future import. It is a matter of perceiving the spirit and the letter of the doctrine of separation of powers.

Mr. President, I yield back the remainder of our time.

Mr. SCHWEIKER. Mr. President, I rise in opposition to the nomination of William A. Lubbers to be General Counsel of the National Labor Relations Board.

During hearings on this nomination by our Labor and Human Resources Committee, I focused on two major questions. First was the issue of the independence of the General Counsel from the Board, and whether confirmation of Mr. Lubbers would be consistent with this requirement. The second issue was whether confirmation of Mr. Lubbers would be consistent with the necessity of preserving confidence in the Board as an objective referee in labor-management relations.

The first question, that of preserving independence of the General Counsel from the Board, centers around Mr. Lubbers' long service as a member of the staff of Board Chairman John Fanning.

During our hearing, I asked Mr. Fanning about his public comment that "I would have to reconsider my own position if Mr. Lubbers were to be dropped from consideration because of his affiliation with me."

After Mr. Fanning confirmed that this statement accurately reflected his views, he explained: "I would hate to have anybody's career blighted because of association with me."

I told Mr. Fanning I did not think rejection of Mr. Lubbers would be any reflection on the job he has done as chairman.

He agreed, but said: "It is a personal matter."

Characterizing this as "a personal matter" struck me as odd. So I asked this question:

> Might that not be some impingement on the independent function because of the strong relationship or because of the strong feeling for someone who has worked and served and been a loyal staffer for you for so long?

His answer was: "I think not."

I gave Mr. Fanning a chance to explain further by asking:

> Well, by your own admission, you say that it is a personal matter, and you also make a very strong statement of support for him. I just question whether that would not indicate that the bond of relationship, which I respect and admire, might tend to be a bridge across the normal independent functions of the general counsel?

His answer was: "I do not look at it that way."

I do not doubt Mr. Fanning's sincerity in answering my questions. I have high regard for him, and I have supported his nominations to the Board.

However, I think the question was not clearly answered of why, if this was such a personal matter, and if it was unrelated to casting any cloud over Mr. Fanning's own distinguished Government service, it might not reasonably be viewed as impinging upon the independence of the General Counsel.

The second issue I focused on at our hearings was the need to preserve confidence in the Board as an objective referee in labor-management relations.

For the National Labor Relations Act to work, there must be general acceptance of the fairness of the Board and the General Counsel. This is particularly true of the General Counsel, due to the need to act as a mediator in settling most disputes regarding both unfair labor practices and election proceedings, without the need for full-blown legal proceedings. For this process to operate effectively, the General Counsel's operation—from top to bottom—should be perceived from all sides as fair and objective.

This is not to suggest that either the President or the Senate should give a veto power over any nominee to any particular group. But I think we must consider—particularly when a number of qualified potential candidates are available—the overriding interest we all have in insuring that the business of the National Labor Relations Board is carried out smoothly and that respect in the Board's fairness is upheld. So, not only must we consider the questions of independence and objectivity on their own merits, we must also protect the appearance of independence and fairness in the interest of preserving basic confidence in the Board.

It is now perfectly clear to all Members of the Senate that there is a very real lack of confidence in Mr. Lubbers as an objective referee.

I do not believe this point can be too strongly emphasized. Labor and management are often bitterly polarized over legislative issues relating to labor relations. This was certainly evident 2 years ago during the prolonged Senate debate over the proposed Labor Reform Act.

I also hoped we could avoid a polarizing fight over the General Counsel's position. When Secretary of Labor Marshall, prior to the nomination of Mr. Lubbers, called me to ask my views on it, I strongly recommended that President Carter nominate one of the other candidates then under active consideration. I told the Secretary that if a prolonged fight could be avoided, it should be. I also suggested that nomination of either of two highly competent labor lawyers, Carl Frankel, associate general counsel of the United Steelworkers of America, or Arthur Goldberg, general counsel of the Amalgamated Clothing and Textile Workers Union, would likely receive broad support from both labor and management. I regret that Secretary Marshall and President Carter rejected my advice. As a result of their decision, we have now had more than 6 months without a permanent appointment in this important post, and we are needlessly put in the middle of another labor-management fight.

Were there no other candidates equally competent and much more acceptable, then the issue of preserving confidence in the Board might not be overriding.

But in view of the lingering, unanswered question of independence of the General Counsel from the Board, in view of the strong opposition to this nomination, in view of the availability of well-qualified and more acceptable candidates, and in view of the overriding need to bridge labor-management polarization with a General Counsel who will have the confidence of both labor and management as an objective referee. This is very simply a bad nomination.

The question is put to us to accept or reject the President's nomination. Most of us generally give the benefit of the doubt to a President in deciding upon nominations, but that does not mean the Senate is a rubber stamp. The constitutional obligation of the Senate to give advice and consent to the President means more than that.

Now, we must decide upon this nomination. The basic rationale in favor of confirming Mr. Lubbers, it seems to me, is that President Carter wants him, and he is neither incompetent nor dishonest; therefore he should be confirmed.

For the reasons I stated, Mr. President, I do not agree that Mr. Lubbers should be confirmed on this basis. The simple, indisputable fact is that we can do better. We can appoint a General Counsel who is just as competent and just as honest as Mr. Lubbers, but who will also be acceptable to both business and labor.

Given the bitter polarization we have seen between business and labor on a number of labor relations issues, I believe

President Carter made an unfortunate mistake in passing up a key opportunity to bridge that polarization. I will not join with him in that mistake.

I, therefore, voted against confirmation of Mr. Lubbers in committee, and I shall again vote against his confirmation here. Further, Mr. President, I encourage my colleagues to withhold our consent to this nomination, and give President Carter our advice to submit to the Senate the name of a candidate who will be unquestionably independent, who will bridge that bitter labor-management polarization and be able to effectively carry on the mission of the National Labor Relations Board as an objective referee in labor-management relations.

RECESS UNTIL 2 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate now begin its recess under the order.

The PRESIDING OFFICER. Without objection, it is so ordered.

There being no objection, the Senate, at 1:29 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. LEAHY).

CLOTURE MOTION

The PRESIDING OFFICER. Pursuant to the previous order, the hour of 2 p.m. having arrived, the clerk will state the motion to invoke cloture.

The assistant legislative clerk read as follows:

> CLOTURE MOTION
>
> We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the nomination of Mr. William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board.
>
> Harrison A. Williams, Jr., Daniel Patrick Moynihan, Spark M. Matsunaga, Paul E. Tsongas, John A. Durkin, Robert C. Byrd, Thomas F. Eagleton, Birch Bayh, Henry M. Jackson, Edmund S. Muskie, Gary Hart, Claiborne Pell, Jennings Randolph, Max Baucus, George McGovern, Dennis DeConcini, and William Proxmire.

VOTE

The PRESIDING OFFICER. The quorum call under the rule having been waived, the question is, Is it the sense of the Senate that debate on the nomination of William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board shall be brought to a close?

The yeas and nays are mandatory under the rule. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. LONG) and the Senator from Hawaii (Mr. MATSUNAGA) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. McCLURE) is necessarily absent.

I also announce that the Senator from Wyoming (Mr. WALLOP) is absent due to a death in the family.

The PRESIDING OFFICER (Mr. BRADLEY). Is there any Senator in the Chamber who wishes to vote who has not voted?

The result was announced—yeas 62, nays 34, as follows:

[Rollcall Vote No. 80 Ex.]

YEAS—62

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd,
Harry F., Jr.
Byrd, Robert C.
Chafee
Chiles
Church
Cranston
Culver
Danforth
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Heflin
Heinz
Huddleston
Inouye
Jackson
Javits
Kennedy
Leahy
Levin
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Tsongas
Weicker
Williams
Zorinsky

NAYS—34

Armstrong
Baker
Bellmon
Boschwitz
Cannon
Cochran
Cohen
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
Morgan
Pressler
Pryor
Roth
Schmitt
Schweiker
Simpson
Stevens
Thurmond
Tower
Warner
Young

NOT VOTING—4

Long
Matsunaga
McClure
Wallop

The PRESIDING OFFICER. On this vote, the yeas are 62, the nays are 34. Three-fifths of the Senators duly chosen and sworn have voted in the affirmative, the motion is agreed to.

UNANIMOUS-CONSENT AGREEMENT—LUBBERS NOMINATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent, now that cloture has been invoked, that the vote on the cloture motion that was entered yesterday, which would occur tomorrow, be vitiated and that no further consideration of this matter be had today; that tomorrow, at 2 p.m., the Senate go into executive session; that there be a half-hour on the Lubbers nomination to be equally divided between Mr. WILLIAMS and Mr. HATCH; and that the vote on the Lubbers nomination occur at 2:30 p.m. tomorrow.

Mr. BAKER. Mr. President, reserving the right to object, I shall not object. The reservation is simply to say that I have tried to clear that agreement with as many on my side as possible. I have no objection to it, nor have I found any. There are a number of Members in the Chamber, however. I take it from their silence that there is no objection on this side, so I shall interpose none.

Mr. ROBERT C. BYRD. I thank the minority leader.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, under the order, I believe the Senate returns to legislative session? I thank all Senators.

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

EMERGENCY HOME PURCHASE ASSISTANCE AUTHORITY AMENDMENTS OF 1980

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 2177, which the clerk will state by title.

The assistant legislative clerk read as follows:

> A bill (S. 2177) to amend the mortgage amount, sales price, and interest rate limitations under the Government national mortgage association emergency home purchase assistance authority, and for other purposes.

The Senate resumed consideration of the bill.

Mr. ROBERT C. BYRD. Mr. President, there will be a rollcall vote after 10 minutes of debate on the amendment by Mr. DURKIN. That will be followed by a rollcall vote immediately, back to back, on passage of the pending bill. I ask unanimous consent that the second vote be a 10-minute rollcall.

The PRESIDING OFFICER. Is there objection? Without objection, it is so ordered.

Who yields time?

The Senator from New Jersey and the Senator from Utah have 10 minutes.

Mr. WILLIAMS. Mr. President, it is my understanding that the Senator from Oklahoma wanted an opportunity to speak before we have the vote and we have 10 minutes equally divided.

I yield to the Senator from Utah.

Mr. GARN. Mr. President, I yield 4 minutes to the Senator from Oklahoma.

Mr. BELLMON. Mr. President, I thank my colleagues.

I congratulate the members of the Banking Committee for redesigning the emergency home purchase assistance program, so-called Brooke-Cranston, in such a way as to reduce the cost per unit assisted. Also, the revisions to section 235 incorporated in the Williams amendment should make the section 235 program a more effective short-term program to aid the ailing construction industry. I would also like to express my support for Senator PROXMIRE's amendment for capping the maximum Brooke-Cranston subsidy. Without it, the subsidy could grow to any depth at the discretion of the Secretary of HUD. The Congressional Budget Office estimated that for $10 billion of Brooke-Cranston money appropriated, each 1 percentage point of subsidy adds $70 million of outlays to the budget.

Mr. President, though I support as a temporary measure the changes in the section 235 program, I have seen many instances where temporary programs develop large constituencies and become permanent programs. There is some danger that the section 235 amendment will endure beyond the March 1, 1981, expiration date. If so—if we are adding a new program—it should be carefully thought out, debated and considered. For example, the program subsidizes mortgage payments so that an individual pays no more than 20 percent of his or her income. Should not the program be brought more into conformity with the 30 percent limit in the section 8 program? I know that the 20 percent limit excludes utility payments, while the 30 percent limit does not. Nevertheless, the 20 percent and 30 percent limits are real subsidies, since GAO reports that the average homeowner now pays 30 percent of his income to cover all housing costs

Mr. President, I hope that the Banking Committee will reiterate its intent that this program is a temporary, emergency measure and that the Senate will have an opportunity to reconsider in more detail certain aspects of the program before we, the home buyer, and the construction industry all consider the temporary section 235 a permanent fixture. The implications for budgetary control are far too great.

Furthermore, Mr. President, I wish to emphasize that neither S. 2177 nor the Williams amendment for section 235 are spending bills. They do not authorize spending. Appropriation for the Brooke-Cranston program is still required. In fact, they redesign programs that are already on the books. However, the changes in the section 235 program will allow moneys already appropriated to spend out more rapidly and thus adds $84 million to current law spending in both fiscal year 1980 and fiscal year 1981. It is my belief, however, that such spending can be accommodated with the $223.1 billion and $218.3 billion targets in the fiscal year 1980 and fiscal year 1981 budget resolutions for function 600, income security, which we will soon debate.

Finally, Mr. President, I have more negative feelings about the value of Brooke-Cranston at this point in the economic cycle. The budget report does not make any explicit allowance for Brooke-Cranston in function 370, commerce and housing credit. Moreover, it is my understanding that this program must still be appropriated. Furthermore, Senator PROXMIRE has stated his belief that no moneys will be appropriated for Brooke-Cranston which would impact the fiscal year 1980 or fiscal year 1981 budgets; and the White House, though supporting the changes in mortgage, housing price, and subsidy limits, has indicated that it has no intention of committing funds. Thus, it would be inappropriate to alter the budget resolutions in anticipation that these moneys will be used.

Mr. President, I felt that it is important to express my support for certain changes in these various housing programs while, at the same time, expressing my belief that no alterations in the budget resolutions are warranted as a consequence of their adoption.

Mr. GARN. Mr. President, I yield 1 minute to the Senator from Wyoming.

Mr. SIMPSON. Mr. President, I wish to address the amendment that was submitted by the Senator from Utah to the Williams amendment—No. 1705. I am particularly interested in the language of this amendment empowering the Secretary of Housing and Urban Development with the authority to allocate section 235 funds to those areas of the Nation where housing construction activity is "most in need of stimulation." The distinguished Senator from Utah later introduced a clarifying amendment to the allocation authority granted to the Secretary of HUD as to what elements the Secretary must consider when allocating funds to different geographical areas of the Nation.

Mr. GARN's amendment makes the language of the Williams amendment more specific and spells out that in allocating funds, the Secretary should include "factors such as population, the relative decline in building permits and such other factors" as the Secretary may deem appropriate. It is the last guideline, "other factors," that I direct a question for the purpose of obtaining a clarification.

As the Members of this distinguished body know, there are areas of the country characterized by a dramatic growth in energy development. In these areas of our Nation particularly in the production of coal, oil, natural gas and uranium has had a dramatic effect on the population growth of the surrounding localities and on the subsequent demand for new housing in the State. Given the current dire economic picture, this massive demand for new housing met with woefully inadequate housing production. Prohibitive mortgage interest rates and skyrocketing building costs have caused the current housing demand to be left unmet. For instance, in my home State of Wyoming, the Wyoming State Housing Agency (Wyoming Community Development Authority) is currently being faced with tremendous pressure from those residents of the State that cannot find available housing and are desirous of building their homes.

The Wyoming Community Development Authority recently sent a questionnaire to lenders throughout the State that have utilized the mortgage assistance provided through the housing agency. Out of the 56 responses to the questionnaire nearly $1 billion in Wyoming Community Development Authority mortgage need was estimated for 1980–81. The Wyoming State Legislature has recently met its responsibilities by increasing the bonding authority of the Wyoming Community Development Authority to $500 million. As is clearly evident, the demand for housing in an energy impacted, rapidly growing State is being unmet. I believe that we, as legislators, have the responsibility to insure that these needs are met. This phenomenon, as my colleagues from such areas of the country will attest, is not limited to one State.

Therefore, my question to you, Senator GARN, is simply that I trust that those areas of the Nation characterized by such energy related growth and the impact this is causing on the availability of building permits may be one of the "other factors" that the Secretary of HUD could consider when allocating the mortgage subsidy assistance funds guaranteed under the section of the bill I had alluded to earlier. Is that the intent of your amendment?

Mr. GARN. That is my understanding, I say to the Senator. The reason I put in the phrase "other factors" is I did not want political decisions made. I want factual, objective decisions made. Certainly, one of these factors could be, if the Secretary felt it was appropriate, the impact that the decline in housing production might have in areas of high demand.

Mr. SIMPSON. I thank the Senator from Utah for very capably managing this bill.

Mr. DOMENICI. Will the Senator from Utah yield 5 seconds to the Senator from New Mexico?

The PRESIDING OFFICER. The Senator has no time remaining.

Mr. WILLIAMS. I yield the time and reserve a moment of time to the Senator from Alabama.

I am happy to yield time to the Senator from New Mexico.

Mr. DOMENICI. Mr. President, the housing industry is facing collapse due to high interest rates. Housing starts will recede below one million at a time when more Americans than ever still dream of owning a house.

The purpose of this bill is to stimulate housing by providing below-market interest rate financing for conventional, FHA, and VA mortgages for single and multifamily housing.

S. 2177 provides countercyclical assistance to the building industry, which is bearing the brunt of our fight against inflation. It is unfair to ask builders and realtors to go bankrupt while bringing inflation under control.

During the three times the program has been activated, a total of 190,000 single-family mortgages were purchased, plus mortgages which financed 185,000 multifamily units. The subsidy cost to the Federal Government as a result of single-family mortgage purchases has been $412 million, or $6.4 billion in single-family purchases.

The best help for the industry, however, is decreasing interest rates. A tight, sound governmental fiscal policy will stabilize the money market. In the meantime, this assistance will assure the survival of the housing industry, which is reeling under severely disproportionate economic conditions.

Mr. WILLIAMS. Mr. President, I yield to the two Senators who have requested time, the Senator from Michigan and the Senator from Alabama.

Mr. STEWART. Mr. President, I rise in support of S. 2177, legislation I have cosponsored to revise and update the Emergency Home Purchase Assistance Act, commonly known as the Brooke-Cranston program. I also rise to support the amendment to this bill which modifies the section 235 program in order to establish a temporary homeownership assistance program.

Mr. President, this legislation is urgently needed in order to prevent the collapse of our Nation's homebuilding industry. The latest figures on the condition of the housing industry are extraordinarily grim. Starts dropped by 21.8 percent in March, the second largest drop since the Government began keeping records. The monthly rate was the lowest we have seen since early 1975, when the country was in the midst of a very serious recession.

The Commerce Department, which has been rosily predicting that the level of starts will remain at 1.3 million units in 1980, has now concluded that starts will likely drop to around 1.04 million units this year. Economists for the National Association of Homebuilders, who have typically had better success in predicting the correct level of annual housing activity, estimate that starts will drop to between 800,000 and 900,000 units. This would represent a drop of close to 900,000 units from last year.

Now with prices in our economy continuing to increase at a rapid rate, I am keenly aware of the need to bring inflation under control. I recognize that we will all have to make sacrifices in order to achieve this goal, but I do not think that one industry should be asked to suffer immense burdens in this effort. Yet this is precisely what the current policies of the Federal Reserve and the administration amount to. As a result, we are inviting permanent damage to the homebuilding industry, surely a disastrous step for the long-term health of our economy.

Our past experience indicates that housing has typically carried a disproportionate burden during periods of economic decline. During the recessions of 1965, 1966, 1974, and 1975, residential construction bore as much as two-thirds of the overall constriction in the economy, despite accounting for less than 5 percent of our overall GNP.

This situation has been repeating itself in recent months, as the figures I have just cited dramatically illustrate. It is important to realize that this decline in the housing industry will have an enormous ripple effect throughout the economy. The residential construction industry, which employs close to 3 million people, is close to grinding to a complete halt. All totaled, it is estimated that if housing activity drops to the levels predicted for it, we will lose over 1½ million jobs, around $25 million in wages and billions of dollars in Federal, State, and local tax revenues.

Even in terms of fighting inflation, a policy which cripples the homebuilding industry is short-sighted and counterproductive. The basic demand for housing in this country is strong, and will continue to be strong for years to come. Economists predict that we will need to produce at least 2 million units each year over the next decade just to keep pace with the underlying demand. Yet we are now looking at a level of activity in the housing industry that will fall far short of 1 million units. When the housing market finally does begin to recover, housing prices will skyrocket, as thousands of Americans compete for a drastically inadequate supply of new homes.

Thus, I believe it is essential that we act to provide emergency aid to the housing sector, and Brooke-Cranston is a proven and effective vehicle to provide this type of assistance. I would like to emphasize, moreover, that Brooke-Cranston in no way represents a costly "bailout" for our Nation's homebuilders. HUD itself has testified that Brooke-Cranston is virtually a no-cost program, since the additional housing activity which is stimulated produces jobs and tax revenues that would otherwise be lost to the economy. The General Accounting Office has estimated that during 1974 and 1975, Brooke-Cranston's contribution to the economy was in excess of $1 billion, including 33,000 to 65,000 additional jobs, while the direct cost of the program was only $400 million. Clearly, Brooke-Cranston will save the Federal Government money, and not cost the taxpayer additional outlays.

Despite these arguments, the administration has refused to request the appropriations from Congress which are needed to implement the Brooke-Cranston program. The administration fears that such a move would amount to sending out the wrong signals in the midst of its fight to control inflation and balance the budget. I strongly disagree with this policy, and will continue to publicly urge the President to reactivate Brooke-Cranston. I believe it is essential that this bill, which updates the mortgage amounts, sales price and interest rate limitations of the program, be passed, so that if the administration reverses its current policy, Brooke-Cranston can be rapidly implemented.

Mr. President, at this point I would like to direct my attention to the amendment to this legislation that revises the section 235 program. Because of the administration reluctance to take action on Brooke-Cranston, I, along with other Members of the Senate, have been exploring alternative means of providing quick assistance to the homebuilding industry. I believe that the modified 235 program will achieve this goal, while at the same time—and this is essential—requiring no additional budgetary authority.

In order to promote a rapid stimulus to housing activity, this amendment directs HUD to use a major portion of its existing 235 budgetary authority to subsidize moderate income homebuyers. Specifically, a number of changes in the current 235 program will be effected. By reducing the amount of the subsidy provided by HUD, by raising the income limit of families eligible to participate in the program, and by lifting the sales price of homes that can be assisted, it is estimated that the revised 235 program can provide subsidies for as many as 100,000 new units. At the same time, HUD will use approximately $30 million to provide aid to 10,000 homebuyers under the provisions of the old 235 program.

It is important to note that this program is designed solely to be a temporary response to a dire emergency in the homebuilding industry. As I noted, it will require no new budget authority, and only a small increase in outlays, of $75 million to $100 million, probably during fiscal 1981. By changing the guidelines of the program, we will accelerate the time in which the 235 budget will be depleted. However, I am strongly committed to providing additional appropriations to 235 when the time comes to reauthorize the program, and I believe that many other Senators share this sentiment. During the past several years, 235 has achieved an excellent record of success in Alabama and elsewhere in the country, and I feel strongly that this effective program should be continued.

I also wish to stress that the production of an additional 100,000 housing units is far short of what is currently needed to rescue the homebuilding industry. It is by no means a substitute for Brooke-Cranston, and certainly does not obviate the need to promptly approve this entire legislation. However, it is a first step that can provide at least temporary aid to thousands of homebuilders who are presently on the verge of bankruptcy. I am pleased that the Carter administration has finally decided to lend its support to this effort, and I am hopeful that it will be rapidly enacted into law and implemented by HUD.

Mr. President, the bottom line here today is whether we in Congress are willing to acquiesce in an economic policy that is literally destroying our country's largest industry. The measure being proposed is in no way a windfall for the homebuilding industry; in fact, what it essentially amounts to is a salvage operation. Many of our builders and contractors, including long standing and respectable concerns, have already folded. We are too late to help these businesses; but what we can do—what we must do today—is provide a means of survival for thousands of other businesses presently on the brink of disaster.

Mr. LEVIN. Mr. President, I support the bill before us and the amendment which modified section 235. Both measures address the severely disproportionate effect on the housing industry brought about by inflationary conditions and the tight monetary policy adopted by the administration. While Brooke-Cranston modifications are necessary in light of current market conditions, section 235 has been modified to allow activation without budgetary impact. I am concerned, however, that such measures will do little for the ailing housing industry.

The recent disclosure of monthly housing statistics reveals nothing less than a depressed market. The number of housing starts in March fell to a seasonally adjusted annual rate of 1 million, 22 percent below the 1.3 million annual rate of February 1980 and 42 percent below the rate of 1.8 million in March of 1979. Moreover, housing permits, the indication of future starts, dipped to a seasonally adjusted annual rate of 941,000. That rate is 18 percent below February and 42 percent below a year ago.

For some regions of the country, the story is even worse. In Michigan, housing starts for the month of March are down 66 percent from the 1979 rate and over 80 percent from the 1978 rate. The estimated job loss is well over 60,000 in Michigan and increasing every day.

The administration is finally acting to counter the serious impact on certain sectors of its singular anti-inflation policy. Its support for modifications to section 235 is encouraging. However, the impact of these modifications is likely to be marginal; the main impact likely to be in helping builders sell off their costly inventories than in stimulating any substantial amount of new construction.

Token measures are simply not enough when certain regions are suffering severely. The administration put themselves in a catch-22 situation. Heeding the call to relieve pressure on the Federal Reserve in carrying the anti-inflation banner, the administration assumes a second banner, that of a balanced budget at any price, at any cost. Now, there is nothing wrong with a balanced budget. However, programs designed to help sectors suffering from high interest rates and tight monetary policy are questioned by the administration since they generate deficits in the short run. Mortgage subsidy programs such as Brooke-Cranston and section 235 will likely create only minimal costs in the long run and yield enormous short term benefits for housing and related industries.

As housing demand increases, it makes sense to assist the industry to meet this growing demand for housing. The Library of Congress has estimated that there will be a potential demand for 2.3 to 2.7 million new housing units per year during the 1980's to meet projected housing needs.

Without secondary mortgage assistance, housing starts are likely to fall far short of this mark because of high interest rates. Brooke-Cranston would increase the supply of housing to offset built-up demand thereby preventing the price of housing from skyrocketing when credit markets loosen up. And furthermore, the cost of these programs will be minimal since the income realized in jobs gained and the costs saved with decreased unemployment offset the costs of the program. Lastly, by reducing unemployment in the housing industry, the program will actually help keep the budget in balance. According to CBO, each 1 percent rise in unemployment increases Federal outlays by almost $20 billion.

Modifications to section 235 are needed but they are not enough. The revised section 235 program, with higher mortgage limits and lower subsidies, would produce only 80,000 housing starts. Given the situation which now exists in the housing industry, this is not nearly enough.

Brooke-Cranston should supplement section 235. Appropriately, S. 2177 modifies the program so that it may respond, if enacted, effectively to today's housing conditions. It is possible, perhaps likely, however, that the administration will not activate the program even if Congress budgets and appropriates funds. In testimony, Secretary Landrieu seemed content with 1.5 million housing units for 1980. The March figures suggest that 1.5 million units will not be achieved. Even if that level is attained, 1.5 million housing starts fall short of the level of housing we need in this country to meet growing demand.

We should quickly act on the bill before us and speedily amend the budget for fiscal years 1980 and 1981 to provide for Brooke-Cranston mortgage subsidies. We should then insist that the program be activated by the administration.

The PRESIDING OFFICER. The Senator from New Jersey has 3 minutes and 15 seconds remaining.

Mr. WILLIAMS. I have no further requests and I yield back that time.

Mr. HUMPHREY. Can I be yielded 2 minutes?

The PRESIDING OFFICER. Does the Senator from New Jersey yield 2 minutes to the Senator from New Hampshire.

Mr. WILLIAMS. We do have one Member who must leave very shortly. Within that 2 minutes, certainly.

Mr. HUMPHREY. Mr. President, on the subsidy program, I point out that it is my view that interest rates today are high because of the nècessity of very heavy Federal borrowing to fund the myriad programs to help this and that group. At some point, we will have to come to the realization that it is the insatiable Federal appetite for borrowing that leads to high rates of interest. In the long run, I think we do more harm than good.

Mr. PERCY. Will the distinguished Senator yield 1 minute to me?

Mr. WILLIAMS. I am happy to.

Mr. PERCY. Mr. President, I note the fact that Senator Sparkman, who was chairman of the Banking Committee when I served on it originally in coming to the Senate, designated myself and Senator MONDALE to work on a homeownership loan income provision of the 1968 housing bill. It was a great privilege to work with the Vice President on this, with the support of my distinguished chairman, for this principle.

I know that Senator WILLIAMS was fully supportive at the time. It is with great interest I note how we were able to expand this to middle-income people and quickly resolve, and help work toward solving, a critical condition in the housing industry.

We cannot stop here, but we have the mechanism we built in the section 235 as a building block to start rebuilding the construction industry in America for homes.

I commend by distinguished colleague for working on this.

Mr. WILLIAMS. Mr. President, I ask unanimous consent to have the Senator from Tennessee (Mr. SASSER) and the Senator from Michigan (Mr. LEVIN) added as cosponsors on the bill.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WILLIAMS. Mr. President, the preparation of this legislation was the result of the strong cooperation and simple hard work of many Members of the Senate, including the distinguished majority leader; the chairman and ranking minority member of the Banking Committee; many members of the Banking Committee and other Senators, both majority and minority, who are concerned with the housing crisis we face. Together, I believe we have taken strong yet prudent steps toward increasing homeownership opportunities for our citizens, at a time when we are facing economic conditions that demand fiscal responsibility. On behalf of Senator GARN and myself, I would also like to express thanks for the fine efforts of many staff members who worked on this proposal, including Albert Eisenberg, David Yudin, Frank Shafroth, Steve Rohde, Shelley Turcotte, and A. J. Jones of the Housing Subcommittee majority staff; Phillip Sampson, Jesselie Barlow, and Barbara Nielson of the Housing Subcommittee minority staff; Robert Woods; Robert Malakoff; and Cliff Rechtschaffen.

Mr. THURMOND. Mr. President, I rise today to speak in favor of S. 2177. This legislation represents an attempt to help the home construction industry, which has been severely affected by inflation and high interest rates.

It certainly comes as no surprise to my colleagues that the housing industry in this country has serious problems. Housing starts are down drastically from last year. The rate for March was 42 percent below the same period last year. An even worse omen is the decline in building permits, which indicate the future activity of the housing industry.

The housing industry is a barometer for the whole economy, and the present state of the home construction industry does not provide an encouraging outlook. However, since this slowdown in housing is occurring in an economy with an inflation rate of 20 percent, we must be careful that our attempts to assist the housing industry with its problem of deceased activity do not further aggravate the persistent problem of inflation. I believe that S. 2177 is a step in the right direction.

Mr. President, S. 2177 will create special mortgage assistance under the existing section 235 homeownership program. This will allow more people to qualify for Government assistance under the existing program. These changes will make another 100,000 home mortgages available. Since S. 2177 merely changes criteria for eligibility under an existing program, no new spending will be involved.

S. 2177 also represents a longer range approach to the housing problem. This legislation changes the criteria for activating the Brooke-Cranston interest subsidy program and updates the eligibility requirements to reflect current economic conditions. While the Brooke-Cranston program is not activated by S. 2177, this legislation will insure that, if it is activated by the Secretary of HUD at some future date, the program will be applied in a reasonable and effective manner.

Mr. President, I believe that S. 2177 represents a positive step in helping both the home builders and potential homeowners in this country. I encourage my colleagues to support this legislation

Mr. JEPSEN. Mr. President, I rise to express my support for the Emergency Home Purchase Assistance Act of 1980, commonly referred to as the Brooke-Cranston program.

The housing industry is facing its worst crisis since the recession of 1973–74. Rental markets are at an alltime low, available low-income subsidized housing is equally below what is desirable and adequate, in spite of the administration and committee recommendations which I supported, and condominium conversions are still reaching new heights.

The high rate of inflation coupled with equally high interest rates have all contributed to the decline and devastation of the housing industry.

I understand the loss of jobs, economic opportunity, the lack of growth in the economy, and the missed opportunities for future and potential home buyers and homebuilders.

Mr. President, the Brooke-Cranston is not a panacea for the housing industry. It will not solve the housing crisis. It will not immediately or directly affect the problems within the economy.

Nevertheless, the Brooke-Cranston program does serve a useful purpose in that it gives the housing industry, homebuilders, and the public the right signal. The signal that the Senate is concerned about the housing industry and is willing to use its authority to reauthorize legislation to implement the Brooke-Cranston program.

Mr. President, the housing industry needs some assurance from Congress that we are not only concerned, but committed to help ease the frustration and crippling affect the economy has placed on the industry.

Many people have argued that Brooke-Cranston is not the best approach to reverse the housing decline. Others have stated that it is too little too late. I have recently returned from my State of Iowa. I see what the economy is doing in my State; I see all too clearly what the economy has done to the housing, and building industry.

I do not agree that our efforts here are too little, too late. On the contrary, I believe that we have a chance to send a shaft of light in what is otherwise a dark gloomy black hole.

The country and particularly the builders in America will judge us, I believe, not so much on what we say or refuse to say, but rather on the manner in which we give direction and exemplify confidence.

Brooke-Cranston gives the right signal; it directs action on the part of the Senate, and represents our willingness to try to address a serious and critical problem.

No one said it would be easy to meet this crisis. No one promised the housing industry a rose color garden or continual economic progress.

Mr. President, if anyone recognizes this fact, I am sure the homebuilders of America do. The building of housing is a highly speculative business. It takes individuals who are willing to take a chance. People who will take a risk at producing to survive in the industry.

Fortunately for America we have had great pioneers on our vast frontiers who have met the challenges of change. I believe that we here in the Senate ought to do our share to give the housing industry the right signal by supporting the reauthorization of the Brooke-Cranston program.

Once the Congress has met their responsibility of reauthorizing the program, then it falls to the President of the United States, and the administration to reactivate the program.

Mr. President, like Senator WEICKER I am concerned over the administration's lack of enthusiasm over the reactivation of Brooke-Cranston. In deference to Senator WEICKER, however, I believe the burden of reactivating Brooke-Cranston should rest with the President.

As to date, the administration has not sent an appropriation request. The administration must give a clear signal as to whether it will support Brooke-Cranston by reactivating it.

I support Brooke-Cranston program in principle. It is a responsible answer to the presently crippling housing industry resulting from the Nation's troubled economy.

Unless there are amendments which make it impossible for me to support the act, I intend to vote for its passage.

● Mr. CULVER. Mr. President, I would like to commend the Senator from New Jersey and the other members of the Banking Committee for bringing to the full Senate an emergency housing bill which can provide the means to address the serious crisis which threatens America's housing industry.

As a cosponsor of S. 2177, popularly known as the Brooke-Cranston program, I believe that it is urgent to update this program to provide the Secretary of Housing with the discretion to supplement the mortgage market by allowing GNMA to subsidize mortgages and thus reduce the effective interest rate to home buyers. I also support strongly the amended provisions of the bill to extend the reach of the HUD 235 program to middle-income families who are hoping to realize their dream of owning a home. Because there is existing funding for this program, these changes should mean an immediate assistance for 100,000 units at no additional cost to the Federal budget. To extend the impact of this program to more purchasers, the available subsidy is limited to 3 percent for single-family housing below the prevailing market rate.

This legislation is a modest first step toward correcting the disastrous housing market situation created by the Federal Reserve Board's high interest rate policies. The indiscriminate monetary squeeze imposed this winter by the Board in an effort to stem inflation has placed the lion's share of the burden on the housing industry and other industries characterized by small business operators. This situation is clear evidence of the shortsightedness of a meat-ax approach to monetary and fiscal restraint in the fight against inflation.

This Congress is committed to seeking a balanced Federal budget in fiscal year 1981, and I support that commitment. This effort, however, must recognize the realities of today's economy. We are facing a grave decline in the housing industry which will have a ripple effect through the economy. In the month of March there was a drop of 300,000 units from the February rate. This drop represents an annualized rate of housing starts of only 1 million units; this is a rate which is only one-half of our Nation's housing start goal. I can say, from talking to Iowa homebuilders, that in my own State, the April rate is likely to show an even greater decline.

The economic impact of a decline of this magnitude will be felt throughout the economy. Every 100,000-unit drop in housing starts, the National Association of Homebuilders calculates, means 176,000 jobs would be lost. So would wages amounting to more than $3 billion. Revenue losses to Federal, State and local governments could total $814 million. Dramatic increases in the unemployment rate would make it nearly impossible to realize our goal for a balanced budget.

The answer to these problems is complex; there is no simple, easy solution. Because Brooke-Cranston, as now amended, will help to sustain the housing market at reasonable costs to the Federal Government, I support it; and I am pleased to be a cosponsor. I urge the Senate to support this measure.●

● Mr. HART. Mr. President, in recent months we have witnessed the severe decline in annual housing starts. Last month, the estimate for 1980 starts was shockingly low. The National Association of Homebuilders estimates the annual starts for 1980 will be about 1 million—22 percent below the previous month and 42 percent below the same month last year.

The Federal Reserve Board, in an effort to stave off inflation and restrain overall spending has implemented a monetary policy that has proven devastating to certain sectors of our economy. This policy, which I do not support, has caused selective recessions in certain sectors of our economy, most notably housing.

I am extremely concerned with this serious decline in housing starts, and believe the Congress must respond with a program that is timely, effective and consistent with our efforts to balance the budget. The housing industry is facing an immediate problem, and we must respond in that light. We cannot wait until summer. And we cannot wait until November. They need help now, and we must respond.

I do not believe the Brooke-Cranston approach is the best response to this immediate dilemma. It will require additional outlays in the fiscal year 1981 budget of up to $6 billion. Because it does not yet have the support of the administration, chances are the program will not be triggered, if at all, until it is too late.

The call for Congress is to respond with the most timely and effective approach available to us. We must look to a vehicle which has the capacity to inject funds into the industry quickly and with as little Government "redtape" as possible. A temporary relaxation of mortgage revenue bonds fits this bill. These bonds, Mr. President, can reach localities of this country and provide that temporary boost the housing industry has indicated they desperately need.

In our efforts to respond to this problem, Mr. President, we cannot overlook our commitment to balancing the Federal budget for fiscal year 1981, a goal to which I am strongly committed. Homebuilder after homebuilder from my home State of Colorado has made it imminently clear to me that a balanced Federal budget is their first order of priority. Without a balanced budget, which will certainly require reduced Federal spending, inflation will persist and very likely, the downturn in the housing industry will continue.

Mr. President, not long ago, I visited a housing site in Colorado that was forced to shut down. I am sure there are many other builders facing this same situation across the country. I will very soon be introducing legislation to temporarily ease the restrictions currently in place on mortgage revenue bonds in an effort to insure funds are injected into the industry and builders are no longer forced to close their doors.

I look forward to working with my colleagues on this proposal which will insure the necessary funds will be available to the housing industry in a timely manner, and with little Federal redtape.●

● Mr. RANDOLPH. Mr. President, it is a privilege to support S. 2177, a measure to revise and update the provisions of the Emergency Home Purchase Assistance Act of 1974 and to create a special homeownership program under section 235 of the National Housing Act.

This legislation is being considered at a time when the latest figures on monthly housing starts show the worst decline in 20 years, a drop of over 21 percent during the month of March. Housing starts have been deteriorating over a period of several months leading to this disastrous decline in March.

The National Association of Homebuilders is now predicting a level of only 965,000 housing starts for 1980. This is less than half the minimum number of housing starts needed to meet the basic requirements of housing for citizens throughout our Nation.

While the proposals which will be approved by the Senate very shortly are constructive, they come very late in the game. The housing industry is being dealt a blow from which it will take months for builders to rebound. Housing and homeownership are very basic to the fabric and stability of our society. The economic impact of a declining housing industry is enormous in the jobs, wages and revenues that are lost, to our society and governmental units. These are recognized facts. Yet, we are faced with another cycle of high interest rates and a severe housing slump, without the mechanism in place to alleviate the impact on the housing industry.

Again, we are acting after the fact. It is imperative that the Congress and the administration find a better method of controlling inflation than the onerous tool of increased interest rates—a course which is inflationary in itself.

Mr. President, S. 2177 will make modifications in the so-called Brooke-Cranston program in order to make it more workable. It would remove unrealistic interest rate ceilings and sales price limits. This bill also clarifies the basic conditions under which the program can be implemented, including the authority of the Secretary of Housing and Urban Development to activate the program. As Members know, this is a standby program and requires a decision by the Secretary of HUD to bring it into being. It also will require an appropriation action.

With respect to near term housing assistance, S. 2177 provides for a special homeownership assistance program under section 235 of the National Housing Act. It would allow, as I understand the pending measure, below market interest rate mortgages for as many as 100,000 home buyers. This assistance would basically utilize the existing section 235 program and funds that are currently available.

Certainly, this feature of S. 2177 offers a very attractive course of action to lessen the impact of the fall off in housing activity. It captures the twin features of rapid implementation and minimal budget outlays. While the section 235 proposal does not entail as extensive an housing assistance effort as might be undertaken if Brooke-Cranston is activated, it still is a vital provision of S. 2177.

Mr. President, I support S. 2177. However, I caution that this is only an initial effort in what must be constant attention by the Congress to the housing industry of our country.●

AMENDMENT NO. 1711

Mr. PRESSLER. Mr. President, I strongly urge the support of the amendment to S. 2177 which sets a minimum allocation of funding to the respective States.

We are all aware of the severe crisis facing the housing industry, both in urban areas and in rural areas like South Dakota. S. 2177, the Brooke-Cranston program, is designed to help meet this crisis, and the proposed amendment would facilitate this goal.

The impact of the housing crisis on rural areas like South Dakota is substantial because the housing industry is an important part of South Dakota's economy.

The proposed amendment would provide certainty to South Dakota and other rural States in the allocation of funds from the Brooke-Cranston program. The amendment is also equitable in assuring that rural States will receive a minimum allocation to help their failing housing industries. For these reasons, I have joined as a cosponsor of this amendment and urge my colleagues to adopt this amendment.

● Mr. GRAVEL. Mr. President, I support the amendment to Brooke-Cranston proposed by the Senator from New Hampshire. The amendment is necessary to insure that Brooke-Cranston funds are allocated in a fair manner to those States that have the smallest populations.

Brooke-Cranston is sorely needed to buoy the Nation's sagging housing industry. Housing starts are expected to fall to 1.4 million units during the coming year. This is comparable to the housing bust of 1974 and represents the worst drop in housing activity since 1950. If this trend is allowed to continue, the Nation's housing supply will become painfully short as those who were born during the postwar baby boom come of home-buying age. As the economic picture brightens, the demand for new housing will be more than the available builders will be able to contend with causing prices to skyrocket.

The formula presently used to allocate Brooke-Cranston funds among the States was derived, I am sure, with the intention of providing each State with its fair share according to need. However, according to a recent GAO report, Federal housing assistance has not been provided in this manner. Part of the cause may be the seeming tendency to penalize the small States whose financial institutions are somewhat unfamiliar with this type of assistance program. Valuable experience was gained the last time Brooke-Cranston was activated which will promote efficient and effective utilization of funds in the event Brooke-Cranston is reactivated. I have contacted bankers in Alaska who assure me that the additional moneys provided under this amendment could be readily utilized to stabilize housing production in Alaska.

I feel this action would be consistent with fiscal restraint since most of the Brooke-Cranston funding will be recaptured and because it tends to short circuit the need for housing subsidies and unemployment benefits. I would urge my colleagues to support both the amendment to and the reactivation of Brooke-Cranston.●

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from New Hampshire (Mr. DURKIN). The yeas and nays have been ordered and the clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. LONG), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Massachusetts (Mr. KENNEDY) are necessarily absent.

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) is necessarily absent.

I also announce that the Senator from Wyoming (Mr. WALLOP) is absent due to a death in the family.

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The result was announced—yeas 36, nays 59, as follows:

[Rollcall Vote No. 81 Leg.]

YEAS—36

Baucus
Bellmon
Biden
Boren
Burdick
Cannon
Chafee
Church
Cohen
Durkin
Exon
Ford
Gravel
Hatfield
Huddleston
Humphrey
Inouye
Laxalt
Leahy
McGovern
Melcher
Metzenbaum
Morgan
Muskie
Pell
Pressler
Pryor
Randolph
Riegle
Roth
Stafford
Stennis
Stevens
Weicker
Williams
Young

NAYS—59

Armstrong
Baker
Bayh
Bentsen
Boschwitz
Bradley
Bumpers
Byrd, Harry F., Jr.
Byrd, Robert C.
Chiles
Cochran
Cranston
Culver
Danforth

DeConcini
Dole
Domenici
Durenberger
Eagleton
Garn
Glenn
Goldwater
Hart
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Jackson
Javits
Jepsen
Johnston
Kassebaum
Levin
Lugar
Magnuson
Mathias
Moynihan
Nelson
Nunn
Packwood
Percy
Proxmire
Ribicoff
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Warner
Zorinsky

NOT VOTING—5

Kennedy
Long
Matsunaga
McClure
Wallop

So Mr. DURKIN's amendment (No. 1711) was rejected.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendments to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

On this question, the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, there may be another rollcall vote this afternoon on another matter.

The legislative clerk resumed and concluded the call of the roll.

Mr. BOSCHWITZ (when his name was called). Present.

Mr. CRANSTON. I announce that the Senator from Louisiana (Mr. LONG), the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Massachusetts (Mr. KENNEDY), are necessarily absent.

I further announce that, if present and voting, the Senator from Louisiana (Mr. LONG), would vote "yea."

Mr. STEVENS. I announce that the Senator from Idaho (Mr. MCCLURE) is necessarily absent.

I also announce that the Senator from Wyoming (Mr. WALLOP) is absent due to a death in the family.

The PRESIDING OFFICER (Mr. SASSER). Have all Senators in the Chamber who wish to vote voted?

The result was announced—yeas 89, nays 5, as follows:

[Rollcall Vote No. 82 Leg.]

YEAS—89

Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd,
  Harry F., Jr.
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hatch
Hatfield
Heflin
Heinz
Helms
Hollings
Huddleston
Inouye
Jackson
Javits
Jepsen
Johnston
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nelson
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevens
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Warner
Weicker
Williams
Young
Zorinsky

NAYS—5

Armstrong
Hart
Hayakawa
Humphrey
Roth

ANSWERED "PRESENT"—1

Boschwitz

NOT VOTING—5

Kennedy
Long
Matsunaga
McClure
Wallop

So the bill (S. 2177), as amended, was passed, as follows:

S. 2177

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Emergency Home Purchase Assistance Authority Amendments of 1980".

SEC. 2. Section 313 of the National Housing Act is amended—

(1) by inserting "and if the Secretary determines that the implementation of this section will not significantly worsen inflationary conditions," after "1968," in the first sentence of subsection (a)(1);

(2) by inserting ", and to promote the construction of multifamily rental housing" before the period at the end of the second sentence of subsection (a)(1);

(3) by adding at the end of subsection (a) the following:

"(4) The program authorized by this section may not be activated unless the most recently available four-month moving average annual rate of private housing starts (seasonally adjusted and exclusive of mobile homes) as determined by the Director of the Bureau of the Census is less than 1,600,000.

"(5) The program activated pursuant to paragraph (4) shall be terminated whenever the most recently available four-month moving average annual rate of private housing starts (seasonally adjusted and exclusive of mobile homes) as determined by the Director of the Bureau of the Census is 1,600,000 or more.";

(4) by inserting "or loans" before "(1) which cover" in the first sentence of subsection (b);

(5) by inserting "including mobile homes" after "four-family residences" in the first sentence of subsection (b)(2);

(6) by inserting "or a mobile home" after "four-family residence" in clause (A) of the second sentence of subsection (b);

(7) by striking out all that follows "such mortgage involves an original principal obligation not to exceed" in clause (B) of the second sentence of subsection (b) and inserting in lieu thereof the following: ", for that part of the property attributable to dwelling use in the cases of a more than four-family residence, the per unit limitations under the section of the National Housing Act under which the project mortgage is insured or, in the case of a mobile home loan, the limitation contained in section 2(b) of this Act which would apply to such loan if insurance with respect to an obligation respresenting such loan were provided under section 2 of this Act;";

(8) striking out in clause (c) of the second sentence of subsection (b) the words "such mortgage involves an interest rate not in excess of that which the Secretary may prescribe, taking into account the cost of funds and administrative costs under this section, but in no event shall such rate exceed the lesser of (i) 7½ per centum, or (ii) the rate set by the Secretary applicable to mortgages insured under section 203(b) of the National Housing Act" and inserting in lieu thereof the following: "such mortgage involves an interest rate which the Secretary may prescribe which shall be as high as feasible consistent with meeting the objectives of this section at the lowest feasible cost, but if such mortgage is executed to finance the acquisition of a one-to-four family residence, it may not bear interest at a rate lower than three percentage points below the average contract commitment rate for single family, thirty year conventional mortgages with loan-to-value ratios of 90 per centum in the monthly survery of all major lenders conducted by the Federal Home Loan Bank Board which is most recently available at the time that funds are released, and if such mortgage is executed to finance the acquistion of a more than four-famly residence, it may not bear interest at a rate lower than 4½ percentage points below such average contract commitment rate";

(9) by striking out all that follows "such mortgage involves a principal residence the sales price of which does not exceed" in clause (D) of the second sentence of subsection (b) and inserting in lieu thereof the following: ", in the case of a one-family residence, 90 per centum of the average new one-family house price in the area, as determined by the Secretary; or in the case of a two-family residence, 100 per centum of such average; or in the case of a three-family residence, 120 per centum of such average; or in the case of a four-family residence, 140 per centum of such average.";

(10) by striking out "enactment of this section" in subsection (e) and inserting in lieu thereof: "the issuance of the commitment to purchase the mortgage";

(11) by striking out "the lesser of (A) the per unit amount specified in subsection (b) (B), or (B)" in subsection (h)(1);

(12) in subsection (h)—

(A) by inserting "and" at the end of clause (3);

(B) by striking out paragraph (4); and

(C) by redesignating paragraph (5) as paragraph (4); and

(13) by adding at the end thereof the following new subsection:

"(i) The Association may not purchase under this section any mortgage or loan which was executed or made (1) to finance the conversion of an existing rental housing project into a condominium or cooperative project, or (2) to finance the purchase of an individual unit in a condominium project or the purchase of a share in a cooperative project, in connection with such a conversion.".

SEC. 3. Section 235 of the National Housing Act is amended by adding at the end thereof the following:

"(p)(1) Notwithstanding any other provision of this section, the Secretary shall make and enter into contracts to make periodic assistance payments on behalf of homeowners, to mortgagees holding mortgages (A) which cover dwellings the construction of which is completed on or after the date which was one year prior to the date of enactment of this subsection and which have never been sold, (B) which meet the requirements of this subsection, and (C) which are executed, or for which the commitments have been made, on or after the date of enactment of this subsection and prior to March 1, 1981, cr such earlier date as the Secretary may deem appropriate where the Secretary determines that there is no overriding need for emergency stimulation of the housing market. The Secretary may establish such criteria, terms, and conditions relating to homeowners and mortgages assisted under this subsection as the Secretary deems appropriate, consistent with the provisions of this subsection. The Secretary is authorized to insure a mortgage which meets the requirements of and is to be assisted under this subsection.

"(2) A mortgage to be assisted under this subsection shall—

"(A) where the Secretary deems appropriate, provide for graduated payments pursuant to section 245;

"(B) involve a principal residence the sales price of which does not exceed 80 per centum of the average new one-family house price in the area, as determined by the Secretary, or $60,000, whichever is greater;

"(C) involve a principal residence the sales price of which does not exceed the appraised value of the property, as determined by the Secretary; and

"(D) bear interest at not to exceed such rate and contain such other terms and conditions as the Secretary may prescribe.

"(3) The amount of the assistance payments shall not at any time exceed the lesser of—

"(A) the balance of the monthly payment for principal, interest, taxes, insurance, and any mortgage insurance premium due under the mortgage remaining unpaid after applying 20 per centum of the mortgagor's income; or

"(B) the difference between the amount of the monthly payment for principal, interest, and any mortgage insurance premium which would be required if the mortgage were a level payment mortgage bearing interest at a rate equal to the maximum interest rate which is applicable to mortgages insured under section 203 and the monthly payment for principal and interest which the mortgagor would be obligated to pay if the mortgage were a level payment mortgage bearing interest at the rate of 11 per centum per annum.

"The Secretary shall recertify the mortgagor's income at intervals of not more than two years for the purpose of adjusting the amount of assistance payments payable under this subsection.

"(5) Assistance payments to a mortgagee by the Secretary on behalf of a mortgagor shall be made only during such time as the mortgagor continues to occupy the property which secures the mortgage.

"(6) The Secretary shall provide, upon disposition of the property, for recapture of an amount equal to the lesser of (A) the amount of assistance actually received under this subsection, or (B) an amount equal to 50 per centum of the net appreciation of the property, as determined by the Secretary. For the purpose of this paragraph, the term 'net appreciation of the property' means any increase in the value of the property over the original purchase price, less the reasonable costs of sale and any increase in the loan balance as of the time of sale over the original loan balance. In providing for such recapture, the Secretary shall, to the extent necessary, provide incentives for the borrower to maintain the property in a marketable condition.

"(7) The Secretary shall establish income limits applicable to mortgagors to be assisted pursuant to this subsection. In setting such limits, the Secretary (A) may prescribe different limits for different areas, taking into account variations such as prevailing levels of construction costs, unusually high or low median family incomes, or other factors, and (B) shall, to the maximum extent feasible, consistent with the emergency purpose of this subsection, assure that the assistance payments pursuant to this subsection shall be used to promote homeownership opportunities for moderate income homebuyers.

"(8) The Secretary may not make assistance payments under this section with respect to any dwelling which does not meet all minimum property standards applicable under this Act.

The Secretary shall allocate funds under this subsection so that preference is given to areas where housing construction activity is most in need of stimulation, as measured by factors such as population, the relative decline in building permits, and such other factors as the Secretary may deem appropriate. Section 213 of the Housing and Community Development Act of 1974 shall not apply to this subsection. A mortgage which meets the requirements of this subsection may be eligible for assistance under this subsection irrespective of how many other mortgages covering dwellings in the same subdivision will be assisted under this section.

"(9) The aggregate amount of contracts entered into under this subsection shall be limited to the amount of contract authority available under subsection (h)(1) and shall not exceed $135,000,000 per annum.".

SEC. 4. Section 512 of the Depository Institutions Deregulation and Monetary Control Act of 1980 is amended by adding at the end thereof the following: "A loan shall be deemed to be made during the period described in the preceding sentence if such loan—

"(A) (i) is funded or made in whole or in part during such period, regardless of whether pursuant to a commitment or other agreement therefor made prior to April 1, 1980;

"(ii) was made prior to or on April 1, 1980, and which bears or provides for interest during such period on the outstanding amount thereof at a variable or fluctuating rate; or

"(iii) is a renewal, extension, or other modification during such period of any loan, if such renewal, extension, or other modification is made with the written consent of any person obligated to repay such loan; and

"(B) (i) is in an original principal amount of $25,000 or more; or

"(ii) is part of a series of advances if the aggregate of all sums advanced or agreed or contemplated to be advanced pursuant to a commitment or other agreement therefor is $25,000 or more.".

Mr. WILLIAMS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. GARN. I move to lay that motion on the table.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EMERGENCY HOME PURCHASE ASSISTANCE

Mr. ROBERT C. BYRD. Mr. President, currently, the prospects of homeownership have realistically dimmed for vast numbers of Americans. Families are being priced out of the market by a growing gap between housing costs and income gains at a time when many—products of the great postwar baby boom—would normally be considering buying a home.

Homebuilding is among the most vital segments of our economy and when it declines, shock waves ripple throughout the system.

Congress must work to insure that an adequate flow of credit remains available to the housing industry. The country continues to require new and affordable shelter and this need must be met. Congress must work against housing costs as a cause of inflation, but at the same time not let the housing industry bear the brunt of anti-inflationary policies.

The legislation passed today by the Senate should aid the troubled housing industry. I am particularly proud of the Williams amendment to restructure the existing FHA section 235 program and accelerate spending under the program.

The restructured program would provide below the market interest rates for as many as 100,000 homebuyers. It would only operate for a temporary period of time in keeping with its purpose of providing a strong, but temporary cushion for the current market downturn.

The revised section 235 program would require no budget authority and no new appropriations. It would have a relatively small budget impact with perhaps an increase of $75 million in outlays in fiscal year 1981. This is a low-cost way of assisting the housing sector in light of the magnitude of relief it would provide to homebuilders and home buyers alike.

It could be implemented quickly with a minimum of red tape. I am particularly proud of the amendment because it grew out of the efforts of a Democratic housing task force which examined low-cost ways to spur housing production. Senator WILLIAMS, chairman of the Housing Subcommittee of the Banking Committee, has been acting as the able chairman of that group. All members of the group joined Senator WILLIAMS in introducing the amendment. As a result of strong bipartisan cooperation, a workable 235 program was devised. To this effort, I owe special thanks to Senator GARN, ranking minority member of the Banking Committee. I am pleased that the Carter administration has endorsed the initiative.

Let me emphasize that the section 235 revision is not meant to substitute for the Brooke-Cranston program as our basic countercyclical housing tool. However, it does recognize that reality of fiscal restraint; that is, we cannot enjoy "business as usual" if we are going to keep our word with respect to balancing the budget in fiscal year 1981.

The reality of our current situation is that the root cause of today's homebuilding crisis is inflation. Unbridled inflation has resulted in a "tight money" policy of high interest rates by the Fed. The homebuilders are hurting; the farmers and small businessmen and other groups especially dependent upon the availability of credit are all hurting.

The restructured 235 program does not affect the need for an emergency standby program should housing production more seriously decline. Should the downturn deepen, we should still have a workable Brooke-Cranston program in place that responds to today's economic conditions. The legislation passed by the Senate today would significantly strengthen the Brooke-Cranston program. Should the program be activated, the amendment offered by Senators PROXMIRE and GARN would significantly strengthen congressional control over the costs of the program.

I wish to conclude my remarks with special thanks to Senator WILLIAMS for his management of the bill on the floor today and yesterday. I wish to thank all members of the Democratic Housing task force for their endeavors in exploring proposals to assist the housing sector that are consistent with the goal of a balanced budget in fiscal year 1981. I also extend special recognition to Senator PROXMIRE, chairman of the Banking Committee, and to Senator GARN, the ranking member. Their efforts contributed a great deal to the sound, cost-effective legislation passed by the Senate today.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a period for the transaction of routine morning business for not to exceed 15 minutes, with Senators being able to speak therein for 5 minutes each.

ORDER TO PROCEED TO THE CONSIDERATION OF H.R. 6464

After consultation with the distinguished minority leader, I ask unanimous consent that once morning business is closed, the Senate proceed to the consideration of H.R. 6464 under which an order has been entered.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask that morning business be closed.

The PRESIDING OFFICER (Mr. BAUCUS). Since there is no further morning business, morning business is closed.

MICHIGAN ARMY MISSILE PLANT

The PRESIDING OFFICER. Under the previous order, the Senate will now proceed to the consideration of H.R. 6464, which the clerk will report.

The legislative clerk read as follows:

A bill (H.R. 6464) to authorize the Secretary of the Army to convey to the Michigan Job Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Mich., in return for two new office buildings at the Detroit Arsenal, Warren, Mich.

The Senate proceeded to consider the bill.

The PRESIDING OFFICER. Who yields time?

Mr. LEVIN. Mr. President, I yield as much time to the Senator from Mississippi (Mr. STENNIS) as he may need.

Mr. STENNIS. Mr. President, may we have quiet?

The PRESIDING OFFICER. The Senator is correct. The Senate is not in order. The Senate will not proceed until the Senate is in order.

Mr. STENNIS. Mr. President, the main point I wish to make now is that this is a very important bill. Its impact on the national defense has been reviewed. All aspects have been carefully gone over.

There are some points that are brought up in amendments that are not directly relevant, but they, too, are important and have been gone over a great deal by the committee.

I hope that we can have good attention. The time is controlled. We can move along. Thre is no reason—I see no reason why we cannot finish this bill this afternoon. It is highly important and I strongly support the bill.

Mr. LEVIN addressed the Chair.

The PRESIDING OFFICER. The Senator from Michigan.

Mr. LEVIN. Mr. President, H.R. 6464 is rather unusual legislation, because every American benefits from it. There are no losers. There are no costs to the taxpayer or the Treasury. There are only savings to the Treasury, added efficiency and savings for the Army, and tens of thousands of jobs created in private industry across the land.

Mr. President, H.R. 6464 is identical to S. 2235, which I, along with Senator RIEGLE, introduced in the Senate and which has already been unanimously and favorably reported out by the Committee on Armed Services.

The House of Representatives, just before the Easter recess, overwhelmingly approved this bill by a vote of 341 to 45. Expeditious passage by the Senate will clear the way for signature by the President in the near future, which would allow the entire Nation to begin reaping the benefits of this legislation.

These benefits include 4,000 new jobs in my own State of Michigan, where unemployment is at shockingly high levels, as well as between 15,000 and 20,000 new jobs in over 30 States of this Nation.

These benefits also include $6 million a year in savings to the U.S. taxpayers, and the Army obtaining long sought after office space for 2,300 employees.

This bill will even save energy, because the $6 million in savings to the Army are, to a substantial degree, savings in not having to heat a vacant plant of about 2 million square feet in size.

There also will be a savings in gasoline, because the unified command in the Army will save literally thousands of automobile trips between two separate facilities that the Army now must maintain.

With inflation approaching 20 percent annually, and the national jobless rate expected to increase, passage of this bill will allow Congress to bolster our sagging economy and rally public confidence behind it. Such an opportunity to make real progress against our economic troubles must not be lost.

H.R. 6464 which, again, is identical to S. 2235, would authorize the Secretary of the Army to exchange with the State of Michigan the Michigan Army Missile Plant, known as MAMP. It is located in Sterling Heights. This exchange would be made for two new buildings which the State of Michigan would construct to house some 2,300 office workers at the Army Missile Tank Automotive Materiel Readiness Command, TARCOM, in Warren, Mich.

Some parts of this plant, called MAMP, are currently being used for TARCOM and other Army functions. TARCOM currently uses inadequate factory space at the missile plant to house the 2,300 workers that I mentioned. MAMP is also currently being used for the completion of production of the Lance surface-to-surface missiles. That production will end in October of this year, as planned and approved 2 years ago by Congress.

But most of MAMP has been vacant and idle since 1963 and, I might add, we have been paying a fair sum to heat and light this vacant space for all these years.

The Army considers the plant unnecessary to meet any current or mobilization defense production base requirement after production terminates this October.

MAMP is not needed for any present or future Defense Department requirement. This was established by two exhaustive screenings of all the services, one conducted by the Army last December and one done at DOD's request just last month.

The Committee on Armed Services, especially in light of the Soviet invasion of Afghanistan and of our expanded military commitment in the Persian Gulf, made a special point of exploring whether MAMP would be needed for current or future defense production and mobilization purposes.

After receiving strong testimony to the contrary by the Chief of Staff of the Army, Gen. Edward C. Meyer, and after its own examination of our defense production and mobilization base, the committee concluded that MAMP was not needed to produce any additional Lance missiles for ourselves or our NATO allies, nor would it be required to produce any other defense equipment or supplies.

To demonstrate that the evidence against any present or future defense requirement for MAMP is overwhelming, I asked a number of questions of the Army Chief of Staff, General Meyer:

Senator LEVIN. If the Army disposes of the missile plant, what will be the impact on its current production base and on the mobilization production base?

General MEYER. No impact.

Senator LEVIN. If a future, unseen need arises for LANCE production, would the Michigan Missile Plant be either required or desired? Why, or why not?

General MEYER. No Lance production capability is required. Any repair parts necessary for follow-on support will either be manufactured at the Vought Plant in Dallas, Tex. or procured by direct buys from vendors.

Senator LEVIN. In the event of an emergency or of a mobilization, would the plant be required or desired to produce any missile other than Lance?

General MEYER. No, not to our knowledge. Lance has no mobilization requirement. The replacement missile is in development at this time.

Senator LEVIN. If the transaction is executed, will the Army find it necessary to replace the plant production capability (current and mobilization)? Why, or why not?

General MEYER. No. The authorized Army objective will have been met. This is a mission oriented item and no future production capability will be required.

Senator LEVIN. Is there a potential requirement for Lance missile production to satisfy foreign military sales requests that would require continuation of the Lance line?

General MEYER. No.

Senator LEVIN. As a result of the Army's request to the military departments and Defense Agencies, do any approved, current or mobilization requirements exist for the missile plant within the Army and the Department of Defense and Coast Guard?

General MEYER. The Department of the Army has determined that there are no approved current or mobilization requirements for the Missile Plant within the Department of Defense and Coast Guard.

Senator LEVIN. Has the Army asked all military departments and Defense Agencies whether the missile plant is necessary to meet any of their approved, current or mobilization requirements? How, and when did the Army make these requests? How many commands, defense organizations, etc., were queried?

General MEYER. On 12 December 1979, the District Engineer, US Army Engineer District, Omaha, Nebraska, sent teletype screening messages to 49 different agencies, offices and commands of the military services and the Coast Guard to determine whether any military requirements exist for the Missile Plant. Among those contacted were the Office of the Secretary of Defense; all Defense Department agencies; the Office of the Secretary of the Army; three major commands immediately subordinate to Department of the Army; Headquarters, Department of the Air Force; Chief of Naval Operations; the Commandant of the Marine Corps; and the Commandant, United States Coast Guard.

Mr. President, we also received a letter from the Secretary of the Army which puts the case for this transfer as succinctly as can be put, and I would like to read it at this point. The letter is dated March 31, 1980, and read as follows:

DEAR SENATOR LEVIN: This responds to your request for my position on S. 2235, your bill authorizing the Army to convey the Michigan Army Missile Plant (MAMP) to the Michigan Job Development Authority in exchange for two new office buildings which the Authority is to provide at Detroit Arsenal and certain monies. As you are aware, the Department of Defense has been requested to provide a report on S. 2235 and has determined that it has no requirements that will be adversely affected by passage of the bill. From the Army's standpoint, the exchange would be beneficial in that operational efficiencies and energy savings approximating $6,000,000 annually could result to the Army with no degradation to our current production and mobilization base requirements.

Exchange of MAMP for the new office buildings would permit some 2300 military and civilian personnel of the Tank Automotive Materiel Readiness Command (TARCOM) to consolidate from inadequate, under-utilized facilities at MAMP to adequate facilities to be constructed at TARCOM Headquarters at Detroit Arsenal. The consolidation would improve the Command's capability to perform its mission by eliminating difficult staff coordination problems that currently exist due to the split location of TARCOM Headquarters.

Conveyance of MAMP as contemplated under S. 2235 would cause no adverse impact on current and mobilization defense production requirements. The authorized Army objective for the LANCE missile will be met when production by Vought Corporation at MAMP terminates in October 1980. Further, there is no potential requirement for LANCE production to satisfy foreign military sales requests that would require continuation of the LANCE line beyond October 1980. Any future repair parts required for LANCE support will either be manufactured at the Vought plant in Dallas, Texas, or procured directly from vendors.

The army has recently examined MAMP for producing either the Multiple Launch Rocket System or the Assault Breaker System (Corp. Support Weapons System). In both cases, the use of MAMP would not be economical or practical.

In addition, MAMP would not be required or desired for use in production of any missiles in the event of an emergency or mobilization requirement. Even with the assumption that the Army would change its position and procure additional LANCE missiles at some time in the future, the retention of MAMP for such a contingency is not a viable alternative. The costs to retain the 2.1 million square foot MAMP facility for a future production capability that currently requires 400,000 square feet would be an extremely wasteful use of scarce defense dollars. There is adequate government and privately owned facility space committed to mobilization production to meet such a requirement. It would be more economical to restart production in a more cost effective facility of the appropriate size using production equipment largely available within private industry and from storage.

For these reasons, the transfer of MAMP to the Authority would not adversely affect current and mobilization defense production requirements.

For your information, I have attached a copy of the DOD report on the bill.

That is signed by the Secretary of the Army.

Mr. President, I ask unanimous consent to have printed in the RECORD at this point a staff memorandum of the Senate Armed Services Committee.

There being no objection, the memorandum was ordered to be printed in the RECORD, as follows:

LANCE MISSILE REQUIREMENTS AND DEFENSE PRODUCTION BASE ISSUES

ISSUE

Do the U.S. and other nations have enough LANCE missiles to meet wartime requirements and peacetime training and reliability testing requirements?

Does the U.S. need to retain the Michigan Army Missile Plant (MAMP) for any other defense production or mobilization requirement—now or in the future?

What if the Army, DOD or Congress decides that more LANCE missiles are needed than are currently considered enough to meet wartime requirements?

RESPONSES

General Edward C. Meyer, Army Chief of Staff, has informed the Committee that if the Army disposes of MAMP under S. 2235, there will be no negative impact on the nation's current and future defense production and mobilization base.

Th U.S. Army's Authorized Inventory Objective and requirements of our NATO Allies for both nuclear and non-nuclear LANCE missiles will be met on completion of MAMP production in October, 1980. Congress decided two years ago (1978) to end LANCE in October. Spare parts can be obtained from Vought, Dallas, Tex. or from vendors.

The Army bases its requirement for numbers of LANCE on studies and simulations based on expected targets, cost/effectiveness analysis of various stockpile mixes, theater (user) input and budget-force structure constraints. The Army is vigorously pursuing possible follow-on systems which are being programed to be available in 1990 time frame.

No other foreign customers for LANCE missiles reported requirements for more LANCE procurement when informed in 1978 that LANCE production would terminate October, 1980.

Two separate screenings of all military services, one by Army last December and one at OSD direction this month, determined that no current or mobilization defense production requirements exist for MAMP.

Army's current in-house industrial base consists of 32 government-owned, contractor-operated (GOCO) and 9 government-owned, government-operated (GOGO) facilities with total, current replacement value of about $19.5 billion. There also is about $700 million in government-owned equipment in hands of private contractors. These are maintained in 156 of what are known as "Plant Equipment Packages (PEP)," which represent a specific mobilization production capability.

Of total industrial base, about $10 billion worth is currently in inactive reserve status, laid away for mobilization.

Since current DoD policy is to encourage investment by private contractors and to place as much work as possible with private enterprises, the Army normally maintains plants only for those commodities, such as ammunition and tank production, where a commercial counterpart does not exist. MAMP is not suited for munitions production because it is too near populated areas; nor can it produce tanks, since the foundation is not sturdy enough and the overhead clearance is not high enough to assemble tanks.

Army's current production base problems, such as increasingly long lead times for castings and forgings, will not be solved by retaining MAMP. These problems are caused by scarcity of raw materials, machinery and skilled workers, not lack of available space. MAMP itself is not a unique facility; only the LANCE-specific equipment there is unique. Missiles such as LANCE can be made at almost any general production facility or factory space.

Should Army, DoD or Congress decide to increase LANCE requirements above current levels, Vought, Dallas has stated that it is more cost-effective to resume production at its Texas facility than to maintain MAMP for such purposes. Vought states it already has required manufacturing space and mix of skills in its work force to resume production.

Mr. LEVIN. Mr. President, even if the Army or the DOD is wrong about whether we ever would need more Lance missiles, both the Army and the present manufacturer, Vought Corp. of Dallas, Tex., has said it would be more cost effective to resume production elsewhere in a smaller facility. I have already read that portion of the Army's letter.

At this time, Mr. President, I would like to read one paragraph from a letter from the Vought Corp., dated March 25, 1980, relative to this point. In summary, the Vought Corp. wrote:

In summary, even if Congress decided today to restart Lance production after October, 1980, restart at the Michigan Army Missile Plant would be impossible without excessive cost to the Government. It would be far more cost effective to restart Lance production, if necessary, at Vought's Texas facilities.

In reporting the administration's position on H.R. 6464 or S. 2235, the Department of Defense stated clearly that, given replacement office buildings to house the 2,300 Army administrative workers, "it has no requirements that will be adversely affected by passage of the bill."

The Secretary of the Army's letter also shows that the Army strongly supports the passage of H.R. 6464 and S. 2235 and would vigorously pursue its implementation.

In part, this is because the Army has been trying unsuccessfully for the past several years through its own military construction processes to obtain the two new office buildings which now would be provided by the State of Michigan under H.R. 6464.

Now, in addition to obtaining the new buildings, the Army also can save about $6,000,000 annually in operations and maintenance and travel expenses because these new structures will be more efficient in terms of location and energy use.

Mr. President, at this time I ask unanimous consent that three additional questions of General Meyer and the answers be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Senator Levin. What is the Army's position on S. 2235?

General Meyer. S. 2235 would be beneficial in that it would adequately provide for existing Army requirements for facilities now available at the Michigan Army Missile Plant and at the same time result in operational economics and efficiencies and in energy savings. If S. 2235 is enacted, its implementation would be vigorously pursued by the Army.

Senator Levin. What is the cost of S. 2235 to the Federal government?

General Meyer. No cost to the government. Under S. 2235 the State would provide for alternative facilities, costs of relocation, and incidental Federal costs.

Senator Levin. What is the estimate of savings or cost avoidance to the United States Government if S. 2235 is enacted? Provide specific savings, if any, in operations and maintenance costs, reduced travel time, reduced reimbursemets to personnel for local travel expenses and avoided necessary maintenance/refurbishments to the missile plant.

General Meyer. The estimate of savings to the US Government if S. 2235 is enacted is $5,000,000 in operation and maintenance each year. The travel time saved was computed at $800,000 in a 1976 study. Reimbursement for local travel was $37,495 but most employees did not bother to submit a voucher.

Mr. LEVIN. This legislation guarantees the actual exchange of properties and will cost the Government nothing.

Michigan would be required to finance construction of the two new buildings and pay the Army's relocation costs and any other costs incidental to the exchange of the properties. Any difference between the value of the two new structures and of the missile plant, should the latter be greater than the former, also must be paid by the State.

In fact, appraisals by two independent contract appraisers of MAMP and an appraisal estimates by the Army of the value of the two new buildings indicate that the U.S. Government actually is likely to profit by between $3–11 million on the one-time exchange itself. That is on top of the annual $6 billion.

Let me now explain why special legislation such as this is needed.

The basic purpose of our legislation is to create an exception to the Federal Property and Administrative Services Act of 1949, the general authority for disposal of Federal holdings, to take advantage of a unique opportunity to benefit the national and Michigan economies.

Obtaining MAMP would allow Michigan to transfer ownership to Volkswagen of America (VWoA), which proposes to convert the facility into its second U.S.-based car manufacturing plant, thus doubling its domestic production capacity. VWoA will invest about $300 million to convert the facility and then create the 4,000 direct assembly line jobs in Michigan and another 16,000 to 20,000 jobs nationwide through expanded purchases from its suppliers. In fact, VWoA expects the $400 million it now spends in North America each year to buy materials from suppliers to about double. Over 30 States would directly benefit from that.

Equally as important, the opening of a second U.S. production facility by a foreign automobile maker will be a major step forward in our Government's efforts to convince other foreign auto makers—notably the Japanese firms—that our country is a favorable environment in which they too should locate production facilities.

It runs counter to the present adverse trends in our economy's pivotal auto industry, which has experienced declining profitability and rising unemployment (200,000 plus auto workers are jobless) in the face of expanded overseas production and competition.

For the United States to realize the substantial benefits represented by VWoA's second production plant, timing is a critical factor, and timing is the reason for seeking a special legislative exception to the Federal Property and Administrative Services Act of 1949.

Disposal of MAMP through normal Federal GSA procedures could take as long as 3 to 4 years.

VWoA cannot afford to wait this long. The president of the corporation has stated that any substantial delay or failure of the authorizing legislation could force it to abandon its hopes to expand in the U.S. market. VW said there is no other existing facility on the market that meets its needs. If it must start from scratch it may well do so in another country, or scrap its VW expansion plans altogether.

In other words, failure of this bill would mean an unconscionable setback for American efforts to combat the competition from foreign-built automobiles, which would be able to further expand their market share to the detriment of U.S.-based manufacturers, the national economy and the national unemployment situation.

Of course, the central Federal property disposal authority under the Federal Property and Administrative Services Act of 1949, the General Services Administration routinely objects to any exceptions made to this act, and this bill is no exception.

But in light of the unique circumstances surrounding this legislation and the opportunity it presents to us and the Nation, especially considering our present economic circumstances, I think the Senate would be most responsible to reject this routine policy objection and pass H.R. 6464.

It is also important to remember we are breaking no new legislative ground with this special exception. Numerous precedents exist in separate statutes and annual military construction authorization acts for property disposals, transfers, and exchanges which bypass the routine GSA procedure.

Just last year, the Military Construction Authorization Act for fiscal 1980 included Federal property transfers in Seattle where the Air National Guard exchanged land and buildings at Boeing Field with King County for replacement facilities, and in South Carolina, where the Air Force exchanged land and a hazardous cargo handling area at Charleston Air Force Base with the Charleston County Aviation Authority for a replacement facility.

As a reading of the historical record will show, the exchange proposed in H.R. 6464 is not even the largest such transfer, in terms of dollar value and physical dimensions, authorized by the Congress. In response to my query, the Navy informed me that the Congress, in the Military Construction Acts of fiscal 1971 and 1972 authorized the Navy to exchange federally-owned land worth approximately $40,379,000 for some 6,200 acres of private land in California.

I ask that the Navy's response to me, in a letter dated April 17, 1980, be included in the Record at this point, and a response by General Meyer to my question, with his submission.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of the Navy,
Alexandria, Va., April 17, 1980.

Hon. Carl Levin,
U.S. Senate,
Washington, D.C.

Dear Senator Levin: This is in response to your inquiry of April 16th concerning real estate exchanges authorized by the Congress within the past 20 years. You specifically asked us to identify the largest transactions authorized the Navy in terms of both dollars and physical dimensions.

The Military Construction Authorization Act, 1971 (Public Law 9–511, approved October 26, 1970) and the Military Construction Authorization Act, 1972 (Public Law 92–545, approved October 25, 1972) authorized this Department to acquire approximately 6200 acres of privately-owned land by exchange of Federally-owned land of equal value. The authorization was for $40,379,000. This acquisition was to prevent encroachment around two adjacent Marine Corps Air Stations in Orange County, California. This is the largest exchange for which we have had Congressional authorization within the past two decades.

Other significantly like authorizations by the Congress include the Naval Ammunition Depot, Oahu, Hawaii, exchange—$10,089,000 in Government property for approximately 1000 acres of private land authorized in the Military Construction Authorization Act, 1972 (Public Law 92–545, approved October 25, 1972)—and the more recently enacted Marine Corps Air Station (Helicopter), Tustin, California exchange—$14.000.000 in Government property for approximately 71 acres of private land authorized in the Military Construction Authorization Act, 1980 (Public Law 96–125, approved November 26, 1979).

Sincerely,

F. S. Sterns,
Deputy Assistant Commander
for Real Estate.

Response

Senator Levin. Has the Army or the Defense Department entered into comparable real estate transactions in the past as a result of special legislation? What precedents exist in law and in practice for such transactions? Please provide a specific listing.

General MEYER. Yes, the Army and the Department of Defense have entered into comparable real estate transactions in the past as a result of special legislation. A compilation of precedents is provided for the record.

LIST OF PRECEDENTS INVOLVING EXCHANGES

Land for replacement facilities

1. Public Law 534, approved July 27, 1954 (68 Stat. 538 at 612), section 104.

2. Public Law 91-511, approved October 26, 1970 (84 Stat. 1204 at 1425 and 1426), section 614.

3. Public Law 91-564, approved December 19, 1970 (84 Stat. 1479).

4. Public Law 94-107, approved October 7, 1975 (89 Stat. 546 at 567), section 610 (a), (b), (c) and (d).

5. Public Law 95-356, approved September 8, 1978 (92 Stat. 565 at 589), section 811 (a) and (b)

Land for land

6. Public Law 92-145, approved October 27, 1971 (85 Stat. 394 at 412, 413, and 414), Section 708 (a), (b), (c), (d), (e), (f), (g) and (h).

7. Public Law 93-166, approved November 29, 1973 (87 Stat. 661 at 745 and 746), section 611 (a), (b), (c), (d) and (e).

Mr. LEVIN. Before leaving the issue of precedents and the question of whether what H.R. 6464 proposes to authorize is any extreme departure from past practices, when unique circumstances are involved, I would like to add just one more piece of information provided to me by the Defense Department.

In an April 14, 1980, letter to me, the Undersecretary of Defense, W. Graham Claytor, informed me that DOD even has a policy in such unique circumstances. He wrote:

> As you may know, state or local officials or private interests occasionally suggest that the Department of Defense (DoD), divest itself of real property considered to be of greater value to the local economy than to the military. The policy of the Department is that proposals for relocation of Defense activities and divestment of facilities needed for current or mobilization purposes would not be opposed, provided that replacement facilities satisfactory to the Department are offered in return, at no cost to the DoD. Enactment of special legislation is required to enter such transactions.

I would underscore Secretary Claytor's statement, especially his words that DOD would not oppose even a disposal of property it needs for current or mobilization purposes, provided satisfactory replacement facilities are offered in return at no cost to the Department.

H.R. 6464 clearly should fall within this policy, since not only are satisfactory replacement facilities being provided to the Army at no cost, but the missile plant is not even required for current or mobilization purposes. In addition, H.R. 6464 would seem to meet the other requirement, Secretary Claytor articulated, that the real property to be disposed of, MAMP in this case, would be considered to be of greater value to the local economy than to the military.

Thus I believe that I can safely say that by passing H.R. 6464, the Senate would not be making deviation from sound legislative practice. Instead, it would be following a well-established Department of Defense policy for property exchanges in special circumstances.

I ask unanimous consent that Mr. Claytor's letter to me be printed in the RECORD at this point.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

THE DEPUTY SECRETARY OF DEFENSE,
Washington, D.C.

Hon. CARL LEVIN,
U.S. Senate,
Washington, D.C.

DEAR SENATOR LEVIN: This is in response to your recent inquiry concerning H.R. 6464 and S. 2235 of the 96th Congress which would authorize the Secretary of the Army to convey the Michigan Army Missile Plant (MAMP), Sterling Heights, Michigan to the Michigan Job Development Authority in return for two new office buildings and site improvements at the Detroit Arsenal, Warren, Michigan.

As you may know, state or local officials or private interests occasionally suggest that the Department of Defense (DOD), divest itself of real property considered to be of greater value to the local economy than to the military. The policy of the Department is that proposals for relocation of Defense activities and divestment of facilities needed for current or mobilization purposes would not be opposed, provided that replacement facilities satisfactory to the Department are offered in return, at no cost to the DOD. Enactment of special legislation is required to enter such transactions.

As for your concern that exchanging MAMP with the State would undercut mobilization capacity, the Department of Defense has determined that it has no mobilization need for MAMP. The Lance Missile now produced there is not a planned mobilization item.

The Army earlier had advised the other Military Departments and Defense Agencies of the possibility that the plant was being considered for transfer to the State of Michigan under the exchange proposal, as part of its screening action. No requirements for the plant were identified as a result of that screening.

While there are no mobilization requirements identified for MAMP, we recently asked the Army to again consider the use of this plant to meet its other production requirements and to again screen the possible need for the plant's production capability with the other Services. No further requirements for the plant were identified as a result of this effort.

Having discussed the mobilization requirement and the lack of other future uses for the MAMP, we must also advise that the plant serves a second important function—that of housing some 2,300 administrative personnel assigned to the U.S. Army Tank-Automotive Materiel Readiness Command (TARCOM). These administrative functions are partially accommodated in converted factory space which is considered marginal for this particular purpose. This requirement will extend into the foreseeable future. While it was determined several years ago that the administrative functions could be more efficiently consolidated with other TARCOM activities in the Detroit Arsenal or in a single leased facility, other Army construction priorities and inability of the General Services Administration to lease a facility in the Arsenal vicinity militated against either solution.

The special legislation, if enacted, would be a departure from the normal procedure that covers the excessing of any Defense real property. General Services Administration screening with other Federal Agencies would thereby be obviated. However, as indicated above, such special legislation is not unusual, especially when it benefits both parties.

I trust that you will find this information responsive to your inquiry. A similar letter has been provided to Senator John Glenn in response to his inquiry on this subject.

Sincerely,

W. GRAHAM CLAYTOR, Jr.

Mr. LEVIN. H.R. 6464 and S. 2235 were amended in committee to deal with a number of other GSA's concerns. Also, both House and Senate committee reports support the GSA position that there be an independent contract appraisal of MIMP, and that Michigan not be allowed to profit by transferring MIMP to another client in the unlikely event its arrangement with VWoA fails.

Mr. President, I ask unanimous consent that there be printed in the RECORD at this point other precedents as researched by the staff of the Senate Armed Services Committee and my staff, and also a letter dated February 19, 1980, from the Lambrecht Realty Co. to the Department of the Army regarding their appraisal.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

OTHER PRECEDENTS AS RESEARCHED BY SENATE ARMED SERVICES COMMITTEE AND LEVIN STAFF

Examples of previously authorized exchanges:

1. Public Law 96-125, FY-80 Military Construction Authorization Act:

a. Charleston Air Force Base, South Carolina; the Air Force exchanged land and a hazardous cargo handling area with the Charleston County Aviation Authority for a replacement facility. (Section 811)

b. Seattle, Washington; the Air Guard exchanged land and facilities at Boeing Field, Seattle, with King County, Washington, for replacement facilities. (Section 812)

(1) Public Law 83-534, Sec. 104 of the MILCON Authorization, enacted July 27, 1954. The Secretary of the Army was authorized to exchange with Gleason Works, a New York corporation, property known as the Rochester Ground Forces Equipment Depot No. 1 for land and buildings the company would construct in Rochester, N.Y. for use as a new Army depot facility.

(2) Public Law 91-511, Sec. 614 of the MILCON Authorization, enacted October 26, 1970. The Secretary of the Army was authorized to convey to Anheiser Bush Co. 191 acres of land known as Camp Wallace in York County/James City County, Virginia in consideration for 191 acres of land in Newport News, Va. to become part of Fort Eustis.

(3) Public Law 91-564, a separate statute enacted December 19, 1970. The Secretary of the Army was authorized to exchange Fort Ruger, Hawaii to the State of Hawaii for lands in replacement.

(4) Public Law 92-145, Sec. 708 of the MILCON Authorization, enacted October 27, 1971. The Secretary of the Army was authorized to exchange 20 acres at Fort Bliss, Texas to the State of Texas for 18.3 acres to be used for a National Guard Training Area.

(5) Public Law 93-166, Sec. 611(a) of the MILCON Authorization for FY 1974. The Secretary of the Army was authorized to convey to the San Antonio Country Club 2.4 acres in exchange for 6.5 acres to be incorporated into Fort Sam Houston.

(6) Public Law 94-107, Sec. 610 of the MILCON Authorization, enacted October 7, 1975. The Secretary of the Army was authorized to convey about five (5) acres to the University of Georgia Regents upon payment of a sum to be used to build an Army Reserve Training Center.

(7) Public Law 94–431, Sec. 608 of the MILCON Authorization authorized the Secretary of the Navy to convey, without consideration, about 14 acres at the Naval Air Station, Lakehurst, New Jersey, to the nonprofit Airship Association to be used for construction of an airship museum.

(8) Section 609 of the same act authorized the Secretary of Defense, "notwithstanding any other provision of law," to convey to the city of South Charleston, West Virginia, 4.5 acres with improvements at the former South Charleston Naval Ordnance Plant in exchange for eight (8) acres of city-owned land to be administered by the Army.

(9) Public Law 95–82, Section 615–618 of the MILCON Authorization, enacted August 1, 1977, contain the following four land conveyance precedents:

Sec. 615: Secretary of Navy authorized to convey to City of Los Angeles 35 acres and improvements in L.A. in exchange for about 35 city-owned acres adjacent to the Naval Support Activity, Long Beach, Cal., "such land to be improved in a manner acceptable to the Secretary";

(10) Sec. 616: Secretary of Navy authorized to convey land at Naval Regional Medical Center, San Digeo, to City of San Diego, in exchange for a long-term lease on an identical number of acres for hospital and related uses;

(11) Sec. 617: Secretary of Army is authorized to convey to Manchester (N.H.) Airport Authority 8.3 acres and improvements adjacent to the airport, in exchange for land of equivalent value;

(12) Sec. 618: Secretary of Air Force is authorized to acquire by exchange with City of Colorado Springs, Colorado, 167 acres of city land next to Peterson Air Force Base, in exchange for land and improvements of equal value of Ent Air Force Base in the city;

(13) Public Law 95–356, Sections 807–812 of the MILCON Authorization, enacted September 8, 1978, contain the following six land conveyance precedents:

Sec. 807: Secretary of the Navy is authorized to Plough, Inc. of Memphis, Tennessee, land and improvements comprising the Marine Corps Reserve Center, Memphis, for the following consideration—funds to buy land and build a replacement reserve center, or land with improvements in the Memphis area acceptable as a replacement, *and* relocation costs for the center from the old facility to the new facility. Any difference in the value between the old and new facility (if the latter is less) will be paid by Plough to the Treasury.

(14) Sec. 808: Secretary of the Air Force is authorized to convey 48.6 acres on Eglin Air Forse Base, Florida, to the City of Niceville, Fla. for a non-profit cemetery. In exchange, the city would convey to the U.S. land of equal value, pay the U.S. the value of the land or conveys land and pay any difference in the fair market value if the proffered land is less than the Air Force land;

(15) Sec. 809: Secretary of the Air Force is authorized to convey two parcels totaling 79 acres on Eglin Air Force Base to the Air Force Enlisted Men's Widows and Dependents Home Foundation Inc. to be used as the latter's permanent location. In exchange, the Foundation would give land of equal value, pay the fair market price or give land and pay any difference in values if its land is worth less;

(16) Sec. 810: Secretary of Army is authorized to convey to Central-Wyandotte Development Corp. of Kansas City, Missouri various lots in Kansas City in exchange for other various lots of equal value in the city. Any differences in the values of the lots if the corporation's lot are worth less, would be paid by the corporation and deposited in the Treasury;

(17) Sec. 811: Secretary of Army is authorized to convey to Utah State University, Logan, Utah, improvements located on land leased from the university on its campus. In consideration for this conveyance, the University would make improvements for use as an Army Reserve Center on other university-owned land and lease the land to the Army for 99 years at low rent. The improvements done by the university were to equal the value of the existing reserve center, with the university contributing not less than $210,000 of th cost and the U.S. giving not more than $501,756; and

(18) Sec. 812: "Notwithstanding any other provision of law," the Secretary of the Navy is authorized to convey about 44 acres known as the Navy Drum Storage Area and its improvements to the State of Hawaii, in consideration for which, the state would pay to the U.S. an amount which is the greater of either the total cost of a replacement facility or fair market value of the property. The money would be available to the Navy to build new storage facilities.

LAMBRECHT REALTY CO.,
Detroit, Mich., February 19, 1980.

DEPARTMENT OF THE ARMY,
Omaha District Corps of Engineers,
Omaha, Nebr.

GENTLEMEN: Pursuant to your request we have inspected and appraised the property known as: Michigan Army Missile Plant, 38111 Van Dyke Avenue, Sterling Heights, Michigan. The subject property consists of a major manufacturing facility with 2,082,273 square feet of principal building area on a 289.75 acre site zoned for heavy industrial uses.

The highest and best use of the property is considered to be heavy manufacturing, as presently developed.

It is our opinion that the market value of the fee simple interest, subject to easements of record, as of January 15, 1980, was: $15,700,000.00.

No value has been imputed to the two hydraulic presses. (See the Ford, Bacon, & Davis report, which is part of the addendum.)

Much of the data upon which this report is based is included on subsequent pages of this report, any part of which we will be pleased to discuss with you upon request.

Respectfully submitted.

JACKSON-CROSS CO.

Mr. LEVIN. Mr. President, I yield to my friend from Texas.

Mr. TOWER. Mr. President, I yield myself such time as I may require on the bill.

I support the passage of H.R. 6464 in its present form. I agree with all that has already been said and will not indulge in a repetition of the very closely reasoned arguments presented in behalf of this bill. It will accommodate the location of the Volkswagen plant in this country.

When you consider the fact that although our domestically produced cars are declining in sales, and foreign car sales continue to increase in this country, it occurs to me if we can encourage the foreign producers of automobiles to produce them in this country we will have lost much less in terms of jobs and balance of trade than might otherwise be the case.

I think we should take this step to encourage the location of a Volkswagen plant in this country, for the various economic reasons that have already been recited. If I had any concern that the passage of this bill would impact adversely on our defense production capability in this country, I would srongly oppose it. Quite to the contrary, I think that it will enable us to dispose of a space that is pitifully underutilized, at great cost, to achieve some savings in defense at no cost in terms of our defense industrial base and our ability to meet any further demand for the Lance missile that might present itself.

Therefore, I hope that the Senate will adopt this bill as it is. I see no need for any amendment to it. I believe that we have considered everything that we should consider in terms of presenting this bill to the Senate. Therefore, I urge the Senate to adopt the bill without amendment.

Mr. RIEGLE. Will the Senator yield?

Mr. LEVIN. I am happy to yield 5 minutes to my colleague from Michigan.

Mr. RIEGLE. I thank my colleague for yielding.

Mr. President, I rise in support of H.R. 6464. Let me say at the outset that I commend my colleague (Mr. LEVIN) for his excellent leadership on this issue. He has worked diligently with our colleague in the House, Representative NEDZI, to accommodate the needs of Volkswagen of America, the requirements of the Department of the Army, and the interests of the State of Michigan, and our country.

As has been explained, H.R. 6464 authorizes the Secretary of the Army to transfer to the State of Michigan the Michigan Army Missile Plant in exchange for two logistics buildings the State would construct for the Army to its specifications at the Detroit Arsenal.

It is not often that Congress has the chance, by passing one bill, to accomplish four major objectives, as it does in this case. First, it will save the Government $5 to $6 billion each year in energy, maintenance, and transportation costs.

Second, it will provide two much-needed buildings to the Department of the Army at no cost to the Federal Government and facilitate, the long-desired consolidation of the Tank Automotive Readiness Command.

Third, it will create between 20,000 and 24,000 new automotive jobs, spread across 33 States in our country, that could otherwise be lost to foreign sources.

Fourth, while accomplishing these three goals just mentioned, this bill will also realize a profit for the Federal Government, estimated to fall somewhere between $3 and $11 million.

This opportunity could not have come at a more important time. Japanese auto imports this year are expected to reach 2,000,000 vehicles accounting for a net deficit in our balance-of-payments account in motor vehicles alone of some $10 billion. With the announcement just last week of additional auto plant closings and indefinite layoffs by Ford and GM of over 27,000, the total unemployment in the automobile industry is aproaching a quarter of a million workers. We desperately need national economic policies and decisions that will protect American jobs and add to our national economic strength.

Providing VW of America with an already existing facility will allow occupancy within 12 months. Actual automotive production in this plant will occur much sooner than would be possible if VW of America were forced to construct an alternative facility. Moreover, the company has indicated that failure of this package could force it to abandon U.S. expansion altogether and to consider plantsite alternatives in Canada and Mexico.

Such a move would be self-defeating for this country. On purely economic grounds, we stand to gain more than 20,000 to 24,000 direct and indirect new jobs with this transition, along with an increased tax base, and a doubling of VWOA purchases from thousands of U.S. suppliers nationwide. So the United States stands to profit on all counts. The projected construction costs of the two new buildings and the relocation costs are to be reimbursed by the Michigan Job Development Authority at a total cost of $21 to $25 million. So with the appraised value of the plant now standing at $14 to $18 million, this exchange allows for a $3 to $11 million profit from the entire exchange.

That is something that, certainly, our Government can use at this time.

Mr. President, Congress passed the Chrysler loan guarantee legislation in the closing hours of the 1st session of the 95th Congress last December, and gave a vote of confidence that was communicated by that vote to all people in our country, but particularly those in the automobile industry areas in Michigan and elsewhere. In Michigan today, the unemployment rate is growing and presently stands at 11.2 percent. We have some 500,000 people in our State out of work. The recession that we are experiencing in Michigan is now spreading across the country. The 5,000 direct jobs that will be created by this transfer of the Sterling Heights plant and the 15,000 to 19,000 additional jobs that will be triggered as an offshoot of this manufacturing will add significant new strength and vitality to our domestic auto industry and to our country.

It will provide new job opportunities at a critical time and will, hopefully, encourage other foreign auto companies to begin investing in U.S. auto manufacturing facilities. So I strongly urge the adoption of this important and constructive legislation.

Mr. President, I thank the chairman of the Committee on Armed Services and the other members of that committee and other colleagues for their help in moving this matter along, especially so recognizing the important timing considerations and the many benefits that are to be derived, as I cited here. I thank them and I again commend my colleague (Mr. LEVIN).

Mr. LEVIN. Mr. President, I yield to the Senator from Mississippi.

Mr. STENNIS. Mr. President, I have not seen more unanimity here with reference to a bill and its passage. I have not seen stronger support. As I said in the beginning, it is an important matter.

One thing that caused the bill to attract a lot of attention may be that it is the first time in about 30 years that I have seen that the Army was really willing to give up something, especially real estate. But that is a mighty good test to apply to them. If they are willing to give it up, it means they really have taken a look at it and they do not need it any more. They are going to get something in return that is of value.

Mr. President, in a few weeks the Senate will consider the Department of Defense authorization bill for fiscal year 1981. In that debate we will be considering how much of the taxpayer's money we should spend to strengthen our national security.

Today we have a unique opportunity. We are considering a bill that is good for the military, the Army will get new facilities and can consolidate its operations reducing operating costs; it is good for the Nation, new industry is created which means jobs and in this case reduced imports of foreign goods; and best of all it does not cost the taxpayer one penny.

Let me elaborate briefly on some of these points.

First, with respect to the Army, under this bill they will give up the current Michigan Army Missile Plan in Sterling, Mich. This facility of 2.2 million square feet is now only partially used, so there is no question involved of needing it after October.

About 2,300 people now occupy the plant in space that has been converted to office space, and the LANCE missile production line which uses another part, will close out operations in October of this year. The Army, if it can find other administrative space, to accommodate the 2,300 people now in the plant, has no further use for the plant. The Army Chief of Staff, General Meyer, has stated that the Army does not need this plant after October. The entire Defense Department has been screened and there is no Defense requirement for the plant. The plant is excess. Even if the decision were made to restart the LANCE production line at some point in the future, it would not be cost effective to restart the line in this plant. So that just about closes the door on that.

My second point is that there is a good use for this plant. Volkswagen wants to open another production line in the United States and this plant site is attractive because it can be modified quickly and there is a competent work force available. So the State of Michigan, with the able assistance of the Senator from the State (Mr. LEVIN), who has done yeoman work for the Armed Services Committee since joining the Senate and is a valuable member of that committee, has offered to build replacement administrative facilities for the Army in exchange for title to the plant.

Mr. President, this bill is a good deal for all:

The Army gets new administrative facilities worth $25 million, at no cost to the taxpayer, and

The country gets a new Volkswagen plant which creates 20,000 new jobs and cuts down on imports.

The Armed Services Committee examined this bill carefully and I invite my colleagues' attention to the committee report for details. There is ample precedent for this type of exchange legislation and special congressional oversight provisions are included in the bill. The Armed Services Committee is unanimous in its support of the bill and I urge the Senate to act favorably on the measure.

There will be other discussion here, I am sure. I am proud of the very thorough and utmost consideration that has been given by the committee to every phase of the bill, and the leadership, as I said, by the Senator from Michigan, who is on our committee, and is such a consistent hard worker. He is joined today by his colleague on the floor who has also worked thoroughly and diligently on the bill.

Several Senators addressed the Chair.

Mr. LEVIN. I thank the Senator for his remarks and I yield to my friend from Ohio for 5 minutes.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. METZENBAUM. I thank the Senator from Michigan.

Mr. President, I would like at this time to commend the Senator for the able leadership, the quality of that leadership, in bringing this bill to the floor under some rather difficult circumstances.

I also say there was great support from my fellow Senators from Michigan, both of whom keep in mind concerns for the workers and those who are unemployed in their State.

Mr. President, I rise, actually, to support this measure, but do it with some choking emotion because I had hoped that the Volkswagen plant would be located in Ohio.

I think Ohio is the finest State in the Union. I think its industrial climate is the greatest. I think its workers are the most quality-minded. But when it became clear it was not going to be located in Ohio, then there were some who suggested that perhaps we ought to rise in opposition to locating this plant in Michigan.

I could not, in good conscience, do that, because I am particularly pleased to see the Volkswagen plant is going to be located in the Midwest.

Honda has indicated it is going forward with a plant in my own State, and that pleases me, because the amount of unemployment that presently exists in the industrial heartland of our country is overwhelming. It is shattering. It could not be more disturbing.

So when I find that a plant of this kind is going to be located in a neighboring State, I say that I wish it had been in ours, but if it cannot be in ours, I am glad it is in a neighboring State.

As a matter of fact, there will be some advantages to our own State. There will be about $114 million in parts that will be sold from our State to this Volkswagen plant on an annual basis, and that will be meaningful.

This plant will result in 24,000 new jobs throughout the country at a time when we particularly need concern ourselves about new jobs.

It will result in 5,000 jobs, as I understand it, in the State of Michigan alone.

So, with a little bit of envy, but with a great deal of respect, I rise to commend the Senators from Michigan for their leadership role.

I also rise to congratulate Volkswagen for recognizing the need, as certain other importing companies have been doing, to locate more of their operations in this country, because Americans cannot buy their autos if they do not also have the jobs in order to take home a weekly paycheck so that they may, in turn, purchase those autos.

Mr. President, I think this is good legislation. I am happy to be here in support of it.

Mr. LEVIN. Mr. President, I thank my colleague from Ohio for his support. He has pointed out with his usual eloquence and passion that this bill benefits this Nation as a whole, that it benefits his own beloved State very dramaticaly, and that nobody would benefit from the defeat of this bill, including his own State.

I think that perception on his part contains both his usual wisdom and his usual courage.

Mr. METZENBAUM. I thank the Senator.

Mr. TOWER. Mr. President, I yield such time as may be required on the bill to the Senator from North Carolina.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. I thank the Chair and I thank the distinguished Senator from Texas.

Mr. President, I hate to be a party pooper, but after hearing all of the declarations of unanimity on this piece of legislation, I am constrained to recall the episode of the defendant in a court case in Texas who heard the bailoff say, "Oyez, oyez, the great State of Texas versus John Smith." And John Smith shook his head and said, "All of that against poor little old me."

Mr. President, I think we had better do a little thinking about this issue and what it really is. I dislike intensely doing anything that might be interpreted as taking a position against the best interests of the distinguished Senators from Michigan. I know this is an economic matter with them, and if the same scenario existed as to the State of North Carolina, I suppose that I would have equal enthusiasm for it.

But the fact remains, Mr. President, the central issue in this bill has nothing to do with solving the unemployment situation in the State of Michigan, or with solving the housing program for Department of Army bureaucrats. The central issue is this: The United States is shutting down its Lance missile plant to turn it over to a German automobile manufacturing company. To make it short, we are switching from building missiles to building Rabbits.

It seems to the Senator from North Carolina that there is a twisted kind of symbolism in the missiles-for-Rabbits exchange. It typifies what has been happening to our defense capabilities over the past 3 years. It explains exactly why the United States is no longer respected as a great power, neither among the so-called noncommitted nations, nor even among our allies in Europe. It explains why the European nations are tending more and more toward neutralization. Our European allies no longer trust the United States to fulfill its NATO commitments beyond the letter of the agreements. They think that we are just going through the motions for the defense of NATO. Indeed, it is hard to come to any other conclusion.

That is why the Soviet Union is currently mounting its biggest diplomatic offensive ever, to try to convince the Europeans that it is dangerous and foolhardy to work closely with the United States. The Soviets are using our Iranian debacle to seek to convince Europeans that the United States is powerless and inept. And they are winning telling points against us, when we pressure Europe to give up Iranian oil. We are seeking to make diplomacy bear too great a burden in Iran, when stronger measures are necessary. As a result we are putting unnecessary pressure against our allies. In the context of the weakness of NATO, the Soviets are able to exploit these strains and stresses. In the background, behind all the diplomatic niceties, looms the shadow of raw Soviet military power.

This is not the time nor the place to reassess the imbalance of military power between the United States and the Soviet Union. The facts are well known, particularly with regard to the balance in theater nuclear weapons. Suffice it to say that the Soviet forces include intermediate nuclear weapons systems in an astonishing variety and quantity. Soviet forces include 20 G-class intermediate range ballistic missile submarines, at least 150 Tu-26 Backfire B bombers, and about 300 SS-20 ballistic missiles. These weapons could attack the United States, under certain conditions, but they were considered theater nuclear weapons by the SALT II negotiators, and no one could deny that they could overwhelm Europe.

Since the withdrawal by the United States of the Thor and Jupiter missiles from Europe, our idea of theater nuclear planning has been to divert strategic systems to theater uses. We have not developed a true theater nuclear weapon program. Aside from 66 FB-111A bombers, our nuclear options are limited to the short-range Lance I missile, and the aging Pershing system. While the Soviet Union has pursued a vigorous program of modernization and development of IRBM's, MRBM's, and chemical warfare systems, the United States has done nothing in the same mode. The Soviets have deployed 890 IRM's and MRBM's in the western Soviet Union for use in missions in Western Europe.

This force includes at least 90 SS-51 RBM's, perhaps as many as 300 mobile SS-20 IRBMs, and at least 500 SS-4 MRBM's. The SS-4 has a range of 2,000 kilometers, the SS-5 has a very large warhead and a range of 3,500 kilometers, and the SS-20 has multiple warheads and a potential range of over 5,500 kilometers. In addition, the Soviets have approximately 1,300 tactical nuclear missile launchers integrated into basic army formations. These include the SS-21 and the SS-12.

Finally, we should note that the Soviets have at least 18,000 tanks, versus about 10,000 for NATO. The Soviet tanks, T-64's and T-72's, are highly armored, in contrast to the aging NATO tanks, and armed with tactical nuclear artillery.

So if we look at the Lance missile, what do we see? We see the only weapon immediately available to deter Soviet aggression in Europe. We have all heard about possible Soviet invasion scenarios. Roughly, they fall into two groups: a nuclear attack, or a conventional attack. In a nuclear attack, NATO would rely upon the U.S. strategic nuclear deterrent; but it is precisely the credibility of whether the United States would use strategic nuclear weapons to defend Europe that is at stake. The Lance is the backup to our credibility. In a Soviet invasion, it would destroy the second echelon of a Soviet attack, while nuclear artillery would concentrate on the first wave.

Now at the present time, the Lance is deployed in only six U.S. battalions in Europe. The Lance mission has been defined rather narrowly, with the battalions deployed near the Eastern European front. It is almost a Maginot Line concept of defense. Many experts think that they should be deployed in depth, if they are to attain credibility in European eyes.

Moreover, there is the question of the warhead. The U.S. battalions have a large yield, almost too large to make them credible for use in Western Europe. The Lance was intended to carry the enhanced radiation warhead, which has a lower yield, but is more effective against attacking enemy soldiers. The ER warhead, the so-called neutron bomb, is a more credible weapon because it can be used with fewer casualties to civilians.

The decision of President Carter to cancel the enhanced radiation warhead was to give the United States the terrible alternative of using no weapon at all, or using a weapon that is too devastating to the civilian population to be militarily useful. It paralyzes our strategic options except in an ultimate crisis.

Finally, the Soviet invasion of Afghanistan has removed any illusions that we may have had about Soviet intentions and Soviet willingness to use its military power for its own interests. This has had a profound effect on the faith which our allies place in us. They see that the Soviets are ready to move, and willing to move; but we are not.

It is evident, therefore, that it is time to reconsider the decision to end the production of Lance. Even though the production run will be completed by October, that decision should be reconsidered. Indeed, a recent analysis of our defense situation—the alternative military budget prepared by a bipartisan group of Senate staff experts, recently had this to say:

> The decision to terminate production of the LANCE I missile should be reversed. The present Administration plan to close the LANCE production facility located in Michigan and convert it to a plant for manufacturing Volkswagens is in itself a complete statement of the Harold Brown approach to national defense. Procurement of LANCE I should be resumed in FY 1981 to obtain a 50 percent increase in LANCE missiles and launchers by the close of the fiscal year.

> Moreover, the last 340 LANCE warheads already programmed for production and additional warheads for the LANCE missiles which should be procured during FY 1981 should all be enhanced radiation weapons.
>
> The cost during FY 1981 of authorizing procurement of 500 additional LANCE missiles, including enhanced radiation warheads for those missiles and for 340 missiles already procured or authorized for procurement, would be $300 million. This program is perhaps the best immediate means for building confidence in Europe in the American deterrent and for signaling to Russia that the new national military program of the United States means business.

If we allow the breakup of the Lance production line, and the dispersal of the machinery and technicians involved in that production, we are foreclosing any decision to produce more copies of the Lance missile in the immediate future. The long-lead times involved would make it impossible to take timely action to shore up the NATO alliance.

The mood of this Nation is changing. Our people see now how the weakness of our defense programs is costing us daily in prestige and in defense of our vital interests. We might want to expand Lance beyond NATO. At one time there were plans to put Lance battalions in Korea; with the North Korean buildup, those plans ought to be reviewed. And there are other areas of the world too where the deterrent capability of Lance with the enhanced radiation warhead could serve to stave off a devastating war.

A vote to dismantle the Lance production line today is a vote to weaken the defenses of the United States, and to minimize our defense options. I am confident that the American people will view this vote in that light, once they have some familiarity with the issue. We can rationalize all we want, but the bottom line is that we are turning missiles into rabbits. I do not think that the American people will be pleased with that kind of magic.

I thank the Senator from Texas for yielding to me.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, I express my appreciation to the Senator from North Carolina, who always has uppermost in his own concerns the defense capability of the United States of America and has been one of the greatest supporters of a strong national defense and military capability in support of our foreign policy and the industrial base to produce what we need in the way of military hardware.

I assure him that I would not support this bill if I thought it would jeopardize our productive capacity in any way to reinstitute a production line of Lance, should we determine at a later date that we should produce more Lance missiles.

The production of the current run is scheduled to expire in October. We do not intend at this time to authorize additional Lance production because the follow-on missile is already in the pipeline.

However, I assure the Senator from North Carolina that should that occur, we will be able and have the capability—the Vought Corp. will—to produce the Lance missile, to revive the production line in Dallas, Tex., which would be at least as reliable a place for these weapons systems as the State of Michigan.

Mr. HELMS. Mr. President, I thank the Senator for his generous comments. I have not the slightest doubt that he is persuaded absolutely on this issue. I do not question his judgment. I never do. But in this case, the Senator from North Carolina has apprehensions, and he feels honor bound to state them, and I have done the best I could.

Mr. TOWER. Mr. President, I reserve the remainder of my time.

Mr. LEVIN. Mr. President, I have one comment to add to the remarks of the Senator from Texas about the Senator from North Carolina. I, too, respect the sensitivity of the Senator from North Carolina toward a strong defense. I think the Senate Armed Services Committee shares that sensitivity and has a great deal of respect for the feeling with which he speaks about maintaining a strong defense.

I do want to say, together with my colleague from Texas, that we have been assured by the Army and by Vought that in the event more Lance missiles were needed—the Army is wrong; we do need more Lance missiles—it would be cheaper to produce them in a smaller place which is appropriate for that production than to maintain a space which is six times larger than has ever been used for that production. The Lance missile has taken about 300,000 square feet of this plant. It is a bout a 2 million square foot plant. It is extremely expensive for the Army to maintain it. It has been half vacant for 17 years, even during this entire period of time.

We have the assurances which I have put in the RECORD, in part because of the concerns expressed by the Senator from North Carolina and others on the Armed Services Committee, that in the event we want to produce more Lance missiles, we can do so. The space is not unique in Michigan. If more Lance missiles were desired, despite all assurances and decisions to the contrary, the place to do it most cheaply and most quickly at this time would be at an appropriate sized place in Texas where the Vought plant is.

Mr. TOWER. Mr. President, if the Senator will yield, there is adequate space at the Vought facilities in Texas.

Mr. HELMS. Mr. President, if the Senator will yield, it is possible that in the discussion of a couple of amendments I intend to call up, my apprehension can be ameliorated.

In any event, I certainly have the highest respect for the distinguished members of the Armed Services Committee, particularly the distinguished chairman of the Armed Services Committee, who has been sort of my leader since I came to the Senate.

It is not with any questioning motive as to intent that I state my apprehensions, and I want the Senator to know that. I am genuine in them, and I feel sort of honor bound to state them.

Mr. RIEGLE. Mr. President, will the Senator yield?

Mr. TOWER. I yield.

Mr. RIEGLE. Mr. President, I wish to respond to the remarks made by Senator METZENBAUM a short time ago and to commend him for those remarks and for his understanding and his help in support of this matter.

The points he made were important. I think this position today will have benefits for the entire country and very material benefits for the State of Ohio.

I also acknowledge the concerns of Senator GLENN. I understand quite well the feelings that were aroused with respect to earlier consideration of possible alternative sites, one being in Ohio. I believe that both Ohio Senators have been extremely understanding and gracious in their aggressive and forceful efforts in fighting for the interests of their State.

I do want to acknowledge the very fine remarks of Senator METZENBAUM.

Mr. LEVIN. Mr. President, Senator BAYH from Indiana has taken a leading role in protecting American industry and American jobs. I would like to engage in a brief colloquy with him.

Mr. BAYH. Mr. President, I just want to take a few minutes of the Senate's time during the debate on H.R. 6464 to thank the Senator from Michigan for his work on the Armed Services Committee on this important bill. As neighbors, I can say that it is good to see that a substantial measure of benefit is going to occur to both Indiana and Michigan with the speedy enactment of this bill. We will be saving about $6 million in tax dollars annually and we will be involved in directly and indirectly creating 20,000 to 24,000 jobs through Volkswagen of America's decision to locate its second production plant in this country in Sterling Heights, Mich. As Senator LEVIN knows, this benefit is not going to be confined to Michigan alone but suppliers such as the steel industry in Indiana who are going to be able to do more business. I think the estimate here is $19 million in business. At the same time, we are not going to do anything which will harm the national defense because the Armed Services Committee is very clear that production of tactical missiles which the Michigan Army Missile Plant—MAMP—did produce can be produced elsewhere. And I think the point ought to be made that given the present state of the economy, the jobs which VWOA is going to create by construction of this plant are just as important as those Lance missiles.

Beyond this, though, I think we are sending an important message to another country which has enjoyed a growing and enormous share of U.S. domestic auto sales, thanks to an automobile industry that has been nurtured behind some of the most protectionist trade barriers the world has ever known—the Japanese. I know that the Senator from Michigan shares my concern about this matter. Thanks to his diligence and hard work on this bill, which is characteristic of his other effective efforts in this Chamber as well, we now have an opportunity to air this matter in the Senate. I am sure he agrees that this is another argument in support of prompt enactment of this legislation?

Mr. LEVIN. In response let me indicate to my good friend from Indiana that I too see this bill as having two components. First, there are the immediate benefits to the Army, to the taxpayers, and to the over 20,000 workers who will be employed as a result of the VW expansion which will result from the opening of this second facility. But second, and as important, I believe this legislation helps send a clear message to foreign auto manufacturers and to American workers.

When we pass this bill, we are saying to foreign manufacturers that we are serious about our statements encouraging them to locate facilities here. We are not just extending rhetorical invitations—we are willing to engage in some very real action designed to make it possible for them to build facilities here.

And, when we pass this bill, we are also sending a message to the autoworkers. We are saying to them that we have not forgotten their problem and we are not ignoring their plight. The Senate is taking action to increase employment in the industry. And certainly, given the current figures, they need that encouragement and they need that action.

Mr. BAYH. Of course, the present downturn in the automobile industry is due to a number of factors. But, quite frankly, I am shocked to see the share of the domestic automobile market taken up by "Japan, Inc." which exceeds that of Ford and is almost as much as Ford and Chrysler combined. In fact, the cover story of Newsweek deals with the automobile industry. Statistics cited there indicate that Japanese auto imports are 21.2 percent of the market compared with 17 percent for Ford and 7.5 percent for Chrysler. This translates into about 200,000 autoworkers on indefinite layoff, including 12,000 from Indiana, and the necessity of appropriating an extra $1.1 billion in trade readjustment allowance benefits soon as possible. So the Department of Labor and OMB should get their acts together quickly so Congress can make sure there are no lapses in payment in this important program. But back to the message Senator LEVIN has been so active and helpful in, together with Senator RIEGLE and others here in the Senate, we are endeavoring to convey to the Japanese:

If you want to continue to enjoy the benefits of so many U.S. consumers "buying Japanese" you really ought to follow VWOA's example and start "building American." This is not to say we do not appreciate and welcome decisions by Honda and Nissan-Datsun to locate car and truck production facilities in this country. We do. But the point is that if we are going to head off a really serious trade confrontation between the United States and Japan and Congress and the administration, job-creating investment is the way to go.

Would not the Senator agree?

Mr. LEVIN. I agree with the distinguished Senator. A trade confrontation between this Nation and Japan is a possibility—but it certainly is not an inevitability. If we take clear steps to indicate the parameters of our concern and the parameters of positive Japanese response, then this sort of confrontation—with all the unhealthy and unhappy ramifications it might contain—can be avoided.

Senator BAYH has taken a leadership role in helping us take those steps in the Senate. He has initiated action on a number of fronts designed to make it clear to the Japanese, for example, that he is willing, and a large number of us in the Senate are willing, to take the steps that need to be taken in order to protect our industry and preserve our jobs. The clear and forceful way in which he has communicated that message to the very highest levels of Japanese Government make it, in my opinion, increasingly possible for us to reach an acceptable accommodation with the Japanese.

Senator BAYH has also communicated that same message to the administration. I know that he has spent a great deal of time in discussions with members of the administration in attempting to make it clear to them that their reluctance to support legitimate responses to the continued threat of foreign production could result in a damaging confrontation between the executive and the legislative branch. Given the persuasive talents of the Senator from Indiana, and given the persuasive nature of the case he makes, I have some hopes that he will succeed in this effort as well.

As one Member of this body, I want to indicate that all of us in the Senate and in the Nation are indebted to Senator BAYH for his work in this area. This bill will allow us to bring a few more jobs to this Nation. Senator BAYH's efforts will, I hope, enable us to accomplish even more. His concern for the working men and women of his State and his Nation is unquestioned. And his ability to translate that concern into effective action is undisputed.

I appreciate his support for this legislation. I associate myself completely with the comments he has just made. And I pledge my support for his continuing efforts to strengthen the auto industry and bring more jobs to this Nation.

Mr. BAYH. Let me just say I am hopeful that our colleagues here in the Senate, who are concerned as we are, will join us in a constructive message to the Japanese Prime Minister when he arrives here in a few weeks. I might also note that, as we speak, officials of our Government are in Tokyo discussing the need to remove residual tariff and nontariff trade barriers on U.S. auto parts and automobile exports. Considering the $9 billion adverse automotive trade balance we have with the Japanese, this is long overdue and I hope we can see an elimination of these barriers to our exporters.

As important as Japan is as an economic power, I think our allies may finally be seeing that without a strong U.S. economy, their own futures are, in turn, uncertain. So we are talking about more than economic issues when it comes right down to it. We are talking about United States-Japanese partnership because the alternative could be something very grim indeed as we already see in other areas of trade policy. But for right now, just let me say that I appreciate the opportunity to briefly bring this matter before the Senate, and I am especially grateful for the comments and support by the Senator from Michigan. As a Representative of a State whose economy depends very much on automobile manufacturing, this is a problem we just have to solve because so much depends on the outcome.

Mr. LEVIN. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the time consumed be charged to either side.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. TOWER. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. HELMS addressed the Chair.

The PRESIDING OFFICER. The Senator from North Carolina.

Mr. HELMS. Mr. President, I deeply appreciate the patience of my colleagues. I had a meeting that I did not want to avoid, involving about 200 North Carolinians. I appreciate the patience of my colleagues while I took care of that item.

AMENDMENT NO. 1695

(Purpose: To direct the Secretary of the Army to relocate the existing machinery for the production of Lance missiles at an appropriate facility and store for not less than four years)

Mr. HELMS. I call up amendment 1695 and ask for its immediate consideration.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. HELMS) proposes from North Carolina (Mr. 1695.

Add at the end of the bill the following new section:

SEC. . Notwithstanding any other provision of law, the Secretary of the Army shall relocate at some other suitable facility or location and shall maintain intact for a period of not less than four years all existing machinery at the Michigan Army Missile Plant which has been used or is now being used in the manufacture of Lance I missiles or their components.

Mr. STENNIS. Mr. President, this is an important amendment. I would like to have quiet in the Chamber.

Mr. HELMS. I thank the Senator.

Mr. President, the intent of my amendment is very simply: It would require that the Secretary of the Army maintain intact for a period of 4 years all machinery which has been used or is being used in the manufacture of Lance I missiles or their equipment.

The purpose of this amendment is to keep open the option of building more Lance missiles if a reconsideration of our defense strategy indicates that greater deployment in depth, or deployment at other locations in the world should be necessary.

What bothers the Senator from North Carolina about the closing down of the Lance production line is the fact that it leaves a gap of about 4 to 6 years before the Lance follow-on is ready. This could leave us paralyzed, and without flexible options for our strategy. I think that the whole mood of the country is changing. The planning of defense experts is changing. Soviet aggression is so much more naked now, than it was even a year ago, or 2 years ago, that we are in a totally different situation.

I think that it would be better if Lance were not shut down at all. But if all the machinery associated with Lance were retained for Army use or at least placed in storage, it would give us a much quicker turnaround than the bill as it now stands provides. The long leadtime to procure machine tools, particularly the precision tooling needed for a missile, makes it imperative that we do not leave this 4-year gap in our defenses.

What will happen to the machinery if the legislation is passed as written or if assurances are not given in terms of an understanding between the managers of the bill? I believe that most of it will be declared surplus and dispersed. Senator Levin has kindly supplied me with a copy of a letter in unclassified form from the office of the Secretary of the Army, signed by Col. Johnnie H. Corns, Chief, Plans and Operations Division.

Mr. President, if this letter and its attachments have not already been put in the Record, I ask unanimous consent that it be inserted at this point.

I will inquire if they have been placed in the Record.

Mr. LEVIN. They have not been placed in the Record.

Mr. HELMS. Mr. President, I ask unanimous consent that that material be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Department of the Army,
Washington, D.C., March 14, 1980.
Hon. Carl Levin,
U.S. Senate.

Dear Senator Levin: The attached set of questions and answers is provided as requested by Mr. Peter Lennon of your staff.

Sincerely,

Johnnie H. Corns,
Chief, Plans and Operations Division.

Answers to Follow-on MAMP Questions

Question.—(U) How many LANCE Missiles are required to support the nuclear and non-nuclear LANCE program through 1990 for the U.S. and for NATO?

Answer.—Missiles, both nuclear and non-nuclear, are required to support US and NATO tactical requirements through [deleted]. Of that total, [deleted] represents the U.S. tactical requirement. The difference between [deleted] and the U.S. asset position upon completion of production will be used for annual service practice rounds. NATO nuclear LANCE Missile requirement are currently satisfied through existing inventories. NATO non-nuclear requirements are at the discretion of the individual countries and are expected to be satisfied through assets on hand or to be produced by 1 October 1980.

Question.—How many LANCE Missiles are in the inventory both now and by 1 October 1980 for the U.S. and for NATO?

Answer.—Now: US, [deleted]; NATO, [deleted].

October 1, 1980: US, [deleted]; NATO, [deleted].

Question.—What will Vought Corp. do with its equipment upon removal from MAMP? Will all of the Vought equipment at MAMP be removed?

Answer.—The majority of equipment at MAMP is Government owned. The equipment Vought owns will be moved to a corporate facility in Dallas, Texas. All Vought equipment will be removed from MAMP.

Question.—Will any other missile manufacturing equipment remain at MAMP after Vought closes down its production line? If not, where will it go?

Answer.—Twelve items of industrial plant equipment have been identified to remain in MAMP to support maintenance and operation of the facility after completion of LANCE missile production which is scheduled for October 1980. Approximately 600 items of production equipment associated with LANCE missile production will either be transferred to other missile programs for manufacturing support at other locations or will be shipped for storage or salvage in accordance with instructions issued by the Defense Industrial Production Equipment Center (DIPEC), Memphis, Tenn.

Question.—What will happen to that Vought equipment which is not sold? Will it, as well as the sold equipment, be available for future mobilization needs?

Answer.—Vought will not sell its equipment, rather it will retain and ship it to Dallas. The Government-owned equipment may be retained by DIPEC if other DOD services indicate a peacetime or mobilization requirement for the equipment. There are, however, no mobilization requirements for the LANCE Missile.

Question.—What happens if the U.S. needs more LANCE Missiles after production capability at MAMP is no longer available? Can we restart production? Would the U.S. restart production and if so, where?

Answer.—Mobilization and annual service test requirements will have been met by 1 October 1980 when LANCE production terminates. Therefore there will be no requirement to restart production.

Question.—When did the Congress and/or Army decide to terminate LANCE procurement and why? How long ago would that decision had to have been made?

Answer.—The AAO for nuclear/non-nuclear LANCE rounds, and for rounds to be used for annual service practice firings will be met by the FY 79 production that will deliver out in Oct 80. The decision was made at the time the FY 79 budget was formulated, beginning in January 1977, that FY 79 would be the final LANCE production buy. Congressional review of the FY 79 budget request, concluded in September 1978, supported that position.

Question.—What happens to nonproduction Army equipment at MAMP that will not be moved to new administrative facilities? Who appraises the value of this property and who draws the list of equipment that will remain at the plant?

Answer.—Some of the nonproduction equipment will be required for maintenance and operation of the facility in the interim period between end of production and completion of the new building. The list will be prepared by Vought personnel that are currently using the equipment for maintenance and operation and know what is required. The Corps of Engineers will appraise the value of this property. Balance of property not required at the new administrative facilities and not required for maintenance and operations will be reported for disposal through normal channels. Defense activities and other Government agencies have the opportunity to screen the property. Any unclaimed property will be turned over to Defense Property Disposal for final disposition.

Question.—What is being stored at MAMP now and what will be the disposition of any materials currently stored at MAMP?

Answer.—There are a limited quantity of tank engines and fuel cells for the M60 Tank production. Space occupied is approximately 10,000 square feet. These will be used in production prior to September 1980.

Mr. HELMS. Mr. President, it appears that some of the machinery at the Michigan Army Missile Plant is owned by the Department of the Army, and some is owned by the Vought Corp. The intention of the Army is that Vought's machinery will be removed and installed at the Vought facility in Dallas. As for the rest, I quote:

> Twelve items of industrial plant equipment have been identified to remain in MAMP to support maintenance and operation of the facility after completion of LANCE missile production which is scheduled for October 1980. Approximately 600 items of production equipment associated with LANCE missile production will either be transferred to other missile programs for manufacturing support at other locations or will be shipped for storage or salvage in accordance with instructions issued by the Defense Industrial Production Equipment Center (DIPEC), Memphis, TN.

So, Mr. President, as of March 12, the plan is that 12 items will be kept by the Army, and 600 will be dispersed, either to other Army operations, or to be sold as surplus. The distinguished Senator earlier said that Vought could resume production in Dallas, but this letter shows that the Army is not thinking in terms of resuming production. The context is entirely maintenance by Vought, not production

Now that is what I am talking about, Mr. President, 600 items of key production equipment will be dispersed. My amendment would require that the Secretary of the Army "shall relocate at some other suitable facility or location and shall maintain intact for a period of not less than 4 years all existing machinery."

Doubtless, the Secretary would direct Vought's machinery to be relocated at Vought. Or he might direct other production equipment to be sent to Vought. The other machinery could be stored or used in some other production facility, where the priority for Lance production would be maintained in case that it is needed. The only way that my amendment would affect present plans would be to require that the 600-odd items planned for dispersal be kept intact for 4 years at a suitable location. This is a small price to pay, Mr. President, for insurance that deterrence in Europe will be maintained.

Let me be clear, Mr. President, this amendment would in no way affect the proposal to turn the plant over to Volkswagen. It does not affect current plans to remove the machinery. It only says that the Secretary of the Army must wait 4 years before dispersing the machinery. In words of one syllable, Mr.

President, I just do not want the Senate to take the position that the machinery or any part of it shall be scrapped, declared surplus, or whatever. I want it to be held for an appropriate length of time, whether it is used by the Army or placed in storage. I have designated 4 years. Then we can see where we stand.

Mr. TOWER. Will the Senator yield?

Mr. HELMS. I certainly will.

Mr. TOWER. I share the Senator's concern for being able to maintain a production capability. As the Senator knows, I opposed the cancellation of the production of the B-1, the shutdown of the production line of the Minuteman III, opposed shutting down production lines on certain tactical aircraft, and on other missile systems, where there was no follow-on available. In this instance, there is a follow-on, though there will, indeed, be a gap. But the fact is that there is no more authorized production after October on the Lance I.

Should we want to restart that program, we could do it much more cheaply by doing it at the Vought facility in Dallas. That decision has already been made. The Armed Services Committee, I think I can assure the Senator—the chairman is standing here—will hold the Army accountable for living up to its commitment to transfer some of the equipment required to the Vought facility in Dallas so that that line could be restarted, if necessary.

In my view, it could be restarted at a much lesser price.

There is only one situation involved here. That is the transfer of two pieces of equipment to the XM-I production, which is a high priority program for the Army, as the Senator well knows. It is the highest priority program for the Army. We would not want to prevent conversion of equipment for that purpose.

I am assured both by the Vought Corp. and by the Army that there is no problem and I have no reason to believe that there would be any problem, given the present plans to transfer the equipment and restart of the production line in Dallas.

Mr. HELMS. I thank the Senator. As I see it, I warmly agree with the Senators in their concern. I understand that the Senator from Michigan does have a letter that partly covers those situations.

Mr. LEVIN. I think we should have printed in the Record, following the Senator's suggestion, two letters. One is from the Vought Corp., dated April 21, 1980, the other is from the Army, dated April 21, 1980. Both are intended to address themselves to the concerns the Senator from North Carolina has raised, which a number of members of the committee, also, did raise. That question is, what would happen if the Army were wrong and we decided to build more Lance missiles? These two letters seek to address the question, what about the unique equipment for Lance missiles? Will that be dispersed? The Army letter reads in part as follows:

> In addition, the Army already has taken the actions necessary to preserve a LANCE production capability in the future, thus satisfying the apparent intent of this amendment. It did this by deciding in the past three months to transfer 83 pieces of industrial equipment to the main manufacturing facilities of the LANCE contractor, Vought Corporation, in Dallas, Texas.

Mr. HELMS. If the Senator will yield, did he say 83 pieces?

Mr. LEVIN. Yes.

Mr. HELMS. Out of how many?

Mr. LEVIN. I think there is a total of 25,000 pieces that, at one point, have been used, most of which are not unique at all to this process.

Mr. TOWER. For example, the pieces anticipated to be used in the XM-1 production are not Lance-unique. What the Senator from Michigan is referring to is the Lance-unique equipment.

Mr. HELMS. I see.

Mr. LEVIN. There is one other letter from Vought which I think is even more significant, probably, than the one from the Army. Let me read one paragraph from the Vought letter. This is a letter to me, dated April 21:

> As you know, the Army has decided to transfer 10 of the 12 items we requested to Vought, Dallas, and to transfer 2 machines to a much higher priority defense program, the XM-1 Main Battletank Program. While the assignment of 10 rather than 12 pieces is less than requested, Vought considers that this transfer still is adequate and the most cost effective way to meet requirements for more Lance missiles should Congress decide to procure more missiles. This adjustment is considered adequate because Vought has sufficient special purpose equipment of its own in Dallas, along with these 10 pieces from MAMP, to meet any new national security requirement that Congress might impose for more Lance missiles.

I think the two letters are intended to address themselves to the problem which the Senator raises. I ask unanimous consent that both letters be printed in the Record.

There being no objection, the letters were ordered to be printed in the Record, as follows:

Department of the Army,
Office of the Assistant Secretary,
Washington, D.C., April 21, 1980.

Hon. John C. Stennis,
Chairman, Senate Armed Services Committee, U.S. Senate.

Dear Mr. Chairman: This letter is in response to your request for the Army's position on Senate Amendment Number 1695 to H.R. 6464, an act to authorize the Secretary of the Army to exchange with the State of Michigan the Michigan Army Missile Plant (MAMP) for two office buildings the state would construct for the Army at he Detroit Arsenal. This proposed amendment states:

Notwithstanding any other provision of law, the Secretary of the Army shall relocate at some other suitable facility or location and shall maintain intact for a period of not less than four years all existing machinery at the Michigan Army Missile Plant which has been used or is now being used in the manufacture of Lance I missiles or their components.

It is the Army position that, although this amendment would appear to preserve the Army's capability to initiate future Lance production, its enactment actually would negatively affect our defense posture by interfering with our capabilities to maintain existing Lance missiles and to implement higher priority Army programs. These programs include the production and deployment of the XM-1 main battle tank, the Army's highest priority program, as well as other missile programs. In addition, the Army already has taken the actions necessary to preserve a Lance production capability in the future, thus satisfying the apparent intent of this amendment. It did this by deciding in the past three months to transfer 83 pieces of industrial equipment to the main manufacturing facilities of the Lance contractor, Vought Corporation, in Dallas, Texas. This transfer of equipment after Vought finishes planned production at MAMP in October will permit the contractor to maintain deployed Lance in the field, make required spare parts, provide research and development support to the follow-on Assault Breaker program (Corps Support Weapon System).

At present, there are 24,685 pieces of equipment at the Michigan Army Missile Plant which could be considered to have been used in the past or present in the manufacture of Lance missiles or their components. Most of this equipment, however, is of a general purpose nature and could be readily used in production of other weapons systems having a higher defense priority than Lance. The machinery and equipment used for production of the Lance missile system is as summarized:

Description	Number	Acquisition cost
Industrial Plant Equipment (IPE) --------	645	$11.0
Other Plant Equipment (OPE) --------------	17,000	4.9
Special tooling --------	7,000	4.9
Special acceptance and inspection equipment	40	2.9

In February, 1980, it was decided to transfer 73 pieces of industrial plant equipment to Vought/Dallas to support ongoing Lance requirements. Seven pieces having an acquisition cost of $813,010 will be used in manufacturing spare parts for the system. The additional 66 pieces having an acquisition cost of $308,557 will be used by Vought in performing its continuing engineering services contract to support deployed Lance in the field. Placing this equipment in storage along with all the other Lance equipment at MAMP, which would be required under the proposed amendment, would have an adverse impact on the Lance maintenance program.

On 8 April 1980, the Army decided to transfer 10 pieces of industrial plant equipment to Vought/Dallas for the contractor's use in its research and development contract for the Assault Breaker (Corps Support Weapon System) program. Vought has produced several solid propellant versions of the Lance T 22 motor for test purposes as part of this program to develop a follow-on missile to the Lance.

Of the remaining Lance equipment at MAMP, the Army has decided to transfer two five-axis milling machines to the XM-1 main battle tank program. The remaining equipment is to be reported to the Defense Industrial Plant Equipment Center to be screened within the Army and the Department of Defense to determine whether any pieces are required to meet any present or future defense production and mobilization requirements. It already is comtemplated that some of this equipment can be utilized in other Army missile production programs. Adoption of the proposed amendment would prevent the distribution of this equipment to the XM-1 tank program and other Army/DoD programs which would cause increased costs and schedule delays in these efforts. The cost increases and schedule delay associated with this amendment would be generated because those programs which could use this equipment would be required to purchase new machinery to meet their needs at today's higher prices. Since the cost of the

MAMP equipment already has been borne by the Lance program, it could be provided to the other programs at no cost to the government.

In summary, to maintain all the Lance manufacturing equipment at MAMP intact or in storage for the next four years, as required by this amendment, would be contrary to the best interests of the national defense and would cause the federal budget to bear extra costs which are not required. The Army respectfully opposes enactment of this amendment.

Sincerely,

Percy A. Pierre,
Assistant Secretary of the Army.

Vought Corp.,
Sterling Heights, Mich., April 21, 1980.
Hon. Carl M. Levin,
Dirksen Senate Office Building,
Washington, D.C.

Dear Senator Levin: I would like to take this opportunity to respond to your question about whether the Army's recent decisions to transfer 83 items of Lance specific equipment from the Michigan Army Missile Plant to the Vought Corporation, Dallas, Texas facility (after MAMP production ends in October as planned) permits Vought to support production of more Lance missiles in a cost effective manner, should Congress decide to procure more Lance missiles.

In our letter to you on 25 March 1980, we wrote "a far better alternative to maintaining the Michigan Army Missile Plant and its personnel in standby, again assuming the Army is wrong, is to transfer the very few items (12) of Lance peculiar production equipment to Dallas, along with the personnel complement already committed to such a move, and perform any future Lance missile production in the Vought Dallas facility. The Dallas alternative is more economical than maintaining the Michigan plant and its personnel in standby. Assuming government approval to transfer the Lance peculiar equipment from Michigan to Dallas, Vought is prepared to support this alternative. Vought currently has the required manufacturing space and required skill levels among its work force in Dallas to do this."

We summarized Vought's conclusions by stating, ". . . even if Congress decides today to restart Lance production after October, 1980, restart at the Michigan Army Missile Plant would be impossible without excessive cost to the government. It would be far more cost effective to restart Lance production, if necessary, at the Vought Texas facility."

As you know, the Army has decided to transfer 10 of the 12 items we requested to Vought, Dallas, and to transfer 2 machines to a much higher priority defense program, the XM–1 Main Battletank Program. While the assignment of 10 rather than 12 pieces is less than requested. Vought considers that this transfer still is adequate and the most cost effective way to meet requirements for more Lance missiles should Congress decide to procure more missiles. This adjustment is considered adequate because Vought has sufficient special purpose and general purpose equipment of its own in Dallas, along with these 10 pieces from MAMP, to meet any new national security requirement that Congress might impose for more Lance missiles. Transfer of the 10 rather than 12 pieces from MAMP would only require a rearrangement of the scheduling of machine use in Vought, Dallas, which can be accomplished without disruption of Vought's present and expected future defense work.

Transfer of the 10 pieces of equipment from MAMP also places Vought in position to support research and development on possible Lance follow-on systems such as "Assault Breaker" and the Corp Support Weapon System. While Vought would have preferred to obtain all 12 pieces of MAMP equipment, it can hardly disagree that the Army's overall defense needs and those of our nation are best served by transfer of 2 of these machines to a much higher priority program than Lance procurement—the XM–1 Main Battletank Program.

As previously stated, should Congress decide to buy more Lance missiles, a far better and more cost effective alternative still is accomplishing that work at Vought, Dallas. With the transfer of these 10 MAMP machines as well as the other 73 items the Army has agreed to provide from MAMP, and not referred to in our previous letter, Vought is prepared to continue its support of this alternative.

Sincerely,

John J. Ryan,
Vice President-General Manager.

Mr. HELMS. Mr. President, I thank the Senator from Michigan and the Senator from Texas. I think we are getting to the point where I feel substantially reassured. Let me be certain that I understand what I am being told.

On March 14 the Army spoke only in terms of ending Lance productions, and of Vought using it equipment for maintenance. But now, as of April 21, the Army is announcing the transfer of 83 pieces of equipment, and Vought says that with that transfer they can resume production on Dallas if called upon. That is a dramatic change in the situation since the Senator from North Carolina submitted his amendment for printing.

The Senator from Texas and the distinguished chairman of the Committee on Armed Services (Mr. Stennis) indicate that the Armed Services Committee, as I understand it, is monitoring this matter of the equipment very carefully.

Mr. TOWER. The Senator can be assured of that and, as the ranking minority member, I can assure him that we are very anxious to preserve our future options. I do not want those options to be foreclosed. I can assure the Senator of my own personal interest in this matter.

Mr. HELMS. I am comforted by that. The Senator sees the point I am trying to make, I know. I just did not think it is wise to discard as surplus any of this equipment and have it chopped up and used as scrap, because, if the judgment is made to resume the Lance, then to replace this equipment would cost the taxpayers millions upon millions of dollars.

Mr. TOWER. With the current transfer of equipment to Vought, that equipment will be in place there and will be used. We have been given an understanding from the Army that it will not be declared surplus. Those Lance-unique items will not be declared surplus and Vought assures us that this is a given capability.

Mr. HELMS. Mr. President, I understand that, but what about the rest of it? Are they going to dispose of that as surplus and just have it melted down?

Mr. TOWER. I think a great deal of the rest of it will go into the manufacture of other items.

Mr. HELMS. I know that the Senator has done some research on this, and that he is certain of his facts.

Mr. TOWER. I do not know of any plans to break anything up into scrap. If that is the case, I am assured that it will not be anything that is necessary for restarting the production line on the Lance.

Mr. HELMS. No machinery will have to be replaced to resume Lance if necessary?

Mr. TOWER. That is my understanding.

Mr. LEVIN. Perhaps I could incorporate in the Record at this time, Mr. President, the answer of the Army to that question:

> The Defense Department will retain the equipment it feels is needed and sell the remainder.

Anything that is really needed that is unique of the Lance program will be kept. What is not unique, and there is a lot of equipment there that is not, because there are 25,000 pieces—apparently most of it is not Lance-unique and can be readily reacquired, if it had to be, from other resources and other facilities. The Defense Department feels it is not cost-effective to maintain equipment on hand that is not unique to the Lance program.

Let me suggest to the Senator that we ask the Army that, before any of this equipment is disposed of, they notify the committee, so that, while avoiding this amendment that I think can create problems over time, I can give assurance to the Senator that the Armed Services Committee will be informed before any equipment is disposed of.

Mr. TOWER. Vought has assured us that, along with the 10 pieces from MAMP that are being disposed of, with their own special and general-purpose equipment, they can do the job without the use of these other 25,000 pieces or whatever.

In other words, these 10 pieces, married to what Vought already has in the way of special general-purpose equipment, will do the job.

Mr. HELMS. In other words, Vought is saying that they have the equipment to take up the slack. Of course I am not talking about the alleged 25,000 items. From the beginning I have been talking about the 600-odd production equipment items. But Vought, however, feels they could reschedule their present machine tools to produce Lance if necessary.

Mr. TOWER. That is right.

Mr. HELMS. In that case, Mr. President, having received the assurances from my distinguished colleagues, I desire to withdraw the amendment.

The amendment was withdrawn.

Mr. STENNIS. Mr. President, may we thank the Senator from North Carolina for his contribution here to the record?

Mr. HELMS. I thank the distinguished chariman.

Mr. TOWER. I join in expressing my thanks to the Senator from North Carolina and in reassuring him that "Eagle-Eye" Tower will be on the job to make sure that nothing happens to foreclose restarting that line if it needs to be.

Mr. HELMS. I can see "Eagle-Eye" Tower and "Eagle-Eye" Stennis standing together.

Mr. LEVIN. Let me say the rest of us will be there to watch the other eagle eyes.

Mr. HELMS. That is good. I am sure the committee will be a veritable aerie of eagle eyes.

AMENDMENT NO. 1696, AS MODIFIED

Mr. HELMS. Mr. President, I ask unanimous consent that amendment No. 1696, as modified, be considered.

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk read as follows:

The Senator from North Carolina (Mr. Helms) proposes amendment numbered 1696, as modified:

At the end of the bill add the following new section.

Sec. . Notwithstanding any other provision of law and in order to protect the paramount national security interest of the United States, the President shall obligate forthwith and shall expend during fiscal year 1980 any unobligated balance of funds heretofore appropriated in any fiscal year for research, development, test and evaluation of the extremely low frequency (ELF) communications system at a site to be determined by him not later than sixty days after the enactment of this section.

Mr. HELMS. Mr. President, this bill confers a great benefit upon the people of Michigan. It is a benefit which I do not begrudge them one bit, particularly since their Senators have gone to such great lengths to show that the Federal Government will not be the loser in the real estate transaction. Nevertheless, I still feel that the net effect of the transaction may be to weaken our national defense, and to preempt any reversal of the decision to terminate Lance production. In the rapidly changing world situation, we need to keep open as many options as possible.

However, since the bill confers a benefit that is both unique and extraordinary upon the people of Michigan, I must presume that the people of Michigan will confer just as enthusiastically a national defense benefit upon the people of the Nation as a whole. The benefit of which I speak is the acceptance of the State of Michigan of part of the small site of the so-called ELF system—the extremely low frequency communications system for the Trident submarine system.

I have been disappointed to see that the distinguished Senators who have been the main sponsors of the Michigan Army Missile Plant bill have also been active in opposing the siting of ELF in the Upper Peninsula of Michigan. If the siting of ELF required a heavy burden upon the people of Michigan; if it locked up hundreds of square miles of Michigan territory; if there were extraordinary environmental hazards or severe economic impacts upon that fair State—if any of these were true in the least, then I could understand the hesitancy of the distinguished Senators in endorsing the ELF concept.

But none of these are the case. The proposal to put ELF in Michigan would have no impact upon the State. The transmitting facility would be constructed at Sawyer Air Force Base on a site which is already Federal property, and a source of employment for an underdeveloped area of the State. The antennae would require only 130 miles of buried cable, similar to telephone cable, in a configuration which could follow existing roads and natural barriers. The only reason the cable is buried is for aesthetic reasons, so that there would be no visual impact upon the environment.

Indeed, there would be no impact upon the environment. On March 25, 1980, the director of the Michigan State Department of Natural Resources, Mr. Howard A. Tanner, wrote to State Senator Joseph S. Mack. Senator Mack, a Democrat in a largely Republican district, represents the area where ELF would be deployed. He has been an enthusiastic supporter of ELF, and he recently won reelection by a vote of 2 to 1 over an opponent who was anti-ELF. So we had a referendum of sorts in that election as to how exactly the people in Michigan who might be most affected felt about ELF.

Anyway, the director of the Michigan State Department of Natural Resources, Mr. Tanner, wrote as follows:

> In regard to the environmental concerns it is my understanding ELF has been scaled down to so small an area as to constitute no significant environmental impact.

I repeat that: "no significant environmental impact," according to the director of the Michigan State Department of Natural Resources.

Mr. President, I ask unanimous consent that Mr. Tanner's entire letter be printed in the Record at this point.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Department of Natural Resources,
Lansing, Mich., March 25, 1980.

Hon. Joseph S. Mack,
State Senator,
State Capitol,
Lansing, Mich.

Dear Senator Mack: In 1979, General Accounting Office concludes that on the basis that ELF does not offer substantial advantages over other communications systems it is not essential even though it does not pose environmental or health problems.

Last week you asked that I express my personal view of ELF, especially from an environmental perspective. Past opposition I believe has centered on two aspects: one, impact on the physical and biological components of the area for installation; and two, on concerns about the impact on people, if any, of the signals to be emitted from the facility. I have no opinion on the latter issue and regard it as a medical question, completely out of my area of understanding.

In regard to the environmental concerns it is my understanding that ELF has been scaled down to so small an area as to constitute no significant environmental impact.

Sincerely,

Howard A. Tanner,
Director.

Mr. HELMS. Mr. President, as for the alleged health impacts which were made in criticisms of the old, larger Seafarer system, they have been effectively laid to rest by the study prepared by the National Academy of Sciences Report, "Biological Effects of Electric and Magnetic Fields Associated with Proposed Project Seafarer." The report found the concerns about the biological effects of Seafarer's extremely-low-frequency (ELF) radiation "invalid and unwarranted," and concluded that "the likelihood of serious adverse biologic effects * * * is very small." The panel of scientists found two minor design flaws which it concluded were engineering problems, but not related to ELF radiation. This study is a 440-page book, and there is no need to burden the Record. However there is a short press release and a list of the scientists involved.

Mr. President, I ask unanimous consent that the press release and the list of the scientists be printed at this point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

Scientific Panel Gives Project Seafarer Clean Bill of Health—With Reservations

Washington.—Project Seafarer, the 4,000-square mile radio antenna the U.S. Navy wants to build in Michigan's Upper Peninsula to communicate with submerged submarines, received a nearly clean bill of health today from the National Research Council committee that spent nearly 18 months examining its possible biologic and ecologic effects.

The committee found most of the concerns raised about the biologic effects of Seafarer's extremely-low-frequency (ELF) radiation "invalid and unwarranted" and concluded that "the likelihood of serious adverse biologic effects . . . is very small." But the committee did fault the project's proposed design in two separate areas and recommended that the system not be approved until these two matters are satisfactorily resolved.

The committee's 440-page report [1] was publicly released at a news conference here this morning. Formal transmittal of the report to the U.S. Navy took place last Monday, August 1. Public release was withheld until sufficient copies could be reproduced for distribution to Congress and the public.

The two problem areas identified by the committee were the system's procedure for detecting breaks in the underground cables and the proposed ground terminals for feeding electric current directly into the earth. As presently designed, said the committee, both elements could—under certain circumstances—produce electric shocks in animals and humans venturing in the immediate vicinity of a broken cable or a ground terminal.

The committee stressed that neither problem derived from ELF radiation but rather were classic engineering problems associated with large electrical systems and likely subject to design solutions.

During its study, the committee examined a number of concerns about possible effects of Seafarer's ELF radiation, including a much discussed 1971 study which indicated that exposure to an ELF field might increase serum triglyceride levels. The committee concluded that the original study was incorrect and that recent research carried out with monkeys shows that there are no changes in a variety of physiological characteristics, including serum triglyceride content. In fact, the committee was unable to "identify with certainty any specific biological effects that would definitely result from exposure to a proposed Searfarer field."

Nevertheless, the committee recommended that "If the Seafarer system is built, an energetic and carefully designed long-term program of monitoring should be coupled with basic research." Of special concern are possible, although as yet undemonstrated, effects on bird navigational patterns and the behavior of freshwater fish in the areas within the buried antenna grid. Baseline studies on both should be started before Seafarer is built and continued after it is in operation, the committee recommended.

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[1] A limited number of copies of *Biologic Effects on Electric and Magnetic Fields Associated with Proposed Project Seafarer* are available from the Navy Electronics Systems Command, Department of the Navy, Washington, D.C. 20360, attention: LCDR Phillips PME 117-214. Copies of the full report are also available for inspection in the library of the National Academy of Sciences building, 2101 Constitution Avenue, N.W., Washington, D.C. 20418. Press copies of the report's summary and recommendations section only are available from the Academy's Office of Information at the same address.

The Research Council's Committee on Biosphere Effects on Extremely Low-Frequency-Radiation was chaired by J. Woodland Hastings, professor of biology at Harvard University. A list of all members of the committee is attached.

The committee was established in early 1976 in response to a request from the U.S. Navy for a study to identify whether any biologic and ecologic effects might be associated with the electric and magnetic fields of the Seafarer communication system. It did not consider the necessity of the system, possible alternative submarine communication systems, technical feasibility, costs, or interference with telephone, radio, and television.

Samuel Abramson of the Research Council's Assembly of Life Sciences served as the committee's staff officer.

COMMITTEE ON BIOSPHERE EFFECTS OF EXTREMELY-LOW-FREQUENCY RADIATION

J. Woodland Hasting, Chairman, Professor of Biology, The Biological Laboratories, Harvard University.

W. Ross Adey, Professor of Physiology, Loma Linda University, School of Medicine, Loma Linda, California.

Vincent G. Dethier, Professor, Department of Zoology, University of Massachusetts, Amherst.

Thomas S. Ely, Assistant Director, Health, Safety, and Human Factors Laboratory, Eastman Kodak Company, Rochester, New York.

Wilford R. Gardner, Professor of Environmental Physics, Department of Soil Science, University of Wisconsin, Madison.

Leon Gordis, Professor and Chairman, Department of Epidemiology, The Johns Hopkins School of Hygiene and Public Health.

Elizabeth F. Loftus, Associate Professor of Psychology, Department of Psychology, University of Washington, Seattle.

Sol M. Michaelson, Professor, Department of Radiation Biology and Biophysics, The University of Rochester, School of Medicine and Dentistry.

Morton W. Miller, Assistant Director, Department of Radiation Biology and Biophysics, The University of Rochester, School of Medicine and Dentistry.

Donald W. Novotny, Professor and Chairman, Department of Electrical and Computer Engineering, University of Wisconsin, Madison.

William G. Reeder, Professor, Department of Zoology, University of Wisconsin, Madison.

William J. Schull, Director, Center for Demographic and Population Genetics, Graduate School of Biomedical Sciences, University of Texas, Houston.

Herman B. Schwan, Professor, Department of Bioengineering, University of Pennsylvania.

Harold B. Tukey, Jr., Professor, Department of Floriculture and Ornamental Horticulture, Cornell University.

George M. Wilkening, Head, Environmental Health and Safety Department, Bell Laboratories, Murray Hill, New Jersey.

Tai T. Wu, Gordon McKay, Professor of Applied Physics, Gordon McKay Laboratory of Applied Physics, Harvard University.

Mr. HELMS. Mr. President, so there is no need, therefore, for the people of Michigan to be concerned. Nor is Michigan being singled out for attention. The ELF project also includes the Wisconsin Test Facility, which have proved the practicality of ELF on a small scale. Because of the combined effect of the two systems working in tandem, the coverage of both far exceeds the total of the two systems working independently. Indeed, despite the fact that ELF is scaled down, the system will reach most of the operating areas of our ballistic missile submarines, as shown on the maps distributed to Senators.

I should also point out that all environmental impact statements required by law have been completed, a fact which in itself gives us 2 years lead time.

On the other hand, the need for ELF is critical. Most Members of this body are aware that present communications cannot reach our submarines unless the vessel comes near the surface and floats an antenna. This places the vessel in a highly vulnerable situation, if discovered. Communications, of course, must follow a regular schedule. Up to one third of operations time is spent in this mode—time which is essentially wasted from an operational standpoint. We can not increase our submarine fleet by one-third overnight, but ELF can do it from an operational standpoint.

Thus our vessels are subject to random detection right now. But no one knows for sure the ability of the Soviets to track our submarines. We cannot tell for sure when there might be an unexpected breakthrough. Our intelligence system, over the years, has been very poor at predicting Soviet technological breakthroughs and construction schedules. So we cannot afford to be complacent.

Most studies suggest that Soviet detection capability by the end of the decade will make ELF absolutely necessary. However, it will take at least 6 years to make ELF operational. That already puts us in the last part of the decade. Even with the best possible circumstances, therefore, we need to start on ELF now.

The legislative situation is this: In fiscal year 1979 we authorized and appropriated $20 million for ELF, subject to site selection by the President. This money, of course, was not used. In fiscal year 1980, the 1979 authorization was deleted, and $6.75 million was authorized. The Senate appropriated that sum for fiscal year 1980 but the conference went at it a little differently, deleting $15 million of the $20 million appropriated in fiscal year 1979, leaving a balance of $5 million of fiscal year 1979 funds. That money, of course, is presently available.

In the 1976 campaign, President Carter promised that he would not install the Seafarer communications system against the wishes of the people of Michigan. But Seafarer was a completely different system, 12 times larger, requiring a vastly larger site.

President Carter has noted in a recent press conference that his promise with regard to Seafarer did not necessarily hold true with regard to ELF. Nevertheless, I have no doubt that he would prefer to have the people of Michigan express their willingness to accept it.

This is the opportunity to do so. The people of Michigan can show their gratitude to the Nation as a whole for the benefits conferred upon their State—benefits which are of considerable magnitude, as the distinguished Senators from Michigan have pointed out. I therefore call upon the distinguished Senators to express their acceptance now, by accepting this amendment and fighting for it in conference. They have an opportunity to demonstrate enlightened leadership, and a deep sense of patriotism and gratitude.

Mr. HUMPHREY. Mr. President, the distinguished Senator from North Carolina (Mr. HELMS) has offered an amendment which, in a way, will link the turning over of the Army property to the Volkswagen Co. with the construction within the State of Michigan of the ELF (extremely low frequency) communications system for our submarines.

I support Senator HELMS in his effort today and I wholeheartedly support the ELF concept and urge the Senate in whatever way it can to get on with the urgent business of constructing that system because our defense capability is suffering from the lack of it today and will suffer increasingly as Soviet technological advances are made.

The funds have already been appropriated for the construction of the extremely low frequency communication system.

In the interest of the Nation's security, we desperately need to deploy the ELF communications system.

Our ballistic missile submarines, which we are relying upon more and more with each passing day, because of the increasing vulnerability of our land-based missile forces and the growing antiquity of our bombing force, must be made survivable.

Our patroling missile submarines must be made secure from Soviet efforts to locate, track, and torpedo them. Our submarines are now required to patrol slowly at shallow depths, where they are vulnerable to detection, in order to stay in communication with the President, the Commander in Chief.

The ELF communications system fulfills this need. ELF allows our submarines to patrol at the deep depths and high speeds for which they were designed and still be able to receive messages from the President. They can fulfill their patrol mission in much greater safety while still being able to receive emergency messages.

The ELF system would broadcast a constant signal which could be received at great depths and high patrol speed, thereby assuring the safety of the submarine. When the signal says rise to normal communications depth for emergency message traffic, or ceases, the ballistic missile submarine would ascend and trail conventional antennas close to the surface.

Mr. President, the ELF system should be constructed immediately, in order to safeguard our deterrent. Why should we build fast, deep diving submarines, if we cannot patrol them at high speed and deep submergence? Why should we waste money on these speed and depth capabilities, when communications requirements force our sophisticated submarines to patrol slowly near the surface? Without ELF, we would be better off putting missiles on surface ships or even cheap barges.

Mr. President, I have already outlined at some length the danger our Nation faces from the Soviet threat. There is administration testimony that our land-based missiles will soon be vulnerable to a Soviet attack. By 1985 most of our bombers will also not be survivable, according to the administration, due to Soviet air defense advancements and to Soviet submarine-launched missile capabilities which will limit warning time.

Thus, by 1985 we will be relying upon our missile submarines as the backbone of our deterrent. It makes sense to insure that our submarines will not be vulnerable in 1985. Indeed, ELF is vital to our national security. Now that we have lost "essential equivalence" with the Soviets in strategic forces, as the Commander of SAC has testified recently, we cannot afford to leave our submarines vulnerable. Now that the strategic balance has shifted against us through the late 1980's and the Soviets are on the verge of achieving strategic superiority, if indeed have not done so already, we need ELF to insure the survivability of at least part of our deterrent.

Mr. President, I shall briefly review the sequence of events respecting the ELF system in recent years.

Congress has twice authorized and appropriated funds for the construction of ELF. However, because of the political issue of site selection, that authorization was contingent upon the President selecting a site. Therefore, most of the ELF funding has been reprogramed, except for $5 million specifically designated in fiscal year 1980. This $5 million is immediately available, and, of course, needs no additional authorization.

The ELF communication system is needed because at the present time we are unable to have deepwater communication with our submarines. Submarines must come near the surface and float an antenna system on a regular, scheduled basis. Up to one-third of a submarine's operational time is consumed by this operational "dead time." In a crisis situation, the present communication system exposes the submarines to random detection. In the future, Soviet antisubmarine warfare techniques may reach a breakthrough when we least anticipate it. The investment in ELF is a small insurance policy on a multibillion-dollar investment, namely that of our submarines, which effectively decreases the vulnerability of the fleet and increases the time available for operations.

The Secretary of Defense has strongly supported ELF, recommending the reopening of the Wisconsin Test Facility, and announcing his intention to deploy the system in Michigan at an appropriate time. The Wisconsin and Michigan systems would operate in tandem to increase the range dramatically beyond the range of either system operating alone.

Past opposition to ELF stemmed from the original proposals, named Sanguine and Seafarer, which were 12 times as large and had significant impacts upon the local community. The present ELF would be constructed on Federal property at Sawyer Air Force Base in Michigan, with the antenna consisting of 130 miles of buried cable similar to telephone cable following roads and natural environmental features. In a letter dated March 25, 1980, the director of the Michigan State Department of Natural Resources, Howard A. Tanner, said:

> In regard to the environmental concerns it is my understanding that ELF has been scaled down to so small an area as to constitute no significant environmental impact.

The President in the 1976 campaign promised that Seafarer would not be imposed upon the people of Michigan without their consent; but he has on recent occasions indicated that his promise did not necessarily apply to the scaled-down ELF, which was one-twelfth the size of the originally proposed system. If Congress directs the President to choose a site, the President's political problems will be eased.

The Michigan Army missile plant transfer bill confers a unique and important benefit upon the people of Michigan. It is appropriate, therefore, that the same legislation indicate the support of the people of Michigan for this urgent national defense project which has little or no impact upon their environment. The passage of the Helms amendment provides the political signal that the President needs to begin construction of ELF.

Mr. President, were the geological conditions such that building the system in my own State of New Hampshire were possible, I can assure the President and my colleagues that my constituents would be more than happy to have it on their soil—so great is their concern for safeguarding our national defense.

I thank the Chair.

Mr. HELMS. Mr. President, again, I have engaged in several conversations with the distinguished members of the committee, the floor leaders of this legislation, and the distinguished chairman of the committee (Mr. STENNIS). I say at the outset that it is my intention to withdraw this amendment because certain assurances have been given me and I will be stated for the RECORD.

Again, Mr. President, let me say that I raise this question not because I do not trust completely the judgment of the committee, but because I did feel some apprehension about this aspect, and I thought it wise to state it.

Mr. TOWER. Will the Senator yield at this point?

Mr. HELMS. Yes.

Mr. TOWER. May I say that I join him in what I know must be a sense of frustration that drove him to offer this amendment, because we have been involved in trying to get this program sited for several years. It is now called Seafarer; it was called Sanguine. Every time they get run out of town someplace, they change the name for it. In fact, the optimum sites are probably in Wisconsin and Michigan.

However, I would not want to mandate the President to select a site in 60 days because I do not know what site he would select.

I think it is probably not wise to try to mandate that kind of thing in an election year. It could be that Texas might be selected, I do not know. I do not know what the likely outcome would be.

But I say to the Senator from North Carolina that I intend to pursue this matter in the consideration of our authorization bill in the Armed Services Committee because I think it is enormously important. I think we need to get on with it.

I think that probably most of the environmental concerns have been resolved. I think now the technology of today, being somewhat superior to that of just a few years back, will ameliorate some opposition to it and, hopefully, we can get on with it.

I know Senator HUMPHREY is very interested in this program. As a matter of fact, he expressed himself earlier on the floor while the Senator from North Carolina was unavoidably detained elsewhere and indicated he would be delighted to have it in New Hampshire.

Mr. HELMS. We have extra acres in North Carolina.

Mr. TOWER. And that might be considered.

Mr. HELMS. Yes.

Mr. TOWER. But, in fact, this is an important program.

I think the Senator can consider that we will pursue the matter. But I think the orderly way is in the Armed Services Committee, with due consideration being given to all aspects of the problem, and enabling us to act on this in an orderly way, in a context that fits better.

Mr. HELMS. Mr. President, the Senator has reassured me on this point. Again, I would emphasize that having served on the Armed Services Committee and having served with the Senator from Texas and the distinguished chairman, the Senator from Mississippi (Mr. STENNIS), I know that once they give assurances that a matter will be monitored, it will, in fact, be monitored.

Mr. President, I ask again that this matter be given top priority in the consideration of the committee.

I thank the Senator, and with that assurance, Mr. President, I withdraw the amendment.

Mr. STENNIS. Mr. President, this is, for the committee, just a very brief summary statement about the development on this highly important system.

ARMED SERVICES COMMITTEE INVOLVEMENT IN THE ELF QUESTION

The Armed Services Committee has played a very active role in examining and evaluating the extremely low frequency (ELF) system for communications with deployed submarines. Over the past 4 years the Research and Development Subcommittee has held six separate hearings in which ELF was a major subject:

April 6, 1976, entire hearing devoted to ELF.

April 6, 1977, examined ELF as part of our strategic command and control system.

March 14, 1978, examined ELF as part of Navy R. & D. program.

March 21, 1978, examined ELF as part of strategic command and control system.

April 5, 1979, examined ELF as part

of strategic command and control system.

April 1, 1980, examined ELF as part of strategic command and control system.

It has been a major item of concern with the committee, not some minor program that was treated as part of an omnibus budget scrub process.

COMMITTEE POSITION

The committee has consistently supported development and deployment of the system but all the while recognizing there were major problems to be resolved before the system could be deployed.

In 1976 there were questions of technical feasibility and possible harmful environmental effects. For those reasons the committee denied funds requested for full-scale development but did provide $22.5 million to continue advanced development. The committee noted that a deployment site had not been selected with Nevada, New Mexico and Michigan being possible locations.

In 1977 the committee recognized that the questions of technical feasibility and environmental impact had been resolved but the question of site selection was not. The committee also recognized that it was premature to spend money on full-scale development until a site had been chosen for the ELF system. The committee has consistently maintained that position for the last 2 years.

In other words, Mr. President, this matter has been reviewed and considered and conclusions reached by the committee every year.

The question of site selection has been with us for over 15 years going back to the 1960's and many areas have been considered including Texas, Wisconsin, Michigan, Nevada, and New Mexico. The present administration is catching most of the heat for being slow to choose a site but it is a question which at least three other administrations failed to resolve.

CURRENT SITUATION

The committee has consistently supported the ELF system but has recognized the difficult problems that have to be resolved. The question before us then becomes: Is there any new development that would justify taking consideration of this issue out of the normal committee process and trying to resolve it by attaching an obscure amendment to this relatively minor bill.

I do not know what the Armed Services Committee will do on the ELF question this year. We are just starting to work up the fiscal year 1981 authorization bill this week and we have not yet addressed the question of the ELF system. However, both Dr. William Perry, Under Secretary of Defense for Research and Engineering, and Dr. David Mann, Assistant Secretary of the Navy for Research and Development, testified this year that while they still support deployment of the ELF system that we still have several years before we must start deployment without increasing the vulnerability of our submarines. In other words there is not time-urgent, impending crisis that justifies treating this issue in this manner.

I appreciate very much the attitude of the Senator from North Carolina. It has been helpful to bring this up for discussion. I wanted to give these double assurances at the end because others get interested in the matter and the press gets interested in it, but we do not want anyone to blame us, unless the facts make it clear.

Again, I thank the Senator, Mr. President.

Mr. HELMS. I thank the distinguished chairman, Mr. President. I say to him again that his assurance is good enough for me. I know of his interest and Senator Tower's interest, and the other members of the committee.

As I said at the outset, I had these apprehensions about this and other matters and I felt obliged to raise the question.

Mr. NELSON. Mr. President, I rise in opposition to the Helms amendment.

The extremely low frequency (ELF) submarine communications system, known variously over the years as Sanguine, Seafarer and now, simply as ELF, is a proposed land-based antenna system designed to provide communications with our strategic and attack submarines at operational depths and speeds. It has been beset by controversy ever since its inception more than a decade ago, and continues to be challenged over questions concerning its biomedical/ecological impact, physical placemet, and whether or not the national security requires it.

ELF's progress has been carefully monitored and regulated over the last several years by the Senate Armed Services Committee and by the Congress, under a formula painstakingly hammered out by both Houses in 1976, and refined in 1978.

Congress has spoken clearly and consistently with respect to the future consideration of ELF. By congressional directive, contained in the fiscal year 1979 and fiscal year 1980 defense authorization legislation, the Government will expend no funds to develop ELF until such time as the President decides to recommend its deployment to Congress. That preliminary decision rests with the President alone.

If the President concludes that the construction of ELF is in the national interest, and approves a site for deployment, then his recommendation will come back to the Congress for the ultimate decision as to whether the national security requires ELF.

The Armed Services and Appropriations Committees of both Houses have for years heard classified and detailed testimony on ELF from the highest civilian and uniformed defense officials, and have not yet concluded that its deployment is necessary to the national defense.

The President, as Commander in Chief of the Armed Forces, has in hand all the technical, strategic, and military information necessary to reach a decision as directed by the Congress.

Passage of the Helms amendment at this time is untimely and ill-advised. It would destroy the Congress' carefully-crafted and measured approach to this defense system, usurp the jurisdiction of the Armed Services Committee, and circumvent the ongoing authorization process.

Mr. President, the Congress authorized the first exploratory ELF contract in 1966. In 1968, the Navy constructed an ELF test facility, and began several years of research and development work. Controversy over ELF intensified and sharpened when in its budget submission for fiscal year 1977, the Navy, for the first time, requested congressional approval to advance from the research and development phase to the full-scale development of the ELF project, which is in fact, the first stage of actual construction.

The Senate Armed Services Committee denied the funds requested for full-scale development (S. Rept. 94-878). The conference committee agreed to obligate these funds, but, at the urging of the Senate conferees, forbade their use until the Pentagon met three conditions precedent; the conference report (94-1004) listed them as follows:

> (1) Completion of studies of the environmental and biological impact of the Seafarer system and the conclusion that the system poses no unacceptable environmental or biological hazards;
>
> (2) Selection by the Navy of a candidate site; and
>
> (3) A firm plan including a schedule to begin installation of the system at the selected site.

Only after the Pentagon satisfied these conditions would the Congress be in a position to discuss the national security need for the ELF system.

The Appropriations Committees, deleting full-scale development funds, concurred in the establishment of this framework for the consideration of ELF. As the House Appropriations Committee noted (H. Rept. 94-1231):

> Approval of (Full Scale Development) could imply congressional acceptance of the Seafarer concept, and the Committee is not prepared to make that commitment until all of the environmental impact, site selection and cost questions are definitely resolved.

The Pentagon resolved none of these questions in fiscal year 1977, and so failed to meet the conditions agreed upon by the Congress in 1976.

Congress denied the Navy its request for full-scale development funds in fiscal year 1978, fiscal year 1979 and again in fiscal year 1980, drawing on the specific criteria fashioned by the Senate Armed Services Committee in 1976, and listed above.

The legislative history shows that the Senate has consistently adhered to this formula. After the Armed Services Committee deleted full-scale development funds from the Navy's fiscal year 1978 budget request, the former chairman of the Research and Development Subcommittee, Mr. McIntyre, and I engaged in the following colloquy on the Senate floor:

> Mr. Nelson. Last year's conference report on H.R. 12438, the fiscal year 1977 military authorization bill, contained very specific criteria governing the sequence of events that must be followed by the Navy before the Congress will authorize Full Scale Development . . . Am I correct in assuming that when the Committee voted to delete the

requested funding for Full Scale Development for fiscal year 1978 it was simply underscoring and re-emphasizing this procedure?

Mr. McIntyre. The Senator from Wisconsin is quite correct. The Committee's position on that central point this year is identical to its reasoning last year.

The Navy came back to the Congress in 1978, again seeking funding—$6.3 million—to commence "engineering development," the new terminology for full-scale development in fiscal year 1979. Again, the Senate Armed Services Committee disapproved these funds on the basis of the prerequisites to approval Congress mandated in 1976.

The full Congress, in fact, inserted explicit language restricting the use of any and all ELF funds in H.R. 10929, the fiscal year 1979 Department of Defense authorization act. Section 202 of the bill prohibited the use of any funds until such time as the President provided written certification to the Congress that the use of funds for the development of the ELF system is in the national interest, that a site has been selected for the deployment of the system, and that the President has approved the selected site for system deployment. Furthermore, the Congress directed that its absolute ban on use of funds for full-scale development, in place since fiscal year 1977, be continued through fiscal year 1979. The language of section 202 is as follows:

EXTREMELY LOW FREQUENCY (ELF) COMMUNICATION SYSTEM

Sec. 202. None of the funds authorized to be appropriated by this Act for the development of the Extremely Low Frequency (ELF) communication system may be obligated or expended for the development of such system unless the President certifies to the Congress in writing that the use of funds for such purpose is in the national interest, that a site has been selected for the deployment of such system, and that the President has approved such site for the deployment of such system; and in no event may any of the funds authorized to be appropriated by this Act be used for full scale development or construction of another test-bed facility for an Extremely Low Frequency (ELF) communication system.

The President made no such certification. Because of this, Congress inserted the identical statutory language in S. 428, the Fiscal Year 1980 Department of Defense Authorization Act (section 203).

The President has to this day made no certification to the Congress that project ELF is necessary to our national security. Moreover, Defense and Navy Department officials at the highest levels recently testified before Congress that Project ELF is not needed for at least the next several years. In fact, the General Accounting Office, in a study it made less than a year ago, recommended that the Defense Department terminate ELF. The GAO study states:

GAO recommends that the Secretary of Defense terminate any plans to construct an extremely low frequency system transmitter and to install extremely low frequency receivers on strategic submarines, since the extremely low frequency communications system is not needed; enhances communications capability only marginally at best; and, at a price of $283 million, cannot be justified.

The Navy has had 20 years and $150 million to make its case for project ELF, and so far has failed to do so. Whatever the full Congress may decide with respect to the future progress of ELF, there is quite clearly no justification for rushing ahead with construction at this time.

Mr. President, I commend the wisdom of the Senate Armed Services Committee and the Congress for their responsible and consistent approach to the resolution of project ELF's future. The formula agreed to by the two Houses has proved workable for the last 4 years and has assured responsible decisionmaking by the Congress.

The pending amendment, if approved, will destroy this carefully-crafted approach. This amendment represents a direct attack on the jurisdiction of the Armed Services Committee and the congressional authorization process. I strongly oppose it.

Mr. President, as early as 1972, the basic conditions required of the Navy before Congress would approve full-scale development of project ELF (then called "Project Sanguine") were established. I ask unanimous consent to insert in the Record at this time an exchange of letters in June 1972, between the then-Secretary of the Navy—and now distinguished Senator from Virginia—Mr. Warner, which laid the general foundation for congressional consideration of a full-scale development funding request.

I ask unanimous consent to have printed in the Record at this point the General Accounting Office's summary of its May 1979, study on project ELF, and a list of questions I posed to the Navy during the Senate's consideration of the ELF budget for fiscal year 1979, along with the Navy's answers.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Navy's Strategic Communications Systems—Need For Management Attention and Decisionmaking

Peacetime communications systems provide reliable day-to-day communications to the strategic submarine force. However, the Navy's most survivable wartime communications link to nuclear-powered strategic submarines—the TACAMO aircraft—has certain problems which need attention. Also, the Navy should reconsider whether another peacetime communications system—the extremely low frequency system—is needed.

PEACETIME SYSTEMS RELIABLE

To meet the objectives of the strategic submarine force, the Navy must maintain positive command and control of the strategic submarine force.

During peacetime, the Navy uses a combination of communications systems, ranging from very low frequency to ultrahigh frequency, to communicate with strategic submarines. The Navy's evaluation program shows that the Navy communicates with its strategic submarines nearly 100 percent of the time via a network of fixed, land-based transmission sites throughout he world.

WARTIME SYSTEM NEEDS SUPPORT

The Navy maintains two squadrons of TACAMO aircraft (an airborne, very low frequency communications system) for communications with strategic submarines during an emergency. This system, because of its airborne status in the Atlantic, is considered the Navy's only survivable link to the strategic submarine force.

Although the TACAMO communications system is considered the only reliable means of communicating to submarines in wartime, the Navy has allowed the TACAMO fleet to decline in number and deteriorate in physical condition.

Furthermore, because no other communications systems are considered able to outperform TACAMO in delivering emergency action messages, the Navy must now take actions to upgrade TACAMO. Such actions include:

A $22 million Service Life Extension Program for aging TACAMO aircraft.

The procurement, for about $380 million, of new TACAMO aircraft and airframes to replace those whose service life will end in the early- to mid-1980s.

We believe the Navy's planned actions constitute feasible near-term solutions to achieving the objective of delivering emergency messages to the strategic force.

Though no system in existence or being developed would be an acceptable replacement for the TACAMO system, other communications systems may be available to assist TACAMO in delivering emergency messages.

The Department of Defense (DOD) and the Navy are studying a system which may work in a nuclear environment.

Peacetime systems are also available. Separately, they are not considered survivable during a nuclear war but, because of their quantity, some could survive. This should increase the probability that an emergency action message will be delivered to the strategic submarine force.

QUESTIONABLE NEED FOR ANOTHER PEACETIME SYSTEM

Although the Navy has day-to-day, reliable peacetime communications to the strategic submarine force, it considers current communications receiving methods limited and, thus, endangering force survivability. Available DOD data does not support that position.

The Navy believes that visually detectable appendages to the submarine, such as a towed buoy or buoyant cable antenna, are undesirable because they could help an enemy locate the submarine. (See p. 15.) The Navy has sponsored research on various alternative communications systems that penetrate ocean water to greater depths, allowing the submarine to remain deep and eliminate the need for antennas on or near the surface. The Navy has had the most success in researching systems that can penetrate ocean waters with an extremely low frequency communications system. At least five variations of the system (referred to variably as Sanguine, Seafearer, etc.), each generally having less capability than the preceding version have been considered, and over $115 million has been spent on extremely low frequency research and testing.

The need for an extremely low frequency communications system is questionable. The system has been troubled by inadequate program management—the Navy has changed system requirements radically and frequently. Of greater significance, though, is that the modified system, in GAO's opinion, cannot be justified because of the extensive duplication and reliability of existing systems;

There is a high likelihood that submarine antennas and other receiving systems will not be detected and, therefore, will not endanger the strategic submarines;

Strategic submarines are extremely survivable now and will continue to be survivable for the foreseeable future;

Of the limited applicability of the extremely low frequency system to attack submarine missions and operations;

There is a lack of compatibility between the extremely low frequency system design specifications and strategic and attack submarine operational requirements.

Further, the proposed modified extremely low frequency system is no more survivable than existing day-to-day communications systems. Finally, although GAO does not believe the proposed extremely low frequency system is needed, there is doubt that the system will work as planned even if it is needed.

AGENCY COMMENTS AND EVALUATION

DOD, in commenting on our proposed report, concurred with our general comments on Navy strategic communications requirements. Defense recognized and agreed with the management and decision problems GAO identified with the TACAMO system and affirmed that planned and ongoing Navy actions are in consonance with the GAO findings. DOD did not concur with the portion of the proposed report which addressed the extremely low frequency communications system. In essence, DOD maintained that the extremely low frequency system was needed to free strategic submarines from having an antenna at or near the ocean surface and that the technical feasibility of the extremely low frequency system was validated and the system would work as planned. GAO does not agree with DOD on either of these issues.

Information obtained during GAO's review indicates that:

Strategic submarines are extremely survivable now and will continue to be survivable for the foreseeable future and will be even more so with the deployment of the Trident submarine.

Submarine antennas and buoys do not endanger strategic submarines now or in the foreseeable future.

The ability of the extremely low frequency system to perform in a realistic strategic submarine operational environment is questionable and the lack of definitive operational requirements makes it nearly impossible to address the extremely low frequency system's operational utility from a technical standpoint with any reasonable degree of confidence. (See ch. 4 and 5.)

RECOMMENDATIONS TO THE SECRETARY OF DEFENSE

GAO recommends that the Secretary of Defense terminate any plans to construct an extremely low frequency system transmitter and to install extremely low frequency system receivers on strategic submarines, since the extremely low frequency communication system is not needed; enhances communications capability only marginally at best; and, at a price of $283 million, cannot be justified. However, GAO recognizes that at some future time (probably not sooner than 10 to 20 years from now) circumstances or conditions related to strategic submarine survivability could change and that a clear need for an improved communications capability could be demonstrated. Accordingly, GAO believes that some level of research on the extremely low frequency system should continue in view of the potential this technology offers.

RECOMMENDATION TO THE CONGRESS

The President's fiscal year 1980 budget package, submitted to the Congress in January 1979, only included about $13 million for continuing research and development of the extremely low frequency system. GAO does not believe the Congress should consider funding any full-scale system development or construction until the Navy specifies definitive communications goals and requirements, demonstrates a clear need for such a system and shows that the proposed system contributes to strategic submarine survivability and flexibility beyond what already exists, and conducts a detailed analysis of the extremely low frequency system's capability compared to strategic submarine's operational environments and documents the results of the analysis.

UNITED STATES SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., April 14, 1978.

Hon. THOMAS J. MCINTYRE,
Chairman, Senate Armed Services Subcommittee on Research and Development,
Russell Senate Office Building.

DEAR TOM: As you know, we have a longstanding interest in the Navy's proposed Extremely Low Frequency (ELF) submarine communications system.

You've been a great help in the past, as Chairman of the Research and Development Subcommittee, in our efforts to monitor the progress of the ELF system.

We respectfully request that you submit the attached questions to the Navy for its response on the record.

Thank you for your continuing cooperation in this matter.

Sincerely,

GAYLORD NELSON,
U.S. Senator.
DAVID R. OBEY,
Member of Congress.

QUESTIONS SUBMITTED BY SENATOR GAYLORD NELSON AND REPRESENTATIVE DAVID R. OBEY

QUESTION. The NAS recommended in its report that a "reliable procedure for rapid detection of cable faults (insulation failure) should be demonstrated . . . before a final decision to proceed with the construction of the SEAFARER system."

The Academy also recommended that, before construction of an ELF system, certain studies should be completed and reviewed by an appropriate agency. These include:

"The development of final detailed specifications for ground-terminal design . . . that will alleviate shock hazards near the ground terminals;"

"A more extensive and site-specific set of measurements of the spatial and temporal variations in soil conductivity, as a prerequisite to the ground-terminal specification;"

"The installation of at least one vertical ground terminal in a test facility, to permit evaluation of this alternative ground-terminal design;"

"A baseline study using radar tracking of bird navigational patterns among migrating species in the vicinity of the proposed installation . . .;" and

"Baseline studies to determine which of the species of fish that live in the area proposed for the antenna are sensitive to weak electric fields at SEAFARER frequencies. These studies should determine the extent to which external SEAFARER fields might interfere with the normal behavior of such fish, as well as any observable adaptation to such fields."

Admiral KAUFMAN. The National Academy of Sciences (NAS) report was based on the premise of a larger SEAFARER system which would have as its starting point a test facility with a reasonable test period to test the impacts and capabilities to be exacted from full construction of the large system. This is the basis of the judgments of the NAS report. In other words, we now have a "new ballgame" in that the Department of Defense at the President's orders has terminated the large system in the interest of settling on a final system which would approximate the size of the proposed test system. In essence, then, we are in a "chicken or egg" situation with regard to some of the recommendations made by the NAS . . . i.e., studies or impacts of a biological nature and baseline studies which would have been studies with the small test system and have to be studied by that small test system in its role as a full-fledged ELF system. For example, the installation of a vertical ground terminal in the test facility would have to be accommodated, if done before any system construction, at the Wisconsin Test Facility. The Navy, since reviewing the NAS recommendations, is not yet certain that such a ground terminal will be required nor is it certain that it would be in the best interests of the environment. We are looking at other means of grounding which may be eminently more satisfactory than the vertical terminal or at least equal to it in its effectiveness. The Navy has committed itself to have such ground and fault detection systems plans reviewed by competent bodies within the appropriate states.

Certain recommendations will have to await the decision as to site location before they can commence. Again, the "chicken and the egg" situation. As soon as that decision is made, the Navy will commence the appropriate biological baseline studies in the area of interest. At that time, too, the site specific set of measurements of the special and temporal variations in soil conductivity will be made, and it will be the prerequisite to the final ground terminal specification and to the particular ground installation which is employed before the system is operated as an operational system.

There is inherent in the questions the thought that all environmental/biomedical questions will be resolved before the project enters its next stage. Pragmatically, this probably is never possible. The best that we see attainable is a reasonable number of experiments with ample review by reasonably competent group of people, such has been accomplished by the NAS review. There will be questions originated by individuals, some with competence, which can perhaps never be answered within the bounds of the very low fields which would be generated by the larger SEAFARER system, and with a small ELF system the fractional field generated would be even less productive of change which could be measured by experimentation. All reasonable tests which can be projected by competent groups have been undertaken or are continuing in exploitation. The Navy has committed itself on numerous occasions, to the public and to the Congress, to cease operation of the ELF system . . . either test or operational configuration . . . in the event that a harmful situation is detected.

In summary, in some instances, the questions posed by Senator Nelson and Representative Obey cannot be answered by providing dollar figures in the fiscal year 1979 budget as being applied to specific tests which are site related. The following paragraphs deal with the specific questions individually.

STUDIES OR EXPERIMENTS

QUESTION. What studies or experiments are either proposed in the fiscal year 1979 budget request, or contemplated at some future date that speak directly to the Academy's recommendations? What funds are earmarked for these activities in the FY request?

Admiral KAUFMAN. The fiscal year 1979 budget request includes funding for continuing four ongoing projects and for initiation of three new studies recommended by the NAS report.

I. Biological/Ecological Studies ($600K annually follow-on-years)

Fiscal year 1979:	*Thousands*
(a) Freshwater fish (new)	50
(b) Magnetic bacteria (new)	25
(c) Tissue culture (ongoing)	25
(d) Primate studies, UCLA (ongoing)	35
(e) Primate studies, Pensacola (ongoing)	100
(f) Bird migration, WTF (ongoing)	50
(g) Baseline studies at selected sites (new)	512
Total fiscal year 1979	797

II. Funds to be applied to the other NAS recommended efforts during fiscal year 1979 include:

Fault Detection Design (shock hazard monitoring) 771K.

Low Step Potential Ground Design, 3,052 K.

QUESTION. It is our position that such studies must be completed and reviewed by an appropriate agency, like the NAS, before Congress authorizes or appropriates funds for engineering development or full scale development. This is consistent with our past understanding that all environmental/biomedical questions will be resolved before the project enters its next stage. Does the Administration adhere to this position?

Admiral KAUFMAN. The response is primarily covered in the foregoing comments:

Both the Navy and the Department of Defense have pledged that if any deleterious biological effects are identified, the operations of the ELF system would be discontinued. It is the intention of the Navy that the ELF communications system will be designed to be safe for people, wildlife and the environment.

QUESTION. Researchers at the University of Wisconsin-Parkside have found in a series of experiments that the rate of cell division mold, and oxygen and nutrient intake levels of slime molds decreased by 10–15 percent when exposed to SEAFARER radiation fields. It is not known whether any other organisms are susceptible to such a slowdown of life processes. What experiements has the Navy commissioned or proposed to determine the reasons and significance of these findings? What funds are earmarked for this purpose?

Admiral KAUFMAN. The Navy has sponsored research in this area on slime mold, plant roots, chick embryo, rat brain and liver, and human tissue culture. The work has been done over a period of several years.

$25K has been programmed for continued tissue culture research in fiscal year 1979. The Navy will initiate follow-on research as appropriate in this area after the final recommendations from this project. Further review of the research conducted is planned by the University of Wisconsin, Parkside.

QUESTION. It is our understanding that studies of the effects of ELF radiation on bees have exposed the bees to constant radiation fields only. Since the SEAFARER ELF system generates alternating fields, what studies has the Navy commissioned or proposed to determine the effects on bees of SEAFARER-type radiation fields? What funds are earmarked?

Admiral KAUFMAN. Existing literature and experimental data on insect behavior under various electric and magnetic fields is quite limited. No specific work is known to have been completed which is comparable to the alternating fields generated by the ELF communication system. The results of an ongoing study of honeybee behavior under 60 Hz commercial power lines sponsored by the Electric Power Research Institute (EPRI) have been received in draft form and are evaluated by the Navy. If follow-on studies are deemed necessary, they will be initiated. None are planned at this time.

QUESTION. The need for, and capabilities of, an ELF Communications system are, of course, determined in light of the perceived antisubmarine warfare (ASW) threat. Explain in detail the Navy's assessment of the risk to which U.S. submarines would be subject if the ELF system is not deployed according to the current Navy timetable? Is the current risk-assessment consistent with that of 2 years ago? Of 5 years ago? Of 9 years ago? Include the Navy's assessment of the current and foreseeable Soviet ASW threat.

ANSWER. Currently and until the mid-1980 time frame when the small ELF system could become operational all submarines are required to slow and operate shallow or have an antenna on or near the surface to receive their communications. This is a continuous restriction for our alert strategic submarines and frequently requires an interruption and decrease in effectiveness of attack submarine operations.

While we do not believe that our submarines are exposed to a great risk of constant detection today, it is a fact that operations at shallow depth increase this risk. The major question which must be considered then is to what degree will the Soviet ASW capability improve over the next 5 to 7 years and the risk which might be imposed on the submarine force if the ELF capability is needed and not developed.

It is important to emphasize that chance detections even in peacetime are a matter of considerable concern. Over a period of time such detections can be correlated to define better our submarine operating areas, thus providing smaller search areas for Soviet ASW forces in the event of hostilities.

[Deleted.] Their platforms are well suited, however, for limited area search, localization, and attack operations. It is very possible that the more likely threat to our SSBNs could be detected, [deleted]. If the initial contact is made, Soviet ASW forces must be regarded as a serious threat. [Deleted.] Their efforts have included the construction of substantial numbers of ASW-capable ships [deleted.]

The assessment of ASW capability has increased over the previous 9 years as the scope and extent of the Soviet ASW efforts has become more apparent.

In the late 1960s it was apparent that the Soviets were beginning to concentrate more on ASW, particularly their open ocean capabilities. Everything we have seen, generally has served to confirm past estimates that a determined effort is being made by the Soviet to develop as ASW capability [deleted].

QUESTION. Please explain the reason for the change in the ELF system's mission with respect to SSBNs, our ballistic missile submarines, from giving the final "shoot" command to signalling a submarine to rise to the surface to receive such a message by other means.

Admiral KAUFMAN. A deliberate change in system survivability was made in the shift of ELF concepts from SANGUINE to SEAFARER in 1975. SANGUINE featured burial transmitter "pods" at the intersections of cables, the network presenting a very hard and very expensive system. The conscious decision to shift the less survivable SEAFARER was based on recognition of improvements in accuracy and MIRVing in Soviet ICBMs. It was concluded that the SANGUINE would not withstand a concerted attack given the projected qualitative and numerical improvements. In addition, a driving factor was the cost.

Recognizing the limited utility of a small system in meeting the required message delivery time criteria, the Navy does not consider it prudent to depend upon the ELF system for nuclear control order purposes but places primary reliance on survivable national airborne systems and TACAMO for this purpose. While it would be possible to transmit a nuclear control order on ELF in the small system concept, it would take hours and is not practical.

The existing redundant communications facilities with planned improvements are expected to satisfy the nuclear control order requirement, i.e., ELF, LF, HF, stations and TACAMO aircraft link. ELF is proposed to improve markedly the survivability of our submarines by reducing their detectability.

ELF ALTERNATIVES

QUESTION. List the conceivable alternatives to the proposed ELF system for communication with our submarines. Include an explanation of their mission, capabilities and drawbacks. Does the FY 79 budget request include funding for research into alternative submarine communications systems?

Admiral KAUFMAN. Alternatives to the proposed ELF system can be categorized into three areas:

(1) ELF systems altered in size and location

(2) Alternate ELF systems (airborne, etc.)

(3) Alternate technologies to ELF.

The Navy has made extensive studies on alternate site locations for an ELF system. In general, the dominant characteristic in establishing the operational effectiveness, environmental impact, power consumption, size and cost of ELF systems in any given area is the characteristic of the ground conductivity. Areas of lower conductivity are much more advantageous for installation of a system of this type. The present small system proposed by the Navy is an alternative to a large SEAFARER system for which the Environmental Impact Statement assessed sites in Michigan, Nevada, and New Mexico.

The following is a summary of alternate ELF systems considered:

AIRBORNE ELF SYSTEMS

Airborne ELF transmission systems have been considered to take advantage of the greater efficiency of vertical antennas. These include the use of balloons and conventional aircraft.

Balloon supported systems

In one scheme, an array of [deleted] vertical antennas is supported by balloons. There are many practical problems in emplementing such a concept, one of which is that power input to each vertical radiator is limited [deleted]. The array would consist of at least [deleted] balloon-supported antennas. This scheme would require considerable research to resolve risks and determine the extent to which this concept can achieve the desired performance. Its role would be principally in reconstitution of communications after a disabling attack on SEAFARER.

Conventional airborne systems

Long antennas can be towed by aircraft and, by flying relatively slowly and using a weighted drogue, it has been postulated that the antenna can be made to assume a curved configuration with a large vertical component. Corona formation at the aircraft can be reduced by trailing another semi-horizontal counterpoise wire.

Since the transmitter power which can be carried by an airplane even as large as a Boeing 747 is limited to a few hundred kilowatts, the airplane-to-submarine range is limited to less than 3,000 miles and thus would require many airplanes. Such a scheme would not achieve the desired performance and have major feasibility issues such as aerodynamic stability and high-voltage operation, thus requiring longer-development periods than the ground-based systems.

ELF SATELLITE SYSTEMS

The main issue affecting the feasibility of an ELF satellite system is whether enough power could be radiated to provide near global communication coverage. The power requirements for ground based ELF systems (SEAFARER) exceed the power that could be generated on a satellite by many orders of magnitude. If an ELF satellite is to be feasible, therefore, the power requirements must be smaller than for ground-based systems.

There are some physically plausible reasons for believing that the power requirements for satellite-borne ELF can be reduced. For example, if a satellite were operated in the ionosphere at an altitude of about 200 miles, the wavelength of ELF would be about 10 kilometers as compared to 4,000 kilometers at the earth's surface. Since the efficiency of transmitting antennas increases strongly as the ratio of wavelength to antenna length decreases, much greater efficiencies might be achievable in the ionosphere than in free space.

The arguments associated with the several plausible physical mechanisms that could make such a system feasible are qualitative and speculative and cannot be used to determine system size, performance, or cost.

An extensive experimental program lasting more than five years would be required to evaluate the technological risks. Such a program would consist of a full-fledged ELF satellite-borne experiment to resolve risks, particularly those associated with achieving adequate radiation efficiency and widespread geographic coverage.

ULTRA LOW FREQUENCY SYSTEMS

Ultra low frequency (ULF) denotes radio frequencies between 0.1 and 10 Hz. Attenuation of sea water at these frequencies is low. The entire earth's surface would be in the near-field of a ground-based ULF transmitter. For equal communication coverage, the field generating element of such a transmitter would occupy several times the area of an ELF transmitting antenna and the ULF transmitter would use several times as much power as an ELF transmitter. Moreover, a fundamental limit of about 0.1 bps exists on ULF data rates for (for binary coding) because of the low carrier frequency and the limited bandwidth of the propagation channel.

Several exotic methods of generating ULF by conversion of VLF signals at non-linear particle interaction in the magnetosphere have been postulated, but experiments have shown that the interactions are rare and unpredictable.

LITHOSPHERIC WAVEGUIDE

Some geologists are of the opinion that a low conductivity layer of rock exists in the lithosphere, which is the relatively rigid outer portion of the earth. This layer is estimated to be centered about 5 to 15 kilometers below the earth's surface. If such a layer exists, it might provide a waveguide for ELF or ULF radio signals. The signals perhaps could be launched into the guide and retrieved from it by huge antenna arrays in wells many miles deep. Conceptually, these signals could be relayed to submarines by means of [deleted] placed on the [deleted] above receiving wells.

The existence of a usable crustal waveguide has not been established and usage if such a waveguide must be regarded as speculative. It would require considerable research over several years to adequately determine waveguide existence and properties and better understand the extent of the risks associated with this concept.

ROTATING SUPERCONDUCTING TRANSMITTERS

Superconductors can carry very strong currents with little power loss. Since the fields radiated by a magnetic dipole (i.e., a current loop) are proportional to the product of the current and the area, superconducting antennas could be much smaller than conventional ones. Such a tradeoff between current and size is attractive, because one of the most commonly voiced concerns regarding SEAFARER is its large physical size. However, it should be noted that huge electric currents produce intense electromagnetic fields.

Motivated by these considerations, a committee sponsored by the Naval Research Laboratory examined the possibility of using rotating superconducting magnets in lieu of the SEAFARER horizontal electric dipole antenna. The committee's major conclusion was that rotating superconductors seem clearly less attractive and more speculative than the SEAFARER concept. The primary reason for this negative conclusion was the large number—hundreds or thousands—of large rotating superconducting magnets that would be required to achieve the required transmission range. Thus, the concept is considered to be infeasible for near global communications coverage.

PISCES

The Bonneville Power Administration, an agency of the Federal Government, operates an 850 mile long direct current transmission line between Oregon and Los Angeles. The idea for sharing the line for submarine communications has been explored by the Defense Communications Agency in a project called PISCES (Pacific Intertie Strategic Communications System). While technically feasible, PISCES would not provide communications to all submarine operating areas, and would provide only marginal performance in some areas which it would cover. The coverage provided could not be improved over present predictions. Interference mitigation for PISCES would be more extensive and expensive than for an ELF system because of higher currents required for PISCES. We can only conjecture at the degree of opposition to be generated by environmentalist groups in Oregon, Nevada and California, which would be affected by PISCES.

BLUE-GREEN LASERS

A blue-green laser beam could penetrate sea water to [deleted]. The effectiveness of this penetration depends strongly upon existing environmental conditions. A proposed configuration would entail [deleted] that would [deleted] with a [deleted] beam. Successful development is a high risk technological undertaking. Even with a large number of lasers in operation, one could not simultaneously satisfy all coverage areas, submarine depths, and message delivery time requirements. This is classified as a high risk, high cost program.

ACOUSTIC RECEPTION SHIPBORNE AND OCEAN-BORNE ACOUSTICAL PROJECTORS

Technology is available for underwater acoustical communication and tests have been made over long distances. One of the principal problems is that communication coverage is uncertain and high reliability of message delivery is difficult to obtain. Acoustic signals require 20 minutes to travel 1,000 nautical miles. Location of all acoustical projectors near the continental U.S. would thus preclude the possibility of meeting the short transmission times required for all the submarine Ocean operating areas. Alternatively, if overseas, or at-sea acoustical projectors are used, the transmission time and communication range could be improved. However, overseas or at-sea basing are vulnerable to political pressures and harassment; relatively simple enemy measures could be undertaken during peacetime to reduce the effectiveness of the system.

A number of schemes have been postulated to provide acoustical transmitters in the submarine operating areas. In the first, projectors would be placed on the sea floor along continental shelves and connected to shore with underwater cables, which would be used to carry messages and electrical power. If very long cables were used, direct connection to the continental U.S. could be provided. These cables would be vulnerable to cutting by trawlers or submarines. This vulnerability could be reduced somewhat if a number of shore stations, both in the United States and foreign countries, were used. However, the system would be dependent on the goodwill of the host nations.

A second scheme proposes the use of ships to receive radio signals from the United States via satellite or otherwise and then relay them to submarines via an acoustical link.

All these acoustical methods are subject to jamming and are considered to pose low to moderate risks requiring several years of additional research to resolve them. The most severe technological problem is designing a signal-processing scheme capable of achieving the required communication time availability at ranges of 1,000 nautical miles over widespread Ocean areas. A research program would be required to determine potential environmental impacts of an acoustic transmitter system.

SEISMIC WAVES

It is assumed that transfers of energy from the seismic waves to acoustic waves for reception by the submarines would occur due to motion at the interface between the suboceanic crust and sea water. Long-path seismic links are considered feasible due to high attenuations at the desired frequencies of transmission. Short seismic paths might be feasible and would require submarine cables and projectors, but would suffer from the same siting problems as the shelf-mounted acoustic system discussed in previous paragraphs and could even be infeasible because of the transmitter power requirements.

FUNDING

None of the conceivable alternative proposed for an ELF Communications System has advanced to the point where it is ready for Advanced or Engineering Development Research and no funds for research are included in the FY–70 Request. The FY–79 Request does include funding for exploratory research in three areas which could be categorized as Potential ELF Alternatives. The scope of this work, in Blue-Green lasers, Low Frequency Acoustic, and Neutron technology, is summarized as follows:

a. Blue-Green Lasers and Optics ($2.6M). Propagation and climatological studies, $.85M. Source and Component Development, 1.75M.

b. Long Range Low Frequency Acoustics ($.5M). Low information rate concepts and fading effects.

c. Neutrinos ($.5M). Fundamental characteristics and potential applications.

U.S. SENATE,
COMMITTEE ON FINANCE,
Washington, D.C., June 6, 1972.

Hon. JOHN W. WARNER,
Secretary of the Navy,
The Pentagon.

DEAR MR. SECRETARY: Congress will soon be making the decision on the Navy's proposal that, in fiscal year 1973, Project Sanguine be advanced to the "Validation" phase and that some $12 million be appropriated for this purpose. In a continuing effort to evaluate the program, there have recently been a series of Naval briefings as well as a productive meeting between Naval scientists working on Project Sanguine and distinguished scientists who have asked probing questions concerning the technical feasibility of the system.

This letter is being written, prior to Congressional action, based upon my interpretation of the series of conference between myself, my staff, independent scientists, and Navy representatives over the past few months. It is for the purpose of reviewing the status of Project Sanguine and the FY 1973 proposals for it.

1. TECHNICAL FEASIBILITY

Scientists working on Project Sanguine are convinced that the practical feasibility of the communications system has been demonstrated. The Navy proposes, in FY 1973 to further test the practical aspects of the system during this test or development phase. Other eminent scientists, outside the program, express serious reservations concerning the technical feasibility of it.

Bearing importantly on this divergence of views is the need, raised both in the National Academy of Sciences report on Sanguine and by the distinguished scientists who have been critical of it, for a full-scale discussion in the national scientific community of the technical questions involved.

Sanguine obviously involves different theories and techniques of communication that have not had wide-spread, careful analysis by the scientific community. It is my understanding that the Navy agrees that the unclassified data respecting technical aspects of this system should be widely published in scientific journals so that it can be evaluated by experts in all of the scientific disciplines involved and the Navy agrees to make the unclassified data available.

In my opinion, the question of the practical feasibility of the system remains open until the scientific community has had ample opportunity to evaluate the data.

2. ENVIRONMENTAL IMPACT

In March, 1971, the Navy said, in its draft environmental impact statement on Sanguine, that it could build such a system compatible with the environment. Among those critical of this report were the environmental subcommittee of the Governor's Ad Hoc Committee on Sanguine in Wisconsin; the U.S. Army Corps of Engineers; and the U.S. Forest Service, which questioned the entire test procedure because of the lack of previous information on the test sites prior to their development.

In addition, preliminary results of tests, conducted by the Hazelton Laboratories of Virginia under contract with the Navy, indicated seed growth retardation, avoidance of electrical fields by aquatic life, mutagenesis of fruit flies (at a rate "too important to be neglected . . ."), and other potentially serious acute and chronic effects from Project Sanguine.

Recently, in April, 1972, the Navy filed a second environmental impact statement, which, based on pilot projects, concludes essentially that Sanguine will not have a substantial adverse effect on the environment. While their evaluation of this document is not yet completed, I am informed that the environmental subcommittee of the Governor's Ad Hoc Committee is critical of this statement for much the same reasons raised with the first statement. The subcommittee expects to issue a critique on this environmental statement on June 15, 1972.

Of course, environmental research on Project Sanguine is continuing. There are now studies being conducted at nine colleges or universities, some of which started as little as a month ago, and most of which will be completed in a year or so. Also, the Navy's FY 1973 proposed budget for Project Sanguine earmarks some $400,000 for continuing environmental study purposes.

Therefore, the question of the environmental impact remains unresolved for the time being.

I would like also to note that the Navy advises me that a final decision on the site for Project Sanguine has not been made. It is also the position of the Navy that continued testing at the existing site is essential to complete development and evaluation of Sanguine regardless of ultimate site location.

In summary, it is my understanding in my discussions with the Navy that the FY 1973 appropriations on which the Congress is asked to act involve only continuation of research and development ("Validation" phase) and do not include any funds for the Final Development and Deployment phases. I would appreciate being advised if my interpretations of these conferences do in fact represent a correct view of the status of Project Sanguine and the purpose of the funds requested for FY 1973.

Sincerely yours,

GAYLORD NELSON,
U.S. Senator.

DEPARTMENT OF THE NAVY,
OFFICE OF THE SECRETARY,
Washington, D.C., June 9, 1972.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR SENATOR NELSON: In your letter of June 6, 1972 you requested Navy confirmation of your interpretation of recent events affecting the status of Sanguine and the purpose of the funds requested for FY73.

I am pleased to advise you that your understanding of the efforts planned for Sanguine in FY73 are correct. I have enclosed a copy of the letter recently sent to the Chairment of the Committees on Appropriations and Armed Services which also discussed the Navy's plans for Sanguine in FY73.

The technical feasibility of Sanguine has received considerable study and review for over ten years. This work has been supported by actual communications experiments with submerged submarines to test all aspects of the system. The recent National Academy of Sciences/National Academy of Engineering report supported the technical basis used by the Navy in developing the Sanguine concept.

As you correctly noted the Sanguine system involves concepts and theories that have not been extensively utilized in other systems. This is one of the reasons for the long and careful Navy research and development efforts since 1958. There are always some differing opinions on new scientific concepts. These can be best resolved by conducting actual experiments to test applicable theories while at the same time conducting scientific/technical discussions with all interested parties. The Navy has in the past and will continue in the future to encourage publication of unclassified technical material by the scientists working on the project. Considerable technical material was recently provided to Sanguine critics which should assist in their understanding and evaluation of Sanguine. The Navy will continue to cooperate in providing unclassified information regarding particular technical areas.

Several technical and professional societies will have sessions during the coming year specifically devoted to scientific papers on Sanguine. Several of the technical critics have indicated they will participate in these sessions which should provide a forum for meaningful technical exchange.

The Navy is not yet in a position to make a final assessment of the environmental impact of the *construction* and *operation* of an operational system. Environmental research is continuing and there has not been a decision on a final site or design. The recent Environmental Impact Statement (EIS) states there will be no adverse impact during the next four years of development. I must emphasize that this statement covers the remainder of Sanguine development only, and there is no intention that it be construed to be a statement of final impact, which as you know will be dependent upon results of this next phase as well as the exact location of the site. The present EIS does contain the current assessment of the potential impact from construction and operation of a Sanguine system. The final evaluation will be submitted in an updated EIS prior to requesting authorization for construction of an operational system.

The funds requested for Sanguine in FY73 are for continuation of research and development as part of the Validation Phase of the major defense systems development and acquisition cycle. Approval of these funds, and the conduct of the Validation phase, do not constitute a commitment to full scale development or production of a Sanguine system. Development needs to proceed in order to insure that future decisions on full scale development are based on availability of all necessary factors, including environmental issues.

The FY73 efforts for Sanguine do involve contracting with industry for competitive preliminary development tasks and continued testing at the existing Wisconsin Test Facility. The operation of the test facility will continue as in the past with only the addition of buried cable tests to provide additional data on cost, environment considerations and antenna radiation factors.

I believe the recent discussion and reports made available including the NAS/E report will do much to provide a basis for future consideration of the Sanguine program.

Sincerely,

ROBERT A. FROSCH,
Assistant Secretary of the Navy.

Mr. LEVIN. Mr. President, I also thank the Senator from North Carolina. I do not think we would agree necessarily on the substance of the ELF matter. I think we do now agree that the Armed Services Committee is the appropriate place for that to be debated, and promptly so.

Mr. HELMS. We do, indeed, and I thank the Senator.

The PRESIDING OFFICER. The Chair informs the Senator his amendment is pending.

Mr. HELMS. I thought I had withdrawn it. If not, Mr. President, I do withdraw it.

The PRESIDING OFFICER (Mr. JOHNSTON). The amendment is withdrawn.

Mr. STENNIS. Mr. President, may I have a half minute?

Mr. LEVIN. I am happy to yield to the Senator.

Mr. STENNIS. Mr. President, the Senator has been interested, very cooperative, and has worked hard on this problem. It is a problem for all of us. I appreciate the attention of the Senator from Wisconsin in this debate, being ready and having the material he has now had printed in the RECORD.

Mr. NELSON. I thank the Senator.

Mr. TOWER. Mr. President, I yield 15 minutes on the bill to the distinguished Senator from Ohio.

The PRESIDING OFFICER. The Senator from Ohio.

Mr. GLENN. I thank the floor manager of the bill.

Mr. President, I have no doubt about what the vote on this bill will be. The debate probably will not influence any of the votes, regardless of what we say on the floor here today, but I do feel that it is my duty to put my views on the record for a future record and to set down a chronology of what I believe happened in this case.

Mr. President, I rise to speak in opposition to H.R. 6464, a bill that would authorize the Secretary of the Army to convey to the Michigan Job Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Mich. I am opposed to this legislation because: First, it violates established procedures for the disposal of Federal property; second, it ignores possible mobilization requirements that may arise as a result of current international crises; third, the bill constitutes a bad precedent because it is special interest legislation in the critical area of Federal property transfers; and fourth, it misrepresents in a shortsighted and irresponsible manner the true costs to the taxpayer of this transfer.

Before I detail my concerns on these points I want to describe the context within which this legislation was drafted. For quite a while last year the northeast Ohio area and the State of Michigan were in close and intense competition to have Volkswagen develop and operate an auto production facility in their respective areas. Representatives from both regions met with Volkswagen officials to discuss investment incentives, environmental requirements, and site availability. One important difference between the proposals offered by the two regions was that Ohio had an available industrial site to offer and Michigan did not.

The Ohio site was at one time an Army tank production plant which was declared surplus and later excessed in the manner prescribed by the Federal Property and Administrative Services Act. It went through the whole GSA procedure and everything. It is private property—maintained and improved by an Ohio businessman. The Michigan site, on the other hand, is not really Michigan's to offer. It belongs to and has been maintained by the taxpayers. At the time that the Michigan Department of Commerce entered competition with Ohio for location of the proposed VW plant, the Michigan Army Missile Plant had not been declared surplus to Department of Defense needs nor had mobilization requirements for the facility yet been screened.

In other words, it was promised before it belonged to those who were making the promises to circumvent this obstacle, special legislation was drafted in late November 1979, and quietly scheduled for markup on February 7, 1980. Ironically, on that very day, VW Vice President Richard Dauch announced in Ohio that Cleveland's chances to be the site for VW's new plant "look very good." The coincidence of this fast-track legislation with VW's sudden retraction of Mr. Dauch's promising statement kindled my interest in this issue. My investigation of this proposed Federal property transfer has confirmed my initial suspicion that this proposal is ill-considered and irresponsible. I would like to take this opportunity to detail my objections to this legislation.

First, I am opposed to this legislation because it circumvents procedures for the transfer of Federal property outlined in the Federal Property and Administrative Services Act of 1949. That act addresses the need for efficient management by Government and responsible control by Congress of Federal property. That act establishes the General Services Administration as the central administrative authority for the transfer and disposal of Federal property. It requires each agency to report excess property to GSA and to transfer and dispose of such property in accordance with the authority and regulations of GSA.

The transfer proposed in this legislation is unconventional because it circumvents established procedures for the orderly disposal of surplus Federal property. This proposed transfer is irresponsible because it ignores the fundamental reason for these procedures—which is to protect the interests of all the taxpayers of the United States. The Michigan Army Missile Plant is not the property of the State of Michigan and, hence, that State has no right to promise in advance an offer to negotiate its sale.

This property is owned by all U.S. taxpayers and the legal procedures we have for its disposal are designed to protect the taxpayers' interests. The proposed exchange would allow an agency of the State of Michigan to construct two office buildings and then trade the buildings to the Federal Government in exchange for the Michigan Army Missile Plant. Such an exchange of cash equivalents bypasses the normal authorization and appropriations processes whereby Congress determines when, where, and at what cost Federal buildings are built.

The appraisal of this property and the estimation of the cost of its maintenance were arranged by the Army, not the GSA. The exchange supported by these calculations fulfills the Army Tank Command's desire for a new office building and satisfies Michigan's needs for an industrial site. There are not, however, any independent analyses of either the fair market value or other Federal agency needs for this facility and GSA still opposes this transfer. By allowing the Department of the Army and the State of Michigan to oversee this transfer we are asking the taxpayers to let the wolves watch over their sheep. In my view there has not been enough independent analysis of this transfer and there are not adequate safeguards in this legislation to protect the taxpayers' interest. For these reasons I oppose this legislation.

Second, I am concerned that this legislation may compromise our efforts to develop an efficient and responsive mobilization capacity. As recent events demonstrate, our national need for expanded defense production facilities and expanded mobilization capacity is growing. This need has been documented recently in a U.S. Army Association report on mobilization which states:

> A sizable portion of the U.S. government-owned ammunition production base has been "laid away" and would take weeks or months to get into operation. The specialized industries that produce the missiles and ultra sophisticated electronics gear the armed forces use are already close to maximum production and we have no means to rapidly increase their output.

Our ability to meet these needs is further limited by budget constraints. For these reasons, I oppose this sale to a foreign auto manufacturer of a defense plant that the Department of Defense says, "is in a good state of readiness condition and could be converted to production of other end items with a minimum of expenditure."

Third, I am opposed to this legislation because it sets a bad precedent. It is special interest legislation in the critical area of Federal property transfer. Passage of this legislation would enable the State of Michigan to offer VW a production facility that is not currently available. It does so without adhering to established procedures for Federal property transfer thereby putting the Federal Government in the position of favoring one region over another through this unique disposition of Government property. Moreover, Ohio taxpayers have paid their share of the costs of maintaining this facility in Michigan, and they will be called upon to pay their share of the costs to rebuild this same kind of facility should we need it for defense purposes. This legislation places Ohio taxpayers in double jeopardy. They have paid to maintain this facility in a state of readiness and now those payments are being used to subsidize—I repeat, to subsidize—VW's investment in the United States. This brings me to another objection to this legislation.

Today you will hear claims that this legislation will save the taxpayers money, that the appraised value of this property is $14 to $18 million and that in exchange for this property we will receive buildings with a value of $21 to $25 million. These figures misrepresent the true costs of this transfer.

These figures are not based on an independent appraisal of the fair market value of the Michigan Army Missile Plant because GSA has not had an opportunity to contract for such an appraisal. Similarly, the cost and design of the office buildings to be given in exchange have not received an independent evaluation. Hence, neither figure is a reliable indicator of the costs of this transfer.

Moreover, one figure that does not appear in the hearing record on this bill is the replacement cost of this facility. Last month I inquired of the auto industry what the replacement cost of this type of facility would be. The estimates I received ranged from $150 to $200 million. That translates into a $125 to $175 million loss to the taxpayers. This figure certainly sheds a different light on the cost of this transfer and it raises serious questions regarding the implications of this exchange for our auto industry.

Everyday we hear news of additional auto plant closings. Ford and Chrysler continue to lose money in our domestic market. Foreign auto producers outcompete American manufacturers in the all important area of small car sales. Now, while American firms are struggling to survive their "retooling transition" into the small car market, the gentleman from Michigan proposes legislation that would subsidize the expansion of Volkswagen's presence in our domestic market to the tune of $125 to $175 million. What is the sense of this? What will be the cost of this legislation to the American auto industry 2 years down the road? What will be the cost of this legislation to the American taxpayer should international events require the replacement of this defense facility? We cannot answer these questions and I think it would be irresponsible and shortsighted of us to approve this legislation until we can.

Mr. President, legislation such as H.R. 6464 is why Americans lose faith in Congress. We demand that they pay their taxes yet we do not enforce the laws designed to protect their interests. We tell them of the need for increased defense spending and we give away a defense production facility for a fraction of its replacement cost. We pass loan guarantee legislation for Chrysler and study the imposition of quotas on auto imports—then we turn around and subsidize a foreign automaker's operations in the United States.

I oppose this legislation and I urge my colleagues to do the same.

I yield back my time.

Mr. LEVIN. Mr. President, we have debated and discussed the issues which the Senator from Ohio does raise. I think that the arguments have been well set forth in the opening statement which I did make setting forth those arguments on the other side in some detail. I will not repeat them here.

But I do simply wish to acknowledge that the Senator from Ohio has appeared in front of the Armed Services Committee as well as in this Chamber carrying forth the point of view which he espoused here today with his usual strength and his usual eloquence.

I wish we could have him on our side on this one, but as those things happen, I did wish to acknowledge that he did appear also in the Armed Services Committee.

Last, Mr. President, as a sponsor of major regulatory reform legislation to reduce the plethora of rules and regulations which bind our country and interfere with the implementation of many laws as Congress intended, I am pleased to note that H.R. 6464 and S. 2235 have no regulatory impact and will not require such new administrative provisions.

A regulatory impact statement is required by Senate rule 26.2 in every committee report on a bill, and such an assessment was inadvertently omitted from the report on S. 2235. I would hope our good faith in abiding by the spirit, if not the letter, of the rule would be satisfactorily demonstrated by my preceding statement. I did want to make the Senate aware of the omission, of the fact that H.R. 6464 will have no regulatory impact, and to acknowledge the importance of this particular Senate rule.

Mr. President, I think the evidence is overwhelming that passage of H.R. 6464 and transfer of the missile plant to Michigan is good for the country, good for the Army, and good for the taxpayer.

I urge the Senate to act promptly and swiftly in the national interest in this unique situation and to give its full support to passage of this legislation and to its expeditious enactment.

The PRESIDING OFFICER. Who yields time?

Mr. TOWER. Mr. President, third reading.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is on the third reading of the bill.

The bill was ordered to a third reading and was read a third time.

Mr. TOWER. Mr. President, I think I would be remiss if I did not note that the distinguished Governor of Michigan, Governor Milliken, has been in contact with members of the committee and has represented to us that the State of Michigan would certainly be cooperative in providing the alternative facility for the Army. I think he should be commended for his interest and his efforts in this matter, along with the distinguished Senators from that State and other Members who have played a vital part in the consideration and reporting of this bill and its deliberations in the Chamber.

Mr. LEVIN. Mr. President, I thank the Senator from Texas for those remarks as I am sure the Governor of Michigan would.

Mr. ROBERT C. BYRD. Mr. President, I am pleased to support the passage of H.R. 6464—the "Michigan Land Transfer" bill, and I commend Senator LEVIN, the able floor manager, Senator STENNIS, the chairman of the Armed Services Committee (which favorably reported the bill) and Senator TOWER, the committee's ranking minority member for bringing this bill to the Senate floor.

The bill authorizes the Secretary of the Army to convey to the Michigan Job Development Authority the plant and property comprising the Michigan Army missile plant at Sterling Heights, Mich.

The plant—which is 27 years old—is no longer required for either current or mobilization production purposes. Thus the bill enables the Federal Government to dispose of an industrial plant for which there is no current or anticipated military industrial requirement.

The bill also provides that—in return for the missile plant property—the Michigan Job Development Authority provide two new office buildings at the Detroit arsenal in Warren, Mich. The authority would also defray all relocation and incidental costs.

Certain provisions in the bill make certain that—if it is determined that the appraised value of the two new office buildings is less than the appraised value of the missile plant, the authority will make up the difference in cash. Thus, the Federal Government will benefit from enactment of this legislation.

Just as important—and perhaps, even more important—is the fact that this transfer of property will have a direct and substantial impact on our national economy.

Volkswagen of America, Inc. plans to utilize the Sterling Heights facility for a new plant. Capital investment in the plant itself will be made. As many as 4,000 assembly-line jobs will be created in Michigan. As many as 16,000 to 20,000 new jobs, nationwide, are expected to be created to support the operations of the new plant in some 30 States where Volkswagen suppliers are located.

In South Charleston, W. Va., employment is expected to increase by nearly 500 as a result of the Volkswagen plant at Sterling Heights. Volkswagen has ordered three additional metal press lines —a $16 million investment—for the VW stamping plant located in Charleston.

I am delighted that Volkswagen had decided to open another plant in the United States. Production of small, fuel-efficient cars which do not deprive American workers of jobs is a trend which we ought to encourage in every possible way.

Passage of this bill encourages and facilitates an important move which will benefit American workers, improve our balance of trade, and benefit the American consumer.

Again, I wish to thank Chairman STENNIS, Senator LEVIN, and Senator TOWER.

The PRESIDING OFFICER. Is all time yielded back?

Mr. TOWER. Mr. President, I yield back the remainder of my time.

Mr. LEVIN. Mr. President, I yield back the remainder of my time.

The PRESIDING OFFICER. All time having been yielded back, the question is, Shall it pass?

So the bill (H.R. 6464) was passed.

Mr. TOWER. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. LEVIN. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. LEVIN. Mr. President, I ask unanimous consent now to indefinitely postpone consideration of S. 2235.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. LEVIN. Mr. President, I thank at this time Senators STENNIS, TOWER, and THURMOND, and other Senators who worked so closely with us on this matter.

I thank my staff, particularly Peter Lennon, who gave so much time and effort to this matter, and also the staff of the Armed Services Committee. I also thank Senator HART, who is chairman of the Military Construction Subcommittee, and I mentioned Senator THURMOND, who is his counterpart on the minority side. Senator HART was extremely helpful in this matter, and I am particularly indebted to him for his help.

I specifically thank Frank Sullivan, Jim Smith, Larry Smith, Rhett Dawson, Ed Kenney, Marie Dickinson, and George Riedel of the Armed Services Committee staff for their great help.

Finally, Bob Seltzer of my staff is entitled to a special commendation for the long hours he put in on this matter.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President, pursuant to Senate Concurrent Resolution 84, 96th Congress, appoints the Senator from West Virginia (Mr. ROBERT C. BYRD), the Senator from Tennessee (Mr. BAKER) or his designee, and the Senator from Rhode Island (Mr. PELL), to the Joint Congressional Committee on Inaugural Ceremonies.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period now for the transaction of routine morning business not to extend beyond 30 minutes and Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TENTH ANNIVERSARY OF EARTH DAY

Mr. STEWART. Mr. President, today we are celebrating the 10th anniversary of Earth Day—an occasion for us to reaffirm our commitment to preserving the natural resources which have allowed us to build the greatest Nation on the face of the Earth. In my judgment, one of the most effective ways we can encourage the intelligent use of our natural resources is to promote energy conservation. In the critically acclaimed Harvard Business School study entitled "Energy Future," it is estimated that if we as a Nation make a serious commitment to energy conservation, we can reduce our energy consumption by 30 to 40 percent and still maintain our current standard of living.

Mr. President, I am a firm believer in giving energy conservation a high priority on our energy agenda. Unfortunately, however, the media attention given to energy conservation often focuses only on the efforts being made in the large urban areas of this country. At times, we often overlook the invaluable contribution made by those in the rural areas across this Nation.

Today, I would like to draw the attention of my colleagues to the efforts being made to promote energy conservation in the small town in Section, Ala., a community of 980 residents in northeast Alabama. This rural community has made tremendous progress in its efforts to promote energy conservation and energy efficiency.

Under the leadership of the mayor and many of the business and civic leaders, the citizens of Section have already built a solar greenhouse at the local school and in several homes in Section, and have also built a solar windowbox in one of the local churches. Moreover, they have recently received additional funding from the Department of Energy to expand their efforts.

Vicki Pearlman of the Atlanta Constitution has written an excellent article on what the citizens of Section are doing to commemorate Earth Day. Mr. President, I highly commend it to my colleagues and ask unanimous consent that it be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

ALABAMA HAMLET AWAKENS TO SING PRAISES TO LAND

(By Vicki Pearlman)

SECTION, ALA.—Once upon a time, millions of Americans piled out into the springtime sunshine marching, singing, speechifying and shouting from sea to oil-slicked sea.

And sleepy Section—a tiny mountaintop town just over the Georgia line in northeast Alabama—dozed right through it.

Ten years ago, it was Earth Day 1970, the Big One for environmentalists, ecologists, activists and the just plain curious all across the country.

It was an all-day party, a springtime skip-along, a street festival that saw Fifth Avenue in New York closed down for 100,000 demonstrators and millions nationwide celebrate a renewed commitment to clean air, water and soil.

It marked the beginning of the environmental movement.

But this year in Section, where raw excitement is seeing a movie in nearby Scottsboro and a protest is going by the one-room mayor's office and complaining about a high electricity bill, it will be different.

Hit hard by ever-rising utility bills and gasoline costs and spurred on by a strong community spirit, Section's 980 residents have banded together to make Earth Day 1980 a Big Event.

The mayor of this scenic hamlet, perched on Sand Mountain overlooking the Tennessee River, has proclaimed it a city holiday and there will be speeches, exhibits, seminars, tree-planting, and trash pick-ups.

Students at Section's school have been preparing for the big day for weeks now, building a solar greenhouse, making posters, preparing songs and skits, studying the environment and readying the school for Earth Day activities. Earth Day is Tuesday, and Section's week-long celebration, to which the public has been invited, began with a day full of activities Monday.

It's as unlikely a place for unbridled activism as one can imagine. This is the home of tranquil country living, where people just got city water in 1959. They farm or work in the factories in nearby cities, make sorghum syrup and regularly celebrate Labor Day with an all-day bash that would put most communities' Bicentennial celebrations' to shame.

There are no racial problems because there are no blacks; there are no air-pollution problems because there is no industry; there are no crime problems because—except for a few speeders once in a while—there is no crime.

But if there was ever a town whose collective environmental conscience has been raised, it's Section.

"Well," drawls Mayor Bob Matthews, an ever-smiling, hospitable hulk of man, "I guess we kinda feel if somebody's not concerned, we'll wake up one morning and we will be polluted from one end of Section to another."

Shades of 1970, the environmentalists would exclaim.

"And I guess people here have been affected by the energy situation just like everywhere," says Matthews, a former member of Section's two-man police department and now a fork-lift operator in a Scottsboro factory. Matthews is hosting an Earth Day Breakfast with "civic and busines leaders" Monday at the town's only restaurant.

"They stop and think about the energy thing every month every time they come in to pay their light bill. Not a day goes by that somebody doesn't say to me, 'Bob, what are we going to do about these prices that keep going up?' "

But it's not only that, he says. People have actually dumped tires and car parts over the bluff that sports the most breathtaking view from Section, a lovely blue-green spectacle of the Tennessee River Valley.

"They don't realize it's going to be there for a while. And there's been a garbage problem, people dumping on others' land."

From a 1970 perspective, those problems might seem small.

Then, the college radicals and anti-war protesters dominated the ecological happenings and teach-ins across the country. Much of the activity was symbolic and theatrical, as when a group of students in Charlotte, N.C., dumped a high mound of old ironing boards, charcoal grills, toilet seats and ties on the City Hall lawn, perched a flag on top of it and marched around it, singing, "America the Beautiful."

Then they cleaned it up.

Sections people really don't much remember all that ruckus.

"The only way anybody knew anything about it was if they heard something on radio or TV," Matthews says.

"We were doing the same thing we did every day 10 years ago," chuckles Section High School's football coach, Danny Ryan, who was 16 in 1970. "We never heard of it."

But now, since the Rev. Dorsey Walker, director of the Upper Sand Mountain parish of the United Methodist Church, started talking about solar energy and Earth Day several months ago, almost everybody in Section has heard of it.

"Earth Day is still in most urban areas something of an isolated celebration, with a relatively isolated segment of the population," says Steve Suitts of the Southern Regional Council in Atlanta. Suitts has been involved in the construction of Section's solar energy projects.

"This is a fiercely independent sort of people who have a tradition of not being particularly hospitable to newfangled notions," he says. "What is happening is they (in Section) are realizing what they've been hearing and seeing are new ways of dealing with the problems of energy that can be very practical and helpful. That's a perception that has not really touched the everyday life of most Americans."

It was Walker who got the environmental ball rolling in Section.

His interest in solar energy spawned the construction of the solar greenhouse at the school and at three homes in Section and a solar windowbox at the church. All the solar projects were to be toured Monday with a workshop on how to construct a solar green house. Representatives from the state forestry department, the Tennessee Valley Authority, the Alabama Solar Energy Project and the Small Farm Energy Project were to attend.

Under the direction of Walker and Jerry Holcomb, Section High School vocational-agricultural teacher, the students built the greenhouse with funds from a Department of Energy grant.

Now the Upper Sand Mountain Greenhouse Project is awarding four low-interest loans to other areas residents who build greenhouses.

It was Walker who suggested that Section celebrate Earth Day, focusing on the solar projects.

"It's something everybody's interested in and people (who use the solar concept) are saving considerably on heating costs," Walker says.

If the activities are as well received as everyone expects, Earth Day might just become an annual event in Section, ranking second only to Labor Day as The Event of the year.

As Matthews looks out over the bluff which looms picturesquely over the Tennessee River Valley, he ponders that notion for several minutes.

"Well, you know," he drawls, "if we work hard for the next 10 years, just think what a beautiful county it will be."

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGE FROM THE HOUSE

At 12.17 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bill, in which it requests the concurrence of the Senate:

H.R. 6086. An act to provide for the settlement and payment of claims of U.S. civilian and military personnel against the United States for losses resulting from acts of violence against the U.S. Government or its representatives in a foreign country or from an authorized evacuation of personnel from a foreign country.

At 3:13 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that, pursuant to section 3(1), Public Law 94–304, the Speaker has appointed Mr. FASCELL, Chairman, Mr. YATES, Mr. BINGHAM, Mr. SIMON, Mr. BUCHANAN, and Mrs. FENWICK as members of the Commission on Security and Cooperation in Europe for the 96th Congress.

The message also announced that, pursuant to section 1(b)(2) of Public Law 94–399, the Speaker has appointed Mr. DIXON on the part of the House, as a member of the Temporary Commission on Financial Oversight of the District of Columbia, vice Mr. CHARLES WILSON, of Texas, resigned.

HOUSE BILL REFERRED

The following bill was read twice by title and referred as indicated:

H.R. 6086. An act to provide for the settlement and payment of claims of U.S. civilian and military personnel against the United States for losses resulting from acts of violence directed against the U.S. Government or its representatives in a foreign country or from an authorized evacuation of personnel from a foreign country; to the Committee on the Judiciary.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. METZENBAUM:

S. 2590. A bill to amend title XVIII of the Social Security Act to provide coverage for dental care, eyeglasses, and hearing aids under the part B supplementary medical insurance program; to the Committee on Finance.

By Mr. MATHIAS:

S. 2591. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain amounts attributable to inflation; to the Committee on Finance.

By Mr. CRANSTON (by request):

S. 2592. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons; to preclude tutorial assistance to eligible veterans by certain family members; to terminate the authority for the veterans' representatives program; to allow certain veterans with active duty service prior to January 1, 1977, to participate in the chapter 32 program; to provide for distribution of unused chapter 32 contributions upon the death of the participant; and for other purposes; to the Committee on Veterans' Affairs.

By Mr. BENTSEN:

S. 2593. A bill to provide for the "Emergency Livestock Credit Act of 1980"; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. MATHIAS:

S. 2594. A bill for the relief of Thomas P. Wolf; to the Committee on the Judiciary.

By Mr. CHURCH:

S. 2595. A bill to provide for the establishment of a special agrcultural commodities reserve for certain agricultural commodities whenever such commodities have been suspended from export, to require the Secretary of Agriculture to put into effect an acreage set-aside program for such commodities whenever such commodities have been suspended from export, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. ARMSTRONG:

S. 2596. A bill to amend title 38, United States Code, to provide a new educational assistance program for persons who enlist, reenlist, or otherwise enter the Armed Forces after December 31, 1980, to provide for the cancellation of certain education loans in the case of individuals who perform service in the Selected Reserve of the Ready Reserve of an armed force, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. MATHIAS:

S.J. Res. 165. Joint resolution to designate May 1980 as "Better Hearing and Speech Month"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. METZENBAUM:

S. 2590. A bill to amend title XVIII of the Social Security Act to provide coverage for dental care, eyeglasses, and hearing aids under the part B supplementary medical insurance program; to the Committee on Finance.

● Mr. METZENBAUM. Mr. President, I am today introducing an amendment to medicare that will have enormous impact on the well-being of millions of older Americans.

Virtually all of the nearly 25 million elderly persons in America are dependent on one or more medical appliances such as eyeglasses, hearing aids, or dentures.

But, Mr. President, the sad fact is that millions of people who need these appliances to perform even the most basic living tasks cannot afford to purchase them.

Public and private health benefit programs provide only limited help in this area. And despite the medicare program, average out-of-pocket costs of medical care for the elderly have more than doubled in the last 10 years.

When we consider that one-third of all elderly persons live at or below the poverty level, we cannot escape the conclusion that millions of our Nation's elderly are being forced to chose whether they want to eat and be warm, or whether they want to see or hear.

More than 20 million Americans over 65 years of age, or 92 percent of our Nation's elderly population, need corrective lenses.

The prevalence of eye disorders increases dramatically with age. For example, the rate of blindness in older Americans is over 8½ times that of persons under 65.

Proper eye care is essential to detect those eye diseases that are more common among older Americans and that if not treated promptly, can eventually lead to blindness.

In some documented cases, older persons have been mistakenly labeled as senile or mentally impaired, when in fact, they are simply unable to see properly.

Reduced vision results in decreased mobility, increased isolation and feelings of helplessness in older persons. No longer are they able to travel within their environment, visit friends, shop or perform other simple daily living tasks.

Medicare covers virtually no optometric services.

In 1976, over 30 States provided some coverage of eye exams and optometric services, however that number is dwindling because of limited State financial resources.

The situation regarding the elderly population's need for dentures is equally serious.

Half of all persons over 65 years of age have no natural teeth.

This fact has serious implications for the health of America's older citizens. Without teeth or the aid of dentures, chewing and digesting foods become an almost impossible task. For the elderly, this comes at a time when nutritional needs are most critical. Frequently, they are forced to choose foods that are easier to chew but lower in nutritional value—avoiding foods like meats, raw vegetables and fresh fruits.

Medicare provides dental care only for surgery to the jaw or to a structure contiguous to the jaw. Routine dental care and dentures are not covered.

Dental services are optional under the medicaid program, so only aged people who are lucky enough to live in a State which has opted to provide dental services receive needed assistance.

The picture is also grim with respect to the need for hearing aids.

Half of all persons over 65 years of age suffer from impaired hearing.

The results of a hearing impairment are varied. The person may simply be unable to hear sounds loudly enough. He may be able to hear sounds but he may not be able to hear them clearly. What is heard may resemble garbled speech from a broken radio.

As with sight loss, hearing loss may result in a person being mistakenly labeled as senile or mentally retarded. And, hearing loss causes isolation and loneliness as well.

Medicare pays for neither hearing aids nor hearing aid examinations. Furthermore, only 11 States in 1976 offered the option medicaid coverage of hearing aids and examinations.

I know the current mood in Congress is one of curbing expenses and paring the budget—and rightly so.

But tightening our belts does not mean closing down the Government. Programs necessary to our Nation's vital interests can, and will, go on.

I submit that there is no interest more vital to this Nation than the health of the people for whom this Government exists.

We cannot allow the people who worked all their lives to build a better society to be cut off from the fruits of their labor in their later years. But that is exactly what we are doing when we deny the elderly access to medical appliances that can enable them to continue to lead full and independent lives.

I do not pretend that this legislation is without some monetary cost. To provide eye care, eyeglasses, ear care, hearing aids, dental care and dentures to the disabled and older Americans over 65 years of age will cost approximately $3 billion the first year.

I know of the need to balance the budget and therefore recognize that we may not be able to pass this bill within those constraints, but it is timely that we make the issue, that we conclusively determine the need, and then that we determine how we can provide the funding, the sooner the better.

The cost should come down as the need for dentures, one of the most expensive appliances, decreases due to a demonstrated decline in the number of elderly who are missing teeth.

Furthermore, additional savings will be realized in a decreased need for institutionalization when older persons are helped to live more independently.

But a strict cost analysis is not the issue here. I do not believe that you can put a dollar value on an older person's being able to talk to his or her grandchild on the telephone, or to see that child take her first step.

The cost is great because the need is great. But, Mr. President, the human cost of relegating millions of older persons to spending the remaining years of their life in isolation and frustration far outweighs the dollar cost of this legislation.

I ask unanimous consent that the text of this legislation be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2590

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 1861(s)(8) of the Social Security Act is amended—

(1) by striking out "(other than dental)"; and

(2) by striking out "including replacement of such devices" and inserting in lieu thereof "including dentures (or other devices replacing teeth or structures directly supporting teeth), eyeglasses (but not to exceed one pair in any calendar year), and hearing aids (but not to exceed one in any calendar year), and including replacement of any such devices".

(b) Section 1861(s) of such Act is further amended—

(1) by striking out "and" at the end of paragraph (8);

(2) by striking out the period at the end of paragraph (9) and inserting in lieu thereof a semicolon;

(3) by redesignating paragraphs (10) through (13) as paragraphs (13) through (16), respectively; and

(4) by inserting immediately after paragraph (9) the following new paragraphs:

"(10) eye examinations for the purpose of prescribing, fitting, or changing eyeglasses, and procedures performed (during the course of an eye examination) to determine the refractive state of the eyes;

"(11) examinations for hearing aids; and

"(12) services in connection with the care, treatment, filling, removal, or replacement of teeth or structures directly supporting teeth.".

(c) Section 1862(a)(7) of such Act is amended to read as follows:

"(7) where such expenses are for routine physical checkups or immunizations;".

(d) Section 1862(a) of such Act is further amended—

(1) by adding "or" after the semicolon at the end of paragraph (11); and

(2) by striking out paragraph (12) and redesignating paragraph (13) as paragraph (12).

(e) Section 1864(a) of such Act is amended by striking out "paragraphs (10) and (11)" and inserting in lieu thereof "paragraphs (13) and (14)".

SEC. 2. The amendments made by this Act shall be effective with respect to items and services furnished on or after the first day of the first month beginning after the date of the enactment of this Act.●

By Mr. MATHIAS:

S. 2591. A bill to amend the Internal Revenue Code of 1954 to provide for the exclusion from gross income of certain amounts attributable to inflation; to the Committee on Finance.

● Mr. MATHIAS. Mr. President, the one statement that no one in the United States will argue with today is that something has to be done about our ailing economy. Rarely does a week go by when we are not all shaken by reports of another economic indicator gone wild. And there seems to be no end in sight.

These conditions have many causes. One spark for inflation was deficit spending—the Federal Government's budget has not been balanced for 10 years. But easy credit, lagging productivity, drying up of venture capital, and excessive Government spending are now fueling the fire of inflation. Many of my colleagues, including Senator ROTH and Senator BAUCUS, have introduced bills to resolve these problems by balancing the budget and reducing Federal spending, and I commend their initiative and support them in their efforts.

There is, however, another problem that must be addressed. As you know, we tax income at progressively higher rates. Someone earning $10,000 a year pays as much as 12 percent in Federal taxes, while someone earning $20,000 a year will pay 19 percent. During periods of low or nonexistent inflation, this system is well designed, since it taxes people according to their ability to pay. However, during times of high inflation, this system becomes distorted because inflation pushes nominal income into ever higher tax brackets even though in real terms the income has not increased. The result is that American taxpayers are taxed at progressively higher rates each year. For example, if a person who made $10,000 in 1978 got a 10 percent raise—essentially keeping even with 10 percent inflation—he or she would pay 12 percent higher taxes in 1979. Thus, not only is the raise offset by inflation, but also the real standard of living is reduced by the increased tax bite. In 1979, inflation forced 80 percent of America's taxpayers to pay over $10 billion more in taxes than in 1978.

Today, I am introducing a bill that would solve this problem by excluding those cost-of-living salary increases within the rate of inflation from Federal taxation. In essence, we would be setting up a permanent tax rate schedule with a base income level for every taxpayer. If their salaries increase at a rate that is below or equal to the increase in the Consumer Price Index (CPI), they would not pay any additional taxes. If their salaries increase faster than the CPI, signaling an increase in real income, additional taxes would be levied on the portion of the raise that is above the rate of inflation. In short, only real increases in income would be taxed. This proposal would also exclude all income accrued from savings accounts and stocks and bonds that is earned at rates below the CPI.

This proposal does not purport to be a cure for inflation. But, it does address two important aspects of our problem.

First, we have got to get rid of the Government's profit from inflation. If inflation increases 20 percent in 1 year, the Federal Government receives a windfall of $30 billion in additional tax revenues. This gift allows the Federal budget to grow automatically. Before we can seriously talk about controlling excessive Government spending, we must reduce the Government's growth rate to pace, rather than race the economy.

Second, we must begin to account honestly to the American people. The automatic increases in the Federal budget caused by inflation allow the President and the Congress to talk of major tax cuts, when in fact, they are nothing more than a rebate of the hidden tax increases. Our credibility is hurt each time we promise the American people a tax cut and in fact deliver a big fat zero.

In the past, like many of my colleagues, I have shied away from the concept of indexing, for I thought it would "institutionalize" inflation, and reduce our will to fight against it. Yet, at some point, we must realize that the American people bear a tremendous burden because of inflation. We must also realize that we are increasing that burden each year. We can no longer sidestep the issue in the hope that inflation will go away. It is time for us to face squarely the causes and effects of inflation, and to find ways to relieve both.

Mr. President, I ask unanimous consent that my proposal be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2591

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) part VII of subchapter B of chapter 1 of the Internal Revenue Code of 1954 (relating to additional itemized deductions for individuals) is amended by redesignating section 221 as section 222 and by adding after section 220 the following new section:

"SEC. 221. INFLATION ADJUSTMENT DEDUCTION.

"(a) IN GENERAL.—There is allowed as a deduction the taxpayer's inflation adjustment amount for any taxable year.

"(b) INFLATION ADJUSTMENT AMOUNT.—For purposes of this section, the term 'inflation adjustment amount' means an amount equal to the sum of—

"(1) all interest earned, except for that portion which was earned at a rate of interest in excess of the percentage change in the price index for the taxable year; and

"(2) the amount by which personal service income exceeds personal service income for the prior taxable year, except for that portion of such increase which exceeds the percentage change in the price index for the taxable year multiplied by the personal service income for the prior taxable year.

"(c) OTHER DEFINITIONS.—For purposes of this section—

"(1) INTEREST.—The term 'interest' means—

"(A) interest on deposits with a bank (as defined in section 581),

"(B) amounts (whether or not designated as interest) paid by a mutual savings bank, cooperative bank, domestic building and loan association, industrial loan association or bank, credit union, or other savings or thrift institution chartered and supervised under Federal or State law, in respect of deposits, investment certificates, or withdrawable or repurchaseable shares, the deposits or accounts of which are insured under Federal or State law or protected and guaranteed under State law.

"(C) interest on evidence of indebtedness (including bonds, debentures, notes, and certificates) issued by a domestic corporation in registered form, and, to the extent provided in regulations prescribed by the Secretary, interest on other evidences of indebtedness issued by a domestic corporation of a type offered by corporations to the public, and

"(D) interest on obligations of the United States, a State, or a political subdivision of a State not excluded from gross income under any other provision of law, and interest attributable to participation shares in a trust established and maintained by a corporation established pursuant to Federal law.

"(2) PRICE INDEX.—The term 'price index' has the same meaning as such term is used in section 8331(15) of title 5."

"(b) The table of sections for part VII of subchapter B of chapter 1 of such Code is amended by striking out the item relating to section 221 and inserting the following new items:

"221. Inflation adjustment deduction.

"222. Cross references."

"(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1979.●

By Mr. CRANSTON (by request):

S. 2592. A bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons; to preclude tutorial assistance to eligible veterans by certain family members; to terminate the authority for the veterans' representatives program; to allow certain veterans with active duty service prior to January 1, 1977, to participate in the chapter 32 program; to provide for distribution of unused chapter 32 contributions upon the death of the participant; and for other purposes; to the Committee on Veterans' Affairs.

GI BILL AMENDMENTS ACT OF 1980

● Mr. CRANSTON. Mr. President, I am introducing today, at the request of the administration. S. 2592. a bill to amend title 38, United States Code, to increase the rates of vocational rehabilitation, educational assistance, and special training allowance paid to eligible veterans and persons; to preclude tutorial assistance to eligible veterans by certain family members; to terminate the authority for the veterans' representatives programs; to allow certain veterans with active duty service prior to January 1, 1977, to participate in the chapter 32 program; to provide for distribution of unused chapter 32 contributions upon the death of the participant; and for other purposes. Mr. President, I ask unanimous consent that the text of the bill and the letter of transmittal be printed in the RECORD at this point.

There being no objection, the bill and letter were ordered to be printed in the RECORD, as follows:

S. 2592

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) this Act may be cited as the "GI Bill Amendments Act of 1980".

(b) Except as otherwise expressly provided, whenever in this Act an amendment is expressed in terms of an amendment to a section or other provision, the reference shall be considered to be made to a section or other provision of title 38, United States Code.

SEC. 2. The table contained in section 1504 (b) is amended to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$265	$328	$386	$29
Three-quarter-time	199	246	290	21
Half-time	133	164	193	15
Farm cooperative, apprentice, or other on-job training: Full-time	239	288	33	21".

SEC. 3. Chapter 34 is amended by—

(1) amending the table contained in paragraph (1) of section 1682(a) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of program	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Institutional:				
Full-time	$342	$407	$464	$29
Three-quarter-time	257	305	348	22
Half-time	171	204	232	15
Cooperative	276	323	367	21";

(2) striking out in section 1682(b) "$311" and inserting in lieu thereof "$342";

(3) amending the table contained in paragraph (2) of section 1682(c) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Basis	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
Full-time	$276	$323	$367	$21
Three-quarter-time	207	242	275	16
Half-time	138	162	184	11";

(4) striking out in section 1692(b) "$69" and "$828" and inserting in lieu thereof "$76" and "$911", respectively; and

(5) striking out in section 1696(b) "$311" and inserting in lieu thereof "$342".

SEC. 4. Chapter 35 is amended by—

(1) striking out in section 1732(b) "$251" and inserting in lieu thereof "$276"; and

(2) striking out in section 1742(a) "$311", "$98", "$98", and "$10.40" and inserting in lieu thereof "$342", "$108", "$108", and "$11.40", respectively.

SEC. 5. Chapter 36 is amended by—

(1) amending the table contained in paragraph (1) of section 1787(b) to read as follows:

"Column I	Column II	Column III	Column IV	Column V
Type of training	No dependents	One dependent	Two dependents	More than two dependents
				The amount in column IV, plus the following for each dependent in excess of two:
First 6 months	$249	$279	$305	$13
Second 6 months	186	217	243	13
Third 6 months	124	155	180	13
Fourth and any succeeding 6-month periods	62	92	119	13";

and

(2) striking out in section 1798(b)(3) "$311" and inserting in lieu thereof "$342".

SEC. 6. Section 1692(b)(2) is amended to read as follows:

"the tutor chosen to perform such assistance is qualified and is not the eligible veteran's parent, spouse, brother, or sister; and"

SEC. 7. Chapter 3 is amended by—

(1) adding the following subsection at the end of section 242:

"(c) The Administrator may establish Veterans Benefits Counselors at locations such as school campuses to provide assistance regarding benefits under this title to veterans and eligible persons and to conduct outreach as provided for under this subchapter.";

(2) striking out section 243 in its entirety; and

(3) amending the table of sections at the beginning of the chapter to strike out:

"243. Veterans' representatives.".

SEC. 8. Section 1602(1)(A) is amended by—

(1) striking out "or" before "(ii)"; and

(2) striking out the period at the end thereof and inserting in lieu thereof a comma and "or (iii) after having entered on active duty prior to January 1, 1977, and served for a period of 180 days or less and was discharged or released therefrom, reentered military service on or after January 1, 1977

and served on active duty for a period of more than 180 days commencing on or after such date, and was discharged or released therefrom under conditions other than dishonorable.".

SEC. 9. The text of section 1624 is amended to read as follows:

"If a participant dies while on active duty, or after having been discharged or released therefrom, the amount of such participant's unused contributions to the fund shall be paid—

"(1) to the beneficiary or beneficiaries designated by such participant under such participant's Servicemen's Group Life Insurance policy, or

"(2) if no beneficiary has been designated under such policy or if the participant is not insured under the Servicemen's Group Life Insurance program, then

"(A) to the surviving spouse of such participant;

"(B) if no surviving spouse, to the child or children of such participant and descendants of deceased children by representation;

"(C) if none of the above, to the parents of such participant or the survivor of them;

"(D) if none of the above, to the duly appointed executor or administrator of the estate of such participant; or

"(E) if none of the above, to other next of kin of such participant entitled under the laws of domicile of such participant at the time of death.".

SEC. 10. The provisions of this Act shall take effect October 1, 1980.

VETERANS' ADMINISTRATION,
Washington, D.C., April 3, 1980.

Hon. WALTER F. MONDALE,
President of the Senate,
Washington, D.C.

DEAR MR. PRESIDENT: Enclosed is a draft bill entitled "GI Bill Amendments Act of 1980," which we request be introduced and receive favorable consideration.

This draft bill incorporates numerous proposed changes in the education programs administered by the Veterans' Administration for veterans and dependents, including a rate increase affecting chapters 31, 34, 35, and 36 of title 38, United States Code, prohibition of tutorial assistance to eligible veterans by certain family members, termination of authority for the veterans' representatives program, provision of chapter 32 eligibility for certain veterans with active duty prior to January 1, 1977, and a new distribution scheme for unused chapter 32 contributions upon the death of the participant. An explanation of each of the proposed changes follows.

The first proposed change, contained in sections 2 through 5 of the draft bill, provides for an approximate 10 percent increase in the rates of assistance payable to eligible veterans and persons training under chapters 31, 34, 35, and 36. A similar increase is provided in the aggregate amount that can be borrowed under the VA education loan program, although the maximum amount that can be borrowed in any academic year would remain at $2,500. No increase has been provided in the rates for flight and correspondence training.

The last general rate increase affecting chapters 31, 34, 35, and 36 benefits was authorized by Pub. L. No. 95-202, effective October 1, 1977, providing an increase of approximately 6.6 percent. Figures provided by the College Scholarship Service and reported in the May 29, 1979, edition of The Chronicle of Higher Education projected that the cost of attending college for the 1979-1980 school year would increase by an average of 9 percent over the 1978-1979 costs. While the report indicated that the average charges for tuition and fees at private institutions would increase more than 9 percent, it projected that tuition and fees increases at public 4-year colleges and public 2-year colleges would be 6.4 percent and 3.5 percent, respectively.

We believe that a need for a general rate increase will be warranted by Fiscal Year 1981, and that the 10 percent increase included in the draft bill would be in keeping with the beneficial intent of the VA education programs while also remaining within existing budgetary constraints.

The second proposed change, contained in section 6 of the draft bill, would require that the educational institution certifying the veteran's need for tutorial assistance also certify that the tutor selected is not the veteran's parent, spouse, brother, or sister. The purpose of providing tutorial asistance to the veteran is to permit him or her to meet the financial obligations incurred for necessary tutorial services. The personal services of a close family member generally do not constitute a legal monetary obligation. Thus, the payment of tutorial assistance under these circumstances is tantamount to supplementing the income of the veteran's family. Veterans Administration audits have revealed several instances where the tutors selected to provide assistance have been the veterans' wives and husbands. In one case, a veteran's wife (herself a veteran) tutored her husband at the same time she was receiving tutorial assistance for the same course. The proposed legislation would serve to discourage abuses of the tutorial assistance program which have occurred.

The third proposed amendment of title 38, found in section 7 of the draft bill, would terminate the authority for the Veterans' Representatives program contained in section 243 of that title. It is our intention to convert most of these individuals into Veterans Benefits Counselors as well as other positions within the VA where they can perform more services for veterans.

At the same time, the proposal would also amend section 242 to specifically authorize the Administrator to station Veterans Benefits Counselors at locations away from VA regional offices. Under this authority, full-time VA Veterans Benefits Counselors would be placed on campuses to provide the full range of services presently performed by such personnel in VA regional offices and also engage in outreach at the local level.

The original purpose of the program was to alleviate problems in the educational assistance payment system which caused long delays in the receipt (or nonreceipt) of benefits for many veterans. The Vet Reps were to establish lines of communication in an effort to correct the problem. They were to be present on campus full time at schools with large enrollments of veterans and other eligible persons. This, of course, was a period when the current education program was at its peak in terms of enrollments.

With the passage of time and the change in the payment provisions, as well as the reduction in enrollments of veterans and dependents, the original need for the Vet Rep program has diminished. In addition, in recent years the Congress has acted to reduce the number of these positions which may be utilized by the VA. Vet Reps have been trained to perform many duties other than those specifically set forth in section 243. These added duties now consume the greater portion of the individual's time.

We believe that these individuals can better be utilized to perform a variety of duties including assistance on the campuses where needed, performance of compliance inspections at schools other than to which assigned, assisting in guardianship matters, visits to prisons, and, especially outreach. Thus, the individual would be serving the full function of a Veterans Benefits Counselor and, as such, could provide a better service for the veteran performing the wider scope of duties than those set forth in the Vet Rep statute.

The fourth proposed change, in section 8 of the draft bill, would allow certain veterans with active duty prior to January 1, 1977, to become eligible to participate in the Post-Vietnam Era Veterans' Educational Assistance Program of chapter 32 of title 38. Under current law, eligibility to participate is restricted to those who initially entered military service on or after January 1, 1977. Individuals who served on active duty prior to that date and were discharged before serving for more than 180 continuous days are ineligible to receive educational assistance under chapter 34 (the post-Korean conflict and Vietnam-era veterans' program). Their subsequent reentry on active duty after December 31, 1976, would not entitle them to chapter 32 benefits. Thus, the proposed legislation would correct this inequity by making such individuals eligible for chapter 32 benefits.

The fifth proposed change, contained in section 9 of the draft bill, would provide for disbursement of unused chapter 32 contributions upon the death of the participant. The measure would provide that, upon the death of a participant, the amount of his or her contributions to the chapter 32 fund would be paid as follows: (1) To the beneficiary or beneficiaries designated by the participant under his or her Servicemen's Group Life Insurance policy, (2) to the surviving spouse of the participant, (3) to the child or children of the participant and descendants of deceased children by representation, (4) to the parents of the participant or the survivor of them, (5) to the duly appointed executor or administrator of the participant's estate, and (6) to other next of kin of the participant entitled under the laws of domicile of the participant at the time of death.

Under current law, if a participant dies, the amount of his or her unused contributions to the fund is paid to the beneficiary (ies) designated by the participant under his or her SGLI policy, or to the participant's estate if no beneficiary has been designated under such policy or if the participant is not insured under the SGLI program.

An unexpectedly high number of death refund claims have been submitted involving either no designated beneficiary or no SGLI policy in effect. If the participant dies intestate, the VA must presently require formal estate administration or pay the refund under the laws of descent and distribution of the participant's domicile. Both are time consuming and may impose a financial burden on the claimants, often disproportionate to the rather small amount of money involved. (The amounts in question can range from $50 through $2,700.) It is anticipated that even more deaths will occur after participants are separated from service, when SGLI is generally no longer in effect.

The proposed amendment would enable the VA to provide a refund to persons determined by a uniform order of precedence, which would remain the same whether or not the participant had a SGLI policy in effect. It would further avoid the necessity of requiring the ultimate recipients to go through often costly estate administration procedures.

It is estimated that enactment of sections 6 through 9 of the bill would result in minimal additional costs and/or savings. With respect to the rate increases contained in sections 2 through 5 of the bill, it is estimated that enactment of these provisions would result in additional benefits cost of $180 million during Fiscal Year 1981 and of $606.5 million over the first 5 fiscal years.

We request this bill be introduced and recommend its favorable consideration.

The Office of Management and Budget advises that there is no objection to the submission of the draft bill to the Congress and that its enactment would be in accord with the program of the President.

Sincerely,

MAX CLELAND,
Administrator.●

By Mr. BENTSEN:

S. 2593. A bill to provide for the "Emergency Livestock Credit Act of 1980" to the Committee on Agriculture, Nutrition, and Forestry.

EMERGENCY LIVESTOCK CREDIT ACT OF 1980

● Mr. BENTSEN. Mr. President, I believe that most Members of the Senate will recognize the bill which I am introducing today, as they will recognize the need for the reestablishment of this program.

The bill which I am introducing is the Emergency Livestock Credit Act. First enacted in 1974, this program was renewed in 1976 and then allowed to expire in 1978. This program made valuable contributions to the economic health of the livestock industry during some very difficult years, and I believe that this program will again serve this country well during our current economic distress.

This legislation will help keep operable one of our most vital industries and in so doing avoid what could develop into a major period of meat shortages and very high meat prices from 6 months to 2 years hence. The simple fact is that the livestock industry is in very bad shape right now due to a number of factors, not the least of which is the scarcity and high cost of credit. U.S. Department of Agriculture statistics indicate that hog producers have faced negative profit margins since April of 1979, and that cattle feeders have faced negative margins since August of 1979. One cattle feeder I talked to this week had just sold a pen of steers on which he had lost $130 per head.

These tremendous losses, when combined with today's scarcity of credit and record-high interest rates are strangling the livestock industry. This spells real trouble for consumers in months to come, because cattle, hog, and poultry producers who are losing money and cannot refinance their operations will be forced to close down. Even a short shutdown of our livestock industry would create severe problems at the retail level when the supermarket shelves were suddenly emptied of meat, poultry, and eggs.

Mr. President, to avoid this possibility I am proposing the reactivation of the Emergency Livestock Credit Act. This program is not a bailout or a subsidy program. This program is built around loan guarantees, not subsidized low-interest loans. It will not bail livestock producers out of a loss situation at the expense of the Government, but it would provide a safety net to protect the industry from financial disaster. At the same time, it would assure consumers of a steady and reliable supply of meat.

The livestock industry does not want subsidies, and the consumer does not want subsidized meat which they have paid for in tax dollars. This program has in the past provided a very effective safety net for the industry at an extremely low cost to the Government, and I believe such that it would only be prudent to reestablish that proven safety measure.

I would add that there are portions of the livestock industry which are now struggling with problems far beyond the national problems of low prices and high interest rates. Much of south, southwest, and west Texas is suffering from a severe drought, and these ranchers are reduced to depending upon an overworked emergency feed program which has already approved assistance for 5,419 ranchers who are trying to save 1,075,428 head of livestock.

The livestock industry lives on credit. Even when credit is abundant bankers are reluctant to finance operations plagued by drought and low prices, and during the current credit squeeze many producers face the very real prospect of being unable to continue in business. This is exactly the siuation which the Emergency Livestock Credit Act was designed for, and the younger, smaller producers who are hurt worst by this squeeze are just the ones who will be saved by this bill until they can get their feet back on the ground.

The bill will authorize the Secretary of Agriculture to guarantee up to 90 percent of needed loans, up to a maximum of $350,000 per producer. Only bona fide producers of livestock, including diary cattle and poultry, would be eligible.

Program eligibility will be strictly limited. Applicants will be required to show that the guarantee is needed to obtain financing, and loans guaranteed under this program can only be used to maintain, not expand, an existing operation. The loans will be made at market interest rates, and adequate collateral will be required to secure the loan.

Mr. President, I dislike interest rate subsidies, and I am pleased to say that this is not a subsidy program. This program is an investment which the Government can make at very small cost which will pay rich dividends by keeping alive many of our smaller family livestock operations and by assuring consumers of an uninterrupted supply of meat in the months and years to come.

I ask unanimous consent that the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2593

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. This Act may be cited as the "Emergency Livestock Credit Act of 1980".

CRITERIA FOR LOANS; LIMITATION ON LOSS PARTICIPATION BY THE FEDERAL GOVERNMENT; REPAYMENT PERIOD

SEC. 2. (a) The Secretary of Agriculture is authorized and directed to provide financial assistance to bona fide farmers and ranchers, including bona fide farmers or ranchers owning livestock that are fed in custom feedyards, who are primarily and directly engaged in agricultural production and who have substantial operations in breeding, raising, fattening, or marketing livestock. In the case of corporations or partnerships, such financial assistance shall be extended only when a majority interest in such corporations or partnerships is held by stockholders or partners who themselves are primarily and directly engaged in such agricultural production. For purposes of this Act, the term "livestock" shall mean beef cattle, dairy cattle, swine, sheep, goats, chickens, and turkeys including dairy cattle raised and maintained for the primary purpose of marketing dairy products.

(b) The Secretary shall guarantee loans, including both principal and interest, made by any legally organized lending agency which otherwise meet the purposes and conditions of this Act. As used herein, a guaranteed loan is one which is made, held, and serviced by a legally organized lending agency and which is guaranteed by the Secretary hereunder: *Provided*, That the term "legally organized lending agency" shall be deemed to include the Federal Financing Bank only to the extent that such Bank may hold the guaranteed portion of such loans.

(c) No contract guaranteeing any such loan by a lender shall require the Secretary to guarantee more than 90 per centum of the principal and interest on such loan.

(d) No fees or charges shall be assessed by the Secretary for any guarantee provided by him under this Act.

(e) Loans guaranteed under this Act shall bear interest at a rate to be agreed upon by the lender and borrower.

(f) Loans guaranteed under this Act shall be for the period reasonably required by the needs of the borrower, taking into consideration the security the borrower has available, but not exceeding an original term of seven years. Loans may be renewed for not more than three additional years.

CERTIFICATIONS; LIMITATION ON AMOUNT OF LOAN

SEC. 3. As a condition of the Secretary's guaranteeing any loan under this Act—

(a) The lender shall certify that—

(1) the lender is unwilling to provide credit to the loan applicant in the absence of the guarantee authorized by this Act;

(2) the loan applicant is directly and in good faith engaged in agricultural production, and the financing to be furnished the loan applicant is to be used for purposes related to the breeding, raising, fattening, or marketing of livestock.

(3) the loan is for the purpose of maintaining the operations of the loan applicant, and the total loans made to the loan applicant do not exceed the amount necessary to permit the continuation of his livestock operations at a level equal to its highest level during the eighteen months immediately preceding the date of enactment of this Act: *Provided*, That the total principal balance outstanding at any one time on loans guaranteed under this Act for any borrower shall not exceed $350,000;

(4) in the case of any loan to refinance the livestock operations of a loan applicant (i) the loan and refinancing are absolutely essential in order for the loan applicant to remain in business, (ii) the lending agency would not refinance such loan in the absence of a guarantee, and (iii) the lending agency is not currently refinancing similar loans to others without such guarantees.

(b) The loan applicant shall certify that he will be unable to obtain financing in the absence of the guarantee authorized by this Act.

(c) The Secretary finds there is reasonable probability of accomplishing the objectives of the Act and repayment of the loan.

LOAN SECURITY

SEC. 4. Loans guaranteed under this Act shall be secured by collateral adequate to protect the Government's interests, as determined by the Secretary: *Provided*, That the Secretary may accept collateral which has depreciated in value owing to temporary economic conditions and which, in the opinion of the lender, together with his confidence in the repayment ability of the borrower, is adequate security for the loan.

LIMITATION ON OUTSTANDING LOAN GUARANTEES

SEC. 5. Loan guarantees outstanding under this Act shall not exceed $1,500,000,000 at any one time. Subject to the provisions of section 2(c) of this Act, the fund created in section 309 of the Consolidated Farm and Rural Development Act shall be used by the Secretary for the discharge of the obligations of the Secretary under contracts of guarantee made pursuant to this Act. Such fund may also be utilized to pay administrative expenses of the Secretary necessary to carry out the provisions of this Act. The Secretary in his discretion is authorized to use the funds from the Agricultural Credit Insurance Fund to purchase, on such terms and conditions as he may deem appropriate, the guaranteed portion of any loan made pursuant to this Act and to pay such expenses and fees incident to such purchases.

BUDGET EFFECT OF LOANS

SEC. 6. Contracts of guarantee under this Act shall not be included in the totals of the budget of the United States Government and shall be exempt from any general limitation imposed by statute on expenditures and net lending (budget outlays) of the United States.

FULL FAITH AND CREDIT OF UNITED STATES

SEC. 7. Any contract of guarantee executed by the Secretary under this Act shall be an obligation supported by the full faith and credit of the United States and incontestable except for fraud or misrepresentation of which the holder had actual knowledge at the time it became a holder.

EFFECTIVE DATE

SEC. 8. The provisions of this Act shall become effective upon enactment, and the authority to make new guarantees shall expire September 30, 1981, except that, with respect to any loan for a line of credit guaranteed under this Act, if the lender advances loan funds within the line of credit at any time during the remaining term or authorized renewal period of the loan after September 30, 1981, the guarantee of such advances shall not be considered new guarantees.

SPECIAL PROVISIONS

SEC. 9. (a) The provisions of section 310B (d)(6) of the Consolidated Farm and Rural Development Act shall apply to loans guaranteed under this Act.

(b) Contracts of guaranteed executed pursuant to the provisions of this Act shall be fully assignable.

REGULATIONS

SEC. 10. The Secretary is authorized to issue such regulations as he determines necessary to carry out this Act. The proposed regulations shall be issued as soon as possible, but in no event later than thirty days from the date of enactment of this Act. Insofar as practicable, the Secretary shall complete action on each loan application within thirty days after its receipt.

GEOGRAPHIC APPLICABILITY

SEC. 11. Financial assistance may be made available under this Act throughout the "United States" as that term is defined in section 343 of the Consolidated Farm and Rural Development Act.

By Mr. CHURCH:

S. 2595. A bill to provide for the establishment of a special agricultural commodities reserve for certain agricultural commodities whenever such commodities have been suspended from export, to require the Secretary of Agriculture to put into effect an acreage set-aside program for such commodities whenever such commodities have been suspended from export, and for other purposes; to the Committee on Agriculture, Nutrition, and Forestry.

AGRICULTURAL COMMODITY EXPORT SUSPENSION ACT

● Mr. CHURCH. Mr. President, today I am introducing the Agricultural Commodity Export Suspension Act, an important proposal to buffer our agricultural community of agricultural trade with the Soviet Union.

In the wake of the January trade suspension announcement, I proposed a series of steps to be taken to insure that the burden of this embargo was shared by all Americans. Our national farm productivity must be preserved. The export of agricultural commodities has been the only bright spot in recent years for the United States in international trade. Additionally, our farmers have proven to be the best friend our consumers have had. In 1960, the average American consumer spent 28.5 percent of income on food. By 1978 that percentage had dropped to 19.2 percent, despite the sustained effects of inflation.

Our national economy is on the brink of disaster. Nowhere is the impact of skyrocketing interest rates and spiraling fuel costs hitting harder than on the farm. During this period of grave economic crisis, we must have the wisdom to understand that the economic vitality of our farms is central to the restoration of a healthy economy. High interest rates, soaring fuel costs and depressed market prices in the spring will surely translate into an explosion of food prices for consumers this fall. Further, the present farm crisis threatens to bring depression to the one sector of our economy that has shown an ability to compete for foreign markets.

Mr. President, the Senate has already approved changes in the on-farm storage program. Additionally, the Senate Agriculture Committee has been working hard to find ways to increase the loan rate and to provide for acreage diversion authority. As a Senator concerned with the multiple threats facing our farm community, I commend the committee for the effort they are making. The legislation I am introducing today is complementary to those efforts.

Wheat prices today stand about 30 cents per bushel below what they were prior to announcement of the embargo. The Commodity Credit Corporation has belatedly completed the purchase of 17 million tons of grain, but the steps taken so far have been slow in coming and do not address farmers' concerns about the future. Farmers appreciate the announced intent to never sell the purchased grain on the market. However, they are justifiably concerned about the fact that this grain may be used to replace future commercial sales through the Public Law 480 food for peace program.

The legislation I am introducing today will establish in law specified uses to which the purchased grain may be put. This bill provides that this 17-million ton cloud hanging over the grain market can only be used for two purposes: famine relief abroad and conversion to alcohol for fuel use. Second, this legislation addresses the need for an adequate set-aside program to bring production into line with anticipated demand. Provisions are also made for the use of set-aside acreage for the growing of crops for the production of alcohol fuel.

Mr. President, the embargoed grain must be clearly removed from the market. Congress faces the immediate challenge of adequately responding to the difficulties caused by the embargo and should also look to the future. It is my belief that the provisions of this bill should also be enacted so that we will be prepared if there is ever again another embargo. One of the lessons to be learned from the past few months is that provisions such as I have outlined should be in place before the food weapon is used.

I ask unanimous consent that the text of this bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2595

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Agricultural Commodity Export Suspension Act".

SEC. 2. (a) Notwithstanding any other provision of law, whenever the President suspends the exportation of any specified agricultural commodity to any foreign country for national security reasons (other than in time of war), the Secretary of Agriculture (hereinafter referred to as the "Secretary") shall—

(1) acquire by loans or purchases within the first twelve months after the suspension is in effect a quantity of such commodity equal to the quantity of such commodity the Secretary determines would have been exported to such foreign country during such twelve months had such suspension not been in effect during such period; and

(2) establish a special reserve of such commodity and place in such reserve the quantity of such commodity acquired under clause (1).

(b)(1) The Secretary may release any quantity of a specified agricultural commodity held in the reserve under subsection (a) only for the purpose of—

(A) rotating such commodity to avoid spoilage or deterioration;

(B) alleviating hunger and malnutrition and providing famine relief abroad pursuant to the provisions of title II of the Agricultural Trade Assistance and Development Act of 1954; and

(C) making such commodity available to processors for the purpose of converting such commodity into alcohol for use as fuel.

(2) Any quantity of a specified agricultural commodity released from the reserve to avoid spoilage or deterioration shall be replaced by the acquisition of an equal quantity of such commodity within 30 days after such release.

SEC. 3. (a) If the Secretary determines that the suspension of exportation of a specified agricultural commodity will continue in effect beyond the crop year in which the President imposed such suspension, the Secretary shall announce and carry out an acreage set-aside program for such commodity for the following crop year. The number of acres included in the acreage set-aside shall be a number (determined by the Secretary) sufficient to produce a quantity equal to the quantity of such commodity that would have been exported, to the foreign country with respect to which the suspension was imposed, in the marketing year in which the suspension was imposed had the suspension not been in effect, including any quantity of such commodity actually exported to such country in such year. The Secretary shall announce and carry out an acreage set-aside program in each subsequent crop year in which the suspension of exportation of the specified agricultural commodity is in effect.

(b)(1) Notwithstanding any other provision of law or any prior announcement made by the Secretary to the contrary, in any year in which a specified agricultural commodity is suspended from export after the national program acreage for the next crop year for such commodity has been announced, the Secretary may announce and carry out an acreage set-aside program for such commodity if no acreage set-aside program was announced for such commodity.

(2) Any acreage set-aside program put into effect under this Act for any specified agricultural commodity shall be carried out in accordance with existing law relating to an acreage set-aside program for such commodity, except that the Secretary may modify the terms of any such program to the extent the Secretary determines necessary because of the delay in announcing such program, and the Secretary may, with respect to any program previously announced, modify the terms of such program to the extent the Secretary determines necessary because of the necessity to expand such program.

(c)(1) Notwithstanding subsection (a), the Secretary may permit a specified agricultural commodity suspended from export to be planted on acreage that would otherwise be set aside under subsection (a), if such commodity produced on such set-aside acreage is to be used in the manufacture of alcohol for use as fuel and the Secretary determines that—

(A) such commodity is suitable for manufacture into alcohol for use as fuel; and

(B) there is adequate domestic demand for such alcohol for use as fuel to justify (in the opinion of the Secretary) the production of such commodity on such set-aside acreage.

(2) The Secretary shall prescribe such regulations as may be necessary to ensure that specified agricultural commodities made available for manufacture into alcohol for use as fuel are used for such purpose.

SEC. 4. (a) For purposes of this section, the term "specified agricultural commodity" means wheat, corn, and such other feed grains as the Secretary may specify.

(b) Whenever in this Act any reference is made to the suspension of any specified agricultural commodity from export, such reference shall also mean the embargo, curtailment, or prohibition from export of such commodity.

SEC. 5. The Secretary may utilize the funds and facilities of the Commodity Credit Corporation in carrying out the provisions of this Act.●

ADDITIONAL COSPONSORS

S. 1418

At the request of Mr. JEPSEN, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 1418, a bill to amend title II of the Social Security Act to provide that deductions from benefits on account of excess earnings shall not be applicable in the case of social security beneficiaries who have attained age 65.

S. 2177

At the request of Mr. WILLIAMS, the Senator from Tennessee (Mr. SASSER) and the Senator from Michigan (Mr. LEVIN) were added as cosponsors of S. 2177, a bill to amend the mortgage amount, sales price and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

S. 2242

At the request of Mr. ROTH, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 2242, a bill to amend the Internal Revenue Code of 1954 to provide for a 50 percent maximum rate of income tax for individuals, to provide for a separate computation of such tax on personal service income and nonpersonal service income, and for other purposes.

S. 2308

At the request of Mr. THURMOND, the Senator from Hawaii (Mr. MATSUNAGA) and the Senator from California (Mr. CRANSTON) were added as cosponsors of S. 2308, a bill to amend section 2003 of title 38, United States Code, to provide for the assignment of clerical or secretarial employees to assist veterans' employment representatives assigned to the States under such section.

S. 2521

At the request of Mr. DOLE, the Senator from North Carolina (Mr. HELMS) was added as a cosponsor of S. 2521, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

SENATE JOINT RESOLUTION 119

At the request of Mr. MATHIAS, the Senator from Texas (Mr. BENTSEN) and the Senator from Alabama (Mr. STEWART) was added as a cosponsor of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Veterans' Memorial Funds, Inc., to erect a memorial.

SENATE JOINT RESOLUTION 152

At the request of Mr. MATHIAS, the Senator from Texas (Mr. BENTSEN), the Senator from Mississippi (Mr. COCHRAN), the Senator from North Dakota (Mr. BURDICK), the Senator from Vermont (Mr. LEAHY), the Senator from West Virginia (Mr. RANDOLPH), and the Senator from Pennsylvania (Mr. SCHWEIKER) were added as cosponsors of Senate Joint Resolution 152, a joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week."

SENATE JOINT RESOLUTION 159

At the request of Mr. DOLE, the Senator from Nebraska (Mr. ZORINSKY) and the Senator from North Carolina (Mr. HELMS) were added as cosponsors of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

AMENDMENT NO. 1711

At the request of Mr. DURKIN, the Senator from West Virginia (Mr. RANDOLPH) was added as a cosponsor of amendment No. 1711 proposed to S. 2177, a bill to amend the mortgage amount, sales price and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

AMENDMENTS SUBMITTED FOR PRINTING

FIRST CONGRESSIONAL BUDGET RESOLUTION, 1981—SENATE CONCURRENT RESOLUTION 86

AMENDMENTS NOS. 1712 THROUGH 1717

(Ordered to be printed and to lie on the table.)

Mr. WEICKER submitted six amendments intended to be proposed by him to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983 and revising the Second Concurrent Resolution on the Budget for the fiscal year 1980.

● Mr. WEICKER. Mr. President, I am submitting a series of amendments which I will offer to Senate Concurrent Resolution 86.

The first amendment would provide for funding of certain health programs presently threatened with drastic cutbacks or extinction. My amendment will assure that there is room in the budget for adequate funding of the following: Training, planning, and services for mental health programs; prevention and treatment of drug abuse, including State efforts and community programs designed to reduce the incidence and social costs of drug abuse; and, ambulatory health care services in urban and rural medically underserved areas. In addition, the amendment will insure the continued availability of funds to assist health professional education institutions and support for advanced research and training of nurses, including continuation of capitation grants for nurses, which otherwise would be eliminated.

To accomplish these goals, this amendment would require additional budget authority of $100 million in fiscal year 1980, and $400 million in fiscal year 1981. There would be negligible additional outlays in fiscal year 1980, $200 million in fiscal year 1981, $200 million in fiscal year 1982 and minimal outlays in fiscal year 1983.

The next amendment would provide for investment in our future—the education of Americans. Allowance would be made in the budget for assistance to cities and counties with a high concentration of low-income families; grants to States to encourage them to expand educational programs to handicapped preschool children and to encourage the creation and extension of early intervention programs as well for partial support for the education of approximately 4 million handicapped children between the ages of 3 and 21; and, grants for vocational education programs. To insure funding of these programs, there would have to be additional budget authority of $200 million in fiscal year 1980 and $600 million in fiscal year 1981, with negligible outlays in fiscal year 1980, $200 million in fiscal year 1981, $400 million in fiscal year 1982 and $200 million in fiscal year 1983.

In arriving at its budget figures, the Budget Committee has assumed a reduction of one-third from the current law funding level for general revenue sharing, which is equal to the State's portion of revenue sharing payments. I will offer an amendment to restore the State's share of the program.

These funds are used in large measure to finance local government needs such as fire and police protection, sanitation and other health related activities, education, teacher retirement funds, and other community services. This amendment would add $2.3 billion in budget authority in each of fiscal year 1981, fiscal year 1982 and fiscal year 1983, and $1.7 billion in outlays in fiscal year 1981 and $2.3 billion in outlays in fiscal year 1982 and fiscal year 1983.

I will also offer an amendment which will provide room in the budget for funding of 300,000 subsidized rental units under the HUD section 8 program. HUD has estimated that 14.8 million lower income households are in need of housing assistance; of these, 10.1 million renters are presently living in substandard or overcrowded housing. The Budget Committee has provided for funding of only 210,000 units. To provide for the additional 90,000 units under my amendment, there would have to be additional budget authority of $4.9 billion in fiscal year 1981, $8.8 billion in fiscal year 1982 and $12.4 billion in fiscal year 1983. There would not be any outlays in fiscal year 1981, $100 million in fiscal year 1982 and $200 million in fiscal year 1983.

Another amendment which I will offer would set funding for national defense at the levels recommended by the President. On March 31, the Department of Defense submitted to the Congress a revised budget containing $7.7 billion to cover inflation, higher fuel costs and increased activities in the Indian Ocean. As part of this amended request, DOD identified $2.6 billion in offsetting reductions. I believe these cuts should be sustained.

The impact of this amendment would be to increase budget authority by $100 million in fiscal year 1980 and outlays by $1.7 billion in that year. Budget authority for fiscal year 1981 would be reduced by $9.2 billion and outlays by $2.4 billion. For fiscal year 1982, budget authority would be reduced by $17.5 billion and outlays by $9 billion. In fiscal year 1983 budget authority would be reduced $24.5 billion and outlays by $14.7 billion.

Finally, I will offer an amendment which would remove $1.5 billion in budget authority from the fiscal year 1980 budget, reflecting rejection of the administration's request for a one-time appropriation of funds necessary to make payments of principal and interest on the $1.5 billion principal amount of loans to be authorized and guaranteed under the Chrysler Loan Guarantee Act of 1979. Last December Congress passed an appropriations bill which rejected the notion of a one-time appropriation. This amendment simply reflects the intent of Congress as expressed in the votes of both Houses last December. In addition, I would remind my colleagues that section 5(a)(2) of the Loan Guarantee Act provides that no commitments for loan guarantees may be issued unless the Loan Guarantee Board determines that "the prospective earning power of (Chrysler), together with the character and value of the security pledged, furnish reasonable assurance of repayment of the loan." If the Board performs its duties as mandated by law, there should be no concern about the possibility of default. Or, if as all reports seem to indicate, Chrysler will not be viable even with Federal assistance, then the Board may not issue loan guarantee commitments. In either event, there is no justification for a reversal of the action taken by Congress last December. The $1.5 billion in budget authority for fiscal year 1980 should be deleted.

Mr. President, I urge my colleagues to closely examine these amendments. They provide for investments in those areas which will result in the long-term growth of our Nation, as well as reducing inflation, while cutting back on unproductive spending.●

MILITARY CONSTRUCTION AUTHORIZATIONS, 1981—S. 2333

AMENDMENT NO. 1718

(Ordered to be printed and referred to the Committee on Armed Services.)

Mr. CRANSTON submitted an amendmend intended to be proposed by him to S. 2333, a bill to authorize certain construction at military installations, and for other purposes.

● Mr. CRANSTON. Mr. President, today I am submitting at the request of the mayor of San Diego an amendment to the military construction authorization bill for fiscal year 1981. The purpose of this amendment is to enable the Department of the Navy to lease land in San Diego's Balboa Park in order to build a new naval medical center. Without such legislation it appears that the Navy and the city of San Diego will be at an impasse which could delay plans for the new hospital indefinitely.

Let me say at the outset, Mr. President, that there is no question that a new hospital is needed. The present facility is antiquated and inefficient. The hospital is spread out over several buildings, some of which date back to the early 1920's. While these buildings may be picturesque, they do not provide the necessary setting to insure that the 100,000 active duty military personnel and the 250,000 dependents and military retirees who live in the San Diego area receive adequate health care.

The residents of San Diego, the city and local officials, the congressional delegation, and the Navy all agree that a new facility is necessary. Unfortunately, such unanimity does not exist about where the hospital should be built.

The city and the Navy have been working for several years to try to find an acceptable location. After reviewing a number of sites, the Navy determined that its preferred choice was to locate the new hospital adjacent to the present one in Balboa Park. While there are certain advantages for the Navy in having the new hospital in the park, it does present a number of problems.

Balboa Park is one of San Diego's great treasures and San Diegans naturally wish to preserve the park's beauty and integrity. As the city grows in size, its open, natural parkland grows proportionately more precious. Understandably, there has been a great deal of concern expressed by the city's residents about the impact that the new hospital might have on the park, particularly since the Navy plans for the new hospital to be deeper in the park.

The residents and local officials of San Diego have given a great deal of consideration to the Navy's proposal. As required by the city's charter, the question of whether the new hospital should be built in the park was placed on a referendum last summer. Over 61 percent of the population approved of building the new hospital in Balboa Park. While this vote was short of the two-thirds majority required by the city charter for the city to enter into any formal agreement with the Navy, it did give a clear indication of how the residents of San Diego who were interested enough in the issue to vote felt about it. Thus, plans to proceed with the Navy's proposal went forward. Early this year, the Navy took the land in the park by condemnation.

The problems regarding the siting of the hospital, however, have not been resolved. In fact a very serious dispute has arisen between the city and the Navy with the Navy's takeover of the land. At issue is whether the Navy will lease the land for the hospital from the city or whether it will have full ownership of the land.

Last year, when the city put the question of where to build the hospital before the citizens, the referendum clearly stated that the land was to be leased to the Navy—not sold. However, when the Navy acquired the land this year, it took full ownership of the property. This action has proved to be very distressing to San Diego which believes that the Navy has contravened the understandings it had with the city. It is the city's view that the Navy has acted inappropriately and unjustly in taking full ownership of the land. As a result, Mayor Pete Wilson has stated that he can no longer support the Navy's plans for construction in the park.

The Navy, however, contends that it had no option but to take full ownership because of the way the present statute (fiscal year 1980 Military Construction Authorization bill) is written. This assertion is supported by the Department of Justice. The ill will created by the present situation threatens plans not only for the hospital but for future cooperation between the Navy and San Diego—a prospect which I believe no one wants.

Therefore, Mr. President, the legislation that I am introducing today is intended to break the impasse that now exists between the Navy and the city of San Diego. My amendment will authorize and direct the Secretary of the Navy to return the land to the city so that the city may then lease the land to the Navy as was originally intended. It would then be possible for the Navy to proceed with its plans for the hospital.

Mr. President, given the need for the hospital and given the concern of the people of San Diego for their park, I believe that this is the most appropriate solution to the present dilemma. I hope that the Armed Services Committee will give careful consideration to my amendment.

I ask unanimous consent that the text of the amendment be printed at this point in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1718

On page 51, between lines 22 and 23, insert the following:

REAL ESTATE TRANSACTION, SAN DIEGO, CALIFORNIA

SEC. . (a) The Secretary of the Navy (hereinafter in this section referred to as the "Secretary") is authorized and directed to amend the declaration of taking which was signed by him on December 26, 1979, was filed in Civil Action No. 80–0021–E in the United States District Court for the Southern District of California pursuant to the authority conferred upon him by section 809 of the Military Construction Authorization Act, 1980 (93 Stat. 950), and condemned for the use of the United States all right, title, and interest of the city of San Diego, California, in and to a certain tract of land consisting of 40 acres, more or less, in Balboa Park, San Diego, California. The Secretary may amend such declaration of taking by substituting for the estate described in such declaration a leasehold estate in such tract of land for a term of 75 years for the uses and purposes set forth in section 809 of such Act. The amendment of the declaration of taking shall be made by the Secretary subject to such terms and conditions as he deems necessary to protect the interest of the United States and subject to the approval of the city of San Diego.

(b) The Secretary shall convey to the city of San Diego, in consideration in whole or in part for the acquisition under subsection (a), all right, title and interest of the United States, or any lesser interest, in and to all or any part of the real property (including improvements thereon) of the Naval Regional Medical Center, San Diego, California, that has been conveyed, leased, or otherwise made available to the United States by the city of San Diego (other than the property acquired pursuant to the declaration of taking referred to in subsection (a)).

(c) The Secretary is authorized to construct a Navy hospital or medical center on the lands referred to in subsection (a) and to use such lands for related purposes, notwithstanding the acquisition of a leasehold estate for a term of 75 years in such lands rather than the acquisition of all right, title, and interest as provided in section 809 (a) of the Military Construction Authorization Act, 1980 (93 Stat. 950).

(d) The provisions of subsections (c) and (d) of section 809 of the Military Construction Authorization Act, 1980 (93 Stat. 950) shall apply to the amended acquisition authorized in subsection (a) of this section.

NOTICES OF HEARINGS

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. GLENN. Mr. President, I wish to announce that the Committee on Governmental Affairs will continue hearings on Reorganization Plan No. 1 of 1980, to reorganize the Nuclear Regulatory Commission, on Friday, April 25, and Tuesday, April 29, 1980. Both hearings will begin at 10 a.m. in room 3302 of the Dirksen Senate Office Building.

On Friday, April 25, witnesses will include Dexter Peach, Director of the Energy and Minerals Division, U.S. General Accounting Office; William C. Anders, vice president and general manager, Aircraft Equipment Division, General Electric Company; Russell Peterson, president, National Audubon Society; and Attorney William Doub.

On Tuesday, April 29, witnesses will include Mitchell Rogovin, author of "Three Mile Island: A Report to the Commissioners and the Public"; and Governor Bruce Babbit of Arizona, who is a member of the President's Commission on the accident at Three Mile Island (Kemeny Commission). If you have any questions concerning the hearings, please contact Len Weiss at 4–2627.●

COMMITTEE ON LABOR AND HUMAN RESOURCES

● Mr. WILLIAMS. Mr. President, I wish to announce that the Committee on Labor and Human Resources has scheduled a hearing on Wednesday, April 30, 1980, at 10 a.m. in room 4232 Dirksen Senate Office Building, on the following nominations:

Steven A. Minter, of Ohio, to be Under Secretary of Education;

Thomas K. Minter, of Pennsylvania, to be Assistant Secretary for Elementary and Secondary Education, Department of Education;

F. James Rutherford, of District of Columbia, to be Assistant Secretary for Educational Research and Improvement, Department of Education.●

COMMITTEE ON GOVERNMENTAL AFFAIRS

● Mr. GLENN. Mr. President, I wish to announce a hearing that will be held by the Committee on Governmental Affairs. On Thursday, May 1, 1980, Postmaster General William F. Bolger will present the Postal Service's annual report to Congress. This hearing will begin at 10 a.m. in room 357 Russell Senate Office Building.

After the Postmaster General has delivered his annual report, the Subcommittee on Energy, Nuclear Proliferation, and Federal Services will continue on with hearings on the Postal Service Act of 1980, S. 2558 and H.R. 79.

If you have any questions regarding these hearings, please be in touch with the subcommittee at 224–2627.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today to hear and consider a nominee to the U.S. Arms Control and Disarmament Agency.

I am advised that this request has been cleared by the minority, and it has the initials of the distinguished minority leader on the paper.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ENERGY SELF-SUFFICIENCY

● Mr. NUNN. Mr. President, we are all aware of the intense interest in the United States—and around the world—in developing energy self-sufficiency.

A vital resource in this regard is bioenergy. This word is not yet in the dictionary, but it will be. Bioenergy is the term used to describe the energy obtained from recently living organic material—biomass—by direct burning or by thermochemical or microbial conversion to hydrocarbon or alcohol fuels. Properly developed, it may provide as much as 15 percent of America's energy needs on a renewable basis by the year 2000—and much more in the long run.

Biomass includes trees, crops and their residues, manures, seaweeds, algae and urban wastes. Not included are coal, oil, and natural gas—living matter which was fossilized by natural processes ages ago. Bioenergy is captured from the sun by photosynthesis—converting carbon dioxide, water, and nutrients into plants which man can harvest and use for food, fuel and many other purposes. Here are some interesting facts on bioenergy.

Plant material may well be able to provide 15 percent or more of the energy consumed in the United States. It presently provides 14 percent of the energy used throughout the world.

The total U.S. standing biomass is equivalent to about 25 times the total energy consumed in the United States each year.

Ninety percent of the U.S. standing biomass is in the forest. Forests cover an estimated one-third of the land in the United States. Cloning and genetic selection promise to increase the productivity of American forests. Wood already is an important energy source in many regions; and the forest products industry now derives over 50 percent of its energy from wood wastes.

Annual U.S. production of biomass is equivalent to some 95 quads (Quadrillion British thermal units or Btu), or 120 percent of our total annual energy consumption. Most of this simply rots away, providing humus and nutrients.

Current U.S. consumption of bioenergy totals over 2 quads—including 50 million cords of firewood being burned annually in home fireplaces and woodstoves out of 77.7 quads of total energy consumed.

Coupled with reforestation, burning biofuels avoids the buildup of atmospheric carbon dioxide caused by burning petroleum, natural gas, or coal.

Burning biofuels also avoids the discharge of atmospheric sulfur dioxide (and the "acid rain" effect) which may often result from burning many types of coal and oil.

Biomass growth can be used to purify waste water for recycling. I would, therefore, like to call attention to an important World Congress and Exposition to be held in Atlanta on April 21 to 24. This event is sponsored by 17 U.S. Government agencies, the United Nations, and 9 other international agencies and more than a hundred corporations. It will be attended by well over a thousand scientists, technicians, and academicians.

The meeting is managed by the Bio-Energy Council in Washington, a nonprofit organization created with support from the Andrew W. Mellon Foundation to serve as an information center on bioenergy and assist national and international activities in this field. The Georgia Institute of Technology in Atlanta is the local host organization for the conference.

The Congress and Exposition have attracted widespread international attention. Major presentations will be made by teams of experts from the People's Republic of China, Sweden, Brazil, Canada, France, Denmark, India, Israel, Egypt, the Philippines, the United States, and the United Nations.

Well over a hundred commercial and government organizations, domestic and international, will display and demonstrate their bioenergy equipment, techniques, services, and publications. There will be large government and industry exhibits from Brazil, Sweden, France, and Canada and a coordinated exhibit by 14 U.S. agencies.

Mr. President, if our Nation is going to overcome our critical energy problems, we must explore all alternative sources. I believe that this conference will be beneficial in highlighting the potential of biomass in the United States and the international community, and I appreciate having the opportunity to call it to the attention of my colleagues.●

AN AFFIRMATION OF AGING

● Mr. MATHIAS. Mr. President, last Sunday the Washington Cathedral held a service to affirm aging. This unique and very moving celebration provided an important reminder to us of the debt we owe our elderly and of the spiritual riches we can derive from them. It also underlined our society's failure to deal humanely, much less creatively, with our growing population of the aging.

The Reverend Charles Martin, Canon of the Cathedral, was the celebrant at this remarkable service and Dr. Robert N. Butler, Director of the National Institute of Aging of the National Institutes of Health, delivered the sermon.

In his informed and thoughtful address, Dr. Butler warned that our contemporary politics of austerity imperil not only older Americans but all those "whose positions are weakest * * * who can do the least to alter their circumstances; namely, children, older people, the minorities, the poor, the handicapped * * *" He summoned us to consider this great truth that: "Ultimately all our choices are moral, even when clothed in political and economic dress."

In seeking ways to renew our national self-confidence as we reflect on the choices before us for solving the very difficult economic, social, and diplomatic problems that confront this Nation, we would do well to take up Dr. Butler's call to the Nation to "overwhelm our self-indulgence by self-discipline."

"At various times," as Dr. Butler says, "we have been a society with generous sympathies, but we have lost our confidence and our good will. We feel out of control and so resist accountability." He continues:

> It is difficult to give up our individual advantage and our vested interests. It is far easier to accept the misfortunes of others and to attribute them to general economic conditions. However, there comes a time when our luxuries become crimes, when we must be willing to sacrifice some of our advantages and join in partnership in a reinvigorated, energetic and freedom-loving society which counts the least among us as important as any of us and certainly abides by the ancient appreciation that our elders must be provided with the necessary material ingredients that give substance to the terms—honor and respect.

It seems to me that time has come in America. Dr. Butler's sermon illumines the road we must travel toward national salvation and I ask that it be printed at this point in the Record.

The sermon follows:

The Triumph of Survivorship

As a nation, we have lost our confidence. Observe our confused personal beliefs, uncertain social structures and volatile politics—and our newly fortified but pre-existent negativism toward age, toward our elders.

Even before recent fears regarding the economic foundations of our nation, we witnessed a disturbing new ethic arise—a rather different view from that of the Commandment "Honor thy father and thy mother." Moreover, we have seen one national magazine recently publish an article with the title on its cover "America's Elderly, Can We Afford Them?" Apparently, we might also disregard Psalms, Chapter 71, Verse 9:

"Cast me not off in the time of old age; forsake me not when my strength faileth."

Another national magazine carries a lead article "Old vs. Young in Florida: Preview of an Aging America."

According to many of those who speak and write about the "graying of our nation" and the "social and economic burden of our aged," we can no longer continue present levels of support for our nation's elderly—which means in concrete translation—for our mothers and fathers; our uncles and our aunts; our teachers, models and mentors; our elders who contributed to the building of our nation; and, I would stress, ultimately our own future selves, since ultimately we will all grow old if we survive.

As a nation, we used to feel superior to some few nomadic and really quite poor societies that abandon their older people on ice floes or mountain tops.

But if we follow the recent expression of views to their ultimate conclusion, we might ourselves be fast reaching that position and with far less reason. Have we become so poor that we are forced to further restrict the support of America's elderly, even abandon them?

For those who might think that the economic status of our elderly is substantial, who may have a mental image of tennis-playing retirees in the warmth of our south and southwest, let me note that of our families headed by an older person (defined as 65 and above), the median income is $195 per week ("median" means 50 percent fall below and 50 percent above that figure). For unrelated older individuals, which means usually women who are living alone or with nonrelatives, the median income is $83 per week. These figures are worse for racial/ethnic minorities. It is easy indeed to understand the struggle for survival of our older citizens trying to exist on such meager incomes. Little wonder we see some older people burrowing among the ruins of our inner cities or gleaning among the farm fields of our land.

It is, of course, not only older Americans who are emperiled by our contemporary politics of austerity. This is a period in which those of us who are more fortunate are asking those who are less fortunate to practice austerity; those whose positions are weakest, that is who can do the least to alter their circumstances; namely, children, older people, the minorities, the poor, the handicapped, the mentally ill—all of those who are disadvantaged, either through unequal starts in life or who, through no fault of their own, became adversly affected over the course of their lives through disability, disease, or the economic conditions of the country—in other words, are victims of individual life experiences or of general social and economic catastrophes.

In principle, in a democracy we all enter into a compact of faith with our own instrumentality, called Government. It is a two-way street. We are accountable to Government; and Government is accountable to us. This should apply in the worst of times as well as the best of times. The instrumentality of Government, presumably, is designed to deal with both national and individual contingencies.

To preserve our liberties, vigilance over our government is essential. However, when mistrust and disbelief in one's own government obtains a certain threshold, there are serious dangers from within through social unrest, which can be as significant as dangers from without. Then, the nature of governance is jeopardized, perhaps the more so as traditions, ethical systems, religious views, and values are questioned. Of course, we should and must always be in the process of reassessing our cultural and spiritual values. However, we must also remember that ultimately all of our choices are moral, even when clothed in political and economic dress.

We should not casually ask of God what we should expect of ourselves. Our responsibilities are that of a perishable species in a world of perishable resources.

Psalm Chapter 90, Verse 1, says:

"Lord, thou has been our dwelling place in all generations.

Before the mountains were brought forth, or ever thou hadst formed the earth and the world, even from everlasting to everlasting, thou art God.

Thou turneth man to destruction."

And the Psalm 90 continues, noting that life quickly passes and flies away: ". . . so teach us to number our days, that we may apply our hearts unto wisdom."

We, who are fortunate, cannot continue any longer any self-pitying view of the burden of age, of long life of our elders and those who may require our generosity, or rather our just and appropriate help. We cannot mindlessly continue a politics of austerity. Rather, collectively we must share in any austerity that is imposed. It must be shared by both the private and the public sectors. Indeed, each of us as individuals and as we organize collectively in various groupings must meet the special economic challenge of our times.

Saint Luke, Chapter 21, Verses 1, 2, and 3:

"And He looked up and saw the rich men casting their gifts into the treasury, And he saw also a certain poor widow casting in thither two mites, And he said, Of a truth I say unto you, that this poor widow have cast in more than they all."

A new Spartanism is called for. We must be tough on ourselves. If we do so, we in fact reaffirm the primary value of life. We must give up feeling anxious and resentful that we can no longer command a disproportionately high percentage of the world's resources—five percent of its people, forty percent of its resources—paraphrasing Ecclesiastes, Chapter 3, Verse 9—the profit of the earth is for all.

This is not a Jeremiah, rather I suggest we may gain dramatically from reshuffling our values. We may overcome the contemporary debilitation of the spirit, overwhelm our self-indulgence by self-discipline. Our concern for all elements of our population is also a declaration for national security. We must once again enjoy a collective, positive, national popular will. Such renewed national confidence is as important, more important, than MX Mobile Missiles and provides us with the ultimate defense against any aggressors or false ideas.

This is the century in which nearly every human being throughout the world has the potential at least of experiencing every period of the course of life cycle. This is the century of age, of long life, the century of the multigenerational family. When our great Republic was founded in 1776, only 20 percent of newborn babies ever survived into old age. Now 80 percent do. A ten year old in this country in 1920 had a 40 percent chance of having two or four grandparents alive, now a 75 percent chance. This demographic revolution, this revolutionary triumph of survival, is the result of extraordinary cultural, social and economic, and medical progress. We should exalt and not despair. There have been such striking reductions in maternal, childhood, and infant mortality and in deaths from heart disease and stroke in the post-meridian period of life.

We should take pride in the triumphant change in the age composition of our society. We should take it as a challenge and be as imaginative and perhaps even more compassionate than in responses that humankind has undertaken to other revolutionary challenges: the opening of the New World, the French Revolution and its concerns with fraternity, equality, liberty, and other great human rights; the industrial-technological-scientific revolution.

We are still responding to all three revolutions; for example, we still wrestle with the legacy of economic instability, structural unemployment, industrial pollution, the separation of the family from the work place, etc., that followed the industrial revolution initiated some two centuries ago.

Is it so surprising that we must alter our social institutions, our work and retirement practices, our health care arrangements, our income maintenance systems to meet the increasing absolute number and relative proportion of older people? Is it so surprising that this would take time? Isn't it essential that our response be more than economic and depend ultimately upon fundamental human and religious values?

This challenge of age of the long life must not only be met by society in some abstract sense or by government in some instrumental sense but by each of us individually in our relationship to our older family members and the elders of our society; but there are broad interlocking responsibilities of the generations as well. All generations must contribute, including older persons. The latter have a great responsibility, still, to be active in their communities. They must not be passive; they must use whatever power they have on behalf of the common good. They must utilize their cumulative life experiences. Whether contemplative and/or action-oriented, they must serve their society. We cannot afford a stagnant older population. They must play a role, whatever and however it might conceivably be.

The young and the middle-aged have a particular responsibility to overcome the powerful human tendency to deny age, to pretend that somehow or other we will not grow old.

The generations must increasingly collaborate. Their opportunity must be facilitated by our institutions, including our churches and our media. We must not condone or suggest inner-generational conflict. All too frequently, there are those who generate scare stories like those concerning running out of Social Security trust funds, or the need for burdensome taxes. There are real questions which require constructive debates and there are needs for solutions; but not at the expense of our humanity.

Our society cries out for new direction, for new social and economic ideas and policies, for a more effective quest for social equity. As important as have been our efforts to obtain equal rights for our racial minorities, women, and our elders, we must define even further the goals of social and economic justice, doing so with basic values to guide us.

We in medicine and science have special responsibilities. The present awesome economic realities are superimposed upon common wrenching changes and strains associated with old age—bereavement, loneliness, disease, disabilities.

The new field of geriatrics is concerned with health promotion, disease prevention, diagnosis, treatment and care to be provided in a knowledgeable and sensitive way to our older citizens. The new science of gerontology is devoted to unraveling the mysteries of how we age and what makes us old, but also with the antecedents of successful aging and the quality of life as well as longevity.

Fundamental geronotological research is a positive effort to understand what old age is and will become. Along with the practice of geriatrics, the discovery and application of new knowledge through geronotology will be helpful to all older people now as well as their children and grandchildren—eradicate, for instance, senile degeneration of the brain, Alzheimer's disease, post-menopausal susceptibility to broken bones, and other debilities of age.

There is the responsibility for a competent ministry among older people. Our ministry must not be silent when it is important to speak. It must not be patronizing but rather collaborate with older parishioners, understand the true circumstances of age, affirm and celebrate life as a gift, and be broadly concerned with tomorrow's old people as well as with yesterday's children. Our clergy must deal with its own fears of aging and death and not avoid pastoral visiting and distressing social realities. We must expand and apply hospice concepts and practices.

By the year 2000, one-third of all Episcopalians will be over 65 years of age—not unlike other denominations.

Our churches must take direct public leadership in ending for once and for all the sorry nursing home conditions in our land, the only nation in which such commercialized care of the elders prevails. We must also end the expenses of the funeral business—in the aggregate annual figures the costs for one day's events, funeral and burial—are over one-third of the nursing home costs for a full year! In addition, we must end racial and economic segregation in our church homes for the aged—throwing out older people from our church homes when they run out of their own funds and must turn to Medicaid.

At various times, we have been a society with generous sympathies, but we have lost our confidence and our good will. We feel out of control and so resist accountability. It is difficult to give up our individual advantage and our vested interests. It is far easier to accept the misfortunes of others and to attribute them to general economic conditions.

However, there comes a time when our luxuries become crimes, when we must be willing to sacrifice some of our advantages and join in partnership in a revinvigorated, energetic, freedom-loving society which counts the least among us as important as any of us and certainly abides by the ancient appreciation that our elders must be provided with the necessary material ingredients that give substance to the terms—honor and respect.

This is the century of triumphant survival into old age, but survival *per se* is not enough. Each of us is accountable for the quality of the last days of life for us all.

We all have much to do! ●

FAA SECURITY REGULATIONS

● **Mr. GRAVEL.** Mr. President, the Federal Aviation Agency has always done an excellent job in protecting and developing the Nation's airports and air transportation service. There are times, however, when any bureaucracy pressed for time fails to calculate the total possible impact of its actions on certain sectors of society. The FAA's recently proposed security regulations will have an enormous economic impact on small and medium air taxi operators and the airports they serve. These regulations have not yet been issued in final form, but all indications are that they might be published in final with very little change from the proposed version. The FAA is conducting a medium-term study, expected to appear in December 1980, in order to determine whether these regulations should be adjusted due to the financial impact they could have on small airports nationwide.

I recently submitted testimony to the Senate Appropriations Committee, the purpose of which was to insure that the December study is comprehensive and accurate and that no regulations are implemented until Congress has had a chance to review them in conjunction with the economic evidence.

I ask that my April 17 testimony on this matter of great importance to the Nation's air taxi operators be printed at this point in the RECORD.

The statement follows:

TESTIMONY OF SENATOR MIKE GRAVEL

Mr. Chairman, I am most appreciative of the opportunity to appear here today on a matter of great concern to many small air taxi and airport operators in the country.

This matter concerns the economic impact on Alaska and several other states of FAA's recently proposed security regulations for commuter air carriers and the airports they serve. The final regulations have not yet been published, and ordinarily I would wait until these regulations had been issued in their final form before taking a legislative course of action in an attempt to relieve my concerns and those of a large body of my constituents.

But I am frankly worried about the regulations which may eventually be issued by FAA. Indications are that they could differ very little from the original version. The FAA showed a singular lack of response to a 2,000 page Docket accumulated during the public comment period on these regulations. In addition, a preliminary report meant to justify the imposition of such regulations issued by FAA demonstrated considerable FAA confusion about the nationwide economic impact its regulations could have.

The report seriously underestimated the

cost impact on air carriers and airports, and the FAA was unclear about the reasons why such errors occurred. Presumably, it was not understood by FAA what the normal practices are at small airports that serve commuters of 20–60 seats. Under the proposed regulations, these airports will become subject to fencing and other requirements found in Part 107 of the Federal Aviation Regulations, and many of them do not normally fence off air carriers. Part 107 tends to require other expensive investments which when applied to the commuter-sized airlines can fast become exorbitant for both the carriers and the airports.

Some airports being served by air carriers with 20–60 seats may also have to make capital investments other than those required by Part 107 to achieve full compliance with the proposed security regulations. FAA's estimated expenditures for such compliance were woefully unrealistic according to a consensus of opinion, even within FAA.

As a consequence of reactions to the report, I was encouraged by FAA's willingness to back away from issuing the regulations as proposed, and to institute proceedings for a major survey and cost impact study to be completed by December 1980. I hope this survey will contain a thorough investigation of the affected airports and air carriers in Alaska, and will reduce costs to a realistic level for small Alaskan communities or, if this is impossible, waive the regulations altogether.

I appear today, Mr. Chairman, to ask the Committee to take the precautionary measure of prohibiting the expenditure of public monies to implement these regulations until the December 1980 survey and report, together with the new regulations, have been reviewed by concerned members of Congress. This is simply to insure that the Department makes a full survey and meets the legitimate concerns of many airlines and airports around the country and that the cost of these regulations be reasonable and fair. I do not expect anything less than reasonable and fair regulations from the Department of Transportation, but I would like to make sure that greater effort is taken to address these concerns than was taken between January and March.

I do hope, therefore, that some language might be added to this Appropriations bill to assure that the concerns of Alaska and several other states are in some measure relieved by requiring Congressional review and approval of FAA's full-scale survey and subsequent regulations.●

SUPPORT GROWING FOR A TEMPORARY WORKER PROGRAM

● Mr. SCHMITT. Mr. President, on April 1, 1980, I had a series of articles about illegal aliens from the Hutchinson News in Hutchinson, Kans., printed in the Record. These articles outlined the impact of illegal aliens in Kansas. This same paper recently published an article on the same subject. This editorial favorably mentions S. 1427, the United States-Mexico Good Neighbor Act, which I, Senator Goldwater, and Senator Hayakawa have introduced as a partial solution to this complex problem. This bill is cosponsored by Senators Garn, Hatfield, Laxalt, Lugar, McClure, and Pressler. This bill would create a temporary worker visa program, legalizing now what is unenforceably illegal and unworkable.

Mr. President, I ask that the editorial be printed in the Record at this point.

The editorial follows:

The Illegal Alien

With more than 800,000 illegal Mexican aliens captured merely attempting to cross the border each year, the problem obviously has become large.

It also has become frightful.

Frightful—because of the opportunity economic oppression presents to those on this side of the border who exploit illegal aliens who seek the great escape from poverty.

Frightful—because the influx causes a situation in the U.S. that promotes otherwise law-abiding employers to break laws, both legal and humane.

Frightful—because an estimated 6 million illegal aliens from Mexico are not, but could be, making a complete contribution to this country as working taxpayers.

While undocumented entry into this nation is unlawful, so is the treatment many Mexican citizens suffer once they have crossed the border.

Their escape from Mexico offers them a glazed glimpse of the U.S. and a grey and a dubious democracy.

Present immigration laws, while necessary, aren't working.

There is a lack of enforcement manpower, a lack of money, and ultimately, a lack of commitment. It is a helter-skelter approach that has led to a growing U.S. population of Hispanics, most of them from Mexico, that is expected to surpass that of blacks in this decade.

The U.S. can no longer offer Mexicans a false carrot of expectation by running a sloppy border that allows a nearly unchecked exodus into this country.

The options are clear:

1. We can close the border more effectively by providing a human wall manned by thousands more border patrol guards.
2. We can open the border completely.
3. Or we can open the border on a limited basis and regulate the flow of people that pass through.

Bills have been introduced in the Senate and House which would establish a temporary worker visa program allowing a limited, but legal, flow of Mexican workers into this country.

Both bills, while not providing a complete solution to a growing problem, would at least relieve some of the pressure on the border and would offer employers a viable, if temporary, work force.

The bills would also offer increased opportunity for Mexican and American citizens alike to function within the law and for more friendly relations.●

EARTH DAY 1980

● Mr. PELL. Mr. President, today citizens throughout our Nation are celebrating Earth Day with events ranging from an environmental film festival in Alaska to a 3-day environmental fair in Rhode Island, and from an energy conservation symposium in Texas to shade tree planting in Maine.

As we all know, our environmental problems are not unique to the United States. That is why it is entirely appropriate that we are celebrating Earth Day and focusing on what we can do to protect our local, national, and global environment.

Many years ago, I anticipated some of the concerns we now have about our global environment and took the unprecedented step of initiating a series of three international treaties to protect the environment and our future.

Two of these treaties already have been ratified by the United States, the Soviet Union, and numerous other countries. They prohibit placing weapons of mass destruction on the seabed floor and prohibit the hostile use of environmental modification techniques.

The third treaty I have introduced would require countries to file environmental assessments with the United Nations when they plan projects that could affect the environment of neighboring countries or the global commons.

It is my hope that Earth Day 1980 will increase the momentum of the past decade to address environmental problems at every level, including this vital global level reflected in the third treaty I have proposed.

As chairman of the Foreign Relations Committee's Subcommittee on Arms Control, Oceans, International Operations and Environment, I am all too aware of the fragility of our global environment and the clear need for international action to save endangered species, preserve unique ecosystems and reduce worldwide pollution.

The United States can and should be a leader in the global effort to preserve our environment and secure mankind's future. It is not enough, however, to negotiate with other countries to establish sound international environmental policies. We must continue to clean our own backyard.

During the past decade, our country has made great strides toward cleaning up our polluted air and water. This progress was triggered by key legislation, such as the Clean Water Act and the Clean Air Act. There are warning signs, however, that these costly programs face increasingly difficult times.

We must concentrate on spending each dollar wisely, but must not lose sight of our goal to clean up the environmental damage caused by decades of neglect. I have submitted legislation to revise the funding formula for wastewater treatment construction grants with both these goals in mind.

Under this legislation, the funding formula would be revised to clearly reflect our Nation's priorities in fighting water pollution. We cannot afford ineffective spending, either in financial or environmental terms. The Clean Water Act has been an effective tool in cleaning up our environment, but it can and should be improved and sharpened.

We also face the frightfully expensive problem of cleaning up and containing the improperly disposed hazardous and toxic wastes that present potential threats throughout our Nation. Steps are being taken to assure that these wastes are properly disposed in the future, but we will need a massive infusion of funds to clean up the damage that has already been done.

Congress currently is considering legislation to set up a "superfund" that would establish an industry fee-based fund for this purpose and that would change liability laws to make it easier for hazardous and toxic waste victims to collect damages. I endorsed the concept of this legislation more than a year ago and continue to support it.

All of these efforts on the global and

national effort are fueled by the energy, concern and active support of citizens at the local level throughout our country. All citizens can help by renewing their support, enlisting their neighbors and increasing the activities in their communities to protect the environment.

It is my hope that Earth Day 1980 will become a focal point for renewed support and that activities, like those being held today in Rhode Island and throughout the Nation, will strengthen our determination to make this fragile world safe and rewarding for our children and future generations.

Today's activities in Rhode Island are an example of how this can be done by every citizen and as a tribute to the determined organizers who have arranged this nationwide celebration.

I ask that an article, titled "R.I. To Observe Earth Day With Many Events Tuesday" (Providence Journal of April 17, 1980) be printed in the RECORD.

The article follows:

R.I. TO OBSERVE EARTH DAY WITH MANY EVENTS TUESDAY

(By Robert C. Frederiksen)

PROVIDENCE.—Sunrise and sunset services will open and close Rhode Island's part of the national observance of Earth Day, 1980, next Tuesday.

At least 20 other events have been sandwiched in between to celebrate the 10th anniversary of the day when thousands of people said it was time to switch from "savaging to saving" our environment.

One of the most interesting events promises to be a "Bike-to-Work" on Tuesday, sponsored by the Rhode Island Bicycle Coalition.

Other events, including a conference on Narragansett Bay research, plantings and a hike, will stretch the observance to the end of the week, according to the state Department of Environmental Management.

Governor Garrahy, business, environmental and labor leaders are to speak at 7 p.m. Tuesday at a reception atop the Hospital Trust Tower, sponsored by the Environmental Council of Rhode Island, representing various private environmental groups, and DEM.

But most Earth Day, 1980, observances will be grass-roots affairs, as were those of 1970.

Planned events include:

On Monday, Ecology Action will discuss neighborhood zoning at noon at the Washington Park Community Center at Broad and Wilson Streets and at the DaVinci Center, Charles Street, at 2 p.m.

The group also has invited the public to attend a regular board meeting at 7:30 p.m., at its offices, 109 Mathewson St.

The Wilbur Smith & Associates consulting firm will describe potential ridership on the proposed East Bay rail transit system at the firms' offices, 231 S. Main St., at 7:30 p.m.

"An Evening With the Stars" will be sponsored by the Audubon Society at 6:30 p.m. at the Caretunk Wildlife Refuge in Seakonk. The fee is $1 for members, $1.50 for non-members and 50 cents for children and the elderly.

On Tuesday, 6:30 a.m. and 6:30 p.m. sunrise and sunset services will be held on the Brown University green—an hour and 34 minutes after the actual sunrise and four minutes before the actual sunset—to attest to the religious feelings that some have about the day.

A panel headed by Rep. Mary N. Kilmarx, chairman of the General Assembly's Joint Environmental Committee, will take up energy, water, transportation and other issues at noon in Rogers Hall at Brown.

Other events there include solar, wind and alternative transportation displays from 10 a.m. to 2 p.m., talks on water at 10:30 a.m. in Metcalf Auditorium and at 4 p.m., near the green, energy workshops at 2:30 and 4 p.m. near the green and a recycling march from Sharpe Refectory to the Smith Swim Center at 3:25 p.m.

The Brown Dance Ensemble will perform during the morning and Circus Wagon Troupe at 10 a.m., both also on the green.

"The Great Race" will have pre-schoolers from the Rhode Island School for the Deaf ride a train from Union Station in Providence to Kingston and a bus back to see which is faster and more comfortable.

Also, the Audubon Society of Rhode Island will sponsor a "Run for Wildlife" road race for various ages and prizes at noon at the Caretunk Refuge.

Ecology Action for Rhode Island will sponsor an "Earth Day 80 Fair" with demonstrations on environmental and energy-related topics, such as solar panels and windmills, from 11:30 a.m. to 1:30 p.m., on Westminster Mall.

The Rhode Island Lung Association will be on the mall during the same period to perform blood tests related to air pollution.

On Wednesday, natural life will be featured in a walk to observe the courtship of woodcock beginning at 6:30 p.m. at the Caretunk Refuge. Fees are 50 cents for children and the elderly, $1 for members and $1.50, for nonmembers.

On Thursday, the Narragansett Bay research conference, which will be held through Saturday, will begin at the University of Rhode Island Bay Campus, Ferry Road, Narragansett.

On Friday, there will be Arbor Day ceremonies and tree plantings on the State House lawn at noon and at the Rhode Island School for the Deaf at Cortina Park off Hawkins Street at 1 p.m.

On Saturday, the week-long observances will end with a 2 p.m. "Hike Into History," a look at historic farms, stone mounds and a saw mill at the Parker Woodland. Members $1.50, nonmembers $2.50.●

THREE MILE ISLAND ACCIDENT CONTINUES

● Mr. GRAVEL. Mr. President, although it has been over a year since the accident at Three Mile Island began, the worst may be yet to come. Dealing with the million gallons of radioactive water, the radioactive gas, and the damaged core is not going to be easy. It will almost surely involve further releases of dangerous radioactivity, perhaps in greater amounts than were released at the start of the accident.

A front-page story in the March 18, 1980, Wall Street Journal explains some of the problems faced by those who are directly involved in the cleanup, as well as the rest of us who are serving as involuntary guinea pigs in this big experiment. Mr. President, I ask that the Wall Street Journal article be printed at this point in the RECORD.

The article follows:

[From the Wall Street Journal,
Mar. 18, 1980]

A YEAR AFTER ACCIDENT, THREE MILE ISLAND IS FAR FROM CLEANED UP

(By John R. Emshwiller)

HARRISBURG, PA.—A dangerous phase of the Three Mile Island accident is yet to come.

Tons of deadly radioactive material and about a million gallons of radioactive water still sit inside the closed nuclear generating station, situated near here on the Susquehanna River. Crews have been cleaning up the mess since shortly after the accident occurred almost a year ago. But the work has run into troubles from the start.

Now the cleanup is months behind schedule. Decontamination equipment has failed to perform properly. Radiation protection at the site has been loose, resulting in overexposure of some workers. The project has run into roadblocks from federal regulators and from worried local residents.

If the situation doesn't improve, serious new problems could arise. Large parts of the plant are too containmated to enter for maintenance work, and pieces of equipment have been failing for lack of care. If vital elements of the reactor-cooling or radiation-containment systems break down some fear a reheating of the reactor core or the release of new radiation into the environment.

"LOTS OF HAZARDS"

"This is going to be a tough, dirty job with lots of hazards," says Clifford L. Jones, head of the Pennsylvania Department of Environmental Resources.

How well the job is done could affect the future of nuclear power. After the trauma of the accident itself, nuclear-energy advocates hardly relish the prospect of a botched cleanup job. "We don't want to leave a monument to the worst nuclear accident in our commercial history," says Carl Walske, president of the Atomic Industrial Forum, a major nuclear-industry trade group.

By any measure, the task is immense. Radioactive debris, including the partly melted nuclear-fuel core, must be carefully removed and disposed of. Lingering radiation will have to be thoroughly scrubbed off walls and equipment by workers wearing protective gear, who will use everything from soap and water to sandblasters.

About 1,700 workers are at the site. Some are building or outfitting nearly a score of new structures to help in the cleanup. These range from a laundry for decontaminating clothing to water tanks that can hold a total of one million gallons.

YEARS TO GO

General Public Utilities Corp., the plant's owner, is in charge of the effort, which involves experts from dozens of companies and government agencies. GPU estimates that the cleanup will take three to four more years and cost $300 million. Restarting the plant, if that can be accomplished, would cost an estimated $100 million more.

Officials involved in the cleanup say that its rocky beginning was probably unavoidable and that progress is increasing. No one, they contend, has ever undertaken a decontamination job quite so demanding. "This is a unique situation. Given that, I'm not dissatisfied with the ground we've covered," says Robert C. Arnold, head of GPU's nuclear operations.

Much of the work so far has focused on the decontamination of buildings near the reactor. In the accident last March 28, a series of mechanical failures and operator errors caused a loss of cooling water and a severe overheating of the reactor. The auxiliary buildings took in some 400,000 gallons of relatively low-level radioactive water.

FILTERING THE WATER

Cleaning up that water has proved difficult. Three outside contractors came up with a system for filtering out the radiation to make the water safe enough for disposal, but the system hasn't lived up to expectations. Large amounts of water have had to be cleaned more than once. As a result, only about 40 percent of the water has been de-contaminated. The task was supposed to be finished by now.

GPU's Mr. Arnold concedes that the water cleanup has been "touchier than anticipated," but he says the problems are being worked out. With proper preparations, he says, the system now is "very effective." Others are more critical. One expert calls the filtering system "a botch."

Also giving GPU headaches is the goal of protecting workers from radiation. A study completed by the federal Nuclear Regulatory Commission last December concluded that the site's radiation-protection program had "substantial deficiencies" and required "significant corrective action."

That study followed a mishap last August in which six workers were overexposed to radiation while fixing a leak of radioactive water in one of the auxiliary buildings. One worker got a dose about eight times greater than federal limits allow. In all, 10 workers have sustained high radiation doses, but GPU's Mr. Arnold says their health doesn't seem to have been affected.

While the company is working to improve the radiation protection, everyone agrees that more progress is needed, given the tasks ahead. The biggest and most hazardous of these is cleaning up the reactor and the 203-foot-tall containment building that surrounds it.

Nobody has been inside the containment building since the accident—and with good reason. Its atmosphere is full of radioactive krypton gas released from the fuel core during the episode. Also, about 500,000 gallons of contaminated cooling water that was spilled covers the building floor. Some of that water is continually evaporating and then condensing at the top of the building, so a constant radioactive rain falls inside.

The krypton is a particular worry. Prolonged stays in the building are too dangerous as long as the gas remains. Even short visits will require workers to wear special protective clothing and respirators.

WILL KRYPTON BE RELEASED?

GPU and others want to release the krypton into the environment gradually through vents in the containment building. The company says the releases wouldn't be large enough to endanger the public, but the Nuclear Regulatory Commission hasn't yet given permission to take that step. The agency did allow workers into an air lock adjoining the containment building last week as a first step toward eventually entering it.

Some state and GPU officials fear that time is working against them—that if action isn't taken soon, krypton in the building may get out anyway. Currently, equipment inside is keeping the air pressure below that of the outside atmosphere. If that machinery should fail, the pressure inside the building would rise and krypton would escape through small cracks in the wall. "These plants aren't designed for zero leakage," the company's Mr. Arnold says. A recent state report warned that such uncontrolled krypton releases could pose a public health risk.

The krypton will have to be removed before work can start on cleaning the reactor cooling water and removing the more than 100 tons of nucelar fuel in the core.

Handling the badly damaged core will be particularly tricky. Care will be necessary to make sure the fission process doesn't start again and lead to a dangerous power surge in the reactor. Removing the core "is probably the touchiest and most critical operation we have," says Mr. Arnold.

Here, too, time may be working against the cleanup. The seven feet of water inside the containment building covers part of the reactor cooling system, and there is concern that important equipment is being corroded. While fission has been stopped since the accident, the core is still producing heat. If the ability to cool it is lost, Mr. Arnold says, the core could heat up enough to cause further damage.

Other experts disagree about the dangers posed by the crippled plant. John Collins, the Nuclear Regulatory Commission's senior official at the site, thinks there isn't enough heat left in the core to present any significant risk. He also doubts that any large amounts of krypton would leak out even if equipment failed. Hence the NRC, while it would like the cleanup to proceed with dispatch, doesn't feel the same urgency that the state and the company do.

Such varying analyses seem to be part of a growing tension between the NRC and other parties involved in the cleanup effort. State and company officials contend the NRC is being overly cautious. "Every time there is a problem, they set up a task force to look at it. So everything is going at a snail's pace," says Thomas Gerusky, director of the Pennsylvania Bureau of Radiation Protection.

NRC officials respond that performance problems by GPU and its contractors have helped slow the pace. Nonetheless, the agency is looking at whether some cleanup work could be speeded.

Local opposition has already been a factor in the decontamination work. For instance, the company wants to return water after it is processed to the Susquehanna, but a lawsuit from a nearby town has helped block that. GPU officials are making a major effort to win back a citizenry badly shaken by the accident, with Mr. Arnold alone spending about three evenings a week explaining the cleanup effort to groups of local residents.

GEIGER COUNTERS

But the company clearly has a way to go. Some residents still monitor the plant, from a distance, with their own Geiger counters. "That cleanup has me scared to death," says Patricia A. Smith, who after the accident quit her job as a sales representative for a local employment agency to work full time as an antinuclear activist.

Periodic snafus at the site haven't helped the company's popularity. Last month, a leak inside the plant led to a small but well-publicized release of radiation to the environment. And late last year the company inadvertently sent some radioactive material to be burned with regular garbage at a local incinerator. Fortunately, the garbage shipment was turned back because it wasn't properly packaged.

Eventually, an estimated 2,000 truckloads of the waste will have to be taken away. The only repository that currently will accept it is 2,700 miles away in Washington state.

GPU still must find a place to pour all the waste water at the site. Mr. Arnold once suggested that if the Susquehanna River wasn't available, the water might be shipped away and dumped "in somebody else's river." Now he says that idea doesn't appear feasible.●

URGENT NEED FOR ADDITIONAL FOOD STAMP FUNDING

● Mr. TALMADGE. Mr. President, as chairman of the Committee on Agriculture, Nutrition, and Forestry, I want to take this opportunity to apprise my colleagues of the urgent need for additional funding for the food stamp program.

In his April 15 report on expenditures for the food stamp program, Secretary of Agriculture Bergland states that if Congress does not provide additional funding for the food stamp program by May 15, he will order the States to suspend the issuance of program benefits for June, unless and until supplemental appropriations are provided.

I ask that Secretary Bergland's April 15 report be printed at this point in the RECORD.

The letter follows:

DEPARTMENT OF AGRICULTURE,
Washington, D.C., April 15, 1980.

Hon. HERMAN E. TALMADGE,
Chairman, Committee on Agriculture, Nutrition, and Forestry, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: This report is written in compliance with P.L. 97–58, which requires the Secretary of Agriculture to submit a report to Congress by the fifteenth of each month setting forth his best estimate of the second preceding month's expenditure for the Food Stamp Program, as well as cumulative spending totals for the current fiscal year. In each monthly report, the Secretary is also required to state whether he believes that reductions in the value of allotments provided to food stamp households will be necessary pursuant to section 18(b) of the Food Stamp Act of 1977.

Our best estimate of federal food stamp costs at this time is as follows:

[Dollars in millions]

	February 1980	Fiscal year 1980 to date
Benefit costs	743	3, 402
Administrative costs	30	178
Total	773	3, 580

As indicated in our prior monthly reports, the Department estimates that Food Stamp Program needs will far exceed the current FY 1980 authorization ceiling and appropriations level of $6.189 billion. If no additional funding is provided for FY 1980, substantial benefit losses will occur.

Our current estimate for FY 1980 food stamp costs is $8.847 billion. The current level of appropriations ($6.180 billion) will allow the program to continue at the present level of benefits only through the month of May. The latest possible time the Department could order States to take action to assure that the Food Stamp Program does not over spend its current level of FY 1980 appropriations is May 15, 1980. Thus, in order to insure that June food stamp benefits are received in a timely fashion, Congressional action to provide supplemental appropriations must be completed by May 15.

Given this timeframe, it is my current intention, consistent with the direction provided in the FY 1980 Agriculture Appropriations conference report, to continue full food stamp benefits through the month of May. If Congress does not provide additional food stamp funding by May 15, I will order the States to suspend the issuance of benefits for June, unless and until supplemental appropriations are provided.

Mr. Chairman, since December I have utilized these reports to express my grave concern over the FY 1980 food stamp funding situation. I am distressed to think that in my next fifteenth of the month report, I may well have the duty of informing you that I am ordering a suspension of June food stamp benefits. The obstacles to timely Congressional disposition of the food stamp funding situation are formidable. I am informed that not only must authorizing legislation be passed and appropriations provided, but Congress must also adopt a Third Budget Resolution for FY 1980. It now appears that there is a very strong possibility that Congress will not act prior to our May 15 deadline for ordering a suspension of benefits.

We are currently working closely with the States to make arrangements for suspending benefits on June 1. On April 2, 1980, we issued regulations which establish the procedures to be utilized in the event a suspension, reduction or cancellation of benefits becomes necessary. Both the Department and States and localities are now investing considerable administrative energy and resources to insure that these procedures can become operational as early as May 15 of this year.

Aside from strictly operational concerns, the Department is also assisting States in their preparation for a host of other problems that a suspension of food stamp benefits could create. Local offices must be prepared to deal with the fact many of the twenty million recipients nationwide will not understand why benefits are being suspended. Simply responding to a flood of informational questions about the status of benefits could be highly disruptive to the delivery of the myriad vital social services that State welfare agencies provide. If recipients should choose in addition to protest the benefit losses, there could be further interruptions in the normal functioning of these offices and security arrangements might have to be made.

States are likely to find it necessary to make contingency plans, to the extent possible, to provide emergency assistance to those in dire need. It appears that efforts to provide alternative benefits or set up mass feeding centers would have to be organized by State and local governments or private organizations at their own expense. It is highly unlikely that they will be able to fill the enormous gap that a loss of food stamp benefits would create.

In short, a loss of or delay in June food stamp benefits would create very serious problems for needy families, government agencies which administer the Food Stamp Program and possibly, the public as a whole.

It is difficult to overstate how important this program is to millions of Americans who depend upon it for basic nutritional needs. Even now, the uncertainty of food stamp funding is draining considerable resources within the Department and around the country to plan for the possible suspension of benefits. I urge you to do whatever you can to expedite prompt Congressional action on the food stamp funding crisis. At every point so far in the legislative process, Congress has expressed its intention to fund this program through the end of this fiscal year. Now, the timing of Congressional action is of critical importance.

Sincerely,

Bob Bergland,
Secretary.

Mr. TALMADGE. Mr. President, in recognition of the potentially catastrophic ramifications that a suspension of food stamp benefits to the old, sick, and disabled would have, I have written to the chairman of the House Committee on Agriculture, and the chairmen of the House and Senate Appropriations Committees. I have urged them to take the actions necessary to protect against the possibility of any interruption of nutritional benefits to needy recipients. I ask that my letters to Senator Magnuson, Congressman Foley, and Congressman Whitten be printed at this point in the Record.

The letters follow:

Committee on Agriculture,
Nutrition, and Forestry,
Washington, D.C., April 22, 1980.
Hon. Thomas S. Foley,
Chairman, Committee on Agriculture,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Chairman: As you know, substantially increased funding for the food stamp program is needed in order to remove the necessity for a reduction or suspension of program benefits during this fiscal year.

Secretary Bergland has stated that if Congress does not provide additional funding for the program by May 15, he will order the States to suspend the issuance of food stamp benefits for June, unless and until supplemental appropriations are provided.

It is my understanding that you are currently anticipating full House consideration of S. 1309, as amended by your Committee, on or about May 6. I urge you to do all that you can to ensure prompt action by the House of Representatives on this bill. I hope that we will be able to convene the conference committee on S. 1309 as soon as possible after the House passes the bill. By working together, I believe that the May 15 deadline can be met and that participants will continue to receive their stamps without interruption.

With every good wish, I am

Sincerely,

Herman E. Talmadge,
Chairman.

Committee on Agriculture,
Nutrition, and Forestry,
Washington, D.C., April 22, 1980.
Hon. Jamie L. Whitten,
Chairman, Committee on Appropriations,
U.S. House of Representatives,
Washington, D.C.

Dear Mr. Chairman: As you know, substantially increased funding for the food stamp program is needed in order to remove the necessity for a reduction or suspension of program benefits during this fiscal year.

Secretary of Agriculture Bergland has stated that if Congress does not provide additional funding for the program by May 15, he will order the States to suspend the issuance of food stamp benefits for June, unless and until supplemental appropriations are provided.

The Senate passed S. 1309, on July 23, 1979, which would authorize full funding for the program. The House Committee on Agriculture has reported its version of S. 1309, which will shortly be considered by the House of Representatives. However, there is no certainty that the necessary additional funding will be available by May 15 if the Appropriations Committees wait until final action on the conference report on S. 1309 before acting on a supplemental appropriations bill for the program. Therefore, I urge your Committee to approve, as soon as possible, the fiscal year 1980 supplemental appropriation for the food stamp program, with language making such appropriations contingent upon the enactment of authorizing legislation. Following such a course will help overcome the possibility that over 20 million Americans, many of whom are old, sick, or disabled, will be deprived of basic nutritional assistance. (I recognized that Congress must also revise the second concurrent resolution on the budget for fiscal year 1980 to permit additional food stamp program expenditures.)

Enclosed is a copy of Secretary Bergland's April report on expenditures under the food stamp program.

With every good wish, I am

Sincerely,

Herman E. Talmadge,
Chairman.

Committee on Agriculture, Nutrition,
and Forestry,
Washington, D.C., April 22, 1980.
Hon. Warren G. Magnuson,
Chairman, Committee on Appropriations,
Washington, D.C.

Dear Mr. Chairman: As you know, substantially increased funding for the food stamp program is needed in order to remove the necessity for a reduction or suspension of program benefits during this fiscal year.

Secretary of Agriculture Bergland has stated that if Congress does not provide additional funding for the program by May 15, he will order the States to suspend the issuance of food stamp benefits for June, unless and until supplemental appropriations are provided.

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Enclosed is a copy of Secretary Bergland's April report on expenditures under the food stamp program.

With every good wish, I am

Sincerely,

Herman E. Talmadge,
Chairman.

Mr. TALMADGE. Mr. President, my opposition to a suspension in food stamp benefits should in no way be interpreted as an acceptance of program fraud and abuse.

The commitment that I have maintained to rid the food stamp program of fraud and abuse remains unabated. As a matter of fact, S. 1309, as reported by the House Committee on Agriculture, contains several antifraud provisions and program accountability provisions that will result in program savings in fiscal year 1981. These provisions do not however, address the real need of truly needy persons for the additional food purchasing power provided by food stamps. Congress must act expeditiously to insure against a cutoff of this important program that serves the needs of over 20 million Americans.●

THE HOLOCAUST

● Mr. LEVIN. Mr. President, because we have just observed the days of remembrance of the victims of the holocaust, it is important to review the tragic events of the holocaust, and to look forward and use the lessons we have learned to protect us against the chance that similar events will happen again in the future.

During World War II, over 6 million Jews and 5 million non-Jews victims of the Nazi genocide. This annihilation cannot be compared to any other event in history. As the Nazis attempted to destroy a people, the nations of the world callously failed to recognize what was happening and permitted the Nazis to continue with their policy of extermination.

Few nations responded at all. But some individuals took the situation into their own hands and did whatever they could to prevent more human beings from becoming the next innocent victims. We must honor those individuals.

One of those brave persons was Raoul Wallenberg, a Swedish diplomat who has been credited with rescuing hundreds of thousands of Jews from the Nazis in Hungary between 1944 and 1945. Yet he can also be considered one of the innocent victims of the holocaust. He disappeared from Budapest in 1945 in the custody of Soviet officials and has never been heard from since. Despite reports from Soviet prisons that someone who fits Wallenberg's description was alive as recently as 1975, the Soviet Government claims that he died in 1947, and will not investigate other reports.

Raoul Wallenberg is surely one of the heroes of the holocaust, but he is also a victim. We must continue to do all that is possible to ascertain his fate and to pursue any clues to his whereabouts. His contributions cannot be forgotten.

At the same time, we cannot forget others around the world who are also suffering, many because of the callousness of the international community.

There are millions of Soviet Christians and Jews who wish to emigrate from Russia so that they may practice their religions and teach their beliefs to their children. They, and their dreams, cannot be forgotten.

There are thousands of people in Cambodia, and refugee camps throughout Southeast Asia, who still face the terrors of hunger and starvations and the physical danger of military aggression while the nations of the world argue among themselves over the amount of food aid and medical supplies to be provided. They cannot be forgotten.

There are thousands of people on the island of East Timor suffering from disease and malnutrition. They are victims of civil strife, a recent drought and chronic poor economic conditions. Yet the international community has not yet come close to providing the amount of relief which is necessary. The East Timorese cannot be forgotten.

Just as these present crises can not be forgotten, the victims of the Nazi holocaust cannot be forgotten. Their memories will always remain with us, and we must do all we can to make their memories remain with our offspring.

The recently completed work of the President's Commission on the Holocaust, chaired by Elie Wiesel, provides us with the information and recognition the holocaust deserves. The decision to develop a living memorial to the Holocaust is encouraging.

Yet, we continue to find other areas of the holocaust which still cause significant problems for the victims and their survivors. Last week Senator SCHWEIKER and I introduced legislation which would correct one of the unfortunate inequities which has evolved from the holocaust.

A technical situation has prevented many Americans, who were in prison camps, from collecting social security benefits due to them at age 65.

The Nazis used the young as slave laborers and for other purposes. When prisoners learned of this, many understated their ages to escape death. Many of these people survived and are now living in the United States. They have contributed their skills and labor to our economy and have paid into the social security trust fund for many years. But because their official immigration documents are in error, they cannot establish their eligibility for benefits. Our legislation would permit administrative procedures for correction of the immigration records.

Mr. President, the persons who lied about their age to German authorities to avoid death in the concentration camps are this country's most striking living victims of the holocaust. Most of them lost close relatives and now, their will to live has caused them the benefits they have earned in their new lives. This situation must be corrected.

Those who died must be remembered and those who survived must be given the respect they deserve. For all of them, and for all the suffering people of the world, we must continue to speak out and reaffirm our commitment to the humanitarian principles which will prevent further suffering. We must use this opportunity to raise our voices against tyranny and oppression and recommit ourselves to the realization of a humane world where all human beings can live together in peace and security.●

TITANIUM PRODUCTION: A NEED FOR POLICY

● Mr. SCHMITT. Mr. President, a recent article in the April 28, 1980, Forbes magazine highlights another instance of "policy drift" in the national defense area by the Carter administration. At issue this time is the titanium industry.

Titanium is the industrial metal of the future. It is also a strategic metal which is essential to jet aircraft and missile production. Many defense experts believe the Soviet Union is now producing a new class of titanium-hulled nuclear submarines capable of diving twice as deep as any U.S. submarine now in service.

Titanium production capabilities are expensive and require as much as 2 to 4 years lead time. A new plant would cost around $30 to $40 million using today's construction costs. Before private industry risks that type of capital there must be a firm Government policy, which is lacking now.

Mr. President, it is clear that titanium is an essential strategic metal, that we must continue to improve our production facilities and to do so requires a sound Government policy. According to the president of one of this country's largest titanium producers, there is no clear policy at this time.

Mr. President, I ask that the article "Waiting for Washington" from the April 28, 1980, edition of Forbes magazine be printed in the RECORD at this point.

The article follows:

WAITING FOR WASHINGTON

America's largest titanium producer is in a classic dilemma. 'We'd love to put in the next big jump in capacity, but we need to hear some encouraging words from the government—assurances that they'll take our new production—before we can justify risking $30 million to $40 million on a new plant," complains Joseph W. Byrne, president of the Timet division of Titanium Metals Corp., which is jointly owned by Allegheny Ludlum and NL Industries.

Byrne believes America must face up to a turning point in titanium, a strategic metal essential to jet aircraft and guided missiles. For a decade the Russians built up their titanium capacity and found an outlet for their excess annual production by dumping the metal in the Free World. This knocked American production down and left Byrne's operation—the Free World's largest, with 28 million pounds of capacity—with facilities badly in need of capital improvements.

Now Russian titanium sales to the West have practically ceased and prices have soared. U.S. defense experts believe the diverted millions of pounds are going into a new generation of Russian nuclear submarines that are able to dive twice as deep as any U.S. sub now in service. Short-term, the Free World's titanium picture looks great—production near capacity and prices high—but Byrne claims it only *looks* great. "Aircraft companies are stockpiling," he explains. "That will subside."

The key rests with the military, which currently takes around a third of annual production and would take much more if an effort is made to catch up and build a new generation of aircraft and nuclear submarines. Titanium capacity takes two years to build—four years if built from scratch. "If the government will only give us the go-ahead and is serious, we'll build," says Byrne. "So far, they haven't done that."●

NEED FOR IMPROVED DEBT COLLECTION

● Mr. SASSER. Mr. President, the Comptroller General of the United States has published numerous investigative reports indicating that the Federal Government is doing a poor job of collecting debts owed to the Government—just debts owed to the Government by citizens and businesses.

U.S. citizens and organizations owed over $95 billion at the start of fiscal year 1979. Revised estimates from some Federal agencies now show that at least $3.9 billion will eventually be written off as uncollectable and as bad debts.

$1 BILLION WRITTEN OFF

In fiscal year 1979, over $1 billion was actually written off. It just disappeared from everyone's books without a trace.

Mr. President, can you imagine that? An amount equivalent to the taxes paid by 500,000 Tennesseans is just written off, excused, forgiven, forgotten about by the Federal Government. No wonder we have a hard time balancing the budget. It leaks like a sieve.

SENSE OF THE SENATE RESOLUTION

In response to the obvious need for the Federal Government to do a better job of collecting just debts from individuals and businesses who can pay—but choose not to, Senator PRYOR and I have developed a sense of Senate resolution, for later introduction, urging the Federal Government to take actions in the debt collection area.

IRS OFFSET

One of the suggestions that Sasser-Pryor resolution will make is to withhold income tax refunds from those individuals and businesses who are able, but simply refuse, to pay their just debts.

DUE PROCESS

There has been an indication of concern by some that such an offset system may encounter problems of "due process."

I might say that the draft resolution explicitly proposes an offset procedure that would fully protect the privacy and due process of individuals and businesses. A similar offset program has been successfully operated by the State of Oregon since 1971.

Mr. President, I believe I am as concerned as the next Member about the protection of due process. I am fully satisfied that the concept of the IRS offset would respect due process. The Comptroller General has looked into this matter and confirms my confidence that due process would not be violated.

Nevertheless, just to further reassure my colleagues, I have looked into the matter further. I found that a recent GAO report discusses the fact that the Justice Department has between $500 million and $1 billion in judgments and fines outstanding. These are fines and judgments that have been assessed after exhaustive due process and which are ripe for collection by the IRS offset process.

SUMMARY

Mr. President, the Sasser-Pryor resolution will propose reducing travel and transportation costs by $500 million below the $8.9 billion included in the 1981 budget for travel and transportation. It will propose a reduction of $500 million in nonessential consultant costs. And it will propose improved debt collection procedures designed to increase revenue by $1 billion. This would be a reduction of $1 billion on the expenditure side and a collection of $1 billion on the revenue side.

Mr. President, for the information of my colleagues the text of the proposed resolution was printed with my remarks in the April 1 issue of the Record. So far, Senators Magnuson, Proxmire, Stewart, Boren, Ford, DeConcini, Huddleston, Durkin, Metzenbaum, Bumpers, Harry F. Byrd, Jr., Leahy, and Baucus have joined us as cosponsors. If the Members have any questions or wish to join as cosponsors, they are requested to please have their staff contact the Legislative Branch Subcommittee clerk, Terrence Sauvain at 4–7251.●

INFLATION

● Mr. MATHIAS. Mr. President, I do not have to remind any of my colleagues that we are in the middle of some economic hard times. Inflation, now nudging 20 percent, is far and away the biggest problem plaguing our constituents. The real strength of America lies in the strength of the American economy, and I think Congress fully understands that solving the problems afflicting the economy has got to be our first priority. To the extent that there are solutions within our control, we have got to try them, however unpleasant they may prove, simply to make it through the next 5 years and beyond.

Too often, I think, inflation is expressed as an academic matter—something strung up in economic indicators, spirals, charts, and indices. We all run the danger of losing sight of its toll on the American people. But for every mathematical multicolored graph that is paraded into our offices from the President's Council on Economic Advisors, each of us has received a hundred letters aflame with vivid, living examples of what inflation is doing every day to every business and household in America.

One particularly poignant appeal came to me earlier this year from a small grocery store operator in western Maryland. My constituent, William Kaplan, had come across an old receipt from a bill paid on December 10, 1959, when the Conococheague Tribe No. 84, Improved Order of Red Men, purchased $31.54 worth of groceries from his store. Mr. Kaplan tabulated the bill for the same grocery list at his present-day prices, and arrived at a total of $86.83. I think it will interest my colleagues to study the two parallel itemized account sheets that Mr. Kaplan forwarded to me, and I submit them for the Record. Mr. Kaplan comments: "Small independent corner or Mom and Pop stores such as ours are fast fading from the business scene, and the following I believe are some of the reasons."

The list follows:

	December 1959	February 1980
1 gal. vinegar	$.75	$2.71
30 lbs. sugar	3.84	12.42
1 gal. mustard	.50	2.67
1 box corn starch	.16	.45
2 gals. mayonnaise	4.50	13.34
1 box celery seed	.30	.59
5 doz. eggs	2.55	4.00
15 stalks of #2 celery	4.95	12.75
6 peppers	.85	1.83
15 lbs. large onions	2.25	4.35
100 lbs. potatoes	4.66	15.00
2 rolls wax paper	.60	1.58
1 giant Tide	.87	2.49
1 lb. black pepper	.86	3.28
½ case celery #2	3.96	10.20
1 foil wrap	.39	.58
2 lb. oleo qtrs.	.60	1.58
Pipe cleaners	.37	1.21
	32.96	91.03
Sales Tax	.23	.35
	33.19	91.38
5% discount for non-profit orgs.	−1.65	−4.55
Totals	31.54	86.83

●

RONALD McDONALD HOUSES

● Mr. LEVIN. Mr. President, for many parents, the inconvenience of having to locate a place to stay while their children are hospitalized, serves only to heighten their suffering over their child's sickness. The lack of housing for parents who must travel to another city or State to receive adequate care for their children is a problem that, until now, has been without a solution.

The answer to the question of housing for parents of hospitalized children has come in the form of "Ronald McDonald Houses" which are being built in several cities across the Nation. These houses provide a temporary place for parents who desire to stay close to their children during the length of their child's stay in the hospital.

"Ronald McDonald Houses" are being built close to children's hospitals, which allows the child being treated to stay with his/her parents if his/her doctor approves. The intangible benefits derived from living in a homelike atmosphere with others who understand and share common concerns cannot be measured.

These houses will be open to parents who bring their children to a children's hospital from distant parts of the State in which the hospital is located, or from out of State; for parents who need to be near the hospital because of the serious nature of their child's illness; and for parents bringing children from long distances for a series of daily outpatient treatments such as are needed by cancer patients.

The charge for such housing will be minimal and waived altogether if the parents are unable to meet the cost. "Ronald McDonald Houses" will be built and maintained via fund raising activities conducted by McDonald's restaurants, grants from various individuals and organizations, and from volunteer help and labor.

For instance, on April 27, 1980, McDonald's restaurants throughout Michigan will conduct a daylong, Statewide fundraising drive, with all proceeds earmarked for the proposed "Ronald McDonald House" to be built near Children's Hospital in Detroit.

The concept of providing inexpensive housing for parents of hospitalized children is sensitive and wise. I plan on supporting this movement by taking part in the fundraising activities in Michigan on the 27th.

I urge all my colleagues to support similar efforts to create "Ronald McDonald Houses" in their States.●

SOVIET FORGERIES

● Mr. HUMPHREY. Mr. President, on numerous occasions I have spoken in the Senate concerning Soviet forgeries of official U.S. documents.

My colleagues will recall that the Soviet forgery campaign has been aimed at driving a wedge between the United States and some of its closest allies. In previous statements I have detailed, for example, how the Soviet Union went so far as to produce a bogus speech by Presdent Carter which was intended to sow discord in Greece over the presence of U.S. military forces in that country. On another occasion, the Soviets forged a press conference by Vice President Mondale intended to create anti-American feeling in both Egypt and Israel.

I was finally able to get a briefing by the State Department on this subject recently. I was amazed to find out that the State Department, while fully aware of the Soviet forgery effort, has not only failed to ask the Soviet Union to halt its bogus document campaign, but had never even raised a protest through diplomatic channels. Moreover, the State Department did not take the initiative to make the Soviet forgeries public, in deference to détente.

We know that these Soviet forgeries must be approved by the Soviet Politburo. I was told that rather than confront the Soviet Union directly on this issue, the State Department felt it was more productive to counter Soviet propaganda efforts by trying to discredit the forgeries once they have been discovered; that is, after the damage has been done.

While the United States must make every effort to bring bogus "U.S." documents to the attention of nations targeted by the Soviet Union for such activities, I firmly believe that it is just as important for the United States to protest Soviet forgery activities directly to the Soviet Government. I urge those of my distinguished colleagues who share my opinion to convey their views to the President. The President should defend his honor and the honor of all Americans by protesting Soviet forgeries to Brezhnev and his fellow oligarchs on the Politburo.●

EARTH DAY 1980

● Mr. JACKSON. Mr. President, today, we are celebrating the 10th anniversary of Earth Day, an event which symbolizes the American commitment and concern for a quality environment. As the founder of Earth Day, and a leading environmental legislator, Senator GAYLORD NELSON has made a major contribution to the environmental and conservation accomplishments of the past decade. He deserves our thanks and the thanks of the Nation for his tireless efforts.

President Jimmy Carter has recognized Senator NELSON's love for the land, his commitment to the protection of the environment, and his foresighted concern for the relationship between energy and the environment in a recent letter, which I submit for the RECORD.

The letter follows:

THE WHITE HOUSE,
Washington, April 21, 1980.

Hon. GAYLORD NELSON,
U.S. Senate,
Washington, D.C.

DEAR GAYLORD: On April 22, 1970, the environmental movement came of age with that remarkable event called Earth Day. As the founder of Earth Day, you are no doubt pleased that one of my first acts of this decade was to declare April 22 of this year to be Earth Day 1980, the tenth anniversary of our celebration of the environment.

On that first Earth Day, millions of people across America showed their deep concern for preserving our environment by participating in teach-ins, clean-ups, bill signings, and scores of other activities. Earth Day 1970 was a watershed in citizen understanding of environmental issues. Since that time we have made dramatic strides in improving the quality of the environment and in protecting our natural resources, but we have a great deal left to do to ensure a safe and bountiful Earth for the future.

Many of the achievements of the first environmental decade are the result of your personal vision and hard work. You certainly deserve the thanks and gratitude of the entire Nation for your efforts on behalf of a cleaner and more beautiful environment. I look forward to your continued leadership in helping us reach our goals for the next environmental decade.

In recognition of your love for our land, your constant commitment to the protection of the environment, and your foresighted concern for the relationship between energy and the environment, I want you to have the enclosed pen and ceremonial copy of the 1980 Earth Day proclamation. Please accept these mementos along with my personal congratulations and the thanks of this and future generations who will benefit from the fruits of your labors.

Sincerely,

JIMMY CARTER.

Mr. JACKSON. In his Earth Day 1980 speech, Senator NELSON reviewed the first environmental decade and delineated the major issues for the second environmental decade. It is a thoughtful, informative speech. I ask that the speech be printed at this point in the RECORD.

The speech follows:

EARTH DAY 1980

Ten years ago this month, the environmental issue came of age in American political life. On April 22, 1970, literally millions of Americans of all ages and from all walks of life participated in Earth Day celebrations from coast to coast. It was on that day that Americans made it clear that they understood and were deeply concerned over the deterioration of our environment and the mindless dissipation of our natural resources. That day left a permanent impact on the politics of America. It brought the issue of environmental quality and resource conservation into the political dialogue of the nation. It showed the political and opinion leadership of the country that the people cared, that they were ready for political action, and demonstrated to public officials that it was an issue about which they had to become concerned. In short, Earth Day 1970 launched the first Environmental Decade with a bang.

In the 1970's, there were many successes for environmentalists. During this past decade, we were able to pass much of the basic legislation needed to protect the environment. The decade saw the environmental aspects of private decision-making brought to the center of national debate. The National Wildlife Federation sums up the importance of the first Environmental Decade this way:

The Environmental Revolution has altered our physical surroundings. Beyond that, it has worked remarkable changes in government, law, politics, and economics. It has reshaped many people's philosophy of life and scale of values. In very practical terms, the Environmental Revolution is lengthening lives and lessening human misery by reducing the poisons in our air, water and soil. Perhaps most importantly of all in a way not too many people have noted, the Environmental Revolution has revitalized the democratic process.

In the 1980's environmentalists will be called upon to work toward the solution of many problems, not just those of improving air and water quality, but also of reducing inflation, achieving energy independence, and improving our position in the international community. The challenge of the second Environmental Decade is to apply an environmental ethic to the balancing of environmental, energy, and economic goals.

As one of his first acts of this decade, President Carter proclaimed April 22, 1980, to be Earth Day 1980. On this anniversary of the first Earth Day, the President has called for a rededication to:

The creation and maintenance of safe and healthy surroundings, to the wise husbanding of the natural resources that are a pillar of our well-being, and to the protection of free-flowing streams, majestic mountain forests, and diverse cityscapes pulsing with life. . . . The return on wise investments in our environment will be reaped not only by ourselves, but by generations of our descendants. *We must achieve another decade of environmental progress.* (Emphasis added.)

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EARTH DAY 1970

Looking back ten years, the first Earth Day was to be a day set aside for students, teachers, scientists, public officials, and concerned citizens to discuss threats to the ecology of the world. And while I was confident that a nationwide peaceful demonstration of concern would be impressive, I was not quite prepared for the overwhelming response that occurred on that day. Two thousand colleges and universities, ten thousand high schools and grade schools, and several thousand communities—in all, more than twenty million Americans—participated in one of the most exciting significant grass roots efforts in the history of this country.

How did we arrive at the level of consciousness necessary for such a "happening"? Chroniclers point to events such as the Santa Barbara oil spill and mankind's first views of earth from space, which brought us an awareness of the fragility and finite nature of the earth's ecosystem. By the spring of 1970, the most basic characteristic of "Spaceship Earth"—that "everything is connected to everything else"—was recognized by a sufficiently large and diverse group of people, concentrated in the universities and colleges, that a spontaneous, grass roots movement like Earth Day could take place.

Earth Day 1970 changed the nation by making it clear that we could summon the public support, the energy, and the commitment to save our environment. And while the struggle is far from over, we have made substantial progress.

AIR QUALITY

Americans are breathing cleaner air. Ten years ago, almost everyone living in a major Great Lakes City was being exposed to suspended particulate concentrations greater than the national standard for human health. Today, the figure is less than 30 percent. Between 1974 and 1977, the air quality of 25 major metropolitan areas improved markedly, and the air in the 50 most polluted counties nationwide either improved slightly or at least did not deteriorate further.

Five years ago, there were eight Wisconsin cities with suspended particulate levels which exceeded the primary national standard for protecting human health, and 13 which exceeded the secondary standard for protecting wildlife and industry. By 1978, both of these figures had been halved: four cities exceeded the primary standard in 1978, and six cities exceeded the secondary standard.

WATER QUALITIES

In 1972, by legislation, we set a goal for our nation's water—that we restore and maintain "the chemical, physical, and biological integrity" of our water and that we attain "fishable, swimmable waters" by 1985. Since 1970, the federal government has made grants of over $30 billion to cover the federal share of municipal wastewater treatment projects. This can be compared to a total expenditure of slightly more than $1 billion between 1960 and 1969. Industry has cleaned up too. Of the nation's major industrial polluters, 85 percent are complying with clean water requirements. These programs are having an effect. There has been no further degradation of the nation's waters since 1975 for several of the worst measures of water pollution (fecal coliform, dissolved oxygen, total phosphorus, total mercury, and total lead).

Improvements in Wisconsin's Fox River during the decade are a dramatic example of the progress which has been made. The pollution load (in terms of biological oxygen demand) has been reduced by 85 percent between 1973 and 1978. In the ten years between 1968 and 1978, the paper industry in the valley spent $375 million to clean up their discharges. And their investment has paid off. For the first time in 30 years, the Fox River is clean enough to support substantial quantities of walleye, perch and other sport fish.

What has happened to the Great Lakes is another excellent illustration of what has been accomplished in the first decade of national concern for the environment.

GREAT LAKES

In 1970, scientists told us that Lake Erie was dying and that the other Great Lakes were threatened by pollution from the steel plants, oil refineries, paper mills, and city sewage plants which for the previous 100 years had befouled the world's largest fresh water system.

By 1980, the lakes had won a stay of execution, thanks to an international effort. In two Great Lakes Water Quality Agreements, the first in 1972 and the second in 1978, the U.S. and Canada solemnly agreed to begin the arduous process of cleansing the lakes. And that process has begun. Federal legislation, notably the Clean Water Act, has provided us with the means to assess and abate new threats to the Great Lakes ecosystem.

A total of $5 billion has been spent by EPA in the last decade to help cleanse the lakes. Additional billions of dollars have been spent by state and local governments and industry. The result is that substantial progress has been made in controlling pollution entering the lakes from industrial and municipal point sources. Phosphorus levels, which once threatened the lakes with death by euthrophication have dropped dramatically, and are expected to decline further by 1983 as additional wastewater treatment plants meet the requirement of one part per million in their discharges. DDT is leaving the Great Lakes food chain faster than expected. Intensive water quality studies of Lake Michigan conducted by EPA during 1976 and 1977 concluded that DDT levels in Lake Michigan fish have been reduced approximately 90 percent since the 1969 DDT ban. On March 17th of this year, after 11 years of court battles, environmentalists finally won their fight with Reserve Mining Company. As of April 15th, the company can no longer dump 67,000 tons daily of cancer-causing taconite tailings into Lake Superior, as it had been doing since 1955.

THE FIRST ENVIRONMENTAL DECADE

In the ten years since Earth Day 1970, much of the basic legislation needed to protect the environment has been enacted into law. The Clean Air Act and the Clean Water Act are responsible for many of the improvements I've cited. The chances for the continued survival of our nation's wildlife have been improved by the passage of the Endangered Species Act and by the addition of nearly 800,000 acres of wilderness and 43 million acres of wildlife refuges over the decade.

The warnings of Rachel Carson forced us to recognize the hazards of attempting to chemically manipulate our environment. Bans on DDT and PCB's, the Toxic Substances Control Act, and the Pesticide Control Act resulted.

Perhaps the most important piece of environmental legislation in our history, the National Environmental Policy Act (NEPA), was signed into law on January 1, 1970. As the Council on Environmental Quality's retrospective introduction to their tenth annual report states:

> In some ways NEPA may turn out to be the most influential of our environmental laws for it not only sets forth our basic national goals for environmental protection, but it also tells us that essential to achieving them is foresight.

There have been other accomplishments:

Today, almost every state has one or more agencies charged with protecting its environment and natural resources.

Nearly 150 universities and colleges have programs for environmental education. In Wisconsin, university level environmental courses have increased by 473 percent since 1969.

Firms making equipment used to clean up air and water pollution had sales of $1.8 million in 1977 and are growing about twice as fast as the rest of the U.S. industry (according to the President's Council on Environmental Quality (CEQ)).

Air and water pollution controls have and will continue to stimulate employment. Between 1970 and 1986, environmental requirements have created jobs at a rate of 200,000 to 400,000 per year in the pollution control industry, and in jobs for those who operate and maintain pollution control equipment (according to CEQ).

The annual benefits realized in 1978 from improvements in air quality since 1970 are valued at $21.4 million. Of this total, $17 billion represented reductions in mortality and morbidity, $2 billion reduced soiling and cleaning costs, $0.7 billion increased agricultural output, $0.9 billion prevention of corrosion and other materials damage, and $0.8 billion increases in property values, according to CEQ.

The annual benefits by 1985 as a result of water pollution control legislation will be $12.3 billion per year, of which $6.7 billion are recreation benefits.

There is no question that these efforts and investments to clean up our environment are yielding significant returns. The quality of our environment and natural resources are among this country's most valuable assets. We cannot afford to let that base be eroded by selfish or ignorant uses.

The first Environmental Decade brought to national attention the finite nature of our resource base and the limits on the capacity of the environment to assimilate our wastes. The nation heard the message and acted on it. In the first ten years, we laid our legal, political, and philosophical foundations. In the second Environmental Decade we must build on them.

But there are many who predict that there will be no second Environmental Decade. Political obituaries for the environment movement abound. The New York Times reports that "Environmentalists See End to a Golden Era," and a recent article in U.S. News & World Report opens by stating:

> The environmental movement, an important political force during the 1970's, is faltering—with little prospect for an early resurgence.
>
> Boxed in by inflation, recession and the energy shortage, environmentalism could actually lose ground.

In my opinion, such a view is both uninformed and shortsighted. That the public places a high value on a clean environment is demonstrated by numerous polls. For example, two months after Californians adopted Proposition 13, a Resources for the Future poll found that a majority, 53 percent, were of the opinion that "protecting the environment is so important that the requirements and standards cannot be too high and continuing improvements must be made regardless of cost." Only ten percent favored a lowered standard.

To say that public support for a clean environment is declining is utter nonsense. To anyone who has paid attention, it is clear that the environmental movement now is far stronger, far better led, far better informed, and far more influential than it was ten years ago. Its strength grows each year because public knowledge and understanding grow each year.

There will be a second Environmental Decade. It has already begun. And while the days of environmental espionage may be behind us, there should be no doubt about the commitment of those of us gathered to celebrate Earth Day 1980 here and all across the country.

In my opinion, the environmental ethic has become a mature component of our national philosophy. Our way of doing business has been permanently altered, and the environment is now a consideration in all types of decisionmaking. In the 1980's, our role must not be limited to ensuring the continued attention to environment in the decisions of this next decade, but to provide innovative and environmentally acceptable solutions to economic and energy problems as well. We must, not only as a nation, but as a world, take to heart the warning of Dr. Aurelio Peccei of Turin, Italy (on receiving the Charles A. Lindbergh award):

> The lesson we all have to learn . . . is that never before has human fate depended so decisively on our collective attitude toward the natural world. . . . By living in harmony with the texture of life on earth, we can do what is required not only to sustain our present swollen population but even to accommodate decently the even greater numbers expected in the foreseeable future; or, we can do the opposite and continue to sap this planet's life-supporting capacity, ending by wiping out our own species by creeping ecocide, as thoroughly as we now can with a bang by nuclear suicide.

THE SECOND ENVIRONMENTAL DECADE

So long as we inhabit the earth, constant vigilance will be required of us if we are to protect and preserve the environment which gives us life. Certainly, this statement is as true now as it was in 1970, when the nation as a whole first understood and accepted it. The list of environmental issues demanding our attention in the 1980's is long and growing. Many are new and related to energy. Others have long been with us and are still unresolved. While not all inclusive, a partial list for the 1980's is as follows:

Agricultural land

Agriculturally-productive land is one of America's most valuable natural resources. And yet, our stewardship of this resource is sadly inadequate. America is losing 3 million acres of rural land every year, and 1 million acres of prime cropland—flat, fertile soil well-suited to growing an abundance of agricultural crops—to highways, reservoirs, subdivisions and shopping centers. One million acres is the equivalent of a one-half mile strip of land stretching from New York to California.

Over the past 50 years, 100 million acres have been so badly damaged that they cannot be cultivated. In the past 200 years, one-third of our topsoil has been lost to erosion. In the Midwest right now, windbreaks planted to end the Dust Bowl years are being cut down to allow for the operation of large center-pivot irrigation systems.

At this rate of loss, we are losing almost one percent of our cropland every year. According to the Soil Conservation Service, there are only 135 million acres of potential cropland remaining in the United States, and only 22 million of these are prime cropland acres.

More disturbingly, our ability to increase the productivity of the land that does remain in farming has, according to the U.S. Department of Agriculture (USDA), reached a plateau.

In other words, unless we stop this tragic loss of farmland, we will soon lose our ability to produce enough food to feed ourselves and provide our most important export. The costs to the world's hungry—not to mention the costs to our economy—could be devastating.

It is not too late to act, but Congress has been reluctant to move. This year, the House narrowly defeated the Farmlands Protection Act, a bill which would have helped states create farmland protection programs. As a sponsor of this bill in the Senate, I am still hopeful that this bill will eventually pass, but efforts to raise people's awareness of this issue need to be redoubled.

As a Wisconsinite, however, I am proud to say that Wisconsin's farmland protection program is a step in the right direction.

Water resources

It is becoming increasingly apparent that the dimensions of an impending water crisis will equal, if not exceed, those of the energy crisis. The threat was recently detailed in an article in Forbes magazine. The United States has a dependable supply of 600 billion gallons a day. In 1960, we used 270 billion gallons a day; in 1970, we used 370 billion gallons a day; and by 1985, total daily use is projected to be 422 billion gallons—and those figures do not reflect the consumption implied in an all-out effort to increase domestic energy resources. To obtain a billion BTU's from an oil refinery takes seven gallons of water; from a nuclear reactor, 14 gallons, and from oil shale, 28 gallons of water. As the article points out, "With water, as with oil, conservation is the cheapest and best answer."

In 1966, I cautioned that by the end of this century we would be using twice as much water as our daily supply. Of course, to do this, much of the water in our rivers and lakes will have to be used, cleaned, and reused many times over. Sewage treatment systems and water purification systems to clean the water for reuse are expensive to build and to operate. Preventing water pollution and reducing wasteful water use are good policies from both an environmental and an economic standpoint.

Mineral resources

Besides the diminishing reserves of fossil fuels and water, there are other arenas where the limits of a resource base are being felt. The U.S. depends on imports for more than 50 percent of its supply of 19 of its most basic raw materials (chromium, nickel, bauxite, tin, zinc, columbium, sheet mica, strontium, manganese, tantalum, cobalt, platinum, asbestos, fluorine, potassium, mercury, cadmium, tungsten, and gold). And this dependence is increasing at a time when our relationship to the supplying countries is at best uncertain, and at worst, hostile.

This situation was first predicted by mineral resource experts in the early 1950's, and yet, 30 years later, we still have not adequately addressed the issue. In 1974, I introduced legislation to establish a system of monitoring the world's mineral resources on an annual basis. Today, after the extreme lesson which has been provided by the energy crisis, it is even more imperative that we prepare ourselves to handle raw materials shortages.

Solid waste

Our method of disposing of our wastes is threatening our existence in at least two ways. First, we cannot afford to allow the mineral and other recyclable resources contained in our waste products to be destroyed or dispersed through the environment in a manner which will make them difficult and expensive to recover. Second, the ability of the environment to absorb our wastes may well have been reached. Sooner or later we must learn to synchronize our activities with that of our biosphere. As Kenneth Boulding recently observed:

> On the whole, the biosphere deals with the problem of pollution by recycling. The excrement of one animal, for instance, is the food of another.

The human race indeed is almost the only living being that has developed a linear economy, moving materials from wells, mines, and soil into products that are then distributed into dumps or flushed down to the oceans or burned in the atmosphere. This is obviously a temporary arrangement, but exactly how temporary is a little hard to say. Ultimately, if the human race is to survive, it must develop a cyclical economy in which all materials are obtained from the great reservoirs—the air, the soil, the sea—and are returned to them.

There has been some progress, as evidenced by the fact that the amount of solid waste grew by only two percent per year between 1970 and 1978, as compared to a five percent growth rate from 1960 to 1970. Even so, the United States disposed of 154 million tons of solid waste in 1978, the equivalent of 1,400 pounds for every man, woman, and child.

Disposing of solid wastes has become more difficult over the decade. Before 1970, cities either burned it or dumped it. New regulations on open burning, filling up of existing sites, local opposition to new sites, and rising costs are leading local governments to consider alternatives to disposing of wastes in sanitary landfills. But we are still a long way from a cyclical resource system. In 1977, only one percent of U.S. solid waste was being converted to energy, while Denmark converted 60 percent of its wastes to energy. Only seven percent was being recovered for its material value.

Recycling presents environmentalists with yet another opportunity to offer environmentally sound resolutions to this nation's energy and economic problems. The Department of Energy (DOE) estimates that 200 million tons of municipal solid waste, the amount now projected for 1990, plus another 14 million tons of sewage solids, represent a total recoverable BTU content of 2 quads. (A quad is one quadrillion British thermal units, or BTU's; total U.S. energy use in 1978 was approximately 78 quads.) Recovery of metals and glass in waste would save an additional quad because it takes less energy to recycle these materials than to process them from virgin ores.

Toxic wastes

A related problem is that of toxic and hazardous wastes, of the type that were brought to national attention by Love Canal. These chemicals are known to pose a significant health risk at as many as 2,000 sites across the nation. According to EPA, 126 billion pounds of hazardous waste will be produced this year, and only ten percent of that will be disposed of properly. These wastes can threaten human health in a number of ways. Most dangerous is the contamination of underground water supplies, or aquifers. Half of the nation depends on ground water for drinking. And once an aquifer is contaminated, it can take years to recover. Hazardous wastes can also sicken or kill human beings when fumes from buried dams seep through the ground, when they leak into rivers and lakes, or when they enter the food chain via animal feeds or pastureland.

In 1976, Congress passed the Toxic Substances Control Act, which gives EPA authority to identify and control harmful chemicals—both those already in use and those which are new to the market.

But even with the law in place, we still have a long way to go. So far, only PCB's and certain chlorofluorocarbons have been regulated. On October 1 of this year, the EPA's system to trace these noxious wastes will go into effect.

But it is unlikely there will be a sufficient number of disposal sites. Currently, 120 sites are operating legally, and another 100 are needed. However, many of the existing sites will close either because they won't be able to comply with new safety requirements or because costs will become prohibitive. Opening new sites is difficult because of local opposition and questions of liability for future injury.

In Wisconsin, there are at least 34 sites where hazardous wastes have been dumped since 1950. About half of these are still in use, and half have been abandoned. At recent congressional hearings, the 53 largest chemical companies reported that they disposed of more than 25,000 tons of chemical waste in Wisconsin last year.

Acid rain

Acid rain is developing into one of the most serious global environmental problems of the coming decades. Already, the entire Great Lakes watershed is receiving rain which is five to 40 times more acidic than normal. The danger to our environment is northern Wisconsin and Minnesota is compounded because the soil is shallow, with bedrock close to the surface, and naturally acidic without sufficient buffering capacity. Scientists are reporting disturbing results of studies on our lakes. An EPA study of 350 lakes in northern Wisconsin found that fish in 80 percent of the lakes are in danger of being wiped out. As many as 48,000 lakes in Ontario, Canada, may become sterile over the next 20 years if acid rains continue unabated. The Council on Environmental Quality reports that:

> In the eastern half of the United States, the acidity of rainfall appears to have increased about fifty-fold during the past 25 years . . . Sweden placed the economic loss to its recreational and commercial fishing industry (due to acid rain) at $50 to $100 million in 1973.

Clearly, this is an environmental threat of enormous proportions which demands our immediate and full attention if we are to prevent any further escalation into a worldwide calamity.

Scientists have been aware of the problem of acid rain for nearly a century and have recognized its seriousness since the 1950's. The problem has recently taken on even greater urgency as a result of another critical problem—the shortage of traditional energy resources.

Acid rain is produced primarily by the combustion of fossil fuels. As we make our way toward energy independence, in part, via increased use of coal, the threat of acid rain will intensify. In my opinion, we must take this increased use of coal as a given, at least for the near future. Thus, the question becomes—How can we minimize the impacts of increased use of fossil fuels, particularly coal, on the environment?

Acid rain is the forerunner of a multitude of environmental problems which will arise out of the conflict between our desire for a high quality environment and our desire for abundant, cheap energy. Lines are being drawn on this issue. Environmentalists are lashing out at the Administration's plan to convert oil-fired power plants to coal without requiring additional controls on emissions of sulfur oxides. Opponents and proponents of increased coal use are debating before many subcommittees of Congress. And Canadian-U.S. relations are being strained by air pollutants which recognize no national boundaries.

To solve this problem, two fundamental and difficult lessons must be learned. First, Americans must realize that the era of cheap energy is over, at least for the foreseeable future. From now on, we will have to pay the full price of satisfying our energy appetite. Using existing technology, the full price of using more coal will include scrubbing it to reduce emissions of sulfur oxides. In new power plants, scrubbers will represent 11 to 12 percent of the capital cost of a system.

The costs for retrofitting an old plant are 25 percent higher. Weaning America will not be easy. This country grew up on a diet of cheap energy. Our transportation systems, our industry, our entire social infrastructure was constructed on this basis. The resistance to paying higher energy prices will not be overcome overnight.

Second, as advanced as our science and technology are, we cannot risk putting off difficult environmental problems now, thinking that another, more economical solution will be found "in time." The limits of our knowledge are well demonstrated by the acid rain problem itself. In large part, this problem is the result of our efforts, early in this decade, to reduce air pollution by building taller smokestacks. We solved one problem by dispersing air pollutants in the upper atmosphere, but we created another, much more serious problem—acid rain.

The potential destruction of our lakes, crops, and buildings threatened by acid rain must be prevented through the imposition of strict emission controls on old and new coal-fired power plants and industrial emitters of sulfur and nitrogen oxides.

Energy conservation

Another way to reduce the threat of acid rain is through energy conservation. The U.S., while it represents only six percent of the world population, consumes more than 30 percent of the world's energy. Americans use 40 percent more energy per capita than their Swedish counterparts, even though Sweden maintains a higher net national product (per capita) than does the U.S. The purchase of foreign oil will drain our economy of $90 billion in 1980. We cannot afford to overlook energy conservation as an economically, as well as environmentally, sound strategy.

Conservation is our most immediate answer to the energy crisis. Based upon research conducted by the Department of Energy, the Federal Highway Administration, the President's Commission on Coal, and the Department of Transportation, evidence indicates that the nation could save 5.2 million barrels of oil per day by 1985 through a conservation program. These energy conservation steps are neither exotic nor unreasonable in cost.

They include: increased automobile fuel economy (2,250 million barrels per day); electric vehicles powered by coal generated electricity (425,000 barrels per day); increased gasoline prices (375,000 barrels per day); accelerated coal conversion of EPA approved utilities (725,000 barrels per day); state and local recycling initiatives (250,000 barrels per day); weatherization of homes and buildings (500,000 barrels per day); and increased utilization of mass transit (300,000 barrels per day). These are practical opportunities which must be pursued immediately.

Wetlands

While the exact amount of this nation's original wetlands will never be known, it is estimated that the lower 48 states once contained approximately 127 million acres. Until the middle of this century, draining wetlands for agricultural and other purposes was considered to be their best use. It was not until 1954 that the Fish and Wildlife Service first recognized the importance of retaining wetlands for wildlife habitat. At that time, 82 million acres of wetlands remained. No full survey of the nation's wetlands has been conducted since 1954. However, it is estimated that the annual loss has been 300,000 acres per year. At that rate, an additional 8 million acres has been lost, bringing us an estimated remaining 74 million acres of wetlands in the lower 48 states. Thus, we have destroyed forty to fifty percent of our wetlands.

To protect the value of our remaining wetlands for wildlife and as an integral component in our nation's clean water supply, the U.S. Fish and Wildlife Service has acquired two million acres of wetlands since 1961 and plans to double that amount in the next eight years. Also, the Service is conducting the first national wetlands inventory in a quarter of a century, and the first to include Alaska. The important information to be gained by this effort will be available in 1982.

Wilderness

Justice William O. Douglas, in whose tribute the Arctic Wildlife Range was recently renamed, was one of our nation's greatest advocates for wilderness. His foreword to "This is the American Earth" stated well our task in the coming years, to preserve what remains of America's natural heritage:

> We are today face to face with our last chance to preserve the tiny islands of wilderness that are left. . . . There is little left that is unmarked and unspoiled; yet those who think only in dollar terms or those who want to go everywhere by automobile say that even the remaining fragments should be opened to roads and development. There must be permission, they argue, to commit the last wilderness to whatever use can be demonstrated to be economically feasible.
>
> There is sadness and tragedy ahead if we take that course. First, we should not forget that the remnant of original America that now remains is also a large part of all the wilderness that remains anywhere on Earth. What we possess is a unique treasure for people everywhere.
>
> Second, we should remember that wilderness is more than interesting vacation land. It represents spiritual and aesthetic values measurable by the songs of birds, by an abundance of wildlife, by sunsets, and by the music of the conifers. We may well discover in the wilderness, and in our attitude toward it, many of the essentials for survival itself. . . .
>
> We have only a little time in which to prevent our remaining natural heritage from being fed into the hungry maw of the industrial machine.

Some of the unmarked face of America's wilderness must be left as a refuge for man—as a place where he can escape the roar of machines and once more get on understanding terms with the universe.

Alaska

Justice Douglas did not live to see us meet what I believe is the greatest conservation challenge of our lifetimes—the challenge to protect Alaska.

Just as we enter the second Environmental Decade, we have, in Alaska, a chance to do something right the first time, to avoid the mistakes of the past, and to show that we have learned something about the world in which we live.

The future of much of our remaining natural heritage will depend on how these lands are managed. What is at stake here is nothing less than the very last expanse of untouched American wilderness. This wilderness contains the nation's largest unpolluted river valley, its highest mountain peak, its largest stand of virgin timber. These Alaskan lands are breeding grounds for millions of waterfowl which migrate to the lower states in winter. They support the largest herd of free-roaming animals in the United States, the porcupine caribou. They are the habitat of grizzly, brown, and polar bears, whose continued existence is threatend by unrestrained development. Furthermore, maintaining the ecological balance of these lands is vital to Alaska's international fishing industry.

If we are careful and considerate in our management of these lands, the resources stored here can be safely tapped to help relieve our energy crisis and other impending material shortages. But if we yield to development pressures, we will surely repeat the same mistakes we have made before, with even more serious consequences to the fragile ecosystems of Alaska.

As large as Alaska is, it is a microcosm of the most fundamental issue facing the human species, management of the earth's resources. Our very survival will depend upon whether or not we are able to preserve, protect and defend our environment. We are not free to decide about whether or not our environment "matters." It does matter, apart from any political exigencies. We disregard the needs of our ecosystem at our mortal peril.

That was and continues to be the great lesson of Earth Day. It must never be forgotten.●

TIGHT MONEY AND THE FAMILY FARMER

● Mr. BAYH. Mr. President, those of us who represent States with significant numbers of farmers have become painfully aware that the grain embargo and high interest rates pose a one-two punch that is knocking many family farmers right off of the land. Farmers in Indiana, like the rest of the Midwest, must plant their crop in a few days. Yet with 20-percent interest rates and depressed prices in the market farm credit has just about dried up.

The Congress recently enacted a 2-year extension of the economic emergency loan program with an additional $2 billion in lending authority. Many of us who supported this bill realized that this would not solve the credit crunch by itself, yet it does at least offer some relief to our hard-pressed farmers. I was, therefore, stunned to learn that the Department of Agriculture has decided not to make all of this money available immediately but to hold onto $1 billion until new regulations are published in mid-May.

I have written to Secretary Bergland urging him to make all of this money available to farmers now when they need the loan. If farmers cannot obtain the loans that they need before planting time making the rest of the money available later this year or next year will not make any difference. My office has been beseiged by Hoosier farmers who are on the verge of ruin. These people were promised when the grain embargo was announced that they would not be left to shoulder this burden alone. Unfortunately, this seems to be exactly what is happening to our family farmers. The Congress also needs to raise the current loan rate on corn which at the present level of $2.10 per bushel is at least 70 cents below the cost of production in Indiana. Realistically, it is unlikely that legislation can be passed and enacted in time to help the farmers before spring planting. This situation makes it more important that the USDA use its already delegated authority to help the farmers now.

The family farmer has done a magnificent job of feeding not only Americans but the rest of the world. He deserves better than to be treated like a political football that simply gets booted around. I hope that the USDA will act to use its authority to help the farmer and see that he gets the kind of support that he needs and deserves.

I submit for the RECORD my letter to Secretary Bergland.

The letter follows:

COMMITTEE ON THE JUDICIARY,
SUBCOMMITTEE ON THE CONSTITUTION,
Washington, D.C., April 18, 1980.

Hon. ROBERT BERGLAND,
Secretary of Agriculture, Department of Agriculture, Washington, D.C.

DEAR BOB: I am very concerned to learn that the Department has decided to make only $1 billion available immediately to our hard-pressed farmers of the money available in the recently extended Economic Emergency Loan program.

Indiana's present allotment of roughly $37 million is woefully inadequate to meet the needs of our farmers. I urge the Department to make *immediately* available the entire $2 billion in low interest loans that the Congress has authorized. I understand that the Department is saying that it needs to implement new regulations before the entire loan authorization is available. I am afraid that by the time such regulations appear in mid-May many Hoosier family farmers will have been forced off of the farm. It is impossible to overstress the seriousness of the situation in the Midwest.

I am frankly very disturbed that the assurances given to our farmers that they would not be left to shoulder the entire burden of the grain embargo have proven to have had little real effect. I urge you to act immediately and forcefully to make the entire loan authority of the Economic Emergency Loan program available *now* when our farmers need the money. If the Department continues to hesitate to use its full authority to help our farmers I fear we will soon have a full-scale depression in the farming community.

I know that you share my concerns and I am willing to work with the Department in any way that I can to solve this critical problem.

Sincerely,

BIRCH BAYH,
U.S. Senator.●

VISIT OF PHILIPPINES PRESIDENT MARCOS

● Mr. DOLE. Mr. President, following congressional efforts in which he participated, the Senator from Kansas is pleased to note the release of the Reverend Edicto de la Torre from the Philippine prison where he had been detained for the past 5 years. Reverend de la Torre was arrested for his efforts to organize the National Democratic Front opposing President Marcos' martial law rule, in effect since 1972.

PRESIDENT MARCOS' RECORD

President Marcos, elected in 1966, was once hailed as the "new voice in Asia" and seen as a model for all non-Communist Southeast Asia. He embarked on an ambitious program of economic development, and has since scored some success in the area of land reform, on which he focused a great deal of his efforts. However, in 1979, inflation hit an annual rate of 21 percent in July. City workers, whose wages had already dropped about 30 percent since 1972 when martial law went into effect, were particularly affected, as were farmworkers. Disillusionment has replaced great expectations. President Marcos has become increasingly a controversial figure. His friends depict him as an idealist concerned with the welfare of his people. His enemies view him as a power-hungry dictator. The truth lies probably somewhere in between these two assessments.

THE FUTURE OF THE PHILIPPINES

Opposition to the regime is controlled. It is estimated that over 500 political prisoners are held in the Manila area. Mass media is under government scrutiny and freedom of the press does not exist. In general, few would disagree that similarities between President Marcos' regime and that of the Shah of Iran cannot be ruled out. There is reason to be concerned over the future of the Philippines, based on the lessons of history, past and present. It is clear that any form of authoritarianism, whether benign or cruel, breeds danger, as Iran has demonstrated once more to a world in which memory is short, and to our own President whose capacity to forget and to repeat errors is inexcusable. Where civil liberties are either denied or arbitrarily observed, corruption is sure to set in, leading to growing discontent and subsequent unrest.

NATURE OF THE OPPOSITION

The influential Roman Catholic Church in the Philippines has been increasingly critical of the regime. Student demonstrations in Manila have been mounting over the past year. Political opponents have voiced their attacks on President Marcos more openly. Pessimists go as far as to predict a civil war in the near future.

PRESIDENT MARCOS, FRIEND OF THE UNITED STATES

Yet, regardless of the situation at home, President Marcos has continued to lend support and friendship to the United States. There is no denying the value of the Philippine Government's cooperation in terms of our national security. The renewed U.S. bases agreement signed in 1979 between our two countries provided for an expanded use of American bases in the Philippines. In exchange, the United States commitment to financial aid in the form of loans and grants has remained steady. It could provide our Government with a bargaining power we have not previously used.

A DIALOG ON DELIVERING THE GOODS

There was pressure last week to cancel President Marcos' visit to Honolulu over the next few days. I do not believe that this would have been in the best interest of the United States, given the nature of the relationship that exists between our two countries. Indeed, President Marcos' visit could be used to initiate a dialog with the Philippine head of state, for further discussions on issues that could well affect the stability of an entire region.

Unlike President Carter, who seems to witness events blindfolded, and learn nothing from the experiences of history, it must be assumed that President Marcos has not been insensitive to the lesson of Iran, and to the parallels between his position and that of the Shah prior to the revolution. If indeed he perceives, or is made aware of the dangers that loom on the horizon, he could perhaps be persuaded to change his position in regards to lifting martial law and deliver the goods that he promised, in the form of democratic liberties. We have all to gain, and a great deal to lose by not trying. Our failure to sound the warning bell could well result in the sinking of more than one ship.●

REGULATORY IMPACT OF S. 598

● Mr. BAYH. Mr. President, due to an oversight no regulatory impact statement was included in the report on S. 598. The Committee on the Judiciary, having studied the matter, believes there will be no regulatory impact for S. 598, the Softdrink Interbrand Competition Act.●

EARTH DAY 1980

● Mr. BAUCUS. Mr. President, today marks the 10th anniversary of Earth Day. Earth Day spawned an environmental awareness in this country which resulted in the enactment of the National Environmental Policy Act, Toxic Substances Control Act, the Surface Mining Control Act, the Safe Drinking Water Act, and the Endangered Species Act among others. A great deal has been accomplished in the last decade. Perhaps the greatest accomplishment is the realization that there are no quick or easy solutions.

While we have made great strides in the past decade, it has not been without considerable cost. These costs have been borne not only by taxpayers, but also—and more important—by the private companies that have had to pay the cost of pollution control equipment.

I am not expressing pity for private polluters, but rather pointing out that Congress must be aware what its actions can cause added costs in the private sector.

Over the past decade, a number of studies have made the point that some pollution control costs have raised the cost of American products—and thus diminishing the competitiveness of our products. It is fair to say that one of the consequences is increased trade deficits.

Congress may need to ask whether the cost of controlling pollution is worth the price in competitiveness. I cosponsored legislation of this sort with Congressman UDALL in the 95th Congress when the American copper industry was being besieged by an influx of refined copper from abroad. Perhaps similar legislation should be considered for other industries on a selected basis.

I would like to limit my remarks today to the environmental problems and accomplishments of my own State, Montana, over the past decade.

Montana is a State blessed with abundant natural beauty and resources. It is sparsely populated. The State's economy is based almost entirely on agriculture and natural resource development. Montana is a State of extremes. Vast sections of forest land remain unroaded and virtually untouched by man. Simultaneously, the city of Missoula has experienced some of the worst air pollution in the country on an intermittant basis.

Because of our dependence on our natural wealth, Montana's history has been a chronicle of economic boom and bust. During the 1970's, Montanans, like other Americans, gained a greater awareness of environmental pollution and degradation. They demanded from State and Federal agencies improved protection of the environment. It is even more significant that these citizens demanded greater public participation in decisions affecting our environment.

In 1972, Montana adopted a new State constitution. Article IX of that document requires the State government to maintain and improve a clean and healthful environment for present and future generations.

Since the adoption of the new constitution, Montanans have established a model Surface Mining and Reclamation Control Act, a Major Facilities Siting Act, a Coal Severance Trust Fund, more stringent air quality standards, subdivision control acts, and they have established a State park system in various energy conservation programs. Montanans have demonstrated through these actions their desire to control development on their own terms.

Federal land ownership in Montana amounts to roughly 30 percent of the total land area of the State. The actions taken by Federal land management agencies play a significant role in Montana. During the decade of the 1970's, several Federal statutes were enacted which will have a profound impact on Federal lands in Montana. The Surface Mining Control Act, the National Forest Management Act—which resulted in large part because of abuses on the Bitterroot National Forest in Montana, the Rangeland Improvement Act, and the Federal Land Management Policy Act are all examples of such Federal statutes. Each of these acts resulted in greater environmental protection and increased public participation.

Indeed, much has been accomplished during the decade of the 1970's. Even greater challenges confront us in the 1980's—ensuring that these measures are carried out and improved upon where necessary. New and more complex environmental problems confront us: acid precipitation, toxic and nuclear waste disposal are but a few. Acid precipitation or "acid rain," the result of pollutants combining with moisture in the air, has already fallen silently into thousands of our lakes and ponds in the Northeast. This chemically supercharged pollution has left lakes barren. High levels of mercury in some ponds endanger human life. This much we know about acid rain. We know it is there and we can measure it. But the unknown is of even more concern to Montanans. We do not know what impact powerplants going up in neighboring Canada will have on our crops or our forests.

An officer of the Environmental Protection Agency has predicted that acid rain "could become the leading environmental problem of the next decade." It is that next decade which concerns us.

FLATHEAD BASIN STUDY: AN EXAMPLE OF COOPERATION

Partnership and cooperation among all levels of Government, private industry, and interested groups is essential if these serious environmental problems are to be adequately addressed. An example of this type of cooperative effort is exemplified by the Flathead Basin study in northwestern Montana.

This comprehensive basin wide study was initiated 3 years ago in an effort to acquire and record base line data of air and water. This is a pristine area bordering Glacier National Park. The area is under threat on several fronts.

Today we face threats to our environment that were almost unimaginable 10 years ago. Massive development of a synthetic fuels industry and the President's effort to convert 50 northeastern powerplants to coal pose grave new challenges.

Unless we take steps now to develop technologies, like MHD, that burn coal more cleanly, our steps to reduce air pollution will falter. Unless we can predict the consequences of synfuel production, we may face yet more unimaginable problems in the 1990's.

Federal, State, and local officials have been directed by a 15-member steering committee made up of local residents. This steering committee has directed the scope of the study since its inception. This type of cooperation will in large part determine our accomplishments in the decade ahead.

We have accomplished a good deal in the 1970's. Those accomplishments should not be taken lightly. But it is only the beginning. If we are to come to grips with existing and future environmental problems, we must agree to keep a constant vigil over our irreplaceable resources. These problems are mutual problems and they will be addressed only with cooperation from Government, private industry, and environmental groups. This is the environmental challenge of the 1980's, and the people of Montana are committed to that challenge.●

FOOD STAMP NEED URGENT

● Mr. McGOVERN. Mr. President, I take the floor today to alert my colleagues to a catastrophe that will face 22 million Americans on June 1 if Congress does not act soon to provide additional funding for the food stamp program.

Unless Congress passes by May 15 authorization and appropriation bills to increase food stamp funding, USDA will send out notices to States to cut off benefits June 1.

Unless we act now, for the first time in history a Government program would be abruptly halted—not after a reasoned decision that the program outlived its usefulness and a carefully planned phaseout period—but just abruptly halted.

Opinion poll after opinion poll shows that Congress is held in low esteem. If we do not prevent this cutoff, we will only be confirming that judgment and justifying that opinion.

How have we gotten into the situation where the food stamp program will be $3 billion short for fiscal 1980?

In 1977 when Congress placed a cap on food stamp expenditures, estimates were made as to the level of funding that would be needed for the program.

These estimates were strikingly wrong.

Three factors stand out as the source of the problem.

Instead of 9 to 12 percent inflation in the cost of food during 1977 through 1979, food inflation soared 22 percent and is estimated to rise by 46 percent by the end of 1981, instead of the 15 to 20 percent CBO estimated. This accounts for over one-half of the shortfall.

Higher unemployment accounts for another one-fourth of the extra costs. Instead of 6 percent unemployment for fiscal 1980 and 1981 it is now projected to average 6.7 percent in 1980 and 7.5 percent in 1981.

The remaining amount comes from assuming a lower increased participation rate and higher income of these new participants from elimination of the purchase requirement than actually occurred.

In other words, there were more very poor—especially the elderly and in rural areas—that were too poor to put up the money for the purchase requirement than we had realized.

To avoid this funding crisis, Congress can take either of two courses of action.

We can separate the revision of the second concurrent budget resolution from the fiscal 1981 first resolution. This would allow us to proceed with a supplemental appropriation on a contingency basis while the House completes action on S. 1309 and we follow with an expedited conference on the bill.

The other course of action would be to waive the rules and pass an emergency supplemental appropriation of $750 million for food stamps for June.

This would give us until June 15 to do the careful deliberations that are necessary on the first budget resolution for 1981.

The Field Foundation on its return visit to poverty areas in 1977 after 10 years of operation of the food stamp program found a 50-percent drop in infant mortality from poverty and hunger related factors and markedly less gross malnutrition generally. Their conclusion—the primary reason for this tremendous improvement was the array of Federal food programs.

We have 23 days until the letters to the States go out—23 days in which to say to 22 million hungry Americans that we in Congress will take the necessary steps to insure that this program vital to the health and even the survival of many Americans will go forward without interruption.

I urge my colleagues to act now.●

MORE DEATHS FROM THE DISCARDED CIGARETTE

● Mr. CRANSTON. Mr. President, I returned from California recently to learn of a tragic fire in McLean, Va. Two families had gathered to celebrate an upcoming wedding. During this small celebration a lighted cigarette was inadvertently left in the crevice of an upholstered chair. The result was a fire that took the lives of seven people—two of them children.

The McLean fire is not an isolated tragedy. Careless smokers caused 70,000 destructive fires in 1978. According to the National Fire Protection Association, cigarettes are the No. 1 cause of residential fires in the United States. Approximately 1,800 lives are lost each year in these fires. Many of those who die—like the children in the McLean fire—are innocent victims of the carelessness of others.

Certainly smoke detectors could have helped. Most fires ignited by discarded cigarettes smolder for hours before bursting into flame. However, smoke detectors do not prevent fires. Smoke detectors merely provide an opportunity to escape from what has already become a dangerous situation.

The agonizing truth about most of the 70,000 fires caused by lighted cigarettes is that tragedy easily can be prevented.

In introducing the Cigarette Safety Act, S. 2215, Senator Tsongas and I recognized that there is a simple—truly preventive—step Congress can and should take to address the leading cause of residential fires. Our bill would give the Consumer Product Safety Commission authority it is now specifically denied to develop a mandatory performance test of a cigarette's tendency to ignite fabric. We know that it is possible to manufacture a safer cigarette. In fact, the National Bureau of Standards reports that there currently are a few cigarettes on the market that could pass such a test.

Five years ago Farmers Insurance Co., one of the leading underwriters of residential fire insurance began offering a 10 percent discount on premiums to nonsmoking households. I believe it is time that the U.S. Congress also recognize the sensibility of prevention. The 1,800 lives that will be lost this year from cigarette fires will not be confined to any one region of this country. It is a national problem that demands a national solution.

INDIANA DUNES NATIONAL LAKESHORE

● Mr. BAYH. Mr. President, today I am inserting in the Record a copy of House Concurrent Resolution No. 82, passed this year by the Indiana General Assembly. This resolution memorializes Congress to finally determine and fix the boundaries of the Indiana Dunes National Lakeshore by passage of Senate bill 599 and House bill 2742 in the 1980 session of Congress and to cease further attempts to redefine the boundaries of the Indiana Dunes National Lakeshore.

This resolution is signed by the President pro tempore of the Indiana Senate, Martin K. Edwards, who sponsored the resolution, and by Speaker of the House Kermit Burrous. The resolution was also sponsored by State Senator John Larson and authored by State Representative Esther Wilson, both of whom represent the Beverly Shores area of the lakeshore.

The two bills endorsed by the resolution differ in some respects. However, the major thrust of both bills is the same: Both bills call for inclusion of the remaining portion of Beverly Shores in the Indiana Dunes National Lakeshore. Both bills also call for significant improvement of the homeowner provisions by providing 25 year leasebacks or a life estate to present homeowners. The Senate bill introduced by Senator Lugar and myself goes further in this regard by restoring the exemption from condemnation eliminated by the 1976 legislation. The House-passed bill contains some additional areas not in the Senate bill.

I should note that the feelings behind the resolution come from pent-up frustrations which the citizens of that area feel because of the failure of Congress to resolve the question of the boundaries once and for all. I should also note that the resolution does not call for doing nothing. It calls for passage of these bills in this session so that the residents and industries in this area will not be continually threatened by the prospect of having their property condemned and their property values undermined by the constant threat of being included in the lakeshore by new legislation.

The need for a bill results from the 1976 legislation which called for the study of the remaining area of Beverly Shores and an area commonly known as the NIPSCO Greenbelt. That study has been completed, and it is time for the Congress to act once and for all.

The resolution follows:

House Concurrent Resolution No. 82

Whereas, there is presently pending in the United States Congress House Bill 2742 and Senate Bill 599, both of which seek to extend the boundaries of the Indiana Dunes National Lakeshore Park; and

Whereas, The original boundaries of said Indiana Dunes National Lakeshore Park were fixed when the park was created in the 1960's; and

Whereas, in almost every session of the United States Congress since that date there have been attempts made to expand and redefine the boundaries of said Indiana Dunes National Lakeshore Park; and

Whereas, the Indiana General Assembly has determined that said continual attempts to change and redefine said boundaries of the Indiana Dunes National Lakeshore Park are not in the best interests of the State of Indiana and especially the residents and industries located in proximity to and threatened by said expansion plans; and

Whereas, the Indiana General Assembly is of a strong opinion that said boundaries should be defined once and for all so that all appropriate agencies of the Federal and State Governments can make appropriate plans based upon defined areas in which said Indiana Dunes National Lakeshore Park shall be located and the residents and industries nearby will not be continually threatened by having their property condemned and their property values undermined by the constant threat of being taken over by the Indiana Dunes National Lakeshore Park; Therefore,

Be it resolved by the House of Representatives of the Indiana General Assembly of the State of Indiana the Senate concurring:

Section 1. The Congress of the United States is hereby memorialized by the Indiana General Assembly that the boundaries of said Indiana Dunes National Lakeshore Park should be finally determined and fixed by Senate Bill 599 and House Bill 2742 in the 1980 Session of Congress and that no further attempts be made to redefine the boundaries of said Indiana Dunes National Lakeshore Park.

Section 2. The Principal Clerk is directed to send copies of this resolution to each member of Congress from the State of Indiana and to the Speaker of the House of Representatives and the President of the Senate of the Congress of the United States.●

OUR INSTINCT FOR BROTHERHOOD

● Mr. DOLE. Mr. President, the world beyond the shores of America, is not a friendly place, seemingly never more than ever, now. We feel isolated by a ring of intolerant fanaticism and communist aggression. American prestige and power is challenged on every front. Innocent and supposedly sacrosanct U.S. diplomats are held captive by a strange, unfathomable, but definitely hostile Government of Iran. Our allies amid the turbulence of global unrest and change are not quick to come to our aid. Our military capability to defend our interests is questioned.

With such bewildering, inimical currents buffeting us it is sometimes easy to forget our great natonal strengths. The United States has been challenged before and it has stood the test of time. Our capacity to endure remains, as does our ability to respond to a new, dynamic, and forceful leadership that troubled times require.

Mr. President, the columnist Dick Dabney does us all a service with his story in the newspaper today that should strike a chord in each of his readers. Mr. Dabney's pieces have often warmed our hearts while alerting our brains or stirring our consciences. In this threatening, perilous time, he reminds us of our strengths and of our courage.

I ask that Mr. Dabney's article be printed in the Record and recommend it to my colleagues.

The article follows:

Centers of Power

(By Dick Dabney)

In the conclusion of "Journey to Ixtlan," Carlos Castenada sets off in search of "centers of power"—geographical spots emanating spiritual force—a quest more interesting than anything else he did in that book. And I too have sometimes wondered whether such places exist, and whether Shuter's Hill in Alexandria might be one of them. This is the hill surmounted by that conspicuous ziggurat, the George Washington Masonic National Memorial Tower. However, it's hardly the sort of place one thinks about "seeking out," let alone cuddling up to—especially on dark nights. Since the kind of power Castenada imagined, should it exist, would not necessarily prove to be benign.

Shuter's Hill, some say, was the natural Capitol Hill around here from a geological point of view, and would have ended up as the center of political power, too, if it hadn't been for the calculating modesty of George Washington, who thought that choosing a place in Virginia, and close to his farm might be regarded as imperialistic. And so here we were, where we are.

But some fanciful local legends say that the ancient promontory on the Virginia side kept its mysterious lodestone-like force and, for reasons more than mere coincidence, was later chosen as the natural pylon Orville Wright was required to fly around (and back to Ft. Myer from whence he'd taken off) before the Army would buy his flying machine and move America into the modern age. And according to these, it was no coincidence, either, that the Masons, in 1922, chose that hill as the site of their big, pink, granite, Babylonianish-looking tower, that people around here still don't seem to know how to react to. Except that some say it's downright ugly; while others, more literate, maintain that it resembles the Tower of Babel, where God struck disunity into the human race by smiting it with a confusion of tongues, a great thing for Berlitz, perhaps, but bad in every other way. And so, these critics say, that place is emblematic of our essential national disunity, and foreshadows the doom that's bound to blast us ere long. Which may be true. Although, speaking personally, I love that old memorial, and was sorry to learn that it's hit on hard times and is crumbling. Because I have one fine memory of there.

This all happened when I was a young poor fool of an outlaw poet, with everything in the world except money, and with a few good friends who were equally impractical and defiant, and who shared with me truculent, accurate suspicion that this town despised us for not doing the sensible thing and getting government jobs. And I was walking down the train tracks near that memorial one fine spring afternoon, when a terrific thunderstorm hit. Upon which—being less bent on self-improvement than G. Gordon Liddy, who under similar circumstances lashed himself to a tree—I ran up Shuter's Hill seeking shelter.

At the doorway of that huge memorial, sound asleep in a folding chair that was tilted back at a perilous angle, was a handsome old man who looked to be about 85, and at his side was a Japanese transistor radio that was blaring out a play-by-play account of the Yankees-Red Sox game. This old man wore a business suit and, even in sleep, a formidable businesslike expression. And in my stupid youthful intolerance I thought to myself, Ah, George F. Babbit! We meet again! And tried to decide whether to sneak in or sneak out, since with the beard, Levis and old Army surplus jacket, to say nothing of the unbusinesslike ideas in the brain, I was pretty definitely not his kind of young man—or so I imagined. When suddenly, he opened his mild, intelligent eyes, of a surprising blue, and asked me whether I wanted to see the parade.

"Sure," I said. Anything but that storm. And so followed him into the cool, cavernous interior of that place, across the rich, complicated Persian carpets, and past marble columns surmounted with mysterious-looking Middle Eastern emblems.

It was an eerie feeling. There were no cars in the parking lot outside, and that friendly, hearty old man and I were utterly alone in the great hall. And at last we came to a gigantic table that had thousands of gaily-painted tin soldiers on it, of many different colors and kinds. Then he punched a little mother-of-pearl button, and suddenly gorgeous band music, lounder than that storm outside, filled the great hall—as, with the tabletop moving, those tin soldiers began to march by in majestic review. I thought my heart was going to burst with the simple happiness of it all—a place where I would not be kicked out, and the splendid John Phillips Sousa music, and the brave tin soldiers marching by. And I felt like I never wanted to go anywhere else, or do anything else again.

And the old man must have sensed that I did not want to leave. For when the marching stopped, and the room at last fell silent, he smiled, winked shrewdly, and said, "Let's do it again!" And we watched that parade for an hour. It was a wonderful time. So there had, indeed, been power on Shuter's Hill, although it was not exactly mysterious. From then on, I was unable to get along with those who mocked the Masons for being square. And because they provided free hospitals for crippled children, and because one of them, who'd had no cause to, had been kind to me, it came to seem as less than important whether they liked, as I had, the music of Billie Holliday or the books of Albert Camus. In fact, I have secretly thought to myself ever since as belonging to them—in a strictly unofficial way, of course.

Which leads me to suggest, apropos of invisible power, that this is pretty typical of how we Americans belong to a lot of things, including this country—which is to say, out of the heart and secretly, and in spite of considerable differences. Because our instinct for brotherhood doesn't spring from some mere shallow whim to be a Perfect Elu, King of the Brazen Serpent, or Prince Kadosh, but is the product of more substantial motives that are stronger by far. And, since this kind of power is not visible the way the frenzied rallying of a million chanting madmen is, some foreign leaders are currently being tempted, perhaps, to believe that it does not exist. Just as the British, long ago, were similarly tempted, and learned to their great cost that all things are not what they seem. Which is something that others who trust in our seeming disunity may soon learn, too—although not necessarily in Ixtlan.●

EARTH DAY

● Mr. HART. Mr. President, millions of Americans today are celebrating Earth Day. I join them in this affirmation of the environmental successes over the past decade and continued responsible efforts in the coming decade.

When we look back to the original Earth Day, in April 1970, we are reminded of how far we have come in a short period of time. In just 10 years, we have stopped our society's unthinking contamination of our world. More importantly, we have made an excellent beginning in the major campaign necessary both to preserve the unspoiled parts of our environment and to restore what has been damaged by past destructive practices.

This progress has been brought about by a vigorous Federal role under major new legislation—including the Clean Air Act, the Federal Water Pollution Control Act, the Safe Drinking Water Act, the Solid Waste Disposal Act, the Resource Conservation and Recovery Act, the Toxic Substances Control Act, the Endangered Species Act, the Surface Mining Control and Reclamation Act, the Federal Land Management and Policy Act, the National Forest Management Act, and literally dozens of other laws. This record of environmental legislation is one of the most important congressional achievement of the 1970's.

Many people also have criticized such environmental programs as inflationary. This is simplistic and false. Our entire pollution control program adds no more than four-tenths of 1 percent per year to prices.

Even this is not necessarily inflationary. Inflation is an increase in the price of a good without a corresponding increase in its value. Let us look at an example. A car with a catalytic converter may cost more than another car without one, but the first car pollutes less. Those who call the first price inflated overlook this additional value. If the higher price buys a corresponding value of cleaner air, then there is no inflation.

Simplistic "inflation" arguments against environmental programs illustrate a traditional flaw in our economic thinking. Instead of treating air quality as a free and unlimited good, we must consider it in our basic economic equations.

This is a difficult chore. What value do we give a smog-free vista? What value do we give the health of our citizens?

Some economists have begun answering these questions. For example, the chairman of the economics department at Carnegie-Mellon University has studied the mortality effects of air pollution. He recently testified before the National Commission on Air Quality that we have reduced particulate and sulfur oxide pollution enough to increase life expectancy by 1 year. Considering such factors as lower medical bills and increased time on the job, he calculated the measurable benefits of this longer life as $16 billion a year. By contrast, EPA says the cost of the pollution reduction was $9.5 billion a year. In other words, every dollar spent on pollution control saved almost $2 considering only increased life expectancy, not other benefits.

This kind of cost-benefit comparison is helpful for evaluating programs, but should not dictate our decisions on when to regulate. Economic equations are not sophisticated enough to compare fairly all costs and benefits. More importantly, a simple mathematical test ignores a crucial point: Polluters and their customers bear the costs of pollution control, while the public gets the benefits. Innocent and defenseless individuals deserve a certain level of protection, regardless of the cost.

Our job in this area is far from done. We cannot rest on our past achievements. For one thing, we need to learn from our mistakes, and improve existing programs to make them work better. As Chairman of the National Commission on Air Quality, I am involved in a major effort to do this with respect to the Clean Air Act—and I have learned that the challenge of improving existing programs is at least as great as the challenge of enacting new ones.

Some people hope environmental programs will disappear. Now, they say, is the time to cut back environmental programs, to make way for energy development and economic progress.

Not only is this argument wrong on the merits, but it misreads the public mood. The environmental movement may not be as visible as a few years ago, but the public strongly supports environmental protection.

When asked their views of the environmental movement, in a recent poll, 13 percent of the sample called themselves active participants, and an additional 47 percent were sympathetic. By contrast, 30 percent were neutral and only 6 percent were unsympathetic.

This public support does not disappear when a price tag is added. Last year, the Opinion Research Corp. asked people if it is more important to pay higher taxes and prices to reduce pollution, or to keep taxes and prices down. By 3 to 1, people preferred environmental protection.

All in all, the public's commitment to a better environment is stronger than the Government's. And I certainly agree with the commonsense view of a majority of Americans that we can have a healthy environment and be energy independent with plenty of jobs in a growing economy.

But this support is for the goals of our environmental programs. The people are just as vehement in their criticism of the bureaucracy carrying out the programs.

We hear a lot today about dissatisfaction with Government taxing and spending. People are even more upset with governmental inefficiency. According to a recent Roper poll, by 7 to 1 Americans believe business is more efficient than Government.

Environmental agencies and programs are not immune from this criticism. People who come into contact with the agencies are upset by the lack of public involvement, the amount of redtape, and with the slowness of action. Mostly, though, people are put off by the arrogance and aloofness of the bureaucracy.

The public reaction summarizes well the state of our environmental programs. Our basic policies continue to be the right ones, but there are serious shortcomings in their implementation.

The key environmental challenge of the 1980's will be to both reach our environmental goals and reform when necessary, the agencies which help implement them.●

ORDER FOR THE RECOGNITION OF SENATORS TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow, after the two leaders, or their designees, are recognized under the standing order the following Senators be recognized each for not to exceed 15 minutes but not necessarily in the order stated, Mr. EXON, Mr. BRADLEY, Mr. DOLE, Mr. JACKSON, Mr. WARNER, Mr. BAKER, and Mr. ROBERT C. BYRD.

The PRESIDING OFFICER. Without objection, it is so ordered.

DESIGNATION OF APRIL 21 THROUGH 28, 1980, AS "JEWISH HERITAGE WEEK"

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair lay before the Senate a message from the House of Representatives on House Joint Resolution 474.

The PRESIDING OFFICER laid before the Senate House Joint Resolution 474, a joint resolution to authorize and request the President to issue a proclamation designating April 21 through 28, 1980, as "Jewish Heritage Week," which was read twice by title.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

● Mr. JAVITS. Mr. President, I wish to thank the members of the Judiciary Committee and the Senate for expediting the passage of House Joint Resolution 474 which authorizes and requests the President to issue a proclamation designating April 27–28 as "Jewish Heritage Week." I was pleased to have helped in the Senate's prompt consideration and passage of this important resolution.

April commemorates events which represent great joy and deep sorrow for the Jewish community and is thus a fitting time for the people in the United States to reflect on the role of Americans of the Jewish faith in the history and heritage of our country. As Americans of the Jewish faith ponder the meaning of Passover, the Warsaw ghetto uprising, Israel's independence day, Solidarity Sunday for Soviet Jews and Jerusalem Day, Jewish Heritage Week gives all Americans the chance to ponder and learn of the significant achievements that the Jewish religion, history, and culture have made to the world and, in particular, to the United States.

For over 3,000 years, the Jewish people have left a major impact on the societies in which they have lived. Equally so in the 200-year history of the United States, Americans of Jewish faith have made important contributions in all areas of business, science, culture, and politics, and the Judeo-Christian heritage collectively has helped mold the United States. By proclaiming this week as "Jewish Heritage Week," we are recognizing the weight of those contributions and the significant role minorities have played in the history of our Nation. In proclaiming "Jewish Heritage Week" through this resolution, we reinforce the ideals and hopes that the Judeo-Christian tradition and our Nation have long espoused.●

The joint resolution was considered, ordered to a third reading, read the third time, and passed.

The preamble was agreed to.

ORDER FOR RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 10:30 tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROGRAM

Mr. ROBERT C. BYRD. Mr. President, it is hoped that tomorrow the Senate may be able to complete its action on the patent bill, Calendar 515, S. 414. The Senate took action on that measure sometime ago but did not complete its work thereon, so it is hoped by the leadership that the Senate might be able to complete action on that measure tomorrow.

The Senate on tomorrow will complete action on the nomination of Mr. Lubbers. There will be a rollcall vote on that nomination at 2:30 p.m. tomorrow.

RECESS UNTIL 10:30 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until 10:30 tomorrow morning.

The motion was agreed to; and at 5:23 p.m., the Senate recessed until Wednesday, April 23, 1980, at 10:30 a.m.

NOMINATIONS

Executive nominations received by the Senate April 22, 1980:

NEW COMMUNITY DEVELOPMENT CORPORATION

A. Russell Marane, of Georgia, to be a Member of the Board of Directors of the New Community Development Corporation, vice William J. White, resigned.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be lieutenant general

Maj. Gen. Howard W. Leaf, [redacted]FR, U.S. Air Force.

IN THE ARMY

The following-named officer under the provisions of title 10, United States Code, section 3066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 3066, in grade as follows:

To be lieutenant general

Maj. Gen. Paul Francis Gorman, [redacted] U.S. Army.

U.S. TAX COURT

Edna Gaynell Parker, of Virginia, to be a judge of the U.S. Tax Court for a term expiring 15 years after she takes office, vice William H. Quealy, resigned.

Sheldon V. Ekman, of Connecticut, to be a judge of the U.S. Tax Court for a term expiring 15 years after he takes office, vice William M. Drennen retired.

HOUSE OF REPRESENTATIVES—*Tuesday, April 22, 1980*

The House met at 12 o'clock noon.

Dr. Russell Frederick Blowers, senior minister, East 91st Street Christian Church, Indianapolis, Ind., offered the following prayer:

Lord, Thou hast been our dwelling place in all generations. Before the mountains were brought forth, or ever Thou hadst formed the Earth and the world, from everlasting to everlasting Thou art God.—Psalms 90: 1, 2.

Eternal God, because You are the one from whom comes the authority to govern, because You will good for us all, because we can do nothing apart from You, we pause to praise You. We invite You to fill this room with Your presence; to monitor these proceedings and our innermost thoughts; to sustain us in defeat and restrain us in victory.

Help us, Father God, to speak truth with conviction, to listen with humility, to love one another, and to consider today's work a ministry to be performed rather than a misery to be endured.

Good Shepherd, sustain and soothe our President, our people, our hostages abroad with Your abiding love and care. Through Jesus Christ our Lord. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

DR. RUSSELL FREDERICK BLOWERS

(Mr. JACOBS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JACOBS. Mr. Speaker, 10 years ago, on a sleepless night, I switched on my television set in Indianapolis and saw the minister who has just given the prayer for the opening of the House today. He said some things that were like a fruitful message to me; inspired me to do some work in Congress that I otherwise might not have done.

It is a tremendous honor to me to see Dr. Russell Frederick Blowers here today as our guest chaplain. Russ Blowers could not help but be a minister because God has given him so much in terms of commonsense and eloquence and other talents.

DRAFT REGISTRATION

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, today we will be voting on a draft registration bill that will cost the taxpayers several millions of dollars at a time of cut, trim, and squeeze. This registration bill is supposed to be a symbolic gesture to the Russian invasion of Afghanistan. The Russians are now being fired upon by real bullets, and I doubt if the specter of young men and possibly women going down to fill out a card at the local post office is going to deter them.

Some people in the administration think this registration bill will be a symbolic gesture to the Soviets. Other people in the administration undoubtedly believe that chickens have lips.

GAS-GUZZLING TOYS

(Mr. VANIK asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. VANIK. Mr. Speaker, in yesterday's business news, General Motors announced its future plans for the Corvette which currently makes a big noise and gets all of 14 miles to the gallon in a two-passenger conveyance.

GM proudly states that the gasoline mileage will be increased to 20 miles per gallon by 1983. Yet foreign cars are now getting an average of 31 miles to the gallon and Federal law will require U.S. cars to get an average of 27.5 miles to the gallon in 1985. The American auto industry should be making gasoline efficient automobiles instead of noisy gas-guzzling toys.

I am disappointed over this majestic dedication to the dragstrip set—particularly when millions of other Americans will be confronting more critical decisions of whether to walk or ride.

If GM is making these tremendous plans for the Corvette, I hope the company plans on a backlog of orders from abroad. It ought to sell well in Saudi Arabia and Kuwait.

PERMISSION FOR SUBCOMMITTEE ON WATER RESOURCES OF COMMITTEE ON PUBLIC WORKS AND TRANSPORTATION TO SIT TODAY

Mr. ROBERTS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Water Resources of the Committee on Public Works and Transportation have permission to sit this afternoon.

The SPEAKER. Is there objection to the request of the gentleman from Texas?

There was no objection.

☐ 1210

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY DURING HOUSE PROCEEDINGS

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology be permitted to sit this afternoon during proceedings of the House.

The SPEAKER pro tempore (Mr. WRIGHT). Is there objection to the request of the gentleman from Florida?

There was no objection.

IN 1980, $1,980 MORE

(Mr. ROUSSELOT asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ROUSSELOT. Mr. Speaker, the Democrat "born-again" budget balancers have proclaimed the House Budget Committee's 1981 Budget Resolution a model of fiscal conservatism. That is bunk. In truth, it is a model for high taxes and excessive spending.

The question is not that their budget is balanced. The question is, How is it balanced? I can tell you. The Democrat's 1981 budget is balanced squarely on the backs of the American taxpayer.

The Democrats are proposing the biggest 1-year tax hike in history—$96 billion. That breaks down to a tax increase of $990 for each American worker. Since more than 50 percent of American wives work, that figure doubles for most American families.

How is this for the Democrat's election year slogan: "$1,980 more from your family in 1980."

CUBAN REFUGEES

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, for many years the Cubans have represented their revolution as a showcase of Marxist society. Cuban propaganda films showed mass political rallies exhorting Fidel Castro's attacks on the United States, "well-fed" people at work and smiling faces. From time to time stories would appear in the Western press about the failures of Castro's revolution, but they would be drowned out by the Cuban victories at the Olympics and most recently Cuba being named to lead the nonalined nations at the Havana Conference in the fall of 1979.

This raised Cuba's international stature to a new zenith. To think, that a small island nation, with a repressive Communist regime, sitting just 90 miles off our shores, with a contingent of "acceptable" combat capable Soviet troops, is now considered the titular head of the nonalined movement while its own troops (Cuban) are stationed in African and Middle Eastern countries and its agents of revolution are hard at work in Central and South America, and even in our own Puerto Rico, stirring up turmoil and unrest.

Cuba, the Soviet Union's surrogate, has served its master well. It is Soviet subsidies, running into the millions of dollars a day, not the Cuban economic model, that keeps Castro's Cuba alive. In other aspects, Cuba is almost spiritually dead. Certainly, there can be no meaningful life without freedom; the type of freedom that thousands of Cubans sought when they crowded into the Peruvian Embassy in Havana for sanctuary, at great risk to their lives. This was a remarkable and unheard of act of bravery. It cracked the myth of the success of the Cuban revolution wide open. I believe that we should assist those who want to leave Cuba and experience a free, meaningful, and productive life. Let us not let these people's hopes for freedom be held hostage any longer.

A PROPOSAL FOR OBSERVANCE OF NATIONAL VOLUNTEER WEEK

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, the National Center for Citizen Involvement has suggested this week be observed as National Volunteer Week. On Sunday, my wife Marjorie was making phone calls for a meeting of the Women's Service Board of Grant Hospital, of which she is president, and she reminded me that this group of women volunteers have contributed over one-half million dollars in cash for a coronary care unit and a Holter scanner and are now financing a neonatal care unit for Grant Hospital.

These ladies have also purchased therapy equipment for the psychiatric unit of the hospital. In addition, they have contributed over $400,000 in time calculated at the minimum wage scale.

This is just one hospital in Columbus. Think of the millions of volunteers all across the Nation in hospitals, civic groups, schools, churches, and other community endeavors who carry a tremendous load in service to mankind. Think of the time and talent they give and the cost savings.

Yes, Mr. Speaker, I think the National Center for Citizen Involvement had a great idea. We should thank this vast legion of persons who care.

PORTUGAL BECOMES FIRST U.S. ALLY TO IMPOSE SANCTIONS AGAINST IRAN

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, in recent years, many questions have arisen over both the wisdom and the desirability of the Atlantic alliance. The grand design of the sixties, which had forecast strong political, economic and strategic relations between the United States and Europe fell victim to the numerous domestic pressures of the various nations involved. In the minds of many, our European allies were neither required nor could they be counted on for support.

Last week, however, the merits of an alliance became crystal clear. In a major move, Portugal banned trade with Iran, thus becoming the first Atlantic ally to impose major economic sanctions against that nation. Despite the fact that a full 21 percent of their oil comes from Iran, the Portuguese have demonstrated a true commitment in joining U.S. efforts to secure release of the hostages.

I believe that such action can be construed as the first, tangible outgrowth of the recent meeting between congressional leaders headed by our Speaker and Portuguese officials. This trip was instrumental in showing the Portuguese that we as a nation are committeed to the economic and security needs of Portugal. Now they have responded with concrete action to our present need.

This latest development has underscored to me the desirability of cementing ties with our allies through personal communication. When you sit down, face to face with representatives from other nations, you not only glean an appreciation of their perspective, you hammer out the seemingly intractable differences which have prevented unified action. Portugal has put herself on the line in joining the United States. And it appears from latest reports that our other European allies may be moving in the same direction. Take heed, Ayatollah Khomeini.

"BUDGET BUSTING" IN 1980

(Mr. MICHEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. MICHEL. Mr. Speaker, tomorrow the national spotlight will be on the resolution to balance the 1981 budget.

However, I would like to see just one glimmer of light focused on the 1980 budget before we discuss 1981. Because, while we are raising public hopes for a balanced budget next year, we are sticking it to them this year.

Five short months ago we committed ourselves to a 1980 spending level of $547.6 billion. Several weeks ago, we threw that figure out the window and replaced it with $567 billion—$20 billion more. Tomorrow I understand the $567 billion will be abandoned in favor of $571.6 billion. What will outlays be next month or the month after that?

How can a Congress that is letting spending rage out of control this year, promise the taxpayers a tight fiscal policy next year? Mr. Speaker, if you believe the budget will be balanced this time next year, I have got some swampland in Florida I would like to sell you.

If we are sincere about 1981, then let us be honest about 1980. Let us keep spending under $570 billion, put a statutory cap on it, and give the President the power to hold down outlays if the Congress cannot.

NICARAGUA FOLLOWS CUBAN LEAD ON WORLD ISSUES

(Mr. LAGOMARSINO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. LAGOMARSINO. Mr. Speaker, much has been said in recent weeks about the need to give aid to Nicaragua so that country will not follow the Cuban model.

It is hard for me to understand why there remains any doubt about which way Nicaragua is going. Nicaragua consistently follows the Cuban lead on world issues, particularly Afghanistan and Iran, and now it repeats the same party line on the 10,000 Cuban refugees seeking asylum in the Peruvian Embassy in Havana.

Cuba calls those refugees degenerates. Nicaragua does the same.

I would like to quote for you a part of a Nicaraguan Government editorial:

> It is our duty to explain to our people that, first, the current guests at the Peruvian Embassy in Cuba have nothing to do with political or ideological stands as AP, UPI and their hemispheric branches have tried to portray. Those people are no more than the dregs of Cuban society which is devoted to the creative work of socialism. Most of them are common criminals, sociopaths, homosexuals and drug traffickers who logically cannot adapt themselves to the conduct of a people who have had many years of Socialist experience.

To me, that statement by Nicaragua follows exactly the example of Cuba.

CONGRESS INFLATES

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, the latest jump in consumer prices announced today by the administration is more evidence that the big spenders in Congress have mismanaged the Nation's economy for the last 25 years.

Inflation continues to roar out of control because a majority in Congress continues to vote for budget deficits. This year alone the Federal budget deficit for all items, including off-budget items, is expected to exceed $50 billion.

It is more important than ever that Congress pass a balanced budget for the next fiscal year. This will show that Congress is serious about controlling inflation. The Republican approach is to reduce spending, rather than the Democrat balanced budget by increasing taxes. Take your choice. My people want Government spending cut, cut, cut.

☐ 1220

ALL-VOLUNTEER ARMY RECRUITMENT FRAUD

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, since I have come to Congress, I have heard conflicting reports about the success of the All-Volunteer Army, a concept I supported from the very beginning.

However, some servicemen have visited me and told me personally that they believe it has failed.

Yet the Carter administration assures us it is working.

When enlistment quotas fall short, the administration says, "Don't worry, we are close."

Well, Mr. Speaker, yesterday's Washington Post carries an article about 87 Army recruiting sergeants who do not agree. They are suing the Army because they claim they are forced to commit fraud to fill their recruiting quotas—to make the All-Volunteer Army work.

One of them summed it up this way. The All-Volunteer Army, he said, "is most definitely the biggest flop and biggest joke I have ever seen in my life. I would not want to go to war with the trash we got in the Army right now. I am just telling you like it is."

Mr. Speaker, these are serious allegations. I do not know if they are true. But we do need an open and full debate on this issue, and the Carter administration must be willing to participate in it. On this subject, we need the truth, we need the whole truth and nothing but the truth.

At the very least, the American people and this Congress have the right to know as much about the status of the All-Volunteer Army as do the Soviet intelligence agencies.

HOUSING INDUSTRY IN DEEP TROUBLE

(Mr. KRAMER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. KRAMER. Mr. Speaker, 2 weeks ago realtors from all over the country converged on Washington. Their message was short and to the point: The housing industry is in deep trouble, thanks to high interest rates and inflation brought on by 25 years of deficit spending by the Democratic-controlled Congress. After meeting with President Carter and leaders of the Congress, one of my constituents, who is president of the Colorado Association of Realtors, was quoted as saying:

> You come away from there (Washington) frightened. It seems the inmates are in control.

The Consumer Price Index figures for March, which were released this morning, would seem to back him up. For the third straight month, prices rose by 1.4 percent, which translates to an annual inflation rate of 18.1 percent. This means that real earnings of the average worker are down 7.9 percent from a year ago, and that the 1967 dollar is worth just 41.7 cents. That is the bad news. The good news is that the November elections are less than 200 days away.

A TURKEY IN THE WHITE HOUSE

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, today in the lower depths of Hades there is most likely a birthday celebration. Today is the 110th anniversary of the birth of one of the world's great mass murderers, Vladimir Ilyich Ulyanov Lenin. And Lenin must be smiling as he sits there on his very, very hot coal, because his world plan for bloodshed, terror, and revolution is way ahead of schedule.

If you turn on news radio right now on this historic day, you will hear that there is a turkey in the White House. It is true. Not a minority assessment. A wild turkey last night flew over the security fences onto the grounds of the White House and is sitting in a tree over there at this very instant. The vultures have not yet begun to arrive but with the pigeon that we have in the White House, it will not be long before they follow that wild turkey's flight plan. With a President unable to delineate any type of coherent foreign policy, or unable to secure a firm hold on what America's role of leadership is in the world, I can assure you that Americans will change our leadership and put new firm hands on the helm of the last great free ship of state left in the world before those vultures arrive. Lenin will not be enjoying his 111th birthday next year if Americans are wise enough to do what they must on next November 4.

NO FREE PRESS IN NICARAGUA

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, the Members of the House are in receipt of a "Dear Colleague" letter this morning from myself and other colleagues, detailing how the Nicaraguan Sandinista Communist government has embraced the Soviet invasion of Afghanistan and endorsed the holding of U.S. hostages by the Iranians, among other things.

Later today we may or may not consider the Nicaraguan aid bill, since it is removed from the schedule rather regularly, but I wanted to bring to my colleagues' attention the fact that officials of the Inter-American Press Association visited Nicaragua in the last 2 weeks and, in effect, censured the government for having no free press, for licensing all jouralists and for controlling the press through a single government union. The Members will be interested to know that that single union closed down the only quasi-free newspaper this weekend. La Prensa is no longer being published because apparently its views were too strong, although tepid in my view, for the Communist government of Nicaragua. At the same time, one of the owners of La Prensa, Violeta Chamorro, resigned from the junta, one of the two non-Communist members in the government.

PROVIDING FOR CONSIDERATION OF HOUSE JOINT RESOLUTION 521, SELECTIVE SERVICE TRANSFER AUTHORITY FOR DRAFT REGISTRATION

Mr. BOLLING. Mr. Speaker, by direction of the Commitee on Rules, I call up House Resolution 643 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. Res. 643

Resolved, That upon the adoption of this resolution it shall be in order to move, clause 2(1)(6) of rule XI to the contrary notwithstanding, that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the resolution (H.J. Res. 521) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System, and the first reading of the resolution shall be dispensed with. After general debate, which shall be confined to the resolution and shall continue not to exceed one hour, to be equally divided and controlled by the chairman and ranking minority member of the Committee on Appropriations, the resolution shall be read for amendment under the five-minute rule. At the conclusion of the consideration of the resolution for amendment, the Committee shall rise and report the resolution to the House with such amendments as may have been adopted, and the previous question shall be considered as ordered on the resolution and amendments thereto to final passage without intervening motion except one motion to recommit.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Tennessee (Mr. QUILLEN). Pending that, I yield myself such time as I may consume.

Mr. Speaker, this is an open rule, with only one unusual feature, and that is that it waives the so-called 3-day rule.

Since this matter has been before the House and the Committee on Appropriations for some time, I do not think that that is particularly significant.

There is going to be a good deal of debate and a good deal of controversy over the resolution that this rule makes in order, but I see no reason for there to be any controversy over the rule itself.

Mr. Speaker, I reserve the balance of my time.

Mr. QUILLEN. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as the distinguished chairman of the Committee on Rules, Mr. BOLLING, has explained, this rule is a simple resolution. If the Members of the House will recall, when the question of registration was before this body last year it was in a DOD authorization bill. I opposed it at that time because I thought that the matter should be fully debated on its own and not embodied in another measure. And, Mr. Speaker, I support this rule and I will support the measure when it comes to the floor of the House for final passage. It is a simple transfer of funds from the account "Military Personnel, Air Force," to the Selective Service System.

Mr. Speaker, I urge the adoption of the resolution.

I will inform the chairman of the Committee on Rules, Mr. BOLLING, that I have one request for time, and at this time I yield 5 minutes to the gentleman from Maryland (Mr. BAUMAN).

☐ 1230

Mr. BAUMAN. Mr. Speaker, while there is no objection on the part of the gentleman from Maryland and I hope the House will support the rule which makes in order this legislation transferring funds from the Air Force military personnel account to the Selective Service System; however, I have grave reservations about this transfer, not because I oppose peacetime registration and classification, although I do oppose a peacetime draft.

If you will think back a few months, you will recall that the reason we are faced with this issue today, I assumed, is because the President of the United States, in response to the Soviet invasion of Afghanistan, wished to make plain to the Soviets our intention of doing something about the military readiness of the United States and our ability to respond to these situations that have just occurred and will occur again in the future.

The response of the President, however, is to request a transfer of some $13 million to the Selective Service Svstem, which will do very little, in my opinion, to actually activate that system as it should be.

We heard testimony yesterday before the Committee on Rules that this resolution will do no more than create a token reactivation of State and national capability but will not produce needed and ready registrants.

My question is, why, if we are supposed to bring about a registration and classification system that in an emergency will provide the needed manpower, why are we not being asked to appropriate the full amount, which testimony before the Appropriations Subcommittee indicated would be about $500 million at a minimum?

I am afraid that this legislation before us will be read by the Soviets, who watch very closely everything we do in this country, as nothing more than another Carter gesture, and a very poor and weak gesture at that, in the sense that it says that we are not really serious about doing something about our very badly needed manpower and personnel problems in the Armed Forces of the United States. Almost every military expert that I have talked with and that you have heard testify before your committees in recent months have very plainly laid out the fact that the United States is far behind the Soviet Union and the Warsaw Pact nations in conventional military capability, and one of our weakest spots is that of available personnel.

While I do not support a peacetime draft, I think we should have in place as quickly as possible a complete registration and classification system. I intend to offer an amendment during the consideration of this legislation that will increase the amount of money, also transferring from the Air Force military personnel fund to a full half a billion dollars ($500 million) so that we can squarely face the issue, do we want true classification and registration? Do we want to strengthen our manpower capabilities, or are we satisfied with another gesture that is just that, another grain embargo that failed, another Olympic boycott that may or may not have any impact on the Soviet Union?

I think that we owe it, not just to our constituencies and ourselves to be honest about this issue, we owe it to the free world to take a step now that shows that we recognize the dire situation in which this country finds itself militarily and not be beguiled with less than half measures.

I hope you will support my amendment to create a full registration and classification system, awaiting the day, God forbid, we ever need a draft.

Mr. DICKINSON. Mr. Speaker, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from Alabama.

Mr. DICKINSON. Mr. Speaker, I just was wondering if the gentleman had heard. I have been told that if our boycott of the Olympics does not work, that the next weapon we are going to employ is to withdraw all support from the Miss Universe contest. Could the gentleman comment on that?

Mr. BAUMAN. Not being too closely associated with any of the Miss Universes or their contests, I am not capable of answering that; but the gentleman has added a needed note of levity on a serious subject, and I assume, I take the gentleman's comments to be that the gentleman supports my amendment which should have universal appeal.

Mr. BOLLING. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 357, nays 29, not voting 46, as follows:

[Roll No. 188]

YEAS—357

Abdnor
Addabbo
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Aspin
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonior
Bouquard
Bowen
Brademas
Brinkley
Brodhead
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, Phillip
Butler
Byron
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coleman
Conte
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Dickinson
Dicks
Dingell
Dixon
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Gibbons
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harsha
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, N.Y.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer

Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wolff
Wright
Wyatt
Wydler
Wylie
Yatron
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—29

Brown, Calif.
Burton, John
Carr
Chisholm
Clay
Collins, Ill.
Collins, Tex.
Conable
Conyers
Devine
Edwards, Calif.
Harris
Hawkins
Holtzman
Johnson, Colo.
Kastenmeier
Kildee
Latta
Leland
Miller, Calif.
Mitchell, Md.
Paul
Rangel
Richmond
Rodino
Roybal
Weiss
Wolpe
Yates

NOT VOTING—46

Albosta
Anderson, Ill.
Anthony
Ashley
Atkinson
Bedell
Boner
Bonker
Breaux
Brooks
Burlison
Campbell
Coelho
Crane, Philip
Dellums
Derwinski
Diggs
Dodd
Dougherty
Ertel
Ford, Mich.
Giaimo
Gingrich
Goodling
Gray
Hammerschmidt
Hefner
Jenrette
Kazen
Lederer
Mathis
Moorhead, Pa.
Murphy, Ill.
Murphy, Pa.
Musto
Myers, Pa.
Pepper
Pursell
Schulze
Skelton
Solomon
Symms
Trible
Wilson, C. H.
Wirth
Young, Alaska

☐ 1250

The Clerk announced the following pairs:

Mr. Breaux with Mr. Trible.

Mr. Kazen with Mr. Young of Alaska.

Mr. Giaimo with Mr. Schulze.

Mr. Ford of Michigan with Mr. Goodling.

Mr. Murphy of Pennsylvania with Mr. Hammerschmidt.

Mr. Hefner with Mr. Solomon.

Mr. Dodd with Mr. Symms.

Mr. Burlison with Mr. Pursell.

Mr. Boner of Tennessee with Mr. Dougherty.

Mr. Ashley with Mr. Gingrich.

Mr. Ertel with Mr. Derwinski.

Mr. Pepper with Mr. Philip M. Crane.

Mr. Brooks with Mr. Campbell.

Mr. Wirth with Mr. Anderson of Illinois.

Mr. Musto with Mr. Murphy of Illinois.

Mr. Myers of Pennsylvania with Mr. Charles H. Wilson of California.

Mr. Lederer with Mr. Mathis.

Mr. Moorhead of Pennsylvania with Mr. Jenrette.

Mr. Albosta with Mr. Gray.

Mr. Anthony with Mr. Dellums.

Mr. Bedell with Mr. Diggs.

Mr. Atkinson with Mr. Bonker.

Mr. Coelho with Mr. Skelton.

Mrs. COLLINS of Illinois changed her vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

APPOINTMENT AS MEMBERS OF COMMISSION ON SECURITY AND COOPERATION IN EUROPE FOR THE 96TH CONGRESS

The SPEAKER. Pursuant to section 3(1), Public Law 94-304, the Chair appoints as members of the Commission on Security and Cooperation in Europe for the 96th Congress the following Members on the part of the House:

Mr. FASCELL of Florida, chairman;
Mr. YATES of Illinois;
Mr. BINGHAM of New York;
Mr. SIMON of Illinois;
Mr. BUCHANAN of Alabama; and
Mrs. FENWICK of New Jersey.

RESIGNATION OF MEMBER AND APPOINTMENT AS MEMBER OF TEMPORARY COMMISSION ON FINANCIAL OVERSIGHT OF DISTRICT OF COLUMBIA

The SPEAKER laid before the House the following resignation as a member of the Temporary Commission on Financial Oversight of the District of Columbia:

HOUSE OF REPRESENTATIVES,
Washington, D.C., April 21, 1980.

Hon. THOMAS P. O'NEILL, Jr.,
Rayburn Office Building,
Washington, D.C.

DEAR MR. SPEAKER: As a result of a change in my Appropriations Subcommittee Membership, I hereby resign as a Member of the Temporary Commission on Financial Oversight of the District of Columbia.

I greatly enjoyed serving on the Commission, and appreciate your having appointed me to it.

Sincerely,

CHARLES WILSON.

The SPEAKER. Without objection, the resignation is accepted.

There was no objection.

The SPEAKER. Pursuant to section 1(b)(2), Public Law 94-399, the Chair appoints to the temporary commission on financial oversight of the District of Columbia the gentleman from California, Mr. DIXON, to fill the existing vacancy thereon.

CONFERENCE REPORT ON H.R. 10, CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. KASTENMEIER submitted the following conference report and statement on the bill (H.R. 10), an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

CONFERENCE REPORT (H. REPT. No. 96-897)

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10), to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate and agree to the same with an amendment as follows:

In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

That this Act may be cited as the "Civil Rights of Institutionalized Persons Act".

SEC. 2. DEFINITIONS.

As used in this Act—

(1) The term "institution" means any facility or institution—

(A) which is owned, operated, or managed by, or provides services on behalf of any State or political subdivision of a State; and

(B) which is—

(i) for persons who are mentally ill, disabled, or retarded, or chronically ill or handicapped;

(ii) a jail, prison, or other correctional facility;

(iii) a pretrial detention facility;

(iv) for juveniles—

(I) held awaiting trial;

(II) residing in such facility or institution for purposes of receiving care or treatment; or

(III) residing for any State purpose in such facility or institution (other than a residential facility providing only elementary or secondary education that is not an institution in which reside juveniles who are adjudicated delinquent, in need of supervision, neglected, placed in State custody, mentally ill or disabled, mentally retarded, or chronically ill or handicapped); or

(V) providing skilled nursing, intermediate or long-term care, or custodial or residential care.

(2) Privately owned and operated facilities shall not be deemed "institutions" under this Act if—

(A) the licensing of such facility by the State constitutes the sole nexus between such facility and such State;

(B) the receipt by such facility, on behalf of persons residing in such facility, of payments under title XVI, XVIII, or under a State plan approved under title XIX, of the Social Security Act, constitutes the sole nexus between such facility and such State; or

(C) the licensing of such facility by the State, and the receipt by such facility, on behalf of persons residing in such facility, of payments under title XVI, XVIII, or under a State plan approved under title XIX, of the Social Security Act, constitutes the sole nexus between such facility and such State;

(3) The term "person" means an individual, a trust or estate, a partnership, an association, or a corporation;

(4) The term "State" means any of the several States, the District of Columbia, the Commonwealth of Puerto Rico, or any of the territories and possessions of the United States;

(5) the term "legislative days" means any calendar day on which either House of Congress is in session.

SEC. 3. INITIATION OF ACTIONS.

(a) Whenever the Attorney General has reasonable cause to believe that any State or political subdivision of a State, official, employee, or agent thereof, or other person acting on behalf of a State or political subdivision of a State is subjecting persons residing in or confined to an institution, as defined in section 2, to egregious or flagrant conditions which deprive such persons of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States causing such persons to suffer grievous harm, and that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States, may institute a civil action in any appropriate United States district court against such party for such equitable relief as may be appropriate to insure the minimum corrective measures necessary to insure the full enjoyment of such rights, privileges, or immunities, except that such equitable relief shall be available under this Act to persons residing in or confined to an institution as defined in section 2(1)(B)(ii) only insofar as such persons are subjected to conditions which deprive them of rights, privileges, or immunities secured or protected by the Constitution of the United States.

(b) In any action commenced under this section, the court may allow the prevailing party, other than the United States, a reasonable attorney's fee against the United States as part of the costs.

(c) Any complaint filed by the Attorney General pursuant to this section shall be personally signed by him.

SEC. 4. CERTIFICATION REQUIREMENTS.

(a) At the time of the commencement of an action under section 2 the Attorney General shall certify to the court—

(1) that at least 49 calendar days previously he has notified in writing the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution of—

(A) the alleged conditions which deprive rights, privileges, or immunities secured or protected by the Constitution or laws of the United States and the alleged pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities;

(B) the supporting facts giving rise to the alleged conditions and the alleged pattern or practice, including the dates or time period during which the alleged conditions and pattern or practice of resistance occurred; and when feasible, the identity of all persons reasonably suspected of being involved in causing the alleged conditions and pattern or practice at the time of the certification, and the date on which the alleged conditions and pattern or practice were first brought to the attention of the Attorney General; and

(C) the minimum measures which he believes may remedy the alleged conditions and the alleged pattern or practice of resistance;

(2) that he has notified in writing the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution of his intention to commence an investigation of such institution, that such notice was delivered at least seven days prior to the commencement of such investigation and that between the time of such notice and the commencement of an action under Section 3 of this Act—

(A) he has made a reasonable good faith effort to consult with the Governor or chief executive officer and attorney general or chief legal officer of the appropriate State or political subdivision and the director of the institution, or their designees, regarding financial, technical, or other assistance which may be available from the United States and which he believes may assist in the correction of such conditions and pattern or practice of resistance;

(B) he has encouraged the appropriate officials to correct the alleged conditions and pattern or practice of resistance through informal methods of conference, conciliation and persuasion, including, to the extent feasible, discussion of the possible costs and fiscal impacts of alternative minimum corrective measures, and it is his opinion that reasonable efforts at voluntary correction have not succeeded; and

(C) he is satisfied that the appropriate officials have had a reasonable time to take appropriate action to correct such conditions and pattern or practice, taking into consideration the time required to remodel or make necessary changes in physical facilities or relocate residents, reasonable legal or procedural requirements, the urgency of the need to correct such conditions, and other circumstances involved in correcting such conditions; and

(3) that he believes that such an action by the United States is of general public importance and will materially further the vindication of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States.

(b) Any certification made by the Attorney General pursuant to this section shall be personally signed by him.

SEC. 5. INTERVENTION IN ACTIONS.

(a)(1) Whenever an action has been commenced in any court of the United States seeking relief from egregious or flagrant conditions which deprive persons residing in institutions of any rights, privileges, or immunities secured or protected by the Constitution or laws of the United States causing them to suffer grievous harm and the Attorney General has reasonable cause to believe that such deprivation is pursuant to a pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities, the Attorney General, for or in the name of the United States, may intervene in such action upon motion by the Attorney General.

(2) The Attorney General shall not file a motion to intervene under paragraph (1) before 90 days after the commencement of the action, except that if the court determines it would be in the interests of justice, the court may shorten or waive the time period.

(b)(1) The Attorney General shall certify to the court in the motion to intervene filed under subsection (a)—

(A) that he has notified in writing, at least fifteen days previously, the Governor or chief executive officer, attorney general or chief legal officer of the appropriate State or political subdivision, and the director of the institution of—

(i) the alleged conditions which deprive rights, privileges, or immunities secured or protected by the Constitution or laws of the United States and the alleged pattern or practice of resistance to the full enjoyment of such rights, privileges, or immunities;

(ii) the supporting facts giving rise to the alleged conditions, including the dates and time period during which the alleged conditions and pattern or practice of resistance occurred; and

(iii) to the extent feasible and consistent with the interests of other plaintiffs, the minimum measures which he believes may remedy the alleged conditions and the alleged pattern or practice of resistance; and

(B) that he believes that such intervention by the United States is of general public importance and will materially further the vindication of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States.

(2) Any certification made by the Attorney General pursuant to this subsection shall be personally signed by him.

(c) Any motion to intervene made by the Attorney General pursuant to this section shall be personally signed by him.

(d) In any action in which the United States joins as an intervenor under this section, the court may allow the prevailing party, other than the United States, a reasonable attorney's fee against the United States as part of the costs. Nothing in this subsection precludes the award of attorney's fees available under any other provisions of the United States Code.

SEC. 6. PROHIBITION OF RETALIATION.

No person reporting conditions which may constitute a violation under this Act shall be subjected to retaliation in any manner for so reporting.

SEC. 7. EXHAUSTION OF REMEDIES.

(a)(1) Subject to the provisions of paragraph (2), in any action brought pursuant to section 1979 of the Revised Statutes of the United States (42 U.S.C. 1983) by an adult convicted of a crime confined in any jail, prison, or other correctional facility, the court shall, if the court believes that such a requirement would be appropriate and in the interests of justice, continue such case for a period of not to exceed ninety days in order to require exhaustion of such plain, speedy, and effective administrative remedies as are available.

(2) The exhaustion of administrative remedies under paragraph (1) may not be required unless the Attorney General has certified or the court has determined that such administrative remedies are in substantial compliance with the minimum acceptable standards promulgated under subsection (b).

(b)(1) No later than one hundred eighty days after the date of enactment of this Act, the Attorney General shall, after consultation with persons, State and local agencies, and organizations with background and expertise in the area of corrections, promulgate minimum standards for the development and implementation of a plain, speedy, and effective system for the resolution of grievances of adults confined in any jail, prison, or other correctional facility. The Attorney General shall submit such proposed standards for publication in the Federal Register in accordance with section 553 of title 5, United States Code. Such standards shall take effect thirty legislative days after publication unless, within such period, either House of Congress adopts a resolution of disapproval of such standards.

(2) The minimum standards shall provide—

(A) for an advisory role for employees and inmates of any jail, prison, or other correctional institution (at the most decentralized level as is reasonably possible), in the formulation, implementation, and operation of the system;

(B) specific maximum time limits for written replies to grievances with reasons thereto at each decision level within the system;

(C) for priority processing of grievances which are of an emergency nature, including matters in which delay would subject the grievant to substantial risk of personal injury or other damages;

(D) for safeguards to avoid reprisals against any grievant or participant in the resolution of a grievance; and

(E) for independent reviews of the disposition of grievances, including alleged reprisals, by a person or other entity not under the direct supervision or direct control of the institution.

(c)(1) The Attorney General shall develop a procedure for the prompt review and certification of systems for the resolution of grievances of adults confined in any jail, prison, or other correctional facility, or pretrial detention facility, to determine if such systems, as voluntarily submitted by the various States and political subdivisions, are in substantial compliance with the minimum standards promulgated under subsection (b).

(2) The Attorney General may suspend or withdraw the certification under paragraph (1) at any time that he has reasonable cause to believe that the grievance procedure is no longer in substantial compliance with the minimum standards promulgated under subsection (b).

(d) The failure of a State to adopt or adhere to an administrative grievance procedure consistent with this section shall not constitute the basis for an action under section 3 or 5 of this Act.

SEC. 8. REPORT TO CONGRESS

The Attorney General shall include in his report to Congress on the business of the

Department of Justice prepared pursuant to section 522 of title 28, United States Code—

(1) a statement of the number, variety, and outcome of all actions instituted pursuant to this Act including the history of, precise reasons for, and procedures followed in initiation or intervention in each case in which action was commenced;

(2) a detailed explanation of the procedures by which the Department has received, reviewed and evaluated petitions or complaints regarding conditions in institutions;

(3) an analysis of the impact of actions instituted pursuant to this Act, including, when feasible, an estimate of the costs incurred by States and other political subdivisions;

(4) a statement of the financial, technical, or other assistance which has been made available from the United States to the State in order to assist in the correction of the conditions which are alleged to have deprived a person of rights, privileges, or immunities secured or protected by the Constitution or laws of the United States; and

(5) the progress made in each Federal institution toward meeting existing promulgated standards for such institutions or constitutionally guaranteed minima.

SEC. 9. PRIORITIES FOR USE OF FUNDS.

(a) It is the intent of Congress that deplorable conditions in institutions covered by this Act amounting to deprivations of rights protected by the Constitution or laws of the United States be corrected, not only by litigation as contemplated in this Act, but also by the voluntary good faith efforts of agencies of Federal, State, and local governments. It is the further intention of Congress that where Federal funds are available for use in improving such institutions, priority should be given to the correction or elimination of such unconstitutional or illegal conditions which may exist. It is not the intent of this provision to require the redirection of funds from one program to another or from one State to another.

SEC. 10. NOTICE TO FEDERAL DEPARTMENTS.

At the time of notification of the commencement of an investigation of an institution under section 3 or of the notification of an intention to file a motion to intervene under section 5 of this Act, and if the relevant institution receives Federal financial assistance from the Department of Health and Human Services or the Department of Education, the Attorney General shall notify the appropriate Secretary of his action and the reasons for such action and shall consult with such officials. Following such consultation, the Attorney General may proceed with an action under this Act if he is satisfied that such action is consistent with the policies and goals of the executive branch.

SEC. 11. DISCLAIMER—STANDARDS OF CARE.

Provisions of this Act shall not authorize promulgation of regulations defining standards of care.

SEC. 12. DISCLAIMER—PRIVATE LITIGATION.

The provisions of this Act shall in no way expand or restrict the authority of parties other than the United States to enforce the legal rights which they may have pursuant to existing law with regard to institutionalized persons. In this regard, the fact that the Attorney General may be conducting an investigation or contemplating litigation pursuant to this Act shall not be grounds for delay of or prejudice to any litigation on behalf of parties other than the United States.

And the Senate agree to the same.

ROBERT W. KASTENMEIER,
GEORGE E. DANIELSON,
ROMANO L. MAZZOLI,
HERBERT E. HARRIS II,
LAMAR GUDGER,
BOB CARR,
TOM RAILSBACK,
CARLOS J. MOORHEAD,
HAROLD S. SAWYER,
Managers on the Part of the House.

BIRCH BAYH,
HOWARD M. METZENBAUM,
HOWELL HEFLIN,
DENNIS DECONCINI,
ORRIN G. HATCH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

INTRODUCTION

One measure of a nation's civilization is the quality of treatment it provides persons entrusted to its care. The past decade has borne testimony to the growing civilization of this country through its commitment to the adequate care of its institutionalized citizens. Nowhere is that commitment more evident than in the actions of the United States Justice Department.

Since 1971, the Attorney General has participated in a series of civil actions seeking to redress widespread violations of constitutional and federal statutory rights of persons residing in state institutions. Through litigation conducted by the Civil Rights Division, the Justice Department has participated as *amicus curiae* or plaintiff-intervenor in more than 25 suits brought to secure basic legal and Constitutional conditions in institutions housing the mentally ill, the retarded, the chronically and physically ill, prisoners, juvenile delinquents, and neglected children. In addition, the Attorney General has participated in suits successfully challenging the constitutionality of several State commitment statutes.

At least ten Federal district courts have requested the Justice Department to participate in litigation concerning the rights of institutionalized individuals. The Attorney General has also petitioned to intervene in pending cases, to represent the interests of the United States in securing basic constitutional rights for its institutionalized citizens. Whether by request of the court or by petition to intervene, however, the Justice Department invariably has brought to the litigation process investigative resources, technical advice, and legal expertise unavailable to private litigants. Courts have been openly appreciative of these efforts.

Apart from their salutary effects on the management of such litigation, the Justice Department's activities have enhanced the lives of thousands of institutionalized individuals throughout the country. In every suit in which the Department has participated, the trial and appellate courts have upheld the plaintiffs' claims and ordered extensive relief. As a result, conditions have improved significantly in dozens of institutions across the Nation: decent and humane living environments have been secured for mentally ill and retarded residents in state hospitals; barbaric treatment of adult and juvenile prisoners has been curbed; persons unnecessarily or improperly committed have been released or relocated in less restrictive community placements; and States facing the prospect of suit by the Attorney General have voluntarily upgraded conditions in their institutions and rewritten State commitment laws to comply with previously announced constitutional standards.

Despite the proven effectiveness of the Department's efforts, its litigation program stands threatened by two recent Federal court decisions. District courts in both Maryland and Montana recently ruled that, absent express statutory authority, the Attorney General lacked standing to initiate civil actions challenging conditions in two State facilities for the mentally retarded. Both suits were recently upheld on appeal.

Although Congress has, in other contexts, given the Attorney General explicit authority to redress systematic deprivations of constitutional rights, it has never expressly authorized him to enforce fundamental Federal rights of institutionalized individuals. The Maryland and Montana decisions make clear that without a Federal statute clarifying the Attorney General's authority to initiate and to intervene in such suits, the Department's litigative efforts to protect the institutionalized will be paralyzed.

H.R. 10 provides that authority. It creates no new substantive rights. It simply gives the Attorney General legal standing to enforce existing constitutional and Federal statutory rights of institutionalized persons. By codifying the authority of the Attorney General to initiate and to intervene in suits to redress serious and pervasive patterns of institutional abuse, H.R. 10 insures that institutionalized citizens will be afforded the full measure of protections guaranteed them by the Constitution of the United States.

Another purpose of the bill is to stimulate the development and implementation of effective administrative mechanisms for the resolution of grievances in correctional and pretrial detention facilities, and to allow a court to continue a case for a limited period of time when such an effective mechanism exists and use of it would be appropriate and in the interest of justice. The effect of H.R. 10 would be to secure basic legal and constitutional rights for institutionalized persons, and to assist in relieving the caseloads of Federal courts in prisoner petitions.

SECTION-BY-SECTION ANALYSIS

Section 2. Definitions

Section 2 of H. R.10 provides the definition of terms used in the bill.

The first definitions are those of the various facilities and institutions, the residents of which may benefit by the vindication of their rights through suits brought under the bill.

Section 2 lists 5 types of facilities and institutions which are included in the scope of the bill.

The first is any facility or institution which is "for persons who are mentally ill, disabled, or retarded, or chronically ill or handicapped." This term is generic and it is the intent of the committee that it include all types of facilities and institutions for the mentally impaired, as well as those for the chronically ill or handicapped including institutions for the blind, the deaf, the paraplegic and the epileptic. The word "mentally" modifies all three words, "ill, disabled, or retarded."

The second facility or institution covered is any which is "a jail or prison or other correctional facility." Congress, mindful that penal institutions are frequently labeled, officially or otherwise, as schools, camps, work farms, correctional centers and any number of appellations, has chosen to use this term to include all penal institutions, those institutions in which persons are wholly or partially confined or housed as part of a criminal sanction or process.

The third facility or institution covered is any which is "a pretrial detention facility". This generic term is intended to cover any institution or facility which confines detainees who are awaiting or participating in criminal trials. State and local laws generally require the separation of convicted and not convicted persons. This institutional category will reach detention facilities for persons who have not been convicted.

The fourth facility or institution covered is any which is for juveniles held awaiting trial or residing for purposes of receiving care or treatment or for any other State purpose. It is not the intent of Congress that facilities providing only elementary or secondary education be covered unless such a facility is for one or more of a special category of juveniles—those who are adjudicated delinquent, in need of supervision, neglected, placed in State custody, mentally ill or disabled or mentally retarded, or chronically ill or handicapped.

The fifth facility or institution covered is any which is "providing skilled nursing, intermediate or long term care, or custodial or residential care." This term is derived in part from the medical assistance provisions of the Social Security Act and is intended to include such facilities and institutions which provide care under the provisions of that Act, as well as those institutions and facilities which provide custodial or long-term or residential care.

Among the institutions which may be covered under this Act is an institution providing "residential care." This term refers to a facility which may not be offering medical or custodial services, but merely institutional living accommodations, e.g., a traditional rest home or home for the aged.

It is essential to note that these five categories of institutions and facilities are modified by a paragraph which limits the coverage of the bill to a facility or "institution" which is "owned, operated, or managed by or provides services on behalf of any State or political subdivision of a State;" these relationships are drawn from cases which already have been decided under the State action provisions of the fourteenth amendment. It is the intention of Congress that institutions covered by this Act partake in some significant respect of the qualities of a State or public institution.

Section 2(2) states that the existence of certain relationships between an otherwise private institution and the State shall not suffice to bring that institution within the scope of this Act as specified in section 2(1) (A). These relationships are stated in sections 2(b) (1), 2(2) (B), and 2(2) (C). Additionally, it is not the intent of Congress that an institution within which there is a *de minimus* number of institutionalized persons who reside in such facility as a result of State action shall be covered by this Act. There must be a significant relationship with the State before an institution or facility comes within the purview of this Act.

Section 2(b) is designed only to preclude the Attorney General from acting pursuant to this Act where the nexus between the State and an institution is founded exclusively in these relationships. It is not designed to define or redefine the concept of "State action" in the context of the fourteenth amendment or any other constitutional amendment. It is not intended to suggest Congressional policy with respect to any other Federal law. It is not intended to establish standards with respect to litigation initiated outside of this Act. It is not intended to establish minimum relationships between institutions and the State beyond which an institution is automatically within the purview of the Act.

Section 3. Authority to initiate suits

This section grants authority to the Attorney General to initiate actions in Federal courts for such equitable relief as may be appropriate when he has reasonable cause to believe that a State or political subdivision of a State or person acting on behalf of a State or political subdivision is subjecting persons residing in or confined to any institution to egregious or flagrant conditions which deprive them of rights protected by the Constitution or laws of the United States. In order for the Attorney General to initiate a suit under this section he must have reasonable cause to believe that the deprivation of rights is part of a "pattern or practice" of denial rather than an isolated or accidental incident.

The adoption by the conference committee of the language "egregious or flagrant" establishes a standard for the Department of Justice's involvement that reflects a Congressional sensitivity to the fact that a high degree of care must be taken when one level of sovereign government sues another in our Federal system. This is a higher standard than that required of plaintiffs other than the United States. This is not intended to expand or restrict the existing rights of plaintiffs other than the United States. This standard applies to the United States only in actions brought under this Act.

Several of the existing civil rights laws permit the Attorney General to initiate "pattern or practice" suits. These laws do not provide an explicit definition of "pattern or practice" in the statutory text, however, through litigation the term has come to have a clear meaning. To fulfill the requirement the illegal acts must result from more than an isolated or accidental or peculiar event. The Government must show that the unlawful act by the defendant was not an isolated or accidental departure from an otherwise lawful practice. It has been held, however, that there is no requirement that a conspiracy be alleged, or found for a "pattern or practice" of rights violations to take place.

Congress notes that the Attorney General, under H.R. 10, may initiate suits in "any appropriate United States district court" as determined by the applicable venue statutes.

Section 3 also authorizes the Attorney General to seek "such equitable relief as may be appropriate to insure the minimum corrective measures necessary to insure the full enjoyment" of the rights secured or protected by the Constitution or laws of the United States. Of course, the specific relief appropriate in any particular case will depend on the facts presented to the court.

Congress recognizes that before initiating litigation with respect to a particular institution, the Attorney General must, of course, thoroughly investigate such institution. It is anticipated that the States and relevant officials will cooperate in the investigative process. If there is a failure to do so, the Attorney General may consider this factor in taking any actions under this Act.

The Attorney General may only seek relief appropriate to insure the minimum corrective measures necessary to insure the full enjoyment of rights. This is not intended to limit the equity powers of any court to order relief it deems appropriate. After the commencement of the suit, further investigation and discovery may indicate additional corrective measures are appropriate. Certainly it is understood that the Attorney General can return to the court to seek additional relief consistent with his authority to seek relief appropriate to insure the minimum corrective measures necessary to insure the full enjoyment of rights.

The legislation further limits actions to enforce the rights of persons residing in "any jail, prison, or other correctional facility" as defined in section 2(1) (B) (ii). Relief will be available to such persons through actions brought under this bill's authority only if the persons are subjected to conditions which deprive them of "rights, privileges, or immunities secured or protected by the Constitution of the United States"; relief in such actions will not be available on the basis of the broader term "Constitution *or laws* of the United States" which applies to persons residing in the other institutions. The purpose of this amendment is to preclude suits under this bill on behalf of persons in jails, prisons, or other correctional facilities arising solely from Federal statutory violations rather than Constitutional violations. Of course any other authority the Attorney General may have to address any other violations of law, criminal or civil, in prisons is not affected by this Act.

In both the initiation and intervention sections, the Act makes clear the liability of the United States to opposing parties for attorneys' fees whenever it loses. The award is discretionary with the court, and it is intended that the present standards used by courts under the civil rights laws will apply. However, it is not intended that recovery be allowed from the United States, as a plaintiff, by another plaintiff or plaintiff-intervenor. The award is to be made to an opposing party who prevails.

Mindful of the importance of harmonious Federal-State relations, the Congress has required that the Attorney General of the United States sign both the complaint itself and the certificate. The procedures which are set forth in 28 U.S.C. 508 (a) and (b) should be followed if there is a vacancy in the Office of Attorney General or if he is absent or disabled.

It should be emphasized that under section 3, the Attorney General's authority extends to initiating suit "for or in the name of the United States," in order to represent the national interest in securing constitutionally adequate care for institutionalized citizens. As a representative of the United States, the Attorney General does not directly represent any institutionalized plaintiffs, and the authority granted him is in no way intended to preclude, delay or prejudice private litigants from enforcing any cause of action they may have under existing or future law. This point is made explicit in section 12 of the Act.

The Attorney General must also certify that he believes that intervention by the United States will materially further the vindication of Constitutional or Federal rights, and that the issue is of general public importance.

Section 4. Certification requirements

The broad purpose of section 4 is to insure that before litigation is undertaken by the Attorney General pursuant to section 3, State and local officials will be adequately apprised of the Attorney General's concerns and will have an opportunity to consult with him or his designee in an effort to resolve their problems before any complaint is filed.

Under this section, the Attorney General must at least 49 days before filing suit notify in writing not only the institution director but the governor and attorney general of the State or local officials in analogous positions. Such notification must include both the legal bases for the alleged deprivations of Federal rights and the facts underlying those claims. The notification must also include the minimum measures believed necessary to remedy the deprivations. Congress realizes that before a complaint is filed and discovery conducted, it may be impossible for the Attorney General to specify the precise measures required to correct the alleged abuses. Further, Congress believes it is advisable to give States the primary responsibility for correcting unconstitutional conditions in their own institutions and to attempt to reach an agreement on the necessary remedies to correct the alleged conditions through informal and voluntary methods.

In addition to notifying officials of the alleged deprivations, the Attorney General or his designee is required under section 4 to notify the appropriate State officials in writing of his intention to commence an investigation and to make reasonable efforts to consult with such officials regarding federal assistance which may be available. Congress intends that unless State officials prove unwilling to consult with the Attorney General or his designee, such consultations will be routine procedure in every suit filed under the Act. This consultation is required by law. The content of such consultation may include, but not be limited to, apprising appropriate officials of financial, technical, or other assistance which may be available from the Federal Government. It has been the experience of the Justice Department in past litigation that many States which could qualify for Federal funds have not been receiving any at the time suit was filed. Where the receipt of such funds can significantly aid States in implementing constitutionally mandated reforms, it is imperative that appropriate officials be made aware of the availability of such assistance. Neither this provision nor this Act itself are intended to eliminate or alter the continuous obligation that State officials have to conform their actions and the conditions of institutions they supervise to the requirements of the Federal Constitution.

The certification section also requires that the Attorney General certify to the court that between the time of the notice of the investigation required by section 4 and the commencement of an action authorized under section 3 he has become satisfied that the appropriate officials have had a reasonable time to take appropriate action to correct the alleged pattern or practice of conditions and have not adequately done so. It is the intent of the Congress that the Attorney General's judgment that the officials have had a reasonable time to take appropriate action to correct the alleged pattern or practice of conditions and have not adequately done so will be a judgment that is made on a case-by-case basis after reflecting upon such matters as the time required to make necessary changes, reasonable legal or procedural issues which may be present, the urgency of the need to correct the conditions and other circumstances related to the reasonableness of the time which the officials have had. Further, it is the intent of Congress that with regard to the other circumstances considered, the Attorney General should consider any substantive and genuine remedial measures which he believes the appropriate officials are currently engaged in, the knowledge which he believes the officials have or should have with regard to the conditions, and their record of willingness or lack thereof to take appropriate action.

The meeting schedule of a particular State legislature might, under some circumstances, be considered. Also, in determining what shall be considered a reasonable time under this section, the Attorney General may review the speed with which some of the remedial measures which have been available to the appropriate officials could be implemented. If the officials have failed to take even those remedial measures which could be implemented most speedily, the Attorney General may consider that fact. As with certification requirements in other statutes, the facts and judgments contained in the certification under this section are not judicially reviewable and shall not be a matter of litigation in any way. At four points in the Act Congress has used the words "when feasible" or "to the extent feasible" to modify actions which the Attorney General is required to take. It is the intent of the Congress that the Attorney General take these actions to the extent the actions are capable of being successfully done or accomplished.

Section 5. Intervention in actions

Under Rule 24 (a) and (b) of the Federal Rules of Civil Procedure, the United States or any other party may in timely fashion apply to a Federal court to intervene as of right or permissively. Section 5 generally codifies the authority which the Attorney General has been exercising since 1971 under this rule.

Generally, under section 5 of this Act, the Attorney General must wait 90 days after the commencement of a civil action before he files a motion to intervene, but the court may shorten or waive that period in the interest of justice.

When the Attorney General seeks to intervene in the context of this Act, he is required to give proper notification to the State and relevant officials. Therefore he must certify that at least 15 days previously he has notified the appropriate State officials of his intention to intervene and of the supporting facts giving rise to the alleged conditions, and, to the extent feasible, of the minimum measures which he believes may remedy the alleged conditions. The minimum measures which he seeks should be consistent with the interests of the other plaintiffs to whom he is of course required to give timely notice. Congress does not intend to delay or prejudice the rights of the other plaintiffs in the ongoing suit.

The Attorney General must also certify that he believes that intervention by the United States will materially further the vindication of Constitutional or Federal rights, and that the issue is of general public importance.

Section 6. Prohibition of retaliation

It is the intent of Congress that those who have knowledge of systemic abuse of Constitutional rights in institutions and who report such abuse to the Attorney General or other appropriate officials or interested parties shall be protected.

Section 7. Exhaustion of administrative remedies

Section 7 authorizes a Federal court in which an adult prisoner's suit filed under 42 U.S.C. 1983 is pending, to continue that action for a period not to exceed 90 days if the prisoner has access to a grievance resolution system which is in substantial compliance with the minimum standards promulgated pursuant to this section. Such limited continuance would be for the purpose of requiring exhaustion of the approved grievance resolution system. In order to order such a continuance, the court must find that it would be "appropriate and in the interest of justice."

It is the intent of the Congress that the court not find such a requirement appropriate in those situations in which the action brought pursuant to 42 U.S.C. 1983 raises issues which cannot, in reasonable probability, be resolved by the grievance resolution system, including cases where imminent danger to life is alleged. Allegations unrelated to conditions of confinement, such as those which center on events outside of the institution, would not appropriately be continued for resolution by the grievance resolution system.

This section provides for the development of minimum standards for grievance resolution systems within correctional institutions and requires the Attorney General to develop a procedure to review the correctional grievance resolution systems of the various State and local agencies in order to certify as acceptable those systems which are in substantial compliance with the minimum standards. The State and local agencies are not required to seek such certification, and submission for certification under the minimum standards promulgated pursuant to this section is entirely voluntary.

This section requires that the Attorney General promulgate such standards "no later than 180 days after the date of enactment of this act." Further, the section requires that the Attorney General consult with "State and local agencies and persons and organizations having a background and expertise in the area of corrections" prior to promulgating such standards. Congress insists on this provision because of a knowledge that many State and local correctional officials have developed high quality grievance resolution systems which must be considered in any legitimate effort to develop standards. Further, Congress is aware of the effort which many private individuals and organizations have made to critique and improve existing grievance resolution systems, and the Attorney General shall consult with those members of academia, the public interest bar, prisoner advocacy groups, correctional staff organizations and other citizen groups prior to developing standards in this area. The choices and methods involved in such consultation shall be at the discretion of the Attorney General.

Section 7 requires the Attorney General to develop a procedure for the prompt review of grievance resolution systems and certify as acceptable those systems which are in substantial compliance with the standards promulgated pursuant to this section. It is the intent of the committee that the various jurisdictions which elect to do so, shall submit to the Attorney General detailed written descriptions of the proposed grievance resolution system together with such supporting information, regulations, and inmate and staff instruction materials as may be required by the Attorney General in order to determine if such system is in substantial compliance with the minimum standards. Such determinations and resulting certifications shall be made in writing.

This section also provides that the Attorney General may suspend or withdraw such certification at any time if he has reasonable cause to believe that the grievance procedure is no longer in substantial compliance with the minimum standards. It is the intent of the committee that the Attorney General promptly review such material or information which may come to his attention which suggests that such suspension or withdrawal is in order, and that, from time to time, a review be conducted to insure that no unwarranted certifications are in effect. The facts and conclusions contained in these certifications are not judicially reviewable and are not intended to be a matter of litigation.

It is the intent of Congress that the phrase "adult person convicted of a crime" means any person 18 years of age or older who has been adjudged guilty of a crime by a court. Congress notes that neither Federal nor State law deems acts constituting juvenile delinquency to be crimes.

It is the intent of the Congress that the court, prior to making a determination with regard to the degree of compliance of a grievance resolution system with the standards promulgated pursuant to this section, shall consider whether the Attorney General has reviewed such system for a similar determination.

Of course, it would be appropriate for the court, in its discretion, to notify the Attorney General of the pending litigation and seek the view of the Department of Justice as to the compliance of the concerned grievance system with the standards developed pursuant to this section. In cases in which the Attorney General has reviewed a system and denied such certification, it is the intent of Congress that the court give "great weight" to such determination. It is in those situations in which a request for certification has not been sought or is pending that the court will appropriately determine if the grievance resolution system is in substantial compliance with the minimum acceptable standards.

It is the intent of Congress that the phrase "in substantial compliance with" means that there be no omission of any essential part from compliance, that any omission from compliance consists only of unimportant defects or omissions, and that there has been a firm effort to fully comply with the standards.

Subsection (d) was added to stress the voluntary aspect of the decision by a State or local agency to adopt a grievance procedure in substantial compliance with the model minimum standards. That decision will only affect whether the prisoners in that facility are required to exhaust the procedure prior to filing a Section 1983 suit. If a State or local agency does not adopt a grievance procedure in accordance with the model standards, that choice will not be considered evidence of a "deprivation of rights, privileges, or immunities secured or protected by the Constitution," under this Act.

Section 8. Report to Congress

The requirement of section 8 that the Attorney General annually report to Congress on the history, procedures, costs and other relevant information about actions brought under this act is designed to ensure that Congress will have the opportunity to assess periodically the efficacy and impact of the Justice Department's litigation program. In addition, the Attorney General will be expected to report on the progress made in each Federal institution toward meeting the standards expected of the State institutions and he will be expected to report on the financial, technical and other assistance which has been offered to the States to correct the conditions given rise to suit.

Section 9. Priorities for use of funds

The Act includes a sense of the Congress resolution that expresses the desire of Congress that, where possible and without redirecting funds from one program to another or one State to another and without in any way creating hardship for citizens in an institution who may not be affected by existing unconstitutional conditions in another part of the institution, appropriate program funds should be directed to correct unconstitutional conditions as a priority before other corrections or improvements are made in the institution. While this section does not require the redirection of funds from one program to another, it reflects a goal which the Attorney General and other Federal and State agencies should pursue.

Section 10. Notice to Federal departments

This section makes clear that prior to the commencement of an action under section 3 or section 5 of this Act, the Attorney General shall notify the Secretary of the Department of Health and Human Services or the Secretary of the Department of Education, respectively, if either agency provides financial assistance to the relevant institution. The Attorney General may proceed with an action if he is satisfied that such action is consistent with the policies and goals of the executive branch. This procedure is consistent with Executive Order 12146 (July 8, 1979) establishing a Federal Legal Council to avoid unnecessary and inconsistent litigation by Federal agencies.

Section 11. Disclaimer—Standards of care

This section states that the provisions of this Act do not authorize the Federal government to promulgate standards of care for institutions.

Section 12. Disclaimer—Private litigation

This section recognizes that it is absolutely imperative that the Attorney General and the courts respect the fact that the restrictions and pre-suit procedures required of the United States as a party in suits under H.R. 10 shall not in any way expand or restrict the existing rights and powers of citizens to bring suits, pursue discovery, demand remedies, pursue appeals or to settle litigation.

Further this section is consistent with the intent of Congress with regard to the intervention in suits under section 5 in that it will require that the Department of Justice be sensitive to the rights and desires of other plaintiffs in any institutional suits in which the Department may become involved.

Robert W. Kastenmeier,
George E. Danielson,
Romano L. Mazzoli,
Herbert E. Harris II,
Lamar Gudger,
Bob Carr,
Tom Railsback,
Carlos J. Moorhead,
Harold S. Sawyer,
Managers on the Part of the House.

Birch Bayh,
Howard M. Metzenbaum,
Howell Heflin,
Dennis DeConcini,
Orrin G. Hatch,
Managers on the Part of the Senate.

SELECTIVE SERVICE TRANSFER AUTHORITY FOR DRAFT REGISTRATION

Mr. WHITTEN. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 521) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System.

The SPEAKER. The question is on the motion offered by the gentleman from Mississippi (Mr. Whitten).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the joint resolution (H.J. Res. 521), with Mr. Rostenkowski in the chair.

The Clerk read the title of the joint resolution.

The CHAIRMAN. Pursuant to the rule, the first reading of the joint resolution is dispensed with.

Under the rule, the gentleman from Mississippi (Mr. Whitten) will be recognized for 30 minutes, and the gentleman from Massachusetts (Mr. Conte) will be recognized for 30 minutes.

The Chair recognizes the gentleman from Mississippi (Mr. Whitten).

Mr. WHITTEN. Mr. Chairman, House Joint Resolution 521, as amended, provides for the transfer of $13,295,000 from the account of Military Personnel, Air Force to the Selective Service System for registration of male personnel. The resolution reads as follows:

SELECTIVE SERVICE SYSTEM
SALARIES AND EXPENSES
(By transfer)

For additional amount for "Salaries and expenses", $13,295,000, which shall be derived by transfer from unobligated balances available under the heading "Military Personnel, Air Force": *Provided*, That none of the funds made available by this joint resolution shall be available for instituting or taking action to draft any individual for military service.

There will be arguments on both sides of the issue but the fact remains that the President has publicly announced to the world that he has asked Congress for funds to carry out existing law which provides for the registration of males. The world situation is presently very tense with the hostages being held in Iran and the Soviet invasion of Afghanistan. In light of these events, in my opinion, it would be a grave mistake to not provide these funds and could well cause great injury to our Nation in these perilous times. The President has made his announcement. Here he asks Congress to carry forward his plans, his response to these changing world situations, and it would do extreme injury to our Nation if the Congress were to reject this request for financing—not only in Iran but around the world.

Due to the fact that the budget ceilings set forth in the second budget resolution for fiscal year 1980 have been exceeded for quite some time, largely as a result of increased interest on the public debt, and another resolution to raise these ceilings has not yet been adopted, it was necessary, in order to finance the Selective Service System, to provide for a transfer of funds rather than a direct appropriation. I certainly do not feel this should be a continuing practice, but we found ourselves in this position because of the large increases in certain uncontrollable areas such as interest on the national debt and higher fuel prices paid by our Armed Forces causing the budget ceilings to be exceeded.

Addressing the issue of the availability of funds from the Military Personnel, Air Force account, I might just point out that the fiscal year 1980 appropriation for that account was $7.9 billion and they currently have a supplemental request pending of $540.7 million. It does not appear to me that a transfer of $13.3 million would adversely affect this account.

Mr. ECKHARDT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Texas.

Mr. ECKHARDT. Mr. Chairman, I support the resolution.

I think, in light of the events that have occurred on the borders of Russia, in Afghanistan, and Iran the President had to raise the question of registration but, as I have said before, I think it is terribly premature to decide that we should put a draft into effect. That step is, of course, not involved here. Yet, experience teaches us that we can creep into a war situation, step by step, and therefore we must take a look at the whole picture.

First of all, a draft in something like World War II dimensions would drastically affect the lives of all our young people, and if it were rashly applied, it could threaten our true security. To pull a great number of people out of the productive economy and onto Government pay in the armed services would immediately sweep away all possibility of lowering the deficit and would at the same time retard productivity. There is always a temptation in times like these for Government to try to find jobs for people in a war effort. But employment should be in peaceful, productive, self-sustaining work, not in the Army.

Having said that I adamantly oppose a draft of either men or women. I must point out that that is not the question here: it is whether or not we should have a registration merely as a precaution or contingency. I would not have gone to such a registration had I been the President for several reasons:

First, it would be much worse for the Nation and for the President to have brought up registration as an issue than to have waited until mobilization might become necessary, should Congress refuse to support the registration. The value of it is very small indeed. It would gain from 7 to 13 days in case of a real need for mobilization.

Second, the registration will be viewed by many young people subject to it as a mere political ploy. I know from my experience teaching cadets with the Army Air Corps in World War II that when young men knew the country needed them for a cause which they believed in, they clamored to complete their flying training. To sour them by what may appear an unnecessary call can hurt morale and the sense of patriotism.

Nevertheless, once the issue has been raised, I cannot fail to support the President. I therefore am voting for the registration as a token of support of national unity and not as a commitment to a course. And I shall not support a course of action which I believe to be drastically wrong.

Mr. ALEXANDER. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Arkansas.

Mr. ALEXANDER. Mr. Chairman, I rise in support of the resolution. At a time when the Soviets are blatantly pursuing a policy to establish a warm water port on the Indian Ocean, I would like to rise in support of this resolution. Recently, Saturday Review, April 12, 1980, revealed an interview with the Afghan Minister of Foreign Affairs, Lt. Col. Taiz Mohammed Khan, a member of the hard line pro-Moscow Parcham faction of the Afghan Communist Party, who confided his impressions about the next target the Soviet leadership has chosen for the Mideast region. According to Colonel Mohammed, the Russians intend to strike at Iran, the principal objective being the capture of the Iranian port of Baluchistan, which would open up a land route from the Soviet border to the warm-water ports on the Indian Ocean. In view of the bold adventurism of the Soviet Union it is time to reassess the military personnel needs of our Nation. I support the registration plan.

Mrs. COLLINS of Illinois. Mr. Chairman, will be gentleman yield?

Mr. WHITTEN. I yield to the gentlewoman from Illinois.

Mrs. COLLINS of Illinois. Mr. Chairman, I rise in opposition to this joint resolution.

Mr. Chairman, today, the House is to consider House Joint Resolution 521 which would make available funds for the reinstitution of registration for the possible drafting transfer for fiscal year ending September 30, of 19- and 20-year-old males.

I am totally and vehemently opposed to this proposal and to any others leading to even the possibility of reinstating the draft, the revision of military conscription, compulsory national service, or universal registration.

My opposition to any measures and efforts to revitalize the Selective Services System (SSS) are based on both constitutional and pragmatic political reasons.

In January of this year, the President in his state of the Union address said:

> I am convinced that our volunteer forces are adequate for our current defense needs.

Mr. Carter's January thoughts are in total disagreement with the support from the White House which came when the House defeated on September 12, 1979, the Department of Defense Authorization Act of 1980, H.R. 404 regarding the Selective Service System and draft registration. It seems to me that the President has done an abrupt "about face" on this issue in just a few short months.

It is my belief that there are serious constitutional questions raised regarding a peacetime draft movement. Such actions contradict the fundamental principle of a free society and, I think, would constitute involuntary servitude as defined by the 13th amendment. Are we to allow these overtones to overshadow the future leaders of this Nation?

My very astute colleague and neighbor, Hon. Pat Schroeder, recently obtained through the Freedom of Information Act, supporting documents to the January 16, 1980, Selective Service System report that specifically "recommended against the peacetime premobilization draft registration."

This report, which came out in January noted that—

> Each option postmobilization registration through premobilization examination—should be capable for meeting and exceeding the Department of Defense's requirements for inductees.

In plain language, mobilization will not increase our military preparedness. I believe the President when he says that the All-Volunteer Force is working. I believe also that the problems that the military has encountered thus far can be resolved to a considerable extent through proper personnel management techniques and constructive leadership. By doing so, we can meet our current and future defense needs without any transfer of moneys.

Why is it necessary to revitalize a draft system when all else has not been tried?

Proponents who contend that this complete turnabout in the administration's policy was defended on grounds that events in Iran and Afghanistan require substantial reassessment of American foreign and defense policies, are completely right. When we look at World War II, Korea, Vietnam, however, we see that American patriotism was predominant and unquestioned. In reviewing the arguments for premobilization draft registration, why not let all efforts previously successfully used be used again. The reserve forces are always available and are capable should any world crisis arise.

Mr. CONTE. Mr. Chairman, I yield myself 8 minutes.

Mr. Chairman, there has been a great deal of pointed debate in these last 2 months over the issue of a peacetime or premobilization registration for the draft. The debate has come in response to a call by the President in his January state of the Union speech for a reinstitution of registration for the draft.

Initially, there was an overwhelmingly favorable response, but there has been growing opposition because the testimony given by the administration did not show the worth of the proposal.

However, in all fairness to this debate, I must say that my chairman, the distinguished gentleman from Mississippi has made a very crucial point in his argument in support of the President's position. He reminds us that Congress has already given the President the power to register men and now many of us are opposing the provision of funds to execute that authority.

Believe me, it is a tough decision to oppose the President on this issue. From the start I, like most of my colleagues, was swayed to support the proposal until I heard the administration testimony. Essentially, what I have concluded after examining the evidence is that: Premobilization registration is a meaningless gesture which will put the Nation through a devisive and rather worthless postcard registration this summer in order to send a weak and mixed signal to the Soviets for their aggression in Afghanistan.

If you agree with the general analysis in this statement then you cannot vote for premobilization registration no matter how much you want to get behind the President. Congress never intended that the President be given money to exercise his authority in a fashion that does nothing, divides the Nation, and then lets our enemy know that we will respond with weakness.

There is little that this premobilization registration can do. In the first place the purpose of a registration is to expedite a draft. The purpose of a draft is to fill manpower requirements. Gentlemen, the world situation, as perilous as it may be, has not raised the requirements by one man.

The whole idea behind a premobilization registration proposal is to make things happen faster—to get large numbers of men into the military sooner. But this is not what will happen. In fact there is reason to believe that premobilization registration will slow the process down because the addresses will be out of date as time passes.

But even if this registration does speed up the process, it will not speed it up to any degree that counts. Oh, I know we have heard differing views on this. We even heard a general, testifying before the Defense Subcommittee, tell us that premobilization registration would save 72 days, but he was talking about premobilization registration plus getting the Selective Service System operating properly.

The HUD-Independent Agencies Subcommittee of the Appropriations Committee report recommended $4.709 million to improve the Selective Service System. That improvement will save most of the 72 days. Virtually all the other expert testimony showed that premobilization registration would save from 5 to 14 days in getting inductees into the system.

But that testimony also showed that our training facilities would not be ready for the increased number of men. So we, in effect, would be registering men to sit on their duffs to wait until the training facilities became available. To make matters worse, the administration has assumed that there would be no volunteers. In past national emergencies we have had hundreds of thousands of volunteers in the first months, nearly 300,000 in the first 2 months of World War II. So under this proposal we would have even more people sitting on their duffs.

In 1917 we registered 8 million men in 1 day. We registered 16 million in 1 day in 1940. Someone said at full committee on Thursday last week that this was before we had computers. Now we are talking about registering 4 million men. I am certain we can do that in 1 day when the need arises.

Even though I have said all this, I would not mind spending the money or wasting thousands of men's time, if the final result would show the Russians that we mean business.

Here is where the real key to the issues lies. For you see the opposite is true—the proposal shows the Soviets that we do not mean business. And, it tends to lead our citizens to believe we have done something meaningful when we have not.

This point is the crux of voting against this premobilization registration proposal. The gesture is a weak one and Soviets know it. The Soviets know what mobilization is and what it entails. They can read our public military reports and they know what our manpower situation is. They know that although our active forces are fairly well up in numbers that our reserves are woefully short. Registration will not correct this deficiency and the Soviets know that too.

Still, many of our colleagues believe that registration is needed to solve critical manpower shortages. They believe that men will go into the reserves when faced by a draft and that we cannot get to the draft without first going to a registration. But, gentlemen, neither a registration or a draft can correct the big manpower problem plaguing our military—the training and retention of experienced men.

You cannot draft for shortages of combat pilots, you cannot draft to fill the empty spaces for specialists to operate the highly technical equipment and you certainly cannot draft sergeants and petty officers with 8 or more years of experience. All you get with registration and the draft is untrained personnel.

Today, we have a military force equipped with highly sophisticated gear—even down to our infantrymen. It takes more than warm bodies to make this gear work. I share the concerns of many of you who want to improve our military might. But, registration simply will not do it.

What we in Congress need to do to improve our mobilization capability we have already initiated. The HUD-Independent Agencies Subcommittee recommended the funds to get the Selective Service System off its duff so we would not have to put the newly inducted GI on his. "Deep standby," the present condition of the Selective Service, is another way of saying "out of business." The $4.709 million we recommended, together with planned future funding, will get the Selective Service System back in business.

This action is the most important step we can take to improve our manpower mobilization capability for getting large numbers of men in the service. It is a strong step and the Soviets know it. So let us keep the strong part in and get the weak part out.

It may trouble you to go against the administration, but it is the testimony of the administration, the consistent record of administration's support in the past for postmobilization registration, and simple commonsense in looking at what will happen when the registration is executed that should tell you to vote "no" for:

First. Spending money for no added military capability;

Second. Creating dissension among our youth; and

Third. Giving comfort to the enemy with such a weak and divisive response. I cannot find any way to support the amendment to provide $8.5 million for the actual premobilization registration of men.

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I want to commend the gentleman on his statement and indicate my support for the gentleman's position.

It seems to me that we are putting the cart before the horse. In addition, we would be disrupting the civilian population. Our first line of defense is the regular military and it would seem what we need to do is beef up the regular military. People are leaving who have served 8, 10, 12, 14, 15 years and they are leaving because they are not getting adequate pay and because other incentives are being removed.

Mr. Chairman, the next line of defense is the National Guard and the Reserve and we ought to strengthen them. This resolution provides funds to set up registration. Certainly we ought not to be spending when we are talking about balancing the budget. We ought not to be spending money to set up a registration and then a draft.

Mr. Chairman, the idea of registering young men and women for a possible draft was proposed by the President in response to the Soviet invasion and occupation of Afghanistan. It was intended as a signal to the Kremlin of our resolve to meet a Soviet threat in the Persian Gulf, and to prepare our Armed Forces for any military emergency that might arise. House Joint Resolution 521 is the first step in implementation of the President's proposal. It transfers funding authority to the Selective Service so that registration can begin this summer for 19- to 20-year-old males.

I oppose House Joint Resolution 521, just as I oppose a policy of mandatory registration. Registration accomplishes little, either in signaling to the Kremlin our resolve to meet a Soviet military incursion in the Persian Gulf region, or to prepare our Armed Forces for a major military confrontation. Instead, it stands both as a superficial response to more serious problems plaguing our Volunteer Forces, and as a first step in resumption of a peacetime draft.

If we are serious about meeting the Soviet military threat, it would make much more sense for the administration and this Congress to renew our commitment to a volunteer military. Today's Armed Forces are faced with some difficult problems, the two most difficult being those of recruitment and retention.

Today, many entry-level military personnel are forced to seek public assistance, food stamps, and other means of welfare to supplement their salaries and meet the basic needs of their families. Officers are also paid below prevailing wage rates in the public and private sectors. Consequently, qualified candidates for military service choose other career alternatives, while those who receive education and training eventually leave the Armed Forces to pursue more lucrative careers in a civilian capacity.

In response to the pressing needs of our Armed Forces, the Congress should improve military recruitment and retention efforts. This can be accomplished through better screening of applicants, higher admission standards, more competitive pay and benefits, and greater educational and advancement opportunities. These steps will give this Nation the defense capability it so desperately needs to meet or deter with conventional forces military actions of the Soviet Union or other adversary nations.

Our Reserve and National Guard forces stand as our second line of defense. Here, again, operational and administrative problems have rendered our reserves virtually ineffective. A thorough review of these forces, one which addresses organizational, training, and benefits programs, must be undertaken. The ability to deploy well-trained land, naval, and air forces must be matched with effective reserve units in the maintenance of a strong conventional forces capability. Quite simply, this capability can only be achieved by improving the financial, educational, and promotional incentives for military services. This is as true for our reserve units as it is for our regular forces.

Registration and a draft stand as our final line of defense in the event of a national emergency involving military conflict. In that no significant steps have been taken to address the fundamental problems facing today's Armed Forces discussed above, I see no basis for instituting registration at this time. Registration is an emotional and ineffective response to the Soviet invasion of Afghanistan; it calls for the expenditure of millions of dollars while accomplishing little in improving our military capabilities. But most importantly, and perhaps most dangerously, registration lays the foundation for a peacetime draft. Our experience with Vietnam should have taught us the problems associated with mandatory conscription. A draft disrupts the lives of our young people and contains innumerable inequities in recruitment procedures.

Mr. Chairman, I urge my colleagues to join me in opposing passage of House Joint Resolution 521.

Mr. Chairman, I concur with the position of the gentleman from Massachusetts.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. SABO).

Mr. SABO. Mr. Chairman, I thank the gentleman from Mississippi for yielding.

Mr. Chairman, I rise in support of the House resolution as it was introduced and in opposition to the committee amendment that will be offered. The choice that we have today is not between doing nothing and reinstituting draft registration but rather what we have before us is the option to do what the Selective Service recommended in their draft report and that is to establish a postmobilization registration at a cost of $4.7 million.

Mr. Chairman, I remind the committee that this is the recommendation of Selective Service:

> The postmobilization option is by far the most cost-effective and least intrusive and is the option chosen by Selective Service.

Mr. Chairman, in the resolution as it is introduced, we provide $4.7 million for Selective Service to institute postmobilization registration, $1 million for preprinting of registration forms, planning for distribution and the purchase of telephone facilities for emergency use.

□ 1310

We provide $1.7 million to purchase computer hardware and software for use during mobilization. We provide $750,000 for the recruitment, training, and management and reestablishment of local draft boards. We provide $400,000 for additional personnel in improving the tally for crucial equipment for the Selective Service central office; and $800,000 for miscellaneous improvements in the Selective Service System.

Mr. Chairman, I urge the committee to make the wise and rational choice today, support the resolution as it is introduced, reject the committee amendment and do something that is right, meaningful, and at the same time the least intrusive on our American citizens.

Mr. CONTE. Mr. Chairman, I yield 6 minutes to the gentleman from Illinois (Mr. MICHEL).

Mr. MICHEL. Mr. Chairman, the very first official act of President Jimmy Carter has significant relevance for this debate today.

The public papers of the Presidents, "Jimmy Carter 1977, Volume I," page 5, lists the first action undertaken by President Jimmy Carter on January 21, 1977, the day after his inauguration. It was a Presidential proclamation of pardon for violaters of the Selective Service Act from 1964 to 1973.

I mention this not to bring up the past. What is done is done and cannot be undone so far as the draft dodgers are concerned. But I do think the President and his supporters should explain today why he is asking young Americans to register under penalty of law in 1980 when little more than 3 years ago he in effect told the Nation's young people that if you yell long enough and loud enough you do not have to do your duty.

I hope some enterprising journalist will ask the President why his compassion and concern for the conscience of others led him to pardon those who would not fight but leads him today to send to jail for 5 years anyone who will not register.

Be that as it may, let us look at what we are faced with today.

I voted in the Appropriation Committee not for registration but to bring this question to the floor, so we could have the chance to debate this before the full House.

I am convinced registration is yet another in a long series of miscalculations and misunderstanding that have marked this administration's approach to national security.

Administration spokesmen tell us that if funds for registration for the draft are not voted, we will be sending the Soviets a signal of America's weakness, of our unwillingness to confront aggression.

That argument is unconvincing.

It can just as easily and persuasively be argued that registration will send a signal to the Soviets that the Carter administration is willing once more to settle for a gesture instead of a policy.

The President has inflicted government-by-gesture on us for 3 years. His Iranian nonpolicy is the most recent example of his uncanny knack of doing nothing while appearing to be doing something.

What does the administration hope to accomplish by registration? We are told it will put us in a state of preparedness. But is that actually the case?

Dr. Martin Anderson, former member of the Gates Commission and presently at the Hoover Institution at Stanford University has stated:

> What the Soviets would understand is a clear, effective move to strengthen the combat capability of the armed forces of the United States. Registration does not do this. Rather, if enacted, it could easily lull us into a truly dangerous state of complacency.
>
> The political-military leadership of the Soviet Union understands and respects military power. They are fully capable of distinguishing between the military capability of computer lists of potential additions of young, inexperienced draftees and that of a significantly strengthened reserve force. They will view registration more as a stamping of our feet than as a shouldering of arms and they will act accordingly.
>
> Enactment of the draft registration law would diminish our national security by increasing the chances that our Reserve Forces will be left in limbo, at a time when we need to strengthen them the most.

If the President wants to send a message of strength to the Soviet Union he should immediately do something about the state of our Ready Reserves.

As the Department of Defense annual report fiscal year 1981 stated:

> Maintaining personnel levels in the Reserve Forces continues to be one of the most difficult aspects of total force readiness.

Despite a recent leveling-off of the steep decline in Reserve enlistments, the Defense Department claims, "we will be short of our peacetime manning goal" in the Reserves.

If our reserves are not up to strength, no amount of registration is going to solve the immediate problems we will face in case of a war in which large casualities are incurred in the first few weeks. We are going to need trained men immediately. And we are going to have to get them from the Reserves, probably sooner than later.

Then there is the question of the All-Volunteer Force. It has three major problems:

We are losing highly trained noncommissioned officers and middle-level officers at an alarming rate;

There is serious question as to whether enough of the volunteers have the basic intelligence to adequately use and maintain the kind of sophisticated weaponry today's Army needs;

There is considerable evidence that we are not attracting volunteers in sufficient numbers.

So what is the President's answer to all of this? He calls for registration which solves none of the problems.

What we should be doing is something along these lines:

We should immediately investigate the facts concerning the loss of noncoms and others and see what we can do about it. Better pay scales are obviously a partial solution. But just as important as pay scales is a need for a public, official recognition by the President of the importance of the career military service. We are losing career soldiers because many of them have the feeling no one cares about the Armed Forces.

Ever since the days of Secretary Robert McNamara the leadership in the Pentagon has been obsessed with cost-benefit ratios and other managerial ideas as if the Armed Forces are a branch of the Harvard Business School. Let us remember that we call it "the service" because the career military life is, at its essence, different in kind from every other form of government work. It is—or should be—a vocation and a calling. If we continue to treat our career soldiers as if they were just another bunch of bureaucrats, we are going to get an army of bureaucrats from squad level to the Pentagon.

The President is a graduate of the Naval Academy. I know he recognizes the true spirit needed to make our Armed Forces function with pride and with faith in their cause. But for 3 years he has treated the Armed Forces as if they were some kind of distasteful, if necessary, evil instead of a proud, honorable and absolutely vital component of our national life.

Concerning the need to attract young men and women of high intelligence to the AVF, why do we not immediately look into some kind of plan that will pay college tuition for those who have served a number of years in the AVF? I know there is currently a plan whereby a soldier may elect to put aside some money that is matched by the Government. This may be used for tuition purposes. But what we need is a direct link between AVF service and higher educational benefits.

I know that the efficiency of an Army does not demand that Rhodes scholars be placed in every barrack. But in today's Army with the need to understand sophisticated equipment, we do need to attract young men and women of higher intelligence and a tuition paying plan might do it.

In conclusion, let me say it is a painful thing to admit, but the facts are inescapable: This administration simply does not know what to do when it comes to questions of military strength.

You may recall that the President ordered troop withdrawals from Korea and fired a general for saying the withdrawals were wrong. Then after realizing the general was right, the President reversed his first decision and stopped the troop withdrawals.

This is hardly the kind of policy that instills confidence in the military. And it certainly does not instill fear or respect in the hearts of our adversaries. Cancellation or postponement of the Trident submarine and the B-1 bomber gave our allies and our adversaries the idea we simply do not want to pay the price to defend ourselves. The on-again, off-again policy with the neutron bomb—ending with a decision not to have it in readiness—made European leaders so distrustful of the President's judgment that for 5 months they refused to support him in the Afghanistan and Iranian crises.

The President has been wrong on all of these. He is wrong about the need for registration. If the President believes the Soviet rulers, shrewd men that they are, are going to be frightened by a wall of computer cards, he is mistaken once more.

Let us vote no on this typical Carter half-step, this typical nondecision disguised as a decision. Let us put our energy and our minds to work getting at the immediate problems our military forces face.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the chairman for yielding. I rise in opposition to the resolution.

I think it is an ill-timed resolution. First of all, if there is going to be another conventional land war—and I seriously doubt that that will happen—we can mobilize as quickly as possible, just as we did during World War II and during the Korean conflict. If we do not have a conventional land war, we are going to have nuclear war, the unthinkable. If we have a nuclear war, there is no need for a large military Army.

I would suggest to the Members that all we are doing in this resolution is preparing for a draft. Do not kid yourselves. I do not care what the President says; I do not care what this Congress says. If we register people, we are going to draft them, and if indeed we draft them, what are we doing? All we are doing is shifting a tax burden from middle class folks and upper class folks who do not want to pay for military preparedness.

If we pay our men in the service a decent military wage, then we would get enough people to maintain a huge standing army. On the other hand, what we do by drafting people is, we take away the tax that would be imposed on many people, and therefore use these draftees really as a method of avoiding taxes for those who are middle class and the upper class.

My colleagues, I refer you to the CONGRESSIONAL RECORD of March 30, 1971, page 8660, when this Member stood in this very well in this very House and argued against an extension of the draft. At that time this Member said:

> Tomorrow, or the next day, or the next day this House will pass an extension of the draft. We know that. We know that you have got your forces lined up so that you will end up continuing the draft. All that we can do is to stand and argue and articulate against this kind of senseless action which will perpetuate a senseless, stupid, bloody, dirty war in Southeast Asia in which we should never have become involved.
>
> You will go home content this time after voting to extend the draft. You will go home content in your feeling that you have acted out of patriotism, when you ought to go home and hang your heads in shame that you have been guilty and culpable in extending national murder and national genocide, because that is what this undeclared war is.
>
> When you go home I wish you could think about the young men that I see, their bodies mutilated and maimed. I wish you will think about the young men who supported me in my campaign, an arm missing, a leg missing or one who was blinded in Southeast Asia.
>
> When you go home and feel your superpatriotism I hope you will understand that you have contributed to national hurt in a dreadful way that cannot be measured. You have contributed to the looming sense of disillusionment, the looming lack of credibility on the part of our young people in this system of government.
>
> Go ahead; vote it. Go ahead; vote to extend it. But remember when you do you are not patriots. You are not patriots. All that you are doing is contributing to a greater division, a greater hate, a greater alienation. And you are compounding a felony by continuing a war in which we should never have become involved.

We knew it was wrong to do it then.

□ 1320

Nevertheless, the Congress went ahead and extended the draft, but then we had to turn around and change our minds later.

Mr. Chairman, I am arguing again today and I am pointing out that if we go ahead and approve this resolution, all we are doing is making an effort to start the draft again and thereby reopen old wounds.

Mr. Chairman, I rise to express strong opposition to House Joint Resolution 521, a measure providing for the appropriation of funds to revitalize the Selective Service and establish a system for fast registration when mobilization is ordered.

While I stand firmly on the moral contention that the very idea of the draft (which is what premobilization registration will lead to) is a senseless endorsement of death warrants for our Nation's youth and other participants, my additional concerns are based in the very questionable undertaking of premobilization registration activities. The administration, in its request that the Appropriations Committee make an additional $13 million available to implement the premobilization registration activities, is justifying the need for registration by asserting that: First, it would clarify for the Soviets and our allies, the willingness and ability of the United States to counter Soviet aggression in Asia and Africa; second, it would expedite the "revitalization" of the Selective Service and allow it to iron out registration problems in peacetime; and, third, it would create a data base and give this country an advantage in the event of a military mobilization emergency.

The so-called justifications of the Carter administration leave too many questions in the minds of taxpayers who are already suffering in this year of fiscal austerity and budgetary constraints. There are just too many questions and doubts raised by the proposed premobilization registration and we can ill afford the luxury of appropriating Federal money for a proposal which leaves even many Members of this House perplexed.

I believe that the forcing of our Nation's young people into registration will only bring added momentum to the reinstitution of the draft. Thus, we are embarking upon the implementation of an activity which will only lead to an undermining of both a legal and humanistic prohibition against involuntary servitude on the part of the youth. The administration's reference to a critical need for premobilization registration sends our young people into a state of wondering if indeed they will be forced into some type of national service.

In actuality, the administration and other proponents of premobilization registration are worried about our "tough guy" image with respect to the Soviets and our allies. The proponents are concerned that the United States may have lost face with respect to its historical acquisition of power through aggression, expediency, and the sacrifice of human lives. The clarification for the Soviets and our allies of the United States' willingness and ability to counter enemy aggression is just not a sufficient reason for the resumption of premobilization registration. In fact, a mass registration at the actual time of a national emergency has been cited as a more feasible alternative. To look historically, 1-day mass registrations prior to the First and Second World Wars—10 million signups on June 4, 1917, and over 16 million on October 14, 1940—prove that it is possible to mobilize a large portion of the population when U.S. security is truly threatened.

The ironing out of registration problems during peacetime and the revitalization of the Selective Service is still not a strong enough justification to promote the necessity of premobilization registration. Such contentions are supposedly in response to certain problems within the All-Volunteer Force. These so-called problems involve, among other things, the apparent reduction in active duty personnel from 3.5 million in fiscal year 1968 to 2.04 million in December 1978. which is allegedly attributed to the cessation of a compulsory draft program. In addition, authorized active duty strength levels have also been reduced to reflect the changing mission of U.S. forces in the world.

I submit, however, that the proposals to resume the draft, or even premobilization registration, represent a drastic response to such problems, particularly in light of the fact that since the draft ended in 1973, the active forces have been able to maintain their manpower strengths to within 1.5 percent of congressionally authorized levels. Specically, the All-Volunteer Force, despite formidable odds, enables the United States to maintain a 2 million-person standing military with volunteers alone for the first time in history. It should also be noted that, although first-term enlistments fluctuate on a seasonal basis, the yearend enlistment goals are generally met, and those which do suffer a "shortfall" are for the most part within 5 percent.

Even those with whose contentions and alternatives I do not totally agree have cited that the draft (which will ultimately result from premobilization registration) is neither cost-effective, nor militarily effective. Such persons submit that these activites could in fact, harm the U.S. military preparedness and moneys should be channeled instead into weapons research and development. A further contention is that it is senseless to spend billions of dollars to train unwilling 18 year olds to fight a probable war. While I feel that the 5-percent increase in our defense budget for fiscal year 1981 and an assurance of ensuing increases will more than adequately be channeled to insure our defense technological weaponry capability, I am concerned that even the warmongers can sense the prevalent feeling of resentment and opposition to registration and resumption of the draft among our Nation's youth.

This year, we have reached a pinnacle with respect to the necessity for budgetary restraint. Yet, we are seeing the administration requesting $21.9 million in fiscal year 1980 and $24.5 million in fiscal year 1981 to fund the objectionable practice of premobilization registration. Even more appalling is the knowledge that these requests are in addition to (not inclusive in) the regular Selective Service budget requests. Some are defending the feasibility of the Budget Committee's recommendation which assures a delay in the implementation of the President's new youth initiative such that no funds will be outlayed in fiscal year 1981. In the same breath, and with ease of conscious, these same persons are ready to allocate over $20 million for the implementation of an administration's proposal against which the President himself stood firmly just 6 months ago.

Nine years ago, almost to this very day, I stood on the floor of this House and vehemently opposed the Congress attempts to continue the draft. I and others, at that time, argued against those actions to perpetuate a senseless, dirty war in Southeast Asia—from which I thought our country would have learned a lesson. Ironically enough, the mentality of many Americans and Congresspersons has not changed. Some are still willing, in the name of patriotism, to hurriedly implement registration, resume the draft, and precipitate another war which our country is supposedly trying so hard to avoid.

We are dealing with justifications for the resumption of registration and subsequently the draft, based on shortsightedness, overestimations and distortions of DOD statistics. Can we afford to allocate a substantial amount of moneys for a proposed program, the purposes of which remain dubious in the eyes of citizens, youth, defense experts, and some Members of Congress? I believe we should certainly ask ourselves this question and answer by voting down the measure before us to appropriate funds for Selective Service registration.

Mr. Chairman, I strongly urge the defeat of House Joint Resolution 521.

Mr. CONTE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. McDADE).

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. McDADE. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I rise in strong support of House Joint Resolution 521 as it was reported from the Appropriations Committee.

In my view, premobilization registration is nothing more than an insurance policy against a future international crisis. I do not believe that returning to registration will necessarily mean that an actual draft will soon resume. When the President recommended a return to premobilization registration, he did so to illustrate to the world, and more specifically the Soviet Union, our resolve to back up our foreign policy pronouncements. A failure on the part of the Congress to support the President can only be interpreted by our allies and potential adversaries alike, that the United States is simply not willing to make the requisite sacrifices to protect its international interest.

There is, of course, more to the issue of registration than the mere symoblism of supporting the President. There are legitimate military reasons to vote for registration. The Active and Reserve Forces were never intended to fight without the augmentation by draftees in the event of a major national emergency. To revitalize the Selective Service System and to renew registration will simply allow the induction of a draft in a timely manner should such an emergency occur.

The President's decision to renew registration is part of a five-point program to improve the Selective Service's capabilities. Those five points include: First, a registration process that is reliable and efficient; second, an automated date processing system that can handle Selective Service's pre- and post-mobilization requirements; third, a system for the promulgation and distribution of orders for induction; fourth, a claims process that can quickly insure that all registrants rights to due process are protected; and fifth, a field structure that can support the claims process.

It would, of course, be preferable if a return to registration were not needed. However, the continuing decline of Active Force manpower strengths, coupled with a continued decline in the Reserve and Guard manpower levels, has made registration militarily necessary if we are to be able to support our foreign policy pronouncements. To illustrate my point, consider that in 1974 the congressional Active Force authorization level was 2,190,000. However, the Armed Forces fell short of that goal by 27,000. By 1979, Congress lowered the authorization level to 2,052,000. Yet, the manpower shortage for that year was 32,000. More importantly, the greatest shortage in manpower occurred in the Army which had only 90 percent of its authorized levels. This means that we simply would be unable to respond adequately to a national emergency which involves mobilization.

The manpower shortages I refer to are caused by a number of factors. Certainly the low pay scales for recruits and a continued decline in retention rates are a major factor. Although these are increasingly important problems, there is little likelihood that the Congress and the President will soon increase pay levels sufficient to reverse the recent trend.

These figures would be much worse if it were not for the fact that women are now serving in increasing numbers. Over the last few years, the importance of women to our Armed Forces has increased. Today they serve in every MOS (military occupational specialty) within the Defense Department with the exception of those involving combat duty.

The President, however, seems to believe that the military is an appropriate vehicle for achieving his version of social justice and therefore included women in his registration recommendation. As a member of the Armed Services Committee who has studied this entire issue with great care, I can tell my colleagues that there is simply no military reason to draft women and therefore no reason to register them for a possible draft. Women have already proven themselves capable of doing an equally effective job and there are numerous noncombat jobs within the military in which women can and do serve.

If the Nation were to face a national emergency which warranted a return to the draft, I am convinced that a significant number of women would volunteer to fullfill those jobs.

I realize that one of the major arguments against premobilization registration is that it will improve our capability to induct the requisite number of draftees by only 7 days. I hope my colleagues will realize that this is a bogus argument. That 7 day figure came from a report which was deficient in a number of major areas. To begin with, it was based on the false assumption that the Congress would pass the necessary legislation on the first day of mobilization. We all realize that is highly questionable.

Another major fault of that study was that in a postmobilization effort, there would be no unforeseen problems. I think we can all relate problems we have in day-to-day operations with the bureaucracies of our Government. Certainly to believe that the Selective Service System could go for years in its present deep standby status and then all of a sudden respond to a national emergency without running into any procedural or logistical difficulties is simply beyond reason.

To me there are two significant questions: First, are we going to support the President and his foreign policy pronouncements or we are going to illustrate to the world that we are not capable of producing a foreign policy designed to protect our interests and those of our allies; and second, are we going to allow our military capabilities to continue to slip or are we going to take the necessary steps to insure that our military is sufficiently capable of protecting us? Those are the two most important questions underlying the debate today. I certainly hope that my colleague will join with me and send a message to the American people and the world that this body understands the importance of maintaining an adequate military posture and that it is willing to take the difficult steps to insure that we have one. I urge passage of House Joint Resolution 521.

Mr. McDADE. Mr. Chairman, I rise in opposition to House Joint Resolution 521, as reported by our committee. My opposition to this resolution is based upon my strong conviction that what we are doing here in no way strengthens our foreign policy or our crying need to strengthen the Nation's defenses. Instead what we are doing is sending a belated, disruptive, and rather confusing signal to the Soviet Union, to our allies and to our own people that the way to blunt Soviet aggression is to put the names and addresses of 4 million young people on cards at the Post Office. In a nation overrun with a daily dose of hollow gestures, this is the ultimate symbol of futility.

Mr. Chairman, I wish that each Member of the House of Representatives could have attended the hearings held on this resolution. Through careful and intensive questioning from our chairman, Mr. BOLAND, and from the members of the subcommittee it became crystal clear that there was one priority option upon which the Defense Department, the Selective Service, and indeed the internal memos of the White House were agreed upon and that was the first option, the so-called postmobilization registration, was the most effective and responsible avenue available to our Nation. That was the option which our subcommittee accepted. That was the option that was rejected by our full committee and our President.

Today should this resolution pass, and I hope it will not, we will transfer $8.5 million from a Defense Department account already in the red. We will force millions of young men to go to the Post Office and register for the draft. We will doubtlessly point to this action as a great sign of national unity and it may well be. However, we are only cutting the time of premobilization by anywhere from 7 to 14 days at best. We are ignoring the fact that the Defense Department does not have the capacity to train more than 80,000 young men within 30 days. And we will blithely shunt away the fact that the Defense Department has not requested one red cent to expand their training capability. In short, what we will not be doing is increasing our defense preparedness.

And most painful and embarrassing of all we are sending a sign to the Soviet Union and to our allies that is so shallow, so meaningless, and so hopelessly symbolic that it is lamentable. Sending 4 million young men to the post office is not much of a signal of national resolve, but that is what this Nation is reduced to under this appropriation. If this is our response to the Russians, then why are the taxpayers of this Nation spending $6.5 billion per year to maintain a standing military reserve?

Mr. Chairman, producing this resolution has been a difficult experience for our committee. That is because all of the expert testimony, and all of the internal White House memos, all of the expert advice that our President and our committee received runs contrary to it. The evidence is overwhelming. Draft registration is a costly, meaningless, empty public relations sham. Even former President Ford, a man who has been there, a man who knows from his experience as Commander in Chief that this is not an appropriate or effective way to strengthen our Nation's defenses, cautioned against such a procedure.

So here we are considering the waste of $8.5 million and we are not addressing the real questions of how to buttress our foreign policy by expanding our Nation's readiness and our manpower needs. Until we are ready to make those tough decisions, I submit we are wasting our time and taxpayer dollars. I urge the defeat of this resolution.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, I am opposed to House Joint Resolution 521, which would transfer appropriated funds to the Selective Service to reinstitute draft registration of young men.

Registration is unnecessary at this time. The proposal is simply a superficial step which will not increase our military capabilities and may, in fact, exacerbate existing problems. If we are truly serious about improving our defense capabilities, a better course of action would be a thorough review of current military personnel problems. This should certainly occur prior to reinstitution of registration or the draft. If we act now without these questions answered we will set the stage for even more serious problems.

During last year's debate on this subject, I raised several questions on manpower utilization and efficiency by the military. These issues go to the heart of our capabilities and must be addressed before we even consider reinstituting registration for no benefit will accrue from increasing our military size if those forces are inefficient or do not meet the needs demanded by the modern army.

When Congress established the All-Volunteer Force, it was done under the assumption that the military would maximize its personnel. But the Military Establishment, rooted in the archaic concept of unlimited bodies through the draft, has wasted its forces and has not met the new requirement for efficiency. Should this Congress act today by reinstitution of a policy which endorses this manpower policy? The U.S. military manpower policy has produced an inefficient fighting force. Consider these facts:

The Washington Post recently printed the shocking story about the U.S.S. *Canisteo* which was docked due to a lack of a sufficient crew. This article rightly points out that the problem facing the military is not inducting new troops but retaining existing qualified personnel. The retention of qualified personnel is one of the most serious problems facing the military and the influx of new personnel is not the solution.

However, the Post story does not consider the equally serious problem of efficiency. When originally commissioned, the *Canisteo* in 1945 required a full complement of 64 men. In the midsixties, a midsection was added for extra cargo and minor modernization also took place. Today, the *Canisteo* requires a full complement of 300 men. That is an increase of 236 sailors. Does it now take 300 to do the job of 64? The size of the *Canisteo* crew is all the more shocking when compared to the crew requirements of the OL-class ships of the British Royal Navy. These ships are the same size as the *Canisteo* with greater capabilities. Unlike the *Canisteo*, they are equipped with a helicopter deck and two heavy load helicopters. Yet these ships only require a crew of 87.

When we turn our attention to other data to evaluate performance and effectiveness some serious concerns arise. In a comparison of armies for various Western countries, the United States has one of the largest soldier per maneuver battalion ratios. The U.S. Army has a ratio of approximately 3,337 men per maneuver battalion as compared to 2,153 per battalion for England (which also has an all-volunteer force), and 3,011 for West Germany. Even more shocking is the ratio for the U.S. Marine Corps, the very symbol of American fighting forces. The Marine Corps, less its air attack force, has a ratio of 5,519 men per maneuver battalion. Why are the ratios for American forces so out of line with those of our allies? A modern, efficient military should rely on qualified personnel rather than sheer numbers.

Before we even consider reinstituting registration, this Congress and the Department of Defense must review thoroughly our military manpower policies. We do not face a crisis situation that demands a response without contemplation of the questions that my colleagues and I raise. We simply must determine if we are using our forces in the most efficient manner possible. We must review our manpower needs in terms of technological advances and the requirements of a modern military force. We must seek a policy which insures that the military retain qualified personnel and that we optimize the combat ready use of those trained for the combat ranks. It is not appropriate to compound the problem by increasing the numbers, rather it would be appropriate, very appropriate to address the current real problems of military personnel.

Mr. Chairman, rather than registration, we must develop a personnel policy which maximizes the efficiency of our military manpower and existing capabilities. That recognizes the needs of Americans today and tomorrow for a modern professional defense capability. Such a policy is demanded by our need to eliminate unnecessary Federal spending; and in equity to those young adults who would be impacted by the registration policy proposed today. The protection of our fighting forces and the security of the American people certainly are all of our concern, and the registration proposal is a superficial response which does not address the root problem and could seriously delay, and even lead us down the wrong path, while the defense manpower problem ripens.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. McCLOSKEY).

Mr. McCLOSKEY. Mr. Chairman, I suggest that we vote against this joint resolution. It raises the issue in the wrong way at the wrong time. If we enact it, we require that 4 million young 19- and 20-year-olds register for the draft, and there is no way to read it any other way because that is the only law we have under which we could use this registration.

A draft in peacetime today would be wholly inequitable. If we were to reinstitute the draft tomorrow to bring the Armed Forces up to combat-ready strength, we might conceivably take 400,000 young men. To draft 1 out of 10, 400,000 out of 4 million, is in effect to take 1 unlucky person for 2 years of active duty and leave 9 of his friends back home drinking beer. There is no possible way to maintain a good, high-morale military force by drafting 1 out of 10. For us to even consider going back to the draft at this stage is wrong.

The real issue that the Congress must confront is the failure of the All-Volunteer Army. I do not need to recite the facts that show that failure. If we look at Stars and Stripes of last May, we find that in testing 450 soldiers in West Germany, only 7 out of 450 could read, write, and compute at the ninth grade level. The Army has had to reduce their training manuals from the 12th grade level, the 8th grade level, and then to the 5th grade level in order to meet the needs of the type of recruits now enlisting voluntarily.

We are, Mr. Chairman, predominantly a white nation, and yet the predominant makeup of our frontline combat units is from blacks and Mexican-Americans. If we had to go to war today in Korea or in Germany or anywhere in the world, the bulk of our casualties would come from among the minorities.

The basic problem, Mr. Chairman, is that we will not face up to the fact that the All-Volunteer Army is failing. We need something like a national youth service, a volunteer service across the board, where people could choose what kind of service they want to incur, yet where a duty to serve the country is recognized as the obligation of all.

Among the young people of the Washington Workshop, when we asked young people what they would do if we had a volunteer national service plan, with the draft in the background, over 50 percent chose the 2-year military option and 10 percent the Reserve option. With this result, under a national youth service rather than the draft, we would not have to draft anyone.

Mr. Chairman, if we are going to go back to some form of compulsion, let it be national service, not the draft. This is a trap today. It is the wrong vote, and it is at the wrong time. I urge a no vote on the joint resolution.

□ 1330

Mr. WHITTEN. Mr. Chairman, I yield 1 minute to the gentleman from Oregon (Mr. WEAVER).

Mr. WEAVER. Mr. Chairman, compulsory draft registration must and should be defeated. Compulsory draft registration is embodied in the committee amendment. That committee amendment must and should be defeated. In the event the committee amendment does pass, I will offer an amendment to the resolution for voluntary registration. My amendment will not allow the funds to be spent for compulsory registration, but will allow the funds to be spent for voluntary registration.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to my colleague and friend, the gentleman from Mississippi (Mr. MONTGOMERY), a member of the Committee on Armed Services.

Mr. MONTGOMERY. Mr. Chairman, I rise in support of this resolution. Peacetime registration does mean something. The Committee on Armed Services voted 45 to 4 for registration, and I feel that we are advisers to the full House on the military.

Also, those who have the responsibility for the defense of this country, the President of the United States, the chairman of the Joint Chiefs, and Secretary of Defense, all of the military chiefs, all of the Secretaries, totally support peacetime registration. These are the leaders who have the responsibility of having a strong defense.

Peacetime registration does do something. It does two things. It takes the Selective Service System out of the deep freeze and makes it an ongoing organization. We do not have a Selective Service System now. It is not workable. When the Gates Commission recommended an all-volunteer system, it said in its report that you have to keep the Selective Service System going under the volunteer system in case you have an emergency. We have not done this. This will get the Selective Service System going. It will save as much as 60 days by having the names of these young men and knowing where they are.

I do not care what you hear today, it does have some effect, and it will save at least 60 days in calling up these young men by having their names and knowing were they are living.

What worries me, if we do not pass this resolution today, it will send a message to the Soviets that this legislation was defeated and that we do not care.

Most Americans support peacetime registration. I really think that the Congress is a little out of step. All of the polls that have been taken by Members and by the great polling services, including on college campuses, 75 percent of the Americans polled support peacetime registration.

Mr. Chairman, with the Soviets on the move, with our problems in Iran, and with the world almost out of control, it seems to me that we cannot gamble on the security of our Nation. We must implement registration now.

The CHAIRMAN. The gentleman from Massachusetts (Mr. CONTE) has 8½ minutes remaining, and the gentleman from Mississippi (Mr. WHITTEN) has 17 minutes remaining.

Mr. CONTE. Mr. Chairman, I yield 1½ minutes to the gentleman from Pennsylvania (Mr. MARKS).

Mr. MARKS. Mr. Chairman, today the House has before it the issue of providing funding to implement premobilization draft registration for men between 19 and 20. I rise in support of this resolution. I do so with some reluctance, however, concerned that passage of this measure may cause us to neglect other steps which I believe are necessary to improve our Nation's overall military readiness.

In debating this resolution it is important to remember that this is a resolution on reinstituting draft registration, not conscription itself. Indeed, the resolution is quite specific that no funds authorized under this bill may be used to institute or take action to draft any individual for military service. Although there is some disagreement on the amount of time which can be saved in a premobilization draft registration, I believe there is a consensus that between 6 to 60 days in time can be saved. Even accepting the conservative estimates, I believe, this is a meaningful step in the direction of improved preparedness. Registration will allow us to determine the potential number of men available and their addresses in case the need arises for national mobilization.

I reiterate that this is only one step that can and should be taken to improve our Nation's preparedness. I know many of my colleagues share my concern as to whether the All-Volunteer Army can meet its enlistment goals. I strongly support the concept of an All-Volunteer Army but question whether we have done enough to enable an All-Volunteer Army to be successful. Frankly, I am embarrassed when I read, as you have, of the number of enlisted men and women who are turning to food stamps to adequately feed their families. If this is indeed an accurate picture of the financial remuneration which exists for our enlisted men and women, I am not surprised that recruitment quotas are not always being met.

Equally important, Mr. Chairman, is my concern that we are moving to implement registration of more men when we appear to be doing an inadequate job of training and supplying the men and women already in uniform. All of us have read accounts that we may not have sufficient transport capacity to move or equip our men and women in uniform; or the stories of lack of spare parts for planes or tanks.

I frankly do not know if those accounts are fully accurate, but if they are, they should be addressed.

Most important of all are the widely reported stories of the inability of the armed services to get highly trained, experienced men and women to reinlist. Headline stories document the fact that the Army is losing its sergeants with 8 to 12 years of experience at an alarming rate or that there is a critical shortage of naval pilots. I suspect we all saw the story of the ship that could not leave port because it did not have an adequate crew.

I believe world events, particularly in Afghanistan and Iran, have raised the awareness of the American people as to our defense posture. The people of my district whom I have talked with want our military to be second to none. My most recent questionnaire also indicates that the people of my district are willing to pay the price to insure that our military is prepared and supplied.

Many in my district, I believe, feel that this administration and the Congress may have somewhat neglected our defense capability in recent years and want that corrected. I believe the majority of my constituents support the need to reinstitute registration.

But I believe they view as I do that this is just one of many actions which are necessary. They do not want America's young men and women facing the prospect of having to fight without adequate training or equipment. They expect this administration and this Congress to reassure them on that point.

If this administration which last year opposed draft registration now supports registration just for a get-tough stance with the Russians or to appear to be taking a strong stand for possible political benefits, then approving this resolution would be a mistake. I believe, however, that registration is needed for whatever time it would save. I would hope, however, that this debate today would in some way lay the basis for a much broader debate on what our overall defense needs are when the defense authorization bill comes before this body in the near future.

Let us today take this first step toward greater preparedness, small though it may be. But let us determine that this vote will not lull us into a false sense of security or lull us into believing that we have done enough. We have a commitment to our people and to our allies to remain the leaders of the free world and that will involve sacrifices today and in the future, sacrifices that I hope all of us will be willing to make.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from New York (Mr. PEYSER).

Mr. PEYSER. Mr. Chairman, there is no Member of this House, certainly, over the last 8 years, who has been more supportive of the armed services and the programs dealing with national defense than myself. I have had the benefit of having had 14 years of military service, and I am a very strong advocate of a strong defense.

It has been said that this registration is sending a signal to the Soviet Union. The only signal we are sending in this type of registration, in my opinion, Mr. Chairman, is one of weakness. If and when we need more personnel in the armed services in order to defend our country and fulfill its obligations, then let us draft them. The United States is strong and its people and their representatives in the Congress will respond in a time of need. But clearly, with the President saying no draft is imminent and the Secretary of the Army saying that we could not handle a substantial increase in numbers for a least 2 years, why are we rushing to spend $13 million and start creating disturbing uncertainties for our young people and their families?

The Russians are not going to be frightened or our allies heartened because we have a couple million pieces of paper giving name, date of birth, and address.

A drowning man, Mr. Chairman, cannot be saved if all he has in his hand is a picture of a lifejacket. And by the same token, a nation cannot grow strong just because the Selective Service has a couple million names in a computer.

Mr. Chairman, I am not here to fight the administration. I believe they made a commitment at one time earlier this year, and I supported it until I found out what the facts really were. The administration has stayed with this commitment, and now I must stay with my commitment which is to do what is best for this country. I, therefore, urge the defeat of this registration program.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. STRATTON).

Mr. STRATTON. Mr. Chairman, some years ago, when the House of Representatives was taking action to create the All-Volunteer Force, the former chairman of our committee, the late beloved and respected Eddie Hébert, said that the only way you are going to get an All-Volunteer Force is to draft it. Those were very wise words. And the leadership of this country, after many years of error and mistakes, has begun to recognize that. That is why we are confronted with the legislation before us today.

I have stood in this Chamber for some 22 years now, speaking out on a number of topics, but mainly on the subject of defense and trying to get a strong defense. But I must say I am a little surprised today with what is going on in this Chamber.

We have traditionally had those who have been habitually opposed to defense, and they are, of course, opposed to registration. They are also opposed to the draft, and they are opposed to spending any more money for defense. And then there have traditionally been others, often on the other side of the aisle, whom we could usually count on to be in favor of defense, who would vote for a nuclear carrier, for example, who would vote for a B-1, who would support an increase in our military preparedness and our weapons.

□ 1340

But today I am appalled that many of those who traditionally have supported defense, who have been willing to spend money for ships and guns and airplanes, are now coming out, for a variety of what seem to me to be trivial, picayune, and contrived reasons against this basic, small first step to try to deal with the major shortage in our defense, the current manpower shortage.

We are being told that the Carter administration does not have any particular plan, so why should we give this authority to Jimmy Carter? Well, what we are doing is not giving this authority to Jimmy Carter or to Ronald Reagan or to anybody else. We are giving it to the United States of America and to the individual who will be elected President in November. If we try now to cripple this first simple, easy effort to try to get moving toward what we know has to be done to solve our manpower problem if this country is going to be truly credible, then we are not going to be hurting Jimmy Carter. We are going to be hurting our own country; and those who support defense ought to recognize that plain fact.

Why is it we are only talking about registration? Why isn't there some broader program? Because everybody knows that fear permeates a legislative body in an election year. This registration is all we can get through this year. Of course, sooner or later, if we are really serious about improving our manpower situation we have got to go beyond mere registration. We should go to examination. And we probably should institute some kind of training program for those eligible for service. We certainly ought to train them to defend themselves. My friend, the gentleman from California (Mr. McCloskey) has an interesting program. Or, perhaps, my friend, the gentleman from Mississippi (Mr. Montgomery) has an even better program to train our eligible young men for 4 or 5 months and then retain them in the Reserve for 4 or 5 years thereafter. This is essentially what the Swiss do and they have deterred war against them for as long as any of us can remember.

But the main job now is to take the first step. Once we have done that we can then begin to move, after the November election, to take the further necessary steps to put our military manpower situation into better shape.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from California (Mr. John L. Burton).

Mr. JOHN L. BURTON. Mr. Chairman, I am totally against the proposed peacetime draft registration plan. We do not need it; we do not want it. It would be a dangerous step that could perpetuate the smoldering "war mood" and it does not offer us any real solutions for achieving world peace or for meeting our military needs.

It would take too long to implement to be of any benefit in the immediate future and the cost of a peacetime registration would be enormous in terms of money and public morale.

Peacetime registration is sure to take at least 6 to 9 months to get underway. That time frame does not even include the additional time it would take to conduct medical exams and classify people at the time of induction.

The proposal only offers a savings of 13 days in the preparation that time is needed to get draftees into combat units as compared to registration and induction after a full mobilization.

The cost for a draft registration program will be sky high. To begin, it would take some $10 to $20 million and by next year, the President is expected to ask for $23 million to run a draft registration program. In addition, it is estimated that the medical exams alone would cost another $13 million per year.

Peacetime registration does nothing to solve the two real problems facing the U.S. military. Right now we have too few technically trained officers and enlisted persons remaining in the service to be a core of experienced leaders and we have too few persons with previous military training joining the Reserves. Registration will do nothing to change that. It would only mean that we would be signing up the names of masses of untrained and unwilling potential draftees, and worse, it would mean that we would be enhancing the possibility of future Vietnam-like military adventures.

Mr. WHITTEN. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. Stewart).

Mr. STEWART. Mr. Chairman, I rise in opposition to House Joint Resolution 521. I ask for unanimous consent to revise and extend my remarks.

The House Appropriations Committee has recommended that $13.3 million be appropriated for the Selective Service System for the fiscal year ending September 30, 1980, to enable the administration to proceed with its premobiliation registration plan. The committee in so acting has rejected the recommendation of the HUD-Independent Agencies Subcommittee. The subcommittee recommended $4.7 million for a postmobilization registration plan.

The administration's request for a supplemental appropriation for fiscal year 1980 for the Selective Service System has been marked by not infrequent changes.

The President's budget contained a supplemental request for $1.4 million for fiscal year 1980 for the Selective Service System. This request was later amended to seek an increase of $21.9 million for the same period. A recent communication from the White House dated March 3, 1980, indicated that the administration has amended its amended supplemental request so that the revised request is now for $13.3 million.

Originally, the $21.9 million was to indicate, as John P. White, Deputy Director, Office of Management and Budget, testified before the HUD-Independent Agencies Subcommittee, this Nation's resolve as a measured response to the Soviet Union's invasion of Afghanistan.

The administration's first amended request for funds was to provide for a system which would permit the registration this spring of all young men and women born in 1960 and 1961. In January 1981, the Selective Service would require those born in 1962 to register with the Service and at that time would require "the continuous registration of 18-year-olds." The subcommittee did not consider the $21.9 million but had before it a request for $13.3 million which was the President's request minus the amount which would have been required for the registration of women. The subcommittee rejected the $13.3 million and approved instead funds to revitalize the system and provide for a post mobilization participatory registration.

In testimony before the subcommittee, John P. White stated that:

> The key aspect of Selective Service revitalization called for by the President is registration. This will accelerate the process of systems development and planning and, most importantly, will remove the great uncertainties inherent in waiting until after mobilization to register.

Let us briefly examine what will be accomplished by the administration's premobilization registration plan and compare these results with the post mobilization participatory registration that, according to "A Report by the Director of the Selective Service—A Draft Working Document," dated 16 January 1980, is "subject to field testing later this year and the international situation at any time, * * * recommended as the basis for an effective Standby Selective Service." What will the administration's proposal to register accomplish?

In response to a series of questions asked by the chairman of the subcommittee, the Director of the Selective Service System made the following points: Subject to working out "the entire infrastructure" in a premobilization registration approach, the first induction would be made on M plus 12; 100,000 inductions would be achieved by M plus 28 at the earliest.

Now, according to the draft report, with a postmobilization participatory registration—

> The Director of Selective Service * * * will issue induction orders starting on M+7.

Continuing, the draft report states—

> Inductions will begin on M+17 at the rate of 7,000 per day * * * With this sustained rate, 100,000 inductions could be made by M+35 and 650,000 by M+125.

So, under a premobilization registration, we would have the first 100,000 inductees on M plus 28; a postmobilization registration would result in 100,000 inductions by M plus 35. We would save 7 days.

Why the 650,000 inductees? In hearings before the HUD-Independent Agencies Subcommittee in February 1979, Mr. Robert Schuck, then Acting Director of the Selective Service System, in a prepared statement, indicated that the Department of Defense had levied, a year earlier, "new and unprecedented war time manpower requirements upon the Selective System." What were these unprecedented requirements? The Department of Defense wants 650,000 inductees within 180 days after mobilization.

The postmobilization registration which was the option recommended in the draft report can meet these unprecedented requirements 125 days after mobilization or 35 days earlier than required by the Department of Defense. If the Selective Service System can meet what a former Acting Director has termed "unprecedented wartime requirements" 35 days earlier than the Department of Defense needs them with a postmobilization registration, why does the administration want a premobilization registration?

The need that will arise when there is an outbreak of hostilities will be for trained manpower, readily available, to be transported to the scene of the conflict. And, again, according to the administration's report—

> The Department of Defense has determined that the most demanding situation would be an outbreak of intense conflict between the Warsaw Pact and NATO nations preceded by very little warning time.

Again, what this worse case scenario will require is trained manpower. And the Department of Defense has stated that it would need 650,000 inductees within 180 days. It is very unlikely that those called up after a mobilization will be of much use to the Department of Defense until such new recruits have completed their training program. In testimony before the subcommittee the Assistant Secretary of Defense stated that—

> There is a minimum of 12 weeks training before an individual can be transported abroad * * *

So, obviously, it is the pretrained personnel, those in the Individual Ready

Reserve, for example, who will be immediately needed, to fill the places created by the first casualties.

The United States must be prepared to meet our NATO commitments, and part of that preparation includes a ready Selective Service System. With respect to the Selective Service the crucial question is, What is the most feasible way of improving the agency's capabiilty to meet DOD's worst case inductee requirement? In answering this question, it is well to keep in mind that inductees cannot be available to battlefield commanders during the first 3 to 3½ months of a NATO-Warsaw Pact war unless the United States mobilizes well before the first Soviet tanks roll or unless Congress is willing to reduce the minimum 12 weeks of training presently required by the Military Selective Service Act. The inescapable fact is that the initial stages of a NATO-Warsaw Pact war must be fought by our NATO allies with the aid of our own Active and Reserve Forces.

It is inconceivable that the 7 days saved as a result of the preregistration mobilization will decide either the future of the Republic or the future of the Western Alliance.

In closing, I would like to express my concern about the manner in which certain Members have responded to the President's request for a supplement for the Selective Service System for fiscal year 1980. I read reports in the news media of one Member's response to the actions of the subcommittee wherein that Member is quoted as saying:

> We are determined that the President shall not be denied or embarrassed.

One could, if one was so inclined, easily derive from that quotation the impression that the subcommittee in this instance should have accepted without question the President's recommendation. Such Members might want to reread the Federalist Papers, particularly No. 47, where Madison quite emphatically states that:

> The accumulation of all powers, legislative, executive, and judiciary, in the same, whether of one, a few, or many, and whether hereditary, self-appointed, or elective, may justly be pronounced the very definition of tyranny.

While I am not implying that this Member was advocating such an accumulation of power, such remarks as those quoted above may lead to a blurring of the fine line which separates the powers of the three branches of Government. Such a statement would further seem to indicate a lack of awareness of the actions of the legislative branch in the past years directed at certain initiatives of past administrations. One author has described this period of our history when the Executive was in the ascendancy as the time of the imperial Presidency. I would not want to think that Members of the majority who advocate that the House not "deny the President" do so only in the interest of party unity. For to do so, is to abdicate our responsibilities as Members of a coequal branch.

There is the possibility that a case may be made for premobilization registration. However, this administration has yet to make a case for such an action and until it does, I will continue to oppose the increased funding for the Selective Service to initiate the registration of our young men absent a national emergency.

Mr. WHITTEN. Mr. Chairman, I yield the remaining 5 minutes to the ranking member of the Committee on Appropriations, the gentleman from Massachusetts (Mr. BOLAND).

Mr. BOLAND. Mr. Chairman, this resolution surfaces from the Subcommittee on Appropriations which I chair, the Subcommitee on the Department of Housing and Urban Development and Independent Agencies. That is the subcommittee that has jurisdiction over the spending measures of the Selective Service System. I suppose there are a number of Members of this House who would question whether or not the Selective Service System ought to be under the jurisdiction of the Department of Defense or a civilian organization. I think we should all take pride in the fact that it is a civilian organization.

This is a rather controversial subject. There has been a lot of hysteria occasioned by it, a lot of rhetoric, and a lot of balderdash. I am reminded of the prayer that opened this congressional session today. Dr. Blowers of Indianapolis indicated that it was the duty of members in any legislative body to consider the day's work as a ministry to be performed, rather than as a misery to be endured.

So, Mr. Chairman, we face this problem today on a recommendation by the President of the United States for premobilization registration. The President has requested funds to reinstitute registration as part of a broad response to the Soviet invasion of Afghanistan. When the President spoke to the Congress in the State of the Union address last January, one of the elements of that address was registration. That particular recommendation was greeted with considerable applause on both sides of this Chamber. He has sought to demonstrate the country's resolve by embargoing the sale of grain to the Soviets, by prohibiting them from fishing in our coastal waters, by calling for an Olympic boycott that most of us in this Chamber support and by working together with our allies to deny technology to the Soviet Union.

The fact is that the President and the Secretary of State have made it clear to our allies that we feel the invasion of Afghanistan is a potential threat to them, as it is to us. They have also made it clear that we are willing to demonstrate our will by taking this small step of registering young men.

It makes it very tough for the President to convince our allies that we are really serious about defining and defending our vital interests and demonstrating our resolve if the Congress will not provide $13.3 million for premobilization registration of 19- and 20-year-old men. That is the real issue before us, Mr. Chairman. Are we going to support the President and provide him with a demonstration of our will? If we do not, my judgment is that it makes it impossible for him to convince our allies to make equally tough decisions on their part.

So, Mr. Chairman, we will hear a number of arguments here today, but let us think for a moment what the President is asking. All he wants to do is to renew draft registration, which for 35 years prior to 1975 was a painless and a routine procedure which was conducted without marches, without demonstrations, without a lot of hyperbole. The fact is that it was a procedure that was greeted, not unanimously, but greeted overwhelmingly by all sections of this Nation and was not generally opposed by those who were forced to register.

It is my judgment, Mr. Chairman, that it was a terrible mistake when we ended registration back in 1975. We ought to correct that mistake now. The opportunity is here. I hope that this body will do so.

Mr. CONTE. Mr. Chairman, I yield 5 minutes to the gentleman from Pennsylvania (Mr. COUGHLIN).

Mr. COUGHLIN. Mr. Chairman, I very seldom disagree with the distinguished chairman of our subcommittee. He is knowledgeable. He is fair, and yet in this particular circumstance I understand the constraints under which he is laboring.

Really, Mr. Chairman, we have two issues before us today, one of which has not yet been mentioned. We have one issue of whether we proceed today to dismantle the budget procedure by enacting this transfer, and we have a second issue on the merits of whether we have premobilization registration or postmobilization registration.

The registration before us provides full funding for a premobilization registration program, computers, post offices, forms, systems in place; all of this would be possible to provide the kind of registration that registered millions of people in World War I and World War II in a single day. However, I remind you, it is funded by a transfer from the Air Force. This is a little different from the Federal Trade Commission resolution that was before us a few weeks ago. That was continuing an existing program by transfer; now we are creating a new program by transfer. If, in fact, we have premobilization registration, we are really creating a new program by transfer and dismantling the budget process, if that means anything to any of you.

On the substance of premobilization registration versus postmobilization registration, let me say, this is not a hawk versus dove issue.

□ 1350

Many of us here have supported B-1 bombers neutron bombs, and large nuclear carriers. It is not a hawk versus dove issue, and it is not a question of supporting the President or not supporting the President. Many of us support the boycott of the Olympics or the trade embargoes.

It is a question of a program that simply will not stand scrutiny. It was developed by a conclusion first of all that is not supported by facts. It is a question of sending no signal to the Soviet Union because they know it is a phony program and the wrong signal to the

American people who think we are doing something when we are not.

My colleagues have a great deal of information before them. But just let me say briefly the administration's own witnesses, their own witnesses said this would not substantially speed mobilization. The Soviets know that, but we are leading the American people to believe that we are doing something substantive when we are not. The administration's own witnesses said that even if we had induction we could not train large numbers of troops and put them in the field with our existing facilities. The Soviets are sophisticated enough to know that. But we are leading the American people to believe that we are doing something to improve our defense capability, which we are not.

Finally, and most important, almost any scenario today envisions a very rapid response. The difference here is perhaps 7 to 14 days in putting troops in the field, 6 months and 7 days or 6 months and 14 days. It is a meaningless thing.

There is a question and a fair question of what kind of signal does this send to the world and to the Soviet Union if we deny the President's request. That is not an easy question for me to answer, and it is not easy for many Members of this House. It does seem to me that it is better for Congress to reject another meaningless gesture than to adopt a meaningless gesture that may encourage complacence and a feeling of a false sense of security here at home.

Mr. EDGAR. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I am happy to yield to the gentleman.

Mr. EDGAR. Mr. Chairman, I would like to commend the gentleman in the well. I think his statement was articulate and to the point. I would like to commend him for his bipartisan leadership on this issue and I would like to associate myself with the gentleman's remarks.

Mr. COUGHLIN. Let me just finish by quoting a former President of the United States, President Gerald Ford, who said, and I quote from a recent interview:

> Most people, I suspect, assume that I would support registration. I do not. I think President Carter's priorities are screwed up. The first thing we should do is strengthen our Active Duty Forces. Then we need to beef up our reserves in manpower and weapons. Third is to increase the retention rate of our top-grade technical people in the services. All these things are more important than draft registration.

That statement from a former President, who is well aware of the defense needs of this country, to me is the most significant one.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I am happy to yield to the gentleman.

Mr. MONTGOMERY. Mr. Chairman, I certainly respect the gentleman and I am sorry that we are on different sides in this matter. But would not the gentleman admit that by this funding of $13 million it will certainly help the Selective Service System and bring it out of the deep freeze, which is certainly important?

Mr. COUGHLIN. I would have to respectfully disagree with the gentleman.

Mr. WHITTEN. Mr. Chairman, I yield 3 minutes to the gentleman from Washington (Mr. DICKS).

Mr. DICKS. Mr. Chairman, I rise in support of the committee amendment. This transfer of $13.3 million, to allow reinstatement of Selective Service registration of 19- and 20-year-old men is of critical importance to improving our defense posture and deterrent. I also agree that we need to improve our Reserves.

I want to emphasize again that we are not considering a return to conscription. Nor are we, by approving this transfer, somehow taking the first step toward a draft. There has been and will continue to be considerable debate about the success of the All-Volunteer Force. No one can deny we face serious manpower problems in the Armed Forces, which we must solve. In particular, I am convinced we must move to improve compensation in critical areas if we are to improve our record for retaining skilled personnel in the career force.

But regardless of your views on the All-Volunteer Force, there is little question that in the event of a major attack, for instance in Europe, mobilization requirements will include conscription. There is no question that the present deep standby status of the Selective Service System cannot meet even the most optimistic mobilization requirements. We lack the ability to locate those individuals who would be subject to conscription, should it ever become required. This registration proposal will provide us that capability. The Army Chief of Staff estimates that the President's plan will save 72 days over our present capabilities to provide a steady stream of inductees. This more credible reinforcement capability provides increased deterrence against a major attack.

The question this body is faced with is whether registration should take place before or after a mobilization order. The much publicized draft report of the Selective Service suggested that postmobilization registration would result in only a week's delay in the production of inductees, compared to premobilization registration.

Registration before we reach a crisis will allow us to test the system, to iron out problems, to resolve legal battles. It will allow us an ongoing capability to locate manpower resources.

Approval of the transfer of $13.3 million is more than symbol, it will provide real improvements in our defense posture. But it is inescapable that there will be a signal sent to the Soviets, our allies, Iran and the Third World by what we do today. If we approve the funding requested by the President, we will demonstrate that we are willing to take the necessary action to insure an improved mobilization capability. If we do not, we will show that we lack the commitment to even take the relatively painless step of simply filing a registration card. At a time when we are trying to convince our allies, most of whom already have conscription, to increase their defense investment this would be especially damaging.

In the final analysis, the question is, Do we want to rely on a tested system for mobilization, or do we want to hope we can put off a necessary but unpleasant task until after an attack has occured. I am strongly convinced we must adopt the former position.

I am including in the RECORD copies of responses I have received from the Secretary of Defense, the Chairman of the Joint Chiefs of Staff, and the State Department, stating their reasons for supporting Selective Service registration.

CHAIRMAN OF THE
JOINT CHIEFS OF STAFF,
Washington, March 4, 1980.

Hon. NORMAN D. DICKS,
Congress of the United States,
House of Representatives,
Washington, D.C.

DEAR MR. DICKS: Thank you for your letter of 28 February 1980 regarding Selective Service registration. I appreciate the opportunity to make my views known on this important issue.

It is my belief that the 1980's are likely to be a period of particular turmoil and instability, facing the United States with grave challenges and increased risks to our security. It seems apparent to me that greater defense efforts will be necessary for the nation, and that there is clear need to bring these heightened risks to the attention of the American people. We face, in particular, difficult personnel problems in our armed forces as we seek to provide the means to respond to the full range of potential crises which may call for military action. No one action can solve these problems; many are needed. Within the context of the many steps which are underway to improve the readiness of our armed forces to meet future conflicts, peacetime registration for the draft is a measure of significant importance.

There are two sets of reasons why the Joint Chiefs of Staff have recommended the implementation of peacetime registration. First, pre-mobilization registration is necessary to provide a high degree of confidence that the Selective Service System will be able to meet the needs of the Armed Forces for adequate numbers of inductees in the time-frames in which they will be required in the event of a major war. It is unreasonable to expect that waiting to register eligible youths until after mobilization will result in a delay of no more than seven days. It is my understanding that the more detailed planning which the Selective Service System has undertaken shows rather clearly that accomplishing registration in a seven-day period would be impossible. To mention only two specific examples, allowing only three days to publicize registration and a single day to register those eligible, as called for in the analysis of the post-mobilization option in the draft report of the Director of the Selective Service, are particularly unrealistic planning assumptions, in my view. In short, to answer your question directly, I do not believe that our requirements can be met through the post-mobilization option.

Second, beyond the strict consideration of how best to meet our military manpower needs in the event of mobilization, the Joint Chiefs of Staff believe that the adoption of pre-mobilization draft registration will provide an unmistakable signal of American resolve. Such a signal, coupled with other significant preparedness actions which are being taken, will serve notice to our potential adversaries of our determination to resist aggression; it will also stiffen the will of our allies to stand with us in resisting political coercion. Finally, pre-mobilization registration will serve as well as a symbol to the American people of the gravity of the challenge posed by the Soviet Union and of the urgent need to bolster our national defenses in the face of this challenge.

In summary, I reiterate my wholehearted

support for the Selective Service reforms and draft registration proposals which have recently been put forth to the Congress. In my judgment, they constitute a relatively low-cost but vitally important means of strentghening our national defense.

Sincerely,

David C. Jones,
General, USAF.

Department of State,
Washington, D.C., March 14, 1980.

Hon. Norman D. Dicks,
House of Representatives,
Washington, D.C.

Dear Mr. Dicks: I am replying to your letter of February 28, addressed to Secretary Vance, concerning Selective Service registration. Instituting Selective Service registration at this time is an important element in a series of proposed actions to protect and preserve our nation's security in the aftermath of the Soviet invasion of Afghanistan.

Selective Service registration will increase U.S. military capabilities. It will reduce the time requred to bring new personnel into the service if we ever need to reinstitute the draft. It will provide our mobilization planners with a firm figure of the size of the initial increment of the manpower pool, making planning more realistic.

Selective Service registration will be viewed as a measure of our resolve by the Soviet Union and will be favorably regarded by our NATO Allies. Most NATO nations already have conscription and will view registration by the U.S. as an important step in insuring a capability to provide adequate reserve and replacement forces, should the circumstance ever arise.

In sum, we fully support the implementation of Selective Service registration from both a foreign policy and military perspective. I hope these views will be helpful to you and to the rest of the Appropriations Committee as you consider this measure.

Sincerely,

J. Brian Atwood,
Assistant Secretary
for Congressional Relations.

The Secretary of Defense,
Washington, D.C., March 6, 1980.

Hon. Norman D. Dicks,
House of Representatives,
Washington, D.C.

Dear Mr. Dicks: I appreciate the opportunity to respond to your letter of February 28, 1980 with respect to registration. It is my judgment that peacetime registration is needed now. In addition to the grain embargo, a major tightening of sales of high-technology equipment, the boycott of the Olympics, and other actions taken by the President, registration will clearly demonstrate to the Soviet Union that their aggression in Afghanistan cannot be conducted with impunity or without cost. Registration is an important symbol and signal, but it is more than that. It provides an improved mobilization capability and a confidence in that capability which cannot be achieved by a post-mobilization plan. Registration in peacetime provides an assured capability; a standby plan provides only a potential.

The assumptions of the post-mobilization registration plan contained in the January 16 Selective Service draft paper are, in my opinion, unduly optimistic. Some of the time estimates have already been modified by Selective Service as a result of more detailed study. For example, the Selective Service draft paper assumed that registration and preparation of induction notices could be accomplished within seven days after mobilization. Subsequent analysis and discussion with Post Office officials have determined that this schedule does not allow sufficient time to preposition registration forms, complete the registration, and transport the large volume of data that would be necessary before induction orders are issued.

Further, even if the planning assumptions of a post-mobilization registration were improved and realistic schedules established, we could not be certain of timely execution. We cannot foresee, for example, the impact that the call-up of reservists or diversion of U.S. airline, rail and trucking capacity would have on post mobilization registration plans, but we expect significant and uncontrollable delays. such a degree of risk, in my judgment, justifies rejection of a post-mobilization registration plan.

Opponents of the President's plan to reinstate registration have argued, based on the draft Selective Service document, that peacetime registration will give Selective Service a capacity that DoD cannot use, and that a well-prepared post-mobilization plan would be adequate. I disagree with this assessment.

We had previously estimated that we could not begin to process inductees until M+30 days. Based on a recent review of the Army's training capacity, we now believe that our capacity in the first few weeks after mobilization would be somewhat higher than we had projected. We now estimate that the Army would be able to accept a total of about 80,000 new trainees during the first month after mobilization, including up to 20,000 inductees during the third and fourth week after mobilization. The remaining Army training capability available during the first month will be used for those who have already obligated themselves for military service at a future date (delayed entry), people expected to volunteer, and reservists who would need retraining.

These calculations of Army training base capacity assume that an emergency would occur as a total surprise, but it is more likely that we will have some warning, and that the Administration will act to expand training capacity prior to declaration of a national emergency. For example, if the 50,000 Selected Reserve call-up authority were used a month before M-Day to mobilize Army Reserve training divisions, not only could we start accepting inductees at M+13, but we could accommodate 100,000 by M+30.

The Navy, Marine Corps, and the Air Force have sufficient expansion capacity now, and will be able to accept a total of about 44,000 new trainees by M+30 days. The Department of Defense expects these Services to receive enough volunteers and individuals from the delayed entry pool to fill most of this capacity for the first month. To the extent volunteers are not available, these Services, like the Army, will be able to accept inductees. But, for the reasons noted above, we could not count on inductees being available during the first month after mobilization without peacetime registration.

In the last analysis, even a good standby capacity is only second best. Although a good standby capacity would be vastly superior to the present "deep freeze" system, it would still be far inferior to registration. I urge you and your colleagues to support the President's request for funds to resume registration.

Sincerely,

Harold Brown.

Mr. CONTE. Mr. Chairman, I yield 2 minutes to the distinguished gentleman from Texas (Mr. Paul).

Mr. PAUL. Mr. Chairman, I rise in strong opposition to this resolution. Many reasons have been given today to oppose this resolution for practical reasons. I would like to suggest to my colleagues they can oppose this with strong convictions and reject it on principle.

The mood of this Nation last year when we voted we rejected the registration and the idea of a draft overwhelmingly. The Congress and the Nation agreed on this. Today the mood has changed somewhat. Hopefully, it has not changed enough to endorse such a program as this. The mood changed for a very specific reason. It had to do with Iran and Afghanistan and yet we fail to recognize and fail to remember that we paid for the road that the Russians used to march into Afghanistan, that we paid and subsidized through the Export-Import Bank the truck plant that built the trucks to haul the Russian troops in. We continue with a ridiculous foreign policy that sets the stage for the invasions, and yet our President claims we must show a sign of strength now to oppose the Russian invasion.

Until we change our overall policies, all the drafts and all the registrations in the world will not do us any good. It is said that the draft and the registration is a sign of strength, but let me suggest to my colleagues it is the opposite. Consider the fact that when we fought our most serious and our most significant war, our Revolution when the odds were tremendously against us. The odds were 4 to 1 with the military troops we were fighting. The enemy had overwhelming military superiority, and yet without a draft we won that war and became victorious and established this wonderful country. Yet just a few years ago what did we do? We spent $120 billion and lost 50,000 lives. We used the draft and we conscripted millions of people, and we fought a war in Vietnam and lost. The draft and conscription did us no good whatsoever. We lacked determination and a sense of purpose. Victory therefore eluded us.

It is the ideas and the defense that we have of those ideas and the determination and the belief we have in these ideas that makes the difference. It is not a law on the books that will determine whether or not we will win, or even fight a decent battle.

The draft is symbolic of totalitarianism. It is not in the American tradition to endorse the draft. Volunteerism is the nature of a free society, a voluntary army is the only alternative.

The mood of the Nation and the Congress last year did not permit the reinstitution of military registration. Arguments for the protection of our civil liberties prevailed; those wishing to impose conscription on our youth were driven back. Now the draft—for what other reason do governments register their young people?—has raised its ugly head once again. For it to be considered seriously, the mood of the Nation had to be changed. Conveniently, the Afghanistan and Iranian crises surfaced—the two occurring simultaneously can hardly be considered a coincidence or an accident. Close examination shows that inept foreign policy regarding these two nations helped precipitate the needed crises to create a war mood in this country.

The evidence is clear that the U.S. taxpayer was forced to finance the very highway in Afghanistan used by Russia to invade that country, and it was built by the U.S. Army Corps of Engineers as well. The Kama River truck plant, where the invasion trucks were built, was also a gift of the American taxpayer, compliments of our State Department and the Export-Import Bank. Also, various technologies, especially computers, have assisted the Soviet aggressors in their expansionism. The evidence is clear that a nation and system incapable of feeding itself could not "afford" an invasion without significant assistance from the more productive and freer West.

The expressed shock and outrage about the true nature of Soviet aggression by our President is questioned by many for its sincerity—for Russia has not exactly kept their long-term, worldwide goals a secret. But to use this less than surprising invasion as "the battle cry" for military preparedness and the drafting of innocent 18-year-old boys and girls is more than reasonable citizens should be expected to take.

The President claims that registration and the draft is a sign of strength to show our enemies our determination and national will. This cannot be so, for the use of conscripted armies has always been symbolic of a morally weak, policy-confused, and a militarily stagnant nation. The draft in no way can change this; it only confirms the weakness and deceives some into believing that we will be strong again without reassessing some of our fundamental values and the purpose for our existence.

The strength of a free nation comes from the rightness of its policies and its peoples' convictions that the nation's purpose is noble and proper. We must be defending high moral principles and cannot be a purveyor of international mischief.

We cannot let our kids be the cannon fodder in conflicts to distract us from domestic economic upheaval created by decades of inept economic policy promoted for materialistic gains for various special interest groups.

Conscripting one small segment of a country's population and forcing it to "defend freedom" for everyone is in itself contradictory. No freedom is sacred if the ultimate right to voluntarily choose how to use one's own life is violated. If a young citizen can be forced to serve and die in a no-win foreign war against his or her wishes, how can one, on principle, defend any civil liberty or any economic liberty which in comparison must be less important?

Liberty itself cannot be defended rationally or consistently if one concedes to the state the authority to "use up" young, innocent life in such a manner.

It is claimed that without a safe and secure nation, achieved at the expense of the drafted victims, freedom cannot exist. This contradicts histories, ours in patricular. In our Revolution the odds were very much against us. There was no draft, the motivations were right, and we were victorious.

In contrast, the odds were in our favor in Vietnam. In addition, we had a draft—to compensate for the unwillingness of the people to go. Our motives were not justifiable, and even though we spent over $100 billion, we lost the war. This should tell us something.

The draft and registration have absolutely nothing to do whatsoever with victory in war, or strength as our enemies perceive us. Conscripted armies may symbolize and even represent military strength in dictatorships, but are unacceptable and incompatible with a free society. When a nation accepts and endorses the concept of conscription as a matter of course, it must look carefully at itself and consider its claims to being free. The loss of personal and economic freedom since conscription became acceptable in this country in 1917, has been significant and is not surprising. A reversal of this trend is a must if we expect to solve the herculean problems we face.

The Constitution provides no authority whatsoever to impose registration or the draft. It explicitly prohibits involuntary servitude and allows us to be secure in our homes, however. Prior to World War I, the Constitution was used to prevent the imposition of the draft on American citizens. Even before the 14th amendment, Daniel Webster and other statesmen demonstrated that the draft was unconstitutional. To say that we must conscript because it is necessary to have an army is like saying we can draft policemen, firemen, judges, and government administrators since they perform "necessary" functions. Defense industries and CIA activity are deemed necessary to the national defense, but no one considers drafting individuals for these. Forcing one to serve in any job, including the military, allows ramifications only found in a totalitarian system.

How is it that those who struggle diligently to prevent gun registration plead for the registration and drafting of their kids? Are guns more deserving of protection than our kids?

Why do those that are determined to write laws prohibiting bingo, sanction a lottery choosing who shall die first on the lonely battlefields of a no-win war? The lottery system is chosen because no one is willing to bear the responsibility of finally making the choice of who will make the ultimate sacrifice.

The right-to-lifers rightly defend with zeal the right of the microscopic fetus to live, only for him or her to be later sentenced to die or be crippled in a war he or she does not endorse. What does this do to our right to determine our own destinies?

A mockery is made of fairness when it comes to selecting those who must face the battle. To argue that it is possible to be fair defies rational thinking. How does an 18-year-old owe more to his country than a 48-year-old who never served, but enjoyed life for 30 years longer? If we were to be fair, the 48-year-old should serve longer and be exposed to more danger.

Where are the Congressmen who have not served, and yet today will vote to make others risk their lives to protect them?

Age and physical capacity should be of minimal significance in this age of computers and advanced technology.

Conscription is nothing less than a tax. It is unfair and sinister. Those who advocate tax reductions surely should not advocate the draft as a vehicle of unfair taxation.

The kids must go, for they have no political power to defend themselves. No corporate PAC's, no union PAC's, no Ralph Naders to champion their cause, so they become the ones to bear the tax burden, the loss of income, and possibly the loss of life and limb.

The innocent young become the victims with their lives at stake. No amount of rationalization or apologies can change this fact. Today we start deciding if and who shall be sacrificed for the security of the Nation as a whole—individual decisions and individual rights of the participants being ignored completely, signifying the death of individual liberty.

A Nation suffering from 68 years of an interventionist foreign policy desperately struggles to look strong by dragging children from our homes and schools. Initiated by the supposedly noble idea of "making the world safe for democracy." we end with the opposite. And we have neither made America safe from the Russian threat from without, nor have we made it safe from the daily attack on our liberties from within, as we are doing at this very moment.

Instead we continue to: subsidize the enemy; negotiate away our strength with SALT treaties and Canal treaties; destroy our productive enterprise system; and deliberately subvert our currency with continued inflation.

And in this mood, our President demands that we sacrifice our 18-year-old boys and girls in a fight for Mideast oil on which only Government policy could have made us so dependent.

We should not concede to the world that our system and our ideals are so weak that we will not voluntarily defend them if they are threatened. Can the draft really instill the patriotism that we are all starved for?

Let us not concede that our inept foreign and domestic policies cannot be changed to alter the course of current events. Hoping that the draft will be a sign of strength for the world to see and take heed is wishful thinking.

If we are not adequately prepared, it is our spirit that is weak, our determination to live in a free country, and it will hardly be strengthened by a vicious contradiction of the most basic and important of all our rights—our right to determine our individual destiny.

If we are short of troops, enticements to attract leaders to lead must solve the problem in a free nation. We must not succumb to the use of force and compulsion.

When pending conflicts are less than noble, citizens of a free country must always have the right to exempt themselves from participation. It is this veto that is the most important of all votes granted a citizen in a free nation. It is the factor that distinguishes us from a totalitarian state. Without it, the long-term survival of liberty is not possible.

We need strength, but the strength we need is for us as Members to defend the Constitution and the freedoms it protects here in this country by resisting the temptation to impose on our young people conscription. Our enemies will respect us more for that, and our ability to defend ourselves militarily will be enhanced, not diminished.

Mr. WHITTEN. Mr. Chairman, I yield 2 minutes to the gentleman from California (Mr. LLOYD).

☐ 1400

Mr. LLOYD. Mr. Chairman, I am in support of the draft, and I am sorry to be in that position because I also support the national youth service situation. But we have to do something, and we have to do it now.

We have very sophisticated weapons systems which have to be manned, and we are inadequately manning them. I wish there were another way to go other than the way we are now forced into going because of a world sitaution, but that is exactly where we are. I am really sorry that this country does not have an option.

I think that the option that has been presented by my colleague, the gentleman from California (Mr. MCCLOSKEY), is the correct one, but we no longer have that as an option, and we must man the armed services, the weapons systems, and the whole bulwark of the defense of the United States with what we can man it now. I am sorry to tell young people, "Oh, it is okay; you can go back into the same unfair system that I and many others have participated in, but that is the way it is, folks."

The freedom that we have in this country, the prerogatives that we have enjoyed, the good things of life here in the United States unfortunately—or better yet fortunately—have to be paid for, and this is one of the ways that we pay for them. I have been beaten, by the way, on many of the issues I have fought for very hard in the committee.

For instance, I think women should be considered as well as men, but that is not the issue. The issue here is whether or not we need a draft to meet the demands of the defense of this country. I submit to the Members the answer is a clear and unwaivering "yes."

● Mr. FRENZEL. Mr. Chairman, the vote no House Joint Resolution 521 is a difficult one. As usual the question, in this instance registration, is not framed in the exact way that each Member would prefer. To a great extent the vote is symbolic, and symbols are always tricky.

The President has said we need registration. But his argumentation leaves the impression that he thinks we need it to send a message rather than for our own defense. I believe a clearer message would be sent by a firm foreign policy, attention to our alliances, and a rational long term defense spending policy. In all of these areas, the administration has fallen on its face.

While it may be a good symbol, I am not sure that this partial, restricted registration represents good defense policy. I am afraid the President will rely on this symbol instead of a real policy.

This incomplete registration scheme does not classify, nor examine. It applies only to a small age group of males. It will soon be obsolete even as an address list in our mobile society. It is hard to see that it will be much of a time-saver in case of need for mobilization. In fact, it does not look at all like a real registration effort.

I am inclined to support a comprehensive registration effort if the President feels it is necessary, but first I would like the President to make a solid effort to make the volunteer service work. We do not need a lot of raw recruits. We need to recruit, and retain, skilled people to make our defense systems work.

If we do our best to create a skilled Volunteer Force, it may not be necessary to go to registration. I hope the President will devote the some energies to making the volunteer military work well that he has given to trying to pass this symbolic registration scheme.

But, for now, I will vote against this resolution. I do not believe it is a serious registration effort. It does not serve current needs; it appears to save little time in case of a need for full mobilization. I hope for better leadership in the future from the President in defense matters than this proposal.●

● Mr. BIAGGI. Mr. Chairman, I rise in support of House Joint Resolution 521, which provides the necessary funds to begin draft registration of young men on a limited basis later this year.

First, let me say that I remain firmly opposed to a peacetime draft. Further, President Carter has assured us that he shares this support for an All-Volunteer Armed Forces. The legislation being considered today in no way contradicts that policy. In fact, the resolution clearly states that none of the funds made available shall be used for instituting the draft. When announcing his decision to renew registration, President Carter emphasized that it "is in no sense a move away from the Volunteer Force."

Under the terms of this resolution, $13.3 million of already appropriated fiscal year 1980 funds from a U.S. Air Force military personnel account will be transferred to the Selective Service System. The funds would be used to begin the peacetime registration of 19- and 20-year-old males within the next few months.

The registrants would be required to simply report to their local Post Offices to fill out brief forms sometime this summer. They would not take physical examinations and would not be classified into levels of eligibility for the draft. The plan is merely a standby measure intended to enhance our military preparedness in the event of a national emergency.

Over the years, I have consistently opposed efforts to reimpose Selective Service registration. However, the Soviet invasion of Afghanistan and the Iranian hostage situation have made it necessary to reevaluate our military strength, with a particular emphasis on military manpower and preparedness. After close scrutiny of the many variables involved, I am convinced of the need to implement the President's plan to register young men.

First, I am deeply concerned about the military's failure to meet recruiting goals. Only one out of the four service branches was able to meet their recruiting quota for all of fiscal year 1979, and based on new statistics, the trend appears to be only slightly improved for the early part of fiscal year 1980. This represents a serious deficiency in our Nation's overall defense capability.

Second, we must demonstrate to the Soviet Union and the rest of the world that we are prepared to defend against aggressive actions that threaten our own national security and world peace. The Soviet invasion of Afghanistan represents blatant act of aggression and arrogance. The United States, under the leadership of the President, has retaliated effectively and strongly, making clear our resolve as a nation. These steps have included an increase in necessary defense spending, restricting the sale of grain and high technology products to the Soviet Union, and seeking to prevent the summer Olympics from being held in Moscow.

Registration for the draft is another important element in our overall response to Soviet aggression. In the words of President Carter:

> This step, along with the others we have taken, displays our commitment to peace and our readiness to defend it.

Mr. Chairman, the simple fact is, peace is only assured through the strength of our National Defense System. It is in the name of national security and world peace that I fully support the President's responsible action calling for a limited registration plan. I urge my colleagues to join me in allowing the implementation of this plan by voting in favor of House Joint Resolution 521.●

● Mr. RAILSBACK. Mr. Chairman, none of the evidence available so far has convinced me that registration is necessary at this time. However, I do favor improving the existing mechanism for registering young people, should the need arise.

Yet, just last September, the White House Office of Management and Budget (OMB) stated that "peacetime registration is not needed to assure adequate military manpower in a future mobilization." The OMB went on to say that the Selective Service System has developed "a perfectly feasible plan" to register people after an emergency is declared rather than before.

Even the Selective Service itself, in its January 15 report to the White House, recommended that immediate registration should not be reinstituted.

Recently, the HUD-Independent Agencies Subcommittee expressed a similar view. The subcommittee refused to approve the necessary funds for the President's plan, pointing out that the Carter proposal would only save 7 days time if an emergency arose, and it would cost an additional $14 million.

The plan presented in February by President Carter requires young people at the age of 18 to register their names, addresses, birth dates, and social security numbers. Registrants would be encouraged to keep their addresses up to date, but there would be no program to enforce this policy.

In the event of war, the Selective Service System would use its registration list to send induction notices to 20-year-olds, the age group subject to earliest induction. In other words, orders would be issued to people who had signed up 2 years earlier. The 18- to 20-year-old population is among the most mobile in the country, and a very large percentage of these addresses would be obsolete after 2 years. The sending of thousands of induction notices to old addresses, in my opinion, would be an unnecessary waste of time and money.

On the other hand, America has had great success with the use of rapid 1-day registration in the face of a military emergency. When America entered World War I, we registered 10 million men on a single day—June 4, 1917. We registered 16 million men on a single day—October 16, 1940, during World War II.

As a member of the Subcommittee on Courts, Civil Liberties, and the Administration of Justice, I am very concerned by the failure of the administration to address the impact that such a plan would have on the criminal justice system and the Federal courts, as well as the civil liberties ramifications of the program. Testifying at a hearing held last week by the Subcommittee on Courts and Civil Liberties on the issue of draft registration, the former Director of the Selective Service, Curtis Tarr, testified that—

> I foresee the possibility of evasion by large numbers that would overwhelm the agencies for law enforcement and the judiciary. A law that cannot be enforced surely is worse than no law at all. The minimum step that should be taken by Congress would be to set new and reasonable penalties for non-compliance that might have some chance for application by the courts.
>
> Ultimately, however, only those laws that will be supported by most of the people to whom they apply will be sound laws for the nation. Until the danger to our society seems clear and urgent to the youth of America, we invite lawlessness in attempting to force a compliance that seems unjust. I speak, therefore, in an attempt to prevent what I believe could be a serious error in national policy.

I know that those who favor immediate registration argue that registration would be viewed as a symbolic gesture of America's strength. However, I have become convinced that peacetime registration is an empty symbol. It adds nothing to the speed of American mobilization in the event of war. It will not send a meaningful message to the Russians, but it may mislead the American people into thinking that something meaningful has been done.

But something can be done right away. The strengthening of the Selective Service System from so-called deep standby status to an active functioning unit is a meaningful step in the right direction. I think we should have the mechanism in place should the need for registration arrive, and I think that this can best be accomplished by supporting the recommendation of the HUD-Independent Agencies Subcommittee for revitalizing the Selective Service System at a cost of $4.7 million.●

● Mr. VANIK. Mr. Chairman, I oppose registration at this time. The volunteer forces appear to be adequate for our present needs. I believe that reinstitution of registration could very quickly lead to a draft which is not warranted under present circumstances.

The use of peacetime draft and its systems as an instrument of foreign policy is not only inappropriate, it offends the basic principles which our country represents.

When our Founding Fathers of the Constitution considered the issue of a national military force, they agreed that Congress should have the power to "raise armies." They never anticipated those armies would be conscripted.

Compulsory registration to meet an unconstitutional end, peacetime conscription is itself a violation of both due process and our Constitution.

I urge my colleagues to vote against the amendment to provide $13.3 million to restore the Selective Service.●

● Mr. HARRIS. Mr. Chairman, I rise in opposition to House Joint Resolution 521, which would transfer $13.3 million of the fiscal year 1980 defense budget to fund registration for possible military service of 19- and 20-year-old men and women.

When the President proposed registration in his state of the Union address last January, he said it was necessary to "send a message" to the Soviet Union following the Russian invasion of Afghanistan.

I agreed then, and I agree now, that America must show—in the clearest possible terms—our willingness and ability to preserve the peace and defend our interests in all parts of the world. Registration however, demonstrates nothing to our adversaries, or our allies. In fact, it sends the wrong message by indicating that America is unwilling to face up to the real challenge of maintaining a strong defense.

News reports in recent weeks have increased public awareness of the plight of our underpaid military personnel. Soldiers and sailors and their families live in substandard homes and apartments. Many cannot afford groceries without the help of food stamps. When transferred by their service, military personnel often must pay a substantial portion of their moving expenses. The problems of America's military men and women have been swept under the rug and as a result, trained and experienced personnel are leaving the service. Critical skill areas that require lengthy training are desperately short of personnel, and America's military preparedness—and overall capability—is undermined.

Registration will not solve this, the most critical problem of America's defense. And neither will a draft. No 18-year-old inductee can fly a fighter, or fix a tank, or operate a sophisticated radar system without years of training. We need career personnel for a strong defense—not computer lists of names or draftees.

By failing to address the career personnel problem, registration provides a false sense of security to the American people. But it will not fool the Russians. They know how long it takes to train today's soldier, and they know that this is the weakness in the American defense establishment.

We will not send any sort of a message to the Russians until we do something substantive to increase retention rates among pilots, mechanics, petty officers, and other critical skill areas in the military. This will mean higher pay, better benefits, bonuses and allowances, and better conditions, for military personnel. And some respect would not hurt, either.

I urge my colleagues to reject House Joint Resolution 521, and to act positively to strengthen America's defense.●

● Mr. WHITE. Mr. Chairman, gradually the world is becoming Communist, for want of a credible blocking force. Few of our allies or the nonalined countries today believe the United States has sufficient strength or resolve to halt the insidious encroachments of the Soviet Union and Cuba. In time our Nation could well be isolated, a second-rate nation, if we do not make some necessary moves. We talk big, but act timidly. I just finished a tour with the Armed Services Committee, of the Persian Gulf States and part of the Indian Ocean. The committee talked to leaders of those countries. We found that generally these countries like America and the American way. But their faith and trust has been shaken. They find us weak, and some are afraid to evidence too strongly their friendship toward America lest they antagonize the Soviets.

They fear the Soviets far more than they have faith in our resolve and strength, like it or not, we are and have been and must be the leader of the free world. Historically, the last 40 years, our country has been the factor preventing the suppression and subjugation of many freedom-loving nations of the world. If we go down or fade, they go down. Now, for the first time in 25 years, the Soviets have snapped their fingers and physically invaded to subdue another nation, killing its head of state. We are virtually impotent to change this course. The imprisonment of American hostages in Iran has made us look vacillating and pusillanimous. A mobilization exercise named "nifty nugget" was recently run and shows how terribly we missed our mobilization goals, and the world knows it, especially the Soviets.

What does it take to convince you that our country is in true danger abroad and that the fabric of unity is tearing apart because few believe in the will and strength of the United States? The American people know this, as the polls show. The American people are demanding strength, yet some of you pay more heed to a few dissident voices on campuses, who reap the privileges of freedom but are not willing to turn a fist to preserve freedom. We know our dreadful shortages of 500,000 men in the individual Ready Reserve, and 130,000 to 180,000 short in the National Guard and Active Reserves. During an emergency, a time of panic, is no time to try to set up the machinery and register. The clear testimony before the Personnel Subcommittee is that we would cut off 2 to 3 months' critical time for mobilization by having peacetime registration.

General Rogers, Commander of European Forces, said it would save 3 months on mobilization. The 7–13 days claimed by some as saving is a dream, a farce, totally impractical. We do not know what our resources are and because of the Privacy Act there is no other way to develop a list except by direct registration.

In this dangerous world only three of the major countries do not have a draft, much less a registration: the United States of America, England, and Canada. Is it not wiser to err on the side of safety, and register now? There may be no second chances, and while this step is for self-preservation, and not just to send signals, there certainly could be no better evidence of the resolve of America to remain strong, that her citizens stand behind freedom, and will not tolerate further foreign encroachment. In this way peace can be preserved and foreign adventurism averted.●

● Mr. DIXON. Mr. Chairman, I rise in opposition to House Joint Resolution 521, when the issue of peacetime registration surfaced last September during debate on the Defense Authorization Act, administration spokespersons (Harold Brown and James McIntyre) expressed the sentiment that registration was not necessary.

Since that time, with the events in Iran and Afghanistan, the American public has witnessed a 360-degree reversal in the administration's stance on peacetime registration.

The Selective Service report endorsed the concept of registration following declaration of a national emergency, but is now said to have been an "in-house working paper," and that its recommendations "were overly optimistic." This in spite of the fact that many weeks of research went into the preparation of this report.

Last Thursday, when the House Appropriations Committee voted to transfer funds from the military personnel-Air Force budget, an unprecedented move in the congressional budget process, I voted against it. Not because I am unalterably opposed to registration but rather, because there are too many questions that remain unanswered.

Specifically, what will be done about the problem of noncompliance by the young men required to register if we approve this resolution today? Will they be prosecuted? Will they face imprisonment? Will our judicial system be able to handle the potential hundreds of thousands of young people who will refuse to register? These and other questions must be addressed. To date, they have not.

Of paramount concern to me is the divisiveness that will undoubtedly occur if we permit registration to begin. The American people are still binding up the wounds of Vietnam. Registration to them means only one thing—a return to conscription.

There are those who argue that registration is synonymous with patriotism and, that those who oppose registration are unpatriotic. But I submit that this issue has very little to do with patriotism. In fact, I am confident that should a need for mobilization occur, induction stations throughout the country will be flooded, with willing volunteers.

We do our young people a great disservice by assuming that they will run for the hills. For the present, however, I think that we, as lawmakers, must examine the impact that registration will have on the stability of our young people in this country.

Can we as Americans afford to go through another decade of antiwar demonstrations where we witnessed a nation torn by strife and turmoil?

If we move to begin registration, I believe that we will make an unfortunate statement which is, that symbolism means more than our own national interest and, our right to individual freedom. Until a national emergency is declared, we should not begin any system of draft registration. Too many questions remain unanswered and the costs far outweigh any benefits which can be derived from this empty gesture.

I strongly urge the defeat of this resolution at this time.●

● Mr. CLAY. Mr. Chairman. I am unalterably opposed to the resolution before us today which proposes to fund the Selective Service System and permit the institution of a military draft registration during peacetime. President Carter has proposed a premobilization draft registration plan which is both politically and militarily unnecessary. Draft registration is a drastic and irrational attempt to extinguish the fears which have been introduced as a result of recent world events. But, the administration's plan is both an overreaction and an oversimplification of the realities, the complexities of our Nation's current role in foreign affairs cannot be solved by scattering $13 million to the wind.

Instituting a premobilization military draft registration plan is highly unfeasible and totally impracticable when the cost effectiveness of such a program is considered. For an extra $13 million dollars we can expect to have draftees to their training centers about 7 days earlier than with a regular draft registration program. It takes the military 6 months to train a new recruit, so, at best, premobilization promises only to delay the immediate effects of a draftee backlog. And, we can only expect to get these new recruits to their training centers early if the Selective Service System manages to maintain current addresses on those who are registered.

The 18- to 20-year old population is the most mobile in our country, and yet we are suggesting that these individuals register for the military draft years before the draft is instituted. I would not want to imagine the time and expense which would be required to keep these records up to date and insure that the premobilization plan adheres to schedule.

The Pentagon's mobilization requirements call for 100,000 men within 60 days after mobilization begins. premobilization would bring these individuals in within 28 days and postregistration would bring them in within 35 days. Yet, the Pentagon admits that it would have, at most, only 70,000 to 80,000 training slots available within 30 days of the date of mobilization. Given this picture, why are we considering a premobilization plan which will effectively accelerate this backlog of draftees?

Mass registration can be accomplished if our machinery is in order. In 1917, we registered 10 million in 1 day, in 1940 we registered over 16 million draftees in 1 day, and we registered all of these individuals without the aid of the computer. If a military draft ever becomes a necessity, past experience has proven our ability to conduct an effective draft registration program.

In the meantime, restoring the military draft, or a form of universal registration during peacetime would constitute a criminal waste of money and a critical intrusion on the privacy of millions of Americans. Even the Soviets are aware that premobilization registration is a meaningless symbol since it will be only marginally, if at all, effective in expanding the U.S. military power in a crisis situation. Saving a few days will not change the balance of forces between two superpowers.

Today our Government is engaged in a bitter struggle to reduce the rate of inflation and control Government expenditures. It is true that the bill before us permits a transfer of funds and not a new level of authorization. But, the principle lesson remains the same. When will our Government face the reality that spending money, by itself, does not solve problems? Premobilization draft registration will cost over $13 million and will not change the face of our foreign problems. The bill before us today is another in the line of tried and failed methods of Government problem-solving. When all other methods appear inappropriate, we throw money at a problem in the hopes that it will solve itself. A pseudo draft registration program will not make our Nation more defense prepared. We will only be more secure and defense prepared when we face the realities of our current situation and the world in which we live.

Draft registration during peacetime would be a serious waste of resources. For far less cost, the Selective Service System could develop a post mobilization draft registration plan which is both military effective and cost efficient.●

● Mr. BROWN of California. Mr. Chairman, if reinstatement of the draft, or even registration for the draft, is instituted, young Americans will feel a resentment unknown since the Vietnam war.

To disrupt a young man's education, or career, for even the best of reasons is a serious matter. I think it is safe to predict that my colleagues associated with bringing back the draft will suffer demonstrations and organized voting campaigns against them. The educational community will be extremely active. Already there are anticipated campus antidraft rallies that have drawn 1,000 or more students. Antidrafters will be single-issue people par excellence. Many parents will often shed light on their unhappiness about having their children pulled off into the Army. There will be immense effects.

Because registration cannot be separated from the draft; it is all a part of the same program. The peacetime draft is more characteristic of a totalitarian system than of a free society. It is a system of involuntary servitude.

If we had not had the draft, we would never have been at war for the length of time we were in Vietnam. As long as each President had that unlimited supply of manpower, he could sustain that policy without a congressional declaration of war. A draft is not the proper means of responding to an international emergency. The 1.3 million Reserve Force is for that. They are trained. A draft should be used only to sustain a military commitment in protracted international conflict.

Mr. Chairman, it is true that historically, I have been against military conscription. But, I do believe that the true vulnerability of America today lies not with our lack of military manpower or arms, it lies with our massive dependence upon energy imports, our inflation, and our underproductive economy.

I have supported and will continue to support appropriations for military pay increases and for increased fringe benefits. I have supported the retention of men in the Reserves in the past when efforts have been made to reduce the numbers. Consistently, I have supported everything that could be justified to strengthen the Volunteer and Reserve programs.

This Nation was founded to serve the people, not vice versa. To believe that we are serving the Nation only when we are in uniform is ridiculous. A schoolteacher, a nurse, a farmer, or anybody in a legitimate pursuit is serving the Nation. A coercive, mandatory service to the state is one basis of totalitarianism.

I oppose the approval of draft registration at this time and urge the House of Representatives to reject this legislation.●

● Mr. MOORE. Mr. Chairman, House Joint Resolution 521 authorizes $13.3 million to fund the Selective Service System registering young men for placement on a list we are told would be used as the source of military manpower should the draft be renewed at some future point in time. This measure does not debate the issues of draft renewal, the status of the Volunteer Army, the 200,000 personnel needed to meet Reserve Force requirements, our poor retention of skilled personnel or a host of other questions that should be considered at the same time the issue of requiring under penalty, young men to register for an unspecified but implied purpose is aired.

These omitted issues identify the degree and type of deficiencies that exist now and will face us in the future. Once identified and aired, answers can be given to whether registration is needed at all, at what time and to what degree a draft should be considered, and if we can avoid a draft—and thus registration—if other corrective action is taken to resolve our military personnel problems. I simply object to the isolation of the issue of registration as it becomes distorted and unclear.

I have consistently voted for the most comprehensive and modern military arsenal argued on the House floor as well as means to improve the volunteer military. I am a strong advocate of a national defense second to none. If this Nation needs conscription to attain this condition and keep it, I will support legislation to fund registration and to renew the draft. In doing so, I want to vote in the presence of hard and reliable evidence relating to our military manpower and be able to select among all remedies to our manpower problems.

Registration, as brought to the floor in the form of House Joint Resolution 521 answers absolutely nothing and does absolutely nothing. Moreover, it leaves in the minds of young Americans the gnawing thought that the draft is inevitable and their plans and lives should begin to be adjusted accordingly. I do not want to force this uncertainty upon our young Americans as they are entitled to a decision from us as to whether there will be or not be a draft. This measure does not address the real issue of what to do about our current manpower problems. It is but an expensive and presently worthless symbolic action. We do not need symbols, we need action on the real issue.●

● Mr. CONYERS. Mr. Chairman, House Joint Resolution 521, the transfer of funds for selective service, is unnecessary, duplicative, and irrelevant. Premobilization registration has been rejected twice before by the House last fall. As a symbol of national resolve, it was rejected decisively on those two votes. As another attempt to create an illusory political symbol, draft registration should be rejected again.

Registration does nothing to increase our Nation's military preparedness, improve the quality of Armed Forces manpower, or save the taxpayers' money. After opposing draft registration last year. President Carter has decided he needs this new symbol. That is unfortunate because the Nation, and most of all its 19- and 20-year-old male youth, do not need this empty and potentially harmful symbolism.

Mandatory registration creates a new category of criminal offenders for failure to register. With the prospect of hundreds of thousands of felonies annually, the negative impact on constitutional rights, civil liberties, and the criminal justice system would be massive. Mandatory registration also opens the way for incremental return to the draft. We know that this is the Pentagon's strategy. For all of these reasons, I unequivocably reject House Joint Resolution 521.●

● Mr. GILMAN. Mr. Chairman, I rise in opposition to mandatory draft registration and to support the motion of the gentleman from Oregon (Mr. WEAVER) to earmark these funds for voluntary registration only.

Mr. Chairman, the Selective Service's own study of January 16, 1980, demonstrates that postmobilization registration can meet and can exceed all of the Department of Defense manpower requirements in the event of an emergency.

In response to the contention that registration is needed now to avoid a time loss during an emergency, it is significant to note that millions of men were registered in a single day at the beginning of World Wars I and II. The funds needed to bring the Selective Service out of its deep standby position and to enable it to respond effectively to an emergency are going to be available no matter what happens to mandatory registration.

I oppose the committee amendment to add yet more funds—approximately $8.5 million—for the purpose of instituting mandatory registration. I support the contention of the Selective Service System, expressed as recently as January 16, 1980, that—

> The postmobilization option is by far the most cost effective, and least intrusive, and is the option chosen by the Selective Service.

The fact is that mandatory registration would not improve our military capacity. What will be the benefits of going through this exercise? A list of names and addresses will be produced. The addresses will be subject to frequent change as young people move about the country in the course of pursuing their education or their careers.

The adoption of this resolution will not deceive the Soviets into thinking that we are taking an effective step to bolster our defense. On the contrary, we may be doing worse. We may be deceiving ourselves. The draft will not supply the military with the skilled, experienced personnel it is seeking—the people we need badly now and for whom we will have an even greater need in time of war. Only adequate compensation—financial and otherwise—for our Active Duty and Reserve Forces will provide us with the people we need.

It is significant that both President Ford and Governor Reagan have voiced their opposition to mandatory registration. I share their views: If we need to improve our defense capabilities, we should start by beefing up our Active Duty Forces and our capability to respond to an emergency through our Reserve and National Guard systems.

Governor Reagan, in a January 1980 statement on conscription, stated:

> I oppose the institution of a standby registration system—only in a national emergency does the Nation have a legitimate claim on the mandatory services of its young people for the military.

What is needed now is the capability to start up postmobilization registration quickly.

Most importantly, registration may pave the way for a peacetime draft. We should try to avoid succumbing to the temptation to try to cure the ills of our All-Volunteer Force by means of conscription when other means are available to us. Our experience in Vietnam should have taught us the problems associated with mandatory conscription. We should try to avoid the disruptions of a peacetime draft, which should not be resorted to except in an emergency.

The President's mandatory registration proposal is strongly opposed by a significant segment of the population that would be most directly affected—our Nation's young people. This is not the time to reopen the wounds of yesteryear—creating a new group of felons who refuse to register or cooperate with Selective Service. In an emergency, I am confident that our Nation's young people would come forward in overwhelming numbers, and that, in fact, they would come forward on a voluntary basis.

With respect to the Weaver proposal, I believe that our young people ought to have that kind of an opportunity to let the Selective Service System know that they are willing to be called to national service in the event of an emergency.

If we are going to send any message to the Russians, let us make certain we send the right one—that our young people are more than willing to serve their country, when really needed. That message will be significant, not mere symbolism.●

● Mr. MAZZOLI. Mr. Chairman, I rise in opposition to House Joint Resolution 521, to provide funding for the Selective Service System to institute a premobilization draft registration for 19- and 20-year-old males.

I was drafted and served in the U.S. Army, so I have no philosophical or instinctive opposition to draft registration or conscription when necessary.

But, Mr. Chairman, in this case, I do not believe draft registration is necessary, and that is why I oppose it.

The administration has not made a compelling case that draft registration is necessary.

Just a few months ago, the administration worked tirelessly—and with great success—to beat back a proposed premobilization draft plan.

At that time, the administration argued that all the United States needed to produce the troops necessary for a wartime situation was a Selective Service System with a beefed-up capability to conduct a postmobilization draft registration for all young men.

This January, during his state of the Union message, the President reversed himself and requested that Congress implement a draft registration program. Mr. Carter indicated that current international events demanded this change.

Certainly, there are real problems with our defense capabilities. But, I am not convinced that computerizing all the names of 18- to 20-year-old males translates into real defense capability.

Furthermore, the most vexing problem experienced by the Armed Forces is not additional recruits, but retaining midlevel, trained military specialists. Draft registration does nothing to solve this problem.

Other experts have expressed concern over the state of the readiness of our Reserve Forces and the National Guard. Draft registration would do little to help here.

If we really want, as a Nation, to send a clear, forceful message to the Soviets and to our other enemies around the globe, we should make the necessary funds available to: (1) Beef-up the Selective Service so it can move swiftly when mobilization is ordered; and (2) make service in the military branches financially and personally rewarding so we can attract top-quality volunteers, and retain trained officers and noncommissioned officers.

This will bring the All-Volunteer Forces up to readiness—and send a message to our enemies—far more effectively than by a system of draft registration.

Here, I must admit candidly that draft registration affects my family and me personally because we have a son who is 18 years of age and a daughter who is 16 years old.

My family situation does not make it easy for me to be objective on the question of draft registration. However, I believe I have acted on the question dispassionately and unemotionally.

In conclusion, Mr. Chairman, I agree with the President that our Nation must demonstrate to the Soviet Union—and all our enemies—that we will not tolerate callous violations of the human rights of free peoples whether in Iran, Afghanistan, or elsewhere.

But, with full respect for the President, I differ with him on how to attain this laudable goal.

Upgrading the force levels and competency of our standing military forces—and strengthening our alliances with allies around the world—will do far more to demonstrate our national resolve than will peacetime registration.●

Mr. NEAL. Mr. Chairman, we are debating today whether the Congress ought to permit the transfer of $13.3 million of already appropriated funds from a military personnel account to the Selective System for use in registering 19- and 20-year-old males whenever President Carter gives the order.

There are those who contend that registration is not needed and not wanted in this peacetime era, and that to revitalize the Selective Service System, even to this modest extent, would be to awaken a sleeping giant that should be permitted to slumber.

I disagree very strongly with those who are opposed to registration, and I, therefore, will vote to transfer the funds necessary to begin the registration process. It is my hope that it will never be necessary to draft any of these young men into the armed forces. But to be not prepared if and when the security of the Nation might depend upon this manpower pool would, in my opinion, be taking an unacceptable and unnecessary risk with the future of the Republic.

It is also important to note that we are talking about manpower. Since I had earlier introduced legislation which would prohibit the registration of women I am delighted that registration of women is not included in this resolution.

Mr. Chairman, given the present world situation, none of us can say for certain what the demands of tomorrow might be. We can see in retrospect, however, that the President's request for registration and for revitalization of the Selective Service System—which he submitted to the Congress in January—was a well-reasoned and proper decision. Nothing has transpired to lessen the tensions in the Persian Gulf area, or in Afghanistan. Indeed, the Russians not only are still in Afghanistan, but are reported to be beefing up about nine divisions along the northwest border of Iran. Iran and Iraq are at each other's throats. The Iranian Government, not yet firmly established, seems to be losing what little control it may have had over the mobs which roam the streets of Tehran and overrun the campuses of its universities. Fifty or more American hostages still are being held captive in our Embassy in Tehran, their fates in the hands of a band of militants with whom even the Government of Iran cannot deal.

Russian warships cruise the Arabian Sea practically within pointblank range of our own armada. Tito of Yugoslavia lies at the point of death, and nobody knows how the Soviet Union may react to his demise. Communist intrigue and adventurism is evident in Africa and Latin America. A critical part of the free world's oil supply is vulnerable to embargo, attack, or sabotage. Inflation is widespread throughout the world, and the economies of the free world are doubly plagued by it. International law is being broken with impunity, and governments as well as bandits have taken to terrorism. Alliances are sometimes being questioned, if not strained. The volatile fumes of impatience and unrest are gathering everywhere, and if they cannot be dispelled by peaceful means, what then?

In the face of all this, there are those who would say we do not need to register young men. There would be plenty of time, they say, to register and mobilize after an acute emergency arose.

I fully agree that we do not need a draft at this time. The need to begin registration is a quite different thing. It is not enough to develop a contingency plan for postmobilization registration. While that might work as planned, there is no assurance that it would work at all. In light of the world situation, we simply should not take that chance.

Registration and the creation of a computerized data base are the most critical and difficult elements of manpower availability and readiness. Data on millions of young Americans must be gathered and entered into this system. By gathering and storing this information in advance of any possible mobilization, we can work out the system's problems and test its capacities in peacetime. On the other hand, we could never simulate the complexities of a postmobilization registration accurately enough to be assured it would really work.

There are those who will say that premobilization registration would save only 7 days, and that without it the Selective Service System has the ability today to respond to a national emergency.

To the first statement, I would respond that in making this doubtful estimate in its draft report of January 16, the Selective Service System assumed that it could fully activate the Postal Service, distribute registration materials, get an appropriation through Congress, and undertake an effective public information program, all within 3 days. It also assumed that in 48 hours the Postal Service could register 2 million persons, sort their registration forms by birthdate, conduct a national lottery, transport 2 million forms from 34,000 local post offices, through 300 regional postal centers, and deliver them to as many as 13 social security and IRS data processing facilities. I would submit, Mr. Chairman, that it can not do that consistently with one registered letter.

There are others who will say that we ought to establish registration on a voluntary, rather than a mandatory, basis. Recruiting offices are established all over the country for "voluntary" registration, Mr. Chairman. Above all else, any system of registration and/or selective service must be fair and equitable, and to be so, it must be all-inclusive. Under the Selective Service reforms that Congress passed in 1971, there would be only two significant bases for exemption from military service—conscientious object and hardship, plus a temporary deferment for a student to complete a current academic year. The number of such exemptions would be relatively few, and thus the registration of all must be required.

Some will say, "Why couldn't we register as we did in World War II, after mobilization was declared, when we registered people almost overnight using the State election machinery?"

The answer is that registration did not take place until a full year after Poland was invaded, and months of planning had gone into mobilization and the draft. We are, in effect, proposing that similar planning be done now.

Finally, Mr. Chairman, I would say that I do not believe that registration commits us to any course of action, but is a necessary step for improving our readiness and our overall mobilization capabilities. I believe it will send a clear signal of our Nation's resolve to our allies, to the Soviet Union, to Iran, and to the Third World. If we approve the funding requested by the President, we will demonstrate that we are willing to take the action necessary to insure an adequate defense. I believe that the Nation expects nothing less than that from us, and I urge passage of the resolution.

Mr. WHITTEN. Mr. Chairman, I yield myself the remaining time.

Mr. WON PAT. Mr. Chairman, will the gentleman yield?

Mr. WHITTEN. I yield to the gentleman from Guam.

Mr. WON PAT. Mr. Chairman, I rise in support of House Joint Resolution 521.

Mr. Chairman, this Nation, and in fact, the entire world, faces a period of prolonged international crises. This has been made abundantly clear by Soviet actions in the Middle East, the revolution in Iran, and problems in other parts of the globe.

Is this country ready and willing to defend our legitimate interests in the world? I believe that we are—despite the trend in recent years to denigrate the importance of our military and the role it plays in maintaining not only our way of life but our freedoms as well.

It is for these reasons that I voted in the House Armed Services Subcommittee on Personnel to support President Carter's call to reinstate registration for the draft. I know that this is not a popular issue. I also know that a number of young people in this country do not favor draft registration.

I cannot stand here and say, however, that I am doing my best for this country if I were to be opposed to draft registration. I cannot ignore the harsh realities of the present world. Nor can I ever forget the occupation of my own home—Guam—by the enemy forces particularly because America in the 1930's chose an isolationist policy which cost this Nation dearly in the early days of World War II. If Americans are truly interested in seeing world peace then we had better be prepared to stand up and be counted—and like it or not—this means having the willingness to serve this country in time of war or peace.

Perhaps the problem of those who so deeply oppose this measure to provide funding for draft registration is a short memory. We on Guam do not suffer from this problem.

A recent article published in the Guam Pacific Daily News put it this way: Despite world tensions, Guam's young people are enlisting in the military at rates nearly double those found on the mainland.

The local Air Force recruiter put it in these terms: "We've got a captive audience here." This was reflected by the fact that Guam, which has only 100,000 people, sent 110 men and women to the Air Force; 459 to the Army; nearly 200 to the Navy; and about 110 to the Marines last year.

Young and old alike, Guamanians recognize the need for a strong military and I am proud that my constituents are always amongst the first to volunteer to serve their country.

Mr. Chairman, the President has made it clear that he has called for reinstatement of registration of the military draft with the greatest reluctance. I share his concern that we do not jump to military solutions when other means are at hand. Yet, the writing is on the wall; we must show the world our determination to stand firmly behind our principles and our friends.

For those who do not believe they can shoulder arms for this country, let them have a form of alternative service. It is my conviction that all should serve in some capacity so that the burden of supporting our Nation falls equally on each citizen. I hope that the House will adopt House Joint Resolution 521 to fund the draft registration program today and do so by an overwhelming margin that will indicate our willingness to stand up and be publicly counted in times of trouble. President Carter is doing the right thing and I fully support him on this issue.

Thank you.

Mr. WHITTEN. Mr. Chairman, as we come to the conclusion of this debate, may I ask for my colleagues' attention on this point.

There are lots of differences of opinion as to what the President should have done or not done. There is a lot of dissension here among the Members as to how we should proceed on this matter. I can see no reason at all, no sound reason, to refuse to finance the program that the President has announced. I do not see how we can afford to refuse the funding request. He has the authority to make the announcement and to register male personnel. I say to all of the Members that if it goes out over the world that this Congress refused to finance a proposal by the President of the United States which deals with plans for the defense of this country, even though it is a small start, it is bound to be misunderstood and I think would do great injury to the cause of the United States, not only in Iran but around the world.

I urge my colleagues, whatever their feelings are about how this should have been handled, to recognize that we of the Congress cannot afford to turn down this request for financing to carry out the authority that exists under law and on which the President has made a commitment. I hope the Members will vote to support the committee.

The CHAIRMAN. All time has expired.

The Clerk will read.

The Clerk read as follows:

H.J. RES. 521

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the following sum is transferred, out of funds previously appropriated, for the fiscal year ending September 30, 1980, namely:

SELECTIVE SERVICE SYSTEM

SALARIES AND EXPENSES

(By transfer)

For an additional amount for "Salaries and expenses", $4,709,000, which shall be derived by transfer from unobligated balances available under the heading "Military Personnel, Air Force": *Provided,* That none of the funds made available by this joint resolution shall be available for instituting or taking action to draft any individual for military service.

COMMITTEE AMENDMENT

The CHAIRMAN. The Clerk will report the committee amendment.

The Clerk read as follows:

Committee amendment: On page 2, line 5, strike "$4,709,000" and insert in lieu thereof "$13,295,000".

Mr. BOLAND. Mr. Chairman, I rise in support of the committee amendment. This is a very simple amendment. It adds $8,586,000 to initiate the registration of 19- and 20-year-old men—registration only, no draft, just premobilization registration. This will provide for a total transfer of $13,295,000.

Mr. Chairman, we will hear again today, as we heard often during the hearings, concern about whether or not the Selective Service System can meet the Department of Defense emergency manpower requirements without registration prior to mobilization. I know the issue has been raised and will continue to be raised of why should we provide this additional money when we may be only talking about a difference of 7 days, 14 days, 60 days or whatever.

I also know that some of us here will raise the issue of whether or not the Department of Defense is capable of training 100,000 inductees within the first 30 days. And some will undoubtedly question the penalty for failing to register, currently 5 years and $10,000, and how actively the administration will prosecute noncompliance. I am sure that the issue of constitutionality of registering only males will be raised.

These are serious questions. They are interesting ones, but I think they miss the central point, which is that the world has changed since the Selective Service draft report was prepared and circulated for comment in December and

January. The world continues to change. We are not living in a vacuum. The world is not the same place that it was last November or December when the Selective Service System was considering the directive placed upon it by the Defense Authorization Act of 1980.

It is a different world, and I think we have to look at the world in the light of what is happening not only in Afghanistan but in Iran and elsewhere.

It would seem to me, Mr. Chairman, that the question of premobilization registration is perhaps more important today than it was when the President recommended it in his State of the Union address in January following the invasion of Afghanistan by the U.S.S.R. on December 26. Who knows what the military situation or what the world situation will be in the next weeks or months? Worldwide there are problems, complex problems that really are tinderboxes. Many areas of the world, not only the Middle East but the Persian Gulf, the Caribbean, and the Far East pose potential problems. All over the world we have these problems, Mr. Chairman, and I think we ought to be ready to address the problems if the situation requires it.

The President has taken particular steps as I indicated earlier: The refusal of technology transfer to the Soviet Union, the limitation of fishing rights, the boycott of the Olympics. Is it really asking too much that we take a small step here to register 19- and 20-year-olds?

What does that registration provide for? The argument has been made that a system of premobilization registration will only save 7 or 14 days, compared to a post mobilization system. The fact of the matter is, Mr. Chairman, that the recommendation for post-mobilization registration made by the SSS in its draft report is purely a contingency plan. Think of what that plan calls for—delivery of registration forms to 34,000 post offices throughout the United States, completion of forms by registrants, delivery of forms to key entry facilities for computerization and mailing induction notices to registrants.

The CHAIRMAN. The time of the gentleman from Massachusetts (Mr. BOLAND) has expired.

(By unanimous consent, Mr. BOLAND was allowed to proceed for 3 additional minutes.)

Mr. BOLAND. These are matters that cannot be performed within a short period of time, and no one can tell me that you can get postmobilization registration within M-plus-4. That is an impossibility when you consider the tasks that have to be performed.

Mr. Chairman, what are we acting upon here? We are acting upon a recommendation of the President that has the support of the American people. An NBC poll concluded 76 percent of the American people support premobilization registration. An ABC poll found 74 percent of the American people favor registration and as a matter of fact in both polls a majority favored a draft.

□ 1410

Mr. Chairman, we are not here asking for funds for a draft. What we are doing is asking for the ability to revitalize the Selective Service System so that when an emergency occurs—when the President calls for mobilization—we will have names of people available that can be called for possible induction if the President and the Congress so determine.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

On the point as to whether this is simply registration in the event of an emergency or whether in fact it is registration presuming and assuming there will be a draft instituted, the gentleman from New York (Mr. STRATTON) and the gentleman from California (Mr. LLOYD) both said that this legislation is really only the first step; that a draft will inevitably follow.

Mr. Chairman, is it the position of the gentleman in the well that the draft will inevitably follow on the heels of this registration?

Mr. BOLAND. Mr. Chairman, I cannot make that assertion. I think I would have to agree with the gentleman from New York (Mr. STRATTON) that registration is the first step toward a possible draft. However, all premobilization registration does is provide 4 million names to the Selective Service System so if a draft is legislated we will be in a better position to induct those men much more rapidly. I think that is important in the very perilous days in which we live.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I will be delighted to yield.

Mr. DICKS. Mr. Chairman, I would like to congratulate the gentleman on a very important statement. I think the gentleman's comments about Iran and the uncertainty that we face there, those things are very important for this Congress to consider. Beyond that with all the other weaknesses we have, it is one thing we can do in advance here, is one step of planning that we can accomplish here, is one system that we can put in place and test to make sure that we have mobilization capability. Certainly it is only a small incremental step but it is one thing we can do right now and I think it is foolish to pass up this opportunity to strengthen our mobilization capability.

Mr. ANNUNZIO. Mr. Chairman, will the gentleman yield?

Mr. BOLAND. I yield to the gentleman from Illinois.

Mr. ANNUNZIO. I appreciate the gentleman yielding. Regarding premobilization, how much time are we going to save?

Mr. BOLAND. It depends on which figures you believe. There have been various estimates on time that can be saved, 5, 7, 14, 60 days. I am not sure which is most accurate, but I do know that with premobilization registration by M plus 28 we will have the first 100,000 inductees if induction occurs. And induction will only occur if it is recommended by the President and passed by the Congress. So the question of whether or not we are going to have a draft is clearly a matter this body will have to decide separately.

I think the message that has gone out to the country is that registration is the draft. It is not. It is simply getting 4 million names to the Selective Service System. So, if we have an emergency—and God forbid we ever will—when the President says we ought to mobilize, we will then be in a much better position. We will be in a much better position to get the 19- and 20-year olds into the training that is absolutely essential if we are going to have an effective military service.

Mr. ANNUNZIO. In other words, Mr. Chairman, by voting for this legislation we can beat the clock by 5 days?

Mr. BOLAND. Or we may be able to beat it by 60.

I will tell the gentleman from Illinois one thing. There is no way in the world you are going to accomplish what they say they are going to accomplish under postmobilization registration within the time frame. It is clearly a contingency plan and that is all.

Mr. COUGHLIN. Mr. Chairman, I move to strike the requisite number of words and rise in opposition to the amendment.

Mr. Chairman, the amendment that is before us is the crux of the issue. The resolution as it came from the subcommittee contained all the funds necessary to bring the Selective Service System out of the "deep standby" status it is presently in and to establish a complete draft mechanism.

The amendment that is now before this body would add additional funds over and above that which came out of the subcommittee, but as voted in the full committee, to provide for the premobilization registration.

Mr. Chairman, I will have on each of the committee desks and in each of the cloakrooms a list of 10 good reasons to vote against this amendment. Let me summarize them very briefly.

The Selective Service's own study mandated by this Congress concluded that—

> The postmobilization option is by far the most cost-effective and least intrusive and is the option chosen by the Selective Service System.

That is the conclusion of the study mandated by this Congress.

Mr. Chairman, the Selective Service System's own study showed that postmobilization registration could meet and exceed the DOD requirements in the event of an emergency. Millions of men as we have heard here before were registered in a single day in World War I and World War II. The Selective Service System's own studies concluded that premobilization registration would not significantly speed up the process. There is no provision, for example, for classification or physical examination of the registrants in this legislation so the available manpower pool would still be unknown.

Mr. Chairman, interestingly enough, the list of names and addresses that premobilization registration would generate—that is all it would generate, a list of names and addresses of 18-year-olds—that list, when you start calling up 20-year-old registrants 2 years later, which is what the proposal is, would be 50-percent obsolete because of the mobility of our young people. Therefore, we are paying this money to present a 50-percent accurate list or a 50-percent inaccurate list if you want to put it that way.

Mr. Chairman, as I mentioned earlier this is not a hawk versus dove issue but it is a program that simply will not stand close scrutiny. Enacting a meaningless gesture sends the wrong signal to the Soviets; enacting a meaningless gesture sends the wrong signal to the American people and encourages a false sense of security. The probability of noncompliance by some young men, although I regret that, would certainly send a negative signal to the rest of the world about the whole program and create divisiveness in our own Nation.

Mr. Chairman, this is the crux of the issue. This amendment that must be defeated if we are to stay with the postmobilization registration. I urge a "no" vote on the amendment.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I will be happy to yield to the gentleman from Mississippi.

Mr. MONTGOMERY. The gentleman will admit the report from which the gentleman quotes from the Selective Service System, the interagency report which said no time would be saved by having peacetime registration, the gentleman will admit that the person who wrote the report has written a letter announcing he would like to withdraw the report, that he was wrong, that he was surmising, that he did not have complete information and that it would take longer than 7 days. I do not think the gentleman is being quite fair when the man who wrote the report has done everything but come up here on his knees and ask that the report not be used, that it was wrong and should not be brought up in this debate.

Mr. COUGHLIN. I do not believe that the Director of the Selective Service System, as my colleague knows, has withdrawn the report. He is unduly under some duress from the administration to not really push the report.

Mr. McDADE. Mr. Chairman, will the gentleman yield?

Mr. COUGHLIN. I yield to the gentleman from Pennsylvania.

Mr. McDADE. I want to agree with my colleague in the well that this report has not been refuted. As a matter of fact the question was brought up when the hearings were held and when the committee voted 6 to 3 to permit the Selective Service System to have readiness capability only, and our colleague, the gentleman from Ohio (Mr. Stokes) asked the man who wrote the report, Mr. Rostker, "Are you repudiating it?"

Mr. Rostker's response at page 71 of our hearings said, "I am not repudiating my document."

□ 1420

The CHAIRMAN. The time of the gentleman from Pennsylvania has expired.

(By unanimous consent, Mr. Coughlin was allowed to proceed for 1 additional minute.)

Mr. COUGHLIN. Mr. Chairman, I yield to my colleague from New York (Mr. Mitchell.)

Mr. MITCHELL of New York. Mr. Chairman, I thank the gentleman for yielding. I would just like to point out to my friend in the well that I have a letter dated March 27 from Robert Pirie, Assistant Secretary of Defense, who states that the Selective Service study was greatly in error, that we would need to have people in line for training within 30 days if there were an all-out war. Without registration, it will take 90 days, so it is obvious that there would be a 60-day gap in the period of time.

Mr. COUGHLIN. I think that is the case if we do not provide the beef-up of the existing Selective Service, which we are providing with the resolution as reported from the subcommittee. We do not need this amendment to do that.

Mr. BEVILL. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in support of House Joint Resolution 521, as amended, to provide funds for the peacetime military draft registration of young men. I urge my colleagues to vote in favor of this legislation as a crucial display of this Nation's willingness and determination to counter Soviet aggression, and as a prudent measure of self-defense in a world of increasing unrest.

In recent years we have witnessed the decline of America's power and position of respect as a world power. The people of other nations have begun to doubt our willingness and capability as a nation to defend ourselves and to preserve world peace.

The time is here for Congress to take action to restore the United States to its position as the undisputed leader of the world, and its strongest military power.

The passage of this legislation has become essential due to recent increased threats against world peace from Soviet aggression and from the dangerous actions of irresponsible and hostile governments.

The President, as Commander in Chief, has requested funds to support peacetime military registration. It is his view and that of our civilian and military defense experts, that such a registration system is necessary to strengthen our Nation's ability to mobilize in the event of war, and as a signal to the Soviets that their brutal aggression will not go unchecked.

There are those who are against the establishment of such a system. Their reasons, while sincere, would serve to send a sad message to the rest of the world. What kind of signal would we send to the world if we refused to reinstitute registration because thousands of our young men might not want to register? What kind of response would we receive if we failed to institute this program because it would impose a burden on our criminal justice system? How would it appear if we said we were willing to take our chances with an untried plan of postmobilization in the hopes it would be successful?

There is only one message which should be sent to the world and that message is that America will go to any lengths to insure its freedom and the peace of the world.

The Appropriations Committee, under the strong and determined leadership of its chairman, Mr. Whitten, has agreed that peacetime registration of young men should be funded so that we can begin to strengthen our ability to provide sufficient military manpower should this Nation be forced into war.

Let me remind my colleagues that none of the funds made available through this legislation would be used to induct anyone into military service through a draft. The funds will be used to speed revitalization of the Selective Service System by creating a registration data base to give the United States increased speed to mobilize in the event of a military crisis.

Recent international developments have proven that there are those nations in the world which doubt America's ability and commitment to prevent international terrorism and Communist aggression. The signal must be sent to show the world that America has not abandoned its hopes for continued world peace.

You and I know that the real strength of America lies not in its military weaponry and not in its wealth, but in its people—people who are willing to serve their nation and their fellow man.

The people of our great land are ready and willing to reinstate registration for the draft. It was a part of our national fabric for 28 of the past 33 years, and it worked effectively. In numerous recent polls, the citizens we represent have indicated strong support for this reinstatement. Even a poll of students on many of our large universities indicated strong support for such a move.

I fought against ending peacetime registration during the previous administration 5 years ago because I believed then, as I believe now, that we must present a strong and ready united front to show our foes that we are willing and able to defend our beliefs.

I am reminded of an equally important vote in the Congress on August 18, 1941, on the Selective Service Extension Act to keep the registration system in effect. That act passed by only one vote. Less than 4 months later, this Nation was forced into World War II by the attack on Pearl Harbor.

Without the Selective Service System in place, the United States might not have been able to mobilize its people as quickly as it did.

Our Nation does not presently have a Selective Service System with the capability of conducting draft registration in a postmobilization crisis. If we fail in our effort today, by not providing the necessary funding to insure the creation of a workable premobilization system, we will be committing a dangerous error which will be witnessed worldwide.

The Secretary of Defense has called for the reinstatement of a peacetime registration. He said it would provide for improved mobilization capability and would instill a confidence in that ability which cannot be achieved by an untested postmobilization plan. After examination of this proposed system, he and the military leaders believe that peacetime registration would save this country as much as 90 to 100 days to induct, equip and train military personnel in the event of war. The system would also act as a deterrent to war by strengthening our defense capabilities and proving our determination as a nation to defend peace.

The funds to carry out this registration would not come from new appropriations, but from a transfer of funds, which would be under the budget ceiling, and would not be inflationary. No new money would be needed to accomplish this beneficial move. The President already has the authority to order the registration and this action by Congress would supply the funds for that move.

I urge my colleagues to vote in favor of this bill and to send a clear signal around the world that the United States is, indeed, a nation of strength and determination, ready to defend itself and to preserve the peace of the world.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for yielding. I just want to get his thinking on this. Let us assume that we need an army of 5 million men, and at present we are paying them $5,000 room and board. We will use the term $5,000. If we really want to step up volunteers, why do we not simply double that? Is not the security of our Nation worth paying the price of $10,000 rather than $5,000?

I really am anxious to get the gentleman's thinking on it, because I know about his motivation. But, it seems to me that by drafting those who are really patriotic in this country we do not have to pay the additional money to maintain a good all-volunteer service of some standing. If we paid them $10,000, it would be an additional $5 million cost.

Mr. BEVILL. No. 1, I say to my good friend that there is a provision in this legislation that will specifically prohibit the use of this money for a draft. We are not talking about drafting people, really. We are talking about registering people to save up to 90 days in the event mobilization becomes necessary. Some people say it will only save 4 or 5 days, but I can tell the gentleman from Maryland what the President and the Secretary of Defense and the chairman of the Joint Chiefs of Staff say. I have an idea that those people ought to know a little bit about it. They say 90 days.

Mr. MITCHELL of Maryland. I understand that part of it, but the gentleman already had people on his side saying that this is but the first step. We know registration is going to lead to a draft. What I am trying to get to is a step beyond.

The CHAIRMAN. The time of the gentleman from Alabama has expired.

(At the request of Mr. Mitchell of Maryland and by unanimous consent, Mr. Bevill was allowed to proceed for 2 additional minutes.)

Mr. MITCHELL of Maryland. What I am trying to get to is a step beyond that in terms of sacrifice on the part of all Americans. It seems to me that a part of the sacrifice would be to pay the additional taxes to maintain an army, if we want a large standing army, to maintain it with good, trained, professional people. Why can we not do that?

Mr. BEVILL. Let us assume that this legislation is put into effect. Let us also assume that in a few days we come back with new legislation to appropriate funds to carry out a draft. I think you and I agree that at this point we should increase the pay of our military personnel and then there would possibly be no need for a draft.

Mr. MITCHELL of Maryland. I thank the gentleman, but I do not accept his offer because I think that is wrong.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. BEVILL. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I certainly agree with what the gentleman said in the well and in answer to what the two gentlemen from Pennsylvania, Mr. Coughlin and Mr. McDade, have mentioned. They seem to base their whole argument on a letter, on a timetable direction that was written by the Acting Director of the Selective Service. Now, I have in my hand a letter that was written to the chairman of the subcommittee, the gentleman from Massachusetts (Mr. Boland), from the same man that wrote this directive that they are quoting from.

The analysis presented in the directive report from Mr. Rostker assumed that the system was completely established, and that everything in it would work exactly as planned. As all the Members are aware, such a system does not exist today and would take considerable time to establish.

The CHAIRMAN. The time of the gentleman from Alabama has again expired.

(At the request of Mr. Montgomery and by unanimous consent, Mr. Bevill was allowed to proceed for 1 additional minute.)

Mr. MONTGOMERY. My point is, the director has backed completely off from that directive of assumption and has said his directive will not work after further study.

Mr. BEVILL. The director knows, the President knows, the Secretary of Defense knows, Gen. David Jones knows, that the analysis assumed in the directive assumed the impossible. Anybody who reads the analysis and its assumptions knows that their argument just does not hold water. It is just a dogmatic position they are taking based on a series of impossible assumptions.

□ 1430

Mr. CONTE. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. GOLDWATER. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield very quickly to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, I rise in opposition to the committee amendment.

Mr. Chairman, I rise today in opposition to House Joint Resolution 521, appropriations for the Selective Service System for fiscal year 1980.

I have heard a number of arguments persuasively supportive of the administration's request for funds to institute a registration program. However, reviewing testimony given before the Appropriations Committee in justification of this plan, I see no concrete justification for believing that preregistration of potential draftees will either, first speed up any later actual draft or second, send any real hard-line message to the Soviets about our intent to resist aggression. I contend, ladies and gentlemen, that the proposal before us today is a toothless, useless gesture.

We are proposing to spend $13-plus million to send the Soviets a hollow message. They can distinguish the difference between meaningless computer lists of 4 million potential recruits and a truly vital, professional active military backed up by an equally well-trained and equipped Reserve Force. I suggest that a far more effective message would be conveyed by substantial numbers of intelligent young persons voluntarily seeking to serve their country. This could happen if this body could bring itself to vote an equitable pay and benefits package for the All-Volunteer Forces and Reserves.

In 1973 I had a very easy time voting to establish an All-Volunteer Force. I felt then and I feel now that conscription during peacetime smacks of totalitarianism and violates the principles of the Constitution. Historically, this Nation has instituted a draft or a predraft registration only in time of war or a declared national emergency. I find it pathetic that what we are seeing now is the product of an administration which has allowed our military preparedness to deteriorate to the point where we are reduced to boycotting Olympics and registering meaningless names to show our national "resolve."

What this country really needs is an effective volunteer Army reinforced by similarly prepared Reserve forces. To do this we need to make a national commitment to maintain an acceptable standard of living and competitive pay scale for those who are willing to spend their lives defending our country. Benefits should include pay increases, medical, and travel benefits, guaranteed housing and bonuses for those personnel willing to join combat units.

I saw some shocking statistics compiled by the Honorable Melvin Laird, former Secretary of Defense, in support of the need for these pay and benefit increases. For example, he outlined that a typical enlisted man, serving on a nuclear-powered aircraft carrier and routinely working 16-hour days handling F-14 aircraft, makes less than a cashier at McDonald's, lives below the poverty level and is eligible for food stamps. Additionally, he probably has not seen his wife and child for 6 months. A chief petty officer on that same ship with 17 years' service makes the same salary as a janitor on a union scale and puts in twice as many hours. Military disposable income, despite incremental increases, has risen less than 3 percent per year over the past 7 years. Given the inequities in pay, living conditions and benefits compared to those of the private sector, it is little wonder that recruiting good personnel is difficult and retaining them beyond two terms of enlistment is nearly impossible.

I say that the best message we can send the Soviets is not a possible recruiting list, it is taking the first steps toward building professional, career-oriented fighting forces. For these reasons I urge my colleagues to vote against House Joint Resolution 521.

Mr. CONTE. Mr. Chairman, the gentleman who just preceded me here in the well, the gentleman from Alabama (Mr. BEDELL), would lead us to believe that if we do not pass this and we get into an emergency, we are going to be in trouble.

I want to repeat again that on June 4, 1917, we registered in 1 day 10 million men. In 1 day, on October 16, 1940, we registered 16 million men. There is no problem. There is no problem at all in registering these men.

I remember the subcommittee chairman of the Committee on Foreign Operations, everytime we would get the foreign aid bill, from the administration, he would say that the administration saw periscopes, periscopes and submarines, all over our Atlantic coast.

Mr. Chairman, it is happening here again today. We are being told on the one hand that premobilization registration is needed to send a strong signal about our defense posture to the Soviet Union. Yet on the other hand there is some very real concern here in the Congress about whether this administration has budgeted sufficiently for the fuel, for equipment, and for the training needs of our own forces. And here we sit today, considering taking additional money from the Defense Department to conduct a registration that is supposed to somehow show our great resolve in this country of ours. If this is sending a signal, a tough signal, I think I really have missed the point here somewhere.

Speaking of signals, the President has asked the Congress to balance the budget to show the American people our resolve to curb inflation. Yet this proposal would take $8.5 million for a silly Post Office registration which we could get through the census with the same result and it would not cost anything. This is almost worthless from the start without classification, and it will become absolutely worthless with the passage of time.

The fact is that having this information may actually slow the process down at a later date because of the number of out-of-date addresses as young men move around in this country of ours. So we are very likelv to be wasting a lot of money at a time when we are trying to tighten our belt. It just does not make sense.

I might be able to understand a transfer of additional funds to offset the defense deficiencies that alreadv exist in the defense budget. Everybodv here knows that we have these great deficiencies. As was recentlv pointed out by my good friend, the gentleman from Alabama, Mr. JACK EDWARDS, one of the most knowledgeable Members in the House on our defense, about half of our best airplanes are grounded because of the cannibalization that has taken place caused by a lack of maintenance funds. We have defense buildings all over this country of ours with leaky roofs supposedly sheltering millions of dollars worth of equipment. Officials of DOD have informed our staff that even the original proposal to tap the Air Force personnel account would cause serious problems.

Believe me, I understand and I respect the members of this committee who are fighting hard in the face of all this negative information to support the President's proposal, but, Mr. Chairman, in this instance there are very serious counterproductive results that could come from supporting this proposal, including the following: Dissension among our youth, because as was stated here, this is the first step toward the draft; a false sense of security that we are doing something significant; a diversion away from pressing military considerations; disregard for our budget-balancing resolve; and, worst of all, I think, a signal of weakness instead of strength to an adversary that knows what our mobilization capabilities really are.

Much as I sympathize with the President in what he is trying to do here, Mr. Chairman, I think we are being asked to support a very poor proposal, and certainly I cannot support it.

Mr. DICKS. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, since the draft report was prepared, closer evaluation has shown that the assumptions it makes are unduly optimistic. Let us go through the schedule included in the draft report to determine just how feasible it is. In the first 4 days, public notice would have to be given; registration material distributed; the postal service activated; and money appropriated by Congress.

Public affairs programming to publicize the 1-day registration would take 10 days to distribute to stations, even if they were prepared in advance.

Registration material is presently stored in regional postal centers. It would have to be mailed to the 34,000 Post Offices around the Nation. More realistic estimates by Selective Service officials indicate this will take about a week.

Postal service activation would be required to familiarize employees with procedures. Some of the employees planned for meeting registration requirements would not be available due to their membership in the Reserve Forces. Better estimates indicate this action would take 1 week.

Prompt action from the Congress would depend on the unanimity of support for the national emergency and whether Congress was in session.

Registration would then have to be accomplished in a single day, only 4 days after the mobilization order. Previous attempts to hold single-day registration have required substantial prior planning, something my colleague, the gentleman from Massachusetts, forgot to point out. In 1940 registration took place a full month after authorizing legislation was enacted. During the First World War, registration followed the declaration of war by 2 months.

The next step would be to move registration material from local post offices to keypunch centers. According to the draft report schedule, this would take only 24 hours. Revised estimates now indicated distribution of all forms to the 13 keypunch centers would take 3 to 4 days.

The forms would then be sorted according to random sequence number. Sorting must be carefully controlled to insure that the "proper order of call" is maintained. Failure to maintain this order in the processing of inductions would allow any individual whose number followed one in which all calls for induction had not already gone out, to successfully challenge his induction. In order to be safe, keypunching of an entire year of birth group would be required before induction notices could be sent. Best indications are that with a maximum effort this would take on the order of 20 days. This does not take into account the fact that the draft plan includes no assumption of error correction procedures for keypunching.

Thus, even if major problems were not encountered, postmobilization registration could be expected to add substantially more than 7 days to the period before inductees were available.

Postmobilization registration has an inherent weakness, beyond the problems with the schedule contained in the report. Any such approach is only a paper plan, untested in the real world. The immediate postmobilization atmosphere will be uncertain and chaotic. There will be many competing demands for resources and attention. No mere plan can be expected to work flawlessly, particularly when it has never operated in a realistic environment.

It is my firm conviction that we cannot place our national security at stake in the hope that postmobilization registration will work marvelously. The masterful plans for bus transportation at the Lake Placid Olympics are just one recent reminder that things do not always work the way they are drawn out on paper.

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I will yield to my colleague, the gentleman from Massachusetts, since I did raise his name in the debate, and because he is a person for whom I have the highest respect.

Mr. CONTE. Mr. Chairman, I want to thank my good friend for yielding. It is very seldom that he and I disagree on any issue, and I have the highest respect for him.

But I want to state that what I pointed out was that the $4.709 million, with which I agree and the committee agrees, will be diverted to the Selective Service System so they can register what in 1 day were estimated to have been registered in World War I and World War II.

Mr. Chairman, I submit for the RECORD at this point a breakdown of the subcommittee's recommendation which tells us what the $4.709 million is intended to do. The material is as follows:

BREAKDOWN OF SUBCOMMITTEE RECOMMENDATION OF $4.709 MILLION TO UPGRADE THE SELECTIVE SERVICE SYSTEM

[In thousands of dollars, fiscal years]

	Fiscal year 1980 supplemental	Fiscal year 1981 increase
I. Registration:		
Public affairs: To improve the capability of the Selective Service System to handle media and other requests for information about the registration:		
Contract support	200-400	150
Personnel (3)	56	84
Printing:		
Registration forms	250	----------
Change of address forms	50	----------
Registration materials	342	----------
Registration planning	275	125
Telephones	54	120
II. Automatic data processing:		
Interim support of the Emergency Management Manpower Plan on the USAMSSA computer	100	----------
Establishment of a joint SSS/DOD Mepcom computer center	500	991
Software development	1,092	724
Area offices:		
Terminals		4,550
Communications		50
III. Field structure and local board support:		
Local boards: Not necessary in the registration process but would be necessary in the event of a mobilization to process claims for exemptions and deferments. Plans are to select and train local board members for availability in time of mobilization:		
Policy development, 6 personnel	124	194
Administrative support including:		
National headquarters personnel (5)	57	97
Regional office personnel (25)	30	627
Training and recruitment of approximately 8500 local board members for approximately 1900 local boards:		
Development	360	----------
Implementation	83	2,507
Revised Reconstitution Plans	100	100
Nifty Nugget		150
IV. Headquarters revitalization:		
Wordprocessing and telecommunications	108	----------
Alternate service:		
Personnel (4)	79	108
Planning support	75	75
Analysis and evaluation (5 personnel)	95	132
Agency security	30	17
V. Pay raise supplemental	421	----------

Mr. DICKS. Mr. Chairman, I just want to point out to my colleague, the gentleman from Massachusetts (Mr. Conte), that in both the examples he raises prior planning had gone in and several months of lead time was involved. That is not what we have been talking about, to have this operation go forward, with the assumption that we can do this in the very brief period of a few days. I do not think that is realistic.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. DICKS. I yield to the subcommittee chairman.

Mr. BOLAND. Mr. Chairman, in response to the gentleman from Massachusetts (Mr. Conte), who claims that we can register these men in 1 day, that is, of course, all nonsense, absolute nonsense.

The CHAIRMAN. The time of the gentleman from Washington (Mr. Dicks) has expired.

(On the request of Mr. Boland, and by unanimous consent, Mr. Dicks was allowed to proceed for 2 additional minutes.)

Mr. BOLAND. Mr. Chairman, will the gentleman yield further?

Mr. DICKS. I continue to yield to my colleague, the gentleman from Massachusetts.

☐ 1440

Mr. BOLAND. Mr. Chairman, the argument that the gentleman makes is that we can register the men in 1 day, as we did in World War I and World War II, and so he, and a lot of others, are saying, "Well, if we did it then, why can we not do it now?"

Well, I would like to point out that success in registration in both World Wars I and II was based on months and months of planning before the events ever occurred. In World War II, the registration did not take place until the fall of 1940, more than 1 year after Poland was invaded in 1939. In order that 16 million men could be registered 30 days after passage of draft legislation, thousands of persons throughout the United States were involved in intricate planning and implementation of the registration procedure for months beforehand. As a matter of fact, in World War II, 1,800 National Guardsmen throughout the United States were involved full time in the planning.

So, when they say you can register them in 1 day, it is absolute nonsense and poppycock.

Mr. DICKS. Mr. Chairman, another point that has to be made, we do not live in the same world the we lived in in 1940.

When anyone looks at the massive, conventional capabilities of the Soviet Union, there is every likelihood timeliness will be of the essence. The ability to mobilize is even more critical.

AMENDMENT OFFERED BY MR. DUNCAN OF OREGON TO THE COMMITTEE AMENDMENT

Mr. DUNCAN of Oregon. Mr. Chairman, I offer an amendment to the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. Duncan of Oregon to the committee amendment: On page 5, line 2:

Strike "$13,295,000" and insert in lieu thereof "$21,000,000."

Mr. DUNCAN of Oregon. Mr. Chairman, this is an amendment to the amendment that is offered in order to present to the Congress the entire program which the President has requested of this Congress. It is to appropriate a sufficient amount of money to initiate a draft registration, not only for men, but also for women. I am well aware of the fact that the Committee on Armed Services has not authorized that. I am also aware of the fact that the trend of judicial opinions in this country is such as to make a classification based on sex a suspect categorization. In my judgment, women have so proved themselves by many years of service in the Armed Forces, and by taking on an increasingly large number of jobs previously reserved to a male-only category, that it would be unwise for us, if we are to take this step, to refuse to transfer funds sufficient to accomplish the registration of both sexes.

Now, I do not mean to imply by offering this amendment that the President has requested me to do so, because he has not. I do not mean to imply that if this amendment is accepted that I will then support the committee amendment, because as of now I do not. I believe, for a lot of reasons offered by others in this well, and for some in addition, that the wisest course for this Nation to pursue at this time is to support the action taken by the Subcommittee on Appropriations and transfer sufficient funds to beef up the Selective Service without moving actually to the registration.

I say that because in a free society no government can really move beyond the status of public opinion in this country. I believe there have been some dramatic changes in public opinion since the capture of our hostages and the invasion of Afghanistan. But I do not believe yet that the consensus exists which is required in a free society to support this action of the Government. I disagree with my distinguished friend, the gentleman from Alabama (Mr. Bevill). I hate to say no to the President when a request like this is made. I do not like the message that that sends to the world.

I do not think anybody is more aware of the deficiencies in the requirements of our manpower needs in our armed services than am I. But I watched public opinion drive a President from the White House. I watched public opinion bring to a halt America's military activity in Southeast Asia. I really believe that that public opinion in this country spawned many of the problems which we are facing in the Middle East today and which this response from the White House, in my judgment, is entirely inadequate to meet. As I said, I believe that dramatic changes have occurred in public opinion in this country in the last 3 months, but I do not believe that that consensus that President Johnson reminded us was so necessary to action taken by a free society, exists sufficiently to avoid a disastrous resistance which we cannot cope with domestically, especially in view of the amnesty provisions which this Congress properly passed only a short period of time ago.

So I urge support for the amendment to the committee amendment.

The CHAIRMAN. For what purpose does the gentleman from Texas (Mr. Gonzalez) rise?

Mr. GONZALEZ. Mr. Chairman, I have an amendment to the amendment offered by the gentleman from Oregon (Mr. Duncan) to the committee amendment.

The CHAIRMAN. The Chair will state that that would be in the third degree, and that amendment to the Duncan amendment is not proper.

For what purpose does the gentleman from Maryland rise?

Mr. BAUMAN. Mr. Chairman, I have a substitute to the committee amendment at the desk.

Mr. GONZALEZ. Mr. Chairman, may I then be recognized to speak against the amendment?

Mr. BAUMAN. Mr. Chairman, I believe the Chairman has already recognized the gentleman from Maryland.

The CHAIRMAN. The Chair has not really recognized the gentleman from Maryland. The Chair is determining whether he could recognize the gentleman from Texas.

Mr. BAUMAN. The gentleman from Maryland thought the Chairman said, "For what purpose does the gentleman from Maryland rise?" and then the gentleman from Maryland said, "I have a substitute to the committee amendment at the desk." Perhaps I just misheard all of that.

The CHAIRMAN. No. The gentleman heard correctly. It does not mean that the Chair has recognized the gentleman for the purpose of offering an amendment.

Mr. BAUMAN. I am deeply offended, Mr. Chairman.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, the amendment that I am offering increases the funds for use by the Selective Service in order to allow all males between the ages of 18 and 66 excluding those who have honorably completed their military obligation to be required to register for the draft. The purpose of my amendment is to avoid the serious class division that was so obvious in our military during the Korean and Vietnamese war years.

Looking back to World War II you will note that the Selective Service Act had been amended in peacetime 1940 to extend the draft age to 44. This extension certainly spread the burden to a greater proportion of our population so in this day and age when life expectancy is longer than it was 40 years ago, I believe we should extend the age to 65. The nature of war, and therefore those involved, has changed. There are no longer fronts or trenches. Everyone is exposed.

The Vietnam war has left many scars on our Nation and the method used for the draft during this period in our history was certainly not in concert with the democratic creed upon which our country was founded.

The intent of this amendment is to place everyone in as equal a position as possible in the event of a war. Thus, all those eligible for the draft, from those in Congress to the man in the street, will look at the particular international situation that could bring us into conflict and weigh it, realizing that he, too, could end up in the trenches or ranks.

In many ways this might be just a symbolic gesture, since physical capabilities are certainly the main focus when the battleground is under consideration. However, it will allow more of us to be in the shoes of those who will have to bear the burden of battle, which is truly the democratic way.

□ 1450

Mr. SKELTON. Mr. Chairman, I move to strike the requisite number of words.

I find myself somewhat in sympathy with the gentleman from Texas regarding the last amendment; however, it would be difficult to support, under the present conditions, the Duncan amendment, because I think the end result of this would be to scuttle the issue that is before us. The issue before us is one that is far too important to go down the drain with just a few minutes discussion on whether men or women should be included in the registration. At a proper time that may come to pass and it might be well to consider it then.

Mr. Chairman, that is not the main issue before us. The main issue before us is whether we are looking at the world in which we live. I wonder if we are looking today at the possible threats that come to us from a potential enemy.

Today it is my feeling, Mr. Chairman, that we are more vulnerable than we have been in decades. I think we should learn from the past. I think we should learn that the maintenance of peace depends upon the accumulation of deterrents against any potential aggressor.

Mr. Chairman, what we do today in passing a registration amendment will send an important signal to the world, especially to the Soviets, that we are committed to a strong national defense. It will send a signal to our allies that we are committed to a strong national defense. History should teach us something. History should teach us that only when we have been vulnerable in the past have we found ourselves embroiled in a conflict. Deterrents and strength are the only answers. Registration is not an answer or a cure-all, but it is a step in the right direction. Thus, I find myself supporting the registration provision. I certainly hope that this House will pass it.

Mr. MONTGOMERY. Mr. Chairman, will the gentleman yield?

Mr. SKELTON. I yield to the gentleman from Mississippi.

Mr. MONTGOMERY. Mr. Chairman, I certainly support what the gentleman said. I am concerned, the gentleman mentioned the Duncan amendment. Actually, the Duncan amendment even if it were adopted today could not be implemented by the President, because there is no authorization for women to be registered.

Mr. SKELTON. Yes, that's what concerns me.

Mr. MONTGOMERY. Therefore, it is out of order.

Mr. SKELTON. I am afraid it would end up scuttling the very thing we want to establish.

Mr. MONTGOMERY. So I would urge a vote against the Duncan amendment. It is not going to do anything and it could scuttle the registering of men, which is what we really need.

Mr. SKELTON. Somewhere down the line it might be well to discuss that and consider it. This is not the time. This is not the year. This is not the place to do it, because the effect of passing it would be to set aside any registration and set aside a step forward in our national defense.

AMENDMENT OFFERED BY MR. BAUMAN AS A SUBSTITUTE FOR THE COMMITTEE AMENDMENT

Mr. BAUMAN. Mr. Chairman, I offer an amendment as a substitute for the committee amendment.

The Clerk read as follows:

Amendment offered by Mr. BAUMAN as a substitute for the committee amendment: Strike "$4,709,000" and insert in lieu thereof "$500,000,000".

Mr. BAUMAN. Mr. Chairman, I thank the distinguished Chairman of the Committee of the Whole.

Mr. Chairman, this is a very simple amendment. It raises the amount in the bill from approximately $4 million to half a billion dollars.

Now, before any of you get upset about that amount, I saved $1.2 billion last week with my cutting amendment to the International Bank bill. I think I am allowed a little leeway in my spending habits around here.

This amendment places in the bill the amount of money which the testimony before the subcommittee showed was necessary to completely reactivate registration and classification. It does not in any way reactivate the draft. I personally am opposed to a peacetime draft, but many of us seem to have ignored in this debate that under law, section 10(H) of the Military Selective Service Act, the President already has the power to reactivate fully the registration and classification structure that has been in place in the past in this country. Of course, he will have to come to us for the funding. This amendment would offer that funding.

I happen to believe that the amount of money that is contained in both the bill and the committee amendment is no more than a gesture toward the Soviets. I understood this entire issue to have been raised as a result of the Afghanistan invasion and the need for an American response to show the seriousness of our national purpose.

Now, I will admit, it is difficult to understand the seriousness of purpose of a President of the United States who opposed peacetime registration before this body only last September when we debated this issue and we sought to reinstitute registration. The President sent a letter from Stewart Eisenstat that said he felt we absolutely did not need peacetime registration.

It is hard to understand the seriousness of purpose of a President of the United States who even as the strains of music from the inaugural ball are fading away takes as his first official act the pardoning of draft dodgers who fled in time of what was, in fact, a war in which this country was engaged, a war in which many thousands of Americans died; but that is behind us. Jimmy Carter did not want the draft last fall. Jimmy Carter wanted to pardon the draft dodgers. Now Jimmy Carter wants registration. The gesture before us, in my opinion, is weak and far from meaningful to the Soviets.

I believe that the times require, the reinstitution of a full classification and registration system, so that if we face the pending day of doom the gentleman from Massachusetts (Mr. BOLAND) so aptly described, and it could come at any time, we will at least have ready a pool of manpower to do the things that must be done to preserve America.

We know in this Congress that the conventional forces and weapons at the command of our Government have declined in relation to the Soviet Union markedly in recent years, that we are almost forced, as many of the Members of this committee have admitted, to a nuclear response to a conventional war in Europe.

Would this President respond? I doubt it. I doubt it seriously. I think that the stability of the world and the salvation of this country are wrapped up in whether or not we are willing to take the proper steps today.

Surely, we need to retain in the Armed Forces trained manpower. Yes, we will debate in the coming days the issue of the defense budget being increased and balancing the budget at the same time; but we need military manpower in the event of, God forbid, a conflagration breaks out to which we must respond.

I would urge that if you are serious about putting in place a system that will offer us access to the people who should serve their country at that time this amendment will at least allow the existing law, that it is already on the books, to be carried out. It would require all young men 18 to 26 years old to register and be examined and classified for possible future service with few exceptions. That is what this amendment is all about. If you are serious, you will vote for this. Anything less than this, I do not think is serious, and perhaps that is what you want, a mere gesture.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to my colleague, the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I thank the gentleman for yielding to me.

I really appreciate what the gentleman is doing.

Mr. BAUMAN. It draws the issue.

Mr. MITCHELL of Maryland. That is right. It makes it absolutely clear.

The gentleman is saying, of course, that he will oppose the draft. The gentleman is saying that, but the next step is classification. I admire the gentleman's honesty.

The thing that has disturbed me the most in this whole debate is we are right back at the old shell game of lying to people. We are lying, saying that we are going to register you but we are not going to draft anybody.

I admire the gentleman for going ahead, pointing to the direction of classification. Let us be honest. The people are sick and tired of being lied to.

Please accept my hearty commendations to the gentleman from Maryland for being honest and truthful in this House.

Mr. BAUMAN. I am sure the gentleman from Maryland is not referring to those who say there will be no draft when they propose this registration as liars, and not to the gentleman from Maryland who is offering this amendment.

Mr. MITCHELL of Maryland. I understand.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. BAUMAN) has expired.

(By unanimous consent, Mr. BAUMAN was allowed to proceed for 2 additional minutes.)

Mr. BAUMAN. Mr. Chairman, I would just say this to my colleague, the gentleman from Maryland, (Mr. MITCHELL), who has also taken a very forthright position on this issue throughout his career in Congress that, of course, the registration and classification is for one purpose and one purpose only, that is, eventually to institute a draft if it is needed; but I happen to believe that if we show some resolve in this Congress, some willingness to respond to the Soviets' advances all over the world, by simply placing at our disposal a system that allows us to have manpower if we need it, that will serve as a deterrent to the expansion of the Soviets and thus no draft will ever be needed. To do this, the President has suggested that his concept of good Government is to turn over draft registration to the Post Office; that is laughable, indeed.

Mr. MITCHELL of Maryland. Mr. Chairman, would the gentleman yield further just briefly?

Mr. BAUMAN. Yes.

Mr. MITCHELL of Maryland. Again, I commend the gentleman on his honesty. I do not agree with the gentleman in building up a huge army again; but at least the gentleman is being honest. I think what the gentleman has said is that there will be a draft if it is needed.

What I sense coming from so many other people in this House is the lie that we are not going to draft them. We are not going to in any way classify them by manpower needs, but yet they know in their minds the ultimate objective is to draft, whether we need it or not; so I thank the gentleman.

☐ 1500

Mr. BAUMAN. Let me say to my colleagues that the proponents of the committee bill and the administration bill are in no way I think lying when they say they do not wish to institute a draft. They simply want to take a few steps toward registration and possible classification, but they do not go far enough.

I would like to go to the logical conclusion of the equation and put in place a system that will allow us to have the manpower we may need. Otherwise we will not be ready, we cannot be ready. It all turns into a farce.

It may be a gesture, but I am tired of gestures, a gesture on the Olympics and the grain embargo and all of the other things that causes the Kremlin to laugh. All we get from this administration, is gestures. Well, we should change and do something before it is too late to defend this country. That is what is embodied in this amendment.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from New York.

Mr. STRATTON. I thank the gentleman for yielding.

I want to say I am inclined to support the gentleman's amendment.

The CHAIRMAN. The time of the gentleman from Maryland has expired.

(At the request of Mr. STRATTON and by unanimous consent, Mr. BAUMAN was allowed to proceed for 3 additional minutes.)

Mr. BAUMAN. I yield to the gentleman.

Mr. STRATTON. Mr. Chairman, I am inclined to support the gentleman's amendment, although I wish he were a little more charitable to our Commander in Chief for having recognized the error of his ways and for having finally come around to see the light.

The very proposal the gentleman from Maryland is making is one I made in an address to the Reserve Officers' Association here in Washington in February. At that time I pointed out that the National Guard Association is convinced that if we have examination and classification, we will automatically get a very substantial number of volunteers. Examination and classification will determine which are 1A and which are 4F's; and then those who are found to be 1A are very likely to volunteer for the Guard or for the Reserve rather than waiting to be called into the Regular Army.

Mr. BAUMAN. I would assume, based on the gentleman's comments, that he would then support my amendment?

Mr. STRATTON. This is exactly what I am saying. I am trying to give the gentleman some serious arguments for his amendments rather than snide attacks on the President of the United States.

Mr. BAUMAN. Oh, I thought my remarks were charitable in the context of what the President has done to this country.

Mr. STRATTON. Let me give to the gentleman one other point he might want to consider, and that is the Armed Services Committee of the House has already tentatively accepted language in its report for the defense authorizing bill for 1981 which recommends to the President that he take these very steps under the authority which the gentleman has correctly pointed out he presently has, and report back to the committee exactly how many young men would volunteer for the Reserves if we move to examination and classification. I think this is a necessary second step, and I support the gentleman's amendment.

Mr. BAUMAN. I thank the gentleman, and I do want to defer to the monsignor from New York because he has worked with these issues for many years, with great distinction in the Armed Services Committee when it was not popular in his party to be for a strong national defense. I very much appreciate his support for this amendment.

I would like to make one other point that was asked of me and that is that this amendment would in no way allow for the registration or the classification of women, as it should not be in my view. That is not permitted under the statutory authority under existing law, and this funding could not be used for that purpose without some future legislative action.

Mr. BOLAND. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Yes, I yield to the gentleman.

Mr. BOLAND. Mr. Chairman, I thank the gentleman for yielding. As I understand it, the amendment offered by the distinguished gentleman from Maryland provides for registration and only classification, not examination; is that correct?

Mr. BAUMAN. It provides for all that is allowed under any Executive order issued under section 10(h) of the Military Selective Service Act. As I understand it, that would allow the President to reinstitute a registration, classification, and physical examination of all males 18 to 26. All of this at one time or another has been done by past Presidents.

Mr. BENNETT. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think we should pass the bill that has been brought to us and the committee amendment. I think it is unfortunate that we raise issues here which are not only tangential but very devisive. Our country ought to stand together.

We have had a lot of comment here about other ways in which we could resolve this problem, like having the volunteer service pay more adequate, restoring the 17-percent cut in actual wages they have taken in the last few years and other benefits that ought to be restored to them. We have had some suggestions here that we ought not to have just a draft for the military, but we ought to have one for the Peace Corps and everything else like that. Well, the price on the latter is about $24 billion a year in 1978 dollars. We are talking about only $8 million a year under this proposal today.

The President has made a very reasonable request to register young men at this time. It is not an expensive request. It will indicate some show of concern on the part of America, not any great concern.

If there was a great concern we would have a Volunteer Army, Volunteer Navy, and Volunteer Air Force which were adequately paid. Not a very great concern because if we had that we would not have turned around and given the educational benefits to those who do not serve for the military and taken them away from the people who do serve in the military. That is what we have done.

We did that with the doctors, we did that with other people who are in the service. We have regrettably taken away benefits of the people who are in the service, while adding benefits to those not obligated to serve our country.

Those things suggested here as alternatives cost $10 or $15 billion to restore benefits and provide adequate pay. In the case of the Peace Corps arrangement of Mr. McCloskey, $24 billion a year in 1978 dollars would be the cost. Those are multibillion-dollar alternative programs.

I do know of few here who have spoken against this bill today who have also ever introduced a bill to accomplish any of those other things, ever appeared before any committee asking any of those other things be done.

I think it all boils down to the fact that the Commander in Chief of the United States has asked at this juncture in time for a very small amount for registering young men. By doing so we will save some time in bringing them up if needed and we will have some value with regard to the credence of our country with regard to our ability to fight a conventional war in order to try to prevent a nuclear war, if we can; and give some credence to the fact that we are able to fight a conventional war.

All of the other kinds of smokescreens of how to do it better, cost more money than most here in Congress, has any idea of voting for, or has any idea of ever coming to the floor with.

The real heart of this matter is when the Commander in Chief of the United States, confronted with probably the greatest international problems we have had in the last two or three decades, asks for a simple little thing like registering young males in this country. If we Members of Congress cannot stand on our own feet and do this simple little thing without finding a thousand excuses for not doing it, then I think our country is in very bad shape.

I do not think our country is in that bad a shape. I think Congress is going to vote for this registration bill, and I heartily commend my colleagues on the fact that they are going to do it.

Our mobilization capability is in a state of disarray, according to testimony we heard in the last session of Congress. A key element in military preparedness is the ability to locate and call young men to Active Duty service in the event of a national emergency that might arise. However, without military registration, the Selective Service System could not possibly meet its delivery schedule.

We need a tested military registration system. The Chairman of the Joint Chiefs of Staff, the congressional committees, the studies of CBO and GAO, and the Director of the Selective Service System all attest to this current need. A recent ABC-Harris poll showed that the American people favor military registration by a 66- to 31-percent majority.

When we implement a modern registration system—which can be accomplished through Presidential order later this year—it is estimated we will be 90 to 100 days ahead on meeting the Selective Service delivery schedules that would be required in an emergency. It will also help us to ascertain and eliminate problems which we cannot now specifically foresee. Since our potential enemies can see our Reserve Force problems, the proposed step toward registration adds credibility to our determination to defend ourselves and this in itself would be a war deterrent. Such registration may prove to be an incentive for many young men to now enter the Reserves, where they are greatly needed.

When the 96th Congress convened last January, I was the first Member of the House to introduce military registration legislation. Since that time, the turmoil in the Persian Gulf area and the Soviet invasion of Afghanistan have heightened the need for an effective system of military registration. I urge my colleagues to support House Joint Resolution 521 and the committee amendment which provides the funds to accomplish this prudent step for our national security.

Mr. PICKLE. Mr. Chairman, will the gentleman yield?

Mr. BENNETT. I yield to the gentleman from Texas.

Mr. PICKLE. Mr. Chairman, I want to commend the gentleman for his statement and for his reasoned approach.

Mr. Chairman, I think the gentleman from Florida makes a very sound and reasoned approach to our problem. I think it is in the best interest of this Nation to transfer $13.3 million in already appropriated fiscal year 1980 funds from a U.S. Air Force military personnel account to the Selective Service System to start a system of registration of our young citizens. In view of the world situation and in behalf of our own development I believe it is wise to take this preliminary step. I know it can be argued either way as to the total effectiveness of this registration, but overall I believe it is an essential and fundamental step for us to take. I do not want to see a draft reinstituted, but I do support a registration system.

The President can institute a registration and classification program on his own authority and has said that he would do so. We must, however, have the means to implement such a registration. Failure to adopt a registration system would, I think, be a signal to the world that the United States does not have the resolve to prepare for its own manpower defense.

Therefore, I shall vote for this transfer of already appropriated funds. It does not affect the budget, but accomplishes a necessary purpose.

Unfortunately I agreed over 2 months ago to make a speech in Austin, Tex., tonight. Therefore, I may not be here to vote if the debate continues at length this afternoon. However, I wish to go on record as supporting this transfer of funds for registration. The gentleman from Florida goes to the heart of our problem. We should support this request for transfer of appropriated funds.

Mr. SABO. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in opposition to the Bauman amendment and to the committee amendment. There are a lot of issues we talk about as we address this issue, some legitimate and some that really are not legitimate issues.

We are told we should vote for this bill because the President supports it and has requested it. I accept that as a legitimate argument on behalf of the proposal, but I do not agree with it. I give the benefit of the doubt to the President as it relates to foreign affairs and, on the other hand, I am not willing to give him a blank check.

In this case I think to vote on behalf of the committee amendment and on behalf of what the President and the administration requested, makes no sense.

□ 1510

The second argument that we regularly hear is that the proposal before us today has something to do with current personnel problems in the armed services. In my judgment, that is not a legitimate issue before us. I accept the President's description that what is before us is a method of preparing for mobilization in the event of a major emergency. It is not a proposal to try to deal with current personnel needs. That needs to be addressed in a separate forum, in a separate manner, and not in this particular bill.

What about the President's proposal? Should this be part of a blank check that we give him? We do have the report of the Selective Service System. That is busily being debunked now. What they recommended was, option one, post-mobilization registration. Now the administration is busily telling us that option one is no good; it is irrelevant; it had poor research; it was not tested out. But what did they do? Did they throw away the entire study? No. They took option two. Did they ask any questions about option two? No. Every assumption in option two has to be perfect. We are told that option one is simply a plan and option two is not a plan. I am not sure what idea the proponents have to test it. Are they a year from now going to send out induction notices to people, although there is not an emergency and a mobilization is not required, to see how many addresses come back undelivered, moved, address unknown? I do really think that is what they have in mind.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from New York.

Mr. PEYSER. I thank the gentleman for yielding.

I agree with what the gentleman is saying. I would like to add that one of the arguments that has been used but one that I certainly disagree with is the question of the President and this country sending a strong message by this registration action to the Soviet Union. That keeps coming up as a point of why we ought to pass this resolution. It seems to me blatantly apparent, and certainly must be apparent to the Soviet Union, that this type of registration that we are considering really sends no message of any strength. If this country needs manpower for the armed services to defend this country and to fulfill our obligations, then let us call a draft and back it up with the fact that we need it. But I agree with what the gentleman says. This is not the kind of program to do it with. I congratulate the gentleman for his statement.

Mr. SABO. I thank the gentleman for his comments.

Mr. WOLPE. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Michigan.

Mr. WOLPE. I thank the gentleman for yielding.

I want to commend the gentleman for the very persuasive argument that he has just presented in opposition to peacetime registration for the draft. It needs to be stressed that the resolution before us today would, even without the peacetime draft registration provision we are now debating, appropriate the necessary funds to improve the Selective Service System's computer and organizational capability, so that it will, in the event of a national emergency, be able to meet the Defense Department's mobilization requirements.

But to go beyond this to peacetime draft registration would not only be far more costly, but would do nothing whatsoever to enhance our mobilization capability. The Director of the Selective Service System himself has stated that peacetime registration would be "redundant and unnecessary." He has said that "the post mobilization option is by far the most cost-effective and least intrusive, and is the option preferred by the Selective Service." Even the post-mobilization option would deliver 650,000 inductees 2 full months ahead of the Defense Department's mobilization timetable.

The simple, clear truth is that peacetime registration adds nothing but unnecessary cost to our defense capability. It therefore represents a totally unjustifiable intrusion into the lives of millions of young people who would find themselves suddenly subject to the imposition of up to 5 years imprisonment and $10,000 in fines for their neglect, even if unintentional—in peacetime—to keep the Government constantly informed of their whereabouts. If only 10 percent of those eligible this summer do not comply, or simply forget to notify the Selective Service System of a change of address, there will be created 400,000 potential felons—all of this in the absence of a national emergency.

Much has been said in this debate about the importance of symbols. We are told that a vote for requiring young people to put their names on a list at their local post offices will be sending a "signal of resolve" to the Soviets. I would submit that the Soviets can tell the difference between a list of names and genuine preparedness. The only signal we will be sending will be one of a divided nation—precisely at a time when there is a desperate need for national unity.

Mr. SABO. I thank the gentleman from Michigan for his comments and agree with them. I think the proposal by Selective Service is the most cost effective and the least intrusive on individual freedom.

The CHAIRMAN. The time of the gentleman from Minnesota (Mr. Sabo) has expired.

(At the request of Mr. Weiss and by unanimous consent, Mr. Sabo was allowed to proceed for 3 additional minutes.)

Mr. SABO. Before I yield, if I might, I would like to make this point. The same draft report of the Selective Service took a look at nonparticipatory registration in which they studied the mobility of 18-, 19-, and 20-year-olds, and they concluded that 25 percent of the addresses would be invalid at the end of one year. So we are going to register 18-year-olds. If we ever need this draft, we would draft first 20-year-olds. Two years after they have registered, we would have the most massive return of mail, addresses unknown, in the history of this country, if the system proposed by the administration ever had to be put into place.

Mr. WEISS. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from New York.

Mr. WEISS. I thank the gentleman for yielding.

I want to commend the gentleman from Minnesota for the very logical and persuasive argument that he makes. I think in addition to his comments and those that have been made by others, I want to raise one other point. It has been alluded to in the course of some of the correspondence between Members but not on this floor directly.

Mr. Chairman, messages can be sent by a lot of people in this country. Suppose numbers of the young people who are being asked to register decide as a matter of conscience that the message they want to send to their Government is that they do not want to take any role in this move toward a peacetime draft and they refuse to register. Has there been a decision made that the Department of Justice is going to seek out those young people? Will they be prosecuted? And what then does that do to the message that we send to the rest of the world?

Do we communicate strength if we have to prosecute our people—not for draft evasion but for failing to register? It seems to me this has been a very shallow, unthought-out proposition, thrown together in a moment of panic and hysteria. For the best interests of the Nation, the resolution should be voted down.

Reinstituting registration at this time is a hollow gesture and sets a dangerous course for the Nation.

House Joint Resolution 521 as reported by the Subcommittee on HUD-Independent Agencies would appropriately provide $4.7 million to fully modernize the capability of our Selective Service System. The subcommittee correctly concluded that updating the Selective Service's capability without peacetime registration was the prudent action.

In September of last year we rejected a proposal to revive registration by a vote of 259 to 155, and we ordered further study of the issue by the President. At that time the Carter administration strongly supported our action.

In the wake of the December invasion by the Soviets in Afghanistan, the President apparently felt compelled to reverse his position, claiming that the invasion had drastically changed the foreign policy landscape. He called for reinstitution of registration as a symbolic act against the Soviets.

But a February article published in the Washington Post reported that the Director of the Selective Service System clearly stated in his report to the President that registration before mobilization would only save 7 days over registration after mobilization. That is not a significant saving of time since training for the most basic military skills today requires at least 5 to 6 months. A post-mobilization registration would meet even the worst-case manpower goals set by the Department of Defense.

Historic examples offer proof that needed manpower will be available in the event of a national emergency. On October 16, 1940, over 16 million men were registered. On June 4, 1917, almost 10 million men registered. It is significant to note that these single-day signups were achieved without the computer capability of today.

Another problem with the amendment proposed by the committee is the dangerous budgetary precedent it would set if adopted. The committee has chosen to transfer funds from one executive agency to another. This would violate the general fiscal principle of leaving individual agency budgets intact and rearranging only aggregate levels of spending. After all that is why the rules of the House (rule XXI) do not allow single agency appropriations to come to the floor under privileged status.

Mr. Chairman, as a nation, we already have taken other steps which I have supported, that displayed our displeasure to the Soviets. Grain shipments have been curtailed and technology transfer halted. This month the U.S. Olympic Committee decided to boycott the summer Moscow Olympics. While all of these actions have involved some pain, it has expressed our Nation's outrage in a nonmilitary manner and thus limited the escalation of military tensions.

From a practical military manpower and international political standpont, therefore, reinstituting registration is unnecessary and ill-advised. More importantly with the memories of Vietnam still fresh in our minds and with our society still feeling the bruises from a previous draft, we should not be taking this step toward a peacetime military draft.

Mr. OBERSTAR. Mr. Chairman, will the gentleman yield?

Mr. SABO. I yield to the gentleman from Minnesota.

Mr. OBERSTAR. I thank the gentleman for yielding.

I want to thank the gentleman from Minnesota for the leadership he has provided in subcommittee and full committee on this issue and for the arguments he has presented forcefully, logically, and responsibly. I hope the Members of this body have listened to the gentleman.

I hope that this House will not take the unfortunate step of passing what in future years we will look upon sadly as the Strait of Hormuz resolution.

Mr. Chairman, this issue is before us today largely because of the Soviet invasion of Afghanistan and partly because of the hostage situation in Iran. Five months before the President called for draft registration, this House in a vote that cut across party and ideological lines decisively rejected a registration proposal. I was extremely proud of the House that day. The case for registration had not been made, and the House rejected it—soundly.

The administration at that time supported our rejection of registration.

The renewed call for registration came in the midst of the near hysteria which followed the invasion of Afghanistan. There was a feeling that something, almost anything, had to be done to show the Soviets that we would respond to their aggressive actions.

We can provide effective improvements in our Selective Service System. We can and should approve $4.7 million to enable the Selective Service to develop a postmobilization plan.

I must, however, urge the House to reject the amendment made by the full committee. I urge my colleagues to join with me in reaffirming our very wise decision of only 7 months ago. Registration is not what this country needs. It will not serve our national interest.

A "no" vote today may not be politically popular. A "no" vote may well be misrepresented and misinterpreted as a vote against a strong national defense. It may be portrayed as un-American and unresponsive to the security needs of this country. A "no" vote may be depicted as a vote of disinterest in the need for military preparedness.

Future historians, however, may also record a "no" vote as being the courageous and visionary vote of the decade.

During the past several months, I have taken the time during my travels throughout the Eighth District of Minnesota to talk to the people I represent about this issue. I have heard their deep concern for the security of this country.

Mr. Chairman, colleagues, they want us to act to improve the state of our military preparedness. They want an effective response to threats to our national interest. They do not, however, want us to pass anything that comes along just because it may have some questionable symbolic value.

Registration has come to the floor of this House for the second time in 7 months because in the near hysteria following the Soviet invasion, registration appeared to be a symbol of American determination. But, symbols do not deter aggression, nor do they win wars. Registration will enable the Selective Service to deliver untrained 19-year-old boys to the Armed Forces 7 to 13 days faster than in the absence of premobilization registration. The question we must ask is what do we gain by these additional days, and what is the most effective response to today's military realities. The next war—conventional or nuclear—will not involve the extensive deployment of American troops overseas which occurred in the World Wars: 2 million in World War I and 8 million in World War II.

Conflict with the Soviets will either escalate to the use of nuclear arms, or will involve the military forces on hand and such extensive use of conventional firepower, that the war will be over quickly. What good will it do us to be able to rush 19-year-old boys into conflict 7 days sooner.

Mr. Chairman, the lack of registration is not the problem. It is our unwillingness or our inability to provide adequate support for our All-Volunteer Force, Reserves, and National Guard. It is our failure to provide the incentive for midcareer retention of the highly qualified technical people, on whom we spend so much to train. God forbid that we should go to war again, but if we do, the ability to deliver those 19 year olds, 7 days sooner, will not be of much good if we have failed to adequately train and arm our Reserves. I have met with members of the Guard and the Reserve here in Washington and in Minnesota. These men have shown their willingness to serve.

Yet, I have heard repeatedly of inadequate funds for training and of outdated, inferior equipment. Mr. Chairman, out of $150 billion defense budget, we ought to be able to provide adequate training, necessary equipment and a decent level of pay and benefits for those in uniform.

This registration proposal does nothing to improve the current preparedness of our military. And, if we allow the resumption of registration to delude us into thinking that it does make those improvements, then registration will have done a great deal of harm.

Mr. Chairman, the real issue in this debate may be whether or not we will resume the peacetime draft. We are assured that the funds will not be used for the draft. I am sure that is the case for fiscal year 1980 and perhaps fiscal year 1981 and 1982. Registration is, however the first step toward resumption of the draft. It will facilitate resumption of the draft. Yet, a peacetime draft is the exception and not the tradition of our democratic Nation. The first peacetime draft was instituted only after the rest of the world had gone to war in 1940.

The issue of peacetime draft raises such fundamental questions that we cannot back our way into it through registration undertaken as a symbol.

The international problems facing this country are enormously difficult. Registration is a useless, simple symbol.

The people of this Nation deserve a more thoughtful, effective response to the Soviet invasion of Afghanistan than registration. Let us not mislead them by voting for something that gives only an appearance of being that response.

Mr. MITCHELL of New York. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the committee amendment.

Mr. Chairman, I voted for registration the last time the House considered the problem on the basis of information that was supplied us by the Department of Defense, and I have had that information reconfirmed and resupplied as of 3 weeks ago. In testimony before our Committee on Armed Services, we were told that if there were an all-out war, we would need to begin training replacements for our volunteer force within a 30-day period.

With the registration program we can do it; without registration, it will take 90 days to get the first recruit in the pipeline. Just suppose we do not approve registration and we do have this delay. Say we cannot begin training our reserves within this 30-day period. First of all, it is grossly unfair to the young people we have encouraged to volunteer to defend this Nation. Second, it is a great way to lose a war with a 60-day gap. Third, if the Department of Defense knows about our need to begin training recruits within 30 days, of course, so does the Soviet establishment. In a war situation this gives them an awesome advantage. It provides us with a 60-day period of vulnerability.

Many people referred to the Selective Service study that pointed out that there would be only a 7-day difference in time, to train the first recruit, comparing it with having a registration program and not having one. I would say this is utter and pure nonsense. This study has been thoroughly discounted by the Department of Defense. I was told that it was designed to support the President's position last fall. Unfortunately, the President changed his position, and the study did not catch up with it, so the people who devised the study got caught zigging when the President was zagging.

It is a question, Mr. Chairman, of whom you believe, and I believe the people who are responsible for defending this Nation in a time of war—the Department of Defense. Let us look at the overall problem. Let us look at the manpower resources in both nations.

The Soviets have 4 million individuals under arms. The United States has only half that number, 2 million. The Soviets have 10 times or 1,000 percent more in reserve strength to the United States. If we look at some other components that are necessary in fighting a war, things like ships and planes and tanks and bombs and nuclear weapons, the Soviets are ahead of us in 18 out of 21 categories. We lead in 3; they lead in 18. If we factor in civil defense, they lead in 21, and we still lead in only 3.

How is that, Mr. Chairman, for a message—the fact that they are willing to spend so much more than we are? We are a far wealthier nation. Our gross national product is three times that of the Soviet Union's. Their average standard of living is far below our poverty level, but still they have been willing to spend 60 percent more than we have for the past 7 years. They are willing to make these huge sacrifices, and in spite of all this, we have a large segment of our population that does not even want to support registration.

□ 1520

What we are talking about, Mr. Chairman, is resolve, something that successive Congresses in this House have had very little of since the Vietnam war. In the last Congress I was firmly convinced if some nation invaded California we would think of all kinds of face-saving reasons why we should not repel the invasion. Perhaps that we would have 49 other States and perhaps California has a lot of smog, but we would figure out a way that fighting for California was not in our vital interest. I certainly hope this Congress has more resolve than the last.

Mr. Chairman, let us show a tad, a smidgen, a modicum of resolve, let us demonstrate to the world that we are tired of this image of being a helpless giant. I say to the Members, if we vote down this program we will not be considered a helpless giant anymore, we will be considered a paralyzed giant. Let us close the 60-day gap, let us give the volunteers in our Armed Forces time to train the replacements for them in the event of war. I urge my colleagues to support the committee amendment.

Mr. STOKES. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, at the outset I, too, want to join my colleagues in the commendation given the gentleman from Minnesota (Mr. SABO) who has given excellent leadership on this subject to our subcommittee and also because of the very rational statements he has made on the floor of the House relative to opposition to the committee amendment.

Mr. Chairman, by virtue of serving on the Appropriations Subcommittee that has jurisdiction over the Selective Service System, I have had ample opportunity to hear all the arguments both for and against draft registration. Our subcommittee held 2 days of hearings and heard innumerable witnesses. The evidence simply does not support the implementation of draft registration.

This country is not at war, nor does war seem imminent. Reinstatement of draft registration, be it for men or for women, would not only be an unnecessary and intolerable intrusion into the lives of millions of young Americans, but would also fail to add anything to this country's military preparedness.

The resolution provides $4.7 million which is enough funding to bring the Selective Service System out of a deep standby posture into a capability to provide the necessary personnel if America goes to war. Nothing more is needed at this time.

Both the Selective Service System and the Pentagon, in internal documents, agreed that postmobilization registration—as funded by this amendment—is preferable to premobilization registration. In the words of the Selective Service System, postmobilization "substantially exceeds defense requirements, employs the fewest number of full-time personnel, and costs the least * * * the reduced delivery time provided by the other options is redundant and unnecessary."

Mr. Chairman, the administration claims that draft registration is in the national interest and is necessary as a response to the crisis in Iran and to the Soviet invasion of Afghanistan. The administration claims that draft registration will be an important signal to the Soviets.

How maintaining a soon-to-be-outdated list of millions of young people—who change address on the average of 1 out of every 4 each year—can be in the national interest is beyond me. Sure, draft registration will be a signal to the Soviets. It will be the wrong signal as thousands of young people refuse to participate in a meaningless peacetime registration effort.

If there was ever a place to begin to balance the budget, this is it. The 5-year costs of maintaining a peacetime draft registration are estimated to be about $80 million. And, this figure does not include any enforcement costs, Mr. Chairman, that we can even think of wasting limited Federal resources for an empty symbol at a time when we can barely find the funds to enable poor people to eat and have a roof over their heads is shameful.

Mr. Chairman, as James Reston said in a New York Times editorial:

> We are registering almost everything in this country except brains and common sense.

I urge my colleagues to use their commonsense and defeat the amendment.

Mr. DRINAN. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Massachusetts.

Mr DRINAN. Mr. Chairman, I rise in opposition to House Joint Resolution 521 which would transfer $13.3 million in already appropriated funds to the Selective Service System for registration of 19- and 20-year-old males. Draft registration will not increase the Nation's military preparedness nor serve as an effective political deterrent against Soviet adventurism. Peacetime registration is a dangerous precedent and an unnecessary intrusion into the lives of those affected by the proposal.

Last fall, this body rejected a call for the reinstitution of draft registration included in legislation authorizing defense expenditures. The administration opposed draft registration at that time, and the provision was deleted from the bill by a vote of 259 to 155. It was argued then that the President already had the authority to register men should an emergency arise, and that circumstances did not warrant a premobilization registration.

After the Soviet invasion of Afghanistan, and as part of a larger plan to increase defense spending in this country, the President decided to ask Congress for funds to revitalize the Selective Service System and to begin registration for our Nation's young men and women. The Armed Services Committee refused to consider registration plans, which has brought us today to this discussion over whether to begin registration of men once again for a future military conflict.

Do we need peacetime registration? The administration now says yes, although last year it argued that we did not. The Selective Service System continues to believe, however, that registration is not needed or desirable. In a Selective Service System report dated January 16, 1980, it was concluded that it would be most "cost-effective to register young people after a national emergency was declared." Selective Service System Director Bernard Rostker stated that his agency preferred a standby plan to be used only in the event of a national emergency because it "should substantially exceed Defense requirements, employ the fewest number of full-time personnel, and cost the least."

A November 1978 Congressional Budget Office report found that the first inductees could be delivered by the Selective Service System only 13 days sooner with peacetime registration than with registration after an emergency was declared. Since neither the premobilization nor the postmobilization plans would produce inductees faster than the military could train them, the 13-day savings becomes a moot point.

The registration plan raises serious questions about the intentions of our military planners in a rapidly changing international political climate. What are the Department of Defense strategists considering when they endorse peacetime registration. What will have been accomplished after a list of young men has been compiled? What has the Soviet invasion of Afghanistan done to necessitate the compilation of such a list?

The answers to these questions raise grave reservations about the merits of the registration proposal. First, the draft registration requirements set by the Department of Defense assume that this Nation will be required to fight a "sudden-breaking but prolonged war with extensive casualties" in Europe. The scenario assumes that the war will be fought with conventional weapons in spite of the fact that the United States has 7,000 tactical nuclear weapons in Europe, and it envisions Soviet tanks and troops sweeping across Europe with widespread destruction of populated areas. The Soviet invasion of Afghanistan has posed a threat of a very different kind, yet our defense planners have not adapted their military strategies to fit these new circumstances.

Second, the compilation of a list of young men will do nothing to increase the size or preparedness of our Active or Reserve Forces. Since the Selective Service System has already concluded that the peacetime draft registration plan will not save any time in the event of a full-scale mobilization, proponents of this measure have failed to prove the advantages of registration. The value of having a computer list of names is simply nonexistent.

Third, the Soviet Union will understand that the President's plan for premobilization registration is a politically motivated response to the Soviet invasion of Afghanistan. The Soviets will understand that the plan will do nothing to improve the real military capabilities of the United States. The likely result will be that the Soviets will not heed the intended political message that the proposal is designed to send. If it is a symbol that the President wishes to send to the Soviet Union, this symbol will be an empty one.

Finally, it is important to understand the dangerous precedent that adoption of this proposal will set for the American people. In only one circumstance has the Nation instituted peacetime registration for the draft, just before we entered World War II. To begin registering men again now raises serious questions about the real direction the country is taking. What war are we preparing for, and what price are we paying for a mobilization of our defense apparatus?

There is no doubt that if a true emergency were to arise there would be no problem registering people to serve in the Armed Forces. This has historically been the case. Ten million people were registered in 1917 in 1 day. Sixteen million people were registered for the draft in 1940, all without the sophisticated computer capabilities that are at our disposal today. If it was possible to register large numbers of people over 60 years ago, it will be possible to meet a new emergency should it arise.

I urge my colleagues not to sanction Government programs that serve no useful purpose, and that drain our Nation's resources. Draft registration is a serious step to take when there are no political or military benefits to accrue from it. I urge my colleagues to defeat House Joint Resolution 521.

Mr. TAUKE. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from Iowa.

Mr. TAUKE. I commend the gentleman for his remarks. I believe it is quite accurate to say that this step we are about to take is an empty symbol. But I think more importantly that it is essential that we in this Congress recognize that what we are doing is really testing the fabric of the country. We tend to forget, I think, how deeply we were wounded by the Vietnam war, what deep resistance there was to that war, and how badly our fabric was torn. Now, before it is necessary, we are willing to test ourselves again.

Just when we are beginning to heal as a country, when we are beginning to pull ourselves back together again, when we are beginning to overcome the difficulties and restore the spirit of patriotism in the Nation and when we are beginning to restore among our young people a willingness to serve, all of the sudden we have to jump forward and test our new strength. It occurs to me that is not a very wise move by this Congress. It occurs to me it could be a very dangerous step. Because instead of proving our strength, we may tear apart the wounds that we suffered earlier.

Mr. SEIBERLING. Mr. Chairman, I move to strike the requisite number of words.

I rise in support of the committee's bill and in opposition to the committee's amendment.

Now, of course, nobody can feel relaxed about the Afghanistan situation or the perilous condition that exists in the Middle East nor can we lightly dismiss a request of the President of the United States dealing with national defense, and I certainly would not. However, I can remember similar appeals to our national resolve during the long agonizing years when we were trying to extricate ourselves from Vietnam. President Johnson and President Nixon made such appeals to this House every time there was an effort to pull ourselves out of Vietnam. We must stay in, they said, to demonstrate our national resolve, and we demonstrated it to the tune of 55,000 lives of our young people.

Mr. Chairman, I think the gentleman who spoke on the other side of the aisle just now raised the basic issue: Are we prepared to put our country through the wringer again? I will support registration, I will support the draft, if I am convinced it is necessary. I said so last year during the debate on this issue and I say it now. So, I am sure, will the overwhelming number of young people who will be asked to pay the price—if it is necessary. That is the question, the question of necessity.

But, first let us talk about the price. If this legislation passes, any young person who refuses to register for the draft will be subject to prosecution for a felony. What is more, those who register and then fail to report when they change their address—and that may be half of them in 2 years—will be subject to prosecution for a felony.

Mr. Chairman, either the administration is going to be prepared to enforce the law—prosecute everybody who refuses to register or fails to report when they change their address—or they are going to show that the thing is a sham. We must assume they will enforce it. So if we pass the committee amendment, we are going to ask the young people to subject themselves to a very serious burden.

Mr. Chairman, if only 5 percent of those who are eligible to register fail to report, you are talking about prosecuting 40,000 young people per year. I do not know what that would cost, but it would be a lot more than $13 million.

Anyway, the issue comes down to a question of necessity. On that issue, we start out confronted with the statements of the administration all last year when this issue was before us. I want to read some of them.

Stuart Eizenstat, Special Assistant to the President for Domestic Affairs and Policy in a letter to me dated July 23, 1979, said:

> We do not believe it is necessary to impose this burden on our Nation and its youth at this time when there are effective ways to improve the capability of the Selective Service System so it can respond quickly in an emergency. We are confident that if adequate funds are provided by the Congress the Selective Service System will be able to develop the capability to meet our requirements.

Mr. Chairman, the funds provided in this bill, unamended, would provide that capability.

□ 1530

Then, on September 13, Richard Danzig, principal Deputy Assistance Secretary of Defense for Manpower, Reserve Affairs and Logistics, writing to Senator WILLIAM COHEN said:

> It remains the view of the Department of Defense that a post-mobilization registration plan is feasible, and that it is better to proceed with preparation and testing of that option than to reinstate peacetime registration.

Then, on September 17, Mr. Robert Pirie, his boss, Assistant Secretary of Defense for Manpower, Reserve Affairs and Logistics, said this in a letter to Senator COHEN:

> We believe that peacetime registration is not needed from an operational point of view because registfration can be conducted after M-Day in time to obtain the first wartime inductee by M plus 30, as we desire . . . peacetime draft registration cannot meet our pretrained individual manpower needs.

Then, on June 8 of last year, the Secretary of Defense himself, Harold Brown in a letter to Senator COHEN said this:

> The critical step towards achieving our goals is not immediate collection of names through registration, but rather the immediate improvement of our ability to prepare for processing people, and in the case of mobilization actually to process them, through the Selective Service System.

Of course, we all know about the draft report of January 16, 1980, in which the Selective Service System itself reiterated these positions in no uncertain terms, and before the Commander in Chief told the head of that System that he better change his tune.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

(At the request of Mr. Carr and by unanimous consent, Mr. Seiberling was allowed to proceed for 3 additional minutes.)

Mr. SEIBERLING. I thank the gentleman. I would like to read from one more letter that is more recent. On March 13, 1980, in response to a letter from me to the Secretary of Defense, he said this:

> The Navy, Marine Corps, and the Air Force have sufficient expansion capacity now, and will be able to accept a total of about 44,000 new trainees by M plus 30 days. The Department of Defense expects these services to receive enough volunteers and individuals from the delayed entry pool to fill most of this capacity for the first month.

So, I find it rather difficult to understand what is the reason for this, and I suggest that when we consider that 100,000 people volunteered in December 1941 and another 100,000 in January 1942 that there will be more than enough people in an emergency.

Mr. CARR. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Michigan.

Mr. CARR. Mr. Chairman, I want to congratulate the gentleman on bringing to light the enforcement problems that this proposed action will occasion the country and the Congress. First of all, we cannot get an estimate out of the administration about how much money, how much resources of U.S. marshals, U.S. courts, U.S. attorneys, law enforcement, FBI, will have to be devoted to rounding up recalcitrant people who do not want to register or change registration. That is a cost that is going to have to be borne by this Congress and borne by a lot of people who are going to be the victims of crimes about which there is greater concensus which will go unpunished because we are not adding more personnel to enforce this whole thing.

I might also add to the gentleman's fine statement that this act, as we are passing it today, would be virtually unenforceable. Members of the House Armed Services Committee dealing with this issue have admitted as much, but they say that once they get their foot in the door here they are going to come back with a request to proceed or make modification or waiver on the Privacy Act, because without waivers this act today is unenforceable and will lead to the kind of rampant disregard of the law which will lead to the exact opposite kind of a symbol being shown to whoever we are showing symbols to.

So, this has important consequences which have not been adequately considered by either the Armed Services Committee, the Appropriations Committee, and certainly not the Judiciary Committee, although my fine friend from Wisconsin, Mr. Kastenmeier, has held some hearings.

Mr. KASTENMEIER. Mr. Chairman, will the gentleman yield?

Mr. SEIBERLING. I yield to the gentleman from Wisconsin.

Mr. KASTENMEIER. Mr. Chairman, I would like to associate myself with the remarks of the gentleman from Ohio and the remarks of the gentleman from Michigan.

Mr. Chairman, a little more than 7 months ago, the House rejected, by a vote of 259 to 155, those provisions of H.R. 4040, the Department of Defense authorization bill for fiscal year 1980, which required the mandatory registration with the Selective Service System of all males reaching the age of 18. At the time of the vote, on September 12, 1979, the President opposed registration.

Since that time, the Soviet Union invaded Afghanistan, and the President has invoked his authority to reimpose registration as a calculated action to "demonstrate American resolve" and to "strengthen our defense posture."

The brutal Soviet invasion of Afghanistan must, of course, be condemned. But, invoking registration will not accomplish the purposes that the President seeks. Registration is a hollow message to the Soviets, and it does not serve to strengthen our defense posture. This latter point has been underscored by the Selective Service System's report on improving capability to mobilize military manpower. Selective Service Director Bernard D. Rostker, in his report to the White House, termed registration redundant and unnecessary. The report stated that a postmobilization option of conducting registration after a national emergency is called is recommended as the basis for an effective standby Selective Service. The Department of Defense's stated requirements for meeting an induction of 650,000 men is 180 days. The President's premobilization registration will reach this goal within 117 days. A postmobilization registration, according to the Selective Service System, will attain the goal of 650,000 inductees within 124 days, well within the DOD's requirements. While the President's proposal will save only 7 days, the Selective Service System believes it now has a capability to respond to an emergency without resorting to advance registration.

Mr. Chairman, we should be frank and admit that registration will not serve to convince the Soviets to withdraw from Afghanistan. Registration does serve a purpose, however, and that is to pave the way for the eventual return of the military draft. It should be understood by all Members that a vote to implement registration is a vote to start the process of bringing back peacetime military conscription.

If the Congress approves House Joint Resolution 521, providing for the transfer of funds from the Air Force to the Selective Service System for the purpose of enabling the Selective Service System to implement registration, I believe that all our efforts over the past several years to restore confidence, particularly among our young people, in our Government will be swept aside.

I fear that our younger citizens, those directly affected by registration and the draft, will become distrustful of our Government and its actions. Divisions, again, will plague our Nation. In short, registration for the military draft will have a much greater impact upon us here at home than it will as serving as a signal which the President wishes to send to the Soviets.

For many 18-year-olds, registration will be the first direct experience they will have with their Government. Not only will registration be a major invasion of their privacy, it is, in itself, a form of compulsion. With the return of the draft, and make no mistake about it, that is what will follow if registration is implemented, it will mean giving the Government control over the lives of young Americans for several years. At a time when the American public is demanding less Government interference in their lives and less Government control over their lives, registration is the beginning of the most serious threat to the freedom of an individual—absolute and total control by the Government.

We should realize there may be those who will resist registration. Are we prepared to return to the conditions of the 1960's and early 1970's which saw thousands of young men who, because of their objections to the draft, were forced either to flee from the United States or to serve time in a penal institution? I cannot believe that the Nation wants to return to such times.

If the President is serious about proposing a return to draft registration, he then must recognize the impact that registration will have upon the lives of our people and upon our Government institutions. As chairman of the House Judiciary Subcommittee on Courts, Civil Liberties and the Administration of Justice, I have been seeking answers on the civil liberties and administration of justice implications of registration. Thus far, the administration has failed to respond to my inquiries regarding the far reaching implications of registration. It is important to measure or predict the rate of noncompliance with registration and its potential effect upon this country's justice system. Numerous questions arise in the areas of law enforcement, prosecutorial tactics, courts and corrections. For example:

What resources will the Department of Justice, including the FBI commit to enforcing and investigating violations of the law?

What will be the "chilling effect" of vigorous law enforcement on civil liberties?

What privacy rights will be eroded by vigorous law enforcement activity?

Will legislative modifications be necessary in the Privacy Act? In social security legislation? In the U.S. census legislation?

What will be the overall prosecutorial policy of the Department of Justice? Low priority? High priority?

Will the Department of Justice, as during the Vietnam era, refuse to prosecute many of the cases referred to it by the Selective Service System?

What plea bargain arrangement, in exchange for guilty pleas, will be offered by Government prosecutors?

Will charges be dropped in exchange for decisions to enlist in the Armed Forces?

Will prosecutors attempt to erode the common law on conscientious objector status?

How much forum shopping for "sympathetic" courts will there be, such as existed in the northern district of California during the Vietnam era?

Assuming that registration occurs during a single day or week, what will be the effect of large numbers of violations and subsequent prosecutions on the Federal courts, especially if the requirements of the Speedy Trial Act are respected?

How much sentencing disparity will there be?

Will there be a need to create new judgeships? Appoint new magistrates?

Assuming large numbers of prosecutions and convictions, what will be the resultant effect on the Bureau of Prisons? On the U.S. Probation Service?

To what extent will pretrial diversion be utilized as a punishment or correctional device?

If the Youth Corrections Act is abolished, will other rehabilitative techniques be available for youthful offenders?

What should be the state of mind necessary for conviction of the offense of failing to register?

Should there be a gradation of sentences? What should be the gradation?

Should there be decriminalization of the registration offense in peace with no ongoing inductions? Should, under these conditions, there be a civil penalty?

Should the offense be a continuing one? Should it, as is provided in current law, continue for 5 years after the offender's 26th birthday?

Should there be a conscientious objector defense for failure to register? Should there be a C.O. defense for failing to report for alternative service?

As to the offense of obstructing or impairing military service, to what extent does this conflict with existing constitutional rights, such as freedom of speech? Do draft counselors who advise individuals not to register violate the law?

Should there be extraterritorial jurisdiction for Selective Service offenses?

Does the equal protection clause of the 14th amendment require the equal treatment of men and women in any registration scheme?

Does the 13th amendment, which prohibits involuntary servitude, bar mandatory alternative service?

Does the Constitution confer power on the U.S. Congress to pass legislation providing for the conscription of individuals for national civilian service?

What minimal due process rights apply to the decisionmaking process of the Selective Service System?

Could judicial review of Selective Service decisions be circumscribed or abolished by Act of Congress?

Would it be constitutionally permissible to apply a one-House veto provision to the regulatory power of the Selective Service System?

What privacy rights attach to the information gathering authority of the Selective Service System?

What first amendment rights—freedom of speech, religion, and assembly—are implicated by a draft registration scheme?

Are the Supreme Court's decision on C.O. status rooted in the Constitution or in Federal legislation and regulation? Could the Court's decision be overruled by legislation?

During the course of debate on the transfer resolution, I hope to obtain responses to these questions.

My Judiciary Subcommittee has begun hearings on the civil liberties and administration of justice aspects of the registration proposal. We received a statement from Curtis W. Tarr, former Director of Selective Service from 1970 to 1972. Mr. Tarr stated:

> I forsee the possibility of evasion by large numbers that would overwhelm the agencies for law enforcement and the judiciary.

Mr. Tarr went on to say:

> Until the danger to our society seems clear and urgent to the youth of America, we invite lawlessness in attempting to force a compliance that seems unjust. I speak, therefore, in an attempt to prevent what I believe could be a serious error in national policy.

Mr. Chairman, when we consider registration and the military draft, we must recall that the purposes of the draft, in the past, have been manipulated to serve the adventuristic goals of foreign policy. This was so very evident during the years of the Vietnam conflict. The draft provided a ready vehicle to obtain the military manpower which enabled our leaders, without any accountability, to involve our Nation deeper and deeper in that struggle. As concern about our relations with Middle East countries increases, the lessons of Vietnam must not be forgotten.

We have been constantly reassured that our Armed Forces are the world's strongest and that they can respond to any crisis. If we do have any problems with our All-Volunteer Force and the Reserves, the answer is not to impose a draft upon our citizens, but to make improvements in the AVF and the Reserves.

Mr. Chairman, a peacetime draft is absolutely opposed to the principles which have always been considered a part of American democracy. In peacetime, without any threat whatsoever to our national security, we must not require young men to give up a life of freedom in exchange for military service to the State for several years. I do not believe that the general public supports registration and the military draft. Recently, the citizens of Madison, Wis., had the opportunity, on April 1, 1980, to vote on the following referendum:

> Do you support a national registration and draft for all 19 and 20 year old men and women?

Yes	19,573
No	31,152

Mr. Chairman, Secretary of Defense Harold Brown has defended registration by saying that "in addition to the grain embargo, a major tightening of sales of high-technology equipment, the boycott of the Olympics, and other actions taken by the President, registration will clearly demonstrate to the Soviet Union that their aggression in Afghanistan cannot be conducted with impunity or without cost." I agree that the ruthless Soviet invasion of Afghanistan must be denounced. However, it makes absolutely no sense to permit registration and the draft to hang, like the sword of Damocles, over the heads of our young people just to send the Soviet Union an empty, symbolic gesture. Let us not subjugate our citizens to the threat of the draft. I urge the House to reject funding to implement this sinister registration.

Mr. MYERS of Indiana. Mr. Chairman, I move to strike the requisite numbers of words.

Mr. Chairman, it is with regret today that I take this floor to oppose the committee amendment as well as all amendments thereto. I am an advocate of a strong national defense: always have been and I hope always will be. It is with sadness today that we hear of the shortcomings of our military, our lack of ability to defend the people of this country. It is a sad day when we have to make those commentaries, when we have to make those reports to the Congress and to the American people.

I think something needs to be done about it, but is this the right remedy to solve that problem? We talk about sending a message, and I think a strong message needs to be sent throughout the world that this country is not a paper tiger. But, again, is this the proper message? The President has told us he has no intention of using this authority, this registration. We are not really going to draft. Yes; we do have some problems with not enough qualified people, but if we are not going to use this draft, why do we go through this exercise?

Some of us remember the Gulf of Tonkin resolution. The President at that time asked for the same authority that we are being asked for today, just to send a message. The President told the Congress, we just want to tell the Communists that we are concerned about its spread. We know that in a few months we were deeply involved in a very tragic and expensive war, both in resources of this country and, most importantly, lives.

It takes a long time to build an aircraft carrier or some of the other hardware. I suggest to the Members today that if we really want to send a message, then we should have built the B–1 bomber. We are asking our Air Force to defend us with the B–52 as the primary bomber. How many Members drove a vehicle to work today that was 25 years old? I see one hand. But, we are asking our Air Force to fly a B–52 bomber—a good old piece of equipment, a good airplane—but it is 25 years old.

It takes a lot longer to build that airplane than it does to teach someone to fly it. The Trident II submarine that we are not building; the enhanced radiation warhead; the aircraft carrier; we need to replace worn-out equipment. Yes; we need to send a strong message, but is this registration bill the proper message at the proper time?

I do not think we have really given the All-Volunteer military an opportunity to work. I know a young sergeant at Fort

Myer across the river in Virginia who does not make very much. He has trouble making ends meet. He has to pay $12.50 to park his automobile on a military base which the taxpayers have already purchased, that they already own. But, the President wants to show that he is doing something about encouraging mass transportation, which is not available to Fort Myer, but this young soldier has to pay $12.50 out of an already insufficient pay to make the point. We have not really paid the military adequately. We have not really given the All-Volunteer military an opportunity to really work. We are not paying enough, providing for, nor treating our volunteers fairly.

The chairman of the subcommittee, Mr. BOLAND from Massachusetts, summed it up very well. He said that this registration is not the final version. It only gets a list of names. We have to go on. If we are really serious, we are going to have to vote for the amendment offered by the gentleman from Maryland. I am not going to because I do not think it is the right thing, but if Members who are proponents really believe that they are contending today, they are going to have to vote for the amendment of the gentleman from Maryland (Mr. BAUMAN).

But, what concerned me is that the gentleman from Massachusetts (Mr. BOLAND) said that we were able to register 16 million young people at the start of World War II in 1 day because a lot of preparation was made for almost a year in advance of registration. The original bill which came to the floor today from the Appropriations Committee provided for the machinery to set up the system if we ever need it. That is all that is needed today, and that is adequate. I will support funds for setting the machinery in place in case we need it. It will take several months to have the Selective Service System ready to register.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. MYERS of Indiana. I yield to the gentleman from Ohio.

Mr. SEIBERLING. I think the gentleman has made a very good point. The fact is, we can presently place registration forms at every one of the 34,000 Post Offices and have everything all ready to go to carry out registration within 24 hours of a Presidential declaration of emergency.

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Mr. MYERS of Indiana. Mr. Chairman, I voted for the authorization last year for the draft boards, and it is set in place. We have the machinery, but I hope and pray we never have to use it. That is the type of thing we should be doing today, not making this gesture that is hollow and empty.

To use an old saying my grandmother often used when she saw someone with their priorities out of order. The President is "putting the cart before the horse."

We need to strengthen our national defense, but it is equipment and weapons we need before we start putting more people in uniform.

I can remember in the early draft days before our involvement in World War II, the young men coming home telling us they were training with broomsticks, stovepipes, and other mockups of equipment and weapons.

Are we now about to do this again?

Mr. McCORMACK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the joint resolution and to the substitute.

Mr. Chairman, I think it is inappropriate for us to attempt to transfer funds for registration for military service at this time and in this manner. I do not oppose the concept of registration, nor do I question the need for additional personnel for our armed services. I believe that we must have a strong defense, and I want to associate myself with the remarks of the gentleman from Indiana (Mr. MYERS), who has just addressed us.

I do object to this approach to this question at this time. We find ourselves today in a dilemma of having to legislate with an appropriations bill precisely because this body has not had the opportunity to fully consider and debate what we really ought to do with respect to national service. I think it is inappropriate to move ahead with a premobilization before we have had that opportunity.

I hope that the resolution will fail and that this body will then be able to consider other concepts such as universal national service, as proposed by the gentleman from California (Mr. McCLOSKEY) in his bill, H.R. 2206. I cosponsored this bill, and I believe we should examine it closely before we proceed with anything else.

In this bill, H.R. 2206, the national youth service bill, we would provide viable choices for young men and women of America. All 18-year-olds could choose from options involving military or nonmilitary public service.

I believe it is critically important to recognize that the young people of this country would be much more likely to accept this kind of a program than a straight out registration for the draft.

I recognize that there are those who say that the McCloskey bill is too complex and too expensive to implement immediately.

Indeed it would be expensive to suddenly implement in its totality. But this is a "straw man". We can, if we bestir ourselves to consider this matter thoroughly and seriously, phase such a program in slowly, with the support of the young people of this country, and simultaneously phase out other expensive programs which it would replace.

I submit that there is no better time to consider such an approach than now, when there is, on the one hand, a deep concern for the need for a more effective military force than the present voluntary system provides; and when there is a need for universality, fairness, and public acceptance of national service on the other hand.

That consideration and discussion could well take the form proposed by the gentleman from California (Mr. PANETTA) in his bill, H.R. 6868, to establish a commission to examine the existing voluntary service operation and to develop a comprehensive national service program for this country.

So, Mr. Chairman, I urge all the Members, whether or not they oppose the concept of the draft or registration at this time, to oppose this resolution and to work instead for using this contemporaneous concern as a foundation for more reasoned and more constructive legislation.

Mr. HYDE. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I have never felt so really old and out of date and maybe out of place as I have in listening to the statements of so many of my esteemed colleagues. I guess I was brought up under an entirely different set of notions, feeling that every citizen owes this country some duty, especially young people who are the beneficiaries of the sacrifices and the pain and anguish of generations that have gone past.

We sit here and we stand here, enjoying the blessings of freedom of speech, freedom of assembly, and freedom of religion, but I would remind my friends, who ought to need no reminding, that these blessings were not painlessly obtained, nor can they be painlessly maintained.

Do we remember what has happened to our people in Tehran? How about the embassay in Islamabad? How about in Libya? How about the humiliation that this country is undergoing all around the globe? We are the laughingstock of our allies who look upon us as less than serious people.

We have tanks in NATO that our military have trouble getting in and out of, much less operating.

Do we owe any responsibility to this country?

Yes, a registration is symbolic. What will the symbol be if we defeat this, though? What kind of a message are we sending around the world when we say that we will not even bother registering our young people? Oh, they can register to get a driver's license, but let us not register them for the draft, let us not register them for Selective Service. It might interrupt disco lessons or something else. And, oh, how many humiliations we have suffered.

Yes, there are people who say strengthening our military is a good idea, but they ask, is there another way to go? Is there another way? Let us study it some more.

Do we need to study it some more? We have people in the Defense Department whose vocations and whose professions are to study these things. They have come up with their conclusion, and we ought to listen to them with great care.

There are not any Hessians around anymore to be hired to do our fighting for us. It just seems to me that we have used up all the yellow ribbons that we can find, and we have held all the candlelight vigils that the amount of matches available makes possible. We could pray in public buildings, but the ACLU would sue to prevent that.

The reason we have a military is to keep us out of war, to act as a deterrent. But it is only as useful as it is credible, and right now our military is not credible.

I hear the word, "peacetime." "Peacetime" is an obsolete term these days. We have no margin for error anymore.

We did in SALT I when we were superior in conventional arms and we were superior in strategic arms, but we have lost that now.

The Soviets have bomb shelters, and the Chinese have bomb shelters. If somebody presses the wrong button, we will lose 120 million people in this country.

What are we going to do about it? Can we not at least ask our people to register? Are we not going to do that because some of them might resist? Let us find out now. Let us find out now if our young people do not think they owe the slightest obligation to their country and to the people who have gone before them.

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield?

Mr. HYDE. Yes, I yield to my friend, the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I stand here with very mixed emotions on this piece of legislation, and I must say that I stand here somewhat infuriated at the sham and the charade that is being perpetrated on this Congress by this administration. I think all of us should be infuriated because it is a sham.

We have got a situation where the President fought actively against peacetime registration several months ago, last fall. Then he read the political polls, and he came out with his stand, while in the bosom of the bureaucracy, because there was a report responding to the position or the amendment of the subcommittee of the gentlewoman from Colorado (Mrs. SCHROEDER) showing that we did not need peacetime registration. But in the political polls, as a result of Afghanistan, it showed the President that the people of this country demanded a strong leadership.

Mr. HYDE. Mr. Chairman, I am going to retrieve my time unless the gentleman can bring his remarks to a close because I do not want him to have the last word in this respect. If he can be brief, he can go right ahead.

Mr. BEARD of Tennessee. No. I would like to continue if I may, and I would like to ask for additional time for the gentleman.

Mr. HYDE. The gentleman can go right ahead, then.

(On the request of Mr. BEARD of Tennessee, and by unanimous consent, Mr. HYDE was allowed to proceed for 3 additional minutes.)

Mr. BEARD of Tennessee. Mr. Chairman, will the gentleman yield further?

Mr. HYDE. I yield to the gentleman from Tennessee.

Mr. BEARD of Tennessee. Mr. Chairman, I would like to point out quickly that we are in a sad state of affairs, but on this peacetime registration program, whereas it may be symbolic, I would hope that some day this Congress would see through the charade and the absolute lies of the Secretary of the Army and Defense about the present-day All-Volunteer Service.

We talk about readiness. I think it is time that we start looking at the readiness of those who we have onboard today. It is a charade.

Our people cannot read. We have remedial reading schools. They have just downgraded the training manuals. This is one of our training manuals, and it is in comic book form now because 53 percent of our kids in the armed services cannot read above the fifth grade level. Ninety percent of the kids in the Army who are responsible for our nuclear weapons systems fail in the basic skill qualification test.

So while we are talking about this, I would hope that we do not lose sight of the real problem of today, and that is those who we have got onboard and who are maintaining our sophisticated weapons systems. That is where the problem is, and I think we should just literally tell the President that we are tired of his political pollstering.

Mr. HYDE. Mr. Chairman, I agree with everything the gentleman has said, but I do not want to let my antipathy toward the ineptitude of this administration overcome my judgment in wanting us to do something, given Afghanistan, given the encirclement of the Middle East, and given the needs of Europe and Japan for that petroleum.

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As the Soviet's increase their strength and as we look inept and weak and vacillating and emphasize the "me" generation some more, they are going to cut their deal with the Soviet Union and we will be all alone.

In November there will be a change, and then we will not use comic books to instruct our military. But now we have to do something. Business as usual is not sufficient. If we have to wait for an emergency, we will surely have one.

Mr. KELLY. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Florida.

Mr. KELLY. Mr. Chairman, I rise in support of House Joint Resolution 521 which would transfer funds from the Air Force budget to the Selective Service System to register young men for a military draft. This action is necessary—and the American people strongly believe that it is necessary—because commonsense dictates that we have to be competitive with the Soviet Union if peace is to continue.

During the past 10 to 15 years the strategic-military balance of power has shifted dramatically away from the United States toward the Soviet Union, both quantitatively and qualitatively. While no one chart, statistic, or trend can present the complete picture, a sweeping look at the level of effort, resource allocation, procurement, research and development effort, equipment production rates, force level trends, and shifts in relative capability clearly indicates what has taken place.

The facts force one to conclude that the United States must act—now and continuingly in the future—to reverse growing adverse trends by providing for realistic increases for national security.

It is my fundamental conviction that the American people are not willing to accept a position of inferiority. Their basic instincts tell them there is real security only if we are stronger than a potential enemy. Any policy that fails to recognize this basic fact puts in jeopardy our national security and all that we have fought and died for during the past 200 years.

Mr. Chairman, today we have an opportunity to begin reversing some of the trends of the past 15 years in the area of manpower and mobilization. House Joint Resolution 521 would provide us with a contingency plan for emergency mobilization based on a draft. It has become obvious from military exercises that in an emergency we simply could not fulfill mobilization plans. We could not carry out our military mission.

In practical terms, registration would cut from 90 to 100 days off the time needed to get young men to report for training. Without it, in an emergency it would take about 110 days before the first inductee reported. Then that same individual would not be prepared for combat until receiving another 3-months training. In short, nearly 7 months would elapse before the first draftee became available for duty. During this time, we would completely deplete our Reserve Forces and be in a desperate condition because of manpower shortages in combat units. We would be faced with the choice between capitulation and early resort to nuclear weapons.

Mr. Chairman, the Soviet Union today outnumbers the United States 2¼ to 1 in manpower. And they are getting good quality recruits for $5.50 per month while we are getting less qualified recruits for $488 per month. The result of this is that we spend 55 percent of our defense budget for personnel costs—because that is where the votes are—while they are spending their money for new high quality weapons. Around the world we are beginning to see the results of this situation. Our Embassies are being attacked, American hostages are being held, Soviet troops invade Afghanistan, and are building a strong military base 90 miles from our shores.

Mr. Chairman, against the background of these and other developments the least we can begin to do is to pass House Joint Resolution 521. In truth, this is really a timid gesture and indicates that we continue to follow a policy of symbol rather than of substance.

Mr. Chairman, during World War II the United States became victorious over the Axis powers because it was given sufficient mobilization time to raise, arm, equip, move, and supply superior forces throughout the world, and through them to break up and destroy the technological resources, as well as the Armed Forces, of the Axis nations. Without the precious time to convert American technological and industrial power from peacetime to military production—and to train and field an army—the war may well have been lost.

Today's situation and circumstances are quite different. Soviet forces can roll across Europe in much less time than it would take us to get ready. The 100 days that we would gain with an active registration system could well mean the difference between victory and defeat.

Mr. Chairman, it is imperative that we pass the bill presently on the floor. There should be no mistake that in today's world no one country, or coalition of countries, would assist us if we should falter or fail.

Mr. HYDE. I thank my colleague for his comments.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I will say to the gentleman from Illinois that he has brought some much needed balance to this debate, after listening to many of our colleagues speaking. I just want the gentleman to know that certainly—although I apparently did not say in my remarks before, if indeed my amendment is defeated, as I expect, unfortunately, it may well be—I do think that we should adopt at least this gesture, however weak. We cannot just do nothing.

Mr. HYDE. I thank the gentleman for his comments, and I agree with him completely.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from New York.

Mr. STRATTON. Mr. Chairman, I want to commend the gentleman because he has spoken with some real statesmanship on this floor, and that quality has been all too rare today. I just want to say that I am glad I grew up in the same generation as the gentleman.

Mr. HYDE. I thank the gentleman.

Mr. DICKS. Mr. Chairman, will the gentleman yield?

Mr. HYDE. I yield to the gentleman from Washington.

Mr. DICKS. Mr. Chairman, I just want to make one point. I agree with what the gentleman from Tennessee has said. We need to do something about the Reserves, we need to do something about the Guard; but we also need to do something about our mobilization capability. We can take care of that here today. That is one small step. But all of these people who are suggesting other things, that is not what the issue is here today. The issue is, are we going to do something here today?

I commend the gentleman for his statement.

Ms. OAKAR. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, when are we going to deal with our military needs comprehensively? To register 19- or 20-year-olds, whether they be male or female, is a superficial approach to a complex problem, and it is a waste of taxpayers' money. Our young men and women are registered five and six and seven times over. All we have to do is to take the computer for the social security system and plug it in properly and they can tell us where all of the 19- and 20-year-olds are today.

But we ought to look comprehensively at the military and quit kidding the world community and Americans. Why is the all-volunteer approach not working? Why have we not been competitive? Well, let us look at some statistics. Seventy-five percent of individuals who have served one tour of duty leave after the first tour. Why? Because the armed services, with trained personnel—and these are the personnel that we really need to remain in the service—cannot compete with outside employment.

The average compensation for an enlisted person, including pay and allowances—and that includes housing—is $9,900 a year. This means that the typical enlisted family has a standard of living 17 percent below a minimum standard of living and 50 percent below a moderate standard of living. We know that there are up to 275,000 military families who are eligible for public welfare assistance. Many of the personnel who are in the military have inadequate housing for the service men and women who have families.

Why do we not put the money that we are asking to register all of our young people into meeting the needs of those who are already in the service? We know, for example, that an E-4 plane handler on the nuclear-powered carrier *Nimitz,* who is currently helping to operate a $2 billion ship, makes less per hour than a cashier at McDonald's. We know that the pay situation is even worse when compared with those areas in the public and private sectors with which the Armed Forces must compete for scarce manpower.

A midcareer noncommissioned officer earns approximately $12,000 a year. If he or she is a computer programer, comparable civilian earnings would be at least $25,000 a year.

Let us look at the people who are held hostage in the U.S. Embassy in Iran. Of the 13 Marines taken hostage in Iran, 4 earned $7,200 a year and 8 received $8,200 a year, and 1 just over $12,000 a year. We know that in a typical 60-hour work week of these individuals before they were held hostage, they earned less than $3.10 an hour.

If you want to put the taxpayers' money where it belongs, let us keep the trained people in the service and let us motivate those who are skilled, like the pilots that we need, like the engineers that we need, and other disciplined people who are already in the service. Let us put our taxpayers' money where it belongs, but let us not kid anybody and be redundant and register young people who are already registered on many. many Government files.

Mr. SEIBERLING. Mr. Chairman, will the gentlewoman yield?

Ms. OAKAR. I yield to my colleague, the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, I want to commend the gentlewoman for her statement. I think it has been very good, and it made some important points that had not been brought out.

I think the gentlewoman and I would agree that we would support increased GI benefits for members of the service, we would support higher pay, we would support incentives to stay in. What we are dealing with, though, is not that issue in this bill. We are dealing with a question of whether to make a symbolic gesture which basically does not add to our defense capability.

Ms. OAKAR. Mr. Chairman, I agree with the gentleman. My point is: Let us look at the military situation comprehensively and not superficially. This is absolutely the most redundant, superficial waste of taxpayers' money. It will not provide any kind of signal to anyone except that where we have needs we are not putting our American taxpayer's dollar.

Mr. JOHNSON of Colorado. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Bauman substitute, the Duncan of Oregon amendment, the pending committee amendment and anything else that might be on the floor.

Mr. Chairman, I am not a devotee of Milton Friedman in many things, but he wrote a short article in Newsweek February 11 of this year. I am just going to read a portion of this. It is very succinct. He said:

> Draft registration is neither necessary nor desirable. It is being proposed to reassure the public at home, not to frighten the Russians. It is not necessary, because our military weakness derives neither from a shortage of manpower nor an inability to increase the number of people under arms by voluntary means . . ."
>
> Draft registration is not desirable because a draft is not desirable. It is a divisive measure completely in conflict with the basic values of a free society. Every emergency has shown that in time of real need there is no shortage of patriotic citizens eager to defend the country.

So says Milton Friedman, and I would agree with that 100 percent.

Mr. Chairman, I am convinced that this is nothing more than a prelude to reinstituting the draft, which will come after the elections next year if this administration is returned to office.

Several members in the committee who have spoken on the floor today have indicated that that is their belief and their intention. A prominent Member of the other body, a respected member on the Armed Services Committee, the Senator from Mississippi, I believe, made the same statement the other day.

I predict there will be massive defiance and refusal to register, and my sympathies, Mr. Chairman, will be with those who will refuse to register because this proposal has not been justified by the nearly hysterical arguments made in support of it or the circumstances that face us today.

We have been told, without any rational justification, in my opinion, that we have to do this because of Afghanistan, where we cannot fight because we do not have the logistical capability, and this proposal will not affect it.

We are told that we have to do this because of the European situation, that we cannot fight a conventional war in Europe without the use of nuclear weapons. That has been the situation ever since World War II, and we all know it. The Russians have been able to go to the channel within 30 days, barring the use of nuclear weapons, ever since World War II.

We have been told that we are within 4 months of World War III. We have been told that we have to send a strong signal, as if $150 billion a year is not any kind of a signal.

Mr. Chairman, will we not have to prosecute those who do not comply? Will the President who pardoned wartime deserters take action against those who refuse to register in peacetime?

I do not see how people can really believe that you can defend the country by coercive measures or the specious rhetoric that we have every time a defense measure comes before this floor. You cannot force people to fight and have an effective force. Self-sacrifice and patriotism are gifts from the people to their country. They are not qualities that are given by the demands of political exigencies or the demands of political figures whose judgment has been proven wrong time after time after time in recent history.

Our country is not going to be defended by irrational appeals to patriotism. It is going to be defended by people who have faith and trust in their Government. Peacetime registration and the peacetime draft do not inspire faith, but, on the contrary, will lead to mistrust and suspicion under the present circumstances.

Ultimately, the peacetime registration and draft in my opinion will be self-defeating. Let us rely on the greatest defense measures we can ever have, which we have always relied upon, the love of our country that will lead our citizens to defend it free and voluntarily when the need and emergency arises.

☐ 1600

Mr. CONTE. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Massachusetts.

Mr. CONTE. Mr. Chairman, I want to take this opportunity to congratulate the gentleman in the well for his statement. I associate myself with his remarks, and further want to respond to those Members who said that registering 10 and 16 million need in a day as the gentlemen from Pennsylvania and I pointed out occurred on June 4, 1917 and October 16, 1940 respectively, is a lot of nonsense and poppycock, and that this registration resulted from months and years of planning. That is precisely the point to be made. It can be done with the proper planning which is why I support the resolutions without the C&E amendment.

The bill as reported from subcommittee would provide the $4.7 million necessary to do the planning to beef up the Selective Service System to give them the personnel, registration forms, the computers and all that they need to perform that 1-day registration in the event of mobilization.

Furthermore, the point that the gentleman makes is absolutely clear. I went to Vietnam to inspect our troops and I found that these draftees were, the blacks, the Hispanics and people from poor white families. The ones who could afford to go to college and came from wealthy families escaped the draft. It was the poor, the blacks and the Hispanics who carried the burden. These are the same ones who would be threatened by this measure.

Mr. JOHNSON of Colorado. The same thing happened during the Korean War that I am familiar with.

Mr. LEACH of Iowa. Mr. Chairman, will the gentleman yield?

Mr. JOHNSON of Colorado. I yield to the gentleman from Iowa.

Mr. LEACH of Iowa. Mr. Chairman, I would just like to associate myself with the gentleman's remarks.

Mr. Chairman, I should like to associate myself with the gentleman from Colorado's remarks and simply make the following points.

There are four arguments in favor of draft registration: first, it reduces the timetable for mobilization; second, it represents a symbolism of will; third, it prepares the Nation psychologically for imminent conflict; and fourth, it sends a message to Moscow regarding events in Iran and Afghanistan. These arguments have merit, but in themselves and in combination they lack persuasiveness.

As the administration has acknowledged, only 7 to 14 days would be saved in the event of mobilization. Premobilization registration is costly, burdensome to those involved, and would not significantly speed up any emergency mobilization process.

With regard to possible symbolism, registration without a draft is token at best. Weak symbols can sometimes be worse than no symbols at all. A meaningless gesture sends a weak signal of resolve to the Soviets and a false sense of security to the American people.

As far as the psychological preparation of the American people for possible confrontation with the Soviet Union in either Iran or Afghanistan is concerned, it is patent nonsense to think that the United States could successfully conduct land warfare in south central Asia in an area directly bordering the Soviet Union. Psychological preparedness to be meaningful must be credible. Draft registration, in these circumstances, simply lacks essential credibility.

Draft registration is no panacea for a failed foreign policy. We are in perilous times, but registration of young people is unlikely to make them less perilous. While Americans can never rule out the possibility of a draft in the future, the case for registration today simply can not stand close scrutiny.

Mr. MARKEY. Mr. Chairman, I move to strike the requisite number of words.

Mr. GLICKMAN. Mr. Chairman, will my colleague yield?

Mr. MARKEY. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I rise in opposition to the committee amendment in adding funds to begin premobilization registration for the draft, and in support of the bill as reported by the subcommittee which provides funds for postmobilization registration.

First and foremost, we need to consider just what our military manpower needs are. That need is for qualified military personnel ready and able to lead, not for a large number of untrained inductees. In fact, DOD has testified that it will have a maximum of 80,000 training slots for new soldiers even 30 days after a war begins, but the plan which this resolution would fund would produce 650,000 inductees. Most of those could not even be trained adequately to serve effectively in a wartime environment. What we do need to look at are ways to encourage reenlistment and to strengthen the reserves. Reenlistment to DOD career positions has been on the downtrend since fiscal 1976 with over 75 percent having reenlisted then as compared to only 68.2 percent in fiscal 1979. Even more dramatic drop-offs have been seen in the case of our reserve strength. Those are the figures we need to turn around, and that would not happen by instituting peacetime registration. Instead, we should commit ourselves to improved compensation for military personnel, reinstatement of full GI educational benefits and other incentives such as broadened access to commissary privileges.

Second, we need to remember that our goal here is presumably to improve our combat readiness in the most cost-efficient manner. Again, that is not by implementing a peacetime registration program. The Selective Service itself, in testimony on this proposal, indicated that the speed-up which would be achieved by adopting this plan rather than the considerably less costly approach of developing capability for a prompt postmobilization registration program would be slight—on the order of just 1 week. And, again, the number of inductees would far exceed DOD's capability to train for combat thereby eliminating even the week's advantage that pre-mobilization registration might provide. Those figures certainly do not make this kind of investment look like a wise one. In fact, it could better be used right where it is in the Air Force personnel budget.

Third, we have been urged by the President to support this resolution as a means of sending a message to the Soviets. To think that this will, in fact, cause them to shake in their boots or to pull out of Afghanistan is simply ludicrous. To believe that, we would have to be like Alice in Wonderland. The Soviet intelligence operation is a sophisticated one. They are well aware of just what this proposal amounts to in terms of improved preparedness—they have read it in our own newspapers. If we are serious about sending a message to Moscow, we will not let this false issue to peacetime registration obscure the real issues: improved strategic capability and a well-trained reserve and military leadership.

Finally, I think we need to ask ourselves the basic question, "Registration for what?" There is no question that the All-Volunteer Force has problems. That is no secret. But, before we turn to mandatory registration, we need to consider for what we are requiring our young people to register. There are needs for basic reforms in the Selective Service that should be made before we bring it out of the deep freeze to make it a more equitable service. A number of proposals have been introduced in the House to establish universal service programs under which young Americans would serve in a wide range of capacities, military and otherwise, to meet national needs. That approach properly designed, quite frankly appeals to me as a sensible and equitable way to go. But we need to make that decision before we set up a registration mechanism.

I urge my colleagues to reject this resolution.

Mr. MARKEY. Mr. Chairman, the one silent question that pervades this Chamber today is, who are we fooling? Who are we trying to kid?

Last year this body rejected draft registration by over 100 votes. Why? Because during debate it became abundantly clear that registration was a sham. It became clear that registration would do nothing to solve our military personnel shortages. Its effect on military mobilization would be minimal at best. Registration was uncovered as nothing more than a political ploy to move this body, and this country, closer to involuntary conscription.

Now we are being told that Afghanistan has changed things. Now we have got to show the Soviet Union that we are tough. Who are we kidding, Mr. Chairman? We are not fooling the Soviet Union. If anything, with passage of this amendment, we will convince Russia that we cannot come to grips with the real issue which undermines our defense.

I would submit that we are not here today because the principles of Afghan sovereignty have been dashed. We are here today, engaged in this pathetic rhetoric, because Russian tanks are stationed within striking distance of Iranian oil fields.

Who are we trying to kid, Mr. Chairman? Perhaps with this vote we are trying to put one over on the American people. Maybe we are trying to say to our constituents that we need to offer up 4 million young men's names, and perhaps their lives, because we are unwilling and afraid, indeed, to ask 240 million Americans to sacrifice.

It is oil, Mr. Chairman. That is the real issue. As we revel in this hollow saber rattling, we underscore our own inability to come to grips with our dependence on foreign oil.

With passage of this amendment, we say to the American people, we say to the world, that we would offer up 19-year-old men before making the tough and necessary decisions that would free this country from the instability, from the violence, from the madness, embodied in a few backward countries rimming the Persian Gulf. We can do better than that, Mr. Chairman. We have no choice but to do better than that.

Rather than draft registration, we should be filling up our strategic petroleum reserve to protect us against a sudden cutoff of Middle East oil, not eliminating it.

Rather than draft registration, we should be legislating sensible, direct grant and loan conservation proposals for our homes and communities, not eliminating them.

Rather than draft registration, we should be talking about, not delaying, a conservation bank, increased mass transportation, aid to States and communities to increase energy efficiency, making mandatory and helping automakers to increase dramatically auto efficiency, and mandatory gas rationing.

The Russians know our Achilles heel. They know our real weakness. They know what really makes our national security vulnerable. It is Persian Gulf oil.

The question, the real question, while we conjure with symbols and the Russians know it, is whether 240 million Americans, not 4 million boys, have the collective courage to back that oil, that addiction, that tension out of our system.

So to those of you who would support this sham today, I advise you to prepare yourselves to answer some tough questions. Be prepared to go home and to tell your constituents that precious air conditioners and Eldorados are more important than their sons. You tell them that. I will not.

Mr. BOLAND. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I am going to make an effort here to close debate on the committee amendment and all amendments thereto at 4:35 p.m.

I have consulted with a number on this side and it seems to be agreeable. I am looking around. There are more Members standing.

We have been on this now since 1 o'clock and most of those who are opposed to the committee amendment have spoken before, a number of them have. We are trying to get a reasonable hour of closing the entire debate on the whole bill.

I have a commitment to close the debate on the bill itself, even if it goes over until tomorrow, at 5 o'clock; but it does present a problem for tomorrow, I must say. I would like to be reasonable.

Mr. Chairman, I ask unanimous consent that all debate on the committee amendment and all amendments thereto close at 4:35 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. MOFFETT. Mr. Chairman, reserving the right to object, a lot of us have been waiting a long time to speak on this. I think we want to be cooperative.

I would just make the plea, first of all, can we go to a quarter of five?

Mr. BOLAND. Mr. Chairman, I would be delighted to amend that unanimous-consent request and make it at 4:45 p.m.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts?

Mr. MOFFETT. Mr. Chairman, further reserving the right to object, the second part of the point I was making and the plea is that those who have spoken, please, regardless where they are on this position, give those of us who have not had a chance to speak.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts (Mr. Boland)?

There was no objection.

The CHAIRMAN. Members standing at the time the unanimous-consent request was agreed to will be recognized for 55 seconds each.

(By unanimous consent, Mr. Seiberling and Mr. Sabo yielded their time to Mrs. Schroeder.)

(By unanimous consent, Mr. Wolpe yielded his time to Mr. Harkin.)

(By unanimous consent, Mr. Nolan yielded his time to Mr. Miller of California.)

(By unanimous consent, Mr. Johnson of Colorado yielded his time to Mr. Paul.)

The CHAIRMAN. The Chair recognizes the gentlewoman from New Jersey (Mrs. Fenwick).

Mrs. FENWICK. Mr. Chairman, I have not agreed with a great deal of what I have heard in the House this afternoon. I am sure that many would agree with this view: If our country were in danger and if a draft were necessary, I would vote for it tomorrow, and so I believe would every person in this House.

☐ 1610

But I am not convinced that what is proposed here is reasonable or necessary. I do profoundly believe that we should never order or compel our citizens to do something unless it is absolutely essential to the interests and the defense of our Nation. For that reason I expect to oppose the committee amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Nebraska (Mr. Cavanaugh).

Mr. CAVANAUGH. Mr. Chairman, most of the arguments have been made and I do not want to repeat them other than to bring to the attention of the Membership a section of an editorial written in the Washington Post on February 10, which I think succinctly states the case against this amendment. It says,

> The problem to date has been largely one of mismatches—answers that don't go with the questions they're put next to. For example, going back to prehostage, pre-Afghanistan days—and no less now—it is undisputable that the Volunteer Army is a mess. We say that it is indisputable even though this perception is regularly disputed by administration and Pentagon leaders, most recently by the president himself, whose Friday statement on the draft included an unreassuring assurance that the volunteer force "is performing its mission well." It isn't performing its mission well.

This, Mr. Chairman, is the crucial issue that is being avoided by the submission of this issue, is to reratify the All-Volunteer Forces, and it should not be done.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. Stratton.)

Mr. STRATTON. Mr. Chairman, the basic flaw with those who are opposing this legislation today is that they assume we have plenty of time, and that the only time we need to begin to get ready to protect ourselves is after we have been attacked. That, of course, is perfectly ridiculous.

We did not have anything ready in 1917; and it took us more than a year to get our troops over into France. We cannot expect that time to be available to us now, however.

As a matter of fact, we had the draft in operation for a whole year before Pearl Harbor, and that is the only reason we were able to respond as effectively as we did.

The people who are opposing this amendment, like my friend from New Jersey (Mrs. Fenwick) said:

> Oh, if we were in trouble, I would support it, but we are not in trouble.

Well, I say to my colleagues we are in trouble.

The Armed Services Committee went to the Middle East and we saw the serious threat that must be faced there.

The CHAIRMAN. The Chair recognizes the gentleman from Delaware (Mr. EVANS).

Mr. EVANS of Delaware. Mr. Chairman, I rise in opposition to the premobilization draft registration plan offered by the Carter administration.

This draft registration plan is an unworkable, ineffective, and illusory hoax on the American people which will not significantly improve our defense capabilities.

Rather, by giving the false impression that we are really doing something about national defense, we ignore the real causes of the manpower crisis facing the Armed Forces today—problems of abysmally low pay, retention of highly-trained specialists and noncommissioned officers, outdated equipment, and inept recruiting tactics, to name but a few of the reasons why people do not enlist or stay in the military.

The draft registration proposal before us today solves none of those problems. Even worse, it tries to meet the challenges of the 1980's with the responses of the 1940's.

The premobilization draft registration proposal will not deliver persons into the Armed Forces at a significantly faster rate than a postmobilization registration scheme.

It will not get trained troops to any conceivable conventional battlefield until well after the issue has been decided.

It would not be needed in any limited war, and would obviously be irrelevant in a strategic war with the Soviet Union.

It will not have any effect whatsoever in improving the availability of trained specialists to run the military's sophisticated weapons systems.

In short, while the draft registration plan might make the generals at the Pentagon feel a little better, it will have virtually no positive effect on the readiness of this country's Armed Forces.

Our adversaries, particularly the Soviet Union, are not so stupid that they will not recognize the empty gesture that draft registration represents. If we want to send a message to the Kremlin, we ought to be sending that message by providing more funds for vital weapons systems like the B-1 bomber and various conventional weaponry, and offering greater incentives for people to join the Guard and Reserves as well as the active services, instead of this kind of public relations ploy.

Mr. Chairman, it would be a far better expenditure of public funds to defeat the premobilization plan and instead opt for a postmobilization plan. When America entered World War I, it registered 10 million men in a single day. When America was about to enter World War II, we registered 16 million men in a single day. With the tremendous improvements in technology in recent years, I am convinced that postmobilization registration, if needed, could provide the necessary manpower in the event of real military necessity within the same time frame as proposed by the supporters of registration today.

Mr. Chairman, when you have American servicemen on food stamps, and when you have naval vessels sitting in port for lack of petty officers, then I say we ought to be worrying more about the people already in the military. If we take care of their ligitimate problems, and make the military an attractive place to live and work, then we will do far more to solve our national military manpower problems than this ill-advised draft registration proposal would ever accomplish.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. BADHAM).

Mr. BADHAM. Mr. Chairman, I, as a member of the Armed Services Committee, stand here appalled at some of the things I have heard, how some of the Members of the House of Representatives of the United States of America can actually tell their colleagues and the world that they really think that the young people in America would not respond to a request by the Government of the United States to be a patriotic citizen. The young people I talk to from one end of this country to the other say, "You do it and we will respond."

We need this. We need more, but this is a step we must have.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. CARR).

Mr. CARR. Mr. Chairman, what we need to do is concentrate on retention and not on replacement. I think registration makes a dangerous first step to misplacing our military priorities. This means we are going to focus further down in a lower place on the learning curve of military experience and military professionalism, and that means we are going to devote more of our scarce military resources to training and less to retention; more of our scarce military hardware to training demands and less to deployment. We are not going to get as much military capability for our military dollar.

I urge my colleagues to reject this amendment.

(By unanimous consent, Mr. WEISS yielded his time to Mr. DOWNEY.)

The CHAIRMAN. The Chair recognizes the gentleman from Massachusetts (Mr. DRINAN).

Mr. DRINAN. Mr. Chairman, I rise in opposition to the resolution.

The simple facts are that a premobilization registration is not necessary for the Selective Service System to meet the mobilization standards set by the Department of Defense. The Selective Service System report dated January 16, 1980, has laid to rest any claim that there is an immediate military need to register men for the draft.

Soviet strategists know that the proposal before us now will not bolster our Nation's defense. They know draft registration will not increase the size of our Active or Reserved Forces. The Soviets realize that draft registration will not save any significant time should an emergency arise.

There is no doubt that if a true emergency were to arise there would be no problem registering people to serve in the Armed Forces. This has historically been the case. Ten million people were registered in 1917 in 1 day. Sixteen million people were registered for the draft in 1940—all without the sophisticated computer capabilities at our disposal today. Clearly, if it were possible to register such large numbers of people over 60 years ago, it will be possible to meet a new emergency should one arise.

We should not sanction Government programs that serve no useful function, and that drain our Nation's resources. Draft registration is a serious measure to take when there are not political or military benefits to the security of the Nation. I urge my colleagues to defeat House Joint Resolution 521.

The CHAIRMAN. The Chair recognizes the gentleman from Mississippi (Mr. MONTGOMERY).

Mr. MONTGOMERY. Mr. Chairman, I rise in support of the committee amendment and oppose the Duncan amendment and the Bauman substitute. It seems everyone wants something different here today. We only have one proposition before us, and that is peacetime registration.

It does do something. It takes the Selective Service out of the deep freeze. Registering young men now will save time.

The Duncan amendment should be defeated. There is no authorization for women to be registered.

I like the Bauman substitute, but I am afraid if we vote for the Bauman substitute it will take peacetime registration down with it. Let us take it a step at a time. Let us get peacetime registration and then consider classification. We cannot classify until we get the State headquarters and the local draft boards going. Let us set up registration and then let us look at this proposal.

I agree with what the gentleman from California (Mr. BADHAM) said. I believe our young people will come through. Now is the time to find out, however. If they will not come in and register. Then we should correct the situation. I believe they will. And I believe over 95 percent of these young men will register, just as high as we have had in past times.

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, one of the saddest things about the Carter proposal is that it ignores a golden opportunity. We have for the first time in a long time a nation that is unified and, rather than to provide an opportunity for our young people to share the burdens of a democracy with some sort of plan for national service, the President proposes, rather, to divide the young people of this country with registration. It misses an opportunity.

It misses another opportunity because it ignores a very fundamental problem of the military, the loss of pilots, the loss of sergeants, the loss of Navy personnel to keep our ships at sea, to keep our airplanes flying, and to keep our defenses strong.

We miss both of those opportunities with this plan and, instead, focus on an unworkable plan of postcard registration. How preposterous.

We should turn this plan down and dedicate ourselves to solving the problems of the military and thinking creatively and imaginatively of how we can bring the young people of this country back into this democracy and let them share fully in its bounty.

□ 1620

The CHAIRMAN. The Chair recognizes the gentleman from New York (Mr. McHugh.)

Mr. McHUGH. Mr. Chairman, I join the others who have urged that the committee amendment be rejected. As many have already pointed out, there are legitimate questions about the adequacy of our Voluntary Force. If those questions are thoughtfully addressed, and if the necessary responses are well defined, I think that this body and, indeed, all of the American people will support what needs to be done. The reason we are seeing a divisive debate in this House and in the country with respect to this particular proposition is that people do not understand how this proposal for draft registration responds to the real defense needs of our country. It is promoting divisiveness without accomplishing anything meaningful. Therefore, Mr. Chairman, I sincerely hope that this particular proposition is rejected and that we begin to confront the real issues facing our country in 1980 and the years beyond.

The CHAIRMAN. The Chair recognizes the gentleman from Texas (Mr. Paul).

Mr. PAUL. Mr. Chairman, today we hear a lot of talk about the strength that we should show through a strong military, and yet I think the real issue here is the strength of our convictions and beliefs. We are dealing here as well with the basic understanding and the concept of rights. If we carelessly endorse the draft and registration, we undermine the basic foundation of all our freedoms. With the passage of this legislation any civil liberty and economic liberty we defend has been eroded, because the taking up of an 18-year-old certainly violates that individual's rights much more so than any curtailment of any other civil liberty or economic liberty.

I would like to suggest to you also that there is no authorization in the Constitution either to register or to draft young people. I would also like to ask those individuals who are so good on the issue of gun registration and insist that we protect our right to our weapons and object to registering them, why are they so anxious to register their children? Do they think more of their guns than their kids?

I would like also to ask those who would pass laws to prohibit bingo, why do they pass laws affecting 18-year-olds by sending them off to foreign no-win wars through a lottery? To me, that seems to be particularly inconsistent.

I would like to ask those who rightfully and adequately defend the rights of the unborn, defending the rights of a microscopic fetus; why do they not allow the 18-year-old any rights at all in determining his own destiny? To suggest these individuals owe something to the country says something to me about their understanding of their rights. That means their rights come from the Government. If we accept that idea, the Government can do anything to anybody, if we go under that assumption. I would suggest that all of our rights come from God and not from the state. Therefore, the state should not have the authority to register us and take us and use us in foreign wars against our wishes.

Sixty-eight years of "making the world safe for democracy" foreign policy has failed us miserably. Rejection of this interventionist policy is what we need, not the elimination of the freedom of our 18-year-olds to choose or reject military service. It would be wiser to preserve our freedoms and at the same time stop subsidizing the enemy and signing foolish treaties and straighten out the economy. The waves of distraction precipitated by our own ineptness would be unnecessary.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Dornan).

Mr. DORNAN. Mr. Chairman, I associate myself vigorously with all those powerful arguments made by the gentleman from Texas (Mr. Paul). However, I would vote to support a registration plan if this Congress would do one fair and important thing. Now I am aware some people will say this request is clever in an election year and some other people will say it is frivolous, but I mean the following proviso sincerely. We should, fairness demands that we vote to have every Congressman or Congresswoman be required to register themselves up to and including age 49 and secure an M-Day, mobilization day, assignment specifically for a combat zone, even if that M-Day assignment is to pass out khaki colored volley balls on Karg Island in the Persian Gulf. If we do that then I would be willing to support registration. Not before.

Here in my hand, hot off the UPI wire service teletype is a statement from the White House that the restructuring of our strategic petroleum reserves must wait until the summer of 1981. Well, so can registration wait until next summer. May I repeat this the wire service story "our United States strategic petroleum reserves will be put off until 1981." I believe that the White House has its priorities badly mixed. If we register any American 19 or 49, or draft any American where are we going to send them and with what type of energy will we propel them. Please Mr. President, let us have your strategic energy planning first, then a revived B-1 "Peacemaker" bomber to take our Strategic Air Command flight crews out of their suicide-mission B-52's, then a proper military pay raise to enable our sergeants and petty officers to hold off a crushing inflation rate, and, then, and only then should we consider a draft registration plan.

Mr. Chairman, let me add additional thoughts on why I oppose this legislation.

Our memories must be very short. We are once again about to embark along that same tragic journey we have taken twice in the past 30 years. Once again, we are preparing ourselves for peacetime conscription, which has resulted in two "no-win" wars, Korea and Vietnam. In 1964, we had the "Gulf of Tonkin resolution." What is next, Mr. Chairman, a "Persian Gulf resolution?"

The real problem in this country is lack of leadership. General MacArthur once said:

> Men will not fight and die without knowing what they are fighting and dying for.

Under the current national leadership, no one knows the answer to that question. If we must ask our young men to fight, then let us have national leadership which has the backbone to ask for a declaration of national emergency so that Congress can vote for a draft in the constitutionally prescribed manner.

Finally, Mr. Chairman, Mr. Carter's words ring hollow to this Member when I hear him talk about sending the Soviets a message. This President, who canceled the B-1, the neutron bomb, the Minuteman missile, delayed the Trident and the MX, cancelled overflights over Cuba, now wants to sent the Soviets a message? This is the President who so cavalierly dismisses the pressing problem of military pay by callously stating, "when I was in the Navy, pay was not a major factor," and he wants to send the Soviets a message? Let us face it Mr. Chairman—what we are really witnessing is one more Carter election year ploy to convince the electorate that he is really doing something about our national defense problems. We must send the Soviets a message, to be sure. But this is surely not the way to do it.

Let us try to make our volunteer military work with imaginative incentives. I enclose for the Record an editorial from a Colorado newspaper supporting my tax exemption plan for our hard working underpaid active duty men and women:

Give Voluntary Armed Forces a Fair Chance

During the recent congressional debate on draft registration several innovative ideas emerged which deserve more serious consideration than Congress is likely to give them. One of these, offered by Rep. Robert Dornan, of California, suggests the use of tax incentives to attract quality personnel to the armed forces. If nothing else, his idea is immeasurably better than reinstituting conscription.

In a nutshell, Dornan's idea is to offer a lifetime tax credit to anyone willing to enlist voluntarily and serve in the military. His bill, H.R. 4080, provides a 5 percent tax credit to any person serving two years and a 10 percent tax credit to four-year listees. The credit would be applicable on all future taxable income for those who complete their full term of enlistment and are honorably discharged.

Dornan's tax credit concept has merit. First, it makes military service a lifetime investment, as the congressman like to say. Today military pay, especially for first-time enlistees, has been permitted to slip far behind what it would be expected to be had it kept in line with inflation. Bringing that pay level up to a level necessary to compete with the private sector will offer potential recruits an incentive for today. The tax credit idea will add to that incentive the potential that they will benefit for the rest of their lives because of the decision to serve today. The tax credit idea might also solve one of the military's hardest problems: attracting quality men and women to do the highly skilled jobs needed by a technically sophisticated military force. Today the more income someone expects to make in the future the greater sacrifice it is to spend four years in the military. Dornan's idea will make it profitable for those with high intelligence and the expectation of better-than-average future income to serve in the armed forces.

There are many who believe that a profit motive should not be a factor in attracting recruits to the armed forces. They talk in lofty terms of patriotism; inexplicably they are often the same people who are calling for resuming the military draft. It strains logic to figure out why people who believe it distasteful to induce people to volunteer by the promise of monetary reward at the same time support the notion that young people should be dragged, kicking and screaming into military service against their will. It is hardly something that encourages patriotism.

Milton Friedman has pointed out that the all-volunteer force is not a failure. What has been a failure is Congress; it has permitted the pay level of recruits to slip so low, because of inflation, that young people no longer want to join. Now these same members of Congress, who have permitted the incomes of all of us to be eaten away by inflation, are calling for resumption of an institution that was long considered inconsistent with the basic ideals of the nation—military conscription.

Dornan's tax credit idea offers a method of maintaining an all-volunteer force without raising taxes. It would likely encourage those who join the military to stay for at least four years, thereby cutting down training costs.

Instead of offering recruits more federal handouts, in the form of veterans' programs Dornan's proposal offers them more future freedom to keep and spend their own money. It is a good idea.

The CHAIRMAN. The Chair recognizes the gentlewoman from Colorado (Mrs. SCHROEDER).

Mrs. SCHROEDER. Mr. Chairman, I think an awful lot has been said about the study that this Congress mandated this fall when this issue was on the floor before, and in that case we had all the different agencies, DOD, OMB, the Selective Service, and the Peace Corps, everybody looking at this issue and studying it, and they all came down saying postmobilization was the most cost efficient way and more than met the demands of the Department of Defense and the needs of the Department of Defense. We can argue about whether it is 4 days, 7 days, 13 days, 17 days, and so forth, and so on, but the real issue is the Department of Defense has never changed their time line, which is it will take 30 days before they are really ready to receive a whole new influx of people to train. It takes them a while to crank up, too. So I remind you a lot of the debate you heard today does not really focus on the real alternatives. One is doing nothing. That is not in front of us. We are looking at two options. One is postmobilization; one is peacetime mobilization or peacetime registration. I think that all the experts, all the studies, everything this body asks for, came out on the side of postmobilization, and unless we want to just defer our responsibilities and become a total rubber stamp, I really think we should stand by what we said we were going to do last fall. That is very important. Even DOD said we are not at all in jeopardy and we can handle it.

I want to refer to one other thing. I feel very strongly that when the citizens are asked to do anything by their Government, a good case should be made for why they should do it. Any time you impose a duty upon the citizens, you should make a case for it, and you should not just say, do it because we think it is symbolic, or do it because we want you to do it, or do it because you are 18 years old and all of the citizens say you should do it. Doggone it, a case has not been made, and a case has not been made by any experts. I think that is important.

Let us also look at what we need in 1980. We need skills; we do not need 18-year-olds. That was the World II need. We need pilots; we need doctors. The same administration vetoed the doctors' pay bill. We definitely need doctors to stay in and take care of people. That does not seem to be important. How do we get doctors—by registering 18-year-olds? Where do we get pilots—by registering 18-year-olds? Yes, we all owe something to this country, but my generation owes a whole lot more to it than the 18-year-olds, because we are the ones who used up all the oil that got us in the predicament we are in today. The 18-year-olds just got their licenses. The skills of my generation are much more needed today, and I urge the Members to vote down the committee amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Michigan (Mr. BONIOR).

Mr. BONIOR of Michigan. Mr. Chairman, I rise in support of the committee amendment. I support the amendment offered by the gentleman from Maryland (Mr. BAUMAN), and I support the amendment offered by the gentleman from Oregon (Mr. DUNCAN).

The central issue, it seems to me, of this debate, is who should serve our military and potentially risk their lives for United States of America? Not since World War II have we had the qaulity of service by a class or group. It was just pointed out that in Vietnam over roughly 50 percent of the casualties were blacks and hispanics. That same figure would happen today if our volunteer army were engaged in combat. We had the same situation in Korea. I think it is time to stop asking the sons of steel workers and auto workers to serve their country and start asking the sons of doctors and lawyers to serve their country. The best way to do it is by adopting all three amendments.

The CHAIRMAN. The Chair recognizes the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, I agree with what was said earlier. We are, indeed, in trouble in this country. The trouble is, this bill does not do a darned thing about it. We need ships and planes and bombers and troop carriers, not empty symbols. The Russians know what we need, and they know that this bill does not do anything to strengthen our military, so it is an empty gesture that accomplishes nothing at all, and does it at great cost.

The CHAIRMAN. The Chair recognizes the gentlewoman from Massachusetts (Mrs. HECKLER).

(By unanimous consent, Mr. MYERS of Indiana yielded his time to Mrs. HECKLER).

Mrs. HECKLER. Mr. Chairman, much of value has been said this afternoon and does not bear repeating, but I think one of the valuable lessons of today's exercise is that we finally come to appreciate the importance and the need for competent personnel in the military. We constantly hear about bombers, the technology, the vessels and weapons. But what about the people? That is exactly where this proposal totally fails to respond—to the most basic need of all in terms of our military power today.

The statistics are absolutely appalling in terms of our failure to retain competent skilled enlisted personnel in the military. The lines on the retention rate graph are ominously down. In 1973, just a few years ago, the rate of return in the Navy of enlisted skilled personnel was 92 percent.

☐ 1630

In 1979 the rate of return of enlisted skilled personnel fell to 62 percent. The comparable figures for the Marines are no less disturbing; the rate of return in 1973 was 82 percent, the rate of return now is 52 percent.

Postal platoons of draft registrees will not frighten the Russians. This bill, the committee amendment, will not be a signal to the Russians that we have regained our nerve. It is, on the contrary, a sad signal that we have displaced our nerve. Our priorities are not in place. We must be prepared. We need an armed services which can protect our national interest and shield our allies, it is time—long past time—that we set priorities on the retention of qualified personnel in the military, and that we deal with our undoubled military problems not only in terms of weapons but in terms of the people who are pivotal in a strong, effective armed forces.

Let us make our armed forces an attractive career for the tens of thousands of dedicated young men and women who wish to serve the future of our Nation.

The CHAIRMAN. The Chair recognizes the gentleman from Iowa (Mr. HARKIN).

Mr. HARKIN. Mr. Chairman, is this consistent with the character of a free government? Is this civil liberty? Is this the real character of our Constitution? No, sir, indeed it is not. The Constitution is liable, fully liable. Where is it written in the Constitution, in what article or section is it contained, that you may take children from their parents and parents from their children and compel them to fight the battles of any war in which the folly or the wickedness of government may engage it? Who will show me any constitutional injunction which makes it the duty of the American people to surrender everything valuable in life and even life itself, not when the safety of their country and its liberties may demand the sacrifice but whenever the purposes of an ambitious and mischievous government may require?

Mr. Chairman, the foregoing words were spoken by Daniel Webster, September 9, 1814, in opposing mandatory conscription. His words are as true today as they were at that time and I urge defeat of the committee amendment.

The CHAIRMAN. The Chair recognizes the gentleman from California (Mr. Miller).

Mr. MILLER of California. Mr. Chairman, Mr. Paul of Texas hit it on the head. What we are talking about here is the lives of our children and every Member of this House has stood before a 4th of July audience and proclaimed to the Nation that our most important resource is the children of this society.

Today what do we do? We ask those same children to show resolve. Never have so few played so fast and loose for resolve with the children of this country. Why should they show resolve? To go to Pakistan, to support a dictator that this administration condemned and then later offered $400 million and he said peanuts? Should we go there? Should they go to Cuba because of the Russian brigade?

No, Mr. Chairman, they should not show resolve for the foreign policy of this administration and they will not show resolve for the foreign policy of this administration because there is none.

I think the gentleman from Colorado (Mr. Johnson) made a point, that if the cause is just and if this country is truly threatened the young people of this country will respond just as generations in the past have responded, but to make this intrusion upon the young citizens of our country to show what resolve? To show the resolve because the President would not go for a strategic petroleum reserve? To show the resolve because he would not go for mandatory energy rationing? No, to show the resolve to keep them from declining in the polls.

Mr. Chairman, this is not brought on by the Russians, this was brought on by the most precipitous decline in the polls by any President in the history of this country and threatening to go lower than the prime rate and so it is the resolve? The resolve is to ask you to sign up your young people, to discriminate against women, to say that my two sons have less value in this society than somebody else's daughter. The resolve for what? Let me tell you why you should reject this, because at the rate this man creates crises you ought to have a lot of options before he pushes the button to keep himself in office.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. Mitchell).

Mr. MITCHELL of Maryland. Mr. Chairman, several of the Members have talked about the external danger to America. Let me talk about the internal danger. The internal danger to this country is when a government consistently fools the people.

"We are going to register you but we are not going to draft you."

That is a crock.

"We are going to classify you but we are not going to draft you."

That is a crock.

"We are going to give you a physical examination but we are not going to draft you."

That is a crock.

Mr. Chairman, why do not we come out and be honest. I would have much more respect if we would say, "We are going to draft you." But we are not going to say that, we are going to try the same game of playing with the lives of people and when we do, that is the greatest danger to America rather than any external threat.

(By unanimous consent, Mr. Conte yielded his time to Mr. Moffett.)

The CHAIRMAN. The Chair recognizes the gentleman from Connecticut (Mr. Moffett).

Mr. MOFFETT. Mr. Chairman, I want to elaborate if I can upon the remarks of the gentleman from New York (Mr. Downey) and to say at the outset that I have the greatest respect for those who are arguing for this legislation. I have had the opportunity to talk not only with the distinguished gentleman from Massachusetts (Mr. Conte) but the gentleman from Mississippi (Mr. Montgomery). I think we are all after the same thing here in a very real sense.

I think it might come as a surprise to some of my colleagues that a lot of us who are opposing this amendment and this legislation are not absolutely opposed to the notion of compulsory service; are not absolutely fond of the All-Volunteer Force. Many of us do envision in fact something down the line that might in fact look like compulsory service, it might in fact begin to deal with the problems of the All-Volunteer Force, but I want to say, to me, the No. 1 problem that we have here is not some inferiority to the Soviets but the decline and maybe the demise of the spirit of service in this country. We have millions of young people who do not have the spirit of service, who in fact do not appreciate the value of service and hard work and working very, very hard for very, very limited kinds of improvements as some of the older people in our society do.

Mr. Chairman, I think that is what the gentleman from Michigan wants to get at in his national service plan. I think that is what the gentleman from California (Mr. McCloskey) wants to get at.

The irony of it is, despite the fact we have taken away opportunity after opportunity to serve, by slashing VISTA, slashing Peace Corps, slashing Youth Conservation Corps, they still want to serve. Every poll shows that the charitable impulse in our young people is higher than it had ever been. They want the opportunity. Let us give it to them in a much broader plan than this.

The CHAIRMAN. The Chair recognizes the gentleman from Pennslyvania (Mr. Coughlin).

Mr. COUGHLIN. Mr. Chairman, earlier the distinguished chairman of the subcommittee who is my very dear friend, indicated that a program to draft millions of men in 1 day as was conducted in World War I and World War II today would take months of preparation and would take a very elaborate system in place. As the distinguished ranking minority Member, the gentleman from Massachusetts (Mr. Conte) pointed out, that is exactly what we are providing in this legislation without this amendment. The mechanism to be able to register and if necessary induct millions of people in a very short period of time.

Mr. Chairman, I urge defeat of the amendment.

The CHAIRMAN. The Chair recognizes the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. Mr. Chairman, there is a solution pending before the committee to this legislative chaos that faces us this afternoon. It is, I must most modestly remind you, called the Bauman amendment. There have been a number of people here protesting this entire proposition as presented by James Earl Carter to this Congress regarding registration as being meaningless. My amendment is not meaningless. It will set up a full registration, classification and examination system that will allow us to know where our manpower will be if, God forbid, we ever face an emergency.

Thank God that in another time the patriots at Lexington and Concord did not have to depend on the 96th Congress to provide a registration system or what is left of our Armed Forces would be wearing red coats today and the gentleman from Illinois now presiding would be wearing a white powdered wig.

The CHAIRMAN. The gentleman from Massachusetts (Mr. Boland).

Mr. BOLAND. Mr. Chairman, I appreciate the leadership that has been exemplified here by everyone concerned with this matter. It is a controversial measure, there is no doubt about it. It is not an easy one to handle. It is not an easy one to support. It is not an easy one, really, to oppose either.

I was impressed, Mr. Chairman, by the remarks of the gentleman from Michigan (Mr. Bonior), who probably is as much concerned about the veterans of this Nation as any other individual in this Chamber. He said, as I listened to him carefully, that the committee amendment is a fair amendment. He said the Bauman amendment is a fair amendment. The system was not fair in Vietnam. The system is not fair now. What we are trying to do is put some fairness into the system.

□ 1640

Mr. Chairman, let me remind the members of this committee that we had draft registration prior to 1975 for some 35 years. There was no serious violation on the part of those who were supposed to register. There were no demonstrations. The contention here, Mr. Chairman, is that this is the best way of getting 4 million names into the Selective Service System data base in the case of mobilization.

I urge the adoption of the committee amendment. I urge the defeat of the Duncan of Oregon amendment which calls for $21 million and the registration of men and women. I urge defeat of the Bauman amendment, which calls for registration, classification, and examination.

The CHAIRMAN. All time has expired.

The question is on the amendment offered by the gentleman from Oregon (Mr. DUNCAN) to the committee amendment.

The amendment to the committee amendment was rejected.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Maryland (Mr. BAUMAN) as a substitute for the committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BAUMAN. Mr. Chairman, I demand a recorded vote, and pending that, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. BAUMAN. Mr. Chairman, I withdraw my point of order of no quorum.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 45, noes 363, not voting 24, as follows:

[Roll No. 189]

AYES—45

Alexander
Ambro
Andrews, N.C.
Ashbrook
Barnard
Bauman
Bennett
Bonior
Chappell
Corcoran
Daniel, R. W.
Dickinson
Evans, Ga.
Fowler
Gephardt
Gibbons
Gingrich
Gramm
Huckaby
Hutto
Ichord
Jeffries
Jenrette
Kelly
Kramer
Leach, La.
Leath, Tex.
Lent
Lott
Lungren
McDonald
Neal
Nelson
Petri
Rudd
Satterfield
Shumway
Solomon
Stratton
Stump
Thomas
Trible
Whitley
Wilson, Tex.
Wyatt

NOES—363

Abdnor
Addabbo
Akaka
Albosta
Anderson, Calif.
Anderson, Ill.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnes
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Burton, Phillip
Butler
Byron
Campbell
Carney
Carr
Carter
Cavanaugh
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corman
Cotter
Coughlin
Courter
Crane, Daniel
Crane, Philip
D'Amours
Daniel, Dan
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Devine
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Fuqua
Garcia
Gaydos
Giaimo
Gilman
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hillis
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Hughes
Hyde
Ireland
Jacobs
Jeffords
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Lee
Lehman
Leland
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
McClory
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Martin
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Nedzi
Nichols
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Runnels
Russo
Sabo
Santini
Sawyer
Scheuer
Schroeder
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Studds
Swift
Synar
Tauke
Taylor
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wirth
Wolff
Wolpe
Wright
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—24

Anthony
Boner
Brooks
Burlison
Derwinski
Dougherty
Goodling
Gray
Hammerschmidt
Hefner
Kazen
Lederer
Mathis
Michel
Moorhead, Pa.
Musto
Myers, Pa.
Oakar
Pepper
Ritter
Schulze
Shuster
Symms
Wilson, Bob

☐ 1650

Mr. IRELAND changed his vote from "aye" to "no."

Mr. BARNARD and Mr. CHARLES WILSON of Texas changed their votes from "no" to "aye."

So the amendment offered as a substitute for the committee amendment was rejected.

The result of the vote was announced as above recorded.

☐ 1700

The CHAIRMAN. The question is on the committee amendment.

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. BOLAND. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 218, noes 188, not voting 26, as follows:

[Roll No. 190]

AYES—218

Akaka
Alexander
Ambro
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
Aspin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Bolling
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Coleman
Corcoran
Corman
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Derrick
Devine
Dickinson
Dicks
Dingell
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Emery
English
Erlenborn
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Flippo
Florio
Fountain
Fowler
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Gingrich
Ginn
Gonzalez
Gore
Gradison
Gramm
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hanley
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lott
Luken
Lungren
McDonald
McEwen
McKay
Marks
Martin
Mattox
Mica
Mikulski
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Murphy, N.Y.
Murphy, Pa.
Murtha
Neal
Nedzi
Nelson
Nichols
Pashayan
Patten
Petri
Preyer
Price
Quayle
Quillen
Rahall
Regula
Rhodes
Roberts
Robinson
Roe
Rose
Rostenkowski
Rudd
Russo
Santini
Satterfield
Sawyer
Scheuer
Sebelius
Shelby
Shumway
Simon
Skelton
Smith, Nebr.
Snowe
Solarz
Solomon
Spence
Staggers
Stangeland
Steed
Stenholm
Stratton
Stump
Synar
Taylor
Thomas
Trible
Volkmer
Walgren
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOES—188

Addabbo
Albosta
Anderson, Calif.
Anderson, Ill.
Annunzio
Applegate
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bingham
Blanchard
Bonker
Brodhead
Broomfield
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Cotter
Coughlin
Crane, Daniel
Crane, Philip
Daschle
Davis, S.C.
Deckard
Dellums
Diggs
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Early
Edgar
Edwards, Calif.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Fenwick
Fish
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Garcia
Gilman
Glickman
Goldwater
Grassley
Green
Hall, Ohio
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hollenbeck
Holtzman
Horton
Jacobs
Jeffords
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Lagomarsino
Latta
Leach, Iowa
Leland
Lewis
Long, Md.
Lowry
Lujan
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marlenee
Marriott
Matsui
Mavroules
Mazzoli
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Moffett
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Myers, Ind.
Natcher
Nolan
Nowak
O'Brien
Oberstar
Obey
Ottinger
Panetta
Patterson
Paul
Pease
Perkins
Peyser
Porter
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Rosenthal
Roth
Rousselot
Roybal
Royer
Runnels
Sabo
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Smith, Iowa
Snyder
Spellman
Stack
Stanton
Stark
Stewart
Stockman
Stokes
Studds
Swift
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Walker
Waxman
Weaver
Weiss
Williams, Ohio
Wilson, C. H.
Wolff
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Alaska

NOT VOTING—26

Abdnor
Anthony
Boner
Brooks
Burlison
Derwinski
Dougherty
Goodling
Gray
Hammerschmidt
Hefner
Kazen
Lederer
Mathis
Michel
Moorhead, Pa.
Musto
Myers, Pa.
Oakar
Pepper
Pickle
Ritter
Schulze
Shuster
St Germain
Symms

□ 1710

The Clerk announced the following pairs:

On this vote:

Mr. Burlison for, with Ms. Oakar against.

Mr. Boner of Tennessee for, with Mr. Gray against.

Mr. Ritter for, with Mr. Michel against.

So the committee amendment was agreed to.

The result of the vote was announced as above recorded.

PERSONAL EXPLANATION

Mr. ABDNOR. Mr. Chairman, on rollcall No. 190 I was present and voted "aye." Apparently the computer did not record my vote.

AMENDMENT OFFERED BY MR. WEAVER

Mr. WEAVER. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. WEAVER: Page 2, line 10, insert "or available to institute a system of registration other than voluntary" immediately before the period.

Mr. WEAVER. Mr. Chairman, we have all heard the debate that has gone on for several hours, so I will not go over that. This registration has nothing to do with AVF skilled personnel needs and retention. The debate has shown that postregistration is more effective because the name lists will not be obsolete. We have heard that our Voluntary Army recruiting is up and it is working.

□ 1720

So what are we faced with now in this committee resolution? It is a symbol. I ask my colleagues to think about this. What we are about to vote on is a symbol and that is all it is. A symbol that will recreate the schisms of the sixties and penalize the youth of America. The debate has conclusively proven this.

This is a paper registration. Does that mean our great Nation is a paper tiger? As a symbol of the strength of this Nation we are about to pass a paper registration. I ask my colleagues this: Would they vote for a paper tank? Would they vote for a paper plane? Would they vote for a paper gun? Do my colleagues realize what they are doing to this Nation, to send out as a symbol, a paper registration?

So I offer this amendment. As long as it is a symbol and nothing else but a symbol, as long as we want to test the Selective Service System, let us simply make it voluntary, let us not force people to commit felonies. Let us not sow dissension among the young people of this land. Let us send a strong message to the Russians, if we want to do that, that our young people are willing to serve and willing to register voluntarily. The young people would turn out in the event of real danger and of an imminent threat, they would turn out as they have in past wars. But now let us show our strength by having a voluntary registration that will work better, test the Selective Service System better, without sowing dissension and send a real message. We could send a real message that our young people are willing to go when they are needed.

I conclude by saying do we know what we are doing, what we are embarking upon in this Nation? We are beginning in peacetime to force our young people to do something that is not necessary, to send a phony signal. Is that not the most dangerous possible signal we could send to the Russians?

Mr. Chairman, I ask we adopt my amendment and make this a voluntary registration.

Mr. HARKIN. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I am happy to yield to the gentleman.

Mr. HARKIN. Mr. Chairman, I thank the gentleman for yielding. With all of the commotion going on in the House it was hard to hear the Clerk read the amendment. I just want to get it clear. The gentleman's amendment would only take the committee amendment and make it voluntary; is that it?

Mr. WEAVER. It simply says the funds in the committee amendment may be used for registration, but voluntary registration only. That is all.

Mr. HARKIN. If the gentleman will yield further, in other words, we heard some talk this afternoon that our young people, our 19- and 20-year-olds that would be registered under this bill, that they were patriotic and that they would flock to register.

Mr. WEAVER. Millions of them would.

Mr. HARKIN. What the gentleman is saying is let them do it voluntarily rather than forcing them to do it? Is that what the gentleman's amendment would do?

Mr. WEAVER. Exactly, and send a real signal.

Mr. HARKIN. I compliment the gentleman and I intend to vote for his amendment.

Ms. HOLTZMAN. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentlewoman.

Ms. HOLTZMAN. Mr. Chairman, I oppose this bill which will require compulsory registration of the young between the ages of 18 and 20. Ours is a Government of limited powers; and to permit substantial Government interference in the lives of Americans—as this bill does—there must be a clear and substantial justification. No such justification exists. First, there is no military need for premobilization registration. The Congressional Budget Office has estimated that 7 days will be saved. Even the floor manager of the bill concedes that only 5 to 14 days will be saved. Since we already have 2 million uniformed people in our Armed Forces, and since we were able in World War I and World War II to register millions in 1 day—and that was before computers existed, the 5 to 14 day savings is basically unnecessary to the defense of America.

What then is the justification? Clearly, to send a "signal" to the Russians. But this bill sends no signal of national resolve and unity. Young people are divided, even Congress could agree to the registration by only a slim margin of 30 votes.

Instead of unity, compulsory registration will lead to protests and to demonstrations, since refusing to register is a crime with a 5-year jail penalty. The bill will lead to the prosecution of our own youth. Compulsory registration under these circumstances will tear the country apart—it will not show national resolve or strength.

If draft registration is capable of sending any message, a far stronger one would be to have a voluntary registration system under which our young people could of their own free will register for military service. For that reason, I supported the Weaver amendment.

Let us show our opposition to the Russian aggression in Afghanistan, but not through empty symbols which infringe on the liberties of Americans. Forcing our young people to register will not make the Russians pay any price. Instead we should concentrate on getting our allies to join with us in banning the sale of sophisticated technology to the Soviet Union, and in boycotting the Olympics. These measures would extract a real penalty.

The CHAIRMAN. Time of the gentleman from Oregon has expired.

(At the request of Ms. HOLTZMAN and by unanimous consent, Mr. WEAVER was allowed to proceed for 1 additional minute.)

Mr. WEAVER. I yield to the gentlewoman.

Mr. SEIBERLING. Mr. Chairman, will the gentleman yield?

Mr. WEAVER. I yield to the gentleman from Ohio.

Mr. SEIBERLING. Mr. Chairman, we are dealing with the lives of millions of young Americans. I think that at the least the issue deserves our undivided attention for a couple of minutes.

If this amendment is not passed, as the gentleman has offered, which makes this a voluntary registration program, and this then becomes law, we will be subjecting anyone who refuses to register, or anyone who fails after registering to report his change of address, to all of the penalties of the felony laws of the United States. They will be subject to prosecution for a felony.

The CHAIRMAN. The time of the gentleman from Oregon has again expired.

(At the request of Mr. SEIBERLING and by unanimous consent, Mr. WEAVER was allowed to proceed for 1 additional minute.)

Mr. WEAVER. I yield to the gentleman.

Mr. SEIBERLING. Mr. Chairman, if only 5 percent of those who are subject to draft registration fail to register we are talking about 40,000 young people being subject to prosecution. Do we want to have more Kent States? Do we want to go through all of the trauma of the 1970's again?

We can develop the manpower needed for premobilization registration by voluntary means, if all of the arguments of the proponents are correct, that this is what the American people are willing to do. Let us give it a chance. Let us give voluntary registration a chance and support the gentleman's amendment.

Mr. HARKIN. Mr. Chairman, I move to strike the last word, and rise in support of the amendment.

Mr. Chairman, I was not even aware this amendment was going to come up on the floor, so I was a bit taken by surprise the gentleman offered such an amendment. It seems to me the amendment the gentleman has offered, which simply says our young people, if they want to, can go and register, it seems to me this is in the best traditions of our country and our free society. To me it is, of course, the classic conservative argument of freedom of choice, to let those who want to be patriotic, who want to flood the post offices this summer to register for the draft to do so. Those that do not want to do not have to do so.

I would just point out one other thing. I think it is very interesting as we sit here in this body, and I think when we go back to our constituency this summer and talk to our young people about what we have just done, I think most of them would be very grateful if we provided them perhaps this means of voluntarily doing it.

I wonder if they understand just what happened during the Vietnam war when many of us served in the military, and what happened to those people that now serve in this body during that time. Of the 103 men in the 96th Congress, this Congress, who were subject to the Vietnam-era draft, 4 served in Vietnam, 4 out of 103 that were eligible for the Vietnam-era draft.

□1730

Is this what we want to repeat in our society? I do not believe so. I think what we want to do is provide that freedom of choice. Again I would repeat for the benefit of the Members who were not here earlier what Daniel Webster said in 1814 when he was talking against the conscription bill at that time on the floor of the old Senate Chamber over there.

Webster said:

> Where is it written in the Constitution, in what Article or Section is it contained, that you may take children from their parents, and parents from their children, and compel them to fight the battles of any war in which the folly or the wickedness of Government may engage it? . . . Who will show me any constitutional injunction which makes it the duty of the American people to surrender everything valuable in life, and even life itself, not when the safety of their country and its liberties may demand the sacrifice, but whenever the purposes of an ambitious and mischievous Government may require it?

I believe that the amendment the gentleman offered is in the best interests of our free society and our democratic institutions.

Mr. SKELTON. Mr. Chairman, will the gentleman yield?

Mr. HARKIN. I yield to the gentleman from Missouri.

Mr. SKELTON. I thank the gentleman for yielding.

The gentleman quoted Daniel Webster in 1814. He also recalls that the last time any enemy ever set foot in this country was when we won that war.

Mr. HARKIN. I would further point out that at the very time the British ships were coming up the Chesapeake Bay, Daniel Webster gave this speech on the Senate floor against the conscription of our young people.

Mr. CONTE. Mr. Chairman. I move to strike the requisite number of words.

Mr. Chairman, I oppose the registration and the $8.5 million for registration. I think the whole thing is not worth a hill of beans, and I am going to vote against this amendment. I hope everybody votes against this amendment.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. CONTE. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding.

I would echo the gentleman's thought. It was bad enough that the President pardoned the draft dodgers. This Congress ought not to vote for an amendment that prepardons the registration dodgers.

Mr. MILLER of California. Mr. Chairman. I move to strike the requisite number of words. I rise in support of the amendment.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. MILLER of California. I yield to the gentleman from Florida.

● Mr. NELSON. Mr. Chairman, I support the enactment of House Joint Resolution 521 as a first step toward what I consider to be essential to the adequate defense preparedness of this country—the reinstatement of the military draft.

House Joint Resolution 521 would reinstate registration for the draft by authorizing a transfer of unexpended Air Force military personnel funds to the Selective Service System. It would make it possible for us to mobilize more quickly the additional manpower we need in the event of a national emergency.

Defense Secretary Brown has stated that a postmobilization system would cause considerable delays in bringing additional men into the military services. Clearly, premobilization registration is necessary on simple national security grounds.

Registration now is also important as a symbol of the determination of the American people to meet the increasingly aggressive Soviet challenge, particularly in the vital Persian Gulf/Indian Ocean region. It will support the other measures—the grain boycott, the freeze on sales of high-technology equipment, the boycott of the Olympics, and other steps—we have taken to let the leaders of the Soviet Union know their invasion of Afghanistan has shaken the American people into a new awareness of the danger we face from the huge Soviet war machine.

I believe we should send an even stronger signal—by reinstituting the draft. But I favor reinstating the draft primarily because we need it now to strengthen our defense capability against the threat we face today.

We do not have right now sufficient numbers of combat-ready personnel or ready reserves to meet the Soviet challenge. We should register and draft the men we need to remedy these deficiencies now—not after a major crisis occurs.

I realize that draftees alone will not satisfy our military manpower needs. We have a serious shortage of key skilled personnel, and we must improve our military pay and benefit programs to retain more of these skilled men in the service. We need to strengthen our Reserve Forces—which are more than 200,000 below required levels—so they will be ready to join active duty units in time of crisis.

I also recognize the uncertainty the draft injects into the lives of our young people, but we simply cannot afford to be ill-prepared to defend the vital interests of our Nation against any potential threat.

This resolution does not provide for the registration of women. I do not favor including women in the draft or in the registration system. It is combat forces that we need and the law presently prohibits women in combat position and no change in that law is expected.

What this resolution provides is the bare minimum we should be doing at this time. To do less, to signal our enemies that we are unwilling even to reinstitute registration for the draft would not be, in my judgment, in our Nation's best interest.

I urge the approval of House Joint Resolution 521.

Mr. MILLER of California. Mr. Chairman, I rise in support of the Weaver amendment because I think history will show this is how it always begins. As the gentleman from Iowa (Mr. HARKIN) pointed out, 4 of the 106 people who were eligible served, but those same people now are so excited to cause others to limit their freedoms, and history will show that it always begins by those with loud voices, those in the Congress, those in the legislature, those in the city council, who start asking to conscript the freedoms of other individuals, and slowly, because of the definition of liberty, because of our definition of courage, because of our definition of patriotism, some other individual will have his life dramatically changed. Some other individual will lose his freedoms. Some other individual will be taken from his family, and some other individual will be interred in this Earth because of our definitions.

I think the Weaver amendment proposes a solution to that problem, because as various people are moved by patriotism, others may not be, and if bringing the Shah to this country motivates your patriotism, you will be free to go and register. And if the Shah's fleeing from this country to other countries motivates your patriotism, you will be able to go and register. And if that does not motivate you, you will not be required to, and you will not be required to spend 1 night in jail. And if a Russian brigade in Cuba that has been there for for 10 years motivates your patriotism, you can take yourself to the post office and register, but I cannot require you to go, and if a plunge in the polls motivates your patriotism, then you can go to the post office and register, but the President cannot require you to go, and that is the greatness in this country.

The greatness in this country is the plurality of views, and one man's patriotism may not be the other's. But we have seen time and again that this country has rallied together for sacrifice to defend this country against a common enemy, but not all enemies of the White House and not all enemies of the Congress are enemies of the American people. I think we have got to recognize that before we take the lives of young people who probably do not have very many enemies, and I think before we take this duty so lightly that we think in an election year we can patch all the failings of a foreign policy by imposing a symbol of a draft, that we can somehow back off the great Russian bear who is on the global move.

Mr. Chairman, we must not kid ourselves and, please, for God's sake, let us not kid the American public, the American young people who are dying—dying for those kinds of misplaced symbols of the past—and for the grumblings of loud men, for the grumblings of powerful men, none of whom have paid the supreme price of giving their lives for somebody's definition of patriotism, of honor, of courage.

It is very interesting that those individuals who set the ground rules do not have to play the game. I urge you to support the Weaver amendment.

Mr. WEISS. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I rise in support of the Weaver amendment. I would like to address my comments to those who are in favor of the registration provision that was adopted by the last vote. It seems to me that there is a very grave danger that those who want that registration provision to go into effect will in fact create great division within this country. We have seen what happens when large numbers of our young people are not in accord with national policy. It seems to me that what we are asking for, unless we adopt the Weaver amendment, is large gatherings of young people, calling attention to their failure and refusal to abide by the requirements of this registration provision. At that point the Department of Justice, the FBI, this Congress is going to have to make some very serious choices. Do we then undertake to turn our attack not on our supposed enemies across the ocean but on our own young people? Do we then undertake a great onslaught to seek out, to prosecute, to jail the young Americans who refuse to play this game of symbolism? It seems to me that if we want registration, if we do not want to tear this country apart, then we ought to support the amendment the gentleman from Oregon (Mr. WEAVER), has offered, because it makes the most sense from the point of view of the best interests of this Nation.

Mr. BARNES. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

There are a lot of other nations around the world considering this issue of draft or draft registration that is before our body this afternoon. I was recently in England returning from the Middle East, and I picked up a copy of the London Times. I really wish I had saved it because the lead editorial in the London Times argued that the Weaver amendment was what should have been adopted by Great Britain in its Parliament. The London Times argued that if we really want to send signals to our enemies around the world, we give our young people the opportunity to voluntarily come forward and participate in our society by making a contribution to it. The London Times argued that England should establish a voluntary system with respect to the draft. The gentleman from Oregon (Mr. WEAVER) has given us the opportunity this afternoon to adopt precisely that in the United States. I personally share the view of the many in this body who argued this afternoon that millions of young Americans are perfectly prepared to participate in a registration system.

☐ 1740

I think millions of young persons will sign up, will go to the post office and put their name on the line, demonstrate their willingness to defend our Nation if we give them the voluntary right to do so, we provide the mechanism and the funding to do that. Millions of persons will take part in that system and that really will be a signal to our allies, that really will be a signal to your enemies that millions of Americans are prepared to defend our country and we will not have the adverse signal which we definitely will have if we go forward with a mandatory system in which we are going to have to seek out people and send them to jail—a 5-year penalty; a 5-year penalty for not registering under the system that has been put before us this afternoon.

Mr. Chairman, if we have to seek out those people and send them to jail, as the gentleman from New York just said, we will have rallies all over America in opposition to this system. The signal to our allies, the signal to your enemies will be a negative one.

Mr. Chairman, we have the opportunity in voting for the Weaver amendment to permit millions of individual Americans to participate in sending precisely the right signal to our enemies, precisely the right signal to our allies, that we are prepared as millions of Americans are ready to fight to defend freedom. That is what the Weaver amendment is all about. It is the best idea we have had all day.

Mr. STRATTON. Mr. Chairman, will the gentleman yield?

Mr. BARNES. I yield to the gentleman from New York.

Mr. STRATTON. The gentleman, I think, has made a very interesting statement. Does not the gentleman think we might even further improve the quality of American life if we would also make our taxes voluntary instead of mandatory?

Mr. BARNES. I understand the gentleman's rather frivolous point. The fact is that any registration system, any draft will have within it far more bodies than we need in the military. A voluntary system will sign up far more people than we will ever need and I urge support for the Weaver amendment.

Mr. BOLAND. Mr. Chairman, I ask unanimous consent that all debate on this amendment, on all amendments thereto, and on the joint resolution and amendments to the joint resolution close in 1 minute.

The CHAIRMAN. Is there objection to the request of the gentleman from Massachusetts.

Mr. MILLER of California. Mr. Chairman, I object.

The CHAIRMAN. Objection is heard.

Mr. BOLAND. Mr. Chairman, I move that all debate on this amendment, on all amendments thereto, and on the joint resolution and amendments to the joint resolution close in 1 minute.

The CHAIRMAN. The question is on the motion offered by the gentleman from Massachusetts (Mr. Boland).

The question was taken; and the Chairman announced that the ayes appeared to have it.

Mr. SEIBERLING. Mr. Chairman, I demand a recorded vote.

A recorded vote was refused.

So the motion was agreed to.

Mr. BOLAND. Mr. Chairman, I move to strike the last word.

Mr. Chairman, I think the membership is anxious to vote on this one and I oppose the amendment.

Mr. Chairman, I yield to the gentleman from California (Mr. Dellums).

Mr. DELLUMS. Mr. Chairman, we are told by the leadership that it is "terribly important to the national security" that we resume peacetime registration for the draft, in order to send a signal to the Soviets of our national will.

Make no mistake about it. If this funding resolution passes today, it will be nothing more than the first step on the road to total peacetime conscription. This much—and more—was openly advocated yesterday by the chairman of the Senate Armed Services Committee.

If this resolution passes today, the only signal that will be sent by the Congress is that it is serving notice on a new generation of American parents that this Government is willing to risk the lives of millions of young Americans—for years to come—in the grim determination to continue and intensify cold war tensions.

The bankruptcy of that policy has been most recently demonstrated in Iran and Afghanistan. To heighten the crisis at this time will not secure the release of the hostages. Nor will it provide self-determination for the people of Afghanistan. But it will serve to further escalate the nuclear arms race. It will escalate military spending to the point that it will bankrupt the soul of America as well as the pocketbooks of the American taxpayers.

How can Members in this Chamber vote for this resolution when confronted by the evidence of a recent study done by the Selective Service System at the President's own request? That study indicated that 650,000 people could be registered and inducted within 124 days of a declaration of war, as opposed to 117 days if registration were achieved prior to a declaration of mobilization. Both schedules would fall well within the Pentagon need estimate of 650,000 draftees in 180 days.

If such is the case then one must ask why—why, if these young men are not needed for the defense of our homeland against an all-out attack by the Soviet Union—will they then be utilized for further intervention in emerging Third World countries?

Some proponents of this measure would also argue that peacetime registration would be a clear indication to all that this Nation has overcome its Vietnam syndrome, that the United States is again ready to reassert its position as the unchallenged leader of the free world.

In response, I would only say this: Are the lessons of recent American history to be so quickly forgotten, or worse, ignored? If there had been no peacetime draft during the Kennedy-Johnson era, the Government might never have become involved in the disastrous imperial adventures in Southeast Asia. American parents would never have granted permission to the warmakers of that era to fill the graves at Arlington and around the country with the bodies of their young sons. And millions of Asians would have been spared not only their lives but the wanton destruction of their homeland.

Our most precious national treasure is the youth of our country. We in the Congress should be about the business of providing them with quality education and effective job training for a constructive career in a peacetime society. We should not be playing conscription roulette with their very lives on the false premise that the national security is at stake. The return to a peacetime draft will only serve to intensify our national insecurity—the growing fear that we cannot operate in the international arena through patient diplomacy—rather than through the mindless recourse to military force and violence.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Oregon (Mr. Weaver).

The question was taken; and the Chairman announced that the noes appear to have it.

RECORDED VOTE

Mr. WEAVER. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 84, noes 319, not voting 29, as follows:

[Roll No. 191]

AYES—84

Addabbo
Anderson, Ill.
Atkinson
AuCoin
Barnes
Benjamin
Biaggi
Bingham
Brodhead
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Chisholm
Clay
Collins, Ill.
Conyers
Dellums
Dodd
Donnelly
Drinan
Early
Edwards, Calif.
Erdahl
Fenwick
Foley
Ford, Mich.
Forsythe
Garcia
Gilman
Gonzalez
Green
Harkin
Harris
Hawkins
Holtzman
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Leach, Iowa
Leland
Lowry
McHugh
McKinney
Maguire
Markey
Matsui
Mavroules
Mazzoli
Miller, Calif.
Mitchell, Md.
Moffett
Mottl
Nolan
Nowak
Oberstar
Obey
Ottinger
Patterson
Paul
Pease
Rangel
Richmond
Rodino
Rosenthal
Sabo
Schroeder
Seiberling
Shannon
Smith, Iowa
Stack
Stark
Stokes
Studds
Swift
Thompson
Vanik
Weaver
Weiss
Wolff
Wolpe
Yates
Yatron

NOES—319

Abdnor
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Applegate
Archer
Ashbrook
Ashley
Aspin
Badham
Bafalis
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Bennett
Bereuter
Bethune
Bevill
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Courter
Crane, Philip
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Devine
Dickinson
Dicks
Diggs
Dingell
Dixon
Dornan
Downey
Duncan, Oreg.
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Ford, Tenn.
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Giaimo
Gibbons
Gingrich
Ginn
Glickman
Goldwater
Gore
Gradison
Gramm
Grassley
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harsha
Heckler
Heftel
Hightower
Hinson
Holland
Hollenbeck
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Lagomarsino
Latta
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDade
McDonald
McEwen
McKay
Madigan
Marks
Marlenee
Marriott
Martin
Mattox
Mica
Mikulski
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moore
Moorhead, Calif.
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
O'Brien
Panetta
Pashayan
Patten
Perkins
Petri
Peyser
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Ratchford
Regula
Reuss
Rinaldo
Roberts
Robinson
Roe
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Scheuer
Sebelius
Sensenbrenner
Sharp
Shelby
Shumway
Simon
Skelton
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Stump
Synar
Tauke
Taylor
Thomas
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Wydler
Wylie
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—29

Anthony
Brooks
Burlison
Coughlin
Crane, Daniel
Derwinski
Dougherty
Edgar
Gephardt
Goodling
Gray
Hammerschmidt
Hefner
Hillis
Kazen
Lederer
Mathis
Michel
Moorhead, Pa.
Musto
Myers, Pa.
Oakar
Pepper
Pickle
Rhodes
Ritter
Schulze
Shuster
Symms

☐ 1750

Mr. MATSUI changed his vote from "no" to "aye."

So the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. MILLER of Ohio. Mr. Chairman, I approach this draft registration question with very mixed emotions.

I believe today we face a very real and very serious threat to world peace and our own national security. Yet I feel that a compelling case has not been made that a peacetime draft registration will lessen that threat. A premobilization draft registration is not necessarily the correct response to the Soviet challenge.

If we mean to send the Soviets an unmistakably clear message that we mean to defend our national interest throughout the world, we should rebuild our deteriorating military hardware and improve our strategic capabilities.

That is where the Soviets perceive our military weakness to be, not in the absence of a list of eligible draftees. The committee amendment is a hollow symbol. It will not impress the Soviets that we are any more capable of deterring their military designs.

In the Appropriations Committee, I opposed the Boland amendment to transfer $8.5 million for premobilization registration starting this June. I intend to oppose the committee amendment to revive peacetime draft registration again here today.

What we should do and what I fully support is providing $4.7 million to beef up the Selective Service System—hire and train personnel, print and distribute forms, and put in place the rest of the administrative structure so that when ever necessary a postmobilization registration of men only can be implemented swiftly and smoothly.

Such a plan has worked in this country before and it can work again. Having the mechanics of registration primed and ready should an emergency arise is more cost and administratively effective than the President's proposal here before us.●

☐ 1800

The CHAIRMAN. Are there other amendments to the joint resolution?

If not, under the rule, the Committee rises.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. ROSTENKOWSKI, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the joint resolution (H.J. Res. 521) making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System, pursuant to House Resolution 643, he reported the joint resolution back to the House with an amendment adopted by the Committee of the Whole.

The SPEAKER. Under the rule, the previous question is ordered.

The question is on the amendment.

The amendment was agreed to.

The SPEAKER. The question is on the engrossment and third reading of the joint resolution.

The joint resolution was ordered to be engrossed and read a third time, and was read the third time.

The SPEAKER. The question is on the passage of the joint resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONTE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 219, nays 180, not voting 33, as follows:

[Roll No. 192]

YEAS—219

Abdnor
Akaka
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Archer
Ashbrook
Ashley
Aspin
Badham
Bafalis
Bailey
Barnard
Bauman
Beard, Tenn.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Byron
Campbell
Carney
Carter
Chappell
Cheney
Cleveland
Clinger
Coleman
Corcoran
Corman
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
de la Garza
Derrick
Devine
Dickinson
Dicks
Dingell
Duncan, Tenn.
Eckhardt
Edwards, Ala.
Emery
English
Erlenborn
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Ferraro
Findley
Flippo
Florio
Fountain
Fowler
Frost
Fuqua
Gaydos
Giaimo
Gibbons
Gingrich
Ginn
Gore
Gradison
Gramm
Grisham
Gudger
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hance
Hanley
Heftel
Hightower
Hinson
Holland
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kindness
Kogovsek
Kramer
LaFalce
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Livingston
Lloyd
Loeffler
Long, La.
Lott
Luken
Lungren
McDonald
McEwen
McKay
Marks
Marlenee
Martin
Mattox
Mica
Mikulski
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Neal
Nedzi
Nelson
Nichols
Pashayan
Patten
Petri
Preyer
Price
Quayle
Quillen
Rahall
Regula
Roberts
Robinson
Roe
Rose
Rostenkowski
Rudd
Russo
Santini
Satterfield
Sawyer
Scheuer
Shelby
Shumway
Simon
Skelton
Smith, Nebr.
Snowe
Solomon
Spence
Staggers
Stangeland
Steed
Stenholm
Stratton
Stump
Synar
Taylor
Thomas
Trible
Volkmer
Walgren
Wampler
Watkins
White
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, C. H.
Wilson, Tex.
Winn
Wirth
Wright
Wyatt
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—180

Obey
Addabbo
Albosta
Anderson, Ill.
Annunzio
Applegate
Atkinson
AuCoin
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Bingham
Blanchard
Bonker
Brodhead
Broomfield
Brown, Calif.
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chisholm
Clausen
Clay
Coelho
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Cotter
Crane, Philip
Daschle
Davis, S.C.
Deckard
Dellums
Diggs
Dixon
Dodd
Donnelly
Dornan
Downey
Drinan
Duncan, Oreg.
Early
Edwards, Calif.
Edwards, Okla.
Erdahl
Ertel
Evans, Del.
Fenwick
Fish
Fisher
Fithian
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Frenzel
Garcia
Gilman
Glickman
Goldwater
Gonzalez
Grassley
Green
Hall, Ohio
Hansen
Harkin
Harris
Harsha
Hawkins
Heckler
Hollenbeck
Holtzman
Horton
Jacobs
Jeffords
Johnson, Colo.
Kastenmeier
Kildee
Kostmayer
Lagomarsino
Latta
Leach, Iowa
Leland
Lewis
Long, Md.
Lowry
Lujan
Lundine
McClory
McCloskey
McCormack
McDade
McHugh
McKinney
Madigan
Maguire
Markey
Marriott
Matsui
Mavroules
Mazzoli
Miller, Calif.
Miller, Ohio
Mineta
Mitchell, Md.
Moffett
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
Natcher
Nolan
Nowak
O'Brien
Oberstar
Ottinger
Panetta
Patterson
Paul
Pease
Perkins
Peyser
Porter
Pritchard
Pursell
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Rodino
Rosenthal
Roth
Rousselot
Roybal
Royer
Runnels
Sabo
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Smith, Iowa
Snyder
Spellman
St Germain
Stack
Stanton
Stark
Stewart
Stockman
Stokes
Studds
Swift
Tauke
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walker
Waxman
Weaver
Weiss
Wolff
Wolpe
Wydler
Wylie
Yates
Yatron
Young, Alaska

NOT VOTING—33

Anthony
Brooks
Burlison
Coughlin
Crane, Daniel
Derwinski
Dougherty
Edgar
Gephardt
Goodling
Gray
Guarini
Hammerschmidt
Hefner
Hillis
Kazen
Lederer
Mathis
Michel
Moorhead, Pa.
Musto
Myers, Pa.
Oakar
Pepper
Pickle
Rhodes
Ritter
Schulze
Sebelius
Shuster
Solarz
Symms
Vander Jagt

☐ 1810

The Clerk announced the following pairs:

On this vote:

Mr. Pickle for, with Ms. Oakar against.

Mr. Solarz for, with Mr. Gray against.

Mr. Sebelius for, with Mr. Coughlin against.

Mr. Ritter for, with Mr. Daniel B. Crane against.

Mr. Dougherty for, with Mr. Michel against.

Mr. Derwinski for, with Mr. Vander Jagt against.

Until further notice:

Mr. Pepper with Mr. Symms.

Mr. Kazen with Mr. Hillis.

Mr. Anthony with Mr. Schulze.

Mr. Burlison with Mr. Shuster.

Mr. Gephardt with Mr. Hammerschmidt.

Mr. Brooks with Mr. Goodling.

Mr. Hefner with Mr. Edgar.

Mr. Moorhead of Pennsylvania with Mr. Guarini.

Mr. Lederer with Mr. Mathis.
Mr. Musto with Mr. Myers of Pennsylvania.

Mr. FORD of Tennessee changed his vote from "yea" to "nay."

So the joint resolution was passed.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. WHITTEN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the joint resolution just passed, and that in my remarks I may include extraneous and technical matter.

The SPEAKER pro tempore (Mr. BROWN of California). Is there objection to the request of the gentleman from Mississippi?

There was no objection.

LEGISLATIVE PROGRAM

Mr. WRIGHT. Mr. Speaker, I take this time for the purpose of announcing tomorrow's program.

Tomorrow the House will meet at 10 a.m. We will begin with the rule on the budget resolution. It is a modified rule granting 10 hours of general debate. We will vote on the rule. Assuming adoption of the rule, we then would go to House Resolution 626 and House Resolution 627, directing the President to furnish certain information. These are resolutions from the Committee on Foreign Affairs. Then we would go to the general debate in the first budget resolution, hope to conclude general debate tomorrow, Wednesday, but postpone any action on amendments until Thursday.

So that would be the program for tomorrow.

EXECUTION OF FORMER LIBERIAN GOVERNMENT OFFICIALS

(Mr. WRIGHT asked and was given permission to address the House for 1 minute.)

Mr. WRIGHT. Mr. Speaker, I have just learned of an appalling event which occurred at 3:30 this afternoon, Monrovia time, in the Republic of Liberia. It was an event which can evoke only shock and utter outrage in the civilized world.

The event of which I speak was the lawless execution of virtually the entire Cabinet and other elected and appointed officials of that nation which has had such close ties to our own and which for more than 150 years has been a symbol of constitutional government and a beacon to freedom.

This barbarous deed marks a continuation of the savage style in which the new usurpers of government took power just 10 days ago with the murder of President William R. Tolbert.

Although our Government has insisted that the democratic institutions of that country must remain intact, and that the protections of law be extended to include all citizens, the new self-appointed rulers of Liberia have taken the law into their own hands. Any pretense of due process and obeisance to human rights was crudely abandoned with the decision to slaughter the elected leaders chosen by the people to guide that nation's affairs.

The Foreign Minister is dead, as are the Chief Justice of the Supreme Court, the Speaker of the House of Representatives, a Senator, a Representative, and eight other high officials of that Government.

A nation that came into being as a home for liberated American slaves has put in peril the institutions which made it a pioneering experiment in democracy on the African continent.

It is with a sense of great sadness and anguish that I must inform my colleagues of the deaths of the following officials of the Liberian Government:

Foreign Minister Cecil Dennis.

Cyril Bright, Minister of Agriculture.

John Sherman, Minister of Commerce.

Joseph Chesson, Minister of Justice.

David Neal, Minister of Planning.

James T. Phillips, Minister of Finance.

Reginald Townsend, Minister of State and chairman of the Whig Party.

Richard Henries, Speaker of the House of Representatives.

Chief Justice James Pierre.

Senator Frank Tolbert.

Frank Stewart, Director of the Budget.

Clarence Parker, Chairman of the National Investment Council.

Representative Charles King.

Mr. Speaker, the world too soon becomes insensitive to the taking of human life. We should never, by our silent acquiescence, allow an insensitivity to the brutal murder of freedom in a nation where it has flourished.

If we are to continue to have civil intercourse with the Republic of Liberia, we must insist in the strongest possible terms upon a speedy return to constitutional government. In a nation which has elected its officials for more than a century and a half, there is no possible grievance so great as to excuse this crude resort to the seizure of power by brutish force.

Our hearts go out to the families of these assassinated leaders, as they do to the freedom-loving people of Liberia who surely share our shock in today's developments which have crucified freedom anew.

□ 1820

PERMISSION FOR SUBCOMMITTEE ON OCEANOGRAPHY OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO MEET UNDER 5-MINUTE RULE ON THURSDAY, APRIL 24, 1980

Mr. STUDDS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Oceanography of the Committee on Merchant Marine and Fisheries be permitted to meet under the 5-minute rule on Thursday, April 24, 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

EXPRESSING SUPPORT OF CONGRESS AND AMERICAN PEOPLE FOR AMBASSADOR DIEGO ASENCIO

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from the further consideration of the resolution (H. Res. 641) expressing the support of the Congress and the American people for Ambassador Diego Asencio who is being held hostage in Colombia, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 641

Whereas Diego Asencio, the United States Ambassador to Colombia, is a distinguished career diplomat of the United States;

Whereas Ambassador Asencio is an effective and respected representative of his country;

Whereas Ambassador Asencio is held in great personal affection by his Government and his colleagues and by the foreign officials and private citizens with whom he has worked;

Whereas, since February 27, 1980, Ambassador Asencio and a group of his foreign diplomatic colleagues have been held hostage by terrorists;

Whereas, throughout this ordeal, Ambassador Asencio has served with extraordinary courage and composure;

Whereas his personal qualities have been a continuous source of encouragement and admiration for those who are working to resolve this dangerous incident; and

Whereas Ambassador Asencio's performance under the most trying circumstances has been in the highest tradition of the United States: Now, therefore, be it

Resolved, That the thanks and support of the Congress and of the American people are hereby extended to Ambassador Asencio. The House of Representatives expresses its hope for the immediate and safe release of Ambassador Asencio and the other hostages being held in Colombia.

The SPEAKER pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, the resolution before the House, House Resolution 641, introduced by the gentleman from New York, our distinguished colleague (Mr. WYDLER), with whom it is my pleasure to cosponsor this resolution, expresses recognition to a dedicated public servant who is serving his country with uncommon skill and courage, notwithstanding the obvious danger to his life.

Mr. Speaker, the Honorable Diego Asencio, the distinguished U.S. Ambassador, is today still in the hands of terrorists in Bogota.

It has been almost 2 months now since the terrorists seized Ambassador Asencio and other foreign Ambassadors and nationals who were at the Dominican Embassy at the time of their criminal attack.

We know that under the most dangerous circumstances, Ambassador Asencio has conducted himself with the utmost courage and composure, and has been an inspiration to those who are working to resolve the situation.

This resolution brings recognition and hopefully encouragement to this outstanding diplomat. We hold him in great affection, and it is an inspiration to all to know that this American diplomat is rising to the demands of a trying incident. We thank him for his courage and leadership and pray for his immediate and safe release, along with that of the other hostages held in Colombia.

I urge the Members to support House Resolution 641, and I commend the gentleman from New York (Mr. WYDLER) for sponsoring it.

Mr. Speaker, I now yield to the gentleman from New York (Mr. WYDLER) for whatever time the gentleman requires.

Mr. WYDLER. Mr. Speaker, I thank the chairman very much for yielding to me.

I hope all the Members of the House will support this resolution. It is basically a show of support by the Congress of the United States for one of its Ambassadors who has been seized and is being held hostage. I think every Member would like to express that support, so that not only the Ambassador but all those who are being held and all those that are working hard to try to free these hostages will realize that we here in Washington are concerned about the matter. We do want to do whatever we can to use our influence to help to free these people and to get them back to their families.

I would like to say to the chairman that I thank him very sincerely for cosponsoring the resolution with me. When I recently visited Bogota about 10 days ago, during that visit I talked to the people in the State Department who are responsible for trying to get the Ambassador and the other hostages out. They are doing a very good job. Progress is being made and there are hopeful signs that that particular situation may resolve itself rather quickly; but we have to understand, and it is hard to do that in Washington, the feelings that the people in Bogota have toward this situation. Of course, we are all aware of the hostage situation in Iran. That is a daily story in the newspapers. It gets a lot of attention. The people concerned there are not happy, but at least they feel their government is working on the matter and their loved ones are not forgotten.

The other situation really exists in regard to Bogota. It has been pushed into the background. It is not a matter of national attention on a daily basis. Those people tend to feel that somehow we may have forgotten them and are not doing all we can to help them and to support them.

Our Ambassador, as the gentleman from Wisconsin well pointed out, has probably been one of the pillars of strength in the hostage situation. I think that is not only a tribute to him, but to our country, and this resolution attempts to pay some recognition to that fact and to give him the kind of backing and support he wants, that will help not only him, Mr. Speaker, it will help all of the people who are in our missions around the world and particularly in the Embassy in Bogota, who are working hard to try to bring about a quick resolution of the matter; so I urge the support of all our colleagues for this very important resolution.

□ 1830

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Michigan, the ranking minority member of the Committee on Foreign Affairs.

Mr. BROOMFIELD. I thank the gentleman for yielding.

I wish to join in the support of the resolution sponsored by the gentleman from Wisconsin (Mr. ZABLOCKI), and the gentleman from New York (Mr. WYDLER).

Mr. Speaker, I am pleased to be a sponsor of this resolution which is a tribute to an outstanding Ambassador, now held hostage in a foreign land.

Increasingly, our Foreign Service officers serve abroad at great personal risk, and it is only appropriate that we honor them for their devotion to duty.

Ambassador Asencio is an effective and respected representative of his country. He deserves our prayers, our support, and our continuing efforts to effect his immediate and safe release.

I urge approval of the resolution.

Mr. GONZALEZ. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Texas.

Mr. GONZALEZ. I thank the very distinguished chairman for yielding.

I rise in support of the resolution. I think it is very important. I have been puzzled why this plight of the hostages in Colombia has been so much overlooked, rather I should say relegated to the back pages, compared to the situation in Iran. I guess it is just one of those things of relative consideration in the media. But I think this is very timely. I think it is very important to underline what the distinguished chairman said in reference to the behavior and comportment of our Ambassador, the American Ambassador. I think that at a time when the situation in El Salvador, for example, seems to be degenerating to, perhaps, exposure to a very similar experience, this resolution unanimously adopted by the House, as I hope it will be, will have a very salutary effect. I thank the gentleman and his committee associates for presenting the resolution.

Mr. ZABLOCKI. I thank the gentleman.

Mr. GUYER. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from Ohio.

Mr. GUYER. I thank the gentleman for yielding.

I just want to say this, that during Holy Week about a year ago it was my privilege as a member of the Committee on Foreign Affairs as well as a member of the Select Committee on Narcotics Abuse and Control to be in Colombia. The Ambassador and his wife were our hosts while we were there. It was through his efforts that we arranged to meet President Turbay and the members of the Cabinet. I might just say this, that it is an outpost that takes real courage to serve. We learned that 50 percent of all the marijuana and 80 percent of all the cocaine used in this country come from Colombia. But let me say this about Ambassador Asencio; here is a man who has served in many posts in many capacities, and his conduct, his stoic absorption of what he must be going through mentally, emotionally, and physically is a Gibraltar of strength to all of us. We wish him Godspeed as he stands symbolizing what Americans believe in and stand for. May our prayers be with him through this resolution and intent of the chairman and those who have spoken thereof.

Mr. GILMAN. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from New York.

Mr. GILMAN. I thank the gentleman for yielding.

I, too, want to commend our distinguished chairman, the gentleman from Wisconsin (Mr. ZABLOCKI) for offering this resolution, along with the gentleman from New York (Mr. WYDLER), to give us the opportunity to express our concern for the plight of our distinguished Ambassador who is being held in Bogota.

I am pleased to join with my colleagues in expressing our concern and support for our Ambassador and the other hostages and once again to have the opportunity to express our repugnance and our abhorrence for the kind of terrorism and disrespect for international law exhibited by the terrorists.

I would hope that the nations throughout the world will join with us in expressing the same kind of concern and in endeavoring to try to free these hostages.

• Mr. WOLFF. Mr. Speaker, I want to join with my colleagues in objecting to the terrorist captivity of my friend, Diego Asencio. I concur with House Resolution 641, and the statements of support and admiration for Ambassador Asencio made by my colleagues. I know Ambassador Asencio personally, and over the years I have witnessed the dedication he has shown in furthering the amity and understanding between the United States and the countries in which he has served. He has upheld the highest traditions of our Nation in his diplomatic service.

I am deeply disturbed that he is still being held hostage. I have been in touch with his family on several occasions, and in touch with the State Department since the terrorist takeover. I must express my deep concern that there has been a question regarding the State Department's compassion in communicating with his family, in keeping them informed as to the welfare of this most illustrious person in the Foreign Service.

Continuing to hold Diego Asencio and the other diplomats hostage certainly will not achieve the aims of M-19. I applaud the continuing negotiations to achieve the release of these hostages, and I call upon the terrorists to release them.●

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I move the previous question on the resolution.

The previous question was ordered.

The resolution was agreed to.

A motion to reconsider was laid on the table.

CONTROL PROGRAMS NEEDED FOR GRASSHOPPER INFESTATIONS

(Mr. HIGHTOWER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HIGHTOWER. Mr. Speaker, last year we experienced one of the worst grasshopper infestations seen in the western part of the United States in several years. There are signs that there will be another bad infestation this year.

With control programs, if one landowner sprays for grasshoppers and another one does not spray, the land on which the grasshoppers are killed will be reinfestated the following year. If the area is not sprayed before the eggs are laid, the grasshoppers will be back stronger than ever before. For that reason, the Department of Agriculture has a cost sharing program through which the Federal Government bears part of the cost of spraying.

Last year Department of Agriculture officials had a problem deciding who was eligible for the cost sharing program. If they delayed long enough, the eggs were laid and there was no need to spray.

In one case, the landowners had a large neighbor who would not spray the land involved even though there were plenty of grasshoppers to qualify. That landowner was the Federal Government and the land was the Rita Blanca National Grasslands in Dallam County, Tex.

The neighbors to the acreage involved called me when they could not get a positive response from the Department of Agriculture. We called and were told that the weeds were too heavy on the land and the spray would not do any good. Scientists on the scene reported that if the grasshoppers were sprayed at that time, good results could be obtained.

We called back to the Department of Agriculture and they responded by sending a man from Washington to investigate the situation. We all know how that works, if you want to delay a decision, investigate. The land was never sprayed.

All of this is past history except for one small fact. We will probably have even more grasshoppers this year because effective control methods were not utilized last year.

Decisions must be made in a timely fashion. They must be made with the thought of meeting the needs of the people the programs were created to meet. I hope this year we will do a better job in the 13th Congressional District of Texas in responding to peoples' problems.

THE CARTER ADMINISTRATION'S FRAUDULENT DEFENSE BUDGET NUMBERS

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. RUDD. Mr. Speaker, an internal Pentagon memorandum which has come to the attention of the Wall Street Journal shows that the Carter administration is playing games with the Defense budget numbers, in order to deceive the American people and our allies about real growth in Defense spending.

The President pledged in his State of the Union address that there would be 5 percent real growth in Defense spending, after compensating for inflation, in order to counter the Soviet threat.

Now it has been revealed that the Office of Management and Budget is requiring the Pentagon to defer needed fiscal year 1980 expenditures—and indeed to reduce Defense spending at a time of 20 percent inflation—in order to create a false real growth in the 1981 Defense budget.

It is a scandal of major proportions that the administration has engineered this deception, which will make it impossible for the United States to meet our current military commitments, let alone strengthen our military capabilities as the President has promised.

I would like to include at this point in the RECORD the Wall Street Journal's editorial relating the facts of this situation:

[From the Wall Street Journal, Apr. 16, 1980]

THE 3% FRAUD

NOTE.—There are some, too, who see European doubts about the steadiness of American leadership as a motive for indecision. One cannot, to be both candid and realistic, dismiss these factors. From my perhaps subjective viewpoint, however, I question the validity of such doubts in the light of a leadership which successfully steered the alliance to such major accomplishments as agreement on the long-term defense program, the decision to increase real defense spending by 3% and the approval for a major theater nuclear force initiative involving both arms control and modernized deployments. Weak or uncertain leadership simply could not have produced multilateral success in these difficult and controversial fields of action.

ZBIGNIEW BRZEZINSKI,
National Security Adviser.

April 10 speech to the American Society of Newspaper Editors.

Last week FY 1980 outlays were lowered by $82 million as a compromise position to account for 3.0 percent real growth from FY 1980 to FY 1981. Now we are told by OMB staff that John White feels, notwithstanding the agreement to split the difference in dollars, we must show 3.1 percent real growth. To accomplish this requires a further lowering of FY 1980 outlays of $83 million beyond what OMB agreed to when we split the dollar difference with them. . . . Alternatively we would have to claim composite inflation of only 8.91 percent rather than 9.05 percent in order to arrive at 3.1 percent real growth if we were not to change the current FY 1980 dollar estimate.

JOHN R. QUETSCH,
Pentagon Deputy Comptroller.

April 8 memorandum for the Secretary of Defense.

President Carter has promised never to tell us a lie. So we can rest assured that the figures will somehow show that he has met his pledge to increase defense spending by 3% in real terms. But, to judge by the information currently circulating within the Pentagon, this does not mean more spending for defense next year. It means less spending for defense this year.

The remarkably candid memo from the Pentagon controller's office quoted above shows the hypocrisy of the administration's vaunted 3% figure, which is supposed to be its response to the growing recognition of the Soviet arms build-up. Clearly the pledge to boost defense is nothing Mr. Carter's budget office takes very seriously; whether the 3% pledge is met by a stronger defense posture or a weaker one is at best a matter of indifference.

What is important is the political cosmetics. The 3% pledge must be met so that stump speakers like Dr. Brzezinski can brag that the administration has done something about the Soviet threat and the invasion of Afghanistan. The purpose is not to strengthen defense, but to generate chaff to obscure the administration's failures in national security policy.

Even without leaked memos, the phoniness of the 3% figure has long been apparent to anyone paying attention. It is, first of all, a "real dollar" figure based on only a 9% inflation rate. This has been justified on the ground that much of the Pentagon budget is for salaries held down by the administration's pay cap—as if inflation does not affect labor costs. Predictably, the most serious recent deterioration in our defense posture has been the hemorrhage of skilled personnel out of the military. The artificially low inflation adjustment has obscured the administration's ongoing unwillingness to finance real improvement in the American defense posture.

The non-mathematical, for that matter, can note the administration's vacillation on the budget issue. The 3% figure was decided with the NATO allies; then it was boosted to about 4.5% in negotiations with Senators demanding more defense as a price for support of the strategic arms treaty. This figure was incorporated in what the Secretary of Defense described as a "pre-Afghanistan budget." Pledges were made to request supplemental appropriations to protect the real dollar increases from increases in inflation. But within a few weeks inflation started to rage even more intensely. As part of the anti-inflation program, the 4.5% seems to be forgotten, as well as Afghanistan, and perhaps the supplementals for inflation protection.

None of this is lost on our allies, or for that matter on Olympic athletes. Mr. Carter finally was able to win the Olympic battle with threats of legal action, and perhaps he will be able to pressure our allies into more cooperation. But he would not face the recalcitrance he has found on both fronts if he had managed to convey that his administration took its new hard line in foreign policy truly seriously. The key to this is defense preparedness.

So Dr. Brzezinski is sent out to set the allies up as the scapegoats for the administration's failures: We have done what we could, we have increased defense spending by 3%, we would have a string of foreign-policy victories if only our cowardly allies would give us some support. Meanwhile, the

already inadequate 3% growth target slips away, the U.S. falls further behind the Soviet Union militarily, the shah of Iran stands as living testimonial to the advantages of American friendship, the allies run for cover, and Mr. Carter runs for re-election.

EARTH DAY 1980 AND ITS FORERUNNER, ARBOR DAY, FOUNDED BY J. STERLING MORTON OF NEBRASKA

(Mr. BEREUTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BEREUTER. Mr. Speaker, I rise today to join in the ceremonies associated with Earth Day 1980.

Today, however, is also another special day, particularly for those of us from Nebraska. I refer to the establishment in April 1872 of Arbor Day, nationally celebrated as the predecessor to Earth Day.

J. Sterling Morton, President Cleveland's Secretary of Agriculture, the founder of Arbor Day and a Nebraskan, personified the commitment to preserve and foster a healthy environment which is the theme of the Earth Day 1980 celebration.

Some of you may not be familiar with the message that J. Sterling Morton brought to the prairie frontier of the Great Plains in the latter part of the 19th century. It was a simple message; plant trees to beautify your home and surrounding environment and tame the treeless Great Plains frontier. Indeed, more than 1 million trees were hand-planted on the first Arbor Day in Nebraska. But the message stretched way beyond the borders of Nebraska to become identified with the movement to preserve and enhance man's natural environment.

Today, as an elected official, Arbor Day, and I would say Earth Day, too, carries for me a significance similar to that once expressed by J. Sterling Morton:

> Other holidays repose upon the past—Arbor Day proposes for the future.

Some have said that America's tastes have become too sophisticated for the tree-planting sentimentality that is associated with Arbor Day. To those few, I ask—

Is it really a sham to revive a spirit that shows deep and profound respect for one's environment in all of its manifestations?

Is it really a mockery to recall the harshness of those frontier days and translate those lessons to the very difficult problems we face today?

Is it really improper to teach our children that they must be caring and capable for, as well as reaping from, their environment?

Is it really no longer necessary to remind ourselves that we have both the power to let the world go to waste and the power to preserve and enhance what we have?

I think not.

And, I believe that all Americans who join today in Earth Day 1980 should recall the achievements of one, J. Sterling Morton, and remember that the sentiments we reaffirm today in public ceremonies were shared by our ancestors—by men and women who embodied the positive spirit and the willingness to act and make their world and our world a better place in which to live.

DISAPPEARANCE OF SWEDISH DIPLOMAT, RAOUL WALLENBERG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. GILMAN) is recognized for 60 minutes.

Mr. GILMAN. Mr. Speaker, I welcome this opportunity along with the cooperation of my dear colleague, the distinguished gentleman from California (Mr. DORNAN) to draw the attention of the Congress and the American public, to the deplorable and questionable circumstances surrounding Raoul Wallenberg, a Swedish diplomat who dissappeared towards the end of World War II.

Raoul Wallenberg was sent to Budapest in the summer of 1944 on a special mission. The Swedish Government had just appointed him as First Secretary at the legation in Budapest, to direct the complicated and enormous task of saving the untold number of Jews from certain extermination at the hands of Nazi Germany. The decision to send him to Hungary was in response to requests from the American War Refugee Board and the World Jewish Congress.

As we know now, Raoul's activities to save Jews in Hungary, were phenomenal. Almost singlehandedly, Wallenberg succeeded in providing protection to about 30,000 Jews in Budapest through special passports which permitted them to leave the country. In addition, another 100,000 Jews managed to escape the holocaust, largely as a result of his and the efforts by other neutral diplomats.

After the Russians finally entered Hungary in 1945, Wallenberg made contact with their commander. Then, on January 17, 1945, he walked out of his office, stepped into a Red Army command car, and disappeared.

In pursuing this case on a diplomatic level, the Soviet Foreign Ministry stated that Wallenberg had been taken into so-called "protective custody." Following that statement from the Soviets, little else was said until 2 years later, upon inquiry from Raoul's mother Maj von Dardel, that he "must have been killed by the Germans" on the streets of Budapest. However, upon further inquiry, the Soviets finally announced that Raoul Wallenberg had died of a heart attack on July 17, 1947—in Moscow's Ljubljanka prison.

During the years following this statement the Swedish officials have received numerous reports from numerous prisoners of war returning from Russia that they had seen Wallenberg and that, in fact, he had been in several prisons, but was most certainly still alive. Later, in the fifties, several more witnesses told about Wallenberg's imprisonment, and that all had met him or communicated with him.

Further information continued to reach the Swedish Foreign Ministry and Raoul's family over the next few years concerning his whereabouts. During the last few years however, the search for Raoul has taken a rather dramatic turn. In December of 1978, a former Polish citizen by the name of Abraham Kalinski, presently living in Israel, gave a detailed account about Wallenberg's years in prison during the fifties, and himself had seen Wallenberg in a prison yard in Vladimir prison. Furthermore, he claims that in 1975, a mere 5 years ago, a Russian Jew by the name of Jan Kaplan, met a Swede in the Butyrka prison, who had been imprisoned for 30 years but still seemed healthy. Now for the first time in over a decade, the Swedish Government has sufficient evidence to request a new investigation by the Soviets. They did, in fact, request such an investigation, but the Soviet response, as usual, was that Wallenberg had died in 1947. What is interesting to note, however, is that the one Russian Jew, Jan Kaplan who gave the Swedes the latest bit of information about the possible whereabouts of Wallenberg, has since that time, been rearrested and sent to an unknown prison, with absolutely no contact with the outside world.

Over the past few years, quite a few people have demonstrated considerable disapproval for the Soviets blatant unwillingness to cooperate in this matter, and how the recent turn of events seem to indicate, once again, the sinister nature of Soviet violations of human rights. Having signed the Helsinki Accords in 1975, the Soviets have a direct obligation to see that the human rights of their citizens are protected and universally applied.

We in the West must not abet the Soviets by allowing this crime to go unnoticed. We must not allow the memory of this brave man to fade. The Soviet Union must be pressed to give us a full account of what happened to Wallenberg following his being taken into custody in 1945. If he is still alive, he should be unconditionally released. Raoul Wallenberg is a man of rare courage and leadership whose deeds saved 30,000 Jews in Budapest. His heroism and character have shown the world what could have been done and what should have been done. For his actions of compassion and courage he paid with his freedom, if not his life.

Mr. Speaker, I feel it is an obligation that his distressing situation is given full public and Congressional attention. I would like to insert into the RECORD for that purpose, a copy of an article which appeared in the New York Times magazine section on March 30, 1980. It does a good job of explaining just how extensive his help to the Jews in Budapest was, and just how extensive his abuse by the Soviet is. I urge my colleagues to familiarize themselves with the case of this courageous young man and show their support for his release.

Mr. Speaker, I would also like to draw to the attention of my dear colleagues an event which will be taking place in New

York City next Sunday, April 27, 1980, which has considerable bearing on the issue of human rights, as well as the Wallenberg case. The Greater New York Conference on Soviet Jewry is sponsoring a Solidarity Sunday March which will culminate with a rally in the Dag Hammerskjold Plaza at 1 p.m. It is anticipated that upward of 100,000 people will participate to demonstrate their support for the issue of human rights. Included in the marchers will be a contingent of supporters of Raoul Wallenberg. Quite appropriately, the theme for this year's march is "If You Did Not March Last Year Because You Thought Things Were Getting Better, March This Year Before Things Get Worse." I urge my colleagues to voice their support for this rally and with it, their hopes for a satisfactory investigation into the Raoul Wallenberg case.

During the late fall of 1944, five men sat down to dinner in the Budapest home of Lars Berg, a Swedish diplomat. Adolf Eichmann was present with an aide. The others were 32-year-old Raoul Wallenberg, then a special attaché to the Swedish legation, and another Swedish diplomat. A strangely civilized dinner party for an uncivilized time.

"It seemed like an ordinary, pleasant dinner party," Berg said of that event recently. "We drank brandy. No voices were raised. But we could see the Russian artillery fire from our window."

Berg, today the second-ranking diplomat in the Swedish Embassy in Brasilia, remembers one exchange between young Wallenberg and Eichmann that was anything but casual table talk.

Wallenberg said, "Look, you have to face it. You've lost the war. Why not give up now?"

Berg recalls that Eichmann argued at first, then said he knew the end was near but that he would continue to do his job even though he would probably be killed.

Then Eichmann faced Wallenberg and said, "Don't think you are immune just because you are a diplomat and a neutral."

A few days later, Wallenberg's car, which was well known in Budapest, was rammed by a German truck and demolished. But Wallenberg wasn't in it at the time.

When Wallenberg spoke to Eichmann about the incident afterward, Eichmann said, "We'll try again."

Raoul Wallenberg had incurred Eichmann's wrath because his mission in Budapest directly conflicted with Eichmann's. A scion of one of Sweden's most illustrious families, often referred to as "the Rockefellers of Sweden," Wallenberg had been sent to Budapest on July 9 by the Swedish Government on a special one-man mission to save Jewish lives.

It was a time in the destruction of European Jewry for clutching at slender straws. The Nazis, clearly losing the war, were obsessed with wiping out the remaining Jews under their control. Desperate attempts were launched to save Jewish lives. Thirty-two commandos from what was then Palestine parachuted into Yugoslavia in the vain hope of making their way to Hungary to rescue Jews; their mission failed. Joel Brand, a Hungarian leftist Zionist, futilely tried to arrange an exchange with the Nazis of trucks for Jews. The Roosevelt Administration, prodded by Treasury Secretary Henry Morgenthau Jr., finally recognized the plight of the Jews and in January 1944 formed the War Refugee Board to work on a limited number of rescue projects. Ira Hirschmann, a delegate from the board, was sent to Turkey and, working with the International Red Cross, succeeded in getting thousands of Balkan Jews released from camps. The board also asked the Swedish Government if it would send a representative to Budapest whose special function it would be to aid the rescue project. The situation in Hungary then was desperate.

The pro-Nazi Hungarian Government, sure of Hitler's defeat, had made surrender overtures to the Western Allies, to keep out the Russians, who were approaching rapidly. The Germans vetoed surrender and installed a more compliant Prime Minister. Besides, there was unfinished business: bringing "the final solution" to almost 900,000 Jews in Hungary, the last large remaining Jewish population in Europe. Hitler had become enraged by their continued existence in Hungary, his supposed ally. In March 1944, he had sent in German troops; he also had sent Eichmann to supervise the Jewish operation. By July, some 400,000 Jews had been deported from the countryside to be gassed in Auschwitz and Birkenau; 300,000 more remained in various deportation centers and concentration camps. In Budapest, 200,000 others had been penned in ghettos in star-marked houses, waiting.

By late fall, Germany's situation became so critical that it was no longer possible to transport Jews in cattle cars to Auschwitz. Eichmann solved that problem by starting a series of "death marches" to Strasshof, an infamous camp at the Austrian border, 120 miles from Budapest. So many thousands died in ditches along the way that some Nazi leaders objected. Even Heinrich Himmler, at this point certain of the collapse of the Third Reich, forbade further liquidation of the Jews. But Eichmann persisted, aided by the Hungarian Nazis, Prime Minister Ferenc Szalasi's Arrow Cross Party. Between 10,000 and 15,000 Jews were killed by Arrow Cross street gangs roaming the city, pulling people out of houses, shooting them in the streets and dumping them in the Danube. Frozen corpses floated in the river alongside bloodstreaked ice floes.

By January 1945, Sweden's Raoul Wallenberg had distributed Swedish passports to at least 20,000 Budapest Jews and he had sheltered 13,000 of them in "safe" houses, which had been rented by Wallenberg and which flew the Swedish flag. These 20,000 Jews thus came under the protection of the Swedish Government and most were spared the massacre that engulfed 90,000 other Budapest Jews.

In carrying out his rescue operation, Wallenberg cared little for his own safety and yet seemed immune to harm by the Germans. He stood on top of a deportation train handing out Swedish papers to all the hands that could reach them, then insisted that the people holding them be allowed off the train. With his own hands, he pulled people out of "death marches" to the Austrian border or brought them bread, soup and medical supplies in the middle of the night when he had no more passports to give out.

Wallenberg did not look like a hero. His manner was subdued and businesslike, his face sensitive, his voice usually soft. Unlike the tall, blond Swedes at the embassy, he was of medium height, dark-eyed and his dark hair was thinning.

If the Germans never stopped Wallenberg, the Russians apparently did. They were immediately suspicious of him. They knew of his capitalist family background. They wondered about his apparently charmed life under—and his influence with—the Nazis. They wondered, too, about who furnished the large sums of money he used in his rescue operation. And finally, they wondered whether he might be an American spy.

On Jan. 17, 1945, three and a half weeks after the Russians entered Budapest on Christmas Eve, Wallenberg and his driver, Vilmos Langfelder, and two Russian officers set out for Debrecen, some 120 miles east of Budapest. Wallenberg wanted to get the Russians' help in dealing with the Arrow Cross gangs. Neither he nor his driver ever returned.

Wallenberg acted with such passion and humanity that Albert Einstein recommended him for the Nobel Peace Pribe in 1949. The Swedes made only a low-keyed, intermittent effort after World War II to get the Russians to tell what had become of him, but there are several thousand Hungarian Jews around the world who can never forget what he did. Wallenberg's name is being resurrected today mainly because his immediate family and their friends, supported by a handful of experts on his case, believe that he is still alive in the Soviet Union, a prisoner for 35 years.

Just last January, the release in Sweden of Foreign Ministry documents dealing with the Wallenberg case between 1945 and 1949 revealed enough missed diplomatic opportunities to cause one of the leading dailies, Aftonbladet, to denounce the "betrayal" of Wallenberg and to prompt former Prime Minister Tage Erlander to say that it is time to recognize him as "one of the greatest Swedes of our time."

On May 2 and 3, the Free Raoul Wallenberg Committee, primarily made up of influential Swedes and Americans, will hold an international hearing in Stockholm, designed to focus on the most recent signs that Wallenberg may be alive and to induce the Soviet Union to produce him if he is, or to offer a satisfactory explanation of what became of him.

President Carter and Israel's Prime Minister Menachem Begin have expressed interest in the case, as have Senators Claiborne Pell, Frank Church, Daniel Patrick Moynihan and some British Members of Parliament. Some 100 religious, educational and community organizations in the New York area have launched a campaign to acquaint Americans with the Wallenberg case and to have information about Wallenberg included in Holocaust studies programs.

The Sakharov Human Rights Committee, which is a co-sponsor of the May 2 forum, is sending representatives to Stockholm. The novelist Elie Wiesel plans to attend. Gideon Hausner, who prosecuted Eichmann in Israel for crimes against humanity, will participate, as will the Nazi-hunter Simon Wiesenthal, who has been interested in Wallenberg's disappearance for 12 years and who refers to him now as "a holy man."

Wiesenthal says that it is more important to find Wallenberg than to find Nazis, and he believes that Wallenberg must be regarded as alive unless the Russians can furnish better evidence than they have of their claim that he is dead. Wiesenthal is particularly concerned that the Stockholm meeting should not turn into "an anti-Communist assembly," but should be an effort solely directed at learning "the whole truth about Wallenberg."

In 1944, Wallenberg became the counterforce to Eichmann in Budapest. The neutral embassies were the Budapest Jew's only lifeline. Switzerland, Spain, Portugal and the Vatican had assisted Jews, but on a far more limited scale than Wallenberg's operation. They had set up a few safe houses and issued protective passports to those Jews who had the initiative and the contacts to obtain them. After Wallenberg's arrival, they stepped up their efforts. The Vatican representative in Budapest, for example, did away with the requirement that Jews be baptized before they could be helped. In all, the neutral embassies saved about 20,000 Jews.

Wallenberg had pulled together a staff of some 400, nearly all Jews, to give out passports, gather information, distribute supplies and protect the 32 safe houses he had set up on the Pest side of the Danube, where most of the city's Jews lived—plus special shelters housing 8,000 children. What is more, Wallenberg issued passports wholesale. Theoretically, these papers indicated that the holders ware about to be admitted to the issuing countries; passport holders were deemed to be under the protection of the issuing countries and therefore exempt from deportation. It didn't always work. In a country long known for anti-Semitism, the Arrow Cross gangs were able to function with little resistance from the general population. Christmas Day 1944 was marked by the machine-gunning and beating with rifle butts of 78 small children in one of the shelters Wallenberg had set up.

It was Wallenberg's shrewdness, courage and dedication that allowed him to succeed as much as he did. His role was twofold. He had to give terrified Jews the feeling that they could save themselves; and he had to deal with the Nazis, at times winning secret friends among them, and at other times confronting them with threats as to what would happen to them after the war. He could when necessary confront Nazis head on with a blaze of moral authority. For example, he confronted Arrow Cross thugs with their rifles poised and shouted, "Cowards! Slobs! What criminal arrogance! How dare you enter a Swedish-protected house! Nothing takes place here without my permission!" He dressed "Aryan-looking" Jewish young men in S.S. uniforms and set them to guarding safe houses. They hustled off groups of Jews headed for deportation and led them to safety, telling guards they had "higher orders from headquarters."

Wallenberg turned up along the route of death marches with his large car and his driver. The impact of his presence was described recently by Susan Tabor, a librarian at the Hebrew Union College.

"He gave us the sense that we were still human beings," she said. "My mother and I were among thousands taken one night to stay at a brick factory outside Budapest. There was no food, no water, no sanitation facilities, no light. Then Wallenberg appeared and said he would try to return with passports, or 'safety passes,' as we called them, and would also try to get medical attention and sanitation facilities. Soon afterward, some doctors and nurses came from the Jewish Hospital.

"The point about Wallenberg is that he came himself. He talked to us and showed us that one human being cared about what was happening to us."

Wallenberg's presence on the scene was also a reminder to the Nazis that their depravity was being observed and recorded. He verbally reminded them that the United States had announced that it would treat those commiting outrages against civilians as war criminals, not as soldiers. At one point, as the Russians were beginning to penetrate into Pest, the Germans and the Arrow Cross men plotted a last minute extermination of the ghetto. However, one of Wallenberg's contacts, a member of the Budapest police department and a leader of the Arrow Cross, objected. He warned the German commander that if the action was carried out, Wallenberg would see to it that they would all be judged as murderers. The action was called off. Because of this episode, Wallenberg is also credited with indirectly saving an additional 70,000 Jews living in the central ghetto in Pest.

Russian units entered Budapest on Christmas Eve of 1944, taking the city house by house, the fighting raging on until February 14. Wallenberg was living on the Pest side of the Danube, near the two Jewish ghettos. On Jan. 10, his colleague at the legation, Per Anger, urged him to move with the Embassy to the safer Buda side, where the neutral embassies were located and where there was less chance of meeting up with roving Arrow Cross gangs. Wallenberg refused.

On or about that night, Wallenberg turned up at a house which flew the flag of the International Red Cross at 16 Benczur Street, on the Pest side of the river. Among the 25 prominent Jews who had already found refuge there was Steven Radi, today a New York businessman.

"He looked pale and thin—exhausted," Radi recalled. "He said the Nazis were looking for him. He asked if he could stay. Of course, he was well known to everyone. I think he stayed for about a week. He had a very soft way of speaking, but when he spoke people listened. We just talked about the war, what was going on out there.

"Then, about the 15th, the Russians came. They came up through the basement. They were going house to house that way. They looked at our papers. They were polite. The soldier who looked at Wallenberg's said he would have to call a higher officer. The higher officer looked and asked him to come with him to headquarters. Wallenberg left with him without taking any of his personal things. We thought he'd be gone for a couple of hours, but he stayed away two days. When he came back, he was with two Russian officers. He seemed all right and in a good mood and said he had to go to Debrecen. That was where the Russians and the provisional Hungarian Government had set up headquarters. He took his things and left with the officers and his driver. That's all I know. I always thought he died in the street fighting."

Radi believes Wallenberg feared only the Nazis. However, Charles Wilhelm, today a lawyer in Brussels, who also saw Wallenberg just before he left, is certain that he was less calm than he appeared when he went off with the Russians. Wilhelm recalls Wallenberg saying, "I don't know whether I am in custody or a guest."

According to other witnesses, Wallenberg insisted on stopping along the way at an office he had set up on Tatra Street. An assistant reported that Wallenberg handed him a large sum of money and asked him to take care of people as well as he could since he didn't expect to get back for eight days. He also stopped at the Swedish Hospital and inquired about conditions there. He never returned.

When the Russians took Budapest in February 1945, they questioned the members of the Swedish legation intensively as to who Wallenberg was, what he was up to and especially where his money came from. The Swedes said it came from the United States, knowing that Wallenberg's mission had indeed been initiated by the American War Refugee Board. This did not go down well with the Russians. The Soviet Union and the Americans were already wary of each other's postwar motives in Eastern Europe.

Knowing that Budapest was now in Russian hands, Wallenberg's mother, not having heard from him in some time, inquired about him at the Soviet Embassy in Stockholm in February 1945. Ambassador Alexandra Kollontay assured her that her son was safe in Moscow, suggesting that it would be best to keep the matter quiet.

Keeping the Wallenberg matter quiet and low-keyed seemed to become one of the objects of Swedish diplomacy over the years. Perhaps as a result, the Swedish Government has managed to extract only three contradictory official statements on Wallenberg from the Russians.

The first was delivered on Jan. 16, 1945, the day before Wallenberg disappeared: "Measures have been taken by the Soviet military authorities to protect Mr. Raoul Wallenberg and his belongings."

On Aug. 18, 1947, Deputy Foreign Minister Andrei Vishinsky stated in reply to Swedish inquiries that Wallenberg was "not known in the Soviet Union" and was assumed to have died during the fighting in Budapest.

On Feb. 6, 1957, after several released Soviet prisoners claimed to have had encounters with Wallenberg, Deputy Foreign Minister Andrei Gromyko said that a search of the archives of Lubyanka prison had turned up a report dated July 17, 1947, stating that a prisoner, known as "Walenberg" had died in his cell the previous night of a heart attack. The Swedish Government was never shown a copy of this report, nor did it ever receive an explanation of why "Walenberg" had been imprisoned in the first place.

Nevertheless, reports kept coming in that Wallenberg was still alive. On a visit to Moscow in January 1961, Nanna Svartz, an eminent Swedish professor of medicine, discussed the Wallenberg case with a Russian colleague Dr. A. L. Myasnikov. He said that Wallenberg was in a mental hospital. On the basis of this information, Swedish Prime Minister Tage Erlander requested permission from Soviet leader, Nikita Khrushchev, to send a Swedish doctor to Moscow to bring Wallenberg home. Khrushchev angrily retorted that they knew nothing about Wallenberg in the Soviet Union. Myasnikov later said that Dr. Svartz had misunderstood him. Dr. Svartz saw Myasnikov three times before his death, but she could never persuade him to retract his denial. She plans to attend the Stockholm hearing.

Aleksandr I. Solzhenitsyn's contribution to the Wallenberg story is perplexing. In "The Gulag Archipelago," he describes an encounter in prison with a Swede known as Erik Arvid Andersen, who said his father was a billionaire (Solzhenitsyn expresses skepticism) and who had been sentenced for a long term. However, the encounter supposedly took place in the early 1950's and Andersen's personal history is nothing like Wallenberg's, aside from the family wealth.

When Solzhenitsyn came out of the Soviet Union, he discussed the case with Swedish authorities and visited Wallenberg's mother. According to Wallenberg's half-sister, Nina Lagregren, he encouraged the family to persist in their efforts to locate and free Wallenberg.

It was, in fact, Wallenberg's mother, Maj, who remained until her death last year the strongest force behind the Wallenberg movement, and who never believed that he could be dead. She kept the family thinking of him constantly, never celebrating a family occasion without remarking, "If only Raoul could be with us." In 1970, she appealed to the American State Department to make an inquiry. The matter was researched and a report written, awaiting Secretary Henry Kissinger's signature. The report was never signed, as a Swedish journalist discovered last year. Mr. Kissinger's office was queried about this some months ago. Several weeks later, the reply came back: "No comment."

The last report that Wallenberg was seen in Russia came two years ago from Jan Kaplan, a Russian Jew who had been in prison for 30 years but was in good condition. When Kaplan's account (in a letter to his daughter in Israel) became public, Kaplan was rearrested in the Soviet Union and has since disappeared. Kaplan's story is one of some 15 accounts of sightings of Wallenberg over the years.

The recently released Foreign Ministry papers show that the Swedes evaded many opportunities and endured countless rude rebuffs when they did press. They even failed to try to obtain released Soviet prisoners who had reported seeing Wallenberg in the Soviet Union.

The papers also show that, in April 1945, Averell Harriman, the United States Ambassador in Moscow, and Secretary of State Edward R. Stettinius Jr. offered Staffan

Söderblom, the Swedish Ambassador in Moscow, help in the Wallenberg matter. The American Government felt a responsibility since Wallenberg had been sent to Budapest at the request of its War Refugee Board. However, Söderblom refused the offer, saying the Russians were doing everything possible.

About a year later, Ambassador Söderblom had a private audience with Stalin. As the Swedish press noted recently, Söderblom appeared more eager to impress the Foreign Ministry and appease Stalin than to resolve the Wallenberg case. In his report, Söderblom noted that although Stalin does not normally talk to ambassadors, he received him cordially and listened sympathetically.

Söderblom said that he told Stalin, "I personally believe that Wallenberg was the victim of an accident or robbers in Budapest." He did not offer, by way of exchange, to take up with his Government any matter of interest to Stalin. He thus, as was not lost on the Swedish press, offered Stalin an easy out; as Söderblom noted in his report, Stalin wrote Wallenberg's name on a piece of paper and promised to look into it. And that was that.

Sweden's former Prime Minister Tage Erlander, in a recent television interview, said the conversation was ill-advised because it tied the hands of lesser Soviet officials who might fear to act on a matter in which Stalin had shown interest.

In 1949, Secretary of State Dean Acheson, responding to an appeal from Wallenberg's half-brother, again offered American support. Again the offer was refused—by a new Swedish Ambassador in Moscow, Rolf Sohlman, who reported home, "We cannot drive tandem with the Americans."

The Swiss behaved differently when one of their diplomats was taken by the Russians at about the same time that Wallenberg disappeared. Getting no response to their queries, the Swiss took into custody two Russians, known to be spies. Adding six other Russian defectors, the Swiss made an exchange for their diplomat.

During the early 1950's, the Russians hinted to the Swedes that an exchange of individuals was possible. A Swedish charge d'affaires, Ulf Brack-Holst, reported that he had inquired about Wallenberg and got the response that the Russians were interested in certain people in Sweden. Now the Swedes had an opportunity to reply and request Wallenberg in exchange. However, Swedish Foreign Minister Bo Osten Unden felt it expedient simply to turn over all the people the Russians asked for, except five who were seriously ill, asking nothing in return.

Even Dag Hammarskjold, Secretary General of the United Nations, rejected an opportunity to plead Wallenberg's case, as was revealed four years ago in the memoirs of Carl-Fredrik Palmstierna, who served as personal secretary to King Gustav Adolf. Prompted by the Wallenberg Committee, Palmstierna tried to persuade the King to ask Hammarskjold to take up the Wallenberg case. The King threw it back in Palmstierna's lap and told him to ask Hammarskjold himself. Palmstierna reached Hammarskjold by phone.

"He answered in a stream of crystal-clear phrases that the fact that he himself was a Swede made it doubly difficult for him to put the case of a compatriot to the to the Russians," wrote Palmstierna.

Palmstierna attributes Hammarskjold's attitude to "that damned Foreign Ministry spirit!" that always regards the issue as if it were a matter of "declaring war on Russia for the sake of Wallenberg."

The Wallenberg case is one of the most baffling and complex to have come out of the aftermath of World War II. What many find even more baffling is how a young man born into extraordinary comfort and security should have been willing to risk his life to save people who were so remote from his milieu. His one Jewish ancestor (who had converted to Christianity in the 18th century) doesn't begin to explain his motivation. The factors that shaped his humane heroism are not easily accessible. Nothing that he did up to the point at which he went to Budapest indicated the intensity of his compassion.

Early in life, Raoul Wallenberg had shown enormous intellectual curiosity. As a boy, he was an omnivorous reader and his education was supervised closely by his grandfather. (His father, a Naval lieutenant, died of cancer at the age of 23, three months before Raoul was born on Aug. 4, 1912.) His grandfather, Gustav, who served as Sweden's Minister to Japan and Turkey, wanted Raoul to have a good command of several languages and saw to it that the young man spent vacations in England, France and Germany, among other places.

Wallenberg family members not only founded Sweden's Enskilda Bank, but distinguished themselves as bishops and diplomats. Raoul's grand-uncle was Swedish Foreign Minister during World War I; another grand-uncle had been Swedish Minister to the United States.

In 1918, when Raoul was 6, his mother married Fredrik von Dardel, director of Sweden's Karolinska Hospital. The von Dardels had two children, Guy, now a prominent nuclear physicist and a visiting professor at the Stanford Lineal Accelerator Center, and Nina, who is married to Gunnar Lagergren, an administrator of the Swedish royal court and the court's representative on legal issues affecting the crown.

The Wallenbergs had a family tradition of studying in the United States and Raoul studied architecture at the University of Michigan, graduating in 1935.

John Paul Slusser, who was Wallenberg's art teacher at Michigan, now retired, recalls him as a brilliant student with considerable artistic talent. Slusser once told Wallenberg he ought to be a painter, but the reply was, "No, we're all bankers in my family." Wallenberg went on to explain that it was family tradition to study or work in other jobs before members settled into the family business. Thus, Wallenberg's grandfather had been a stoker in a Pittsburgh steel mill.

A Michigan classmate of Wallenberg's, Sol King, now a retired architect in West Palm Beach, Fla., recalls him as warm, friendly, not in the least snobbish, with an Americanized predilection for hot dogs and sneakers. "We were both," King says, "very, very serious about our work and exchanged notes or information." Wallenberg won the top architectural award in his class, a medal given by the American Institute of Architects. In 1972, when King learned what Wallenberg had done in Budapest and how he had disappeared, he financed a series of annual lectures in Wallenberg's name at the school of architecture they had attended.

In 1935, after Wallenberg spent a summer of travel in Mexico, his grandfather sent him to work for a business firm in South Africa for a year, then to work in a Dutch bank in Haifa for a year, where he met German refugees and became sensitized to the Jewish problem.

His state of mind on returning home may be deduced from this recollection of the actress Viveca Lindfors, who remembers dancing with him in Stockholm in 1937, when she was 16 and Wallenberg 25.

"He took me up to his grandfather's office and I thought he wanted to seduce me," she says. "Instead he started telling me, almost in whispers, what was happening to the Jews in Germany. I was such a dumb girl! I just didn't understand it and didn't believe it. I thought he was trying to win my sympathy or something."

Raoul's younger sister, Nina, says he hated working at the family bank. He was "full of life and fun and said he couldn't bear sitting at a desk all day, saying 'no' to people. He hated boundaries, loved travel and the sea. He was an anti-snob—loved reading and Chaplin and the Marx Brothers."

Raoul hoped that through the family business he could get a job that used his architectural training. Instead Raoul became involved in an export business with a Hungarian Jew, Koloman Lauer, who since the outbreak of war could no longer travel between Budapest and Sweden, Wallenberg traveled for him, getting to know Budapest and its people.

Toward the end of the war, the Allies could no longer ignore the irrefutable evidence of Auschwitz. There were a number of last-minute plans to rescue the remaining Jews of Europe. The idea of bombing the railroad lines that led to Auschwitz and the crematories was rejected because, according to the Allies, military resources could better be employed elsewhere. Exploring another route, Herschel Johnson, United States Ambassador to Sweden, and Iver Olsen, director of the War Refugee Board in Sweden, asked the neutral Swedes if they would send someone on a rescue mission.

The Swedes agreed and Wallenberg was selected because he spoke German like a German and knew Budapest well. He had no diplomatic training, but he had a broad education in the United States and Europe.

Wallenberg was told that whatever money he needed would be made available. At first, he planned to go in August. However, when he read Swedish Foreign Ministry reports of the deportation trains and other horrors, he decided to leave at once. According to Nina Lagergren, he asked his superiors in the Foreign Ministry for carte blanche to use whatever methods he found necessary.

When he arrived in Budapest, he was an unprepossessing man. Despite his slightly balding head, he looked too young and sensitive for the nightmarish job ahead. Wallenberg's methods immediately disturbed his colleagues. Lars Berg, who was also at the Swedish legation in Budapest, recalled recently that he and his colleague Per Anger did a lot of arguing with Wallenberg.

"You see, we each had our own people to take care of," Berg explained. "Sweden was neutral so it was up to us to represent the interests of citizens of other countries who were in Hungary at the time. Anger had the United States, Britain, France. I had the others, China, the Netherlands, Belgium, Norway, Denmark and a thousand captured Russian soldiers."

The legation had already given out several hundred protective passes to Budapest Jews who had some sort of business or family connection with Sweden. When Wallenberg came, he was ready to give them out to anyone who asked.

"We were afraid there would be an inflation of the passes, they would no longer mean anything," said Berg. "We used to sit and argue about this, but Wallenberg always got his way because he was extremely persistent and said it was a matter of saving lives."

Wallenberg kept in touch with the Vatican and the neutrals—Switzerland, Spain and Portugal—each of which had its own area in Budapest with protected Jews. He also maintained contact with the Budapest police and the Nazis. These connections may have rung alarm bells for the Russians.

The Swedish diplomat Berg remembered that when the Russians came, he was brought to the Soviet secret police for intensive questioning—a good part about Wallenberg. They asked him whether it wasn't a fact that Wallenberg belonged to a great capitalist family and Berg had to say yes. He still feels today that the Russians simply couldn't believe that Wallenberg's only purpose in coming to Budapest was to save lives—and Jewish lives at that.

Another reason for the Russians' suspicions was suggested by Wallenberg's stepfather, Fredrik von Dardel, in a book published in 1970, "Facts Around a Fate." Wallenberg, at heart an architect and city planner, had drawn up a plan for the rehabilitation of Budapest. He wanted to use the people he had worked with through the war to set up a relief and rehabilitation organization. He itemized the things that had to be done: searching for lost families, caring for orphans and war victims, fighting epidemics, distributing food, restoring Jewish property and business (how this must have irked the Russians), repatriation and emigration, restoring cultural values, constructing business and industry. He had more than likely spoken about this plan during his own interrogation. It was why he wanted to get to Debrecen: to get the Russians' approval to begin.

Despite his astuteness, Wallenberg may not have imagined at that time that the Russians had their own plans for the area and would take a dim view of the plan of a member of a famous capitalist family.

Some analysts believe that it would be impossible for a person to survive 35 years of Soviet imprisonment and still be sufficiently intact physically and psychologically and that the Soviets would not be embarrassed to release him. However, others point out that there have been cases of people who have come out of the Soviet Union after many years in reasonable health. The Free Wallenberg Committee hopes to bring to the Stockholm meeting a Spaniard who was released by the Soviets last year after 35 years.

Dr. Boris Zoubok, a Russian emigré psychiatrist now associated with Columbia Presbyterian Hospital, has seen a number of prisoners come out of the Soviet Union after prolonged terms physically and mentally intact. He believes that a man with Wallenberg's resources might well be used in some distant labor camp to perform work that is badly needed, such as tutoring the children of prison personnel.

Because of the obscurity surrounding the case, it has been difficult for Jews to honor Wallenberg appropriately. The Hungarian Jews, suffering extreme losses and not knowing the details of the case, accepted the idea that Wallenberg had been killed in the street fighting. The Budapest Jews attempted to put up a monument to Wallenberg in 1948, but it was spirited away by the Russian-dominated Government the night before the dedication was supposed to take place.

In Israel at the Holocaust memorial, Yad Vashem, trees are planted honoring "righteous gentiles," those who risked their own lives to save Jews. However, Mrs. von Dardel didn't want such a memorial because she felt it made her son seem to be dead. In fact, many of those honored in this way are living.

Last year, Mrs. von Dardel and her husband died within two days of each other at the ages of 87 and 93. Nina Lagergren and Guy von Dardel promised their parents they would carry on the work of fighting for Raoul, and they accepted the tree planted in Raoul's name on the "Street of the Righteous Gentiles." In addition, Hungarian Jews now living in Sweden planted a woodland of 10,000 trees in a special area behind the memorial.

There are more personal memorials in individuals' minds. Annette Lantos of San Francisco, who for several years has campaigned to rouse American Jews to become active on Wallenberg's behalf, says that even during the three decades she believed he was dead, Wallenberg was "a legend in our home." Her husband, Tom, an economics professor, and at present a candidate for Congress, worked on Wallenberg's staff. Mrs. Lantos, then a child of 12 in Budapest, and her mother had Portuguese papers and managed to get out of the country with them, but she feels they both owe their lives to Wallenberg. Mrs. Lantos's father was one of many who were dragged out of a "safe" house and killed on the street by Hungarian Nazis.

"For many years I've lectured on the Holocaust," she reports, "and I've always talked about Wallenberg. He not only saved our lives, but our belief in mankind and the power of good."

Mr. DORNAN. Mr. Speaker, would the gentleman yield?

Mr. GILMAN. I will be pleased to yield to my distinguished colleague from California.

Mr. DORNAN. Mr. Speaker, I am honored to ask the Speaker if he would please withdraw my special order tonight so that I could join the distinguished gentleman from New York in his special order because I, too, was going to ask that the Record include in its entirety the New York Times magazine article of March 30, 1980, on the heroic Mr. Wallenberg. This way we save our beleaguered taxpayers a few dollars and I would like to make my remarks now in joining the gentleman from New York (Mr. Gilman).

Let me first say, Mr. Speaker, the work of the gentleman from New York, myself, and others in this House on both sides of the aisle who are totally committed to human rights, our work will be cut out for us for the rest of our lives.

I found the words of our distinguished majority leader most moving and eloquent tonight when he referred to the slaughter of elected officials in Liberia, all of them with very American names because their heritage had been stolen when they came here as slaves and they took our names. It seems in a way futile to scream out for one man like Raoul Wallenberg that if ever there was a case where the entire free world, particularly the leading Nation in the free world, should focus in on one human being, this man's case by itself, in microcosm is an atrocity in every definition of that word.

Mr. Speaker, I had planned tonight to open my remarks with Alexander Solzhenitsyn's speech to the AFL–CIO on June 30 of 1975, so I would like to add this, if I could, my distinguished colleague, to the special order of the gentleman from New York (Mr. Gilman).

☐ 1850

These are Solzhenitsyn's words:

> A part of your returned POWs told you that they were tortured. This means that those who have remained were tortured even more, but did not yield an inch. These are your best people. These are your first heroes, who, in solitary combat, have stood the test. And today, unfortunately they cannot take courage from our applause. They can't hear it from their solitary cells where they may either die or sit 30 years, like Raoul Wallenberg, the Swedish diplomat who was seized in 1945 in the Soviet Union. He has been imprisoned for 30 years and they will not yield him up.

Mr. Solzhenitsyn's link between the fate of our American POW's in Vietnam—and no one in this distinguished House has worked harder on demanding a merciful accounting of the men than the gentleman who now appears in the well—it now appears that they might be alive, at least up through last year, but the fate of Raoul Wallenberg becomes especially appropriate because if he has survived into a fourth decade, God forbid, that Americans captured in Vietnam 14 years ago would have to look toward double their miserable fate vis-a-vis the survival of Wallenberg.

This young Swedish diplomat displayed immense courage in the face of ferocious Nazi power. He rescued thousands of Jews from the mortal clutches of the Order of the Death's Head, the SS, under the command of no one less than the infamous Adolph Eichmann.

And yet, on January 17, 1945, Wallenberg was taken away by the agents of Joseph Stalin. It is an ironic twist of fate that the man who defied the Nazis was finally undone by the Communists, spawned by a man who probably celebrates his 110th birthday in the pits of hell, Vladimir Lenin. Today is Lenin's birthday.

Since that year of 1945 the standard Soviet response, as the gentleman so carefully points out, has been a series of contradictory explanations—what can we call them except lies—about the fate of Raoul Wallenberg. First, they took him into protective custody. Then, he was killed by Germans in the fighting in the streets of Budapest. After that, he died of a "heart attack" in the infamous Lubianka Prison in 1947. And now, any of us who have traveled to Israel, as the gentleman from New York has and as I have, all we have to do is look to Abraham Kalinski, and he will tell stories that will grow more in each passing month. He is one of the more fortunate Jews to get out from behind the Iron Curtain. Now comes a call, that of Mr. Kaplan, who after being for years in psychiatric hospitals calls his daughter. I have watched Russians making these phone calls, and through sheer dumb luck getting calls out of their country as they sit in the main phone station on the main prospeckt running to Red Square. He tells his daughter about a Swedish man he met in prison surviving for 30 years, and he was telling his daughter this by way of saying, "Don't worry about my health. Here is a man who looked pretty good after 30 years."

We know that had to be Raoul Wallenberg.

Mr. Speaker, I will submit the rest of my remarks, and ask that every city in the United States follow the lead of the mayor of San Francisco when that fine lady declared an entire week in that city in honor of this man, who as surely as God created this universe, is sitting there rotting now in his 33d year of Gulag captivity. If there is any specific name we want to have on a bracelet, emblazoned on a necklace, write on walls somewhere, it has got to be the name of Raoul Wallenberg.

Mr. Speaker, I thank my friend from New York for yielding to me.

Mr. GILMAN. Mr. Speaker, I want to

thank my colleague from California (Mr. DORNAN) for his pointed remarks, for being such a consistent fighter for human rights, whether they be in Vietnam, in the Soviet Union, in Argentina, or throughout the world. I hope that he will continue to maintain his concern for these important thoughts and important ideas that our Nation stands so firmly for.

● Mr. BARNES. Mr. Speaker, I commend our colleagues, the gentlemen from California (Mr. DORNAN) and New York (Mr. GILMAN), for undertaking the cause of Raoul Wallenberg in order that Congress, the American public, and concerned persons worldwide may continue to search for truth about his strange disappearance in Budapest 35 years ago.

A hero of World War II, this Swedish diplomat is credited with saving at least 30,000 Hungarian Jews from Hitler's death camps. When he mysteriously disappeared early in 1945, the Soviets first blamed the Germans for killing him, then said that Wallenberg died of a heart attack in Moscow's Ljubljanka Prison in 1947 at age 34. Soviet officials still cling to their story even though some former Soviet inmates of the Gulag Archipelago confirm that the saw him as recently as 1975. Alexandr Solzhenitsyn and Simon Wiessenthal are among others who believe that Wallenberg may still be alive and imprisoned behind the Iron Curtain.

It is fitting that the United States should join private groups and Governments of Sweden, Israel, and Great Britain in their determination to press the Soviets for information about Wallenberg. A University of Michigan graduate, Wallenberg, it is said, undertook this compassionate and dangerous mission in Hungary at the request of the American Ambassador in Stockholm.

Israel has honored Wallenberg with the title of "righteous gentile," which is bestowed upon persons who helped Jews escape Nazi terror. Wallenberg's mother, Maj von Dardel, fought throughout her life for the right to learn about her son's fate. Let us now join his half-sister Nina Lagergren and half brother Guy von Dardel who continue their vigil to learn "what happened to the man who went on a mission of humanity." ●

● Mr. BONKER. Mr. Speaker, the International Organizations Subcommittee of the House Foreign Affairs Committee, which I chair, recently held several hearings on the phenomenon of disappearances, as a violation of human rights. We received excellent and detailed testimony from nongovernmental organizations concerning the scope and history of the "disappeared." We also heard dramatic and tragic testimony from individuals with firsthand knowledge of the disappearance phenomenon.

What emerges from the reports presented to us is a shocking picture of the violation of human rights on an unprecedented scale. There is no doubt that numerous regimes in our contemporary world must rely on repression to continue their existence. In testifying before our committee one of the witnesses, William Wipfler, of the National Council of Churches said—

> World indignation denies these regimes the use of torture, or arbitrary and prolonged detention or horrendous inhuman prison conditions as a means of intimidation and control; then some other instrument—disappearances—will be developed.

It does not matter in what part of the world these violations occur. The phenomenon of disappearances has victimized many thousands of persons and thousands more of their families. It is widespread and occurs in all too many countries. People are simply picked up, some to return as corpses, minus their heads and hands to prevent identification. A few are released and warned not to speak, but most are subject to brutal conditions in secret camps. And as it continues to go on whether in Soviet-dominated areas or Argentina, the result is always the same—people are made to disappear.

Mr. Speaker, the earliest example of disappearances to be brought to the attention of our subcommittee is the case of a Swedish diplomat, Raoul Wallenberg, who went to Budapest in 1944 after the Nazis began deporting Hungary's 700,000 Jews to extermination camps.

Arriving in Budapest in July, Wallenberg worked heroically at his task for the next 7 months, displaying an astonishing ingenuity in the means which he devised to foil the Germans and their Hungarian supporters. He printed thousands of Swedish passports and distributed them to Jews as a prelude to emigration to Sweden, while at the same time building a system of safe houses, that is, hospitals and shelters over which the Swedish flag flew. He continuously went to the railroad yards, pulling Jews off the death trains; he went to the SS, threatening them and forcing them to release their captives. He even organized an undercover group of young Jews, who raided Nazi prisons and released Jews held in custody.

When the Russians captured Budapest in January 1945, he disappeared. The Soviets insist that he died in 1947, but over the ensuing three decades there have been eyewitness reports that Wallenberg is alive in a Soviet prison. Where is Raoul Wallenberg? What has happened to him? Why is it a crime to have saved tens of thousands of lives?

The civilized world deserves an answer.●

● Mr. DERWINSKI. Mr. Speaker, never has the time been more appropriate, and more pressing, for the successful deliverance of Raoul Wallenberg from the Soviet gulag where he has possibly been held for 35 years. The fate of this hero of the Holocaust has been neglected far too long. The world is full of people who pay lipservice to the precepts of humanitarianism. Raoul Wallenberg was not one of them, as any member of the Jewish community who survived World War II Budapest will testify.

Due in large part to the efforts of those who directly owe their lives to the almost superhuman endeavors of this Swedish diplomat, the moment may be at hand when we can bring about his release. I would also like to express my appreciation to my colleague, DON BONKER, chairman of the Subcommittee on International Organizations, for raising the Wallenberg case in the subcommittee and on the floor of the House.

Despite evidence from current headlines which lead us to believe the contrary, diplomacy is a profession which demands respect from the world community. In his brief but spectacular career, Raoul Wallenberg elevated the practice of diplomacy to its highest plane.

Since the Soviet Union can no longer deny the existence of Raoul Wallenberg and we should no longer pay lipservice to his deeds, all of us should now band together to try to save the life of one who himself saved thousands.●

● Mr. SCHEUER. Mr. Speaker, on a one-man, joint Swedish-American mission to Nazi Europe during World War II, Raoul Wallenberg singlehandedly saved the lives of over 20,000 Hungarian Jews. This selfless Swedish diplomat dared to challenge Adolf Eichmann's genocide machinery, and even suffered attempts on his own life, in his efforts to offer Swedish passports to condemned Jews, Hungarian Jewry's only road to freedom and survival.

After distributing and exhausting a supply of 20,000 such passports, Wallenberg brought food and medicine in the dead of night to the countless others he hid from Nazi roundups.

His brave efforts brought him Albert Einstein's recommendation for the Nobel Peace Prize.

In 1945, suspicious that he may have been alternately loyal to the Americans and the Nazis, the Soviet occupying forces kidnaped Raoul Wallenberg. Since that time the Soviets have offered conflicting statements concerning his status. The Russians' ploy to deceive the world—they have declared Wallenberg dead—has been uncovered by eyewitness accounts of his continuing imprisonment in the Soviet Union.

Both family and experts believe that after 35 years of imprisonment Wallenberg is still alive. No less a personage than Aleksandr Solzhenitsyn has urged Wallenberg's friends and family to continue the search.

Soviet refusal to permit an examination of Wallenberg's file or an international nonpartisan investigation of his plight only increases suspicion of Soviet claims of innocence.

I join my colleagues in demanding that the U.S.S.R., in the spirit of human rights and diplomacy, release Raoul Wallenberg and allow the free world its opportunity to honor this great humanitarian.●

● Mr. DODD. Mr. Speaker, in the winter of 1944 in Budapest, Hungary, a young man stood atop a train platform and handed out Swedish identification papers to thousands of Jews who were waiting to be sent to the Auschwitz and Burkenau concentration camps.

The man's name was Raoul Wallenberg, a Swedish diplomat sent on a unique mission of mercy by his government to try to save as many Hungarian Jews as possible from the gas chambers. Over a span of only 6 months, Wallenberg nearly singlehandedly disbursed Swedish passports to 20,000 Jews and protected 13,000 more in safe houses flying the Swedish flag.

Although threatened by the Nazis, Wallenberg courageously refused to move slowly or quietly in his work. He physically pulled men, women, and children out of "death marches" to Austrian concentration camps and defied the warnings of Adolph Eichmann who was maniacally determined to carry out the "Final Solution" in Budapest even against the orders of his superiors.

Ironically, it was not the Nazis that Wallenberg had to fear, but the Russians who marched into Hungary on Christmas Eve of 1944. The Russians became suspicious of Wallenberg's motives. They could not accept that a non-Jew of a prestigious banking family would take such tremendous risks on behalf of Hungarian Jews and suspected that his ties to the American War Refugee Board went deeper than a bankrolling of Walenberg's efforts.

Three weeks after the Russians took control of Budapest, Wallenberg was summoned to Debrecen, where the Russian central command was located. Wallenberg drove to Debrecen along with two Russian officers and was never seen again.

On May 2 and 3, an international tribunal will be held on the Raoul Wallenberg case in Stockholm. Swedish and American representatives will hear evidence on varying reports that have emerged from Russia that indicate that Wallenberg may still be alive and a prisoner in the Soviet Union.

Both the Swedish Wallenberg Association and the International Sakharov Commission who are jointly sponsoring the tribunal are to be commended for their persistence in bringing the Wallenberg case to the public's attention. Since the Soviet Union has been unwilling to make a thorough investigation of Wallenberg's case, the hearings may encourage greater cooperation by the Russians in determining whether or not Wallenberg is alive and in the U.S.S.R.

Thousands of Hungarian Jews owe their lives to one man, Raoul Wallenberg. Without consideration for his own safety, he willingly risked his own life to bring hope and the promise of salvation to people who believed that they were doomed to the same fate as the 400,000 Hungarian Jews who had already been sent to their deaths.

Wallenberg's humanitarianism reaffirmed the principles of freedom that the Nazis debased by their genocidal policies. His actions stand as an example to all of us who would remain indifferent to the suffering of others.

The Stockholm tribunal may tell us the truth about Raoul Wallenberg's disappearance but, more importantly, it will bring international recognition for his remarkable achievements.●

● Mr. DRINAN. Mr. Speaker, I join with my colleagues today in calling attention to the plight of Raoul Wallenberg. I have been concerned about this case for some time. Mr. Wallenberg is the brave and well-known Swede who was instrumental in allowing 30,000 Jews to escape the Nazi death camps during the Second World War, and whose whereabouts have been in question ever since.

Wallenberg was assigned to the Swedish mission in Budapest during the Second World War. He disappeared in 1945 when the Soviets marched into Budapest. According to various witnesses, he was attempting to buy food and medical supplies from the Russians for the Jewish ghetto when he was seized by a spy and taken away. In 1947, Soviet Minister of Foreign Affairs Vysjinskij explained in a memorandum to Swedish authorities that Wallenberg was not in the Soviet Union and that he must be regarded as killed during the street fights in Budapest or after having been imprisoned by the Nazis. But prisoners leaving the Soviet Union have reported that they have seen Wallenberg recently, thus discounting the Soviet report.

One year ago, I wrote the State Department, the Embassy of Sweden, and the Embassy of the U.S.S.R. to inquire about the Wallenberg case. I ask that the response of the Department of State and the Swedish Embassy be inserted into the Record at this point. Unfortunately, the Soviet Embassy never responded to my request for information.

I hope that there will be some resolution to the Wallenberg case in the near future. It is a terrible tragedy that the man who did so much to save the lives of 30,000 Jews has suffered so much for his humanitarian actions.

The letter follows:

Department of State,
Washington, D.C., March 13, 1979.
Hon. Robert F. Drinan,
House of Representatives.

Dear Mr. Drinan: According to Department of State records, Mr. Wallenberg was assigned to the Swedish mission in Budapest, Hungary, during World War II, and disappeared in January of 1945 following the arrival of Soviet troops in Budapest. In response to repeated inquiries by the Swedish Government, the Soviet Government in February 1957 stated that Mr. Wallenberg had died in a Moscow prison on July 17, 1947. Despite the fact that the Swedish Government has officially raised the issue of Mr. Wallenberg's fate on a number of subsequent occasions, citing the fact that several persons claimed to have seen him alive during the 1950's, the Soviet Government has provided no additional information.

Mr. Wallenberg's mother, Mrs. Frederick von Dardel, has continued to pursue the question of the fate of her son with the Swedish Government and the Swedish Red Cross. Since the Swedish Government and Red Cross are thoroughly familiar with Mr. Wallenberg's case, we believe they are in the best position to make inquiries to the Soviet authorities in the event that further representation would be believed helpful.

Sincerely,
Douglas J. Bennet, Jr.,
Assistant Secretary,
for Congressional Relations.

Royal Swedish Embassy,
The Ambassador,
Washington, D.C., March 19, 1979.
Hon. Robert F. Drinan,
U.S. House of Representatives,
Washington, D.C.

My Dear Mr. Drinan: Many thanks for your kind letter of March 16 concerning the fate of our countryman. Mr. Raoul Wallenberg.

The Swedish Government has never accepted as final the Soviet statement that Mr. Wallenberg died in the Ljubljanka prison in Moscow in July 1947. You can rest assured that no efforts have been spared and will be spared to obtain the truth in regard to Mr. Wallenberg. New evidence is systematically analyzed and new interviews are being held. The Swedish Government is well aware of the feeling of many of those that Mr. Wallenberg helped to freedom and very much appreciaate their concerns. Recent evidence to the effect that Mr. Wallenberg has been alive after 1947 has led the Swedish Government to, once more, get in touch with the Soviet Government, but as you can see from the attached press release, to no avail. However, the Swedish Government will continue its work. A new white paper will be published this year or next where additional documentation will be made public.

Sincerely,
W. Wachtmeister.

[Press Release]

Ministry for Foreign Affairs,
Press and Information Department,
January 26, 1979.

(Unofficial translation)

INVESTIGATIONS CONCERNING RAOUL WALLENBERG

In the continuing efforts to shed light upon the fate of Raoul Wallenberg, information has reached the Ministry for Foreign Affairs in recent months asserting that Wallenberg was in different Soviet prisons during the 1950's, 1960's and 1970's, i.e., subsequent to the date in 1947 on which, according to the Soviet Union authorities, he died. The information was of such a nature that the Government decided that renewed representations should be made to the Government of the Soviet Union, and this was done on January 3, 1979. A copy of the aide-memoire is enclosed.

In response to the Swedish representations, the Government of the Soviet Union stated on January 24 that an examination of the new information provided by the Swedish Government had not changed its earlier conclusion that Wallenberg died in 1947. A copy of the Soviet Union reply is enclosed.

The Government does not regard the Raoul Wallenberg affair as closed by reason of the reply from the Soviet Union, but will continue its efforts to cast full light on the fate of Raoul Wallenberg.

Ministry for Foreign Affairs,
Press and Information Department,
January 26, 1979.

(Unofficial translation)

AIDE-MEMOIRE

Handed by Mr Leif Leifland, Permanent Under-Secretary of State to Mr. Eugenij Rymko, Chargé d'affaires of the Soviet Union: January 3. 1979:

The Swedish Government has on repeated occasions stressed its intention to shed light upon the fate of Raoul Wallenberg. In its note to the Government of the Soviet Union on February 19, 1957, the Government stated that it reserved the right to put at the disposal of the Soviet authorities any additional material concerning Raoul Wallenberg that was regarded as being of importance for further investigations in the Soviet Union. In a press release dated October 1, 1965, the Swedish Government again emphasized that it intended to keep this matter under very close review and that fresh information and circumstances might warrant further action.

In the continuing efforts to shed light upon the fate of Raoul Wallenberg, information has now reached the Swedish authorities to the effect that Wallenberg was alive as recently as 1975. According to this information, Wallenberg was interned in the Verchneuralsk prison in the Tjeljabinsk region from the end of the 1940's until 1953. Moreover, during the period 1953–1955 he is said to have been in the Aleksandrovskij Central Prison in the Irkutsk region. In 1955 he is said to have been transferred to the prison in Vladimir where he was interned at least until the latter part of the 1960's, at times in any case in cell 23 in Corpus II. On this point the particulars recently received confirm the information the Swedish Government previously submitted to the Soviet Union Government, in its memorandum of July 18, 1959, concerning the presence of Wallenberg in Vladimir. According to the new information, Wallenberg is said to have been in the prison hospital in Butyrka in Moscow as recently as 1975.

In view of the information which has now come to light the Swedish Government requests the Government of the Soviet Union to initiate a prompt investigation for the purpose of establishing whether Wallenberg was present in the above-mentioned prisons at the times stated.

STOCKHOLM, *January 3, 1979.*

MINISTRY FOR FOREIGN AFFAIRS,
PRESS AND INFORMATION DEPARTMENT,
January 26, 1979.

(Unofficial translation)

AIDE-MEMOIRE

Handed by Mr Eugenij Rymko, Chargé d'affaires of the Soviet Union to Mr Sven Hirdman, Director, Ministry for Foreign Affairs:

The Government of the Soviet Union officially informed the Swedish Government as early as 1957 that a thorough and exhaustive investigation had revealed that Raoul Wallenberg died in July 1947.

The renewed investigation of documents relating to this case carried out at the request of the Swedish Government in 1965 confirmed that there is no, nor can there be any, new information as regards the fate of Raoul Wallenberg.

This conclusion was definitively confirmed by the findings of an examination of the information supplied by the Swedish Government in its request of January 3 this year. The assertions that Raoul Wallenberg was in the Soviet Union as recently as 1975 are not true to the facts.

January 24, 1979.●

GENERAL LEAVE

Mr. GILMAN. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks on the subject of my special order today.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from New York?

There was no objection.

THE FARM PROBLEM MUST BE MET NOW

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Mississippi (Mr. WHITTEN) is recognized for 15 minutes.

Mr. WHITTEN. Mr. Speaker, American farmers need financing now, or many cannot farm this year. To obtain private financing they must have assurance of increased price for this falls crop. They must have it now. If Government financing, they must have price to pay such debt. Commodity prices have fallen to low levels and costs have gone up. The committee has been advised that in some parts of the country conditions are so bad, many farmers do not even plan to produce a crop this year. This occurs because they cannot borrow the money they need to plant their crops and they will not be, unless prices received are brought in line with increasing costs. I have called these facts to the attention of Secretary Bergland, and urged immediate action.

Mr. Speaker, many people are aware of the critical situation our automobile and housing industries are now facing. However, many people are not yet aware of the serious situation facing our most basic and largest industry of all—agriculture. From my study of history, I feel we could well be facing today a set of circumstances very similar to those that occurred in the 1920's.

Most people today are unaware that the seeds of the Great Depression of the 1930's were sown in the agricultural depression of the 1920's which followed the First World War. The failure to maintain farm exports and to support farm prices during this period seriously impaired the farmer's purchasing power. This, in turn, weakened banking and business concerns throughout the country, causing many of them to fail.

Mr. Speaker, if we are to avoid a depression and I am talking about a depression not a so-called recession, we must get interest rates back down to reasonable levels. The Federal Reserve must ease up on their tight credit policy to help farmers and others borrow the money they need to plant their crops and industry can get the money it needs to expand production or modernize its production facilities.

In view of what we are facing, I have introduced a bill to reestablish the Reconstruction Finance Corporation (RFC). RFC was established by Congress to provide industry and business with the credit it needed during the depression of the 1930's. It worked then, and it can help now. I have also introduced a bill to amend the Clayton Anti-Trust Act to prohibit a manufacturing firm from forcing a dealer to accept products he does not order or want. To ship unordered items can only worsen the situation because it can force the retailer into bankruptcy. It has happended in the past. We do not want it to happen again.

For agriculture new laws are desired but relief can be made under existing law and by use of the authority of the Commodity Credit Corporation.

Those in agriculture are in debt now; they face declining prices and increased costs; and they have had restrictions placed on their exports. For farmers to stay in business and, thereby, protect the food supply of the American people, they must have fair treatment in price and volume, both of which are absolutely essential to the overall economy. Therefore, the Secretary should use the authority available to him under the charter of the Commodity Credit Corporation, as he assured the Commitee on Appropriations he would do, last year. Using that authority, the Secretary can set prices that fully reflect the increased cost of production.

The charter of the Commodity Credit Corporation, set forth in title 15 of the United States Code, specifies:

CREATION AND PURPOSE OF CORPORATION

For the purpose of stabilizing, supporting, and protecting farm income and prices, of assisting in the maintenance of balanced and adequate supplies of agricultural commodities, products thereof, foods, feeds, and fibers (hereinafter collectively referred to as "agricultural commodities"), and of facilitating the orderly distribution of agricultural commodities, there is created a body corporate to be known as Commodity Credit Corporation (hereinafter referred to as the "Corporation"), which shall be an agency and instrumentality of the United States, within the Department of Agriculture, subject to the general supervision and direction of the Secretary of Agriculture (hereinafter referred to as the "Secretary").

* * * * *

SPECIFIC POWERS OF CORPORATION

In the fulfillment of its purposes and in carrying out its annual budget programs submitted to and approved by the Congress pursuant to the Government Corporation Control Act, the Corporation is authorized to use its general powers only to—

(a) Support the prices of agricultural commodities through loans, purchases, payments, and other operations.

(b) Make available materials and facilities required in connection with the production and marketing of agricultural commodities.

(c) Procure agricultural commodities for sale to other Government agencies, foreign governments. and domestic, foreign, or international relief or rehabilitation agencies, and to meet domestic requirements.

(d) Remove and dispose of or aid in the removal or disposition of surplus agricultural commodities.

(e) Increase the domestic consumption of agricultural commodities by expanding or aiding in the expansion of domestic markets or by developing or aiding in the development of new and additional markets, marketing facilities, and uses for such commodities.

(f) Export or cause to be exported, or aid in the development of foreign markets for, agricultural commodities.

(g) Carry out such other operations as the Congress may specifically authorize or provide for.

Mr. Speaker, using that authority, the Secretary should set prices that fully reflect the increased costs of production. Furthermore, he should announce such prices at the start of the marketing year, and in no event later than September 1, 1980, when crops are still in the hands of farmers. Too often in the past, prices have been raised after the farmer has disposed of his crops. The Nation nor the people can afford a repetition of the 1930's.

ASSASSINATION OF TURKISH DIPLOMATS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Alabama (Mr. DICKINSON) is recognized for 5 minutes.

● Mr. DICKINSON. Mr. Speaker, in the last few months, there were disturbing economic developments in Turkey, but fortunately, the situation has taken a turn for the better by the dramatic reforms of the new Demirel government. The new Government's package dealing with the underlying issues has found praise from such international institutions as the IMF and the International Bank for Reconstruction and Development. Our political and military relations with Ankara have also improved as signified by the new defense cooperation agreement.

Today, I would like to express my deep concern about the tragic terrorist killings of Turkish diplomats by the "secret army for the liberation of Armenia." The last attack for which the terrorist organization claimed credit occurred in Rome on April 17, 1980, against the Turkish Ambassador to the Vatican. Fortunately, he survived. Between 1974 and the present, however, the following Turkish diplomats and their family members were assassinated in the free West:

The Turkish Ambassador to Paris, Vienna, and the Vatican; the consul general and the consul at Los Angeles; the press attaché at Paris, and the first secretary at Beirut;

The wife and brother-in-law—he, a retired Ambassador—of the Turkish Ambassador to Madrid; and

The son of the Turkish Ambassador to the Netherlands.

Having 50 of our American citizens and our Ambassador to Columbia being held hostage in different corners of the world, I deeply sympathize with the Turkish people and their diplomatic representatives, who have always been our staunch allies in NATO and also during the Korean conflict. It is a sad commentary for the world that terrorists can, with relative impunity, violate one of the more sacred rights of international law, the sanctity of diplomats on duty.

At the same time, it is interesting to note that the Armenian-Ottoman conflict occurred over 65 years ago and that most Armenians today either live in the Soviet Union or in the United States and France—500,000 and 350,000 respectively. Only 80,000 still live in Turkey and according to the 1979 Report on Human Rights by the Department of State:

> Freedom of worship is provided by the Constitution. In the case of non-Muslim minorities, it is further guaranteed by the 1923 Treaty of Lausanne. These provisions are respected in practice. Due to the strongly secular nature of the Turkish Republic, however, participation by the clergy in activities outside a religious institution is restricted. Minority religious groups enjoy normal civil and political liberties. The government has continued its efforts to facilitate the free functioning of treaty-protected institutions, such as churches and schools of the Armenian, Greek and Jewish minorities.

In conclusion, I denounce the unwarranted killings of Turkish diplomats and hope that dissatisfied Armenian elements will concentrate upon the Soviet oppressors of the Armenian nation instead of reviving a conflict which has become historical.●

PEACETIME DRAFT REGISTRATION OPPOSED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Connecticut (Mr. McKINNEY) is recognized for 5 minutes.

● Mr. McKINNEY. Mr. Speaker, I must express my strong opposition to the proposal before us today, which will transfer additional funds to the Selective Service System to finance premobilization—peacetime—draft registration. Despite the undeniable problems facing our current All-Volunteer Forces, I can find no compelling reason to support a program as poorly designed and inequitable as this. In January, I announced I would reluctantly endorse a premobilization registration effort, due to the inability of this country to either respond effectively to recent international crises, or reverse the chronic decline in the stature of the United States in the world community. However, it was apparent that certain substantive changes had to be made before I could vote to authorize additional funding for the Selective Service.

First, both Congress and the American people should know exactly what type of draft system will be put into effect. It would be entirely inappropriate to reactivate the system of years past, for it contained far too many loopholes for the rich or privileged. Yet, in the absence of any clear statement to the contrary, Mr. Carter appears to be advocating just that, with no discernable idea of how to minimize the bitterness and divisiveness which are likely to arise.

Second, in my opinion, qualified women should be as eligible for noncombat positions as men. In many vital areas, no one can deny that women are as intelligent, as capable, and as vital to our military programs as men. To exempt them from the responsibility of meeting defense obligations in this country would be inconsistent with the oftenstated goal of providing equal rights, opportunities, and benefits for women in all sectors of our society. Yet neither the Congress or the administration have addressed this issue at any length, or chosen to include such a provision in the bill before us today.

Third, I have long supported the institution of a comprehensive national service program, to provide alternate forms of military or civilian duty for individuals who do not believe in induction as an acceptable personal option. H.R. 2206, introduced by my colleague, Representative PAUL McCLOSKEY, of California, would establish a National Youth Service, with four choices in Active duty, Reserve duty, civilian service, or a nonservice draft pool available to 18-year-olds, and with enhanced educational benefits as an incentive. As a cosponsor of this bill, I believe any future registration effort should include a program such as this as its cornerstone. Not only will this provide us with a system to alleviate our critical military manpower shortages, but will recruit an effective labor pool to meet the Nation's social, economic, and environmental needs. Again, the debate on such an alternative has been minimal, and this resolution provides for registration for only one of a desired range of viable and necessary options.

In short, Mr. Speaker, this legislation will not solve the serious domestic and international problems we are currently facing. As a demonstration of either our military or political resolve, this proposal is clearly insufficient. I believe if the criteria which I mentioned before are adequately met, then we can proceed with the implementation of a system which is equitable and effective. Until then, I will continue to oppose provisions such as this which are untenable and impractical, and I urge my colleagues to do the same in rejecting this measure.●

A TRIBUTE TO SUZANNE MARTENS PINKNEY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Pennsylvania (Mr. McDADE) is recognized for 5 minutes.

● Mr. McDADE. Mr. Speaker, my congressional district, as well as the State of Pennsylvania, has suffered a tremendous loss through the recent death of an outstanding woman, Suzanne Martens Pinkney. Mrs. Martens truly was the "First Lady of the Poconos."

A native of Czechoslovakia, "Mrs. M" came to this country as a young woman with little money and very little understanding of the English language. At the suggestion of her late husband John Martens' physician, the couple traveled to the Poconos. They immediately fell in love with the area and in 1936 purchased a small resort, which they eventually developed into the world-renowned Mount Airy Lodge.

Even more remarkable than her active efforts in the development of the recreational and tourism industry in the Poconos was Mrs. Martens' philosophy in life. She firmly believed in returning to the Pocono Mountains region many of the benefits she derived from it. She never failed to lend a hand in community and charitable activities. She was active in fundraising for the Burnley Workshop in Monroe County, Pa., which assisted mentally handicapped individuals. She never hesitated to hire mentally and physically handicapped individuals to work at the lodge, simply because she believed in their abilities and felt they should have an opportunity to function in a normal environment. When the owner of the Pocono Playhouse died a few years ago, Mrs. Martens had no hesitation in buying the theater, even though it did not look like a profitmaking concern. She insisted the Poconos needed the playhouse, bought it, and directed her attention to its development.

Mrs. Martens was a deeply humanitarian individual. In 1968, when her native land was overrun by Soviet troops, she opened the doors of Mount Airy Lodge to Czechoslovakian refugees, offering them food, shelter, clothing, and employment. When Hurricane Agnes devastated northeastern Pennsylania, the Mount Airy facilities were made available to those whose homes were destroyed. She spearheaded fundraising efforts for the benefit of flood victims and insured that shipments of food and clothing were dispatched to disaster areas. After the fall of South Vietnam in 1974, Mrs. Martens again welcomed the homeless to the lodge. The hotel provided housing, food, clothing, and employment to Southeast Asian refugees, while they awaited resettlement throughout the country.

Mrs. Martens' extraordinary accomplishments were recognized throughout her lifetime, as she was the recipient of numerous awards, including the papal "Benemerenti" award, one of the highest awards ever accorded a woman by a Pope.

Suzanne Martens Pinkney was a charming, dignified woman. She worked hard to insure the success of her resort business and to promote the Poconos region. She will long be remembered as a pillar of the community. And she will be deeply missed by her many family members, friends and employees.●

EARTH DAY AND AMERICAN AGRICULTURE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, Earth Day 1980 offers America an occasion to reflect on the progress this country has made toward protecting its natural resources. Today's events also are stimulating discussion of the challenges we have to face in the coming years. I would like to comment on a few major challenges—beginning with the protection of America's agriculture.

As America begins its second decade of "Earth Day" observances, farmland is an important part of the "Earth" that we should be talking about and caring for.

At a far too rapid rate, farmers in Vermont and elsewhere have been selling their land for nonagricultural uses, when confronted by an "offer they could not refuse." About half of New England's farmland was taken out of production between 1959 and 1977. In Vermont, over the past 30 years, about 200 acres a day have been shifted from farming to other uses. This country cannot afford to lose a million acres or more of important farmland every year.

For any one farmer, converting his land to other uses may well be the answer. Conversion may best meet the needs of the landowner, or the community needs for living space, industry, transportation, or other vital services. Yet, taken together, all of the shifts from farmland add up to a sizable drain on the stock of land resources that must meet the food and fiber needs of our generation and many more to come. These lands must supply not only agricultural goods for the United States, but also for an increasing export trade to help stamp out hunger overseas and reduce balance-of-payments deficits for our own Nation. Some of these lands also will be needed to grow grain for energy production in addition to meeting our food and feed grain requirements.

It is important to the future of agriculture and to all who depend on it to protect some farmland from unnecessary conversion to other uses. Why not the best?

Why take the good farmland out of agriculture and then try to make up the production by heavily fertilizing marginal lands or by draining and plowing wetlands and other fragile environmental areas?

Why force ourselves to farm only land that requires a lot of gas and oil to produce crops, that needs extra water, or that involves heavy costs for protecting or cleaning up the environment? There is just as urgent a need for energy and water efficiency on the farm as there is in town.

Why build suburbs on areas that withstand soil erosion well and then plow up other acres that will wash or blow away easily? Despite four decades of effort by natural resource conservation districts and others, sediment pollution from soil erosion is still depleting the Nation's land base and affecting water supplies and treatment costs.

Why endanger agriculture, which is a vital part of the overall economy in New England and the rest of the Nation? Why make it necessary to import most of our food from other regions or other nations? Why endanger the future of specialty crops and the farmers who grow them? Our national security depends on having a dependable supply of food and fiber nearby so that if transportation systems are interrupted by energy crises or by enemy action our people's needs still can be met.

We do not know with any certainty about the next century's population or its likely food and fiber requirements. We can not predict what climatic changes may affect our food producing capability.

We can guess that energy and transportation costs will continue their fast upward spiral.

We do know that there are competing demands for water west of the 100th meridian.

We do know that water pollution must be arrested.

We do know that land is a resource that, as Will Rogers said, "They're not making much of these days."

We are aware that having farmland in or near metropolitan areas as well as rural areas provides valuable open space; diversity in landscape form as well as in plant and animal life; a satisfying livelihood for thousands of Vermont and other New England residents; and environmental awareness for urban citizens.

Our future depends on action now to be certain that the land resource is protected and used wisely, that people who want to stay in farming have full opportunity to do so, and that the equity of Vermont's farmers in their property is protected.

I will continue to press for strong local conservation district programs and for State and national legislation that can help landowners and local decisionmakers explore more options and make better choices in guiding land-use patterns.

I am encouraging Federal agencies to study land-use trends, provide information and technical assistance, and make sure their programs do not unnecessarily infringe on the supply of good farmland and good farmers. The National Agricultural Lands Study, led by a former member of my staff, may provide some important suggestions for action.

On Earth Day 1980, a few other challenges also are in need of good ideas and action, as part of a comprehensive national policy designed to protect the environment and our national security through conservation and recycling programs. We have lowered the speed limits; we are insulating buildings more fully; we are starting to seek ways of recycling industrial waste products. I believe that a National Beverage Container Reuse and Recycling Act is a much-needed part of this natural resource and economic improvement package.

I believe we also need to more strongly apply environmental policies to the facilities for energy production. It is possible for this country to develop energy resources without undue natural resource degradation. Burning more coal, for example, can help America become more energy independent—yet we must use coal in ways that do not affect the health and safety of people; ruin farm and forest lands; impair the quality of water and related scenic values; or impact on fish and wildlife. I am very concerned that we accelerate research on acid rain and other forms of atmospheric deposition caused by coal burning and other industrial processes, and that we quickly apply the knowledge gained.

The Senate omnibus energy bill, S. 932, could provide the research needed in this field. I have urged my colleagues to make greater provision for protection against the costs of this and other forms of unnecessary air, water, and land pollution.

On Earth Day 1980, I ask every citizen and his representative in Congress to join me in giving these and other related efforts continuing attention, support, and practicable and innovative suggestions.

It is worth our future.●

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO PROVIDE MORE EQUITABLE TREATMENT OF ROYALTY OWNERS UNDER THE CRUDE OIL WINDFALL PROFIT TAX

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Kansas (Mr. SEBELIUS) is recognized for 10 minutes.

● **Mr. SEBELIUS.** Mr. Speaker, I introduced today the House version of legislation that was introduced in the Senate on Wednesday, April 2, 1980, by Senator Dole. That bill (S. 2521) was cosponsored by Senators Boren, Bellmon, Wallop, Bentsen, Domenici, McClure, Tower, and Kassebaum.

This legislation is needed to correct serious inequities in the so-called windfall profit tax bill, signed into law by the President on April 2. The windfall profit tax will make this country's journey to eventual energy independence much more difficult. The tax is not only bad energy policy but bad economic policy. It will lower incentive for discovering new oil at a time when increased domestic production is vital.

The bill is bad economic policy because it places the largest tax in our history on American consumers at a time when tax reductions are needed. How can Americans sustain 20 percent inflation, no real growth in the economy, and a new $227 billion tax, all at the same time?

Finally, the windfall profit tax is inequitable. It taxes small royalty owners at the same rate as oil industry giants. I am sure those who pushed for this legislation will soon recognize their catastrophic folly. We are finding that in the State of Kansas—and I am certain my colleagues from other oil-producing States will find the same—that royalty owners are extremely unhappy to be paying the same rate of tax as the major oil companies.

Many royalty owners in the State of Kansas—farmers and others—tell me they did not understand the tax would apply to them. They had been told, time after time, by the President and other proponents of the tax, that we were going after the big oil companies and that big oil was going to pay the tax. This was not an accurate representation of what the windfall profit tax proposal contained.

One of the most unjust aspects of the final windfall tax is the harsh treatment it gives the approximately 2 million small royalty owners throughout the United States. These royalty owners are subjected to the full windfall profit tax rates—a 70-percent tax rate on upper and lower tier oil, a 60-percent tax rate for stripper oil, and a 30-percent tax rate for newly discovered oil. These are the same windfall tax rates applicable to the giant, multinational oil companies.

The bill would entirely exempt small royalty owners from the windfall profit tax, up to a total of 10 barrels per day of royalty interest. This 10-barrel-per-day exemption would cover the vast majority of the small royalty owners who will be most severely impacted by the imposition of the tax on their interests.

In Kansas, most royalty owners are working farmers who are struggling to survive in the face of plummeting farm commodity prices. These individuals are dependent on the modest royalty checks they receive to weather the currently unfavorable farm market. There is also a sizable group of royalty owners who are retired persons, dependent on small royalty checks to supplement their social security payments. Clearly, these individuals were not the intended target of the windfall profit tax when it was first proposed.

The imposition of the windfall profit tax upon these small royalty owners will cause a substantial rollback in the income they receive. This is especially true for royalty owners of stripper properties. On a barrel of stripper oil selling for $38, a royalty owner would typically receive a $4.75 royalty payment. After the imposition of the windfall profit tax, the royalty owner will have to pay a $1.71 tax on his royalty income. Thus, the royalty owner's payment per barrel will be slashed from $4.75 to $3.04 by the windfall profit tax—a 36-percent drop in income.

I have heard from many landowners who are extremely unhappy and assert they will not enter into any new leases because of the imposition of the windfall profit tax. Clearly, if a substantial number of these landowners refuse to enter into new leases because of their anger over this new tax, it will have a significant detrimental impact on domestic oil production.

Mr. Speaker, it is difficult to justify why a working farmer or a retired person should be subject to the windfall profit tax at all, much less be subject to the same heavy tax that Exxon or other major oil companies pay. The inequity of this situation cannot be allowed to persist.

I can understand that the only choice we had during the consideration of the windfall profit tax conference report was to either accept it or reject it and start all over. I know that many of my colleagues who support this exemption were reluctant to defeat the conference report. But I am confident that once the plight of the small royalty owner is fully understood, there will be broad, bipartisan support from my colleagues from both producing and nonproducing States to try to right this wrong.

Again, I urge the support of my colleagues for this bill.

The text of bill to follow:

H.R. 7127

A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ROYALTY OWNER EXEMPTION

SECTION 1. (a) IN GENERAL.— Subsection (b) of section 4991 of the Internal Revenue Code of 1954 (relating to exempt oil) is amended—

(1) by striking out "and" at the end of paragraph (3),

(2) by striking out the period at the end of paragraph (4) and inserting in lieu thereof a comma and the word "and", and

(3) by adding at the end thereof the following new paragraph:

"(5) any exempt royalty owner oil.".

(b) ROYALTY OWNER OIL.—Section 4994 of such Code (relating to definitions and special rules relating to exemptions) is amended by adding at the end thereof the following new subsection:

"(f) EXEMPT ROYALTY OWNER OIL.—

"(1) GENERAL RULE.—For purposes of this chapter, the term 'exempt royalty owner oil' means that portion of a royalty owner's exempt production for the quarter which does not exceed such person's exempt amount for such quarter.

"(2) EXEMPT AMOUNT.—For purposes of this section—

"(A) IN GENERAL.—A person's exempt amount for any quarter is the product of—

"(1) 10 barrels, multiplied by

"(ii) the number of days in such quarter (31 in the case of the first quarter of 1980).

"(B) PRODUCTION EXCEEDS AMOUNT.—If a person's exempt production for any quarter exceeds such person's exempt amount for such quarter, the exempt amount shall be allocated—

"(i) between tiers 1, 2 and 3 in proportion to such person's production for such quarter of domestic crude oil in each such tier, and

"(ii) within any tier, on the basis of the removal prices for such person's domestic crude oil in such tier removed during such quarter, beginning with the highest of such prices.

"(3) EXEMPT PRODUCTION DEFINED.—For purposes of this section, a royalty owner's exempt production for any quarter is the number of barrels of taxable crude oil—

"(A) of which such person is the producer,

"(B) which is removed during such quarter, and

"(C) which is tier 1, tier 2, or tier 3 oil.

"(4) ROYALTY OWNER.—For purposes of this section, the term 'royalty owner' means any person who is the holder of any royalty or similar interest.

"(5) ALLOCATION WITHIN RELATED GROUP.—

"(A) IN GENERAL.—In the case of persons who are members of the same related group at any time, the 10 barrel amount contained in paragraph (2) (A) (i) for days during such quarter shall be reduced for each such person by allocating such amount among all persons in proportion to their respective exempt production for such quarter.

"(B) RELATED GROUP.—For purposes of this subsection, persons shall be treated as members of a related group if they would be treated as members of a related group under section 4992(e).

"(C) MEMBERS OF MORE THAN 1 RELATED GROUP.—If a person is a member of more than 1 related group during any quarter, the determination of such person's allocation under subparagraph (A) shall be made by reference to the related group which results in the smallest allocation for such person.".

EFFECTIVE DATE

SEC. 2. The Amendments made by section 1 of this Act shall apply with respect to taxable periods ending after February 29, 1980.●

PREMOBILIZATION REGISTRATION IS UNNECESSARY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. Tauke) is recognized for 10 minutes.

● **Mr. TAUKE.** Mr. Speaker, in September 1979, the House voted overwhelmingly, 259 to 155, to reject peacetime registration. The Carter administration endorsed that decision, criticizing draft registration as "a burden on our Nation and our youth."

Today, according to the administration, times have changed, and conditions require that we implement a premobilization registration. It is argued that draft registration would send a message to the Soviet Union and our allies that "we mean business"—that the United States is willing to demonstrate its resolve and counter Soviet aggression in Asia and Africa. It is also claimed that registration would "shore up" a Selective Service System that is in dire need of repair. And finally, it is argued that registration would provide the United States with a headstart in the event of an emergency that would require military mobilization. The President has said a system of registration would save 90 to 100 days in processing and getting new recruits ready for training. Furthermore, he claims that it would be much easier to mobilize our forces if a system of registration is already in place.

I maintain that these arguments represent more fiction than fact. Peacetime registration is unnecessary; it is cost ineffective, it is fraught with administrative problems; and it is divisive to the country. Let me examine the individual issues.

First of all, premobilization registration represents nothing but hollow words to the Soviets. It will not help our national security. On the contrary, it is meaningless and will not be effective in expanding U.S. military power in times of crisis. As one Senator has already said:

> Registration is a placebo that will only make us think we're doing something real.

The Soviet leaders know that registration will not help us to respond more quickly to an emergency. After all, it takes 5 to 6 months to train our troops and have them ready for combat. The Soviets also know that without medical examinations, classification, and a substantial training command, registration would not add significantly to the mobilization timetable.

Second, draft registration has the built-in potential to be an administrative nightmare. Files will become outdated very quickly, thereby making a large percentage of addresses obsolete within a short period of time. Postmobilization during an emergency would work much better. Not only would the information be more timely, but draft notices would follow closely on the heels of registration.

It is also likely that there will be substantial nonparticipation by those affected by registration. In fact, estimates indicate that about 100,000 to 400,000 men will not take part in the process, thereby creating a large pool of criminal offenders since failure to register carries a felonious penalty with it. Greater participation would undoubtedly occur if these same individuals knew what was expected of them.

Third, premobilization registration is not cost effective. In addition to the initial $13.3 million required, it is likely that there will be extra costs. For instance, the Congressional Budget Office estimates that the Government will have to spend millions of dollars each year just to pay for media advertising to encourage people to register. If the intent is to beef up or revitalize the Selective Service System, the initial funding of $4.7 million is more than sufficient to modernize the program.

Lastly, and perhaps most importantly, I take issue with the President's claim that premobilization registration will save as many as 100 days in the mobilization process during an emergency. The President should have listened to his own advisers. In fact, the Selective Service Director said his Agency could carry out mobilization plans without resorting to a premobilization registration plan. This position was corroborated by the Congressional Budget Office at the request of the House Armed Services Committee. Its conclusion was the same: A postmobilization plan would be just as useful as a premobilization plan in meeting the requirements of the Defense Department for wartime draftees. In other words, premobilization registration is unecessary.

Both studies show that premobilization registration would, at best, save 7 to 13 days, rather than the 90 to 100 days mentioned by the President. Furthermore, a whole series of studies indicates that postmobilization registration not only meets Defense Department requirements, it exceeds them. In fact, postmobilization registration will provide more inductees to training than DOD is capable of handling. The result of this exercise is that peacetime registration really has no significant bearing on the speed of the mobilization procedure.

There is no doubt in my mind that registration would unnecessarily disrupt the lives of millions of young Americans and would provide little, if any, savings in mobilization time over premobilization registration. In essence, the costs are greater than the military benefits, both in social and economic terms. And most importantly, registration will not enhance our defense posture.

What should we do instead? We should take the Selective Service System "out of mothballs" and revitalize it by upgrading its computer division and by adding the appropriate personnel. In addition, rather than spending our time and money on registration, we should focus our attention on a more urgent and vital problem—the retention of midlevel military personnel, the engineers, technicians, pilots, and submarine operators, who really make our armed services work. To do so would be a much wiser course of action, one that would result not only in short-term benefits, but long-term ones as well.●

THE LESSONS OF AFGHANISTAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 30 minutes.

(Mr. SKELTON asked and was given permission to revise and extend his remarks.)

Mr. SKELTON. Mr. Speaker, this is an historic day—the day the House took a courageous first step in the defense of our country; the passage of registration for a draft. In light of this it is fitting that we look back to a page in history and remind ourselves of the importance of national security.

On the first day of October 1938 the Right Honorable Neville Chamberlain returned to London from Munich where he had met with the German Chancellor, Adolph Hitler, the French Premier Daladier, and the Italian dictator Mussolini. The Munich agreement had been signed just after midnight on September 29. As a result, Hitler secured everything he had demanded, while Britain and France, having acquiesced in the first stage of Czechoslovakian dismemberment, gave empty guarantees to what was left of the Czechoslovak nation—guarantees which were ignored and derided when, in 5 months time, German forces occupied the rest of that country.

As a result of the Munich settlement, German hegemony was established in central Europe. Allied prestige and influence steadily diminished. The Franco-Russian alliance of 1935 was effectively undermined, and the Soviet leadership turned toward the new Germany, preparing the way for the Russo-German pact the following August, that pact which sealed the fate of Poland.

There was many factors behind Chamberlain's decision to yield to Hitler's so-called last territorial demand in Europe. Both Britain and France were unprepared for a major war militarily and, perhaps more important, psychologically. The will to resist had been impaired. In both nations most people longed for peace, dreading the prospect of another terrible conflict. The memory of the Great War was all too vivid, casting its shadow over public policy and private concern alike.

Surely these factors help to explain the delirium of joy with which the Munich agreement was greeted throughout the world. Chamberlain himself returned to a city and a nation elated. He was greeted with a tremendous ovation for having, as he himself said, brought "peace in our time."

Virtually alone in his dissent, Winston Churchill rose in Commons barely 5 days after Chamberlain's triumphant return to sound a different and generally unwelcome note. Speaking of those who have "control of our political affairs," he observed that—

> They (have) left us in the hour of trial without adequate national defense or effective international security.

He went on to make a comparison drawn from British history—the unhappy reign for Ethelred II, King of the Anglo-Saxons, known as the Unready. Under Ethelred, the country lost "the strong position" it had gained through Alfred the Great almost a century before and "fell very swiftly into chaos." Viking raids increased in fury, and the tribute with which they were bought off, the Danegeld, grew so oppressive that freeholders were reduced to paupers.

The words of the Anglo-Saxon Chronicle, quoted by Churchill, struck a disturbing parallel between conditions under Ethelred and under Chamberlain so many centuries later:

> All these calamities fell upon us because of evil counsel, because tribute was not offered to (the enemy) at the right time nor yet were they resisted; but when they had done the most evil, then was peace made with them.

To this eloquent passage Churchill added:

> I have always held the view that the maintenance of peace depends upon the accumulation of deterrents against the aggressor, coupled with a sincere effort to redress grievances.

Looking back to 1933 when Hitler first came into office, Churchill commented on:

> All the opportunities of arresting the growth of the Nazi power which have been thrown away * * * The immense combinations and resources which have been neglected or squandered.

He concluded:

> I cannot believe that a parallel exists in the whole course of history.

Mr. Speaker, the price of those missed opportunities, the cost of that neglect, is well known to us all, measured in the tragic bloodshed and destruction wrought by the Second World War.

Mr. Speaker, I am reluctant to suggest that we today in America are seeing a parallel to those days of Munich. I am not happy to draw comparisons with the reign of Ethelred the Unready or the Ministry of Mr. Chamberlain. Nevertheless, the realities of the modern world will not vanish simply because we may find them unpleasant to consider.

The Soviet invasion of Afghanistan, which marked the beginning of this decade, has been called "the greatest threat to world peace since World War II." Very few have seen it in that light, for perfectly understandable reasons: it is not a nation in which we have any special or vital interest in the past. It is on the Soviet border. It is far away and different in culture and religion from our American traditions. Moreover, many authorities say that the Soviet move was dictated largely by defensive considerations: fear of resurgent Islam, anxiety over the weak and unreliable regime of the murdered President Hafizullah Amin. The installation of Babrak Karmal, an orthodox Marxist party-line type, who has failed to generate support among Afghans even now, suggests the essential weakness of the Soviet position.

Clearly the Soviets are finding themselves in a situation not of their choosing, whose cost may be greater than they expected. Comparisons are being made with the Vietnam war. Perhaps a better and more apt comparison may be found in Napoleon's ill-fated invasion of Spain, an invasion in which the French won all the battles and lost the war. The Spanish uprising was, in fact, the first great popular resistance to a foreign-dominated regime in modern times. Profoundly religious in character, it was an upsurge of Catholic and nationalist feeling directed against secular-minded and alien rule. Conservative and patriotic, the Spanish movement tied down Napoleon's forces in bitter guerilla warfare which proved to be an endless drain on French resources. The comparison with the Afghan resistance, also deeply religious and passionately nationalist, is striking.

Yet to look at the Afghan invasion in isolation from larger strategic issues is to miss its real significance. There can be little question that it does represent a new and more aggressive turn in Soviet policy—or rather a return to the kind of direct military intervention which marked Soviet occupation of Hungary in 1956 and of Czechoslovakia in 1968. The invasion of Afghanistan should be seen in the context of recent Soviet moves in Angola, in the Horn of Africa, and in Afghanistan itself prior to the present crisis, which many feel was set off by Soviet determination to prevent any move by the Amin government toward a more independent or neutralist policy.

In 1945, after the Second World War, approximately half of the world existed outside of the Soviet orbit. Today the free world embraces only about 17 percent of the world's nations and peoples.

The Soviets have been fighting in Afghanistan for fully 3 months, yet they still are unable to crush the uprising. Overwhelming superiority in conventional fire-power in search-and-destroy tactics have given them control of cities and roads around Kabul, but they are increasingly confronted by guerrilla warfare and its constant ambushes and harassment.

However, there are advantages for the Soviets, advantages which tie into the larger strategic picture. Their advance has brought the Persian Gulf and its oil within tactical reach of Soviet power. They are better able to intimidate the nations of the Near East. Thus, both their military and diplomatic power are greatly enhanced by the Afghan invasion.

Moreover, they are able now to evaluate their troops' performance in the first large-scale combat operations for the Red army in 35 years—since their victory over the Germans in 1945. Soviet planning was effectively utilized in 1977 to decide the outcome of the Ethiopian war against the Somali invaders and Eritrean secessionists. In Afghanistan in 1980 we have seen bold and self-confident operations, the capture of Kabul recalling similar swift-moving German strikes against Oslo or Crete, airborne conquest resting on surprise, deception, and covert action. It is not a reassuring spectacle for the West.

Let me set these facts in the context of global strategy: the shifting nuclear balance. Soviet global strategy is geared to the maintenance of a first-strike, preemptive capability which would neutralize any American retaliatory strike. This perceptible shifting in balance means that the Soviets will be able to reap the advantages of nuclear superiority without ever using it. Our strategic triad will no longer function as a credible deterrent.

A comparison of United States and Soviet arms and expenditures is revealing. According to CIA estimates, the Soviets are now outspending this Nation by 50 percent. We cannot and should not try to match their expenditures. Our task is to spend not so much as to spend wisely, concentrating on strategic programs and building upon our greater technological efficiency.

The Economist writes:

> The world is waking up to the cost of a dozen years in which the Soviet Union has rearmed by 3 to 5 percent a year while the west as a whole has disarmed. In most of the world's most important places, the Russians now have superiority in non-nuclear forces—and parity, or even an advantage, in nuclear ones.

There you have our present situation. As the smoke clears from Afghanistan, it is evident that the balance of power is shifting—and the direction is away from the United States.

What we must learn—and apply—is a simple principle: preparedness is deterrence. Adequate defense preparation is the surest guarantee that we will not be plunged into war by Soviet gambles. The threat of effective deterrence—and the will to resist aggression—is our only assurance against Soviet adventurism, in Africa or in Asia—or closer to home. I am thinking of the combat brigade in Cuba, no threat to us, but surely a testing of our resolve.

The development of Soviet civil defense capability deserves mention: This could be the equivalent of an ABM system to the extent that American strategic weapons could be neutralized. Postattack recovery for the Soviet productive capacity must also be taken into account. The Soviets appear to take seriously the prospect of nuclear conflict and to plan in terms of it realistically. Dare we do less? Civil defense is probably our single most neglected weapon. And it is a weapon in the nuclear balance.

I began by recalling Churchill's somber words after Munich. His call was for rearmament and for a rebirth of leadership and the will to use it. "An effort at rearmament the like of which has not been seen ought to be made forthwith, and all the resources of this country and all its united strength (should) be bent to that task." The "unendurable" alternative, he added, was for Britain to fall "into the power, into the orbit and influence of Nazi Germany * * *." He saw that this could and would occur without war, but simply by the failure to arm and to act decisively to preserve the peace.

Churchill said that the people "should know that they have sustained a defeat without a war." I fear that we are moving toward a similar situation unless we fully awaken to the nature of the crisis and respond accordingly. It is still within our power to reverse the trend of recent years and to redress the balance of strategic power. To do so as quickly as we can is an obligation we dare not evade. The future of this free Nation and, indeed, the direction of the world community ride upon the decisions we now must make if we would fulfill the responsibilities of moral and political leadership which are uniquely ours. The price of unreadiness will be greater by far than its alternative.

□ 1910

MARKET INTEREST RATES JUSTIFY A DROP IN THE PRIME RATE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Wisconsin (Mr. REUSS) is recognized for 5 minutes.

● Mr. REUSS. Mr. Speaker, the big banks are clinging tenaciously to sky-high prime rates despite a sharp fall-off in short-term interest rates. It is time for the banks to drop their prime rate significantly in line with other interest rates. Keeping the prime rate too high too long will make the recession unnecessarily severe.

The 3-month certificate of deposit rate has fallen from 17.88 percent for the week ending April 9 to 15.62 percent yesterday, indicating the 3-week average should come in around 16.75 percent. If Citibank, which tends to set the pace, followed its own standard of charging 1.5 percent more than the rate on 3-month certificates of deposit its prime would be 18¼ instead of 19¾.

Small businessmen, farmers, builders, and homebuyers cannot wait any longer.●

THE CASE OF RAOUL WALLENBERG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. BLANCHARD) is recognized for 5 minutes.

● Mr. BLANCHARD. Mr. Speaker, Raoul Wallenberg was and is a hero to Americans with a deep commitment to human rights and with a deep appreciation for the tragedies that have befallen Jewish people in this century. His heroism in the face of Nazism, particularly when he saved more than 50,000 Jews from extermination, will never be forgotten.

Evidence continues to mount that, contrary to the official Soviet government line, Mr. Wallenberg is still alive. I would like to include in the RECORD a recent article that appeared in the Detroit News which highlights some of the most recent information in this case. I feel that it is incumbent upon the State Department to invest time and energy into determining whether or not Raoul Wallenberg is in fact alive, and if so, where he is and what condition he is in. Our Government's laudable committment to human rights requires no less.

The Detroit News article follows:

JEWS STILL SEEK CHRISTIAN HERO CAPTURED IN '45

(By Arthur W. O'Shea)

Raoul Wallenberg may be alive.

That hope bouys the spirits of Jewish survivors of the Nazi Holocaust.

Wallenberg is one of their heroes. He also is a Christian.

Jews from Michigan will join several thousand others tomorrow night for a candlelight vigil in front of the Isaiah Wall at the U.N. in New York.

"That's to bring moral pressure to bear on the Russians to account for Wallenberg," explained Phillip Schlomovitz, editor of the Detroit Jewish News, one of the chief supporters of the vigil.

Wallenberg, a 1935 graduate of the University of Michigan School of Architecture, put his life on the line for them, they said, and they intend to do anything they can to save him.

In the waning days of World War II, Wallenberg, a Swedish diplomat and 32-year-old heir to a huge banking fortune, showed unbelievable courage in Hungary as he snatched more than 50,000 Jews from the grip of the Nazi death machine.

From May to July of 1944 alone, the Nazis moved 437,000 Hungarian Jews to Auschwitz.

Wallenberg followed death camp marches, snatched stragglers and handed them "passports" that, he claimed, gave them his Swedish diplomatic immunity.

Reportedly, he once posed as a high Nazi officer and sidetracked hundreds of others.

He rented 32 apartment buildings, filled them with Jews and flew Swedish flags from the roofs to put them beyond, he claimed, Nazi jurisdiction.

Wallenberg was last seen when he was taken into custody Jan. 7, 1945, by Soviet police shortly after the Red Army took over. At the time, he was reportedly attempting to negotiate restoration of the Jews' rights and property.

At first the Russians said they didn't have him.

Then, in 1956, they admitted they had arrested Wallenberg "by mistake" but, unfortunately, he had died in prison. They blamed the mistake on the former KGB head.

There were rumors to the contrary for years, but nothing firm until this winter when it was discovered that:

A former inmate of the Butyrka Prison, outside of Moscow, had been reimprisoned after he called his daughter in Israel and said a Swede in prison with him was in good shape after having been in Russian prisons more than 30 years.

A recent emigrant to Israel heard a senior KGB officer say at a Moscow cocktail party that under his command was a Swede who had wanted out for more than 30 years, yet was still rotting in prison.

Survivors of the Holocaust have persuaded President Carter and Secretary of State Vance to intercede with the Russians for Wallenberg. Four U.S. senators have formed a committee to investigate. There have been no results so far.●

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 307 FIRST BUDGET RESOLUTION FOR FISCAL YEAR 1981

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CARR) is recognized for 5 minutes.

● Mr. CARR. Mr. Speaker, I offer the following amendment to House Concurrent Resolution 307, as reported by the Committee on the Budget:

AMENDMENT TO HOUSE CONCURRENT RESOLUTION 307, AS REPORTED

In the first section, for the fiscal year beginning on October 1, 1980—

(1) reduce the recommended level of federal revenues, by $3,428,000,000, and increase the amount by which the aggregate level of Federal revenues should be decreased by $3,428,000,000;

(2) decrease the appropriate level of total budget authority by $4,570,000,000; and

(3) decrease the appropriate level of total budget outlays by $3,428,000,000.

In section 2, for major functional category General Purpose Fiscal Assistance (850)—

(1) decrease the amount of new budget authority by $4,570,000,000, and

(2) decrease the amount of outlays by $3,428,000,000.

In section 5, for each of fiscal years 1982 and 1983—

(1) decrease the recommended level of Federal revenues by $4,570,000,000;

(2) decrease the appropriate level of total new budget authority by $4,570,000,000;

(3) decrease the appropriate level of total budget outlays by $4,570,000,000; and

(4) for major functional category General Purpose Fiscal Assistance (850), decrease the amount of new budget authority and outlays by $4,570,000,000 each.

My amendment would eliminate the local share of revenue sharing, in addition to the State share already eliminated in the budget resolution. My amendment would also cut taxes by an amount equivalent to the local share of revenue sharing, thus returning the "Federal" money to the localities and allowing the local residents and their governments to make their own collective decisions about their own priorities.●

SUBCOMMITTEE ON CRIME SCHEDULES MARKUP OF H.R. 7084, AUTHORIZATION OF THE PRETRIAL SERVICE AGENCIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Michigan (Mr. CONYERS) is recognized for 5 minutes.

● Mr. CONYERS. Mr. Speaker, the Subcommittee on Crime, which I chair, has held several hearings on the operations of the pretrial services agencies in the U.S. district courts. On Thursday, April 24, 1980, at 9:30 a.m. in room B–352 Rayburn House Office Building, the subcommittee will mark up H.R. 7084, which authorizes the establishment of pretrial services agencies in each judicial district.

Persons desiring further information should contact the subcommittee staff on 225–1695.●

EARTH DAY 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Virginia (Mr. HARRIS) is recognized for 5 minutes.

● Mr. HARRIS. Mr. Speaker, today marks the 10th anniversary of the original Earth Day which first focused public attention and awareness on the vital importance of our environment. As a cosponsor of the Earth Day 1980 resolution, I am proud to participate in this new celebration of our achievements in environmental quality during the past decade.

The 1970's saw the passage of landmark environmental legislation including the National Environmental Policy Act, the Clean Air Act, and the Clean Water Act as we accepted the challenge of preserving our environment and natural resources. Earth Day 1980 affords us the opportunity to reflect on those accomplishments and renew the commitment to a clean and healthy environment for generations to come.

The 1980's have brought new challenges on the international, economic, and energy fronts. However, we must not lose sight of the unfinished work that lies ahead in protecting our delicately balanced environment. Our environmental concerns and interests must continue to play an integral role in shaping the policies to deal with these new challenges—these efforts need not conflict. I urge all of my colleagues to join me in this Earth Day 1980 celebration in recognition of our environment in order that we might rededicate ourselves to continued environmental prosperity and improvement.●

A TRIBUTE TO RAOUL WALLENBERG

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. SOLARZ) is recognized for 5 minutes.

● Mr. SOLARZ. Mr. Speaker, I would like today to join several of my colleagues in paying tribute to Raoul Wallenberg, an outstanding humanitarian of our time.

Raoul Wallenberg, a Swedish diplomat who served in pro-Nazi Hungary during World War II, led a rescue mission in Budapest which saved over 20,000 Hungarian Jews from deportation and eventual extermination in concentration camps. In the mid-1940's, when the Nazis were ravaging Budapest to liquidate the city's Jewish population, Wallenberg distributed Swedish passports to at least 20,000 Jews, and sheltered 13,000 of them in houses he had rented and over which the Swedish flag was flown.

Despite a number of attempts on his life, Wallenberg was unconcerned for his own safety. He is reported to have stood on top of a deportation train handing out Swedish papers to all that could reach them, and then to have insisted that all those with papers be permitted off the train. Survivors claim he pulled people out of death marches to camps at the Austrian border and brought them food and medical supplies by night when he had no more passports to give out.

On January 17, 1945, Raoul Wallenberg mysteriously disappeared. He is last reported to have stepped into a Red Army car with two Russian officers heading east. The Soviet Government has released conflicting reports regarding Wallenberg's whereabouts, although it now maintains he died of a heart attack in Moscow's Ljubljamka prison, in July 1947. No reason has been given for his imprisonment.

Contradictory evidence on Wallenberg's whereabouts has been gathered over the past years. Witnesses claim to have seen him since his alleged death, and his immediate family, their friends and a handful of experts on his case believe he is alive, imprisoned in the Soviet Union. Despite pleas from various heads of state around the world, however, the Soviet Government refuses to allow further investigation of his case.

Survivors of the Holocaust around the world yearn to learn the truth about Raoul Wallenberg. Many would like to give him the recognition and honor he so justly deserves for his selfless actions on their behalf; over 20,000 individuals owe their lives to this one man.

In the postholocaust era, it is imperative that we remember the courageous efforts of the few who helped to save the Jewish people from extinction. We must not close our eyes to the case of Raoul Wallenberg, a hero of the 20th century whose contributions to mankind must rightly be acknowledged.●

UNESCO THREAT TO PRESS FREEDOM

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Florida (Mr. FASCELL) is recognized for 10 minutes.

● Mr. FASCELL. Mr. Speaker, several times in the past I have reported on the outstanding job done by the Inter-American Press Association in promoting press freedom in the Americas. Long before emphasis on human rights became a major part of our foreign policy, the IAPA fought consistently and effectively for one of those human rights most essential to a free society: freedom of expression.

The IAPA has recently been deeply concerned by the drive in UNESCO, the United National Educational, Scientific, and Cultural Organization, to establish a so-called New World Order of Communications. The essential element of the UNESCO offensive is that the press should be an instrument of political and economic development, as conceived by and under the control of the government in power. The IAPA sees in the UNESCO offensive the greatest danger to freedom of the press in the world today.

I would like to share with our colleagues a recent address by George Beebee, current president of the IAPA and managing editor of the Miami Herald. Mr. Bebee has long been a tireless fighter for press freedom not only in the Americas but worldwide through the World Press Freedom Committee.

He offers a disturbing report on the continuing campaign by elements in UNESCO to establish international conrols over the media, as well as an eloquent assessment of the outlook for press freedom and challenges facing the United States in our own hemisphere.

ADDRESS BY GEORGE BEEBEE

The Inter American Press Association for nearly 40 years has been the watchdog of the Western Hemisphere's press.

Now its most severe challenges come from the global areas of debate.

UNESCO's attempt to establish international standards for the media threatens the whole concept of freedom of the press.

It is obvious that elements within this agency intend to push relentlessly until Socialist and some Third World countries gain their objectives.

They especially want an international agency, such as UNESCO, to give official approval to all the aspects that encompass a state controlled media.

Don't let anyone tell you all this is being done to improve communications. It is being done to control communications. The evidence is overwhelming.

We agree that the present information system needs better balance, but we can't accept the radical format proposed by our adversaries.

UNESCO itself says the pressures for a New Information Order are stirred by its members. Yet its own secretariat is at odds on how involved this agency should become. Frankly, it is very involved.

I have been cautiously optimistic in recent years because reason and moderation have prevailed at UNESCO conferences where once hostility and bias marred discussions.

The MacBride Commission Report, which will be thoroughly reviewed by German Ornes at our Thursday morning meeting, restates provisions generally favorable to press freedom contained in the United Nations and UNESCO Charters and in the Declaration on Human Rights.

But also embodied in the two-year study are proposals that will stir arguments over international news coverage.

The most dangerous would establish at UNESCO an international institute to monitor and oversee development of global communications.

In other words, UNESCO—a government-financed agency—would become a decision-maker on the media's future.

This concept has the backing of the Third World followers of the Tunisian, Mustapha Masmoudi.

Such an institute is not needed. It only can nullify any cooperation essential to an information order that could be universally accepted. It would create unending dissension, which we should avoid.

My optimism has dwindled. The atmosphere once more is charged. Our adversaries have talked of making 1980 the showdown on long-standing controversial issues.

I hope that I have misread their intentions and UNESCO once more will seek common ground on which ideological and political concepts can work together to improve global communications.

But there are continuing maneuvers by UNESCO which make me think that such hopes are futile.

The compromise reached on communications at the UNESCO General Conference in Paris in 1978 seems lost in the dust of conference after conference where topics appear designed to undermine the West and its media.

Typical is one just concluded in Nantes on "Distortion of Information Between Western and Socialist Countries."

Others are upcoming in Dakar, Paris, Vienna, the Cameroons, in the Arab region and Caracas, all leading to the next general conference in Belgrade in September and October.

Few Western views are invited to these conferences.

What is the free world media doing about this?

We are aware of what is happening. The World Press Freedom Committee—of which the IAPA is an affiliate—will have representatives at these meetings. And we will have a strong delegation at Belgrade.

There have been no new major hemispheric challenges since we met in Toronto. But the press review yesterday spotlighted problems to which we must give constant attention:

Newsmen languishing in jails.

Newspapers closed arbitrarily.

Harassment of media by terrorists and governments.

It is difficult to keep pessimism from overwhelming us.

One problem that has concerned me for years was emphasized by President Ellis Clarke of Trinidad-Tobago during our meeting there a year ago.

"How," he asked, "can you cope with an irresponsible newspaper or magazine?"

He explained that so-called scandal sheets in the United States are ignored, but they have real impact in the Caribbean and Latin America, particularly in the hinterlands.

The answer, of course, is through stringent libel laws that make publications responsible for what they print.

Few smaller nations have adopted such legislation. Why not? It is that simple.

The irresponsible publication's disregard for truth and fairness too often leads to general repression of all media.

Through the years IAPA has been called upon to speak on government denial of newsprint or the silencing of irresponsible elements.

Some might consider it incongruous that an organization dedicated to a free and responsible media so often defends those who ignore the common principles of accuracy and objectivity which we demand in our newspapers.

When newsprint is denied or a newspaper closed without explanation, then others can be denied paper and closed down. That is why we become involved.

This dilemma we frequently face is best summarized by the late author and philosopher, H. L. Mencken, who said:

"The trouble with fighting for human freedoms is that you have to spend so much of your life defending ———; for oppressive laws always are aimed at them originally and oppression must be stopped at the beginning if it is to be stopped at all."

In my acceptance speech at Toronto, I expressed deep concern over the deteriorating situation in the Caribbean.

There has been little change.

President Carter recently stated that he saw "no military threat to the integrity of nations in the Caribbean from an outside force."

He is right. The Soviet-Cuban connection seems to be slowly gaining its objectives without need for armament.

The island nations, with few exceptions, plead for help as Communist influence continues to be imported by left-wing political factions.

It is gratifying that the harassment by the Jamaican government of The Daily Gleaner has ceased for the moment.

But in Grenada, the only independent voice, The Torchlight, still is closed. A Catholic newspaper that started publication a few weeks ago lasted only one edition.

In Central America, newspapers have been fire-bombed, their publishers threatened.

It is a disturbing situation.

President Carter perhaps gave it an overly optimistic approach at a recent White House conference when he urged that the private sector of the United States and the prosperous nations of the Caribbean basin take the lead in bettering relationships—and conditions—with the nations of this region.

"Too often," the President said, "we have looked to the government to undertake the task of improving relations with our friends abroad when so much of our strength and friendship lies in our communities, our universities, and in business, labor, farming, voluntary and religious groups."

A noble approach. The committee he named to expedite such a program is seeking to ascertain what cooperative programs now are being carried on with the Caribbean.

I have submitted a report showing that the Inter American Press Association and the World Press Freedom Committee have been giving a cooperative hand to the media of this region for some time.

Significant, of course, was IAPA's successful effort to help reestablish La Prensa in Nicaragua after Somoza destroyed its plant.

Yes, a people program is more effective than a financial give-away, but governments still must help.

The United States has learned its mistake of channeling its assistance through multinational lending agencies and getting little or no credit from the recipients.

As Don Bohning, Latin-Caribbean editor of The Miami Herald, so expertly explains:

"Cuba by sending five doctors to a country gets more propaganda mileage than the U.S. gets by sending $5 million to the Caribbean Development Bank."

Most of the Caribbean nations suffer great poverty. We have got to give these people a better life. The media of the U.S. and all the nations in the Caribbean basin should be in the forefront to make this commendable cooperative effort a success. If we don't you know who will.

As for the outlook for press freedom in the Western Hemisphere, it is easy to feel discouraged by violent events in so many countries. But long-range there are reasons to hope for better times.

The most encouraging development has been increasing cooperation between Latin American countries, a growing awareness that self-help and mutual assistance in times of need is the only sure road toward economic development and political stability, with all that this means in terms of civil and human rights.

We should feel particularly encouraged by the attitude of the Andean Bloc nations. They have declared in most emphatic terms that Western democracy is the only form of political and social system that will ensure a future of well-being and freedom in Latin America. And the Andean Bloc has not stopped there. It also has taken action.

Using great tact and wisdom, leaders of the Andean Bloc have sought to bring political stability to Bolivia. They have tried to mediate between extremes in El Salvador. I feel also that the existence of the bloc has been a contributing factor in Peru's planned return to constitutional government.

Several other countries—particularly Venezuela and Mexico—have extended a helping hand in the reconstruction of Nicaragua, and Venezuela is a powerful partner in assisting the newly independent nations of the West Indies.

All this, I feel, is symptomatic of a healthy awareness of the great need for unity and cooperation among Latin Americans.

The commendable goals and achievements of the InterAmerican Press Association are widely recognized, not only in the hemisphere but throughout the world.

There are still far too many people unfamiliar with our efforts to maintain freedom of expression in lands where our adversaries would diminish this basic right.

Communists and certain government propagandists have branded the IAPA as a CIA cover, an agent of imperialism and a group only interested in safeguarding its own properties. In the past we also have been accused of being agents of Moscow.

Those who have watched the IAPA for two score years fighting to keep the media free of government control know better.

No script that I could write tells our purpose better than a letter sent me recently by an Asian newspaperman.

It is one of the most challenging letters I ever received.

I do not mention his name or country because he could face harassment or jail for expressing his views.

"I have a feeble feeling," this journalist writes, "that there is a solution to the kind of professional problems that we journalists face in this country.

"If I am not mistaken, the duty of a newspaper is to keep its readers informed. It also has the responsibility of educating the readers on vital national and international matters.

"I have doubts that my newspaper is performing the job of informing, educating and giving unbiased coverage of events to the readers.

"Day after day we on this newspaper confine ourselves to churning out government handouts and there is little we can do about it. Individual members of the staff are responsible for anything they write in this newspaper against the military government. Even editorially, we are forced to fall in line with official stance.

"Working under such seemingly impossible conditions, I genuinely feel that I have failed as a newsman. I have failed my readers as well as my country.

"I know I am guilty of writing biased stories, and articles which resemble Goebbels' propaganda tactics.

"After years in this business of publishing government directives, I am beginning to wonder if this is the kind of journalism practiced all over the world.

"How do I know this is not correct? How do I define a free press? How do I define myself as a journalist?

"How do we equip ourselves with the capability of producing newspapers worth reading? Does the World Press Freedom Committee have any remedies for the kind of journalism which is fast emerging here and in many Third World countries?"

I wish this letter could be read by every newspaperman.

Similar situations are few in the Western Hemisphere at this time—outside Cuba and Haiti—but it should give the IAPA members an incentive to fight to make certain others are saved from the despair of this Asian journalist.

Newsmen become mere puppets of government when they have no freedom to express their thoughts. People denied a free press are subjects of a nation, not citizens.

We must involve more of our employees in this IAPA effort. They have a stake in the outcome of every battle we undertake.

It has been heartening to see more and more members bring their editors and reporters to our meetings. It is a good investment.

And when you return to your offices, you should do what many of us do—brief your key people on the highlights of our discussions.

If they know more about what is happening in the hemisphere, you will find them giving greater attention to Latin American and Caribbean news developments, and they will better understand our concerns.

We are in one of the most crucial periods of our lives. There are tensions at home and abroad, which daily disturb our minds and our hearts.

We worry about the future of our families, our nations and our world amid terrorism, anarchy, hostage-holding, assassination, corruption and hatred among peoples.

Truth is a most important element in this confused era, for misunderstandings and misconceptions, many intentionally created by propaganda machines, have led to much of the tumoil we are experiencing.

Governments that control their media distort and suppress news to fit their political needs. Only a free press and an informed public can provide the truth.

Propaganda stirs controversy and hatreds. Truth removes them. This has been so evident in UNESCO debates in recent years.

We of the media must continue our role of seeking to keep events in focus.

I never will be a complete pessimist. We have been through crucial periods before and our resilience has amazed us. We have no intention of letting our antagonists wear us down or wear us out.

It is well to remember that it is not the people who want a controlled media; it is the despots who rule those people.

The IAPA espouses a free press for all people; it is dictatorial governments that would deny this inalienable right.

Those governments fear the truth. The people would welcome it.

Let there be no question about our purpose and dedication.●

FINANCIAL DISCLOSURE OF REPRESENTATIVE ELIZABETH HOLTZMAN FOR 1978

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. Holtzman) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, it has been my practice to publish in the Congressional Record my financial disclosure for each year I served in Congress. In 1979, I made public my financial statement for 1978, but because of a staff oversight my statement did not appear in the Record. To rectify that omission, I am inserting this financial disclosure statement for 1978.

The statement follows:

FINANCIAL STATUS

In 1978, my total gross unadjusted income was $61,779.00.

NONCONGRESSIONAL INCOME

In 1978, my income from noncongressional sources was $4,415.12.

UNSECURED LOANS

I had no unsecured debts in 1978.

NONCONGRESSIONAL REIMBURSEMENTS

Reimbursements to me in 1978 for expenditures in excess of $50.00 other than from the U.S. Government totaled $176.00. These reimbursements were for out-of-pocket expenses incurred in connection with speaking engagements.

SECURITIES

I own no stocks or corporate or municipal bonds with a value in excess of $25.

INCOME TAXES

The personal income taxes I paid for 1978—contained in my tax returns as filed on April 15, 1979—totaled $24,713.00 and were divided as follows: U.S. Government, $17,233.00; New York City and State, $7,480.00.

BUSINESS AFFILIATES

During 1978 I did not serve as a director, officer, partner, adviser, or manager of any business entity, foundation, or professional organization of a noneleemosynary or noneducational nature.●

INTRODUCTION OF HAZARDOUS MATERIALS TRANSPORTATION AND INDEPENDENT SAFETY BOARD AMENDMENTS OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. Johnson) is recognized for 5 minutes.

● Mr. JOHNSON of California. Mr. Speaker, I have today joined in the introduction of the Hazardous Materials Transportation and Independent Safety Board Amendments of 1980. In so doing, I am not embracing or specifically supporting any of its provisions or funding levels. However, the bill represents the action of the Subcommittee on Transportation and Commerce on both of these important programs, and, as such, should be accorded at least the same consideration as the previously introduced agency legislation, H.R. 6937 and H.R. 6938.●

HELPING THE MIDWEST AND NORTHEAST IS IN THE NATIONAL INTEREST

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, an article by Felix G. Rohatyn in the Washington Post of Sunday, April 20, points out that the United States today consists of the "haves" and the "have-nots," the haves being the Sun Belt States and the have-nots being the old industrial States of the Midwest and Northeast. The have-not States, faced with the transfer of jobs to the Sun Belt, are faced with a combination of local tax increases, cuts in service, and job layoffs, all of which have the effect of deepening the economic downturn in the cities and driving more taxpayers out. From the Federal Government's point of view, this increases Federal burdens and reduces Federal revenues from these States.

Mr. Rohatyn notes that there are about to be superimposed on this situation huge revenue increases to be collected by the oil-producing States as a result of oil price decontrol. Through this decade, the States of Alaska, Texas, California, Louisiana, Wyoming, Oklahoma, New Mexico, and Kansas will collect increased severance tax and royalty tax revenues amounting to $115 billion. Like a domestic version of OPEC, these States can use these vast revenues to lower taxes and attract industry away from the older industrial areas of the Midwest and Northeast.

Mr. Rohatyn stresses the urgency of acting now before it is too late to correct this situation. He says:

> It is really not very difficult to see where this inevitably leads. Half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth. This is not the stuff of a stable democracy; it is not the stuff of a union of states. For a union to survive there must be a sense that both burdens and benefits are shared on an equitable basis.

Among remedies suggested by Mr. Rohatyn are the funneling of new permanent revenues to the Midwest and Northeast in the form of direct budgetary assistance and incentives for private industry, possibly using a portion of the national gas tax for that purpose. Certainly it is high time Congress acted to remedy what is becoming a tragic situation and could become a national disaster.

The full text of Mr. Rohatyn's article follows these remarks:

THE AMERICAN HAVES AND HAVE-NOTS

(By Felix G. Rohatyn)

The United States today consists of "haves" and "have-nots." The "haves" are the sunshine states, with population growth, natural resources, new industrial locations. The "have-nots" are the old industrial states of the Northeast and the Midwest. Decaying urban areas with shrinking tax bases face increasing needs to provide services to a population less and less able to pay for them. Racial tensions in the ghettos combine with increasing middle-class frustrations to create a potentially explosive mixture.

In recent years, a fragile equilibrium has been maintained: New York City, which had a close brush with bankruptcy in 1975, has since reduced its deficit from $2 billion to $400 million, reduced its work force drastically and refinanced $6 billion of short-term debt. Other northeastern and midwestern cities maintained reasonable stability until the onset of the current round of inflation and recession. In the last year or so, Cleveland, Chicago, Buffalo, Philadelphia and Washington, D.C., have seen their fiscal equilibrium shattered and, as the recession deepens, with inflation still in double-digit ranges, they will be faced with widening budget gaps and greater and greater social strains. New York City, which by law must eliminate its deficit in the year beginning July 1, 1981, will have to cope with a significantly higher gap due to inflation and recession. To this is added the loss of revenues caused by federal cutbacks and industrial layoffs. In half the country, we have an environment of unrelieved misery.

The actions that these cities and states will take to close their deficits are both inevitable and counterproductive. They involve a combination of local tax increases combined with service cuts and layoffs; both have the effect of driving more taxpayers out and deepening the economic downturn in the cities. From the federal government's point of view, the effect is equally counterproductive. Local tax increases reduce federal revenues, since local taxes are deductible for federal income-tax purposes. Local layoffs increase transfer payments for unemployment. Deficits are increased; the recessionary cycle is deepened.

It is in this environment that we superimpose a new phenomenon: the skyrocketing revenues (mostly in the form of severance taxes and royalties) to be collected by the oil-producing states as a result of oil-price decontrol. The Northeast-Midwest Institute has recently published a study estimating that from 1980 to 1990 the states of Alaska, Texas, California, Louisiana, Wyoming, Oklahoma, New Mexico and Kansas will collect increased tax revenues amounting to $115 billion. Alaska will, *on the average,* increase its annual revenues $3.3 billion per annum, over 300 percent of its current annual expenditures. Texas will, *on the average,* increase its annual revenues by 90 percent of its current annual expenditures. Alaska just abolished its income tax and is paying cash dividends to its citizens. An attempt was made to subject these revenues to the windfall profits tax; it failed.

Ironically, revenues to these states from a variety of federal assistance programs such as revenue sharing would actually increase because of the definition of "tax effort" in grant distribution formulas. Thus, federal assistance will increase in areas of dramatically lesser needs, while it will be reduced in those areas where need is greatest.

Much has been made recently of budget surpluses at the state and local government level. But over 60 percent of state surpluses in 1978 were concentrated in those eight states accruing more than 90 percent of revenue increases from oil decontrol over the decade. Like a domestic version of OPEC, the oil-producing states can use their vast revenues to lower other taxes, increase services, attract industry by almost unlimited means; their economies as well as the economies of surrounding states will get significant boosts.

And, like a domestic version of the Third World, the Northeast and Midwest, importers of fuel, needy for additional federal assistance, will bear the burden since, after all, this is a zero sum game. It is really not very difficult to see where this inevitably leads. Half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth. This is not the stuff of a stable democracy; it is not the stuff of a union of states. For a union to survive there must be a sense that both burdens and benefits are shared on an equitable basis.

If we wait for the crisis, as we did with OPEC and the Third World, it will be too late. A short-range and long-range program should be examined by the president and the Congress to remedy this situation. It should include:

For the short run, an institution modeled after the Reconstruction Finance Corporation of the 1930s to provide low-cost, long-term financing to permit those localities in difficulties to weather the next few years.

Federal formulas for assistance programs to be modified to provide money where it will be most needed, as suggested, for instance, in Sen. Daniel P. Moynihan's bill to revise the Medicaid matching formula.

For the long run, new permanent revenues must be funneled to the Northeast and Midwest, in the form of direct federal budgetary assistance and incentives for private industry to remain and grow. A possible source of revenue could be created by dedicating a portion of a national gas tax for that purpose.

The solution to this problem is as complex as it is vital. It clearly does not lie in letting market forces work their will since they will only exacerbate the situation. Neither is it in counting on the current recession, which will only force local actions, making matters worse, both for the cities and for the country. Urban America must be a fit place for middle-class people to live, work and bring up their children. A business-labor-government partnership must reach into the ghettos to provide employment and opportunity; a black or Puerto Rican youngster in Bedford-Stuyvesant should know that, if he stays in school and out of trouble, he will have a job. There is clearly more than enough to be done. Over the next decade, massive investments must be made in mass transit, in retooling the automobile industry, in improving our railroad system, in financing a domestic energy program. It is unthinkable that we cannot find a way for the entire country to share in this activity.

In a worldwide war of ideologies and ideas, it will be difficult to claim the virtues of our system if Philadelphia, Washington, New York and Chicago are turned into slums. None of this is easy, but there is still time. Five years from now it will be too late. This country will soon be called upon to participate in a major international financial effort to help the Third World, either through increased commitments to the World Bank, the International Monetary Fund or other similar institutions. It is an effort that will have to be made. However, on our scale of priorities, our own Third World should come first.●

H.R. 7085, HOSTAGE RELIEF ACT OF 1980

(Mr. FASCELL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. FASCELL. Mr. Speaker, on Thursday, April 17, 1980, I introduced H.R. 7085, the Hostage Relief Act of 1980.

This legislation is designed to give comprehensive relief benefits to our hostages in Iran and Colombia, as well as in any future situations.

While there is no real way we can fully compensate those Government personnel, civilian or military, who suffer or die in the service of their country, we can seek to ease their burdens and those of their families. This bill, I feel, is a small but important step toward expressing our Nation's appreciation to our diplomatic personnel who are held hostage, as we have done so often for our soldiers, sailors, and airmen.

A "dear colleague" letter has been sent out, to give the Members of the House an opportunity to cosponsor this legislation. I would urge my colleagues to read the following section-by-section analysis, and to become a cosponsor of H.R. 7085:

Section-by-Section Analysis

The Hostage Relief Act of 1980 is designed to provide certain relief to persons currently held hostage in Tehran and to update existing statutes to cover any future similar situations. The bill would apply to civilian employees of the U.S. Government or, as appropriate, to U.S. citizens and resident aliens generally. Title I of the bill would amend title 5 of the U.S. Code to provide for reimbursement of certain expenses, authorize a savings and training program, and make applicable certain provisions of the Civil Relief Act. Title II of the bill would amend the Internal Revenue Code of 1954. Title II is designed to extend to civilian taken hostage or otherwise determined to be in a missing status abroad as a result of a hostile action against the United States, the tax advantages previously enacted for members of the Armed Forces who enter a missing status as a result of service in a combat zone.

A detailed sectional analysis of the bill follows:

TITLE I

Section 101 of the bill would repeal section 5568 of title 5 of the U.S. Code and transfer the substance to section 7508 of title 26. Section 5568 defers the requirement for filing or paying Federal income taxes by an employee in a missing status. This subject is better dealt with in title 26.

Section 102 of the bill would add two new sections—5569 and 5570—to subchapter VII of chapter 55 of title 5. This subchapter authorizes continuation of salaries and allowances for Federal employees in a missing status. It covers those who are taken hostage or who go into hiding in a foreign area to avoid capture by a hostile force.

New section 5569 would authorize a savings program, reimbursement of certain expenses and certain training. Section 5569(a) would direct the Secretary of Treasury to establish a savings fund to which agency heads could allot all or a portion of the pay of personnel being held hostage. Interest on money deposited would be compounded quarterly at the average rate paid on U.S. Treasury bills with 3 month maturities in the preceding calendar quarter.

Section 5569(b) would authorize reimbursement of expenses incurred by Federal employees being held hostage and their families for travel, recuperation, private medical care and other expenses necessarily incurred because of the ordeal of the employee and his or her family members. Reimbursements for expenses not covered by insurance would be made in accordance with regulations to be issued by the President and would be limited to $25,000 per family per year. It is believed that some dependents of the hostages may require extended medical and psychological treatment that cannot be provided under existing Government programs.

Section 5569(c) would authorize spouses of Federal employees being held hostage to attend courses of education and training. This would permit such spouses who wish to reenter the labor market to take training to brush up old skills or acquire new ones for this purpose. Spouses of members of the Armed Forces who are in a missing status for 90 days or more are now authorized such training under chapter 35 of title 38 of the United States Code administered by the Veterans Administration. The proposed training for civilian spouses would be administered under regulations prescribed by the President under rules comparable to those established by the Veterans Administration under title 38.

New section 5570 would extend certain provisions of the Soldier's and Sailor's Civil Relief Act, now applicable to members of the Armed Forces, to other U.S. citizens during any period they are in a missing status or cut-off from reasonable postal communications as a result of a hostile action against the United States in a foreign area. The Civil Relief Act *inter alia* provides authority for a court to defer civil actions or proceedings that affect an individual's status or property rights until the individual is restored to a situation where it is reasonable for him or her to be able to respond to the specified actions. To give one example, this amendment would provide authority to a court to prevent foreclosure on an employee's house or property for nonpayment of taxes while the employee is being held hostage in a foreign area.

Section 102(c) of the bill would make the reimbursement and training programs contained in proposed new sections 5569(b) and (c) specifically applicable to all citizens and resident aliens of the U.S. held hostage in Tehran, as determined by the Secretary of State, at any time during November 1979, whether or not they are Federal employees.

Section 103 of the bill would make the amendments added by section 102 effective on November 4, 1979, the date of the takeover of the U.S. Embassy in Tehran.

Title II of the bill would amend title 26 of the U.S. Code as explained below to extend to civilians taken hostage or otherwise determined to be in a missing status abroad as a result of a hostile action against the United States, tax advantages comparable to those now available to members of the Armed Forces who enter a missing status as a result of service in a combat zone.

Income taxes of Federal employees in a missing status because of hostile action against the United States

Section 201 of the bill would add new subsection (e) to section 112 of title 26. This subsection would exempt from gross income all compensation received for active service as a Federal employee during any month the employee was in a missing status as a result of hostile action against the United States in a foreign area. It would also exempt from gross income compensation received for any month during any part of which such employee was hospitalized as a result of such hostile action.

"Hostile action against the United States" would be defined as an action abroad which is directed against the United States that occurs on or after November 1, 1979, which the Secretary of State identifies for this purpose in a letter published in the Federal Register. This definition would include the hostile action directed against the United States in Tehran which commenced on November 4, 1979 and subsequent hostile actions in Pakistan and elsewhere. The term "Federal employee" would be defined to include any person who is an employee, whether direct or indirect, of any agency or instrumentality of the U.S. The term would include any person other than a member of the Armed Forces whose presence abroad is for the purpose of implementing a Federally funded program as determined by the Secretary of State.

Death resulting from hostile action

Section 202 of the bill would amend section 692 of title 26 to provide an exemption from Federal income taxes for Federal employees who die as a result of hostile action against the United States. The exemption would extend to income received during the year of death and during any prior year the employee first entered a missing status as a result of such hostile action. Section 692 now provides a similar exemption to members of the Armed Forces who die as a result of service in a combat zone.

Joint return where individual is in a missing status

Section 203 would amend section 6013(f) of title 26 to permit an individual otherwise entitled to file a joint return to file such a return if the individual's spouse is in a missing status as a result of hostile action against the United States. Section 6013(f) now authorizes the filing of a joint return by the spouse of a Federal employee or member of a uniformed service in a missing status as a result of service in a combat zone.

Federal tax deferment

Section 204 would amend section 7508 of title 26 to defer payment of Federal taxes for U.S. citizens or resident aliens who are in a missing status because of a hostile action against the United States or who are hospitalized outside of the United States because of such hostile action. Section 7508 now defers Federal taxes for members of the Armed Forces while they are serving in a combat zone, or while in a missing status, or while hospitalized abroad as a result of injuries received while serving in a combat zone.

This amendment would incorporate the provisions of section 5568 of title 5 which is being repealed by section 101 of this bill. Section 7508 covers not only Federal income taxes as does section 5568, but also estate and gift taxes, the filing of returns and various petitions and other actions relating to Federal taxes.

Applicability

Section 205 would make the amendments of the Internal Revenue Code made by the bill applicable to all citizens and resident aliens of the U.S. held hostage in Tehran, as determined by the Secretary of State, at any time during November 1979, whether or not they are Federal employees. The exemptions would apply only to those who file an income tax return for the periods in question.●

EARTH DAY 1980: THE UNFINISHED AGENDA

(Mr. BROWN of California asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BROWN of California. Mr. Speaker, today is Earth Day 1980. I would like to make only a brief note of this event, and urge my colleagues to consider not only what we have accomplished in the environmental field over the past 10 years, but consider what we must do in the future. An excellent statement on this subject written by Denis Hayes, the national coordinator of the first Earth Day 10 years ago follows these remarks. I highly commend this article to my colleagues:

[From the Environment, April 1980]

GOALS FOR EARTH DAY '80

(By Denis Hayes)

This tenth anniversary of Earth Day finds the earth it celebrates a more populous one, a more polluted one, and one beset by wars and threats of wars—the ultimate destructive impulses of our species. But in the midst of these manifold problems there has been progress too, and promise of even greater strides in the 1980s. As bad as things are, and they are of deep concern, they might have been worse. And I choose to believe that our efforts on April 22, 1970, and in the years since, have helped alleviate the environmental and societal problems that plague or shortsighted society. If the environment is not notably improved today over what we saw on Earth Day 1970, it is far superior to the condition we would be in if 20 million people had not taken to the streets to demand that environmental quality become a national priority.

During the past ten years, the environmental movement has successfully infiltrated the existing order. Skeptics would say that the existing order has successfully assimilated the environmental movement. How ever you choose to view it, the results are clear. We now have huge federal and state environmental bureaucracies; hundreds of corporations have environmental divisions; most colleges and universities have environmental courses; and a large number of environmental activists now hold prominent positions in the public and private sectors.

Yet that first Earth Day was not organized to make jobs for bureaucrats and activists. It was organized around issues. Some of those issues—e.g., energy conservation, pesticides, and nuclear power—have maintained a high public profile. Others—recycling, toxic substances, "in-plant pollutants" affecting workers—have largely faded from public sight.

As we approach the tenth anniversary of the first Earth Day, a great deal will be written about the environmental accomplishments of the last decade. This is understandable, for we have much to celebrate. But it is perhaps even more timely to review some of the problems whose remedies have proven elusive. Many of the easy victories are now behind us, and the second environmental decade promises to be more challenging.

THE THROWAWAY SOCIETY

The message we delivered in 1970 still seems straightforward and logical to me. It was that, as natural beings in a natural environment, we must reexamine nature more closely and pattern our actions more in concert with it. Other creatures do not waste the resources that are their livelihood; nor do they foul their nests. Yet we Americans have been sold a set of values that encourages waste so blatant it has politely been termed "conspicuous consumption."

Even ancient man spoiled the land and rivers through carelessness and greed; with modern technology and a greed compounded by our increased capabilities and power, we now waste two units of material resources of every three we use. Much has been written about the wasteful "frontier economy," but our forefathers were frugal compared to the prodigal consumption that goes on today.

Modern economies are geared toward an endless increase in material consumption and the generation of ever-larger amounts of waste. Underlying this is an implicit policy to encourage the use of virgin materials. Many policies that were designed long ago for the protection of fledgling industries remain on the books. The mining and extractive industries, for example, are given more favorable tax treatments than are industries based on the use of recycled materials. The full costs of environmental damage due to mining have not been internalized and hence the prices of virgin materials do not reflect the full social burdens their extraction imposes. Secondary materials are often discriminated against in government procurement specifications, freight transport tariffs, and so on.

Planned obsolescence is common in many industries. Each year the manufacturers of men's and women's clothing "forecast" which colors they expect to be popular in the coming season. They have a noteworthy record of success. Louis Cheskin of the Color Research Institute contends that "most design changes are made not for improving the product either esthetically or functionally, but for making it obsolete." [1]

Henry Ford, the auto titan, based his early success upon a rather simple strategy. He developed a basic design and incorporated it in his Model T; over the course of 15 years he permitted only minor changes in the vehicle and successfully lowered the price from $780 to $290. Competing manufacturers found the price-reduction contest increasingly unattractive. General Motors finally hit on the idea of using stylistic fashionability as the key to selling the consumer a new car. In the event that someone took such good care of his or her automobile that it did not date before its time, annual automobile fashion shows were arranged to prematurely undermine the perceived grace and style of the vehicle.[2]

During the fifties and sixties, Vance Packard and others thoroughly aired the concept of planned obsolescence. Durability and quality were definitely not the choice of the day. Packard showed that some products were being specifically engineered, and component materials being explicitly chosen, to ensure a short life span.[3]

Today, a number of nondurable, small consumer goods are deliberately marketed as "throwaways." Beverage containers and convenience foods are prominent examples. Everything from popcorn to complete meals can be purchased in aluminium pans designed to be tossed away after one use.

These examples may seem trivial, and, taken individually, they are not in fact very important. But when added up, the packaging problems becomes formidable. In 1977, Americans used some 20 billion square feet of aluminum foil and 24 billion aluminum cans. Virtually all foil and 18 billion of the cans became part of the nation's solid waste immediatley after use.[4]

Perhaps the most highly publicized scheme to combat solid waste deals with one of the most visible waste products—the beverage container. An analysis by the U.S. Environmental Protection Agency (EPA) of proposed national returnable-bottle legislation found that a successful program would reduce roadside beverage-container litter by 60 to 70 percent by 1980, and would save 500,000 tons of aluminum, 1.5 million tons of steel, and 5.2 million tons of glass each year. It would also save the energy-equivalent of 45.6 million barrels of oil annually and require no more capital investment than a one-way container system would. The program would produce 165,000 jobs while eliminating 80,000 jobs (of which normal attrition would account for 40,000, in any case). And the use of returnable beverage containers would save consumers $2.5 billion annually by 1980, rising to savings of $3.2 billion a year by 1985.[5]

Although returnable beverage containers would be of enormous benefit to society, practical politics is always biased toward the status quo. For example, the 40,000 people who would lose jobs if all bottles had to be returnable have a clear idea of who they are; the 165,000 people who would acquire jobs are not easily identified, and have no union looking out for their prospective interests. Moreover, a returnable beverage container law would cut into the profits and growth potential of manufacturers of bottles and cans alike, and the two have forged a potent political alliance to defeat such legislation. The problem, in this case. lies not so much in determining what policies would promote the public interest as in assembling the political muscle to overcome the opposition of those to whom change would not necessarily represent an improvement.

Our ever-expanding consumption of both raw materials and the energy needed to refine them has become an inflationary force that is likely to grow as high-grade ores are exhausted, as energy costs rise, and as the pollution control investments needed to safely process low-grade ore increase. A sensible materials policy—one that emphasized the repair, reuse, and recycling of goods we currently discard—would help check these inflationary pressures.

Most of what we use today is soon thrown away. About 70 percent of all metal is used just once and then discarded. The remaining 30 percent is recycled. After five cycles, only one-quarter of 1 percent of the metal remains in circulation. After ten cycles, less than one one-thousandth of 1 percent remains.[6]

As high-grade ores are exhausted and dumps become overcrowded, what we currently think of as waste will become our major source of high-quality materials for industry and commerce. Increasingly, virgin ores will merely supplement the existing material inventory. Recycling will become a central organizing principle for the entire economy. It would be gratifying if our materials policy could benefit from the errors

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Footnotes at end of article.

of our past energy policies, and the transition could be begun before most high-grade ore is truly scarce.

THE PROBLEM OF POLLUTION

Beyond doubt, the most impressive environmental legislation in the years since Earth Day 1970 has been in the broad area of pollution control. Starting with the Clean Air Act of 1970 and the Clean Water Act of 1972, major commitments have been made to reducing the nation's effluent streams. Yet success remains elusive.

Not surprisingly, the principal pollution-control efforts have gone into solving those problems that appeared most solvable. Public policy and public expenditures have been aimed at correcting problems that have technical solutions. Devices have been attached to automobile exhaust pipes, to industrial chimneys, to sewage pipes—all in an effort to remove certain pollutants from the effluent. The pollutants thus removed have not always been the most dangerous, but they have been the most "removable." For example, the large particles in industrial smoke are now routinely removed, but small particulates—which are more hazardous but more difficult to control—are still emitted in large quantities.[7] The "tonnage" of pollution has thus decreased dramatically, as has its visibility. But much of the danger remains.

Sometimes there is simply no way to control a particular pollutant except by diminishing the volume or intensity of some human activity: there is no technical fix. For example, it is not possible to burn fossil fuel without producing a net increase in atmospheric carbon dioxide (CO_2). If CO_2 is to be controlled, fossil fuel combustion must be reduced. The discharge of chlorofluoro-carbon propellants from spray cans can be controlled only by banning the use of such substances, as the United States has now done.[8]

At the heart of the issue is the fundamental physical rule that nothing is ever consumed. Mercury can be mined, transported, processed, used, and discarded, but as much mercury exists at the end of the process as at the beginning. The metal is simply in a different place, and perhaps in a different condition, than it was before. Pollution is thus sometimes defined as "resources out of place." Most of what passes for pollution control does not recover resources in a useful form; it merely displaces them further. Air pollutants are often converted into water pollutants or into solid wastes. Long-lived radioactive wastes are isolated from this generation but left to haunt our descendants.[9]

Such displacement is generally better than doing nothing, but the net resulting benefits are sometimes small after all costs are considered. For example, scrubbing sulfur dioxide from the effluent of a 1,000-megawatt coal-fired power plant might require a capital investment of $100 million, consume more than 3 percent of the electricity generated by the plant, and produce 40,000 cubic feet of sludge per day. Up to 90 percent of the sulfur dioxide in the stack gases may be removed, but the resulting sludge could eventually become a serious source of water and ground pollution. Microbial action on the sludge might even convert the sulfur into hydrogen sulfide, thus making it again a source of air pollution. A mountain of sludge from power-plant scrubbers may hold marked advantages over an airshed loaded with sulfur dioxide and sulfates. Yet a mountain of sludge hardly constitutes a solution. It merely means that an acute hazard has been traded for a persistent ill.[10]

Such "technical fix" strategies make economic sense in most cases. Uncontrolled pollution can entail substantial costs to human health, physical property, agricultural production, and so forth. These costs are often borne by institutions and people who derive no benefit from the polluting processes. Occasionally, those who pay the price do not even reside in the same nation as those who do the polluting. When polluters are forced to pay for pollution control, the costs borne previously by outsiders are internalized in the production process. The expense of pollution control is then passed on to the consumer in higher prices for products, effectively transferring to the consumer the real costs that were previously experienced by the general public as ill health and property damage.[11]

We are now witnessing some evidence of a retreat from pollution control. The Energy Mobilization Board, if it decides to ignore environmental concerns in the name of hastening new energy sources, could prove to be a costly experiment. Almost all environmental controls employed to date have a very high ratio of benefits to costs. If those controls are now shunned, the costs to society will be large and lasting.

CARBON DIOXIDE

Whether or not our fossil-fueled electric power plants are held to strict environmental standards, they will still emit formidable quantities of CO_2. A 1,000-megawatt coal-fired power plant emits carbon dioxide at the rate of about 270 kilograms per second, or 16 metric tons a minute. No economically plausible way to capture any significant fraction of this gas has yet been suggested.[12]

Carbon dioxide now constitutes about 334 parts per million (ppm) of the atmosphere. In pre-industrial times, the CO_2 concentration was less than 290 ppm, so the level today is about 14 percent over the preindustrial base. By the year 2000, atmospheric carbon dioxide is expected to be 30 percent above the 290 ppm figure; and by 2020, with global fossil fuel growth, the preindustrial level could double.[13]

Such a dramatic increase in global CO_2 will almost certainly result in a significant warming of the earth's atmosphere, with many adverse consequences for life as it now exists. A 1979 report by the National Academy of Sciences states: "We now have incontrovertible evidence that the atmosphere is indeed changing and that we ourselves are contributing to that change. . . . We have tried but have been unable to find any overlooked or underestimated physical effects that could reduce the current estimated global warmings due to a doubling of atmospheric CO_2 to negligible proportions or reverse them altogether."[14] A 1977 NAS study had concluded that climatic considerations might require the phasing out of fossil fuel use within the next 50 years.[15]

While uncertainties remain, these are mostly over matters of scale and rate, rather than direction. The global climate is influenced by solar flux, cloudiness, CO_2 airborne particles, sea and surface temperature, and the reflectivity of the earth's surface (albedo), among other things. Many of these interact in ways that are not entirely understood. Yet, at least enough is known about global climatic phenomena to assign ranges of probability to various outcomes. All the most widely accepted models of climatic behavior predict that continued growth in atmospheric CO_2 will increase the planet's surface temperature.

It is sometimes argued that sufficient uncertainty characterizes current knowledge of CO_2 that nothing should be done about the problem for the time being. The 1977 National Academy of Sciences report characterizes the potential consequences of such a non-policy in stark terms: "Unfortunately, it will take a millennium for the effects of a century of use of fossil fuels to dissipate. If the decision is postponed until the impact of man-made climate changes has been felt, then, for all practical purposes, the die will already have been cast."

This warming phenomenon is generally referred to as the "greenhouse effect." It is easily understood. Each day, the earth receives an enormous amount of energy from the sun. The planet must radiate an equal amount of energy to avoid growing continuously hotter. The wavelength of any radiation depends upon the temperature of the radiating body. The very hot sun gives off radiation of a short wavelength, while the much cooler earth radiates energy at longer wavelengths. Carbon dioxide is transparent to short wavelengths but absorbs certain long wavelengths, including those given off by the earth, thus trapping the heat. The CO_2 gas is itself warmed up by the absorbed energy, and reradiates part of it back to earth. This increases the overall temperature of the earth's atmosphere. It is believed that the earth would be about 10°C cooler if there were no CO_2 in the atmosphere.[16]

A doubling of atmospheric CO_2, according to the National Academy's and other studies, could lead to an increase in average global temperature of between 1.5° and 4.5°C. At first glance, this would seem a rather insignificant change. However, this "average" shift in global temperature would not be uniformly distributed over all regions. In polar regions, for example, the impact would be several times greater than the global average. A look at the world's climate history places a 3°C shift in better perspective. Between the peak of the last glacial period (20,000 to 16,000 years ago) and the peak of the current, warmer "interglacial" period, the mean temperature of the ocean rose 2°C and the mean global temperature warmed 5°C. During the last glacial period, the sea level was more than 100 meters lower than it is now. The wide continental shelf that borders the east coast of North America was dry land. When the glacial ice melted, the sea rose. Had cities been built in what were then coastal areas, they would now be submerged. If rising global temperatures in the years ahead cause widespread melting of polar ice, the world's oceans will rise still further, affecting current coastal cities.[17]

Before the world's oceans rise dramatically, an increase in world temperature would affect global food production. Rainfall paterns could shift, regional temperatures could soar, and the world's delicately balanced agricultural system would undergo considerable change. Some land might have to be abandoned, while other land—of unknown quality—would have to be reclaimed. Existing irrigation and drainage systems that cost billions of dollars would have to be changed to reflect new rainfall patterns. In Asia, where over half the world's people live, terraced irrigation systems represent the investment of centuries of human labor. As different crops might be grown in some areas, different infrastructures would be needed to process and market them.[18]

The net global effect is impossible to predict. Some regions would clearly suffer adverse effects; others might find their lot improved. But the process of change itself would be tortuous and costly in terms of human life. The existing agricultural system has very little slack capacity, and it is closely fitted to the climate that has prevailed for the last several thousand years. Any alteration in climate would be disruptive; large climatic changes could be catastrophic.[19]

Historically, shifts from glacial to interglacial periods have occurred over thousands of years. The world is now faced with a doubling of atmospheric CO_2, with its possible attendant climatic shifts, in roughly 50 years. And that, theoretically, could be just the beginning. Although the combustion of the world's proven oil and gas reserves would not be likely to cause unacceptable climate changes, coal-burning poses a greater threat. If the entire global coal reserve were to be burned, atmospheric CO_2 could increase

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eightfold. Burning the world's shale oil supply could result in a still greater increase.

In fact, however, it would be wise to avoid even one doubling. The atmosphere already contains more CO_2 than has ever prevailed since the evolution of Homo sapiens. If it is arbitrarily assumed that cumulative atmospheric carbon dioxide from human sources should not add more than 50 percent to the preindustrial level of CO_2, then modest growth in the use of fossil fuels could continue only through the end of this century, after which fossil fuel combustion must decline rather sharply. Moreover, because of the long lead times needed to convert from one energy source to another, a decision to reduce fossil fuel use swiftly after the year 2000 would probably have to be made this year—an unlikely prospect.

TOXIC SUBSTANCES

In the past, the dangerous by-products of manufacturing have been buried on land or sea, or released at concentrations so dilute that they appeared to pose no hazard. That legacy has in recent years come to haunt us.

In the community of Love Canal, New York, for example, 200 homes were boarded up in 1978 and the school was closed when an unusual number of birth defects and persistent illnesses were discovered in the area. During the 1940s the Hooker Chemical Company had dumped tens of thousands of tons of toxic materials, including mirex, lindane, and dioxin, at various sites near the town. For three decades people built houses, worked, and played in the area, but today a deadly cocktail of chemicals is seeping toward the surface at 15 dumps in that one New York county alone. Similar problems are erupting at other sites around the world.

The U.S. Environmental Protection Agency has announced that there are about 32,000 potentially dangerous chemical dumps throughout the United States. Of these, 638 are thought to possibly pose "significant imminent hazard to human health." The agency estimated that 80 to 90 percent of the hazardous wastes currently being generated are not being disposed of in ways that will meet forthcoming health and safety standards.[20]

In a sense, the most persistent pollutants are metals. Metals are widely distributed in the environment. Consumed in minute quantities, they are frequently essential to plant and animal health. Some metals, however, when concentrated above natural levels, constitute a serious threat if inhaled or ingested. Heavy metals, such as mercury, lead, cadmium, chromium, and nickel, have received considerable attention, but other metals can also pose risks.

Fifty years ago, arsenic was the only metal known to be a carcinogen. Today, it has been established that cancer can be caused by beryllium, cadmium, chromium, cobalt, iron, lead, nickel, selenium, titanium, and zinc. As a category of pollutant, the heavy metals are rather comprehensive in their potential attacks on the human body. For example, certain forms of mercury and lead attack the central nervous system; nickel and beryllium, the lungs; cadmium, the kidneys; and antimony, the heart.[21]

Unlike radioactive wastes, toxic metals have no half-life. Like carbon dioxide, they are removed only through slow processes that operate over a geologic time span. As wastes, they cease being troublesome only when they are buried so deep in sediment that they are unlikely to be disturbed. The most successful control strategy, of course, would be to keep the metals in circulation as useful products rather than discharging them into the general environment.

In Minamata, Japan, which has come to symbolize the pollution problem to many people, a chemical plant started using mercuric oxide as a catalyst during the forties, dumping large quantities of mercury waste into the local bay. Marine organisms converted this mercury into methyl mercuric chloride, which worked its way into the fish in the bay, and then into the local diet. An unexplained neurological disorder was found in the area in 1953, and by 1956 this affliction had reached epidemic proportions. In 1959 Dr. Hajime Hoskowa, a chemist with the offending company, determined that the plant's mercury was the cause of the disease, but the firm did not reveal this evidence for a decade. The mercury dumping continued until 1971. Now more than 1,000 victims have been certified, and the total may eventually include another several thousand.

Mercury is used in a wide variety of manufacturing processes, from the production of electrical equipment to dental supplies. Worldwide mecury production is about 9,000 tons per year. In 1976, less than 10 percent of this mercury was recycled; in the United States, the EPA estimates that more than 70 percent of the mercury used each year escapes into the environment.[22]

Another heavy metal whose dangers have been remarked upon since the days of the Roman Empire is lead. It has long been recognized that large quantities of lead, specially if ingested, can lead to major disorders and even death. More recent evidence shows that very low concentrations of lead, particularly in children, can adversely affect enzymes, various organs, and especially the nervous system. Now that lead has been eliminated from paints in many countries, the greatest problem is that posed by atmospheric lead. In industrial countries, the main source is the use of leaded gasoline in automobiles. In the United States, for example, more than 98 percent of the atmospheric lead comes from the combustion of leaded gasoline. A typical car emits from 2 to 4 pounds per year, and the country has roughly 100 million cars. As alternative modes of transportation become popular, this source of lead pollution should diminish dramatically. In addition, during the transitional period when gasoline is likely to be mixed with increasing percentages of ethyl alcohol and marketed as "gasohol," the situation will improve. Alcohol performs much the same octaneboosting function as tetraethyl lead.[23]

A variety of nonmetallic toxic substances can also pose serious problems. For example, polychlorinated biphenyls (PCBs) are a family of chemicals that have long been known to be dangerous, and they are thus introduced into the environment only in very dilute forms. More than 200 types of PCBs have been manufactured. Different kinds have different properties and are used in products ranging from electrical insulators and plastics to pesticides and hydraulic fluids. It is not clear which PCBs pose serious dangers to humans or at what levels these dangers become acute. In 1968 some Japanese rice oil was contaminated by PCBs that accidentally leaked from a heating system. People who ate the rice oil suffered skin ailments, liver damage, swollen arms and legs, and other symptoms. About 1,200 cases of PCB poisoning were reported.[24]

At about the same time that this PCB-caused disease appeared in Japan, worldwide testing for DDT unexpectedly disclosed concentrations of PCBs in many places, particularly in marine life. Because PCBs are very stable compounds that accumulate in the fatty tissues of organisms, they are capable of extreme bioamplifications. By the time they work their way up from microscopic creatures to large birds and carnivorous sea mammals, with a 10- to 100-fold magnification at each step, they can be concentrated ten million-fold over their levels in the surrounding water. In recent years, strict standards for allowable PCB levels in fish have been set by several countries, and some areas have banned fishing in highly contaminated waters.[25]

The routes that various contaminants follow through the living environment are not well understood. When DDT was first used to kill harmful or annoying insects, no one could have predicted that it would eventually threaten the existence of whole species of birds. It has become clear that a simple evaluation of the toxicity of a dilute pollutant in the air or water is an inadequate measure of its environmental impact. Serious attention must also be paid to the pathways the pollutant will follow through various chains of life, and of the potential for significant increases in its concentration through biological amplification.

The modern international industrial market allows a new material to be invented, manufactured, and sold in large quantities around the world in a matter of years. In earlier eras, fewer products were introduced each year, production volume grew relatively slowly, and the products were first used in limited regions—generally near the point of manufacture. Hence, the chances were greater that, if a new material was harmful, the threat might be detected before a worldwide market developed. Today's world is more dangerous.

A SUSTAINABLE WORLD

Much of the contemporary world was built in an era when oil cost $2 per barrel and most resources were plentiful. We are now approaching an era in which oil will cost $20 per barrel and several resources will begin to grow scarce. This will necessarily prompt some changes in the way we do things, and perhaps some changes in the choice of things we do.

In some cases, these changes will involve no more than the substitution of intelligence for materials. New approaches to old problems will yield solutions that require materials to perform a different function. For example, adhesives can be substituted for nuts and bolts in joining two materials together. Telecommunications can be substituted for mail as a means of transmitting information. A sophisticated mini-calculator can perform functions that previously required a good-sized computer. In each of these instances, the substitution results in a significant decrease in both the materials and the amount of energy required to perform a specific function.

To the extent that life-style changes are required, the public seems willing to embrace them. A 1975 Louis Harris poll concluded that "when the alternative is posed between changing our life-style to have less consumption of physical goods, on the one hand, and enduring the risks of continuing inflation and unemployment on the other, by 77 percent to 8 percent, the American people opt for a change in life-style." Particularly impressive was the willingness to abandon frequent changes for style reasons alone. Ninety-two percent were willing to eliminate annual model changes in automobiles, and 90 percent, yearly fashion changes in clothing. A 1977 poll disclosed that 76 percent of Americans favored "learning to get our pleasure out of non-material experiences" rather than "satisfying our needs for more goods and services." Eighty-two percent preferred to "improve those modes of travel we already have" instead of "developing ways to get more places faster." [26]

The public may be ahead of its leaders in recognizing that we are entering a new era in which thrift will be a prime asset, and that this development holds more promises than threats. Materialism has failed to provide something for which people hunger, and increasingly they are turning elsewhere. Voluntary simplicity—a central message of every major religious figure from Jesus to Lao-Tzu, from Buddha to Muhammed—is finally ac-

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quiring a modern following. And in that fact may lie one of the principal hopes of those who wish to build a "sustainable" world.

What would a sustainable world look like? Material well-being would almost certainly be indexed by the quality of the existing inventory of goods, rather than by the rate of physical turnover. Planned obsolescence would be eliminated. Excessive consumption and waste would become causes for embarrassment, rather than symbols of prestige.

The environment would be enhanced, and global population would be balanced with the planet's carrying capacity. All people would have a means of livelihood that yielded fair wages and did not deprive them of health or pride. The inflationary impact of raw materials prices would be diminished, as resource scarcity was mitigated by the widespread use of durable products that could be recycled. Industries and energy sources would be decentralized and hence less vulnerable to acts of man and nature. Both ends of the material chain—the mine and the dump—would fade in importance compared with the improvement of the human condition from existing material stocks.

Altogether, it could be a very attractive society. Getting there from here will be exceedingly difficult. But I think Earth Day 1970 was an important step in the right direction. If it can elicit sufficiently broad public support to send a message to our decision makers, Earth Day '80 will be another.

FOOTNOTES

[1] Vance Packard, The Wastemakers, David McKay Company, Inc., New York, 1960.

[2] It can be argued that the planned stylistic obsolescence of the American automobile produces one of the largest real transfers of wealth from rich to poor in the United States. Well-to-do people purchase very expensive automobiles. After two years, the cars are stylistically obsolete, but in decent shape otherwise. They are then sold for a small fraction of their original price to much poorer people, for whom two-year-old status is sufficient, and who obtain several additional years of service from the vehicles.

[3] Packard, note 1 above.

[4] Thomas Canby, "Aluminum: The Magic Metal," National Geographic, August 1978.

[5] Environmental Protection Agency, Fourth Resource Recovery and Waste Reduction Report to Congress, Washington, D.C., 1977.

[6] NATO Scientific Affairs Division, Rational Use of Potentially Scarce Metals, North Atlantic Treaty Organization, Brussels, 1976.

[7] Ian Nisbet, "Flaws and Failures of the Clean Air Act," Technology Review, March/April 1978.

[8] See Hans Panofsky, "Earth's Endangered Ozone," Environment, April 1978.

[9] Janice Crossland, "The Wastes Endure," Environment, June/July 1977.

[10] Merril Eisenbud, Environment, Technology, and Health, New York University Press, 1978.

[11] Gus Speth, "A Small Price to Pay," Environment, October 1978.

[12] An excellent overview of the CO_2 issue can be found in Steohen Schneider with Lynne Mesirow, The Genesis Strategy: Climate and Global Survival, Plenum Press, New York, 1976; see also Jim Norwine, "A Question of Climate," Environment, November 1977.

[13] George Woodwell, "The Carbon Dioxide Question," Scientific American, January 1978.

[14] National Academy of Sciences, Carbon Dioxide and Climate, Washington, D.C., 1979.

[15] National Academy of Sciences, Energy and Climate, Washington, D.C., 1977.

[16] Charles F. Cooper, "What Might Man-induced Climate Change Mean?" Foreign Affairs, April 1978.

[17] Wallace Broecker, "The Hazards of Coal Dependence," Natural History, October 1977.

[18] Schneider with Mesirow, note 12 above.

[19] For two views of the effects of possible global climatic changes see Robert M. White, "Climate at the Millennium," Environment, April 1979, and E. K. Federov, "Climatic Change and Human Strategy," May 1979.

[20] "Chemical Dumps: A Growing Problem," Science News, December 2, 1978.

[21] New York Academy of Sciences, Cancer and the Worker, New York, 1977; Samuel Epstein, The Politics of Cancer, Sierra Club Books, San Francisco, 1978. Interestingly, arsenic can cause cancer in people but not in laboratory rats.

[22] F. Baker et al., "Methyl Mercury Poisoning in Iraq,'" Science, July 20, 1973; see also Robert C. Harris and Christoph Hohenemser, "Mercury: Measuring and Managing the Risk," Environment, November 1978.

[23] National Academy of Sciences, Lead: Airborne Lead in Perspective, Washington, D.C., 1972; William Boggess, ed., Lead in the Environment, National Science Foundation, Washington, D.C., 1977; Herbert Needleman and Sergio Piomelli, The Effects of Low Level Lead Exposure, Natural Resources Defense Council, Washington, D.C., 1978; Center for Disease Control, "Preventing Lead Poisoning in Young Children," Atlanta, April 1978.

[24] Kentaro Higuchi, ed., PCB Poisoning and Pollution, Academic Press, New York, 1976.

[25] Ian Nisbet and A. F. Sarotim, "Rates and Routes of Transport of PCBs in the Environment," Environmental Health Perspectives, April 1972; see also Robert H. Boyle and Joseph H. Highland, "The Persistence of PCBs," Environment, June 1979.

[26] The 1975 Harris poll is cited in Duane Elgin and Arnold Mitchell, "Voluntary Simplicity (Three)," CoEvolution Quarterly, Summer 1977; Louis Harris, "The Harris Survey," May 23, 1977.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. Anthony (at the request of Mr. Wright), for today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

Mr. Whitten, for 15 minutes today, and to include extraneous material.

(The following Members (at the request of Mr. Roth) to revise and extend their remarks and include extraneous material:)

Mr. Dickinson, for 5 minutes, today.
Mr. McKinney, for 5 minutes, today.
Mr. McDade, for 5 minutes, today.
Mr. Jeffords, for 5 minutes, today.
Mr. Collins of Texas, for 15 minutes, today.
Mr. Michel, for 5 minutes, today.
Mr. Kemp, for 30 minutes, today.
Mr. Sebelius, for 10 minutes, today.
Mr. Tauke, for 10 minutes, today.
Mr. Dornan, for 15 minutes, today.
Mr. Gingrich, for 60 minutes, April 23, 1980.
Mr. Gingrich, for 60 minutes, April 24, 1980.

(The following Members (at the request of Mr. Skelton) to revise and extend their remarks and include extraneous material:)

Mr. Skelton, for 30 minutes, today.
Mr. Gonzalez, for 15 minutes, today.
Mr. Annunzio, for 5 minutes, today.
Mr. Reuss, for 5 minutes, today.
Mr. Blanchard, for 5 minutes, today.
Mr. Carr, for 5 minutes, today.
Mr. Conyers, for 5 minutes, today.
Mr. Harris, for 5 minutes, today.
Mr. Brown of California, for 5 minutes, today.
Mr. Vanik, for 5 minutes, today.
Mr. Solarz, for 5 minutes, today.
Mr. Fascell, for 10 minutes, today.
Ms. Holtzman, for 5 minutes, today.
Mr. Johnson of California, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. Miller of Ohio to insert his remarks in the Record prior to the vote on House Joint Resolution 521.

Mr. Brown of California, notwithstanding the fact that it exceeds two pages of the Congressional Record and is estimated by the Public Printer to cost $1,473.75.

(The following Members (at the request of Mr. Roth) and to include extraneous matter:)

Mr. Sawyer.
Mr. Findley in two instances.
Mr. Wampler in two instances.
Mr. Badham in two instances.
Mr. Collins of Texas in four instances.
Mr. Tauke.
Mr. Wydler.
Mr. Lee.
Mr. Brown of Ohio.
Mr. Lent.
Mr. Dornan in four instances.
Mr. Porter.
Mr. Kemp in three instances.
Mr. Evans of Delaware.
Mr. Clausen.
Mr. Daniel B. Crane in two instances.
Mr. Ashbrook in two instances.
Mr. Abdnor in two instances.
Mrs. Smith of Nebraska.
Mr. Moore.
Mr. Gilman.

(The following Members (at the request of Mr. Skelton), and to include extraneous matter:)

Mr. Barnes in two instances.
Mr. Markey in five instances.
Mr. Ford of Michigan.
Mr. Wolff in eight instances.
Mr. Guarini in five instances.
Mr. Mineta.
Mr. Alexander.
Mr. Stark.
Mr. LaFalce in two instances.
Mr. Aspin.
Mr. Conyers.
Mr. Harris.
Mr. Rangel in two instances.
Mr. Yatron in two instances.
Mr. Stokes in two instances.
Mr. Kastenmeier in two instances.
Mr. Udall in five instances.
Mr. Mottl.
Mr. Johnson of California.

Mr. Rodino in two instances.
Mr. Fisher.
Mr. Hall of Texas.
Mr. AuCoin.
Mr. Weiss.
Mr. Ratchford.
Mr. Nolan.
Mr. Edgar.
Mr. Ambro.
Mr. McDonald in five instances.
Mr. Leland.
Mr. Jones of Oklahoma.
Mr. Obey in five instances.
Mr. Moakley.
Mr. Patten.
Mr. Mitchell of Maryland.
Mr. Harkin.

ADJOURNMENT

Mr. SKELTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 7 o'clock and 15 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 23, 1980, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4178. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for construction at certain military installations, and for other purposes; to the Committee on Armed Services.

4179. A letter from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to provide for the transportation of dependents of members of the uniformed services who are stationed in Alaska and Hawaii and who are in need of medical attention not available in the area where the member is stationed; to the Committee on Armed Services.

4180. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations to govern the biomedical sciences program, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4181. A letter from the Under Secretary of State for Security Assistance, Science and Technology, transmitting a report of unauthorized transfers of U.S.-origin military equipment, pursuant to section 3(e) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4182. A letter from the Chairman, U.S. Nuclear Regulatory Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4183. A letter from the Secretary of Health, Education, and Welfare, transmitting the fifth annual report on the emergency medical services program, pursuant to section 1210 of the Public Health Service Act; to the Committee on Interstate and Foreign Commerce.

4184. A letter from the Secretary of Energy, transmitting a report on actions taken by the Departments of Energy, State, and Justice, and the Federal Trade Commission to carry out the provisions of antitrust defense accorded to oil companies participating in the voluntary agreement and plan of action to implement the international energy program, pursuant to section 3 of Public Law 96–133; to the Committee on Interstate and Foreign Commerce.

4185. A letter from the Assistant Secretary of the Army (Civil Works), transmitting the final environmental impact statement on the Baltimore Harbor and channels project, Maryland and Virginia, pursuant to section 404(r) of the Federal Water Pollution Control Act, as amended; to the Committee on Public Works and Transportation.

4186. A letter from the General Counsel, Department of Energy, transmitting a draft of proposed legislation to authorize additional appropriations to the Department of Energy for civilian programs for fiscal year 1980; divided and referred as follows: Title I to the Committee on Science and Technology; titles II and III to the Committee on Interstate and Foreign Commerce; and title IV concurrently to the Committees on Interior and Insular Affairs, Interstate and Foreign Commerce, and Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 4890. A bill to extend the appropriation authorization for the Commercial Fisheries Research and Development Act of 1964, as amended; with amendments (Rept. No. 96–889). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 5679. A bill to provide for additional authorization for appropriations for the Tinicum National Environmental Center; with amendment (Rept. No. 96–890). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6022. A bill to establish the Tensas River National Wildlife Refuge; with amendment (Rept. No. 96–891). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6169. A bill to establish the Bogue Chitto National Wildlife Refuge; with amendments (Rept. No. 96–892). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6615. A bill to amend the National Ocean Pollution Research and Development and Monitoring Planning Act of 1978 to authorize appropriations to carry out the provisions of such act for fiscal year 1981; with amendments (Rept. No. 96–893, pt. 1). Ordered to be printed.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6616. A bill to amend the Marine Protection, Research, and Sanctuaries Act of 1972 to authorize appropriations to carry out the provisions of such act for fiscal year 1981, and for other purposes; with amendments (Rept. No. 96–894, pt. 1). Ordered to be printed.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6727. A bill to establish the Bon Secour National Wildlife Refuge; with amendments (Rept. No. 96–895). Referred to the Committee of the Whole House on the State of the Union.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6839. A bill to authorize appropriations under the Endangered Species Act of 1973 to carry out State cooperative programs through fiscal year 1982 (Rept. No. 96–896). Referred to the Committee of the Whole House on the State of the Union.

Mr. KASTENMEIER: Committee of Conference. Conference report on H.R. 10 (Rept. No. 96–897). Ordered to be printed.

Mr. FUQUA: Committee on Science and Technology. H.R. 6412. A bill to authorize a supplemental appropriation to the National Aeronautics and Space Administration for Research and Development (Rept. No. 96–898). Referred to the Committee of the Whole House on the State of the Union.

Mr. FUQUA: Committee on Science and Technology. H.R. 6413. A bill to authorize appropriations to the National Aeronautics and Space Administration for research and development, construction of facilities, and research and program management, and for other purposes; with amendments (Rept. No. 96–899). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. SATTERFIELD (for himself, Mr. Hammerschmidt, Mr. Roberts, Mr. Edwards of California, Mr. Montgomery, Mr. Danielson, Mr. Wolff, Mr. Mottl, Mr. Hefner, Mr. Edgar, Mr. Hall of Texas, Mr. Leath of Texas, Mr. Boner of Tennessee, Mr. Gramm, Mr. Shelby, Mr. Mica, Mr. Daschle, Mr. Coelho, Mr. Leach of Louisiana, Mrs. Heckler, Mr. Abdnor, Mr. Guyer, Mr. Hansen, Mr. Sawyer, Mr. Wylie, Mr. Lee, Mr. Deckard, Mr. Brinkley, Mr. Downey, Mr. Hillis, and Mr. Grisham):

H.R. 7102. A bill to amend title 38, United States Code, to promote the recruitment and retention of physicians, dentists, nurses, and other health-care personnel in the Department of Medicine and Surgery of the Veterans' Administration, and for other purposes; to the Committee on Veterans' Affairs.

By Mr. FLORIO (for himself and Mr. Johnson of California):

H.R. 7103. A bill to amend the Hazardous Materials Transportation Act and the Independent Safety Board Act of 1974 to authorize additional appropriations, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and Public Works and Transportation.

By Mr. FLORIO:

H.R. 7104. A bill to amend the Federal Railroad Safety Act of 1970 to authorize additional appropriations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. NOLAN (for himself, Mr. Phillip Burton, and Mr. Bereuter):

H.R. 7105. A bill entitled: "National Hostel System Act of 1980"; jointly, to the Committees on Banking, Finance and Urban Affairs and Interior and Insular Affairs.

By Mr. CONABLE:

H.R. 7106. A bill to amend the Internal Revenue Code of 1954 with respect to the deduction for business gifts awarded to employees by reason of length of service or for safety achievement; to the Committee on Ways and Means.

By Mr. PHILIP M. CRANE:

H.R. 7107. A bill to repeal title I of the Crude Oil Windfall Profit Tax Act of 1980; to the Committee on Ways and Means.

By Mr. DONNELLY:

H.R. 7108. A bill to amend the Internal Revenue Code of 1954 to provide individuals a credit against income tax for amounts paid or incurred by the taxpayer for alterations to his principal residence in order to make such residence more suitable for handicapped family members; to the Committee on Ways and Means.

By Mr. FISH:

H.R. 7109. A bill to allow the termination and modification of certain fixed-price procurement contracts between the United States and small business concerns because of increases in the price of rare and precious metals; to the Committee on Small Business.

By Mr. FLORIO (for himself and Mr. Madigan):

H.R. 7110. A bill to reform the economic regulation of railroads, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. FORD of Michigan:

H.R. 7111. A bill to extend the authorizations of appropriations contained in the National Foundation on the Arts and Humanities Act of 1965 and the Museum Services Act; to the Committee on Education and Labor.

By Mr. FOUNTAIN (by request):

H.R. 7112. A bill to authorize an extension and amendment of the revenue sharing program to provide general-purpose fiscal assistance to local governments, and for other purposes; to the Committee on Government Operations.

By Mr. FUQUA (for himself, Mr. Brown of California, Mr. Hollenbeck, Mr. Roe, Mr. Winn, Mr. McCormack, Mr. Fish, Mr. Scheuer, Mr. Ottinger, Mr. Harkin, Mr. Lloyd, Mr. Flippo, Mr. White, Mr. Wolpe, Mr. Anthony, and Mr. Ertel):

H.R. 7113. A bill to authorize appropriations to the Director of the National Bureau of Standards for fiscal year 1981, and for other purposes; to the Committee on Science and Technology.

By Mr. FUQUA (for himself, Mr. Brown of California, Mr. Hollenbeck, Mr. Roe, Mr. Winn, Mr. McCormack, Mr. Goldwater, Mr. Fish, Mr. Scheuer, Mr. Ottinger, Mr. Harkin, Mr. Lloyd, Mr. Flippo, Mr. White, Mr. Wolpe, Mr. Anthony, and Mr. Ertel):

H.R. 7114. A bill to amend the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize the appropriations of funds to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction program and the fire prevention and control program, and for other purposes; to the Committee on Science and Technology.

By Mr. FUQUA (for himself, Mr. Brown of California, Mr. Hollenbeck, Mr. Roe, Mr. Winn, Mr. McCormack, Mr. Fish, Mr. Scheuer, Mr. Ottinger, Mr. Harkin, Mr. Lloyd, Mr. Flippo, Mr. Glickman, Mr. White, Mr. Pease, Mr. Wolpe, Mr. Anthony, and Mr. Ertel):

H.R. 7115. A bill to authorize appropriations for activities of the National Science Foundation for fiscal year 1981, and for other purposes; to the Committee on Science and Technology.

By Mr. HANCE:

H.R. 7116. A bill to provide for the Emergency Livestock Credit Act of 1980; to the Committee on Agriculture.

By Mr. HARKIN (for himself, Mr. Abdnor, Mr. Anthony, Mr. Bedell, Mr. Cavanaugh, Mr. Daschle, Mr. Glickman, Mr. Grassley, Mr. Hightower, Mr. Kramer, Mr. Sebelius, and Mrs. Smith of Nebraska):

H.R. 7117. A bill to amend the Internal Revenue Code of 1954 to exclude from taxation interest earned on obligations substantially all of the proceeds of which are used to provide financing for railroad rehabilitation; to the Committee on Ways and Means.

By Ms. HOLTZMAN:

H.R. 7118. A bill to amend the Immigration and Nationality Act with respect to the admission of certain aliens for graduate medical education or training programs; jointly, to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. KOGOVSEK (for himself and Mr. Johnson of Colorado):

H.R. 7119. A bill to amend the authorization for the Closed Basin Division of the San Luis Valley project, in the State of Colorado; to the Committee on Interior and Insular Affairs.

By Mr. McDADE:

H.R. 7120. A bill to assist small business borrowers by extending the term of SBA loans, and for other purposes; to the Committee on Small Business.

By Mr. MATHIS (for himself, Mr. Jones of North Carolina, Mr. Bowen, Mr. Whitley, and Mr. Stenholm):

H.R. 7121. A bill entitled: "Soybean Emergency Act of 1980"; to the Committee on Agriculture.

By Mr. MAZZOLI (for himself, Mr. Corrada, Mr. Whitehurst, Mr. Richmond, Mr. Ottinger, Mr. Kildee, Mr. Baldus, Mr. Pickle, Mr. Mitchell of Maryland, Mr. Evans of the Virgin Islands, Mr. Kemp, Mrs. Chisholm, Mr. Bevill, Mr. Stokes, Mr. Nolan, Ms. Oakar, Mr. Lungren, Ms. Mikulski, Mr. Heftel, Mrs. Spellman, and Mr. Roe):

H.R. 7122. A bill to establish a commission to hear, determine, and pay claims against the United States for money damages for the injuries to individuals who contracted the Guillain-Barre Syndrome after receiving immunizations under the national swine flu immunization program, and for other purposes; to the Committee on the Judiciary.

By Mr. MOTTL:

H.R. 7123. A bill to amend title 38, United States Code, to authorize the Administrator of Veterans' Affairs to deduct the amount of any overpayment of veterans' benefits from any future payment to the person concerned and to require that interest be charged on the repayment of overpayments of veterans' benefits which are not repaid within a reasonable time; to the Committee on Veterans' Affairs.

By Mr. NOLAN:

H.R. 7124. A bill to amend the Consolidated Farm and Rural Development Act, as amended, to require the Secretary to defer principal and interest and forgo foreclosure on loans in certain circumstances; to the Committee on Agriculture.

By Mr. RODINO (for himself and Ms. Holtzman) (by request):

H.R. 7125. A bill to amend the Immigration and Nationality Act, and for other purposes; to the Committee on the Judiciary.

By Mr. SCHEUER:

H.R. 7126. A bill to amend the Toxic Substances Control Act to extend the authorization of appropriations contained in such act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. SEBELIUS:

H.R. 7127. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. STARK (for himself and Mr. Weiss):

H.R. 7128. A bill to clarify the circumstances under which territorial provisions in licenses to manufacture, distribute, and sell trademarked soft drink products are lawful under the antitrust laws; jointly, to the Committees on the Judiciary and Interstate and Foreign Commerce.

By Mr. STRATTON:

H.R. 7129. A bill to prohibit the importation into the United States of motor vehicles, and of parts of motor vehicles, that are products of the Union of Soviet Socialist Republics; to the Committee on Ways and Means.

By Mr. STRATTON (for himself, Mr. Addabbo, Mr. Biaggi, Mr. Bingham, Mr. Carney, Mrs. Chisholm, Mr. Conable, Mr. Downey, Ms. Ferraro, Mr. Fish, Mr. Garcia, Mr. Gilman, Ms. Holtzman, Mr. Horton, Mr. Kemp, Mr. LaFalce, Mr. Lee, Mr. Lent, Mr. Lundine, Mr. McEwen, Mr. McHugh, Mr. Mitchell of New York, Mr. Nowak, Mr. Ottinger, Mr. Peyser, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, Mr. Solomon, Mr. Wolff, Mr. Wydler, and Mr. Zeferetti):

H.R. 7130. A bill to designate the building known as U.S. Court House and Federal Building in Syracuse, N.Y., as the "James M. Hanley Federal Building"; to the Committee on Public Works and Transportation.

By Mr. WHITTEN:

H.R. 7131. A bill to amend section 3 of the Clayton Act; to the Committee on the Judiciary.

By Mr. BROWN of California (for himself, Mr. Hollenbeck, Mr. Fuqua, Mr. Roe, Mr. Winn, Mr. McCormack, Mr. Goldwater, Mr. Fish, Mr. Scheuer, Mr. Ottinger, Mr. Harkin, Mr. Dornan, Mr. Lloyd, Mr. Walker, Mr. Kramer, Mr. Blanchard, Mr. Davis of Michigan, Mr. Flippo, Mr. Glickman, Mr. Ritter, Mr. Watkins, Mr. White, Mr. Pease, Mr. Wolpe, Mr. Anthony, Mr. Ertel, and Mr. Hance):

H.J. Res. 534. Joint resolution defining policies of the United States with respect to scientific and technical exchanges with the Soviet Union; jointly, to the Committees on Foreign Affairs and Science and Technology.

By Mr. LEACH of Iowa:

H. Res. 644. Resolution with respect to compliance of the Soviet Union with the Convention on Prohibition of Biological Weapons; to the Committee on Foreign Affairs.

By Mr. WYDLER (for himself, Mr. Winn, Mr. Zablocki, and Mr. Broomfield):

H. Res. 645. Resolution expressing the support of the Congress and the American people for Ambassador Diego Asencio who is being held hostage in Colombia; to the Committee on Foreign Affairs.

MEMORIALS

Under clause 4 of rule XXII.

441. The SPEAKER presented a memorial of the Legislature of the State of Arizona, rel-

ative to the return to the Western States of federally owned unreserved, unappropriated lands, which was referred to the Committee on Interior and Insular Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 7132. A bill for the relief of Kornelia Stakiri; to the Committee on the Judiciary.

By Mr. FARY:

H.R. 7133. A bill to permit the vessel *Manatra II* to be inspected, licensed, and operated as a passenger-carrying vessel, and for other purposes; to the Committee on Merchant Marine and Fisheries.

By Ms. MIKULSKI:

H.R. 7134. A bill for the relief of Zeinalabedin A. Namini, his wife, Nourani Namini, and their children, Ramin Namini and Mahnaz Namini; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 736: Mr. Marriott.

H.R. 1918: Mrs. Heckler, Mr. Murphy of Illinois, Mr. Sawyer, and Mr. Williams of Ohio.

H.R. 3295: Mr. Kogovsek.

H.R. 3567: Mr. Michel.

H.R. 3609: Mr. Atkinson, Mr. Boner of Tennessee, Mr. Foley, Mr. Garcia, Mr. Jeffries, Mr. Mavroules, Mr. Schulze, Mr. Shuster, Mrs. Smith of Nebraska, Mr. Stenholm, and Mr. Aspin.

H.R. 3613: Mr. Kogovsek.

H.R. 4093: Mr. Ottinger, Mr. Daschle, Mr. Roybal, and Mr. Harkin.

H.R. 4842: Mr. Rosenthal.

H.R. 5449: Mr. Fithian.

H.R. 5982: Mr. Dornan.

H.R. 6124: Mr. Mineta, Mr. Tauke, Mr. Ottinger, and Mr. Moorhead of Pennsylvania.

H.R. 6181: Mr. Addabbo, Mr. Bowen, Mr. Marlenee, Mr. Evans of Indiana, Mr. Rahall, Mr. Moakley, Mr. Evans of the Virgin Islands, Mr. Kogovsek, Mr. Albosta, Ms. Ferraro, Mr. Ambro, Mrs. Schroeder, Mr. Mottl, Mr. Pepper, Mr. D'Amours, Mr. Applegate, Mr. Barnes, Mr. Findley, Mr. Mineta, Mr. Jeffords, Mr. Bevill, Mr. Clay, Mr. Horton, and Mr. Long of Maryland.

H.R. 6308: Mr. Alexander, Mr. Ashley, Mr. Anderson of California, Mr. AuCoin, Mr. Badham, Mr. Bailey, Mr. Bedell, Mrs. Boggs, Mr. Breaux, Mr. Brown of Ohio, Mr. Broyhill, Mr. Burgener, Mrs. Byron, Mr. Carter, Mr. Chappell, Mr. Cheney, Mr. Clausen, Mr. Cleveland, Mr. Clinger, Mr. Coelho, Mr. Corcoran, Mr. Cotter, Mr. Courter, Mr. Danielson, Mr. Dannemeyer, Mr. Davis of Michigan, Mr. Derwinski, Mr. Dicks, Mr. Dougherty, Mr. Downey, Mr. Drinan, Mr. Duncan of Tennessee, Mr. Duncan of Oregon, Mr. Edwards of Oklahoma, Mr. Erdahl, Mr. Evans of Georgia, Mr. Fascell, Mr. Fazio, Mrs. Fenwick, Mr. Findley, Mr. Foley, Mr. Gibbons, Mr. Gilman, Mr. Goodling, Mr. Gramm, Mr. Hance, Mr. Hansen, Mr. Hawkins, Mr. Heftel, Mr. Hughes, Mr. Ichord, Mr. Jones of Tennessee, Mr. Jones of Oklahoma, Mr. Kastenmeier, Mr. Kindness, Mr. LaFalce, Mr. Leach of Louisiana, Mr. Leath of Texas, Mr. Lewis, Mr. Lowry, Mr. Madigan, Mr. Mathis, Mr. Mazzoli, Mr. McClory, Mr. McCloskey, Mr. McDade, Mr. McKay, Mr. Michel, Mr. Miller of Ohio, Mr. Miller of California, Mr. Mineta, Mr. Minish, Mr. Mitchell of New York, Mr. Moorhead of California, Mr. Murphy of Illinois, Mr. Murtha, Mr. Myers of Indiana, Mr. Neal, Mr. Ottinger, Mr. Pashayan, Mr. Patten, Mr. Pepper, Mr. Petri, Mr. Pickle, Mr. Porter, Mr. Preyer, Mr. Price, Mr. Pritchard, Mr. Pursell, Mr. Reuss, Mr. Rhodes, Mr. Richmond, Mr. Rinaldo, Mr. Rostenkowski, Mr. Rousselot, Mr. Rudd, Mr. Seiberling, Mr. Shumway, Mr. Simon, Mr. Smith of Iowa, Mrs. Spellman, Mr. Spence, Mr. Stangeland, Mr. Stark, Mr. Stratton, Mr. Studds, Mr. Stump, Mr. Swift, Mr. Symms, Mr. Traxler, Mr. Ullman, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Wright, Mr. Wyatt, Mr. Wylie, Mr. Young of Alaska, and Mr. Zablocki.

H.R. 6654: Mr. Collins of Texas, Mr. Hinson, Mr. Tauke, Mr. Petri, Mr. Bedell, Mr. Horton, Mr. Ashley, Mr. Vander Jagt, Mr. Benjamin, Mr. Bowen, Mr. Lott, Mr. Grassley, and Mr. Frost.

H.R. 6669: Mr. White.

H.R. 6683: Mr. Spence and Mr. Symms.

H.R. 6821: Mr. Whitehurst, Mr. Lagomarsino, Mr. Butler, Mr. Derwinski, Mr. Lungren, Mr. Petri, Mr. Royer, Mr. Sebelius, Mr. Sharp, Mr. Clinger, Mr. Aspin, Mr. Hopkins, Mr. Hance, Mr. Frenzel, Mr. McDonald, Mr Livingston, Mr. Coughlin, and Mr. Goldwater.

H.R. 6822: Mr. Michel.

H.R. 6829: Mr. de la Garza, Mr. McDade, Mr. Railsback, Mrs. Snowe, Mr. Maguire, Mr. Luken, Mr. Jenrette, Mrs. Fenwick, and Mr. Hance.

H.R. 6889: Mr. Mattox, Mr. Heftel, and Mr. Jeffords.

H.R. 6913. Mr. Edwards of California.

H.R. 6936: Mr. Hammerschmidt and Mr. Stockman.

H.R. 6985: Mr. Corman.

H.R. 7017: Mr. Bonior of Michigan, Mr. Mitchell of Maryland, Mr. Wolpe, and Mr. Edgar.

H.R. 7066: Mr. Clausen, Mr. Lott, and Mr. Moakley.

H.J. Res. 246: Mr. Stangeland.

H.J. Res. 504: Mr. Hubbard, Mr. Heftel, and Mr. Ford of Michigan.

H.J. Res. 511: Mr. Dornan.

H.J. Res. 518: Mr. Carter, Mr. de la Garza, Mr. Derwinski, Mr. Fazio, Mr. Harris, Mr. Horton, Mr. Lagomarsino, Mr. Marriott, Mr. Montgomery, Mr. Moorhead of Pennsylvania, Mr. Murphy of Pennsylvania, Mr. Murphy of Illinois, Mr. Panetta, Mr. Pashayan, Mr. Pickle, Mr. Porter, Mr. Thomas, Mr. Bob Wilson, and Mr. Winn.

H. Res. 590: Mr. Whitehurst and Mr. Russo.

H. Res. 603: Mr. Markey.

PETITIONS, ETC.

Under clause 1 of rule XXII,

336. The SPEAKER presented a petition of the Board of Trustees, New Detroit, Inc., Detroit, Mich., relative to extension of the authority provided in the Federal Home Mortgage Disclosure Act of 1975, which was referred to the Committee on Banking, Finance and Urban Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 307

By Mr. CARR:

—In the first section, for the fiscal year beginning on October 1, 1980—

(1) reduce the recommended level of federal revenues, by $3,428,000,000, and increase the amount by which the aggregate level of Federal revenues should be decreased by $3,428,000,000;

(2) decrease the appropriate level of total budget authority by $4,570,000,000; and

(3) decrease the appropriate level of total budget outlays by $3,428,000,000.

In section 2, for major functional category General Purpose Fiscal Assistance (850)—

(1) decrease the amount of new budget authority by $4,570,000,000, and

(2) decrease the amount of outlays by $3,428,000,000.

In section 5, for each of fiscal years 1982 and 1983—

(1) decrease the recommended level of Federal revenues by $4,570,000,000;

(2) decrease the appropriate level of total new budget authority by $4,570,000,000;

(3) decrease the appropriate level of total budget outlays by $4,570,000,000; and

(4) for major functional category General Purpose Fiscal Assistance (850), decrease the amount of new budget authority and outlays by $4,570,000,000 each.

By Mr. MICHEL:

(Amendment to the amendment offered by Mr. Giaimo.)

—Strike out all that follows the words "for the fiscal year beginning on October 1, 1979—" and insert in lieu thereof the following:

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $100,000,000;

(2) the appropriate level of total new budget authority is $656,000,000,000.

(3) the appropriate level of total budget outlays is $569,300,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $40,500,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979, the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,200,000,000;

(B) Outlays, $10,500,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $39,000,000,000;

(B) Outlays, $6,200,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,200,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Region Development (450):

(A) New budget authority, $8,600,000,000;

(B) Outlays, $8,900,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $28,700,000,000;

(B) Outlays, $29,200,000,000.

(11) Health (550):

(A) New budget authority, $59,800.000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,000,000,000;

(B) Outlays, $191,000,000,000.

(13) Veterans Benefits and Services (70):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000;

(B) Outlays, −$22,300,000,000.

SEC. 3. A higher than expected inflation rate for fiscal year 1980 has made necessary some revision of the budget figures contained in the second budget resolution, but these changed economic conditions also make it imperative that the revised expenditure ceiling contained in this Third Budget Resolution be absolutely firm and not subject to any further revision during the remainder of this fiscal year.

It is the sense of the Congress that the appropriate committees of the House of Representative and the Senate make in order as part of any supplemental appropriation bill for fiscal year 1980 language providing for the enactment of a ceiling at the level established by this resolution. Such ceiling should also direct the President to reserve such amounts as may be necessary to remain within the ceiling.

EXTENSIONS OF REMARKS

HUNTINGTON HIGH SCHOOL CHOIR TO SING IN BELGIUM

HON. JEROME A. AMBRO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. AMBRO. Mr. Speaker, on Monday, April 28, 80 members of the Huntington High School Choir will leave New York for Europe in order to participate in the Neerpelt, Belgium, International Choral Festival. Under the superb direction of Mr. Andrew Housholder, the choir was one of only three such American groups chosen to participate in this international music festival, which has taken place in a small town in Belgium for more than a quarter of a century. A total of 40 choirs from all over the world will participate in this year's program, which will take place during the week of May 1.

The choice of the Huntington High School Choir to corepresent the United States in this prestigious international music event comes as no surprise to those living in the Long Island area who have been fortunate enough to attend any of its concerts. While students have come and gone, the quality and enthusiasm of the ensemble have remained on the highest plain, leading to its reputation as one of the finest such groups in the Nation, and in the world. With Mr. Housholder at the helm, Huntington High School choral groups have performed for the New York State Music Convention, three times earned the top ratings at the highest level of music in the New York State festivals, sung for the Music Educators National Conference Eastern Convention, made several recordings, and performed numerous times at many school and community events. This past April, the choir performed at St. Patrick's Cathedral in New York City.

This coming trip to Belgium is the fourth such international tour made by Huntington High School choruses to participate in music competitions. During the Neerpelt Festival, they will be required to sing six individual competing pieces of music, including an original Belgian composition. The program that they will perform is versatile enough to include "Ave Maria," "Stomp Your Foot" by Aaron Copland, several spirituals, Psalm 100, and other pieces of folk and inspirational music.

An interesting and moving sidelight of the choir's participation was the students' decision to dedicate their performance to the late Capt. Roy Westerfield. Captain Westerfield was former music teacher in Huntington High School who was tragically killed in an accident on February 6, 1980, while serving as a pilot in the U.S. Air Force. For the students of the Huntington High School Choir, the memory of their former instructor will serve to add special and deeper meaning to their participation in the Neerpelt Festival.

Mr. Speaker, the fine young people who make up the Huntington High School Choir are very proud to be representing their community and their Nation in this international event. They have asked me, as their representative in the U.S. Congress, to convey greetings to their gracious Belgian hosts. I know that my colleagues in this House of Representatives will join with me this afternoon in saluting our friends in Neerpelt, Belgium, for their interest in music and in the youth of the world and for their sponsorship of this choral festival which exemplifies the very best elements of both. For this, and for their steadfast and continued friendship, we thank them.

Now, I would like to call the attention of my colleagues to all of those who will be participating in the 1980 Neerpelt Belgium International Choral Festival:

STUDENTS

Fay Baim, Martha Berti, Jenifer Borum, Walter Bowler, Mark Boyle, Janice Brophy, Kathy Burroughs, Jim Cahill, Fred Cambria, Danielle Campbell, Diane Castrogivanni, Liz Coronato.

Glen Dahl, Greg Deger, Anne Dezendorf, George Drance, David Elliott, Jayne Fanta, Steven Firenze, Colleen Fitzpatrick, Cindy Flood, Doug Frisby.

Joan Gelberg, Marianne Gellert, Lori Ghidella, Marian Gilbert, Lorraine Giunta, Nora Gould, Cindy-Jo Gross, Russ Harper, Denise Head, Jeannine Hom, Karen Hultmark.

Dale Jacobs, Patricia Jacques, Kevin Jenkins, Theresa Jenkins, Jennifer Kelly, Marjorie Kelvin, Dana Kissinger, Molly Krumholz, Debbie Kruter, Diane Lannon, Joseph Lee, Danny Lejeune, Pamela Levy, Andy Lipnick, John Lundstrom.

Katie Maloney, Katherine Maul, Marie McDermott, Paul McDermott, Leslie Miller, Greg Milo, Susan Miner, Wendy Moorhouse, Lisa Peschel, Diane Pfadenhauer, Allison Piaser.

Barbara Pletcher, Michael Rubin, Karen Saenger, Edie Schuster, Rebecca Sielman, Mark Smith, Tom Spilsbury, Kathy Staib, John Stattel, Philip Stattel.

Barbara Tatz, Colby Thomas, John Turner, Steve Vaccaro, Pat Van Bladel, Lysa Weiss, Steven Weiss, Kathy Welch, Kristen White, Marshall Wood, Greg Wurtz.

CHAPERONES

Andrew Housholder, Choir Director, Mrs. Sandra Miner, Accompanist, Jack Shaw, Mrs. Elaine Panik, Mrs. Tsjetska Moorhouse, Mrs. Mary Schuster.

To all of you, "Bon Voyage," and best wishes.●

GENERAL REVENUE SHARING PROGRAM

HON. L. H. FOUNTAIN

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FOUNTAIN. Mr. Speaker, at the request of the administration, I have today introduced a bill titled the "Local Government Fiscal Assistance Amendments of 1980." The President transmitted this bill to the Congress last Wednesday afternoon as the administration's proposal for renewal of the general revenue sharing program which is presently authorized through fiscal year 1980.

The Intergovernmental Relations and Human Resources Subcommittee, which I chair, took testimony the following morning from Treasury Secretary Miller on the administration's bill. In view of the need of State and local governments to plan their budgets beyond September 30, 1980, it is my intention to expedite subcommittee consideration of the various proposals for extending and amending this important legislation. The subcommittee, as well as the full Government Operations Committee, will deal with this legislation as quickly as is possible, given the fact that much of the information needed to evaluate the formula changes that have been proposed is not yet available.●

WASTEFUL YEAR-END SPENDING SPREES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. HARRIS. Mr. Speaker, as chairman of the House Civil Service Subcommittee on Human Resources, I have been conducting a major investigation into wasteful Federal contracting and year-end spending abuses. The subcommittee's probe has revealed that millions, perhaps billions, of taxpayers' dollars are wasted on unnecessary projects and purchases during the last 2 months of the fiscal year. In fiscal year 1979, seven major Federal agencies spent more than 20 percent of their single year appropriations in the last 2 months of the fiscal year—HUD spent 47.2 percent, EPA spent 41.7 percent, Commerce spent 30.3 percent, HEW spent 22.9 percent, Interior spent 23.1 percent, Postal Service

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

spent 22.1 percent, DOT spent 22.8 percent.

I feel strongly that direct congressional action must be taken to stop the year-end spending sprees. I have introduced legislation (H.R. 4717) to limit year-end spending to 20 percent of an agency's annual appropriation and it was approved by the House Post Office and Civil Service Committee last December. The bill is now pending before the House Government Operations Committee and I am hopeful it will be considered by the full House in late spring or early summer. I also plan to offer a year-end spending amendment to the fiscal year 1981 budget resolution when it is considered by the full House later this month. Congress must plug this loophole which allows uncontrolled Federal spending to continue.

I would like to share with my colleagues an editorial that ran in the Free Lance-Star in Fredericksburg, Va., on April 12, 1980, in support of my efforts to eliminate wasteful Federal contracting and stop year-end spending sprees by Federal agencies:

[The Free Lance-Star, Apr. 12, 1980]

BELTWAY BANDITS

Anyone who thinks federal spending is down to the barebones level ought to take a look at Rep. Herbert Harris's probe of Washington's private consultants.

The most frightening news from the Fairfax County Democrat's months-long assault on the "hidden government" is that we don't know how much taxpayers' money is going to private firms hired to assist public employees.

In a recent study requested by Mr. Harris, the General Accounting Office estimated the federal government is spending between $1 billion and $2 billion a year on consulting services that are often unneeded or ignored. The GAO cautioned, however, that "this cost . . . may be substantially understated" because agencies do not agree on the definition of a consultant. Mr. Harris thinks the annual figure may be over $5 billion.

Of the money that is accounted for, the GAO study uncovered a panorama of waste that would turn the most avid government booster into a cynic.

The Office of Education paid private consultants $71,425 to determine crucial issues in post-secondary education. Prior to the award of the contract, the office's own task force had identified such issues, but officials felt a "system" of identification was needed. The consultant's end product turned out to be of such poor quality that it was disregarded.

The Department of Transportation awarded a $94,250 contract for the study and overall assessment of current programs and the development of new programs concerning industry. In performing the study, the contractor revised the questions, expanding them considerably. Those modifications increased the contract amount by $210,183.

Such horror stories should not necessarily be taken as the rule in Washington. Consultants bring a technical knowledge and independent judgment that in-house government employees often lack.

But the efforts of Rep. Harris and Sen. David Pryor, an Arkansas Democrat, have shown that at least some consultants have exploited their relationship with the government in a way that has earned them the title of Beltway Bandits—a reference to the clustering of these private firms in a suburban ring around Washington.

The investigations and hearings already completed have prompted the Carter administration to decree a 15 percent across-the-board slash in funds available for the hiring of consultants. But much more needs to be done.

Mr. Harris plans to introduce several measures this year aimed at tightening the procedure for using consultants, and consolidating information to avoid wasteful overlap. He also has proposed a bill that would limit year-end spending to 20 percent of an agency's annual appropriation. The GAO study of selected federal agencies found that 54 percent of the consultant contracts for the year were awarded in the last 90 days of the fiscal year, just before the authorization for such spending would have expired.

For too long, budget-cutting in Washington has been a political football between conservatives with a meat-ax approach and liberals who have accorded too many programs the status of sacred cows. Mr. Harris's efforts demonstrate how the Congress can be responsive to taxpayers' calls for less government spending, without sacrificing the heart of needed programs.●

HONDA DEDICATES FIRST AMERICAN FACTORY

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BROWN of Ohio. Mr. Speaker, I am very pleased to have the opportunity to draw to the attention of my colleagues in the Congress a significant event which occurred in Marysville, Ohio, located in the Seventh Ohio District; and in which I had the pleasure to participate. On Friday, April 18, 1980, Honda of America Mfg., Inc., officially dedicated its first American motorcycle manufacturing plant.

As far back as 1974, Honda Motor Co., Ltd., started planning for the manufacture of its products in this country, which included many feasibility studies on literally hundreds of different factors. A decision of this magnitude required Honda planners to study every aspect. Among the most important considerations were: The availability of industrious workers; a reasonable proximity to suppliers; transportation—rail, highway and air; and the appropriate land.

As the result of years of review and analysis, an announcement of the plant site location was made on October 11, 1977. The State chosen was Ohio, and the exact location, a 214-acre new site near Marysville, some 30 miles northwest of Columbus.

On April 3, 1978, a ground-breaking ceremony was held at the plant site; and construction was soon started. In June of 1979, the new plant offices were opened; and on September 10, 1979, the first Honda CR250R motorcycle came off the assembly line. Dedication ceremonies were cohosted on April 18, 1980, by Kiyoshi Kawashima, president of Honda Motor Co., Ltd., and Kazuo Nakagawa, president of Honda of America Mfg., Inc.

As of today, the plant is turning out two Honda motorcycle models—the popular SR250R and the unique 6-cylinder 1047cc CBX Super Sport. The 258,000-square-foot motorcycle plant, for which Honda invested $35 million, has the capacity to produce 60,000 units annually for sale in the United States and abroad, with room for enlarging the facility considerably in future years. In addition, it is contemplated that Honda will expand the motorcycle models produced at the Marysville plant.

Currently, Honda of America Mfg., Inc., employs a total of 140 people. It is anticipated that there will be 300 employees by the end of 1980. The operation at the Marysville plant is not simply an assembly line for products. Many parts in these two Honda motorcycle models are injection molded, welded, and painted in-house. Also, as American suppliers are obtained, the percentage of local procurement will be increased.

Careful monitoring of the quality standards since the initial startup date has proven to the staff at Honda that the U.S.-built products are indeed equal in quality to those imported from Japan.

American Honda's investment in Marysville represents a strong vote of confidence in that community and its residents and in Ohio's economic climate. This, in itself, is a significant achievement of which I believe we can all be proud.

The success which American Honda has encountered in its motorcycle production in Marysville has prompted the company to expand its operations to include the manufacturing of automobiles, as well as motorcycles. Honda is planning to start construction of an automobile plant adjacent to the present facility by the end of this year. Honda automobile production could start approximately 2 years after breaking ground for this new plant. It is projected that this new Honda automobile plant will have a capacity of 10,000 cars per month once manufacturing is underway. This will require 2,000 employees and represent a total investment of $200 million.

American Honda's past and projected investments in Marysville represent yet another significant achievement which also merits recognition, particularly in these times when we are again hearing talk of imposing import controls or drastic sanctions on Japanese auto imports. That is, the cooperative good will demonstrated between Japan and our Nation to solve our problems without having to resort to restrictive legislation that I fear we would all live to regret.

The need to encourage the location of foreign manufacturing plants, particularly Japanese automakers, and to require the use of a larger percentage of U.S. parts was emphasized recently by UAW President Douglas A. Fraser in testimony before the Joint Economic Committee. I am convinced that alternatives to import controls would protect and promote American jobs while providing fairness to both American and Japanese automobile producers.

We all realize that Japanese investments here translate into jobs for those employed at these facilities, such as the motorcycle plant dedicated at Marysville and the automobile plant now on the drawing boards. But the impact reverberates even further—both in the jobs created at American companies which supply parts for these vehicles and the long-term economic growth which these investments generate.

As we are learning, strong cooperative efforts like this can produce positive effects on both sides of the Pacific and present a most convincing argument for worldwide peace.

I was most happy to join with the citizens of Marysville and Union County in extending a hearty welcome to American Honda. We appreciate their willingness to invest in this community and are proud that Marysville has been able to prove that their decision was worthwhile.●

FROM MARX TO LAFFER

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LAFALCE. Mr. Speaker, economists from left to right, or, in other words, from Marx to Laffer, construct marvelous models and detailed explanations for every vagary and fact. Large-scale computer studies are done, and predictions of results are confidently offered. More is less; less is more; and there is a fiscal free lunch. Do these all sound familiar? They should, because they have all been recently given as sure-fire ways to escape from our current economic problems.

There is only one drawback to all of these economic theories; their connection to reality is often purely coincidental. George W. Ball, former Under Secretary of State, reflected on that sorry state of affairs in a penetrating and amusing article in the April 7 edition of the Washington Post, entitled "An Overdose of Economists." I believe that many of my colleagues share Mr. Ball's disillusionment.

The article follows:

AN OVERDOSE OF ECONOMISTS

In this season of apostasy, the high priests of economics face a bitter challenge. As soothsayers they have lamentably failed, showing themselves quite as fallible as the Greek oracles or the readers of sheep's entrails. As practitioners, their cures have often proved worse than the disease.

During the long period of sustained innocence that lasted through the '50s and '60s, we basked in the happy conviction that economics was a developed science. The revered prophet, John Maynard Keynes, had taught that we could, by careful demand management, render business cycles as flat as a desert highway, so that, by keeping the faith, we might look forward to a long future of steady economic growth. Economists were, they assured us, on the verge of mastering man's economic ills just as the medical doctors were mastering disease. We assumed, in other words, that economics had reached a level of advancement roughly equivalent to the sulfanilamide age in medicine.

No wonder we were shocked when we found that the state of economic science more nearly paralleled Dr. Harvey's discovery of the circulation of blood. To be sure, that disturbing insight has not stopped the production of new economists; doctoral candidates are still filling thousands of pages with opaque formulas and devising elaborate charts that strikingly resemble a phrenologist's schematic drawing of the human cranium. But honest practitioners no longer try to hide their dubiety; many are quite frankly resorting to leeches and poultices.

At the moment, the doctors are prescribing protracted bleeding in the hope of curing the American economy of the high fever of inflation, but, as is traditional with doctors, they stridently disagree. In some quarters there is a great vogue for Dr. Milton Friedman, who is busy prescribing not only for Ronald Reagan but also for Margaret Thatcher. I am grateful to Friedman, for it was he who in the fall of 1974 reassured me that I need not worry about high oil prices, since inflation would render them nugatory while OPEC would promptly fall apart. Today, he is as single-minded as a naprapath. Naprapathy holds that human disease can be cured by adjusting the ligaments; Dr. Friedman would cure the economic dislocations by regulating the money supply.

New healers are consistently emerging, such as the young Dr. Laffer, who asserts that we could painlessly cure our ills by cutting taxes—a remedy enthusiastically echoed by any number of lay practitioners. But some, like the venerable Dr. Hayek, sturdily adhere to the true faith of Adam Smith, refusing, like the legendary medieval priest, to change his mumpsimus for the new-fangled sumpsimus. Finally, a zealous core of true believers still fall back on the time-proven quackery of Dr. Karl Marx.

Disagreement persists even as to the most fundamental issues; thus economic model builders vie with their more classical confreres just as the ancient School of Cnidos, which concentrated on symptoms from the patient, was disputed by the School of Hippocrates, which studied causes and held that disease was the improper balancing of blood, phlegm, yellow bile and black bile.

To an ancient like myself who was in Washington early in the New Deal, all this resembles the orgy of theorizing and experimentation practiced on the American economy by President Roosevelt's changing stable of Ph. Ds. No one knew what nostrums, if any, would work, but that did not discourage us from trying. Today, the American public is playing the same guinea pig role as in the 1930s.

Though I have no special brand of snake oil to offer, I have faith that our economy is sufficiently robust to survive. Yet, I cannot forget the infant Louis XV who, after contracting small pox, was saved from death only because his nurse hid him from the ministrations of the doctors whose vigorous attentions killed both his brother and his father. For Americans there is no place to hide, nor, unlike medical doctors, can economists even be sued for malpractice.

No wonder that the patient citizen is worried, baffled and frustrated by the different advice and indifferent results of economists who are equally worried, baffled and frustrated. We are still decades away from economic antibiotics.

Humility is, however, the first requisite to understanding, and it is comforting to discover economists who are at least privately admitting that they no longer have full confidence in their own omiscience. It is a good sign and the beginning of wisdom. They would do well to recall the famous comment of that distinguished medical doctor, the senior Oliver Wendell Holmes: "If the whole *materia medica*, as now used, could be sunk to the bottom of the sea, it would be all the better for mankind—and all the worse for the fishes." Unfortunately, Holmes's prescription could never be applied to our economic text books: it would violate the Clean Water Act.●

THE IRRELEVANCE OF FORCE

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. STARK. Mr. Speaker, our drive toward increased military spending brings to mind the politician who cried, "Yesterday, we stood on the edge of a precipice. Today, thanks to our efforts, we have taken a step forward."

Sandy Gottlieb, executive director of New Directions—self-described as a "citizens' lobby for world security"—has written an essay on "The Irrelevance of Force," printed in the April 19 New York Times that a lot of my colleagues should read before they vote for big military spending increases.

Three powerful constraints on superpower use of military force are outlined by Gottlieb: "the worldwide availability of modern weapons, volatile nationalism, and the irrelevance of force in many international situations."

Throwing money at problems has not worked well in many areas of government. As Gottlieb points out, throwing money at our international security problems is the classic case of this syndrome.

The article follows:

THE IRRELEVANCE OF FORCE

(By Sanford Gottlieb)

WASHINGTON.—It is ironic that the national consensus in favor of increasing military spending has swelled at a time when the uses of military force by the superpowers are becoming more constrained.

Military force is clearly a major reality but three factors inhibit its use by the United States and Soviet Union in the post-Afghanistan era: the worldwide availability of modern weapons, volatile nationalism, and the irrelevance of force in many international situations.

The superpowers have amassed arsenals too huge for any rational purpose—15,000 hydrogen bombs and over 10,000 tactical nuclear weapons between them. In recognition of this, they have sought to avoid self-defeating nuclear war. However, even as the United States and the Soviet Union have run their arms race, other countries have acquired considerable military clout.

There are five acknowledged nuclear-weapons states. India has exploded a nuclear device and Israel and South Africa are troubling question marks. Potential new members of the "nuclear club" are to be found mainly in the third world. Moreover, conventional arms have flowed steadily to developing countries as a result of $64.5 billion worth of sales and grants by the superpowers from 1970 to 1978. Some of the more industrialized third-world nations have built their own war industries. Guerrillas, saboteurs and terrorists can at least harass, and sometimes paralyze, invading armies.

A 1977 Rand Corporation report for the Air Force notes: "By the 1980's, force as a political instrument in international relations may have become seriously constrained by the availability of cheap precision-guided weapons and even of nuclear weapons to countries that in the past could not have afforded effective defenses against great powers."

Even if they cannot win military victories, the bush leaguers may now have enough clout to frustrate the objectives of the big leaguers. The use of force, for example, to assure a supply of oil would almost certainly by counterproductive. It would generate the kind of conflict that would prevent oil from flowing to North America, Europe and Japan.

Under these circumstances, the superpowers must not only avoid a direct clash, but also ponder carefully the consequences of any further intervention in the third world, the arena of superpower competition.

Military hardware is only one of the constraints on the use of outside military force in the third world. Today, nationalism represents at least as powerful a deterrent. As Washington discovered in Vietnam and Moscow is learning in Afghanistan, nationalists who fiercely resist foreign domination can punish even the best-armed great powers. The Politburo has managed not only to squander Soviet lives and treasure in Afghanistan but also to antagonize the United States, alienate the nonaligned, enrage the Moslems, and embarrass Fidel Castro.

The temptation to forget this lesson may arise if and when a rapid-deployment force is in place. A future President may well be pressured to use the pre-positioned troops and arms not against the Russians but against a Middle East government or radical movement that is seen to be hostile to America interests. This could trigger a nationalist furor throughout the Moslem world.

We would do well to heed the wise counsel of the late Senator Richard Russell, in his 1968 reference to an earlier version of the rapid-deployment force: "If it is easy for us to go anywhere and do anything, we will always be going somewhere and doing something."

In many situations the use of armed force is irrelevant. The United States could not use it to free the hostages in Iran. The Soviet Union could not use it to deter China from invading Vietnam, to block the peace treaty between China and Japan, to oblige Rumania to accept a rise in military spending, to keep Pope John Paul II from reaching millions of the Polish faithful. In all of these cases, the superpowers were militarily powerless, unless prepared to pay very high costs.

Why, then, is there so little questioning of a system that enlarges bulging arsenals and, simultaneously, fuels inflation? Probably because so many Americans feel personally diminished by the loss of American dominance in the world and believe that more military hardware will restore our "strength." Yet, some of the key factors that explain the erosion of the United States position—the decline of the dollar, price boosts by the Organization of Petroleum Exporting Countries, feeble productivity—have no military solutions.

The United States does have to maintain an overall military balance with the Soviet Union. But soaring military budgets may become the most classic example yet devised of throwing money at problems.●

GOVERNMENT SECRECY AGREEMENTS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. ASPIN. Mr. Speaker, the secrecy agreements that all men and women must sign on being hired by the Central Intelligence Agency do not necessarily protect national secrets from compromise but may enable the intelligence community to ward off criticism and embarrassment—quite the reverse of what should be our intent.

It is my feeling that there is nothing wrong in principle with a secrecy agreement requiring prepublication review by the CIA of books and articles by current and former CIA employees. The problems arise from the recent Supreme Court decision in the *Snepp* case and from the way the Government is administering the secrecy agreements.

The current system certainly has the appearance, if not the reality, of being extremely capricious and arbitrary. It bears the appearance, if not the reality, of a device for going after the critics of the CIA while leaving the old boy network alone.

To give one example, the secrecy agreements require that all manuscripts by former employees be submitted for prepublication review. Many do not submit their manuscripts, but prosecution is very selective. Howard Hunt, a friend of the agency has not been prosecuted. Frank Snepp, a critic, has been. The Government is proceeding with the prosecution of John Stockwell; it is not with Cord Meyer or Tom Braden.

As I will explain, there are other problems with the secrecy agreements. But the main point is that we need legislation. Congress should resolve these issues, not the courts.

But before we can enact legislation, we need to have a better idea of where we are going. I do not have a bill to present today. I do not suggest that I have all the answers. But I think I have the crucial questions that society and Congress must answer. There are six such questions. Before addressing them, let me describe the *Snepp* case and the implications of the Supreme Court's decision.

THE SNEPP CASE

Frank Snepp joined the Central Intelligence Agency in 1968. He became the agency's principal analyst of North Vietnamese political affairs. Snepp served two tours of duty with the CIA in Saigon and was one of the last to be evacuated in April 1975.

He resigned from the agency in 1976 and wrote "Decent Interval," a book very critical of the CIA's handling of the evacuation, which was published in 1977.

When Snepp went to work for the agency, he signed a secrecy agreement, in which he pledged to submit for prepublication review any writings based on information he learned while an employee of the agency. This standard CIA contract is open-ended and a condition of employment.

Snepp did not comply with his contractual agreement; "Decent Interval" was published without ever having been reviewed or approved by the CIA.

The Department of Justice, at the request of the CIA, charged Frank Snepp with breach of contract. For the purposes of the case, the Government did not contend that Snepp's book contained classified information. The battle was joined only on the issue of the legality of the secrecy agreement.

In July 1978, the Federal District Court for Eastern Virginia ruled Snepp had willfully, deliberately, and surreptitiously breached his position of trust * * * and the secrecy agreement. The district court imposed a constructive trust on Snepp's profits ruling that he must forfeit to the U.S. Government all earnings from the book. Snepp appealed.

The Fourth Circuit Court of Appeals supported the finding that Snepp had violated his contract, but ruled that since there was no allegation by the Government that Snepp had revealed classified information, the requirement that he forfeit his earnings was too drastic. The case was appealed to the Supreme Court.

On February 19, 1980, the Supreme Court handed down a very sweeping unsigned decision, arrived at without benefit of full briefs or oral arguments, supporting the original district court decision that Snepp had violated his secrecy agreement and must forfeit to the Government the resultant earnings.

The Court ruled that an intelligence agency has a right to demand prepublication review of its employees' or former employees' writings. The decision said: "Whether Snepp violated his trust does not depend upon whether his book actually contained classified information. * * *" The purpose of the agreement is to insure the agencies a dependable prepublication review procedure. The Court reasoned:

> The Government has a compelling interest in protecting both the secrecy of information important to our national security and the appearance of confidentiality so essential to the effective operation of our foreign intelligence service.

IMPLICATIONS OF THE DECISION

My purpose is not to debate the merits of Snepp's case or the Government's case. I believe the intelligence agencies can make a good argument for having some kind of an agreement with employees to insure that classified material is not published willy nilly.

I have no quarrel with the concept of a secrecy agreement or even with the finding of the Court that Snepp violated his agreement. What concerns me is the ramifications of this decision. First, decisions of the Court can be interpreted broadly. And the wording of this particular decision invites the broadest of interpretations. It sharpens the Government's blue pencil and invites the intelligence agencies to edit manuscripts for far more than classified material. It stands to make the Director of Central Intelligence the final judge and editor of what his staff may say about him and his work.

Second, there is the ramification of the procedures established by the Government to administer secrecy agreements. After reviewing these procedures, I believe there are a number of issues that need to be resolved.

This is an area that cries out for legislation. Based on the Supreme Court decision and what I have learned from the hearings of the House Intelligence Committee, I believe there are six key policy questions that Congress must consider.

The first issue is to determine which agencies ought to be allowed to require employees to sign secrecy agreements. The CIA, NSA, DIA, and FBI all have one-page secrecy agreements that every new employee is required to sign as a condition of employment.

As an example of the types of agreements, the key paragraph of the CIA secrecy agreement—which could certainly use some editing for clarity—states:

> As a further condition of the special confidence and trust reposed in me by the Central Intelligence Agency, I hereby agree to submit for review by the Central Intelligence Agency all information or materials including works of fiction which contain any mention of intelligence data or activities, or contain data which may be based upon information classified pursuant to the Executive Order, which I contemplate disclosing publicly or which I have actually prepared for public disclosure, either during my employment or other service with the Central Intelligence Agency or at any time thereafter, prior to discussing it with or showing it to anyone who is not authorized to have access to it. I further agree that I will not take any steps toward public disclosure until I have received written permission to do so from the Central Intelligence Agency.

Among the four agencies, there are notable differences. The CIA and DIA agreements compel all employees and former employees to submit any writings related to information learned while employed—whether considered classified or unclassified—for prepublication review. The FBI, whose primary mission is one of law enforcement and whose employees may never see classified information, requires all employees and former employees to submit manuscripts containing any information learned in the course of employment with the FBI related to official records or learned in the course of official duties. NSA, whose employees are privy to some of the most highly classified national security information, levies no requirement to submit writings for review.

In light of the *Snepp* decision, these agencies and others outside the intelligence community are, I am sure, taking a second look at their secrecy agreements and the possibility of imposing prepublication review. Many agencies deal with classified information. The Department of Commerce, Environmental Protection Agency, Department of Interior, and the Department of Agriculture are but a few examples. The Supreme Court decision opens up the possibility that these agencies could start demanding secrecy agreements of their employees.

The Court's opinion indicates that even without a contract, any Government employee who has access to classified information has established a fiduciary obligation—a duty which if not honored could open him to lawsuit—and that the employer may therefore impose prepublication review on its employees without ever having stated so in an agreement.

> Moreover, this Court's cases make clear that—even in the absence of an express agreement—the CIA could have acted to protect substantial government interests by imposing reasonable restrictions on employees' activities that in other contexts might be protected by the First Amendment.

The Court went on to reason that Government agencies really cannot trust their employees but that a trust relationship exists not only for those who have access to classified information but also for Government employees who are in positions of trust:

> Quite apart from the plain language of the agreement, the nature of Snepp's duties and his conceded access to *Confidential* sources and *materials could establish a trust relationship.* (Italics supplied.)

Again the Court goes on to reason that not only secrecy but prepublication review could be demanded by all Government employers:

> Without a dependable prepublication review procedure, no intelligence agency *or responsible government official* could be assured that an employee privy to sensitive information might not conclude on his own—innocently or otherwise—that it should be disclosed to the world. (Italics supplied.)

It is the Court's opinion then that secrecy agreements and prepublication review are not the exclusive right of the CIA, not the exclusive right of the intelligence community and not the exclusive right of those who grant access to classified information. The Court's decision extends this prerogative for imposing prepublication review not only to include all persons with access to classified information but to all Government employees who deal with confidential matters.

The law ought to define exactly which agencies of the Government may impose secrecy agreements and prepublication review. The intelligence agencies of necessity must require secrecy oaths of their employees. But to impose such agreements across the board to all Government agencies smacks of censorship to protect the Government from embarrassment rather than a justifiable action to protect intelligence data.

The second issue that needs to be resolved is procedures. Prepublication review procedures now run the gamut: At one end, the CIA has a very formal process; at the other end, the FBI has no internal rules or formal guidelines whatsoever.

One critical issue is the time consumed in reviewing a manuscript. Often timing—especially for an article or speech—is crucial to its influence. The CIA has a goal of reviewing manuscripts within 30 days—but that is only a goal, not a requirement. For many articles and speeches, a 30-day delay could reduce their impact or even render them useless. Some reasonable limits ought to be set—and set in the law. Of course, the review period for a book could be longer than for articles and speeches.

The other, even more, critical issue is the appeal process. The CIA currently has an appeal procedure that is internal. Following review by the CIA's Publications Review Board, should the author question a decision by that Board, his only recourse is back through the CIA. The appeal brings in the General Counsel of CIA, the Inspector General of CIA, and the Deputy Director of Central Intelligence—not the most neutral parties. This clearly does not solve problems posed by Agency defensiveness.

To assure that the appellant is getting a fair shake, the appeal ought to be judged outside the agency involved in the dispute. The law should outline a formal appeal process to be conducted by an independent panel, applicable across the board to all of the intelligence agencies.

The third issue we need to resolve is what the review process should be able to excise. While the CIA says it interprets its mandate as allowing the Agency to excise only classified information, the secrecy agreement requires that all information or materials including works of fiction which contain any mention of intelligence data or activities or contain data which may be based upon information classified pursuant to Executive order, be submitted for review. The *Snepp* decision clearly implies that the CIA has a much broader mandate, and may excise information that is not classified.

The Court's opinion stated:

> Moreover, this Court's cases make clear that—even in the absence of an express agreement—the CIA could have acted to

> protect substantial government interests by imposing reasonable restrictions on employees' activities that in other contexts might be protected by the first amendment.

Classification is not simply a matter of checking some master ledger to see if fact A is classified while fact B is unclassified. The review process can be heavily judgmental. The law ought to set limits on the power of the intelligence agencies to excise, for that is the power to restrict the first amendment rights of all present and former employees.

The fourth issue we need to resolve is the extent of liability if a contract is broken or if classified information is indeed published. I believe legal liability must be limited to the individual who signed the secrecy oath. If classified information is imparted in a manuscript or to another author, the oath taker is the only person who should bear the responsibility. Threatening publishers will certainly add to the costs of administering the law. The publishers' lawyers will argue the legal implications and provide a boon for the publishers of legal briefs. The author understands the nuances of classification; the publishers do not.

Yet in imposing a constructive trust as a remedy for failing to fulfill a fiduciary duty, the Court has imposed a punishment on Snepp that historically can be applied to all third parties who profit from the original offense. Publishers, editors, journalists, authors—the list is endless. Although the Court did not in this case seize the profits of these other parties, the decision opens up the opportunity for such constructive trusts to be imposed in future cases on persons completely unaware of their potential liability.

If we are going to have secrecy oaths, then the responsibility for keeping those oaths should lie with the parties to those oaths and not some third party. The law should limit the liability to those persons who have signed a secrecy oath and not include publishing houses, newspapers, and others.

The fifth and most difficult issue we need to address is exactly what must be submitted for review. It is quite clear from CIA testimony that it applies the review process strenuously to books—yet even some of them fall through the cracks—sporadically to magazine articles, rarely, if at all, to columnists, and never to speeches or lectures.

To insist on reviewing everything that is written, published, or said in a speech about the CIA by former CIA employees would deluge the CIA with texts. The CIA complains of burdensome man-hours devoted to freedom of information requests. What would be the burden if the Agency had to clear not only every book about the CIA, but every column by Cord Meyer, every novel by Howard Hunt, every speech by Bill Colby—even university lectures by a host of retired intelligence analysts such as Lyman Kirkpatrick—and perhaps an occasional sermon by William Sloan Coffin? And what happens in the question and answer period after a speech?

What we have here is not only a theoretical but a practical problem. It is certainly a practical impossibility to cover all public communications by present and former employees. As a practical matter, CIA now concentrates only on books as opposed to magazine articles, speeches, and so forth. The logic behind this practice is questionable—for the revelation of classified information in an article may be even more damaging than its revelation in a book, because of the time factor. Of course, the CIA may be concentrating on books, like those of Snepp and Stockwell, rather than articles, like those of Braden and Meyer, because critics have concentrated on books as their outlets.

The law must be explicit and unprejudiced in defining exactly what materials the intelligence agencies may require their employees and former employees to submit for review.

The final question that needs to be answered in the law is the appropriate punishment for violators. The penalty in the *Snepp* case was to impose a constructive trust and confiscate Snepp's profits from the book. While some feel this was an appropriate and equitable punishment, it may not deter others from ignoring their agreements and publishing without review by the agency. For example, what about the writer who is not concerned with money but with making a point. A constructive trust would certainly not deter here.

What we require, therefore, is twofold: First, a process for reviewing manuscripts and appealing the review that is both fair and perceived to be fair, so that those affected will not have reason to fear that their copy will be manhandled; and second, a penalty for violating the contract that will effectively discourage the random flaunting of the secrecy oath. And while we do this, we must keep in mind that the purpose for that agreement is the protection of classified information.

Former Director of Central Intelligence William Colby has proposed a remedy which we might consider: Recognizing the need for protecting classified information, Colby suggests that there be a review process which an employee or former employee may have the option of taking advantage of; however, if one chooses not to submit his manuscript for review by the agency, that person may be held liable under criminal code if information is revealed that identifies intelligence sources or methods.

Mr. Speaker, it is essential that we protect both the legitimate secrets of the intelligence services and the first amendment. It is essential that we protect key operations of the intelligence community from compromise. But we should not set up a process to protect key officials of the intelligence community from embarrassment.

The *Snepp* decision and the existing secrecy agreements of the intelligence services raise many questions but provide few answers as to how we can master this balancing act.

Rather than getting bogged down in arguments over the pros and cons of Snepp's decision to publish, we need to address the broader issues opened up by the Court's decisions. This is an area where Congress must act.●

"UNTAPPED RESOURCES"

HON. SAM B. HALL, JR.

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. HALL of Texas. Mr. Speaker, although the "young people of today" is often a topic of heated conversation, it is not usually complimentary in tone or nature. Regularly, we are reminded that the future of our Nation depends upon our youth—but this is usually spoken like a threat rather than an assurance that our country will be in good hands.

Although we hear far more about the others, the majority of our young people are responsible and forthright, deeply concerned about what they can do—as individuals—to make America an even better place in which to live, to work, and to pass on to future generations of young people—who they will, in turn, worry about assuming their responsibilities.

One such young man from my congressional district, Roger Russell, of Pittsburg, Tex., seems to have an insight into what is required of our young people and I would like to insert at this point in the CONGRESSIONAL RECORD a copy of his March 6 newspaper article from the Steel Country Bee. This newspaper article—"Untapped Resources"—speaks for itself:

UNTAPPED RESOURCES

(By Roger L. Russell)

The greatest untapped resource that our great country has is its young people. It is amazing to me that our nation has achieved as much as it has considering the lack of attention paid to the development of each successive generation. With as much riding on the way the world is run as there is now, one would think that more planning would go into the character development of the people that are going to put it all together, us.

We must accept the fact that if anything is going to be done to help us become better leaders we are the ones that must take the initiative. To do that we must first realize that we have complete control over our actions.

We aren't just trapped in a body that does just what it wants. God gave us the capacity to mold ourselves into the form that is most desirable to each of us as individuals. It is up to us to be the kind of people that can shoulder the responsibility for this country that we will soon inherit.

America's future is entirely dependent upon us, whether older people realize it or not. This country stands or falls with us. We are going to look and see what we can do to increase our chances for success.

Let's grow up to be responsible adults. We don't just automatically become dependable and trustworthy adults when we wake up on our eighteenth birthday. The only way we can expect to become contributing members of society is to start practicing now. William Wordsworth summed this up when he wrote "the child is the father of the man," meaning, what we are in our youth determines what we will be in our adulthood.

Let's develop our self respect and integrity. Without integrity there can be no trust, and if we can't trust ourselves we can't trust others. Respect is contagious. If we respect ourselves others will "catch it" and respect us also. Respecting ourselves includes watching what we do to our bodies and watching what we put into our minds.

Let's wake up to the strengths that we really have. We have a positive attitude and a belief that we can be anything that we want to be. We have the ability and opportunity to learn from others mistakes. Instilled in us is enough character and vitality to change the world if we are willing to put it to use. We have numbers. Just look around yourself and see how many young people there are. Imagine what this place will be like when all of us are involved. Also, we have the strength of God if we will just ask for it.

As the youth and young adults of this country it is up to us to increase its productivity by increasing our own productivity. America is just a bunch of "you's and me's". We have done many great things, but lately we have been resting on our laurels. We must continually keep improving. As kids, we must harness our energy and get an education so that we can put our ideas to work and produce the very best.

We have the ball so let's run with it. All we have to do is think positive and strive for the best.

Certainly we understand that the potential of our youth is today's promise for tomorrow. Teenager is not a dirty word and these young people are ready to take the initiative, preparing themselves to assume their responsibilities by learning what is required of them to become young adults—leaders in our society—willing to exert every effort to improve today's world so that tomorrow's will be even better.●

MOVING TOWARD A BETTER ENVIRONMENT

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RANGEL. Mr. Speaker, 10 years ago this Nation entered the 1970's with a strong commitment to improving environmental quality. We have witnessed a decade of unprecedented action toward that goal but much remains to be done. As we move into the 1980's, we cannot allow our commitment to the environment to be overshadowed by other concerns. I am thinking specifically of our energy difficulties.

In the 1980's we will face ever decreasing supplies and increasing costs for energy. We face a major challenge in choosing between potential short-term environmentally damaging solutions or a commitment to long-term environmentally sound energy sources. We must, in this decade, commit ourselves to developing and utilizing clean renewable sources of energy such as biomass, geothermal solar, and wind just to name a few. At the same time, we must begin to implement a program of conservation to alleviate some of our present dependence on fossil fuels. Measures such as weatherization programs, improved mass transit, or encouraging the use of bicycles as an alternate mode of transportation should be actively pursued.

It would be a tragic shame after all we have accomplished in the 1970's toward improving environmental quality were we to allow that progress to be undone by choosing short-term solutions to our energy programs. On this 10th anniversary of Earth Day, let us recommit ourselves enthusiastically to further reclaiming our environment and to match our accomplishments of the past decade.●

THE TROUBLE WITH SOYBEANS

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FINDLEY. Mr. Speaker, as my colleagues from farm States know by now, thousands of farmers in this country are in serious financial trouble—victims of a vicious cost-price squeeze which has been seriously aggravated by two things: First, the price-depressing embargo on grain shipments to the Soviet Union and subsequent heel dragging by the administration in protecting the farmer as promised, and second, escalating interest rates on the money farmers must annually borrow to meet the enormous operating costs of planting crops.

I call my colleagues' attention to the following article from the April 21, 1980, issue of Newsweek magazine which deals with the farm crisis in the soybean sector:

THE TROUBLE WITH SOYBEANS

There's trouble in soybean country.

Since Jimmy Carter imposed his embargo on grain exports to the Soviet Union last January, soybean producers have watched prices slip by about $1 a bushel. And many of them lay the blame squarely on the Carter Administration, which they think has reneged on its promise to protect them.

"The government said the farmer wouldn't get hurt," says Darwyn Nelson of the Land of Lincoln Soybean Association. "Well, he did. He is going down, and he has not seen the bottom yet."

Not all the producer's woes stem from the embargo. Like other American farmers, soybean growers have been badly bruised by broader economic forces—especially inflation-bloated costs and the Federal Reserve's crunch on credit. But for soybean growers, the embargo has been particularly painful. For one thing, it was imposed just as the U.S. and competitive foreign exporters—especially Brazil—prepared to put a record 1979 soybean crop on the international market. For another, the soybean producers do not participate in government-sponsored reserve and loan programs that might have helped shelter them from the embargo's effects. But worst of all, say the farmers, the Carter Administration has betrayed them—and they are appealing to Congress for help. "The Soviet embargo, which is proving to be an unmitigated disaster for American soybean growers, is having little impact on the Russians," says American Soybean Association president Allan Aves. "It appears that only Congress can undo the damage."

Dumping: The anger is understandable enough. After the grain embargo went into effect, the U.S. Government bought up contracts on 26 million bushels of soybeans that had been destined for Soviet ports. The idea was to avoid flooding the U.S. market and forcing a sharp decline in prices—and Agriculture Secretary Bob Bergland assured producers that the government would not sell the contracts for less than prices prevailing before the embargo. But early this month, the Agriculture Department did an about-face: it sold contracts for more than half the soybeans at prices lower than the pre-embargo rates. In the course of one week, soybean prices in the commodities markets fell by nearly 40 cents. As producers saw it, the government had further depressed a market that was already ailing.

Agriculture officials argue that they had no choice. While the government can ask producers of wheat and corn to put their embargoed grain in reserve, pending a firming of prices, soybean farmers have resisted establishing any reserve program. Thus, when the contracts the government owned came due, the USDA had to dump them on the market—or take delivery of 14 million bushels of soybeans for which it had no use or storage space. "We would have had beans in Bob Bergland's office," says one official. USDA spokesmen stress that the amount of soybeans they sold is relatively small—less than 2 per cent of U.S. annual consumption. And they have promised to buy back an equivalent amount to offset the price slide caused by the dumping.

Export Aid: But soybean producers are still unhappy. Confused and angered by the Administration's maneuvers, they are asking Congress for export credits and other aid in developing new markets abroad. They also want an increase in government-backed loans for soybean farmers—a boost to $5.02 per bushel from the current $4.50. Otherwise, the farmers contend, many producers may not even be able to afford the cost of spring planting. Though Congress has not yet responded, the producers are encouraged by the attitude of the Federal Reserve. Last week, farm leaders presented their problems to Fed chairman Paul A. Volcker. "We stressed the fact that we need money *now,*" says Allan Aves. Volcker made no promises, but the farmers returned to soybean country with the impression that a powerful potential ally finally understood their plight.●

SAM PRYOR

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. UDALL. Mr. Speaker, Samuel F. Pryor, now a resident of Hawaii, is a remarkable American. His career and his honors have both been too illustrious to discuss in this small space. Mr.

Pryor originally delivered the following speech in 1962. It was brought to my attention again just recently. The observations still are worthwhile, and I wanted to share at least some excerpts with my colleagues.

The excerpts from the speech follow:

In the few minute's time I have to talk with you, may I talk about "TIME"—Time past—Time present—Time future—the concept of Time in relation to what is happening around us in our country and the world today and the responsibility you and I have for the use of that time.

Time does not stand still, as Shakespeare had one of his characters say "I waste time, and now doth time waste me." Time recognizes neither the clock nor the calendar. The fateful words of the Bible concerning the arrival of the time of Death "You know not the day nor the hour" have suddenly come to have as much meaning to us as a nation and our world as they always have had for us as individuals.

Time Past—the only importance of talking about it besides wonderful memories is what it might contribute to guide us constructively in the present or in the future.

I have had the privilege of visiting many of the ancient cities, particularly in the Middle East which are now either in ruins or buried underneath desert sands—among them the ancient pre-Christian Kingdoms of Qataban, Tinma, the Hadhramut, the great lost city of Shabwa, the ancient frankincense city of Sumhuram, Petra, Balbec, and on our own continent, ancient Chicen-Itza. Some of these civilizations have been buried now over 2,000 years. Each of these cities, in its proper time, stood at the peak of achievement and accomplishments. Each asserted its influence throughout the then known world. Each was the leader of its time.

Pondering over these ruins caused me to wonder about ourselves. Now how much time do we have and how wisely are we using it? These are questions we must provide answers. * * *

We must lead with the other great powers seeking a permanent Peace for our World. I will bring no prophecies of a third World war. If I did I am morally certain that what I would have to prophecy would be the end of World civilization. The next war will have no bands, no parades, no flags, and no romance. Humanity is now at the cross roads.

Since we must think constructively—where better begin than now in the Middle East where Peace is so uncertain and where all the great powers are so interested.

If Israel and Jordan could get together and agree that Jerusalem should be the Peace City of the World—the Holy City—the home of the four great religions—the Hebrew, the Muslim, the Christian, the Buddhist—and then invite the United Nations to move their Headquarters from New York City to there—there the Cradle of Civilization—there where Christ went into Heaven, where Mohammed went into Heaven and there will be no Wailing Wall but a wall of joy and Peace for the Jews of the World.

The ruins of great Civilizations are in many places surrounding Jerusalem and their complete destruction would be a reminder of what War can do to a civilization. It would become the greatest tourist place in the World.

Just two countries would accomplish this for they both owned Jerusalem—Israel and Jordan and both countries are headed by able Peace-loving leaders—Golda Meir and King Hussein. What country would attack the Peace City of the World—the home of the United Nations—created to keep our World in Peace. We all could afford to build the most beautiful building in the World to house the delegates and most comfortable housing in which to live.

HUMAN FREEDOM IN DANGER

We in the United States can look back through the long vista of human history and we can see that now—today—the whole course of human freedom is in the greatest danger mankind has ever known. We are face to face with the cruelest, most deceitful enemies we have ever faced. We are doing everything possible to make them friends, but they are dedicated to burying us as well as our way of life.

We must maintain our material strength which unfortunately is the only kind of strength these adversaries respect. We also have hope in that we are blessed with a spiritual strength not possessed by our adversaries for they have no God, no Christ, no Mohammed, no Abraham.

This is a period in the life of an individual, in the life of a nation, and for that matter, in the life of a whole civilzation when things are happening with incredible speed. Events are piling upon events with such rapidity that time itself has become foreshortened. Predictions about the future are almost meaningless.

Guided missiles can be sent 8,000 miles and their targets pinpointed. Our enemies have the same megaton bombs as we have. Their destructive power is equivalent to 100 million tons of TNT. If one exploded in New York it could obliterate all of New York City, all of New Jersey, all of Westchester County, and all of lower Connecticut. How far beyond this no one knows.

The present tensions over the Middle East, Cambodia, North and South Vietnam, Laos and Thailand and other potential trouble spots all over our globe cannot be exaggerated. These trouble spots are no longer a great distance. Today the flying time to the Middle East is 8 hours.

Time future—American Air Carriers will be flying jets or ramjets that move at speeds up to Mach 3—over 2,000 miles an hour. It will take only about 90 minutes to fly from New York to Los Angeles and two hours to fly from New York to London or Paris, two hours and thirty minutes to the Middle East. Even more dramatic and not long after that—flights to the Moon and to Mars and Venus will be available. Flights to the Moon at speeds of 20,000 miles an hour will take eleven hours and 56 minutes, for the Moon is only 238,857 miles away. Venus is about 26 million miles away or about 43 days at 20,000 miles an hour speed. Remember, it took our ancestors longer than this to come from Europe to Boston.

These pilgrimages into space will come. The rocket engines to make voyages of this sort possible are already under construction. The same is true of space capsules—already demonstrated. Space capsules are the forerunners of large space planes.

PURSUIT OF HAPPINESS

We people living here in the United States have a great blessing over the way of living under any other form of government. For in our Declaration of Independence we have one priviliege not mentioned in the declarations of any new country obtaining independence around the world—"the pursuit of happiness." You hear much about freedom and equality but what greater privilege in life is there than to pursue—happiness—not just for yourself but for other people because by doing this you will bring happiness to your own self and to those about you.

Now time to stop. Paradoxically while realizing that we must be constantly alert to enemies who know no God, we must at the same time continue to follow the dangerous path of peace, which our President is doing. We must then ask ourselves whether our minds and hearts have the ability to match the speed of sound with understanding and love for our fellow man—not just in our own town, not just in our country or State—but around the World. This is the kind of program our enemies fear most. It is fraught with danger, but being able to meet danger is what has made our country great. In facing danger we in our country have another blessing that our adversaries have not—faith. During the war in England a stone was unearthed after a bombing. It had on it this inscription, "Fear knocked on the door—faith answered—and there was nobody there."

It is our solemn obligation to walk this dangerous path of peace in faith and friendship in fulfillment of our mission on Earth.●

METHODIST MONEY USED FOR RADICAL CAUSES

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● **Mr. DANIEL B. CRANE.** Mr. Speaker, as a patriotic American, and especially as a practicing Methodist, I was appalled to read of the collection of leftist causes to which the Methodist general board of church and society gives its congregations' money.

How many Methodists realize that their church contributions may be used to promote homosexuality, pass the ERA, lobby for abortion, and other antifamily causes? Is there a deliberate attempt to hide the radical involvement of United Methodist leaders from church members who pay the tab?

I urge all Americans, especially Methodists, to ask whether or not your money is being used to bankroll every antifamily scheme to come down the pike. Conservative Digest recently reprinted an article by Robert D. Wood from Good News magazine, which I insert in the RECORD at this point:

IS GOD A LEFTIST?

When compared to the sprawling magnificence of the U.S. Capitol or the glistening whiteness of the Supreme Court building, I suppose the United Methodist Building in Washington would be judged to come off a poor second. In nearly any other setting, however, one would pronounce it imposing. Five stories of grey stone stand at the corner of Maryland Avenue and First Street, N.E., one of only two nongovernment properties on Capitol Hill.

When I came in from the provinces to visit the capital, it wasn't as if I had never been anywhere outside my native county. Nor when I decided to pay my respects to the UM Building did I approach it like a barefoot boy fresh off the farm with eyes wide and mouth agape. On the other hand, I was not totally prepared for what I found when I visited the headquarters of the General Board of Church and Society in the United Methodist Building.

As I wandered through the corridors, I saw signs reading "Department of Population," "Religious Coalition for Abortion Rights," "Handgun Control," "Emerging Social Issues," "Legislative Affairs Office," "Department of Church-Government Relations," "Department of Economic Life" and the like.

I was not totally astounded by this, for I had in my pocket a letter from Dr. George Outen, the board's general secretary, listing 34 coalitions in which the board has interests.

Moved by what I saw to ask some questions, I was pleased that Dr. Outen would take time for me even though I had no previous appointment. One of his chief frustrations, he said, is to attempt to carry on the board's many responsibilities on a yearly budget of $739,000. In fact, he averred, to operate a general board on less than $1,000,000 a year is impossible.

Somehow my conversation with Outen drifted to the matter of ordaining homosexuals, a problem that swirled around the General Conference in 1976.

"The gay issue is not dead in the church," he declared, indicating that General Conference action certainly did not finally lay aside that bugbear. Lamenting the board's failure to address the issue adequately due to shortage of funds and personnel, he said that they plan to find someone for the staff "skilled in mental health," who can give full time to the matter.

When I asked whether the person would be gay, Outen chuckled and replied. "Oh, we won't inquire about his or her sexual orientation!" I masked my astonishment at so open an admission.

He had received me very graciously, but I sensed there were many things to learn. So I thanked him, excused myself and left to look further.

I found that social and theological liberals at the UM Building seem to be fairly well homogenized and wonderfully tolerant of all liberal causes. Later in the day, a staff member at the headquarters of the Coalition for a New Foreign and Military Policy would tell me that if a bomb should fall on the United Methodist Building it would be a bad day for liberals. "These activists," he murmured, referring to the United Methodists, "nice!"

In its mothering of assorted liberal causes, little apparent discretion is exercised. On the second floor of the UM Building, the Gay Rights National Lobby has its national headquarters. Here, under a United Methodist roof, its strident Newsletter, On the Line, is produced. Doubling up with GRNL in the two-room suite is the Washington branch of the Universal Fellowship of Metropolitan Community Churches, the homosexual denomination. These are not the only strange fellows in the United Methodist bed at 100 Maryland Ave., N.E.

Down on the first floor, a spokeswoman for the Religious Coalition for Abortion Rights, a nonpracticing Jew, indicated that abortion rightists, gays and ERA proponents all face the same opposition from "fundamentalist types." (At the time of my visit, in 1978, Anita Bryant and company had just won their victory in Florida; three days before, the House of Representatives had passed the Hyde amendment barring most Medicaid-funded abortions; and only the previous day the Supreme Court ruled that federal and state governments cannot be compelled to pay for abortions.)

Upstairs in the UM Building, Jessma Blockwick, who in 1969 came to the Department of Population in the board's Division of World Peace, lamented, "This has been a very distressing week for every cause in this building." Later she added, "We're not good at winning victories.".

Nancy McConnell, a member of the United Church of Christ, works with the UM board to push ERA. She confirmed Blockwick's assessment, saying, "We've had some victories, but we can't seem to win the war."

McConnell is on the ERAmerica steering committee and is also involved in promoting abortion rights while she is working with the population office. During winter and spring of 1977, as ERA was coming up before state legislatures, she was on the road most of the time. Referring to the resolve of the Women's Division, the Board of Church and Society, and the National Council of Churches not to hold further meetings in non-ERA states (only until after the March 1979 deadline, corrected, George Outen), she noted that the action had "angered friends."

When I asked at ERAmerica headquarters whether the United Methodist Church was a generous supporter of ERAmerica, a spokesman answered enthusiastically, "For sure, for sure." (The church is essential to ERA for other reasons, he added. "The connotation of religion gives a good flavor to ERA.")

Sympathy for the pro-abortion-rightists was expressed to me next day at the shiny national ERAmerica offices in the National Education Association building in downtown Washington and also in the dank and cluttered basement rooms of the Coalition to End Grand Jury Abuse, a block away from the UM Building. Gloom hung like Spanish moss in all three locations.

A close ideological bond unites the Boards of Church and Society and Global Ministries, particularly the latter's Women's Division. The UM Women maintained a legislative affairs office in the United Methodist building. And WD personnel are sometimes deployed to Church and Society offices.

A case in point is Barbara Weaver. She has office space in the Church and Society Division of World Peace, where she pursues law of the sea issues. This office is a gift "in kind" from Church and Society to the Women's Division, worth about $2,000 a year.

This same bond is reflected also in appropriations to various coalitions. For instance, the Coalition for a New Foreign and Military Policy, chaired by Joyce Hamlin of the Women's Division, receives $1,000 a year from the Board of Church and Society, plus $3,000 from the Women's Division.

In 1976, Church and Society gave $500 to the Coalition to End Grand Jury Abuse, with which John Adams, of the Board's Division of General Welfare, works as liaison. The Women's Division tossed in another $500.

Adams at that time was spending a good deal of his time (paid for by the church) hopping from state to state in the interests of a coalition to ban the death penalty. He served on the executive committee of this coalition, was active also in the American Civil Liberties Union, and spent much time working in behalf of the Kent State protesters.

Less apparent than these appropriations (which are not always very apparent) is the board's practice of keeping the books for the Coalition to End Grand Jury Abuse, the National Coalition to Ban Handguns, the Coalition for a New Foreign and Military Policy and perhaps other coalitions. A staff member of the Coalition to End Grand Jury Abuse described that task force as "technically part of the staff" of Church and Society and the Board of Global Ministries' Women's Division as well.

Though I am an active churchman at least reasonably well informed, I was unaware of the complex mixture of United Methodist sociopolitical involvement, with tenacles into everything. My lack of awareness suggests that the board does a poor job of publicizing its entangling alliances. But also, I have a feeling it is a deliberate effort to conceal from the church its activities, for the very good reason that most of the constituents (local churches and individual United Methodists) are not in agreement with—and very many are passionately opposed to—a number of those coalition causes.●

DUPLICATION IN MEALS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. COLLINS of Texas. Mr. Speaker, today I ask Congress to review the school lunch program as it relates to the food stamp programs to evaluate their budget relationship.

Simply speaking, about 43 percent of the households getting food stamps are also getting free lunches for their children at school. In other words, the Federal Government pays for the child's lunch at home and then pays again for the same child's lunch on the same day at school. It is causing unnecessary duplicative expenditure of about $1.2 billion in the 1981 budget. We should reduce the food stamps by that amount.

In the second place, we should target school lunch subsidies to the poorer children who have more to gain in nutrition. The President proposes cutting the lunch subsidy by 5 cents per child in families of four with income below $15,800. Studies made by the Congressional Budget Office and endorsed by the bipartisan committee show that children in families of four with annual income above $15,800 will not suffer loss of nutrition if their school lunch subsidy is reduced by 16 cents. Thus, while maintaining nutrition standards we can reduce budget outlay another $300 million.

This well-intentioned welfare program can provide $1.5 billion in savings next year. Cumulative 5-year savings on these two items alone come to $8.7 billion by 1985.●

THE REGISTER, ORANGE COUNTY, CALIF.

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BADHAM. Mr. Speaker, it is my pleasure today to call the attention of my colleagues in this honorable body to the Register, a daily newspaper with approximately 250,000 subscribers, which has been serving the people of Orange County, Calif., for the past 75 years.

As a Member of Congress who has the good fortune to represent a large portion of Orange County, I am proud to note that in observance of its 75th anniversary, the Register has given its county a remarkable birthday present: 228 pages unfolding the history of the county which currently is celebrating its 90th year as a political entity.

The glossy, full-color magazine was almost a year in the making and more than a year in planning. It is unique as a newspaper supplement, and will be a keepsake.

It is called "Legacy," a fitting name for a chronicle of the remarkable history of a geographic area with a history dating back to 1776 when Father Junipero Serra founded Mission San Juan Capistrano.

"Legacy," not only reviews the early days of Spanish and Mexican domination of the Orange County land—its huge land-grant rancheros, the beauty of the Spanish culture, but also brings its readers through the years of remarkable development of the most dynamic county in America.

"Legacy," tells of the people who were noteworthy in the various stages of Orange County's growth. It tells of the famous people long identified with Orange County, such as former President Richard Nixon, aviation pioneer Glenn Martin, baseball great Walter Johnson, motion picture immortal John Wayne, and many others.

In presenting this birthday present to Orange County, the Register continues a long history of providing extraordinary service to its 26-city community.

The Register began as a small community newspaper in 1905, and its emergence as a major daily began when the newspaper was purchased in 1935 by R. C. Hoiles and family. Hoiles in 1979 was elected posthumously (he died in 1971) to the California Newspaper Hall of Fame.

The Register has been in the forefront of promoting causes of individual freedom, having defended the rights of Americans of Japanese ancestry during the period of relocation in 1942.

Over the years, the Register has been a beacon of continuing defense of individual liberty, and the thrust and flavor of "Legacy" continues that message.

"Legacy," is the result of an idea of the Register's editor, Jim Dean, who suggested something special be done to observe not only the newspaper's milestone anniversary but to provide a lasting souvenir to the community. Editor Dean's unique suggestion was enthusiastically endorsed by the Register's publisher, R. David Threshie, Jr.

The Register, with headquarters in Santa Ana, Calif., is the flagship of a 30-newspaper group, Freedom Newspapers, Inc., with publications in California, Colorado, New Mexico, Texas, Ohio, North Carolina, Florida, Nebraska, Indiana, Mississippi, and New York.

As Representative of the 40th Congressional District which embraces Orange County, I am proud to salute the Register and its gift to the community, "Legacy," on this occasion of a great newspaper's 75th anniversary.●

SOME CONSERVATIVE REASONS TO DOUBT NUCLEAR POWER

HON. EDWARD J. MARKEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MARKEY. Mr. Speaker, on March 31, 1980, an article appeared in the Boston Globe which was written by a conservative columnist, David B. Wilson. Entitled "Taming the Nuclear Monster," the article expresses Wilson's opinion that political conservatives have "blundered onto the wrong side in the controversy over nuclear power." I believe that the following paragraphs from Mr. Wilson's column will be of interest to my colleagues:

> For the last three decades, nuclear plants have been breaking down, leaking radiation, requiring refits at more frequent intervals, producing poisons nobody knows what to do with and, generally, fulfilling the direr prophecies of their radical critics.
>
> Responsible conservatives cannot defend the nuclear industry's failure to cope with the waste disposal issue or its fudging of the true costs of generation by omitting insurance, development, litigation, disposal, and entombment-shutdown expenditures.
>
> Even more pertinent, I think, is the inevitability of human frailty, Not blithe Rousseavuian sentimental optimism but stern Hobbesian recognition of reality should instruct the conservative's view of the nuclear power industry.

Mr. Wilson has written to me on the subject of nuclear power, saying:

> This is not a partisan issue, and being in favor of preserving a liveable world has got to be genuine conservatism.

It is interesting to note that Americans are becoming "conservative" energy consumers to the extent that the actual need for more nuclear energy is now in serious doubt. In the April 6, 1980, New York Times, in a long column titled "Electricity Use No Longer Soaring," the reporter Anthony J. Parisi stated:

> Since 1974 Americans have been using far less electricity than the utility industry had expected, and now some analysts expect the rate of growth to fall even further in the future.

In my own region of New England, the same forecasts are being drastically lowered. According to the reporter, Jerry Ackerman, in an April 2, 1980, Boston Globe article titled "New England Utilities Cut Projected Demand," the New England Power Pool now says that electricity is expected to increase only an average of 2.6 percent a year through 1995. Ackerman points out that:

> The projection represents a reduction of 40 percent from last year's forecast of 4.3 percent annual growth over the same period.

Experts such as Roger Sant, director of the Energy Productivity Center of the Carnegie-Mellon University, say that such a trend will have a tremendous impact on our economy and the environment. In particular, as Anthony Parisi notes in his New York Times article:

> The bitter debate over nuclear power would also ease. In the most optimistic projections, the Nation's utilities would not even have to order any more nuclear plants.

We in Congress must support the energy-efficiency measures which can help keep down the staggering costs to ratepayers of financing new powerplants. Such an energy productivity program is conservative public policy because it emphasizes that reducing waste makes economic sense. It is conservative because it allows us to minimize our reliance on an energy source—nuclear power—which may be too dangerous for us to handle safely. I urge my colleagues to review carefully the enclosed articles from the Boston Globe and the New York Times which bear directly on these issues:

[From the Boston Globe, Mar. 31, 1980]

TAMING THE NUCLEAR MONSTER

(By David B. Wilson)

The anniversary of Three Mile Island just may be an appropriate time to suggest that the Right has blundered onto the wrong side in the controversy over nuclear power.

Conservatives like to believe that they are what their designation implies—conservators of what is best, prudent stewards of precious legacies from the past, anointed opponents of mischievous novelty.

But because conservatives are predisposed to resist government regulation and strident activism and to defend the economic liberties of corporations, they tend almost reflexively to line up with the nuclear industry against the antinuke alliances.

After all, General Electric, Westinghouse, Stone & Webster, Babcock & Wilcox, Combustion Engineering and all the multi-national corporations, power companies and uranium mining and processing industries involved represent a significant chunk of that capitalist system which conservatives are honor-bound to defend.

But capitalism's great strength and virtue is supposed to be its flexibility. It is supposed to operate through a Phoenix-like process of creative destruction as the market's "invisible hand" directs resources to their highest and best use.

Capitalism is supposed to be better than the ruthless central planning of the Soviet state because it is more responsive to human wants and needs, less frozen into rigid ideological patterns, more able to adjust to change.

It would be presumptuous and probably wrong to ascribe the delays imposed by the money market last week on Pilgrim II and Seabrook reactor projects to the "invisible hand." And yet, you cannot quite rule out the possibility.

Society, generally, may have reached a stage where efforts to make economic activity more energy-intensive encounter the law of diminishing returns. More, more costly power may even be counterproductive of health, education and welfare.

And when, on the day before the TMI anniversary, the Department of Justice, in a nine-count indictment, charges Commonwealth Edison, the country's biggest seller of nuclear power, with conspiracy, falsification, evasion and breaches of security, certain very serious questions arise.

Huge corporations like Com Ed, Chicago's electric utility, exist to limit, diffuse and even dissipate liability. The state confers this advantage by charter so as to facilitate innovative economic activity and, presumably, to enhance the system's wealth-creating capability by encouraging the taking of risk.

But public utilities resemble the merchant adventurers of 17th and 18th Century London the way the Boeing 747 resembles the donkey cart, the way the hydrogen warhead resembles the flung rock. Public utilities are, in many of their aspects, more governmental than government, empowered to seize property by eminent domain; centrally directed, certainly as bureaucratized as the government, and, in the United States, considerably more authoritarian.

For the last three decades, nuclear plants have been breaking down, leaking radiation, requiring refits at more frequent intervals, producing poisons nobody knows what to do with and, generally fulfilling the direr prophecies of their radical critics.

Responsible conservatives cannot defend the nuclear industry's failure to cope with the waste disposal issue or its fudging of the true cost of generation by omitting insurance, development, litigation, disposal and entombment-shutdown expenditures.

Even more pertinent, I think, is the inevitability of human frailty. Not blithe Rousseauvian sentimental optimism but stern Hobbesian recognition or reality should instruct the conservative's view of the nuclear power industry.

A society of Japanese Presbyterian technocrats, stern, precise, meticulous and fastidious, just might succeed in taming and domesticating the nuclear monster. For awhile. But such a society, consisting of human beings, would eventually succumb to the internal tensions such a restrictive view of human experience would necessarily generate.

It cannot be compatible with conservative, principle to introduce irresponsibly into the world elements of catastrophic unpredictability certain to persist beyond the lifetimes of their creators. Ronald Reagan ought to give this some thought.

[From the New York Times, Apr. 6, 1980]

ELECTRICITY USE NO LONGER SOARING; NATION EXPECTED TO BENEFIT IN 1980's

(By Anthony J. Parisi)

A fundamental change is apparently taking place in the nation's appetite for electricity. Since 1974 Americans have been using far less electricity than the utility industry had expected, and now some analysts expect the rate of growth to fall even further in the future.

Such a trend, experts say, would have substantial social and economic effects, including these:

Since utilities would be spared the high cost of borrowing to build new generating plants, fewer rate increases would be needed. Although electricity costs would continue to rise, they would do so at a slower rate than had been expected.

The environment would benefit, because less power production means less pollution. As some experts see it, the growth in pollution from power plants might be so modest that such long-range problems as the "greenhouse" effect—excessive heating of the earth's surface caused by a blanket of man-made carbon dioxide—would be avoided.

The bitter debate over nuclear power would also ease. In the most optimistic projections, the nation's utilities would not even have to order any more nuclear plants.

CONSUMPTION DROP THIS YEAR

Last year electricity consumption rose only 2.8 percent in this country, down sharply from the 7 percent annual rate of growth that the industry routinely experienced until the early 1970's. So far this year, consumption has actually dropped, by 1.4 percent.

One reason is that the mild winter sharply reduced the needs of those who heat their homes with electricity. But even so, both the degree and the persistence of the drop-off has startled many experts. Demand, they noted, slipped in each of the first eight weeks of the year, marking one of the longest sustained declines on record.

"I think what we've seen in the last year is probably the precursor to the 80's—much, much lower growth rates," said Roger W. Sant, director of the Energy Productivity Center of the Carnegie-Mellon Institute of Research. "I suppose 3 percent growth is now the conventional wisdom, but my guess is that it will still be quite a bit lower than that."

As he and other specialists described it, a general slowdown in economic growth, consumer acceptance of more efficient motors and other power-consuming equipment, competition from other forms of energy and a variety of other factors will spell, at best, sluggish electricity growth in the years ahead.

Once, utilities simply assumed that the demand for power would forever match the rate of 7 percent a year at which it had risen almost from the inception of their industry. But that assumption went awry after energy prices exploded in 1973 and 1974.

From 1973 through 1978, consumption rose barely 3 percent a year on average. The yearly change ranged from slightly below zero in the recession year of 1974 to a rate of 6.7 percent in the recovery year of 1976. Peak demand on any single day in the year—a key parameter for utilities because it directly determines how much generating capacity they must have on hand—also rose barely 3 percent during this five-year period.

"Obviously, the old demand pattern has been broken," observed Irwin M. Stelzer, president of National Economic Research Associates, a highly regarded utility consulting concern. "Demand has turned out to be more elastic than most people had realized, and there's been more substitution of other fuels than had been expected."

POWER SHORTAGES AVOIDED

As a result, even though the utilities have canceled more new power plants than they have ordered, the nation has easily avoided the power shortages that many utility experts had predicted. Indeed, nationwide, the industry has twice as much generating capacity in reserve today as the backup of 15 to 20 percent that is has traditionally deemed a prudent margin of safety (although the margins in some regions, such as the Southeast, are tight).

If the overall demand for power tapers off even more, the cost of power would rise more slowly because the utilities would not have to build as many power plants. A slowdown in power consumption would also mean that the utilities would burn less fuel and produce less waste than had been expected.

And many analysts now suggest that growth may slow so much that the industry could meet its customers' power requirements in the year 2000 without ordering a single additional nuclear power plant. A few even think some of the nuclear plants still being built are unnecessary.

At the same time, these experts say, the utilities should still be able to reduce their oil consumption sharply. As they see it, coal would take over the bulk of the industry's fuel requirements, but because power consumption would have grown so slowly, fewer coal-fired plants would be needed than if the current growth in demand prevailed and far fewer than if the historic growth rate had been maintained.

Last year, according to the Department of Energy, electric utilities used about 1.4 million barrels of oil a day, down from 1.7 million in 1978. The nation as a whole consumed 19.2 million, importing 8.2 million of that total.

INROADS FROM COAL

The department's figures also show that, for the first time since nuclear power plants began commercial operations in the United States, coal made substantial inroads into both nuclear fuel's and oil's share of the utility market. The number of kilowatt hours made from coal rose 10 percent over the 1978 figure. At the same time, electricity made from oil, which was in short supply early in the year, fell 17 percent. That made from nuclear energy—which was set back by the accident at Three Mile Island, concern about seismic activity and other troubles—dropped almost 8 percent.

To be sure, the idea of much lower electricity growth in the future is coming more from outside the industry than from within it. Projections vary considerably, with the more traditional forecasters predicting anywhere from just over 3 percent to almost 5 percent annual growth, but with some of the more radical groups suggesting that it may be as little as 1 or 2 percent—or even less.

The Edison Electric Institute, the trade association for the nation's investor-owned utilities, is now updating its long-term forecast, last published five years ago. William McCollam Jr., president of the institute, said in an interview that the study analyzes growth rates, over the next 20 years, ranging from 2 percent to more than 5 percent a year.

"But the most important conclusion in our study," he said, "is that factors of choice are far more important than factors of chance." He added, "If the nation doesn't go to what we call the preferred scenario—in the order of magnitude of 4 to 4.5 percent a year—then we are not going to have the healthy economic growth that we ought to."

Mr. McCollam argued that even though low growth was now in the best financial interests of most power companies—whose construction debts have grown so high that reluctant investors have driven the price of all but a few of the utilities' common stocks below book value—the country should nonetheless strive for higher, rather than lower, electricity growth. That, he asserted, would be in the best interests of the poor, because it would allow greater economic growth.

THE INDUSTRY AS "THERMOMETER"

Others, however, argued that the goals of sufficient economic growth and slower electricity growth were not contradictory. They maintained that, regardless of the level of economic activity in the future, encouraging proportionately less growth in electricity consumption would be in the best interest of all, because it would relieve inflationary pressures throughout the economy.

"If the patient is the nation, the utility industry is the thermometer, not the medicine," said Ernst Habicht Jr., a consultant who until recently had been the Environmental Defense Fund's authority on utilities. "Short of war, providing electricity is the most capital-intensive thing man can do. With the prime rate hovering around 20 percent, it's the sort of thing we ought to be discouraging, not encouraging."

One reason why electricity growth has already tapered off in recent years is that economic growth has slowed considerably from the unusually high rates that marked the 1960's. The drop-off in electricity, however, has surpassed the dropoff in the economy. Utility economists say an assortment of factors have accounted for this.

For some tasks requiring energy, they say, people have switched from electricity to fossil fuels as the price of power has risen. A prime example is the home builder who no longer installs electric heat. And where they cannot switch, the experts say, people have begun to moderate their power consumption by, for example, specifying high-efficiency refrigerators and air-conditioners when they replace such equipment.

COSTLIEST ENERGY AVAILABLE

Such decisions often save a great deal of money because, in general, electricity is the most expensive form of energy one can buy. Although the initial cost of installing electric heating is low, the operating costs can be painfully high, especially in areas such as New York City, where the cost of electricity is more than twice the national average.

Even a comparison using the national average for residential rates, now approaching 4.5 cents a kilowatt hour, shows this to be true—if the figures are adjusted to acount for pricing distortions introduced by various regulations.

At 4.5 cents a kilowatt hour, the cost of electricity is equal to almost $2 for a gallon of oil, or roughly twice as much as consumers now pay for home heating oil. Several corrections have to be made, however, before a valid comparison is possible.

The typical oil heating system delivers only about two-thirds of the energy in the fuel to the rooms in the form of heat, while essentially all the electric energy fed to a baseboard heater is converted to heat. Moreover, oil prices are held in check by Federal controls on domestic crude oil.

Adjusting for these factors would appear to wipe out oil's advantage. Indeed, in areas of the country where power is cheap, electricity seems to come out ahead.

On the other hand, since electric utilities are regulated monopolies, their prices are based on the cost of operating existing power plants—even though the cost of electricity supplied from a new plant (the so-called marginal, or replacement, cost) may be almost twice as high.

After making this final adjustment, energy specialists say the real cost of heating a home with ordinary baseboard heaters is at least 50 percent greater than heating it with oil, despite the recent jump in oil prices.

"We're fooling people into thinking the electricity is cheaper than it is," Mr. Stelzer, the utility economist, said.

THE BURDEN OF CONVENIENCE

Similar comparisons can be made with any task that another form of energy can readily perform. In doing so, some energy analysts have concluded that it is foolish to use electricity for anything but the highly specialized jobs that only it can handle, such as powering motors and electronic equipment, or that it clearly does better, such as lighting and running certain industrial processes.

"We've been using electricity as a kind of convenience, shifting the enormous capital burden this places on society to the utility," said Thomas F. Widmer, vice president of engineering for the Thermo Electron Corporation, a manufacturer of highly efficient industrial furnaces and other energy-related equipment. "But," he added, "I think the market is now starting to recognize that this is a no-win game."

Indeed, these days many individual utilities do seem to embrace the idea that the nation must move into an extended period of lower electricity growth. Incapable of raising the money they need to build new power plants, once-hesitant companies have decided that taking steps to trim demand and finding ways to meet more of the demand with their existing power plants may offer the only way out of their bind. Many have adopted such reforms as time-of-day prices—charging less for power during off-hours, when a lot of generating capacity is idle—while others have offered their customers low-cost loans to pay for insulation and have made other investments to reduce demand.

There are limits to how much such policies can accomplish, of course. Since domestic sources of oil, and to a lesser extent gas, do not meet all the demand, forcing the country to import both, even the energy analysts who are most bearish on the outlook for electricity concede that in the long run only a limited amount of substitution can occur. Most seem to believe that, regardless of how low the growth in electricity may go, demand for it will have to outpace that of oil and gas.

"The way we are going to replace, as opposed to conserve, oil is through electricity," commented Milton Russell, an analyst with Resources For the Future and a co-author of that group's recently published study, "Energy in America's Future."

In an interview, Mr. Russell predicted that, as oil prices rise in the decades ahead, electricity prices will grow steadily cheaper in comparison. The reason, he said, is that coal and uranium, the only two fuels that can be expected to increase their share of the utility market, will not rise in price as quickly as oil will.

But many energy analysts, including Mr. Russell, think oil and gas consumption in the United States is now on the decline. thus, electricity growth could even be zero, and it would still surpass that of oil.

THE EFFICIENCY FACTOR

The analysts who expect very low electricity growth in the decades ahead stress, moreover, that substitution is not the only factor that will moderate consumption. The other, perhaps even more critical one, they say, is efficiency—doing the same task with less power.

One key contributor here could be the ubiquitous electric motor, which accounts for approximately 58 percent of all the electricity consumed in the United States, according to the Energy Department. Engineers note that, over the years, while energy was cheap, motor manufacturers gradually skimped on windings—the heart of the motor—to save copper, significantly lowering its efficiency. But now, with the price of electricity so high, product designers say it is worthwhile buying motors with better windings; despite the high cost of copper, the more costly but more efficient motor can save enough power to pay for itself.

Even more promising are advances being made in motor drives, the devices that control motors, particularly those in industrial applications. Electronic versions are now coming on the market that promise to cut power consumption by half.

Efficiency improvements are also possible where the power is generated, energy analysts say. These would allow utilities to generate more electricity without a corresponding increase in fuel consumption.

For some time, utilities have been working with more complex power generating cycles—so-called combined cycles—that offer considerable increases in efficiency. In addition, they have begun to experiment with whole new approaches such as fuel cells, which convert fuel directly into electricity without combustion. And other advanced ways to make power from conventional fuels are on the drawing boards.

[From the Boston Globe, Apr. 2, 1980]

N.E. Utilities Cut Projected Demand

(By Jerry Ackerman)

New England's electric utility companies yesterday said energy conservation efforts and increasing prices have led to a sharp cutback in the growth expected in the region's demand for electricity over the next 15 years.

The utilities' planning arm, the New England Power Pool (NEPOOL) said demand for electricity is now expected to increase only an average of 2.6 percent a year through 1995.

The projection represents a reduction of 40 percent from last year's forecast of 4.3 percent annual growth over the same period. That forecast became outdated in less than a year as 1979 sales of electricity in New England rose by barely 2 percent.

NEPOOL's forecasts, often criticized for their optimism by opponents of new nuclear power plants, are used by member companies and public officials for scheduling new power-plant construction and retirement of obsolete generating equipment.

The projections have been declining annually since 1973, when an oil embargo started driving up prices and encouraging conservation by customers. Before then NEPOOL consistently projected sales growth at 7 percent a year and more.

NEPOOL said in the report it filed yesterday with the Massachusetts Energy Facilities Siting Council that with completion of plants now being built or planned, the region will have excess, or reserve, generating capacity through 1992.

That reserve capacity will reach its peak in 1986–87 at 42.4 percent, or more than double what the power-generating industry considers to be a safe margin, if four nuclear plants now under construction are completed on schedule.

Those four, and their scheduled completion dates, are the Public Service Co. of New Hampshire's two reactors at Seabrook, N.H. (April 1983 and February 1985); Boston Edison Co.'s Pilgrim 2 reactor at Plymouth (December 1985), and Northeast Utilities' Millstone 3 reactor at Waterford, Conn. (May 1986).

Until then, however, NEPOOL planning director James R. Smith said, the region will remain heavily dependent on oil for its electrical generation. "It is especially critical that all non-oil-fired capacity be built as scheduled . . . to prevent energy deficiencies and to achieve the lower possible price . . .," he said.

Smith said the largest adjustment incorporated into the long-term forecast this year is an expectation of a surge in use of controlled storage space heating and water heating equipment.

Widespread use of these devices, which draw electricity intermittently to even out present twice-a-day peak demands for power will reduce the needs for new generating capacity by 800 megawatts, about equal to one large coal-fired or nuclear plant.●

ORANGE COAST COLLEGE SPEECH CHAMPIONSHIP

HON. ROBERT E. BADHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BADHAM. Mr. Speaker, I bring to my colleagues' attention Orange Coast College's unprecedented second consecutive national speech championship.

The national tournament was held in Kansas City from April 3 through 7 and featured nearly 100 teams from throughout the United States.

Capturing the national championship capped a highly successful year for the Orange Coast College team which finished the 1979-80 season unbeaten, which included the California State title. It is difficult to encounter more success than that.

The OCC team consisted of Richard Riley of Costa Mesa who won two gold medals, a silver, and a bronze and was named the No. 2 individual speaker in the national tournament. Richard's effort was supported by Joel Swenson, also of Costa Mesa, who finished fourth overall in the tournament with three medals—one gold and two bronze.

Geb Small of Irvine and Lela Barbosa of Huntington Beach both won gold medals in the Lincoln-Douglas debate. Lela also earned silver medals in advocacy debate and impromptu.

Other gold medal winners were: Shelly Chase of Newport Beach; Jennifer Hazeltine of Costa Mesa, who also was awarded two bronze; Susan Kirwan, also awarded two bronze; Richard Rieth of Costa Mesa, also a silver; and, Brian Warrick of Costa Mesa who also was awarded a bronze in prose.

Rounding out the field of medal winners for the OCC team were: Alice Ensor of Costa Mesa, silver; Ken Clay of Costa Mesa, silver; Beth Doss of Newport Beach, two bronze; Mark Gauthier and Dave Natkin of Costa Mesa, bronze.

If the speech team continues their winning ways, Orange Coast College will soon become Fort Knox West.●

FOREIGN CONVENTION DEDUCTION PROBLEMS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. ALEXANDER. Mr. Speaker, today I continue inserting into the RECORD a summary of the issues and problems which concern Americans living and working abroad.

ISSUE NO. 37

Short title: Foreign Convention Deduction Problems Abroad.

Summary of the problem: U.S. tax laws allow an individual to deduct for expenses of attending a maximum of two foreign conventions each year. While this limit may meet a legitimate objective of the Congress when it applies to Americans living in the United States, it seems inappropriate and highly discriminatory when it is applied equally to Americans living abroad. Indeed it can mean that Americans are not given tax protection for attending more than two conventions even in the city where they reside abroad.

ACA's question: Why do U.S. tax rules not recognize the economic realities of the overseas American in this situation?

The President's reply: The present rules limiting deductions for expenses incurred in attending foreign conventions to two such conventions a year were introduced in 1976. The Administration considers those rules inadequate to prevent abuse and burdensome on the taxpayer in terms of reporting requirements. In January 1978, the Administration proposed new legislation in which the deduction would have depended on whether it was reasonable to hold a convention at a foreign location. One test of reasonableness was to have been whether a substantial portion of the members resided in that country. That would have alleviated the problem faced by overseas taxpayers who attend conventions in their country of residence. The Congress did not accept the Administration's proposal; no further initiative on this matter is planned by the Administration at this time in view of the recent congressional consideration.

ACA's renewed question: ACA would like to ask the President anew if he feels that the present practice is an equitable treatment of overseas citizens? This needs to be established before any attempt can be made to define suitable redress. While the President chose not to address this question directly, his reply suggests that he does consider there to be grounds for justifying a change.

We regret that the President has chosen to take no further action on this issue. We would like to believe that if he feels that there is a problem of equitable treatment of the overseas taxpayer involved he will feel justified in proposing a suitable form of redress.

ISSUE NO. 38

Short title: Disallowance of Contributions to Foreign Charities and Churches.

Summary of the problem: One of the basic acts of good citizenship and contribution to the life of the local community is the willingness of an individual to make voluntary contributions to local churches and charities.

The U.S. tax code permits Americans living in the United States to deduct such contributions from their taxable income. This same deduction is not allowed for Americans living overseas.

ACA'S question: What principle of equity justifies this discrimination?

The President's reply: The rules pertaining to the deductibility of charitable contributions made by a U.S. taxpayer are the same, regardless of where the taxpayer lives. To be deductible, contributions must be to an organization organized and operated exclusively for charitable purposes and the funds must be used for the same charitable purpose. The Internal Revenue Service requires charitable organizations to be accountable; there would be virtually no way it could make a foreign organization accountable and ensure that the funds are used for charitable purposes. Contributions to U.S. charities which are used abroad may be deducted; thus, while a contribution cannot be deducted if made directly to a foreign charity, deductions can be taken for amounts spent on charitable purposes in a foreign country by a U.S. charity whose books and records are available to the Internal Revenue Service.

ACA's renewed question: It is hard to understand why such rules and interpretations have so consistently been made other than to harass and abuse Americans abroad. We fail to understand why contributing to local churches and charities is recognized as a tax-deductible expenditure in one location and not in another.

The President's explanation of what constitutes a credible charity or church for IRS deduction purposes is not convincing. Using the same logic, the United States could maintain that no taxes paid abroad can be credited against U.S. taxes at home because the IRS cannot audit the books of the foreign country!

Mr. President, we ask that this issue be examined once again. It is self-evidently unfair to make these contributions abroad ineligible for the same deduction they would have at home. And, our practice is a most unfortunate notice to the rest of the world that we have no concern whether or not our overseas citizens act as good local participants in their communities abroad. If they act as generously abroad as they do at home, it will cost them much more in U.S. tax.

We seek redress. Why not simply have the overseas American sign a statement to the effect that he believes the charity to which he is contributing, and for which he is claiming a U.S. tax deduction is a true charity. The U.S. has to rely on the overseas American's integrity in declaring his income, why not use the same standard in accepting his charitable contributions?●

PRODUCTIVITY IN THE AUTO INDUSTRY

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LAFALCE. Mr. Speaker, one of the most serious problems in today's economy is declining productivity, which is undermining the basic health and vitality of the economy. Without improved productivity, the battle against double-digit inflation will be doomed from the very outset.

Of the many industries experiencing economic difficulties at the present time, the auto industry is perhaps the most seriously affected. During the lengthy hearings concerning the extension of loan guarantees to the Chrysler Corp., many reasons were given for the current crisis within the industry, including auto imports, the price of gasoline and the proliferation of Government regulations.

Some commentators believe the malaise in the auto industry has been caused by its workers. However, a recent article in the New York Times by an anonymous autoworker suggests that the question of quality of workmanship should not be directed at the workers, but rather at the management of the companies. I want to share this article with all of my colleagues, because it is a very telling, as well as distressing, commentary on one of the most important industries in this country.

The article follows:

COMPANY LINE

(By John Jones)

"Can you take pride in building a Pinto?" To me, this is not a rhetorical question. I've helped make tens of thousands of them. When I'm asked, "How can you build those death traps?", I patiently respond that the manufacturers take the position that auto workers are contractually barred from designing the cars and have no control over the quality of materials or the methods of construction. We have little say about how much we are expected to do in the minute or so we work on each car.

Yet with all the problems that the United States auto industry faces—gasoline prices soaring, credit drying up, sales falling, foreign cars taking more of the market, expensive retooling needed to produce fuel-efficient cars, Government issuance of regulations on safety and pollution, Chrysler's continuing flirtation with bankruptcy—some experts still point to the worker's "lack of productivity" and "lost work ethic" as the key problems facing the American automobile industry.

Assembly-line jobs are repetitive, dreary, boring and draining. They require little or no initiative and allow for little or no creativity. Yet I have always tried to do my best, and so have most of the workers I have known in 12 years of working in various blue collar jobs. I do my best because there is more self-respect in doing even this type of job well than in doing it poorly, and because otherwise it would be impossible to get through the day—a day that sometimes stretches for 10 hours—because the boredom would be so intense. But there are limits.

I was working on a sub-assembly line in an auto-parts plant. We were expected to produce 330 fire-wall assemblies per hour—five and a half per minute. My job consisted of several motions: I put two separate pieces of metal in a press, then pushed buttons to close it and weld the metal together. One had to become as machine-like as possible, repeating each motion exactly. I could, and often did, do the job perfectly without looking. The only way to talk to me over the noise was to yell sentence fragments in my ear every few seconds when I briefly leaned away from the machine.

Though inspection wasn't part of my job, I picked out and threw aside defective pieces—until one day the foreman poured a box of the scrap I'd thrown aside into my bin and told me to use it. On another occasion, in a different auto plant, a foreman told me that he was getting in trouble for scrapping too many pieces—not that they weren't scrap, he realized.

In that same plant, on the main assembly line, I tighten bolts that hold a key part in place. Once the air wrench wasn't strong enough to do the job. The bolts weren't loose to the touch, which was the way the inspector down the line checked them, but they weren't tight enough to withstand the vibrations that they would take with the motor running. I complained to the foreman but the wrench wasn't changed and a day's worth of cars had bolts that looked tight but weren't. Later, I told six foremen that another piece of equipment wasn't working properly and I wasn't able to tighten bolts. It wasn't fixed until the next day when the pick-up man couldn't catch the cars I was missing together with his other responsibilities. Malfunctioning production equipment endangers not only automobile owners but also assembly-line workers.

In all the shops I've worked, there are signs on the walls about quality but the foremen concern themselves with what they know will get them promoted or chewed out—how many X's are being produced, at what cost? Corporate policy is not found in fancy phrases from executive suites about quality of products and concern for human life and injury; rather, it is found in how the shop floor is run and what affects the profit picture.

Recently, my company rented some foreign cars and brought in small groups of workers to compare them with the cars we make. There was a questionnaire distributed with the usual requests for suggestions (rumor had it that the most popular was "slow down the line"). We were also asked why we thought Japanese workers took more pride in their work. The company's apparent purpose was to encourage us to take more pride in our work.

I asked the supervisor running the comparison, "Isn't 90 percent of the difference between their cars and ours not better workmanship but rather better engineering and design and better-quality materials?"

"Yes," he agreed.

Knowing a case where the same car is made in two countries, I asked him, "Aren't the American-made VW Rabbits just as good as the German-made Rabbits?"

"No," he replied. "The American Rabbits are better."

If this is so, then American workers haven't lost pride in their work; those who control the workplace have.●

SMALL SAVERS' INCENTIVES THROUGH BANKING REFORM

HON. JOSEPH L. FISHER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FISHER. Mr. Speaker, the recently enacted Depository Institutions Deregulation and Monetary Control Act, Public Law 96-221, is a landmark law that provides savings incentives to small savers and at the same time helps to promote stability and competition among financial institutions.

The new law has several components of particular importance to savers. First, it phases out over a 6-year period the current ceilings on interest rates commonly known as regulation Q. I have heard from a number of my constituents who are distressed by the low-interest earnings on regular passbook accounts. It is no wonder that the small saver feels cheated when interest charges on mortgages and short-term consumer loans exceed 15 percent while interest earnings on passbook savings accounts remain at a mere 5½ percent. Although there are other higher yielding alternatives to be found, such as certificates of deposit (CD) and money market certificates, the large minimum deposit requirements and early withdrawal penalties effectively preclude small savers from investing in them. As regulation Q is phased out, the small saver will begin to enjoy interest earnings which are more nearly commensurate with amounts presently paid on CD's and the like. This provision coupled with the recently enacted income tax deduction of up to $400 on interest and dividends, will give savers and investors, especially smaller ones, a better return.

Also aimed at protecting the small saver is a provision of Public Law 96-221 which affirms the right of financial institutions to offer certain transaction accounts. By way of background, a 1979 U.S. Appeals Court decision held that bank regulatory agencies lacked the legal authority to permit financial institutions to offer their customers such innovative banking services as credit union share draft accounts, negotiable orders of withdrawal (NOW) accounts, bill payor accounts, and 24-hour banking privileges. Unless Congress authorized their use by January 1, 1980, later extended to March 31, 1980, these accounts would become illegal. Fortunately, the Congress took the necessary action before the deadline, because the suspension or termination of these accounts would have created havoc for both financial institutions and their customers. In my view, the benefits which depositors derive from the use of these progressive banking arrangements are substantial in terms of convenience and additional interest earnings and I supported these new kinds of checking accounts.

Inflation, accompanied by high interest rates and a tight money market, has also threatened the financial stability of depository institutions. Public Law 96-221 encourages a greater utilization of these institutions for borrowing and investing purposes while also providing increased competition among them. For example, the law will permit savings and loan associations (S. & L.'s) for the first time to issue credit cards and make short-term consumer loans; it will also broaden the loan-making authority of credit unions. This new authority should increase the earnings capacity of thrift institutions. By the same token, commercial banks, for the first time in many years, are given the authority to pay the same interest rates as S. & L.'s on savings accounts. Currently S. & L.'s enjoy a one-fourth of 1-percent interest advantage over commercial banks. Bank customers will reap the rewards of increased competition through a wider array of services at a greater number of financial institutions.

Recent years have witnessed a decline in bank membership in the Federal Reserve System (FRS), principally because of the reserve requirements imposed on member banks. In withdrawing from the system, many banks, especially the smaller ones, have concluded that the cost of holding noninterest-bearing reserves, particularly during a period of high interest rates, exceeds the value of FRS services. There are those who believe that the ability of the Federal Reserve Board to control our monetary system effectively has been weakened by the steady decline in the percentage of deposits covered by the reserve control. Public Law 96-221 attempts to strengthen the FRS by extending reserve requirements to all banks, both member and nonmember. Member banks will benefit from this change because their financial burden will be reduced. Although the law does impose an additional obligation on nonmember banks, it also permits these institutions access to the Fed's discount window and other services previously available only to member banks.

Current events point out the hardships which high interest rates impose on individuals. Any structural changes, such as Public Law 96-221, which serve to mitigate the need for such high interest rates to combat inflation, will be beneficial to the public at large. By providing the Fed with greater control over all bank deposits, interest rates need not be so high nor credit-tightening policies so stringent in order for the Fed to achieve its monetary goals.

The Depository Institutions Deregulation and Monetary Control Act is not a panacea. In fact, some of the law's benefits will not be realized for several years. It is important that some of the proposed reforms are phased in over a period of years in order to assure the uninterrupted flow of essential services to the public and to prevent dislocation in the financial marketplace. However, the law does represent a concerted effort by the Congress to encourage savings and to help restore stability among financial institutions by releasing them from certain regulatory shackles. I am confident the changes and innovations in this legislation will prove to be of considerable benefit to the people of northern Virginia as well as the whole country.●

LEST WE FORGET

HON. CHARLES B. RANGEL

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RANGEL. Mr. Speaker, I rise today on this second day of National Secretaries Week to pay tribute to the one staff member no office could function without. I am of course referring to those individuals without whose tireless and sometimes thankless effort the semblance of order which exists in our offices would quickly dissipate into a chaotic mass of confusion.

Secretaries in their day-to-day work are so integral to our existence that we tend to take them for granted. This week is therefore set aside to acknowledge their fine work and to show them our appreciation for all that they do.

I would like to pay special tribute to Ms. Patricia Bradley, Ms. Barbara Hamlett, Ms. Rebecca James, Ms. Brenda Swygert, and Ms. Sarah Abrams, the finest collection of secretaries in the Nation.●

CARTER NUCLEAR POLICY DEALINGS KILL GOOD NEIGHBOR POLICY IN SOUTH AMERICA

HON. JOHN W. WYDLER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WYDLER. Mr. Speaker, I returned this week from a visit to the South American countries of Brazil and Argentina. I discovered that the Carter administration's nonproliferation policy has been the most divisive factor in the relations between the United States and these two formerly very friendly countries. This administration has attempted to implement a policy of nuclear and military technology denial, coupled with an inflexible approach to human rights as seen from an American perspective, that is quite simply guaranteed to alienate these nations for the rest of the century. The President has killed the 40-year-old good-neighbor policy of Franklin Delano Roosevelt.

President Carter set out to deny these countries technology, but his policy has simply resulted in a denial of potential customers for the U.S. nuclear industry as well as a decline in other U.S. commercial activity. At the same time, we have much less influence with these countries and they have obtained the nuclear materials and technology from other peaceful nations as well as our enemies.

I was stunned to see that all the equipment for fuel cladding fabrication was from the Soviet Union. Thus, the Carter policy has reached the ultimate absurd step of counterproductivity in that we have not only lost our ability to influence these friendly nations, but we have provided an entry for Soviet nuclear technology into South America.

The Economist published an article in its March 1, 1980, edition which suggests that Mr. Carter must adopt a realistic policy toward nuclear proliferation based on case-by-case bilateral agreements rather than this inflexible across-the-board approach.

The article follows:

BUT IT IS POSSIBLE TO MAKE NUCLEAR PROLIFERATION LESS TEMPTING

Three years ago, when all the world was young, a newly elected American president launched a moral crusade to drive plutonium out of the world's nuclear power industry—because, he argued, it could too easily be used to make bombs.

Three years later, a disillusioned president, fighting for his second term, needs to divert some of his energies to rescuing his policy from the deep-freeze into which the outcry of America's allies and nuclear clients has thrust it since 1977. The deep-freeze—the International Fuel Cycle Evaluation programme (Infce)—was one of the most expensive ever constructed. It consisted of an exhaustive study of all the technical aspects of proliferation and nuclear power, carried out in huge working sessions by thousands of engineers, diplomats and civil servants. They succeeded this week in producing the small miracle of a report which has some useful pointers to the future, and a communique on which everyone can agree.

The matter is now back, uncomfortably, in the hands of the politicians, who should never have tried to pass the buck in the first place.

ANYONE CAN HAVE A BOMB

Making a bomb is scientifically simple, but technologically relatively demanding. It requires, even for a developed country, a disproportionate diversion of national engineering and scientific effort. But it can now be done relatively quickly by countries with a well-educated engineering elite. Pakistan appears to be well on the way to it; India has already exploded a nuclear device; Israel is thought to have a bomb. A country like Taiwan, starting from scratch now, could probably have a deliverable bomb by the late 1980s.

The essence of an anti-proliferation policy is therefore to recognize that there are no central secrets to protect, no simple ways of stopping dead all would-be bomb-makers. But there are lots of ways of reducing the ease with which a bomb can be made, reducing the political need to make one, reducing the convenience of doing so, limiting the opportunity to switch clandestinely into bomb-making, and increasing the cost.

The Carter policy usefully tried to attack some of these problems. But in doing so it harmed others. It argued that widespread use of plutonium would reduce the time necessary to make a bomb, and make the bomb-making process more obvious. This could encourage even well-intentioned countries to move towards bomb-making if they suspected their neighbours were less pure of mind. And all these ills would be inevitable if developed countries on the threshold of widespread plutonium use (e.g. France, Japan, West Germany) were to set the fashion for less developed countries to follow, or—worse still—sell them the reprocessing hardware to make plutonium out of nuclear fuel.

Countries with less uranium than the United States were unconvinced that there was enough of the stuff available, without political strings attached, to make it safe to delay developing the plants to reprocess and handle plutonium. In any case, they argued, there are easier and cheaper ways of making a bomb than building a civil nuclear power industry, as Pakistan bids fair to prove.

America's attempts to use its dominant, but weakening, position as a nuclear supplier to enforce Mr. Carter's policy backfired. They encouraged America's allies to believe, or at least to argue, that the sooner they gained independence from such domination—by reprocessing plutonium and fast breeders—the better. Mr. Carter's aim was laudable; his methods seemed counter-productive.

Infce has not resolved these arguments between America, Europe and Japan. It says, correctly, that there is no single fuel cycle appropriate to all countries. It also says that there are proliferation risks attached to all the available technologies. Plutonium is not unique. Despite this vagueness, Infce's three years' labour has not been in vain. The reports contain one sentence that shines out among the flannelly bureaucratic prose:

It was accepted as a general principle that assurances of supply and assurances of non-proliferation are complementary.

In other words, the more countries are encouraged by promises of secure uranium supplies, the more they rely on the controllable world market—and the less tempted they are to build expensive nonsenses at home.

Let this be Mr. Carter's text. The American government cannot stop those of its allies that wish to move into the plutonium age from doing so. It can put infuriating and inconvenient obstacles in the way of those countries that rely on its technology or uranium supplies, as it tried to do initially against the EEC and Japan. But it cannot stop a country which is no longer dependent on American technology (like West Germany) getting hold of uranium not covered by a ban on reprocessing (from, eg, Niger), enriching it in a non-American enrichment plant (like the two European ones nearing full operation) and subsequently turning it into plutonium.

The principal argument against such a course of action is simply commercial. At the moment, as most at Infce saw, fast breeders are not economic. Nor, probably, is reprocessing of spent fuel for conventional reactors. Infce offers some sensible thoughts on measures that could make autarky as politically silly as it already is commercially—through, eg, international or multinational reprocessing centres. They should be given political momentum.

For the rest, the initiative is with Mr. Carter. He is constrained by America's nuclear proliferation legislation, which forces him to attempt to continue the stalled negotiations with Japan (about permission to run American-supplied fuel through a Japanese reprocessing plant at Tokai Mura) and with the EEC (to get the EEC to accept a ban on reprocessing spent American-Supplied fuel). He will do his best to delay the difficult part of these negotiations until he has time to give to the problems, and perhaps a different congress to legislate afresh on them.

In the meantime, he should continue to grant the case-by-case approval for reprocessing which American law demands, with the same relative freedom as he has done during Infce. Unfortunately, case-by-case policy, which can be enforced whimsically as presidential and congresssional attitudes change, is no substitute for a lasting set of rules which would make nuclear fuel supplies less chancy. In short, for the Jimmy Carter of 1980, the world is more complex than it seemed in 1977. But, then, in several other ways, Mr. Carter has already learnt that lesson, hasn't he?●

BRACING FOR THE YEAR 2000

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. AuCOIN. Mr. Speaker, as chairman of the Task Force on Innovation, I want to call the attention of Members to a speech recently given by Mr. James Affleck, president of American Cyanamid. The speech, which was given as part of the distinguished lecture series at Patterson College, states clearly what many in government are just beginning to discover; that the best hope for maintaining our economic strength in the world lies in more and better innovation in American industry. As Mr. Affleck states, the country can best foster innovation by creating a regulatory and economic environment that encourages industry to put new ideas to work.

Mr. Speaker, I insert Mr. Affleck's speech in the Record:

Bracing for the Year 2000

Americans are now having second thoughts about our retreat from science and technology.

In our antitechnology bias of the 1960s, we saw only the destruction technology could cause—as in Vietnam. As a nation, we came to distrust scientific advances and to shun innovation. Increased consumerist pressure and government regulation, combined with inflation, had a severe dampening effect on industrial and academic technological development.

The results are apparent. By 1960, 82 percent of all major innovations brought to market had been developed in the U.S. At the end of the decade that figure had declined to 55 percent.

In 1967 we generated more than one-third of the world's science. Today it's about one-quarter and declining annually.

What we failed to see until recently were the opposing dangers. The perils in not developing new technology. The danger of running out of energy. The effects of slow economic growth on the poor and on the social gains made by minorities. And the very real danger that countries less tolerant of individual liberty and human rights may not slow their pace of growth—even if we reduce ours.

Americans have begun to realize that as a nation we cannot survive in today's world without high technology. Much of our raw materials and energy come from Third World countries which are in political or religious upheaval. Our only legitimate hope is to develop technologies that will make us self sufficient in energy and more efficient in the use of raw materials.

In these and many other fields, U.S. industry must develop high risk, breakthrough technology. We must take the lead and keep our competitive advantage.

But if the U.S. is to remain competitive against the challenge of other countries, the Federal government is going to have to be realistic about what this challenge involves.

In both Germany and Japan—and for that matter, in practically all foreign countries—industry and government work together closely to achieve their national economic objectives. They recognize that the competition is the United States.

Here, Government and industry too often have been in adversary positions, with Government restraining rather than abetting industry's ability to innovate and compete in world markets. This has been particularly harmful to our nation over the past 20 years.

During those years, innovative gains in other countries—backed by more favorable government policies—have enabled them to turn out new products at lower cost, undercutting American competitiveness at home and abroad.

Our competitive position has been further weakened by the fact that the fabled productivity of the U.S. has been sliding. From 1967 to 1973 we managed an annual productivity increase of only 2.1 percent. After 1973, that figure fell to 1 percent a year. And it is virtually flat today.

To compete successfully in the 1980s and 1990s, we must nurture technology. We must rekindle the innovative spirit of American industry.

I'd like to pinpoint four critical areas where I believe changes are needed.

First, accessibility to venture capital.

We must rework our tax system to eliminate taxation of savings and of investment needed for new high risk technological and business ventures. Under our current system, there is insufficient incentive to save or to invest. Consequently, the rate of personal savings in the U.S. is lower than that of any of our major trade competitors. We must have a national tax system that provides incentives for savings and investment.

A second area requiring change is patent protection.

The translation of research and development into new products is a complex and risky business. For example, it now takes an average of 8 years and $57 million in research and development costs before a new pharmaceutical can be brought to market. The U.S. patent system allows 17 years on a patent. With 8 years spent before marketing, the effective life of that patent is only 9 years. This substantially increases the risk involved in developing a new pharmaceutical. And if a company can't be assured of a reasonable flow of profits from its new products, there will be no money for new research into cures for diseases such as cancer and arthritis. Extended patent protection would help to compensate for the increased time required in testing or in meeting regulatory delays, which is a third critical area—regulatory reform.

The burden of excessive regulation has made it virtually impossible for many innovative companies to continue the kind of high-risk, long-term research they have been noted for in the past.

I am not against reasonable and cost-effective regulations that make real improvements in health, safety and the environment. However, rigid standards have been mandated by some regulatory agencies without regard for economic impact—and too often with only marginal improvements in safety or the environment. Excessive regulation of that sort is outrageously expensive. The nation can't afford it.

We are going to have to weigh the improvements against the costs and the risks against the benefits if we are to provide a reasonable regulatory climate. Unless the cost of compliance is producing the results that we, the public, want, we are wasting money that could be used for research, development and industrial expansion.

Fourth, basic research must be increased.

Much of the fundamental knowledge needed to create new science comes from basic research. This kind of conceptual exploration accounted for our rapid technological advancement in the past.

I am concerned, however, that because of a slowdown in basic research—both in funding and in the number of students enrolled in advanced science programs—we may not have the underlying foundation of science necessary to support our future technological needs. Much basic research is done at the university level, sponsored by government or industry.

I believe we need to provide a climate in the U.S. that will encourage closer relationships between industry and the university. Basic research may provide a new idea. But to bring that idea to fruition requires millions of dollars plus the know-how to develop, test, manufacture, and market it.

Only industry can do that.

Finally, to insure a climate favorable to innovation, the public must take renewed interest and pride in America's technical and scientific achievements.

If we are to progress through the 1980s with realistic hopes and not find ourselves headed for the year 2000 as a second-rate world power, with second-rate living standards, we are going to have to move ahead with first-rate science, technology and innovation.●

THE OVERPAYMENTS PROBLEM

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MOTTL. Mr. Speaker, today I have introduced a bill to authorize the Administrator of Veterans' Affairs to deduct the amount of overpayment of veterans' benefits from any future payment to the beneficiary, and to require that interest be charged on the amount of overpayment of veterans' benefits if this indebtedness is not repaid within a reasonable time.

This bill is another step in the continuing efforts of myself and other members of the Committee on Veterans' Affairs to insure that the Veterans' Administration has the tools necessary to recover the staggering amount of funds wrongly distributed due to error or fraud.

The Subcommittee on Special Investigations, which I chair, has held a number of hearings on the subject of overpayments and what the VA is doing to recover these funds. We have found that the VA has uncertain authority to take some steps that would seem fundamental to any effective collection effort. Most of these overpayments are related to educational benefits.

With respect to charging interest on these debts to the Government, Mr. Ronald F. Lauve of the General Accounting Office told the subcommittee on April 1:

> We estimate that the VA's failure to charge interest on its present balance of $600 million of educational assistance overpayments will cost the American taxpayers about $90 million this year in unrecovered interest.

There has been debate within the administration as to whether the VA presently has legal authority to charge interest on these outstanding debts. This bill would erase that doubt.

Charging interest on these overpayments will create a strong incentive for the veteran to settle his accounts with the Government. So as to encourage an informal settlement process, interest would not be charged if the veteran satisfies his debt within a reasonable time after notification by the VA of its existence.

The bill also makes explicit in law the VA's authority to offset a particular overpayment debt owed by a veteran against any new claim for veterans' benefits that veteran may file.

Our goal is simply to assure that taxpayers' dollars are efficiently spent for the benefit of deserving veterans who properly qualify under law for various veterans' programs. Veterans' organizations have been supportive of our efforts in Congress to press for the recovery of misdirected VA funds.

An Amvets witness told us:

> We believe that it is incumbent upon the Government to utilize whatever means is required to recoup these overpayments. It is unfair to penalize the taxpayers, who have been most generous in funding the various veteran programs, with this additional unwarranted burden.

In this time of belt-tightening and budget-cutting that threatens the fiber of VA programs as well as other Government activities, a comment by a VFW witness says about all that is necessary on the need for this bill:

> The enormity of this indebtedness can be more readily envisioned if one realizes that even at today's inflationary prices, $600 million would build four 500-bed hospitals.●

THE "WASHINGTON EAR" READS TO THE BLIND

HON. MICHAEL D. BARNES

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BARNES. Mr. Speaker, a closed-circuit radio reading service in my district, the Washington Ear, provides an important resource to thousands of blind and visually handicapped people in the Washington metropolitan area. The Washington Ear and a rapidly growing group of organizations like it around the country provide a vital source of information by reading newspapers, magazines, books, and other sources of news and entertainment which may not be readily available to the millions of blind or visually impaired Americans eager to enjoy them.

On April 17, the Washington Post ran a profile of the Washington Ear, which is based in Silver Spring, Md. I submit the article for the information of my colleagues.

THE WASHINGTON EAR: RADIO VOLUNTEERS GIVE SIGHT TO BLIND

(By Bart Barnes)

Don Thomasberg, a Falls Church insurance agent, gets up at 5 a.m. Fridays. He dresses quickly, bolts down a cup of coffee, then drives halfway around the Beltway to spend two hours in a Silver Spring church reading the morning newspapers.

About 10 miles away in a Foggy Bottom apartment, Philip Sklover, a blind lawyer with the Equal Employment Opportunity Commission, flips a radio switch, climbs into a hot tub of water and listens to the news—read over the radio broadcast by Thomasberg.

"I soak up the news while I'm soaking in the tub," says Sklover, 36, who lost his sight four years ago from an as-yet undiagnosed disease.

Thomasberg, one of about 200 volunteer readers, is part of Washington Ear, a closed-circuit radio reading service that reaches about 2,000 blind and visually impaired people throughout the area.

"I always listen to The Post for two hours when I get up in the morning," says Sklover. "Then when I get home from work at night I have a glass of wine and listen to The Star for two hours. I think I am better informed now than I was four years ago when I had the ability to read."

Thomasberg has been reading The Post over closed-circuit radio from 7 to 9 a.m. on Fridays for nearly five years.

"My original motivation for doing this was the ham in me," he says. "It was a chance to get on the air without having to go through the rigors of the commercial routine.

"Now I'm enjoying it so much that I go around at night giving talks to service clubs and civic groups on Washington Ear."

Washington Ear was launched five years ago through the efforts of Margaret Rockwell of Silver Spring. When it first began, it was one of only five such services in the nation. Now there are at least 80, and more are being organized every month.

"We do several things," says Rockwell. "We read popular magazines. We read best-seller books in serial form. We read the grocery ads. And we read The Post and The Star.

"So much of everyday conversation topics comes from what people are reading in the newspapers. It's important not to have handicapped people cut off from that."

Rockwell's interest in a reading service began because of her own problems. In the early 1960's, while she was completing her Ph.D at the University of Maryland, Rockwell learned she had a progressive eye disease. Now, because of the disease, she is legally blind.

In 1973, nearly 10 years after earning her doctorate, Rockwell heard about a radio reading service for the blind in Minnesota and immediately set out to organize the Washington Ear. It took a year to raise enough money, line up volunteer readers and find enough equipment to start the program in Washington.

Finally, after local governments and the Cafritz Foundation contributed $100,000, Washington Ear broadcast its first program on a sub-channel of WETA-FM. There was an audience of 63, all of whom had special receivers. The date was Nov. 4, 1974, and Don Thomasberg did the first broadcast.

At first, Washington Ear was on the air only 30 hours a week. Now broadcasts begin just before 7 a.m. and sign off at 11 p.m. Local governments contribute about 85 percent of the program's $123,000 annual operating budget; the remainder comes from individual donations foundation grants.

Just a few months ago, the operation moved from the Woodmoor Shopping Center on University Boulevard to the Marvin Memorial United Methodist Church across the street.

The aid of the broadcasts, says Rockwell, is to help the blind and visually impaired experience what they cannot see.

Thus, when a newspaper is being broadcast, not only are the stories and headlines read, but pictures and cartoons are described. There is not time, of course, to read all of The Post or The Star in the two hours a day that each paper is allotted, so the readers have to make judgment calls. Occasionally, says Thomasberg, listeners call to complain about stories being left out.

Bestsellers are read from 10 a.m. to 11 a.m. and 10 p.m. to 11 p.m. weekdays, and for purposes of Washington Ear's mission it is vital that the selection be current. The Library of Congress and a variety of organizations that aid the blind have been making tape recordings of books for years, but they usually are available two or three years after publication. Washington Ear is one of the few ways blind people can hear what everyone else is reading, while everyone else is still reading it.

"It puts you in touch with the world community in a more active manner. You're on the same track of movement as everyone else," says Beth Ostrowski of Laurel, who as a teen-ager lost her eyesight to a disease called retinitis pigmentosa.

Ostrowski, a service representative with the Social Security Administration, has been listening to Washington Ear almost since the first broadcast.

"Just the idea that you have the option (of listening or not) is so meaningful," says Ostrowski. "If you've never lost the option, then you don't know what the restriction feels like."

Washington Ear also tries to provide listeners with tips and hints on how people can function with their handicaps.

For instance, Phyllis Burson, 40, a blind psychologist from Silver Spring, does a program with two other visually impaired people called "Cooking, Cleaning and Coping."

"We've talked about relationships with other people, raising children, doing home repairs and relations with families," said Burson.

Most Washington Ear volunteer readers are retired people who find reading at Washington Ear a useful way to spend some of their time.

Joe Cochran, 54, of Silver Spring, for example, has been reading The Washington Star on Mondays from 3 to 5 p.m. for five years.

"Lots of people have been good to me so I figured I have some debts to repay," said Cochran, retired publications chief for the U.S. Army Criminal Investigations Command. "I decided I wanted to do something in my retirement and this is one thing that I enjoy."●

MARRIAGE TAXES

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LEE. Mr. Speaker, Uncle Sam is a fickle fellow. Back in 1948 he was encouraging Americans to take a spouse; today he's seemingly encouraging us to live outside the vows of marriage.

Because of Uncle Sam's rules, this is the week when accountants and spouses take shelter from angered victims of the Internal Revenue Codes, specifically the one which punishes American married couples in which both partners hold meaningful jobs.

The so-called marriage tax is, more than a specific policy to penalize married couples, the result of recent hard times and the changing values in our Nation's families. Regardless of the reason for its being, it must be eliminated.

In 1948, Federal tax laws were changed to allow married couples a tax break which singles could not claim. When it was done, the Nation was still very much of a traditional, male head-of-household bastion. When wives worked, it was at that time often for a very small percentage of the total household income: "pin money," so to speak.

Things are very much different today. The two-income household is no longer uncommon and no longer purely by choice. Often without both partners at work, the economics of survival itself would be impossible. Uncle Sam's laws have not yet caught up to that difference. The result is that the Government seems to be encouraging you to live together—because two really can live cheaper than both on their own—but without the benefit of marriage vows.

As many as 13 million American married couples today are paying the marriage tax. Let me cite two examples.

In 1979, if two persons both earning $10,000 each simply lived together and shared expenses while paying their taxes as single persons, their total tax bill would be $2,354. If however, they married, their tax bill would have amounted to $2,745.

If that same couple doubled their earnings so that each made $20,000 annually, the penalty would rise dramatically. Filing taxes as single persons, they would pay a total of $7,674. Filing together as a married couple, they would pay $9,366, a $1,692 penalty.

In other words, the married couple would be paying $846 each, or $70.50 each monthly in extra taxes for the right to call one another spouse. As one of my colleagues here said, most married couples find the experience itself to be taxing enough without the Government getting in on the act.

The point of all this is that it is past time for Uncle Sam to lift his feet off the cracker barrel and correct the marriage-tax situation. It would mean the loss of an estimated $10 billion in revenue, and that will cause many of my fellows in Congress to balk. But I maintain that the $10 billion is being raised under improper pretenses in the first place.

A handful of bills have been introduced in this Congress to correct the inequity. I have added my endorsement to their goal: To equalize the benefits, and to get Uncle Sam out of the business of legislating morality, either way.

Changes will not be made immediately, because nothing is ever immediate around here. But they must be made, if only to keep accountants and spouses from becoming endangered species as April 15 approaches each year.●

NEW DETROIT'S STATEMENT ON IMPACT OF FEDERAL FISCAL POLICY ON DETROIT

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. CONYERS. Mr. Speaker, the State of Michigan and the city of Detroit are reeling under the twin impact of staggering inflation and unemployment. Detroit's jobless rate is 14 percent, Michigan's is over 11 percent—more than twice the national rate. Despite major cutbacks in the city's work force, which now is at the lowest level since the 1930's. Detroit faces a deficit this year approaching $60 million. As a result of the unemployment and the weakened auto and construction industries, the city and State are paying out record amounts in public assistance, the current level of which even exceeds that reached during the 1974-75 recession. This situation has led the State budget director to characterize Michigan's economy as being in the worst shape of any in the Nation.

Were this not bad enough, Michigan and Detroit confront Federal fiscal and budgetary policies that are likely to make the economic situation even worse. Congress is moving toward balancing the Federal budget at the expense of cities; this will entail elimination of State revenue sharing, local antirecession aid, and substantial cuts in jobs, community development, education, and social service programs. The administration, along with the Federal Reserve Board, is pursuing a fiscal and monetary policy that will guarantee a deep recession.

New Detroit, the Nation's first urban coalition comprising the leaders of all sectors of the community, has responded to these events by issuing on April 3 a major policy statement calling upon Congress to reconsider its budgetary and fiscal actions. New Detroit's statement underscores the urgency of problems confronting not only Detroit and Michigan, but other urban, industrial areas as well. The statement should be read carefully, and I recommend it to the attention of my colleagues.

IMPACT OF FEDERAL FISCAL POLICY ON DETROIT

This community has been in an economic recession for the last year as indicated by steadily increasing unemployment rates and other economic indicators. The automobile industry's various economic problems of the last few years—spiraling oil and gasoline prices, increased sales of imported cars, and the cost of complying with government safety, fuel economy, and emissions standards—have contributed to that local Detroit recession. Now the entire nation appears to be entering a recession, which would further compound Detroit's problems. The national economic forecast indicates that Michigan will be one of the States most severely impacted in the country, with Detroit experiencing more serious economic problems than the rest of the State.

The economic problems already facing Detroit must be taken into account as additional cuts are considered for next year's Federal budget. Our country is facing a unique combination of unusually high rates of inflation combined with continuing high unemployment. Effective responses to these two economic problems will undoubtedly be difficult for the entire country. Belt-tightening will be necessary, for individuals and the society at-large, business and labor, and for all levels of government.

Major cuts are now being proposed for next year's Federal budget. Everyone should share in these cuts but there must be recognition of the extent of the economic burden already being borne by some communities. In making the difficult decisions on allocating that burden, we feel that the following major criteria must be continually kept in mind by the decision-makers for the Federal and State governments:

1. All governmental programs must contribute to fighting inflation.

Every governmental program and agency must be examined critically. Activities of questionable effectiveness and with lesser priority should properly be cut back or eliminated altogether. This process must include the public works, defense, space, foreign aid, and all other Federal programs. No single governmental agency can reasonably assume that its total range of programs is so effective and of top priority for the nation as to warrant an exemption from the needed fiscal restraints.

2. Recognition must be given to the fact that certain groups have already been carrying a disproportionate burden due to the twin economic problems of inflation and unemployment.

The poor, the disadvantaged, and the minorities suffer most from inflation because they tend to already have limited incomes. The indications are that the Federal budget cuts will fall disproportionately on employment, youth, welfare, urban and other critical human service programs. These are the programs which most directly respond to the problems of human misery created by the economic difficulties facing this country. Certainly, waste and inefficiency in these and all Federal programs must be eliminated. But to cut into the effective core of the programs designed to meet basic human needs would mean that those least able to contend with economic crisis would be asked to carry a double burden. The minorities and disadvantaged are the ones who most suffer from exposure to the economic diseases of inflation and unemployment; they should not also be asked to be among the first to pay for the medicine of governmental budget cuts.

3. Governmental spending should be targeted to areas with the greatest need.

Many Federal programs for dealing with the social and economic problems are already inadequately funded. The proposed budget cuts would reduce those programs even more. Available resources should be targeted on the basis of greatest human need, as indicated by overall unemployment rates, unemployment rates for young people and minorities and other current indicators of local economic distress.

All Federal expenditures should, of course, be carried out efficiently. But, in addition to social programs, all Federal spending decisions should take into account their potential for providing partial relief to the economically distressed communities in our nation. Expenditures for defense, major governmental facilities, research and the full range of Federal programs need to be included in the targeting strategy established by President Carter in 1978. The Executive Orders on general governmental procurement policy, minority business set-asides and other aspects of this strategy need to be pursued vigorously. In the same manner, Federal incentives for economic development should be targeted to those communities with the greatest need.

4. Federal budget decisions must consider the ability of State and local governments to maintain essential human services.

In its efforts to balance its own budget, the Federal government should not merely shift the burden to the budgets of state and local governments. Many of the States and localities are already facing the same dual burdens of inflation and increasing need for social services due to high unemployment. Overall Federal assistance to the States and local communities should not be reduced to the point that they cannot provide essential human services. Instead the Federal intergovernmental assistance programs should be targeted to those governmental units who are facing the greatest human needs, but whose resources are most depleted, because of high unemployment.

New Detroit, Inc., and its individual members pledge to work for governmental economic and fiscal policies which will best reflect these concerns.

The Chairman and the President are asked to express these concerns in the most effective manner possible and galvanize our coalition to assist in the difficult process of allocating more limited resources at a time of increasing human needs.

I. GENERAL ECONOMIC INDICATORS

All standard economic measures indicate that the City of Detroit and the State of Michigan are in a recession, and economic forecasters project that this recession will grow worse during the remainder of 1980 and continue into 1981.

State of Michigan officials claim that Michigan is in worse economic shape than any other state in the country, and the general economic indicators support these claims. Michigan's unemployment rate for February, 1980, was 11.2 percent—almost twice the national average of 6 percent and markedly higher than the State's 1979 average of 7.8 percent. While the inflation rate continues to run at or above the 1979 level of 12.8 percent personal income is falling at a projected rate of 4.1 percent for 1980.

In comparison to nine other major industrial states during 1979, Michigan ranked last in personal income growth, highest in rate of unemployment, and eighth in employment growth. Domestic automobile sales fell 9.4 percent in 1979, and State officials are predicting that auto sales will experience a similar percentage decline in 1980.

As a result of this recession, the Governor and his economic advisors are in the process of revising his original budget proposals for the next fiscal year (October 1, 1980, to September 30, 1981). It appears that more program eliminations and reductions, as well as employee cut-backs, will be necessary.

Historically, the City of Detroit experiences even more difficulties than the rest of the State during periods of economic downturn, and this holds true for the present situation. The unemployment rate in Detroit for February, 1980, was 14 percent overall and 23 percent for non-whites. Inflation rates and personal income declines are also more severe in Detroit than in the rest of the State.

The City of Detroit experienced a $20 million deficit during the last fiscal year and is projecting a $60 million deficit for the current fiscal year. An additional $40 to $60 million deficit could occur during the next fiscal year, resulting in a total projected deficit of $120 to $140 million for that three-year period.

Consequently, the City is also faced with program reductions and eliminations as well as employee cut-backs. Since January, 1979, the City has been forced to lay off 1,266 employees—including 400 police officers. Total City employment is down to 22,516 as of March, 1980, the lowest level since the 1930's.

All the current State and City economic trends parallel those which immediately preceded the 1974-75 recession. In some cases, the indicators are even worse than during the 1974-75 era. For instance, the inflation rates for Michigan in 1974 (10.9 percent) and 1975 (7.5 percent) are certainly less than the 1979 average of 12.8 percent. Also, while real disposable income (personal income after inflation and taxes) declined 5.4 percent in 1974 and 0.7 percent in 1975, it is projected to decline 7.1 percent in 1980.

II. UNEMPLOYMENT

In February, 1980, the unemployment rate in the City of Detroit reached 14 percent. This compares with an average rate of 10.1 percent in 1979 and a Detroit unemployment rate average of 14.5 percent in 1975.

National unemployment was reported at 6 percent in February, 1980. Unemployment nation-wide averaged 5.8 percent in 1979. The average national unemployment rate for all of 1975 was 8.5 percent.

The February, 1980, unemployment rate for Detroit's non-white population is 23 percent. The 1979 unemployment rate for non-whites in the City averaged 17.1 percent. Non-white unemployment averaged 11.3 percent for the nation during 1979.

In 1979, Michigan's unemployment rate was the highest among ten major industrial states. In fact, it is projected that in 1980 Michigan will experience the nation's highest rate of unemployment.

III. YOUTH UNEMPLOYMENT

A recent Federal study indicates that unemployment among American youth is much higher than the official figures show. Further, the unemployment gap between white and minority young people is even wider than previously estimated.

Locally, the levels of black youth unemployment in Detroit have consistently exceeded both State and national rates, particularly during the past decade. According to the Michigan Employment Security Commission (MESC) and Federal reports, local youth unemployment today also is significantly higher than during the last economic recession period, 1972-75. A review of this period shows total U.S. youth (ages 16-19) unemployment ranged between 15 and 20 percent, while Michigan registered total youth unemployment between 17 and 25 percent. Michigan white youth unemployment ranged between 14 and 23 percent, and minority youth unemployment between 44 and 53 percent. Experts readily draw comparisons between these high unemployment rates and reported increases in youth-related crimes during the same period.

During 1979 the unemployment rate among black youth was again excessively high both on a national (36.5 percent), State (38.8 percent), and City (56.1 percent) level.

Equally discouraging are the unofficial MESC forecasts for 1980, which project the following youth unemployment rates: total youth unemployment in Michigan (20 to 25 percent) and the City of Detroit (45 to 50 percent); white youth unemployment in Michigan (20 percent) and Detroit (30 percent); and minority youth unemployment in Michigan (50 percent) and Detroit (60 percent plus).

IV. PUBLIC ASSISTANCE

Data supplied by the Michigan Department of Social Services indicates that due to economic conditions in Southeastern Michigan and the State, public assistance caseloads and intake volumes are at an all time high and are continuing to grow. This growth in public assistance is creating additional funding problems in the context of an already serious economic situation in the State.

The number of public assistance applications throughout Michigan has risen 61 percent from 61,000 in January, 1979, to 98,000 in January, 1980. For the same period in Wayne County alone (including the City of Detroit), applications have increased 68 percent from 19,000 to over 32,000.

Currently, about one out of four Detroit residents is receiving some form of direct financial help through public welfare programs, as compared to 9 percent for the rest of the State. During the 1974-75 recession, a maximum of 21 percent of Detroit's population received public welfare assistance. In 1970, approximately 10 percent of Detroit's population was receiving assistance. Caseload projections for 1981, based on current trends, indicate that about one out of three Detroit residents could be receiving some form of public welfare.

In addition to this growth trend, Michigan faces a serious short fall in Federal funds this fiscal year in the Title XX programs, which could reduce a broad spectrum of Social Services programs, including adult family support, children's protective services, delinquency, day care, and similar service programs.

V. CRIME

Historically, periods of high unemployment in Detroit have been accompanied by an increase in crime. This was certainly true during the 1974-75 recession, which had a devastating impact on the City of Detroit. Statistics show that unemployment and crime were at an all-time high.

For the years 1974 and 1975, the Detroit crime rate (based on the number of crimes per 100,000 inhabitants) increased 29.6 percent over 1973. Unemployment during that same period increased 22.9 percent over 1973. This data reflects a significant increase in crime and unemployment from 1974 to 1975, a period of significant economic decline both in Detroit and nationally.

For the period 1976 through 1978, crime and unemployment rates in Detroit went down. Crime statistics show a 31.4 percent decrease, with unemployment rates being fairly stable during the same period.

Toward the end of 1979 however, as the unemployment rate again began to climb, Detroit's crime statistics started to show an increase.●

GERALD T. HARRIS

HON. WILLIAM D. FORD

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FORD of Michigan. Mr. Speaker, I would like to call the attention of our colleagues to the outstanding accomplishments of one of my constituents—Mr. Gerald T. Harris of Taylor, Mich.

Jerry Harris is a moderately handicapped man, having suffered early in life with osteomyelitis. He has spent many years in hospitals, has undergone nearly 90 operations, and was in a wheelchair for 5 years.

Despite such obstacles, Jerry is one of the most active men I know, and has a record of accomplishments that is truly enviable.

Several years ago, he helped organize the Michigan Legislative Council for the Handicapped, and has served as its first and only chairman. He is also publisher and director of the council's publication—the Michigan Handicapper.

Jerry is project director for the Michigan Very Special Arts Festival for the Handicapped, and is chairman of the State fundraising drive to support it. In 1978, he was my representative to the White House Conference on the Handicapped.

His activities go far beyond his work on behalf of the handicapped. He is a civic leader, active in local politics and charitable drives, and an aggressive campaigner for legislation both at the State and Federal level.

A list of his awards and honors over the years testifies to Jerry's accomplishments. They include Outstanding Man of the Year for Economic Development, for his work as chairman of the Westland Industrial Development Committee; Michigan Minuteman Award, for his promotion of Michigan; and United Nations Certificate, for his help in planning the International Year of the Disabled.

This brief résumé of Jerry Harris' career and accomplishments does not give a complete picture, Mr. Speaker, but it gives some idea of his activities.

I want to take this opportunity to publicly commend him for his work, and to wish him continued success in the coming years.●

WINDFALL HURTS STRIPPERS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. COLLINS of Texas. Mr. Speaker, strippers are being pushed out of the energy action. To see energy move forward, we need all of the stripper oil production.

America has increased OPEC oil imports from $3 billion a year to $90 billion this year in a 6-year span.

We must deregulate and let Americans participate successfully in the private enterprise market.

Getting Government out of the oil and gas business would provide the needed growth momentum for the stripper oil well producers.

Royce Yancey, the energy writer of the Fort Worth Star Telegram, wrote a penetrating analysis of the effect of the windfall tax on stripper oil.

Here are some key paragraphs from Royce Yancey in the Fort Worth Star Telegram.

Tax Spells Price Cut for Operator of Stripper Well

Even so, these trickles add up to a sizable stream of oil. There are approximately 375,000 stripper wells in operation in the United States, producing about 380 million barrels of crude oil annually. That is almost as much as is produced annually on the North Slope of Alaska and almost equal to the output of all U.S. offshore wells.

Even with the increased, uncontrolled prices of up to $39.50 per barrel no one is going to make "obscene profits out of a well producing less than three barrels per day," La Motte said. "Especially not in view of the rapidly rising costs of leases, drilling rig rentals, royalty payments, pipe prices and wages.

Dan R. Rogers of Henryetta, Okla., a recent recruit to the stripper well ranks with five wells producing a total of 11 barrels of oil daily, said, "Shucks, I'm not Big Oil. I'm not even Little Oil. I'm just itty-bitty oil."

Moreover, Rogers said, "I'm in hock up to my ears at the bank, but I had a good reason to think I could make it." That was before the passage of the windfall profits tax, which President Carter signed into law this week, and which Rogers claimed will wipe him out. "I've already told my banker he can have my oil properties, but he doesn't want them." Rogers said. "It's a helluva situation."

Other stripper well producers are equally bitter about the oil excise tax, especially those like Rogers, who got into the business fairly recently.

"This new tax is going to take $7.50 per barrel out of my gross income, so naturally my banker will loan me less."

Deck said his company had budgeted $2.5 million for drilling and development work this year, but he now estimates the excise tax will take more than $700,000 of that. With a reduced cash flow, he will be forced to curtail his activities.

Variations on these situations can be heard from most stripper well operators, adding up to a slowdown in their activities.

Under the "windfall profits" tax, independent stripper well producers will pay a tax of 30 percent on the price they receive above a specified base price. For strippers, this base price figures out to approximately $15.50 per barrel. Thus, if a producer is now getting $39.50 per barrel, the tax would apply to the difference between $15.50 and $39.50. In this case, the tax would be $7.20 a barrel.

Joe B. McShane Jr., Monahans, president of the National Stripper Well Association, agreed the new tax will slow down stripper operations. "It's a simple matter of arithmetic," he explains. For the independent, the effect of the tax will be a price reduction of almost 20 percent; for the majors it will be double that amount on their stripper oil.

The NSWA president said this may result in as many as 50,000 wells being shut in within the next two to three years and a resultant drop in stripper oil production of about 75 million barrels annually. That amount of oil is worth about $3 billion in today's market.

He said the "tax isn't going to cause a producer to shut down a well making 100 barrels a day. But he will shut down a well making only two to three barrels because it is no longer economic. And that type of well—once plugged—isn't likely to be reopened—ever."

The loss of a three-barrel-a-day well may seem insignificant McShane said, "but when all of these wells add up to production of almost 400 million barrels a year, it does make a big splash.

Not so with stripper well operators. They will get no increase because the price controls have not applied to them since 1973. The net effect is that while most producers will have a greater gross income, the income of stripper well operators will be reduced by the amount of the new tax.●

ALASKA LANDS LEGISLATION

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. UDALL. Mr. Speaker, during the debates over Alaska lands legislation in the last two Congresses, we in the House have been accused repeatedly of treating the State of Alaska like a colony instead of a full and equal partner in the Union. We have been told in no uncertain terms that our efforts to guarantee protection of the vast lands owned by all the people of the United States is a land grab that would deny Alaska its statehood rights. We have been told that Alaskans are suffering gravely under the merciless fist of the Federal Government.

It turns out that this downtrodden State is so awash in revenues generated by oil and gas leasing there that it is able to abolish the State income tax and institute a share-the-oil-wealth program that will put an average of $2,000 cash in the pockets of every

Alaskan adult by the end of the year. These benefits are projected to increase substantially in the future.

How many of us in the House come from States that have been able to abolish its income tax and begin a healthy rebate program to our citizens?

This flow of cash into the Alaska State treasury comes primarily from two sources. Oil and gas drilling on Federal lands, from which the State receives 75 percent of the royalties, and drilling on State lands, from which the State receives nearly 90 percent of royalties. These State lands include Prudhoe Bay and other formerly Federal lands that were granted to Alaska as part of its statehood entitlement.

Mr. Speaker, I have included a recent article from the New York Times that outlines Alaska's good fortune:

ALASKA ABOLISHES INCOME TAX AND VOTES DIVIDENDS

JUNEAU, ALASKA, April 16.—While Americans raced to meet the nation's tax deadline, Gov. Jay S. Hammond signed legislation to wipe out Alaska's income tax and pay Alaskans cash dividends from the state's growing oil wealth.

The state's estimated 400,000 residents will pocket $405 million by the end of the year, $2,000 for the average adult, through tax refunds and the "share-the-oil-wealth" plan.

Thousands of dollars more could be pocketed in future years, especially by long-time residents, making the legislation the biggest cash payment law for Alaskans since the $1 billion Alaska Native Claims Settlement Act in 1971.

"Some people call this socialistic," Governor Hammond said yesterday on signing the bill. "But it really is very conservative. The idea is to let the public decide how they want to use their money."

Since huge oil deposits were discovered in Alaska, legislators have wrestled with the problem of finding ways to let their constituents benefit directly. A $900 million return from the first big lease sale at Prudhoe Bay in 1969 was mostly spent on public works projects in what legislators then said was "catch up" after years of inadequate services.

Subsequent oil revenues of under $1 billion a year were used to continue government services. But now Alaska expects to receive more than $4 billion in revenues by mid-1981, largely because the price of the state's oil has been tied to that of Middle East crude and because of decontrol of domestic oil.

Alaskan legislators agreed this week that rather than let politicians and bureaucrats spend it all, the people should be allowed to get some of the money directly and spend it as they wish. Some view it as an endurance reward.

"I live in a town where temperatures can range 175 degrees," said State Representative Fred Brown, Democrat of Fairbanks. "That's a very harsh environment and there's no other state that has conditions like this. Partly because of the extreme environment, the cost of living is higher."

The annual distribution plan will give residents at least $50 cash for each year that they have lived here since 1959, when Alaska became a state. That means a 21-year resident will receive $1,050 this year.

The $50 base dividend is expected to increase because it is tied to earnings from a constitutionally established trust fund fed by oil revenues. As revenues increase, the trust builds and the dividend grows. Both taxpayers and nontaxpayers will get the dividends.

A LONG-TERM VIEW

"It will change the whole face of Alaska in time," said the State Senate president, Clem Tillion. "In 15 or 20 years it will be the collateral that has fueled the construction and the change that took place here. It has brought us all into the corporate world with every Alaskan collecting dividends."

In addition to the share-the-wealth plan, 1979 income taxes will be refunded and those who have filed returns for at least three years will no longer pay income taxes.

Governor Hammond has pushed the plan for several years, arguing that it would make citizens more watchful of how government spends the revenues.

"It doesn't take money from you and give it to somebody else," he said. "It doesn't take from the rich and give to the poor. We're taking wealth that belongs to the people and making sure that at least some of it is funneled directly through their pocket, instead of through their elected representatives."●

SOME EFFECTS OF AIR DEREGULATION

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. SAWYER. Mr. Speaker, the major transportation policy issue during this Congress is whether to move from a position of economic regulation to competitive market forces.

The focus of economic regulatory reform is on the development of the most economic and energy efficient method of meeting the transportation needs of the future.

In considering this matter, the results of previous Federal regulatory reform should be carefully reviewed to determine if such actions have resulted in continued and/or improved service.

For the benefit of my colleagues, I included in the RECORD a letter which comments in careful detail on some of the effects of airline deregulation.

The letter follows:

KYSOR INDUSTRIAL CORP.,
Cadillac, Mich., March 19, 1980.

Hon. HOWARD W. CANNON,
Chairman, Senate Committee on Commerce, Science, and Transportation, U.S. Senate, Washington, D.C.

DEAR MR. CHAIRMAN: In a recent undated letter addressed to you by Civil Aeronautics Board Chairman Marvin S. Cohen, which was quoted in part in the Washington Post and other newspapers, an advertisement on the subject of airline deregulation has been condemned as being "inaccurate and misleading." I wish to take strong issue with Chairman Cohen's remarks. Kysor Industrial Corporation, while not mentioned in Chairman Cohen's communication, is the author of this advertisement, produced as one of this firm's projects for the ATA Foundation—which is completely autonomous of American Trucking Associations, Inc.

Based on our interpretation of the situation which prevails throughout the airline industry today, Kysor fully defends the contents of the advertisement in question. Further, Mr. Chairman, I am sure that you are aware of the discontent which has been manifested in many areas with regard to the adequacy—and the safety—of commuter airline service as a replacement for terminated certificated airline operations.

In the preparation of our advertisement, we have made use of the extensive materials which have been prepared by the American Trucking Associations, Inc.'s Department of Research and Statistical Services. The ATA has been monitoring the effects of air deregulation for some time on a continuing basis, utilizing materials from the CAB, Federal Aviation Administration (FAA), and the National Transportation Safety Board (NTSB), as well as media reports. One such analysis, which bears directly upon the advertisement which Chairman Cohen has attacked, is enclosed with this letter. With this background, then, I will turn to Chairman Cohen's letter.

I am particularly disturbed by Chairman Cohen's pervasive reliance on the number of aircraft departures as a valid measure of service at a given airport. Last summer, in testimony before the House, during the air deregulation oversight hearings, CAB Commissioner Elizabeth Bailey branded the use of departures alone as a measure of service "insufficient and misleading." Her reasoning, with which I agree fully, is that aircraft departures indicate neither the size of equipment utilized, nor the number of seats available. Thus, the replacement of two 100-passenger jet flights with four 10-passenger propeller flights will yield a 100 percent increase in departures, but an 80 percent decline in available seats.

As for Chairman Cohen's arguments that some smaller towns had been receiving excessive air service, and that the CAB determination of "essential air service" results in a more reasonable utilization of aircraft capacity, I believe they must fail in several regards. First, many communities subject to "essential service" determinations have faulted the arbitrary and inflexible nature of such determinations during hearings before the CAB. More serious is the problem which will arise upon the eventual demise of the CAB, now expected in 1985, after which time no regulator will be present to enforce even arbitrary minimum service levels at small- and medium-sized towns.

Finally, the CAB itself has not recognized the fundamental insufficiency of aircraft departures as a measure of service. Its recently published "Staff Study Report on Airline Service, Fares, Traffic Load Factors and Market Shares Service Status on September 1, 1979" goes well beyond those simplistic statistics, and compares both departures and available seats—on an average weekly basis—for September 1978 and September 1979. Analysis of this document shows that, while the 28 largest airline cities increased their market dominance from 65.1 percent to 67 percent in the twelve month period, a number of locations experienced increased aircraft departures accompanied by reduced seat availability. Numerous other instances of relatively small increases in seat availability accompanied by very large increases in departures were noted—a clear indication of substitution of small commuter equipment for larger jets. I will discuss the problem with substitution in a moment.

An example of the result of substitution is found in the city of Danville, Va., which is included in the Kysor ad and is cited as obtaining improved air service by Chairman Cohen. In Danville, both the number of departures (28 to 87 per week) and the available seats (1,600 to 2,000) did rise on a weekly basis. However, the Report clearly demonstrates that the average size of the planes utilized dropped from 57 passengers to 23 passengers! But critical to the point of the Kysor ad, based upon the 1979 Report, many of the other cities included in the ad showed dramatic declines in available seats. These include:

Bridgeport, Conn.—seats down 18.1 percent and departures down 19 percent.

Chico, Calif.—seats down 76.9 percent and departures down 35.4 percent.

Clarksburg, W. Va.—seats down 5.6 percent and departures up 1.6 percent.

Clinton, Iowa—both seats and departures down by 30.6 percent.

Hot Springs, Ark.—seats down 9.5 percent and departures up 14.1 percent.

Mansfield, Ohio—seats down 43.9 percent, and departures down 36.9 percent.

Modesto, Calif.—seats down 43.9 percent, and departures down 36.9 percent.

New Bern, N.C.—seats down 19 percent, and departures up 20.7 percent.

Presque Isle, Maine—seats down 81.6 percent and departures down 27.5 percent.

Salem, Oreg.—seats down 3.3 percent and departures down 17 percent.

Walla Walla, Wash.—seats down 28.2 percent and departures down 36 percent.

Winona, Minn.—both seats and departures down 18.5 percent.

Chairman Cohen's reply ignores this problem in favor of asserting that this category of smaller towns has been pleased to obtain commuter service as a replacement for certificated service. Additionally, he alleges that Winona, Minnesota, voluntarily requested termination of air service. However, the CAB's files contain many instances of complaints from smaller towns concerning service by certificated carriers arising from intentional actions by air carriers calculated to achieve exit from those markets.[1] For example, Jamestown, N.D., cited by the Chairman, complained of losing the services of Northwest Orient, but at the same time it had a history of complaints stemming from Northwest's unsatisfactory service quality. It is apparent that many towns in similar circumstances were eager to be rid of one unsatisfactory certificated carrier in the belief that only by doing so could they attract another, more service-oriented, certificated airline. Instead, as the experience in Jamestown stands in testament, the replacement proved to be a commuter.

Chairman Cohen's "happy town" report also is not supported by the press and other reports. For example: New Bern, N.C.—Articles highly critical of the demise of certificated service appeared in the Raleigh News and Observer (3/4/79) and in the Wilmington Morning Star (3/5/79).

Sheridan, Wyo.—The Old West Regional Commission was quoted as being most critical of the substitution of commuter air service in a report in the St. Louis Globe Democrat (3/11/79).

Presque Isle, Maine—The entire Maine congressional delegation, and especially Rep. Snowe, who testified before air deregulation oversight hearings, has been much alarmed over the departure of a certificated airline from Presque Isle. This alarm and anger has also been reported in the Maine Sunday Telegraph (2/18/79) and in the Portland Press Herald (2/15/79).

Clarksburg, W. Va.—Both U.S. Senators from West Virginia have expressed their displeasure at the termination of certificated air service in their state. Sen. Robert Byrd was particularly critical in his remarks before hearings of the House aviation deregulation oversight committee last summer.

It is true, as Chairman Cohen points out, that some of the communities listed in our ad as having lost certificated airline service suffered such losses prior to actual legal passage of the airline deregulation act. However, it is common knowledge that the CAB, in anticipation of passage of the act permitted certificated airlines to abandon service for some months in advance of the legislation. One report from Mary Shuman, former White House transportation counsel, indicated that the then CAB Chairman Kahn was concerned with the legality of such actions. However, Ms. Shuman, according to her remarks at the Canadian National Conference on Airline Deregulation (June 27, 1979), reported by Aviation Daily, assured Mr. Kahn that his actions would be legalized by passage of the air deregulation act before anyone got around to bringing suit. In other words, the CAB permitted a number of instances of "jumping the gun" in service abandonment cases in anticipation of deregulation.[2]

Nor is it appropriate to cite some asserted 127 certificated air service terminations which occurred before air deregulation in an attempt to show that such terminations are not a deregulation phenomenon per se. Pre-deregulation service terminations by the airlines had three basic causal factors. First, airlines have consciously furnished low-grade service in order to justify exiting a town. I have discussed this problem, vis-a-vis Jamestown, N.D., elsewhere in this letter. A second cause was the inability of some small air parts to accommodate state-of-the-art aircraft. Failing secure sufficient local, state, or Federal funding to up-grade such facilities, they simply could not continue to be qualified to handle operations by modern aircraft. Finally, as I mentioned, the CAB permitted a substantial number of "gun-jumping" service terminations in the approximately six months prior to legal deregulation.

Chairman Cohen's letter states that the towns listed in the Kysor ad are often still being served by airlines. Here, two points should be made. First, some are receiving commuter—not certificated—airline service. Commuter airlines, in the words of Senate Majority Leader Robert Byrd of West Virginia, are not perceived as being safe by the traveling public. The FAA has confirmed that commuters have a far worse safety record than do certificated carriers. The public has ample reason to be apprehensive with regard to the safety and stability of commuter airlines. In recent months at least two commuter airlines have simply gone out of business—one in Florida and one in the Rocky Mountain area. Others have had serious fatal crashes, such as the one in the Grand Canyon, while others are now being suspended for unsafe practices—such as Prinair in Puerto Rico and Merrimack Airlines/New Jersey Airlines in New England and the Mid-Atlantic states. Thus, commuter service is often service with a very small "s".

Equally important, however, is that some of the points listed may still actually be receiving service from certificated airlines which have filed notice of intent with the CAB to terminate such service. Whether the certificated airline has actually "left town" today, tomorrow, or next week, is not the point. The airline intends to leave in the near future, and there is no regulation which will force it to stay indefinitely.

Chairman Cohen asserts that substitution of small commuter aircraft for large jet equipment provides for a better allocation of energy resources during the period of "soaring fuel costs and shortages".[3] I would applaud regulator action to achieve this goal if it were in fact occurring. The theory advanced by the CAB, and reflected in the Chairman's letter, is that the larger, high-fuel-consumption aircraft may be better utilized at higher load factors in operations between major traffic hubs. In actuality, deregulation has so increased competition and seat availabilities at these major centers that most of the trunk and regional airlines are now experiencing markedly deteriorating load factors. Material compiled by the Air Transport Association and published in Aviation Daily (March 4, and 6, 1980), show that the trunk airlines' load factors (system-wide) have dropped from a high of 73.4 percent in April, 1979, to 53.8 percent in January, 1980. A similar comparison for the local service certificated airlines shows a drop over the same period from 67.6 percent to 51.6 percent. Only one of the seven regional—or local service—certificated airlines (Hughes Airwest) reported a better load factor in January of 1980 than was experienced in the same month of 1979. Three of these firms had load factors below 50 percent. Mr. Chairman, the open entry into larger cities has not, it appears, resulted in any energy savings, Rather, it has caused a surplus capacity with half-full high-fuel-consumption jets congesting major traffic hubs—while additional fuel is consumed by small commuters servicing smaller communities abandoned by the certificated airlines.

In comparison, measuring load factors for commuter airlines is a futile exercise inasmuch as the CAB's essential service requirements have often been set at such low levels as to virtually guarantee full planes on all commuter flights from small towns. Looking at these microscopic numbers, one is left but to speculate how many potential passengers are literally left "standing at the gate." Further, the fiscal constraints under which commuters operate, plus the general shortage of equipment for commuter service, act as additional artificial inhibitors of seating capacity. Subsidies paid to commuters will not, at least in the short run, provide for an alleviation of this situation.[4]

Finally, I would like to comment upon Chairman Cohen's assertion that "[t]he consumer is not concerned about the overall quality of service." While the media and Congressional statements alluded to above refute this contention, consumers are rapidly becoming educated about the safety records of the commuter airlines. The National Transportation Safety Board (NTSB), in a report dated February 20, 1980, reported the fatality rate per 100 million passenger miles for both certificated and commuter airlines. These data show that last year the commuters had a fatality experience which was 31.5 times greater than that for certificated airlines, which represents "a 27 percent rise over 1978." Such a record of safety violations and deaths to passengers led FAA's Administrator, Langhorne Bond, within the past two weeks, to tell a Congressional committee that the safety record of air commuters is simply "unacceptable."

I hope this elaboration of the material supporting the Kysor advertisement will serve as sufficient answer to the biased and conclusary comments of Chairman Cohen. Perhaps instead of advocating trucking deregulation by defending the airline experience through the Administration's rose colored glasses, Chairman Cohen would be better advised to focus on solving the myriad problems for airline consumers (passengers and air freight shippers) brought about by deregulation.

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[1] We must note that this trend continued today after deregulation in the form of sharply curtailed flight schedules at many points being served by certificated airlines.

[2] This action might be compared to some of the recent proposals by the ICC.

[3] Of course, the Chairman neglects to mention that the same costs and shortages are causing problems for the motor carrier industry.

[4] Prior to air deregulation, no trunk airline was subsidized in its domestic operation. However, all regional or local service certificated airlines did receive subsidies. Today, after deregulation, the situation with regard to certificated airlines is basically the same—with only one local service certificated carrier no longer receiving a subsidy. However, in addition, the new commuter airlines are also being subsidized at a level which cannot yet be determined due to the changing nature of the industry.

Sincerely,

Raymond A. Weigel,
Chairman of the Board.●

TERRORISM AGAIN

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FINDLEY. Mr. Speaker, the terrorist attack by five Palestinians on Misgav Am kibbutz in Israel was reprehensible. The seizure of small children as hostages was an act of villainy and cowardice. As I have stated many times before, there must be an end to Palestinian terrorism and violence.

Reponsibility for this raid has apparently been claimed by the Arab Liberation Front, an extremist Iraqi-backed Palestinian group. Iraq, of course, remains among the Arab nations the most opposed to the peace between Egypt and Israel. The terrorist raid was probably deliberately timed to coincide with the visit to Washington of President Anwar Sadat of Egypt. This raid was probably intended not only to discredit him but to make an Israeli-Eyptian agreement on the Palestinian issue more difficult. It is important that Israel, Egypt, and the United States nevertheless persevere in their efforts to bring peace to the Middle East.●

AMERICAN UNIVERSITY IN BEIRUT RECOVERING PAST GLORY

HON. ANTHONY TOBY MOFFETT

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MOFFETT. Mr. Speaker, Lebanon has been wracked by violence for the past 5 years. But one institution—the American University in Beirut—has survived, as the following New York Times article shows. Indeed AUB has been an island of stability and sanity in Lebanon at a time when numerous divisive forces are at work in the country.

AUB is a shining example of our foreign aid program at work, since over the years it has received substantial aid under the American schools and hospitals abroad program. As the article indicates, AUB in no sense is captive to any government. But because it is sponsored and supported in part by the United States, American educational values are being propagated to an important area of the world. These values are among the best aspects of American life that we have to offer.

I commend this article to my colleagues for their consideration.

The American University in Beirut Recovering Past Glory

(By Ihsan A. Hijazi)

Beirut, Lebanon.—The American University of Beirut, founded as a Protestant missionary institution and chartered by the New York State Board of Regents, is in the midst of a remarkable recovery from the impact of the Lebanese civil war. While the university's problems, especially financial, are by no means over, the 114-year-old institution retains its standing as the most modern and sophisticated center of higher learning in the Middle East.

Only five years ago, the university was plagued by politics on campus, budget deficits and the civil war. The school, which has graduated thousands of doctors, engineers, nurses, educators and top government leaders, appears to have survived.

Dubbed "Guerrilla U" during the civil war because it was under the protection of the main Palestinian commando group, El-Fatah, the school, almost half of whose students are Moslem, is again a major outlet for Western orientation and a showcase for American-style education—while not forgetting its Middle East surroundings. It now looks for aid from the Arab countries and in return is offering its long experience in technological matters, badly needed in the area.

In 1975, the school began its Services Corporation, selling consultations to governments and private businesses, especially in the Persian Gulf area. Dr. Harold E. Hoelscher, the university's president, has toured the Arab states promoting the university, saying, "Give us the funds we require and we will give you highly educated men needed for Arab development."

Dr. Hoelcher, formerly the director of the Institute of Technology at the University of Pittsburgh, came to his current post in August 1977. He soon decided that the university, which had been helped during the war by an $8 million low-interest loan from the Lebanese Government, would no longer be run on loans. "Our problem is not money, but how to use it," he told the administration.

Asked in an interview published in a campus magazine why he thought Arabs should support a foreign institution, Dr. Hoelscher replied: "Firstly, A.U.B. is not a foreign university, not in any sense at all. It is clearly not a foreigner. Its faculty are more than 70 percent from this world region. Its programs are focused on the problems of the Middle East and the Arab world. It currently works collaboratively with agencies in a dozen of the Arab states throughout the region on problems of importance to the development of those states. This is not the record of a foreigner."

The majority of the non-American members of the faculty received their education in the United States and employ American educational technology. The liberal-arts curriculum is similar to that in the United States and the orientation is similar to that of American universities.

The overwhelming majority of the students, professors and teachers are Lebanese. More Arabic than English is heard on campus.

Above all, the university, which occupies 73 acres of prime real estate overlooking the Mediterranean in the predominantly Moslem West Beirut, is a private institution. With schools of arts and sciences, medicine, engineering and architecture, agriculture and health sciences, it grants degrees under the authority of the New York State Board of Regents. A modern hospital with 420 beds is adjacent to the campus.

Of this year's 4,102 students, 47 percent are Moslem, despite the fact that an Egyptian-financed institution, the Beirut Arab University, is also in West Beirut. The overall total, though 700 fewer than before the Lebanese civil war, is 1,000 more than during the war.

Seventeen of the 25 members of the trustees and most of the school's top administrators are American. School officials repeatedly point out, however, that when the university experienced its worst financial difficulty, a loan from the Lebanese Government, and not the United States or any other outside source, bailed it out.

While some students complain that the standard of education has dropped since the civil war, because of the departure of many professors, others believe the standard is still the highest in the region. Many students from high schools here and in other Arab countries have been refused admission because their levels were not considered high enough.

A Lebanese physics major said, "What is helpful about the university is that I can enroll in any university in the United States for my postgraduate courses."

"A degree from this school is competitive when I seek a job after graduation," an economics student said. A third-year medical student said that he could practice medicine and become a general practitioner after graduation even if he did not go abroad for specialization.

A 20-year old Lebanese-American coed who was born here said: "A.U.B. is ideal. I can stay in Lebanon and have an American education at the same time."

The university has managed to avoid falling under the influence of any Government, including that of the United States, despite American aid.

Last year, 12 percent of the school's budget of $36 million came from the United States Agency for International Aid. Grants and gifts, some from Arab graduates, accounted for a large portion of the budget, and tuition provided 26 percent more. In 1973 an offer of $10 million from Libya—if the school became an Arab nationalist institution—was turned down.

There has been a sharp decline in American willingness to contribute to the school in recent years. Observers attribute this to the belief that the university, being in an Arab country, should profit from the great Arab wealth, and an impression that the school has become a center of Arab radicalism.

Among its graduates are Dr. George Habash, the general secretary of the militant Popular Front for the Liberation of Palestine, and his former colleague the late Dr. Wadie Haddad. Dr. Haddad was known as the mastermind of terrorist operations abroad, especially aircraft-hijacking.

The Minister of Agrarian Reforms in the Marxist régime of Babrak Karmal in Afghanistan, Fadulrahim Mumend, is also a graduate of the school.

But 19 of those who signed the United Nations Charter in San Francisco in 1945 were also graduates, including Lebanon's former Foreign Minister, Charles Malik, now a member of the country's main Christian rightist alliance. Dr. Selim al-Hoss and Mudar Badran, Prime Ministers of Lebanon and Jordan, respectively, are two other graduates.

American University's first president, the Rev. Daniel Bliss, a Presbyterian missionary, set forward the institution's motto: "That they may have life and have it more abundantly."

In his inauguration speech, Mr. Bliss said, "This college is for all conditions and classes of men without regard to color, nationality, race or religion."

Though the war inflicted little damage to the campus, it did not spare the school altogether. In 1976, two of its deans were shot and killed by an irate student.

"It was regarded as an isolated case unrelated to the civil strife," said the school's public-relations director, Radwan Mawlawi. "We were not a target because we were respected by both sides."

"Students have cooled off politically," said the university's vice president, Dr. Samir K. Thabet. "They are more interested now in their studies and less in political issues."●

THE UDALL POLL

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. UDALL. Mr. Speaker, I mailed my annual legislative survey to every household in southern Arizona in March, and the results are in. They are interesting and worth sharing with my colleagues. We received a large number of responses this year and that in itself was heartening. The following lists each question and the percentages recorded for each answer, and my own comment in each category.

THE UDALL POLL

1. Taxes. Some argue that pouring more money into an already inflated economy via a tax cut will only make things worse. Others argue that working people just can't make it without some relief, and that Americans deserve a tax cut. Check the position closest to your own:

A. I would rather see us whip inflation and balance the budget first, so I'll forgo a tax cut this year. (70 percent)

B. Fighting inflation and balancing the budget are fine, but taxpayers need some relief now. Taxes should be cut. (27 percent)

No answer. (3 percent)

Udall: The people of Southerm Arizona know our country is in trouble, and they know we can't spend our way out of inflation, and that's just what a tax cut would be trying to do. The villain we have to shoot down is inflation. All our efforts must be focused in that direction. My constituents seem to support that approach, and I'm going to do my part.

2. The Draft and Registration. In this session, Congress will be asked to reinstate registration for the draft as a precautionary, standby measure. Congress would take another vote before any resumption of inductions. Should we:

A. Reinstate draft registration for men only, at the age of 18. (30 percent)

B. Reinstate draft registration, but include women, at the age of 18. (47 percent)

C. Continue with an all-volunteer force. Do not reinstate draft registration. (21 percent)

No answer. (2 percent)

Udall: A clear 77 percent of the respondents favor resumption of some form of registration for the draft, a startling turn-about from the days of Vietnam, and an indication that Americans are ready to stand firm when they believe the national interest is genuinely at stake.

When this survey was mailed, I had been assured by the Defense Department that the advance registration proposal would save the country up to nine months in an emergency mobilization. But since then, the Congress has learned that we would only save seven days or so if we went to registration now.

In light of this new information, and in light of the fact that cranking up registration in advance will cost several million dollars, I now lean against reinstatement of draft registration.

3. Nuclear Energy. As you read this, 12 percent of all the electricity in the United States is being generated by nuclear power plants. Some insist that we go slow on nuclear until we resolve the problems of safety and nuclear waste disposal. Nuclear, they say, is fraught with unknowns. Proponents, on the other hand, say the safety systems worked at Three Mile Island, that no one has been killed in a nuclear accident and that we need more such plants. Still others want all nuclear plants closed and any future construction banned, period. Should we:

A. Close all nuclear plants and ban future construction. (10 percent)

B. Enact a moratorium on new construction permits while working to resolve safety, waste disposal and other problems. (52 percent)

C. Allow construction of new nuclear power plants. They are safe enough. (36 percent)

No answer. (2 percent)

Udall: Nuclear has its problems and yet, we are going to have to use some of it to get ourselves throught the 1980s and the 1990s. It is important that nuclear power have a further chance to prove itself and to show it is safe and reliable and that we can dispose of the waste. For these reasons, I would support a pause of not to exceed three years so that we can make an informed judgement as a people. I do not favor closing down plants which are already built or are about ready to come on line.

4. Abortion. In 1973, the U.S. Supreme Court decided that government may not interfere with a woman's private decision to have an abortion in the first three months of pregnancy. However, State Legislatures can and have placed restrictions on abortions sought in the last two-thirds of a pregnancy. Some argue that no law will stop abortion, given the mood of the courts. Others insist that abortion in any case is wrong and must be stopped at all costs. Another argument holds that government should offer financial help to poor women who can't pay for the procedure. Check the answer closest to your position:

A. The Constitution should be amended to ban abortion. (14 percent)

B. Government should stay out of the abortion controversy. (47 percent)

C. Government's role in abortion should extend only to financial help for poor women who can't afford the procedure. (37 percent)

No answer. (2 percent)

Udall: As the father of six, I object to abortion. No matter how we face it, abortion is a tragedy—for the mother, certainly for the unborn baby, and for the father. I would prefer to see a society and a world where abortion does not exist. But the truth is that abortion is with us, and will probably continue to be with us, with or without a law. The affluent have always had easy access to abortion; for the poor, it's been a different and frequently traumatic story. Unfortunately, there is no answer here that will satisfy both sides.

5. Budget. Plans to balance the federal budget have boiled down to two or three basic approaches. One is that we should amend the Constitution to bind the government to a balanced budget by tying spending to a percentage of the Gross National Product; another would accomplish the same end, but with a law instead of a Constitutional Amendment. Still another contention is that the present system is moving toward a balanced budget, so let's leave it as it is. Check the method you most favor:

A. A Constitutional Amendment to balance the budget by limiting spending to a percentage of the Gross National Product (36 percent)

B. Accomplish "A" with a law instead of a Constitutional Amendment. (43 percent)

C. The deficit has been cut. The present system seems to be working. Leave it as it is. (14 percent)

No answer. (7 percent)

Udall: At this writing, we seem to be heading for "B." There are a number of spending-limit proposals before the Congress, and I have co-sponsored one with Rep. Bob Giaimo, chairman of the House Budget Committee. It calls for limiting all spending by the federal government to a percentage of the Gross National Product, freezing the level at 28.5 percent the first year, and reducing the figure to 27 percent after three years. The measure is a sound one and I am hopeful it will get the attention it deserves. The public is demanding spending limits and it's up to Congress to act.

6. Wage and Price Controls. A substantial number of Americans believe that wage and price controls are preferable to double-digit inflation. But there are those who insist that we're better off if we let the free economy take its course, and let things heal on their own. Should we have controls or not?

A. Yes, I favor wage and price controls. (48 percent)

B. No, I do not favor wage and price controls. (49 percent)

No answer. (3 percent)

Udall: In all the years I have been sending out these surveys, it is difficult to recall any question that came back with such an even split of opinion. I have said in the past that I would favor such controls only as a last resort, and I stand by that. But to date, the President has not asked for the authority to impose such controls (indeed, he has adamantly said he will never implement them) and Congress is powerless unless the President is willing to put wage and price controls into effect.

7. Social Security. When Social Security began, about 12 workers paid into the system to support a single retiree. Now the ratio is down to about 4 to 1. We can't go on like that. Clearly, we face some tough decisions. One side argues that we should reduce payroll taxes and benefits, while others urge that we make the system "universal," and include all employees in the program, while trimming auxiliary services and work to return Social Security to the supplemental retirement plan it was supposed to be. Others would like to see Social Security refinanced, perhaps with general revenues, while allowing those persons with private retirement plans to stay out of the system. Check the approach you most favor:

A. Cut the payroll tax and reduce benefits. (7 percent)

B. Make Social Security universal, trim the auxiliary programs and return the program to the supplemental sort of retirement plan it was designed to be. (60 percent)

C. Refinance the program with general revenues but let those with private retirement plans stay out of the program. (28 percent)

No answer. (5 percent)

Udall: I think it makes sense to try to return Social Security to the supplemental retirement program that Congress originally had in mind. If we can move toward that goal while moving many of the auxiliary programs to other agencies, I think we can put Social Security back on sound financial footing. That is a goal I fully support.

8. Defense. International events have created new support for an increased defense budget. Countering this is pressure to bal-

ance the federal budget and to cut or at least hold the line on taxes and spending. Both pressures are real. Good, conscientious people on both sides can make strong arguments. Your position:

A. Increase the defense budget, and increase taxes. (31 percent)

B. Leave the defense budget at about the same level. (41 percent)

C. Increase the defense budget and pay for it with deficit spending. (19 percent)

No answer. (9 percent)

Udall: There can be no argument that the United States should not have the best fighting forces that money can buy. The argument will be, instead, how to answer the demands for a balanced budget and spending cuts? I think we have some choices to make in the 1980s, and a majority of Southern Arizonans seem to agree. Effective defense spending doesn't mean buying every costly, gold-plated, highly-sophisticated weapon our scientists can devise. On the contrary, the tactics, strategies and global politics of the 1980s may do more to dictate the structure of our defenses than anything else. I am committed to a tough, strong defense that gets the best bang for the taxpayer's bucks.

9. Business. Business in this country, say many people, is creaking under the strain of excessive government red tape and regulation. In the beginning, regulations were imposed to correct some very real wrongs, says one group, but things have gotten out of control. Today, they continue, regulation is not promoting the broad public interest, but eroding the fabric of free enterprise and the free market. Others insist that regulations now on the books are not only necessary, but that we haven't gone far enough in some areas to protect the public. In the middle are those who say that some regulation is probably necessary, but much is not, and Congress should set hard deadlines to rid us of the excessive and retain the effective.

A. Regulation of the free market seldom benefits anyone. We probably could get along very well with virtually no regulations. (15 percent)

B. Regulations are necessary. We may need a few more regulations to protect the general public. (10 percent)

C. Some regulation is necessary, but not all of it. Congress should establish a timetable to cut the bad regulation and retain the good. (72 percent)

No answer. (3 percent)

Udall: Some time ago, I introduced legislation to abolish the Interstate Commerce Commission. Clearly, it is an agency that has outlived its usefulness. When government regulations hinder instead of promote the free market and the broad public purpose, they should be done away with.

In the last session of Congress, I introduced "sunset legislation" which is another way of dealing with the problem of seemingly endless government agencies, programs and departments that are always created to address a need or correct a wrong, but seem to go on long after their mission is fulfilled. Sunset legislation would provide for their automatic extinction after a given amount of time. Congress must push harder for regulation reform. It's a movement I support.

10. Reducing Government. Select the single federal government agency or program that you would most like to see abolished.

Udall: Answers in this category ran the gamut, from proposing abolition of Sen. William Proxmire (which I can't do much about) to abolition of the War Department (which ceased to exist 33 years ago). But the top 10 most frequent answers included the following:

1. Department of Health, Education and Welfare
2. Foreign Aid
3. Department of Education
4. Environmental Protection Agency
5. Department of Housing and Urban Development
6. Occupational Safety and Health Administration
7. Research
8. Bureaucracy
9. Internal Revenue Service
10. Food Stamps

Fully more than half of all respondents, however, were unwilling or unable to list a specific agency or program by name.

It is worth noting, I think, that the total number of federal civilian employees—that group which most of us know as "the bureaucracy"—has actually declined by 93,083 since 1969.

Back in 1978, I was proud to have led the fight on the House floor for the Civil Service Reform Act. We won. One of the provisions of that bill was the Leach Amendment, which I helped save in a conference committee meeting. That amendment placed a limit on total federal employment through 1981. And the latest report shows that those limits are working.●

LONG-RANGE FINANCIAL PLANNING FOR LOCAL GOVERNMENT

HON. NORMAN Y. MINETA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MINETA. Mr. Speaker, the United California Bank recently informed me of their innovative new financial planning program for local government. This progam, developed long before the popular emergence of the taxpayer revolt, reflects the responsive and farsighted thinking of the United California Bank.

The problems addressed by the United California Bank affect all of the financially hard-pressed communities in the country. I commend to my colleagues' attention the following message explaining the program:

THE CHALLENGE OF THE 1980's—TOUGH TIMES FOR MUNICIPAL GOVERNMENTS PRESENT AN OPPORTUNITY FOR BUSINESS

As we begin the new decade, the 1980s promise to be even more complex and frustrating than the 70s. And that's saying plenty.

We all remember the interminable headlines about the dire financial straits of New York and Cleveland. Four years ago, in an effort to head off "little New Yorks" from happening here in California, United California Bank started thinking about how we could help.

After nearly eight months of intensive study, we developed a concept called the "Small Cities Program." We put together teams of bankers, accountants, urban planners, political scientists, economists, systems analysts, and personnel specialists. Then we made them available to small cities to help them with their long-range financial planning. As a member of the business community, it was in our best interest to help communities where our employees worked and lived, and where their children attended school. It was important that these cities remained financially sound. And this was before anyone had heard of Proposition 13.

THE MONTEBELLO PROGRAM

After being invited in by Montebello, our team focused on three areas—financial management, effective planning practices, and work productivity improvement.

Working with Montebello officials, our team set up a work productivity program for city employees which saved $35,000 in one year. A new budgeting concept enabled city officials to anticipate the impact of dollar availability on services such as trash collection and street lighting. The team established service-level budgeting, mid-range departmental planning, and long-range strategic planning.

Over all, the work took over 8 months and 1200 to 1500 hours—all at no expense to Montebello taxpayers. The public and private team members all finished this assignment with a new appreciation of the professionalism and dedication of their fellow planners. "Plan Ahead" now has real meaning in Montebello.

Similar programs are underway in three cities in the Seattle area, and in six cities in New England. In addition, the California Roundtable, a statewide organization of important businesses and associations, has adopted this program so that it can be extended to all kinds of local government units. Under their auspices, the project is gathering momentum. We're proud that our Small Cities Program has served as a model for others to emulate. We hope it will serve as a continuing example of how business can effectively assist the public sector solve many of its problems.●

H.R. 4265

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DONNELLY. Mr. Speaker, today, I have introduced legislation which would provide incentives for homeowners to make home adjustments, once thought too costly, which will allow handicapped family members to remain in the residence. Under present statutes, many family members are actually discouraged from providing home care for handicapped family members. By not extending a helping hand to these families, households are faced with relinquishing prime responsibility for those individuals to various public and private institutions, requiring increasing outlays of Federal moneys.

In June of 1979, I introduced H.R. 4265, a bill which would correct this problem, by allowing a dollar for dollar tax credit, up to $1,000 per year with a ceiling of $5,000 to install facilities needed to maintain as normal life as possible for handicapped members. This bill has been cosponsored by 56 Members with many more showing interest. Due to the current urgency to balance the Federal budget, many Members were hesitant to cosponsor due to the cost of the original legislation.

The legislation introduced today, will make available a 50 percent credit to households with severely handicapped family members. The Treasury Department has estimated that this clarification will substantially reduce the cost of this legislation. The following is the Department's estimates:

REVENUE LOSS

[Millions of dollars]

	Calendar year	Fiscal year
H.R. 4265:		
1980	680	340
1981	1,000	840
1982	1,370	1,185
1983	1,510	1,440
1984	1,660	1,585
Legislation proposed on Apr. 15:		
1981	110	55
1982	165	140
1983	225	195
1984	250	240
1985	275	260

As you can see, these changes have had a major impact on the cost of this program while the legislation captures the spirit of H.R. 4265. I believe that this bill will, in the long run, save the Federal Treasury money that would otherwise be spent on less effective Government institutions to provide the same people similar care. Furthermore, it will allow families to give their loved ones the care and attention that no institution can duplicate.●

THE PENCIL PROBLEM—1990 OR BUREAUCRACY RUN AMOK

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. McDONALD. Mr. Speaker, the problem of Government regulation grows daily, and, in my view, we in the Congress have done little to make a dent in the problem. Each Member, I am certain has his or her own horror story to recite of people whose business or reputation has been ruined by an encounter with this mushrooming administrative law. In this connection Mr. Monte Throdahl, of Monsanto Corp., wrote a satirical piece on the humble pencil, and the message I receive is that 1984 is almost here and 1990 is getting closer. We in the Congress had better start getting a real handle on this problem. The item from the January/February Environmental News Digest follows:

THE PENCIL PROBLEM—1990

(By Monte Throdahl)

This is the story of the U.S. pencil industry. Remember, we are looking back from our vantage point of 1990. It's strange to think that, back in 1979, just anyone could use a pencil any way they wanted to.

You see, it all started when the Occupational Safety & Health Act carcinogen policy went into effect. The graphite in the pencil leads always contained a residue of crystalline silica. And there was at least one animal test and an in-vitro test indicating that crystalline silica produced tumors, so the material became regulated as a carcinogen. There was no alternate for pencils, so exposure had to come down almost to zero. Workers were put into protective clothing, and that solved the problem initially.

But then the Environmental Protection Agency, acting under the Clean Air and Clean Water Acts which soon had their own carcinogen policies, required drastic reductions in emissions and affluents. The control technology was quite expensive, and only the largest manufacturers could afford it. This caused a flurry of antitrust suits in the early '80s when there were only three pencil makers left in the country. One of the three was split into smaller companies, but they soon went out of business since they were unable to afford increasingly stringent workplace and pollution control requirements. Then foreign pencil manufacturers began to threaten to dominate the pencil market, and our government, in an abrupt about-face, allowed a merger of the two remaining companies to meet overseas competition.

The Consumer Product Safety Commission then became concerned with what the newspaper headlines were calling the "pencil problem." Rubber erasers could be chewed off and choke small children. The sharp points of pencils could also be dangerous. There were residual solvents in the paint used on pencils, and pencil-chewing seemed to be a more widespread habit than anyone had realized. Printing a legend on each pencil that said: "This Pencil Could Be Hazardous To Your Health" did not seem to affect consumer pencil habits, Harvard study indicated. In fact, the study found additional potentially harmful uses, such as stirring coffee. This led FDA to declare that harmful substances could be dissolved out of the pencil into the coffee, and thus pencils violated food additive laws, including the Delaney amendment.

Trying to salvage its business, the pencil company began making pencils without paint, without erasers and with only soft leads so they would not hold a sharp point. But consumers were outraged, and sales declined.

Then someone invented a machine that could measure crystalline silica below the part-per-trillion level and workplace, air emission, water effluent, and waste disposal regulations required that the best practicable technology be used to reach this low level. The pencil company was threatened with financial ruin because of the large sums needed to purchase new control equipment. There were those that wanted to ban pencils entirely under the Toxic Substance Control Act, but the government decided that pencils were necessary, particularly since they were used to write new regulations. Besides, the Senators from the state where the pencil company was located declared that pencils were as American as baseball, and should not be replaced with ball-point pens.

So the government bailed out the pencil company with a large, guaranteed loan—called a Chrysler loan in those days. But, of course, that was only a temporary measure, and to protect the pencil business, the government eventually nationalized it.

It is comforting to know, after all, that society is being protected against a danger that was so obvious we didn't even notice it for many, many years. There are still those who complain about paying $17 for a pencil, but you really can't put a price tag on health or safety.●

SOME SIMPLE WAYS TO SAVE MILLIONS

HON. TED WEISS

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WEISS. Mr. Speaker, as we address ourselves to the problem of agreeing on a sensible Federal budget, it is clearly more important than ever for us to make sure that we are getting our money's worth from each and every Federal dollar.

Our colleague, the distinguished Congresswoman from New York, ELIZABETH HOLTZMAN, has written a thoughtful article on Government waste and how to eliminate it. Her views deserve our serious consideration, because she speaks from personal experience. Due to her efforts the cost of New York City's summer feeding program has been reduced by millions of dollars.

I commend the article, which appeared in Newsday, to my colleagues. The text follows:

SOME SIMPLE WAYS TO SAVE BILLIONS

Ending waste, corruption and mismanagement in federal programs and agencies would help restore public confidence in government; for that reason alone it is well worth doing. But there would also be dramatic tangible results, because waste now accounts for billions of our tax dollars.

The substantial savings that would be produced by cleaning up government programs would be used for unmet national needs without increasing overall spending—in fact, we might even be able to cut taxes. And our government would work better.

For the skeptics, I offer examples:

In 1976, investigating constituents' complaints, I found that because of sloppy administration and irregular bidding practices, New York City's $60 million federally funded summer food program for children was riddled with waste and corruption. Children were being given rotten food, prepared in dirty kitchens. Tons of food were being thrown away, littering whole neighborhoods.

When pressed to take action, Congress tightened competitive bidding requirements and ensured better administration of the program. The result: last year the program fed more children far better food for a cost of only $19 million—two-thirds less than the program cost in 1976. (To put that $40 million saving in perspective, it is eight times the amount the federal government spent in 1975 on public library services in New York State.)

In addition, evidence uncovered in the summer feeding program investigation led to the indictment of 24 people and the conviction of 17 of them.

Again: An investigation of the summer youth employment program revealed that it, like too many well-intentioned federal programs, was ineffective because of poor management and careless monitoring. Youngsters were paid for sitting around and doing nothing. Some were paid even if they didn't show up at the work site. A program whose primary purpose was to encourage responsible work habits was actually reinforcing the "no-work" ethic.

It took a good deal of prompting, but the U.S. Department of Labor and New York City instituted stricter management and monitoring procedures. The result: the program now gives us our money's worth by providing youngsters with real work and helping them learn what is expected of good employees.

We need not look far for other government programs suffering from the kind of loose competitive bidding practices and inept or sloppy management that were responsible for abuses in the summer feeding and youth employment programs.

"No-bid" direct leasing of facilities in the federally assisted day-care program in New

York City siphoned millions of dollars from funds needed for services for children. This waste of the taxpayers' money did more harm than many people realize; in addition to enriching unscrupulous landlords, it forced the closing of some needed centers for lack of money and it increased the burden on local taxes because it put program costs way over the maximum the federal government would reimburse. Breaking some of the phony leases has already produced significant savings; breaking them all would save millions.

Inept management explains the Immigration and Naturalization Service's ineffectiveness. The Iranian student situation has spotlighted the INS' inability to keep track of the millions of foreign students and visitors in the U.S. (Most illegal aliens in the New York area come to this country under temporary visas.) After becoming chairwoman of the House subcommittee on immigration, refugees and international law last year, I proposed measures to make INS capable of enforcing the law. Congress has recently adopted this new legislation, providing for the appointment of a special investigator to root out corruption, an independent management analysis, and funds to computerize INS operations.

Programs and agencies that don't work reflect years of inattention to making government effective. Congressional oversight has been lax sometimes because members of Congress are unwilling to scrutinize pet programs closely. Studies revealing inadequacies in program operations have often gathered dust.

Until recently, there were no mechanisms for uncovering fraud in federal agencies. Although, in 1978, Congress did create agency inspectors-general to investigate waste and corruption, these in-house "policemen" are not always effective enough. And the Justice Department has tended to give low priority to prosecuting fraud in government.

We cannot afford to let this situation continue. Congress must take its oversight responsibilities more seriously. Congressional committees should regularly and conscientiously take a hard look at the effectiveness of the programs under their jurisdiction. And there should be no "sacred cows." No government agency should be allowed to waste the public's money or to tolerate mismanagement.

Procurement practices throughout government should be tightened up. For example, certain exceptions to competitive bidding requirements that were intended to allow flexibility in emergencies or to protect the secrecy of highly classified projects too often become giant loopholes through which agencies avoided competitive bidding on routine purchases.

Exceptions should be frequently and carefully reviewed to make sure that they are really necessary and that they are not being abused. To ensure objectivity, purchasing practices by all federal agencies should be subject to independent, outside review.

We need to strengthen safeguards against the conflict of interest inherent in the so-called "revolving door," in which people leaving government service are immediately employed in a related field in the private sector.

State and local governments spending federal money should be required to adhere to strict procurement and administrative standards. Stricter controls on competitive bidding and more careful monitoring would, I believe, have kept costs down and ensured better quality in Suffolk County's federally assisted Southwest Sewer District project. Multiply the savings in this single project by the number of similar projects across the land and the conclusion is inescapable: We could save billions.

We must stop allowing those who rip off the taxpayers to get away with it. A recent General Accounting Office study shows that crime against the government now pays. Most people who defraud the government are allowed to keep their ill-gotten gains because the Justice Department is preoccupied with criminal prosecutions and rarely follows through with the civil suits needed under present law to recover the loot.

The Justice Department must improve its prosecutorial practices. In addition, we need legislation to allow automatic recovery of the money that convicted defendants gain from fraud. We also should insist that federal prosecutors give high priority to cases involving fraud and that federal law enforcement officials be better trained to uncover fraud.

And we must demand modern, efficient, cost-effective management in government. We should seek to draw on the expertise of people with proven management ability in the private sector.

My experiences with a host of federal programs have convinced me that making our government more effective is not beyond our grasp if we insist—and keep insisting—on these simple, practical steps:

Better congressional oversight;

Improved procurement practices, particularly with respect to loopholes in competitive bidding requirements;

Tight administration with attentive program monitoring;

Vigorous prosecution of fraud; and

Drawing on private management experience.

Our tax dollars will go much further and we will have a Government that we can respect.●

THE INDEX THAT FEEDS INFLATION?

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. UDALL. Mr. Speaker, in the March 24 edition of Business Week, Mr. William Howard, a former accountant with the Department of the Treasury, wrote a most interesting column about some of the difficulties with cost-of-living adjustments to wage and pensions which are tied to the Consumer Price Index. Clearly, the idea of cost-of-living adjustments is a difficult subject that we will be hearing a great deal about. I don't yet have the answer to this problem, and I doubt that we should change the rules after the fact. But as more and more groups move to get automatic indexing we will have added problems and heavy costs. Clearly cost-of-living adjustments are justified, but we have to make sure that they realistically reflect increases in relevant prices.

THE INDEX THAT FEEDS INFLATION

(On Jan. 31, 1980, William D. Howard, a retired federal employee, wrote a letter to Mrs. Janet Norwood, Commissioner of Labor Statistics. Business Week has obtained his permission to reprint it. The editors consider it an interesting and informative study of the inflationary impact that results when cost-of-living adjustments in wages or pensions are based on the consumer price index compiled by the Bureau of Labor Statistics.)

DEAR MRS. NORWOOD: According to the Jan. 2, 1980, issue of The Wall Street Journal, you spoke to the National Association of Government Labor Officials and defended the BLS consumer price index against claims that it exaggerates the inflation rate. . . . I submit to you that an honest analysis of my own personal financial status reveals more about the impact of the BLS's actions than can be derived from opinions of economists.

Let's start with my 43rd birthday, July 1, 1968, when as a middle-management federal accountant, Grade 15, Step 8, I was earning $22,000. Federal workers then became subject to the "Comparability Pay" law. My salary would have changed little had the "average" pay of the private sector surveyed been used, but it wasn't. The BLS used special weighting curves and other refinements they felt necessary to achieve "comparability," and instead of my pay increasing 22 percent in the next 4½ years, it spurted 54 percent to $34,971 by January, 1973, without any promotions. It would be $50,112 a year today if I had not retired on my 50th birthday, July 1, 1975.

During the 4½ years since my retirement from federal employment, my Civil Service annuity (#1 810 115), which started at $1,922 a month, will reach $3,075 based on the CPI-W [The index that applies to wage earners and clerical workers] of 230.0 at December, 1979. Thus, I now receive 63 percent more retired than I did working in mid-1968, primarily due to the impact of the BLS's determination of "comparability pay" and calculation of CPI-based cost-of-living allowances.

In your speech, which I referred to at the outset, you stated:

"We have one official consumer price index, and we will continue to have one official consumer price index."

"The CPI is the best measure of purchasing power we have."

"The purpose of CPI cost-of-living adjustment has been to permit people to purchase in today's prices the bundle of goods and services they purchased in the base period, thereby leaving them at least as well off as they were then."

This means that I do not have to switch to pork, chicken, or even pasta, as others do, because the cost of beef and veal has gone up more in the last eight years than meat substitutes. I am entitled, according to you, to eat the same quantity and quality of beef and veal as I did in 1972-73, when it was cheap.

I still get to drive gas-guzzling big cars at 6 to 8 mi. a gal., just like people did when the CPI was "based" and gasoline cost 41¢ instead of the $1.20 now. When the government urges conservation, it is at variance with your contention that we (CPI-based COLA recipients) should be left at least as well off as before. Heating oil was 19¢ a gal. at the CPI base, plentiful too. I can ignore the government's urging that I insulate my home, roll back the thermostat, etc., and heat with the same amount of oil as before at today's prices.

As to my home, I live in a new house acquired just before I retired in 1975, and although the value has doubled and I can take $100,000 tax-free profit, and the monthly payments are not a bit more, the housing components of my CPI increases of more than 50 percent have handsomely increased my income. Is it true that the CPI assumes that I can only sell my house for the equity I have paid into it and assumes that I repurchase and refinance a portion of my house every year?

My radial tires for my cars get 40,000 mi. these days, but my cost-of-living allowances based on the CPI assume that I still get only 15,000 because quality improvements (except for new automobiles) are ignored.

Medical care costs have risen dramatically in the last eight years, and my CPI-based income has been raised accordingly, yet my former employer continues to pay a large portion of my health insurance, and my costs are about the same.

I know that I am very fortunate to have your CPI income protection, as are 50 million other people who are similar beneficiaries. But don't you think, honestly, that it is unjust enrichment? Frankly, it scares me to contemplate what this transfer of payments from one group of citizens to another means. For myself, I am busily engaged in a second career in the private sector, but not everyone is—due to the influence on incentives.

For example: A local fellow who used to work for the same government bureau I did retired 1½ years ago. I called him last week about a job opening similar to the one I got after retirement. He is a CPA and figured that from the $24,000 salary to start, on top of his CPI-based federal annuity, federal, state, city, and FICA taxes, and commuting expenses would leave him only $9,000 for working, and he therefore was not interested. Why should he support the system?

I understand that BLS's Monthly Labor Review welcomes communications that are factual and analytical, not polemical in tone. Although this one is a bit embarrassing to me personally, it is a story that needs to be told, even if it ultimately results in less unjust enrichment to CPI cost-of-living benefit recipients.

Sincerely,

WILLIAM D. HOWARD.●

THE WRONG TIME FOR REGISTRATION

HON. WILLIAM R. RATCHFORD

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RATCHFORD. Mr. Speaker, the appropriation providing for premobilization draft registration poses the most difficult issue which I have faced in 1980. When President Carter first announced his plans for draft registration in January 1980, it appeared that the request was both necessary and appropriate. Having studied the issue carefully since that time, I no longer share that view.

As recently as January, the Selective Service issued a report claiming that premobilization registration would save as few as 7 days in the event of military mobilization. A Congressional Budget Office study estimated that registration would save 13 days. According to Defense Department estimates, even without premobilization registration the Selective Service would be able to place draftees in the field within an acceptable timeframe in case of a national emergency.

The proposal for draft registration before us today fails to address our most serious problem in military preparedness, that of low levels of compensation for military personnel and the lack of adequate incentives for the retention of skilled personnel who are so critically needed in our Armed Forces. In spite of the budget problems created by difficult economic times and the need for fiscal restraint, I am prepared to support more adequate funding to insure that our Nation meets its military manpower needs in the years ahead.

Those opposing premobilization registration after a careful examination of the proposal before us represent a true cross section of American thinking. As recently as last week, former President Gerald Ford voiced his opposition to the registration proposal, and he has been joined by Senator EDWARD KENNEDY and former California Governor Ronald Reagan.

This Congress will be in session until October. If international conditions during this period should require the Congress to reconsider this issue, we will have that opportunity. In the meantime, I will also lend my support to appropriations for the Selective Service System so that it can develop and have ready a postmobilization registration plan to enable the Nation to respond more quickly to a national emergency.

However, it is my judgment that premobilization draft registration is not necessary, appropriate, or justified at this time.●

FmHA LOAN MORATORIUM ACT

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. NOLAN. Mr. Speaker, low commodity prices, inflation, and high interest rates are deepening the economic problems in rural America, rapidly leading to a situation where foreclosures on loans to farmers may become commonplace. Therefore, as a first step to prevent the Nation's farmers from losing their farms and farming operations because of economic circumstances beyond their control, I am introducing the Farmers Home Administration Loan Moratorium Act which mandates moratoriums on the payment of principal and interest on all FmHA loans if the borrower so requests.

The farm financial crisis already has prompted the President to sign the bill placed before him by Congress to extend the Farmers Home Administration's economic emergency loan program. But the Carter administration refuses to support legislation to raise commodity prices so that farmers will have an opportunity to earn an income and to reduce their debt. Indeed, White House policy has been to keep commodity prices low through an inadequate price support program, through a faulty reserve program which dumps grain onto the market at low-release levels, through a policy of allowing cheap, subsidied imports to undermine the domestic price structure and through the embargo on sales of grain to the Soviet Union. On the other hand, the Government's credit arm, the Farmers Home Administration, is beginning to foreclose on farmers because they cannot continue their payments or demonstrate an adequate cash flow to continue carrying the loans. Little wonder, when the President is pursuing a policy designed to keep commodity prices at chronically low levels.

For 1980, the Department of Agriculture is projecting a 20-percent to 30-percent drop in net farm income—a reduction which is being caused by Carter administration policies and which will undermine the ability of many farmers to continue servicing their debt. According to the Minnesota Department of Agriculture, farm debt in that State is rising at one of the sharpest rates in the Nation. Outstanding farm debt in Minnesota is heading for an all-time high of nearly $9 billion.

In a general economic crisis such as that which exists today individual farmers are not to blame for their mounting burden of debt and their declining ability to pay it. Indeed, the Government encourages such a situation by providing more credit at high interest without taking any action to enable farmers to earn an adequate income in the marketplace.

While farmers may direct a great deal of anger against the Farmers Home Administration, the real culprit sits in the White House. The President probably will resist any attempt by FmHA officials to exercise their discretionary authority to allow the wider use of moratoriums on FmHA foreclosures. My bill therefore mandates such moratoriums for the duration of the current economic crisis.

The legislation I am introducing modifies existing discretionary FmHA authority to offer moratoriums by requiring FmHA, at the request of any borrower, to offer moratoriums on outstanding loans during the period of general economic distress in agriculture.

Specifically, whenever the returns to equity in agriculture are less than in the nonfarm sector of the economy, FmHA borrowers will have the option of requesting a moratorium on repaying the principal and interest on their loans. Returns to equity are a direct indicator of ability to retire debt. The extremely low returns on investment in agriculture over the past several years do not mean that we have a nation of farmers who are bad managers but reflect the Government's long-term policy of keeping commodity prices and farm income at depressed levels. The moratoriums therefore will be in effect until the returns to equity in agriculture are equal to or greater than in the nonfarm sector.

I urge your support for the FmHA Loan Moratorium Act in order to help prevent a larger number of farm families from being driven off the land.●

BRANDYWINE HEIGHTS HIGH SCHOOL WRESTLING TEAM

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. YATRON. Mr. Speaker, it is with a great deal of pride that I draw my colleagues' attention to the achievements of the Brandywine Heights High School's sectional and district III championship varsity wrestling team.

On May 6, 1980, a dinner will be held in Reading, Pa., sponsored by the Brandywine Heights High School to honor these fine young men for their outstanding athletic accomplishments.

These young students are a fine example of what can be accomplished when Americans are challenged, motivated, and encouraged to excel. A special tribute must also be paid to the principal, Wayne Dennis Krause, and the educators and coaches at Brandywine Heights High School whose attitude of excellence has fostered discipline and stimulated hard work to produce the champions who are to be honored by this dinner.

I know that my colleagues will join me in wishing the members of the Brandywine Heights High School varsity wrestling team success in future endeavors and congratulating them for their fine accomplishments.●

A GROWING CONFLICT

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. EDGAR. Mr. Speaker, I insert in the Record an article which appeared in the Sunday edition of the Washington Post written by Felix Rohatyn. Mr. Rohatyn describes the growing conflict between the "have" and "have-not" States of the country. This is an issue which has concerned me a great deal in my work as chairman of the Northeast-Midwest Congressional Coalition. I urge my colleagues to read and become familiar with this important issue.

The American Haves and Have-Nots

(By Felix G. Rohatyn)

The United States today consists of "haves" and "have-nots." The "haves" are the sunshine states, with population growth, natural resources, new industrial locations. The "have-nots" are the old industrial states of the Northeast and the Midwest. Decaying urban areas with shrinking tax bases face increasing needs to provide services to a population less and less able to pay for them. Racial tensions in the ghettos combine with increasing middle-class frustrations to create a potentially explosive mixture.

In recent years, a fragile equilibrium has been maintained: New York City, which had a close brush with bankruptcy in 1975, has since reduced its deficit from $2 billion to $400 million, reduced its work force drastically and refinanced $6 billion of short-term debt. Other northeastern and midwestern cities maintained reasonable stability until the onset of the current round of inflation and recession. In the last year or so, Cleveland, Chicago, Buffalo, Philadelphia and Washington, D.C., have seen their fiscal equilibrium shattered and, as the recession deepens, with inflation still in double-digit ranges, they will be faced with widening budget gaps and greater and greater social strains. New York City, which by law must eliminate its deficit in the year beginning July 1, 1981, will have to cope with a significantly higher gap due to inflation and recession. To this is added the loss of revenues caused by federal cutbacks and industrial layoffs. In half the country, we have an environment of unrelieved misery.

The actions that these cities and states will take to close their deficits are both inevitable and counterproductive. They involve a combination of local tax increases combined with service cuts and layoffs; both have the effect of driving more taxpayers out and deepening the economic downturn in the cities. From the federal government's point of view, the effect is equally counterproductive. Local tax increases reduce federal revenues, since local taxes are deductible for federal income-tax purposes. Local layoffs increase transfer payments for unemployment. Deficits are increased; the recessionary cycle is deepened.

It is in this environment that we superimpose a new phenomenon: the skyrocketing revenues (mostly in the form of severance taxes and royalties) to be collected by the oil-producing states as a result of oil-price decontrol. The Northeast-Midwest Institute has recently published a study estimating that from 1980 to 1990 the states of Alaska, Texas, California, Louisiana, Wyoming, Oklahoma, New Mexico and Kansas will collect increased tax revenues amounting to $115 billion. Alaska will, on the average, increase its annual revenues $3.3 billion per annum, over 300 percent of its current annual expenditures. Texas will, on the average, increase its annual revenues by 90 percent of its current annual expenditures. Alaska just abolished its income tax and is paying cash dividends to its citizens. An attempt was made to subject these revenues to the windfall profits tax; it failed.

Ironically, revenues to these states from a variety of federal assistance programs such as revenue sharing would actually increase because of the definition of "tax effort" in grant distribution formulas. Thus, federal assistance will increase in areas of dramatically lesser needs, while it will be reduced in those areas where need is greatest.

Much has been made recently of budget surpluses at the state and local government level. But over 60 percent of state surpluses in 1978 were concentrated in those eight states accruing more than 90 percent of revenue increases from oil decontrol over the decade. Like a domestic version of OPEC, the oil-producing states can use their vast revenues to lower other taxes, increase services, attract industry by almost unlimited means; their economies as well as the economies of surrounding states will get significant boosts.

And, like a domestic version of the Third World, the Northeast and Midwest, importers of fuel, needy for additional federal assistance, will bear the burden since, after all, this is a zero sum game. It is really not very difficult to see where this inevitably leads. Half the country nearly bankrupt, many of its major cities pools of unemployment and unrest, and the other half swimming in oil, industry and wealth. This is not the stuff of a stable democracy; it is not the stuff of a union of states. For a union to survive there must be a sense that both burdens and benefits are shared on an equitable basis.

If we wait for the crisis, as we did with OPEC and the Third World, it will be too late. A short-range and long-range program should be examined by the President and the Congress to remedy this situation. It should include:

For the short run, an institution modeled after the Reconstruction Finance Corporation of the 1930s to provide low-cost, long-term financing to permit those localities in difficulties to weather the next few years.

Federal formulas for assistance programs to be modified to provide money where it will be most needed, as suggested, for instance, in Sen. Daniel P. Moynihan's bill to revise the Medicaid matching formula.

For the long run, new permanent revenues must be funneled to the Northeast and Midwest, in the form of direct federal budgetary assistance and incentives for private industry to remain and grow. A possible source of revenue could be created by dedicating a portion of a national gas tax for that purpose.

The solution to this problem is as complex as it is vital. It clearly does not lie in letting market forces work their will since they will only exacerbate the situation. Neither is it in counting on the current recession, which will only force local actions, making matters worse, both for the cities and for the country. Urban America must be a fit place for middle-class people to live, work and bring up their children. A business-labor-government partnership must reach into the ghettos to provide employment and opportunity; a black or Puerto Rican youngster in Bedford-Stuyvesant should know that, if he stays in school and out of trouble, he will have a job. There is clearly more than enough to be done. Over the next decade, massive investments must be made in mass transit, in retooling the automobile industry, in improving our railroad system, in financing a domestic energy program. It is unthinkable that we cannot find a way for the entire country to share in this activity.

In a worldwide war of ideologies and ideas, it will be difficult to claim the virtues of our system if Philadelphia, Washington, New York and Chicago are turned into slums. None of this is easy but there is still time. Five years from now it will be too late. This country will soon be called upon to participate in a major international financial effort to help the Third World, either through increased commitments to the World Bank, the International Monetary Fund or other similar institutions. It is an effort that will have to be made. However, on our scale of priorities, our own Third World should come first.●

EARTH DAY, 1980

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. PORTER. Mr. Speaker, today, April 22, 1980, marks the 10th anniversary of Earth Day. In this era of concern for an environmental ethic to secure the Earth for future generations, Earth Day reaffirms our continuing need for an organized effort to improve the environmental quality of this planet and enhance its natural resources.

Thousands will gather today to reflect on the progress we have made in the past 10 years in protecting our water, air, and land, and to develop a grassroots agenda for the continuing struggle of the next 10 years. Urban environment workshops are scheduled in my district, at Evanston, Ill., to celebrate Earth Day, 1980.

The past decade has seen environmental concerns become a viable political force, and an impetus for revolution in national attitudes through an explosion of new laws and regulations. The intense environmental legislation of the 1970's has included: National Environmental Quality Act, Water Quality Improvement Act, Clean Air Act, Toxic Substance Control Act, Occupational Safety and Health Act, Resource Conservation and Recovery Act, Safe Drinking Water Act, and Surface Mining Control and Reclamation Act.

The Federal Government created various institutions to monitor the environment: Environmental Protection Agency, the Council on Environmental Quality, the Occupational Safety and Health Administration, and the National Oceanic and Atmospheric Administration.

The most important change which has occurred in the past decade, however, has been the change in our value system to encompass environmental concerns. Citizens and industry no longer feel, morally and legally, that they may treat the environment like a wastebasket.

With these values in mind, we face new environmental challenges in the 1980's. We are no longer concerned just with maintaining clean air, land, and water, as in the 1970's, but with sustaining life on this planet: the dilemmas of toxic chemical waste, acid rain, carbon monoxide changing the Earth's climate, and diminishing agricultural lands for food.

Along with these newly recognized environmental challenges, we also face the social and economic problems that seem so urgent: Inflation, and recession, too, the energy crisis, and the subjugation of human freedoms and human rights.

Addressing these environmental and economic and social problems will require a great deal of commitment and sensitivity and understanding to insure that the quality of life for all the people of our Nation and of our planet is protected and enhanced. The challenges are clear. The question is whether we will be able to look back 10 years from now and say that we were equal to them.●

WHY I LOVE AMERICA

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DORNAN. Mr. Speaker, as Governor of this great Nation's largest State, Ronald Reagan's tenure can be characterized in two words: Exuberance and hope. In this day of double-digit inflation, double-digit interest rates, and a floundering foreign policy, these words have become next to nonexistent. Yet, Governor Reagan courageously refuses to eliminate them from his vocabulary. I look forward to the day when we shall see the return of the words "exuberance and hope." Governor Reagan, in the following article from the National Enquirer, expresses his belief that those days shall return. I urge my colleagues to read it. How about as a campaign song the old Irish ballad, "A Nation Once Again."

The article follows:

WHY I LOVE AMERICA

(By Ronald Reagan)

To me, America is a living, breathing presence.

America is unimpressed by those who say something is impossible. She is proud of her success, she is generous and sometimes naive. She is sometimes wrong, never mean and always impatient to provide a better life for her people within a framework of basic fairness and freedom.

Someone once said that the difference between an American and any other kind of person is that an American lives in anticipation of the future because he knows it will be great, while other people fear the future as just a repetition of past failures.

There's a lot of truth in that because if there's one thing we are sure of, it's that history need not be relived.

We live on a continent whose three countries possess the assets to make it the strongest, most prosperous and self-sufficient area on Earth. Within the borders of North America are the foods, resources, technology and undeveloped territory which, if properly managed, could improve the quality of life for all its inhabitants.

We who are privileged to be Americans have had a rendezvous with destiny since the moment in 1630, when John Winthrop—standing on the deck of the tiny Arbella off the coast of Massachusetts—told a little band of pilgrims:

"We shall be as a city upon a hill. The eyes of all people are upon us, so that if we shall deal falsely with our God in this work we have undertaken and so cause Him to withdraw His present help from us, we shall be made a story and a byword throughout the world."

During our 200 years of freedom we've met the challenge of Winthrop's prophecy. I love America for this capacity—the capacity that meets every challenge with strength, courage and moral guidance. ●

EMBARGO HAS SPRUNG A LEAK

HON. VIRGINIA SMITH

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mrs. SMITH of Nebraska. Mr. Speaker, confirming a latent suspicion that the embargo on grain shipments to Russia would end up hurting us more than it did them, is a perceptive editorial in the April 10, 1980, edition of the Lincoln (Nebr.) Journal.

Because the embargo decision has a direct relationship to our efforts to bring allied pressure to bear on Iran for the release of the hostages, there is, as the editorial suggests, a lesson from the embargo fiasco, and we should be prepared to apply it in answering some relevant questions before we judge our allies too harshly.

I commend it to the attention of my colleagues:

EMBARGO HAS SPRUNG A LEAK

It turns out the doubters and skeptics may have been right; a foolproof international grain embargo spanking the Soviets for sticking a sword through Afghanistan wasn't in the cards.

President Carter's order holding annual American exports of grain to the Soviet Union at a contracted 8 million metric tons, rather than allow shipments to balloon to an expected 25 million tons, hasn't seemed to drastically punish the Russian aggressors.

Wednesday's report by the U.S. Department of Agriculture that the Soviets apparently will be able to achieve about five-sixths of their current feed grain import goal was confirmation the Carter embargo hasn't had the maximum cutting effect intended.

Why is Moscow successfully persevering?

Because Argentina and Brazil became eager new suppliers of grain for Moscow. More depressing is suggestive USDA data that Canada and Australia, after pledging not to sell boatloads to the Soviet Union above their traditional export levels, welshed.

If the Russians are able to import all but 4.5 million metric tons of grain out of an overall goal of 35 million tons, it cannot be said the Ivans will be massively forced to liquidate livestock and poultry feeding programs.

Any disinterested analysis of the situation is likely to conclude that if further information affirms the USDA's preliminary report, Carter's well-intentioned act designed to hit the Russian bullies in the stomach may end up being a self-inflicted political wound. There isn't any question that it's already hurt many a grain producer.

Perhaps there is an applicable lesson here.

And that is the United States realistically should not expect Japan and Western Europe to cooperate in applying hurtful economic sanctions on bandit Iran. It is not in their gut economic interest to do so. The domestic imperatives which pull civilized nations apart today appear more powerful, alas, than that which should bond them, for their common well-being.

Our friends and allies may feel as sympathetic as a chorus of weeping angels about the imprisoning of 50 Americans, and the horrible violation of international law in Tehran. But they also have a need for Iran's oil which is more than slight.

Only if the United States is willing to provide Japan and Western European nations with oil to replace Iranian crude given up in the bargain could Washington even get the initial attention of allies.

Is the U.S. prepared to do so? Would America agree to reduce its daily imports by at least 2 million barrels a day? If that meant gas rationing, would American citizens accept such a sacrifice?

Would you?●

THE GOLDEN WEB OF GOVERNMENT

HON. DANIEL B. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DANIEL B. CRANE. Mr. Speaker, although it is deceptively easy to rave against big government, when it comes to specifically what programs should be cut, many people pause.

Social security? Revenue sharing? Foreign aid? Education? Welfare? We all have our own priorities, of course. That is why I have voted for every across-the-board cut in the budget and have opposed every foreign aid bill to come before this Congress.

But, as Jay W. Gossett, editor of the St. Elmo, Ill., Banner, puts it, who has not visited the Federal faucet? "What a gargantuan web political deceit has woven; it enmeshes us all with its gluey, golden strands."

I highly recommend Mr. Gossett's December 5, 1979, editorial. Although he offers no solutions, he does remind us that somewhere, somehow we must begin the Herculean task before the strangling web squeezes out the death rattle of the notion that free men can govern themselves.

The editorial follows.

WHO ISN'T AT FAUCET?

You've all heard the expression, "Getting the cart before the horse," while the subject of this essay is "Getting the cartoon before the horse sense."

The cartoon is this case is slightly to the right under the drawing of the judge and labeled "Passing Sentence." The passing sentence is this instance is a quotation lifted from former U.S. Secretary of Treasury William E. Simon's tome, "A Time for Truth." The quotation goes, "More than 60-million Americans now get some kind of check from the government. They gather beneath the federal faucet. They agree that it pours forth a torrent, and that the handle appears to be missing. But rather than summon a plumber they jockey for position beneath the stream with buckets, pans and cups."

It didn't take much imagination to visualize a handle-less faucet from which pours a torrent of dollars bills. Simon provided the graphic imagery, but when I decided to identify some of the face-less, nameless 60-million, a chain reaction began exploding like one of those strings of Chinese firecrakers we once ignited to celebrate Independence Day.

Of course, the first thought was to label them loafers, welfare cases, and the jobless—nobody that you and I know. But then the mental pyrotechnics began to illuminate some other faces—just about any governor you'd care to finger; a host of small town mayors—St. Elmo has certainly visited the faucet. But the list grows—educators at every level and what board of education hasn't approved an application for a slice of the federal pie—St. Elmo's summer school comes to mind. But that's not all—what parent of a college student hasn't signed an application for a grant or a government-insured student loan? And, if your child (and mine) lunches at school, we've been to the federal faucet.

The list goes on and on—farmers are certainily subsidized, both voluntarily and involuntarily. And then the finger of flashing light touches another very large segment of the populace—the Social Security recipient. This final glorious burst of light illuminates virtually the entire populance. Who, of us, if not a recipient, can say he or she is not related to one?

Not even a Michaelangelo could cope with a canvas of the size and scope required to include all of us, who if we have not been directly under the federal faucet, cup in hand, at least has been splashed by the onus.

What a gargantuan web political deceit has woven; it enmeshes us all with its gluey, golden strands. The very thought of trying to extricate ourselves from such a gargantuan web boggles the mind and debilitates the will.

Somewhere, somehow we must begin the Herculean task before the strangling web squeezes out the death rattle of the notion that free men can govern themselves.●

SUPPORT FOR CAPITAL COST RECOVERY ACT CONTINUES TO GROW

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, the Financial Executives Institute and Carisbrook Industries have communicated their endorsements of H.R. 4646 to me. I am pleased to have the support of these two active and important organizations in our battle for a rational and effective depreciation tax policy.

This bill will increase America's productivity and provide impetus for the capital formation that is so necessary for a healthy private sector in our economy. The support for this bill, since BARBER CONABLE and I introduced it, has been very encouraging. I thank the nearly 300 of my colleagues who have added their names to this bill. And I extend a special thanks to the Financial Executives Institute and Carisbrook Industries for their endorsements, which I know will prove helpful in the passage of this vital legislation. At this point in the RECORD, I insert the letters of endorsement:

FINANCIAL EXECUTIVES INSTITUTE,
New York, N.Y.

Hon. JAMES R. JONES,
House of Representatives,
Washington, D.C.

DEAR MR. JONES: On behalf of our Committee on Taxation and the 11,000 members of Financial Executives Institute, representing 6,000 companies both small and large, I want to express our recognition of your able and most important part in drafting the Capital Cost Recovery Act of 1979. If enacted, this bill will go a long way toward meeting the country's essential capital needs.

I assure you that we actively support quick passage of your bill.

Sincerely,

DONALD K. FRICK,
Chairman, Committee on Taxation,
Financial Executives Institute.

CARISBROOK INDUSTRIES INC.,
Iselin, N.J.

Hon. JAMES R. JONES,
Cannon House Office Building,
Washington, D.C.

DEAR SIR: This letter is to reconfirm our support of your cosponsorship of the Jones-Conable "10-5-3" Bill (H.R. 4646).

We are pleased that you have been able to assist in generating a very positive response to this bill from your colleagues and thank you on behalf of Carisbrook Industries for your continued efforts in this direction.

Very truly yours,

JAMES W. MORRISON,
President.●

AMERICA'S CHALLENGE—PART I

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. McDONALD. Mr. Speaker, one of the true beacons of constitutional government in our times, as well as being a spiritual and moral leader, is Mr. Ezra Taft Benson, a man I very much admire. He gave a speech at the Constitutional Crusade in Scottsdale, Ariz., on February 23, 1980, on the decline of the United States and what might happen if we do not reverse the present trends. It was a thoughtful and solid speech that more people need to read. Therefore, I am inserting it into the RECORD at this point for the edification of my colleagues:

AMERICA'S CHALLENGE

It is an honor and a privilege for me to stand before you this evening. I do so gratefully and humbly; grateful for the opportunity to be in your presence, and humbled by the responsibility to say something that may be uplifting and of value to you.

Through my good friend, the late Clarence Manion (former professor of constitutional law and dean of Notre Dame Law School), I have an item from a professional archeologist who died a few years ago in Rome. During a long lifetime of professional diggings he had turned up hundreds of relics and readings from the ancient past. Always a passionately patriotic American, he didn't like the way things were going here in recent years, and in one of his last letters he sent his anticipation of an epitaph that, centuries from now, some exploring archeologist might find carved upon the unearthed tombstone of the United States. Here it is:

"Here lies the greatest civilization that the world has ever seen. It died at the peak of its tremendous power, which it refused to use in its own defense.

"Here lies the nation that wagered its fabulous wealth and strength upon the love of mankind and in the process of the wager, lost all three.

"Here lies the people who abandoned their priceless patriotic heritage of religious truth and with it their freedom and their will to live.

"Here lies the last best hope of earth. Here lies the United States of America."

This may sound like a somber note on which to begin a talk to a group of dedicated, devoted, and inspired citizens. Were it not for such groups as this the conditions in our country would be somber indeed. Historically, groups such as you have been one of the backbones of our great freedom-based free enterprise system—our American way of life.

Yet, while most Americans continue to have their heads in the sand and enjoy their comfortable complacency, the fact remains that the American way of life, which has given us the highest standard of living and more of the good things of life than any other civilization, is under attack as never before. Some of the most prominent targets now under grueling fire in this war against our American way of life are the Ten Commandments, the Sermon on the Mount, the Constitution of the United States, and the institution of private property. Surely this is a time when groups represented by you here tonight might well give consideration to the important matter of citizenship responsibility—political, economic, social, moral, and spiritual.

Because of the nature of the message I bring, I have committed most of it to writing. I am not here to tickle your ears—to entertain you. The message I bring is not a particularly happy one, but it is the truth and time is on the side of truth. I will talk to you frankly and honestly as one who has a deep love for our country.

As Americans, we share a serious citizenship responsibility. The Prophet Joseph Smith declared, "it is our duty to concentrate all our influence to make popular that which is sound and good and unpopular that which is unsound." (HC 5:286.)

Another great American religious leader, David O. McKay, once said: "No greater immediate responsibility rests upon members of the Church, upon all citizens of this Republic and of neighboring Republics than to protect the freedom vouchsafed by the Constitution of the United States." (CR, April 1950, p. 37.)

As Americans, we have marched a long way down the soul-destroying road to government regulation, socialism, and atheism. It is the price we pay when we turn away from God and turn to government to do everything for us. It is the formula by which nations become enslaved by their own leaders.

As England's Lord Acton so succinctly put it, "Power tends to corrupt—but absolute power corrupts absolutely." (Essays on Freedom and Power, p. 364.)

Increasing numbers of Americans today are subscribing to the myth that you can get something for nothing—as long as the government is footing the bill. In fact, they believe it is the duty of government to take care of them from the cradle to the grave.

There is no such thing as a free lunch. Everything we get from the government—everything—we pay for in debilitating taxes. Everything the government gives to the people, it must first take from the people. This is something few Americans appear to understand.

We tend to forget how America became the greatest, most prosperous and powerful nation in the world, blessed with an abundance of everything needed for the good life.

It didn't just happen. I wasn't an accident. It was all an integral part of the devine plan for America. In the early frontier days of this country a special breed of men and women came here from all over the world seeking not only opportunity, but freedom. They were strong, proud, and fiercely independent. They believed that the surest helping hand was at the end of their own sleeves. They shared one thing in common—an unshakable faith in God, and in themselves. And that, without doubt, is the secret of success which is as viable today as it was then.

With little but raw courage and indomitable purpose, those intrepid pioneers set forth into the unknown by covered wagon, on horseback, and sometimes on foot. The land demanded iron men with steel in their backbones. Nature did the weeding out. But they didn't whine or bleat because things were tough. They asked no favors from any man. They knew what they were up against and they accepted the challenge. All they wanted was to be left alone to do what had to be done. (No people in America have a richer heritage of this spirit than the people of Arizona. God bless you.) Yes, they were wrenching a civilization out of the wilderness.

America soon blossomed into a rich, fertile, productive nation. Individual initiative—free enterprise—paid off, and American ingenuity flourished in a climate of freedom. Very soon our technology, our inventiveness, and our business know-how became the envy of the world. America had reached maturity, a giant among nations, a glowing example of free enterprise in action, and a perfect demonstration of what free men can do when they are left alone to do it.

But, as those affluent years slipped by, voices were heard in the land singing the siren songs of socialism. And many Americans tapped their feet to the beat of the music. Politicians were already promising something for nothing . . . that elusive free lunch. Thus, gradually, the people let the government infringe upon their precious freedoms and the preliminary signs of decay began to appear in our young Republic.

Our economic situation, I believe, is extremely serious. The facts are harsh and cold. This is a grim topic. But how can one soften the truth? Inflation, like an insidious disease, is weakening us.

We are in this position because we have lost our national pride, our sense of independence. When we want something, we go crawling to the government instead of doing it ourselves. We have exchanged those God-inspired principles, upon which this once mighty nation was built, for regulations and handouts—a mess of shoddy values. No wonder our structures of freedom are cracking.

Many voices in government today are blaming businessmen, the unions, and even the buying public, for not practicing thrift and economy in their shopping habits.

The blame for inflation must be laid directly at the door of the federal government itself. Inflation is an increase in the nation's money supply—an increase, to be more exact, in the supply of money and credit.

Inflation is not caused by rising prices and wages. To the contrary, rising prices and wages, as any solid economist knows, are the direct result of inflation. It stands to reason that when the money supply is increased, all money automatically becomes less valuable. This includes, of course, our savings.

So . . . when our dollars shrink in value, businessmen naturally raise their price tags, and then their employees demand higher wages. You can see how it all becomes a vicious circle.

In a free society such as ours only the Federal Government can cause inflation. And the reason it puts more money into circulation is to finance its disastrous policies of deficit spending.

As the Federal Government promotes more and more costly and unnecessary programs, it spends far more than it receives. So, to keep in business, the government has to borrow. To do this it offers bonds which are purchased mainly by private banks. Many of these bonds are resold to the Federal Reserve. The Federal Reserve then issues newly printed paper money—or issues credit to pay for the bonds. Thus, new money is created—the money supply is increased—and the value of all money is reduced.

It is well to remember that continued government deficits cause inflation; inflation is used as an excuse for ineffective price controls; price controls lead to shortages; artificial shortages inevitably are used as an excuse to implement rationing. When will we learn these basic economic principles? May I repeat these simple economic facts.

The Prophet Isaiah wrote: "Therefore my people are gone into captivity, because they have no knowledge." (Isaiah 5:13.)

It is quite obvious that a lack of knowledge and understanding on the part of Americans regarding the causes of inflation, which threaten our economic survival, could well lead us into captivity.

John Maynard Keynes, the Fabian Socialist, who sold President Franklin D. Roosevelt on the damnable deficit spending theory, had this to say about inflation:

"Lenin is said to have declared that the best way to destroy the capitalist system was to debauch the currency. By a continuing process of inflation, governments can confiscate, secretly and unobserved, an important part of the wealth of their citizens * * *."

Lenin was certainly right. There is no subtler, no surer means of overturning the existing basis of society than to debauch the currency.

"The process engages all the hidden forces of economic law on the side of destruction and does it in a manner which not one man in a million is able to diagnose." ("Economic Consequences of the Peace," pp. 235, 236 (1920).)

It is interesting to note that Vladimir Lenin praised Keynes before the Second Congress of the Communist International as being "more striking and more instructive" than any of his homegrown Communist revolutionaries.

In 1973, you'll remember, the government imposed controls on food prices. Housewives were buying goods at the controlled prices. But costs to farmers and growers were still rising due to inflation. They just could not continue to provide food at the frozen prices. So what happened? There was a shortage of those products in the markets. We can see, then, that controls which purportedly set out to neutralize inflation only end up discouraging production. Consequently, there is less of the product available in the markets.

Americans could halt inflation today by demanding that their government stop increasing the supply of money. It is not that the government does not know how to do it—it doesn't want to do it. Their excuse is that if they stop printing money, they will plunge the nation into a recession—or worse—a depression precipitating an unacceptable percentage of unemployment. But the longer we delay sound action, the more it will cost our nation and its people.

Unfortunately, the average American knows very little about the complexities of economics. He leaves that to the "expertise" of those in government. The tragedy is that the political spendthrifts in government are the ones who are wrecking our economy. They are spending billions of dollars on useless domestic programs, and squandering billions more in support of Communist governments that are getting "most favored nation" treatment.

The Congress has failed us abysmally in its historic role as watchdog over our national interests. They could and should put the clamps on irresponsible government spending. Unhappily, when a government embarks on a course of inflation, it must accelerate that inflation in order to perpetuate the false stimulating effect.

If the government were genuinely concerned about full employment and real prosperity, it could do much in bringing it about. It could support the proven and successful free market system—the law of supply and demand—where the buying public and not the government is the deciding factor in what shall be produced and marketed. The bureaucrats ignore the lessons of American history—that freedom works, and that the ability of individuals to come to mutually beneficial agreements is the very essence of a free society.

There is no problem at all about how to stop inflation. The problem is not economic, it's political!

The government is manipulating our monetary system. And unless we return to fiscal responsibility we can look forward to a highly dangerous economic crisis. One step in the right direction, as I wrote in 1973, would be a return to the gold and silver standard. One big advantage in using gold as a medium of exchange is that the people cannot be fooled as regards devaluation. But paper money can always be manipulated.

This is why the foreign markets are buying gold and its value is escalating at astronomical rates. America relies greatly on foreign oil. Investors abroad understand better than do most Americans that the American government will print more paper dollars to cover the costs of our energy needs. They realize that we pay with a devalued currency, so they turn to gold which only further devalues the American dollar abroad.

Our original monetary system as established by the Founding Fathers, the only one authorized by the Constitution, makes this imperative by the following clause: "No state shall * * * make anything but gold and silver coin a tender in payment of debts." (Art. I, Sec. 10)

If we are to beat inflation effectively, there are four vital steps to be taken:

1. Abolish any consideration of wage and price controls pemanently.
2. Stop all spending in excess of tax receipts and make annual payments on the debt.
3. Abrogate all extravagant and unnecessary government programs.
4. Re-establish the gold and silver standard.

The Congress has the power and the responsibility to accomplish these measures. If our representatives and senators persist in shirking their duties in this regard we'll continue on the same course to economic disaster. And we'll end up with a controlled economy under a more regimented form of government.

"Our spiraling national debt is but one of the danger signs, and is indicative of the culpable negligence of those in the highest echelons of government." (From National Program Letter article by Dr. George S. Benson of Searcy, Arkansas, entitled, "Can the Government Go Bankrupt?")

Thomas Jefferson counseled: "To preserve our independence, we must not let our rulers load us with perpetual debt. We must take our choice between economy and liberty, or profusion and servitude." Indeed, paying our debts, or living within our means, was always one of the sterling characteristics of Americans. We looked upon it as a duty to ourselves as individuals and as children of God.

Never was a nation so blessed with productivity. Whence comes this astounding capacity to produce? I am deeply convinced that it lies in blessings of our Heavenly Father and in the untrammeled initiative, enterprise, and freedom of our people, in the fact that the success or failure of our nation rests primarily with the people. But, in the past half century there has been a tremendous shift from individual to governmental responsibility in too many phases of economic and social life.

There is a continuing and ominous transfer of responsibility from the states to the Federal Government. Today, we look to Washington as the provider of whatever is needful—at no cost to ourselves. If this trend continues, the states may be left hollow shells, operating primarily as field districts of impersonal federal departments.

In government, as in all organizations, it is a firm principle that the smallest or lowest level that can possibly undertake the task is the one that should do so. First the community or city; if the city cannot handle it, then the county. Next, the state; and only if no smaller unit can possibly do the job should the Federal Government be considered. The smaller the unit and the closer it is to the people, the easier it is to guide it, to correct it, to keep it solvent, and to keep our freedom.

The deceptive, unsound system of so-called "transfer payments" is an absolute fraud. The so-called "transfer funds" come from the people back home, not from the federal government.

The tax dollar cannot make a round trip to Washington without a sizeable bureaucratic bite being taken out of it.

Transfer payments are used as clubs over the heads of taxpayers to force compliance with useless, unconstitutional, unsound programs.

Transfer payments are economically, socially and spiritually unsound. When will we have leaders at the state level who have the vision to recognize this fraud and the courage to stop this collossal deception?●

LELAND ANNOUNCES GOOD HEALTH WEEK

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LELAND. Mr. Speaker, the Houston Council on Human Relations is sponsoring "Good Health Week" in Houston, Tex. April 20 to 26. This effort is a first for Houston, and I am hopeful that it will be a great success.

The goal of the council is to promote healthier lifestyles and increase awareness in personal health care. The Houston-Galveston Area Council Health Systems Agency is a federally funded health planning organization for 13 gulf coast area counties. "Good Health Week" is being organized in conjunction with over 100 area business, civic, professional, and governmental organizations. The week's activities include public forums, workshops, screening tests, prevention activities, medical facility tours, and a regional health fair and banquet.

The good health fair is free to the public and will be held on Saturday, April 26 from 10 a.m. until 5 p.m. at the Albert Thomas Convention Center. The good health banquet, which is also open to the public, will be held on Saturday, April 26 at 7:30 p.m. at the Sheraton-Houston Hotel. The guest speaker for the banquet is Frank Reissmen, Ph. D., editor of Social Policy, a magazine concerned with current social, educational, economic, and political problems, and co-director of the National Self-Help Clearinghouse.

I hope many of my constituents will participate in this worthwhile project and I commend the Houston Council on Human Relations and the Houston-Galveston Area Council Health Systems Agency for their outstanding contributions to the health care system in my district.●

TAX CREDIT TO REDUCE THE MARRIAGE PENALTY

HON. EDWARD J. PATTEN

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. PATTEN. Mr. Speaker, as Lewis Carroll's walrus so proudly exclaimed, "The time has come." With the passing of April 15, the time has come for the Congress and the administration to think seriously about the marriage penalty which for another year has pervaded our Tax Code. It is incumbent upon this body to act affirmatively on the marriage penalty before the adjournment of the 96th Congress.

While it is clear that we must act, Congress should be certain to remedy this problem in the most equitable manner possible. There are many variables to consider and there is truly no easy solution. However, I believe that the use of a tax credit would be the fairest method to help remedy the marriage penalty. As a result, I have introduced H.R. 6798, the Marriage Penalty Offset Tax Credit Act of 1980.

The following is a brief summary of the marriage penalty crisis and an explanation of how H.R. 6798 would ease some of the harsher effects of that penalty. I trust that when dealing with this issue, my colleagues will look closely at the use of a tax credit and H.R. 6798 which incorporates the tax credit as an integral part in remedying the marriage penalty.

THE MARRIAGE PENALTY OFFSET TAX CREDIT ACT OF 1980

I am appreciative of the opportunity to address your Committee today. My purpose is to discuss the Marriage Penalty in the Internal Revenue Code, and in specific, the use of a tax credit to remedy this problem.

The present structure of the Internal Revenue Code of 1954 provides a substantial subsidy to married one-paycheck couples, at the expense of married two-paycheck couples. More specifically, the Marriage Penalty generally occurs when neither spouse earns greater than 80 percent of the combined family income.

This penalty is extremely harsh. Many couples are assessed hundreds, and sometimes thousands of dollars in taxes, merely because they fall within the two-paycheck penalty bracket. We know that 19 million couples are affected by the Marriage Penalty each year. The IRS estimates that the penalty amounts to $11 billion annually.

The tax rates within the Internal Revenue Code have had a checkered history. However, it is fair to say that although Congress did not create the current rates with a discriminatory intent, the present code has been systematically discriminating against lower and middle income families, the institution of marriage, and the equal rights of women. Recognizing the situation as it stands, we have a duty to act affirmatively. We can no longer sit back idly, perpetuating the discriminatory nature of our tax code. To that extent, I must commend you Mr. Chairman, and all of the members of this Committee, for holding hearings today and taking the first step in what undoubtedly will be a long and arduous task of remedying the Marriage Penalty.

The following are brief examples of some of the Marriage Penalty's most blatant discriminatory effects:

1. LOWER AND MIDDLE INCOME COUPLES

What is most intolerable about the Marriage Penalty, is that it primarily discriminates against lower and middle income families. Couples with a combined income within the ranges of $5,000 to $50,000 bear 99 percent of the Marriage Penalty. It is estimated that in 1974, less than 1 percent of the couples paying the penalty had a combined income in excess of $50,000.

It is sad to note that those primarily affected by the Marriage Penalty are least able to bear its burden. These lower and middle income couples are the same families who are presently being most crippled by double-digit inflation, double-digit interest rates, and soon to follow I fear, double-digit unemployment. We need not add insult to injury by making these couples continue to pay more than their fair share of taxes.

2. THE INSTITUTION OF MARRIAGE

There is much evidence to suggest that the weakening of the family unit is eroding the basic fiber of our society. I was raised as a traditionalist, so I believe firmly in the institution of marriage. As a personal aside, I note that this year marks the 45th anniversary of my own marriage.

Whether or not you believe as I do in this sacred institution, I think you will agree that at the very least, the American people deserve a tax system which harbors no prejudice for or against the institution of marriage. Unfortunately, the present Internal Revenue Code offers the American people less than they deserve with respect to this issue.

As Commissioner Kurtz has witnessed through litigation, the Marriage Penalty is forcing many couples to resort to quickie divorces for tax purposes. These couples remarry and subsequently divorce again before the next tax year emerges. The number of married couples who have been forced to take this route represents only the "tip of the iceberg." We can never begin to estimate those who have opted in favor of non-marital cohabitation, solely because of a tax system which discriminates against marriage.

3. EQUALITY FOR WOMEN

Nor has the Marriage Penalty been a friend of the women's movement. In short, the penalty is repugnant to modern social reality and to the equal rights of women. Since first coming to Congress, I have witnessed the number of married women in the work force triple. Unfortunately, some of these married women were forced to enter the job market due to ecomonic necessity. It is a somber fact that under present economic circumstance, it takes two paychecks to maintain a family. Yet, despite our sad state of economic affairs, many married women have entered the work force in realization of the new opportunities afforded them through changes in the law and enlightened thinking. For these women, the Marriage Penalty serves as a major obstacle toward reaching their full potential.

The Marriage Penalty tells women, "it will be cheaper for you to remain in the home as a housewife, than to enter the active labor force and explore a career in any of the ever expanding number of job opportunities." It would truly be ironic for a government on one hand to give women the legal right to be all they can be, while at the same time perpetuating economic disincentives to discourage women from exercising their newly won rights.

Congress cannot be oblivious to the increasing number of married women in the work force. Nor can we ignore the chilling effect the Marriage Penalty has had on this nation's goal of achieving equality for women.

There is no secret to eradicating the Marriage Penalty from the Internal Revenue Code. Creating one tax rate schedule for both married and single persons would permanently end this controversy. The IRS claims that the cost of eliminating the penalty would be $11 billion. I support proposals which would eliminate the Marriage Penalty. However, I have been in these hallowed halls too long to know that this Congress is not prepared to bear the $11 billion price tag of this proposal.

Mr. Chairman, most of us in this room have spent nearly a decade trying to remedy the Marriage Penalty problem. To this date, we have failed to attract sufficient support from our colleagues to move this issue beyond square one. I find that especially in a year when the President is asking us to balance the budget, a permanent solution to the problem of the Marriage Penalty is not politically feasible.

Despite the fact that it is impractical to think that Congress can eliminate an $11 billion Marriage Penalty in one year, there are 38 million Americans desperately in need of some form of immediate relief. Recognizing the major symptoms of the Marriage Penalty, I have introduced H.R. 6798, the Marriage Penalty Offset Tax Credit Act of 1980.

Let me preface my discussion of H.R. 6798 by emphasizing that my bill does not portend to be the definitive answer to the Marriage Penalty problem. However, I believe that especially through the use of the Tax Credit, H.R. 6798 can serve to eliminate a substantial portion of the penalty, especially among lower and middle income couples, at a cost which is fiscally responsible.

TAX CREDITS AND EQUITY

I have seen many proposals dealing with the Marriage Penalty. As I recall, most of these proposals would use a deduction to help offset the Marriage Penalty. I am an ardent supporter of Tax Credits as opposed to deductions, and my bill relies firmly on the concept of using the Tax Credit to help remedy the Marriage Penalty.

Unlike itemized deductions, Tax Credits are available to all eligible married couples, regardless of whether they file the long or short form with the IRS. Moreover, where deductions provide a greater benefit for persons in higher income brackets, a Tax Credit provides a dollar for dollar deduction against tax owed, without discriminating on the basis of income. As a matter of equity, it makes far more sense to combat the Marriage Penalty with a Tax Credit.

ELIGIBILITY

Mr. Chairman, I have seen some proposals which would provide all married couples with a deduction or credit to remedy the Marriage Penalty. However, these proposals are excessive.

Whenever one spouse earns greater than 80 percent of the total earned income of the husband and wife, the Marriage Penalty dissipates. In fact, these one-paycheck families presently enjoy a Marriage Benefit under the Internal Revenue Code. If our aim is to offset the Marriage Penalty at a cost affordable to this Congress, we cannot provide those couples presently receiving a Marriage Benefit with additional deductions or credits.

H.R. 6798 provides for a Tax Credit equal to 10 percent of the earned income of the Secondary Wage Earner (i.e. the spouse earning 50 percent or less of the couple's combined earned income). The maximum credit allowable is $500 and the credit is non-refundable. In order to make H.R. 6798 as lean and efficient as possible, I have formulated the Marriage Penalty Offset Tax Credit to only trigger when couples are actually faced with a Marriage Penalty.

Under the Marriage Penalty Offset Tax Credit Act of 1980, a married couple would only be eligible for a 10-percent tax credit when the Secondary Wage Earner earns 30 percent or more of the combined earned income of the husband and wife. The 10-percent tax credit shall be reduced by one percent for every percent the Secondary Wage Earner earns less than 30 percent of the couple's combined earned income.

As you can see from the eligibility table, my Tax Credit would dissipate with the Marriage Penalty. There is no Tax Credit for couples where one spouse earns 80 percent or more of the combined income of the husband and wife (i.e. one-paycheck families).

ELIGIBILITY TABLE FOR THE MARRIAGE PENALTY OFFSET TAX CREDIT ACT OF 1980

Secondary wage earner's percentage of earned income	Tax credit percentage
50 to 30	10
29	9
28	8
27	7
26	6
25	5
24	4
23	3
22	2
21	1
20 to 0	0

ADDITIONAL CONSIDERATIONS

1. Earned Income under H.R. 6798, is the same as defined under I.R.C. § 43(c)2.

2. Only one spouse shall be treated as the Secondary Wage Earner, even when both husband and wife each earn 50 percent of their combined earned income.

3. The Tax Credit is only allowable where married couples file a Joint Return under I.R.C. § 6013.

EFFECT

I am especially pleased with the results indicating that H.R. 6798 would have its primary impact upon married couples filing joint returns in the $5,000 to $50,000 ranges of income. As stated earlier, these taxpayers are most in need of immediate relief. While my bill would not eliminate the entire Marriage Penalty, it would provide eligible lower and middle income couples with genuine assistance until such time as the Congress is able to completely eliminate the Marriage Penalty.

Earlier in the year, the IRS conducted a revenue study on several of my proposals to remedy the Marriage Penalty. Their results indicated that a bill similar to H.R. 6798 would cost about $5.5 billion. Since that study, I have incorporated several refinements in my proposal which leads me to believe that H.R. 6798 may cost substantially less than projected by the IRS. Chief among those refinements was basing eligibility on earned income percentages, instead of gross income.

In order to receive a more accurate projection of the cost of H.R. 6798, I have commissioned the Joint Committee on Taxation to conduct a revenue study on the Marriage Penalty Offset Tax Credit Act of 1980. I am confident that my proposal will cost the Treasury less than $5 billion.

As an additional note on cost, I must emphasize one point, Mr. Chairman. Our actions here today should not be construed by our fellow members or the White House, as providing eligible married couples with a tax cut. That issue has become a matter of partisan debate and presidential politics. Rather, what we are doing today is simply eliminating the injustice of over-taxation which has been wrongfully imposed upon 38 million Americans for almost one decade.

CONCLUSION

Mr. Chairman, while I have spoken unwaveringly in support of H.R. 6798, I must pay deference to the expertise of yourself and this Committee.

I do know, for example, that there will be instances in which the Marriage Penalty Offset Tax Credit will not only remedy the Marriage Penalty, but occasionally overcorrect the inequity. Also, this Committee may develop an opinion on whether or not the Marriage Penalty Offset Tax Credit should be non-refundable. But collateral issues aside, I hope that I may impress upon this Committee the importance of adopting the Tax Credit as a means to offset a substantial portion of the Marriage Penalty.

We are going to hear many proposals today, from many able men and women who are genuinely concerned about the lower and middle income married persons who are in such desperate need. I can only hope that when this Committee concludes its work, it will see fit to incorporate the concept of the Tax Credit and the provisions of the Marriage Penalty Offset Tax Credit Act of 1980, as a viable legislative program to help the working married couple.●

WHY CODDLE CASTRO?

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. McDONALD. Mr. Speaker, the general problem of Cuban aggression and subversion in the Western Hemisphere continues to be swept under the rug by the Carter administration while it runs around lobbying various Olympic officials on the matter of the summer games boycott. And if that is not diversion enough there is a press conference called to announce some fancied softening in the attitude of Iran on the hostages. How much longer is Cuban aggression to be ignored Mr. President? The Richmond Times-Dispatch summed up this situation very well in an editorial of April 16, 1980, which I include in the RECORD at this point for the edification of my colleagues:

WHY CODDLE CASTRO?

As the recent surge of refugees into Havana's Peruvian embassy demonstrated so dramatically, Fidel Castro has been far more successful at exporting Marxist revolution than at making its social and economic policies provide even fundamental welfare benefits to the Cuban people. Given the glaring domestic weaknesses of the Castro regime, the American government's limp reactions to recent Cuban acts of international provocation and adventurism must be seen as all the more deplorable. Here are a few of the questions we would pose to the Carter administration in light of late events in Cuba:

Knowing as it must have for a long while about Cuba's calamitous economic conditions, why has the administration so meekly accepted the presence of Soviet combat troops to shore up Mr. Castro's effete regime?

Why, too, given Cuba's internal conditions, has the U.S. offered precious little effective resistance to the Marxist revolutions the Castroites have been exporting to several southern African nations and to Nicaragua and El Salvador in our own hemisphere?

Is the Carter administration sincere in its loudly bruited declarations of commitment to human rights and liberty in other nations? Recently Mr. Carter's Federal Communications Commission pressured a Florida-based radio station into lowering its wattage, thereby effectively curtailing its anti-communist broadcasts across the waters to Cuba. Why is the administration not taking exactly the opposite tack and establishing, as our columnist Cord Meyer suggested March 28, a Radio Free Cuba that would launch "a more aggressive, imaginative, sophisticated and serious information offensive"?

Finally, why is our government apparently cowed by Cuba's arrant piracy against American citizens? In January we publicized the plight of three American mariners led by William Dawson, the brother of a Richmonder. The three now have been held in Cuban prison since last July on drug charges that the State Department knows were fabricated. Why has the Carter administration applied no leverage to gain freedom for these and an estimated score of other innocent American captives in Cuba?

The Castro regime's campaign of international lawlessness has drawn only pious and punchless reprimands from President Jimmy Carter. The fresh evidence of Cuba's weakness and corruption makes all the more compelling the case for stronger action against Castro.●

IN APPRECIATION FOR PATRIOTIC EFFORTS—CHARLES P. VITUNAC

HON. DAN MICA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MICA. Mr. Speaker, it gives me great pleasure to share with my colleagues the actions of Charles Vitunac. On December 22, 1979, I had the privilege of accepting a petition signed by more than 17,000 Palm Beach County residents demanding the immediate and safe release of the American hostages in Tehran.

This petition, a statement of support for the hostages, was organized under the patriotic guidance and sincere concern of Charles Vitunac, a Palm Beach County attorney.

This petition was subsequently hand delivered to and accepted by Iranian representatives at the Embassy of Iran in Washington, D.C. The Embassy later notified my office that it had transferred the petition to Iran.

The 11th Congressional District of Florida is certainly appreciative of the spearheading efforts demonstrated under the community leadership of Charles Vitunac.●

FORGIVE AND FORGET

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. YATRON. Mr. Speaker, I wish to bring to the attention of this honorable body an article which appeared in several newspapers across the country as well as in Europe. The article is entitled, "NATO's Message to Cyprus Remains 'Forgive and Forget'." The article was written by Dr. Achilles N. Sakellarides.

The Atlantic Council of the United States, a branch of NATO, has recently issued a policy paper on "Security in the Eastern Mediterranean: Rethinking American Policy." Dr. Sakellarides, a retired State Department official, who last year represented the United States at the Geneva Conference on Human Rights, has addressed a critical rebuttal to the Council.

The text of the article is as follows:

NATO'S MESSAGE TO CYPRUS REMAINS "FORGIVE AND FORGET"

I found the Atlantic Council's paper on "Security in the Eastern Mediterranean" rather disappointing and unworthy of the Council's formidable and highly respected board of directors and honorary directors. In both its attempt at analysis and recommendations, the paper seems to confuse cause and effect and arrives at dismally erroneous conclusions and recommendations, favoring Turkey across the board. Voicing the standard views of Luns, Haig and Henry Kissinger was not what was expected from the organ of an august, prestigious and independent organization such as the Atlantic Council of the United States.

THE REAL REASONS FOR NATO'S DISINTEGRATION

It is as a result of such pro-Turkish and anti-Greek policies of Dr. Kissinger's State Department that NATO is disintegrating in its Southeastern flank. Dr. Kissinger, who wrote books about the worst enemy of Greece, the Austrian Chancellor Metternich, and greatly admired him, may argue that he was serving America's national interest when he chose to tilt in favor of Turkey, as that country was about to commit a blatant act of aggression against the Island Republic of Cyprus, a defenseless member of the community of nations, making illegal use of American arms and ammunition. By any stretch of the imagination, such a partisan attitude of an American Secretary of State could not be conceived as serving the cause of peace or the American national interest. Having secured assurances that the Sixth American Fleet, a principal naval arm of NATO, would be out of the way (in sharp contrast to what occurred in 1964, during President Johnson's Administration) the Turkish officials from the President down, marched to the ports of embarkation, as if they were going to a picnic, to see their troops embarking for the invasion of Cyprus.

LUNS AND HAIG'S REPREHENSIBLE POLICIES

As the Turks attacked Cyprus, the Greeks appealed to NATO's Secretary General Luns for help. Luns' instructions, it appears, were to reply that he was sorry, but "he was about to take a vacation, and could not be bothered." This was NATO's cynical reply to the Greek appeal. Luns and Haig continued to pursue the same anti-Greek policies. Haig's attitude is not surprising. He was Kissinger's side kick at the National Security Council and later, President Ford's righthand man. As long as these two men controlled NATO, the Greeks felt, and rightly so, that the cards would always be stacked against them.

THE LIFTING OF THE EMBARGO

These two gentlemen had been pressing President Carter and Secretary of Defense (Harold) Brown to lift the arms embargo against Turkey, (imposed by the U.S. after the invasion of Cyprus), advancing all sorts of spurious and illogical arguments. The fact that $600 million in aid had gone to Turkey since the embargo, had in no way induced the Turks to make concessions on Cyprus. Lifting the embargo (in 1979) made no difference in that respect. It has only deprived us of the only language we had to correct the intolerable situation created by the brutal Turkish aggression.

TURKEY'S ISOLATION

The Council's rapporteur, Joseph J. Wolf, has pointed out that Turkey feels increasingly that it is abandoned by its allies, that it is isolated. Of course it is isolated. Its blatant act of aggression against a defenseless member of the community of nations cannot be tolerated. American or world public opinion cannot be deceived by specious arguments that the Turkish aggression was made in order to protect the rights of the small Turkish minority in Cyprus, or to prevent the Island Republic's annexation by Greece. What the world saw was an act of aggression aiming at the destruction of the overwhelming Greek majority in Cyprus. One wonders if there is any place in the world where there is not a minority. There are minorities in every country. We have minorities in our own country. Well, are the majorities to be destroyed in order to be replaced by minorities?

THE MORAL FORCE OF WORLD PUBLIC OPINION

Such colossal injustices cannot be lost to world public opinion. The moral force of world public opinion cannot be overestimated. It acts as the collective conscience of mankind. The United Nations has repeatedly demonstrated its capacity to rally world public opinion against the use of force. It has passed unanimous resolutions condemning Turkish aggression. Small wonder then that Turkey today stands isolated on the Cyprus issue. And, I submit, the United States also stood isolated on the Cyprus issue during the Kissinger-Ford-Nixon days. And what is very significant, we have yet to hear one single word from President Ford or Nixon condemning the Turkish act of aggression. Such a scandalous silence, of course, is a patent disservice to the cause of peace as well as to the American national interest.

GREECE'S HONORABLE HISTORICAL RECORD

It ill behooves the free world to forget or ignore the historic fact that Greece was the first country to explore the myth of Axis invincibility, when early in World War II, the gallant Greeks defeated Mussolini's vaunted legions, and that it was Greece's resistance to Hitler that made it necessary for the Nazis to lose three months of good weather fighting. The postponement of the attack on Russia and the subsequent advent of the severe Russian winter spelled Hitler's downfall. As is well known, because of this historic circumstance, Greece's heroic resistance, while Turkey sat on the fence of neutrality, waiting to see which side would win, Hitler punished Greece with the most inhuman starvation ever recorded in history.

Judging from history, it is widely believed that, in any confrontation with Russia, the Turks will not fight. This seems to be the safest bet one could make, and most experts agree on this. It is also widely believed that the only reason why the Turks want arms and ammunition from us is to threaten Greece and try to grab some Greek islands, and, if possible, to take the remainder of Cyprus. That is the only goal and raison d'etre of the Turkish Aegean army in Smyrna.

TURKISH ATROCITIES CONDEMNED

The Greeks and Greek-Americans resent the shabby treatment accorded to them by some allies who tend to ignore the atrocities inflicted on their fellow nationals and co-religionists in the unfortunate island of Aphrodite. It is a sad commentary on our times that these atrocious abominations were perpetrated by the grace of and before the eyes of agents of NATO and the United Nations.

EFFORTS TO SUPPRESS REPORTS

Great efforts have been made by interested parties to suppress reports of such abominations and let the world forget the plight of two hundred thousand refugees who have been forced to abandon their homes and properties. A special issue of the London "Times" however, as well as European Community reports, have given full details of these Turkish depredations, and are available for all men of good conscience to read and make a judgment. Considerations of morality and humanitarianism have not even entered the mind of Mr. Wolf in preparing the Council Report. Nor is the Rapporteur concerned about the continuing importation of Turks from the mainland in order to change the demographic character of the stricken Island Republic.

NATO'S ADMONITION TO FORGIVE AND FORGET

The U.S. Atlantic Council Rapporteur now urges us to forgive and forget. He pointed out that the Caramanilis-Ecevit talks last March at Montreex "afforded the foundation of a new climate of detente between these two neighboring states." He seems to be oblivious to the fact that the meeting was hardly terminated when both of these leaders emphatically stated that absolutely nothing was accomplished and there was no hope of a solution based on Ecevit's offer to return a ridiculously small portion of the land grabbed from the Cypriots. As reported, the President of the Cyprus, Spyros Kyrianou, has rejected outright the Turkish plan which "only spelled suicide for Cyprus." We all agree that Greek-Turkish relations eventually must be improved. But how can they be improved as long as Turkey, unrepentant and defiant, insists on forcing the acceptance of "faits accomplis?" The Rapporteur urges us to forgive the Turks for having violated American law by using American arms and ammunition for aggressive purposes. "It is time to move on," he wrote. We agree that we must move on. But first the grave injustices that have been created by the Turkish aggression must be rectified.

THE REAL REASONS WHY TURKEY IS BANKRUPT

Turkey is totally bankrupt, being pressed by international creditors urgently to repay some $40 billion. The bankruptcy was not caused by the embargo, as the NATO Council report erroneously suggested. It resulted from the utter Turkish incompetence in handling their own economic affairs, general backwardness and illiteracy, as well as by the expenses incurred by their occupation forces in Cyprus. As for the 18 percent Turkish minority in Cyprus, it had never contributed more than one percent of the island Republic's gross national product. Turkey's cure for internal poverty and instability seems to be aggressive adventurism and unacceptable expansionism. Bellicose postures and aggressive acts are often an effective antidote for abysmal internal conditions.

IF TURKEY TURNS TO RUSSIA

In view of Turkey's economic bankruptcy and other considerations, no credibility should be attached to threats that Turkey may turn to Russia. The Turks will always need (American) economic help and military spare parts. Therefore, we should call their bluff. Playing off one "great power" against another is the well-known Turkish game. Demirel (the Turkish Prime Minister) should be told in no uncertain terms that the times of aggression belong to the dim past. That the Turks should heed the repeated UN resolutions and withdraw their troops from Cyprus, keeping not more than 18 percent of the island's territory—a percentage commensurate to the Turkish population. International guarantees of the Turkish minority's rights should be more than sufficient and satisfactory.

THE NEED TO PATCH UP NATO

Then we can all proceed to patch up NATO and help it reaffirm its noble aims about human rights, cultural exchanges, international security and peace with freedom and justice. As a former State Department officer, I firmly believe in the beneficient and salutary mission of NATO. I was there when it was formed in 1948, and have written and lectured widely on its history and its goals. It is advisable, of course, that Turkey should be in NATO for whatever it is worth. Secretary Luns must be told, however, that his direction of NATO has been reprehensible from many points of view. As for General Haig, it is comforting to know that he has been replaced and sent to pasture, to join his mentors, Dr. Kissinger and Presidents Ford and Nixon. He certainly had abused his powers in a very partisan and shortsighted way.

NATIONAL LIBRARY WEEK: A REMINDER THAT THE CHEAPEST CHARGE CARD IS STILL IN YOUR WALLET

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BIAGGI. Mr. Speaker, in recognition of National Library Week, I wish to bring to the attention of my colleagues some of the vital, and often little-known services which are provided by our local public libraries. To be eligible for these many services, you only need to carry what is still the cheapest charge card around in these days of rising finance charges and interest rates: your library card.

The recently completed White House Conference on Library and Information Services highlighted the many assets of libraries, including informational as well as recreational sources for the general public. As New York's ranking member on the Postsecondary Education Subcommittee which held hearings at this conference, I remain committed to insuring that these library services remain accessible to the public at large, particularly in my own city of New York.

The New York Public Library System, like the rest of our public library systems across the Nation, provides numerous benefits and services including special reading services for the blind and disabled, reference information upon request on hundreds of topics, special collections on local history, meeting rooms, films and paintings to borrow, and even free exposure to local artists and craftspeople through display cases.

I am particularly interested in expanding the informational services of our Nation's libraries for local citizens, particularly for those students who rely heavily upon their local library for a variety of informational services. Recent developments in computer technology have provided an important new dimension in the ways Americans can retrieve information and our libraries should be looking to these new technologies as a way to provide better service to their communities.

As an original cosponsor of H.R. 5192, the Higher Education Amendments of 1980, which was overwhelmingly approved by the House by a vote of 385 to 15 last November, we recognized the need to increase informational services to adults. My bill, H.R. 3513, providing for student financial aid data banks, was incorporated into title I of this bill which provides for grants to develop or expand existing educational information services to adults who have faced barriers to postsecondary education in the past. Libraries, which already have extensive informational services in place, could become important partners in this Federal effort to assist our nontraditional student population.

During this National Library Week, I strongly urge you to inform the citizens of your community of the new personality which their library has assumed—as book lender, advice giver, community resource, and entertainer. The library card, as the key to these services, is the only credit card which probably will not be lowering your credit limit today. At a time when we hear much about the grim economic outlook we are facing, it is good to know that the library is still one of the best bargains in town.●

FARM CREDIT IS NO SUBSTITUTE FOR FAIR PRICES

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. TAUKE. Mr. Speaker, I was pleased that the Federal Reserve Board last Thursday finally reacted to the grave economic problems facing the agricultural community. The Board, for the first time, responded to the farm credit crunch by making up to $3 billion available to small banks so they may offer loans to farmers and small businesses.

The Board's action will provide partial relief. However, loans in and of themselves are not a total remedy to the serious problems facing farmers today. Credit is no substitute for fair prices.

The farm sector of our economy has been promised much by the administration. But the record shows that few, if any, of the pledges made are ever carried out. Instead, the administration seems content to allow the farmer to shoulder much of the burden of our current economic woes and bear the brunt of the ill-advised Soviet grain embargo.

Production costs for the average Iowa farmer are estimated to run as much as 25 to 40 percent higher this year than in 1979. Farm income, however, will remain the same or decline. The reason is simple: Prices being paid for our farm commodities are severely depressed.

On the average, Iowa farmers are losing $1 for every bushel of soybeans they produce. Every bushel of corn sold is selling for 50 cents less than what it costs to produce. Livestock prices are about half what they were 1 year ago.

Farmers, as small businessmen, have been the first hit by the economic policies being implemented by the administration, and for the most part, endorsed by Congress. Farmers will continue to be hurt harder and longer than any other segment of our economy unless the cheap food policies of the administration are abolished.

Mr. Speaker, I would like to share with my colleagues two articles which appeared in the Cedar Rapids (Iowa) Gazette which graphically illustrate the plight of the American farmer. Gazette Farm Editor Al Swegle explains just how capital-intensive the farming industry is and the troubles farmers have in making ends meet during these highly inflationary times.

I hope my colleagues from nonrural areas of our country can better understand and appreciate the damage being done to the farm sector by the cheap food policies of the administration.

The articles follow:

FARM BUREAU LEADERS TELL WOES

WEST DES MOINES.—County Farm Bureau leaders, meeting here in emergency session Monday afternoon, said farmers are caught in a vise between low commodity prices and high interest rates.

Reports on the farm credit situation were given from state directors from all sections of Iowa. And before the three-hour meeting ended, they told a tale of woe on the farm.

Arnold Lenth of Garnavillo, the northeast Iowa director, said 40-pound feeder pigs are selling for $21 to $25 each. A year ago the same hogs were selling for $50.

"So far, boar and gilt sales aren't down as much," Lenth said.

Lenth said banks in his area are charging 15 percent to 18 percent interest on 30-day loans.

"One bank in our area has run out of money for operating loans," Lenth said, adding that the Farmers Home Administration has cut off loans, too.

Some have dropped their crop leases. One county in Lenth's district had three foreclosures.

"Machinery prices are way down, and repossession of machinery is way up," Lenth said.

Stan Holton of Forest City, the north central director, said money is generally available in his area of the state "if farmers are willing to pay the high rate of interest."

Holton told of one bank that posted a sign in its window: "If you pay over $100 an acre rent, don't come in here."

Darrell Siebens of Akron, the northwest Iowa director, said one auction in Palo Alto County was called off because the highest bid on the land was for $2,000 per acre.

Bob Joslin of Clarence, state vice president, chaired the discussion group for west central Iowa, where county presidents reported one foreclosure sale and one Farmers Home Administration sale.

Farm leaders in that district were opposed to a voluntary non-paid land diversion program, he said.

Lisle Cook of Hubbard, the cental Iowa director, said a number of cash rental agreements in his area had been renegotiated for $15 to $45 less than had originally been agreed upon.

"Credit is available on a 30-day basis," Cook said. "One bank is writing notes on a weekly basis. One elevator is holding grain for two weeks before farmers get their checks. Farm auctions are going at 50 cents on the dollar."

Cook said unemployment is a big problem. One farmer advertised for a hired man in the Sunday newspaper and received 18 applicants for the post.

Charlotte Mohr of Eldridge, state women's chairman, reported for the east central Iowa district.

"Cash rent is going for $90 to $130 in east central Iowa," Mohr said. "Farmers on a cash rental basis must pay 50 percent of the cash rent on March 1 and the rest Oct. 1."

Mohr said land is being sold at $1,000 an acre less than what it had been. Some machinery dealers are requiring customers to pay cash.

Clark Yeager of Ottumwa, the southeast Iowa director, said land is down $300 to $400 an acre. One farm sold for $1,000 off its list price at $3,400 an acre, Yeager said.

"Some retailers are giving farmers a 5 percent discount if they pay cash for products," Yeager said.

Jay Mosher of Indianola, the south central Iowa director, told of one man turned down for credit even through he had nothing borrowed. Capital for buildings is impossible to get from banks, Mosher added.

"There are few farm sales today, because not much is selling," Mosher said. "Some farmers are saying that this year will make the drought of 1977 look mighty good."

Collins Bower of Massena, the director for southwest Iowa, said farmers are being asked to sell what grain they have before banks will make loans on their property.

"One landlord in our area rented his farm for the third time in 1980," Bower said. "Machinery sales are down 20 percent."

The meeting was called by Dean Kleckner of Rudd, state Farm Bureau president, who said he wasn't surprised by the reports he heard during the crisis meeting.

HAYES BREATHES EASIER AS LOAN GOES THROUGH

ARLINGTON.—Tom Hayes, 30, like many young farmers in these financially strapped times, has had some troubled moments when his economic situation looked bleak indeed. But today, Hayes is breathing easier.

Last month Hayes was looking for a lender who would let him borrow $33,000 to plant corn and soybeans on his 340 acre farm this spring.

But his lender, the Farmers Home Administration, temporarily had run out of funds; so had the banks in his area. It appeared he was going to be left high and dry.

Hayes didn't qualify for borrowing money from a cooperative short-term lender, the Production Credit Association, which had over 400 applications from young farmers in similar situations.

"I'm just hoping that my loan with the Farmers Home Administration will come through," Hayes said in a telephone interview early last week. "If it doesn't, I may have to quit making payments on 100 acres I'm buying."

As if his troubles getting operating money weren't enough, Hayes is losing $10 a hundredweight on each hog he sends to market. And he has 1,400 of them going this year. To add hardship on top of hardship, his hogs just recently were hit by a brief outbreak of bloody scours.

But Hayes is a fighter. He says he can avoid foreclosure.

"I plan to stay on the farm," Hayes said. "If I can't make payments on the 100 acres I'm buying, I'll just go back to renting."

The good news is that Hayes' loan was approved late last week, much to Hayes' relief. Hayes' loan was one of 11 made this month—for a total of $280,000—by the Farmers Home office in West Union.

His Farmers Home supervisor, Jim Rogers of West Union, says Hayes isn't alone. Rogers said there are plenty of other young farmers looking for capital during this crucial time period.

"Funds are extremely limited right now," Rogers said. "There is a need for more money out in the rural areas."

Another Farmers Home supervisor, Al Kimler at Independence, has made $1.5 million in loans in the past three weeks under the economic emergency loan program. That $1.5 million in loans is roughly a tenth of the loans made statewide under the program.

"Farmers Home Administration loans are made on a first come, first served basis," Kimler said.

The Farmers Home Administration's economic emergency loan program was due to expire May 15, but President Carter recently signed a bill extending the program through Sept. 30, 1981. The bill adds another $2 billion to the program.

Farmers Home officials, like Kimler, are expecting a heavy rush for the emergency funds. Iowa's share of the economic emergency funds totals $41.7 million. Interest rates on the loans will be raised to 14 percent Monday.

Farmers Home officials can approve loans up to $400,000 under the program. But under the new law, farmers seeking loans above $300,000 will face tougher requirements before their applications are approved.

In signing the legislation, President Carter said the funds are to be used primarily to cover operating expenses. "The operating credit that farmers need to plant their spring crops is extremely tight," Carter said.

Last year loans totaling $141.7 million were approved in Iowa. The peak demand period was March 31 to June 30, when 1,110 loans for $60.3 million were granted.

State officials expect a similar demand for the loans this year.

To obtain a Farmers Home loan, farmers must be unable to obtain credit elsewhere. There must be a reasonable chance for success in the venture for which the loan is approved. The applicant must be an active, bona fide farmer.

Despite the tight conditions, Kimler and Rogers said they don't know of a farmer yet who has been through foreclosure.

Rogers said one farmer quit farming last year in Fayette County, but he did so voluntarily.

"There was a case in Grundy County, where a farmer gave up a cash lease in Grundy County where cash rent was too high and the farmer had trouble getting operating money," Kimler said.

Despite that one case, Kimler is optimistic: "I think everybody is going to be taken care of this spring, although it will be nip and tuck in some cases."●

CRITICAL CHOICES

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. McDONALD. Mr. Speaker, the truth is that we are all paying more in our electrical bills, due to the delay in constructing and placing on line of nuclear power stations. Conservation will do just so much, and conversion to coal will help in a limited manner. However, the facts are that nuclear power is cheaper than any of them. Further delays will mean more increases in everyone's electric bill. Mr. Charles C. Jones, writing in Rural Living, the magazine of the electric cooperatives in Virginia, for April 1980, had a good message for the readers and users of electricity. I commend it to the attention of my colleagues.

The message follows:

Rural electric cooperative member consumers in Virginia, Maryland and Delaware are paying more now for electricity than they should be paying. This is a difficult statement to make but it is true based on the lack of availability of nuclear power generation to investor-owned utilities that sell power to rural electric cooperatives in our area.

Virginia Electric and Power Company and Delmarva Light and Power Company sell bulk power to electric cooperatives in our three states. Each generating utility has interest in new nuclear generating units that have been waiting for months to be licensed by the federal Nuclear Regulatory Commission. These units not being available with their lower cost fuel expenses have caused the electricity that electric cooperatives utilize to be priced higher than it need be because of fuel cost and other replacement power cost.

Electric cooperatives in Virginia have been required to charge 1.5 cents per kwh of $15.00 per 1,000 kwh for added cost to replace power during the past winter months that should have been generated by nuclear units of VEPCO. We are deeply concerned about the circumstances that continue to cause this added burden to our member consumers and the general economy of the area we serve.

Across these pages of Rural Living we have continually called for conservation measures by all Americans that will lead to the most efficient use of all forms of Energy. We have called for a national energy policy that will recognize the importance of coal. We have supported research and development alternative energy sources to the maximum extent our national resources can sustain. We continue to pledge strong effort in each of these areas.

Your voice should be heard on the future of nuclear power. Governmental agencies and elected officials at the local, state, and national levels need your views. Critical energy choices are being made now that will have an impact on every citizen's pocketbook and the economic viability of our nation.

The critical choice of today is to reach a decision on the future of nuclear generation of electric power. The welfare of citizens of Virginia, Maryland, and Delaware is at stake along with all Americans. It does make a difference in the monthly budget of rural electric consumers now and into the future as far as we can predict.

Every new technology must find acceptable solutions to difficult questions. Nuclear generation of power has met the challenges of commercial application with an unequaled record of achievement. Given the realistic energy choices of right now and for the next twenty years, expanded reliance on nuclear generation of electricity is a must if the quality of life Americans have known is to be maintained.●

A BALANCED FEDERAL BUDGET FOR 1981

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. ABDNOR. Mr. Speaker, the 55th Legislature of the State of South Dakota recently adopted a concurrent resolution which petitions the Congress of the United States to adopt a balanced Federal budget for fiscal year 1981.

In addition, this resolution identifies several objectives, which if accomplished, would significantly reduce inflation and dramatically improve the overall conditions of our Nation's economy.

The State of South Dakota, under provisions of its constitution, is prohibited from deficit spending and has a long history of sound fiscal management. I would suggest that our Federal Government could realize similar benefits by following such practices and I commend the proposals contained herein to the attention of my colleagues:

H. CON. RES. 1029

A concurrent resolution, petitioning the Congress of the United States to balance the fiscal year 1981 budget as required by section 7 of public law 95-435 and to do so without further tax increases.

Whereas, section 7 of public law 95-435, codified as 31 U.S.C. 27, as enacted by the Ninety-fifth Congress and signed into law by President Carter on October 10, 1978, reads as follows:

"§ 27. Federal budget ceiling

Beginning with fiscal year 1981, the total budget outlays of the Federal Government shall not exceed its receipts."; and

Whereas, President Carter has submitted a budget for fiscal year 1981 calling for outlays of six hundred fifteen billion eight hundred million dollars and receipts of six hundred billion dollars, and as a result a budget deficit is requested by the administration despite the fact that Congress is preparing the largest tax increase in American history in the form of the so-called "windfall profits" tax; and

Whereas, the budget deficit is requested despite the fact that federal tax revenues are anticipated to reach 21.7 percent of the gross national product, the second highest level in history and the highest percentage since the record level of 21.9 percent reached at the height of World War II in 1944; and

Whereas, these increases in taxation and spending have been taking place despite rapid and dangerous decreases in defense spending as a percentage of the gross national product, defense spending having averaged 4.6 percent of gross national product in the 1977-1979 period compared with 5.4 percent in 1973-1976; and

Whereas, defense spending per se is not inflationary having averaged a much larger 11.4 percent of the gross national product in the minimally inflationary 1954-1960 period and 9.3 percent in the 1961-1965 period; and

Whereas, the combined effect of inflation, increasing marginal income tax rates, and deposit rate ceilings for passbook and similar savings accounts at commercial banks and thrift institutions has been devastating to small savers and destroyed their incentive to save through financial intermediaries; and

Whereas federal loan and loan guarantee programs, many of them not included in the formal budget, are expected to reach four hundred twenty-eight billion eight hundred million dollars by the end of fiscal year 1981 including an expected extension of one hundred forty-two billion dollars in new credit; and

Whereas despite OECD fiscal indicators showing an overall negative fiscal impact from federal, state and local spending between 1976 and 1979, and the more conventional indicators showing federal deficits declining as a percentage of the gross national product during the same period and, therefore, presumably federal borrowing becoming less stimulative, the rapid growth in the money supply experienced by the United States after 1975 indicates that fiscal policies were too stimulative requiring monetization of federal deficits by the Federal Reserve System; and

Whereas the experience of Germany and Japan in controlling inflation despite the much greater proportion of petroleum products which those countries import compared to the United States indicates that root cause of inflation is the combination of fiscal, monetary, tax and regulatory policies pursued by the United States government rather than petroleum prices; and

Whereas, a fiscal policy of constant economic stimulation under all economic circumstances is increasingly inflationary because the public changes its traditional savings and spending patterns in anticipation of impending actions of federal economic policy makers; and

Whereas it is becoming increasingly evident that high spending and taxation and high marginal tax rates are incompatible with a healthy economy for the United States given its structural characteristics and its ultimate dependence on the initiative of private individuals and organizations to produce real growth: Now, therefore, be it

Resolved, by the House of Representatives of the Fifty-fifth Legislature of the state of South Dakota, the Senate concurring therein, That the Congress of the United States symbolize its commitment to controlling inflation by balancing the 1981 federal budget; and be it further

Resolved, that the Congress of the United States achieve a balanced budget in fiscal 1981 by cutting nondefense expenditures; and be it further

Resolved, that the Congress of the United States begin a long-range program to gradually reduce the level of federal taxation and spending below eighteen percent of the gross national product; and be it further

Resolved, that the Congress of the United States begin reducing spending by rewriting entitlement formulas for the so-called "uncontrollable" portions of the federal budget in order to restore "control" of the federal budget to the representatives of the people and to provide aggregate expenditures at levels that do not interfere with the orderly growth of the economy; and be it further

Resolved, that Congress remove or alter the authority of the Federal Reserve Board and other federal regulatory authorities to artifically hold rates for small savers below market rates and increase the incentives for small savers to utilize commercial banks and thrifts as financial intermediaries by granting an exclusion on interest earned by such savers similar to that provided on corporate dividends in the federal income tax system; and be it further

Resolved, that the Congress of the United States recognize the structural problem created for the economy and credit markets by its attempts to allocate credit through massive loan and loan guarantee programs and develop a long-range system to weigh the effectiveness of these programs against each other as well as determine the overall level of federal credit allocation desirable within the economy; and be it further

Resolved, that the Congress of the United States recognize the dynamic effects of marginal tax rates on productivity and growth in the United States economy and begin a systematic revision of the tax laws to stimulate capital formation and reward productivity in order to preserve a decentralized economic and political system which relies on individual initiative; and be it further

Resolved, that the Congress of the United States recognize that the economic climate is created not only by current facts viewed in one fiscal year but also by the public perception of the economic and political trends over several years, and that if the Congress of the United States wishes to improve the public's confidence in the country's economic future it must symbolize its determination by balancing the budget and undertake the more substantive long-range reforms necessary to show that a balanced budget is not mere symbolism but a commitment to a federal system of government and a market economy; and be it further

Resolved, that this petition for a balanced federal budget in fiscal year 1981 be forwarded by the chief clerk of the South Dakota House of Representatives to Speaker of the United States House of Representatives and the chairmen of its Appropriations Committee, Ways and Means Committee and Budget Committee, the President of the Senate of the United States and the chairmen of its Appropriations Committee, Finance Committee, and Budget Committee, the chairmen of the Joint Economic Committee, and the members of the South Dakota congressional delegation.

Adopted by the House of Representatives, March 12, 1980.

Concurred in by the Senate, March 12, 1980.●

JESSE OWENS

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 16, 1980

● Mr. WOLFF. Mr. Speaker, it is with a great sense of loss and sadness that I rise today to join my colleagues in honoring the memory of Jesse Owens, one of this country's true athletic superstars and dedicated Americans. Mr. Owens finally lost his lengthy battle against lung cancer on April 1, 1980. He passed away in a Tucson hospital almost 44 years after he astounded the world by capturing four gold medals in the 1936 Olympics.

I am sure that many of my colleagues vividly remember the Berlin games when Jesse Owens and my dear friend and colleague, Ralph Metcalf, captured the hearts of all people in the free world by their domination of the track events. This unsurpassed performance clearly dispelled Hitler's theory of Aryan athletic superiority and further demonstrated the evils of racial discrimination.

Unfortunately, Jesse Owens' struggles did not end with the breaking of the tape at the finish line. There were many struggles which had to be met upon his return to the United States. With the same determination and courage which helped him in Berlin, Owens faced the racial discrimination and harassment prevalent in our country at that time. From the troubled pre-World War II period until his death, Jesse Owens never allowed the inequities of this Nation to defeat him. Instead, he chose to lead by emphasizing his dedication to the United States, in helping the young to develop to their highest potential as athletes, students, and Americans.

It is this unique spirit and vitality of Jesse Owens, coupled with his unquestionable abilities, that will be sadly missed. I would like to extend my personal condolences to his wife and children by paying tribute today to Mr. Owens, who unfortunately found one hurdle he could not overcome in his losing battle against lung cancer.●

A TRIBUTE TO THE HONORABLE ARMAND A. GRANITO

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LENT. Mr. Speaker, on April 18, 1980, hundreds of Nassau County residents gathered to pay tribute to one of the most respected and most admired persons in the county, Hon. Armand A. Granito, who resides in North Bellmore in the Fourth Congressional District, which I have the honor of representing.

As Armand's Representative in the U.S. Congress, I want to call to the attention of my colleagues the remarkable record of public service of this true friend and outstanding leader. It is a record of continued effort to improve his community and to solve its problems. For more than three decades, Armand Granito has devoted much of his time to the betterment of the civic, religious, and cultural life of his community. In all of his endeavors, he has been aided by his lovely wife, Helen.

In fact, his very first effort in public life was aimed at solving a community problem. In 1949, Armand became chairman of a North Bellmore Citizens Committee concerned about safety on local streets.

From that beginning, Armand's involvement in community affairs strengthened and deepened. He played a leading role in organizing the North

Bellmore Chamber of Commerce, the Friends of North Bellmore Library, the first little league of North Bellmore, and the Kiwanis Club of the Bellmores. He has been very active in the Nassau County Council of Boy Scouts, and in other civic, religious, and charitable organizations.

For 15 years, Armand Granito held the post of civil defense director for North Bellmore, and has served since 1959 on the zoning board of appeals for the town of Hempstead. He is presently board chairman.

Despite the countless hours devoted to the varied community affairs of North Bellmore and Nassau County, Armand has continued to pursue successfully his profession as an insurance and real estate broker and appraiser, and has even found the time to author two books in the area of his professional expertise.

Nor has Armand overlooked his duty as a citizen to take part in the political life of his community. Always interested and active in the civic process, Armand became Republican executive leader of North Bellmore in 1959. For 21 years he has been the guiding force in directing the Republican Party efforts in North Bellmore. As a five-time candidate for Congress, I can testify with deep gratitude to Armand's ever effective and loyal support, and congratulate him for it. We in public office who know the contribution devoted party workers make to the success of a candidate will miss the dedicated service of Armand Granito.

But his retirement as the Republican Party's executive leader of North Bellmore will not signal the end to Armand's civic work, nor his professional career. And all of Armand's many, many friends applaud that public-spirited attitude, and look forward to even greater accomplishments from Armand in the future.

Mr. Speaker, I have devoted some time to outline for my colleagues some of the noteworthy accomplishments in Armand Granito's life, because, all too frequently in these days of "super-hype" and instant ego gratification, we tend to overlook the very worthwhile activities of those who work quietly and efficiently for the betterment of their communities. Their concern is to get the job at hand completed successfully, not public attention.

Solid citizens like Armand Granito benefit their communities and our great country far more than the rock stars, the jet setters, or the TV and movie stars who get so much media attention.

That is why, Mr. Speaker, I know that my colleagues will join me in offering the heartiest congratulations to Armand Granito on his past accomplishments, and the warmest best wishes for the future to him and to his lovely and gracious wife Helen. May their future years be even happier.●

JERSEY CITY STATE COLLEGE SALUTED ON ITS 50TH ANNIVERSARY

HON. FRANK J. GUARINI

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. GUARINI. Mr. Speaker, I have been invited to participate in events marking the 50th anniversary of Jersey City State College. I would be remiss if I did not offer this opportunity for my colleagues to learn of the great work Jersey City State College has done, and to join in extending congratulations to a fine educational institution.

More than 50,000 students have been served by this college, whose major concern has been focused on the goal of responsive academic excellence, innovation, and commitment to community service.

In the half century since the stately gothic tower became a landmark, the "College on the Boulevard" has grown thirtyfold and survived a series of critical program changes which have enabled the institution to meet the needs and challenges demanded by an ever-changing and increasingly complex world.

Future vision will remain a priority in the 1980's at Jersey City State College, but campus history is not going by without all due pomp and circumstance in this 50th anniversary year. Community members have been invited to join college students, alumni, and staff in a yearlong celebration which features a series of special educational and cultural events.

The institution's history actually began in 1927 when the college was established as the New Jersey State Normal School, a 2-year teacher education program for kindergarten and primary teachers. After a strong appeal to then Gov. A. Harry Moore by Jersey City service clubs, an initial appropriation of $2 million was allotted for the acquisition of land and the construction of what is today Hepburn Hall.

In 1929 when Babe Ruth hit home runs and Wall Street hit rockbottom, Charles Lindbergh opened the skies of world travel and Jersey City State College opened its doors, establishing a fine urban education institution.

It was on September 12, 1929, that the first classes were held.

It was in 1935 when the institution became the New Jersey State Teachers College at Jersey City, and received authorization to offer a 4-year teacher education program.

The next year it added health, education, and nursing to its curriculum, 7 years later preclinical training for nursing students was offered.

During the war years in the early 1940's several hundred men and women interrupted their college careers at JCSC to serve in the Armed Forces. The losses were great. Ten percent of the male students lost their lives in battle. That was almost triple the number of deaths suffered by other colleges throughout the Nation.

In 1946 the veterans returned to a bustling campus that offered its first courses that could lead to degrees in business administration, engineering, premedical, predentistry, prelaw, and liberal arts.

In 1951 funds for the first physical expansion of the college resulted in curriculum enlargement.

In 1958 the name of the college was changed to Jersey City State College and was authorized to award bachelor of arts degrees. It was in 1958 that Dr. William Maxwell, the current president of the college, graduated on a veterans' scholarship with a bachelor of science degree.

The State board of education allowed the college to initiate graduate courses in 1959; 3 years later the A. Harry Moore Laboratory School became part of the college, bringing Jersey City State the distinction of being one of few colleges in the Nation to have an oncampus laboratory school for the physically handicapped.

Toward the end of a tumultuous decade of social change, JCSC became a multipurpose college. In 1968 the institution was authorized to develop a liberal arts program while continuing and expanding its teacher education program.

Today, this college is committed to an urban mission, serving thousands of residents from the northeast corner of the State—90 percent of its student body—residents of all other New Jersey counties, other States, and foreign countries. Presently, 9,665 persons are enrolled in JCSC programs; 7,600 as undergraduates, 1,065 as graduate students, and about 1,000 in occupational education programs.

The greatest number of those enrolling in the college are residents of Hudson County which has one of the highest populations of foreign born of any county in the United States. The college has traditionally been an institution which has served first generation citizens. This especially pleases me as the college is within the shadow of America's greatest first lady, the Statue of Liberty, in the 14th District which I represent.

Jersey City State College offers 20 undergraduate and 11 graduate degree programs in its school of arts and school of professional studies and education. Certification is also offered in the fields of English as a second language, educational administration, educational media, and bilingual/bicultural education and supervision. A postgraduate professional diploma program in school psychology is also available, as well as undergraduate programs in business administration, media arts, and nursing and degree programs in criminal justice/fire safety administration.

On the graduate level, master degree programs have been approved in health sciences and urban education. The focus of the college's outreach effort in internship placements for the urban education program will be Hudson and Essex Counties with emphasis on Jersey City and Newark. Cooperative education programs which provide students with work experience in business and government are offered throughout the year.

Self-enrichment opportunities, including adult education, and professional/career training courses are offered through "Saturday semester" program, supplementing almost 1,600 courses offered for credit.

Senior citizens are invited to join classes on a tuition-free noncredit basis.

The Adult Education Resource Center assists educators, trainers, directors, counselors, teachers, and individuals to obtain resource materials.

The Peter W. Rodino Institute of Criminal Justice is a center for research and information for professionals and the public in the areas of law enforcement, correctional services, courts, probation, and parole.

The Center for the Advancement of Teaching and Learning is aimed at the development of practicing Hudson County teachers and those who teach teachers.

Jersey City State College has cooperated immensely in assisting the entire community in the presentations of workshops, seminars, and lectures. On April 18 I was privileged to sponsor with Jersey City State College an action conference on "Energy Prospects for the 1980's," which brought together speakers from the fields of education, labor, industry, science, and the community on a local, State, national and international level to discuss the world's depleting energy supply.

College leaders have been Dr. William Allen Messler, principal 1929-33; Dr. Edgar F. Bunoe, acting principal 1933-34; Dr. Roy Lee Shaffer, principal president 1934-40; Dr. Chris C. Rossey, president 1940-46; Dr. Forrest A. Irwin, president 1946-54; Dr. Michael B. Gilligan, president 1954-67; Dr. William A. Liggitt, acting president 1967-68; Dr. James H. Mullen, president 1968-73; and Dr. William J. Maxwell, president 1974-.

Members of its board of trustees are Herman Suenholz, Eileen Tulipan, Herbert Winokur, Earl Byrd, Michael Fernandez, Leo Flexer, William Hayling, Paul McNulty, Ida Zelk, and William Maxwell.

Assisting Dr. Maxwell in college administration are Joseph Drew, Julian K. Robinson, Edwin G. Weisman, Bruce Waldman, Mary J. Clark, Paul E. La Roche, Robert S. Nugent, Jack List, Heman Adams, and John R. Nevin.

Dick Colaneri, class of 1941, is director of alumni affairs who is leading a renaissance of pride and enthusiasm among former students.

Ellen Wayman is director of public information for the college.

On Saturday, April 26, I will be pleased to attend the Alumni Golden Anniversary Reunion extended by their officers, President Angelo Mureo, 1974; Vice President Nick Ciocia, 1975; Secretary Beverly Lazzara, 1975; Treasurer Judy Lipka, 1976.

In this anniversary year, JCSC is extending its services and resources to meet the needs of the people of New Jersey. As the State's only public urban institution, JCSC accepts its responsibility to successfully meet the critical academic and financial challenges of the next half century. It is this sense of commitment that perhaps best characterizes the gothic spirit which is being feted this year. May it live forever.●

OBEY BUDGET SUBSTITUTE

HON. DAVID R. OBEY

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. OBEY. Mr. Speaker, when the budget resolution goes to the floor later this week, I will offer a substitute to the committee bill.

The primary thrust of this substitute will be to hold down the size of the burden which the committee resolution would shift to local property taxpayers through cuts in revenue sharing, grants to local school districts, EPA sewer construction grants, and so forth, while asking the oil companies to make a somewhat larger contribution through limiting the use of the foreign oil tax credit. Last year, by a 355-to-66 vote, the House approved an amendment calling for the virtual repeal of this tax credit.

I will also propose significant cuts in governmental use of consultants, in contract printing, and in Government film and audio visual procurement.

The substitute will increase the surplus from $2 billion in the committee resolution to $2.1 billion.

In addition to holding down cuts that will tend to shift responsibility to local taxpayers, the amendment will address inadequacies in the committee recommendation for several selected federally run programs, including staffing for VA hospitals, elderly nutrition, and expansion of educational and other benefits to military reservists.

In summary this amendment will:

First, increase the surplus; second, cut bureaucratic spending; third, limit the foreign oil tax credit; and fourth, ease the pressure on property taxpayers and senior citizens.

I believe the adoption of this substitute will broaden the consensus in the House for the difficult work that lies ahead and I urge you to support it when it is offered this week.

Attached is a detailed breakdown of each of the items contained in the amendment.

SUMMARY OF OBEY SUBSTITUTE BUDGET RESOLUTION FOR FISCAL YEAR 1981—BUDGET TOTALS

[In billions of dollars]

	House Budget Committee	Obey substitute	Difference
Revenues	613.8	614.6	+0.8
Budget authority	694.6	695.7	+1.1
Outlays	611.8	612.5	+0.7
Surplus	2.0	2.1	+0.1
Debt subject to limit	926.8	926.8	

BUDGET FUNCTIONS

050—*National Defense:* Increase for military personnel to expand the incentives for recruiting reservists (+$60 million in BA and Outlays).

150—*International Affairs:* No change.

250—*General Science, Space and Technology:* No change.

270—*Energy:* No change.

300—*Natural Resources and Environment:* Restore ½ of the cut in the Land and Water Conservation Fund (+$150 million in BA and +$75 million in Outlays); restore a portion of the cut in the EPA Construction Grants program (+$150 million in BA and +$25 million in Outlays); restore Rural Water and Sewer Grants program to 1980 appropriation level (+$16 million in BA and Outlays).

350—*Agriculture:* No change.

370—*Commerce and Housing Credit:* Increase funding for Rural/Elderly Housing (+$150 million in BA and +$15 million in Outlays).

400—*Transportation:* Increase funding for Mass Transit projects (+$80 million in BA and +$50 million in Outlays).

(Although the Committee's resolution does not directly cut Mass Transit programs, reductions would probably occur because some jurisdictions use highway funds—which were cut by the Committee—for Mass Transit projects.)

450—*Community and Regional Development:* No change.

500—*Education, Training, Employment and Social Service:* Restore ⅓ of the cut in School Assistance (Impact Aid) funding (+$100 million in BA and +$90 million in Outlays); restore a portion of the cuts in Youth Education and Training programs (+$200 million in BA and $144 million in Outlays); increase funding for Elderly Nutrition/Social Services programs to maintain current operating levels (+$25 million in BA and Outlays).

550—*Health:* Restore a portion of the cut in the Child Health Assurance Program (CHAP) so as to permit the program to begin before the start of the '81-'82 school year (+$40 million in BA and Outlays).

600—*Income Security:* Restore a portion of the cut in the Fuel Assistance program to reflect increased fuel prices in FY 1981 (+$50 million in BA and Outlays).

700—*Veterans Benefits and Services:* Restore cut in VA hospital staff and increase GI Bill Education Benefits by an additional 2 percent (+$78 million in BA and +$75 million in Outlays).

750—*Administration of Justice:* No change.

800—*General Government:* No change.

850—*General Purpose Fiscal Assistance:* Restore a portion of the cut in the General Revenue Sharing program (+$500 million in BA and Outlays).

900—*Interest:* No change.

920—*Allowances:* Reduce expenditures for consultants, printing and film procurement (−$425 million in BA and Outlays).

950—*Undistributed Offsetting Receipts:* No change.

Revenues

Curtail the foreign tax credit for oil and gas companies, +$800 million.●

WHERE IS RAOUL WALLENBERG?

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DORNAN. Mr. Speaker, now that the people of the world are more keenly aware of the human rights violations and atrocities practiced by the Soviet Union—the oppression of the people of Afghanistan resulting from the Soviet Union's unwarranted attack; the refusal of Soviet officials to allow banished Soviet dissident Andrei Sakharov to leave the country; the continuing struggle for religious freedom sought by the Vashchenko and Chmykhalov families and countless other Soviet citizens—there is yet another question that Moscow officials should answer: Where is Raoul Wallenberg? What have the Kremlin overlords done with this heroic humanitarian?

Raoul Wallenberg, a son of prominent Stockholm banking family, was a member of the Swedish Embassy staff in Budapest during World War II. Aware that the Nazis planned to exterminate Hungary's 700,000 Jews, he issued "protective" Swedish passports, enabling close to 30,000 people to flee the country. He also built an elaborate relief organization in Budapest which provided temporary haven on neutral ground for Jews awaiting transit. The Israeli Government has honored him by placing a plaque with his name on the Avenue of the Righteous Gentiles at the very moving Yad Vashem memorial complex near Jerusalem.

When the Red army marched into Budapest in January 1945, Wallenberg, then 32 years old, was suspected of espionage and was taken prisoner by the Russians and sent to the Soviet Union. He has not been heard from since.

The Soviet Government, in response to inquiries from the Wallenberg family, the Swedish Government and numerous interested journalists and private persons, at first claimed that Raoul Wallenberg had been killed by the Gestapo before the war ended. Then, in February 1957, Andrei Gromyko, then Soviet Deputy Foreign Minister, made the sensational assertion that Wallenberg had died of a heart attack in Lubyanka prison in 1947. However, reports from many sources inside the Soviet Union over the course of the past 30 years seem to indicate that he might have become a political prisoner in the labor camps or mental hospitals of the Gulag Archipelago.

Here is a representative sampling of reports that have appeared over the years in the public press:

> Simon Wiesenthal, head of the Jewish Documentation Center in Vienna, said that as late as 1975 Mr. Wallenberg was alive in the Irkutsk Psychiatric Hospital in Siberia . . . Mr. Wiesenthal spoke of Mr. Wallenberg, a member of a prominent Swedish family, at the close of international hearings on alleged violations of human rights in the Soviet Union and Eastern Europe (New York Times, Nov. 29, 1977).
>
> The exiled Soviet Nobel Laureate and dissident Alexander Solzhenitsyn contends that Wallenberg is still alive. His belief is supported by disparate evidence collected over the years by Jewish Nazi-hunter Simon Wiesenthal of Vienna and other scholars. Solzhenitsyn visited Wallenberg's family in Sweden shortly after his ouster from Russia and advised them to enlist the help of interested Jewish organizations in a public campaign to establish the diplomat's fate. (Jewish Telegraphic Agency Bulletin, June 14, 1979).
>
> The freshest information in the Swedish aide memoire dated January 3, 1979, came from Jan Kaplan, a Moscow Jewish antique dealer, who was imprisoned between 1974 and 1977. Last year, he telephoned his daughter, who lives in Israel, and told her not to worry about his health after being in prison. He said: "In the Butyrka Hospital department, I met a Swede who has been in prison for 30 years, and he did not look bad at all." Last December, following the phone call to his daughter, Kaplan was again arrested. (Jewish Telegraphic Agency Bulletin, Apr. 2, 1979).

The story of Jan Kaplan adds credence to the view that Wallenberg is still being held prisoner by Soviet officials. Read carefully the following excerpt from "The Search for a Hero" by John Bierman that appeared in the August 10, 1979, edition of the Boston Globe.

> The next piece of apparently objective evidence surfaced in Tel Aviv in November 1977, when a Russian Jewish immigrant named Dr. Anna Bilder received an unexpected phone call from her father, Jan Kaplan in Moscow.
>
> Kaplan, former administrator of an operatic conservatory in the Soviet capital, had been jailed in 1975 on currency charges. He was released 18 months later for health reasons and was phoning to tell his daughter the good news.
>
> "It wasn't so bad," the 66-year-old Kaplan reassured her. "When I was in the prison infirmary at Butryka in 1975 I met a Swede who'd been in different prisons for 30 years and he was in pretty good condition."
>
> The significance of this remark was lost on Bilder, who had never heard of the Wallenberg case. But relatives in the United States to whom the conversation was subsequently related did know the Wallenberg story.
>
> They passed the information on to the Swedish embassy in Washington and this led to a further note to the Kremlin. In January 1979, the reply came. The Soviets had no further information.
>
> The trail went cold until the first week of July this year when Anna Bilder received a letter from her mother, which she says was brought from Moscow by a new immigrant. Under a June 14 dateline, Eugenia Kaplan wrote.
>
> "I write this letter but I am not sure it will reach you and that the same thing will not happen as with father's letter, because of which he is already a year-and-a-half in prison again. . . .
>
> "I lost all hope after I was called to the Lubianka and learned that all this tragedy occurred because of the letter about this Swiss or Swede Wallberg (sic) whom he met in the prison infirmary. . . ."
>
> "Father wrote a long letter about this Wallberg and for a long time he carried it around with him looking for a chance to send it to you through a foreign tourist," the letter related "Every Saturday he went to the synagogue where many tourists visit, but for a long time he had no success. . . .
>
> "One Saturday, father came back in a very good mood and told me that at long last he had succeeded in giving the letter to a young foreign tourist who promised to send the letter from Vienna or Germany, I don't remember which.
>
> "A few days later, it was on Friday night, February 3, (1978) there was a meticulous search at home and they took father away. . . . When I was called in May to the Lubianka a very angry colonel screamed at me: The Soviet authorities behaved humanely and released him (her husband) because of his sickness, but he ungratefully decided to send out illegally through a foreigner anti-Soviet spy-letters to Israel. And your daughter,' he screamed, 'started there in Israel anti-Soviet propaganda. . . .'
>
> "I don't know if it is better to keep quite, as some people advise, or the opposite, that some American senators and other important people should start campaigning for father, because many people were released through complaints to American senators, and even the President himself. And some people say that only a fuss in the papers and on the radio will help.
>
> "I don't know the answer myself. Here we are like blind puppies. You can see better there. But I'm afraid he won't ever see you again or your little Daniella.
>
> "Why did your father have to interfere in this business? He never had anything to do with politics and wouldn't even listen to political jokes. Because of that letter about a poor prisoner they arrest a man and keep him for a year and a half, so what good can you expect here?"
>
> If the 1975 sighting was genuine, it is the last indication that Wallenberg was alive, at least at that time.

With all the information that has come to light in the past few years, it is in all likelihood that Raoul Wallenberg is alive and being held in a Russian prison for vicious reasons only known to Moscow officials. Has not Raoul Wallenberg suffered enough? He gave so much of himself to save countless thousands from atrocities. Now, he is the one being subjected to atrocities himself. Why keep him in prison any longer? Why was he imprisoned in the first place?

Mr. Speaker, I will have a special order on this atrocity tonight, April 22, 1980. Interesting that today is Vladimir Lenin's 110th birthday.●

BICYCLES REDUCING GASOLINE CONSUMPTION

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. EDGAR. Mr. Speaker, it is becoming increasingly apparent that our Nation must reduce its dangerous dependence on foreign oil imports. One important way to do that is to reduce our consumption of gasoline by promoting ride sharing, mass transit, and

alternate modes of transportation like bicycling.

The significance and increase in the use of bicycles was described well by Ralph B. Hirsch, national legislative director of the League of American Wheelmen, in testimony before the Appropriations Subcommittee on Transportation. As a longtime supporter of Federal involvement in promoting bicycle use, I commend his testimony, along with an article from the New York Times, and enclose them for the review of my colleagues.

STATEMENT OF RALPH B. HIRSCH, NATIONAL LEGISLATIVE DIRECTOR, LEAGUE OF AMERICAN WHEELMEN

A silent revolution in urban transportation may be happening under our noses. During the decade of the 1970's, bicycles have outsold automobiles in the United States: from 1970 through 1979, the American public has bought 103.7 million bicycles, compared with 102.1 million autos. The use of bicycles for transportation seems to be climbing steadily: the Census Bureau estimated that nearly 500,000 persons regularly used the bicycle for commuting to work in 1975-76, and visual evidence suggests a considerable increase since then (we'll know more after the data from the 1980 census have been analyzed). Particularly spectacular evidence of bicycle use for transportation can be seen when the normal patterns of modal choice are disrupted, as in New York City's recent transit strike; the New York Times, in an editorial dated 16 April 1980, cited official estimates of 200,000 persons a day cycling to work during the strike.

The United States Congress, recognizing a trend that needed to be supported and reinforced, passed in 1978 the new Bicycle Grant Program under section 141 of the Surface Transportation Assistance Act (Public Law 95-599). That section authorized $20 million per year from the grant program, and last year this Subcommittee—showing the leadership that the Administration so far has failed to show with respect to bicycling—appropriated $4 million for fiscal year 1980.

Speaking for the bicyclists of America, the millions who already use the bicycle regularly and the many millions more who would do so if some changes were made to foster bicycling, we ask this Subcommittee to continue its role of leadership by appropriating the full twenty million dollars for fiscal 1981.

Over the two peak decades of highway building in the U.S., from 1956 through 1975, the federal, state and local governments spent a total of $325.2 billion on highways, nearly $1,500 for every man, woman and child alive in this country today. Unfortunately that huge amount was spent without considering the bicycle in highway design and operations. We ask that the full amount authorized under section 141, or 9¢ per person in 1981, be appropriated to make use of the highway system by bicycles safer and more convenient.

The U.S. Department of Transportation, trying to rationalize its failure to request funding for section 141, has held that this section and the previous authorization, under section 217 of Title 23, United States Code, are essentially interchangeable. DOT's own experience has shown the contrary to be true: for the fiscal years 1975-78, of the total of $170 million theoretically available to the states under section 217, only $14.2 million was actually spent. The Congress recognized the defects that caused the older program to fail, and designed section 141 as a specific remedy. It would be well for DOT to join in that recognition at long last.

The current fiscal year, 1980, is the first one in which funding for section 141 has been available. Although DOT has not even written the final regulations for this grant program, applications have been pouring in. Preliminary figures from half a dozen states suggest that the $4 million for fiscal year 1980 will be tremendously oversubscribed:

[As of Apr. 10, 1980; dollars in thousands]

State	Number of project proposals	Federal funds requested
California	52	$4,000
Florida	5	400
Illinois	15	960
Minnesota	5	440
Oregon	51	960
Pennsylvania	8	550

The section 141 program is likely to be an outstandingly effective investment of federal dollars. Its guidelines, unlike those of its predecessor, are highly flexible: in addition to construction of various types of facilities, a variety of programs to encourage bicycling and make it safer are eligible for funding. As we pointed out to this Subcommittee last year, for every 1 percent of short trips in the U.S. switched from the auto to the bicycle, 131 million gallons of gasoline would be saved, and other benefits (such as reduced congestion) could result.

We recognize that these are days of austerity and budget-cutting. We submit that an appropriation to encourage bicycle use is cost-effective and fits right into Congress's scheme to economize on transportation and to make our system a little less dependent on foreign oil. In addition, it might well make some of our commuters a bit leaner and a bit healthier.

We appreciate the opportunity to present these comments, and look forward to working with you in shaping a safe and versatile transportation system for all classes of users.

[From the New York Times, Apr. 15, 1980]

CITY WORKING TO MAKE PERMANENT DEVICES THAT CUT STRIKE CONGESTION

(By Robert McG. Thomas, Jr.)

The Koch administration said yesterday that it intended to translate some of the ways New Yorkers traveled during the 11-day transit strike into a permanent program to ease traffic congestion in Manhattan.

One of the things the city expects to do within a few days is re-establish the special lanes and other provisions made for bicyclists in midtown Manhattan, according to Ronay Menschel, Mayor Koch's executive administrator. She said: "We want to take full advantage of the momentum for bicycle travel that built up during the transit strike."

In Queens, four struck bus lines agreed to resume operations this morning as traffic returned to normal in the first workweek after the transit strike.

Mrs. Menschel was named by the Mayor yesterday to head a new task force charged with recommending changes in the city's transportation policy.

The panel was given until April 30 to make its recommendations, Mrs. Menschel said. Transportation officials said yesterday that they were studying ways of segregating bicycle lanes on a permanent basis without using traffic cones, which were frequently knocked aside during the transit strike.

In addition, the panel will study ways of promoting car pooling, including varying tolls on toll bridges and tunnels leading to Manhattan and the re-establishing of priority roadways limited to cars with a required minimum number of passengers.

The panel will also work with the Taxi and Limousine Commission on the rush-hour group-riding plan that the commission has said it wants to make permanent.

The formation of the new task force was disclosed by Mayor Koch at a news conference in which he and Comptroller Harrison J. Goldin announced that city employees who performed exceptionally during the strike would share in $25,000 in award money donated by a private foundation.

The donation, which grew out of a chance dinner party meeting last week between Mr. Goldin and Ivan Obolensky, who heads the Josephine Lawrence Hopkins Foundation, will finance $250 and $500 awards to individual city workers nominated by city officials and the public. (Mrs. Hopkins was an heiress to the Listerine fortune.) Mr. Goldin, who will be in charge of the project, urged citizens to send nominations to him at the Municipal Building, New York, N.Y. 10007.

Transportation officials said as many as 75,000 bikers a day entered the central business district during the transit strike, compared to a prestrike daily average of 2,000. To accommodate the increase during the strike, officials widened previously established bike lanes between Columbus Circle and Washington Square and lined them with traffic cones.

Mrs. Menschel, who said that the task force would consider re-establishing segregated wide lanes when it meets for the first time today, said a final decision would depend on the amount of enforcement required to maintain the wider lanes.

THE EXISTING REGULAR LANES

The permanent lane is a four-foot-wide strip just outside the left parking lane of Broadway from Columbus Circle to Madison Square and on Fifth Avenue from Madison Square to Washington Square. A similar, northbound lane runs up the right side of the Avenue of the Americas to 59th Street.

During the strike the lanes were widened to include the parking lane, and this required the banning of parking along the route and towing away violators.●

NATIONAL SECRETARIES WEEK

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WOLFF. Mr. Speaker, I bring to the attention of my colleagues the fact that this is National Secretaries Week.

In recent years the job of being a secretary has been much maligned. While I strongly favor equal rights and opportunities for women, I still think it is important not to belittle this profession which is largely dominated by women. Women should not be limited to a secretarial job, and neither should secretarial positions be limited to women.

My intent today is not to talk about equal rights, but to praise the many hard-working secretaries that keep businesses and government going. The professional secretary performs services which are absolutely essential to office operations. Secretaries do not simply type letters—they perform administrative functions, edit, and control the quality of office products, in

addition to many other functions. With sophisticated office machinery proliferating in offices across the country, many secretaries have become operators of complicated word-processing machines.

I salute the work and professionalism of the secretaries of this Nation and especially want to call attention to my own secretaries who have been of such great help and support throughout my service in the U.S. Congress.●

IS THE ASSISTANT SECRETARY FOR NONPUBLIC EDUCATION "JUST ANOTHER SUBTLE ATTACK?"

HON. JOHN M. ASHBROOK

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. ASHBROOK. Mr. Speaker, I have commented previously on the Carter administration's plan to bypass Congress in establishing a new Assistant Secretary for Nonpublic Education—a direct violation of the law. Now Robert Baldwin, executive director of Citizens for Educational Freedom, has informed me that under this administration's plan this new officer would not engage in advocacy for nonpublic schools, but that he would use his office to gather data on these schools.

Mr. Baldwin's information, which comes from meetings between CEF leaders and members of the Department of Education transition team, reinforces the fears expressed in this House last fall when we voted down an earlier attempt to create such an Assistant Secretary. For many independent educators the Federal Government is a source of harassment, not benefits; the administration's thinking, as conveyed to Mr. Baldwin, makes it more likely than ever that this new office will simply become yet another device for Federal meddling.

Federal agencies like the Internal Revenue Service, the Office for Civil Rights, and the National Labor Relations Board have recently found occasion to distort congressional intent in order to enhance their own power at the expense of private schools. If a so-called "Assistant Secretary for Nonpublic Education" has no mandate to engage in advocacy to challenge such bureaucratic power grabs, his whole enterprise immediately becomes a venture in triviality.

Even more disturbing is the prospect of the Federal education establishment's drawing private schools into its data-collection labyrinth. The National Center for Education Statistics projects that about 9.5 million man-hours will be spent in the 1980-81 school year to fill out pieces of paper mailed out from the Federal education establishment. Every minute of that time, of course, is a minute that will not be spent on doing what the best educators want to do and what parents pay them to do. It is no accident that, according to a recent study by the National Association of Secondary-School Principals, one-third of a sample of "exceptional" principals were planning to leave their jobs.

I think the administration should be removing unnecessary burdens from public education, not extending them to private education. But as in this case as in so many others, Washington is moving to spread the misery instead of alleviating it.

Mr. Baldwin concludes that "on such a crucial issue Congress should hold full and complete hearings before any office such as this be established." I could not agree more.

Here is the full text of Mr. Baldwin's letter to me dated April 8, 1980:

CITIZENS FOR EDUCATIONAL FREEDOM,
Washington, D.C., April 8, 1980.

Hon. JOHN ASHBROOK,
Longworth House Office Building,
Washington, D.C.

DEAR CONGRESSMAN ASHBROOK: As you are aware, the new Department of Education is undertaking to set-up an Office of Assistant Secretary for Nonpublic Education. The Board of Citizens for Educational Freedom is concerned that this new office may become a tool to further restrict the parents choice of nongovernment schools through bureaucratic controls.

While the Congress debated the establishment of this new department, the House of Representatives rejected a move to establish an Assistant Secretary for Nonpublic Education with these same concerns in mind. It now seems that the President has seen fit to circumvent the concerns of Congress and establish this office through bureaucratic reorganization, and in such a way that the Assistant Secretary would not be subject to the advice and consent of the Senate.

Conceivably this new office which will oversee the thousands of religious and private schools could be headed by Madeline Murry O'Hare, or some one diametrically opposed to nongovernment education. Although, I certainly don't expect that type of appointee, whats to guarantee that this will not happen?

During an informative meeting of the transition team that is concerned with this new Assistant Secretary and at a private meeting with CEF's President and myself, Mr. Vopelak (transition team leader) indicated that there would be an Assistant Secretary (no discussion on that point). The office would have no programs to administer, that it would not be an advocate office for nonpublic education, and that the office would gather data on nonpublic schools and parents.

In view of recent action by other agencies within President Carters Administration such as, action against nongovernment schools by The National Labor Relations Board, Unemployment Compensation, Internal Revenue Service on two separate instances, and law suits filed by federal agencies purporting other "crimes" by nongovernment schools, this new office is viewed with fear and trepidation by parents. These actions coupled with Mr. Carters opposition to any form of relief for parents with children in nongovernment schools and particularly his opposition to tuition tax credits leads one to consider if the office is not just another subtle attack on nongovernment schools.

CEF believes that on such a crucial issue that Congress should hold full and complete hearings before any office such as this be established. I understand that there is legislation pending that would establish this office through the legislative process. This legislation should be given a hearing, and the President should await the determination by Congress as to whether or not there should be an Assistant Secretary of Nonpublic Education.

I trust that you will do what you can to bring light to this issue.

Sincerely,

ROBERT E. BALDWIN,
Executive Director.●

A SALUTE TO THE MOUNT PLEASANT CATHOLIC ELEMENTARY EDUCATION CENTER

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. STOKES. Mr. Speaker, in recent years, many of our schools, both private and public, throughout the country have been labeled as inefficient and boring in their approach to education. At this time, it is a pleasure to bring to the attention of my colleagues in the U.S. House of Representatives one educational center in Cleveland, Ohio, which is giving its students a quality education—the Mount Pleasant Catholic Elementary Education Center.

This week, April 21-28, 1980, the center is celebrating its 10th anniversary. On this occasion, it is appropriate to recant the center's contribution to the community as well as to the students it has served.

The center has demonstrated its commitment to quality education utilizing innovative approaches. Basing its educational philosophy on the Nguzo Saba system—the black value system—the school stresses educational excellence, community involvement, unity, and collective economics. Thus, the school not only molds quality students but also quality citizens. This is the highest compliment that can be paid to any school or school system.

At this time, Mr. Speaker, I enter the history of the school in the RECORD so that my colleagues can better appreciate this great learning center.

SCHOOL HISTORY

Even before the merger year of 1970, it had become apparent that individual parish schools could not continue to support themselves in an area rapidly changing from white, ethnic Catholic to black, non-Catholic.

In retrospect, it is difficult to capture or recreate the strength, courage and determination it took to bring forth this school.

Imagine, if you will, the disparate elements that were combined to make Mt. Pleasant Catholic:

Two nationality parishes cherishing their ethnic heritage.

Two territorial parishes with many black families facing financial difficulties.

Four religious communities working through the various stages of their own renewal.

Black and white parents struggling for the Catholic Education of their children.

Over the years, four parish involvement has dropped to three. The original four buildings have become one. The school population has gone from around eight hundred in 1970 to a current three hundred and two in 1979-80. A once ethnically-mixed school is now more than 99 percent black; and, the total Catholic population is around 20 percent. The fact that the school has been able to adapt and change with the demands of the time and the neighborhood, has assured its survival.

The tradition of Christian self-giving and dedication has remained constant. Through conflicts and disagreements were interwoven with past triumphs, they have not prevailed. The legacy of the past is one of a people filled with living hope, alive with an Impossible Dream of Community—a school community where everyone is truly someone. These gifts we bring with us to the present. Facing the future with this hope and gratitude, we thank God for all that has gone before and ask His continued blessing on the future.●

MUSHROOM WEEK IN DELAWARE

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. EVANS of Delaware. Mr. Speaker, the week of April 25 through May 1, 1980, is being declared "Mushroom Week in Delaware."

Mushroom production plays a significant role in Delaware's agricultural economy. With an annual dollar value of approximately $5 million, mushrooms are Delaware's fourth largest cash crop. We in Delaware are very proud of the significant contribution that this vital industry has made to our State's economy.

As a member of the House mushroom caucus, I am deeply concerned about the ongoing battle the domestic mushroom industry is waging against unfairly priced foreign mushroom products. These imports have virtually eliminated our domestic canning industry and resulted in thousands of lost jobs for American workers.

I am pleased that some progress has recently been made by the domestic mushroom industry against the flood of unfairly priced imports. Last year, I joined with other concerned Members of Congress in expressing our opposition to the free importation of fresh mushrooms. This proposal could have been the final fatal blow to the domestic mushroom industry resulting in the further displacement of thousands of mushroom workers throughout the United States. I was pleased to learn that Executive Order 12204 of March 27, 1980, amending the generalized system of preferences, does not authorize the duty-free importation of fresh mushrooms.

Another important action was recently taken when the American Mushroom Institute petitioned the U.S. International Trade Commission for investigation, public hearing, and tariff adjustment with respect to canned mushrooms. The domestic mushroom canning industry has been virtually destroyed by imports in recent years. During the past 5 marketing years, the import share of market has risen from 69 percent in 1974-75 to 93 percent in 1978-79. The domestic mushroom canning industry is seeking relief in the form of a tariff rate quota system which would provide our domestic canning industry with an opportunity to improve its competitive postion in the marketplace as well as strengthen its financial foundation in order to adjust to international competition. It is expected that the Commission will make its recommendation by the end of the summer.

Another encouraging action occurred on September 5, 1979, when the Economic Development Administration of the U.S. Department of Commerce approved a $250,000 grant to provide a portion of a $306,000 program of technical assistance designed to help the domestic mushroom industry restore its share of market through more effective marketing, improved productivity, and product diversification. The project will be coordinated by the American Mushroom Institute with assistance from the Pennsylvania State University.

I hope that my colleagues will join with me in recognizing the importance of the domestic mushroom industry. Its continued viability should be a matter of much concern to the Congress.●

EARTH DAY 1980

HON. PETER W. RODINO, JR.

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RODINO. Mr. Speaker, today we celebrate the 10th anniversary of Earth Day. I am heartened by the overwhelming response of citizens and communities throughout our country who have participated this past weekend in commemorative events and activities to reaffirm our commitment to improving and preserving the vital resources Earth has given us.

I had the privilege last Saturday of attending the Newark Earth Day celebration held in Branchbrook Park, which coincided most happily with blossoming of the park's cherry trees. For the event, a cherry blossom run was held, sponsored by the Newark Chamber of Commerce, the North Ward Cultural and Education Center, the Essex County Park Commission, and the New Jersey Department of Environmental Protection. It was a joyful event, and I was pleased to help present the awards to the winners.

Mr. Speaker, on that first Earth Day 10 years ago, millions of people throughout the Nation demonstrated their support for a movement to change our country's values. We undertook a commitment to improve the quality of life upon our Earth.

Until then, a careless and carefree America had gone its way taking for granted that we would always have an ample supply of clean air and water, arable cropland, healthy and flourishing forests, wilderness, fish and wildlife, parks, and coastal areas.

Our awakening to the harsh realities of smoke, pollution, chemical contamination, and devastated landscapes was long in coming and almost too late.

In the last decade we have made dramatic strides in cleaning up our environment and our workplaces and in preserving our natural heritage. We have enacted landmark legislation to assure clean air and water; to insure preservation of endangered species; to control the use of toxic substances; and to preserve millions of acres of cropland, wetlands, forests, wilderness, parks, and plains throughout all of our 50 States.

I can cite several examples close to home that show the remarkable results of Federal-State-local cooperation in improving our environment.

Last year the city of Newark received $97,095 from the Federal Government under the clean lakes urban initiative program to plan the cleanup of Weequahic Lake. Newark is one of 10 cities across the country to participate in this pilot program.

Newark and East Orange also have applications now pending for Federal funds to improve and expand parks and recreation facilities.

In 1970, millions and millions of pounds of harmful sewage were being dumped in the ocean off our coast. By the end of this year, thanks to a strong Federal law, this dumping will have ceased. Indeed, back then New Jersey's coastline might well have been listed as an endangered species. But the Wetlands Act passed by Congress in 1970, together with vigorous and enlightened State implementation and enforcement, has brought us proper development and environmentally sound protection of our precious coastal areas.

But I am convinced that our greatest challenge lies ahead. We are now confronted with an energy crisis that assaults our environment and our economy. We are at a crossroads where the energy choices we make now will determine our country's environment for ages ahead. The state of our economy, with its inflation and recession, gives detractors of the environmental movement the opportunity to press for setting aside pollution controls and resource protection standards until more favorable conditions prevail.

The antienvironmentalists speak as if environmental protection were an economic luxury rather than a responsibility to the health, safety, and happiness of ourselves and future generations.

We must resist with all our strength the pressures to weaken our commitment to our fragile environment. We must continue, steadily and firmly, the progress we have made. We must weigh the compatability of new technologies with our global ecosystem. For much still remains to make Earth secure for us and those who will follow.

Today we must rededicate ourselves to recognition of the fact that we have only one Earth and that we had better continue to take care of it.●

SOUTH END SOLAR GREENHOUSE: A COMMUNITY SELF-HELP EFFORT

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MOAKLEY. Mr. Speaker, this Nation is currently involved in a death struggle with our addiction to oil as an energy source. A leading alternative to petroleum-based fuels is solar energy, a clean, nonpolluting, and, most importantly, free fuel. The transition from fossil fuels to Sun power will be a difficult period for us, yet necessary in view of the world situation. Exemplary efforts to educate the people about solar energy, such as "Earth Day," will go far in easing the transition.

In keeping with the spirit of Earth Day, I would like to share with my colleagues an article from the Boston Globe, demonstrating the potential for solar power in urban use. Small-scale operations such as the one described in Boston's South End may one day serve as an important source of food for city dwellers. I believe this project and others like it will significantly aid the advancement of solar power and technology as our Nation strives for energy independence.

The article follows:

SOUTH END SOLAR GREENHOUSE: A COMMUNITY SELF-HELP EFFORT

(By Gayle Pollard)

A place to nurture a seed is rare along West Brookline street in the South End where, as in many of the city's neighborhoods, few stalks of anything green push through the bricks and asphalt.

This scarcity of greenness contrasts dramatically with the lush tropical landscape that many of the street's residents—or their parents—enjoyed year-round back home in Puerto Rico.

But vegetables and flowers will sprout year round across from the Villa Victoria townhouses, even through Boston's harsh winter. At least that's the hope of a group who recently finished building a solar greenhouse.

The plastic-covered geodesic dome resembles a jungle gym topped with a bubble. Ten and one-half feet tall at the highest point, the sides slope to the ground. Inside, warm humid air bathes the vegetables and flowers tucked into the 21-foot circle of soil.

"We want kids to run this project, to have a garden growing all year round," said Steve Gutherz, the project manager and principal adult involved.

He helped four youngsters to build the greenhouse with $1000 funding through the Northeast Solar Energy Center. The youngsters earned $500 collectively and materials cost about $500, Gutherz said. The project was sponsored by Inquilinos Boricuas en Accion (Puerto Rican Tenants in Action) and Community Consultants, a group of neighborhood professionals who conceived the idea.

The greenhouse represents more than an attempt to provide gardening space and extend the growing season. The project represents a push toward community self-sufficiency, Gutherz said.

"There's a need for people to become aware of where they get their food," he explained. "There's a need for people to find economical ways to get their food. Instead of going to the supermarket and paying for it, they can get it by working together."

"We see an important need in the city," he added, particularly in areas where gardening space is at a premium.

He wants the project to teach another lesson, to show that low-cost solar projects can be built by almost anyone.

"The whole idea of this project is to show a lot can be done for a little." he said. "And you don't need a technological education (to build it). The kids can do this."

He taught the youngsters about the sun, its path and powers before the building was begun two months ago.

Then the pipes were set in place. The young men climbed those pipes to measure sections to be covered with the thermal plastic. After completing the measurements, the plastic stretched on "just like a cap," explained John Rosa, 19.

Rocks were collected to form the thermal mass that the sun would heat. Barrels half-filled with water were set up with the rocks at one end of the growing space.

Finally they prepared the earth for their seeds and plants. Two weeks ago, the first plants—tomatoes—went into the soil.

"We felt good about the first plants," said Miguel Del Valle, 15. "That made up for a lot of frustrations. I like plants," he added. "My father is a gardener. He teaches me about it."

In addition to the tomatoes, the group planted other vegetables such as celery, lettuce, onions, and flowers, including a fuchsia, marigolds and dahlias.

They chose a combination of hot weather and cold weather plants. Gutherz said, just to see the results.

The cold weather test came one day last week when the temperature dipped to 36 degrees.

Despite the cold, Miguel's golden Easter lily survived at full bloom. So did Steve's pina (pineapple) plant. The chill did not harm the flowers tucked into the earth by John Rosa, or the marble-sized green tomatoes that his brother, Harry Rosa can't wait to eat.

"At 7:15 am., when it was about 36 degrees outside, it was 58 degrees in here," said Gutherz. He read the thermometer which hangs from the ceiling. "At 10:30 it was 56 degrees outside and 94 degrees in here."

The team finished the project last week. They worked with wooden beams to make a door. They cut a tent flap for a vent. They watered their rows of green.

The fate of the vegetables, once ripened, has not been decided, but neighbors of the greenhouse, were invited for a look recently. During the celebration, a group of Hispanic senior citizens sold meals of arroz y habichuelas, and pernil—a typical Puerto Rican meal of rice and beans with pork. Latin music accompanied the lunch.

Meanwhile John Rosa hopes to see more green-houses in his neighborhood. "Anyone can handle it. I hope they do."

His friend Miguel added: "It's nice to have in the South End. It's nice to do this for ourselves."●

YEARBOOK OF AGRICULTURE

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WAMPLER. Mr. Speaker, I wish to call to the attention of my colleagues in the House an article which appeared in the Wall Street Journal on April 8, 1980, which discusses the 1979 Yearbook of Agriculture.

I agree with Mr. Whitten's appraisal of the 1979 Yearbook of Agriculture. I think the times are too serious in the farm sector to be spending farmers' and taxpayers' money to provide cartoons and riddles to children from 9 to 12. Rather than asking questions in the farm yearbook such as "When do cows wear bells?" (Answer: "When their horns don't work.") I think a more sensible question should be addressed to President Carter and the Department of Agriculture as "When do we increase farm income for our troubled farmers and producers?" (My answer: "It better be soon because the farmers are in deep trouble.")

RURAL GROUPS FIND FARM AGENCY'S BOOK ON FOOD UNPALATABLE

THEY SAY A YEARBOOK AIMED AT KIDS IS TOO CITIFIED: A TALK WITH MR. SOYBEAN

(By Richard L. Hudson)

WASHINGTON.—Once upon a time, some wise men in King Carter's court decided to write a children's book.

The book would teach good girls and boys throughout the land all about food and how it is grown. But it would also be a fun book. So they filled it with cartoons and riddles, like, "When do cows wear bells?" (Answer: "When their horns don't work.")

The wise men, who worked in the Agriculture Department, were quite pleased when their book was done. But it started an awful fuss. Farmers complained. Food merchants grumbled. Lawmakers made speeches, calling the book a waste of money. "A serious mistake," declared Rep. Jamie Whitten, the congressional lord who helps watch the department's allowance.

The department's prince, Secretary Bob Bergland, defended the book. "We thought it would be interesting and a lot of fun to do something different for a change." he said at a hearing in Mr. Whitten's legislative chamber.

Bah! growled Mr. Whitten. "Mr. Secretary," he said, "times are too serious for us to spend farmers' money to give you a good time and let you have lots of fun." And he threatened to tie strings to Mr. Bergland's purse.

Grim though our story is, it is no fairy tale. In February, the Agriculture Department published, as its 1979 yearbook, a 142-page paperback called "What's to Eat? And Other Questions Kids Ask About Food." Designed for children nine to 12, the book aims to teach city kids where their supermarket food comes from. But it also is providing an education on a battle between two powerful groups of adults for influence over the nation's food policies.

"Bureaucratic Tomfoolery"

Consumer and urban groups generally give the book rave notices. Michael Jacobson, executive director of the Center for Science in the Public Interest, says it is a sign that the Agriculture Department "is finally moving into the 20th Century." A spokesman for the Children's Foundation, which has lobbied for child-nutrition programs, says the book "is so great that we're going to review it in our newsletter and recommend it."

But the rural and food-producing interests that once dominated the Agriculture Department don't cotton to the yearbook at all. Some think it is patronizing to farmers. Edward Anderson, master of the National Grange, says the book shows the department "is getting much too consumer-oriented." And the zippy, Sesame Street-style book is described by Arizona Sen. Barry Goldwater as "bureaucratic tomfoolery."

What may be heightening the irritation of some farm-state members of Congress is the loss of a prize perk of incumbency. Some legislators annually create a lot of good will among voters by giving away hundreds of Agriculture Department yearbooks. But this year, some legislators have dashed off letters to the folks back home panning the book and urging people not to order it.

Everyone agrees the 1979 yearbook is different. In past years, the department often put out technical tomes on farming with titles like "Soil" or "Insects." The new one is a brightly colored, sprightly written compendium of farm jokes, food games and educational articles on farming, shopping and nutrition.

Down "Digestion Road"

"What is the correct way to thaw frozen meat?" the book asks, offering as answers "A. Use your hair dryer. B. Sit on it. C. Put it in the refrigerator." A section on the history of food is entitled "Did Prehistoric Kids Really Eat Bugs?" It advises that, thousands of years ago, "insects were a favorite food."

To teach children where bread comes from, the book includes a colorful four-page spread on wheat farming and milling. Mr. Supermarket, a butterball grocer in leotards and a cape, shows how to shop wisely, while Barbara Video has an exclusive interview with Mr. Soybean. At one point the book tells its young readers to "fasten your seat belts" for an explanatory trip down "the digestion road."

"It's really a neat book for kids," concludes Mary Jane Anderson, a specialist on children's books for the American Library Association.

The idea for the book came to its editor, deputy Assistant Agriculture Secretary Edwin Goodpaster, early in 1978. He was sitting in his office pondering some of the ponderous yearbooks the agency has put out since 1894 as a required part of its annual report to Congress. He decided to liven things up, treating a basic agricultural subject (food) but addressing it to city kids "who don't know where their food comes from." Two years and $588,000 later, the department's governmental and public-affairs office completed its opus.

Some urban members of Congress are delighted with the results. They can't get enough of the books to give their constituents. About 294,000 yearbooks have been published for distribution free by legislators or for sale by the Government Printing Office at $4.50.

RURAL GROUPS FIND FARM AGENCY'S BOOK ON FOOD UNPALATABLE

But the pertinent statute says the department's yearbook should be "specially suited to interest and instruct the farmers of the country"—and a lot of agricultural groups say it isn't. The Sugar Association, for instance, doesn't like the way the book tells children that "sugar is sweet but not so neat." And one member of the American Agriculture Movement, the group that organized the tractor caravans to Washington of recent years, suggests darkly that the book is part of a "conspiracy" to "trod the farmer a little further down into the ground."

Unamused by the book's humor, Republican Rep. Virginia Smith of Nebraska huffs that farmers "can't laugh and joke all the way to the south forty and get the job done."

But leading the charge is Rep. Whitten, the Mississippi Democrat who for years has ruled agricultural budgets as chairman of the House Appropriations Committee and its agriculture subcommittee. The yearbook incensed him, and at a recent hearing on the department's 1981 budget requests, attended by Agriculture Secretary Bergland, Rep. Whitten proceeded to read aloud from the book:

" 'Do kids in other countries eat like me?' " he read. " 'Will cows give chocolate milk in the future?' I can see you had a whole lot of fun with this. Insects: Yum!' I'm having so much fun with this, let me read some more."

But the Secretary didn't buckle. To Rep. Whitten's scornful contention that the department had become "a consumer operation," Mr. Bergland replied that the book was directed at "the 95 percent of the people in this country who don't farm. . . . Producers and consumers need to understand each other." The yearbook, he argued, is a bridge between them.

Mr. Bergland is convinced that the story of "What's to Eat?" will have a happy ending. But meanwhile, the department is planning a 1980 edition of greater interest to farmers. "Cutting Energy Costs," it will be called.

Mr. Goodpaster, the editor of the "What's to Eat?" yearbook, sums up the urban-rural controversy over it with a sigh. The book, he says, "got caught in some forces larger than it."●

REV. HOMER K. RHINESMITH

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WOLFF. Mr. Speaker, it is my pleasure to call to the attention of this Congress and our Nation the accomplishments and achievements of Rev. Homer K. Rhinesmith, who is retiring after 39 years of love and leadership for the Westbury United Methodist Church. When he retires in June of 1980, Reverend Rhinesmith will have served one of the longest and most continuous ministries in the history of the Methodist denomination in America. He led his congregation through the turbulent years of the Second World War and has remained a source of inspiration and guidance until the present day.

Indeed, Mr. Speaker, in these times when our Nation seeks direction and leadership, the contributions of Reverend Rhinesmith and his wife, Winifred, are highly valued not only by the grateful people of his congregation but by the entire community. The example he has set for his fellow citizens should be emulated by every citizen in every profession in every community. Our Nation would certainly benefit from the contributions of more outstanding citizens such as Reverend Rhinesmith and his devoted wife.

I have spoken on the floor of the House of Representatives on many occasions on behalf of the interests and concerns of the village of Westbury and the other communities of my congressional district. It is indeed a particular pleasure for me to speak of the great contributions of one of our leading citizens in calling the attention of the Congress to the dedication of Rev. Homer K. Rhinesmith.●

HEARINGS ON EQUAL ACCESS TO JUSTICE ACT

HON. ROBERT W. KASTENMEIER

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. KASTENMEIER. Mr. Speaker, on March 21, I announced through a press release that the subcommittee which I chair would begin hearings on the Equal Access to Justice Act (S. 265) commencing on May 20. Since the press release had a limited distribution, I would like to formally announce these important hearings.

The Subcommittee on Courts, Civil Liberties, and the Administration of Justice of the House Committee on the Judiciary has had the opportunity to review legislation expanding the liability of losing parties for attorneys' fees during the 94th and 95th Congresses. The impetus for these hearings was the Supreme Court's decision in 1975 in the case of the *Alyeska Pipeline Service Co.* v. *Wilderness Society*, 421 U.S. 240 (1975). In that case, the powers of the Federal courts to award attorneys' fees were severely limited. Subsequent to that case, there was an increased need for clear statutory authority to award fees in appropriate cases. During the 94th Congress, we enacted into law a bill, Public Law 94-559, which provided for attorneys' fees in civil rights and IRS tax cases, the areas in which the need was considered most critical.

During the 96th Congress, concern has been expressed that the United States should be generally made more liable as a losing party in civil suits and administrative proceedings. S. 265, the Equal Access to Justice Act, which passed the Senate during this Congress, would expand the liability of the United States as a losing party. Parties eligible to recover fees would include individuals whose net worth is less than $1 million, and sole owners of incorporated businesses, partnerships, corporations, associations, or other organizations whose net worth is less than $5 million. An amendment was added on the Senate floor which would make agricultural cooperatives eligible for recovery of attorneys' fees regardless of size.

My subcommittee will commence hearings on S. 265 and related bills—H.R. 2846, 6336, 6423, and 6429—on May 20. Two or three days of hearings are anticipated. Interested persons or groups who would like to submit written testimony or who would like to be considered for oral presentations should contact the subcommittee at 225-3926.●

RAILROADS IN A CRISIS

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. HARKIN. Mr. Speaker, today I am introducing the Railroad Rehabilitation Bonding Act of 1980. This bill would allow States to offer tax-exempt industrial development bonds to purchase, repair, and upgrade needed rail lines.

Our Nation's rail service has been in serious decline for decades. Last year, two large railroads, long under bankruptcy, collapsed in rapid order. The Rock Island Railroad is being completely liquidated and the Milwaukee Railroad will be reduced, at best, to a small core. The effects on a large part of the country have been and continue to be severe. Farmers, industry, railroad employees, and the entire economy of a number of States have been severely affected. Along many lines, 100 miles at a stretch, tracks are embargoed with no trains in operation. Hundreds of small businesses face bankruptcy and many towns face economic stagnation.

Railroads are now being asked to decide what portions of the Rock Island and Milwaukee they would like to purchase. The railroad industry is critically short of capital. Comparatively healthy railroads are operating at well below a reasonable return. In 1979 railroads averaged only a 2.6-percent return on investment. Adding to the problem are the high rate of interest, the tight credit situation, and the beginning of a recession. This is perhaps the worst time to seek private capitalization of major railroad projects.

For decades, laws and regulations made abandonment of track and rate increases very difficult. Under the 1976 Railroad Revitalization and Regulatory Reform (4R) Act, procedures were streamlined. A rational procedure for abandonment of rail lines was created. The Rock Island and Milwaukee Railroads represent 43 percent of Iowa's remaining track. A large proportion of that trackage is threatened with abandonment not because it meets the criteria of the act nor because no railroad is willing to run it. Abandonment may occur because of a lack of money for purchase.

Beyond the immediate crisis with the Rock Island and the Milwaukee, many other lines are also in serious difficulty. A large number of major railroads are deferring maintenance. Tens of thousands of miles of track are under "slow orders" across the country. This damages the railroads' ability to provide fuel-efficient and competitively priced service. Clearly, this is a national problem.

In a decade, we will see a very different picture. I expect that the regulatory restraints will be considerably relaxed. The increased price of oil will benefit the railroads. They will gain because of increased traffic in coal and because their cost advantage over trucks will rise dramatically. We are likely to see healthy railroads. However, we must act now to avoid the loss of valuable portions of our present rail network which may occur in the next few years.

The Federal Railroad Administration has significant funds to provide loans. However, it is only a fraction of what is needed. At this point, more than half a dozen States are seriously looking at legislation to provide additional funding to assist in the purchase and rehabilitation of rail lines. They are acting because they understand that railroads are important to their economies. It is ironic that at the very time when we are talking about the need to conserve energy, we may be abandoning significant portions of our most energy efficient transportation system.

The legislation which I am introducing allows States to issue industrial revenue bonds which are tax exempt for the purpose of rehabilitation, or purchase, of rail lines. Under present law, tax exempt status has been granted for such bonds issued for a wide range of purposes, including airports, docks, commuting facilities, sports facilities, and certain family housing.

Specifically, it amends title 26, section 103(b) of the United States Code by adding to the list of tax exempt facilities those obligations issued to finance the purchase, repair, and construction of rail facilities, including rail beds, trackage, depots, and switching and signaling equipment. It would not provide a tax exemption for bonds used to purchase rolling stock. The bill is a companion bill to S. 2486, introduced by Senator JOHN CULVER of Iowa.

Clearly, the preservation of railroads is a crucial public need. States can develop local programs to assist in the effort to preserve and maintain our rail network. The State of Iowa has developed an excellent program which has resulted in the rehabilitation of over 800 miles of track over the last 6 years. This has been accomplished through an innovative procedure by which the railroad, the shippers, and the State each provide one-third of the cost. The railroad then repays the shippers on the basis of a flat rate for each car used. Once the shippers are paid back, the State's share is repayed in the same manner. Through this mechanism, with shippers investing their own funds, the State is assured that the shippers and the railroad both believe that the trackage is viable and will support the effort. This is a fine example of the kinds of programs which can be developed at the State level.

In conclusion, Mr. Speaker, I believe that this bill can play a major role in the preservation of important lines endangered by the demise of the Rock Island and Milwaukee systems in the rehabilitation of rail lines throughout the country.●

ISRAELI INDEPENDENCE DAY

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. WOLFF. Mr. Speaker, I rise in order to recognize Israel's 32d independence day, which was celebrated yesterday, April 21. Yom Ha'atzmaut is a joyous occasion for the Jewish people, in America as well as in Israel, because it reaffirms our belief in the necessity of a Jewish state.

What is remarkable is that the modern State of Israel is only 32 years old. In that short time, the Israelis have tranformed a desert wasteland into rich farmland which produces every variety of agricultural crop one could possibly imagine. Most of this food is exported to Europe, and in fact, Israel has become one of the leading nations in trade with Europe.

At the same time, Israel has developed a model government based on the British parliamentary system. This government stands today as the only real democracy in the Middle East, and one of the few remaining democracies in the entire world. Given Israel's age, this accomplishment is truly remarkable.

I believe that we in the United States must make certain that Israel can celebrate it's 33d anniversary next year, it's 50th anniversary in 1998, and it's centennial year in 2048. Israel can only hope to do so with our continued support. For otherwise she will undoubtedly perish at the hands of hostile neighbors. Our support must come in the form of a guarantee for Israel's security. It cannot come through pressuring Israel into relinquishing territory which is vital to her very existence. We must realize that a strong Israel is in America's best security interest.●

CBO AND THE BATTLE OF THE BUDGET

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DORNAN. Mr. Speaker, the Congressional Budget Office was conceived as a nonpartisan operation. Its chief service, though, has been to find scientific justifications for undisciplined spending and massive deficits. Where the budget process was to usher in reforms meant to control congressional expenditures it is apparent that those reforms were procedural only. The chaos of the pre-Budget Act days has been institutionalized while results remain the same.

One of the great hopes held by those who greeted this new process was that the Budget Committees could at last control Congress appetite for spending tax dollars. With fiscal liberals and conservatives pitted against one another assisted by a third party, nonpartisan CBO that would provide expert analysis on the impact of any proposal, the budget battle would be fierce but fair. The end result would be an amalgamation of differing economic viewpoints.

Unfortunately, the budget process' greatest achievement has been to present consensus in terms of ostensible controversy. Any real challenge to the big-spending mentality is apparently not even tolerated, much less explored. So long as the Budget Committees maintain the Keynesian philosophy that government seizure of capital and its subsequent redistribution will create demand which will then magically create supply from thin air, the CBO is more than happy to provide support. Let a "supply side" advocate urge that tax cuts be explored and he is "stonewalled."

The following article by Rowland Evans and Robert Novak presents a side of the CBO that none of us like to see, but one that demands further examination:

Backstage at the Budget Committee

Sen. Edmund S. Muskie stalked from his own Senate Budget Committee's April 3 session for good reason: his lavishly overpraised "budget process" had just been exposed as deeply partisan.

Muskie exploded when his hairshirt on the committee, Utah's freshman Republican Sen. Orrin Hatch, revealed an intimate aide's six-month-old memo to Muskie that exploded pretensions of neutral objectivity in the new congressional budget process. It laid bare backstage maneuvers between Muskie's Budget Committee staff and the supposedly nonpartisan Congressional Budget Office, intended to smother uncongenial ideas.

The most uncongenial idea around is that tax reduction can generate economic growth without inflation. The congressional budgetary machinery fiercely resists such anti-Keynesian heresy. Accordingly, Hatch last fall pressed for Budget Committee hearings to determine whether prestigious CBO Director Alice Rivlin was using outmoded economic forecasting models that obscured tax reduction's economic benefits.

Advice to Muskie came from a long-time trusted aide: John McAvoy, Budget Committee staff director. "Alice doesn't really want to have hearings," McAvoy told Muskie in an Oct. 4 memo, "and would like us to put Hatch off somehow. She says . . . that the critics of the models CBO uses for forecasting are an extreme right-wing claque who should not be given an audience, lest it legitimize their views and give Hatch a forum which ought to be denied him if we could."

A few days earlier, Hatch got the opposite impression from Rivlin, and wrote Muskie Sept. 27 saying that he thought she considered his proposed hearings "a valuable exercise." In fact, Rivlin wanted to stack any such hearings. "If we are to hold hearings," said McAvoy's memo, "Alice believes that they should involve noted economists telling the committee that Hatch's witnesses are wrong."

Such manipulation might shock admirers who call the budget a rare triumph of congressional reform in tempering Capitol Hill's spending excesses. In fact, the system has worked to depress military spending, preserve social welfare programs and stave off tax reduction; budgets, if balanced, would be balanced at a high level with no trimming of the welfare state.

This reality has been hidden in the Senate by the cozy arrangement between Muskie and the Budget Committee's senior Republican, Sen. Henry Bellmon of Oklahoma. But newcomer Hatch has been blowing the whistle in what McAvoy's memo called a "vindictive campaign against the process." By his critique of Muskie's budget operations published in Barron's magazine, said McAvoy, Hatch "puts himself beyond the pale."

During last year's Budget Committee consideration of defense spending, Hatch sniped at the committee staff's presentation—especially a chart seeming to show NATO considerably stronger than the Warsaw Pact. During the congressional recess, Hatch visited Europe to reconfirm the well-known deplorable condition of the Western alliance.

So, Hatch complained at the Budget Committee session April 2 when the committee staff's summary of the previous year's hearings included that ludicrous NATO-Warsaw Pact chart, immediately following printed testimony of eminently non-dovish defense expert Edward Luttwak. It was "as though Dr. Luttwak was supportive of the charts," complained Hatch, who called it all "totally misleading."

Ed Muskie erupted. "Paranoid, conspiratorial," he shouted at Hatch. It was a bad day for the chairman. His committee raised defense spending limits against his wishes, leading Muskie to declare that now "I don't have to look for added [domestic] cuts."

The last straw came the next day when Hatch revealed the McAvoy memo, which he said came to him in an unmarked envelope presumably from a "mole" on Muskie's staff. Although McAvoy last October told Muskie, "I do not see how we can deny Hatch the hearing without giving him another cause of complaint about the committee and a chance to allege that we are covering up CBO's deficiencies," Muskie is made of sterner stuff. He denied it.

But Orrin Hatch is one senator who does not flinch under Muskie's assault. Immediately after their April 3 shouting match, he wrote Muskie renewing his request for hearings on economic models and gave it a presidential-year backspin: "Frankly, the Kemp-Roth tax reduction proposals that Gov. Reagan has not made part of his campaign program need to be examined by the kind of task force I have requested."

The last redoubt of Keynesianism is not anxious to validate supply-side tax theories of a Republican presidential contender. But if the budget process truly were a standard of professional objectivity as advertised, Dr. Rivlin would be out front asking whether tax reduction truly could point toward controlling inflation without crippling the economy.●

SALISBURY (MD.) TIMES SAYS: "WE NEED A PRESIDENT WHO ISN'T AFRAID"

HON. ROBERT E. BAUMAN

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. BAUMAN. Mr. Speaker, there is a growing sense of urgency and frustration among Americans over President Carter's ineffective handling of the Iranian hostage situation. That frustration is shown by a recent Washington Post poll which found fully 55 percent of those polled to be in favor of some kind of military action.

The bewilderment and anger Americans are feeling over this continuing nightmare is well justified in light of the actions pursued by the President since November 4. By a series of mild reproofs and lack of action, Mr. Carter has, as the Salisbury, Md., Sunday Times points out, "brought America to the point where she has been backed into a corner." The far-reaching damage this implies will be felt for years to come, as Editor Mel Toadvine points out.

Preliminary signals of actual support from our allies are finally filtering into Washington. There is still question as to the coherency of the Carter administration's efforts, and the punitive measures the President mentioned earlier are woefully overdue. As the Sunday Times accurately notes: "The first step now is to show strong leadership and order a blockade and be ready to take whatever action is needed in the course of that blockade."

I include for entry in the Record that editorial from the Salisbury, Md., Sunday Times of April 13, entitled "The Iranian Crisis."

The Iranian Crisis

By now most Americans must be wondering what it will take before President Carter takes some form of action against Iran and obtain the freedom of the 53 hostages.

Since November, the President has hinted of punitive action against Iran from time to time. Economic sanctions have been ordered against Iran. The world's highest court some months ago ruled that the Iranian government was wrong in allowing its militant students to hold American hostages. Several countries through the United Nations agreed that Iran was guilty of wrongdoings.

The unstable government of the Ayatollah Khomeini has intimidated the U.S. government over and over again. It would appear that the President of the United States must take drastic action unless he intends to leave the hostages in Iran for an undetermined span of time.

When Carter ordered Iranian diplomats out of this country and new economic sanctions against the Iranian government last week, certain options were left open for more drastic action if the hostages were not released in what the president termed "promptly."

Now is the time for Carter to take that action that he continues to toy with in threats. A naval blockade of the country is in order. America must show that it will not tolerate any longer the unlawful acts of another nation. Enough restraint has been shown.

It's always easier to look back and say what we should have done. But in the case of a national leader, that should not have to be the case.

Carter's inability apparently to deal with the crisis in November has brought America to the point where she has been backed into a corner. How many corners will the people be backed into before action is taken?

Carter surely knows that responsible governments in the world cannot deal with terrorism. If he doesn't know it yet, perhaps he should study the actions of the Israelis and how they have dealt with terrorism . . . the most recent only a week ago.

How long would the Soviets have allowed any small nation like Iran to hold its diplomats as hostages? Not as long as the Americans have.

As the commander in chief of the United States, Carter should have taken military action immediately on November 4 to free the hostages.

What's left now for the U.S.? The militant students say they'll kill the hostages if America makes one move militarily. We shouldn't be intimidated. The first step now is to show strong leadership and order a blockade and be ready to take whatever action that is needed in the course of that blockade.

If it means military action and Iran leaves us no other choice, we need a President who isn't afraid to use it.●

THE MITCHELL HUMAN NEEDS BUDGET ALTERNATIVE

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MITCHELL of Maryland. Mr. Speaker, the Mitchell human needs budget alternative is a necessary alternative to the insensitive budget recommendations of both the President and the House Budget Committee. This viable, alternative budget resolution focuses on the long-term growth potential of the U.S. economy rather than the politically expedient arguments of deficit politics and balanced budgets as reflected on both the President's and House Budget Committee's recommendations.

When I accepted the challenge of serving on this committee, in its embryonic stages of development, I assumed the responsibility of interpreting the legislative intent of this committee by suggesting that we plan Federal spending in the out years. I made every effort to promote the untapped productive labor resources of our youth by stressing the need for comprehensive skill development initiatives and jobs for our unemployed, frustrated teenagers who are concentrated in the urban cities. Every year I sponsored amendments to insure that the poor and elderly, who survive on index-modified cost-of-living transfer payments, were protected against the perils of inflation. I was truly enthused by the spirit and intent of the act—which was to bring Federal spending under control—while observing the stated purpose of "establishing national priorities." I submit that the committee has been less than successful both in its responsibility to "control the budgetary process" and "in its charter to establish budget priorities."

In comparing a historically high $66.4 billion deficit and a concomitant 9.2 percent national unemployment rate in the fiscal year 1976 budget; with a budget surplus with an accompanying 7.5 percent unemployment rate predicted for fiscal year 1981, one might consider the committee's action a success. I assess the committee's action as one of political expediency with little to no regard for the longrun economic effects of such political actions. The budget resolution of this committee will serve only one function; it will be a signal to Wall Street profit takers to make 1 or perhaps 2 days of high margins because the market will use the psychology of deficits politics to stabilize the market for perhaps 2 days. That is the only discernible benefit of a balanced budget which supports the fact that more than 7 million Americans will be unemployed. I defy anyone to validate to me the correlation of a $20 billion budget deficit and 19 percent inflation. The budget deficit amounts to no more than a rounding error in a $2.5 trillion economy. The responsibility of this committee is to establish national priorities. Of primary consideration in establishing national priorities are: The longrun problems of unemployment, inflation, and lackluster, lagging productivity. These problems will not be addressed with a balanced budget.

If you quickly review this disgraceful budget you will notice that 75 percent of the budget is relatively uncontrollable. Of the remaining $154 billion, termed discretionary outlays, $92 billion is allocated to the sacrosanct military budget for military and civilian pay; operation and maintenance; research and development and procurement costs. This leaves $61.6 billion remaining that is seemingly the topic of the "balanced budget."

These are the human survival programs such as education, training, employment, health, housing, and programs targeted for the elderly, youth, and the handicapped. There are even proposals to reduce the checks of fixed-income recipients by changing the index formula. These are the programs that are victims of this Budget Committee's budget resolution. While the law preserves the integrity of the permanent appropriations and appropriation entitlements, the military industrial complex uses any and everything except integrity to lobby for increases in the military function. In spite of or perhaps because of international negotiations, the human survival programs make themselves vulnerable to the ill-fated balanced budget dogma.

Mr. Speaker, this budget resolution is a clear indication that there has been little planning to address the long-term structural problems of the economy. This committee has the statutory responsibility to provide oversight on revenues, tax expenditures, and spending. Effectively that means that the chairman and members of this committee have the responsibility of distributing and redistributing wealth. To do so without a short-term and long-term goal is to act without regard to principle or objectives. How does this budget address the problem of inflation caused by rampant oil price increases and excess profits? What does this insensitive budget do to correct the problems of low labor productivity caused by unskilled and untrained workers concentrated in our inner cities? Where is the planning in this budget which addresses the demographic fact that 42 percent of Hispanics, 39 percent of blacks, and only 7.6 percent of whites are less than 18 years of age, thus indicating that the youth or teenage unemployment problem of 1980 will soon translate into a minority teenage problem throughout this decade? How does this budget address the fact that 19-percent interest rates charged to small and particularly black-owned businesses will dictate the failure of 20 percent of these businesses within the next 2 years? These are all issues of national priority, long-term growth, and productivity that are not addressed in this budget submission nor in the current principles of the Democratic Party.

Mr. Speaker, the human needs budget alternative addresses the long-term economic goals that are omitted through political expediency of the congressional budget process as exemplified by the House concurrent budget resolution. Of particular significance is the fact that the human needs alternative addresses the needs of the cities by providing an additional $1.1 billion in funding above the Budget Committee recommendation. This increase can be used to meet the program needs of the community development block grants, the urban development action grants, general revenue sharing, and/or antirecession fiscal assistance, all of which were drastically reduced by the House Budget Committee. It is important to recognize that decreases in Federal assistance to fiscally strapped municipalities forces the municipalities to either increase the highly regressive sales tax, generate additional revenues through income or property taxes, or reduce the already marginal services provided. Because of high unemployment and inflation, as supported in the House Budget Committee's recommendation, additional taxes are not a viable alternative. Therefore, municipal services will be reduced further, thus rendering the inner-city urban areas as the House Budget Committee's target for long-term negative growth and physical decay. To assume that the Budget Committee recommendation has a focus of long-term planning is to assume that its intention is to target a no-growth economic policy to our major urban areas.

The Budget Committee recommendation in the education, training, employment, and social services function reflects a lack of knowledge of the demographic facts, runs counter to any long-term economic growth pattern and reflects an insensitivity to the needs of the unemployed. The Budget Committee recommendation assumes a delay in the implementation of the President's new youth initiative such that no funds will be outlayed in fiscal year 1981. This is but one of a series of assumptions that reflect an insensitivity to the problems of unemployment, particularly teenage unemployment. With the anticipated downturn of the economy, those few marginal teenage laborers who are currently employed will be dismissed from the employment roles. Those graduating from school this year, who will be actively seeking work, will be victimized by cyclical trough. And finally, there are those who have been actively seeking full-time employment for as long as 3 years who will continue in their job search. How, with the combination of events that spell economic disaster for the youth of this country, can we assume and by doing so sanction the Congress inability to act expeditiously? The human needs amendment assumes a responsible Congress, and thus assumes enactment of the legislation for fiscal year 1981.

Because of an inability of the budget to address the longrun problems of the economy, the committee endorsed a policy to randomly reduce the discretionary education and training programs by $4.2 billion in budget authority and $0.5 billion in outlay below the President's low budget request. The effect of this reduction shows no planning or ability to "establish national priorities." One of the major factors in escalating labor costs is the short supply of highly skilled labor. Documents point to the fact that the Federal student loan programs and federally assisted skill development programs are the major access vehicles for the structurally poor to obtain labor force skills in America. Longrun labor productivity and adequate labor supply rest solely with the access of the poor to the productivity generating programs that were discriminately reduced by the committee. The human needs amendment makes an effort to address this skill development gap by providing a $200 million allocation for a new youth education-employment initiative. In so doing we encourage an expeditious and responsible Congress with the goal of addressing one of the basic components of longrun inflation—labor cost increases caused by the inadequate supply of skilled labor.

The human needs amendment also attempts to negate a Budget Committee reduction of $4.2 billion in budget authority and $0.5 billion in outlays indiscriminately termed reductions in discretionary programs. The committee assumes reductions in the basic education opportunity grant program (BEOG); title I of the Elementary and Secondary Education Act program and the work incentive program (WIN). All of these federally assisted programs are targeted to the "economically disadvantaged" with the specific legislative intention of either providing basic remedial skills, as is the case with title I and WIN, or to assist those who heretofore have not had the opportunity to attend college with a student grant. The human needs amendment restores $1 billion in budget authority and $0.5 billion in outlays to meet this need.

In a period of economic instability derived from rampant inflation and the full implementation of the traditional reactionary economic vehicles used to combat inflation, the committee has assumed a reduction of 50,000 CETA title VI employment slots and the elimination of the title III welfare demonstrations. The long-term budget planning that went into that decision is beyond comprehension. How does a responsible committee project a downturn in the economy, double-digit inflation, 7½ million Americans unemployed and at the same time reduce one of the only temporary employment creating programs that was legislatively designed to address that same economic condition? That act merits reevaluation and in so doing the human needs amendment restores $2.2 billion in budget authority and $2.1 billion in outlays. This restoration is specifically set aside to create employment during economic downturn.

The education, training, employment, and social services function of the human needs alternative is $1.5 billion in budget authority and $1.1 billion in outlays above the President's reestimated budget submission and $3.2 billion in budget authority and $2.8 billion in outlays above the Budget Committee recommendation. The difference in the recommendations is the focus of the human needs amendment on long-term skill development and training for those who have historically served in the institution of poverty.

The income security function, as recommended by the Budget Committee, assumes a $500 million reduction in the enacted legislation for the child nutrition program. It also assumes a $1.1 billion legislative savings in welfare reform; a $400 million legislative savings in food stamps; a $600 million savings accumulated by changing the benefits of retired Federal workers; a $200 million savings assumed in the low-income energy assistance program, and a random, indiscriminate $100 million reduction in a category termed "remaining discretionary programs."

The human needs alternative provides an additional $5 billion in budget authority and $1.2 billion in outlays above the Budget Committee recommendation, to address some of the income problems caused by projected high rates of inflation and economic downturn. This increase should be used to restore the subsistence levels of the income security programs as food stamps and welfare. The increase should also be used to fund 50,000 additional subsidized housing units. This increase would bring the total number of units to 350,000, the lowest subsidized housing goal for the last 5 years. The funding increase should target an additional $100 million for public housing operating subsidies. One major and continuing problem of the low-rent public housing program has been the lack of resources for adequate maintenance and operation. Without this necessary increase, housing authorities will be faced with the choice of further curtailing maintenance and services or discriminating against the lowest income applicants in order to raise rental income.

The recommendation of the House Budget Committee reflects an insensitivity to the needs of people relative to the needs of the military industrial complex. The Mitchell human needs amendment makes an effort to channel resources to needs of people in direct response to the committee's projected economic downturn.

COMPARISON OF AGGREGATES, FISCAL YEARS 1980 AND 1981

[In billions of dollars]

Aggregates	Fiscal year 1980				
	Budget Committee recommendation	Mitchell human needs alternative budget recommendation	President's request Jan. 28, 1980	Mitchell human needs alternative budget recommendation	Budget Committee recommendation
Revenues	528.8	528.8	600.0	613.9	613.8
Budget authority	660.2	660.2	696.1	698.0	694.6
Outlays	571.5	571.5	615.8	613.9	611.8
Deficit/surplus	−42.7	−42.7	−15.8	....	+2.0
Debt subject to limit	896.7	896.7	934.2	926.8	926.8

COMPARISON OF PRESIDENT'S BUDGET RECOMMENDATION, BUDGET COMMITTEE RECOMMENDATION, AND MITCHELL HUMAN NEEDS BUDGET ALTERNATIVE, FISCAL YEAR 1981

[In billions of dollars]

Function	President Carter (Jan. 28, 1980)		Budget Committee recommendation		Mitchell human needs alternative	
	BA	0	BA	0	BA	0
050—National defense	161.8	146.2	160.8	147.9	155.8	144.8
150—International affairs	16.9	9.6	24.0	9.6	24.0	9.6
250—General science, space, and technology	6.9	6.4	6.7	6.3	6.7	6.3
270—Energy	7.4	8.1	7.5	7.1	7.3	6.9
300—Natural resources and environment	13.3	12.8	12.0	12.4	12.0	12.4
350—Agriculture	5.5	2.8	5.4	2.3	5.4	2.3
370—Commerce and Housing credit	5.9	.7	5.1	−.1	5.3	.1
400—Transportation	23.6	20.2	22.8	19.5	22.8	19.5

COMPARISON OF PRESIDENT'S BUDGET RECOMMENDATION, BUDGET COMMITTEE RECOMMENDATION, AND MITCHELL HUMAN NEEDS BUDGET ALTERNATIVE, FISCAL YEAR 1981—Continued

[In billions of dollars]

Function	President Carter (Jan. 28, 1980)		Budget Committee recommendation		Mitchell human needs alternative	
	BA	0	BA	0	BA	0
450—Community and regional development	9.8	8.8	9.0	9.4	9.2	9.6
500—Education, training, employment, and social services	34.8	32.0	33.3	30.7	35.0	32.6
500—Health	71.5	62.4	71.5	61.8	71.5	61.8
600—Income security	251.5	220.0	252.1	220.1	257.9	222.2
700—Veterans benefits and services	22.7	21.7	21.7	21.2	21.7	21.2
750—Administration of justice	4.7	4.7	4.2	4.6	4.7	4.7
800—General government	4.9	4.9	4.7	4.6	4.7	4.6
850—General purpose fiscal assistance	9.6	9.6	6.2	6.8	7.2	7.7
900—Interest	67.2	67.2	72.2	72.2	72.2	72.2
920—Allowances	3.1	2.6				
950—Undistributed offsetting receipts	−25.1	−25.1	−24.6	−24.6	−24.6	−24.6
Total	696.1	615.8	694.6	611.8	698.0	613.9

MITCHELL HUMAN NEEDS BUDGET RECOMMENDATIONS

	First Concurrent Resolution for Fiscal Year 1981	Mitchell human needs	Mitchell over/under house
Revenues	613.8	613.9	+0.1
Budget Authority	694.6	698.0	+3.4
Outlays	611.8	613.9	+2.1
Surplus	2.0		2.0
Debt subject to limit	926.8	926.8	
050—National defense:			
Budget authority	160.8	155.0	−5.8
Outlays	147.9	144.8	−3.1
150—International affairs:			
Budget authority	24.0	24.0	
Outlays	9.6	9.6	
250—General science, space, and technology:			
Budget authority	6.7	6.7	
Outlays	6.3	6.3	
270—Energy:			
Budget authority	7.5	7.3	−0.2
Outlays	7.1	6.9	−0.2
300—Natural resources and environment:			
Budget authority	12.0	12.0	
Outlays	12.4	12.4	
350—Agriculture:			
Budget authority	5.4	5.4	
Outlays	2.3	2.3	
370—Commerce and housing credit:			
Budget authority	5.1	5.3	+0.2
Outlays	−0.1	0.1	+0.2
400—Transportation:			
Budget authority	22.8	22.8	
Outlays	19.5	19.5	
450—Community and regional development:			
Budget authority	9.0	9.2	+0.2
Outlays	9.4	9.6	+0.2
500—Education, training, employment, and social services:			
Budget authority	33.3	35.0	+1.7
Outlays	30.7	32.6	+1.9
550—Health:			
Budget authority	71.5	71.5	
Outlays	61.8	61.8	
600—Income security:			
Budget authority	252.1	257.9	+5.8
Outlays	220.1	222.2	+2.1
700—Veterans benefits and services:			
Budget authority	21.7	21.7	
Outlays	21.2	21.2	
750—Administration of justice:			
Budget authority	4.2	4.7	+0.5
Outlays	4.6	4.7	+0.1
800—General government:			
Budget authority	4.7	4.7	
Outlays	4.6	4.6	
850—General purpose fiscal assistance:			
Budget authority	6.2	7.2	+1.0
Outlays	6.8	7.7	+0.9
900—Interest:			
Budget authority	72.2	72.2	
Outlays	72.2	72.2	
920—Allowances:			
Budget authority			
Outlays			
950—Undistributed offsetting receipts:			
Budget authority	−24.6	−24.6	
Outlays	−24.6	−24.6	

MITCHELL HUMAN NEEDS BALANCED BUDGET ALTERNATIVE IN COMPARISON TO H. CON. RES. 307

Function and action	Budget authority	Outlays
050—MX program	−1.0	−1.0
Reductions in procurement programs	−3.2	−1.2
Reductions in nonprocurement programs	−0.9	−0.4
Reductions in forces	−0.7	−0.5
Subtotal	−5.8	−3.1
270—Energy regulatory, supply and State planning activity	−0.2	−0.2
370—National Consumer Co-op Bank	+0.1	+0.1
SBA direct loan assistance	+0.1	+0.1
Subtotal	+0.2	+0.2
450—CD block grants	+0.1	+0.1
Discretionary development and assistance programs	+0.1	+0.1
Subtotal	+0.2	+0.2
500—Higher education	+0.2	+0.2
Youth education-employment initiative		+0.2
CETA	+1.0	+1.0
Discretionary programs	+0.5	+0.5
Subtotal	+1.7	+1.9
600—Welfare reform	+1.1	+1.1
Food stamps	+0.4	+0.4
Low-income energy assistance	+0.2	+0.2
Child nutrition	+0.1	+0.1
Unemployment benefits to former CETA workers	+0.2	+0.2
Discretionary programs	+0.1	+0.1
54,500 additional section 8 units (new and existing)	+3.7	
Subtotal	+5.8	+2.1
750—LEAA	+0.5	+0.1
850—Antirecession fiscal assistance initiative	+1.0	+0.9
Total	+3.4	+2.1

TAX EXPENDITURES FOR ADDITIONAL REVENUE

	Fiscal year—		
	1981	1982	1983
1. Exclusion of income earned abroad by U.S. citizens	600	645	695
2. Deferral of income of controlled foreign corporations	480	520	560
3. Expensing of research and development expenditures:			
Corporate	1,980	2,230	2,490
Individual	40	45	50
4a. Exclusion of interest on State and local government pollution control bonds:			
Corporate	245	270	295
Individual	265	290	320
b. Exclusion of interest on State and local industrial development bonds:			
Corporate	335	395	455
Individual	360	430	490
c. Exclusion of interest on State and local housing bonds:			
Corporate	975	1,320	1,715
Individual	200	270	350
d. Exclusion of interest on general purpose State and local debt:			
Corporate	3,900	4,335	4,815
Individual	2,625	2,915	3,240
5. Capital gains treatment of certain timber income:			
Corporate	400	440	485
Individual	115	125	140
6. Capital gains treatment of royalties on coal:			
Corporate	10	10	15
Individual	90	100	110
7. Capital gains treatment of iron ore:			
Corporate	10	10	10
Individual	10	10	10
8. Exemption of credit union income	115	125	140
9. Excess bad debt reserves of financial institutions	965	1,015	1,090

MITCHELL HUMAN NEEDS REVENUE RECOMMENDATION—FISCAL YEAR 1981 BUDGET

[In billions of dollars]

	President's January budget	Committee Recommendation	Mitchell human needs
Current law receipts	$579.0	$588.6	$588.6
Major tax proposals:			
1. Windfall profit tax	+13.7	+18.0	+18.0
2. Cash management initiatives	+4.5	+2.6	+2.6
3. Restrictions on tax exempt housing bonds	+.8	+.4	+.4
4. Railroad retirement taxes	+.3	+.3	+.3
5. Airport and airway trust fund	+.2	+.2	+.2
6. Oil and hazardous substances cleanup fee	+.2	+.1	+.1
7. Limits on foreign tax credit for oil and gas extraction	+.7		
8. Independent contractors withholding	+.6		
9. Receipts from increased IRS audits		+.3	+.3
10. Miscellaneous tax cuts for ways and means flexibility		−.1	
11. Import fees on oil imposed by the President		+10.3	+10.3
12. Productivity or anti-inflationary tax cut if the budget stays in balance		−10.3	(1)
13. Withholding on interest and dividends		+3.4	+3.4
14. Increase in waterway fees			
15. Social Security Rollback:			
(a) Loss due to rollback in tax rate to 12.26 percent			−9.2
(b) Increase due to earnings base ceiling increase to $35,400			+2.4

MITCHELL HUMAN NEEDS REVENUE RECOMMENDATION—FISCAL YEAR 1981 BUDGET—Continued

[In billions of dollars]

	President's January budget	Committee Recommendation	Mitchell human needs
16. Revenue raising proposal to rid inflationary nogrowth tax expenditures			+2.5
17. Targeted productivity tax cut of $8 billion effective Jan. 1, 1981			−6.0
Total recommendation	600.0	613.8	613.9

[1] Sec. 17.

CREDIT BUDGET PROPOSALS—FISCAL YEAR 1981

[In billions of dollars]

	President's budget, January	House Budget Committee	Mitchell human needs
Credit budget (new direct loans obligations):			
On-budget agencies	$35.4	$35.3	$35.5
Off-budget agencies	25.3	25.3	25.3
Total, new direct loan obligations	60.7	60.6	60.8
New loan guarantee commitments	81.4	79.6	81.4
Total, credit budget	142.1	140.2	142.2
Proposed appropriations limitations:			
New direct loan obligation	27.2	60.6	60.8
New loan guarantee commitments	32.5	79.6	81.4
Limitation on secondary guarantees of direct loans by another agency		79.9	79.9
Total, proposed limitations	59.7	218.1	222.1

CREDIT BUDGET

The Human Needs Credit Budget restores the following Budget Committee reductions:

One, reductions of $0.5 billion in 1981 in business development and medium-income housing loan guarantee commitments by the Farmers Home Administration.

Two, reductions of $0.8 billion in 1981 economic development loan guarantee commitments in the Economic Development Administration.

Three, reductions of $0.5 billion in 1981 small business guarantee commitments in the Small Business Administration.

Four, reductions of $0.1 billion in 1981 national consumer co-op bank.

Five, reduction of $0.1 billion in 1981 Small Business Administration direct loan assistance.●

FARMERS FEELING CRUNCH

HON. WILLIAM C. WAMPLER

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● **Mr. WAMPLER.** Mr. Speaker, I wish to call to the attention of my colleagues an article which appeared in the Wall Street Journal on April 7, 1980, discussing the credit crunch the farm sector is going through as they approach spring planting.

Mr. Speaker, the farm sector is in deep financial trouble. The article in the Wall Street Journal does not overstate the case from what farmers and farm groups are telling us:

CREDIT DROUGHT LEAVES FARMERS SHORT OF CASH FOR SPRING PLANTINGS

(By Meg Cox)

LENOX, IOWA.—On a chilly spring afternoon, 35-year-old David Schweers is selling out of farming. Gathered around the auctioneer and the neat lines of farm equipment are 150 neighbors who have come not so much to buy anything as to judge for themselves how bad things are.

Much of the machinery sells for less than Mr. Schweers had hoped. His biggest John Deere tractor can't find a buyer at all, even after he offers to finance it himself at 12% interest.

Mr. Schweers's neighbors have little incentive to buy here; there has been a sale of a farmer's machinery almost every day for several weeks in this area of southwestern Iowa, and often eight or nine on Saturdays. The reason for the auction-goers' stinginess is also a major cause of this deluge of sellouts: a severe farm credit crunch.

Some of those quitting farming were poor managers. And there are still plenty of land-rich farmers whose greatest pinch this year will be cutting back on buying new machinery. But other farmers are forced to sell out simply because they couldn't borrow enough of a limited supply of money to put in a crop this year.

And some, like Mr. Schweers, just figure they are "getting out while the getting's good." They could get money, but the interest cost has as much as doubled in a year, helping push the cost of producing many farm products above the selling price.

THIS IS THE WORST

Credit is tight for everyone, as the government tries desperately to rein in inflation. But unlike consumers who can postpone a new car or stereo, farmers must have money at this time of year to plant—an average of $50,000 or more for fuel, fertilizers and weed or insect killers. And most of them borrow it.

"I've got farmers and bankers from all over hollering at me about how they're out of money," says James Lee, an assistant administrator for the Farmers Home Administration in Washington, D.C. "This is the worst credit crunch we've ever had. It's worse in some states than others, but I don't know of any where it isn't critical."

It certainly has been critical at the Farmers Home Administration, or FmHA. This so-called lender of last resort, where farmers turned away by banks can normally get loans if there is any chance at all they will pull through, recently ran out of money. It had to wait weeks for the government to approve an extra $2 billion in emergency loan funds to last through fiscal 1981.

That money began trickling down to county offices last week. Farmers who couldn't wait, says an FmHA official near Lenox, "had farm sales." He adds that even some who were saved at the last moment "may just find the agony prolonged."

OLD CUSTOMERS ONLY

Visits to all sorts of agricultural lenders in this area show that the crunch is pervasive. Most rural banks won't take new farm customers, and others are restricting their service area. At Mr. Schweers's bank in Lenox, farmers who live more than about 10 miles away won't get a cent this year regardless of how credit-worthy they are.

Longtime farm customers at the Iowa State Savings Bank in nearby Creston find that money comes with some warnings this year: "Don't buy any new farm equipment or make any capital investments, even minor ones," says Joseph Knock, president of the bank. The bank is even asking farmers to use less fertilizer this year, because its price is up 30 percent from last year. Doing that will cut yields, but Mr. Knock says the bank's money is tight and cuts must be made.

Because of the squeeze at rural banks, more farmers than ever are pouring into Production Credit Associations and Federal Land Banks. The two are part of a system of farmer-owned cooperatives and provide short-term and long-term loans, respectively. In a four-state area including Iowa, the Federal Land Bank alone saw a 60 percent surge in new money lent between February 1980 and a year ago, partly because of farmers' efforts to spread their mounting short-term debt over longer periods.

NO MORE CUSHION FOR BANKS

Though credit costs vary, farmers are paying sharply higher rates in almost all cases. With a temporary removal of state usury ceilings by the federal government, farmers are paying 15 percent to 18 percent for operating loans at their local banks, up generally from 9 percent to 10 percent a year ago. The Production Credit Associations raise money in the bond market, so their rate is up too; in Creston, the rate is 14.65 percent, up from 10.5 percent a year ago.

The jump in rates at rural banks wouldn't have been so brutal if the banks hadn't been cushioned from increases for years, says Marvin Duncan, economist at the Federal Reserve Bank of Kansas City. The banks found two things happening, Mr. Duncan says: Farmers' credit demands have soared in recent years, while rural savers got savvy, putting their money elsewhere for higher rates. For the first time, rural banks had to look outside for funds and compete aggressively for them, he says, and they had to raise the rates on loans.

What's more, some sources of farm loans have dried up, including insurance companies. Prudential Insurance Co. of Chicago, for example, has $2 billion in agricultural loans outstanding, mostly mortgages. But it hasn't issued a new farm loan for more than a month, and a spokesman says it won't until the "wild interest markets" calm down.

Even with the leap in interest rates, the credit crunch wouldn't hurt farmers so much if they weren't already caught in a crunch of another sort, a cost-price squeeze. One farmer who sold out says, "Everything we have to buy went up and everything we sell went down."

Net farm income is expected to drop about 25% this year from the near-record $33 billion of 1979, the Department of Agriculture says, while farmers' net costs are expected to rise 20%.

Grain prices, hit in January by embargo on exports to Russia, have been falling because of surpluses and aren't expected to recover soon. Raymond Daniel, an economist with Chase Econometrics, predicts it will cost Midwest farmers an average of about $2.34 a bushel to produce corn this year, while the price keeps sliding from the $2.11 a bushel farmers in southwestern Iowa were getting the day Dave Schweers sold out. Mr. Daniel predicts that soybeans will cost farmers $5.75 a bushel to grow this year but will sell in the fall at far below the current $5.45 or so.

Hog growers are losing up to $15 a pig because of an oversupply of pork. And all that cheap pork has kept consumers shunning high-priced beef, so that many cattle feeders are in the red again. Market analysts say high interest rates are discouraging farmers from buying more young cattle to fatten.

With almost every variety of farmer up against hard times, it's no wonder rising interest rates and scarce money are the last straw for many.

Dave Schweers's situation illustrates that. "I haven't got enough money to cover last year's expense, and all my crop is sold," he explains. "The question I asked myself is: 'Do I borrow money for last year's expenses and more to put in this year's crops at 15 percent interest, when I'm looking at a loss on every bushel?' The answer I gave myself was 'No.'"

LIVING ON WIFE'S EARNINGS

Although he's a sensible well-educated man, a Certified Public Accountant, and he didn't overextend himself by buying lots of fancy new equipment and buildings as some young farmers have, Mr. Schweers says that he "just got tired of making ends meet." If his wife hadn't worked also, as a teacher, he wouldn't have lasted this long, he says.

The gently rolling farmland of southwestern Iowa is far from the state's richest, and Mr. Schweers surmises that "if I had 400 acres in northern Iowa that was paid for, I'd probably stick this out." As it is, there are other passions to pursue; he will manage an almost-completed alcohol fuel plant that 40 local farmers have banded together to build, and he is running for the state senate.

Among the throng of men sipping coffee and swapping horror stories at Dave Schweers's farm sale are lots of grim-faced farmers who don't have the choices he does. His own father, Art Schweers, aged 60 and the father of 11, is one of them.

"I've been farming since 1942," says his dad, "and I've never seen a year as bad as this one. The bankers thought I was broke three times over the years and I never believed them, but now they've got me scared. I've got $650,000 in net worth and I can't get any money so far to put in a crop. Trouble is, we got no cash flow, meaning we can't get more money for our products than what they cost us. I don't know what we'll do yet."

HOG DISEASE AND HAIL

Although he is the same age as Dave Schweers, 35, William Parrish isn't blessed with the same broad educational background or good prospects. Mr. Parrish was forced out of farming by inability to borrow—his auction was about 10 days before Dave Schweers's—and he hasn't the slightest idea how he will make a living now.

He had been farming 10 years and, in the last one, Mr. Parrish was growing corn and soybeans on 740 acres. In hindsight, he might not have bought the last 300 acres, he says, had he known the setbacks nature had in store for him. First his 300 sows developed disease problems, so he sold them. Then last year, hail ruined much of his soybean crop just weeks before harvest.

Because of the meager crop, he couldn't repay last year's emergency loan to the FmHA, Mr. Parrish explains. "So when I went back this year for money to plant, they said, 'No way.'"

Mr. Parrish plans to go to town now and look for a job. But "I was born and raised on a farm," he says, "and I don't know anything else."

It will be some time before the dust clears and an accounting can be made of how many farmers went down in the great credit squeeze of 1980. At least in this area, most farmers seem to be hanging onto their land and just selling the equipment, hoping they can rent the land to another farmer and farm it themselves again some day.

LAND FEVER COOLS

There's no way of telling how much land is changing hands, but it's clear the surging demand and price jumps of recent years have eased, and some farmers report land going for considerably less than its appraised value. The pattern of bigger farmers swallowing up the land of smaller ones apparently is continuing.

Agriculture analysts are quick to say that the future of farming remains bright. "The retrenchment in farm income this year isn't part of a trend," says Mr. Duncan at the Fed bank in Kansas City. "The longer-term outlook for farm prices is quite favorable."

But that's little solace to those caught in the current squeeze, some of whom are not only financially but also psychologically at the end of their rope. Kenneth Wernimont, a psychotherapist at a private clinic in Waterloo, Iowa, says he is seeing case after case this spring of "severe depression" among farmers, several of whom have been hospitalized.

His patients, Mr. Wernimont explains, "say they simply can't borrow enough money and at a rate that gives them a chance to make a profit. Even farmers with many years in the business don't know what's to become of them."●

A TRIBUTE TO THE PRINCIPLES OF ALLARD LOWENSTEIN

HON. LOUIS STOKES

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. STOKES. Mr. Speaker, This week, the U.S. House of Representatives is scheduled to consider two critical issues which will affect the lives of many people—the reinstitution of the draft and drastic cuts in social programs in the proposed fiscal year 1981 Federal budget. As I was reviewing the information about these measures the other day and weighing the potentially devastating impact, a man who championed these causes in Congress came to mind—the late Allard K. Lowenstein.

Many of my colleagues in the House remember Al as a maverick. I remember him as a man of great compassion and one genuinely concerned about civil and human rights and the preservation of peace throughout the world.

Both of us entered the U.S. House of Representatives the same year. I always found in him a friend and an ally on issues which affected the poor, the disadvantaged, the young, and the country's increasing attraction to military activity.

Somehow, I know that if he were in Congress today, he would fight the drastic cuts to the budget. He would fight to keep the selective service from reinstituting the draft. He would fight for better gun control laws in this country. It is a shame that Al is not with us to deliver one of those invigorating speeches he is so known for.

Many of my colleagues eulogized him in the CONGRESSIONAL RECORD at the time of his death. Probably the greatest tribute to him would be to take into account his convictions and weigh them carefully in the coming days as we vote on these issues. This is my personal tribute to Allard Lowenstein—one of the greatest men of our times.

At this time, Mr. Speaker, I will enter an article in the RECORD written by David Broder about the convictions and philosophies of Allard K. Lowenstein:

VINTAGE LOWENSTEIN

(By David S. Broder)

"He may have been unique as a Democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates."

In what proved to be his last battle, as in so many of his earlier fights, Allard K. Lowenstein came up with a line that was so right, so funny and so barbed that you just savored it.

Representing Sen. Edward Kennedy in a surrogates' debate in Bangor, Maine, just before the February caucuses, he was talking about the folly in the war fever the Carter administration was whipping up about the Persian Gulf, about the ridiculous spectacle of national security adviser Zbigniew Brzezinski rushing over to the Pakistan-Afghan border and waiving an automatic rifle melodramatically toward the Soviet invaders.

"I expected any minute," Lowenstein jibed, "to hear him shout, 'Ich bin ein Khyber Passer.'"

I complimented him on the line when I saw him a few days later at a similar debate in New Hampshire and, looking a bit pleased with it himself, he introduced his young son, who was out campaigning with him that evening.

I saw him again, for the last time, on television in Florida, talking to the Jews in Miami, telling them they should reject Carter, not on the narrow grounds of the snafu on the U.N. resolution, but because his social and economic policies contradicted the values for which they had stood for years.

That, too, was vintage Lowenstein, motivating people to act, but insisting that they base their action on the broadest context of principle and, yes, morality—not on narrow self-interest.

That is how I first remember him, more than 30 years ago, the strange, intense youth from the University of North Carolina who came to the University of Chicago to drum up interest in a National Student Association, whose purpose, he insisted, would not be merely the protection of student rights, but the struggle for racial and economic justice in the nation and the world.

Ours was a campus full of activists, but none of us had seen quite the demonic intensity, the 24-hour-a-day purposefulness of this visitor. The girl I then dated and later married succumbed, and went off with Lowenstein to a convention in Ann Arbor, convinced she was about to save the world.

Up in Maine, six weeks ago, I met another young woman who, quite starry-eyed, disclosed that she had spent the previous weekend driving Lowenstein on his ceaseless round of meetings. I thought—but did not say—"He's bewitched you, just as surely as he bewitched a woman old enough to be your mother."

That quality in Lowenstein was a bit vexatious to those of us contemporaries who lacked his capacity for perpetual rejuvenation. To a greater extent than any public man I have ever known, Lowenstein was constantly and inseparably linked to the young people of this society, drawing his energy from them and giving them back inspiration and direction. From his NSA days, to the civil rights and anti-war movements, to the dump-Johnson campaign, and until the moment of his death, it is beyond dispute that he brought more young people into American politics than any other individual of our times.

His opinions and attitudes were often as outrageous as his habit of scheduling a midnight appointment—then arriving four hours late and pounding indignantly on your door if you had fallen asleep.

His enthusiasms often led him to wildly inconsistent positions. As his devoted friend, Sam Brown, pointed out in a New Hampshire debate, Lowenstein may have been unique as a Democrat who had campaigned with passionate conviction, but at different times, for all three of this year's Democratic candidates—Jimmy Carter, Jerry Brown and Ted Kennedy.

But he was more eclectic than that. Encountering George Bush in New Hampshire, he told his former House colleague that he was "anxious to get together" with him. Lowenstein would try to convert anyone to his cause.

Strange as it is to say of a man with such a legion of devoted friends, individuals were less important to him than causes. That may explain why his friendships ranged so broadly. Don Rumsfeld, the hawkish former secretary of defense, was a House gym wrestling buddy of Lowenstein's and a friend. Conservative Bill Buckley was another friend, and wrote a courageous column defending Lowenstein against the Red smears that were invariably used against him in his many losing House campaigns.

They responded, as did almost anyone who ever met Lowenstein, to the irresistible appeal of a man who shared with everyone his own intense enjoyment of the political arena and his unquenchable faith that in this nation, politics might bring defeat, but never despair.

The passion for the good cause, well-fought, that Al Lowenstein brought to every battle, will live on, despite the bullets that stopped his strong heart.

It is his legacy to the uncounted thousands he enticed, cajoled, badgered and bulldozed into the political life of America. As long as they fight for their causes, his spirit will live on.●

SCIENCE AND ENGINEERING TRAINING

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. FUQUA. Mr. Speaker, the Committee on Science and Technology has recently received testimony from expert witnesses on present and future technical manpower needs. For example, during hearings before the Subcommittee on Energy Research and Production on the fiscal year 1981 Department of Energy authorization, Dr. Edward Frieman, Director of the DOE Office of Energy Research, pointed out that—

The potential supply of engineers has been discussed in two recent studies. The Bureau of Labor Statistics projects an 8-percent shortage of doctoral engineers in the mid-1980's. The recently published study on the "Supply and Demand of Scientists and Engineers in Energy-Related Areas," which was made by the National Association of State Universities and Land Grant Colleges, concluded that the supply of advanced level engineers likely to be produced by universities will fall short of the need in the 1980's. This is expected to cause problems in energy-related fields.

Testifying before the same subcommittee, Dr. Robert B. Gaither, chairman of the Department of Mechanical Engineering at the University of Florida, stated that—

There is a severe shortage of engineers right now. It is the most severe in the two areas of mechanical and chemical engineering that is evidencing itself in the form of very high starting salaries for people just getting out of school.

The critical technical manpower situation and the adequacy of science and engineering education are now receiving attention at the highest levels of the administration. The latest efforts in this area are described in a news and comment article which appeared in the April 4, 1980, issue of Science magazine. I am pleased to submit the article, written by Science staff writer, Luther J. Carter, for the Record.

The article follows:

Is Science and Engineering Training Adequate?

The National Science Foundation and the Department of Education are now engaged, at President Carter's direction, in a high-priority effort to assess the health of science and engineering education.

The study has been ordered partly because American industry is faced with a shortage of engineers, especially engineers trained in computer-augmented design and manufacturing techniques. Also, with most new engineering graduates finding attractive jobs in industry upon receiving their bachelor's degree, the engineering schools are discovering that to recruit enough graduate students and junior faculty they must look increasingly to foreign-born nationals.

President Carter gave Secretary of Education Shirley M. Hufstedler and NSF director Richard C. Atkinson their marching orders in a memorandum, dated 8 February, that said: "I am increasingly concerned whether our science and engineering education is adequate, both in quality and in numbers of graduates, for our long-term needs. Accordingly, I would like you to carry out a review of our science and engineering education policies at the secondary and university levels to ensure that we are taking measures which will preserve our national strength. Please submit a report to me, with your recommendations, by July 1, 1980."

Carter's directive to Hufstedler and Atkinson was sent on the advice of Frank Press, the White House science adviser, who in a memo to the President in early February had suggested that the study of science and engineering education be undertaken. Press, in turn, had acted partly on information received over a period of several months from engineering school deans and people in industry. He figured that, if the nation was already faced with a shortage of engineers, the additional demands generated by major new federal spending for syn-fuels R&D and defense research and engineering might make that shortage still worse. Also, in his memo to the President, Press is understood to have cited a report by two U.S. Census Bureau analysts, Louvan E. Nolting and Murray Feshback (Science, 1 February) that the number of scientists and engineers taking part in R&D in the Soviet Union may substantially exceed the number so engaged in the United States.

Press says he is not at this point asserting that there is a major problem in science and engineering education. Except for a few fields such as computer science and toxicology, there is no shortage of scientists today and many new Ph.D.'s in the sciences have been hard put to find jobs in the fields in which they have been trained. But Press says more information is needed as to whether a shortage of physical scientists may develop in the years ahead. (As one NSF staffer points out, the number of students receiving bachelor of science degrees in physics in 1978 was down by more than a third from the number who received such degrees in the peak year, 1970.)

At NSF, a task force headed by the agency's deputy director, George C. Pimentel, and two assistant directors, is in charge of the education study. A parallel effort is in progress at the Department of Education under the direction of Michael O'Keefe, deputy assistant secretary for planning. The major R&D funding agencies such as the departments of energy and defense and the National Institutes of Health are also being drawn into the study, as are private organizations such as the National Academy of Engineering, the AAAS, the American Chemical Society, and various education groups.

The present shortage of engineers in industry may have resulted from widespread reports in the early 1970's of massive layoffs in the aerospace industry and of some engineers being reduced to pumping gas or driving taxis. Misled into thinking that engineering in general faced hard times and bleak prospects, many students entering college in those years made their career choices accordingly. More recently, engineering enrollment has grown dramatically, but the supply of graduates still lags behind demand.

But catching up with the demand for bachelor's degree graduates is not the only problem facing engineering education. Engineering schools are having trouble recruiting enough American-born graduate students and junior faculty and in giving up-to-date training. The situation at Ohio State University (OSU) may be fairly typical.

Today the OSU engineering school has more than 1,000 students in the senior class, or more than twice as many as it had 5 years ago. But, whereas 20 percent or more of the graduating seniors continued into graduate training in the 1960's, less than 10 percent are doing so now. Instead, most go into industry where starting salaries are often running as much as $20,000 a year and the work may seem more interesting professionally than what a university might offer.

According to Donald Glower, OSU's dean of engineering and a member of the delegation of deans from the American Society of Engineering Education that called on Frank Press last year, OSU is having to look increasingly to foreigners for candidates for its Ph. D. programs in engineering and for the numerous new teaching jobs created by the boom in undergraduate enrollment. "You can get as many foreign nationals as you want [for the graduate programs]," Glower said.

These students—and Glower says they are "very, very good"—come mainly from Taiwan, India, the Arab nations, western Europe, and Japan; they usually have already earned the equivalent of a bachelor's degree in their home countries.

After receiving their Ph. D., many want to remain in this country, but find it easier to get a faculty position than a job in industry, where visa restrictions and restrictions having to do with access to classified and proprietary information may pose a problem. Glower says that, already, 15 percent of the OSU engineering faculty of about 300 is foreign-born and that the proportion of foreigners is rapidly increasing.

By next September, OSU must fill 40 vacancies in the engineering school, and, according to Glower, if the job candidates were screened strictly on the basis of their academic qualifications, 90 percent of those chosen would be foreigners. Glower feels that it is undesirable for foreign nationals, brought up under alien political and economic systems, to make up a large part of an American engineering school faculty.

According to Glower, OSU, like most other schools, has not had the money to equip its laboratories in keeping with the revolution in engineering brought on by the rapid introduction of modern computer technology, as in interactive graphics, robotics, and microprocessors. "Our graduates are going out into industry not knowing the technology of today," he said, "They have been trained in the technology of yesterday."

In Glower's view, this is particularly unfortunate when these graduates join companies which have themselves fallen behind in the engineering revolution. Many small- to medium-sized companies are known to be in this laggard state.

Along with many of his colleagues among the engineering school deans, Glower would like to see NSF—or, better yet, a new "national engineering foundation"—provide $20-to-30 million a year in matching funds to the engineering schools for 5 years—funds earmarked for bringing their laboratory equipment up to date. He believes that major companies such as General Motors and IBM would willingly match the NSF money.

At NSF and the Department of Education nobody is ready to speculate yet as to what the federal government should do to bolster science and engineering education. Currently, NSF is asking Congress to authorize $85.7 million for its science and engineering education programs in fiscal 1981, or $7.5 million more than was authorized for 1980. Department of Education programs directly related to science and engineering education are much smaller, because most programs in this field were retained by NSF when the new department was created.

Science and engineering education is, of course, very much affected by inflation and some of the other problems that afflict the rest of education. The leveling off and decline in college and university enrollments in many science courses during the 1970's after the earlier expansion (partly associated with the postwar baby boom) has made for an uninviting job market in some fields. If enough promising students are discouraged from pursuing careers in science, there will be shortages later on.

At the secondary-school level, NSF-sponsored surveys indicate that science is still not regarded as a part of the general education program for most students. Also, because of weaknesses in counseling at the junior and senior high levels, some able students are entering college without the mathematics and other prerequisites necessary for them to complete a major in science or engineering in 4 years.

Just what NSF and other federal agencies can do about all this in an era of tightening budgets and rampant inflation is anything but clear. Nonetheless, by calling for the science and engineering education study to be done, and done posthaste, President Carter is creating expectations which, in this political season, he presumably will take steps to try to satisfy.●

DEAUTHORIZATION OF THE OAHE IRRIGATION PROJECT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. ABDNOR. Mr. Speaker, the 190,000-acre Oahe unit, initial stage, was authorized by Congress in 1944 and reauthorized in 1968 as partial compensation to the citizens of South Dakota for sacrificing in excess of 500,000 acres for four massive reservoirs on the Missouri River in our State. These reservoirs provide flood control, navigation, and hydropower benefits to downstream and neighboring States.

During the lengthy delay in action by the Federal Government to make good on its commitment, important changes have occurred in the economics of agriculture and in our Nation's environmental values. Of course, too, many of the original supporters of the project are no longer around or are nearing retirement and, thus, do not wish to take on the additional burdens of debt and other responsibilities associated with irrigation.

In any event, the broad and overwhelming support which once existed for development of the Oahe unit has eroded over time; but the Federal Government's commitment to the people of South Dakota remains.

In view of that fact, this year's session of the South Dakota Legislature passed senate concurrent resolution No. 8, urging the Federal Government to reaffirm its commitment. The resolution is reprinted in the April 15, 1980, CONGRESSIONAL RECORD, along with my statement to the Energy and Water Development Subcommittee, beginning on page 7924.

It is the position of the legislature that deauthorization of the Oahe unit, initial stage, would be acceptable if sufficient assurance of alternate economic and water development assistance is provided. I believe that is the position of most South Dakotans as well, and I have had legislation drafted to accomplish that purpose.

The following is a section-by-section analysis of the draft bill:

Section 1 authorizes grants to the State of South Dakota for the planning of projects or programs to offset the economic losses suffered as a result of the Missouri River reservoirs. The State would be given wide latitude as to what projects and programs to propose.

Section 2 authorizes grants to the State to implement plans and programs developed under section 1. The Secretary of the Interior would review the State's proposals and determine whether they are feasible.

Section 3 requires the State to provide for a detailed accounting of the plans and uses of funds provided by the Secretary.

Section 4 limits grants for implementation of the State's plans and programs to no more than 95 percent of the cost if the State does not require repayment by local sponsors and not more than 90 percent if the State does require repayment. This is consistent with the President's proposals for the local cost-sharing requirements of Federal water development assistance. The Secretary could provide 100 percent of the cost, though, if the State or local sponsor would agree to repay 10 percent of the cost; and the State could set a higher level of repayment. Any revenue collected in excess of 10 percent of the cost would go to the State.

Section 5 directs the Western Area Power Administration to make available 170,200 kilowatts of power and to sell 310,800,000 kilowatts of energy at the direction of the State. This is the amount of power and energy which would have been allocated to irrigation in South Dakota under the Flood Control Act of 1944. WAPA would make this hydropower available at the cost of production and transmission, but the State could set a higher price. Any additional revenue would accrue to the State.

Section 6 deauthorizes the Oahe unit, initial stage, and provides that the facilities which have been acquired or constructed thus far shall be disposed of by the Secretary according to a plan developed by the State and approved by him.

Section 7 provides that the amount of funding to be provided to the State by the Secretary shall be equal to the amount required to complete the Oahe unit, initial stage. This figure would be indexed for inflation, so there would be no particular incentive for the State to hurry developments unnecessarily or for the Secretary to delay in the hope inflation would reduce the real dollar value of the authorization.

In short, this measure would simply provide a dollar-for-dollar trade for the Oahe unit, initial stage, and would have the State or other local entities it designates, rather than the Water and Power Resources Service, act as the planning agencies for projects and programs to be developed under this legislation.

Appropriations still would be required through the regular procedures employed by the administration and the Congress, and there would be no guarantees that any particular project or program would be approved by the Secretary or funded by Congress. An authorization would be provided for whatever projects or programs the State could successfully advance through these procedures, however, and that is no more nor no less than the Oahe authorization is at the present time.

This legislative draft represents an attempt on my part to break the stalemate which has developed over the Oahe authorization and to convert it into something which is useful to South Dakotan's in attempting to deal with their critical economic and water development needs. It is also an effort to prod the Federal Government into taking reasonable and responsible steps toward fulfilling its longstanding commitment to the people of my State. There are those who are afraid of how the State might use the assistance provided under this legislation; but there will be ample safeguards built into the State planning process, along with the need for the Secretary's approval and the requirement for congressional appropriations, to insure that the public interest is served.

The key point is that in giving up the Oahe authorization we will not be risking the likelihood of getting nothing of substance in return. We would be getting an alternate commitment in law for the Secretary of the Interior to provide an equal amount of assistance to that which was supposed to have been provided for the Oahe unit, initial stage. I do not believe that is too much to ask, and I sincerely hope this legislation will receive broad support so that progress can be achieved on this vital and urgent issue.

The text of the bill follows:

H.R —

A bill to authorize the Secretary of the Interior to provide to the State of South Dakota funds for the development and implementation of plans for the mitigation of economic losses to the State which have occurred as a result of the taking of land within South Dakota for the Missouri River Basin project, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

PLANNING GRANTS

SECTION 1. (a) The Secretary of the Interior (hereinafter referred to as the "Secretary") is authorized to make grants to the State of South Dakota (hereinafter referred to as the "State") to develop plans for the mitigation of economic losses incurred within the State as a result of the taking of land by the United States for the Missouri River Basin project initially authorized by section 9 of the Act of December 22, 1944 (58 Stat. 891).

(b) The grants shall cover the cost to the State of the development of economic development plans for the State or any sector thereof.

(c) The plans should, among other things, provide for the establishment or improvement of commercial, industrial, or agricultural facilities that increase, expand, or protect the economic base of the State and job opportunities in the State, including energy utilization and availability, transportation, community services, community facilities, water supplies, sewage and solid waste management systems, irrigation, flood and erosion control, soil and water conservation, and recreation.

PROJECT GRANTS

SEC. 2. The Secretary is authorized to make grants to the State to carry out the economic development plans referred to in section 1. A grant may be approved by the Secretary to carry out the plan only after the Secretary reviews the plan and determines that it is economically feasible under the terms of this Act.

APPLICATIONS

SEC. 3. A grant authorized by section 1 or 2 may be made only upon application by the Governor to the Secretary at such time or times and containing such information as the Secretary may prescribe. No such application shall be approved unless it—

(1) in the case of a grant to carry out a plan, sets forth, in detail, the economic development plan;

(2) provides such fiscal control and accounting procedures as may be necessary to assure proper disbursement of, and accounting for, Federal funds paid to the State pursuant to the grant; and

(3) provides for making such reports, in such form and containing such information, as the Secretary may require, and for keeping such records and for affording such access thereto as the Secretary may find necessary to assure the correctness and verification of such reports.

MAXIMUM DEVELOPMENT GRANTS

SEC. 4. (a) Federal grants under section 2 shall not exceed 95 per centum of the cost to carry out an economic development plan developed by the State under section 1 and shall not exceed 90 per centum of the cost of any economic development plan for which the State requires repayment under subsection (b), except that the Secretary may make available to the State and local sponsoring agencies 100 per centum of the cost to carry out any economic development plan for which the State or local sponsoring agencies agree to repay 10 per centum of the cost.

(b) The Secretary may, if requested to do so by the State, enter into contracts, with the State and local sponsoring agencies designated by the State, for repayment of that portion, as determined by the State, of the total cost of carrying out the plan which is not covered by the grant made by the Secretary. The terms of repayment shall be determined by the State and approved by the Secretary, except that the State may require repayment by local sponsoring agencies of an amount in addition to that required to recover 10 per centum of the cost and such additional amount shall accrue to the State.

AVAILABILITY OF HYDROPOWER

SEC. 5. Notwithstanding any other provision of law, as soon as practicable and during each calendar year thereafter, the Western Area Power Administration shall make available according to the direction of the State not less than 170,200 kilowatts of electric power and shall sell according to the direction of the State not less than 310,800,000 kilowatt hours of electric power at a price not to exceed the cost of production and transmission of such energy, except that the State may establish a higher price, and any revenues collected in excess of the cost to the Western Area Power Administration shall accrue to the State.

DEAUTHORIZATION OF CONSTRUCTION OF THE INITIAL STAGE OAHE UNIT, JAMES DIVISION, MISSOURI RIVER BASIN PROJECT

SEC. 6. (a) The construction, operation, and maintenance by the Secretary of the initial stage Oahe Unit, James Division, Missouri River Basin project, South Dakota, authorized by the Acts of August 3, 1968 (82 Stat. 624), and October 27, 1972 (86 Stat. 1265), for the purpose of furnishing a surface irrigation water supply and for other purposes, is hereby deauthorized and is no longer an integral physical or financial part of the comprehensive Pick-Sloan Missouri Basin program that was approved by section 9 of the Act of December 22, 1944 (58 Stat. 891), as amended and supplemented.

(b) Those Oahe Unit works, facilities, and related properties that have been acquired or constructed shall be disposed of by the Secretary according to a plan developed by the State and approved by the Secretary under the authority of this Act.

(c) Those funds previously expended pursuant to authorities contained in the Acts of August 3, 1968 (Public Law 90-453; 82 Stat. 624), and October 27, 1972 (Public Law 92-577, 86 Stat. 1265), shall be charged against the general fund of the Treasury of the United States and shall not be charged against the Pick-Sloan Missouri Basin program, except that all costs assigned to the initial stage Oahe unit which are deferred without interest shall be retained as interest free costs of the Pick-Sloan Missouri River Basin program.

AUTHORIZATION

SEC. 7. There are authorized to be appropriated to the Secretary to carry out the provisions of this Act for fiscal years beginning after September 30, 1980, an amount equal to the cost, in current dollars and as calculated by the Secretary, of completing the initial stage Oahe Unit, indexed by the Secretary for inflation.●

MEANINGLESS, EMPTY MESSAGES

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. DORNAN. Mr. Speaker, so our Commander in Chief wants to send the Soviet Union a message by registering young men.

Well, Mr. Speaker, I am going to vote against this worthless gesture, because if the President really wanted to do something about our military posture, if he really wanted to send the Soviets a message, then he would do something about the Air Force shortage of 2,400 pilots this fiscal year, 3,500 pilots in fiscal year 1981, and 4,100 in fiscal year 1982. He would do something about the tragic retention problem our U.S. Navy has this year, holding on to only 28 percent of its pilots when it needed to retain 58 percent of those pilots.

What this Nation needs is not an ineffectual public relations election year gimmick but real measures to send the Soviets a real message. This administration has made it patently clear that it is utterly unable to provide this leadership. Try a B-1 "Peacemaker" production contract, Mr. President. Now, that is a message.

The article follows:

[From the Los Angeles Times, Feb. 24, 1980]

FIGHTER PILOTS' ANGER SOARS OVER THEIR LOW-LEVEL PAY

(By George C. Wilson)

LANGLEY AFB, VA.—The fighter jocks flying the hottest planes in the sky, the ones who would go to war first, cannot figure out how Washington can be so damn dumb.

To them all this hollering over registration and the draft is like swatting at the flies rather than attacking the manure pile, to use a famous expression from one of their old leaders, Gen. Curtis E. LeMay.

The big problem in today's military, according to the pilots at Langley Air Force Base, is not recruiting or drafting new bodies—although they favor this—but holding onto the men and women with the "right stuff" already in uniform.

"I feel unappreciated, taken advantage of," said Capt. William R. Looney III, in expressing the hurt felt by the proud men who are pilots. "I'm disappointed in my countrymen. Tomorrow I could die. The American civilian leadership doesn't appreciate I'm doing that for them."

Pentagon statistics and surveys document that many young pilots like Looney are fed up with losing money to inflation year after year as the President holds down their pay and civilian workers get big raises.

So many pilots are quitting in protest that both the Air Force and Navy fear they will not have enough to man all their warplanes.

The Air force estimated that it will be 2,400 pilots short this fiscal year, 3,500 next and 4,100 the year after—unless pay and other benefits are improved dramatically. The Navy needed to retain 58% of its young pilots this year but estimates it will hold only 28% of them.

The Air Force says it costs $900,000 to train just one pilot in the sophisticated tactics needed to win dogfights against Soviet pilots flying modern planes. This expensive training makes the pilot highly saleable to commercial airlines and other civilian firms willing to pay twice as much as the military.

Today's jet pilot is a different breed from the storybook one—the hard-drinking swashbuckler of Pappy Boyington fame. He has at least one college degree, often two. He talks and thinks like an engineer—or else he does not survive modern weapons. And, like everyone else, he worries about buying a home and putting aside enough money for his children's education.

He is hard to replace. Neither registration nor the draft would close the pilot gap. That is why Gen. Lew Allen, Air Force chief of staff, and Adm. Thomas B. Hayward, chief of naval operations, are more worried about keeping the good people they have than finding new bodies.

The squadron commanders who would have to lead their pilots to war, such as Lt. Col. Ralph Wetterhahn of the 71st Eagle Squadron here, see concentrating on retention as a matter of common sense.

"It's a whole lot cheaper to keep one guy from going out the back door than to try to take in three or four others through the front door to replace him," Wetterhahn reasoned. Safer, too.

His squadron flies the hot F-15 Eagle fighter under the motto: "Our mission is to fly, fight and win," with the word "win" underlined. Living or dying in today's air battles depends on decisions made in seconds high above the earth. Inexperienced pilots die quickly.

"We can draft people until we're blue in the face, bring them in for two years, and they roll out after two years," said Vice Adm. George E. R. Kinnear II, commander of the Navy's Atlantic fleet warplane squadrons. "But that doesn't do anything to build up the skilled manpower who take five or six years to train."

It is young pilots with 6 to 11 years service—especially ones attractive to airlines and other civilian employers—whom the Air Force and Navy are losing at an alarming rate. Why would these pilots trade whirling around the sky at 1,000 miles an hour in fighter planes that cost $15 million to $25 million each for the comparatively dull life of civilian jobs?

They are gathered to explain themselves at the building just off the airfield here used by the 94th "Hat in the Ring" squadron. Capt. Eddie Rickenbacker made the squadron famous during World War I. The squadron's original stone "Hat in the Ring" symbol—mounted in 1918 on the 94th's operations building in Toul, France—now marks the entrance to squadron headquarters here.

The pilots gathered in the lounge wear red or blue turtleneck jerseys under their flying suits. They begin with niceties and move quickly to anger—anger focused on Washington. Why does Washington care so much about draft legislation and "real growth" in the $158-billion Pentagon budget? Why does it care so little about "real growth" in the pilots' $24,000-a-year paychecks?

The outrage is as visible in their conversation as the contrails from their F-15 Eagles against a morning sky.

"A lot of people have this money problem," said Capt. Looney, 30, a native of Norman, Okla., an Air Force Academy graduate who also has a master's degree in management from the University of Michigan.

"It's not like we're saying poor Air Force officer, poor F-15 pilot," Looney said. "But the thing is that you see your friends outside the service making more money, and you know you're just as well equipped and capable, if not more so, to make as much money as they do. You see what they can provide for their families. It frustrates you.

"I get a very good feeling for what I'm doing. Some day I'm going to be happy as hell and look back with great pride on the things I've accomplished in the military. But I'm exacting a pretty high price from my wife and my children to accomplish this for myself. They're the ones who are suffering.

"I feel unappreciated, taken advantage of. They know they've got a good deal in the majority of people who fly this airplane. I don't feel my general has done that to me. I feel the civilian leadership has done that to me.

"The airplane could blow up. Somebody could run into me or I could run into them or we could go to war and I could get killed. And I've got a wife and parents and a family I'm leaving behind. I've accepted this, as has everybody else in this room. The American civilian leadership doesn't appreciate I'm doing that for them. I'm disappointed."

Capt. James G. Boehm, 29, of Fairview Park, Ohio, one of the pilots who flew an F-15 to Saudi Arabia early in the Iranian crisis, agreed.

"If you think you're getting bad vibes," Boehm said, "I want to tell you you're talking to guys who have the best assignment in the Air Force—flying the F-15 fighter. Many pilots flying lesser planes are even more dispirited, he said, because they feel their efforts are not appreciated. We're in our job right now so kids in San Francisco can go out and demonstrate against the draft."

Capt. David A. Greschke, of Huron, S.D., has been in the Air Force for 10 years and is very saleable on the civilian market. He holds an electrical engineering degree from South Dakota University and a degree in public administration from the University of Colorado.

"I'm still motivated," Greschke said, "but I would expect, after 10½ years in the Air Force, to be at a measurable level above where I started in pay, responsibilities and so on. But, really, all that has changed is the rank."

He and other pilots, some of whom pulled pay cards and other papers from their flight suit pockets to buttress their claims, said they have been losing to inflation year after year, most recently because President Carter capped their pay raises at 5 percent and 7 percent, far below the actual rate of inflation.

The $24,000-a-year captains said they do not expect to be paid the $60,000 to $100,000 salaries of commercial airline pilots but resent risking their lives for a government that refuses to keep their pay ahead of inflation. They added that skilled enlisted people, such as crew chiefs who keep their F-15s flyable, are losing out, too.

"It's disheartening for me to go out to my jet and have my crew chief work my airplane and then tip that same crew chief over at the commissary for bagging groceries," complained Capt. Rowe P. Stayton, 28, of Quinlan, Tex., an Air Force Academy graduate.

"There's something wrong with that system," Stayton continued. "The guy is expected to put in a hell of a job out there during the day and has to come over here in the evening to make ends meet by taking what I consider a demeaning position. More important, he cannot do his regular, very important job well because he is staying up too late doing the second job."

(Stayton's crew chief for maintaining the $15 million F-15 is an E-3, or senior airman. His base pay is $570 a month, or $6,840 a year. Allowances on top of that push his pay to just under $9,000.)

Maj. Hal Hornburg, 34, who has a business degree from Texas A&M and a master's degree in career management from the University of Utah, is briefing Capt. Gerry Christeson, a graduate of Ohio State, on how they are going to "kill" two "enemy" planes in an instrumented rectangle of sky off Cape Hatteras.

The "enemy" planes are Navy F-14s out of nearby Oceana air base. Every manuever will be recorded electronically. Afterward, the pilots will study on a screen what they did right and wrong, like professional football players reviewing Sunday's game film. The pilots' mistakes probably would mean death in wartime because aerial missiles have become so lethal.

Hornburg's briefing underscores the technological nature of modern dogfighting. Life or death depends on seeing the other guy with your radar before his radar sees you, or of split second mental computations of geometric angles for missiles or gunfire. No more white scarf, eyeball-to-eyeball, lengthy whirling gunfights. It is kill or be killed in seconds.

"I don't want to fly slow speed today. So think getting energy. If you can't get back into the fight at a good high energy rate"—meaning supersonic speeds—"then separate" (from the engagement rather than risk being "hit" with a missile or guns).

"I want to run in on these guys at 6 to 9,000 foot split and try to run a bracket on them." (boxing in the two Navy F-14s with the two F-15s flown by Hornburg and Christeson.)

"I want to bracket them in terms of horizontal offset, vertical offset and in time. If I go low, we'll have a time bracket on them. What I want to avoid at all costs is having them see both of us at the same time.

"Let's talk about radar search." (The F-15's radar is its big advantage over other planes. It can see a plane from a distance of over 100 miles; look down on an enemy plane from above and pick it out from the clutter that foils other radars.) "I'll look low and you look high. I'll be in a 40-mile scope, six bar. . . ."

"What we want to do is get a quick kill and get out. If they deny that, and we know that by aspect" (the geometric angles between the planes fighting each other) "then we can fight them single ship. If we can't get a quick kill within 15 to 20 seconds, then we want to bug out. We don't want to stay in and fight slow. Do not engage subsonics" (less than about 600 miles an hour).

"Maneuver for the AIM 9" (Sidewinder heat-seeking missile which flies up an enemy's tailpipe if fired from the right angle) whenever you can. . . ."

Christeson, who was to fly as Hornburg's wing in the upcoming two-against-air battle, interjected: "I'd like to call the aspects of my bogie, maybe every four miles. That cues me. And it might cue you if you hear me call an aspect is bogus because the geometry has changed . . ."

"We don't have to come back with three or four kills apiece," Hornburg stressed as he ended his briefing. "What we don't want

to do is come back with a mort"—for mortuary.

The scene is a dinner at a restaurant outside Norfolk. Two F-15 pilots from Langley and their wives are having a night out. Joan Johnson, mother of two and a computer specialist, is explaining why low pay is not the only reason why pilots are quitting the Air Force in droves.

"If he moves again," she announced with resolve, "I'll stay." Capt. Henry B. Johnson III, 34, of Silver Spring, Md., who once had to bail out over the North Sea because both of the Pratt and Whitney F100 engines in his F-15 fighter conked out at once, said he would respect her decision.

The Johnsons have been in the Air Force 11 years. They have been forced to move 11 times in that period. Mrs. Johnson has had it, both with the "genteel poverty" and the continual moving.

She has had to give up one good job after another.

Mrs. Johnson expressed the frustration shared by thousands of today's military pilots: "I didn't anticipate at 23 what my personal needs would be at 33."●

SENATE—*Wednesday, April 23, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10:30 a.m., on the expiration of the recess, and was called to order by Hon. HOWELL HEFLIN, a Senator from the State of Alabama.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

Eternal Father, from the tumult of the world without, from the clash and clamor of daily duties, from the confusion of many voices, we pause in this, our place of labor, to hear once more Thy still small voice; and hearing Thee may we, at all cost, obey Thee. Make us to know that God is a spirit and they that worship Him must worship Him in spirit and in truth. Come, Thou Living Spirit, and rule our hearts, our minds, our voices, that we may be instruments of Thy purpose for this land and the whole world; for Thine is the kingdom and the power and the glory forever. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The assistant legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., April 23, 1980.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable HOWELL HEFLIN, a Senator from the State of Alabama, to perform the duties of the Chair.
>
> WARREN G. MAGNUSON,
> *President pro tempore.*

Mr. HEFLIN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader is recognized.

THE JOURNAL

Mr. CRANSTON. Mr. President, I ask unanimous consent to have approved the Journal of the proceedings of Tuesday, April 22, 1980.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. CRANSTON. Mr. President, I have no use to make of the time at this point.

Mr. PROXMIRE. Mr. President, will the Senator, when he gets an opportunity after the minority leader, yield to me?

Mr. CRANSTON. Certainly.

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Chair recognizes the minority leader.

Mr. BAKER. Mr. President, I have no request for time and I have an additional special order in my name this morning. So I am glad to yield my time to the acting majority leader or to the distinguished Senator from Wisconsin.

Mr. CRANSTON. Mr. President, how much time does the Senator need?

Mr. PROXMIRE. Four minutes.

Mr. CRANSTON. Mr. President, I am glad to yield 4 minutes of the majority leader's time.

TRIBUTE TO SENATOR GAYLORD NELSON, THE FOUNDER OF EARTH DAY

Mr. PROXMIRE. Mr. President, yesterday was Earth Day. I apologize to my colleague and to the Senate for not having made this statement in honor of my distinguished colleague GAYLORD NELSON yesterday. He was the founder of Earth Day.

In January of 1970, he introduced the "Environmental Agenda for the Decade," which was the blueprint for environmental action in the 1970's covering clean air provisions, clean water proposals, energy efficiency, and environmental safety, strip mining, ocean dumping, and others.

These specific proposals outlined in 1970 led to a series of reform bills passed by the Congress. Thus, Senator NELSON not only sounded the call but led the way.

He has an exceptionally strong environmental record. He was Governor of Wisconsin for 4 years, in which he set a remarkably fine precedent that other Governors have followed for doing our very best in our State, under sometimes very difficult circumstances, to preserve and enrich our beautiful State and preserve our environment.

He concentrated on the national scenic waterways for Wisconsin, preventing the Great Lakes pollution, and so forth.

Mr. President, I am proud that my colleague, GAYLORD NELSON, has been a national leader in the struggle for the environment. If our descendents look back on this period of congressional history 50 or 100 years from now, they will be grateful for the battle that GAYLORD NELSON led to establish Earth Day and to begin the long struggle to give America a clean and healthy environment while we are intensifying our industrialization.

This is a terrific challenge that this country faces. And I think, in spite of all the criticism, that we are progressing. Unfortunately, the press does not habitually report the good news. They report the bad news: The confrontations, the mistakes—and they should. But they neglect the successes. And I think we have had some remarkable successes in the area of the environment, under very, very difficult circumstances.

THE GENOCIDE CONVENTION: A TRIBUTE TO RAOUL WALLENBERG

Mr. PROXMIRE. Mr. President, yesterday I spoke of the truly heroic actions of one man in his fight against genocide. Raoul Wallenberg risked his life to rescue Hungarian Jews from extermination during World War II.

I alluded to the fact that nobody seems to know for certain what happened to him. On January 17, 1945, Wallenberg and his driver set out for Debrecen for a meeting with the Russians. Neither he nor the driver ever returned. The Soviets refuse to comment on the case.

That such a compassionate man should die would be tragic. That such a man should be imprisoned for his actions would be a crime against all human sensibilities. But in this case we simply cannot judge; we do not know what happened to Wallenberg.

Wallenberg deserves our highest admiration for his actions, but the obscurity surrounding his case has made it difficult for even the very people he saved to honor him as he deserves. Hungarian Jews accepted the idea that Wallenberg had been killed in street fighting. The Soviet-dominated government prevented the Budapest Jews from erecting a monument to him in 1948.

But human spirit and compassion so strong cannot be obliterated. Wallenberg's spirit must not and cannot be forgotten. Rauol Wallenberg touched too many lives to be forgotten. No government effort can possibly diminish his stature.

One of those he saved, Annette Lantos, says of him:

> For many years I've lectured on the Holocaust and I've always talked about Wallenberg. He not only saved our lives, but our belief in mankind and the power of good.

Such thoughts are a moving tribute to a saintly man.

The Jewish people have also raised a

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

memorial in Israel at Yad Vashem, the Holocaust memorial. At the center, trees are planted to honor righteous gentiles, those who risked their own lives to save Jews. But Raoul Wallenberg's mother, Mrs. von Dardel, did not want such a memorial raised because she felt it made her son seem dead. Last year she and her husband died; their children accepted a tree planted in Raoul's name on the "Street of the Righteous Gentiles." Hungarian Jews living in Sweden planted a woodland of 10,000 trees in a special area as a memorial dedicated to Wallenberg.

A tree or a forest is a fitting tribute. A living monument to the effort of one man to save life. The tribute lives on and perpetuates itself. The monument looks to the future.

It is, of course, appropriate that we honor Wallenberg with living tributes. But just as these tributes look to the future, so must we. As appropriate as living tributes are, there is another even more appropriate.

No monument to the efforts of those who fought genocide is more fitting than one which seeks to continue that fight. The Genocide Convention is just such a memorial. It is practical and looks to the future by outlawing the crime of genocide. It recognizes, as did Wallenberg and the others who fought genocide, that this most heinous crime offends the very premises of a civilized world. We owe the Genocide Convention as a memorial to those who died, to those who survived, and especially to those like Wallenberg who actively fought the atrocity.

The Genocide Convention affirms our hope that the scourge of genocide never touch the Earth again. And it could be, among other things, a great tribute to this distinguished Swede who died to save the lives of Jews—who may have died, who seems to have disappeared under these unfortunate circumstances—to pledge our efforts to prevent any reoccurrence of this kind.

I call on my colleagues to ratify the Genocide Convention and to ratify it soon.

Mr. President, I thank the acting majority leader and I yield the floor.

ORDER OF BUSINESS

Mr. CRANSTON. Mr. President, I have no further need for the time of the majority leader, but I yield such time as is remaining to the Senator from New Jersey, Senator Bradley. The Senator from New Jersey might also like to have the time yielded from the minority leader, if he would be willing to do that. The Senator is sort of masterminding the colloquy here and would like some additional time, if that would be possible.

Mr. BAKER. Mr. President, what colloquy is that?

Mr. CRANSTON. It is on energy.

Mr. BAKER. Mr. President, I would be happy to share that time. I must say that there is another colloquy coming up on the War Powers Act, I understand.

Maybe I ought to reserve a little of my time for that, just in case we need to reinforce it.

If the Senator from New Jersey needs any time, I will be glad to accommodate him. For the moment, then, I reserve the remainder of my time.

The ACTING PRESIDENT pro tempore. I notice that both Senators are here. Is there an agreement between the two Senators as to who will go first?

Mr. BRADLEY. Yes, Mr. President. Senator Exon is the first order, and I will follow him.

RECOGNITION OF SENATOR EXON

The ACTING PRESIDENT pro tempore. The Senator from Nebraska is recognized.

THE GAO REPORT ON THE DOE GASOLINE ALLOCATION PROGRAM

Mr. EXON. Mr. President, we are approaching the anniversary of a painful reminder of our Nation's dependence upon imported crude oil, the 1979 gasoline shortage of last summer. The long gas lines which we experienced provided clear and convincing evidence of the ever present threat to our economy and national security with the continued U.S. reliance on foreign oil supplies. Our society's standard of life and economic progress hangs by the delicate thread of oil shipments from the producing nations of OPEC.

The gas lines of last summer may soon become a distant and faded memory until a major supply disruption occurs again. Gasoline stocks are now above the level of a year ago. Americans are using less gasoline due to increasing fuel costs and a realization of the need to reduce our petroleum use. However, we cannot afford to become complacent and to wait until another supply shortage occurs to prepare for the need to minimize the impact of such disruptions in our vital energy lifeline.

Mr. President, we have an opportunity to provide for such an eventuality. A GAO report, which I hold in my hand and which is being released today, has reviewed the DOE's gasoline allocation program, which is the only program that can be used to manage the distribution of supplies when shortfalls are under 20 percent. The GAO concluded in its findings that the current program failed to meet its intended objectives during the 1979 shortage, and is so seriously flawed that a major overhaul of the program is needed. The ineffectiveness of the DOE's program was a contributing factor to the long gas lines which we experienced last summer. That shortfall was less than 5 percent. It is frightening to imagine what would have happened if there had been a 20-percent shortfall.

Many, however, may point to this report and merely criticize the Department of Energy. I would hope that the Congress will view this report as an opportunity to make important improvements in the system. In fact, the GAO report, entitled "Gasoline Allocation: A Chaotic Program in Need of Overhaul" does not recommend scrapping the system. If managed properly, the gasoline allocation program can be a valuable tool in coping with supply shortages of less than 20 percent. An efficient program can be used to avert the imposition of gasoline rationing. I would agree with the GAO's recommendation that the Secretary of Energy proceed to immediately revise the mandatory petroleum allocation regulations to insure the successful implementation of the program should another shortage occur.

Mr. President, our Nation's energy history has been replete with recurring themes. It would seem that we as a nation have been either unwilling to face the realities of today's energy problems, or that we have been overly optimistic about someone else finding a solution to the problem somewhere down the pipeline. The gas lines of 1973 and 1979 however, have warned us that we cannot afford to "learn the hard way." Last summer's gas lines should have provided an adequate lesson to us all.

Mr. President, our lack of preparedness cannot stand one more round in the ring. Crisis management cannot be tolerated. Our Nation cannot afford to ignore the lessons of history. We must grasp the opportunity to provide for a well-planned response to further anticipated problems with our foreign oil supplies rather than to proceed "ad hoc" as we have in the past.

As we strive to develop domestic energy supplies, it is important that we face the risks of our continued reliance on imported oil with greater preparedness.

The oil-producing nations have been tightening their grip on crude oil distribution. The producing nations have been pulling supply contracts out from under the major multinational oil companies and have diverted a greater supply to their own oil companies. Today, the majors control less than 50 percent of the oil available from the OPEC nations. This move away from the majors has increased the chances that an end user will have its supplies disrupted. With an increasing percentage of crude oil flowing away from the majors to the producing nations, the likelihood of reversing the disturbing trends of 1979 is all but eliminated. Shortages and misallocations are likely to increase. We must accentuate our preparedness.

Mr. President, I would urge all Members of this body to review this important GAO report carefully and seek to implement its recommendations quickly. I am convinced that the Congress will take this opportunity to constructively criticize the DOE's allocation program, and that the DOE will act swiftly to provide for an adequate program. A well-managed allocation system will demonstrate to the OPEC nations that we as a nation, have the ability to contend with threats of shortfalls, and that we have the discipline required to reduce our hostage-like dependence upon imported oil. I ask unanimous consent that a digest of the GAO report be printed at this point in the RECORD.

There being no objection, the digest was ordered to be printed in the RECORD, as follows:

GASOLINE ALLOCATION: A CHAOTIC PROGRAM IN NEED OF OVERHAUL

The 1979 gasoline shortage was another reminder of the continued U.S. dependence on foreign oil supplies and the ever-present threat of supply disruptions. It also underscored our lack of preparedness to minimize the impacts of such disruptions.

This report examines why the Department of Energy's allocation program was ineffective in managing the shortage and makes recommendations for improving the program.

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C.

To the President of the Senate and the Speaker of the House of Representatives.

This report discusses the principal problems in the Department of Energy's administration of its gasoline allocation program. It contains recommendations for improving the program as well as for enhancing the Department's overall energy emergency response capability.

We made this review pursuant to the individual requests of 13 Senators and Representatives. However, because of the broad interest in this program, we are issuing the report to the Congress as a whole.

We are sending copies of this report to the Director, Office of Management and Budget, and to the Secretary of Energy.

ELMER B. STAATS,
Comptroller General
of the United States.

DIGEST

The gasoline allocation program is the only program which can be used to manage the distribution of supplies when shortfalls are under 20 percent.

Yet, during the 1979 gasoline shortage the program failed to meet its intended objectives and is so seriously flawed that a major overhaul will be needed before better results can be expected.

Following the Arab oil embargo of 1973, the Congress provided legislative authority to deal with energy shortages and to assure sufficient supplies to priority users and equitable distribution of supplies nationwide. This authority will expire by October 1981 unless extended by the Congress. The Department of Energy (DOE) is responsible for satisfying these legislative objectives through its petroleum allocation program. Individual States play a key role in the program's implementation.

Under the Energy Emergency Conservation Act of 1979, rationing can be used only if the shortage is 20 percent or more, unless the President considers a lesser shortage to be a danger to national security.

CONCLUSIONS

When the supply shortage began in early 1979, emergency response planning was incomplete and outdated, and Federal and State Governments were ill-prepared to deal with their supply management role.

DOE's program operations were plagued by inadequate management and staffing, relentless demands for services, poor or totally lacking information systems, and unclear guidance and direction. Even under the best of conditions, the workload would have been formidable; in this instance, it was overwhelming.

DOE's problems were mirrored in the States' set-aside program operations. Like DOE they had not prepared to deal with the sudden workload, and also were handicapped by the absence of clear, definitive guidance.

DOE's audit activities were belated and of mixed success. These audits and the work GAO performed encountered a high incidence of possible violations of allocation program regulations.

The United States will continue to risk shortages as long as it depends, in substantial part, on imported energy. Furthermore, in a product-short situation, industry decisions and practices, based as they are on profit motivations, may not satisfy public interests or needs and will warrant Government intervention.

Consequently, despite its shortcomings as presently designed and implemented, GAO favors efforts to make the allocation program an effective tool. The program has not yet had a "fair" test. After it was established in 1974 it was not significantly revised until the midst of the 1979 gas shortage; and even those revisions were "quick fix" remedies.

HOW THE PROGRAM IS SUPPOSED TO WORK

The regulations affect the entire gasoline distribution system, from the refiner to wholesalers to retail stations and bulk end-users. Basically, gasoline allocations are determined by reference to a historical base period. Suppliers must sell to the same purchasers who bought during the base period, although the purchasers are not obligated to buy the volumes offered them. The amounts purchased during the base period (base period volumes) are used to determine the quantity to which purchasers are entitled. Certain national defense, agricultural, and other uses are given priority in receiving gasoline. The remainder is allocated to nonpriority purchasers as a fraction of the base period volume.

Each prime supplier (a refiner or wholesaler who first transports gasoline into a State) generally must use a uniform allocation fraction nationwide in distributing the gasoline, unless DOE directs or approves the use of a different fraction for a particular region. In addition, a "set-aside" program permits States to direct the distribution of a portion of the gasoline to meet hardship and emergency requirements within the State. Each prime supplier must set aside 5 percent of the supplies for this purpose.

Firms can request an exemption from the regulations or appeal a decision of DOE through DOE's Office of Hearings and Appeals.

WORKLOAD REDUCTION AND MANAGEMENT PROBLEMS

DOE found itself in a ground swell of activity for which it had not planned or prepared. Its allocation program, prepared 5 years earlier and found by GAO and others to be seriously deficient, had not been revised or updated. Further, DOE had not defined how it would implement the program.

The day-to-day operations were poorly managed. The work pressures and the sheer volume of requests, coupled with staffing shortages, fueled a crisis atmosphere and the program floundered.

In the five DOE regional offices GAO visited there were large processing backlogs, with several adverse effects. Those seeking relief through DOE suffered by not receiving timely service. They sometimes turned to the State set-aside program, thus inappropriately increasing the workload of the States.

Much of the workload that consumed DOE's resources could have been averted if program requirements had been better defined and understood and an improved base period had been used. These measures, coupled with improved monitoring activities and a strong audit and enforcement program, would better insure that the program operates as intended.

PROGRAM MONITORING PROBLEMS

DOE's lack of information on supply and market activity as well as operational information, or its failure to use the information on hand, was a recurring problem which eroded the program's effectiveness. For example, DOE could not determine whether supplies had moved to end-users and retail stations or instead were being stockpiled by distributors. DOE is taking action to obtain the information. Also, because DOE did not have confidence in the monthly allocation fraction reports from the suppliers it did not use them as a basis for exercising its authority to ensure equitable distribution of supplies throughout the United States. Because the States do not have access to the data, they are not in a position to know when imbalances exist and to request corrective action.

AUDIT AND ENFORCEMENT PROBLEMS

DOE needs to establish an audit and enforcement program that will better assure program integrity and deter violators. DOE was not prepared to audit compliance with allocation regulations at the beginning of the 1979 shortage. Its Office of Enforcement did not begin its full-scale audit effort of small refiners until June, and of product resellers until August. Some of its staff were switched from their normal audit and enforcement activities to augment the Office of Petroleum Operations field staff.

The Office of Special Counsel for Compliance did not begin its allocation audit of major domestic refiners until May and did not complete 14 audits, even though in some instances there was preliminary evidence of potential violations that needed further investigation. It suspended the audits to meet the deadline for completing its primary mission, but it plans to complete 9 of the audits in 1980 through the use of a contractor.

DOE needs to develop a staffing plan which would allow a quick scale-up of its audit and enforcement program at the onset of a gasoline shortage, using fully developed audit programs. Likewise, there should be public awareness that there is a reasonable chance that violators will be identified, and that DOE will take whatever enforcement actions are necessary to remedy the violations, including assessing adequate penalties to encourage compliance.

STATE SET-ASIDE PROGRAM PROBLEMS

DOE had not provided the States the program guidance and review necessary to promote more effective administration of the set-aside program. There were wide variations among the States' definitions of emergencies and hardships and the criteria for allocating set-aside supplies. Uniform and consistent administration of the State set-aside program is a critical prerequisite to an effective petroleum allocation program.

State energy offices were unprepared to handle the significant increase in workload. As a result—

There were wide variances among the States in granting set-aside supplies, and State releases of set-aside volumes were not distributed uniformly or equally,

Set-aside supplies were distributed without requiring adequate documentation of emergency or hardship conditions, Applicant information was not being verified, and

Priority users whose requirements should have been met through normal distribution channels were receiving set-aside supplies.

PROBLEMS IN PROGRAM PLANNING AND DIRECTION

DOE failed to revise and update its program and to plan for its implementation. As a result, DOE was forced to make numerous program modifications, revisions, and updates between February and August 1979 during the course of the shortage. The frequency of changes and their immediate implementation caused significant problems, both for the industry in complying with the changes and for DOE field offices in retraining staff and dealing with the increased workload.

The changes were made without benefit of regulatory analyses and, in many cases, without public hearings, and with minimal time for written comments from interested parties. Also, this ad hoc approach forced DOE to make its decisions based on limited information, and invited further changes.

DOE's emergency planning and management is fragmented and lacks overall high-level coordination and direction. In response to a similar finding by DOE's Inspector General, in September 1978 the Assistant Secretary for Policy and Evaluation was made responsible for coordinating departmental energy emergency planning activities. However, this action does not go far enough and the need still exists for the appointment of a full-time coordinator of energy emergency planning, with full-time staff.

RECOMMENDATIONS

GAO is recommending that the Secretary of Energy act immediately to revise the Mandatory Petroleum Allocation Regulations and to insure successful implementation of the regulations during shortage periods. GAO makes a number of specific recommendations for improving the program, and identifies several desirable characteristics to be used in revising the program.

AGENCY COMMENTS

DOE agreed with GAO's findings regarding operational aspects of the allocation program, with the exception of the portion dealing with the Office of Hearings and Appeals. Consequently, DOE endorsed GAO's recommendations for identifying means to improve the program monitoring, audit and enforcement activities, Federal/State relations, and program planning and direction.

DOE said it was conducting a comprehensive regional office review to improve case management and strengthen program monitoring. Also, DOE said, it is in the process of resolving issues relating to the State set-aside program, including proper guidance, and reviewing of the entire allocation system and continuing audit and enforcement activities. The final report on the regional office review, issued in late March 1980, confirms GAO's findings regarding DOE's operation of the program during 1979.

However, DOE disagreed with GAO's findings regarding: the base period, the regulatory functions performed by DOE, and the Office of Hearings and Appeals response to the problems created by the gasoline shortage.

GAO's evaluation of DOE's comments is contained in chapter 6, beginning on page 85.

Mr. EXON. Mr. President, I ask unanimous consent that any remaining time assigned to me be transferred to the Senator from New Jersey.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

RECOGNITION OF SENATOR BRADLEY

The ACTING PRESIDENT pro tempore. The Senator from New Jersey is recognized.

Mr. BRADLEY. Mr. President, I thank the distinguished Senator from Nebraska for yielding the remainder of his time to me for the purpose of the following colloquy. I would inquire of the Chair, what is the time presently under my control?

The ACTING PRESIDENT pro tempore. Thirty minutes.

Mr. BRADLEY. I thank the Chair.

THE STRATEGIC PETROLEUM RESERVE

Mr. BRADLEY. Mr. President, this morning the Senate will be discussing the strategic petroleum reserve, an issue which this Senator has addressed with increasing alarm over the last several months. That alarm and urgency has only heightened in the last several weeks.

Mr. President, there is a clear and persuasive case for filling this Nation's strategic petroleum reserve. We need an ample strategic petroleum reserve because of the probability of disruption of our imported oil supply. We obtain 25 percent of all our oil from the Arabian Peninsula or the Persian Gulf area of the world. Our allies are dependent on this region for substantially greater amounts; 50 percent of all the oil that is consumed in Europe passes through the Straits of Hormuz. Almost 90 percent of Japan's oil comes from the Persian Gulf region.

Because of its political volatility and inherent instability, the Arabian Peninsula is a particularly unreliable and vulnerable source of oil supply. Even under the most optimistic view the likelihood of an interruption is significant.

If you simply take historical experience, in the last 6 years we have had two oil supply interruptions. In the last 30 years, we have had three oil supply interruptions. Since oil first began to be produced in the region some 45 years ago, there have been four oil supply interruptions.

So the question is whether the last 6 years provides the most realistic view of the probability of interruption, that is a 1 in 3 probability, or whether we should rely on the experience of the last 30 years, in which case there would be a 1 in 10 probability of an interruption, or on the last 45 years, which would mean a 1 in 15 probability.

But regardless of the pessimism or optimism of our assumptions, any of these probabilities would argue for filling the strategic petroleum reserve.

In fact, a number of studies have calculated that there is a 70-percent chance that a 3 million barrel-a-day disruption for 1 year will occur at least once in the next decade, that there is a 30-percent chance that a 10 million barrel-a-day disruption for 1 year will occur at least once in the next decade, and that there is a 5-percent chance that a 20 million barrel-a-day disruption for 1 year will occur at least once in the next decade.

Moreover, many who are experts in the political and military affairs of the Middle East as well as in U.S. defense policy, believe that the probabilities of interruptions of this magnitude are substantially higher than the probabilities that I have talked about. In other words, experts think that the last 6 years is a more reliable guide to the likelihood of a supply disruption than the last 45 years. This means that a one in three chance of an interruption of 3 million barrels a day, which is what this country receives from the Persian Gulf understates the magnitude of the threat.

Indeed, Mr. President, both the CIA and the Department of Energy have told the Senate Energy Commmittee that a major supply interruption between now and 1990 is a virtual certainty.

The potential for a disruption lies in the many elements of insecurity in and around the Persian Gulf that threaten our oil supplies and that facilitate the expansion of Soviet influence in the region.

The attack on the Grand Mosque in Mecca, the chaos in Iran, the continuing border clashes between Iraq and Iran, the recent coup in South Yemen, the growing Soviet intrusion into the Iranian political situation—all of these events provide ample illustration of the forces and events that could precipitate a real crisis during the next 10 years when the U.S. economic and political vulnerability to oil supply cutbacks will be at its peak.

Were this crisis to occur, what is the magnitude of the economic loss it would entail? Oil supply disruptions impose enormous costs on the United States and other consuming nations. A conservative estimate—conservative in that it assumes smooth adjustment of the economy to sudden reductions in oil supplies—of the GNP loss of a 20 million-barrel-a-day disruption for 1 year is $700 billion. The loss to all consuming nations would be three times greater. If the disruption were only 3 million barrels a day, the loss to the U.S. economy, according to Stanford University, would be over $100 billion—$100 billion sucked out of this economy in 1 year.

For the consideration of the Senate, it is important to remember that the entire Vietnam war cost a little over $100 billion. So what was put into the economy paid over a period of 7 to 10 years would be taken out of the economy in a single year if there were an oil supply interruption of a little over 3 million barrels a day.

In addition to mitigating the economic costs of a supply disruption, a strategic petroleum reserve will significantly promote several key U.S. national security objectives. First, it will increase the U.S. freedom of policy action in the Middle

East; second, it will reduce the threat of oil supply interruptions to U.S. allies who join with the United States in Middle East action; third, it will increase the ability of NATO members to sustain military efforts and continued civilian production if supply lines were cut; and, fourth, it will reduce the probability of a politically motivated interruption in the first place—in other words, it will provide a deterrent.

Now more than ever, when the administration is persuading our allies to join in economic sanctions on Iran and contemplating the possibility of subsequent military action, it is essential that the United States take steps to enlarge the range of policy options in the Middle East so that military intervention is our last and not our only recourse. The United States must also act to reduce the cost of our allies of participating in economic and military actions; to enhance the cohesion of the NATO alliance in responding to an oil supply interruption; and to increase the period during which military operations could be maintained in the event of a disruption of oil supplies. The strategic petroleum reserve will promote each of these goals.

Mr. President, the invasion of Afghanistan by the Soviet Union posed a serious and direct threat to that vital region of the world upon which we are so dependent for oil. Our response, so far, has been to increase military expenditures, which is probably correct. But we must also recognize that the Soviet threat has also increased the likelihood of an oil supply interruption. This makes it absolutely essential to refill the strategic petroleum reserve.

In this regard, Mr. President, both the historical and current experience of the Japanese amply illustrate the costs and benefits of a strategic reserve. In December of 1941, the tight and dwindling supply of oil was a major factor impelling Japan to war with the United States, Great Britain, and the Netherlands. Historians of the period have described the oil supply situation as follows:

> The feeling had grown that Japan was like a fish in a pond from which the water was gradually being drained.

The Japanese recognized that if they lost access to their sources of supply, as, indeed, happened as a result of the U.S. embargo, they would be left with only an 18-month stockpile, a situation that would impel them to action. And it did, indeed, impel them to the Pearl Harbor attack on the United States.

The lesson of this historical precedent is that when the embargo took place and reserves were inadequate, military action was the only recourse left and it was taken. Coming closer to the present day, Japan is able to support U.S. action and objectives in Iran because it has an ample strategic petroleum reserve. Were it not for Japan's 87 days in stocks, it is highly questionable whether the United States could have prevailed upon this critical ally to support us.

However, in order both to preserve the freedom of our policy action and to maintain our allies' support and respect for the credibility and reliability of U.S. security guarantees, we must, ourselves, rapidly acquire our own strategic petroleum reserve.

Mr. President, what are the assumptions underlying the Senate Budget Committee's position on the strategic petroleum reserve? The committee report recognizes two major national security needs that are addressed by the strategic reserve: first, the need to mobilize the Nation's resources to protect the Nation's energy security and independence; second, the need to protect the Nation from being harmed by disruptions in energy supplies. Yet, Mr. President, the committee's decision to rescind $2.3 billion in budget authority for fiscal years 1980 and 1981, to limit outlays to $300 million, and to defer oil acquisition to the latter half of 1981, is wholly inconsistent with its recognition of the vital national security needs that the strategic petroleum reserve addresses.

Mr. President, I suggest that this inconsistency derives from two fundamental flaws in the committee's analysis. First, the committee erroneously assumes that the costs imposed by the turmoil in the Persian Gulf are beyond Congress' ability to control.

Second, it erroneously assumes that the program is stalled by our inability to purchase oil in a unstable world market.

In fact, Mr. President, the United States does have the ability to control the impact of turmoil in the Persian Gulf. A billion-barrel strategic reserve would mitigate the devastating cost to the U.S. economy and reduce the likelihood of precipitous military intervention. Moreover, the reason the United States has deferred purchases for the strategic reserve is not that we cannot acquire the oil. At the very least, we could use our own domestic reserves. It is that we lack the political will to do so. The time has come for the United States to assert the independence of its foreign policy and to take the actions necessary to protect and promote our national security and the security of our friends and allies.

AMENDMENTS NOS. 1719 THROUGH 1921

Mr. President, I propose to offer an amendment in the coming debate that will restore the $2.3 billion which the Senate Budget Committee has rescinded.

This amendment assumes a strategic petroleum reserve fill of 100,000 barrels a day beginning July 1, 1980, and increasing to 200,000 to 250,000 barrels a day in 1981.

Mr. President, the United States must be in a position to take advantage of the current slack market and the high level of inventories worldwide. The time to buy is now. There will always be uncertainties and there is no reason to believe that the uncertainties will be any less this time next year.

We cannot afford to assume the market will improve considerably in the years ahead. Rapid fill rates, Mr. President, are justified because our extreme and continuing vulnerability to disruptions makes each additional stored barrel enormously valuable. According to the CBO and the Department of Energy analyses, when our stockpile is small, additional barrels are worth several hundred dollars per barrel because they will result in a major reduction in the GNP cost of a disruption.

Mr. President, in conclusion, it is clear that we must fill the strategic reserve.

Second, the oil is available now and now is the time to move.

Third, the likelihood of a disruption is high and the costs it would impose are enormous.

Fourth, the strategic petroleum reserve is our most cost-effective means of both deterring a politically motivated interruption and mitigating the costs of a supply curtailment.

Finally, we must demonstrate to ourselves, our allies and our enemies, that we have the political will to act in our own self interest and to take those actions that are necessary to secure the protection of our national security.

Mr. President, I see the distinguished chairman of the Energy Committee is on the floor. He has time allotted for his use.

I reserve the remainder of my time.

Mr. President, how much time do I have remaining?

The ACTING PRESIDENT pro tempore. The Senator has 12 minutes remaining.

Mr. BRADLEY. Mr. President, I reserve the remainder of my time.

I am pleased the chairman has come to the floor to discuss this issue.

The PRESIDING OFFICER (Mr. Boren). The Senator from Washington.

Mr. JACKSON. Mr. President, I commend the distinguished Senator from New Jersey for his leadership and dedication in connection with the restoration, may I say, of the strategic petroleum reserve.

Mr. President, the junior Senator from New Jersey has been extremely helpful to me as chairman and to all members of the committee.

Mr. President, this morning I want to call attention to a deplorable situation now confronting the naval petroleum reserves. This historic mission of these invaluable—indeed, irreplaceable, oilfields is in danger of being severely distorted.

Established prior to World War I by Presidents Taft and Wilson, Naval Petroleum Reserve No. 1 (Elk Hills in Kern County, Calif.) and Naval Petroleum Reserve No. 3 (Teapot Dome in Natrona County, Wyo.) were withdrawn by Executive order from the public lands. Together with the once prolific Buena Vista oilfield (Naval Petroleum Reserve No. 2—which adjoins Elk Hills) these reserves were established for the specific purpose of insuring that, in time of war or national defense emergency, the ships of the Navy would have a secure source of petroleum fuel supplies.

Following the war, President Harding added another huge tract of Federal lands with promising petroleum potential to the naval petroleum reserve system. In February 1923, he established Naval Petroleum Reserve No. 4, located north of the Brooks range on the Arctic North Slope of Alaska. This reserve, with its 23,680,000 acres, was subsequently transferred to the Department of the Interior in 1976, and is now known as the National Petroleum Reserve in Alaska.

I believe that it is important to understand that the naval petroleum reserves were originally created as national security assets—the first models of a strategic petroleum reserve. Even today, the naval petroleum reserves at Elk Hills and Teapot Dome rank 15th in terms of daily production from U.S. oilfields. Naval Petroleum Reserve No. 1 (Elk Hills) is one of the largest producing oilfields in America and still contains about 1 billion barrels of recoverable petroleum. By 1982, when over 900 new wells will have been drilled, its crude oil production capacity is expected to reach the level of 200,000 barrels per day.

Although Elk Hills was opened up and produced during World War II, in order to augment crude oil supplies on the west coast, it was shut-in soon after that conflict and once again reverted to its designated status as a national defense petroleum stockpile. In 1967, noting that there was increased concern in the minds of many military planners about the need of the armed services for secure sources of oil, the Navy began work on a comprehensive plan to fully explore and develop the naval petroleum reserves. That plan was completed in 1973, prior to the Arab oil embargo, and submitted to Congress and the President. Increased funding for the naval petroleum reserves development plan was appropriated the following year and work began to bring the reserves to a new state of readiness.

The record of the Navy and the Department of Energy, to which the naval petroleum and oil shale reserves were transferred in 1977, in managing, developing, and producing these reserves is a commendable one. It is a record of a loyal and diligent discharge of an important responsibility which reflects great credit upon the dedicated men and women who have served and are serving the Nation well.

By 1975, Congress had appropriated almost $70 million for the exploration and development of Elk Hills, a project that would involve drilling approximately 1,000 new wells and the installation of modern oil field production facilities. The cost of the project at that time was estimated to be about $800 million and the work was projected to be completed in fiscal year 1981. The goal was to be ready to produce 400,000 barrels per day in the event of a national defense emergency.

The fact that the naval petroleum reserves were not ready to meet a wartime or national defense emergency counted heavily in 1976, when Congress enacted the Naval Petroleum Reserves Production Act. Another important consideration which contributed to the decision to authorize a temporary 6-year open-up of Elk Hills and Teapot Dome was the heavy expenditure that would be required in order to bring the reserves to a posture of full capability.

An important feature of the 1976 statute was the establishment of a special account in the Treasury into which all proceeds from the disposition of petroleum from the naval petroleum reserves would be deposited. From this special account funds would be appropriated, as needed, by the Congress for the continued exploration and development work on the reserves.

Because the strategic petroleum re-

Incidentally, although the special account was allowed to operate only for a short period—it was terminated by the NPR Authorization Act last year—the statute also authorized it to be a source of needed appropriations for the continued exploration of the national petroleum reserve in Alaska and the development of the strategic petroleum reserve. The elimination of the special account was accepted by me and other concerned Members of Congress, because it was never contemplated that the income-producing capabilities of the naval petroleum reserves would someday interfere with their contribution to the development of the strategic petroleum reserve. In retrospect, it was a mistake to divert those revenues to the general receipts of the Treasury.

As I mentioned earlier, I believe that the historic mission of the naval petroleum reserves is in danger of being distorted. Instead of securing a secure source of vital oil supplies for the armed services of this Nation, they are now being viewed by some people in the administration, as well as some Members of Congress, as merely a convenient expendable source of Government revenues.

Last year, for example, the sale of crude oil produced at Elk Hills and Teapot Dome generated income to the Treasury of the United States to the tune of over $720,000,000. In fiscal year 1980, the current year, the revenues are expected to rise to almost $1.6 billion and in fiscal year 1981, the projected income from the reserves is over $2 billion. While the $2 billion would help balance the 1981 budget, using NPR oil for this purpose would seriously shortchange the American people. It is pennywise and pound foolish. Use of NPR oil for its real purpose as a national defense petroleum stockpile will greatly increase the value of each barrel. In the event of a supply interruption, the value of the oil could easily be over $200 per barrel, rather than $35.

The fact that crude oil sales from the naval petroleum reserves can, and probably will, generate revenues on such a vast scale, as reflected in the projections I just mentioned, has tended to obscure the reason for their recently authorized production.

During the prolonged debates which preceded the passage of the 1976 statute that opened the naval petroleum reserves to peacetime production, the opponents of the bill were repeatedly assured that an even-larger source of crude oil would soon be available in time of emergency. The newly authorized strategic petroleum reserve was to augment the naval petroleum reserves with a greater capacity to deliver oil in a severe energy emergency.

Instead of the projected production rate of 400,000 barrels per day which would be available at Elk Hills when that reserve was fully explored and developed, the strategic petroleum reserve would be designed to permit the withdrawal of 5 or 6 million barrels a day. The argument was persuasive and Congress adopted it in the passage of the 1976 statute.

Today, we can see the flaw in the argument that the strategic petroleum reserve would be a superior emergency crude oil stockpile. The strategic petroleum reserve is not being developed in accordance with the legal timetable specified in the SPR plan, as approved by the Congress in 1977.

It is a small stockpile of only 91.7 million barrels—less than one-tenth of its authorized 1-billion barrel size and less than one-tenth the size of the huge naval petroleum reserve at Elk Hills. No purchases of oil for the strategic petroleum reserve have been made by DOE since November 1978, and none is contemplated by the revised budget until at least June 1981—14 months from now.

Many voices in Congress have been raised concerning this dangerous turn of events. Many Members of Congress have repeatedly urged that the President exercise his statutory discretion to order that crude oil production of the naval petroleum reserves be utilized, directly or indirectly, for filling the strategic petroleum reserve. Even allowing for the continued sale of 25 percent of the naval petroleum reserve crude oil production to small refiners—in accordance with the set-aside provision of the 1976 statute—approximately 100,000 barrels per day could be made available to the now feeble strategic petroleum reserve.

One of the serious obstacles to proceeding with such a course of action, unfortunately, is the reluctance of some people to forgo the income to the Treasury which would accrue from continued commercial sales of the crude oil produced at Elk Hills and Teapot Dome. This is the tragic distortion of the historical mission of the naval petroleum reserves. It is inconceivable to me that these national defense assets cannot be utilized for the needed development of the strategic petroleum reserve, because they are now considered to be more important as short-term income producers.

I have long championed both the maintenance of the naval petroleum reserves and the speedy development of the strategic petroleum reserve. The need for a system of strategic petroleum reserves became apparent to the members of the Interior and Insular Affairs Committee during hearings on oil import issues in January 1973. Hearings on legislation designed to create a strategic petroleum reserve were held in May and July 1973, and the creation of such a reserve was finally authorized in 1975 by the passage of the Energy Policy and Conservation Act.

The need for a large and effective strategic petroleum reserve is even more evident today than it was in 1975. There are many compelling arguments in favor of building such a crude oil stockpile. For example, possession of a sufficient reserve of petroleum reduces our vulnerability and minimizes the adverse impact on the United States of any potential curtailment of oil imports.

serve would reduce our vulnerability to import curtailments, the effectiveness of an oil embargo as a politico-economic weapon would be significantly lowered, thereby reducing the likelihood of its employment.

There is no argument with the fact that a strategic petroleum reserve would enhance the readiness capability of the Armed Forces of this Nation to defend our national security and to protect American interests around the globe.

In my opinion, it is vitally important to the security of the United States for all of us to recognize that the paramount mission of the Naval Petroleum Reserves must remain that of contributing to the national defense. Such recognition requires that the revenues generated by any sale of crude oil produced at Elk Hills and Teapot Dome be earmarked specifically for the development of a strong, viable strategic petroleum reserve. It would be a dangerous, shortsighted piece of folly to view those Reserves as just another source of income to the Treasury. Such a bonanza would only serve to strangle the establishment of a vital component of our national security—namely, the strategic petroleum reserve.

Experts on the world oil market and the Central Intelligence Agency have repeatedly warned that these will be insufficient supplies of crude oil to satisfy world demand sometime during this decade. Those warnings make it imperative for the United States to take advantage of the present surplus of petroleum—the so-called mini-glut. The price of crude oil will obviously continue to increase, and therefore a policy of delaying purchases not only will fail to maximize the favorable supply situation we now enjoy but also will end up costing the taxpayers more money. Another aspect of the strategic petroleum reserve should appeal to those who seek to economize on the costs of Government: The oil that is stored increases in value and is the only inflation-proof commodity—except for the gold stored in Fort Knox.

The United States simply cannot follow a path that will bypass the creation of the strategic petroleum reserve, but will continue to fritter away the crude oil treasure that was wisely set aside for national defense in the Naval Petroleum Reserves over six decades ago. If those Reserves are to continue on production, the revenues generated from the sale of that petroleum must be dedicated to the purpose for which they were created. To do otherwise, would be to choose a policy of unpreparedness that would imperil the security of our Nation.

Mr. President, I yield back the remainder of my time.

Mr. BAKER. Mr. President, I yield 5 minutes of the time remaining to me under the standing order to the distinguished Senator from Minnesota.

The PRESIDING OFFICER. The Senator from Minnesota is recognized for 5 minutes.

Mr. DURENBERGER. Mr. President, this is a difficult issue to discuss in a public forum like the U.S. Senate. The strategic petroleum reserve touches directly upon our national security and the health of our economy. It is the subject of ongoing negotiations with our allies and with the oil producing nations of this world.

A week ago Monday I met with Charles Duncan, the Secretary of the Department of Energy to discuss a series of issues. High on the list of topics was the strategic petroleum reserve. I sought a direct discussion with the Secretary on this matter because I was greatly concerned about the press reports on his recent trip to Saudi Arabia and about the Carter administration's revised budget which cuts fiscal year 1981 funding for the reserve program.

The comments I make this morning are not to be associated with the Secretary of Energy. In fact, our views are quite different on this subject. The substance of the Secretary's comments on the reserve program, at his discretion, will remain confidential.

Mr. President, there are three issues related to the strategic petroleum reserve which I should like to touch upon. The first of these is the symbolic interpretation of the reserve. I believe that the OPEC nations have a perception of the reserve which is dissimilar to that held in the United States, particularly in the U.S. Senate.

OPEC is a successful cartel because of its power to control the price and supply of crude oil on the world market. It would of course be troubled by the policy of any consuming nation which reduced its control. However, to the extent that the OPEC nations view our reserve program as an attempt by the United States to diminish their control over world oil markets, their view is incorrect. We do not advocate a strategic—and I emphasize the word strategic—reserve so that we can gain control of the oil supply system or influence the price. We would not use the reserve to buy and sell oil on a short-term basis. Our intention is to create a reserve with rapid recovery mechanisms that will allow us to respond to cataclysmic events.

A reserve of this type is as much in the interest of the OPEC nations as it is in the interest of the oil consumers. OPEC depends on a stable economic system in the West. Events which seriously jeopardize the economies of the consuming nations, threaten the economies of the OPEC nations, as well. Perhaps it would be useful to consider legislation which would spell out our intent with respect to the reserve. We could put a trigger mechanism on reserve withdrawals like those which govern implementation of gasoline rationing. That way the OPEC nations could be certain that the United States would not use the reserve to the detriment of their policies.

The second issue I shall discuss is the price of oil on the world market and the effect that resumption of reserve purchases might have on that market. It would appear that the Carter administration will not resume the program because they are convinced that it might force the price of oil upward. Yet this very same administration has imposed a $4.62 import fee on imported oil to accomplish a price increase. And they will use the $11 billion which flows from this import fee to balance a budget that has no room in it for the strategic petroleum reserve. That combination of contradictions makes pure nonsense out of our energy policy.

I have seen no evidence that regular and modest purchases for the reserve program will dramatically increase the price. And even if price increases did occur, I doubt very much that they would approach the $4.62 that President Carter has imposed as an import fee.

Mr. President, I make one final point on the price issue. If we decide not to resume the reserve because we cannot accept the possibility that it will increase the short-term price slightly, we might just as well decide to abandon the reserve concept entirely. It is now clear that the OPEC nations will manipulate supply on a regular basis to maintain a close balance between world oil supply and world oil demand. Their ability to fine tune the system will most likely improve in the future. We may very well never be able to resume purchases for the reserve without having some impact on the price. We should recognize that fact and get on with the program.

The final issue that I shall touch upon is U.S. policy on primary and secondary storage of crude oil and petroleum products. We do not have a storage policy as such. Evidence from 1979 indicates that world oil supply was not much affected by the Iranian revolution. What was lost in Iran was made up by increased production from other nations. But the revolution did have a dramatic effect on world oil demand. Because of the uncertainty created by the revolution, oil consuming nations and major oil companies rushed to increase their stocks of crude oil and petroleum products. Petroleum in primary storage stands at an all time high in the United States.

The record indicates that similar stockpiling occurred during the embargo of 1973. The dramatic price increases in the spot markets followed naturally by increases in contract prices may have been as much a result of this stockpiling response to uncertainty as it was directly related to shortage in supply.

I think it is time that we in Congress consider the question of primary and secondary storage. I also think that the administration should explore this question in depth with the other oil consuming nations of the world.

Mr. President, I thank Senator DOLE, Senator JACKSON, and Senator BRADLEY for bringing this important issue to the floor of the Senate.

I yield back the remainder of my time.

Mr. DOLE. Mr. President, the Senator from Kansas has 15 minutes; is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, I thank my distinguished colleague from New Jersey, Senator BRADLEY, and the distinguished colleague from Washington, Senator JACKSON, and the Senator from Minnesota, Senator DURENBERGER, another distinguished member of the Finance Committee, for their comments concerning the SPR.

TIME TO BUILD THE SPR IS NOW

Mr. President, it has been nearly 6 months now since the Senate expressed its will in approving the Dole-Bradley amendment to S. 932 relating to the strategic petroleum reserve. That amendment requires the President to resume purchasing oil for the SPR at the average daily rate of 100,000 barrels. Despite the Senate's vote on November 8, 1979, President Carter has continued with his policy of ignoring the importance our SPR program holds and has inexplicably slashed the needed funding for SPR from his fiscal year 1981 budget. While I am quite sure that no one in this body is any more aware of the need to balance the Federal budget than is the Senator from Kansas, I feel it is penny wise and pound foolish to place budgetary considerations above those of national security. For that is what the strategic reserve is really all about—national security. The President and his advisers seem to be totally ignoring the reality of possible future energy supply interruptions beyond our control, such as those which occurred during the Arab oil embargo of 1973 and the more recent Iranian crisis. If we do not take the necessary steps today to protect the life blood of our economy, there may be no economy to protect tomorrow.

Mr. President, the administration has not given the American people a coherent national energy policy, nor have they given convincing reasons for why they are refusing to buy oil for our only insurance against possible oil cutoffs—the SPR. When the program was first terminated by the administration in November of 1978, there was no reason given. Then last fall when rumors began circulating that it was Saudi Arabia which objected to our continuation of the SPR program, we were told by the administration that a nebulous state of "adverse market conditions" prohibited the purchase of SPR oil at the time. The Dole-Bradley amendment to S. 932 removed those technical loopholes used by the administration but unfortunately S. 932 continues to be held up in conference.

ADMINISTRATION STANCE

Mr. President, after reviewing testimony given before various energy committee hearings, it is becoming increasingly clear that there is currently a glut of oil on the world market. However, before a Senate Appropriation's Subcommittee hearing Secretary Duncan testified that the administration would not resume purchasing SPR oil until June 1981.

Mr. President, the position taken by the Senate when it voted on the Dole-Bradley amendment showed the administration that the SPR should and must be a part of any overall energy strategy. Subsequently, in January this year, Secretary Duncan said he would come up with a plan to buy oil for the SPR. But in his testimony Monday, before the Appropriations Subcommittee, he said no oil would be bought until at least June 1981 on the grounds that buying such oil would "adversely impact the market."

Mr. President, how can Secretary Duncan or anyone else for that matter predict whether the market will be stable in 1981? The Secretary has stumbled on his own words. Today, there is a clear glut of oil in the world market, as testified by Dr. Ruth Davis at our Energy Committee hearing held April 18, 1980. This testimony, given by one of Secretary Duncan's own deputies, is a clear-cut example of contradiction in logic with respect to the Carter SPR policy. In her testimony Dr. Davis testified that oil companies have themselves stockpiled oil, which they could easily sell to the Government for the SPR, but which they will dump on the world market because of the administration's anti-SPR policy.

In turn, this dumping of oil on the world market may prompt the Saudis to curtail their production from 9.5 million barrels to 8.5 million, in order to create an artificial shortage and keep prices high. The Saudis' oil policy is opposed to any loosening of the world oil supply and any build-up of a strong reserve by the United States.

In short, if now is not the right time to buy oil for the SPR, when will there be a right time? The fact of the matter is that the illusion of a "stable world market" has nothing to do with the administration's decision to terminate the SPR. We are left to infer that it is only Saudi pressure which has dictated the administration's weak policy? If we kowtow to Saudi pressure on this, how can we realistically be expected to defend our own interests elsewhere?

Secretary Duncan went on to say in his testimony that the so-called "allies" present at the Tokyo economic summit pledged not to buy oil for their own reserves.

This may be true, but these allies have in some way managed to build up a very large SPR of their own, so they don't need to fill it further. For example, Japan has a reserve lasting for 87 days. It is precisely this reserve which will enable Japan to stop importing Iranian oil, in order to avoid paying the high prices asked for by the revolutionary government of Iran. This irony shows the folly of our unilateral decision to terminate our own SPR. We would be in a far less tenable position than Japan, to resist OPEC pressure, because we have no viable SPR. Our current SPR level will last for only 12 days, and beyond that we would be at the mercy of OPEC.

POLICY OF APPEASEMENT

Mr. President, these contradictory and absurd rationales are an insult to the American people. The administration is literally playing games with the very survival of our economy. They are placing our economy and military position in the world in jeopardy by following a policy of appeasement toward the OPEC oil sheiks, who remain steadfastly opposed to any build-up at all of our SPR. When the strategic petroleum reserve program was first initiated under President Ford, the Arabs voiced similar threats of curtailed production. However, at that time President Ford saw the necessity for some sort of cushion against possible cut offs and proceeded to go ahead with the program. It is unfortunate for all that the program was discontinued under the Carter administration. Our economy, our military and geopolitical position and our entire way of life are all threatened because our Nation remains totally vulnerable to energy supply shut-offs.

In order to urge the administration to immediately resume purchasing oil for the reserve, as the Senate voted last November, the Senator from Kansas, along with the Senator from Washington (Mr. JACKSON) and the Senator from New Jersey (Mr. BRADLEY) will offer an amendment to the first concurrent budget resolution which will restore the necessary budgetary allowance needed to resume our SPR program. The reserve program is so important that we cannot be concerned about haggling over where the funding should come from or what functions in the budget should be reduced to allow for the SPR. This is a matter of national security and we must not avoid our responsibility and our duty. It is more important to provide our country with energy insurance today rather than to achieve a politically desirable, token balanced budget at the expense of our national security.

CARTER ADMINISTRATION PESSIMISM

Mr. President, there is one more point I would like to talk about and that is the pessimistic tone of the administration's witnesses testifying before the various committees. All seem to be exceedingly negative about the chances for us to find a productive positive way out of the energy crisis. Everywhere we look at this administration we see no sign of hope—whether it is the economy, energy, or foreign affairs. They tell us we must continue to tighten our belts, despite the real costs this entails to jobs and overall productivity of our economy. They seem to continually paint a scenario of bleak economic malaise by virtue of their policy actions and decisions.

The American people can conserve energy, but only up to a certain point. We can eliminate unnecessary driving and we can also monitor our thermostats, but these measures and similar ones taken in the name of conservation will not loose the stranglehold OPEC continues to have on us. And we cannot be asked to destroy jobs, Mr. Carter notwithstanding. The administration believes that high oil prices are a good thing because high prices will discourage consumption, thereby reducing our demand.

However, when it comes to allowing oil companies to use their profits for exploration and development they take a totally different view and call for a massive so-called windfall profit tax which will only hurt American consumers and those small royalty owners and independent producers and do little to encourage increased domestic production. Here again we see a good opportunity for domestic production taken away through the revenue process. The administration is also refusing to lease vast lands in Alaska for oil and gas exploration. As Senator TED STEVENS of Alaska pointed out during an energy hearing on April 22, 1980, Alaska may be the Saudi

Arabia of the United States, in terms of its recoverable oil reserves.

Eighty years ago two Senators from Texas told their colleagues that the United States would run out of oil in 10 years. But instead of accepting this grim prediction we found oil and a great deal of it. This Senator knows as well as anyone that our untapped oil reserves are limited, but the Senator from Kansas also knows that American innovation and resourcefulness are unlimited and we cannot afford to allow these most valuable resources to lie dormant. This country must embark on a course of achieving all-out energy independence rather than on a policy of continued pessimism. For if we allow this Carter policy of pessimism to persist it will, I am afraid, become a self-fulfilling prophecy.

Mr. President, if the administration wants to keep us dependent on OPEC then its anti-SPR program makes sense. If we kowtow to OPEC here what will their next demand be? No matter how you look at it, the United States is being blackmailed by OPEC, and our future is being held ransom and it will continue until such time as we can stand free of the OPEC oil weapon. A strong and viable SPR will help make this goal possible. We are bound by our IEA agreement to help supply oil to any "ally" whose oil supplies decline by 7 percent, yet we cannot even honor this commitment and supply our own needs adequately due to our low level of reserves.

ARMS ALONE WILL NOT BUY SECURITY

Mr. President, the Senator from Kansas is pleased as many of his colleagues are to see the Carter administration finally realize that increased defense spending is necessary in order to boost our military posture which has steadily declined over the past 3½ years.

However, tough talk in terms of defense posture is not enough. What good are arms without oil? What good is defense security without energy security? This Senator feels that energy and defense are inextricably linked, and to separate them is to do an injustice to our overall national security efforts. Today our Nation is faced on many fronts with threats that at times seem insurmountable—the Soviet invasion of Afghanistan, the Iranian crisis, Soviet troops in Cuba, inflation, and many, many more. But perhaps the biggest threat to our national security is the merciless policy of cartel exploitation which has devastated our economy, put our people out of work, and led national leaders to preach pessimism.

Mr. President, it is time for the Congress to reverse the dangerous trend set by this administration and immediately resume our SPR program. Even with a massive synfuels program, which I may add is still tied up in conference committee, or with increased domestic production of oil and gas, our Nation will continue to be dependent on imported crude oil for at least the next decade, barring any unforeseen technological advances in the energy area. Without a strong reserve we run too great a risk of economic upheaval.

Mr. President, the strategic petroleum reserve is a much needed ingredient in our national energy program. Without the cushion the reserve provides we are left totally vulnerable to an oil shutoff by OPEC. It is in the best interests of the United States as well as our allies that we move forward with SPR even at the bare minimum provided for in the Dole-Bradley amendment to S. 932. The amendment which will be offered to the budget resolution will permit the Dole-Bradley amendment to become reality.

I urge my colleagues to support that effort when this comes to the floor.

S. 2598—NAVAL PETROLEUM RESERVE

Mr. DOLE. Mr. President, the danger of the Carter administration's policy against filling the SPR is compounded by the fact that the administration is currently depleting our naval petroleum reserve at Elk Hills, Calif., at the rate of 130,000 barrels per day. They are selling this oil to private oil companies in California. California obtains approximately 18 percent of its oil needs from the petroleum reserve.

This policy of net depletion of our oil reserves amounts to "national security suicide." Presumably, our "friends" and "allies," the OPEC Arabs, are gleeful that we are engaging in a systematic net depletion of our oil reserves. This depletion only makes us more vulnerable to their pressure and leaves our military reserves frightfully low. Sheik Yamani is reported to have told a high U.S. official recently, "we will be your reserve."

While this may be a well-intentioned gesture, we cannot rely on such promises in a region of the world where international instability is increasingly the rule and not the exception. We cannot afford to let our national interests be dictated and distorted by would-be "allies," even as they wreak havoc on our economy by mercilessly hiking up the price of oil in classic, cold-blooded cartel style beyond any reasonable limits.

Accordingly, I am introducing a bill which will ban the sale of any more oil from our naval petroleum reserves numbered 1 and 3 to private oil companies. This measure will however allow only the sale of oil in exchange agreements whereby the oil companies will deposit an equal amount of oil in the SPR in Texas and Louisiana.

Mr. President, this bill will insure that at least we will not unilaterally deplete our only real oil reserve, and will hopefully convince the administration to sign exchange agreements to deposit the oil and begin rebuilding the SPR. Why should we supply California with 18 percent of its energy requirements by depleting our own naval reserves while, at the same time, oil companies possess large stockpiles? The Elk Hills naval reserve was initially authorized for defense and national security purposes only. But that fact seems to have failed to impress this administration.

Perhaps the administration believes that we can best assure our security by bending over backwards to please the Arabs by making ourselves more vulnerable to the oil weapon. Perhaps it believes that even keeping the Elk Hills oil in our naval reserve will "displease" the OPEC cartel, so we must remove our only source of insurance against a shortage. And, perhaps Mr. Carter really believes that Saudi Arabia is stable enough to constitute a permanent petroleum reserve for the United States. I am afraid that I am not quite as confident in the stability of the Middle East to risk foregoing the only reasonable insurance against any oil supply interruption.

Mr. President, the Senator from Kansas and many of his colleagues see the necessity for a strong, viable, and reliable reserve. The only way to achieve that is to continue the program started during the Ford administration. The bill being introduced today concerning the naval petroleum reserve by this Senator in addition to the amendment to restore budgetary allowances for continuing the SPR program are two necessary ingredients in insuring our economic and military security. I trust my colleagues will see the urgency of this issue and give their support to the efforts being made in this area.

I am introducing the bill today and am pleased that Senators Hatfield, Bradley, McGovern, and Boren have joined me in my efforts to revitalize our reserve programs.

Mr. President, I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2598

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 7430 of title 10, United States Code, is amended by adding at the end thereof the following new subsection:

"(d)(1) The Secretary shall sell petroleum produced from the Naval Petroleum Reserves numbered 1 and 3 only to persons who enter into an agreement with the Secretary whereby—

"(A) such person agrees to deposit, or by contract or other arrangement causes to be deposited, in the Strategic Petroleum Reserve within 30 days an amount of crude oil equivalent to the amount of petroleum acquired from the Naval Petroleum Reserve, and

"(B) the Secretary agrees to pay such person the appropriate current market price at the point of transfer of title and considering the oil grade, quality, transportation, cost and other such factors for the amounts so deposited.

"(2) There are authorized to be appropriated to carry out the purposes of this subsection such sums as may be necessary.".

UTILIZING THE NAVAL PETROLEUM RESERVES FOR THEIR INTENDED STRATEGIC PURPOSE

Mr. HATFIELD. Mr. President, as their name would imply, the naval petroleum reserves were established to act as a reserve in time of war for oil-fired naval vessels. While that wartime need may have diminished somewhat over the years, the strategic nature of the reserves has increased in stature—increased to the point where we can no longer afford to burn away Elk Hills naval petroleum reserves for nonstrategic purposes.

The bill I am sponsoring today, along with Senator Dole, would require oil from the naval petroleum reserves at Elk Hills, Calif. and Teapot Dome, Wyo. to be sold with an equivalent amount of crude oil deposited in the strategic petroleum reserve.

As my colleagues are well aware, the strategic petroleum reserve has had very little oil placed in the Gulf Coast sites over the last year. In fact, the Department of Energy has made a conscious decision not to fill the reserve at this time. The Department's reason for not filling the reserve centers around objections voiced by the Saudis and finding the "right time" to resume oil acquisition. However, the Department has been unable or unwilling to provide convincing rationale or analyses for their decision. Given that the world price of oil has doubled over the past year, and given the current availability of world oil supplies, it is indeed difficult to figure out when the Department will determine the "right time" has arrived.

Certainly our flaccid negotiating posture with the Saudis and others concerning United States needs for a viable strategic oil buffer has been a factor in the administration's lackluster performance.

The argument that it makes little sense to take oil out of the ground in Saudi Arabia, at some risk to field longevity, simply to put the same oil in the ground in the United States obviously makes a great deal of sense to the Saudis and others in OPEC who care not to weaken the supply and price stranglehold of the cartel. The United States has failed, however, to convey to our friends, the Saudis, the mutual benefit derived from a strong strategic reserve in the United States. Saudi Arabia cannot act as a geographically displaced strategic petroleum reserve for the United States because, after all, the Saudis are not impervious to the external or internal forces accelerating in the Middle East which may in the coming decade jeopardize that country's current regime.

But leaving aside the issue of whether or not we should be buying oil on the world market, there remains the important question: What role will our naval petroleum reserves play in minimizing the potentially devastating effects of a sustained oil supply interruption?

The bill introduced today will insure that naval petroleum reserve oil will serve the defensive and strategic needs of all Americans, not just those fortunate to live in the vicinity of Bakersfield, Calif.

The bill will provide 130,000 barrels per day, and greater amounts in coming years, to strengthen our oil supply buffer, the strategic petroleum reserve. And, the bill will end the current policy of burning away a reserve to the benefit of only a small segment of the American public.

An alternative defensive use of Elk Hills petroleum would be shut in the field's production. While this, too, would maintain the strategic nature of the naval petroleum reserves, the refinery capacity and transportation network of the gulf coast strategic reserve sites far exceed those of the west coast, and Alaskan and other Californian production guarantees sufficiency of supply to the west coast. Thus, for strategic purposes, the more efficient storage location is the gulf coast.

Another alternative for naval petroleum reserve oil would be to establish the Department of Defense as an intermediary or as sole user. Proponents of this camouflaged method of utilizing naval reserve oil for the strategic reserve or simply for defense oriented purposes would argue that the Saudis would not mind NPR oil going to the Defense Department but they would object to the more visible route of requiring NPR to be placed in the strategic reserve if that would require additional purchases on the world market to make up for NPR oil stored on the gulf coast. That rather convoluted mechanism may confuse our foreign suppliers for awhile but, in the end, would still require purchases on the world market. Its value, therefore, is questionable and I would urge my colleagues to support a more direct, upfront approach which requires a barrel-for-barrel exchange of naval petroleum reserve oil for storage in the strategic petroleum reserve.

I encourage my colleagues to join me and Senator Dole in cosponsoring this legislation to return a strategic posture to the naval petroleum reserves.

Mr. President, I ask that a status of our inactive but necessary strategic petroleum reserve be placed in the Record at this point.

There being no objection, the status was ordered to be printed in the Record, as follows:

Status of the Strategic Petroleum Reserve

Now in storage, 92 million barrels of crude oil (at 3 sites on the Gulf Coast).

Fill rate, currently zero (although capacity is 15 million barrels per month).

Oil acquisition, last delivery was August of 1979; no contracts being negotiated.

Purchase stopped under provision of Energy Policy and Conservation Act of 1975 which implicitly allows discontinuance of SPR fill if purchases would negatively "impact . . . supply levels and market forces."

Funding, oil acquisition is funded through Phase 1 (248 MMB, $18/bbl assumption).

Construction is funded through Phase 2 (an additional 280 MMB).

FY–81 funding and carryover appropriations are a prime target of recent budget cutting.

Constraints, Tokyo Accord signed by U.S. in June of 1979 says that oil consuming nations will not buy oil for strategic stockpiles if it would place undue pressure on prices in the world market.

Saudi threat to decrease supplies if the U.S. renews purchases for the SPR have not been formal, but Yamani has let it be known that the Saudi's higher than average production rate will not continue if the U.S. resumes SPR purchases.

Import Quota Impact, section 162 of EPCA states that no import restrictions shall apply to imports for storage in the Reserve.

Issues, the world price of oil has doubled in the last year yet the Administration continues to wait for the "right time" for further purchases for the strategic reserve.

The administration has failed to aggressively pursue with the Saudis our need for a strategic buffer. The "Yamani budget cut" for SPR oil acquisition is the latest example of U.S. appeasement policies.

The probability of a U.S. oil import cutoff in the order of 2 to 3 million barrels per day is very high over the next 10 years, yet the administration has failed to search for even "distress cargoes" seeking a buyer.

The administration has, in addition, balked at an exchange or swap of Naval Petroleum Reserve oil at Elk Hills, California (130,000+ barrels per day) for oil to be stored in Gulf Coast strategic reserve sites.

SPR Goals, the Energy Policy and Conservation Act of 1975 (ECPA) directs the establishment of a Strategic Petroleum Reserve of up to one billion barrels of crude oil and petroleum products to:

(a) diminish U.S. vulnerability to disruptions in petroleum supplies, or

(b) meet U.S. obligations under the International Energy Program.

The SPR plan, as amended, sets a storage schedule, to be met "to the maximum extent practicable," of

250 MMB by December 1978;
500 MMB by December 1980; and
750 MMB by December 1985.

DOE has yet to submit plans for a possible fourth 250 MMB.

DOE's FY–1980 budget tempered these ambitious goals with a three phase cavern development and fill schedule:

Phase—Storage	MMB	Date
I—Existing caverns and mines, 5 sites on Gulf coast.	248	End of 1980.
II—New leached caverns, expansion at 2 of the sites.	280	
III—New sites	222	
	750	End of 1986.

Even this schedule was obviously too optimistic since only 92 MMB of crude are now in storage and inventory. Further nearterm increases are at best uncertain since: (a) all oil acquisition contracts for the SPR expired at the end of April, 1979 and (b) SPR solicitations out for additional supplies have been unsuccessful.

DOE's current policy on SPR fill removes all time frames from Phases I, II, and III. DOE has no oil acquisition strategy for the strategic reserve. The policy of the administration is to stay out of the world oil market for reserves.

Mr. DOLE. Mr. President, I reserve the remainder of my time.

Mr. BRADLEY. Mr. President, how much time do I have remaining?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. BRADLEY. Mr. President, I wish to thank the distinguished Senator from Kansas for his remarks and for his assistance in this critical national security matter, and also the Senator from Minnesota and, of course, the chairman of the Energy Committee, Senator Jackson.

Mr. President, I yield 5 minutes of my time to Senator McGovern who would like to join in the colloquy on the strategic reserve.

The PRESIDING OFFICER. The Senator from South Dakota.

Mr. McGOVERN. Mr. President, I thank the Senator from New Jersey.

I ask that the Senator add me as a cosponsor to this resolution.

The PRESIDING OFFICER. Without objection, it is so ordered.

STRENGTHENING U.S. ENERGY SECURITY

Mr. McGOVERN. Mr. President, first I want to commend the Senator from New Jersey, Senator Bradley, for his initiative in this field, as well as the Senator from Kansas, Senator Dole. I think it is important that we strengthen the petroleum reserve.

Senator Bradley has concerned himself with this matter since he first came to the Senate and has become an extremely knowledgeable Member of this body on all aspects of the strategic petroleum reserve.

The energy crisis poses one of the most serious national security threats we face in the next decade. Yet the first budget resolution leaves us unprepared to meet this threat. The Budget Committee action weakened the strategic petroleum reserve program by eliminating its oil purchasing authority and outlays for fiscal year 1981.

Since the reserve is the best short-term insurance policy against sudden disruption of our foreign oil supplies, I announced last week that I intend to offer an amendment to restore $2.2 billion in budget authority and $1 billion in outlays to function 270 for the reserve. This will enable the Government to purchase 100,000 barrels per day in fiscal year 1981 and 250,000 barrels per day in fiscal year 1982.

This amendment, Mr. President, attempts to accomplish much the same objectives that Senator Bradley, I think, is attempting to accomplish. I am glad to join as a cosponsor of that effort.

But it provides another track on which we can send a strong message to the administration that the reserve is essential to the military and diplomatic flexibility we need to protect our vital interests. I think we should strive to balance the Federal budget without unbalancing our energy security priorities.

The reserve should be financed without unbalancing the budget or requiring new revenues, if we can do that. Many of the resolution's real-growth military investments, including higher pay rates and more readiness funds to increase our deterrent power in the Persian Gulf, are important. At the same time, however, I do not believe that funds cut from the SPRO should have been used to make indiscriminate increases in the military budget. Since the reserve is an important element in our national security policy, my amendment will move funds from function 050 back to the reserve.

This is not a guns-against-butter amendment. It is an alternative national security amendment. If funds are shifted to the reserve, our national defense will still receive real growth of 8.4 percent in budget authority and 5 percent in outlays. These growth rates substantially exceed President Carter's program and the NATO commitment.

According to the committee's report, "the technical and management problems associated with the SPRO have been ameliorating somewhat." Strong congressional oversight will be needed to prevent a reoccurrence of these problems. The main obstacles now are the strength of our will and the skill of our diplomacy. My amendment will make our intentions clear and will provide the financial base for a new diplomatic effort to begin the overdue task of filling the reserve.

To take oil from the ground for the reserve we cannot expect revenues to come out of thin air. We will have to make some tough choices in this budget. National security depends on more than just military hardware. A more equitable distribution of defense spending will allow us to fill the reserve and meet our national defense needs.

Mr. President, I am very happy to join in the Senator's resolution here today. It may very well be that that is the only route that is open to us. But I would urge the Senate to also consider this transfer possibility of moving funds out of the function 050 portion of the budget into the reserve, so that we do not unbalance the overall budget calculations but do recognize that the petroleum reserve is a vital part of our national defense and security needs.

Mr. President, I thank the Senator from New Jersey again for his leadership on this issue, as well as the Senator from Kansas. I thank the Senator for yielding to me.

The PRESIDING OFFICER. The Senator from New Jersey.

Mr. BRADLEY. Mr. President, the colloquy this morning has confirmed that there is a broad range of support for filling the strategic petroleum reserve. I think that, in summary, discussions this morning have established the following: that we must build a reserve, that the oil is available now, and now is the time to move; that the likelihood of disruption is high and the costs that it would impose on the economy are enormous; and that the strategic reserve is the most cost-effective way of deterring politically motivated disruptions and of mitigating the costs of a supply curtailment.

I think each speaker, in his own way, also said that now is the time when we must demonstrate to ourselves, our allies, and our enemies, that we have the political will to act in our own self-interest and to protect our national security.

Mr. President, is the distinguished Senator from Kansas prepared to yield back the remainder of his time?

Mr. DOLE. Will the Senator yield for a question?

Mr. BRADLEY. Yes.

Mr. DOLE. Mr. President, as I understand the Dole-Bradley proposal, we are in agreement on what we propose to do. We support the same amendment which will reinstate the BA and BO's for SPRO.

Mr. BRADLEY. Yes, that is correct. The amendment would restore the funding that was taken out of the budget resolution by the Budget Committee, the full funding for the reserve, without any other aspect of an amendment that I am sure the Senator was concerned about.

Mr. DOLE. Mr. President, I have just been asked the question if they were separate amendments and I said, "No, I think we are in total agreement."

Mr. BRADLEY. Mr. President, this is an amendment to the budget resolution which will be at the desk, and to which I am pleased to add the Senator from Oklahoma, Senator Boren, as a cosponsor.

Mr. President, I am prepared to yield back the remainder of my time.

Mr. DOLE. Mr. President, I know of no other request to speak on our side on the petroleum reserve issue. I think other Senators may be inserting their remarks in support of the Bradley-Dole proposal, but have no further request for time.

I would just say, with Senator Boren presiding, that we are making progress in some way to exempt the small royalty owners in this country, and we hope that we will then have Senator Bradley and others working with us for these small royalty owners who are now privileged to pay the same tax rate as Exxon. They are getting their notices now. It is almost like a draft notice, "Greetings, you have been invited to participate in this great experiment called the windfall profit tax. You will be permitted to pay between 50 and 60 percent of the difference between the base price and the selling price."

I have had a number come to me saying that they did not realize that they were part of big oil. I have joined with Senator Boren and others, and I hope there will be others from the wide spectrum we have in this body who will focus on the plight of the small royalty owner. I am certain that Senator Boren will persuade the Senator from New Jersey to assist us in that effort.

Mr. BRADLEY. Mr. President, I thank the distinguished Senator from Kansas for his capacity for optimism, and salute him. We work together in the field of the strategic petroleum reserve.

ALLIED SANCTIONS

Mr. ROBERT C. BYRD. Mr. President, America's allies have taken the first steps toward imposing sanctions on Iran to help free the hostages in the Tehran Embassy.

The Nations of the European Community voted unanimously to request their parliaments to impose sanctions in accordance with the Security Council resolution which was vetoed by the Soviet Union. These sanctions will go into effect on May 17 unless decisive progress toward freeing the hostages is achieved in the meantime.

The European nations have decided to adopt immediately a number of partial sanctions. West Germany deserves special credit for taking the lead in the debate to impose sanctions. And Great Britain is to be praised for coming up with a compromise that all nine nations could support.

The Japanese Foreign Minister was in Luxembourg while these decisions were being taken, and the Government of Japan is expected to take parallel measures. Japanese trading companies have already refused to pay the premium price demanded by Iran for oil. The result will be a halt in Iranian oil exports to Japan, a considerable sacrifice for Japan, which has been importing about 10 percent of its oil from Iran. Thus, the policies of our major allies are increasingly alined with our own.

The price increases demanded by the Iranian Government are being resisted by the European nations as well. The result could be a total cut-off of Iranian oil to these nations. While there is some excess supply in the world market, the United States should consult closely with allies to be sure that the burdens of a disruption of oil supplies are evenly shared.

These allied steps are important because they help to reduce the strains in U.S. relations with allies. The seizure and detention of American diplomats in Tehran is a contravention of international law and established diplomatic practice. All nations are threatened by such acts. The steps announced by the allies are in their interest as well as ours. The focus of the debate on the hostage question can now shift away from the question "what will our allies do?" to the proper focus "what will Iran do?"

The Iranian Government now faces a clear choice. Unless decisive progress is made toward freeing the hostages by mid-May, Iran will be faced with a near total cut-off in trade with its major non-Communist trading partners.

Iran today is in a sorry state. Political violence is on the rise, ethnic separatism and anarchy in the countryside threaten the control of the central government. The disintegration of Iran is not in the interest of the United States nor its allies.

Disintegration in Iran is not in the interest of that country itself.

Only one nation stands to benefit from the disintegration of Iran. You guessed it: The Soviet Union.

It is the Soviet Union that stands poised on Iran's borders with tens of thousands of troops. It is the Soviet Union that supports disruptive political factions in Iran.

It is tragic, Mr. President, that the Ayatollah Khomeini seems to be entirely incapable of recognizing, of discerning the very critical threat to Iran, the threat posed by the Soviet Union on the northern border of Iran and the eastern border of Iran.

Ending the hostage crisis would free the government of Iran to deal with the real threats to Iran's independence and security.

What are those real threats? The spreading chaos within and the very real, growing, imminent presence of the military threat on the borders of Iran.

The steps taken by the United States and the allies are designed to encourage the Iranian Government to do what it should do, to do what it ought to have done a long time ago in its own interests—to release the hostages which were wrongfully and unlawfully taken in the beginning and who have been illegally detained for many months, to encourage the Iranian Government to turn to Iran's real problems.

All of us welcome the support of our allies. We applaud their determination to respond cooperatively to a situation that threatens them as well as us.

The PRESIDING OFFICER. The Senator from Virginia.

Mr. WARNER. Mr. President, I congratulate the majority leader on his observations, and I also wish to say that his remarks as reported in the press this weekend provided me with the inspiration for the comments I am about to make.

(Mr. BUMPERS assumed the chair.)

THE MILITARY OPTIONS IN IRAN

Mr. WARNER. Mr. President, over the past 6 months, we have marked the passing of the seasons from late fall to winter and now to the rejuvenation of spring. As it always does, Washington has recovered brilliantly from the drab winter months. But for the Americans held hostage in Iran, the passing seasons have meant nothing but the inexorable passing of days—now the 172d. We as Americans are deeply bereaved for our countrymen and feel keenly the humiliation thrust upon our Nation by the Iranian terrorists. Our people in Tehran are constantly in our hearts and prayers, and our efforts to gain their freedom must be relentless.

I am, however, becoming gravely alarmed over the indiscriminate escalation of political rhetoric concerning the unilateral use of U.S. military force as a means to resolve the stalemate. Moreover, I am concerned by the apparent failure of the administration to recognize that the laws of this Nation mandate a collective judgment of the President and the Congress whenever the use of military force is contemplated.

The administration seems to be marching to drum beats that the President is "losing patience" and that the use of military force is "the only next step available." There is, however, no clear demarcation or sure way to determine when the President is speaking in his constitutional role as Commander in Chief of the Armed Forces and when he is speaking merely as a candidate for the Democratic nomination for President of the United States. Consequently, other Presidential aspirants find it compelling to discuss freely, sometimes in the most sensitive detail, the undertaking of military options against Iran.

The options being discussed carry grave risks, not only for the hostages but for all Americans and, indeed, the free world. American foreign policy from Europe to the Persian Gulf is involved. Our judgment to undertake those risks must be reasoned and coldly calculated; they must not be impatient or political.

I urge, therefore, that all candidates seeking the Office of the Presidency, when debating Iran, forgo making judgments on the use of military options.

As you know, Mr. President, the provisions of the Constitution related to war powers are as follows:

> Article 1, Section 8: "The Congress shall have the power . . . to declare war . . .".
>
> Article 2, Section 2: "The President shall be the Commander-in-Chief of the Army and Navy of the United States . . .".

Thus, power to make war is divided between the President's responsibility as Commander in Chief to wage war and the judgmental responsibility of the Congress to declare it. The Constitution controls, not candidates.

As we have discovered on numerous occasions in our history, and most dramatically during Vietnam, the respective powers of the Congress and the Executive are ill-defined in situations short of a declaration of war. To fill that gap and to extend the logic of the Constitution to those ill-defined situations, Congress, in 1973, passed the war powers resolution.

I am astonished that, throughout the building crescendo of rhetoric relating to military options with respect to Iran, the administration has not taken the most elemental step respecting the joint Executive-Congressional responsibility for the use of military force mandated by the resolution.

The purpose of the resolution is:

> To fulfill the intent of the framers of the Constitution of the United States and ensure that the collective judgment of both the Congress and the President will apply to the introduction of the United States Armed Forces into hostilities or in the situations where imminent involvement in hostilities is clearly indicated by the circumstances, and to the continued use of such forces and hostilities or in such situations.

Specifically, the war powers resolution requires that:

> The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or into situations were imminent involvement in hostilities is clearly indicated by the circumstances, and after every such introduction shall consult regularly with the Congress until United States Armed Forces are no longer engaged in hostilities or have been removed from such situations.

Therefore, Mr. President, I call on the leadership of the Senate and the chairman and ranking member of the Foreign Relations Committee to advise the Senate with respect to the application of the war powers resolution to the current situation.

I do not believe that assessment has been made—and if it has, it has not been conveyed to the Congress in the full sense of consultation required by the war powers resolution. Yet the President's Press Secretary was on nationwide TV just this morning referring to military options. We—the Congress—must demand that that consultation begin and begin now.

The last time this Nation used the military option of mining as part of a naval blockade was during the Vietnam war, when Haiphong harbor was mined in May of 1972. This, of course, was prior to enactment of the war powers resolution. As I was Secretary of the Navy at that time, I am knowledgeable about that operation; and, since we were then actively engaged in an on-going armed conflict, the need for the element of surprise was present. There was, to my recollection, only minimal consultation with congressional leadership, just hours prior to the military carrying out of the mining operation. I am doubtful that, in the present situation in Iran, the element of surprise outweighs compliance with section 3 of the war powers resolution.

Only when the President has fully complied with the resolution will we know that the decision to use military force reflects the collective judgment of the President and the Congress. The hostages and, indeed, the American people desire that kind of judgment; they and we should demand no less.

Mr. President, as our colleagues know, the purpose of the war powers resolution was to restore the proper constitutional balance between President and

Congress with respect to the involvement of American Armed Forces in the absence of a declaration of war. This controversial law arose out of a background of two military conflicts—Korea and Vietnam. In neither did Congress declare war.

When the war powers resolution was passed, the Congress and the American people were rightfully concerned that too much power over life and death decisions had drifted to the Presidency.

I need not remind my colleagues of the urgent voices that were raised, many of them in this chamber, decrying the growth of the so-called "Imperial Presidency" and the danger of unilateral extension of American military power around the world by Presidential fiat.

We heard charges of one-man rule and one-man decisionmaking. We were reminded of the temptations of excessive and unrestrained power. We were warned that errors in judgment, human frailty, or even selfish motivation on the part of an incumbent President, could needlessly plunge our Nation into a local or worldwide conflagration from which there could be no return.

Americans have always mistrusted unchecked, undivided power. That is why the framers gave us a unique system of government by checks and balances. That is why Congress passed the war powers resolution. That is why, in the case of Iran, Congress must insist that the letter and the spirit of the war powers resolution be honored and adhered to. I also remind my colleagues that the Secretary of State, before the Senate Foreign Relations Committee, has committed the administration to "good-faith observance of that law."

Let there be no mistaking the potential consequences of military action in Iran. Great caution must be used.

Under the war powers resolution, the President cannot involve American military forces in hostilities for more than 92 days without the specific authorization of Congress or an outright declaration of war.

But once our forces are committed by the President, particularly in an area as volatile, unstable and, indeed, undefinable as the Persian Gulf, the die may well be cast.

The President's action, by itself, could well change or escalate the situation drastically. The very fact that the conflict had been joined might make disengagement impossible. Any possibility of meaningful congressional participation might well have been overtaken by events. The situation could, by then, be irretrievable.

That is why I urge upon my colleagues an immediate reaffirmation and, if need be, clarification of the war powers resolution's requirement that the President "consult" with Congress before launching a military action in Iran.

The stakes are too high, the risks too grievous and incalculable, and the potential consequences too grave, for Congress to be anything less than a full and equal partner of the President in making such a fateful and momentous decision.

Let there be no misunderstanding. It may well be that the resort to military options may at some time be the only viable option left in the national interest of the United States, the hostages, and the free world.

Indeed, an unwillingness to consider military options may well embolden an adversary to take rash action.

I am one Senator who will not shrink from the hard choices that are now before us. If convinced that the situation calls for military intervention, I will not hesitate to give my full support.

But we owe it to ourselves, to our constitutional responsibility, to the Nation and people we serve, and to the free world, to proceed with caution and constitutional deliberation.

Mr. President, partisanship has no place in any of our deliberations on a matter of such moment.

But it is a fact of life that our Nation, at this hour, is in the midst—simultaneously—of a hotly contested Presidential campaign and a major international crisis.

It is a fact of life that one of the chief contenders in that campaign is the Commander in Chief of our Armed Forces.

And it is also a fact of life that, regettably and dangerously, the use of military and other options to resolve the hostage situation has been injected into the Presidential campaign both by the candidate who now occupies the White House and by his challengers—Democrats, Republicans, and Independents alike.

It is asking a great deal of the candidates to restrain their rhetoric, and not yield to the temptation of political fishing in the troubled waters of the Persian Gulf.

But, Mr. President, this is exactly what we must ask of all our candidates for office.

They, and we, must act responsibly to insulate the life-and-death decisions, even now being made, from the clamor and distractions of the Presidential contest now in progress.

Our actions should not be in response to polls and public sentiment alone, but guided by the national interest of the United States and the fate of the hostages and the free world. Only thus can we assure a united America. This is an hour of trial and testing. This is the hour when all men must put Nation above politics. It is in such an hour that we reach out for stability and return to the constitutional principles of shared, divided power which have served us so well for nearly two centuries.

Acting together, in prudence and in concert, we can best assure the future of the hostages for whom we feel so deeply, the Nation we cherish, and the children we love.

Mr. President, I ask unanimous consent to have printed in the RECORD the war powers resolution.

There being no objection, the resolution was ordered to be printed in the RECORD, as follows:

WAR POWERS RESOLUTION

§ 1541. Purpose and policy

(a) Congressional declaration:

It is the purpose of this chapter to fulfill the intent of the framers of the Constitution of the United States and insure that the collective judgment of both the Congress and the President will apply to the introduction of United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, and to the continued use of such forces in hostilities or in such situations.

(b) Congressional legislative power under necessary and proper clause:

Under article I, section 8, of the Constitution, it is specifically provided that the Congress shall have the power to make all laws necessary and proper for carrying into execution, not only its own powers but also all other powers vested by the Constitution in the Government of the United States, or in any department or officer thereof.

(c) Presidential executive power as Commander-in-Chief; limitation:

The constitutional powers of the President as Commander-in-Chief to introduce United States Armed Forces into hostilities, or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions or its armed forces.

(Pub. L. 93-148, § 2, Nov. 7, 1973, 87 Stat. 555)

EFFECTIVE DATE

Section 10 of Pub. L. 93-148 provided that: "This joint resolution [this chapter] shall take effect on the date of its enactment [Nov. 7, 1973]."

SHORT TITLE

Section 1 of Pub. L. 93-148 provided that: "This joint resolution [this chapter] may be cited as the 'War Powers Resolution'."

§ 1542. Consultation; initial and regular consultations

The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances, and after every such introduction shall consult regularly with the Congress until United States Armed Forces are no longer engaged in hostilities or have been removed from such situations.

(Pub. L. 93-148, § 3, Nov. 7, 1973, 87 Stat. 555)

§ 1543. Reporting requirement

(a) Written report; time of submission; circumstances necessitating submission; information reported:

In the absence of a declaration of war, in any case in which United States Armed Forces are introduced—

(1) into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances;

(2) into the territory, airspace or waters of a foreign nation, while equipped for combat, except for deployments which relate solely to supply, replacement, repair, or training of such forces; or

(3) in numbers which substantially enlarge United States Armed Forces equipped for combat already located in a foreign nation;

the President shall submit within 48 hours to the Speaker of the House of Representatives and to the President pro tempore of the Senate a report, in writing, setting forth—

(A) the circumstances necessitating the introduction of United States Armed Forces;

(B) the constitutional and legislative authority under which such introduction took place; and

(C) the estimated scope and duration of the hostilities or involvement.

(b) Other information reported:

The President shall provide such other information as the Congress may request in the fulfillment of its constitutional responsibilities with respect to committing the Nation to war and to the use of United States Armed Forces abroad.

(c) Periodic reports; semiannual requirement:

Whenever United States Armed Forces are introduced into hostilities or into any situation described in subsection (a) of this section, the President shall, so long as such armed forces continue to be engaged in such hostilities or situation, report to the Congress periodically on the status of such hostilities or situation as well as on the scope and duration of such hostilities or situation, but in no event shall he report to the Congress less often than once every six months.

(Pub. L. 93–148, § 4, Nov. 7, 1973, 87 Stat. 555)

This section is referred to in section 1544 of this title.

§ 1544. Congressional action

(a) Transmittal of report and referral to Congressional Committees; joint request for convening Congress:

Each report submitted pursuant to section 1543(a)(1) of this title shall be transmitted to the Speaker of the House of Representatives and to the President pro tempore of the Senate on the same calendar day. Each report so transmitted shall be referred to the Committee on International Relations of the House of Representatives and to the Committee on Foreign Relations of the Senate for appropriate action. If, when the report is transmitted, the Congress has adjourned sine die or has adjourned for any period in excess of three calendar days, the Speaker of the House of Representatives and the President pro tempore of the Senate, if they deem it advisable (or if petitioned by at least 30 percent of the membership of their respective Houses) shall jointly request the President to convene Congress in order that it may consider the report and take appropriate action pursuant to this section.

(b) Termination of use of United States Armed Forces; exceptions; extension period:

Within sixty calendar days after a report is submitted or is required to be submitted pursuant to section 1543(a)(1) of this title, whichever is earlier, the President shall terminate any use of United States Armed Forces with respect to which such report was submitted (or required to be submitted), unless the Congress (1) has declared war or has enacted a specific authorization for such use of United States Armed Forces, (2) has extended by law such sixty-day period, or (3) is physically unable to meet as a result of an armed attack upon the United States. Such sixty-day period shall be extended for not more than an additional thirty days if the President determines and certifies to the Congress in writing that unavoidable military necessity respecting the safety of United States Armed Forces requires the continued use of such armed forces in the course of bringing about a prompt removal of such forces.

(c) Concurrent resolution for removal by President of United States Armed Forces:

Notwithstanding subsection (b) of this section, at any time that United States Armed Forces are engaged in hostilities outside the territory of the United States, its possessions and territories without a declaration of war or specific statutory authorization, such forces shall be removed by the President if the Congress so directs by concurrent resolution.

(Pub. L. 93–148, § 5, Nov. 7, 1973, 87 Stat. 556; H. Res. 163, Mar. 19, 1975)

CHANGE OF NAME

In subsec. (a), the name of the Committee on Foreign Affairs of the House of Representatives was changed to Committee on International Relations on Mar. 19, 1975, by House Resolution 163, 94th Congress.

SECTION REFERRED TO IN OTHER SECTIONS

This section is referred to in sections 1545, 1546 of this title.

§ 1545. Congressional priority procedures for joint resolution or bill

(a) Time requirement; referral to Congressional committee; single report:

Any joint resolution or bill introduced pursuant to section 1544(b) of this title at least thirty calendar days before the expiration of the sixty-day period specified in such section shall be referred to the Committee on International Relations of the House of Representatives or the Committee on Foreign Relations of the Senate, as the case may be, and such committee shall report one such joint resolution or bill, together with its recommendations, not later than twenty-four calendar days before the expiration of the sixty-day period specified in such section, unless such House shall otherwise determine by the yeas and nays.

(b) Pending business; vote:

Any joint resolution or bill so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents), and shall be voted on within three calendar days thereafter, unless such House shall otherwise determine by yeas and nays.

(c) Referral to other House committee:

Such a joint resolution or bill passed by one House shall be referred to the committee of the other House named in subsection (a) of this section and shall be reported out not later than fourteen calendar days before the expiration of the sixty-day period specified in section 1544(b) of this title. The joint resolution or bill so reported shall become the pending business of the House in question and shall be voted on within three calendar days after it has been reported, unless such House shall otherwise determine by yeas and nays.

(d) Disagreement between Houses:

In the case of any disagreement between the two Houses of Congress with respect to a joint resolution or bill passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such resolution or bill not later than four calendar days before the expiration of the sixty-day period specified in section 1544(b) of this title. In the event the conferees are unable to agree within 48 hours, they shall report back to their respective Houses in disagreement. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than the expiration of such sixty-day period.

(Pub. L. 93–148, § 6, Nov. 7, 1973, 87 Stat. 557; H. Res. 163, Mar. 19, 1975)

CHANGE OF NAME

In subsec. (a), the name of the Committee on Foreign Affairs of the House of Representatives was changed to Committee on International Relations on Mar. 19, 1975, by House Resolution 163, 94th Congress.

§ 1546. Congressional priority procedures for concurrent resolution

(a) Referral to Congressional committee; single report:

Any concurrent resolution introduced pursuant to section 1544(c) of this title shall be referred to the Committee on International Relations of the House of Representatives or the Committee on Foreign Relations of the Senate, as the case may be, and one such concurrent resolution shall be reported out by such committee together with its recommendations within fifteen calendar days, unless such House shall otherwise determine by the yeas and nays.

(b) Pending business; vote:

Any concurrent resolution so reported shall become the pending business of the House in question (in the case of the Senate the time for debate shall be equally divided between the proponents and the opponents) and shall be voted on within three calendar days thereafter, unless such House shall otherwise determine by yeas and nays.

(c) Referral to other House committee:

Such a concurrent resolution passed by one House shall be referred to the committee of the other House named in subsection (a) of this section and shall be reported out by such committee together with its recommendations within fifteen calendar days and shall thereupon become the pending business of such House and shall be voted upon within three calendar days, unless such House shall otherwise determine by yeas and nays.

(d) Disagreement between Houses:

In the case of any disagreement between the two Houses of Congress with respect to a concurrent resolution passed by both Houses, conferees shall be promptly appointed and the committee of conference shall make and file a report with respect to such concurrent resolution within six calendar days after the legislation is referred to the committee of conference. Notwithstanding any rule in either House concerning the printing of conference reports in the Record or concerning any delay in the consideration of such reports, such report shall be acted on by both Houses not later than six calendar days after the conference report is filed. In the event the conferees are unable to agree within 48 hours, they shall report back to their respective Houses in disagreement.

(Pub. L. 93–148, § 7, Nov. 7, 1973, 87 Stat. 557; H. Res. 163, Mar. 19, 1975)

CHANGE OF NAME

In subsec. (a), the name of the Committee on Foreign Affairs of the House of Representatives was changed to Committee on International Relations on Mar. 19, 1975, by House Resolution 163, 94th Congress.

§ 1547. Interpretation of joint resolution

(a) Inferences from any law or treaty:

Authority to introduce United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances shall not be inferred—

(1) from any provision of law (whether or not in effect before November 7, 1973), including any provision contained in any appropriation Act, unless such provision specifically authorizes the introduction of United States Armed Forces into hostilities or into such situations and states that it is intended to constitute specific statutory authorization within the meaning of this chapter; or

(2) from any treaty heretofore or hereafter ratified unless such treaty is implemented by legislation specifically authorizing the introduction of United States Armed Forces into hostilities or into such situations and stating that it is intended to constitute specific statutory authorization within the meaning of this chapter.

(b) Joint headquarters operations of high-level military commands:

Nothing in this chapter shall be construed to require any further specific statutory authorization to permit members of United States Armed Forces to participate jointly with members of the armed forces of one or more foreign countries in the headquarters operations of high-level military commands which were established prior to November 7, 1973, and pursuant to the United Nations Charter or any treaty ratified by the United States prior to such date.

(c) Introduction of United States Armed Forces:

For purposes of this chapter, the term "introduction of United States Armed Forces" includes the assignment of members of such armed forces to command, coordinate, participate in the movement of, or accompany the regular or irregular military forces of any foreign country or government when such military forces are engaged, or there exists an imminent threat that such forces will become engaged, in hostilities.

(d) Constitutional authorities or existing treaties unaffected; construction against grant of Presidential authority respecting use of United States Armed Forces:

Nothing in this chapter—

(1) is intended to alter the constitutional authority of the Congress or of the treaties; or

(2) shall be construed as granting any authority to the President with respect to the introduction of United States Armed Forces into hostilities or into situations wherein involvement in hostilities is clearly indicated by the circumstances which authority he would not have had in the absence of this chapter.

(Pub. L. 93-148, § 8, Nov. 7, 1973, 87 Stat. 558)

§ 1548. Separability of provisions

If any provision of this chapter or the application thereof to any person or circumstance is held invalid, the remainder of the chapter and the application of such provision to any other person or circumstance shall not be affected thereby.

SECTION REFERRED TO IN OTHER SECTIONS
559)

Mr. BAKER. Mr. President, will the Senator yield to me?

Mr. WARNER. I yield to the distinguished minority leader.

Mr. BAKER. Mr. President, I commend the Senator from Virginia for the initiative he has taken today. He is speaking on a matter of such extraordinary importance that it should command the attention of every Member of this body. I urge those not present on the floor to study the remarks of the distinguished junior Senator from Virginia with great care because they are a carefully reasoned and important statement of one of the fundamental safeguards of this Nation.

These are perilous and difficult times, not only in terms of the external threat and danger to our interests in the Persian Gulf, but also in terms of the need for responsibility and maturity in responding to that challenge within our own country. I especially commend the Senator from Virginia for his admonition to those who are candidates for President—I might say parenthetically that I can speak as an alumnus of that group—to use care and caution in their statements on this subject.

What is said here is, in many ways, noted more fully in other parts of the world than in our own. What I am prepared to say now may be more noticed in Tehran than it will be in Washington.

I believe the people of the United States are fed up with the irresponsible acts of the so-called Government of Iran in holding Americans hostage for all of these months. It is not just an insult to the people of America. It is a danger to the stability of this world, and the world should not underestimate the anger of the United States and our determination to do something about it.

I hope this statement will be remarked on and noticed outside this Chamber because it is the statement of one Senator who feels very strongly on this subject.

Having said that, however, I urge the appropriate, essential element of restraint, reliance for the requirements of the war powers resolution. We must remain mindful of our cooperative collegial and shared responsibility for the formulation of the foreign policy and the execution of the requirements for national defense of this Nation.

I, too, call on the President to consider this matter in terms of the ultimate interests of the Nation, even though they may be in conflict with the indicated political preference of some of his advisers, or of the results of a particular poll. I believe the President will do that. I call on both the President and the Republican candidates for the Presidency to do that.

Moreover, I ask the President, as has distinguished Senator from Virginia, to give full credence and support to the provisions of the war powers resolution, which require him to consult with the Congress on the possible use of military power by the United States in the Persian Gulf.

I will support the use of naval, air and military power in the Persian Gulf if I am convinced it is necessary to implement the policies of this country, to protect our future, and to gain the release of our hostages. I will not support the use of such powers without consultation. As our late colleague Senator Arthur Vandenberg once remarked, "I do not want to be in on the crash landing without being in on the takeoff."

I will support whatever must be done to see that America has the position of strength necessary to convince the Government of Iran and the people of Iran that we are serious about gaining the release of our hostages. I will support that, but I will do it only as and when the President confides in us the requirement, the necessity, and the justification for exercising that strength. In short, Mr. President, I believe in the war powers resolution, and I believe it applicable in this instance.

I see my friend and colleague, the distinguished Senator from New York, is on the floor. I think that is most fortunate because he was one of the authors of that act. He is the senior Republican on the Foreign Relations Committee, and he probably knows more about the war powers resolution than anybody else in this Chamber—certainly more than this Senator.

If ever there were a challenge—a challenge mandated by the Congress and accepted in good faith by the administration—to share the responsibility for the future of this Nation, to consider carefully what next steps must be taken, to consult on the use of military power, it is now. I call on the President to consult fully within the letter and the spirit of the war powers resolution. I call on the people of Iran and its Government to release our hostages and to relieve us of this danger, for it is a danger. Before the danger progresses too far, I urge the President to give full credence to the war powers resolution.

Finally, Mr. President, I commend the Senator from Virginia for initiating this colloquy.

Mr. WARNER. I thank the distinguished minority leader. I express my appreciation to him for the advice he gave me in the preparation of these remarks.

I also wish to thank the senior Senator from New York, with whom I consulted. He particularly gave me advice and some cautionary suggestions with respect to the preparation of these remarks this morning.

I now yield to the distinguished author of the war powers resolution, Senator JAVITS.

The PRESIDING OFFICER. The Senator from Tennessee (Mr. BAKER) has 8½ minutes remaining on the special order of his 15 minutes, and the time to be allotted is his.

Mr. BAKER. Mr. President, is there any time remaining of my reservation of time under the standing order?

The PRESIDING OFFICER. The time of the Senator from Virginia had expired at the time he finished his speech; and before the Chair could recognize the Senator from Tennessee, he was in colloquy with the Senator from Virginia. That time was charged. The Senator does have 5 minutes remaining of his standing order.

Mr. BAKER. So I have 5 minutes remaining under the standing order and 8½ minutes——

The PRESIDING OFFICER. And 7½ minutes on the remainder of the special order.

Mr. BAKER. I thank the Chair.

Mr. President, I ask unanimous consent to yield the composite time remaining, from whatever source, to the distinguished Senator from Virginia, for his control.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. WARNER. I thank the distinguished minority leader.

Mr. President, I yield to Senator JAVITS.

The PRESIDING OFFICER. The Senator from New York.

Mr. JAVITS. Mr. President, I am pleased that Senator WARNER has raised this issue. I notice that in his written remarks, he calls on the leadership of the Senate, the chairman and the ranking minority member of the Committee on Foreign Relations—to wit, myself—to advise the Senate with respect to the application of the war powers resolution.

Mr. President, for myself, I can assure the Senator that the act does apply and that it was intended to apply precisely in this situation, and that the provision for consultation which is contained in section 3 of the law fits this situation perfectly.

It is my belief that the Senate will be consulted about this matter, but the question of time is left open by the law. It enjoins the President to consult with the Congress before introducing U.S. forces into hostilities. "Before" could mean an hour or 30 days or months. Timing is a very important question because "informing" just before the event is not consultation. Therefore, I construe the call of the Senator from Virginia to relate to that timing. He feels that the time has come, that we should do it now, and I would join him in that, because I feel that that is the purpose and intent of this law.

One very important thing, however, must be emphasized; that is, that by consulting, the President does not authorize, nor do we, nor should there be any presumption that we ever will authorize or that he will. But, he consults in a timely way when a situation shapes up that conceivably might involve such a decision by him and by us. The timeliness factor is important, as I said, because last minute notice of intent is not consultation within the meaning and spirit of the law. I say this as the principal drafter of the bill.

There is no question about the President's contemplation of a future military option. There is nothing secret about that. The President has said that if there is interference in the Persian Gulf with the oil supply, he feels that it would be a proper case to consider the application of a military remedy.

Also, he has said that sometime, somewhere, somehow, the military option cannot be rejected in respect of these hostages.

Under those circumstances, and considering the inordinate elapse of time in which the hostages have been held, under conditions which are deeply repugnant to the American people, including not only the violation of the law but also the common decencies among men, it seems to me that we are at a time when there should be such consultation.

I hasten to add that a group has been briefed and consulted very frequently about the Iran situation and the hostages in every phase of the matter, without exclusion. Those consultations and briefings were arranged by the majority leader weeks and weeks ago. They have been most faithfully carried through with the utmost frankness and candor on the side of the administration and, I believe, on the side of those who participated. Our views, the views of Chairman CHURCH and myself, have been communicated to the members of the Foreign Relations Committee.

In addition, we have had occasional briefings of the committee by Secretary Vance or Deputy Secretary, Warren Christopher. On occasion, Senators have talked with the President, when he felt the time required it.

It is a fact that the consultations which are called for by the war powers resolution relate to "introducing U.S. Armed Forces into hostilities or into situations where imminent involvement in the hostilities is clearly indicated by the circumstances."

Therefore, the consultation which the Senator from Virginia now calls for is that kind of consultation. I feel, as he does, that this is the time when that kind of consultation should start—again making it crystal clear that that has no implication whatever as to action or the timing of action or its nature or whether it will occur or will not occur.

We are dealing with the most serious things there are in Government and in life, when we are talking about this particular subject.

In our deep concern about the economy of our country and the economy of the world, I think there has been a tendency—at least for the moment—not to realize that the No. 1 priority of any nation and of any people is their security and survival. When you begin to talk about the use of military force, you touch the first priority of our country. I think that is very important, because we want to give this subject the solemn recognition it fully deserves.

The war powers resolution is a methodology. It does not do anything about the constitutional power of the President or the constitutional power of Congress.

The point was made very clearly in the debates on the resolution and in the debates relating to the adoption of the conference report and the overriding of the President's veto by Congress.

But we were determined at long last to give a procedure by which it could be determined when he slipped from the power of the President as Commander in Chief to assign, deploy, withdraw, reinforce, this vast range of powers, into a situation where it was the President who was bringing us into a war without any declaration of war and in modern circumstances no such declaration is sought. We can get in a war just as effectively without a formal congressional declaration of war, despite the intent of the Founding Fathers.

So all the war powers bill does is lay down a procedure by which when one flips over from one aspect of the President's power to the other you have the intercession of Congress which says, "Here now, at this point this is the kind of a war which if it is going to be fought we have to authorize it. Otherwise, there ain't none and you have no power and you have to get out."

That has never been done and it will take the discipline of Congress and the discipline of the President and high respect for the constitutional powers of each to see that this runs right.

I questioned the Secretary of State on that matter at his confirmation hearing. I ask unanimous consent that those questions and answers be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Senator JAVITS. I just have two questions. We will, I am sure, be seeing a lot of you.

OBSERVANCE OF WAR POWERS ACT

One is a line of questioning I pursued before. After all, the end of foreign policy is to keep the peace, and the failure of foreign policy is to resort to war. Therefore, I call your attention to what you already know, the War Powers Act, a totally new law since you were previously on the scene here.

Mr. VANCE. Yes.

Senator JAVITS. Section III reads as follows—

The President in every possible instance shall consult with Congress before introducing the United States Armed Forces into hostilities or situations where imminent involvement in hostilities is clearly indicated by the circumstances, and after every such introduction shall consult regularly with the Congress until the U.S. Armed Forces are no longer engaged in hostilities, or have been removed from such situation.

Do you or the new administration see any problem with the good-faith observance of that law?

Mr. VANCE. I do not.

Senator JAVITS. Do you challenge it under the Constitution as to the President's power?

Mr. VANCE. No.

Senator JAVITS. Would you, therefore, undertake to confer with this committee as to what methodology and guidelines have already been worked out with the State Department and what the new administration would like to work out in respect of the implementation of this generally regarded very critical aspect of the new policy of our country?

Mr. VANCE. I will.

Mr. JAVITS. Mr. President, I think with this Secretary it will work well, and I believe, however, that we come to a test when we say to the President that "we think this is the time to consult under the war powers resolution," expressly as it is called.

I must tell my colleague from Virginia, there is a grave danger that those who choose to be malicious about seeking to put the United States on some kind of an embarrassing spot or who seek to get people to misunderstand our policy or to paint us into the corner of being the militarists of the world, will seek to abuse the speech which was made here today by the Senator from Virginia in order to make those charges. But I believe they are without warrant.

The law is clear. The law has not the intentment of any such implication that we are going to resort to military force. On the contrary, the law is a great restraint on military force because when Congress has to act with the President. Considering our responsibilities directly to the people I think no one can doubt the care, reserve, and constraint which we would feel under those circumstances.

In the debate on the adoption of the war powers resolution it was made clear that consultation meant meeting formally with the established and the accredited committees of Congress having the jurisdiction over the declarations of war and this legislation, that is, the Foreign Relations Committee of the Senate and the Foreign Affairs Committee of the House of Representatives. Informal meetings, briefings, discussions, et cetera, are something apart from the institutional consultations with the appropriate committees called for in the war powers legislation.

In closing, I again commend the Senator from Virginia for his initiative in bringing this matter before the Senate.

I hope that I have been able to give him the explanation he requested as to the meaning and intent of the consultation requirements of the war powers resolution.

Mr. President, all of these constructions, to which I have just referred, certainly in my judgment support the call made by my colleague from Virginia in respect of the consultation which is called for by the war powers resolution.

I hope that two things may happen: One, that anyone in the world, friend or foe, may understand that that consultation does not mean action, does not even mean a decision. It simply means that both of the bodies in our three-echelon Government are going to talk together so that if there is a policy it will be a common policy commonly agreed upon.

The second thing, Mr. President, I think is critically important is that our own people should recognize the seriousness of the Iran hostage crisis, the seriousness of the crisis brought on by the Soviet Union's effort to overwhelm Afghanistan with its own troops, the first time that any such effort has been made by the Soviet Union outside the Warsaw Pact, and the very serious condition of the world in terms of its hopes for peace.

If those two purposes are accomplished, then I think the call of the Senator from Virginia will have had a highly beneficial result as well as being an appropriate effort by a distinguished Member of this body.

The PRESIDING OFFICER. Is there further morning business?

Mr. WARNER. Mr. President, I wish to both congratulate and thank my distinguished colleague from New York.

As I said earlier, I previously consulted with him in preparation of these remarks. We have witnessed today a superb example of his wisdom and corporate knowledge of this body's action with respect to the laws of the United States as they relate to foreign affairs.

I am privileged to serve in the U.S. Senate with such a well-informed American.

Mr. President, at this time I yield to my distinguished colleague from Arizona (Mr. GOLDWATER).

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. First, I want to congratulate my colleague from Virginia for the excellent presentation he made at a most propitious time; and, second, because my good friend from New York is here, I would remind my friend from Virginia that in my years in this body I do not think I ever had a more serious, prolonged, or tougher debate than I had on this war powers resolution. I opposed it, the Senator from New York was for it, and he won.

It is the law of the land. I want to make that clear. Even though I disagree with it, it is the law, and I am going to insist, along with others, that it be observed.

Mr. President, we are in the midst right now of writing authorization acts for the arming of our military forces, and I do not mind standing here on the floor of the Senate and telling my colleagues that I am frightened at the condition of our forces.

The fact is that for the last 20 years, through Republican administrations and Democrat administrations, our military has been allowed to go down, down, down. The question today this body has to answer, along with the important questions raised here on the floor already about whatever military actions the President might consult with us on, is the providing of funds to rearm our military.

I cannot go into these things on the floor of the Senate because they are highly classified, but they are available to my colleagues.

We are going to have to provide more money, and I am so happy that the Senator from New York said what to me is the absolute fundamental consideration that we must have, and I have told this to the people who have come to me and said, "Well, what are we going to do about education? What are we going to do about welfare? What are we going to do about health, about our big corporations that are going broke?"

I want to repeat exactly what Senator JAVITS said: That it is the first duty of this country to protect the security and freedom of its people, and that comes above everything else.

I hold what good does it do to have eliminated poverty, what good does it do to have eliminated ignorance, if we have to live in slavery? Do not sit and laugh at that possibility. We see today the Russians playing footsie with the Iranians. Why? They want Iran. Why? So they can own the Indian Ocean. Why? So they can deny to us and to every other country in this world that depend on ocean shipping the right to have that shipping.

What does that do? It destroys our economy. It disallows oil to our allies around the Pacific, oil to ourselves.

We are watching this happen. We do not see much of it. We are frightened about the hostages in Iran and what might happen from that.

We hear statements out of the White House that we will go to war. The next few days we hear statements from the White House saying, "Well, that was a mistake."

But let me remind my colleagues that if we mine the harbor, if we blockade, that is an act of war, and either Iran can retaliate or they can very rapidly find an ally in the Soviets who can really retaliate.

I would beg of my President to take a long, long time before he decides to perform an act of war that could drag this country into war at a time when we are not ready to go to war.

I hope and pray that in the wisdom that he must have he would come to this body and consult with the Members of this body with respect to not 2 or 3 years of foreign policy but 20 years or 30 years of foreign policy, and what to do with the strength of America.

I want to just terminate my few remarks by again saying that although I disagreed with the war powers resolution, it is the law, and I am going to see to it that it is observed.

Some day I may try to get it changed. I have not been able to do so thus far. In fact, I am a very unlucky guy in the courts, and I think I will stay out of them. But I want to congratulate my friend from Virginia for having brought this up.

I hope that every Member of this body will pay attention to what he has said and to what Senator JAVITS has said, and I would particularly appeal to those candidates who are running for President, both on the Republican ticket and the Democrat ticket, to pay particular attention to what they say.

It is a very easy thing in the excitement of a campaign to get a little bloody, to get a little warlike. I guess I have the reputation of being the worst hawk in this body. But I am standing here not as an angel by any means, not as a dove, but I just do not want to see my country go to war until I am pretty darned sure we can win a war, and even then I do not want to go to war. We will not have to because the only time this world stands in peace is when some one country dominates in military power and economic power. We can still do that.

I want to thank both of my friends for their remarks. That is all I have to say.

Mr. WARNER. Mr. President, I wish to express my humble appreciation to my senior colleague from Arizona.

We have been privileged to hear from two of the great elder statesmen in the Senate, and in their own candor, men who have in the past differed, but today agree that now is the hour to invoke the law of the land and to follow the consultative process.

On the question of the readiness of our Armed Forces of this country—and there are differences of opinion—I am of the opinion that I know our armed services will respond valiantly and courageously to any orders issued by the President of the United States of America, as they have always done in the past.

As an aside, I only urge my colleagues that, as we this year look at the funding for our Military Establishment, we take to heart the crisis we are in and the crisis we could be in, in the future, if we ever let the readiness and the capabilities of our Armed Forces slip to a point where no longer are we No. 1 in the world.

I still have the hope that we are today No. 1 in the world. Perhaps I have a somewhat different opinion from that of my distinguished colleague from Arizona but, nevertheless, I have ultimate faith that where we may be lacking in equipment and in money we are not lacking in the resolve of the men and women of the Armed Forces to defend this Nation.

I thank my colleagues.

The PRESIDING OFFICER. Is there further morning business?

Mr. GOLDWATER. One more statement. Will the Senator yield to me, Mr. President?

Mr. WARNER. Yes.

Mr. GOLDWATER. I am not questioning by any means the loyalty and devotion of our Armed Forces. I spent too many years of my life in uniform to have any question about that. But what I am questioning is the power they need over and above their willingness to try.

Mr. WARNER. By no means was I interpreting my colleague's remarks to the contrary. It is just that both of us, having worn the uniform of the country, know that sometimes a good soldier can make up for an empty messkit and a few short rounds of ammunition.

I thank the Chair.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period for the transaction of routine morning business not to extend beyond 20 minutes and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

TODD GIBBS, CYSTIC FIBROSIS POSTER REPRESENTATIVE

Mr. FORD. Mr. President, today it was my privilege and pleasure to host as a guest of the Senate Todd Gibbs of Scottsville, Ky. I call the attention of my colleagues to his visit not only because he is such a capable and enthusiastic youth but also because he represents the positive attitude that triumphs over adversity.

Todd Gibbs is the 1980 National Poster Representative for the Cystic Fibrosis Foundation. At age 15, he has endured hardships and physical pain far beyond what most of us will face in a lifetime. Thanks to the work of the Cystic Fibrosis Foundation, however, he and the others who suffer from cystic fibrosis have been given the chance to live longer and more normal lives.

Many people are not aware that cystic fibrosis is the No. 1 genetic killer of youth in the United States. It attacks the lungs and digestive system, requiring that the victim battle daily to stay alive.

If my colleagues could sit down to talk with Todd, they would find that he is a typical teenager in spirit. He has played little league baseball and, like many other Kentucky young people, is an avid basketball fan. He has served as a page for the Kentucky House of Representatives and is active in school and community affairs.

But he has an interest in a subject that most teenagers—and most adults—do not have. That subject is, of course, the disease which has played such a crucial part in his way of life.

Todd has spent his school-age years studying about the disease which has affected his body and learning how to be his own treatment specialist. He faces a demanding regimen each day of medical attention that will help him to digest his food, to avoid infections that could be disastrous.

And he does that with an optimistic outlook that anyone who knows him admires. Having been a fighter all his life, he is not even aware of the courage he has inspired in other people through his daily living. Like so many other cystic fibrosis victims, he takes each day as it comes and looks to the future with high hopes and expectation.

Todd's visit today was a personal inspiration. I know my Senate colleagues join me in welcoming him to the Nation's Capital and wish him much happiness and success in the future.

S. 414, THE UNIVERSITY AND SMALL BUSINESS PATENT PROCEDURES ACT

Mr. FORD. Mr. President, legislation to establish a uniform patent policy for the Federal Government is sorely needed. Fragmented and burdened by bureaucratic redtape, patent procedures for Government-supported research and development are delaying commercialization of potentially beneficial discoveries.

The procedures for issuance of patents for discoveries under Government financed research are so bureaucratic and unreasonable that any small businesses are reluctant to deal with federally funded research. Moreover, present patent policy leaves too much uncertainty as to ownership of most inventions resulting from federally financed research thereby, discouraging small innovative companies from becoming involved in this area.

Presently, Federal agencies are using as many as twenty different patent procedures, with most agencies processing patent rights on a case by case basis, very often causing great delays in the processing of patent rights. As a result, approximately 28,000 patents are in the hands of the Government. Many of these patents should have been successfully licensed and made to benefit the public.

A GAO study conducted in 1979 found that the Department of Energy frequently takes up to 15 months to process patent ownership requests from its contractors. Such delays are unnecessary and may result in some valuable energy discoveries being kept out of the marketplace, something that we cannot afford at this time.

The Federal Government has traditionally supported research which is deemed to be in the public interest or to be related to national goals. In fact, the Federal Government spends billions annually on research and development, making it extremely important that we insure the greatest return on such expenditures of public funds.

However, existing Federal policy discourages such commercialization, providing us with something less than the maximum return on public funds spent for research and development. Thus, Congress should amend present law to eliminate the various barriers and delays to commercialization of these discoveries.

S. 414, the University and Small Business Patent Procedures Act, will promote the utilization of inventions arising from federally supported research or development. This legislation is intended to deliver the full benefits of Government-supported research to the public by eliminating many of the existing barriers to commercialization. Most importantly, this legislation is also intended to give nonprofit organizations, universities, and small businesses sufficient incentives to bring new innovation to the marketplace, where it will benefit the consumer and the taxpayer alike.

This legislation was one of the recommendations of the White House Conference on Small Business, and as a result was placed on the agenda of the Senate Small Business Task Force. As a member of the task force and a cosponsor of S. 414, I wish to commend Senators BAYH and DOLE, chief sponsors of this legislation, for their commitment to improving Government patent policy.

IMPENDING CRISIS IN FOOD STAMP PROGRAM FOR FISCAL YEAR 1980

Mr. DOLE. Mr. President, for some time now we have all been hearing about the impending crisis in food stamp funding for fiscal year 1980. The States are extremely concerned about the possibility of having to suspend benefits, beginning June 1, 1980, because the program will have run out of funds by that date if Congress has not taken appropriate action in coping with this situation before May 15, 1980.

I think this is a matter that deserves consideration. Those Americans who find it necessary to participate in that program are also suffering from inflation.

We have been hearing about the impending crisis in food stamp funding for fiscal year 1980. The States are extremely concerned about the possibility of having to suspend benefits beginning June 1, and I think yesterday my distinguished colleague from South Dakota, Senator McGOVERN, made a statement urging Congress to take appropriate action. We are talking about a substantial supplemental. At the same time, I think we are talking about a very important program and I hope that all Members of Congress will understand that if we do not do something before May 15, benefits will be suspended commencing June 1. It will affect about 22 million Americans and I just believe it is a matter that deserves the attention of Congress, the Members on both sides of the aisle.

AVERTING DISASTER IN TIME OF NEED

Today, I take the floor in support of my colleague, the Senator from South Dakota (Mr. McGOVERN), to alert the Senate of consequences to the States we represent if Congress does not act in time to provide the additional funding through the third concurrent budget resolution.

There is no reason why the legislative process cannot meet deadlines for action that would have dire consequences in the States. Unless action is taken now, one of our most crucial domestic programs in combating hunger and malnutrition will come to a complete standstill—all because Congress did not see fit to act in time.

USDA'S ALERT TO THE STATES

The Department of Agriculture has already sent out letters alerting the States to possible ways of handling this situation should it occur. If at any time before May 15, Congress indicates that additional food stamp funding will not be forthcoming, there will be an immediate reduction in food stamp benefits. The second budget resolution for fiscal year 1980 does not provide for additional appropriations of sufficient magnitude, and the current level of food stamp appropriations will sustain full food stamp benefits only through the month of May.

USDA does not have enough confidence in the current appropriations process to relax in its concern. Unless authorization and appropriation bills to increase food stamp funding are passed by May 15, USDA will proceed to notify the States that benefits will be cut off as of June 1.

THE PEOPLE'S LOW OPINION OF CONGRESS

Recent opinion polls indicate that Congress is generally held in low esteem, for its inability to take effective action in time of need. If we do not do something soon to indicate that we have the food stamp crisis under control, and are acting responsibly to avert a funding catastrophe that will otherwise affect 22 million Americans on June 1, we will only reinforce these negative impressions of our legislative representatives.

WHY FUNDING ESTIMATES PROVE WRONG

Since 1977, when Congress placed a cap on food stamp expenditures in an attempt to control this rapidly expanding program, estimates as to the level of funding that would be required proved to be highly inaccurate. During the period of 1977 through 1979, rising inflation in the cost of food exceeded the 9 to 12 percent that had been projected and soared to heights of 22 percent. Such food costs continue to rise out of sight and are projected to be 46 percent over the 1977 figures by 1981. The implications for such erroneous estimates are quite obvious. Therefore, it is little wonder that a third concurrent budget resolution is necessary to come to the rescue of one of our Government's leading social programs.

However, food costs account for only one-half of the shortfall. In addition, there is the rising unemployment factor which accounts for another one-fourth of the additional cost of the program. Unemployment was projected at 6 percent for fiscal year 1980 and 1981, but it is expected to be closer to 7.5 percent by 1981.

Additional expenditures in the food stamp program arise from underestimating the increased participation due to elimination of the purchase requirement. Previously, there were many poor people—among these high percentages of elderly in rural areas—that simply did not have the money to purchase food stamps initially.

POSSIBLE COURSES OF ACTION

I support my colleague, Senator McGovern in his recommendations to avert this impending disaster to our Nation's poor people. One possible course of action that might be taken is to separate the revision of the second concurrent budget resolution from the fiscal year 1981 first budget resolution. This would permit us to take action on a supplemental appropriation as a way of dealing with this emergency situation while the House completes its action on S. 1309, which the Senate passed last year.

The other course of action which we think appropriate would be to waive the rules to enable us to pass an emergency supplemental appropriation of $750 million for food stamps to tide us over until June, in order to let Congress have enough time to act appropriately through its usual channels. Such an emergency provision would also give us the necessary leeway to carefully consider the provisions of the first budget resolution for fiscal year 1981.

IMPORTANCE OF TAKING ACTION NOW

There are only 23 days between now and the time that letters will go out to the States from the Department of Agriculture. By taking decisive and effective action now, we can send a message to the people of the United States that will help restore confidence in the ability of their elected representatives to act in time of need, in order to avert unnecessary hardship to people who are at the mercy of the system.

It is because of our administration's fiscal policies that economic factors combine to produce the necessity for such action to begin with. We have within our means the capability of responding to the need of over 22 million Americans who await our answer.

I urge my colleagues to join with Senator McGovern and myself in taking the necessary steps to assure that the food stamp program will continue without interruption. Otherwise, the nutrition and health needs—and even the survival—of millions of Americans will be placed in serious jeopardy. We all know that we cannot let this happen. Let us act responsibly to resolve the current food stamp crisis now.

ORDER FOR RECESS UNTIL 2 P.M. AT THE CONCLUSION OF ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that at the conclusion of routine morning business the Chair recess the Senate until 2 p.m., at which time under the order of yesterday the Senate will go into executive session, will resume the debate on the nomination of Mr. Lubbers, and under the order of yesterday will vote at 2:30 p.m. on that nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR THE RESUMPTION OF CONSIDERATION OF S. 414

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent during debate on the Lubbers nomination no other motion be in order, and that upon the disposition of that nomination the Senate return to legislative session at which time it resume consideration—and I have consulted with the distinguished Republican leader on this matter—of the patent bill, Calendar Order No. 515, S. 414.

The PRESIDING OFFICER. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

RECESS UNTIL 2 P.M.

The PRESIDING OFFICER. The Senate stands in recess until the hour of 2 p.m.

The Senate, at 12:50 p.m., recessed until 2 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Stennis).

EXECUTIVE SESSION

The PRESIDING OFFICER. Under the previous order, the hour of 2 p.m. having arrived, the Senate will now go into executive session and resume consideration of the nomination of William Lubbers to be General Counsel of the National Labor Relations Board, with time for debate on the nomination to be limited to 30 minutes, to be equally divided and controlled by the Senator from New Jersey (Mr. Williams) and the Senator from Utah (Mr. Hatch).

The Senate proceeded to the consideration of executive business.

NOMINATION OF WILLIAM A. LUBBERS

The PRESIDING OFFICER. The Chair recognizes the Senator from Utah.

Mr. HATCH. Mr. President, I believe the Lubbers' nomination should be rejected. Let me list a few of the reasons why it should be.

I do not think that Mr. Lubbers is an independent, as required by section 3(D) of the National Labor Relations Act, and I do not think anyone can make an effective argument that he is independent.

Section 3(d) expressly mandates a separation of powers between the NLRB General Counsel and the NLRB or any member thereof.

For more than 20 years, Lubbers served as a top legal advisor to Board Chairman Fanning—the most "prounion" decisionmaker on the Board today.

Lubbers helped to write may of those decisions and admitted he agrees with the conclusions of Fanning in deciding cases. He would not tell the Senate committee even the number of cases he participated in which reflects an unhealthy secret attitude.

Virtually all of Lubbers' promotions throughout his 27-year career with the Board have been secured by Fanning—to solicitor of the Board and its executive secretary, and, finally, I might add, to this position.

Mr. Fanning said he would have to reassess his own situation on the Board if Lubbers did not make it (reflecting the degree of his personal involvement)—and you would have to have been in the committee to have appreciated the frenetic degree to which Mr. Fanning involved himself in this particular appointment.

Mr. Fanning has advocated the Lubbers appointment with the White House and others—and he refuses to consider any other candidates for the job even though many others are better suited for the job.

Mr. Lubbers admitted at his confirmation hearing that he and Fanning are very close and this closeness can only become more intense if Mr. Lubbers has a statutory 4-year protection.

I might add that Mr. Lubbers lacks impartiality.

Lubbers has helped write "prounion" decisions for NLRB Chairman Fanning for more than 20 years.

During labor law reform, Mr. Lubbers acknowledged offering "technical assistance" to union leaders, even though in violation of neutrality and the National Labor Relations Board custom and policy.

Mr. Lubbers has denied both to the Senate committee and in a special letter to its chairman, even having made the statement that he would, if confirmed, bring about the changes Mr. Fanning and the union leaders he was "technically assisting" were seeking in the labor law reform bill. I find his denial hollow. And I find his pledge in the letter unpersuasive.

With the skill of a side-stepping dancer he pledged "his best efforts to discharge the responsibilities of the office in faithful obedience to the will of Congress as embodied in the act." He made no promise to refrain from seeking to bring about the changes contained in the labor law reform bill by his own administrative fiat. His promise here is meaningless—especially where he himself has stated that he already considers this to be within the Board's power. He stated this in a labor-law forum at the American Bar Association Convention in New York in August of 1978. I quote from the transcript of his statement:

> And if it (the Board) exercises its policy-making powers in the proper way and rationalizes its decisions properly, that it is the agency to make national labor relations policy. I think that this is something which the Board will assimilate, and some of these powers which I think Congress was trying to direct the Board to use in the Labor Law Reform Act are some powers that the Board has. And in that respect, I think that maybe in the future, as the Board assimilates the message from the Supreme Court, they will deal with some of the problems along the lines that Arthur indicated. They may have the power to do so.

I think it is easy to see why I feel his letter to this august body was a hollow shell.

Lubbers urged the NLRB in one of his official acts (Dalmo Victor Co.), to increase the power of union officials to impose fines against workers who resign union membership during strikes—thus altering the economic labor-management balance and denying employees the fundamental right to refrain from union activities.

I think Mr. Lubbers lacks experience to fulfill this responsibility.

He is an "ivory-tower" bureaucrat having no practical labor relations experience as well as extremely limited Board experience.

He has had no regional office experience where unfair labor practices are litigated and secret ballot elections are held.

The opponents of the Lubbers nomination have been fair in an attempt to avoid a confrontation.

There are many others including competent union affiliated lawyers that management is willing to support.

In particular, they mentioned Arthur Goldberg, a prounion lawyer; they mentioned Karl Frankel, a prounion lawyer; and they mentioned the Regional Director of the National Labor Relations Board for the Atlanta region, Curtis Mack. All of these were acceptable to the business community in this country, all of whom would be favorable to the labor unions as independent chairmen of the Board.

I think that the opponents have acted properly in this matter and they have made it clear that they feel that this is a travesty to have Lubbers rammed down their throats when they were willing to compromise and to accept others who would be just as prounion as Mr. Lubbers, but would have at least the appearance of impartiality and independence.

The matter is essentially the same as the Agriculture Committee's handling of the Hugh Cadden nomination who was opposed because:

He came from the staff of a current commissioner in violation of the independence required by the Commodities Futures Trading Commission Act; and

He had absolutely no practical experience or knowledge of commodity markets or trading; and

He was, according to the letter, an ivory-tower bureaucrat.

Mr. President, this position is probably more important than one which was rejected by the Agriculture Committee and by 16 of our Senators who will be voting today, because this involves the ability to bring or not bring suits, and to delay suits and to delay prosecution of unfair labor practice charges without any court review. And it involves a tremendous impact on labor-management relations in this country.

Therefore, I predict a few things here today.

Mr. President, while I do not pretend to be psychic—I predict that if Mr. Lubbers is confirmed he will develop labor policy in these following directions over the course of the next 4 years of his reign:

I believe he will seek to change the interpretation of current law to make it more difficult, or perhaps impossible, for union and nonunion workers to work on the same construction jobsite. This can be accomplished through the General Counsel's redefining the "reserved gate" theory so that disputes involving only a single contractor and union on a construction site will be spread to other neutral contractors on the site, who have nothing to do with the dispute.

In essence—common situs picketing will be enacted not by Congress, but by the Board through its decisional law. Employers who have nothing to do with the dispute, and their employees who have nothing to gain from the dispute will be dragged into it unwillingly. And I predict that the regional offices of the Board will be far slower in seeking court action to prevent illegal secondary boycott activities. The result will be a tremendous increase in construction costs and labor chaos at construction sites. The Board will also slow its efforts to cease this harmful secondary boycott activity and will seek fewer injunctions under section 10(l) of the act.

I see future Board decisions which will have as their effect the silencing of employers and the immobilization of their efforts to inform their employees about the negative aspects of joining unions during union organizational campaigns. Specifically, I see new case law geared to helping unions seeking to organize "sunbelt" employers by making it much more difficult and much more costly, and even impossible in some cases with smaller businesses to resist the union's organizing assault. This will come through rules and decisions that will:

First, stiffen and make more expensive the penalties against employers found to be in violation—even technical violation—of the law;

Second, make it more expensive, and hence more difficult to defend oneself against a charge, or to take a stand against either the Board or a union in litigation or in union campaigns; and

Third, force employers either to remain silent in organizing campaigns or help subsidize the union's campaign by paying employees to listen to union sales pitches during working days. This is already being done by the Board in some cases. But I predict it will happen much more often if the General Counsel seeks such remedies more frequently.

Decisions will issue that will bog down the bargaining process by forcing employers to bargain over more issues—through the expansion of the area of mandatory subject of bargaining. This will include issues which in the past have been considered management prerogatives. Decisions will issue that will limit the employer's ability to say no to union bargaining demands by defining such refusals as bad faith bargaining.

Decisions will be issued that will prevent employees from exercising their right to work during a strike by giving their unions the power to penalize them and by preventing them from quitting the union in order to escape the penalties. Mr. Lubbers has already indicated an intent to see this happen in his position in the Dalmo Victor case which he urged the Board to allow a union to prevent a union member from quitting the union during a strike. These decisions will in the not-too-distant future—substantially change the economic balance of power between unions and employers which this Congress intended would be subject only to the inherent economic and moral power that each side possesses, without any governmental intrusion.

Mr. President, how much time have I remaining?

The PRESIDING OFFICER (Mr. PRYOR). The Senator from Utah has 4 minutes remaining.

Mr. HATCH. And last, I fear an attempt by the Board, with the active aiding and abetting of its prolabor General Counsel, to resume expansion of the NLRB's jurisdiction to cover every possible private or public sector employment situation which is currently exempted from the act. For instance, I would not be surprised to see attempts to expand coverage to farms and public employees as a part of the conscious effort of this "Fanning-Lubbers" Board to further the economic and political horizons of the big labor unions to whom they owe so much.

These are some of the developments I see which will have the effect making the labor law an oppressive measure and introducing "the OSHA syndrome" into the collective-bargaining process.

CONCLUSION

What the Congress achieved by the 1947 Taft-Hartley amendments has withstood the test of time. The General Counsel and the Board have been substantially independent in the enforcement of the law—one the prosecutor, the other the judge. Clearly, that independent relationship may also be reduced or even eliminated by another means—the relationship between the person who is Chairman of the National Labor Relations Board and the person who is its General Counsel.

The duration and intensity of that relationship between Chairman Fanning and Acting General Counsel Lubbers has the potential for destroying the statutory duality of those offices.

There are many men and women, blacks and other minorities—NLRB Regional Director Curtis Mack was considered by the White House—who are as qualified as Mr. Lubbers to fill the office of General Counsel.

I submit that the public, labor, and management are entitled to an appointee free of even the appearance of impropriety.

In the name of fairness and impartiality, I urge the Senate to reject the nomination of William Lubbers. Let us consider in his place the name of someone in whom both labor and management can have confidence.

I reserve the remainder of my time.

How much time do I have remaining?

The PRESIDING OFFICER. The Senator from Utah has 2 minutes remaining.

Mr. HATCH. I thank the Chair.

The PRESIDING OFFICER. The Senator from New Jersey is recognized.

Mr. WILLIAMS. I thank the Chair.

Mr. President, the Senator from Utah has taken out his crystal ball and has looked into the future. He has made some predictions of things to come when Mr. Lubbers is confirmed. I can take out a crystal ball and look at it, too. Maybe I will. I can tell the Senator from Utah that my crystal ball has none of these grand and grave apprehensions of the Senator from Utah. On the question of situs picketing, my crystal ball shows having been that it was the subject of legislative action, and that there will be no General Counsel action; or Board action on anything brought by the General Counsel, that will create what was not created by specific legislation.

This is one area where Congress did speak. It was not a matter of not getting a chance to vote. We had a vote which was definitive and which rejected proposals to treat craft and industrial workers equally.

I can just tell the Senator that he need not lose a lot of sleep on that one.

As far as the labor law reform bill, and the repeated suggestion that it was rejected, we all know that the Senate never had a chance to accept or reject it because we only had 58 votes that would direct us to a vote, and we needed 60, of course, to stop the filibuster directed against labor law reform.

I think the Senator from Utah, in effect, stacks things by looking ahead to the Fanning-Lubbers board, by suggesting that the unions are going to have their way from Fanning and Lubbers who owe the unions so much.

If the Senator would only analyze where these men have been for nearly 30 years, they have not been involved on either side of the labor-management relations equation. They have been in that neutral status, in Fanning's case as a member of the Board and in Lubbers' case working for the National Labor Relations Board.

This is pertinent to another point I have made, that the unions have been consistent over the whole period of the existence of the National Labor Relations Board. The unions have not wanted anybody from labor, from the unions, in these positions of authority, on the Board or as General Counsel. Mr. Meany laid it down long ago and most consistently. He said the AFL–CIO would not have an employer lawyer there on the Board, and also would not want a union lawyer there in these positions or on the Board.

So here we have Mr. Fanning and Mr. Lubbers who the Senator from Utah points to as symbolically being the Board, which, of course, is so inaccurate, well above the controversy by being not part of labor, not part of management, but by being in the public service working on the Board and its staff for all these years.

Again, the Senator from Utah has concluded that a pro-union attitude on the part of Mr. Lubbers may be inferred from his position in the Dalmo-Victor case.

Just the contrary is the fact. In that case, he said he would have, if he had been in a position as General Counsel when the cases were germinating, brought the complaint against the union. That is the proof positive that his is not the union position.

We could go through all of these things, as we have done for several days, and really put at ease the mind of the Senator from Utah, that the disasters he sees are not going to happen. As a matter of fact, as I look over to him, he does not seemed that troubled after all. He has a smile on his face, he has good color, good health. I guess as one reads the statements of the Senator from Utah, one gets the picture of a very deeply troubled man. I do not see that. I see from his expression now, not fear of all of these disasters. Really, I see in my crystal ball down the road a fair man, the Senator from Utah, looking at the actions of General Counsel Bill Lubbers and applauding him because he is a man of integrity, competence, ability who will be doing a great job after the Senate has played its role in this confirmation proceeding.

Mr. President, years from now, students of labor-management relations in this country will wonder how the Senate debate on confirmation of this nomination could possibly have extended for 6 days.

It is a virtual certainty, in my opinion, that Mr. Lubbers will be a distinguished and noncontroversial General Counsel of the National Labor Relations Board. Based upon his background, and his outstanding and well-balanced performance during his nearly 4 months in office as General Counsel, I can confidently predict that he will win the praise and admiration of both labor and management for his ability and his impartiality as General Counsel.

Although we have been over it before, I want briefly to summarize Mr. Lubbers' record so my colleagues will share my admiration for him and be as comfortable as I am that this nominee will give excellent service in the position of General Counsel.

I wish to yield at this point and shall come back to my statement. I see the Senator from Arkansas is present.

Mr. BUMPERS. Will the Senator yield me 2 minutes?

Mr. WILLIAMS. I do.

Mr. BUMPERS. Mr. President, I have voted for cloture both times on this nomination, because I have always, except once, voted for cloture due to my normal revulsion for filibusters.

This nomination seems to be rather controversial. So, last night and this morning, I took the time to read the full record of the hearings.

I found that in the hearing, Mr. Lubbers was very candid, very forthcoming, and very honest. He supplied the committee with all the information it asked for.

I do not know him. I never met him. My comments here are not designed to be a ringing endorsement of Mr. Lubbers. But I do think there is a principle involved here, because the record is replete with objections, not to Mr. Lubbers, but to his association with the Chairman of the Board, Mr. Fanning.

Mr. WILLIAMS. The only record of objection to Mr. Lubbers arises not out of the work he has done or his character, integrity, or competence; it is that for some period of time—a relatively long period of time—he has worked in positions where he has reported to Mr. Fanning, who is the Chairman of the National Labor Relations Board.

Mr. BUMPERS. That was my understanding.

Mr. President, it is because I find that principle repugnant, and I am one who remembers the McCarthy days very well—I do not think that my sons or my daughters ought to suffer from my sins and omissions. I do not think staffers, who often strongly disagree with my votes here in the Senate, ought to be held accountable, simply because they worked with me, and be deprived of a job somewhere down the pike, regardless of what their feelings might have been about me and my service. I say it is because of that principle and because I find nothing in the record to disqualify him that I intend to support Mr. Lubbers for this position.

Mr. WILLIAMS. Mr. President, I just want to comment that we have had enough days for Members to examine this record and, on examination, I hope others will cut through a lot of the anxiety and apprehension, and see this just as the Senator from Arkansas has; that if a person has integrity, that person is not going to violate his oath to curry favor with a former boss. That individual is going to do his job and not, for any reason of former association, be acquiring or continuing that association.

I applaud the Senator from Arkansas for looking at this record with such clarity and coming to the conclusion that he has.

Mr. President, Mr. Lubbers is a nominee with a distinguished record as a public servant, serving for 28 years with the National Labor Relations Board.

His steady record of achievement and accomplishment at the Board includes service as a legal assistant to two Board members, as a Supervisory Attorney, and then as Deputy Chief Counsel to Board member Fanning. More recently, the five-member Board voted to appoint Mr. Lubbers as solicitor of the Board—a position of high trust and responsibility, which made Mr. Lubbers the chief legal advisor and consultant to the entire Board on all questions of law arising in connection with the Board's general operations and on major questions of law and policy, as well as the representative of the Board to other Federal agencies, to Congress, and to the public.

That was a unanimous vote of the Board—those who came as Democrats and those who came as Republicans.

Finally, Mr. Lubbers was selected, again by a vote of the full Board, to be the Board's Executive Secretary—their top administrative officer. It was from that position that Mr. Lubbers was selected by the President to be General Counsel.

And, to reiterate, it was the full Board that voted to select Mr. Lubbers to be, first, Solicitor and, then, Executive Secretary of the Board.

Furthermore, I am told that it was Republican Board member Betty Murphy, whose record many of us know and respect, who first suggested to Mr. Lubbers that he make application to be Executive Secretary; and he had the support of both of the Republican Board members for that position.

Mr. Lubbers' early career, as a student and as a serviceman during World War II, show signs of the same intelligence, steadiness, and excellent achievement which have marked his later career. In fact, his entire career has been marked by his outstanding performance and the grateful recognition of his associates.

During World War II, Mr. Lubbers interrupted his undergraduate education to serve as a combat infantryman in the Pacific. His wartime service earned him the Purple Heart, a Good Conduct ribbon, a Philippine liberation ribbon with two bronze stars, and the Asiatic-Pacific campaign ribbon.

After the end of the war, Mr. Lubbers returned to college and completed his bachelor of arts and law degrees in 5 years.

After brief employment in several different capacities, Mr. Lubbers spent one year on the staff of the Wage Stabilization Board, and then joined the National Labor Relations Board as a legal assistant in 1952.

Much has been said about his record of accomplishment at the Board, but I would just like to add a few more facts from the abundant store of his accomplishments. In 1960, 8 years after he had joined the Board, he was awarded a "sustained superior performance award." In addition to the promotions which have already been mentioned and made a part of the record, I observe that he also received quality within-grade increases, based upon the excellence of his performance, in 1963, 1964, 1970, 1972, and 1974.

It is no wonder that the full Board chose to make him their solicitor and then their Executive Secretary. And it is no wonder that the President chose to nominate him as General Counsel of the Board. By any measure, by any standard, Mr. Lubbers has established a record of excellence and outstanding service to his Government, first in the Armed Forces during the war and now as a civil servant.

Mr. President, I wish to return for a moment to the point that the President decided to select Mr. Lubbers for the position of General Counsel to the Board. As my colleagues know, I approve and applaud that selection. But I think the significance of Presidential selection—and the importance of giving the President his full constitutional authority to select high-level officials of the Federal Government—deserve further emphasis.

This is particularly true in this instance where, as we have already discussed, there has been an attempt to dictate to the President that he should select a specific named individual other than the nominee of his choice. Yesterday, we had occasion to discuss in broad, philosophical terms—including quotations from the Federalist Papers—the importance of the Presidential appointment power. But I would like to make this argument considerably more specific.

The point is that the President has surprisingly little opportunity to make the important appointments that are necessary to take control of the executive branch and have an impact on public policy.

As we will no doubt be discussing at greater length in the near future, the Federal Government is a huge enterprise. As of January 1980, it had 2,886,584 employees. There were 121 executive agencies, and 11 legislative agencies.

The President's power to run this huge Government by making nominations to high public offices, subject to the advice and consent of the Senate, extends to only 500 full-time regulatory, Cabinet and sub-Cabinet officials. In addition, the President can nominate to the following positions: 125 Ambassadors, 95 Federal marshals, 95 U.S. attorneys, 526 Federal judges, and 200 other positions not subject to confirmation by the Senate. In any particular area of Government, there is only a relative handful of high-level appointments. Mr. Lubbers is one of these appointments.

This is what we are dealing with when we tell a President that we cannot advise and consent to his selection. I submit that we should, therefore, refuse to advise and consent only for very important reasons.

In this case, as the record of these proceedings has made abundantly clear, we are considering a nominee who is a man of superb legal ability, unquestionable integrity, and outstanding achievement. The President has selected a nominee who meets every basic test for confirmation.

William A. Lubbers should unquestionably be confirmed as General Counsel of the National Labor Relations Board, and I am confident that he will be confirmed.

Finally, Mr. President, while I regret the fact that we had to have this many days of debate on this confirmation, I applaud the manner in which the opponents of Mr. Lubbers handled their way of debating and their opposition. While I disagreed with so much and had to analyze it in terms of their apprehensions being unfounded, there was dignity and it was a constructive period of debate. It has been not an unwelcome experience for this Senator to have had these days in what I hope will be viewed as constructive debate with my good friend from Utah and those who joined with him.

I would also like to add a word of praise for the committee staff general counsel Steve Sacher, and the other staff members who have worked on this, Darryl Anderson, Gerald Lindrew, Harriet Bramble, and Deny Medlin, have put in long hours of excellent work on this matter.

Mr. HATCH. Mr. President, I thank my dear friend from New Jersey for his kind remarks. I feel the same way about him. He has conducted this debate in a very fine way.

It still comes down to this one point, Mr. President, that the statute mandates that this position be independent. Frankly, this man cannot be independent, because he says he has agreed with the Chairman of the Board for 25 years, with all of his decisions. I think our chairman (Mr. WILLIAMS) has put his finger on the real problem in one of his statements. He said, "Just examine where Fanning and Lubbers have really been for the past 30 years," or words to that effect. I have: They have been together on everything. I suspect they will be together henceforth and forever, even though this man is confirmed today in the U.S. Senate.

I do hope that my distiguished Labor Committee chairman will stand with me, if my dire predictions come true, in fighting against any usurpation of the Senate's prerogatives by the Board and by the General Counsel of the Board with regard to common situs picketing, labor law reform, and other matters I have mentioned in my remarks here today.

Mr. President. I think we have had a good and healthy debate I think it has been worthwhile. I think that all of us have probably benefited from it. I hope that my colleagues in the Senate today will consider the important points that we have made.

I thank my dear friend from New Jersey for his kindness and I thank the Chair.

● Mr. HELMS. Mr. President, I am obliged to oppose the nomination of William F. Lubbers as General Counsel of the National Labor Relations Board.

I have no objection to Mr. Lubbers personally. In fact, I am informed that he is a fine man, and that his honesty, integrity, and dedication to his work are beyond reproach. I challenge Mr. Lubbers' nomination purely, on the basis of the point of view that he will bring to one of the most powerful posts in Government—that of General Counsel of the National Labor Relations Board.

The National Labor Relations Board was established in 1935 to serve two major functions. One, to conduct and supervise representative elections, the statutory process by which individuals determine whether or not they desire to be represented by a union; and two, to prevent and remedy unfair labor practices.

From 1935 until 1947, the NLRB served as prosecutor, judge, and jury of cases falling within its jurisdiction. As could be expected, the Board was continually embroiled in controversy as a result of its multiple functions.

This situation was remedied supposedly, with enactment in 1947 of the Taft-Hartley Act, which created the Office of General Counsel to the NLRB, a prosecutorial position separate and independent of the Board and appointed by the President with Senate confirmation.

The job of the General Counsel is to investigate charges of labor law violations, regardless of whether the charges come from employers, employees, or unions. If the General Counsel has reasonable cause to believe a violation has occurred, he must issue a complaint to the Board, and prosecute the complaint before the Board. The Board can take no action unless and until it receives a complaint from the General Counsel.

The General Counsel has "final authority" regarding investigation of charges and issuance and prosecution of complaints. Let me repeat that, "final authority." The General Counsel has the final say on these matters, and his decisions are unreviewable.

It is readily apparent that the General Counsel has enormous power. If no complaint is issued, the complaining party has no other means of seeking redress, either in the courts or before the NLRB.

The intent of Congress in establishing the office of General Counsel was to make the complaint issuance and prosecution functions independent from the Board. It is important, therefore, that the General Counsel be independent from the Board members, not just in fact, but in appearance as well.

Now let us take a look at Mr. Lubbers' record.

William Lubbers joined the staff of the NLRB in 1952 as legal assistant to Board member Murdock. In 1957, Mr. Lubbers became legal assistant to Board member Fanning—now Chairman Fanning—and served under Mr. Fanning in various capacities until 1977.

That amounts to a 20-year relationship, and you can bet the relationship became closer as the years wore on.

In 1977, Mr. Lubbers became solicitor to the NLRB. He was recommended to this position by Mr. Fanning, and he achieved this position with Mr. Fanning's support.

Most recently, Mr. Fanning recommended Mr. Lubbers to President Carter for the post of General Counsel to the NLRB; and, as we all know, President Carter acted on this recommendation by nominating Mr. Lubbers for this position.

Indeed, Mr. Fanning testified at Mr. Lubbers' confirmation hearings before the Senate Committee on Labor and Human Resources, and he urged the committee to approve the nomination of Mr. Lubbers as General Counsel of the NLRB.

So we have a relationship between Mr. Lubbers and Mr. Fanning spanning over 27 years. And by Mr. Lubbers' own admission, the relationship grew particularly close during the past 13 years.

Mr. President, in my opinion, these facts are sufficient to demonstrate that Mr. Lubbers cannot possibly serve as General Counsel of the NLRB without being unduly influenced by Chairman Fanning.

John Fanning's ascension in 1977 to the chairmanship of the NLRB brought with it an alarming shift in NLRB philosophy. Mr. Fanning is presently the most prounion Board member, as evidenced by his opinions in numerous cases. This trend has received attention in the Federal courts—ordinarily not a repository of conservative viewpoints—which have been reversing Mr. Fanning's decisions with increasing frequency. Now the reputation of the NLRB as a biased prounion Federal agency is in jeopardy of being further tarnished by Mr. Lubbers' nomination.

Mr. President, seldom in considering confirmation of a Presidential nominee do we have the luxury of knowing how the nominee might perform in the position for which he is being considered. In the case of Mr. Lubbers, however, we can evaluate his performance as General Counsel since the beginning of this year.

Simply put, in one of his first official acts as interim General Counsel, Mr. Lubbers confirmed suspicions of his prounion bias.

In a dramatic reversal of position involving a key labor law question—the right of union members to resign from their union during a strike—the newly appointed General Counsel upheld a union rule forbidding resignation of union members during a strike.

Mr. Lubbers departed from the legal position taken by his predecessors when, on January 16, 1980, two attorneys on his staff argued before the five-member NLRB, in the Dalmo Victor case, that union members may be fined by a union for midstrike resignations. Previously, in the same case, the Office of General Counsel had taken the position that "a labor organization has no statutory right to solidarity" and that "national policy is to make individual rights paramount." Mr. Lubbers, however, adopted the union's argument that their implied right of union solidarity supersedes an NLRB dictate that an individual may refrain from union activity.

The right of a union to fine ex-members has never been definitively settled; in fact, the NLRB has held that a union does not have this right. The novel position taken by Mr. Lubbers precludes this determination, because the General Counsel has the unreviewable power to prevent claims being heard by the Board or the courts. Under the Lubbers rationale an individual employee will be unable to challenge the union fines (Dalmo Victor), even though there is legal precedent that the union violated the law.

William Lubbers' nomination constitutes a major step toward establishing a prounion philosophy on the National Labor Relations Board. What organized labor has been unable to do through legislation, it now attempts through appointment. Is this what we want?

There are plenty of fair-minded and qualified individuals who would be better candidates than Mr. Lubbers. There are many persons who, in this vastly important position, will not take one side to the exclusion of the other.

Mr. President, management in this country is up in arms over this nomination. At the same time, labor strongly supports it. Confirmation of Mr. Lubbers' nomination would tip the delicate balance that now exists between labor and management in favor of labor.

I say let us be objective. Let us keep the balance that exists today, and has existed over the past decade. Let us tell the President we want a neutral, even-minded General Counsel with his own ideas. Someone whom both sides can look to and respect. Someone who will carry out the independent purposes of his office and the fairness of the National Labor Relations Act. That someone is not William Lubbers.

No doubt some will suggest that the Senate's rejection of the Lubbers nomination would be a defeat for labor and a victory for business. The alternative to defeating this nomination, however, is to cast serious doubt on the impartiality of the NLRB. Neither business nor labor will emerge victorious as a result of an action jeopardizing the credibility or the independence of that agency.

Mr. President, commonsense commands us to reject this nomination.●

Mr. WILLIAMS. I believe, Mr. President, that the hour has arrived. I have nothing further and no further requests. Indeed, I think I have no further time.

The PRESIDING OFFICER. All time having expired, under the previous order, the hour of 2:30 p.m. having arrived, the Senate will now proceed to vote on the nomination of William Lubbers to be General Counsel of the National Labor Relations Board.

Mr. HATCH. Mr. President, I ask for the yeas and nays.

The PRESIDING OFFICER. Is there

a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Massachusetts (Mr. Kennedy), and the Senator from Louisiana (Mr. Long), are necessarily absent.

Mr. BAKER. I announce that the Senator from Alaska (Mr. Stevens), and the Senator from Wyoming (Mr. Wallop), are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. Stevens), and the Senator from Wyoming (Mr. Wallop), would each vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who desire to vote?

The result was announced—yeas 57, nays 39, as follows:

[Rollcall Vote No. 83 Ex.]

YEAS—57

Baucus
Bayh
Bentsen
Biden
Boren
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Church
Cranston
Culver
Danforth
DeConcini
Durkin
Eagleton
Exon
Ford
Glenn
Gravel
Hart
Hatfield
Huddleston
Inouye
Jackson
Javits
Leahy
Levin
Long
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Proxmire
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Stafford
Stevenson
Stewart
Talmadge
Tsongas
Weicker
Williams

NAYS—39

Armstrong
Baker
Bellmon
Boschwitz
Byrd, Harry F., Jr.
Cochran
Cohen
Dole
Domenici
Durenberger
Garn
Goldwater
Hatch
Hayakawa
Heflin
Heinz
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Lugar
McClure
Morgan
Pressler
Pryor
Roth
Schmitt
Schweiker
Simpson
Stennis
Stone
Thurmond
Tower
Warner
Young
Zorinsky

NOT VOTING—4

Kennedy
Nelson
Stevens
Wallop

So the nomination was confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. WILLIAMS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, the Senate has just voted to confirm the nomination of William A. Lubbers to be General Counsel of the National Labor Relations Board. Discussion of this nomination began 1 week ago on April 16 and throughout the lengthy debate, Senator Williams, chairman of the Committee on Labor and Human Resources, managed this nomination with great dedication, perseverance and patience.

During the course of the debate, Senator Williams was required to respond to a number of arguments against the confirmation of Mr. Lubbers. His responses were always to the point and complete. I want to take this opportunity to commend him for his efforts and cooperation throughout the debate on this nomination.

LEGISLATIVE SESSION

The PRESIDING OFFICER. Under the previous order, the Senate will now return to legislative session.

UNIVERSITY AND SMALL BUSINESS PATENT PROCEDURES ACT

(This measure was laid before the Senate on February 5, 1980, and was set aside on February 6, under a unanimous-consent agreement that the Senate return to its consideration on or after February 18.)

The PRESIDING OFFICER. Under the previous order, the Senate will resume consideration of S. 414, which will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 414) to amend title 35 of the United States Code, to establish a uniform Federal patent procedure for small businesses and nonprofit organizations, to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance, and for other purposes.

The Senate proceeded to consider the bill.

Mr. ROBERT C. BYRD. Mr. President, there will be rollcall vote on final passage of this measure. I ask for the yeas and nays on final passage.

The PRESIDING OFFICER. Is there a sufficient second? There is a sufficient second.

The yeas and nays were ordered.

Mr. ROBERT C. BYRD. Mr. President, may we have some indication as to when that rollcall vote will occur?

Mr. LONG. Mr. President, I have a statement here that I will take about 10 or 12 minutes.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote occur on the bill at 3:30 p.m. today or before if the time is yielded back.

Mr. LONG. I wish 15 minutes.

Mr. ROBERT C. BYRD. And Mr. Long will have control over 15 minutes of the time.

Mr. DOLE. Mr. President, I am manager on this side and split the remainder.

Mr. ROBERT C. BYRD. All right. The other 25 minutes are to be equally divided between Mr. Bayh and Mr. Dole.

Mr. BIDEN. And vote at 3:30?

Mr. ROBERT C. BYRD. We have 30 minutes and the vote to occur at 3:30 if the time is all taken.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. DOLE. Mr. President, may we have order?

The PRESIDING OFFICER. If the Senator will suspend momentarily until the Senate comes to order, the Senate will please be in order.

AMENDMENT NO. 1652

(Purpose: To amend section 200 relating to the policies and objections to Chapter 18)

The PRESIDING OFFICER. The pending question is the amendment proposed by the Senator from Louisiana.

Who yields time?

Mr. LONG. Mr. President, how much time remains on both sides?

The PRESIDING OFFICER. This has been vitiated by the order just entered.

Mr. LONG. Then I have 15 minutes, is that correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. LONG. I will speak on my time.

The PRESIDING OFFICER. The Senator may proceed.

Mr. LONG. Mr. President, the sponsors of S. 414 state that current Federal policy with respect to the allocation of rights to the results of federally sponsored research and development deters contractor participation in Government contracts, delays technological progress, stifles the innovative process and in one way or another will be a major factor in the decline in U.S. productivity.

During the many years I have studied this subject there has not been even a shred of evidence to support these claims.

DISPOSITION OF GOVERNMENT RIGHTS

The disposition of rights resulting from Government research and development can increase monopoly and the concentration of economic power or, alternatively, can spread the resulting benefits throughout society with consequent benefit to the maintenance of a competitive free enterprise system and more rapid economic growth.

Congress has always recognized these principles. Whenever it has spoken, it has always provided that the U.S. Government should acquire title and full right of use and disposition of scientific and technical information obtained and inventions made at its direction and its expense. Some cases are subject to waiver of Government title when the equities of the situation so require. The basic premise is that inventions should belong to those who pay to have them created. Congress has asserted on numerous occasions that title should be held by the United States for the benefit of all the people of the United States if made in the performance of a Government contract. Despite the vigorous opposition from industry groups and from the organized patent bar, Congress has applied this principle to the following agencies of Government:

The Atomic Energy Commission, the Department of Agriculture, the Tennessee Valley Authority, the National Aeronautics and Space Administration, the Office of Coal Research and Development, the Department of Health Education and Welfare, the Veterans' Administration. In addition, what came to be known as the Long amendment is an integral part of a host of laws, such as the Federal Coal Mine Health and Safety Act of 1969, the National Traffic and

Motor Vehicle Safety Act, the Helium Act Amendment of 1960; the Solid Waste Disposal Act; the Disarmament Act; the Saline Water Act; the Solar Energy Act, and others. The purpose was to insure that no research would be contracted for, sponsored, cosponsored, or authorized under authority of a particular piece of legislation unless all information, uses, products, processes, patents, and other developments resulting from such research will be available to the general public. Only a few years ago, the late Senator Hart, Senator Nelson and I convinced the Senate that such a provision should be included in the Energy Research and Development Act.

PROPOSED LEGISLATION

It is dismaying, therefore to find that S. 414 provides for contractors, in this case small business firms, universities and nonprofit organizations, to receive gifts of ownership of taxpayer-financed research, and according to S. 414's chief sponsor, this is to be only a first step. The Congress and the public should not be fooled. The Senator from Indiana in his February 5, 1980 remarks appearing on page S960 of the Record admits "Passage of S. 414 will be a good first step." An enthusiastic sponsor of this proposal, Senator Thurmond, notes in his statement of February 6, 1980, appearing on page S1039, that although he is sympathetic to expansion of this giveaway to large businesses, "any expanded coverage of S. 414 will result in it being killed in the House."

S. 414 applies not only to those areas uncovered by legislation but it also seeks to weaken and ultimately repeal every law on the books which reserves for the public the results of the research it pays for.

It aims at the ultimate repeal of the provisions of the Atomic Energy Act.

It aims at the repeal of the provisions of the National Aeronautics and Space Act.

It aims at the repeal of the provisions of the Department of Agriculture, of TVA, of Department of Interior, in the National Science Foundation, Disarmament Agency, Energy Research and Development Agency, Consumer Product Safety Agency and every other piece of legislation enacted by Congress to protect the public.

In addition—and this is especially startling—once the monopoly is given to the contractor, the public will be unable to find out what has happened to the results of the research it paid for. The bill provides:

> Federal agencies are authorized to withhold from disclosure to the public information disclosing any invention in which the Federal Government owns or may own a right, title, or interest (including a nonexclusive license) for a reasonable time in order for a patent application to be filed. Furthermore, Federal agencies shall not be required to release copies of any document which is part of an application for patent filed with the United States Patent and Trademark Office or with any foreign patent office.

So what it amounts to is this: Not only will the contractor get the 17 year monopoly of the patent but the public can not even find out what has been discovered with its money for many years. It takes an average of 3½ years to secure a patent, and this means that new scientific and technological information could well be suppressed for a long time.

IMPLICATIONS OF PROPOSED LEGISLATION

In the United States, patents have traditionally been held out as an incentive "to promote the progress of science and the useful arts"—an incentive to private persons, willing to assume the necessary risks to earn the stipulated reward. They were never intended to reward persons who perform research at someone else's expense as part of a riskless venture. Therefore, as Prof. Wassily Leontief, a Nobel laureate, points out, to allow contractors to retain patents on research financed by and performed for the Government "is no more reasonable or economically sound than to bestow on contractors who build a road financed by public funds, the right to collect tolls from cars that will eventually use it" or the right to close down the road altogether.

Extensive hearings held by the Small Business Committee's Monopoly Subcommittee while I was its chairman and then under Senator Nelson's chairmanship, inevitably lead to the conclusion that the provisions of S. 414 and similar bills are deleterious to the public interest. Witnesses at these hearings, which started as far back as December 1959, included distinguished economists, a Deputy Attorney General of the United States, an Assistant Attorney General in charge of the Antitrust Division of the Justice Department, two chairmen of the Federal Trade Commission and former staff members of the Council of Economic Advisors.

Without any exception these witnesses testified that when a private company finances its own research and development, it takes a risk and deserves exclusive right to the fruits of that risk. Government research and development contracts, however, are generally cost-plus with an assured market—the U.S. Government. There is, thus, absolutely no reason why the taxpayer should be forced to subsidize a private monopoly and have to pay twice: First for the research and development and then through monopoly prices. When a contractor hires an employee or an agent to do research for him, the standard common law rule is that the contractor gets the invention. Surely the Government should have no less a right.

In addition to the problem of equity, economic growth and increased productivity require the most rapid dissemination of scientific and technical knowledge. Allowing private firms to file private patents would do just the opposite.

If a policymaking technological advance available to all without charge were adopted and maintained for a considerable period, other things being equal, it would make a positive contribution to the efficiency of the economic system and the rate of growth, according to Dr. Lee Preston.

Nobel prize winner Dr. Wassily Leontief, to whom I previously referred the developer of the input-output techniques and analysis, testified in 1963 that a Government-wide policy whereby the results of research financed by the public would be freely available to all would increase the productivity of labor and capital, and estimated that the difference between restrictive (allowing the contractor to retain title) and open patent policies should account for one half of 1 percent in a 4–5 percent growth rate of the average productivity of labor. "I have no doubt," he stated, "that an open door policy in respect to inventions resulting from work done under governmental contract would speed our technological progress considerably."

John H. Shenefield, Assistant Attorney General, Antitrust Division, Department of Justice and Michael Pertschuk, Chairman of the Federal Trade Commission, categorically stated in December 1977 that there is no factual basis for the claims that giving away title to private contractors promotes commercialization of Government-financed inventions and that the available evidence shows just the opposite. They also stated that even if an exceptional circumstance arises—and no specific example could be found—that would justify a waiver of the Government's rights, it should never be done unless the invention has been identified and a study made of the impact of the waiver on the public interest. In addition, such proposals as "march-in rights" would be ineffective and valueless to protect the public against misuse.

At the same hearing in December 1977, Stanley M. Clark, chief patent counsel of the Firestone Tire and Rubber Co., said that:

> I believe in free enterprise and in a competitive system. But the proposal that the Government spend large sums of money for research and development and then hand the patents stemming from such research over to the private contractors is not consistent with free enterprise.
>
> Some have told you and will tell you that unless the research contractors are given title to patents which are produced at Government expense, the contractors will not accept Government research and development contracts. Don't you believe it.

This is a spokesman for a very large company speaking. Continuing:

> They want those Government funds and the rewards and advantages that come with such contracts and they won't turn them down. What they get, in many instances, can be very rewarding even without the patents; and in any event there are no risks involved; the Government assumes all of those.

This bill (S. 414) does not deal with patent problems at all; it is not concerned with the mechanics of securing a patent or the administration of the Patent Office. It involves simply the disposition of public funds—about $30 billion at present—and it is dismaying to find that the same old claims—discredited years ago—to justify the giveaway of the public's rights are still being made today.

S. 414 would wipe out every law on the books which reserves for the public the results of the research it pays for, at the expense of billions of dollars.

It would hamper the rapid dissemination of scientific and technological information and hence will retard economic growth and increased productivity.

This bill, which sets an unfortunate precedent and other bills which are sure to follow, would promote monopoly and concentration of economic and political power.

This proposed legislation is one of the most radical, far-reaching giveaways that I have seen in the many years that I have been a Member of the U.S. Senate.

I hope the Senate will vote against this bill.

Mr. DOLE. Mr. President, as we resume debate on S. 414, the University and Small Business Patent Procedures Act, I would like to review some of the points that have been made during previous discussions of this legislation.

In support of this bill Senator SCHMITT referred to the Department of Defense and the National Aeronautics and Space Administration as examples of two Government agencies that had effective, reasonable, patent policies. The Senator from Kansas cannot overemphasize the fact that these two agencies are the exceptions. In general, the patent policies that govern the area of Federal research have been ineffective, unreasonable and had disastrous results. It might be useful to examine some of the reasons that contribute to the success of the patent policies of these two agencies.

NASA AND THE DEPARTMENT OF DEFENSE

The Department of Defense adheres to a policy of relinquishing patent rights in favor of the contractors, while NASA uses a waiver policy. That waiver policy is similar to institutional patent agreements—or IPA's—that were used successfully for a while by HEW, until they were arbitrarily abolished. IPA's are still used by the National Science Foundation. IPA's give universities the option to retain title at the time of grant, with the right to grant exclusive licenses for a limited period. IPA's are credited with the fact that a record 75 medical inventions reached the public, between 1968 and 1977, when HEW used IPA's. Among these 75 medical inventions are the rabies vaccine and the silver sulphur diazine treatment of burns. Following the policy change that occurred at HEW in 1977, no less than 29 medical inventions failed to be processed within the next 2 years. Thus, a revolutionary blood test for the detection of breast cancer, and potential cures for hepatitis and arthritis became the casualties of bureaucratic caprice. This example illustrates an important problem. The policies of the Department of Defense, the waivers that are issued by NASA, and IPA's are all satisfactory with one major exception: Each was administratively created, and therefore subject to possible elimination on the basis of a change of administration, or even at the whim of a bureaucrat. This is precisely what happened in 1977 at HEW. This is precisely why this legislation is needed.

The success of the patent programs of the Department of Defense and of NASA, lies in part with the fact that both these agencies are primarily involved with procurement. This factor accounts for these agencies' interest in the development of the inventions they fund. From the outset, the goal of the research is a usable product. This is not the case with other Government agencies' research. Other agencies stop short of taking the necessary steps to guarantee that development and marketing take place. Therefore the result is that only about 5 percent of all federally-funded research is actually used.

In the past Congress has had many concerns with previous patent legislation. Fear of monopolies, and the belief that the Government should not "give away" the patent rights for which it paid were two of the primary issues. S. 414 is a determined effort to solve a serious problem that exists, without the Government "giving away" its patent rights or contributing to the growth of monopolies. March-in rights diffuse the danger of monopolies. The Government payback provision guarantees that the Government's investment, paid for by the taxpayers of this country, is returned to the Federal coffer. The incentive provision for private industry for the development of inventions, is designed to insure that the American public gets a return on the investment that has been made in research.

The Senator from Kansas feels compelled to reiterate the fact that when Federal research money fails to result in the production of items that can be used by the consumer, in essence, the Government has broken its commitment to the American people, since our citizens could be reaping a significant return on the investment of their tax dollars.

S. 414 meets the objectives that were enumerated by President Carter. In his 1979 state of the Union to Congress, the President urged a "reduction in Government interference" so that the "American economic system (is) given a chance to work."

The Senator from Kansas wishes to stress the importance of this legislation in terms of increase in productivity, increase in technology transfer—two concepts that would result in jobs and decreasing the inflation rate. I urge my colleagues to support S. 414.

Mr. BAYH addressed the Chair.

The PRESIDING OFFICER (Mr. BAUCUS). The Senator from Indiana.

Mr. BAYH. Mr. President, over the past several months, with increasing intensity, the Members of the Senate, the Congress, the Government, and various financial and economic leaders throughout the Nation have become increasingly concerned about the health of the Nation's economy. Everyone is concerned about how we can decrease inflation, increase the rate of our gross national product and, basically, put America's economy in a better state of health.

Anyone who has examined the present condition carefully realizes that the doctor is not going to be able to prescribe just one pill and suddenly find a remedy to the various ills that confront the American economy.

However, most all of us are aware and convinced of the fact that one of the major goals this country has to accomplish is to increase its productivity. We are behind every other Western industrial nation in the world save Sweden in the growth rate of our productivity. Now, that is a sad commentary for the Nation that showed the whole world how to produce a better mousetrap.

The recent White House Conference on Small Business discussed this problem at some length not only from the perspective of the small businesses that were represented there but from the perspective of the national economy as a whole.

It was somewhat of a surprise to the Senator from Indiana that two of the major recommendations of that White House Small Business Conference were measures dealing with the need to dramatically revise the Nation's patent system. In fact, two of the top recommendations of this Small Business Productivity Subcommittee were this present bill and a patent reexamination bill that has already passed the Senate.

I suggest to my colleagues, and it is a difficult position to be in opposing my distinguished colleagues from Louisiana, that what we are talking about here is not only providing small businesses and universities a right to own patents, but we are talking about what we can do to start that long trip back up the ladder so that the United States can again be uncontested at the top where it should be.

Today we resume consideration of S. 414. This bill was unanimously reported out of the Judiciary Committee after careful consideration of its merits, and deserves the support of my colleagues at this time of lagging American innovation and productivity.

We no longer can afford to sit back and watch many of the results of our multibillion dollar research and development efforts wasting away because of bureaucratic red tape.

The bill addresses a serious and growing problem. Hundreds of valuable medical, energy, and other technological discoveries are sitting unused under Government control because the Government which sponsored the research that led to the discoveries lacks the resources necessary for development and marketing purposes, yet is unwilling to relinquish patent rights that would encourage and stimulate private industry to develop discoveries into products available to the public.

I see no benefit to be derived from the expenditure of the hundreds of millions of dollars we have spent in the discovery of the 28,000 patents that are presently drawing dust down at the Patent Office because no one wants to commercialize them. Discovering the idea is only the first step, an important step to be sure. But as long as that patent is not developed and made available in the marketplace, the public is receiving no benefits for the research money that has been expended in support of the invention.

The cost of product development exceeds the funds contributed by the Government by a factor of at least 10 to 1. This, together with the known failure rate for new products, makes the private development process an extremely risky venture which industry is unwilling to undertake without some incentive to justify this risk. Patents represent this incentive.

When Government agencies insist on taking away patent rights, this incentive is destroyed. The result has been that many promising inventions are left to gather dust on the shelves of our agencies because private industry will not develop and market them without patent rights.

It was interesting to the Senator from Indiana, as we held the hearings, to note the tremendous role that small businesses and universities play in developing new ideas. In fact, if one looks back from the end of World War II to the present date, a majority of all the new creative ideas have been made by either small businesses or universities. We also find small businesses providing most of the new jobs.

So we are talking about a factor in our economic health that cannot be ignored.

I was impressed, as we held the hearings, to actually talk to small business presidents, and to hear them testify about whether they would be willing to get involved in the Government-supported research.

The fact of the matter is there is a decreasing number of high technology small businesses, that are willing to get involved in Government research.

If you look at the percentage of Government research going to small businesses, it is going down. It may be well and good for a representative of a large corporation to try to represent what small businesses will do as far as Government research is concerned. But if you look at the record, the fact is that the percentage of research money going to small businesses is less than 4 percent. Small businesses do not want to get involved with the Government because they do not know whether they are going to get ownership of the inventions they make. They do not know whether there is going to be any profit at the end of the line. And they are deeply concerned about the ability of Government to go in and gain access and make public the background rights that they had before they even accepted the Government research.

So I must suggest that the record will show that small businesses have been kept out of Government research and that we are really cutting off a vast storehouse of innovation which is uniquely available in many of our small businesses and our university campuses.

Nowhere is this problem more disturbing than in the biomedical research programs. Many people have been condemned to needless suffering because of the refusal of agencies to allow universities and small businesses sufficient rights to bring new drugs and medical instruments to the marketplace.

For example, the Department of Health, Education, and Welfare routinely takes up to 15 months even to decide who should own patent rights to innovations made under its research. During this period, the invention is in limbo because no one knows who will finally own it. Many companies give up and simply look for other inventions because of this type of delay.

Senator Dole and I have compiled a list of over 30 promising medical discoveries that have run into this problem.

I ask unanimous consent that those specific examples be printed in the Record.

There being no objection, the examples were ordered to be printed in the Record, as follows:

PETITIONS FOR INVENTION RIGHTS

Sponsoring institute (NIH)	Date sent to General Counsel	Inventor and university	Invention
Employee—Bureau of Standards	Sept. 28, 1977	Cetas—University of Arizona	Birefringement crystal thermometer for measuring heat of cancerous tissue during electromagnetic-wave treatment.
National Institute of Allergy and Infectious Diseases (NIAID).	Oct. 6, 1977	Remers/Kumar—University of Arizona	New mitomycin anticancer agents.
National Institute of General Medical Sciences (NIGMS), National Heart, Lung and Blood Institute (NHLBI).	Oct. 14, 1977	Powers—Georgia Institute of Technology	Compounds to treat emphysema and arthritis.
NIGMS	do	Fox—Columbia University	Aqueous mypertonic solution for treatment of burns.
NIGMS	Nov. 1, 1977	Everett—University of Houston	Apparatus and synthesis of film transfer characteristics.
NHLBI	Dec. 8, 1977	Normann—Baylor University	Remote monitoring of blood pumps.
NCI	Dec. 20, 1977	Goldstein—University of Texas	Hormone (thymosin) treatment of immune system diseases (cancer, arthritis, muscular dystrophy).
NCI	Dec. 29, 1977	Salmon/Hamburger—University of Arizona	Bioassay for the treatment of cancer.
NCI	Jan. 26, 1978	Townsend/Earl—University of Utah	Synthesis of anticancer compounds.
National Cancer Institute	Jan. 27, 1978	Pogell/McCann—Saint Louis University	Pamamycin—a new broad spectrum antibiotic.
National Institute of Dental Research (NIDR), Division of Research Resources (DRR).	Jan. 31, 1978	Latham/Georgiade—University of North Carolina	Appliance to be placed in the mouth of infants to correct bilateral cleft of the lip and palate.
NIAID, NHLBI	do	Goetzel/Austin—Harvard University	Synthetic therapeutic agents for anaphylaxis, asthma, etc.
NHLBI	Feb. 10, 1978	Mahoney—University of Colorado	Device to examine hemoglobins to detect abnormalities.
National Institute of Arthritis, Metabolism, and Digestive Diseases (NIAMDD).	Feb. 13, 1978	Walser—Johns Hopkins University	Salts of keto acids for purpose of alleviating hyperammonemia due to liver damage caused by such disorders as cirrhosis, hepatitis or genetic liver damage.
Employee	Feb. 28, 1978	Vurek—NIH employee	Measurement of Carbon dioxide in blood plasma for diagnostic purposes.
Do	April 5, 1978	Walker—NIH employee	Needle valve detent attachment for controlling cuff deflation during the taking of blood pressure.
NCI	April 7, 1978	Apple/Formica—University of California	Anticancer drug—Azetomicins.
NCI	April 11, 1978	Spiegelman—Columbia University	Method for detecting cancer.
NIGMS	April 20, 1978	Marshall/Rabinowitz—University of Miami	Synthetic carbohydrate-protein conjugates for extending conditions under which enzyme can be used in biochemical processes.
NCI	April 20, 1978	Farnsworth—University of Illinois	Anticancer drug—Jacaranone.
NCI	May 1, 1978	Turcotte—University of Rhode Island	Anticancer drug.
National Institute of Neurological and Communicative Disorders and Stroke.	May 8, 1978	Jobsis—Duke University	Method for noninvasive monitoring of oxygen sufficiency in human tissues and organs by infrared radiation.
NIGMS	May 24, 1978	Montalvo—Gulf South Research Institute	An invention to selectively measure substances in the blood to diagnose blood disorders.
NCI	May 26, 1978	Pettit/Ode—Arizona State University	Anticancer drug.
Employee	June 21, 1978	Leighton—Employee	Intracranial pressure gage.
NCI	June 29, 1978	Kuehne—University of Vermont	A method for synthetically preparing a useful naturally occurring substance. The natural substance is used in making a drug for treatment of high blood pressure.
NICHD	July 17, 1978	Gray—Illinois Institute of Technology	Prolong release of antifertility drugs.
NCI	do	Gosalvez—University of Madrid	Novel anticancer compounds—analogs of adriamycin.

Mr. BAYH. Mr. President, I might point out, for example, a new burn ointment and a promising diagnostic test for cancer which can detect whether a given patient will have an adverse reaction to certain kinds of chemotherapy agents without having to go through that traumatic experience of hair loss and convulsions and some of the unfortunate reactions to those drugs that are used to fight cancer.

It is also interesting to note that the Government owned the rights to penicillin and tried to make it available to private industry for 11 years without patent rights—11 years. During this long period, there were no takers. If it had not been for the emergency conditions caused by World War II, in which the Government actually got into the business of developing penicillin itself, it is likely that penicillin would still be there with the 28,000 other patents that are just collecting dust and people would not be benefiting from that tremendous lifesaving discovery.

The Senate Judiciary Committee held extensive hearings on this bill. Indeed, the Senate Small Business Committee has recently looked into this and has reached the same conclusion.

I would like to suggest that the chairman of the Small Business Committee, Senator Nelson, is a supporter of this particular measure and, although he was called away on official business elsewhere, I would like to have the record show that had he been here he would have voted for it.

The committee heard many examples of the need for this. I would like to point out that the Comptroller General of the United States, Mr. Elmer B. Staats, testified forcefully in favor of S. 414 because of the adverse effects of the confusion caused by the present patent policies. The Comptroller General testified that the present policies are not even consistent—the GAO had identified 20 different patent arrangements in place in the various agencies. And that has to be stopped.

The present policies were originally based on the presumption that the agency would retain ownership of any patent that came from its reported research even when the agency had no intention or ability to develop and use it. This policy has proven to be so ineffective that it has been gradually revised since President Kennedy's Memorandum and State of Government Patent Policy issued in 1963.

I would like to point out that the bill which is presently before the Senate says that if the Government feels that a patent they supported is something that they want to develop in the name of the people of the United States, then they have a right to do it. We are not denying that right in S. 414. What we are saying is that if the Government makes the assessment that they do not intend to develop this idea, then let a small business or let a university have a chance to develop it and make that idea available to the people of the country in the marketplace.

The present burden of this patent policy confusion is placed primarily on universities—which are presently conducting 70 percent of the basic research in the country—and on small businesses. Because inventions made by these contractors are coming from basic research they do not represent marketable products and require substantial time and money before they are ready to be sold. It has been estimated that the cost of this product development exceeds the cost of initial research by a factor of 10 to 1. When Government agencies retain ownership to these inventions the result is simple—no one markets them because there is no incentive to do so without patent protection. The end result is that many promising inventions—especially medicines—are never delivered to the public. It should also be noted that the agencies are rarely funding 100 percent of this research but under present policies even if their share is a small percentage of the total funding the agency can insist on retaining patent rights.

S. 414 is based on the favorable experiences of the institutional patent agreement (IPA) program which has been in effect since 1968. These are agreements made with universities and nonprofit organizations that allow these contractors to retain patent ownership to the inventions that they make while working for the Government. This program has been so successful in delivering new products to the public that the General Services Administration adopted a rule making IPA's available to all agencies. There is absolutely no evidence of any economic concentration having resulted from this program—but there is impressive evidence that the IPA program has delivered many important medical discoveries to many suffering people.

S. 414 takes this very successful program and extends it to small businesses who are working for the Government. There is abundant evidence that greater economic competition will result from a closer relationship between our small businesses and the agencies. In those instances where the agency desires to fully develop and use the patent the agencies will be able to retain ownership under the provisions of S. 414. The thrust of this bill is that in those instances where the Government cannot develop these products they should not be left to gather dust in some agencies' shelves; they should be left to the inventor so that they can reach their potential in the marketplace where the public can benefit from them.

S. 414 also includes a payback requirement that would require the reimbursement of the Government from the profits that a successful invention makes. No one is getting a free ride from this bill.

This concept has been endorsed by President Carter in his innovation speech of October 31, 1979, supported by the President Carter's Domestic Policy Review on Innovation and Productivity, has been endorsed by Mr. Ky P. Ewing, Deputy Assistant Attorney General, Antitrust Division in his testimony to the House Committee on Science and Technology, is supported by the Comptroller General of the United States, Mr. Elmer G. Staats, is supported by recent White House Conference on Small Business, the National Small Business Association, the Society of University Patent Administrators, and with the exception of Adm. Hyman Rickover by every witness who appeared—or asked to appear—before the Senate Judiciary Committee. It should be pointed out that every representative of a Government agency who has appeared before the Judiciary Committee, the Commerce Committee, or the House Science and Technology Committee has advocated revising the present policies because of their ineffectiveness.

It is for these reasons that I urge my colleagues to join me in supporting S. 414.

Mr. President, I ask unanimous consent that Senator Nelson's statement be printed in the Record.

The PRESIDING OFFICER. Without objection, it is so ordered.

Statement by Senator Nelson

I support S. 414. After careful consideration of this legislation and the arguments that have been made for and against it, it is my conclusion that the public interest would be served by its passage by the Senate and its enactment into law.

Before reviewing the contents of this bill, it would be useful to sketch out some of the underlying reasons why reform of federal patent ownership policy is urgently necessary. It is universally conceded that the United States is facing an unprecedented innovation and productivity crisis, which in turn is increasing our disastrous rate of inflation. The number of patents issued every year has gone down steadily since 1971. In 1979, almost 40 percent of the 55,418 patents issued by the U.S. Patent Office were issued to citizens of foreign countries. We invest less in research and development in constant dollars now than we did ten years ago. Last year, the productivity of our country actually declined by 1.1 percent. This deterioration in the economic position of the United States is one of the greatest dangers this country faces.

Although government patent policies are obviously not the sole cause of the problem, or even a primary cause of it, they do represent a serious impediment to the effective transferral of new technologies and discoveries from multi-billion dollar federal research and development efforts to the private sector where they can best serve the public interest. Today, the government retains title to nearly all new technologies and discoveries from government-sponsored research. Of the more than 28,000 patents in the government patent portfolio, less than 4 percent are successfully licensed.

Universities, on the other hand, which can offer exclusive or partially exclusive licenses on their patents if necessary, have been able to successfully license 33 percent of their patent portfolios.

What S. 414 will do is establish a presumption that universities and small businesses shall retain title to inventions they develop with government financial assistance. The bill would establish one uniform federal policy for all federal agencies, replacing the bewildering variety of title and licensing policies which now exist in different federal agencies.

Under S. 414, there would be exceptions to this general rule. If the funding agreement between an agency and a contractor related to the operation of a government-owned research facility or in "exceptional circumstances" or when a proper authority deemed it necessary to safeguard the confidentiality of intelligence activities, the government would be empowered to retain title to an invention. An "exceptional circumstances" determination would have to be forwarded to the Comptroller General for review, and the Comptroller General would be charged with the duty of reporting to the House and Senate Judiciary Committees concerning any perceived abuses of discretion.

Any funding agreement with a small business firm or nonprofit organization would have to contain appropriate provisions to protect the public interest. The existence of the invention must be made known to the federal agency involved. The decision to acquire title by the small business or nonprofit organization must be made within a reasonable time. The federal agencies may receive title to any inventions for which the contractor has not filed a patent application. Federal agencies may require periodic reporting by the contractor or his licensees on the utilization of the patent.

Assignment of rights under the patent is prohibited in most circumstances without the consent of the agency involved, and the granting of exclusive licenses to persons (including corporate persons) other than small business firms is generally prohibited for a period in excess of the earlier of five years from first commercial sale or use of the invention or eight years from the date of the exclusive license.

All federal agencies shall possess "march-in" rights, allowing them to require their title-holding contractor to grant any type of license of an invention if the contractor has not taken proper steps to achieve the "practical application" of the invention or when action is necessary to alleviate health or safety problems or when federal regulations specify public use requirements which are not being met by the contractor.

The bill contains meaningful "payback" requirements. The federal government will receive 15 percent of all the gross income over $70,000 obtained by a contractor from the licensing of an invention during a given calendar year. Further, the United States shall receive five percent of all income in excess of $1 million received by a contractor for sales of products making use of one or more of the subject inventions. In no event will the federal government receive back more money than it contributed to the development of the invention. If the invention proves valuable, the federal government will receive additional income tax revenues from increased contractor profits.

Finally, with elaborate safeguards, federal agencies are authorized by S. 414 to license federally-owned inventions on a non-exclusive, partially exclusive or exclusive basis.

Although I have had some reservations about this bill and the concepts it embodies, I have concluded it will help promote the utilization and commercialization of inventions made with government support and encourage the participation of smaller firms in the government research and development process.

Current patent policy is a major impediment to increased research and development by smaller firms. It has been well documented that an important ingredient missing in federal research and development programs is the large-scale participation of the small business community. A distressingly low percentage of federal research and development contracts are awarded to small companies. In fact, according to the Office of Management and Budget's study, "Small Business Firms and Federal Research and Development," only 3.4 percent of all federal R & D contracts go to small business.

The Small Business Committee has heard from a number of small business people who have said that the present government policies requiring them to give up patent rights to inventions made under federally-sponsored research is one of the greatest impediments to their participation in federal R & D efforts. But some policies go even further by requiring them to license their "background rights" to large business competitors who later work under federal R & D programs. Technological edges are the one advantage that small companies have, and when they are forced to license them out to competitors, their very ability to compete is fundamentally penalized.

There are several important objections which have been raised concerning this bill.

First, it is asserted that S. 414 would, under some circumstances, enable a single company to "monopolize" a product invented with the aid of public funds. This is a serious point. The granting of a patent or of an exclusive license is not the same thing as a 17th century "monopoly" but there is no question that it does grant to selected institutions a privileged position. It is the Committee's belief that the negative aspects of this grant of privilege are outweighed by the public benefits gained from the rapid development of inventions. It is undisputed that 96 percent of all federally-owned patents are not successfully licensed, i.e., the inventions sit on the shelf because nonexclusive licenses do not furnish sufficient incentive for any single company to take the financial and legal risks attendant on full development of an invention. Comptroller General Elmer Staats, whose devotion to the public interest is unquestioned, was particularly emphatic on this point during the hearings on the bill. In his testimony of May 16, 1979, Comptroller Staats stated:

"The proposed act would place initial responsibility for commercializing research results on the inventing contractor—the organization or individual with the most interest in and knowledge of the invention. It would provide the Government with "march-in" rights. These rights limit the administrative burden because they would be exercised only in specified situations, such as when the agency determines that the contractor has not taken effective steps to achieve practical application of the invention.

"Studies have shown that of the 8,000 inventions disclosed annually to the Government, only a handful attained commercial importance. It would be hoped that an easing of the redtape leading to determinations of rights in inventions would bring about an improvement of this record."

A related objection is that universities will invariably grant exclusive licenses to large companies for the development of inventions. However, the testimony before my Select Committee on Small Business indicated that universities generally prefer non-exclusive licenses because they are more lucrative to the universities and make use of exclusive licenses only when that is the only way to get inventions developed. I believe that we can trust universities to know what is in their own best interest and can rely on their judgment about the necessity for occasionally granting exclusive licenses.

In 1978 I held five days of hearings on existing Institutional Patent Agreements. I concluded that they generally served the public interest. For example, under current HEW time schedules, universities may issue exclusive licenses for a period of three years from the first commercial sale of a product or five years from the date of the license agreement, whichever occurs first, and most universities find this time schedule to be perfectly adequate. There is no reason to believe that under S. 414 universities and small businesses would make agreements more disadvantageous to themselves than universities now make under IPA's.

And the present public interest in granting universities title to inventions and the right to license them exclusively must be borne in mind. As is stated in the Committee Report:

"Agencies which acquire these patents generally follow a passive approach of making them available to private businesses for development and possible commercialization through non-exclusive licenses. This has proven to be an ineffective policy as evidenced by the fact that of the more than 28,000 patents in the Government patent portfolio, less than 4 percent are successfully licensed. The private sector simply needs more protection for the time and effort needed to develop and commercialize new products than is afforded by a non-exclusive license. Universities, on the other hand, which can offer exclusive or partially exclusive licenses on their patents if necessary, have been able to successfully license 33 percent of their patent portfolios."

Second, it is suggested that the problems of equity, economic growth and increased productivity require the rapid dissemination of scientific and technical knowledge, and the present patent policies better promote this dissemination than would S. 414. I must disagree.

The theoretical availability of a non-exclusive license does not mean that anyone will actually develop an invention into something useful. The fact remains that 96 percent of all federally-owned inventions, approximately 27,000 out of 28,000, are not licensed, and thus are of no use to the public. The huge majority of small business and university witnesses have testified that the option of exclusive licensing is necessary in order to achieve greater actual development of inventions. We do not now know for certain what would happen under S. 414. However, it is reasonable to assume that it will improve the situation.

Third, it is argued that there is no "factual basis" for the claim that giving private contractors title to inventions will promote rapid commercialization of those inventions. To this contention, there are, I think, two replies. First, private contractors do not now have title to inventions they make with federal assistance. So it is difficult to tell what would happen if they did. Second, the IPA experience with universities precisely indicates that the granting of title and exclusive licensing rights to private contractors does promote the rapid commercialization of inventions.

Fourth, it is maintained that there are potential dangers to small business in the bill. It is argued that if a small business were to possess patents or exclusive licenses, it might be an attractive takeover target. Further, it is maintained that small businesses might not be able to resist patent infringements by larger firms because of the high legal costs involved.

With all due respect to those who make them, these arguments do not strike me as being very weighty. Small business people overwhelmingly support this bill and are willing to take their chances with potential corporate raiders and patent infringers. This bill confers a benefit on small business, and it is not reasonable to oppose the bill because someone may attempt to illegally remove the benefit. Furthermore, the Senate has adopted S. 1679, which was sponsored by Senator Bayh, myself and others. This legislation will reduce the average patent litigation cost from $250,000 to $1,000.

Again, it is useful to return to the favorable experiences under the IPA program, which has been in effect since 1968. The IPA is a series of agreements made with universities and nonprofit organizations that allow these contractors to retain patent ownership to the inventions that they make while working for the government. This program has been so successful in deliverying new products to the public that the General Services Administration has adopted a rule making IPA available to all agencies. Five days of Small Business Committee hearings, which I chaired in 1978, failed to reveal evidence of any economic concentration having resulted from this program. While I agree that there is at least a theoretical potential for abuse, to date we have found none. If S. 414 becomes law, I intend to hold hearings on it after a reasonable period of time has elapsed, to see if any abuses do in fact result from its enactment.

Mr. President, the concepts embodied in S. 414 are part of the key recommendations of the President's Domestic Policy Review on Innovation. I would like to quote President Carter on what he said pertaining to issues relevant to this bill:

"The Policy Review identified strong arguments that the public should have an unrestricted right to use patents arising from federal sponsorship. These patents were derived from public funds, and all the public have an equitable claim to the fruits of their tax dollars. Moreover, exclusive rights establish a monopoly—albeit one limited in time—and this is an outcome not favored in our economy.

"Several competing considerations, however, urge that exclusive rights to such patents should be available. First, government ownership with the offer of unrestricted public use has resulted in almost no commercial application of federal inventions. Without exclusive rights, investors are unwilling to take the risk of developing a federal invention and creating a market for it. Thus, ironically, free public right to use patents results, in practical terms, in a denial of the opportunity to use the invention. Second, many contractors, particularly those with strong background in and experience with patents, are unwilling to undertake work leading to freely available patents because this would compromise their proprietary position. Thus, some of the most capable performers will not undertake the government work for which they are best suited. As a result of the strength of these considerations, most agencies have the authority in some circumstances to provide exclusive rights. But because of the difficulty of balancing competing considerations, this issue has been unsettled for over 30 years, and the various agencies operate under different and contradictory statutory guidance. The uncertainty and lack of uniformity in policy has itself had a negative effect on the commercialization of technologies developed with federal support."

I believe the President has fully and succinctly presented the issue before us, and I agree with the findings.

The bill has been endorsed by Mr. Ky P. Ewing, Deputy Assistant Attorney General, Anti-Trust Division, in testimony before the House Committee on Science and Technology. As noted above, it is supported by the Comptroller General of the United States. Elmer Staats, by the National Small Business Association, and by the Society of University Patent Administrators. Only last month, 1,600 delegates to the White House Conference on Small Business endorsed it as an integral component of S. 1860, the Small Business Innovation Act which I introduced last year. As a matter of fact, S. 1860 was the sixth highest priority of the conference delegates.

The problems of rising inflation and slumping productivity require immediate congressional attention. Passage of S. 414 will help spur innovation and new discoveries by small business. Smaller enterprises were responsible for half of all major industrial innovations since World War II and produced 24 times as many major innovations per research dollar spent as did large firms. As such, S. 414 will play a small, but important role in solving the inflation problem.

Our country is in deep economic trouble. Ideological rigidities should not prevent us from exploring new approaches to the problems of how we revive a stagnating economy. After a careful review of this legislation, I have concluded that S. 414 constitutes an approach worth trying, and I am pleased to support it.

The PRESIDING OFFICER. The Senator's time has expired.

The Senator from Kansas has 12 minutes remaining and the Senator from Louisiana has 1½ minutes remaining. Who yields time?

Mr. LONG. Mr. President. I ask unanimous consent to have printed in the Record a synopsis from Admiral Rickover, who has been very active on this subject down through the years.

There being no objection, the synopsis was ordered to be printed in the Record, as follows:

SYNOPSIS OF ADMIRAL RICKOVER'S VIEWS ON GOVERNMENT PATENT POLICY

1. In recent years, Members of Congress have introduced various bills which, contrary to the thrust of existing statutes, would give contractors the exclusive rights to inventions arising under their contracts with the U.S. Government. In support of these bills, the patent lobby contends that unless the Government grants its contractors such rights, companies will not have sufficient financial incentive to develop and market the ideas that grow out of Government-funded research.

2. Admiral Rickover has had more than a half century's experience in engineering, technology and contracting. For many years he has strongly opposed bills which would give contractors exclusive rights to inventions developed at Government expense. He believes that each citizen should have equal rights to use these inventions and that the monopoly rights conveyed by a patent should be reserved for those who develop inventions at private expense.

3. In support of his views, Admiral Rickover makes these points:

a. In the vast majority of cases, patent considerations neither attract companies to Government work nor repel them from it. Contractors seek Government work because it generates profit; it helps support their scientific and engineering staffs; and they obtain valuable know-how from performing the work. The idea that the Government cannot attract good companies without giving away patent rights is simply rhetoric by the patent lobby.

b. The technology growing out of most Government R&D efforts is not reflected by the patents generated, but is in the form of data, know-how, concepts, and design features which, although of great technical importance, generally are not patentable.

c. Truly good ideas arising under Government contracts tend to be adopted and used elsewhere without having to grant someone monopoly patent rights. Nuclear technology in this country has flourished under a policy in which Government contractors have not been given exclusive rights to inventions developed at public expense.

d. By generally claiming the rights to inventions their employees develop on the job, industry endorses a principle that patent rights should belong to the employer. But when the Government is the employer, and the contractor the employee, the patent lobby wants to reverse this principle.

e. Large corporations would benefit most from a giveaway Government patent policy because the vast majority of Government research and development funds is spent in contracts with large corporations.

f. It would be wrong to give a company a 17-year monopoly to some technological breakthrough, in the energy area, for example, that was paid for with public funds.

4. Based on this first-hand experience encompassing many years, Admiral Rickover contends that the dissemination of technology and the public good are both best served when the Government retains title to inventions developed at public expense and the public retains the unrestricted right to use them. Because of a proliferation of sometimes conflicting statutes dealing with patent matters, he recommends that Congress enact legislation which would ensure that each citizen has equal rights to use inventions developed at Government expense.

Mr. BAYH. Mr. President, I ask unanimous consent that the Senator from Indiana be permitted to use 2 minutes of the time of the Senator from Kansas, who is a cosponsor of this legislation.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. The Senator from Kansas has been an avid supporter of this legislation. I want to compliment him, as well as our other sponsors, for their assistance.

I have great sympathy with the thrust of the arguments of the Senator from Louisiana. I would just like to point out two of the factors in this bill that have not been contained in other provisions which go to the question of the Government being fleeced and the taxpayers losing the dollars that they have invested. Let me just point out two things:

First of all, I do not see how the taxpayers benefit at all if money they spent in research results in ideas just drawing dust. The people have to get the idea commercialized and made available to them as new products before the taxpayers get any return on their investment.

The second point—and I think this is a new point that needs to be considered, and I think it goes to the concerns expressed by the distinguished gentleman, Admiral Rickover, who I have great faith and respect for. I just disagree with his logic on this point.

We have a formula in this bill that says when a small business or a university takes advantage of the provisions of S. 414, begins to market an idea, and that idea, begins to make money, then there is a formula in which the money is repaid to the agencies.

So, in the final analysis, the taxpayer will not be out the cost of the research and they also will have the benefit of the product.

I see my good friend from Kansas is here. He can express these ideas much better on his time than I can.

The PRESIDING OFFICER. The Senator from Kansas has 10 minutes remaining.

UP AMENDMENT NO. 1049

(Purpose: To exempt from the provisions of the bill the Tennessee Valley Authority)

Mr. BAYH. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. Is the amendment an amendment to the pending amendment?

Mr. LONG. Mr. President, is the pending amendment the amendment by the Senator from Louisiana?

The PRESIDING OFFICER. That is correct.

Mr. LONG. Mr. President, I withdraw my amendment so that Senator Bayh may offer his amendment.

The PRESIDING OFFICER. The Senator from Louisiana has withdrawn his amendment. The clerk will state the amendment of the Senator from Indiana.

The legislative clerk read as follows:

The Senator from Indiana (Mr. Bayh) proposes an unprinted amendment numbered 1049:

On page 27, line 5, insert ", other than the Tennessee Valley Authority," after "agency".

On page 41, line 4, insert ", other than inventions owned by the Tennessee Valley Authority," after "invention".

Mr. BAYH. Mr. President, what this does is to exempt TVA from the provisions of the bill inasmuch as TVA does not do their research with appropriated funds.

Mr. DOLE. Mr. President, the Senator from Indiana has correctly described the amendment.

Mr. President. I rise in support of the amendment that has been offered by Senator Bayh.

This amendment addresses the built-in characteristics of the Tennessee Valley Authority. Indeed, while S. 414 was never intended to apply to the TVA, which does not make use of Federal appropriations in funding their research and development, the bill's definition of funding agreements which reads as "any agreement entered into between * * *" (page 27, lines 3 and 4), was ambiguous since it did not mention the source of these funds. As we are all aware, even though the TVA is a Federal agency, their equipment is financed by floating funds from bonds on income they have earned by generating electricity.

The Tennessee Valley Authority, while not making use of appropriations, does however use Federal funds for in-house research by employees, for which the TVA has its own regulations. They expressed concern that section 208 of the bill, which authorizes the General Services Administration to promulgate regulations. might result in the TVA having to comply with GAO regulations.

Mr. President, this amendment would affirm the fact that S. 414 does not affect the present status of the Tennessee Valley Authority, and that the TVA will continue to be exempt from GSA regulations.

As a cosponsor of this worthwhile amendment, I urge my colleagues to support this effort.

Mr. BAKER. Mr. President, I am happy to see that the Committee on the Judiciary has accepted an amendment designed to enable the Tennessee Valley Authority to develop its own approach for implementing the requirements of S. 414, rather than subjecting it to the uniform regulations which would be developed under this legislation by the Office of Federal Procurement Policy and the General Services Administration. I am convinced that this amendment is necessary to preserve the flexibility and independence which TVA needs to continue to carry out its program responsibilities associated with these patents in an effective manner.

I am proud of the fact that some of the most effective Federal research and development work on the production and use of new and better fertilizers has been done by TVA at its National Fertilizer Development Center at Muscle Shoals, Ala. During the 47 years that TVA has been working at Muscle Shoals, TVA chemical engineers and agricultural research specialists have developed new technology which serves as a basis for the production of 75 percent of the fertilizer used by our Nation's farmers.

TVA owns all the patents for these processes—approximately 230—but, through simple procedures, has issued 622 nonexclusive, royalty-free licenses for the use of this TVA technology at 554 plants in 39 States. The best part about all this is that nearly three-quarters of these plants are owned by small businesses and local farmers' cooperatives.

TVA has been successful in this regard because it has been able to assess the commercial environment on a case by case basis and tailor the manner in which it grants licenses to achieve the fullest possible commercial acceptance and usage of TVA developed technology. I am uncertain whether this success story could continue, however, if these TVA practices were subjected to the uniform, Government-wide regulations developed by FFF and GSA to implement the requirements of S. 414. While these uniform regulations might be appropriate for the bulk of Federal agencies, they might actually increase the amount of bureaucratic paperwork and complexity of TVA's licensing process or otherwise be ill-suited or detrimental to TVA's programs.

I believe it would be inexcusable to risk the success of these highly efficient TVA technology transfer programs when there is no compelling reason to do so. In short, "if it ain't broke, don't fix it." I emphasize, however, that this amendment would not exempt TVA's patent-related activities from the uniform patent policy requirements of S. 414. The amendment simply enables TVA to implement these requirements in the manner most compatible with TVA's program needs.

Furthermore, TVA is not just involved with agricultural research and development. In carrying out President Carter's directive to be in a model in energy-related research and development, TVA is delving into many areas which promise to produce new important technologies which may provide us with better tools to help resolve our Nation's energy problems. Most of the funding for these activities does not come from the Nation's taxpayers, however, but is financed with funds of TVA's self-financing power program, which ultimately are provided by TVA customers when they pay their electric bills.

Given its statutory responsibility to the ratepayers in the Tennessee Valley to keep electric rates as low as feasible, in each of the wide variety of energy-related research and development agreements entered into by TVA an individual determination is made as to the ownership and rights of the parties to any patents which might result from the agreement. This determination is just one of numerous business judgments the TVA Board must make in the course of operating the Nation's largest electric system in a cost-effective manner. TVA needs to continue to have this flexibility to manage the TVA power program efficiently.

This amendment exempts research and development contracts which involve the use of the nonappropriated funds of TVA's self-financing power system from the strict coverage of the provisions of sections 202 through 205 of S. 414. It is not appropriate to require in all cases that TVA contractors automatically receive title to all inventions which they develop under agreements funded with TVA power system funds.

Nor is it always appropriate for TVA to retain all of the "march-in" and other rights which the bill would require. In TVA's case, it is not uncommon for a business firm to spend its own money on developing a technology and coming to TVA only in the last stage of development to help prove its commercial feasibility in conjunction with the operations of the TVA power system. TVA's contribution in this instance may be relatively small. The business firm may be understandably reluctant to give up the rights this bill would require in such a situation. The net effect would be a reduction in the willingness of firms to try out new technology on the TVA system or to charge TVA more for doing it.

The requirements of the bill would not, therefore, function as an incentive financed by the Nation's taxpayers, but could be an added expense borne solely by the ratepayers of the Tennessee Valley region.

At the same time this amendment would require TVA to follow the provisions of section 202 through 205 of S. 414 with regard to its funding agreements funded with nonappropriated funds to the extent the TVA Board determines they are feasible and consistent with TVA's responsibilities under the TVA Act.

I believe this amendment to S. 414 would provide an effective and equitable approach to enable TVA to continue carrying out its programs in an efficient manner, and I urge its adoption.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment.

Mr. DOLE. Mr. President, as I understand the consent agreement, we are to vote no later than 3:30, or prior to that time if possible.

The PRESIDING OFFICER. The Senator is correct.

Mr. DOLE. Mr. President, I have listened to some of the discussion today. I believe this bill is a small step in the right direction. I know some Members have concerns about the policy. I am aware of the concerns of the distinguished chairman of the Finance Committee, Senator Long.

● **Mr. STEVENSON.** Mr. President, S. 414 is a test of the Senate's concern about America's capacity to produce and compete in a fiercely competitive world. It is not a panacea. It is, in truth, a small part of the solution. But if we are unable to address a problem that has been widely recognized for more than two decades, what can we do? Are we doomed to play out the conventional wisdom, as we did in the twenties, until its futility is inescapable and the moment too late?

Today there is scarcely an industrial sector or technology in which the United States does not face a vigorous challenge. For the United States to hold its own, let alone prosper, in this environment requires redoubled efforts to encourage investment, promote exports, and make economic adjustments, as well as to advance technology and stimulate innovation.

Instead, fiscal and monetary policies lurch from one month's Consumer Price Index and employment figures to the next, compounding economic uncertainty. We provided $1.5 billion in loan guarantees for the geriatric Chrysler Corp., as President Carter, after an 18-month study involving scores of agencies and hundreds of advisers, proposed a mere $55 million for industrial innovation. The new initiatives announced in the President's message to Congress on innovation last October actually cost $44.6 million. Now that pitiful sum has been whittled to $26.1 million in successive rounds of budget cutting. The victims of economic orthodoxy include National Science Foundation grants to industry-supported research in universities, grants to small businesses for innovative research and development, and an NSF-sponsored Cooperative Technology Center. Apart from this legislation and S. 1250, to authorize industrial technology centers, very little remains of the President's modest innovation package.

Mr. President, the University and Small Business Patent Procedures Act is far from an ideal bill. Witnesses in 4 days of hearings before the Commerce, Science, and Transportation Committee urged a uniform Government patent policy that did not discriminate on the basis of company size or institutional tax status. The Judiciary Committee report on S. 414 does not present any rationale for granting title to inventions only to small firms and nonprofit organizations. Small businesses do not account for our stagnant productivity, accelerating inflation, and eroding competitiveness in world markets. They continue to generate a large share of major inventions and innovations. Small businesses and universities are not alone in experiencing the disincentives and frustrations of restrictive Government patent policies. Even the administration has recommended comprehensive reform.

S. 414 will be difficult to administer rationally and fairly. It arbitrarily penalizes successful companies that cross the employment or sales limits of one or another of the Small Business Administration's sets of eligibility criteria, all of them devised to suit different administrative purposes.

The legislation discriminates against its proposed beneficiaries. If they are successful in commercializing or licensing their inventions, they will be required to pay back the Government contribution. Neither of these requirements is imposed by the Defense Department, which for many years has granted unrestricted title to contractors in more than two-thirds of military R. & D. contracts, a large proportion of them with the Nation's biggest corporations. Under this bill, DOD must recoup its expenditures from its smallest but not from its largest contractors.

S. 414 would maintain Government ownership of inventions made by a broad range of firms engaged in energy, transportation, and other civilian research and development enterprises whose success depends upon private commercialization of new technologies and for which the Nation's needs are pressing. The Federal research budget includes nearly $10 billion for civilian R. & D. Congress has authorized a massive investment in the development of synthetic fuels and is considering a cooperative program to advance automotive technology. We cannot afford inhibitory patent policies in these areas while we encourage companies to exploit military R. & D. results, routinely and without controversy.

Nonetheless, S. 414 is a small step in the right direction. It recognizes that, on the whole, a policy of granting exclusive rights in return for commercial development stands the best chance of securing the benefits of Federal R. & D. for the public and the economy. It extends the DOD precedent and brings us closer to a uniform patent policy. It gives small research firms a needed incentive to participate in Federal R. & D. programs and encourages the transfer of technology from university laboratories to commercial markets. For these reasons, I support the University and Small Business Patent Procedures Act.

I believe the limitations of S. 414 will soon become apparent, if they are not already apparent to the House committees considering similar legislation. I am confident that Senator SCHMITT and other members of the Commerce Committee will continue their leadership on this issue, and I suspect that many of the sponsors of this bill will support them. In the meantime, the Senate should pass S. 414.●

Mr. SCHMITT. Mr. President, I wish to commend the Senators from Indiana and Kansas for their able leadership on beginning the process toward a comprehensive Government-wide patent policy. The bill under consideration today, S. 414, is a worthwhile measure designed to stimulate the commercialization of inventions made by small business and universities with the assistance of Federal funds.

I recognize that the stated purpose of S. 414 is similar to that of my own bill, S. 1215, the Science and Technology Research and Development Utilization Policy Act, which has been referred to the Senate Commerce Committee. That committee has concluded 4 days of hearings on this bill and the general subject of Government patent policy. The testimony we received during the course of these hearings from industry, business—both large, small and medium size—and academia was overwhelming in support of a uniform Government patent policy that placed title in the hand of the contractor, subject to appropriate safeguards of the public interest.

While I support the basic objectives of S. 414, I am concerned that the bill does not go far enough. This bill would establish a uniform Federal patent policy for small business and nonprofit organizations. The bill would not extend the same rights to other Federal contractors with much greater quantitative impact on the marketing of new technologies. Undoubtedly, however, S. 414 would alleviate many of the special problems facing the important innovative sections of our national R. & D. base, namely, small business and universities.

Yet the problems this Nation is experiencing in technological innovation go well beyond small business and universities which together comprise but a small percentage of all Federal contracts. We cannot afford to ignore that segment of private enterprise consisting of medium-sized and larger businesses which account for 90 percent of our federally sponsored R. & D. effort, more than half of U.S. industrial employment, and 85 percent of U.S. exports.

My bill, S. 1215, would allow all contractors, regardless of size or profit status, to acquire title to their inventions made under Federal contracts while retaining the structure and essential provisions of S. 414. It is essential to achieve the widest possible application of Government-supported technology at a time of lagging innovation, stagnant productivity growth and declining U.S. competitiveness in the international and domestic marketplaces.

Mr. President, I continue to believe that S. 1215 is in the real public interest, and I am hopeful that when reported out of the Commerce Committee it will receive favorable consideration by the Senate as a whole.

● Mr. CANNON. Mr. President, the symbolic importance of S. 414 surpasses what I expect to be its practical benefits. At a time of grim economic statistics and even grimmer prospects, it is a test of the Senate's commitment to renewed productivity and economic growth through technological innovation.

Last year exports grew, the trade balance improved. But the United States continued to register huge deficits in steel, automobiles, and other so-called non-R. & D.-intensive manufactured goods. Our shipments of electrical machinery, aircraft, chemicals, and instruments have not prevented an overall trade deficit in manufactures in 4 of the last 9 years. Even our high technology surplus is slipping, and we have a growing deficit with Japan in electronic and other sophisticated products.

Growth in domestic output per worker in the United States—a key source of our economic growth in the early sixties—declined gradually after 1967, dropped sharply after 1973, and failed to revive in the 1975–78 recovery. Now U.S. productivity gains have come to a standstill. Last year labor productivity actually dropped by nearly 1 percent—only the second such decline since World War II. Other industrialized countries also experienced lower growth rates in the seventies, but none was as poor as ours. We trail all of our major trading partners, including Britain.

The solutions lie in increased investment in new plant and equipment, new products, and new firms. They lie in reform of economic regulation. They lie in cooperative efforts to develop new manufacturing technologies, as Senator STEVENSON and I propose in S. 1250, which the Commerce Committee will soon report to the Senate.

But in no small part the solution also lies in encouraging the widest possible use of Government-supported technologies, removing disincentives to participation in Federal R. & D. programs, and promoting cooperation rather than antagonism between Government and industry. Precisely because of tight budget and fiscal constraints, it is vital to move in the areas where we have flexibility.

As Senators are aware, when this bill was first considered by the Senate in February, I cosponsored an amendment to extend its provisions to all Government contractors in the interest of finally achieving a uniform Government patent policy. I believe that should remain the goal, and I note that several sponsors of S. 414 agreed in principle. It detracts nothing from the case for small business and university patent rights to observe that they perform a modest share of Federal R. & D. The Commerce Committee had held 4 days of hearings on comprehensive Government patent policy legislation introduced by Senator SCHMITT. With a single exception, our witnesses strongly endorsed the principle of allowing exclusive commercial use of Government-financed inventions as a necessary incentive, in most cases, to private development and commercialization. Overwhelmingly, they favored a policy of granting title to contractors without discrimination on the basis of size or tax statute. The risk of monopolization was judged to be minimal or nonexistent.

I recognize, however, the underrepresentation of small research companies in Federal R. & D. contracting in spite of their disproportionate contribution to industrial innovation generally. Commercial development of inventions made in university laboratories is especially dependent on their being available for licensing on attractive terms. Allowing these institutions to acquire title to their inventions builds upon the precedent followed by the Defense Department in nearly three-quarters of its R. & D. contracts and brings us closer to a uniform patent policy. For these reasons, I urge my colleagues to support the University and Small Business Patent Procedures Act.●

Mr. DOLE. Mr. President, I yield back any time I have remaining.

Mr. LONG. Mr. President, how much time remains?

The PRESIDING OFFICER. The Senator has 12 minutes remaining.

Mr. LONG. Mr. President, the arguments that have been made by the sponsors of this legislation——

The PRESIDING OFFICER. Does the Senator from Kansas yield to the Senator from Louisiana?

Mr. LONG. Mr. President, I meant to ask how much time I had remaining.

The PRESIDING OFFICER. The Senator from Louisiana has no time remaining.

Mr. DOLE. The Senator from Louisiana can have my time.

Mr. LONG. One minute, please.

The arguments made by the sponsor of this legislation are that you can develop a product better if someone has a monopoly than you can if it is in a competitive situation. Basically, Mr President, that is an argument that monopoly is better for the country than is competition. In my judgment it is ridiculous on the face of it.

The idea where the public spends tens of millions of dollars or maybe a hundred million dollars to develop a product and you can give someone a monopoly so he can charge anywhere from 10 to 100 times the cost of manufacturing the thing is ridiculous on the face of it. That is the mercantile theory, when the king would authorize someone to manufacture a product and nobody could compete.

If this Senate thinks that mercantilism is better than capitalism, let them vote for this bill. If they believe that competition is better than monopoly, then they ought to vote against the bill.

Mr. DOLE. The Senator from Kansas, on that note, will yield back the remainder of his time.

The PRESIDING OFFICER. All time has been yielded back. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on agreeing to the committee amendment in the nature of a substitute, as amended.

The committee amendment in the nature of a substitute, as amended, was agreed to.

The PRESIDING OFFICER. The question is on the engrossment and the third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass? On this question the yeas and nays have been ordered, and the clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Idaho (Mr. CHURCH), the Senator from Massachusetts (Mr. KENNEDY), and the Senator from Wisconsin (Mr. NELSON) are necessarily absent.

Mr. BAKER. I announce that the Senator from Alaska (Mr. STEVENS) and the Senator from Wyoming (Mr. WALLOP) are necessarily absent.

The PRESIDING OFFICER (Mr. BURDICK). Have all Senators voted?

The result was announced—yeas 91, nays 4, as follows:

[Rollcall Vote No. 84 Leg.]

YEAS—91

Armstrong
Baker
Baucus
Bayh
Bellmon
Bentsen
Biden
Boren
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Cannon
Chafee
Chiles
Cochran
Cohen
Cranston
Culver
Danforth
DeConcini
Dole
Domenici
Durenberger
Durkin
Eagleton
Exon
Ford
Garn
Glenn
Goldwater
Gravel
Hart
Hatch
Hatfield
Hayakawa
Heflin
Heinz
Helms
Hollings
Huddleston
Humphrey
Inouye
Jackson
Javits
Jepsen
Kassebaum
Laxalt
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McClure
McGovern
Melcher
Metzenbaum
Morgan
Moynihan
Muskie
Nunn
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Ribicoff
Riegle
Roth
Sarbanes
Sasser
Schmitt
Schweiker
Simpson
Stafford
Stennis
Stevenson
Stewart
Stone
Talmadge
Thurmond
Tower
Tsongas
Warner
Weicker
Williams
Young
Zorinsky

NAYS—4

Byrd,
Harry F., Jr.
Johnston
Long
Randolph

NOT VOTING—5

Church
Kennedy
Nelson
Stevens
Wallop

So the bill (S. 414), as amended, was passed, as follows:

S. 414

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "University and Small Business Patent Procedures Act".

SEC. 2 (a) AMENDMENT OF TITLE 35, UNITED STATES CODE, PATENTS.—Title 35 of the United States Code is amended by adding after chapter 17, a new chapter as follows:

"CHAPTER 18. PATENT RIGHTS IN INVENTIONS MADE WITH FEDERAL ASSISTANCE

"Sec.
"200. Policy and objective.
"201. Definitions.
"202. Disposition of rights.
"203. March-in rights.
"204. Return of Government investment.
"205. Preference for United States industry.
"206. Confidentiality.
"207. Uniform clauses and regulations.
"208. Domestic and foreign protection of federally owned inventions.
"209. Regulations governing Federal licensing.
"210. Restrictions on licensing of federally owned inventions.
"211. Precedence of chapter.
"212. Relationship to antitrust laws.

"§ 200. Policy and objective

"It is the policy and objective of the Congress to use the patent system to promote the utilization of inventions arising from federally supported research or development; to encourage maximum participation of small business firms in federally supported research and development efforts; to promote collaboration between commercial concerns and nonprofit organizations, including universities; to ensure that inventions made by nonprofit organizations and small business firms are used in a manner to promote free competition and enterprise; to promote the commercialization and public availablity of inventions made in the United States by United States industry and labor; to ensure that the Government obtains sufficient rights in federally supported inventions to meet the needs of the Government and protect the public against nonuse or unreasonable use of inventions; and to minimize the costs of administering policies in this area.

"§ 201. Definitions

"As used in this chapter—

"(a) The term 'Federal agency' means any executive agency as defined in section 105 of title 5, United States Code, and the military departments as defined by section 102 of title 5, United States Code.

"(b) The term 'funding agreement' means any contract, grant, or cooperative agreement entered into between any Federal agency, other than the Tennessee Valley Authority, and any contractor for the performance of experimental, developmental, or research work funded in whole or in part by the Federal Government. Such term includes any assignment, substitution of parties, or subcontract of any type entered into for the performance of experimental, developmental, or research work under a funding agreement as herein defined.

"(c) The term 'contractor' means any person, small business firm or nonprofit organization that is a party to a funding agreement.

"(d) The term 'invention' means any invention or discovery which is or may be patentable or otherwise protectable under this title.

"(e) The term 'subject invention' means any invention of the contractor conceived or first actually reduced to practice in the performance of work under a funding agreement.

"(f) The term 'practical application' means to manufacture in the case of a composition or product, to practice in the case of a process or method, or to operate in the case of a machine or system; and, in each case, under such conditions as to establish that the invention is being utilized and that its benefits are to the extent permitted by law or Government regulations available to the public on reasonable terms.

"(g) The term 'made' when used in relation to any invention means the conception or first actual reduction to practice of such invention.

"(h) The term 'small business firm' means a small business concern as defined at section 2 of Public Law 85–536 (15 U.S.C. 632) and implementing regulations of the Administrator of the Small Business Administration.

"(i) The term 'nonprofit organization' means universities and other institutions of higher education or an organization of the type described in section 501(c)(3) of the Internal Revenue Code of 1954 (26 U.S.C. 501(c)) and exempt from taxation under section 501(a) of the Internal Revenue Code (26 U.S.C. 501(a)).

"§ 202. Disposition of rights

"(a) Each nonprofit organization or small business firm may, within a reasonable time after disclosure as required by paragraph (c)(1) of this section, elect to retain title to any subject invention: *Provided, however,* That a funding agreement may provide otherwise (i) when the funding agreement is for the operation of a Government-owned research or production facility, (ii) in exceptional circumstances when it is determined by the agency that restriction or elimination of the right to retain title to any subject invention will better promote the policy and objectives of this chapter or (iii) when it is determined by a Government authority which is authorized by statute or Executive order to conduct foreign intelligence or counterintelligence activities that the restriction or elimination of the right to retain title to any subject invention is necessary to protect the security of such activities. The rights of the nonprofit organization or small business firm shall be subject to the provisions of paragraph (c) of this section and the other provisions of this chapter.

"(b)(1) Any determination under (ii) of paragraph (a) of this section shall be in writing and accompanied by a written statement of facts justifying the determination. A copy of each such determination and justification shall be sent to the Comptroller General of the United States within thirty days after the award of the applicable funding agreement. In the case of determinations applicable to funding agreements with small business firms copies shall also be sent to the Chief Counsel for Advocacy of the Small Business Administration.

"(2) If the Comptroller General believes that any pattern of determinations by a Federal agency is contrary to the policy and objectives of this chapter or that an agency's policies or practices are otherwise not in conformance with this chapter, the Comptroller General shall so advise the head of the agency. The head of the agency shall advise the Comptroller General in writing within one hundred twenty days of what action, if any, the agency has taken or plans to take with respect to the matters raised by the Comptroller General.

"(3) At least once each year, the Comptroller General shall transmit a report to the Committees on Judiciary of the Senate and House of Representatives on the manner in which this chapter is being implemented by the agencies and on such other aspects of Government patent policies and practices with respect to federally funded inventions as the Comptroller General believes appropriate.

"(c) Each funding agreement with a small business firm or nonprofit organization shall contain appropriate provisions to effectuate the following:

"(1) A requirement that the contractor disclose each subject invention to the Federal agency within a reasonable time after it is made and that the Federal Government may receive title to any subject invention not reported to it within such time.

"(2) A requirement that the contractor make an election to retain title to any subject invention within a reasonable time after disclosure and that the Federal Government may receive title to any subject invention in which the contractor does not elect to retain rights or fails to elect rights within such time.

"(3) A requirement that a contract or electing rights file patent applications within reasonable times and that the Federal Government may receive title to any subject inventions in the United States or other countries in which the contractor has not filed patent applications on the subject invention within such times.

"(4) With respect to any invention in which the contractor elects rights, the Federal agency shall have a nonexclusive, nontransferable, irrevocable, paid-up license to practice or have practiced for or on behalf of the United States any subject invention throughout the world, and may, if provided in the funding agreement, have additional rights to sublicense any foreign government or international organization pursuant to any existing or future treaty or agreement.

"(5) The right of the Federal agency to require periodic reporting on the utilization or efforts at obtaining utilization that are being made by the contractor or his licensees or assignees: *Provided,* That any such information may be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under section 552 of title 5 of the United States Code.

"(6) An obligation on the part of the contractor, in the event a United States patent application is filed by or on its behalf or by any assignee of the contractor, to include within the specification of such application and any patent issuing thereon, a statement specifying that the invention was made with Government support and that the Government has certain rights in the invention.

"(7) In the case of a nonprofit organization, (A) a prohibition upon the assignment of rights to a subject invention in the United States without the approval of the Federal agency, except where such assignment is made to an organization which has as one of its primary functions the management of inventions and which is not, itself, engaged in or does not hold a substantial interest in other organizations engaged in the manufacture or sale of products or the use of processes that might utilize the invention or be in competition with embodiments of the invention (provided that such assignee shall be subject to the same provisions as the contractor); (B) a prohibition against the granting of exclusive licenses under United States Patents or Patent Applications in a subject invention by the contractor to persons other than small business firms for a period in excess of the earlier of five years from first commercial sale or use of the invention or eight years from the date of the exclusive license excepting that time before regulatory agencies necessary to obtain premarket clearance unless, on a case-by-case basis, the Federal agency approves a longer exclusive license. If exclusive field of use licenses are granted, commercial sale or use in one field of use shall not be deemed commercial sale or use as to other fields of use, and a first commercial sale or use with respect to a product of the invention shall not be deemed to end the exclusive period to different subsequent products covered by the invention; (C) a requirement that the contractor share royalties with the inventor; and (D) a requirement that the balance of any royalties or income earned by the contractor with respect to subject inventions, after payment of expenses (including payments to inventors) incidental to the administration of subject inventions, be utilized for the support of scientific research or education.

"(8) The requirements of sections 203, 204, and 205 of this chapter.

"(d) If a contractor does not elect to retain title to a subject invention in cases subject to this section, the Federal agency may consider and after consultation with the contractor grant requests for retention of rights by the inventor subject to the provisions of this Act and regulations promulgated hereunder.

"(e) In any case when a Federal employee is a coinventor of any invention made under a funding agreement with a nonprofit organization or small business firm, the Federal agency employing such coinventor is authorized to transfer or assign whatever rights it may acquire in the subject invention from its employee to the contractor subject to the conditions set forth in this chapter.

"(f)(1) No funding agreement with a small business firm or nonprofit organization shall contain a provision allowing a Federal agency to require the licensing to third parties of inventions owned by the contractor that are not subject inventions unless such provision has been approved by the head of the agency and a written justification has been signed by the head of the agency. Any such provision shall clearly state whether the licensing may be required in connection with the practice of a subject invention, a specifically identified work object, or both. The head of the agency may not delegate the authority to approve provisions or sign justifications required by this paragraph.

"(2) A Federal agency shall not require the licensing of third parties under any such provision unless the head of the agency determines that the use of the invention by others is necessary for the practice of a subject invention or for the use of a work object of the funding agreement and that such action is necessary to achieve the practical application of the subject invention or work object. Any such determination shall be on the record after an opportunity for an agency hearing. Any action commenced for judicial review of such determination shall be brought within sixty days after notification of such determination.

"§ 203. March-in rights

"With respect to any subject invention in which a small business firm or nonprofit organization has acquired title under this chapter, the Federal agency under whose funding agreement the subject invention was made shall have the right, in accordance with such procedures as are provided in regulations promulgated hereunder to require the contractor, an assignee or exclusive licensee of a subject invention to grant a nonexclusive, partially exclusive, or exclusive license in any field of use to a responsible applicant or applicants, upon terms that are reasonable under the circumstances, and if the contractor, assignee, or exclusive licensee refuses such request, to grant such a license itself, if the Federal agency determines that such—

"(a) action is necessary because the contractor or assignee has not taken, or is not expected to take within a reasonable time, effective steps to achieve practical application of the subject invention in such field of use;

"(b) action is necessary to alleviate health or safety needs which are not reasonably satisfied by the contractor, assignee, or their licensees;

"(c) action is necessary to meet requirements for public use specified by Federal regulations and such requirements are not reasonably satisfied by the contractor, assignee, or licensees; or

"(d) action is necessary because the agreement required by section 205 has not been obtained or waived or because a licensee of the exclusive right to use or sell any subject invention in the United States is in breach of its agreement obtatined pursuant to section 205.

"§ 204. Return of Government investment

"(a) If after the first United States patent application is filed on a subject invention, a nonprofit organization, a small business firm, or an assignee of a subject invention of such an organization or firm to whom such invention was assigned for licensing purposes, receives $70,000 in gross income for any one calendar year from the licensing of a subject invention or several related subject inventions, the United States shall be entitled to 15 per centum of all income in excess of $70,000 for that year other than any such excess income received under nonexclusive licenses (except where the nonexclusive licensee previously held an exclusive or partially exclusive license).

"(b)(1) Subject to the provisions of paragraph (2), if after the first United States patent application is filed on a subject invention, a nonprofit organization, a small business firm, or an asignee of a subject invention of such an organization or firm, receives gross income of $1,000,000 for any one calendar year on sales of its products embodying or manufactured by a process employing one or more subject inventions, the United States shall be entitled to a share, the amount of which to be negotiated but not to exceed 5 per centum, of all gross income in excess of $1,000,000 for that year accruing from such sales.

"(2) In no event shall the United States be entitled to an amount greater than that portion of the Federal funding under the funding agreement or agreements under which the subject invention or inventions was or were made expended on activities related to the making of the invention or inventions less any amounts received by the United States under subsection (a) of this section. In any case in which more than one subject invention is involved, no expenditure funded by the United States shall be counted more than once in determining the maximum amount to which the United States is entitled.

"(c) The Director of the Office of Federal Procurement Policy is authorized and directed to revise the dollar amounts in subsections (a) and (b) of this section at least every three years in light of changes to the Consumer Price Index or other indices which the Director considers reasonable to use.

"(d) The entitlement of the United States under subsections (a) and (b) shall cease after (i) the United States Patent and Trademark Office issues a final rejection of the patent application covering the subject invention, (ii) the patent covering the subject invention expires, or (iii) the completion of litigation (including appeals) in which such a patent is finally found to be invalid.

"§ 205. Preference for United States industry

"Notwithstanding any other provision of this chapter, no small business firm or nonprofit organization which receives title to any subject invention and no assignee of any such small business firm or nonprofit organization shall grant to any person the exclusive right to use or sell any subject invention in the United States unless such person agrees that any products embodying the subject invention or produced through the use of the subject invention will be manufactured substantially in the United States. However, in individual cases, the requirement for such an agreement may be waived by the Federal agency under whose funding agreement the invention was made upon a showing by the small business firm, nonprofit organization, or assignee that reasonable but unsuccessful efforts have been made to grant licenses on similar terms to potential licensees that would be likely to manufacture substantially in the United States or that under the circumstances domestic manufacture is not commercially feasible.

"§ 206. Confidentiality

"Federal agencies are authorized to withhold from disclosure to the public information disclosing any invention in which the Federal Government owns or may own a right, title, or interest (including a nonexclusive license) for a reasonable time in order for a patent application to be filed. Furthermore Federal agencies shall not be required to release copies of any document which is part of an application for patent filed with the United States Patent and Trademark Office or with any foreign patent office.

"§ 207. Uniform clauses and regulations

"The Office of Federal Procurement Policy, after receiving recommendations of the Office of Science and Technology Policy, may issue regulations which may be made applicable to Federal agencies implementing the provisions of sections 202 through 205 of this chapter and the Office of Federal Procurement Policy shall establish standard funding agreement provisions required under this chapter.

"§ 208. Domestic and foreign protection of federally owned inventions

"Each Federal agency is authorized to—

"(1) apply for, obtain, and maintain patents or other forms of protection in the United States and in foreign countries on inventions in which the Federal Government owns a right, title, or interest;

"(2) grant nonexclusive, exclusive, or partially exclusive licenses under federally owned patent applications, patents, or other forms of protection obtained, royalty-free or for royalties or other consideration, and on such terms and conditions, including the grant to the licensee of the right of enforcement pursuant to the provisions of chapter 29 of this title as determined appropriate in the public interest;

"(3) undertake all other suitable and necessary steps to protect and administer rights to federally owned inventions on behalf of the Federal Government either directly or through contract; and

"(4) transfer custody and administration, in whole or in part, to another Federal agency, of the right, title, or interest in any federally owned invention.

"§ 209. Regulations governing Federal licensing

"The Administrator of General Services is authorized to promulgate regulations specifying the terms and conditions upon which any federally owned invention, other than inventions owned by the Tennessee Valley Authority, may be licensed on a nonexclusive, partially exclusive, or exclusive basis.

"§ 210. Restrictions on licensing of federally owned inventions

"(a) No Federal agency shall grant any license under a patent or patent application on a federally owned invention unless the person requesting the license has supplied the agency with a plan for development and/or marketing of the invention, except that any such plan may be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under section 552 of title 5 of the United States Code.

"(b) A Federal agency shall normally grant the right to use or sell any federally owned invention in the United States only to a licensee that agrees that any products embodying the invention or produced through the use of the invention will be manufactured substantially in the United States.

"(c)(1) Each Federal agency may grant exclusive or partially exclusive licenses in any invention covered by a federally owned domestic patent or patent application only if, after public notice and opportunity for filing written objections, it is determined that—

"(A) the interests of the Federal Government and the public will best be served by the proposed license, in view of the applicant's intentions, plans, and ability to bring the invention to practical application or otherwise promote the invention's utilization by the public;

"(B) the desired practical application has not been achieved, or is not likely expeditiously to be achieved, under any nonexclusive license which has been granted, or which may be granted, on the invention;

"(C) exclusive or partially exclusive licensing is a reasonable and necessary incentive to call forth the investment of risk capital and expenditures to bring the invention to practical application or otherwise promote the invention's utilization by the public; and

"(D) the proposed terms and scope of exclusivity are not greater than reasonably necessary to provide the incentive for bringing the invention to practical application or otherwise promote the invention's utilization by the public.

"(2) A Federal agency shall not grant such exclusive or partially exclusive license under paragraph (1) of this subsection if it determines that the grant of such license will tend substantially to lessen competition or result in undue concentration in any section of the country in any line of commerce to which the technology to be licensed relates, or to create or maintain other situations inconsistent with the antitrust laws.

"(3) First preference in the exclusive or partially exclusive licensing of federally owned inventions shall go to small business firms submitting plans that are determined by the agency to be within the capabilities of the firms and equally likely, if executed, to bring the invention to practical application as any plans submitted by applicants that are not small business firms.

"(d) After consideration of whether the interests of the Federal Government or United States industry in foreign commerce will be enhanced, any Federal agency may grant exclusive or partially exclusive licenses in any invention covered by a foreign patent application or patent, after public notice and opportunity for filing written objections, except that a Federal agency shall not grant such exclusive or partially exclusive license if it determines that the grant of such license will tend substantially to lessen competition or result in undue concentration in any section of the United States in any line of commerce to which the technology to be licensed relates, or to create or maintain other situations inconsistent with antitrust laws.

"(e) The Federal agency shall maintain a record of determinations to grant exclusive or partially exclusive licenses.

"(f) Any grant of a license shall contain such terms and conditions as the Federal agency determines appropriate for the protection of the interest of the Federal Government and the public, including provisions for the following:

"(1) periodic reporting on the utilization or efforts at obtaining utilization that are being made by the licensee with particular reference to the plan submitted: *Provided*, That any such information may be treated by the Federal agency as commercial and financial information obtained from a person and privileged and confidential and not subject to disclosure under section 552 of title 5 of the United States Code;

"(2) the right of the Federal agency to terminate such license in whole or in part if it determines that the licensee is not executing the plan submitted with its request for a license and the licensee cannot otherwise demonstrate to the satisfaction of the Federal Agency that it has taken or can be expected to take within a reasonable time, effective steps to achieve practical application of the invention;

"(3) the right of the Federal agency to terminate such license in whole or in part if the licensee is in breach of an agreement obtained pursuant to paragraph (b) of this section; and

"(4) the right of the Federal agency to terminate the license in whole or in part if the agency determines that such action is necessary to meet requirements for public use specified by Federal regulations issued after the date of the license and such requirements are not reasonably satisfied by the licensee.

"§ 211. Precedence of chapter

"(a) This chapter shall take precedence over any other Act which would require a disposition of rights in subject inventions of small business firms or nonprofit organizations contractors in a manner that is inconsistent with this chapter, including but not necessarily limited to the following:

"(1) section 10(a) of the Act of June 29, 1935, as added by title 1 of the Act of August 14, 1946 (7 U.S.C. 427i(a); 60 Stat. 1085);

"(2) section 205(a) of the Act of August 14, 1946 (7 U.S.C. 1624(a); 60 Stat. 1090);

"(3) section 501(c) of the Federal Mine Safety and Health Act of 1977 (30 U.S.C. 951(c); 83 Stat. 742);

"(4) section 106(c) of the National Traffic and Motor Vehicle Safety Act of 1966 (15 U.S.C. 1395(c); 80 Stat. 721);

"(5) section 12 of the National Science Foundation Act of 1950 (42 U.S.C. 1871(a); 82 Stat. 360);

"(6) section 152 of the Atomic Energy Act of 1954 (42 U.S.C. 2182; 68 Stat. 943);

"(7) section 305 of the National Aeronautics and Space Act of 1958 (42 U.S.C. 2457);

"(8) section 6 of the Coal Research Development Act of 1960 (30 U.S.C. 666; 74 Stat. 337);

"(9) section 4 of the Helium Act Amendments of 1960 (50 U.S.C. 167b; 74 Stat. 920);

"(10) section 32 of the Arms Control and Disarmament Act of 1961 (22 U.S.C. 2572; 75 Stat. 634);

"(11) subsection (e) of section 302 of the Appalachian Regional Development Act of 1965 (40 U.S.C. App. 302(e); 79 Stat. 5);

"(12) section 9 of the Federal Nonnuclear Energy Research and Development Act of 1974 (42 U.S.C. 5901; 88 Stat. 1878);

"(13) section 5(d) of the Consumer Product Safety Act (15 U.S.C. 2054(d); 86 Stat. 1211);

"(14) section 3 of the Act of April 5, 1944 (30 U.S.C. 323; 58 Stat. 191);

"(15) section 8001(c)(3) of the Solid Waste Disposal Act (42 U.S.C. 6981(c); 90 Stat. 2829);

"(16) section 219 of the Foreign Assistance Act of 1961 (22 U.S.C. 2179; 83 Stat. 806);

"(17) section 427(b) of the Federal Mine Health and Safety Act of 1977 (30 U.S.C. 937(b); 86 Stat. 155);

"(18) section 306(d) of the Surface Mining and Reclamation Act of 1977 (30 U.S.C. 1226(d); 91 Stat. 455);

"(19) section 21(d) of the Federal Fire Prevention and Control Act of 1974 (15 U.S.C. 2218(d); 88 Stat. 1548);

"(20) section 6(b) of the Solar Photovoltaic Energy Research Development and Demonstration Act of 1978 (42 U.S.C. 5585(b); 92 Stat. 2516);

"(21) section 12 of the Native Latex Commercialization and Economic Development Act of 1978 (7 U.S.C. 178(j); 92 Stat. 2533); and

"(22) section 408 of the Water Resources and Development Act of 1978 (42 U.S.C. 7879; 92 Stat. 1360).

The Act creating this chapter shall be construed to take precedence over any future Act unless that Act specifically cites this Act and provides that it shall take precedence over this Act.

"(b) Nothing in this chapter is intended to alter the effect of the laws cited in paragraph (a) of this section or any other laws with respect to the disposition of rights in inventions made in the performance of funding agreements with persons other than nonprofit organizations or small business firms.

"(c) Nothing in this chapter is intended to limit the authority of agencies to agree to the distribution of rights in inventions made in the performance of work under funding agreements with persons other than nonprofit organizations or small business firms in accordance with the Statement of Government Patent Policy issued by the President on August 23, 1971 (36 Fed. Reg. 16887), agency regulations, or other applicable regulations or to otherwise limit the authority of agencies to agree to allow such persons to retain ownership of inventions.

"(d) Nothing in this chapter shall be construed to require the disclosure of intelligence sources or methods or to otherwise affect the authority granted to the Director of Central Intelligence by statute or Executive order for the protection of intelligence sources or methods.

"§ 212. Relationship to antitrust laws

"Nothing in this chapter shall be deemed to convey to any person immunity from civil or criminal liability, or to create any defenses to actions, under any antitrust law.".

(b) The table of chapters for title 35, United States Code, is amended by adding immediately after the item relating to chapter 17 the following:

"18. Patent rights in inventions made with Federal assistance.".

SEC. 3. AMENDMENTS TO OTHER ACTS.—The following Acts are amended as follows:

(a) Section 156 of the Atomic Energy Act of 1954 (42 U.S.C. 2186; 68 Stat. 947) is amended by deleting the words "held by the Commission or".

(b) The National Aeronautics and Space Act of 1958 is amended by repealing paragraph (g) of section 305 (42 U.S.C. 2457(g); 72 Stat. 436).

(c) The Federal Nonnuclear Energy Research and Development Act of 1974 is amended by repealing paragraphs (g), (h), and (i) of section 9 (42 U.S.C. 5908 (g), (h), and (i); 88 Stat. 1889–1891).

SEC. 4. EFFECTIVE DATE.—This Act and the amendments made by this Act, shall take effect one hundred and eighty days after the date of its enactment, except that the regulations referred to in section 2, or other implementing regulations, may be issued prior to that time.

Mr. BAYH. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. ROBERT C. BYRD. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

Mr. BAYH. Mr. President, I submit a report of the committee of conference on H.R. 10 and ask for its immediate consideration.

Mr. ROBERT C. BYRD. Mr. President there will be some discussion of this conference report throughout the remainder of the day. It is hoped that on tomorrow, a conclusion of the debate can be reached, or perhaps an agreement as to when a vote can occur on the conference report; but I do not anticipate any rollcall vote on the conference report today.

The PRESIDING OFFICER. The report will be stated.

The assistant legislative clerk read as follows:

The committee of conference on the disagreeing votes of the two Houses on the amendment of the Senate to the bill (H.R. 10) to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution and laws of the United States.

Mr. BAYH. Mr. President, I ask unanimous consent that the remainder be considered as read.

Mr. BOREN. I object, Mr. President.

The PRESIDING OFFICER. Objection is heard.

The clerk will continue.

Mr. BOREN. Mr. President——

The PRESIDING OFFICER. The clerk is reading the conference report.

The assistant legislative clerk continued to read the conference report.

Mr. ROBERT C. BYRD. Mr. President, if all Senators will allow me, I should like to call off the reading for just a moment, and then they can object again, if they wish.

I ask unanimous consent that the reading be dispensed with for 1 minute.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. When I said there would be no rollcall votes today, I meant on the adoption of the conference report. I do not foresee a rollcall vote on the adoption of the conference report. There could be a rollcall vote, however, on a procedural matter. So I suggest that Senators not stray too far.

The PRESIDING OFFICER. The clerk will continue reading the conference report.

The assistant legislative clerk continued to read the conference report.

Mr. BAYH. Mr. President, a parliamentary inquiry. Is it proper to request that the clerk sit while reading?

The PRESIDING OFFICER. There is nothing in the rules that indicates whether the clerk should sit or stand.

Mr. THURMOND. Mr. President, we have no objection to his sitting. He will be more comfortable.

The PRESIDING OFFICER. The clerk will continue to read while sitting.

The assistant legislative clerk continued to read the conference report.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that further reading of the conference report be dispensed with.

The PRESIDING OFFICER (Mr. STEWART). Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

ORDER FOR THE RECOGNITION OF SENATOR STEVENSON ON TOMORROW AND TO RESUME CONSIDERATION OF THE CONFERENCE REPORT ON THE CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that on tomorrow after the two leaders or their designees have been recognized under the standing order, Mr. STEVENSON be recognized for not to exceed 15 minutes, after which the Senate resume its consideration of the conference report on the civil rights of institutionalized persons.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, has there been any morning business today?

The PRESIDING OFFICER. There has been.

Mr. ROBERT C. BYRD. Has the Journal been approved?

The PRESIDING OFFICER. It has.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal be approved to date.

The PRESIDING OFFICER. Without objection, it is so ordered.

WOOL PRODUCTS LABELING ACT AMENDMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order 700.

Mr. BAKER. Mr. President, reserving the right to object—and I will not—the reservation is to advise the majority leader that Calendar 700 is cleared on our side and we have no objection to its consideration and passage.

The PRESIDING OFFICER. Without objection, the Senate will proceed to its consideration.

The bill (H.R. 4197) to amend the Wool Products Labeling Act of 1939 with respect to recycled wool, was considered, ordered to a third reading, read the third time, and passed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–655), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

H.R. 4197 would amend the Wool Products Labeling Act of 1939 by substituting the term "recycled wool" for the terms "reprocessed wool" and "reused wool" where these terms appear in the act. H.R. 4197 would also combine the definitions of "reprocessed wool" and "reused wool" into one definition for the term "recycled wool," and appropriately renumber subsections of the act accordingly. The amendments made by H.R. 4197 would become effective 60 days after the date of enactment.

BACKGROUND AND NEED

The Wool Products Labeling Act of 1939, enacted October 14, 1940, provides for a system of labeling wool products introduced, manufactured for introduction, sale, transportation, or distribution in commerce. The failure to label wool products in accordance with the terms of the act is unlawful and is an unfair method of competition and an unfair and deceptive act or practice under the Federal Trade Commission Act.

The labeling terms required in the act are "wool," "reprocessed wool" and "reused wool." The term "wool" as used in the act means the fiber from the fleece of the sheep or lamb, or hair of angora or cashmere goat (and may include the so-called specialty fiber from the hair of the camel, alpaca, llama, and vicuna) which has never been reclaimed from woven or felted wool products. The term "reprocessed wool" as used in the act means the resulting fiber when wool has been woven or felted into a wool product and which, without ever having been utilized in any way by the ultimate consumer, has subsequently been made into a fiber state. The term "reused wool" means the fiber which results when wool or reprocessed wool has been spun woven, knitted or felted into a wool product and which, after having been used in any way by the ultimate consumer, has subsequently been made into a fiber state again.

Since the fiber used in the production of "reprocessed wool" or "reused wool" goes through similar mechanical processes in order to be used in the remanufacture of wool products, the term "recycled" would be substituted for the terms "reprocessed" and "reused" since it more accurately describes the process involved.

The raw material for reprocessed wool comes from wool clippings and other wool products left over from manufacturing processes which is then recycled to its fibrous state. The raw material for reused wool stock comes from wool used in a wool product which has been used by the consumer and is then recycled to its fibrous state. The resulting fibers in each case are fibers of wool which are then made again into cloth, felt or some other wool product. As with wool or other fibers, that recycled wool fiber is frequently blended or combined with other fibers to produce the final product.

The steps in the recycling of wool are as follows:

Wool clippings and wool clothing or other wool products are sorted into more than 200 classifications before they are made into new cloth, felt, or other products. To prepare fibers for recycled wool, discarded wool products are first divided into those in good condition and those in poor condition. Products which are not suitable for fabrics are used for industrial purposes for roofing material.

The processed or used wool products are further graded. Knitted materials are separated from woven goods, woolens from worsteds. Pockets or linings of cotton or other materials are removed. The material is then sorted by color to permit its use where feasible without removing dyes. The material is usually carbonized which removes fibers and is thoroughly scoured to remove all soil and dirt. This makes the material sanitized.

After sorting has been completed, the products are placed in a machine that picks out the fibers used to produce wool stocks. Clippings from cutting tables in garment plants are likewise sorted and graded in preparation for recycling.

Wool cloth, whether of 100-percent wool or recycled wool, is woven or otherwise fabricated in the same way. Wool stocks, both new wool and recycled wool, are blended to produce yarn which is then woven, knitted or blended for felt or other products. Fabrics are washed repeatedly to remove oil that is used to lubricate the fibers and all dirt that may be in the fabrics. The fabric is then dried in an oven at 240°F and sheared, finished, pressed, and ready for the manufacturer or home user.

After this processing, the wool fibers have been recycled, that is, entirely rebuilt into yarn, fabrics, and felt and subsequently into products for apparel or industrial use. Recycled wools are used primarily in heavy winter clothing, gloves, caps, felts and blankets.

The Committee finds that the terms "reused wool" and "reprocessed wool" are unnecessary and often misleading to the consumer. Further, the terms also give a competitive advantage to foreign textile manufacturers who frequently do not comply with the rigid labeling requirements of the Wool Act.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Saunders, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

MESSAGES FROM THE HOUSE

At 11:47 a.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following joint resolution, in which it requests the concurrence of the Senate:

H.J. Res. 521. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System.

ENROLLED BILL AND JOINT RESOLUTION SIGNED

At 2 p.m., a message from the House of Representatives delivered by Mr. Berry, announced that the Speaker has signed the following enrolled bill and joint resolution:

H.R. 6464. An act to authorize the Secretary of the Army to convey to the Michigan Job Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Michigan, in return for two new office buildings at the Detroit Arsenal, Warren, Michigan; and

H.J. Res. 474. Joint resolution to authorize and request the President to issue a proclamation designating April 21 through April 28, 1980, as "Jewish Heritage Week".

The enrolled bill and joint resolution were subsequently signed by the President pro tempore (Mr. Magnuson).

HOUSE JOINT RESOLUTION REFERRED

The following joint resolution was read twice by its title and referred as indicated:

H.J. Res. 521. Joint resolution making additional funds available by transfer for the fiscal year ending September 30, 1980, for the Selective Service System; to the Committee on Appropriations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. INOUYE (for Mr. Bayh), from the Select Committee on Intelligence, without amendment:

S. 2597. An original bill to authorize appropriations for fiscal year 1981 for intelligence activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes (Rept. No. 96–659).

By Mr. INOUYE, from the Committee on Commerce, Science, and Transportation and the Committee on Agriculture, Nutrition, and Forestry, jointly, with an amendment:

S. 1650. A bill to provide for the development of aquaculture in the United States, and for other purposes (Rept. No. 96–660).

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr INOUYE (for Mr. Bayh) (from the Select Committee on Intelligence):

S. 2597. A bill to authorize appropriations for fiscal year 1981 for intelligence activities of the United States Government, the Intelligence Community Staff, the Central Intelligence Agency Retirement and Disability System, and for other purposes. Original bill reported and placed on the calendar.

By Mr. DOLE (for himself, Mr. Hatfield, Mr. Bradley, Mr. McGovern and Mr. Boren):

S. 2598. A bill to require petroleum produced from the Naval Petroleum Reserves to be sold in exchange for crude oil to be deposited in the Strategic Petroleum Reserve; to the Committee on Armed Services.

By Mr. INOUYE:

S. 2599. A bill to incorporate the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

By Mr. BELLMON (for himself, Mr. Magnuson, and Mr. Boren):

S. 2600. A bill to amend the charter of the U.S. Olympic Committee in order to clarify the provisions thereof relating to resolution of disputes involving national governing bodies; to the Comittee on Commerce, Science, and Transportation.

By Mr. CRANSTON:

S. 2601. A bill to amend section 1(5) of the act of July 2, 1956, entitled "An act relating to the administration by the Secretary of the Interior of Section 9, subsections (d) and (e), of the Reclamation Project Act of 1939" (70 Stat. 483); to the Committee on Energy and Natural Resources.

By Mr. GRAVEL:

S. 2602. A bill to require that a preference be afforded to local residents in employment in certain Federal assisted activities in areas with substantial unemployment, and for other purposes; to the Committee on Labor and Human Resources.

S.J. Res. 166. Joint resolution designating the first week of August 1980 as "National Salmon Week"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. DOLE (for himself, Mr. Hatfield, Mr. Bradley, Mr. McGovern and Mr. Boren):

S. 2598. A bill to require petroleum produced from the naval petroleum reserves to be sold in exchange for crude oil to be deposited in the Strategic Petroleum Reserve; to the Committee on Armed Services.

(The remarks of Mr. Dole when he introduced the bill appear earlier in today's proceedings.)

By Mr. INOUYE:

S. 2599. A bill to incorporate the Pearl Harbor Survivors Association; to the Committee on the Judiciary.

● Mr. INOUYE. Mr. President, today I am introducing a bill to incorporate the Pearl Harbor Survivors Association. This measure would bestow Federal recognition on this private nonprofit association but would not affect its legal, corporate, or other status.

The association is comprised of men and women who defended our nation against the historic Japanese attack on the U.S. Pacific Fleet and bases around Pearl Harbor on December 7, 1941. Since 1941, survivors of the Pearl Harbor attack have formed many local and regional groups, and there are now 127 active chapters located in almost every State. Their national organization, the Pearl Harbor Survivors Association, was incorporated in Missouri in 1958.

An estimated 15,000 surviving members of the U.S. Armed Forces served at Pearl Harbor and in the area of Oahu during the December 7, 1941 attack. Of that number, the Pearl Harbor Survivors Association has an active membership of 7,990 men and women. Anyone who was a member of the Armed Forces on Oahu or was stationed aboard a ship located within 3 miles of the island on December 7, 1941, is eligible to join. Members must either have been honorably discharged or still be a member of the Armed Forces. The association conducts regular chapter, district, and State meetings. and a biennial national convention.

The motto of the organization is "Keep America Alert," which the association seeks to accomplish by: First, preserving historical momentos and chronicles of the Pearl Harbor attack; second, protecting graves of Pearl Harbor victims; and third, stimulating Americans to take a more active interest in the affairs and future of the United States. The association has been particularly active in veterans causes and national preparedness.

The association is unique because it will exist only as long as there are Pearl Harbor survivors. In order for the association to be more effective, it is imperative that it be recognized through the granting of a Federal charter. I believe the association fulfills all of the necessary requirements.

I am proud to sponsor this legislation. I wish to insert in the Record a statement by the Pearl Harbor Survivors Association. I believe it best summarizes the purposes of the organization:

> On that peaceful Sunday morning, December 7th, 1941, an enemy attack force hit Pearl Harbor with all its fury of death and destruction. In only thirty short minutes the attackers accomplished their most important mission; they had wrecked the battle force of the United States Pacific Fleet. We also lost half of the military aircraft on the island. We accounted for ourselves as military, by fighting back, not yet aware that history had been thrust upon us. Pearl Harbor was the actual beginning of the great war which was to change the entire structure of the world. We Americans who were there demonstrated that we were prepared to give our lives, and did give them when necessary. Our sacrifices at Pearl Harbor united the nation and gave rise to a determination to protect and keep the American freedom. Our sacrifice alerted a relaxed nation, brought it to its feet and caused it to win World War II. The lesson we learned by our sacrifice will not be easily forgotten. Many of us are no longer of use as sailors, soldiers, marines, and airmen. We must make ourselves useful at home, by dedicating ourselves to the principles of freedom; by doing everything within our power to bring about a commitment of patriotism. We survivors who are still alive, for those who did not survive, can never permit ourselves to become vulnerable again. Remember Pearl Harbor.●

By Mr. BELLMON (for himself, Mr. Magnuson, and Mr. Boren):

S. 2600. A bill to amend the charter of the U.S. Olympic Committee in order to clarify the provisions thereof relating to resolution of disputes involving national governing bodies; to the Committee on Commerce, Science, and Transportation.

● Mr. BELLMON. Mr. President, I am today introducing with my colleagues, Senator Magnuson and Senator Boren, proposed legislation to amend the Amateur Sports Act of 1978, in order to bring greater finality to the arbitration process which is a central feature of the provisions of the act.

At the time the act was passed by the Congress 18 months ago, it was understood that the arbitration process, mandated by the act, would bring to an end many of the disputes which have plagued the amateur sports scene for years, by providing a domestic forum in which these disputes could be decided on a final and binding basis.

It now appears, however, that there exists a major deficiency in the terms of the act, and that certain of these arbitrations are not binding or final at all. I refer specifically to the arbitration which recently occurred to determine which of two organizations was entitled to act as the national governing body in this country for the sport of amateur wrestling. After hearings before the American Arbitration Association, lasting for 17 days and involving 2,900 pages of transcript, the arbitrators declared that the U.S. Wrestling Federation, which is headquartered on the campus of Oklahoma State University, was entitled to replace the Wrestling Division of the AAU as the national governing body for wrestling. This arbitral decision was subsequently confirmed by both the Federal District Court and Court of Appeals in Chicago.

Notwithstanding this arbitration award, the AAU has simply ignored the decision, and neither the U.S. Olympic Committee nor the international federation for wrestling, FILA, today recognizes the award. Essentially, the USOC has left the matter up to the FILA, and FILA has said that neither the arbitrators, nor the U.S. courts are competent to decide matters of this kind. This simply is not the kind of result that the Congress had in mind, when it passed the act in 1978.

My amendment to the act would strengthen the arbitral process, by requiring that if an incumbent national governing body loses an arbitration to a challenging organization, it will promptly resign from the international federation—thereby clearing the way for membership by the challenger. There is obviously no way that the Congress can exercise jurisdiction over an international sport federation located abroad, but by requiring a losing incumbent to resign, we would go a long way in bringing greater efficacy to the arbitral process.

I have been advised that on two occasions since passage of the act—most recently last weekend—the incumbent national governing bodies who control the USOC have refused to amend the USOC constitution to accomplish this step. It thus seems to me, Mr. President, that the time has come for Congress to act on the matter.●

By Mr. CRANSTON:

S. 2601. A bill to amend section 1(5) of the act of July 2, 1956, entitled "An Act relating to the administration by the Secretary of the Interior of Section 9, subsections (d) and (e), of the Reclamation Project Act of 1939" (70 Stat. 483); to the Committee on Energy and Natural Resources.

● Mr. CRANSTON. Mr. President, I introduce for appropriate reference a bill to amend section 1(5) of the act of July 2, 1956, entitled "an act relating to the administration by the Secretary of the Interior of Section 9, Subsections (d) and (e) of the Reclamation Project Act of 1939," (70 Stat. 483).

The effect of this bill would be to expand the options available to the Secretary of the Interior in requiring advance payment for water delivered from Federal reclamation projects.

The 1956 statute requires that the payment for such water be made "in advance of delivery of water on an annual or semiannual basis." This requirement creates tremendous cash flow problems for water districts in some areas, particularly in California. I understand that it also complicates marketing problems for the Water and Power Resources Service of the Department of the Interior.

Recognizing this problem, the Water and Power Resources Service has, for the past several years, required bimonthly advance payments for districts within the service areas of the Federal Central Valley Project in California. It has worked well from the standpoint of both the water districts and the Department of the Interior.

The bill I am introducing today would reconcile the current advance water payment practice in California by expanding the current options of annual and semiannual payment to include bimonthly payment. It is my understanding that the bill would have no negative effect on revenues to the Department of the Treasury.

Both the Water and Power Resources Service and the affected California water districts have expressed a desire for this change in the 1956 law.

Mr. President, I ask unanimous consent that the text of the bill be printed at this point in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2601

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 1(5) of the Act of July 2, 1956, 70 Stat. 483, is hereby amended to read as follows:

"(5) Provide for payment of rates under any contract entered into pursuant to said subsection (e) in advance of delivery of water on an annual, semiannual or bimonthly basis as specified in the contract."●

By Mr. GRAVEL:

S. 2602. A bill to require that a preference be afforded to local residents in employment in certain Federal assisted activities in areas with substantial unemployment, and for other purposes; to the Committee on Labor and Human Resources.

● Mr. GRAVEL. Mr. President, today I am introducing legislation to maximize the impact of Federal spending by requiring local hire on federally financed projects in areas of high unemployment.

In my State, I have often heard complaints that the Federal dollars spent in Alaska in the name of economic development rarely produce jobs for Alaskans. It is difficult to explain to out-of-work men and women why local jobs produced by Federal spending are not available to them. Often these are the only jobs within a 50-mile radius, and yet labor is imported from elsewhere while these able-bodied people sit and watch.

I think the lack of a Federal local hire policy on Government-financed projects has been an oversight. Such a policy would certainly be consistent with other Federal objectives as is illustrated by Federal procurement policy.

The Federal procurement programs assist small communities and depressed communities to achieve economic stability. Many procurement contracts are set aside for minority or small business firms working in labor surplus areas. The set-aside program not only provides the Federal Government with the product or service it needs, but it targets the spending to areas or businesses which will most benefit from the economic activity.

These programs are worthwhile and successful as far as they go. But I believe they have neglected a basic component of real community economic development—local job opportunities. The bill I am introducing takes the Federal procurement policy one step farther by assuring local residents jobs on federally financed projects in areas suffering from acute unemployment.

Mr. President, job development is a critical issue this year. The Congressional Budget Office estimates that unemployment may be as high as 7.5 to 8.5 percent later this year. This increase in unemployment will result in a $25 to $29 billion increase in the Federal deficit. Unless we act to offset the rise in unemployment the deficit will grow at the very time we are feverishly working to eliminate it. By extending our policy of achieving social and economic goals through our spending programs to include national employment objectives we can attack the most acute unemployment without new spending and with no expansion of bureaucracy.

This legislation has been drafted to minimize the bureaucracy necessary to implement the provisions; in fact, the mechanisms are already in place. The Department of Labor which has responsibility for enforcing Federal contracting would be the appropriate lead agency for coordinating local hire through State Employment Offices and Comprehensive Employment and Training Act (CETA) prime sponsors and the various Federal spending agencies. Although the bill requires the submission of an annual report from the executive agencies to the Secretary of Labor regarding the success of the program and recommendations to improve its effectiveness, the success of this program, as with so many programs, will in large measure be dependent on the local Federal officials who enforce local hire on federally assisted projects.

I am not suggesting a new comprehensive employment program; I am not recommending a new spending program; I am suggesting that we can no longer be satisfied with programs created to achieve one goal and one goal only—whenever possible, spending should also create jobs for the severely unemployed.

Local hire on federally assisted projects is an employment initiative we can pursue this year as we seek to reduce Federal spending.●

By Mr. GRAVEL:

S.J. Res. 166. A joint resolution designating the first week of August 1980 as "National Salmon Week;" to the Committee on the Judiciary.

NATIONAL SALMON WEEK

● Mr. GRAVEL. Mr. President, today I am introducing a Senate joint resolution designating the first week in August 1980 as "National Salmon Week."

Salmon is a food source rich in protein, highly nutritious and low in calories. Recent forecasts predict near record returns of adult salmon this season and increased harvests are anticipated.

This resolution will help to focus public attention on the year-round advantages of consuming salmon.

I ask unanimous consent that this resolution be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S.J. Res. 166

Whereas in 1979 salmon accounted for $413 million or almost 35 percent of the total value of all finfish landed in the United States; and

Whereas in 1979 almost 535 million pounds of salmon were landed in the United States; and

Whereas more than 2.6 million fresh-water and salt-water anglers in the United States annually spend more than 16 million days fishing for salmon; and

Whereas almost 40 percent of the recreational harvest of fish from salt-water along the Pacific Coast north of Point Conception, California is salmon; and

Whereas in 1979 $403.5 million or 40 percent of the total value of U.S. exports of edible fisheries items was salmon; and

Whereas salmon are highly nutritious, low in calories; and provide a complete protein high in essential amino acids; and

Whereas salmon require much less expenditure of energy per gram of protein produced than many other competing protein sources; and

Whereas salmon, being anadromous and returning from the ocean to freshwater when mature, incorporate the resources of the open ocean where they feed and deliver this protein to our coasts where it can be harvested with reduced expenditure of energy; and

Whereas archaeological evidence indicates that salmon have nourished generations of Americans in the Pacific Northwest and Alaska for thousands of years: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That the first week of August 1980 is hereby designated as "National Salmon Week" and the President of the United States is authorized and requested to issue a proclamation calling upon the people of the United States to observe such week.●

ADDITIONAL COSPONSORS

S. 2335

At the request of Mr. Boren, the Senator from Mississippi (Mr. Cochran) was added as a cosponsor of S. 2335, a bill to amend the Powerplant and Industrial Fuel Use Act to alter certain provisions relating to natural gas.

S. 2487

At the request of Mr. Bellmon, the Senator from Arkansas (Mr. Pryor) was added as a cosponsor of S. 2487, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of independent oil producers, including royalty owners, under the crude oil windfall profit tax.

S. 2503

At the request of Mrs. Kassebaum, the Senator from Nebraska (Mr. Zorinsky), the Senator from Nebraska, (Mr. Exon), the Senator from Iowa (Mr. Culver), the Senator from North Dakota (Mr. Young), the Senator from South Carolina (Mr. Thurmond), the Senator from Alabama (Mr. Stewart), and the Senator from Minnesota (Mr. Durenberger) were added as cosponsors of S. 2503, a bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for certain interest on agricultural operating loans.

SENATE JOINT RESOLUTION 159

At the request of Mr. Dole, the Senator from Rhode Island (Mr. Chafee), the Senator from Minnesota (Mr. Durenberger), and the Senator from Idaho (Mr. McClure) were added as cosponsors of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE RESOLUTION 392

At the request of Mr. Magnuson, the Senator from Montana (Mr. Baucus), and the Senator from Iowa (Mr. Culver) were added as cosponsors of Senate Resolution 392, a resolution expressing the sense of the Senate that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates.

SENATE RESOLUTION 406

At the request of Mr. Eagleton, the Senator from New Mexico (Mr. Domenici), the Senator from Iowa (Mr. Culver), and the Senator from Arkansas (Mr. Pryor) were added as cosponsors of Senate Resolution 406, a resolution relating to the need of farmers for emergency credit assistance on reasonable terms and conditions.

SENATE RESOLUTION 408

At the request of Mr. McGovern, the Senator from North Carolina (Mr. Morgan) was added as a cosponsor of Senate Resolution 408, a resolution to express the sense of the Senate regarding the need to reduce the Federal debt.

AMENDMENTS SUBMITTED FOR PRINTING

FIRST CONGRESSIONAL BUDGET RESOLUTION, 1981—SENATE CONCURRENT RESOLUTION 86

AMENDMENT NOS. 1719 THROUGH 1721

(Ordered to be printed and to lie on the table.)

Mr. BRADLEY (for himself, Mr. Jackson, Mr. Dole, Mr. McGovern, and Mr. Boren) submitted three amendments intended to be proposed by them, jointly, to Senate Concurrent Resolution 86, a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for the fiscal year 1980.

(The remarks of Mr. Bradley when he submitted the amendments appear earlier in today's proceedings.)

NOTICES OF HEARINGS

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

● Mr. STEWART. Mr. President, I wish to announce that the Agriculture Subcommittee on Agricultural Research and General Legislation has scheduled hearings on the recent price volatility in the silver futures market for May 1 and May 2. The subcommittee plans to investigate all aspects of the wild price fluctuations in the silver market.

The subcommittee will hear from invited witnesses, but a limited number of public witnesses will be accepted within the time constraints of the subcommittee.

The hearings will be held on May 1 in room 324 Russell, and on May 2 in room 1202 Dirksen. The hearings will begin both days at 9 a.m.

Anyone wishing further information should contact Denise Alexander of the Agriculture Committee staff at 244-2035.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today beginning at 10 a.m. to hear administration officials and non-Government witnesses on S. 2141 Re: China Claims; and beginning at 2:30 p.m. to hear administration officials and non-Government witnesses on executive D 96-2, the International Natural Rubber Agreement of 1979.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON ENERGY RESEARCH AND DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Energy Research and Development Subcommittee of the Committee on Engery and Natural Resources be authorized to meet during the session of the Senate today beginning at 2 p.m. to hold a hearing on authorization appropriations for civilian programs of the Department of Energy for fiscal years 1981 and 1982.

The PRESIDING OFFICER. Without objection, it is so ordered.

COMMITTEE ON RULES AND ADMINISTRATION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the

Committee on Rules and Administration be authorized to meet during the session of the Senate today to hold a hearing on Senate Resolution 207, legislation to establish a Select Committee on Narcotic Abuse and Control.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

STARRETT CITY, N.Y., AN ENERGY CONSERVATION MODEL

● Mr. JAVITS. Mr. President, in the last few months this body has held extensive deliberations on our Nation's energy crisis and the proposed solutions to our excessive dependence on oil imports. I have advocated strong, mandatory conservation measures as the most immediate and most effective way to reduce our oil imports. At the moment, however, private citizen action is far ahead of the Federal Government which has been moving too slowly and often in the wrong direction.

Today, I wish to inform my colleagues of the tremendous efforts to conserve energy made by the residents of Starrett City in Brooklyn, N.Y. Starrett City is a State and federally assisted housing development which recently held a 3-month energy conservation contest. For the contest, the community was divided into five units, each unit with approximately 1,200 apartments. The residents achieved their savings by changing their habits, by making the small sacrifices Americans will have to learn to live with.

They achieved their goal by turning off unnecessary lights, running their dishwashers only once a day, washing and drying full loads of laundry and defrosting their freezers often. Energy conservation was promoted through newspaper articles, advertising bulletins and a poster and essay contest in the community's public schools. The winning unit, No. 5, led by Mr. Sol Blate. achieved an overall reduction of 7.844 percent in their energy consumption. For their efforts, each of the 1,144 families in the winning unit received a check for $22.

Starrett City is a leader in other fields of private initiative to increase our Nation's energy security. In addition to its conservation efforts, the community plans to build a waste recovery plant that will save its residents $1 million a year in energy costs. Municipal wastes are one of urban America's greatest untapped energy resources, and the Starrett City program should serve as a national model of what is possible.

The nearby Brooklyn Navy Yard already is producing steam from recovered waste; in fact, New York City's waste could fuel another 8 to 10 plants. This innovative work by the residents of Starrett City to promote conservation and develop alternative energy resources clearly illustrates the willingness of Americans to pitch in and help solve our Nation's energy problems.

The real prize for the citizens of Starrett City and all Americans for solving our Nation's energy problems is a better chance for peace. The threat from the OPEC cartel's monopoly of world oil cannot be overstated. The purpose of using our existing supplies prudently and developing new supplies is to loosen OPEC's grip.

The cartel will be broken when the world has sufficient energy supplies long enough to bring down oil prices. Should our quest to assure vast quantities of energy for the 21st century fail, our bleak alternative is an impoverished world and more international political disorder and confrontation.

The residents of Starrett City figured out a way to beat the system of spiraling energy bills and made it a little more likely that the United States can avoid becoming involved in a major international crisis because of our dangerous dependence on the OPEC cartel. I applaud their efforts, for it is appropriate that citizens who have made genuine contributions to enhancing the Nation's security be given the recognition they deserve by their fellow citizens and by the Congress itself.●

AIR SERVICE UPGRADING

● Mr. CANNON. Mr. President, the attached editorial appeared in the March 21, 1980, edition of the Cedar Rapids, Iowa Gazette. It is yet another positive and reinforcing testimony to the virtues of airline deregulation.

I ask that it be printed in the Record.

The editorial follows:

Air Service Upgrading

When service cutbacks to Chicago by United Airlines were invoked a while back, disapproving thoughts about deregulation of commercial flying gripped a lot of inconvenienced passengers and shippers out of Cedar Rapids. But with Ozark Airlines' recent word of four new flights from here, plus still more flights by Mississippi Valley Airlines, service in reality will register a gain. And virtues of deregulation once again outweigh the faults.

As patient strugglers through the criticism now appraise the end result, Cedar Rapids will have access to more travel out of here on a direct-flight basis than it ever had before on an indirect basis. A documentary comparison supports that in the service picture slated to become effective April 27.

Seats per day: United flights will total 836, down 160 from before. But Ozark's new 1,080 are a gain of 200, Mississippi Valley's 405 a gain of 255. The net is 295 more daily seats, or 2,321 in all.

Departing daily flights: United's cut of two leaves seven going out. Ozark's new additions give it a total of 11. Mississippi Valley's eight more bring the total to 18. Among all three, the 36 flights altogether represent a gain of eight.

This overall improvement tends to vindicate the process of deregulation that has canceled federal permissive mechanisms for the most part out of commercial flight scheduling.

Even under regulation, dropping flights was not a difficult procedure. A carrier could do that on its own initiative with 60 days' notice without any costly procedure of hearings, testimony and a federal last word. So discontinuance has not appreciably been helped or hindered now. United's cutback could have come, regardless.

To add flights or begin new service links when regulation was the norm, however, it required long, expensive, sometimes futile hearings, pleadings and appeals in the face of heated opposition, often, from unhappy carriers competing for the business. Now an airline wanting to extend its service goes ahead and does it, letting the effects of competition work out as they may.

The benefits in what is shaping up for Cedar Rapids late next month have now become apparent, too. Both patience and persistence on the part of the Airport Commission headed by Chairman John H. Chapman, Jr., have paid off in expanded service as the end result.

Promoting easier and faster passenger connections from the new commuter lines to trunks at O'Hare in Chicago remains a challenge still in need of heavy work.●

SUPPLY-SIDE ECONOMICS

● Mr. BENTSEN. Mr. President, the editor of the Wall Street Journal, Mr. Robert Bartley, has just received a well-deserved Pulitzer Prize for distinguished editorial writing.

Mr. Bartley's high standards carry over into the features, reviews, and staff columns on the editorial page, as the Journal's reporting of the development of supply-side economics shows. The Journal was one of the first newspapers to give wide exposure to the emergence of this new school of economic thought and to the importance of this development for public policy and economic growth.

The Journal's high quality of economic coverage is shown in a recent column on "Supply-Side Economics" by associate editor Paul Craig Roberts. As Mr. Roberts points out, supplyside economics has come of age. It is under widespread study by the economics profession and is rapidly being incorporated into the mainstream of economic thought. The Joint Economic Committee, which I chair, has tried during the past 2 years to move our Nation's economic policies along the paths suggested by supply-side theories, emphasizing the need to stimulate savings and investment in order to improve productivity, get more goods on the shelves, and reduce inflation and fight unemployment at the same time.

Mr. Roberts helped formulate some of these ideas as a Hill staff member and he is performing a valuable service by bringing these ideas to businessmen and concerned citizens through his Journal columns. I ask that the article on "Supply-Side Economics" be printed in the Record.

The article follows:

Supply-Side Economics

Before you get too pessimistic about our chances of beating inflation and restoring productivity, consider how much economic thinking has changed in the last few years.

Five years ago when Congressman Jack Kemp began talking about supply-side incentive economics, skeptics called him a snake-oil salesman. Reception to "supply-siders" was still hostile a year later when they criticized the economic models being used by the congressional budget committees for assuming that higher government spending was better for the economy than lower tax rates.

At the time there was only a handful of supply-siders. Supply-side economics wasn't a subject taught in textbooks or discussed by professors at conferences. The prestigious proprietors of the Chase, DRI and Wharton econometric models didn't know a thing about it, and the Treasury, the Office of Management and Budget, and the Congressional Budget Office were more or less sure that the subject was unimportant.

Most economists took it for granted that the economy was regulated by the level of demand. Not enough demand meant recession, and too much meant inflation. In this view tax rate changes and fiscal policy affected the economy only by changing the amount of spending. It was simply ignored that tax rates directly affect the supply of goods and services. And so the authorities were pumping up demand with policies that retarded supply, thus contributing to stagflation.

Today all this is changing. Supply-side economics is rapidly gaining ground and picking up new adherents even from the ranks of leading Keynesians. Michael Evans, who developed the Wharton and Chase models, wrote in the February issue of Challenge magazine that "Keynesian models cannot deal with current economic ills because they concentrate on questions of demand." "We need models that stress the supply side," says Evans who is busy developing one.

All of a sudden people are discovering that cutting taxes doesn't necessarily lose the government revenues. Last October DRI economist Allen Sinai told a Paine-Webber audience that tax cuts to stimulate investment weren't inflationary because they were self-financing.

Supply-side economics was the common thread that ran through the Morgan Stanley Conference in November—"the energizer we need to make the 1980s move forward smartly," as T. Rowe Price's Jean Kirk aptly put it. Larry Kudlow, chief ecoonmist for Bear Stearns, supplies Wall Street with a supply-side perspective. And Robert Keleher of the Atlanta Fed introduced the issue into the Federal Reserve System last June with the publication of his paper, "Supply-Side Effects of Fiscal Policy."

In politics the issue is losing its partisan character. The Joint Economic Committee of Congress has moved to a supply-side perspective, carrying along many Democrats concerned about the productivity decline and low savings rates. The first federally-funded supply-side model has just been completed by Michael Evans under contract to the Senate Finance Committee. Now for the first time the committee will be able to obtain its own estimates of the dynamic effects of tax changes on productivity and incentives, giving the committee staff the upper hand over the Treasury's traditional static analysis.

In spite of these inroads some critics of supply-side economics claim that it is nothing more than a fad flashing in the pan. But various developments are likely to give supply-side economics considerable staying power.

One is the renewed interest, sparked by Soviet military advances, in a stronger national defense. Congressmen are quick to realize that the only way to have more defense without having less of everything else is to have a stronger economy.

Another is the broadly based concern about the decline of the U.S. competitive posture in the world. On April 25–26 Harvard University will host an important national conference organized by New York Stock Exchange chairman William Batten, Senator Abraham Ribicoff (D., Conn.) and Harvard dean Henry Rosovsky. Leaders from business, labor, government and the universities will place taxation, incentives, investment and productivity squarely at the top of the national agenda. President Carter and the other principal presidential candidates have been asked to address the conference. Any contender who is not committed to restoring U.S. competitiveness is unlikely to be regarded as a serious candidate.

While events are moving the new incentive economics to the center of the political stage, the research focus of leading economists like Harvard's Martin Feldstein and Stanford's Michael Boskin are moving it into the academic mainstream. At the annual meeting of the American Economic Association in December, there were several well-attended sessions on supply-side economics. More and more economists are finding that high tax rates cause reductions in labor supply, work effort, the savings rate, investment, productivity and economic growth.

Today students are learning about supply-side economics in university and college courses where leading textbooks like James Gwartney and Richard Stroup's "Economics: Private and Public Choice" acquaint students and professors with the supply-side view.

All of this suggests that supply-side economics is not about to fade anytime soon. With rising energy costs, declining productivity and tax-flation eating into American living standards, voters and policy-makers are turning to a supply-side view in their search for a new economic policy.●

ANALYSIS OF BUDGET COMMITTEE RESOLUTIONS

● **Mr. GARN.** Mr. President, I submit for the RECORD an analysis of the Senate Budget Committee's third resolution on the fiscal year 1980 budget and the first resolution on the fiscal year 1981 budget as it affects Function 150. This analysis, prepared by the minority staff of the Senate Committee on Appropriations, compares the Senate Budget Committee's recommendations with the administration requests on Function 150, given various assumptions concerning reestimates and the status of the fiscal year 1980 appropriations bill. This analysis does not, nor is it meant to, argue for or against any particular level for this Function.

The analysis follows:

ANALYSIS

Next week, the Senate will consider Senate Concurrent Resolution 86, the Third Budget Resolution for FY 1980 and the First Budget Resolution for FY 1981. This Resolution sets forth the Budget Committee's recommendations for the FY 1981 Congressional Budget, and its recommended increases to the FY 1980 Congressional Budget. The first part of this memorandum is an analysis of the recommendations affecting FY 1980, the second part analyzes the recommendations affecting FY 1981.

FY 1980

The Third Resolution as reported by the Senate Budget Committee would increase funding for Function 150 in FY 1980 by $2.1 billion in budget authority and $1.5 billion in outlays. This compares to the Second Resolution on the FY 1980 budget and the House Budget Committee's Third Resolution for FY 1980 as follows:

	Second Budget Resolution	Senate Budget Committee Third Resolution	House Budget Committee Third Resolution
Budget authority	13.1	15.2	15.8
Outlays	8.4	9.9	10.1

The primary question which needs to be addressed relative to this recommendation is whether or not it allows enough room to enable passage of the Conference Report on the Foreign Assistance Appropriation Bill for FY 1980 and/or the various FY 1980 supplementals which fall under Function 150. This question cannot be answered with any certainty until we know what re-estimates, and when, will be accepted by the Budget Committee and then included by them in the scorekeeping system—until that time (the timing of when re-estimates are included in the scorekeeping system is entirely at the discretion of the Budget Committee) we can only make estimates, albeit good ones, about what may or may not be possible under the Third Resolution for FY 1980. Listed below are various possibilities, with various assumptions, which might occur under Function 150 together with its relation to the Third Resolution. The re-estimates used below are preliminary ones, but it is reasonably sure they will not change by any significant degree.

1. Assume enacted to date passage of Conference Report on FY 1980 Foreign Aid Bill, and passage of pay, P.L. 480, and State Department supplementals without accepting any re-estimates:

	Budget authority	Outlays
Enacted to date	$14,481	$9,639
Add Conference Rept.	-------	228
Add Pay Supplemental	1,348	31
Add P.L. 480 Supplemental	-------	197
Add State Department Supplemental	-------	20
Total	15,829	10,115

Under this example the Senate Budget Committee's Third Resolution would be exceeded by $629 million in budget authority and $215 million in outlays. It basically matches the House Budget Committee's Third Resolution.

2. Assume re-estimated enacted to date (Note: these re-estimates are accepted and assumed in the President's current budget estimate, but not yet by the Budget Committee).

	Budget authority	Outlays
Enacted to date	$14,481	$9,639
Re-estimate Ex-Im "Mix"	-------	+548
Re-estimate OPIC	-------	−19
	14,481	10,168

Under this example, with no further Congressional action, the Senate Budget Committee's Third Resolution would be exceeded by $268 million in outlays, leaving room for an additional $712 million in budget authority. The House Budget Committee's Third Resolution would be exceeded by $68 million in outlays, leaving room for an additional $1.319 billion in budget authority.

3. Assume re-estimated enacted to date and passage of Conference Report, re-estimated:

	Budget authority	Outlays
Re-estimated enacted, to date	$14,481	$10,168
Add re-estimated Conf. Report	1,082	327
Total	15,563	10,495

These assumptions would cause the Senate Budget Committee's Third Resolution to be exceeded by $363 million in budget authority and $595 million in outlays. The House Budget Committee's Third Resolution would be breached by $395 million in outlays, but leave room for an additional $237 million in budget authority.

4. Assume re-estimate enacted to date and passage of Conference Report, re-estimated, plus passage of pay, P.L. 480, and State Department FY 1980 supplementals:

	Budget authority	Outlays
Re-estimated enacted and Conf. Report	$15,563	$10,495
Add Pay Supplemental		31
Add P.L. 480 Supplemental	266	197
Add State Dept. Supplemental		20
Total	15,829	10,743

Under these assumptions the Senate Budget Committee's Third Resolution would be breached by $843 million in outlays and $629 million in budget authority. The House Budget Committee's Third Resolution basically matches the budget authority under this example, but it is breached in outlay terms by $643 million.

It is clear from the examples given above that only the first example, using the House Budget Committee's Third Resolution figures, would allow passage of the Conference Report on the Foreign Assistance Appropriations Bill for FY 1980, and the various supplementals pending under this function. It must be emphasized, however, that example No. 1 ignores the inevitable: Re-estimates that will at some time in the future add substantially to outlays. In fact, even if Congress takes no action (including not passing any rescissions) outlays will increase by at least $529 million (the Budget Committee does not yet accept this, but there is no question they will have to at some point in the future). Therefore, while Congress may indeed choose to follow example No. 1, it must be pointed out that eventually re-estimates will have to be accepted which will significantly breach this function.

FY 1981

The First Concurrent Resolution on the budget for FY 1981 as reported by the Senate Budget Committee provides a funding level for Function 150 of $23.4 billion in budget authority and $9.5 billion in outlays. This compares to the House Budget Committee's First Resolution and the President's unre-estimated March budget as follows:

	President's March budget	House Budget Committee First Resolution	Senate Budget Committee First Resolution
Budget authority	18,241	24,000	23,400
Outlays	10,085	9,600	9,500

While at first glance it would appear that the Senate Budget Committee is recommending a $600 million cut in outlays with the House being $100 million higher, an examination of some of the various assumptions used, or not used, together with what re-estimates are used, or not used, presents a very different picture. As the examples will show, the Senate Budget Committee's recommendation is at least a $742 million reduction from the President's re-estimated March budget, and in fact more likely a reduction totaling nearly $1.1 billion. The problems associated with estimating this particular function are complex, and perhaps most of the other functions are more readily and accurately presented. However, the inference of this analysis is that the budget which will be presented to the Senate next week is not in fact a balanced budget, but when you consider what re-estimates will be made down the road, it is probably in deficit somewhere between $8 and $12 billion, or so was the rough estimate given during the Senate Budget Committee's mark-up of this resolution. It is not my purpose here to discuss the overall budget picture, but the fact that we already know that re-estimates will balloon this budget should be laid on the table so that everyone can more clearly understand what the situation is with respect to a balanced budget.

Detailed below is a series of examples using various assumptions which analyzes where the Function 150 recommendation as reported by the Senate Budget Committee sits with likely action on that Function.

1. Assuming the original January President's budget of approximately $16.9 billion in budget authority and $9.6 billion in outlays is the only way in which all of the "requests" could be taken care of under either version of the First Resolution. Assume, however, a re-estimate of this as follows:

	Budget authority	Outlays
President's January Budget	$16,939	$9,612
Add CBO re-estimation of President's January Budget	7,742	326
CBO Re-estimate of Pres. Jan. Budget	24,681	9,938

It is important to point out that this particular example does not assume passage of the FY 1980 Conference Report, which does have a significant impact on 1981. The CBO re-estimates of the January budget consist mainly, in BA terms, of $5.5 billion for the IMF and a re-estimate of the FMS trust fund adding $2.1 billion, and in outlay terms an increase of nearly $300 million in the ESF program. As can readily be seen, even with this assumption, which is the lowest possible, the Senate Budget Committee's targets would be breached in both BA and outlay terms by significant amounts. The House Budget Committee's First Resolution would likewise be breached under this example.

2. Assume the President's January budget with the further asumption that the FY 1980 Conference Report has passed:

	Budget authority	Outlays
Re-estimate January budget	$24,681	$9,938
Add Conference Report	487	224
Total	25,168	10,162

Under this example both the House and Senate targets for Function 150 would be substantially breached. In the case of the House Budget Committee's First Resolution, the targets would be breached in BA by $1.168 billion and in outlays by $562 million. The Senate Budget Committee's First Resolution targets would be breached in BA by $1.768 billion and the outlays by $662 million.

3. The first two examples given in this analysis are, of course, moot, as the President submitted a new budget on March 31. That budget is as follows:

	Budget authority	Outlays
President's March Budget	$18,241	$10,085

The President's March request includes an assumption that the Conference Report for FY 1980 has passed but a few minor items are rescinded together with the add-on agreed to in conference for the Export-Import Bank. This latter fact reduces the Administration's request, using their figures, by $513 million in BA and $270 million in outlays. This March budget has not yet been officially re-estimated, though there are some preliminary re-estimates which should hold up. It is up to the Budget Committee to decide when those re-estimates will be put into the scorekeeping system.

4. Assume the President's March budget re-estimated as follows:

	Budget authority	Outlays
President's March Budget	$18,241	$10,085
Add re-estimates	6,126	157
Total	24,367	10,242

It is important to emphasize that under this assumption the additional amount provided for Ex-Im in the FY 1980 Conference Report is assumed to have not gone into effect. Even at that, under this set of assumptions, which are very probable, the Senate Budget Committee's target would be breached by $742 million in outlays, and $967 million in BA. Put another way, these are the amounts that would have to be cut from the President's request.

5. Assume the President's March budget re-estimated with the further assumption that the Ex-Im amount in the FY 1980 Conference Report is approved:

	Budget authority	Outlays
President's March Budget Request	$24,367	$10,242
Add Ex-Im Conference Report	487	327
	24,854	10,569

Under this set of assumptions, the Senate Budget Committee's First Resolution targets would be breached in outlays by $1.069 billion and in BA by $1.454 billion.

Clearly acceptance of the number as recommended by the Senate Budget Committee for Function 150 will require substantial cuts in the Foreign Aid programs. It is important to note that the most likely scenario is either of the last two examples given, the least of which would require a reduction in administration proposed foreign affairs programs of $742 million. However, it is likely that some additional amount for Ex-Im will be approved for FY 1980 above the $4.1 billion level assumed in the President's March budget, thus making it at least probable that cuts to the foreign aid programs of nearly $1.1 billion in outlays in FY 1981 will be necessary.●

BYELORUSSIAN ANNIVERSARY

● **Mr. CHURCH.** Mr. President, after the outbreak of the Russian Revolution in 1917, and the establishment of a provisional government, a congress of the Byelorussian Socialist Hromade was convened in Minsk, the major city of Byelorussia.

That Congress called for the reorganization of the Russian empire as a federative state: Byelorussia was to enjoy autonomous status, with freedom and rights for all its citizens. Now, 62 years later, the dreams of these people have yet to be realized, for Byelorussia is now one of the 15 Soviet Socialist Republics, having fallen as one of the first victims to the Communist takeover.

The history of the Byelorussian people is a proud and brave one. For centuries they suffered loss of their human rights under the regimes of many tyrants—be they German, Pole, Russian Tzar, or the current Communist government. Yet, in spite of this tortured past, they remain active in their pursuit of freedom, and are true to their traditions.

On March 23 of this year, the Byelorussian-American Communities of the United States gathered in New York City to commemorate the efforts that took place on that momentous occasion 62 years ago, and to renew their pledge to their cause.

They ask that their countryman, Michal Kukabaka, be freed from the prison in which he is currently being held. Mr. Kukabaka has strongly written and spoken in defense of human rights. For this "crime" he has spent more than 6 years in psychiatric prisons.

The Byelorussian community also asks that the Voice of America broadcast its messages in the Byelorussian language—something it currently does not do. I urge that we reconsider this policy.

On behalf of free peoples everywhere, I commend the Byelorussian American community in their quest for human rights. We in America, who often take our freedom for granted, should recall that there are still people within the Soviet Union who would throw off the yoke of oppression, if they could; who seek freedom of speech in the face of imprisonment; who pursue the right to worship as they please within a political system that will not tolerate it.

For it remains an inalienable truth—when people anywhere are denied their basic human rights, it endangers people everywhere.●

RECOGNITION OF A TAXING PROBLEM

● Mr. DOLE. Mr. President, yesterday the Wall Street Journal began a series of articles on the Federal income tax. Right at the outset, the Journal acknowledges the fundamental problem of the interaction of inflation with a progressive tax structure. As noted by Journal reporter John Pierson, "Rates on individual income go up because inflation reduces the value of exemptions, deductions, and credits, which are expressed in fixed dollars."

Mr. Pierson was also kind enough to quote the Senator from Kansas on the subject of inflation and taxes. As the article notes, last year I introduced the Tax Equalization Act, S. 12, which eliminates "taxflation" by automatic adjustments in response to the rise in the Consumer Price Index. This bill is a simple answer to the distorting effect of inflation and it deserves the urgent attention of Congress. Double-digit inflation means a $15 billion to $20 billion increase in personal income taxes. It is no wonder that popular resistance to income taxes is growing.

Mr. President, Mr. Pierson's article goes on to discuss other distorting effects that inflation has on taxes: Discouraging savings and investment, taxing illusory gains, inhibiting productivity, and overstating business income. Each of these problems is of great concern to this Senator, and Mr. Pierson's discussion is thoughtful and worth our attention. Accordingly, I ask that the article, headed "Taxing Problem," be inserted in the RECORD at this point.

The article follows:

POPULAR SUPPORT FADES FOR U.S. INCOME TAXES AS INFLATION LIFTS RATES

(By John Pierson)

WASHINGTON.—No one likes to pay taxes.

Yet, as taxes go, the one the U.S. government puts on income has long been praised as the best treaty possible among man's ever-warring demands for fairness, simplicity and economic sense. Since World War I, what's more, the federal income tax has supplied the main source of nourishment for a growing national government.

But support for the income tax is slipping away. Seven out of 10 Americans say it is too high, compared with five out of 10 two decades ago. The experts, too—economists, tax lawyers and politicians—have begun to doubt whether it can work in the future.

This decline in support has many causes. But two stand out: inflation and lagging investment.

"Inflation has undermined much of the moral support for income taxation," says James Wetzler, chief economist for Congress' Joint Committee on Taxation. Observes Harvard University economist Martin Feldstein: "We really do discourage savings and investment, in part because we have so much reliance on income taxes."

VARIOUS PROPOSALS

Proposed remedies being considered in Congress range from drastic to mild. Some people want the government to stop taxing income and start taxing consumption. Others would "index" the tax code to eliminate the effect of price changes. Still others seek huge cuts in income-tax rates.

More-traditional cures include faster write-offs for business structures and equipment, and tax breaks for interest income and dividends. Although President Carter still contends that a balanced budget is a better remedy for inflation than a tax cut, Republicans and some congressional Democrats hope to force additional tax reduction before the November elections.

Whether any of these tax remedies would help cure the ills of inflation and under-investment is in dispute, however. They could make things worse, some experts fear. Even where critics concede that a particular tax change would help slow price rises or quicken investment, some say the tax code would end up less fair, less simple, less efficient—a price they are unwilling to pay.

Inflation and lagging investment are like two bad children who keep urging each other on to worse and worse behavior. Inflation raises taxes on labor and capital and discourages work and investment. Less work and investment lead to less supply to meet demand, hence higher prices. They also result in lower productivity and lower real inflation-adjusted wages, which spur workers to demand higher pay. Employers, in turn, raise prices.

WHAT THE TROUBLE IS

And so on, round and round, worse and worse, until the public and the politicians—parents of these bad twins—begin to think it is time for a spanking. Before grabbing the paddle, let's take a closer look at the mischief.

Inflation acts on taxes in two ways. It twists the tax base, the measurement of income, out of shape. And it subjects that mismeasured income to a higher tax rate.

Rates on individual income go up because inflation reduces the value of exemptions, deductions and credits, which are expressed in fixed dollars. The personal exemption, for example, is set at $1,000, but a 10 percent rise in prices reduces its real value to $900. The tax brackets, from 14 percent to 70 percent are also set in fixed dollars. A single person owes the government 24 percent of any taxable income between $10,800 and $12,900. Between $12,900 and $15,000, he owes 30 percent.

Thus a pay raise, aimed at keeping someone even with inflation, can push him into a higher bracket and leave him with less real spending power. Overall, "bracket creep" will raise taxes perhaps $15 billion this year.

DAMAGE TO INCENTIVES

"Why should a man or woman try to become more productive on the job, in expectation of bettering his or her financial position?" Sen. Robert Dole asks. "Not only does the government undermine the value of each additional dollar earned by its working people, it proceeds to allow the tax rates on those dollars to rise automatically," the Kansas Republican says. He has sponsored one of many bills that would, as prices go up, increase the personal exemption, standard deduction, tax brackets and other fixed-dollar amounts.

Less familiar than the bracket creep but, many experts think, more important is the way inflation distorts the measurement of income—the tax base. For labor income, the mismeasurement is relatively small, because most people pay taxes on their wages or salary once a year. But for income from capital assets, often held for many years, the distortion can be great.

An investor, for example, buys stock for $1,000, and five years later sells it for $1,500. His apparent gain: $500. Meanwhile, prices have risen 50 percent. His real gain: zero. Yet the government taxes his $500 capital "gain." In the same way, interest on savings accounts and bonds is taxed as ordinary income, even though 10 percent inflation turns 5 percent interest into a 5 percent loss.

Congress tried, in 1978, to offset the overstatement of income from the sale of stocks, real estate and other capital assets. Among other things, it increased to 60 percent from 50 percent the amount of long-term gain that can be excluded from taxable income.

Inflation also causes overstatement and overtaxation of business income because usually the buildings and machinery that a company uses to produce income, as well as some materials, last more than one year and are deducted over more than one year. But if prices are rising, deductions based on original cost don't keep up with replacement cost.

For example, a corporation that buys a machine for $10,000 and writes it off $1,000 a year for 10 years doesn't get the full benefit of those deductions in a period of inflation. In the 10th year, for instance, the $1,000 deduction is worth only $508 in terms of the dollars originally invested, if inflation averages 7 percent annually over the decade.

In the case of materials, many companies soften the effect of inflation by using last-in-first-out accounting (LIFO), which bases tax deductions on the price last paid for similar items. In the case of buildings, Congress has tried to offset inflation by permitting businesses to deduct wear and tear over fewer years than it actually occurs and to take more than a single year's depreciation in each of the early years of a building's tax life. Business machinery gets accelerated depreciation, too, plus an investment credit.

ILLUSORY PROFITS

But in years of high inflation, inventory and depreciation deductions still have a way of falling behind replacement costs. Corporations had pretax profits of $237 billion last year. But, according to the Commerce Department, $58.5 billion of that reflected inadequate inventory and depreciation deductions. Federal and state income taxes on those inflated profits totaled $92.7 billion. Thus, inflation turned an apparent income-tax rate of 39.1 percent into a rate of 51.9 percent.

While inflation raises business taxes, it also reduces them by paring the real cost of repaying loans. A lender's inflation loss is a borrower's gain, especially if inflation turns out to be more than expected when the interest rate was stipulated. Whether a company is a net gainer or loser from inflation depends on how much of its business is financed with debt and how much with equity, as well as the age of its capital stock and the way it accounts for inventories.

Economists Sidney Davidson of the University of Chicago and Roman Weil of Georgia Institute of Technology studied 30 industrial companies and concluded that taxable incomes in 1974 would have been higher for nine and lower for 21 if all inflation effects had been eliminated. But all 24 utilities studied would have shown higher taxable income, mainly because their financing relies so much on debt.

While inflation lowers taxes on some companies and raises taxes on others, the overall effect on corporations is harmful. According to Harvard's Mr. Feldstein, inflation raised the 1977 tax burden on income from corporate capital by more than $32 billion.

The overstatement of income from capital is more critical than inflation's tendency to push labor income into higher brackets because bracket creep is easier to correct. Congress has "cut" the individual income tax six times in the past 20 years, in part to offset the "inflation tax" on wages and salaries. In fact, total individual income taxes are almost as low now as they would be if they had been adjusted for the inflation that has occurred since 1960.

But tax reductions for capital income, which have been part of most tax bills, haven't kept up with inflation. Mr. Feldstein estimates that the effective tax rate on capital income of nonfinancial corporations rose to 66.3 percent in 1977 from 62.8 percent in 1960.

Thus, inflation has turned the tax on income from capital into a tax on capital itself, into a wealth tax. And because Congress has contented itself mainly with cutting rates on capital income rather than with correctly measuring the base, the relief has been arbitrary. It has aided, without distinction, holders of all capital assets regardless of how much inflation has hurt them.

BREAK FOR SAVERS

Savings accounts had been ignored altogether until Congress recently passed—as part of a bill imposing a "windfall profits" tax on U.S. oil companies—a tax break that will permit individuals to escape tax on up to $200 of interest or dividend income (up to $400 for couples). Nor has Congress been willing to count as income, and thus to tax, the gains that borrowers receive from inflation. On the contrary, interest expense is deductible, regardless of how much of it represents inflation.

The overtaxation of capital income because of inflation is said to be one of the reasons investment is lagging in the U.S. But it is too simple just to say "investment is lagging." Last year, business fixed investment was 10.6 percent of gross national product, high in the 8.5 percent to 11 percent range since World War II.

But the investment hasn't kept pace with the labor force, which has grown 28 percent in the past decade, compared with 19 percent in the preceding 10 years. That has driven down the ratio of capital to labor and has coincided with a decline in the growth of productivity (output per man-hour) in the private, non-farm economy from 2.25 percent a year between World War II and 1973 to less than 1 percent since then. More productivity is one of the few ways wages can grow relative to prices.

According to some observers, though, the problem isn't that we overtax capital—savings and investment—but that we tax it at all. This line of thought began with philosopher Thomas Hobbes (1588–1679), who maintained that people who save are helping society more than people who consume. Economist John Stuart Mill (1806–1873) said it was unfair to tax income from savings because savings come from income taxed already

CONSUMPTION TAXES

More recently, President Ford's Treasury Department and Britain's Meade Committee argued that both fairness and the economy would be served by switching from a tax on income to a tax on the part of income that is consumed—exempting savings. The U.S. tax system already contains examples of this kind of "consumption tax." Savings in the form of contributions to pension funds, and the income on those funds, aren't taxed until withdrawn.

The big argument between the income- and consumption-tax schools concerns the response of savings and investment to changes in the after-tax return on capital. The consumption-tax school says that the response is significant, that lower taxes on savings would mean more savings, investment, productivity and real wages.

The income-tax school doubts that savings and investment change much with taxes. But even if they do, income-tax supporters say, moving toward a consumption tax would make the tax code less fair because the poor consume more of their income than the rich. The proper target of taxation, they add, isn't consumption itself but the power to consume, even when consumption is temporarily forgone in favor of savings.●

DISTRICT OF COLUMBIA VOTING RIGHTS

● Mr. INOUYE. Mr. President, as Senator from Hawaii, I would like to express my appreciation to the Hawaii State Legislature for ratifying the District of Columbia Voting Rights Amendment. By a vote of 37 to 12 our State house of representatives took that action late Thursday. The State senate had acted earlier.

The people of Hawaii remember their struggle for the privileges of full citizenship rights and appreciate the opportunity to assist others who have been too long denied those rights. I am proud that my State has now demonstrated leadership in seeking to assure to the people of the District of Columbia, who so well deserve them, their full citizenship rights.

The District of Columbia has been part of our Nation for over two centuries. The almost three-quarters of a million inhabitants, almost as many as we have in the State of Hawaii, desire the opportunity to exercise their voting rights as do all Americans.

In becoming the ninth State to ratify the amendment, Hawaii has just marked an important milestone in that struggle. It will be a proud day when that amendment is finally ratified by the necessary three-fourths of our States. I am pleased Hawaii is now among that number.●

BUSINESS AS PROBLEM SOLVER

● Mr. GOLDWATER. Mr. President, the size of Government and the ever expanding burden of regulation confronts the American business community with enormous problems in years ahead. Some executives expect many changes and are giving serious thought to how their enterprises will deal with those changes—especially changes wrought by the role of Government. One of these officials who has given much consideration to subjects pertaining is Sam Segnar, the incoming President of the Gas Processors Association. In a recent article in the Oil & Gas Journal, Mr. Segnar points out that business must repair itself for a new role to handle the problems.

Mr. President, I ask that the article about Mr. Segnar and his views be printed in the RECORD.

The article follows:

NORTHERN'S CHIEF SEGNAR SEES BUSINESS AS PROBLEM-SOLVER

Sam Segnar expects many changes in the next decade.

Some can be anticipated, but many will be complete surprises.

Segnar, president and chief operating officer of Northern Natural Gas Co., Omaha, is the incoming president of the Gas Processors Association (GPA).

Slated to take over as chief executive officer of Northern, a diversified, energy-based corporation, Segnar thinks the years ahead will be "exciting—but we'll have to change how we manage, particularly how we deal with government."

Changing government role. Business has witnessed the changing role of government during the past several years. Although the change may not be completely understandable, there's no denying that government continues to grow increasingly bigger, more influential, and more powerful.

"During the past 20 years," Segnar says, "new societal concerns for environmental protection, worker safety, equal employment opportunity, consumer protection, and energy have been added to a growing list of governmental responsibilities. Many long to return to a simpler America when there were fewer regulations and enterprise was freer."

He agrees that the idea of returning to a free market society is attractive but doubts that the nation's going to back up. The government and the American system of free enterprise have changed, according to Segnar,, and business cannot succeed by battling government head on.

"Many in business are fighting to save the free enterprise system as they remember it," he says, "but in fact, the system and the role of government has changed. Business management also must change in order to be successful in the 1980s."

The fundamental change, says Segnar, is the shift from a way of life based upon individualism to more emphasis on group concerns and issues. Public pressure has been instrumental in focusing governmental attention on specific societal problems, and government has responded by legislating answers.

"Most would agree the problems are real. Protecting the environment, worker safety, equal employment opportunities, concern for energy, and care of the poor and elderly, are all legitimate social concerns. In the age of individualism, charity was often the answer. But modern American society has decided government can and should provide more effective answers."

New business role. Segnar notes that government turns to business as the agent to solve these problems, recognizing that business is best equipped to deal efficiently with the often complex issues.

Congress, after absorbing the public's demands, often creates or expands a bureaucracy to regulate or force business into solving a specific problem.

Although many argue the system isn't perfect, it does work. Significant progress has been made as a direct result of this partnership of government and business.

"Businessmen should recognize that government has changed because society and conditions have changed," says Segnar.

"We should concentrate on making the system work. The role of government, the role of business, and the relationship between the two has changed dramatically in the 200 years since we've started, and we can't expect to go back.

In Segnar's view, America in the 1980s will see more public pressure on government to have business develop more cures for society's problems. Government is likely to become established as the agency to decide which public problem business will be expected to solve. Demands on business to assume the major burden of solving these problems will grow, even though they may have little or nothing to do with the goods and services normally offered.

Americans, says Segnar, apparently are willing to ask business to trade off productivity for solutions to common problems. The costs of these solutions, he adds, will be passed through the marketplace to the public. "It will be increasingly important to balance these needs against business' need to remain competitive in world markets."

Segnar notes that businessmen are in the best position to solve these problems because they have the required knowledge and capability.

"After all," he says, "problem solving is what management is all about."

Rather than attacking the problem by attacking government, business will succeed only when it attacks the problems.

Acting on changes. Recognition of the changing roles and demands on business and government is important to success in the 1980s.

Segnar believes understanding these changes is critical and "it's irrelevant whether you like a change or not as long as you understand it." The question then becomes one of how to best deal with the solution.

The successful business manager of the 1980s will pay attention to public opinion. There are many ways to deal with changes but Segnar recommends "staying in touch with trends, knowing how and why the government works, planning as far ahead as you can, and getting involved in helping to make the system successful."

Segnar comments that the traditional business lobbyists in Washington are necessary to make sure Congress understands both sides of complex issues. But a new and perhaps more effective role will be in working with government bureaucrats rather than politicians.

Once legislation is enacted, the government's staff typically is buried in the problems of translating law into a workable program. Rather than a hopeless mess, this may represent an opportunity for business to step in and provide the expertise needed to develop workable and effective programs.

"I'm confident," Segnar adds, "that businessmen, working with government, can help implement these programs without the duplications and conflicts we see today.

"Business has the expertise and knowledge to solve any problem," Segnar concludes, "and the role of business and government is so interrelated, we cannot afford to attack each other. I'm confident that we can succeed in the 1980s."

The man. Segnar is a native of Arkansas. He attended Texas A&M University and the University of Oklahoma, receiving a degree in mechanical engineering in 1950, following military service in Korea.

He also attended the University of Mississippi and completed the Harvard Graduate School of Business Administration advanced management program in 1967.

Segnar began his professional career as a machinist's helper in a refinery owned by Cities Service and Continental Oil companies. He later was a draftsman and engineer for the same organization.

He began his pipeline engineering and construction activities in 1953. For the following 7 years, this included extensive office and field work on major and minor river crossings, cross country, offshore, marsh, and mountain installations, automated compressor stations, pump stations, and tank farms.

He joined a Northern subsidiary, Northern Gas Products Co., as manager of engineering and construction in 1961. He was named manager of employee relations for Northern Natural Gas Co. in 1963, vice-president of administration in 1966, assistant to the president in 1969, and group vice-president of liquid fuels in 1971.

The liquid fuels group consists of Northern Gas Products Co., Northern Propane Gas Co., United Petroleum Gas Co., Northern Helex Co., Hydrocarbon Transportation Inc., Weskem Corp., Northern Liquid Fuels International Ltd., and Protane Corp. Protane Corporation consists of several subsidiary companies operating in the Caribbean Islands and Latin America.

Segnar was elected president of Northern Natural Gas Co. in 1976. He serves on the corporate planning committee, investment committee, policy committee, compensation committee, and the board of directors of the company.●

EAST-WEST ACCORD COMMITTEE PROPOSES MILITARY NONINTERVENTION PACT

● Mr. McGOVERN. Mr. President, the American Committee on East-West Accord, a nonpartisan organization of prominent Americans concerned with the issues of United States-Soviet relations, recently issued a strong condemnation of the Soviet Union's military intervention in Afghanistan and proposed a new American diplomatic initiative to prevent future direct or proxy interventions. The proposal calls on the United States to explore the feasibility of proposing a military nonintervention agreement between the United States and the Soviet Union to close the loopholes in the 1972 basic principles agreement.

The committee's proposal and background paper are constructive alternatives to the current state of dangerous confrontation between the superpowers and they deserve serious consideration in the Senate.

I ask that the text of the proposals be printed in the Record.

The texts follow:

Text of Proposals

The American Committee on East-West Accord deplores the massive invasion and the use of Soviet combat forces in Afghanistan because it increases the danger of superpower confrontation and the possible escalation to nuclear war. New foreign policy initiatives and ground rules are urgently needed to arrest the rising tensions and to prevent future use of combat forces—the most dangerous element, leading to possible U.S.-Soviet nuclear confrontation.

As a first step, the American Committee, co-chaired by George F. Kennan, John Kenneth Galbraith and Donald Kendall, and whose President is Robert D. Schmidt, today called for an immediate and wide-ranging exploration by the governments of the United States and the Soviet Union of the measures necessary to negotiate a "Military Non-Intervention Pact" banning the use of combat forces directly or indirectly in Third World countries.

Under the proposed "Military Non-Intervention Pact", based on the attached background paper, both countries would agree:

Not to intervene directly with their own combat forces;

Not to facilitate intervention by combat forces of a proxy state or states;

Not to support the direct or covert use of mercenary, paramilitary forces, or so-called volunteer forces;

Not to respond with combat forces even if one of the states in the Third World territory should request such assistance.

Initially such a pact could apply to the geographic regions of Africa, the Middle East, the Subcontinent, Southwest and Southeast Asia. The negotiation of a bilateral pact could then serve as an example for consideration by other states.

The American Committee fully realizes that negotiation of a "Military Non-Intervention Pact" between the U.S. and the U.S.S.R. would be arduous and complex; yet the consequences of following the present course pose the ultimate danger.

All the other nations of the world, with the exception of China, want an end to U.S. and Soviet military confrontation. This includes all the states of Western and Eastern Europe, and the Third World states, whether pro-Soviet, pro-U.S., or non-aligned.

In the area of arms control, the American Committee urges:

An immediate return to arms control negotiations starting with a joint pledge to abide by the terms of the SALT I and SALT II agreements;

A freeze on the deployment of any additional strategic nuclear weapons;

A ban on testing of nuclear weapons;

And negotiations on the deployment of U.S. and U.S.S.R. medium-range nuclear weapons in Europe.

The American Committee calls for an early withdrawal of Soviet forces from Afghanistan combined with international guarantees against further intervention, permitting the formation of a neutral non-aligned government. In this connection the Committee notes with favor the initiatives of the British Government in the Common Market, the letter of President Tito to Presidents Brezhnev and Carter, the joint French-Indian communique, and similar efforts by non-aligned states.

The Committee also supports the exploration of a negotiated framework providing international guarantees to prevent military intervention in the Persian Gulf to insure the continuing flow of oil through normal commercial means to all states.

The American Committee supports a return to even-handedness in U.S. policies toward the U.S.S.R. and China, granting no special advantages to either state which are not granted to the other.

Further, the American Committee supports a greater U.S. effort to involve the United Nations in issues of world security, with special emphasis on strengthening and using U.N. machinery for international peacekeeping and observer forces in negotiating the resolution of conflicts.

Background Paper: Proposal for U.S.-Soviet Military Non-Intervention Pact

In the postwar era, both the U.S. and the U.S.S.R. frequently engaged in open and covert military intervention, the most recent being the deplorable Soviet invasion of Afghanistan. Among the places the U.S. intervened with its military forces, directly, were Lebanon, the Dominican Republic, Vietnam, and Cambodia; and covertly in the Congo, Cuba, Guatemala, and Laos. The Soviet Union not only invaded Hungary, Czechoslovakia, and Afghanistan, but provided airlift, sealift, and military equipment for the proxy military intervention of Cuban forces in Angola and Ethiopia, and Cubans and East Germans in South Yeman. Further, the Soviets assisted Vietnamese forces in Cambodia.

With each of these military interventions came an increase in tensions between the powers. There is a long history of attempts to deal with concepts of military non-intervention; the principles are on record, and the intent is clear. They are contained in the non-intervention articles of the United Nations Charter, in the Basic Principles of U.S.-Soviet Conduct, signed in Moscow in 1972, in the Helsinki Accords, in the resolutions of peaceful coexistence approved by the non-aligned nations, and many other documents. But it is clear that, despite their merit, these principles have not prevented military intervention by the two great powers. There is a need for a more precise set of ground rules.

Continuing competition between the U.S. and the U.S.S.R. is inevitable. But the competition needs to be constrained by a code of conduct, if we are to survive. President Brezhnev says: "We make no secret of the fact that we see detente as the way to create more favorable conditions for peaceful communist construction". But neither U.S. nor Soviet military intervention has been "peaceful". Soviet leaders have been saying for years that they would give support to liberation movements throughout the world. The goal here is to spell out peaceful competition and to eliminate intervention by combat forces.

The U.S. has had the experience of living through a period when it did not engage in military intervention. From 1975 to 1980 the U.S. did not send its combat forces into action anywhere in the world. The U.S. had a covert paramilitary program in Angola, but this was closed down by Congress in 1975. Recently, however, advocates of military intervention in the United States have been moving to ascendancy. The Soviet invasion of Afghanistan has provided impetus for a greater increase in the defense budget, a quest for new military bases in the Middle East and the Persian Gulf, the creation of a rapid deployment force, the "unleashing" of C.I.A. covert operations, and less emphasis on arms control. The proponents of intervention refer to the post-Vietnam era of non-intervention as the "Vietnam syndrome".

The concepts of security developed after World War II have become obsolete. Soviet aspirations for world hegemony may linger in the minds of a few old Bolsheviks, but for many Russians, they died long ago. This is especially true of the young. Thirty million Russians were killed or crippled in World War II. It is not an overstatement to say that the Russians understand the consequences of war, even more fundamentally than Americans.

It is important to recall, too, that all the other nations of the world, with the exception of China, want an end to U.S. and Soviet military confrontation. This includes all the states of Western and Eastern Europe, and the Third World states, whether pro-Soviet, pro-U.S., or non-aligned. A military non-intervention pact would be welcomed enthusiastically throughout most of the world.

The Afghanistan invasion and U.S. reaction to it have sharpened awareness of the danger represented by military intervention by either superpower. Any such use of combat forces raises the odds for nuclear war because it escalates tensions between the superpowers. The consequence of such an increase in tensions is likely to be a nuclear alert. Such alerts are progressively more dangerous as nuclear weapons technology advances to first-strike capability, especially because they may trigger accidental war. What is needed is a pact between the two powers to refrain from intervention with combat forces anywhere in the Third World. Such a pact between the United States and the Soviet Union could set an example for other states.

In order to be effective, a U.S.-Soviet military non-intervention pact would require a total ban, without exception, of the direct and indirect intervention by combat forces, by either of the powers, in the Third World. This would mean that neither power could respond with combat forces, even if a state in the Third World territory should request such assistance. A pact such as is suggested does not cover the full range of forms of military intervention; for example, military aid programs, non-combat military advisors, arms trade, and small arms gun-running. But were the superpowers to mke progress on the most dangerous aspects of military intervention, it might be possible in time to limit other forms of intervention.

Initially, the geographic boundaries of such an agreement should include Africa, the Middle East, the Subcontinent, Southwest Asia, and Southeast Asia. Both powers would agree not to intervene in these designated Third World areas with their own combat forces, nor would they facilitate intervention by the combat forces of proxy states, nor would they support the covert or direct use of mercenary, paramilitary, or so-called volunteer combat forces. (It should be noted that covert paramilitary intervention does not remain secret or unattributable once combat begins.) U.S. and Soviet intelligence can easily ascertain the source of support for such combat operations. Existing intelligence is adequate to verify compliance with a military non-intervention pact.

It is recognized that it may be difficult for the two powers to control military intervention in the area by friendly states. For example, the Cuban government has claimed that it intervened at its own initiative in Angola and Ethiopia. The fact is, however, the Cuban forces were armed and equipped by the Soviet Union, and were airlifted to Africa in Soviet planes. The Vietnamese troops which invaded Cambodia were not only armed and equipped by the U.S.S.R., but they were accompanied by Soviet military advisors. Israel has invaded Lebanon several times using planes, tanks, and rockets provided by the United States. While it is true that the U.S. and the U.S.S.R. may not have full control over such interventions, both powers certainly have the means to make their opposition to such intervention unmistakable. They both have the power to withhold future military or financial assistance if their views are ignored. Furthermore, both powers together could have influence on the interventions of third powers. For instance, France has used its military forces to intervene directly several times in Africa, and China has invaded North Vietnam.

Specific action proposals for a Military Non-Intervention Pact should be prepared not only by the governments of the U.S. and the U.S.S.R., but should be studied by other governments as well. In the United States, such a pact needs urgent study, discussion and debate in Congress, the universities, the international research centers, and the press. There is a need for fresh and responsible thinking to contribute to this effort.

One should not be under any illusion that conclusion of a bilateral agreement for the superpowers to keep their combat forces out of Third World countries could be accomplished in the immediate future. The concept will require careful analysis by the Administration, and then careful preparation for negotiations. The effort should be seen as a first step in reversing the dangerous trend in U.S.-Soviet relations. Such negotiations will be complex and arduous; yet the consequences of following the present course pose the ultimate danger.

A military non-intervention pact between the U.S. and the U.S.S.R., though separable from the security benefits derived from strategic arms limitation, would facilitate the successful negotiation of substantial reductions and qualitative controls of nuclear weapons. It would enhance the political climate for arms control and other mutually benefiical programs in both Washington and Moscow, and contribute significantly to the avoidance of war. ●

AIRLINE DEREGULATION

● Mr. CANNON. Mr. President, I submit for the Record a commentary which appeared in the Crawfordsville, Ind., Journal-Review on February 28, 1980. It highlights the economic burden of excessive Government regulation and praises the Civil Aeronautics Board, and implicitly, airline deregulation, for efforts at reducing this cost burden.

The commentary follows:

OVERREGULATION COSTS $100 BILLION

It is ironic that government regulation, which has as its purpose to make the marketplace more equitable for buyers and to sellers, has actually eliminated many of the bargains. As businessmen, we must deal each day with the thousands of regulations imposed by government in response to the perception that the private sector is in violation of the public good. Yet we witness increased costs to consumers and often denial of products that have value to the public.

Small business people find themselves stifled by the mass of government regulation. A report of a subcommittee of the Committee on Small Business of the United States House of Representatives determined that overregulation is discouraging competition because smaller companies cannot afford the cost of keeping track of and complying with all of the rules. That cost is estimated at more than $3,600 per year for every small business person.

The economic burden of excessive regulation is a matter of great concern to those of us in the business community for two reasons. First, the capital we must invest to comply with regulations cannot be used for new plants and equipment. Second, the cost of all regulation is passed on to the consumer.

It has been estimated that, for every dollar the government spends to enforce regulation, 20 are spent to comply . . . by some estimates as much as $100 billion in 1979. An average of $2,000 for each family of four!

Some regulations are necessary of course. Those of us who live on a residential street insist on a speed limit for the safety of our children and ourselves. In many instances we expect government to step in at times when a few members of the business community—or other segments of society—fail to recognize their responsibilities. However, government has moved from the position of referee to that of the opposing team.

Congress, the regulatory agencies, the public, and the business community all have a role in the reform process. The Congress must assume veto power over regulations and enact sunset legislation, establishing the date upon which each regulatory body will be terminated. Those in the federal agencies should take their cue from the Civil Aeronautics Board and devote some of their energies to reducing or eliminating regulatory functions.

But those of us in the business community have the greatest responsibility. We must work with the regulators to develop reasonable goals and the means to achieve them. We must not yield to the forces of big government. Business is not, and never was intended to be, a partner of government. The first duty of every man and woman in this country who considers himself or herself a bonafide business person, is to preserve the lifeblood of this nation—the free enterprise system—and to do it by example. When that happens, the need for regulation will be reduced, dramatically.●

SCIENTIFIC RESEARCH TODAY

● Mr. SCHWEIKER. Mr. President, my distinguished colleague Senator HATCH, who serves with me on the Senate Health and Scientific Research Subcommittee, recently spoke before a joint meeting of the Association of American Universities and the National Association of State Universities and Land Grant Colleges.

I have had the pleasure of reviewing his remarks and find them a refreshing and insightful review of the importance of federally supported scientific research in our country. Senator HATCH has worked very hard with other members of the Health and Scientific Research Subcommittee on the reauthorization legislation our subcommittee considers each year on the National Science Foundation, and so the state of our research and development efforts have been very important to him. I commend his remarks to our colleagues, and I look forward to working with Senator HATCH again on the fiscal years 1981 and 1982 authorization for NSF. I ask that the article be printed in the RECORD.

The article follows:

SPEECH OF SENATOR ORRIN G. HATCH

Ladies and Gentlemen: Thank you very much for inviting me to share some thoughts and observations with you this evening about science, government, and the extremely vital role our nation's universities and colleges play in meeting the technological needs of America. You people are professionals and all of us politicians are both proud and respectful of your knowledge and your thirst for more of it.

Sometimes we need a professional appraisal no matter what the cost. That was the advice Tallyrand once gave to King Louis XVIII. Louis was reading a tentative budget to Talleyrand, who was head of the provisional government. "Your Majesty," Talleyrand commented, "there is an omission—payment of the deputies." Louis responded, "It is an honorary position, they should perform their duties without payment." "But, Your Majesty," cried Talleyrand, "that would cost us too much!"

I have had the opportunity, as a member of the Subcommittee on Health and Scientific Research and the Technology Assessment Board, to have direct contact with a number of you and your colleagues in the university and scientific community. These associations have been most enjoyable as well as beneficial to me in my efforts in the Senate. I have spent the last three years, since I took my seat as the junior Senator from Utah in January, 1977, trying to promote a solid policy for scientific research and technological development, because I know that our successes in the laboratory are key to our successes in handling the domestic economy and boosting international trade.

I know some of you have taken issue with some of my initiatives, but I think we have all benefited from them, directly or indirectly, and I have learned from being involved with these issues how you are affected by government. I think I have obtained a little better "feel" for what needs to be done in the Federal Government to help you perform the best and most effective research possible.

First of all, it is uncertain that the university's role in our national successes is really understood. In the area of science and technology, higher education's contribution is two-fold. First, our colleges and universities are responsible for educating and training our young people in the sciences, without whose future expertise America could not hope to go forward technologically. This traditional role of the university should never be dismissed as old-fashioned or passé, and indeed, in my opinion, society owes you in the academic community a round of applause for continuing to take your teaching duties seriously. You have not foresaken them for more lucrative positions, for additional time on your own research work, or even during periods of student unrest and apathy. What we are really talking about is the future of science in our country. If our students are not taught by dedicated teachers as well as the best researchers, how will we ever expect to excel in the future? In other words, I think we must remember that there is a sense in which scholarship is an end in itself.

Second, our colleges and universities are primary sites for the performance of critical research and development activity. It is necessary that they continue their independent work, particularly in basic research. Universities are in a unique position in that they are free to pursue topics and experiments without the pressure of the marketplace. While American industry, I believe, must be encouraged, and given the appropriate incentives to do so, to take on more of the R & D load, I am convinced that much of the fundamental basic research needed to develop promising new technologies is performed admirably by our Nation's universities and colleges.

If I could just add, parenthetically, at this point, a plug for some of the outstanding smaller institutions, I believe that their contributions to research and the education of future scientists is also of high quality. I realize that this distinguished group is representative of our country's state universities and land-grant schools, but if we are talking purely about the role of higher education in the future of science and technology, then I would hesitate not to mention the efforts of the smaller, private colleges and universities.

We all recognize basic research as the life's blood of all advances in science and technology. The quality of American basic research relates directly to our nation's total potential for success economically, internationally, and intrinsically. As many of you may have heard me say before, I am a strong believer in national spirit. I think Americans are justified in feeling good about the accomplishments of fellow citizens, whether they are Olympians or scientists. I also think there is a positive subsidiary effect of such pride on the will of others to forge ahead in the pursuit of new knowledge.

It almost goes without saying that basic research has contributed enormously to America's economy and to our international trade position. Basic research, largely conducted in our universities, has lent us the ability to develop the new techniques and processes which have sustained American productivity even in the face of a changing labor force. Our current economic problem is, in part, that such innovation is declining and our level of productivity with it. Our technological leadership in the world is being challenged by most of the other industrialized nations, particularly West Germany and Japan, and the realism of the situation is demonstrated by the present stiff competition in the electronics and automobile industries. The technological advances of our chief trading partners have now manifested themselves in the marketplace, creating uncertainty and crisis in American industry and employment.

In 1963, America was spending nearly three percent of GNP on research and development and Japan was only spending one and one-quarter percent. In 1976, however, the U.S. expenditure for R & D decreased to about two and one-quarter percent, equal to West Germany which increased its average percentage from slightly more than one and one-half percent in 1963. Japan increased its average to a full two percent. We should also note that the regulatory policies of these nations are far more conducive to research than are the policies of the United States. These statistics can also be related to the rates of inflation. The West Germany wholesale price index increased only 44 percent between 1970 and 1977, Japan's 68 percent and the United States' 76 percent. In 1978, the national expenditure for R & D in the United States was $47 billion, but in constant dollars, only about $30 billion. This estimate uses 1967 as the base year and an assumed six percent inflation rate. Since, however, inflation is now hovering around 18 percent, this total is quite conservative and the negative effect of inflation on research is really much greater.

Another policy which may be hindering U.S. innovation in the comparative context is our willingness to export technology. I am especially concerned about those technologies which are critical to our national security and the transfers of that technology to nations whose motives are clearly dubious and I was pleased to note consideration of a possible boycott of exchanges with the USSR by 50 scientific and professional associations. I do not oppose exports of technology to our allies, but it should be a consideration, however, that the transfer of American technology abroad is filling in the gaps of foreign scientists and narrowing the U.S. lead in many fields. Scientists should carefully assess whether the benefits of international exchanges outweigh the losses. For other than controls on militarily sensitive technologies, the government cannot rightly or accurately evaluate the successes of these programs. Only those involved in the search for scientific information can make these judgments. I think it would be prudent to take stock of the advantages of this policy on a periodic basis.

What are the stumbling blocks to our research capability? In addition to the overriding deterrent of inflation, there are several obstacles in the way of more and better American R & D. It has been pointed out that the atmosphere for basic research is much too variable to provide the stability required for long range problems. I agree that one minute the emphasis is on basic research and the next it is on applied. One minute we are consumed with space applications and the next with environment. The fact of the matter is that we ought to promote a more even distribution of our research emphasis to encourage the undertaking of long-range research as well as increase the likelihood that such research will be brought to fruition.

Second, there is the present patent policy. This is a major wrench in promoting R & D in universities and in securing funds from the private sector for university conducted basic research. A measure introduced by Senator Birch Bayh, S. 414, to reform patent procedures for universities and small business, is currently pending before the full Senate. Enactment of the bill, of which I am pleased to be a cosponsor, will remove some of the worst barriers to university and small business sponsored research.

Third, there is a serious problem faced by our university laboratories in maintaining adequate and up-to-date instrumentation. Dr. William Partridge, my good friend from Utah and here with us tonight, emphasized the need for greater federal support for instrumentation during his testimony last year on the Fiscal Year 1980 authorization for the National Science Foundation. He aptly pointed out that inferior equipment leads to less than the best possible research results and a danger that the training of students on outmoded instruments would automatically put those students behind in a research world of more sophisticated technology. It is evident that these "lags" and periods of "catch-up" time, all totalled, add up to a considerable deficit in terms of our overall science and technology strength.

Finally, the need for accountability in the awarding of federal funds demands that scientists devote an increasing amount of time to paperwork. I must regrettably point out that some of this red tape has come about due to the discovery by university officials and department chairmen, and by the federal funding agencies themselves, of fraudulent travel vouchers, dependence on graduate assistants to perform work contracted to a full professor as the principal investigator, and other abuses of taxpayer funds as well as the high standards you expect from your colleagues and by which you judge yourself. I find myself in complete sympathy with honest, dedicated researchers who must probably spend an inordinate degree of energy on the science of filing government forms.

This is a big problem for universities, as it is for all of us. For example, the Library of Congress estimated in 1976 that the 250 major colleges and universities had spent $75 million just to comply with federal surveillance of their affirmative action activities. Obviously, this figure must be much larger now—and it doesn't include the administrative time consumed. Now, I think affirmative action is wholly incompatible with a liberal society—and it is illegal to boot. But however you look at it, it is a lot of money.

As a matter of fact, not long ago, I came across the testimony of an official from Louisiana. He related a story to a Subcommittee of the House Post Office Committee which warmed my heart.

It seems that a development company was planning a new complex in this official's county, or parish, as it is called, in Louisiana.

The developer secured the approval of no less than 23 local, parish, and state agencies. Following that, he was informed that he also needed to apply to the U.S. Department of Housing and Urban Development (HUD) for its approval.

The developer's attorney filled out the additional forms and mailed them off to Washington. In return, the attorney received the following letter.

"We received, today, your letter enclosing application for your client and supported by abstract of title. We have observed, however, that you have not traced the title previous to 1803. Before final approval can be granted, you must trace the title previous to that year."

The developer and the attorney were stunned by this letter from HUD and the attorney sent the following response:

"Gentlemen: Your letter regarding title received. I noted that you wish title to be traced further back than I have done it.

"I was unaware that any educated man failed to know that Louisiana was purchased from France in 1803. The title of that land was acquired by France by right of conquest from Spain.

"The land came into possession of Spain in 1492 by right of discovery by an Italian sailor named Christopher Columbus. The good Queen Isabella took the precaution of securing the blessing of the Pope of Rome upon Columbus' voyage before she sold her jewels to help him.

"The Pope is the emissary of Jesus Christ who is the Son of God. God made the world. I believe it is safe to assume that He also made that part of the world known as the United States; and that part of the United States called Louisiana. I hope to hell you're satisfied."

I was very pleased to note that help may be on the way. The National Science Foundation has come up with a new concept that may spell salvation for researchers in terms of the time expended on meeting the Federal requirements for accountability. The "master grants" idea, even though still in its infancy, appears to be a viable solution to the regulatory burden. It will effectively consolidate into the university's department all of the reporting for any individual grantees within the department.

The additional benefit is the flexibility to "trade" funds from one chemistry project to another. A master contract entered into by the university and NSF would state the basic requirements for grants administration and then leave the university free to consolidate the paperwork and reporting of individual grants by department. This innovation in grants management shows promise for saving countless hours of paper shuffling by researchers and will preserve the purpose for which these regulations were made in the first place.

I have already mentioned patent reform. It is my hope that S. 414 will go through the Congress and become public law, but I think we may need to look at U.S. patent policy with even greater scrutiny. These may be further revisions necessary to boost American invention in both the university and industrial laboratories.

There is an interesting thought that I had, not long ago, and on which I would personally appreciate your insight. The National Science Foundation has created several "University Corporations" to perform research in various scientific disciplines. These "Corporations," consisting of around thirty or so universities, impress me as highly effective structures for the federal support of basic research. I would like to see these corporations expanded, perhaps by making the definition of a given discipline more liberal, perhaps by bringing in more universities, perhaps by establishing more of them, or perhaps by permitting an independent financing program for certain projects. These "University Corporations," I believe, have made valuable contributions to American science and I would like to see their capabilities expanded.

Further, the University Corporations may also be a way of promoting greater cooperative projects with industry. The NSF has already undertaken a successful program, which I have supported, of university-industry joint research, but I wonder if the University Corporation might be a vehicle for even better cooperation. Our concern is really for the health of the American scientific and technological enterprise.

While it is vital that we maintain the separate strength of each institution sponsoring research, that is, the university, industry, and government, advancement from a pooling of knowledge and resources is a corollary policy we may not want to overlook.

Finally, I would like to briefly discuss the absolute necessity, which I am sure all of you recognize, of adjusting economic policy in this country to inspire private sector initiative in R & D.

Effective policies to control inflation, caused by huge deficits and high rates of taxation, must go hand in hand with any coherent and stable effort to revive American science and technology. A significant, across-the-board income tax reduction, as well as further consideration in capital gains taxation would provide incentive and working capital for the risk-taking all institutions must justify. The present tax rates make business expansion or research endeavor almost prohibitive. The rate of return is not great enough to take the risk—the greater the risk, the greater the hope for profit. Whereas business as a whole has lately been working only on subtle improvements to existing technologies, a tax cut would encourage a more concentrated, long-term commitment to R & D on radically new and innovative technologies. In my view, one of the major institutional beneficiaries of an increased propensity to fund basic research will be the universities.

There are many possibilities for strengthening U.S. basic research and innovation. Certainly one of our nation's greatest resources, her institutions of higher education, will be key to helping us in Washington develop the right policies to encourage this kind of scientific incentive. I hope you will consider this a sincere invitation to share your personal comments or ideas with me at any time. Again, thanks for allowing me to be here with you this evening. My best to each of you and your respective universities.●

KAMEHAMEHA SCHOOLS WARRIOR BAND AND COLOR GUARD

● Mr. INOUYE. Mr. President, it is with great pride that I bring your attention to the Kamehameha Schools Warrior Band and Color Guard from my home State of Hawaii. The honor and distinction of being selected as one of the top 10 high school bands in the United States by the National Band Association deserves highest commendation. The Kamehameha Schools Warrior Band and Color Guard have added another dimension of musical contribution to the Hawaiian community and to the State of Hawaii.

The Kamehameha Schools Warrior Band and Color Guard is a unit of 160 young men and women representing all seven islands of the State of Hawaii. The precision performance of these young people began several years ago under the leadership of Mr. John Riggle who has been the band director since 1977. The continued support of the "Kamehameha Band Parents Boosters" should also be acknowledged for their assistance in hosting a myriad of musical and marching performances.

I submit a list of the musical and band honors achieved by the Kamehameha Schools Warrior Band and Color Guard since the inception of competitive marching band and color guard tournaments.

The list follows:

1977

Aloha Week Parade—Division I Award.

Captain Cook Bicentennial Parade—Kauai Island—Sweepstakes Award.

Established 1st Annual Kamehameha Tournament of Bands.

Oahu Interscholastic Association Festival of Marching Bands—Division I Award.

Oahu Band Directors Association Parade of Stage Bands—Superior rating.

Kamehameha Day Parade—Division A, 1st Place Sweepstakes Award—Most Outstanding Overall Parade Unit.

1978

Performed at half-time for University of Hawaii-New Mexico football game.

Aloha Week Parade—Division I Award.

1st Annual Kahuku Marching Band Competition:

1st Place—Division A.

Color Guard Award.

Percussion Award.

Marching and Maneuvering Award.

General Effect Award.

Music Award.

Drum Major Award.

Sweepstakes Award.

Merry Monarch Parade—Hawaii Island—1st Place.

Hosted 2nd Annual Kamehameha Tournament of Bands.

1st Annual Mililani Marching Band Festival, 1st Place—Division A.

Kuhio Day Parade—1st Place and Color Guard Award.

Kamehameha Day Parade—1st Place Division A—Sweepstakes Award—Most Outstanding Overall Parade Unit.

1979

Represented the State of Hawaii in the 90th Annual Tournament of Roses Parade, Pasadena, Calif.

Guest Band Performances:

Magic Mountain Theme Park.

Knotts Berry Farm.

Disneyland.

Half Time Performance—University of Hawaii football game.

2nd Annual Kahuku High School Marching Band Competition:

1st Place—Division A.

Color Guard Award.

Marching and Maneuvering Award.

Soloist Award.

General Effect Award.

Music Award.

Drum Major Award.

Sweepstakes Award.

Hosted 3rd Annual Kamehameha Tournament of Bands—Special National Band Association Award and Nomination for Top Ten Bands Consideration.

Carol Kai Bed Race Parade—Sweepstakes Award.

1980

Established 1st Annual Kamehameha Schools Band-o-Rama.

Selected by the National Band Association as one of the Top Ten High School Bands in the United States and Invitation to Perform at the N.B.A. National Convention in Knoxville, Tenn.●

SOMALIAN REFUGEES

● Mr. McGOVERN. Mr. President, as concerns of national security lead us to focus increasing attention upon African countries bordering the Indian Ocean, a human tragedy is developing in this region which we cannot allow to go unnoticed or unaddressed. After years of regional war, Somalia now faces a refugee crisis likely to parallel that of Southeast Asia in the brutal human costs of sickness and starvation. The State Department estimates that over 3,500 people—91 percent of whom are women and children—are presently entering Somalia every day from southern and eastern Ethiopia. Many are living in refugee camps with populations over 40,000. Others have fled to the towns, and still others have tried to eke out a nomadic existence in the Somali interior. In all, at current rates of entry, this country of 4 million will have an additional population of well over 1 million refugees by the end of 1980.

The problems of Somalia's refugees are those which we have come to know in other similar tragedies around the world. The sudden, massive influx of people—coupled with the beginnings of a drought throughout Somalia and eastern Africa—makes starvation the most pressing danger. Lack of safe drinking water and the growing incidence of infectious diseases pose additional threats to the refugees' survival, particularly to the children.

It is fortunate that one problem which the refugees do not have is with the Somali Government itself. Unlike Southeast Asia, where some unwilling host governments literally pushed refugees back across borders or out into the sea, the Somali Government has sought to accommodate refugees to the greatest extent possible. Since many of these refugees are ethnic Somalis, the Government has contributed up to $15 million for their care—even though Somalia has serious problems of growing debt and dwindling reserves of foreign exchange. The Somali Government has also welcomed outside assistance for refugees. Accordingly, the United Nations has recently called for $120 million from the international community for Somalia, in addition to the relief programs already underway.

Despite the scope of the problem and the scale of requested relief, the plight of Somalia's refugees has received remarkably little publicity. Other crises around the world have shifted attention away from internal problems developing in the Horn of Africa. Perhaps it is also a telling sign of the times that after floods of refugees have become so much a present reality in so many areas of the world, new instances of massive suffering are no longer headline news. Yet for the hundreds of thousands now crowding into Somalia, the situation is desperate. Unless more can be done, many will die.

In the United States, we can do more. Though the refugees face shortages on every front, I would like to concentrate here on efforts the United States can make to supply urgently needed food relief. The United States has already shipped some food and supplies to the Somali refugee camps, but the Agency for International Development estimates that at least 47,000 tons of grain, worth about $12 million, will be required by early summer.

American farmers are more than able to supply the needed food. This is a time of record harvests for the United States—and of constricted markets abroad in the wake of the Soviet grain embargo. In announcing its decision to cut grain shipments to the Soviet Union, the administration noted that one positive result of this move would be the availability of greatly expanded food resources for constructive diplomacy. With its escalating refugee population and a growing significance for U.S. strategic considerations in the Indian Ocean, Somalia presents an especially strong case for the food aid which the United States is now able to send abroad.

I would urge my colleagues in both the Senate and the House to make the securing of additional food aid for Somalia a top priority. I can think of few instances where a U.S. Government program could make such a widespread difference between suffering and survival.●

ABORTION BY THE COURTS

● Mr. SCHWEIKER. Mr. President, on April 3, 1980, the Washington Post carried an editorial by George F. Will entitled "Abortion by the Courts." Mr. Will makes reference to the recent Federal district court decision which overruled the congressional mandate that no Federal funds should be used to finance abortions except when the life of the mother is threatened or in the case of rape or incest. Mr. Will, in his article, identifies the danger inherent in the court's action from a constitutional viewpoint. It is a point of view which I believe my colleagues, whatever their position on abortion, should consider. The constitutional issue involved is as equally important as the abortion issue and certainly may be separated. I therefore ask that this editorial be printed in the RECORD and I commend it to all my colleagues.

The editorial follows:

ABORTION BY THE COURTS

Supreme Court rulings have made abortion the most divisive issue confronting Congress. But now a district court, acting true to the Supreme Court's legislative spirit, has overreached in an abortion ruling, and has caused a remarkable coming-together in Congress.

The controversy concerns Rep. Henry Hyde's amendment to the act appropriating money for Medicaid. The amendment says that Congress is not appropriating money to pay for abortions except in limited, specified situations.

A district court has declared, for many reasons (as is common when a court is surer of the result it wants than it is of a reason justifying the result), that the Hyde Amendment is unconstitutional. And the court has ordered the government to pay for abortions contrary to provisions of the appropriation act.

Now, the Supreme Court, which will review the district court's ruling, has received a "friend of the court" brief from 247 representatives and senators, including a majority of the House of Representatives, which is the originator of appropriations measures. The brief argues that the ruling "in the most fundamental way subverts the Constitution of the United States by making meaningless the reservation to Congress of the right to determine when 'Money shall be drawn from the Treasury.'"

Nothing in the Constitution is clearer than the following as a textual commitment of a particular power to a coequal branch: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ." And the first words of the first article of the Constitution are: "All legislative powers herein granted shall be vested in a Congress of the United States. . . ."

Clearly, the district court's order, commanding the government to subsidize abortions in situations where Congress has decided not to subsidize them, is an attempt to draw money from the Treasury. It is an attempt by the judiciary to exercise a power vested exclusively elsewhere. It seems to assume that federal judges have something like a "line-item veto," only even more powerful: they can turn a negative into an affirmative. As the congressional brief says:

"The power which a federal judge can thereby exercise is greater than the veto power of the president. The president can only reject entire acts, and he can never turn a non-appropriation into an appropriation. The district court's theory permits a federal judge to pick a specific provision, invalidate it, and by the very invalidation make appropriated what Congress had declined to appropriate."

The brief warns that such judicial redistributions of federal funds will multiply if tolerated: "In an age marked by an immense increase in constitutional litigation it is remarkably easy to convert any disappointment on policy into a claim that a constitutional right has been infringed." So, "a multitude of fiscal and budgetary questions will be laid at the courthouse door. Every loser in the representative processes will seek a judicial appropriation for his program."

The attempt to overturn the Hyde Amendment is additional evidence that when representative processes do not yield liberal results, some liberals clearly demonstrate that their commitment to those results takes precedence over a commitment to representative processes.

The Hyde Amendment is just one of several recent uses of the words: "None of the funds contained in this act shall be used" for this or that purpose. As the congressional brief notes, "the explicit refusal to appropriate money for a specific purpose is an essential tool of democratic control of the business of bureaucratic government," a tool used recently to end the Vietnam War and to prevent the CIA from undertaking certain kinds of activities.

When President Nixon selectively impounded funds in appropriation acts, he was rightly denounced for usurping power and threatening the separation of powers. Now some of the political forces that opposed Nixon are defending the district court's even more drastic usurpation of congressional power. Liberals worried about the waning moral force of their movement should consider the contrast between their result-oriented behavior and their rhetorical celebrations of democratic due process and other principles.

On both sides of the abortion issue there are strong passions, hot words and some indefensible actions. Some antiabortion extremists have committed intolerable vandalism against abortionists' facilities. But the most lasting damage is being done by judges and their inciters who want the already inflated notion of judicial review further swollen to encompass the power to superintend fiscal policy and appropriate money.

A double negative, although stylistically awkward, expresses the awkwardly antidemocratic doctrine of the district court and other pro-abortion extremists: Congress cannot not subsidize abortions of all sorts.

That is vandalism against the Constitution.●

A GASOHOL SUCCESS STORY

● Mr. CHURCH. Mr. President, recently the National Alcohol Fuels Commission, of which I am a member, conducted a major fact-finding conference in Idaho Falls, Idaho, on the future of gasohol in this country.

It was a lengthy conference with the full alcohol fuels story presented. A major conclusion, shared by the several hundred in attendance, was that gasohol is workable now and is an essential alternative energy source for this country.

At this time Mr. President, I wish to single out one individual who has taken the initiative, with little help from the Government, in establishing an alcohol fuels plant in his backyard in the small farming community of Pingree, Idaho. I think it is appropriate that a recent news article praising Gene Whitworth for his efforts, be entered into the Record to illustrate what gasohol can do for both our country's energy supplies and for establishing another market for the sale of farmer's crops.

Gene Whitworth, owner and operator of Spudcohol, has taken the first steps on his own and he deserves high praise for what he has accomplished in just 1 year. His efforts should prove an example to others that gasohol is feasible and that we ought to get on with it.

Mr. President I ask that the article appear in the Record.

The article follows:

[From the Idaho State Journal, Apr. 9, 1980]

Shah of Pingree Turns Spuds Into Liquid Gold

(By O. K. Johnson)

Pingree.—Move over OPEC. The Shah of Pingree has arrived.

Well, he's not really a Shah, but that's what Gene Whitworth's neighbors are calling him these days. Whitworth has spent $350,000 and 18 months of time and energy planning and building the first commercial small potato processing alcohol plant in the United States.

Whitworth is quite proud of his 100-by-60-foot processing plant two miles south of Rockford, and beams when he says it's the first commercial alcohol plant west of the Mississippi.

"I'm just as proud as a peacock," Whitworth said of his plant scheduled to open May 1. "That's not too bad for a dumb sheep herder."

Whitworth may think he's a "dumb sheep herder," but the man stands to make a fortune. Whitworth already has all of his 1,500-gallon-per day capacity contracted to a Boise firm and says he's already planning three similar plants to be built in Sugar City, Shelley and Hermeston, Ore.

The Pingree plant, according to Whitworth, has been carefully scrutinized by a host of federal officials. Idaho Gov. John Evans, U.S. Senator Frank Church and other Washington, D.C., officials were scheduled to visit the plant Tuesday afternoon.

Whitworth said he "has the jump" on others building small production plants across the country, and that those people are using his plant as a model.

"We've had some problems with the gasohol technology," Whitworth said, "We didn't think it would take this long to get things going, but others across the country are using my plant as the model for their design."

The Pingree farmer began planning his alcohol plant in September 1979 and had intended to only produce 160-proof alcohol. Whitworth changed his mind, invested an extra $200,000 for additional refining equipment and will begin producing 200-proof anhydrous ethanol that can be sold to distributors for mixing with gasoline.

"I think this is just super," Whitworth said excitedly about his "Spudcohol" business venture. "Gasohol used to be about 10 cents a gallon higher than unleaded. Now it's the same price as regular and five cents below unleaded. That makes us really happy."

It should also make area potato farmers happy. Whitworth said he plans to buy cull potatoes for processing, giving farmers in an already depressed potato market an outlet to recoup some of their losses.

Just last week he purchased a load of cull potatoes at 75 cents a hundredweight, a full 25 cents higher than what area process plants were willing to pay.

Whitworth, however, has already contracted his business to Trimble Oil Company of Boise. That means individuals and gas stations won't be able to buy directly from the new fuel producer. They'll have to buy from Trimble outlets.

Farmers, though, will get a better deal.

"I've been told we can work out some sort of agreement with them," Whitworth said.

The bright-red metal building houses several conveyor belts, sorting machines and fermentation tanks to distill the potatoes into usable 200-proof alcohol.

The potatoes are brought into a pressurized water pit and cleaned of dirt and rocks. They then will travel up a precision-made conveyor belt to be dumped into three 900-pound capacity storage bins.

They travel along a second conveyor to a final wash and then travel on yet a third conveyor to be mashed, heated and stirred before going into two separate fermentation tanks and a beer storage tank.

Water is taken out and the end result is 200-proof alcohol. The entire process takes 14 hours. Whitworth said he has the capacity to store as much as 45,000 gallons of the fuel mixture.

Whitworth said his plant will be 75 percent finished by April 15 and that all he's really waiting on is Idaho Power Co. to run 2½ miles of heavy-duty cable so he can hook up his 690-kilowatt boiler.

"It should be hooked up by May 1," Whitworth said. "When they do, we'll start producing."

Ironically, Whitworth himself is responsible for the wait. When he went to the 200-proof alcohol processing, he needed a larger boiler. Then he discovered he couldn't hook it up without "melting all the power lines around him."

The new energy producer said he is quite critical of the U.S. Department of Energy for allocating funds for a process plant in West Germany but failing to give American farmers financial assistance.

"They've (DOE) treated us very shabbily," Whitworth charged. "As of today, nobody in the country has received any money from them."

The Pingree businessman was scheduled to speak before the National Alcohol Fuels Commission on Gasohol panel today in Idaho Falls. Whitworth said he planned to criticize the U.S. Department of Agriculture for "sitting on $100 million in direct loans that are already available for the stimulation and production of renewable fuel sources."

He also said the new fuel mixture would help cut down on pollution by making a higher-octane fuel that would burn cleaner in internal combustion engines. He also said it would provide additional jobs in agriculture to take care of surpluses and slow the flow of U.S. dollars out of the country.

One thing the plant should do is put some money in Gene Whitworth's pocket.

And the "Shah of Pingree" is smiling about that prospect.●

RUSSIAN IMPERIALISM AND PERSIAN INDEPENDENCE

● Mr. HARRY F. BYRD, JR. Mr. President, to understand fully the forces in conflict in Iran, a thorough appreciation of Russian and Persian history is of much value. Although the international and aggressive characteristics of Communism add a new dimension to Russian imperialism, the fundamental historic goals of Russia remain, in many respects, the same.

The April 1980 issue of the Armed Forces Journal contains a superb article which describes the aspects of Russian history to which I refer. The article is by Jack Maury whom many Senators recall as an Assistant Secretary of Defense and earlier as Chief of the Soviet Operations Branch of the Central Intelligence Agency. Mr. Maury's article is entitled, "Russia and Iran: Cold War and Warm Water."

I recommend the article to the Senate and ask that it be printed in the RECORD.

The article follows:

RUSSIA AND IRAN: COLD WAR AND WARM WATER

WHY IRAN IS NEXT ON RUSSIA'S HIT LIST

(By Jack Maury)

To Winston Churchill, Russia was "a riddle wrapped in a mystery inside an enigma." To the late Chip Bohlen, probably the most clearheaded Kremlinologist of our time, Russia was "a land of many secrets but few mysteries." For my money, Bohlen was nearer the mark. If there is anything surprising about the Soviet invasion of Afghanistan it is that sensible people seem surprised. Certainly few nations have been more candid than the Soviet Union in proclaiming their foreign aims or more consistent in pursuing them. Nowhere has this been so true as in what the Kremlin has loosely referred to as "the direction of the Persian Gulf"—Iran and Afghanistan—where considerations of ideology, history, and geography combine to create a special Soviet interest.

From the earliest days of the revolution Soviet leaders perceived such undeveloped and "colonial" areas, whose resources were an easy prey for foreign exploitation, as "the weakest link in the imperialist chain." At the XII Party Congress in 1923 the comrades were called upon to "inflame the . . . semi-colonial countries . . . and thus hasten the fall of imperialism." In later years the pursuit of this policy has met with mixed success. But where the taste of the Soviet carrot may have soured, the increasing clout of the Soviet stick, whether wielded by Soviet or surrogate hands, has usually done the trick. Thus, the Kremlin appears firmly committed to a policy of subverting or seducing third world nations with one hand while holding NATO at bay with the other.

The application of such a policy "in the direction of the Persian Gulf" has deep historical roots. In the mid-17th century the Czar Alexis launched a short-lived invasion of Persian territory. In 1722 his son, Peter the Great, under pretext of aiding Persia in her war against the Afghans (whose invading forces had driven all the way to Isfahan) dispatched an army into northwestern Persia and occupied the three provinces bordering the Caspian. Although Peter's interest in Persia was no doubt dominated by his lifelong dream of warm water ports on the Gulf, his successors found the Persian provinces difficult to defend and administer and in 1732 they reverted to Persia.

The next military confrontation between Russia and Persia resulted from two unsuccessful attempts—in 1812 and again in 1825—by the Persians to reconquer Georgia, which in 1801 had been annexed by Russia, to whom she had turned for protection against Persian predacity.

Another crisis in Russo-Persian relations arose as an outgrowth of the Anglo-Russian Agreement of 1907 under which northern and central Persia fell within the Russian sphere of commercial interest. Under pretext of protecting Russian nationals in accord with the spirit of this agreement, the Russians, following the 1909 Persian revolution, dispatched some 6.000 troops to the Qazvin area (100 miles northwest of Tehran) and threatened Tehran itself.

Russian troops remained in northern Persia throughout World War I. Following the 1917 Russian Revolution the new Soviet government sought to win Persian friendship by withdrawing troops from Persian soil and renouncing Russian concessions in, and debt claims against, Persia. In 1920 during the Russian Civil War, however, Red forces pursuing the Caspian flotilla of the White General Deniken invaded and occupied a sector of the Persian Caspian coast where they attempted to establish a puppet Soviet government. This effort was abandoned in 1921 following the signing of a Soviet-Persian non-intervention treaty. At about the same time, however, the Soviets inspired and supported the formation in Persia of an underground Marxist student group, the forerunner of the present Tudeh ("Masses") party.

Continued Russian interest in Persian real estate was further demonstrated in 1939 when Soviet Foreign Minister Molotov explained to his German counterpart, von Ribbentrop, that a Nazi-Soviet pact would be possible only if the area "in the general direction of the Persian Gulf is recognized as the focal point of the aspirations of the Soviet Union."

Iran (the official name adopted in 1935) viewed the approach of World War II with deep concern and divided sympathies. Fear of Russia led the Shah and some of the military to lean toward the Axis. Anxious to take no chances and in order to insure Russian access to supply lines safe from Axis interdiction, Russia occupied the northern half of the country and England the south. This arrangement was formalized in a 1942 treaty whereby the occupying powers guaranteed Iranian territorial integrity and promised to withdraw their forces within six months after the war's end.

It was Moscow's violation of this agreement by installing a puppet communist regime in Iranian Azerbaijan and refusing to withdraw its troops that created the first post-war confrontation between the Soviet Union and the West. The Soviets eventually withdrew their troops in the face of united opposition in the UN Security Council, but left behind the puppet regime in the hands of the Moscow-controlled Tudeh party. This regime collapsed when troops were sent into Azerbaijan by the Tehran government in December 1946. But the real reason for the Azerbaijan regime's collapse, as American Ambassador George Allen reported at the time, was that all concerned knew the U.S. was not bluffing in its support of the Tehran government.

The Tudeh party, which went underground after the Azerbaijan venture, may have had a part in the assassination of Iranian Premier Razmara in 1951. In any event it surfaced during the regime of Razmara's successor, the volatile and colorful Mossadegh. The Tudeh found Mossadegh useful in making trouble for western oil interests and Mossadegh welcomed Tudeh political support. After Mossadegh's ouster in 1953 the Tudeh again went underground, to resurface last year. Its Secretary General, Nurredin Kianuri, gave interviews in late November to two European journalists applauding Khomeini.

And indeed if the Tudeh and its Muscovite mentors liked Mossadegh why shouldn't they love Khomeini? Rarely have Kremlin strategists been offered a more tempting array of the classical ingredients of a revolutionary situation: anarchy in the target area; impotence among the "imperialists" who might be tempted to intervene; easy and safe access for Soviet military intrusion when called for. Rarely have the aims of Russian nationalism and the theories of communist doctrine been in closer harmony. And, lest there be any misunderstanding about the Kremlin's readiness to take appropriate action when confronted with such opportunities, hear the words of Comrade Brezhnev addressing the XXV Party Congress: "Detente does not in the slightest . . . change the laws of the class struggle. . . . In the developing countries . . . we are on the side of the forces of progress." Or, as the late Defense Minister Grechko put it: "At the present stage, the historic purpose of the Soviet Armed Forces is not limited merely to their function in defending our motherland and other socialist countries. In its foreign policy activity the Soviet state actively and purposefully . . . supports the national liberation struggle . . . in whatever distant region of our planet it may appear."

Should we have been surprised by what has happened in Afghanistan? Should we be surprised when it happens in Iran? And in the next "weak link in the imperialist chain" after that—Pakistan perhaps, where there are now some 5,500 Soviet technicians (no doubt including hundreds of KGB operatives)? Or maybe Saudi Arabia? For unless we stand firm, happen it will—maybe not today or tomorrow, perhaps only after the current surge of American concern and vigilance has subsided. But with her unrelenting quest for warm waters, her impending need for oil imports and the growing geopolitical significance of the Arabian Sea-Indian Ocean littoral we can be sure that the days ahead will bring no diminution in Russia's age-old aspirations "in the direction of the Persian Gulf."●

FRAUD IN GOVERNMENT

● Mr. SASSER. Mr. President, the magnitude of fraud in Government is absolutely astounding. The Comptroller General has recently expressed his astonishment to find that a total of 130,000 cases of fraud and related types of illegal acts have been alleged against 21 major agencies in the 2½-year period ending March 31, 1979. Individual losses range from under $100 to over $1 million. Some involve Federal employees, while others involve grantees, welfare recipients, and contractors.

DEPARTMENT OF TRANSPORTATION EXAMPLE

The lack of internal accounting controls at Federal agencies makes Uncle Sam a pushover for fraud.

One well-known example involved a low-level employee in the Department of Transportation accounting department. This employee had the responsibility for preparing vouchers for the legitimate payment of individuals, grantees, and contractors. After preparing the voucher, and with the knowledge that the certifying officer only glanced at the vouchers before signing them, the employee apparently put his own name and address down along with amounts ranging from $55,000 to $315,000.

The Treasury then routinely issued the checks to the employee, who cashed them and subsequently bought, among other things, several Lincoln Continentals and a tavern.

The employee might never have been detected, except that an alert bank employee began to question the sizable Federal checks this individual was depositing in his personal account.

In this case the employee was caught and charged with embezzling $800,000. But I ask, Mr. President, does anyone know how many similar instances of embezzlement are taking place right now and which will never be detected because of a lack of internal accounting controls in Federal agencies?

MEDICAL CARE EXAMPLE

In another case of fraud, an individual allegedly embezzled medical care funds. Because of inadequate internal controls, this individual was able to falsify claim forms which he then certified as correct.

He simply inflated the cost of the medical care provided by hospitals, had the checks mailed to a post office box he controlled, cashed the check, paid off the hospital for the legitimate charges and kept the difference.

The inadequacy of internal accounting controls allowed this individual to pull off this scheme 3,300 times, to the tune of $1.8 million before he was caught

One wonders, Mr. President, if this individual would have ever been apprehended if he had not been so greedy. And, how many times are similar episodes taking place in the Federal Government right now?

TIGHTER CONTROLS NEEDED

Mr. President, I am convinced that the solution to this problem lies in establishing tighter internal accounting controls in the Federal Establishment.

Mr. President, the General Accounting Office staff, in looking into this problem, found instances of blank Government checks lying around, easily accessible to anyone during and after business hours.

In other cases, cash collections were not logged in when received at Federal agencies, so no one could be sure that all the cash is accounted for.

Other instances involved collections—cash and checks—lying around for days and even weeks before being deposited. Thus, ample opportunity is allowed for someone to "lose" the funds, not to mention the lost interest on these funds.

Mr. President, there is no doubt in my mind that Federal agencies must work much harder to establish the kinds of internal cost controls that will prevent fraud, abuse, waste, and error and restore integrity to the operation of Federal programs. It seems to me that this is what the hard-pressed American taxpayer is demanding. We can demand no less.

FRAUD HOTLINE

As the Members may recall, a fraud hotline was established, at my request, at the General Accounting Office in January of 1979. This hotline was established with the strong support of the former ranking minority member of our Legislative Branch Subcommittee, the distinguished senior Senator from Pennsylvania (Mr. SCHWEIKER) and the full cooperation of Comptroller General Staats. The national toll free hotline is 800-424-5454. In the Washington, D.C., area the number is 644-6987.

Mr. President, this hotline was resulted in over 5,000 allegations of intentional wrongdoing or fraud being written up and referred to agency Inspectors General for investigation or the Justice Department for prosecution—cases that might never have come to light had it not been for the establishment of the hotline.

CONCLUSION

Mr. President, as important as the detection of fraud and abuse may be, the establishment of systematic internal accounting controls for the prevention of fraud also merits close attention. To his credit, the Comptroller General of the United States has recognized this dual need and has incorporated the mission to prevent fraud in the mandate of fraud task force operating at GAO. The Comptroller General is to be commended for recognizing that internal accounting control systems are in a state of disrepair in Federal agencies—and that more often than not the reason is that Federal managers devote most of their concern and emphasis to delivering funds and services—and very little attention to effective controls over the tasks and functions which lead to the delivery of these funds and services. The President and his staff have also taken some steps to identify those programs that appear vulnerable to fraud, abuse, waste, and error and to tighten up the internal controls. Nevertheless, I am convinced that the various Federal agencies must do much more along the lines suggested by the President and the Comptroller General to get a handle on the matter of detection and prevention of fraud and abuse.

The fact that 130,000 cases of fraud and related types of illegal acts have been alleged against 21 major agencies in 2½ years involving millions of dollars of taxpayer's funds is just one indication of the task facing Federal agencies. I am hopeful that my colleagues will take note of this problem of the vulnerability of Federal agencies to fraud and abuse and question governmental witnesses about this problem whenever such witnesses appear before the respective subcommittees.●

COMPLIANCE WITH BEVERAGE CONTAINER LAWS

● Mr. GRAVEL. Mr. President, upon the introduction of S. 2547, there was inadvertently omitted reference to three of my colleagues who had agreed to cosponsor this legislation which would insure that tax exempt industrial development bonds are available to finance facilities for recyclable beverage containers required by State bottle deposit laws. These new facilities mandated by State law do not contribute to the profitability of a firm, but are a drain on capital. The bill will lower the financing costs for these new facilities.

My three colleagues joining me in sponsoring this bill have been strong supporters of recycling for a healthy environment. I am proud to have them joining me on this bill. They are Mr. LEVIN, Mr. HATFIELD, and Mr. HAYAKAWA. I wish to apologize for the omission of their names from the bill as printed in the RECORD of April 3, 1980 and make it clear that they are original sponsors of this bill.●

AUSTRIA'S RECOGNITION OF THE PLO

● Mr. HEINZ. Mr. President, Austria's decision to grant diplomatic recognition to the Palestinian Liberation Organization comes as an extreme disappointment to all of us who have been working for a peaceful resolution of the Mideast's problems.

For the first time, a Western nation has decided to treat the PLO—an organization that has had the audacity to appoint itself the representative of the Palestinian people—as if it were a legitimate member of the world's constellation of governments.

What concerns me is not merely the PLO's terrorism and its commitment to the extermination of the nation of Israel and all her people. The recent attack on Israeli children in the kibbutz of Misgav Am is ample reminder of the goals and methods of the PLO. For that alone, Austria's extension of diplomatic recognition at this time is unconscionable.

What particularly concerns me is the damage that Austria's decision will inflict upon efforts to work out a peaceful accord between Israel and her neighbors. To achieve this end through diplomacy, it is necessary to lend as much credence and support as possible to the more moderate and tractable Arab governments. It is necessary to insure internal stability to governments capable of recognizing the long-term advantages of cooperation with the Israelis. It is necessary to cultivate new generations who are willing to work out their differences with the Israelis, rather than generations committed to eliminating the Jewish state.

Austria's recognition of the PLO may very well shake the stability of the moderate Arab governments. After all, it shows to the people of the Mideast that the most extreme and militant Palestinian organization is recognized in the West as a legal and permanent entity. It thereby confirms the legitimacy of allegiance to the PLO—and the withdrawal of allegiance to the present governments of Arab states. It makes it difficult for a progressive Arab government to assure the support of its citizens for any future agreement or treaty with Israel.

I do not want to speculate on what prompted the Austrian Government to this unfortunate decision. Maybe it just represents a misguided attempt of a small neutral country to put itself on the map. Whatever the case may be, there can be no justification for Austria's action.

I call upon my colleagues at this time to work to prevent Austria's move from becoming a precedent. I ask them to recall the U.S. policy of neither recognizing nor negotiating with the PLO so long as it refuses to accept U.N. Resolutions 242 and 338 and refuses to acknowledge Israel's right to existence. Only if this policy is maintained by all Western nations can we hope for a solution to the Mideast's problems that is durable and fair.●

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, the order is for the Senate to recess at the close of business today until 10 o'clock tomorrow morning; am I correct?

The PRESIDING OFFICER. The Senator is correct.

Mr. ROBERT C. BYRD. Mr. President, so that Senators may know that there will be no rollcall votes today, and the Senate will not be in very much longer, I ask unanimous consent that upon the conclusion of the remarks by Mr. BAYH in support of the conference report, the Chair recess the Senate over until 10 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The PRESIDING OFFICER. Without objection, the Senate will proceed to the consideration of the conference report.

(The conference report is printed in the House proceedings in the RECORD of April 22, 1980.)

The PRESIDING OFFICER. The Senator from Indiana is recognized.

Mr. BAYH. Mr. President, so that our colleagues may be reminded of the issue before us tomorrow, at which time a more extensive and, I fear, prolonged debate will commence, the Senator from Indiana will make a few remarks just sort of summarizing where we are, and then urge my colleagues to give the matter serious consideration so that we can dispense with this matter as quickly as possible.

The measure before us is the result of a several-years study of conditions affecting citizens of this country who, for one reason or another, have been institutionalized.

The hearings conducted by the Senator from Indiana and some of his colleagues on the Subcommittee on the Constitution were extensive and brought forward some of the most unbelievable acts of inhumanity that the Senator from Indiana has had the opportunity to witness. We were told of physical and mental abuse almost beyond description.

During the debate on this matter on the Senate floor some of the opponents of this legislation pointed out or, should I say, expressed the opinion that these incidents were merely that, isolated instances. Would that that had been the case, Mr. President. Unfortunately, in some institutionalized settings we have found a clear, continuous pattern of physical and mental abuse that most of us would not permit to be directed at animals, and yet we, like ostriches, stick our heads in the sand and try to ignore the existence of and consequences of these acts directed at human beings, human beings who are institutionalized as a result of governmental action.

We are talking about mental patients subjected to the sadistic traits and inhibitions of other mental patients who are consigned the role of supervisors. We are talking about death by scalding, mutilation by brutality, and the destruction of the mental capacity of human beings who enter the institutionalized setting with an already impaired mental capacity.

Perhaps the most touching and irresponsible of all these acts—and I admit it is difficult to pick and choose to find which is the most irresponsible—are the acts or the practices which are directed at some of the children of our society who come into this world in a less fortunate state than others.

When this committee started investigating this matter, we found that the common practice in all too many of our mental institutions was to physically tie—in some instances handcuff—minor children to their beds for periods of time, often in excess of 24 hours.

We found children and adults kept restrained in a straitjacket or in straitjackets for extended periods of time, often exceeding several days.

Mr. President, this was not an isolated practice, nor were only a few people affected this way. If that had been the case, then perhaps the Senator from Indiana would suggest it should be resolved by some other manner than passing a Federal law.

Mr. President, we found that this practice was followed to such an extent, and affected sufficient numbers of people, to the point where we could not ignore it as isolated examples.

We found that when the white heat of publicity caused the managers of these mental institutions to take off the handcuffs and remove the ropes, where evidence of both of these practices could be found and those who participated in them ostracized, we found that the practices became more subtle. So today, in most instances, instead of handcuffs or ropes, we find the more subtle debilitating practices of using barbituates or other kinds of psychotropic drugs.

In essence, the practice has become one of using mental handcuffs instead of physical handcuffs. Children who are mentally retarded are given regular doses of sedatives to the point where they just lie there.

The particular tragedy of this practice, Mr. President—and I think most all of us love children, and the Senator from Indiana no more than any—but I would like to point out the particular heinousness of this particular kind of practice because of the significant advancement of medical science and of the number of people who have dedicated themselves to the study of mental illness, because of the millions of dollars that have been donated, because of tax moneys that have gone into medical research in the area of mental illness, we have found remarkable ways to take children who come into this world in a mentally retarded state, and sometimes cure them, or oftimes significantly improve their capacity to provide for themselves and oftimes to live meaningful productive lives.

However, we have found that unfortunately, a child who has the capacity to be rehabilitated, who is subjected to prolonged periods of sedation, regresses rapidly and this regression is more often than not permanent. So the practice of these institutions that use sedation as a way of treating patients, the practical reality and effect of this practice is to find a child who has sufficient mental capacity to be rehabilitated and made a producing, self-supporting member of society who has been sedated continuously, and has regressed, to the point of being unreachable as far as subsequent therapy is concerned.

We take a live, vibrant—if retarded, nevertheless capable of being rehabilitated and improved—child and by a public institutionalized program turn that young child into a hunk of flesh that is no more and nor less than that, unable to provide for his or her bodily functions, unable to produce, to live any meaningful life. He or she just lies there, cowers there in a corner in a manner which is unfortunate that all Members of the Senate have not had the opportunity to witness.

Now I am not suggesting that those on the other side of this legislation condone this kind of activity. I am suggesting that the Senator from Indiana and those who are sponsoring this legislation and urge the support of the conference report are determined to do something about it.

I think this Senate would be derelict in its duty if it does not stay here as long as is necessary to hear this issue out, if it takes 1 day, 1 week or a month. I think we have a responsibility to those children and those institutionalized citizens and their families to say once and for all the Congress of the United States is determined to put an end to this kind of inhumane practice.

I think that the conference report that is before us is a better bill than that which was originally introduced by the Senator from Indiana so many, many months ago. We have taken into consideration the States' rights question and have placed the primary responsibility where it should be—with the States. We have required ample notice before the Federal Government can get involved. We have required that efforts at reconciliation, at negotiation, at resolving this matter without going to court be exhausted before the Federal Government gets involved.

In essence, we have said, "States, you do the job and the provisions of H.R. 10 will not be applicable."

We have also said, "States, if you don't do the job to clean up your own house then the U.S. Government is not going to ignore U.S. citizens who also happen to be institutionalized citizens of State A, B, or C."

And I am hopeful that once this legislation is passed it will be a stimulus for States to do what they should already be doing, but which in some instances unfortunately they are not.

I have listened attentively while some of our colleagues who oppose this legislation have stressed the rights of States and the fact that we are talking about State citizens who are institutionalized in State institutions. And, Mr. President, that is true. We are talking about citizens who are institutionalized by a State action in State institutions most of the time, by and large.

However, we are also talking about citizens of the United States. And it seems to me that we have a right to enforce the Constitution of this country and if States refuse to recognize the rights of their citizens then we in the Congress cannot ignore the responsibility we have to protect the rights of those same citizens, who happen to be citizens of the United States, protected by more than the rights of their State but protected by the inalienable rights of the Constitution of the United States. And that is what we are talking about.

We are talking about enforcing the

right that each citizen has to be treated as a full-fledged citizen of the United States.

One of the blessings of our democracy is that a citizen may come into this world partially impaired mentally and partially impaired physically, but a citizen does not come into this world as an American citizen with those citizenship rights partially impaired.

You may have an IQ of 35, but you have a U.S. constitutional right of 100. Heaven help us if it gets to be otherwise.

Mr. President, one word with reference to the procedural point, and then the Senator from Indiana will cease and desist and we will rejoin this discussion on tomorrow.

The Senate bill, through the legislative process, both in the committee and on the floor, had several restrictions and limitations placed on it that were not present in the House bill. I think any fair assessment—and I have not heard any to the contrary—is that the Senate bill is significantly more cognizant of States' rights than the House bill. Any fair assessment would say there are more restrictions and more protections placed against unwarranted, arbitrary Federal action against the States in the Senate bill than in the House bill. Indeed, some people would say we have gone too far.

I suggest it is a pretty reasonable compromise and although it is not a perfect bill, it certainly is better than the situation which exists today.

Having said that, I would like to ask my colleagues to carefully compare the provisions of the conference report which is before us with the Senate bill and the House bill. Again, I think any fair assessment must conclude that that conference report is almost identical to the Senate bill. So the conferees in determining how to resolve this problem are presenting us with a compromise that is almost identical to the bill on which the Senate voted, the Senate version of H.R. 10. It is much closer to the Senate version than to the House version of H.R. 10.

If there is any question about being able to get the Senate's views expressed, they have been very well expressed, I believe, in the conference report which is now before us.

I would hope that our colleagues would seriously consider this matter over the evening and tomorrow be prepared to act on it, or in the relatively near future be able to act upon it. We are, in essence, confronted with the following alternatives:

Either we pass this conference report, which permits the Federal Government to get involved in protecting the rights of institutionalized citizens, if and when the State refuses to do so, and let me emphasize, if and when the State refuses to do so, or, we are faced with the alternative of permitting those conditions which presently exist to continue unabated with American citizens institutionalized having no recourse to resolve the problems which confront them.

I would hope that the Senate in its wisdom would reaffirm its belief, expressed when H.R. 10 passed the Senate, that institutionalized citizens are human beings and we do not intend to sit still and let them be treated like animals.

The PRESIDING OFFICER. Will the Senator yield?

Mr. BAYH. I yield.

RECESS UNTIL 10 A.M. TOMORROW

The PRESIDING OFFICER. Under the previous order, the Senate will stand in recess until 10 o'clock tomorrow morning.

Thereupon, the Senate, at 4:35 p.m., recessed until Thursday, April 24, 1980, at 10 a.m.

NOMINATIONS

Executive nominations received by the Senate April 23, 1980:

DEPARTMENT OF TRANSPORTATION

Thomas George Allison, of Washington, to be General Counsel of the Department of Transportation, vice Linda Kamm, resigned.

IN THE AIR FORCE

The following officers for appointment in the Regular Air Force, in the grades indicated, under the provisions of Section 8284, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated, and with dates of rank to be determined by the Secretary of the Air Force.

MEDICAL CORPS

To be colonel

Murdock, Kenneth A., [redacted].
Stoebner, Darrold A., [redacted].

To be lieutenant colonel

Corpening, William S., Jr., [redacted].
Ginsberg, Harold N., [redacted].

To be major

Guzman, Maria A., [redacted].

To be captain

Brandon, Gary K., [redacted].
Coffman, Avon C. II, [redacted].
Dodd, Lloyd E., Jr., [redacted].
Lyons, Terence J., [redacted].

To be first lieutenant

Conte, Frederic A., [redacted].
Georgelas, Timothy J., [redacted].
Lally, Richard E., [redacted].
Protzer, William R., [redacted].
Rosado, Melissa L., [redacted].
Tilton, Frederick E., [redacted].
Yasuhara, Thomas T., [redacted].

DENTAL CORPS

To be captain

Smith, Keith S. II, [redacted].

To be first lieutenant

Clark, Starr W., [redacted].
Fancher, James P., [redacted].
Girvan, Thomas B., [redacted].

The following persons for appointment as Reserve of the Air Force, in grade indicated, under the provisions of section 593, title 10, United States Code, with a view to designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Alerre, Ricardo U., [redacted].
Berezoski, Robert N., [redacted].
Biehl, Albert G., III, [redacted].
Falco, Domenic M., [redacted].
Green, William T., [redacted].
Hoekstra, Dale V., [redacted].
Kayson, Matthew A., [redacted].
Keegan, Kirk A., Jr., [redacted].
Kercher, Eugene E., [redacted].
Mercil, Charles B., [redacted].
Moyer, John A., [redacted].
Rose, Donald D., [redacted].
Schaeffer, Berton T., [redacted].
Smith, Leonard, [redacted].
Stratbucker, Robert A., [redacted].
Trent, William G., [redacted].
Tuchscher, Thomas J., [redacted].
Vanbuskirk, Ronald, [redacted].
Werner, Wolfgang K., [redacted].

DENTAL CORPS

To be lieutenant colonel

Rocco, James J., [redacted].

JUDGE ADVOCATE GENERAL DEPARTMENT

To be lieutenant colonel

Pattison, Norman S., [redacted].

The following person for appointment as Reserve of the Air Force in the grade indicated, under the provisions of section 593, title 10, United States Code.

LINE OF THE AIR FORCE

To be lieutenant colonel

Gavin, Kenneth L. A., [redacted].

The following persons for appointment as Reserve of the Air Force (ANGUS) in the grade indicated, under the provisions of sections 593 and 8351, title 10, United States Code, with a view of designation under the provisions of section 8067, title 10, United States Code, to perform the duties indicated.

MEDICAL CORPS

To be lieutenant colonel

Bendixen, Romain L., [redacted].
Miles, Edward L., [redacted].

The following-named officers for promotion in the Regular Air Force, under the appropriate provisions of chapter 835, title 10, United States Code, as amended. Officers are subject to physical examinations required by law.

LINE OF THE AIR FORCE

Captain to major

McCabe, Fredric E., [redacted].

LINE OF THE AIR FORCE

First lieutenant to captain

Leonard, Johnnie W., [redacted].

LINE OF THE AIR FORCE

Second lieutenant to first lieutenant

Wallington, Cary R., [redacted].

The following officers for promotion in the Air Force Reserve, under the provisions of sections 593 and 8376, title 10, United States Code.

MEDICAL CORPS

Lieutenant colonel to colonel

Abramson, Bernard, [redacted].
Anderson, Harris R., [redacted].
Andrada, Manuel T., [redacted].
Beirne, Clinton G., [redacted].
Bowden, Wayne. M., [redacted].
Brichta, Edgar S., [redacted].
Carroll, Herman G., Jr., [redacted].
Church, McGregor L., [redacted].
Dawson, Alan D., [redacted].
Fredd, Sumner G., [redacted].
Howarth, Joseph C., [redacted].
Joder, Donald K., [redacted].
Kerwood, Robert I., [redacted].
Malin, Sarah A., [redacted].
Miller, Gilbert, [redacted].
Nitzberg, Benjamin W., [redacted].
Ogg, Billy D., [redacted].
Pendell, Paul W., [redacted].
Rayos, Blas O., Jr., [redacted].
Rose, Donald E., [redacted].
Rudin, Norman, [redacted].
Sapio, Fred J., [redacted].
Sears, Robert F., [redacted].
Semler, Leonard, [redacted].
Shillinglaw, Richard G., [redacted].
Tindall, John P., [redacted].
Wells, James R., [redacted].
Ziesmer, Carl B., [redacted].

LINE OF THE AIR FORCE

Major to lieutenant colonel

Baker, John E., [redacted].
Christianson, Don R., [redacted].
Collmer, Philip R., Jr., [redacted].
Daboll, Louis F., Jr., [redacted].
Davis, William E., [redacted].
Edick, Floyd K., [redacted].
Ernst, Larry M., [redacted].
Fiederer, Nancy E., [redacted].
Flynn, Lawrence D., [redacted].
Grau, David W., [redacted].
Gurner, Roger A., [redacted].
Harrell, Maxey L., [redacted].
Hulen, Dennis E., [redacted].
Hull, Edgar L., [redacted].
Lemen, William R., [redacted].
Look, Horace H., [redacted].
Lupton, David E., [redacted].
Mahar, John J., [redacted].
Martin, Charles E., [redacted].
McGuire, George G., [redacted].
Meesig, Robert T., [redacted].
Molyneaux, William L., [redacted].
Moore, Donald W., [redacted].
Morrissey, Kathleen R., [redacted].
Parish, Anson G., [redacted].
Schaub, Paul H., [redacted].
Schlegel, John B., [redacted].
Schutz, Van W., [redacted].
Thornton, Richard M., [redacted].
Vasquez, Jesse S., [redacted].
Wade, William E., [redacted].
Walsh, Robert B., [redacted].
Watson, Robert N., [redacted].
Way, Carolyn, E. L., [redacted].
Weikel, John D., [redacted].
Wilson, Thomas L., [redacted].
Wunderlf, Robert W., [redacted].

CHAPLAIN CORPS

Keller, Ralph E., [redacted].

MEDICAL CORPS

Gabatin, Angelita R., [redacted].
Manrique, Mauro A., [redacted].
Mataban, Antonio, A. B., [redacted].
Quinonesromeu, Edwin M., [redacted].
Sanidad, Leonard G., [redacted].
Schull, Jerry L., [redacted].
Shane, Jeffrey A., [redacted].
Villasis, Felipe C., [redacted].
Wilson, David K., [redacted].

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of major, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code.

LINE OF THE AIR FORCE

Stine, Terrence P., [redacted].

The following-named Air Force officer for reappointment to the active list of the Regular Air Force, in the grade of lieutenant colonel, Regular Air Force, under the provisions of sections 1210 and 1211, title 10, United States Code, with active duty grade of lieutenant colonel, in accordance with sections 8442 and 8447, title 10, United States Code.

CHAPLAIN CORPS

Blitch, Eugene A., Jr., [redacted].

CONFIRMATION

Executive nominations confirmed by the Senate, April 23, 1980:

NATIONAL LABOR RELATIONS BOARD

William A. Lubbers, of Maryland, to be General Counsel of the National Labor Relations Board for a term of 4 years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Wednesday, April 23, 1980*

The House met at 10 a.m.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Almighty God, we confess that we have too often turned to You only in times of despair and worry, and have neglected to seek Your favor day by day. Yet, You have promised to be with us in trial and testing and at moments of tension and fear. We seek Your blessing, O God, and may we be worthy of the challenges of our time and ever faithful to Your eternal word.

Grant wisdom and vision to those in responsibility and sustain the people of our Nation in difficult days. With our differing backgrounds and contrasting views may we still receive the gifts of unity and confidence to know what You would have us do and bring glory to Your name. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill and a joint resolution of the House of the following titles:

H.R. 6464. An act to authorize the Secretary of the Army to convey to the Michigan Job Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Mich., in return for two new office buildings at the Detroit Arsenal, Warren, Mich.; and

H.J. Res. 474. Joint resolution to authorize and request the President to issue a proclamation designating April 21 through April 28, 1980, as "Jewish Heritage Week."

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 2177. An act to amend the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes.

The message also announced that the Vice President, pursuant to Senate Concurrent Resolution 84, 96th Congress, appointed Mr. ROBERT C. BYRD, Mr. BAKER, and Mr. PELL to be members, on the part of the Senate, of the Joint Congressional Committee on Inaugural Ceremonies.

ADOPTION ASSISTANCE, CHILD WELFARE, AND SOCIAL SERVICES

Mr. ULLMAN submitted the following conference report and statement on the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services program, to strengthen and improve the program of Federal support for foster care or needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes:

CONFERENCE REPORT (H. REPT. No. 96–900)

The committee of conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes, having met, after full and free conference, have agreed to recommend and do recommend to their respective Houses as follows:

That the House recede from its disagreement to the amendment of the Senate to the text of the bill and agree to the same with an amendment as follows: In lieu of the matter proposed to be inserted by the Senate amendment insert the following:

SHORT TITLE

SECTION 1. This Act, with the following table of contents, may be cited as the "Adoption Assistance and Child Welfare Act of 1980".

TABLE OF CONTENTS

Sec. 1. Short title.

TITLE I—FOSTER CARE AND ADOPTION ASSISTANCE

Sec. 101. Federal payments for foster care and adoption assistance.
Sec. 102. Federal payments for dependent children voluntarily placed in foster care.
Sec. 103. Child-welfare services.

TITLE II—SOCIAL SERVICES

Sec. 201. Determination of amount allocated to States.
Sec. 202. Extension of 100-per-centum Federal matching for child day care expenditures.
Sec. 203. Limitation on funds for training.
Sec. 204. Use of restricted private funds for training programs.
Sec. 205. Emergency shelter.
Sec. 206. Multiyear plan; choice of fiscal year.
Sec. 207. Social services funding for territories.
Sec. 208. Permanent extension of provisions relating to child day care services and WIN tax credit.
Sec. 209. Permanent extension of provisions relating to services for alcoholics and drug addicts.

TITLE III—OTHER SOCIAL SECURITY ACT PROVISIONS

Sec. 301. Permanent extension of provisions relating to child support enforcement.
Sec. 302. Incentives to report earnings under AFDC programs.
Sec. 303. Prorating of shelter allowance.
Sec. 304. Services for disabled children.
Sec. 305. Public assistance payments to territorial jurisdictions.
Sec. 306. Period within which certain claims must be filed.
Sec. 307. Incentives for States to collect child support obligations.
Sec. 308. Exchange of information on terminated or suspended providers.
Sec. 309. Postponement of imposition of certain penalties relating to child support requirements.
Sec. 310. Continuing medicaid eligibility for certain recipients of Veterans' Administration pensions.

TITLE I—FOSTER CARE AND ADOPTION ASSISTANCE

FEDERAL PAYMENTS FOR FOSTER CARE AND ADOPTION ASSISTANCE

SEC. 101. (a) (1) Title IV of the Social Security Act is amended by adding at the end thereof the following new part:

"PART E—FEDERAL PAYMENTS FOR FOSTER CARE AND ADOPTION ASSISTANCE

"PURPOSE: APPROPRIATION

"SEC. 470. For the purpose of enabling each State to provide, in appropriate cases, foster care and adoption assistance for children who otherwise would be eligible for assistance, would be eligible for benefits under part A (or, in the case of adoption assistance, would be eligible for benefits under title XVI), there are authorized to be appropriated for each fiscal year (commencing with the fiscal year which begins October 1, 1980) such sums as may be necessary to carry out the provisions of this part. The sums made available under this section shall be used for making payments to States which have submitted, and had approved by the Secretary, State plans under this part.

"STATE PLAN FOR FOSTER CARE AND ADOPTION ASSISTANCE

"SEC. 471. (a) In order for a State to be eligible for payments under this part, it shall have a plan approved by the Secretary which—

"(1) provides for foster care maintenance payments in accordance with section 472 and for adoption assistance payments in accordance with section 473;

"(2) provides that the State agency responsible for administering the program authorized by part B of this title shall administer, or supervise the administration of, the program authorized by this part;

"(3) provides that the plan shall be in effect in all political subdivisions of the State, and, if administered by them, be mandatory upon them;

"(4) provides that the State shall assure that the programs at the local level assisted under this part will be coordinated with the programs at the State or local level assisted under parts A and B of this title, under title XX of this Act, and under any other appropriate provisions of Federal law;

"(5) provides that the State will, in the administration of its programs under this

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

part, use such methods relating to the establishment and maintenance of personnel standards on a merit basis as are found by the Secretary to be necessary for the proper and efficient operation of the programs, except that the Secretary shall exercise no authority with respect to the selection, tenure, of office, or compensation of any individual employed in accordance with such methods;

"(6) provides that the State agency referred to in paragraph (2) (hereinafter in this part referred to as the 'State agency') will make such reports, in such form and containing such information as the Secretary may from time to time require, and comply with such provisions as the Secretary may from time to time find necessary to assure the correctness and verification of such reports;

"(7) provides that the State agency will monitor and conduct periodic evaluations of activities carried out under this part;

"(8) provides safeguards which restrict the use of or disclosure of information concerning individuals assisted under the State plan to purposes directly connected with (A) the administration of the plan of the State approved under this part, the plan or program of the State under part A, B, C, or D of this title or under title I, V, X, XIV, XVI (as in effect in Puerto Rico, Guam, and the Virgin Islands), XIX, or XX, or the supplemental security income program established by title XVI, (B) any investigation, prosecution, or criminal or civil proceeding, conducted in connection with the administration of any such plan or program, (C) the administration of any other Federal or federally assisted program which provides assistance, in cash or in kind, or services, directly to individuals on the basis of need, and (D) any audit or similar activity conducted in connection with the administration of any such plan or program by any governmental agency which is authorized by law to conduct such audit or activity; and the safeguards so provided shall prohibit disclosure, to any committee or legislative body (other than an agency referred to in clause (D) with respect to an activity referred to in such clause), of any information which identifies by name or address any such applicant or recipient; except that nothing contained herein shall preclude a State from providing standards which restrict disclosures to purposes more limited than those specified herein, or which, in the case of adoptions, prevent disclosure entirely;

"(9) provides that where any agency of the State has reason to believe that the home or institution in which a child resides whose care is being paid for in whole or in part with funds provided under this part or part B of this title is unsuitable for the child because of the neglect, abuse, or exploitation of such child, it shall bring such condition to the attention of the appropriate court or law enforcement agency;

"(10) provides that the standards referred to in section 2003(d)(1)(F) shall be applied by the State to any foster family home or child care institution receiving funds under this part or part B of this title;

"(11) provides for periodic review of the standards referred to in the preceding paragraph and amounts paid as foster care maintenance payments and adoption assistance payments to assure their continuing appropriateness;

"(12) provides for granting an opportunity for a fair hearing before the State agency to any individual whose claim for benefits available pursuant to this part is denied or is not acted upon with reasonable promptness;

"(13) provides that the State shall arrange for a periodic and independently conducted audit of the programs assisted under this part and part B of this title, which shall be conducted no less frequently than once every three years;

"(14) provides (A) specific goals (which shall be established by State law on or before October 1, 1982) for each fiscal year (commencing with the fiscal year which begins on October 1, 1983) as to the maximum number of children (in absolute numbers or as a percentage of all children in foster care with respect to whom assistance under the plan is provided during such year) who, at any time during such year, will remain in foster care after having been in such care for a period in excess of twenty-four months, and (B) a description of the steps which will be taken by the State to achieve such goals;

"(15) effective October 1, 1983, provides that, in each case, reasonable efforts will be made (A) prior to the placement of a child in foster care, to prevent or eliminate the need for removal of the child from his home, and (B) to make it possible for the child to return to his home; and

"(16) provides for the development of a case plan (as defined in section 475(1)) for each child receiving foster care maintenance payments under the State plan and provides for a case review system which meets the requirements described in section 475(5)(B) with respect to each such child.

"(b) The Secretary shall approve any plan which complies with the provisions of subsection (a) of this section. However, in any case in which the Secretary finds, after reasonable notice and opportunity for a hearing, that a State plan which has been approved by the Secretary no longer complies with the provisions of subsection (a), or that in the administration of the plan there is a substantial failure to comply with the provisions of the plan, the Secretary shall notify the State that further payments will not be made to the State under this part, or that such payments will be made to the State but reduced by an amount which the Secretary determines appropriate, until the Secretary is satisfied that there is no longer any such failure to comply, and until he is so satisfied he shall make no further payments to the State, or shall reduce such payments by the amount specified in his notification to the State.

"FOSTER CARE MAINTENANCE PAYMENTS PROGRAM

"SEC. 472. (a) Each State with a plan approved under this part shall make foster care maintenance payments (as defined in section 475(4)) under this part with respect to a child who would meet the requirements of section 406(a) or of section 407 but for his removal from the home of a relative (specified in section 406(a)), if—

"(1) the removal from the home was the result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child and (effective October 1, 1983) that reasonable efforts of the type described in section 471 (a)(15) have been made;

"(2) such child's placement and care are the responsibility of (A) the State agency administering the State plan approved under section 471, or (B) any other public agency with whom the State agency administering or supervising the administration of the State plan approved under section 471 has made an agreement which is still in effect;

"(3) such child has been placed in a foster family home or child-care institution as a result of a determination referred to in paragraph (1); and

"(4) such child—

"(A) received aid under the State plan approved under section 402 in or for the month in which court proceedings leading to the removal of such child from the home were initiated, or

"(B)(i) would have received such aid in or for such month if application had been made therefor, or (ii) had been living with a relative specified in section 406(a) within six months prior to the month in which such proceedings were initiated, and would have received such aid in or for such month if in such month he had been living with such a relative and application therefor had been made.

"(b) Foster care maintenance payments may be made under this part only on behalf of a child described in subsection (a) of this section who is—

"(1) in the foster family home of an individual, whether the payments therefor are made to such individual or to a public or nonprofit private child-placement or child-care agency, or

"(2) in a child-care institution, whether the payments therefor are made to such institution or to a public or nonprofit private child-placement or child-care agency, which payments shall be limited so as to include in such payments only those items which are included in the term 'foster care maintenance payments' (as defined in section 475(4)).

"(c) For the purposes of this part, (1) the term 'foster family home' means a foster family home for children which is licensed by the State in which it is situated or has been approved, by the agency of such State having responsibility for licensing homes of this type, as meeting the standards established for such licensing; and (2) the term 'child-care institution' means a nonprofit private child-care institution, or a public child-care institution which accommodates no more than twenty-five children, which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing, but the term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent.

"(d) For purposes of titles XIX and XX, any child with respect to whom foster care maintenance payments are made under this section shall be deemed to be a dependent child as defined in section 406 and shall be deemed to be a recipient of aid to families with dependent children under part A of this title.

"ADOPTION ASSISTANCE PROGRAM

"SEC. 473. (a)(1) Each State with a plan approved under this part shall, directly through the State agency or through another public or nonprofit private agency, make adoption assistance payments pursuant to an adoption assistance agreement in amounts determined under paragraph (2) of this subsection to parents who, after the effective date of this section, adopt a child who—

"(A)(i) at the time adoption proceedings were initiated, met the requirements of section 406(a) or section 407 or would have met such requirements except for his removal from the home of a relative (specified in section 406(a)) as a result of a judicial determination to the effect that continuation therein would be contrary to the welfare of such child, or

"(ii) meets all of the requirements of title XVI with respect to eligibility for supplemental security income benefits,

"(B)(i) received aid under the State plan approved under section 402 in or for the month in which court proceedings leading to the removal of such child from the home were initiated, or

"(ii)(I) would have received such aid in or for such month if application had been made therefor, or (II) had been living with a relative specified in section 406(a) within six months prior to the month in which such proceedings were initiated, and would have received such aid in or for such month if in such month he had been living with such a relative and application therefor had been made, or

"(iii) is a child described in subparagraph (A)(ii), and

"(C) has been determined by the State, pursuant to subsection (c) of this section, to be a child with special needs.

"(2) The amount of the adoption assistance payments shall be determined through agreement between the adoptive parents and the State or local agency administering the program under this section, which shall take into consideration the circumstances of the adopting parents and the needs of the child being adopted, and may be readjusted periodically, with the concurrence of the adopting parents (which may be specified in the adoption assistance agreement), depending upon changes in such circumstances. However, in no case may the amount of the adoption assistance payment exceed the foster care maintenance payment which would have been paid during the period if the child with respect to whom the adoption assistance payment is made had been in a foster family home.

"(3) Notwithstanding the preceding paragraph, (A) no payment may be made to parents with respect to any child who has attained the age of eighteen (or, where the State determines that the child has a mental or physical handicap which warrants the continuation of assistance, the age of twenty-one), and (B) no payment may be made to parents with respect to any child if the State determines that the parents are no longer legally responsible for the support of the child or if the State determines that the child is no longer receiving any support from such parents. Parents who have been receiving adoption assistance payments under this section shall keep the State or local agency administering the program under this section informed of circumstances which would, pursuant to this subsection, make them ineligible for such assistance payments, or eligible for assistance payments in a different amount.

"(4) For purposes of this part, individuals with whom a child (who has been determined by the State, pursuant to subsection (c), to be a child with special needs) is placed for adoption, pursuant to an interlocutory decree, shall be eligible for adoption assistance payments under this subsection, during the period of the placement, on the same terms and subject to the same conditions as if such individuals had adopted such child.

"(b) For purposes of titles XIX and XX, any child with respect to whom adoption assistance payments are made under this section shall be deemed to be a dependent child as defined in section 406 and shall be deemed to be a recipient of aid to families with dependent children under part A of this title.

"(c) For purposes of this section, a child shall not be considered a child with special needs unless—

"(1) the State has determined that the child cannot or should not be returned to the home of his parents; and

"(2) the State had first determined (A) that there exists with respect to the child a specific factor or condition (such as his ethnic background, age, or membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps) because of which it is reasonable to conclude that such child cannot be placed with adoptive parents without providing adoption assistance, and (B) that, except where it would be against the best interests of the child because of such factors as the existence of significant emotional ties with prospective adoptive parents while in the care of such parents as a foster child, a reasonable, but unsuccessful, effort has been made to place the child with appropriate adoptive parents without providing adoption assistance under this section.

"PAYMENTS TO STATES; ALLOTMENTS TO STATES

"SEC. 474. (a) For each quarter beginning after September 30, 1980, each State which has a plan approved under this part (subject to the limitations imposed by subsection (b)) shall be entitled to a payment equal to the sum of—

"(1) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b) of this Act) of the total amount expended during such quarter as foster care maintenance payments under section 472 for children in foster family homes or child-care institutions; plus

"(2) an amount equal to the Federal medical assistance percentage (as defined in section 1905(b) of this Act) of the total amount expended during such quarter as adoption assistance payments under section 473 pursuant to adoption assistance agreements; plus

"(3) an amount equal to the sum of the following proportions of the total amounts expended during such quarter as found necessary by the Secretary for the proper and efficient administration of the State plan—

"(A) 75 per centum of so much of such expenditures as are for the training (including both short- and long-term training at educational institutions through grants to such institutions or by direct financial assistance to students enrolled in such institutions) of personnel employed or preparing for employment by the State agency or by the local agency administering the plan in the political subdivision, and

"(B) one-half of the remainder of such expenditures.

"(b)(1) Notwithstanding the provisions of subsections (a)(1) and (a)(3), the aggregate of the sums payable thereunder to any State (other than a State subject to limitation under section 1108(a)) with respect to expenditures relating to foster care, for the calendar quarters in any of the fiscal years 1981 through 1984 in which the conditions set forth in paragraph (2) are met, shall not exceed the State's allotment for such year.

"(2)(A) The limitation in paragraph (1) shall apply—

"(i) with respect to fiscal year 1981, only if the amount appropriated under section 420 for such fiscal year is equal to or greater than $163,550,000;

"(ii) with respect to fiscal year 1982, only if the amount appropriated under section 420 for such fiscal year is equal to or greater than $220,000,000;

"(iii) with respect to fiscal year 1983, only if the amount appropriated under section 420 for such fiscal year is equal to $266,000,000; and

"(iv) with respect to fiscal year 1984, only if the amount appropriated under section 420 for such fiscal year is equal to $266,000,000.

"(B) The limitations set forth in paragraph (1) with respect to the fiscal years 1932 through 1984 shall apply only if the required appropriation is made in advance in an appropriation Act (as authorized under section 420(b)) for the fiscal year preceding the fiscal year to which the limitation would apply.

"(3) For purposes of this subsection, a State's allotment for any fiscal year shall be the greater of—

"(A) the amount determined under paragraph (4);

"(B) an amount which bears the same ratio to $100,000,000 as the under age eighteen population of such State bears to the under age eighteen population of the fifty States and the District of Columbia; or

"(C) at the option of the State, an amount determined under paragraph (5), but only in the case of a State which meets the requirements of such paragraph (5).

"(4) For purposes of paragraph (3)(A), a State's allotment shall be determined as follows:

"(A) The allotment for any State for fiscal year 1980 shall be an amount equal to such State's base amount (as determined under subparagraph (C)) increased by 21.2 percent.

"(B) The allotment for any State for each of the fiscal years 1981 through 1984 shall be an amount equal to such State's allotment for the preceding fiscal year, increased or decreased by a percentage equal to twice the percentage increase or decrease (as the case may be) (but not to exceed an increase or decrease of 10 percent) in the Consumer Price Index prepared by the Department of Labor, and used in determining cost-of-living adjustments under section 215(i) of this Act, for the second quarter of the preceding fiscal year as compared to such index for the second quarter of the second preceding fiscal year. For purposes of this subparagraph the Consumer Price Index for any quarter shall be the arithmetical mean of such index for the three months in such quarter.

"(C) The base amount shall be equal to the amount of the Federal funds payable to such State for fiscal year 1978 under section 403 on account of expenditures for aid with respect to which Federal financial participation is authorized in payments pursuant to section 408 (including administrative expenditures attributable to the provision of such aid as determined by the Secretary) and for those States which in fiscal year 1978 did not make foster care maintenance payments under section 408 on behalf of children otherwise eligible for such payment, solely because their foster care was provided by related persons, shall be equal to the total amount of Federal funds the State would have been entitled to be paid under section 403 on account of expenditures pursuant to section 408 for that fiscal year if such payments had been made. In the event that there is a dispute between any State and the Secretary as to the amount of such expenditures for such fiscal year, then, until the beginning of the fiscal year immediately following the fiscal year in which the dispute is finally resolved, the base amount shall be deemed to be the amount of Federal funds which would have been payable under section 403 if the amount of such expenditures were equal to the amount thereof claimed by the State.

"(5)(A) For purposes of paragraph (3)(C), a State's allotment for any fiscal year ending after September 30, 1980, and before October 1, 1984, may, at the option of the State (and if the State meets the requirements of subparagraphs (B) and (C)), be determined by application of the provisions of paragraph (4) with the following modifications:

"(i) The base amount for purposes of determining an allotment for any such fiscal year shall be equal to the base amount determined under paragraph (4)(C) increased by a percentage equal to the percentage by which the average monthly number of children in such State receiving aid with respect to which Federal financial participation is authorized in payments pursuant to section 408, or receiving foster care maintenance payments with respect to which Federal financial participation is authorized under this part, for such fiscal year exceeds the average monthly number of such children for fiscal year 1978.

"(ii) For purposes of clause (i), the percentage determined under such clause shall not exceed 33.1 percent in the case of fiscal year 1981, 46.4 percent in the case of fiscal year 1982, 61.1 percent in the case of fiscal year 1983, or 77.2 percent in the case of fiscal year 1984.

"(B) No State may exercise the option to have its allotment amount determined under the provisions of this paragraph unless, for fiscal year 1978, the average monthly number of children in such State receiving aid for which Federal financial participation is authorized in payments pursuant to section 408 as a percentage of the under age eighteen population of such State, was less than the average such percentage for the fifty States and the District of Columbia.

"(C) No State may exercise the option to have its allotment determined under this paragraph for any fiscal year other than fiscal year 1981 after the first fiscal year (after fiscal year 1978) with respect to which the average monthly number of children in such State receiving aid for which Federal financial participation is authorized in payments pursuant to section 408, or receiving foster care maintenance payments for which Federal financial participation is authorized under this part, as a percentage of the under age eighteen population of such State, was equal to or greater than the average such percentage for the fifty States and the District of Columbia for the fiscal year 1978. Any allotment determined under this paragraph for a State which opted to have its allotment so determined under this paragraph for the fiscal year prior to the first fiscal year for which its option may not be exercised by reason of the preceding sentence shall be considered to be such State's allotment for such prior fiscal year for purposes of determining allotments for subsequent fiscal years under paragraph (4).

"(D) In determining the number of children receiving aid for which Federal financial participation is authorized in payments under section 408 or under this part, for any fiscal year, with respect to any State and with respect to the national average for purposes of subparagraphs (B) and (C), there shall be included those children with respect to whom foster care maintenance payments were not made under section 408 or this part (though they were otherwise eligible for such payments) solely because their foster care was provided by related persons. In the event that there is a dispute between any State and the Secretary as to the number of such children (with respect to whom foster care maintenance payments were not made) for any fiscal year, then until the beginning of the fiscal year immediately following the fiscal year in which the dispute is finally resolved, determinations under subparagraphs (B) and (C) shall be made on the basis of the number of such children claimed by the State.

"(E) The Secretary shall promulgate an interim allotment amount for purposes of this paragraph for each fiscal year for each State exercising its option to have its allotment determined under this paragraph, based on the most recent satisfactory data available, not later than six months after the beginning of such fiscal year. The amount of such allotment shall be adjusted, and the final allotment amount shall be promulgated, based on the most recent satisfactory data available, not later than nine months after the end of such fiscal year.

"(6) Except in the case of a State which loses the option of having its allotment determined under paragraph (5) by reason of the provisions of paragraph (5)(C), and subject to the provisions of such paragraph (5)(C), the amount of any allotment as determined in accordance with subparagraph (A), (B), or (C) of paragraph (3) for any fiscal year for any State shall be determined in accordance with the provisions of such subparagraph, without regard to the amount of such State's allotment for any prior fiscal year as determined in accordance with another such subparagraph.

"(c)(1) Except as provided in paragraphs (3) and (4), for any of the fiscal years 1981 through 1984 during which the limitation under subsection (b)(1) is in effect, sums available to a State from its allotment under subsection (b) for carrying out this part, which the State does not claim as reimbursement for expenditures in such year pursuant to subsection (a) of this section, may be claimed by the State as reimbursement for expenditures in such year pursuant to part B of this title, in addition to sums available pursuant to section 420 for carrying out part B.

"(2) Except as provided in paragraphs (3) and (4), for any of the fiscal years 1981 through 1984 during which the limitation under subsection (b)(1) is not in effect, a State may claim as reimbursement for expenditures for such year pursuant to part B of this title, in addition to amounts claimed under section 420, an amount equal to the amount by which the State's allotment amount for such fiscal year (as determined under subsection (b)(3)) exceeds the amount claimed by such State for such fiscal year as reimbursement for expenses relating to foster care under subsection (a); except that the total amount claimed by such State for such fiscal year under this paragraph, when added to the amount that such State receives for such fiscal year under section 420, may not exceed the amount that would have been payable to such State under section 420 for such fiscal year if the relevant amount described in subsection (b)(2)(A) had been appropriated for such fiscal year.

"(3) The provisions of paragraphs (1) and (2) shall not apply for any fiscal year with respect to any State which, with respect to such fiscal year, exercised its option to have its allotment amount determined under subsection (b)(5).

"(4)(A) No State may claim an amount under the provisions of this subsection as reimbursement for expenditures for any fiscal year pursuant to part B of this title to the extent that such amount, plus the amount claimed by such State for such fiscal year under section 420, exceeds the amount which would be allotted to such State under part B if the amount appropriated under section 420 were $141,000,000, unless such State has met the requirements set forth in section 427(a).

"(B) If, for each of any two consecutive fiscal years, there is appropriated under section 420 a sum equal to $266,000,000, no State may claim any amount under the provisions of this subsection as reimbursement for expenditures for any succeeding fiscal year pursuant to part B of this title unless such State has met the requirements set forth in section 427(b).

"(C) If, for each of any two fiscal years during which the limitation under subsection (b)(1) is not in effect, the total amount claimed by a State as reimbursement for expenditures pursuant to part B under this subsection and under section 420 equals the amount which would be allotted to such State for such fiscal year under part B if the amount appropriated under section 420 were $266,000,000, such State may not claim any amount under the provisions of paragraph (2) as reimbursement for expenditures for any succeeding fiscal year pursuant to part B of this title unless such State has met the requirements set forth in section 427(b).

"DEFINITIONS

"SEC. 475. As used in this part or part B of this title:

"(1) The term 'case plan' means a written document which includes at least the following: A description of the type of home or institution in which a child is to be placed, including a discussion of the appropriateness of the placement and how the agency which is responsible for the child plans to carry out the judicial determination made with respect to the child in accordance with section 472(a)(1); and a plan for assuring that the child receives proper care and that services are provided to the parents, child, and foster parents in order to improve the conditions in the parents' home, facilitate return of the child to his own home or the permanent placement of the child, and address the needs of the child while in foster care, including a discussion of the appropriateness of the services that have been provided to the child under the plan.

"(2) The term 'parents' means biological or adoptive parents or legal guardians, as determined by applicable State law.

"(3) The term 'adoption assistance agreement' means a written agreement, binding on the parties to the agreement, between the State agency, other relevant agencies, and the prospective adoptive parents of a minor child which at a minimum (A) specifies the amounts of the adoption assistance payments and any additional services and assistance which are to be provided as part of such agreement, and (B) stipulates that the agreement shall remain in effect regardless of the State of which the adoptive parents are residents at any given time. The agreement shall contain provisions for the protection (under an interstate compact approved by the Secretary or otherwise) of the interests of the child in cases where the adoptive parents and child move to another State while the agreement is effective.

"(4) The term 'foster care maintenance payments' means payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, a child's personal incidentals, liability insurance with respect to a child, and reasonable travel to the child's home for visitation. In the case of institutional care, such term shall include the reasonable costs of administration and operation of such institution as are necessarily required to provide the items described in the preceding sentence.

"(5) The term 'case review system' means a procedure for assuring that—

"(A) each child has a case plan designed to achieve placement in the least restrictive (most family like) setting available and in close proximity to the parents' home, consistent with the best interest and special needs of the child,

"(B) the status of each child is reviewed periodically but no less frequently than once every six months by either a court or by administrative review (as defined in paragraph (6)) in order to determine the continuing necessity for and appropriateness of the placement, the extent of compliance with the case plan, and the extent of progress which has been made toward alleviating or mitigating the causes necessitating placement in foster care, and to project a likely date by which the child may be returned to the home or placed for adoption or legal guardianship, and

"(C) with respect to each such child, procedural safeguards will be applied, among other things, to assure each child in foster care under the supervision of the State of a dispositional hearing to be held, in a family or juvenile court or another court (including a tribal court) of competent jurisdiction, or by an administrative body appointed or approved by the court, no later than eighteen months after the original placement (and periodically thereafter during the continuation of foster care), which hearing shall determine the future status of the child (including, but not limited to, whether the child should be returned to the parent, should be continued in foster care for a specified period, should be placed for adoption, or should (because of the child's special needs or circumstances) be continued in foster care on a permanent or long-term basis); and procedural safeguards shall also be applied with respect to parental rights pertaining to the removal of the child from the home of his parents, to a change in the child's placement, and to any determination affecting visitation privileges of parents.

"(6) The term 'administrative review' means a review open to the participation of the parents of the child, conducted by a panel of appropriate persons at least one of whom is not responsible for the case management of, or the delivery of services to, either the child or the parents who are the subject of the review.

"TECHNICAL ASSISTANCE; DATA COLLECTION AND EVALUATION

"SEC. 476. (a) The Secretary may provide technical assistance to the States to assist them to develop the programs authorized under this part and shall periodically (1) evaluate the programs authorized under this part and part B of this title and (2) collect and publish data pertaining to the incidence and characteristics of foster care and adoptions in this country.

"(b) Each State shall submit statistical reports as the Secretary may require with respect to children for whom payments are made under this part containing information with respect to such children including legal status, demographic characteristics, location, and length of any stay in foster care.".

(2) (A) Effective with respect to expenditures made after September 30, 1980, section 408 of the Social Security Act is, subject to subparagraph (B), repealed.

(B) The repeal made by subparagraph (A) shall not be applicable in the case of any State for any quarter prior to the first quarter, which begins after September 30, 1980, in which such State has in effect a State plan approved under part E of the Social Security Act, or (if earlier) such repeal shall be effective with respect to expenditures made after September 30, 1982. During any period with respect to which the repeal made by subparagraph (A) is not applicable in the case of a State and during which a limitation is in effect under section 474(b) (1) of the Social Security Act, the aggregate of the sums payable to the State, under the State's plan approved under part A of title IV of such Act, with respect to expenditures (including administrative expenditures as determined by the Secretary of Health, Education, and Welfare) authorized or incurred by reason of the provisions of section 408 of such Act shall not exceed the amount of the allotment which such State would have had for such period under section 474(b) if such State had had an approved plan under part E of such title IV. Any amount which would have been available to such State from its allotment for any period with respect which such repeal is not applicable in the case of a State (whether or not a limitation is in effect under section 474(b) (1) of such Act) under section 474(b) of the Social Security Act (if such State had had an approved plan under part E of title IV of such Act) which the State does not claim as reimbursement with respect to expenditures (including administrative expenditures as determined by the Secretary) authorized or incurred by reason of the provisions of section 408 of such Act, may be claimed by the State as reimbursement for expenditures in such period pursuant to part B of title IV of such Act in the same manner as amounts available to States from allotments under section 474(b) of such Act, and not claimed as reimbursement under part E of title IV of such Act, are authorized to be claimed under section 474(c) of such Act.

(3) (A) Section 402(a) (20) of such Act is amended to read as follows:

"(20) provide that the State has in effect a State plan for foster care and adoption assistance approved under part E of this title;".

(B) The amendment made by subparagraph (A) shall become effective with respect to any State at the same time as the repeal of section 408 becomes effective with respect to such State under the provisions of paragraph (2) of this subsection.

(4) (A) Clause (B) of the first sentence of section 475(3) of the Social Security Act (as added by subsection (a) of this section) shall be effective with respect to adoption assistance agreements entered into on or after October 1, 1983.

(B) The Secretary of Health, Education, and Welfare shall take all possible steps to encourage and assist the various States to enter into interstate compacts (which are hereby approved by the Congress) under which the interests of any adopted child with respect to whom an adoption assistance agreement has been entered into by a State under section 473 of the Social Security Act will be adequately protected, on a reasonable and equitable basis which is approved by the Secretary, if and when the child and his or her adoptive parent (or parents) move to another State.

(5) (A) Subject to the repeal provided under paragraph (2), the last paragraph of section 408 of the Social Security Act is amended to read as follows:

"For the purposes of this section, the term 'foster family home' means a foster family home for children which is licensed by the State in which it is situated or has been approved, by the agency of such State having responsibility for licensing homes of this type, as meeting the standards established for such licensing; and the term 'child-care institution' means a nonprofit private child-care institution, or a public child-care institution which accommodates no more than twenty-five children, which is licensed by the State in which it is situated or has been approved, by the agency of such State responsible for licensing or approval of institutions of this type, as meeting the standards established for such licensing; but the term shall not include detention facilities, forestry camps, training schools, or any other facility operated primarily for the detention of children who are determined to be delinquent.".

(B) The amendment made by subparagraph (A) shall be effective with respect to expenditures made on or after the date of the enactment of this Act.

(b) (1) The Secretary of Health, Education, and Welfare shall conduct a study of programs of foster care and adoption assistance established under part IV–E of the Social Security Act (as added by subsection (a) of this section), and shall submit to the Congress, not later than October 1, 1983, a full and complete report thereon, together with his recommendations as to (A) whether such part IV–E should be continued, and if so, (B) the changes (if any) which should be made in such part IV–E.

(2) Such report shall include, but not be limited to, the following:

(A) a determination as to (i) the extent of reduction that has occurred in the duration of foster care under such programs, (ii) the extent to which such programs of adoption assistance have resulted in an increase in the adoption of children who otherwise would have remained in foster care under State plans approved under title IV–A or IV–E of the Social Security Act, and (iii) the extent to which the availability of Federal funding for adoption assistance under title IV–E of such Act has resulted in States' initiating or expanding programs for adoption assistance, and

(B) specific legislative recommendations for ways to bring about further reduction in the duration of foster care for children.

FEDERAL PAYMENTS FOR DEPENDENT CHILDREN VOLUNTARILY PLACED IN FOSTER CARE

SEC. 102. (a) (1) Effective with respect to expenditures made after September 30, 1980, and before October 1, 1983, section 472(a) of the Social Security Act (as added by section 101 of this Act) is amended—

(A) by inserting "occurred pursuant to a voluntary placement agreement entered into by the child's parent or legal guardian, or" after "removal from the home" in paragraph (1);

(B) by striking out "a determination" in paragraph (3) and inserting in lieu thereof "the voluntary placement agreement or "judicial determination";

(C) by inserting "such agreement was entered into or" after "the month in which" in paragraph (4) (A); and

(D) by inserting "such agreement was entered into or" after "the month in which" in paragraph (4) (B) (ii).

(2) Section 472 of such Act (as so added) is further amended by redesignating subsection (d) as subsection (h), and by inserting after subsection (c) the following new subsections:

"(d) Notwithstanding any other provision of this title, Federal payments may be made under this part with respect to amounts expended by any State as foster care maintenance payments under this section, in the case of children removed from their homes pursuant to voluntary placement agreements as described in subsection (a), only if (at the time such amounts were expended) the State has fulfilled all of the requirements of section 427(b).

"(e) No Federal payment may be made under this part with respect to amounts expended by any State as foster care maintenance payments under this section, in the case of any child who was removed from his or her home pursuant to a voluntary placement agreement as described in subsection (a) and has remained in voluntary placement for a period in excess of 180 days, unless there has been a judicial determination by a court of competent jurisdiction (within the first 180 days of such placement) to the effect that such placement is in the best interests of the child.

"(f) For the purposes of this part and part B of this title, (1) the term 'voluntary placement' means an out-of-home placement of a minor, by or with participation of a State agency, after the parents or guardians of the minor have requested the assistance of the agency and signed a voluntary placement agreement; and (2) the term 'voluntary placement agreement' means a written agreement, binding on the parties to the agreement, between the State agency, any other agency acting on its behalf, and the parents or guardians of a minor child which specifies, at a minimum, the legal status of the child and the rights and obligations of the parents or guardians, the child, and the agency while the child is in placement.

"(g) In any case where—

"(1) the placement of a minor child in foster care occurred pursuant to a voluntary placement agreement entered into by the parents or guardians of such child as provided in subsection (a), and

"(2) such parents or guardians request (in such manner and form as the Secretary may prescribe) that the child be returned to their home or to the home of a relative,

the voluntary placement agreement shall be deemed to be revoked unless the State agency opposes such request and obtains a judicial determination, by a court of competent jurisdiction, that the return of the child to such home would be contrary to the child's best interests.".

(3) Section 473(a) (1) of such Act (as so added) is amended—

(A) by inserting ", either pursuant to a voluntary placement agreement with respect to which Federal payments are provided under section 474 (or 403) or" immediately before "as a result of a judicial determination" in subparagraph (A) (i);

(B) by inserting "such agreement was entered into or" after "the month in which" in subpargraph (B) (i); and

(C) by inserting "such agreement was entered into or" after "the month in which" in subparagraph (B)(ii).

(4) Section 475(1) of such Act (as so added) is amended by inserting "voluntary placement agreement entered into or" before "judicial determination made".

(b)(1) Effective with respect to expenditures made after September 30, 1979 (but subject to the repeal provided under section 101(a)(2) (A) and (B)), section 408(a) of the Social Security Act is amended—

(A) by inserting "pursuant to a voluntary placement agreement entered into by the child's parent or legal guardian, or" after "(specified in such section 406(a))" in clause (1);

(B) by striking out "such determination" in clause (3) and inserting in lieu thereof "such voluntary placement agreement or judicial determination";

(C) by inserting "such agreement was entered into or" after "the month in which" in clause (4)(A); and

(D) by inserting "such agreement was entered into or" after "the month in which" in clause (4)(B)(ii).

(2) Section 408 of such Act is further amended by adding at the end thereof the following new paragraph:

"For the purposes of this section, the provisions of subsections (d), (e), (f), and (g) of section 472 shall apply.".

(c) The amendments made by subsections (a) and (b) shall be effective only with respect to expenditures made after September 30, 1979, and before October 1, 1983; and from and after October 1, 1983, the provisions of law amended by such subsections shall read as they would if this section had not been enacted.

(d)(1) For purposes of section 472 of the Social Security Act, a child who was voluntarily removed from the home of a relative and who had a judicial determination prior to October 1, 1978, to the effect that continuation therein would be contrary to the welfare of such child, shall be deemed to have been so removed as a result of such judicial determination if, and from the date that, a case plan and a review meeting the requirements of section 471(a)(16) of such Act have been made with respect to such child and such child is determined to be in need of foster care as a result of such review. In the case of any child described in the preceding sentence, for purposes of section 472(a)(4) of such Act, the date of the voluntary removal shall be deemed to be the date on which court proceedings are initiated which led to such removal.

(2) For purposes of section 408 of the Social Security Act (but subject to the repeal provided under section 101(a)(2)(A) and (B)), in any case where a child was voluntarily removed from the home of a relative prior to October 1, 1979, and a judicial determination was made (prior to October 1, 1978) to the effect that continuation in such home would have been contrary to the child's welfare—

(A) such child shall be deemed to have been so removed as a result of a judicial determination to the effect that continuation in such home would be contrary to the welfare of such child, and

(B) Federal financial participation under the applicable State plan approved under section 402 of the Social Security Act for quarters beginning prior to October 1, 1979, shall not be denied with respect to aid furnished under such plan to or on behalf of such child.

For purposes of subsection (a)(4) of such section 408, the date of such child's voluntary removal shall be deemed to be the date on which court proceedings were initiated which led to such removal.

(e) The Secretary of Health, Education, and Welfare, within three months after the close of each fiscal year with respect to which the amendments made by this section are in effect, shall submit to the Congress a full and complete report on the number of children placed in foster care pursuant to voluntary placement agreements under sections 408 and 472 of the Social Security Act and on the reasons for such placements together with a description of the extent to which such placements have contributed to the achievement of the objectives of this title, including such recommendations as he may deem appropriate with respect to the continuation (in such section 472) of authority to make Federal payments for dependent children voluntarily placed in foster care.

CHILD WELFARE SERVICES

SEC. 103. (a) Part B of title IV of the Social Security Act is amended (subject to subsection (c) of this section) by striking out all that precedes section 426 and inserting in lieu thereof the following:

"PART B—CHILD WELFARE SERVICES

"APPROPRIATION

"SEC. 420. (a) For the purpose of enabling the United States, through the Secretary, to cooperate with State public welfare agencies in establishing, extending, and strengthening child welfare services, there is authorized to be appropriated for each fiscal year the sum of $266,000,000.

"(b) Funds appropriated for any fiscal year pursuant to the authorization contained in subsection (a) shall be included in the appropriation Act (or supplemental appropriation Act) for the fiscal year preceding the fiscal year for which such funds are available for obligation. In order to effect a transition to this method of timing appropriation action, the preceding sentence shall apply notwithstanding the fact that its initial application will result in the enactment in the same year (whether in the same appropriation Act or otherwise) of two separate appropriations, one for the then current fiscal year and one for the succeeding fiscal year.

"ALLOTMENTS TO STATES

"SEC. 421. (a) The sum appropriated pursuant to section 420 for each fiscal year shall be allotted by the Secretary for use by cooperating State public welfare agencies which have plans developed jointly by the State agency and the Secretary as follows: He shall first allot $70,000 to each State, and shall then allot to each State an amount which bears the same ratio to the remainder of such sum as the product of (1) the population of the State under the age of twenty-one and (2) the allotment percentage of the State (as determined under this section) bears to the sum of the corresponding products of all the States.

"(b) The 'allotment percentage' for any State shall be 100 per centum less the State percentage; and the State percentage shall be the percentage which bears the same ratio to 50 per centum as the per capita income of such State bears to the per capita income of the United States; except that (1) the allotment percentage shall in no case be less than 30 per centum or more than 70 per centum, and (2) the allotment percentage shall be 70 per centum in the case of Puerto Rico, the Virgin Islands, and Guam.

"(c) The allotment percentage for each State shall be promulgated by the Secretary between October 1 and November 30 of each even-numbered year, on the basis of the average per capita income of each State and of the United States for the three most recent calendar years for which satisfactory data are available from the Department of Commerce. Such promulgation shall be conclusive for each of the two fiscal years in the period beginning October 1 next succeeding such promulgation.

"(d) For purposes of this section, the term 'United States' means the fifty States and the District of Columbia.

"STATE PLANS FOR CHILD WELFARE SERVICES

"SEC. 422. (a) In order to be eligible for payment under this part, a State must have a plan for child welfare services which has been developed jointly by the Secretary and the State agency designated pursuant to subsection (b)(1), and which meets the requirements of subsection (b).

"(b) Each plan for child welfare services under this part shall—

"(1) provide that (A) the individual or agency designated pursuant to section 2003 (d)(1)(C) to administer or supervise the administration of the State's services program will administer or supervise the administration of the plan (except as otherwise provided in section 103(d) of the Adoption Assistance and Child Welfare Act of 1980), and (B) to the extent that child welfare services are furnished by the staff of the State agency or local agency administering the plan, a single organizational unit in such State or local agency, as the case may be, will be responsible for furnishing such child welfare services;

"(2) provide for coordination between the services provided for children under the plan and the services and assistance provided under title XX, under the State plan approved under part A of this title, under the State plan approved under part E of this title, and under other State programs having a relationship to the program under this part, with a view to provision of welfare and related services which will best promote the welfare of such children and their families;

"(3) provide that the standards and requirements imposed with respect to child day care under title XX shall apply with respect to day care services under this part, except insofar as eligibility for such services is involved;

"(4) provide for the training and effective use of paid paraprofessional staff, with particular emphasis on the full-time or part-time employment of persons of low income, as community service aides, in the administration of the plan, and for the use of nonpaid or partially paid volunteers in providing services and in assisting any advisory committees established by the State agency;

"(5) contain a description of the services to be provided and specify the geographic areas where such services will be available;

"(6) contain a description of the steps which the State will take to provide child welfare services and to make progress in—

"(A) covering additional political subdivisions,

"(B) reaching additional children in need of services, and

"(C) expanding and strengthening the range of existing services and developing new types of services,

along with a description of the State's child welfare services staff development and training plans;

"(7) provide, in the development of services for children, for utilization of the facilities and experience of voluntary agencies in accordance with State and local programs and arrangements, as authorized by the State; and

"(8) provide that the agency administering or supervising the administration of the plan will furnish such reports, containing such information, and participate in such evaluations, as the Secretary may require.

"PAYMENT TO STATES

"SEC. 423. (a) From the sums appropriated therefor and the allotment under this part, subject to the conditions set forth in this section and in section 427, the Secretary shall from time to time pay to each State that has a plan developed in accordance with section 422 an amount equal to 75 per centum of the total sum expended under the plan (including the cost of administration of the plan) in meeting the costs of

State, district, county, or other local child welfare services.

"(b) The method of computing and making payments under this section shall be as follows:

"(1) The Secretary shall, prior to the beginning of each period for which a payment is to be made, estimate the amount to be paid to the State for such period under the provisions of this section.

"(2) From the allotment available therefor, the Secretary shall pay the amount so estimated, reduced or increased, as the case may be, by any sum (not previously adjusted under this section) by which he finds that his estimate of the amount to be paid the State for any prior period under this section was greater or less than the amount which should have been paid to the State for such prior period under this section.

"(c)(1) No payment may be made to a State under this part, for any fiscal year beginning after September 30, 1979, with respect to State expenditures made for (A) child day care necessary solely because of the employment, or training to prepare for employment, of a parent or other relative with whom the child involved is living, (B) foster care maintenance payments, and (C) adoption assistance payments, to the extent that the Federal payment with respect to those expenditures would exceed the total amount of the Federal payment under this part for fiscal year 1979.

"(2) Expenditures made by a State for any fiscal year which begins after September 30, 1979, for foster care maintenance payments shall be treated for purposes of making Federal payments under this part with respect to expenditures for child welfare services, as if such foster care maintenance payments constituted child welfare services of a type to which the limitation imposed by paragraph (1) does not apply; except that the amount payable to the State with respect to expenditures made for other child welfare services and for foster care maintenance payments during any such year shall not exceed 100 per centum of the amount of the expenditures made for child welfare services for which payment may be made under the limitation imposed by paragraph (1) as in effect without regard to this paragraph.

"(d) No payment may be made to a State under this part in excess of the payment made under this part for fiscal year 1979, for any fiscal year beginning after September 30, 1979, if for the latter fiscal year the total of the State's expenditures for child welfare services under this part (excluding expenditures for activities specified in subsection (c)(1)) is less than the total of the State's expenditures under this part (excluding expenditures for such activities) for fiscal year 1979.

"REALLOTMENT

"SEC. 424. The amount of any allotment to a State under section 421 for any fiscal year which the State certifies to the Secretary will not be required for carrying out the State plan developed as provided in section 422 shall be available for reallotment from time to time, on such dates as the Secretary may fix, to other States which the Secretary determines (1) have need in carrying out their State plans so developed for sums in excess of those previously allotted to them under section 421 and (2) will be able to use such excess amounts during such fiscal year. Such reallotments shall be made on the basis of the State plans so developed, after taking into consideration the population under the age of twenty-one, and the per capita income of each such State as compared with the population under the age of twenty-one, and the per capita income of all such States with respect to which such a determination by the Secretary has been made. Any amount so reallotted to a State shall be deemed part of its allotment under section 421.

"DEFINITIONS

"SEC. 425. (a)(1) For purposes of this title, the term 'child welfare services' means public social services which are directed toward the accomplishment of the following purposes: (A) protecting and promoting the welfare of all children, including handicapped, homeless, dependent, or neglected children; (B) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation, or delinquency of children; (C) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible; (D) restoring to their families children who have been removed, by the provision of services to the child and the families; (E) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and (F) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

"(2) Funds expended by a State for any calendar quarter to comply with the statistical report required by section 476(b), and funds expended with respect to nonrecurring costs of adoption proceedings in the case of children placed for adoption with respect to whom assistance is provided under a State plan for adoption assistance approved under part E of this title, shall be deemed to have been expended for child welfare services.

"(b) For other definitions relating to this part and to part E of this title, see section 475 of this Act.".

(b) Part B of title IV of such Act is amended by adding at the end thereof the following new sections:

"FOSTER CARE PROTECTION REQUIRED FOR ADDITIONAL FEDERAL PAYMENTS

"SEC. 427. (a) If, for any fiscal year after fiscal year 1979, there is appropriated under section 420 a sum in excess of $141,000,000, a State shall not be eligible for payment from its allotment in an amount greater than the amount for which it would be eligible if such appropriation were equal to $141,000,000, unless such State—

"(1) has conducted an inventory of all children who have been in foster care under the responsibility of the State for a period of six months preceding the inventory, and determined the appropriateness of, and necessity for, the current foster placement, whether the child can be or should be returned to his parents or should be freed for adoption, and the services necessary to facilitate either the return of the child or the placement of the child for adoption or legal guardianship; and

"(2) has implemented and is operating to the satisfaction of the Secretary—

"(A) a statewide information system from which the status, demographic characteristics, location, and goals for the placement of every child in foster care or who has been in such care within the preceding twelve months can readily be determined;

"(B) a case review system (as defined in section 475(5)) for each child receiving foster care under the supervision of the State; and

"(C) a service program designed to help children, where appropriate, return to families from which they have been removed or be placed for adoption or legal guardianship.

"(b) If, for each of any two consecutive fiscal years after the fiscal year 1979, there is appropriated under section 420 a sum equal to $266,000,000, each State's allotment amount for any fiscal year after such two consecutive fiscal years shall be reduced to an amount equal to its allotment amount for the fiscal year 1979, unless such State—

"(1) has completed an inventory of the type specified in subsection (a)(1);

"(2) has implemented and is operating the program and systems specified in subsection (a)(2); and

"(3) has implemented a preplacement preventive service program designed to help children remain with their families.

"(c) Any amounts expended by a State for the purpose of complying with the requirements of subsection (a) or (b) shall be conclusively presumed to have been expended for child welfare services.

"PAYMENTS TO INDIAN TRIBAL ORGANIZATIONS

"SEC. 428. (a) The Secretary may, in appropriate cases (as determined by the Secretary) make payments under this part directly to an Indian tribal organization within any State which has a plan for child welfare services approved under this part. Such payments shall be made in such manner and in such amounts as the Secretary determines to be appropriate.

"(b) Amounts paid under subsection (a) shall be deemed to be a part of the allotment (as determined under section 421) for the State in which such Indian tribal organization is located.

"(c) For purposes of this section—

"(1) the term 'tribal organization' means the recognized governing body of any Indian tribe, or any legally established organization of Indians which is controlled, sanctioned, or chartered by such governing body; and

"(2) the term 'Indian tribe' means any tribe, band, nation, or other organized group or community of Indians (including any Alaska Native village or regional or village corporation as defined in or established pursuant to the Alaska Native Claims Settlement Act (Public Law 92-203; 85 Stat. 688)) which (A) is recognized as eligible for the special programs and services provided by the United States to Indians because of their status as Indians, or (B) is located on, or in proximity to, a Federal or State reservation or rancheria.".

(c) In the case of Guam, Puerto Rico, and the Virgin Islands, and the Commonwealth of the Northern Mariana Islands, section 422(b)(1) of such Act (as otherwise amended by subsection (a) of this section) shall be deemed to read as follows:

"(1) provide that (A) the State agency designated pursuant to section 402(a)(3) to administer or supervise the administration of the plan of the State approved under part A of this title will administer or supervise the administration of such plan for child welfare services, and (B) to the extent that child welfare services are furnished by the staff of the State agency or local agency administering such plan for child welfare services, the organizational unit in such State or local agency established pursuant to section 402(a)(15) will be responsible for furnishing such child welfare services;".

(d) Notwithstanding section 422(b)(1) of the Social Security Act, (as amended by subsection (a) of this section) if on December 1, 1974, the agency of a State administering its plan for child welfare services under part B of title IV of that Act was not the agency designated pursuant to section 402(a)(3) of that Act, such section 422(b)(1) shall not apply with respect to such agency, but only so long as such agency is not the agency designated under section 2003(d)(1)(C) of that Act; and if on December 1, 1974, the local agency administering the plan of a State under part B of title IV of that Act in a subdivision of the State was not the local agency in such subdivision administering the plan of such State under part A of that title, such section 422(b)(1) shall not apply with respect to such local agency, but only so long as such local agency is not the local agency administering the program of the State for the provision of services under title XX of that Act.

(e) Section 2002(a)(8) of such Act is amended by striking out "or 422" and inserting in lieu thereof "or 423".

(f)(1) Notwithstanding any other provision of law, funds which are appropriated for fiscal year 1980 pursuant to section 420 of the Social Security Act, and for which States are eligible for payment under part B of title IV of that Act, shall remain available to the extent so provided in an appropriation Act hereafter enacted, for payment with respect to expenditures for child welfare services under part B of title IV of that Act until September 30, 1981.

(2) Section 420(b) of the Social Security Act (as added by subsection (a) of this section) shall apply only with respect to appropriation Acts, which appropriate funds for fiscal years after fiscal year 1981 pursuant to the authorization contained in section 420 of the Social Security Act, enacted after the date of enactment of this Act.

TITLE II—SOCIAL SERVICES

DETERMINATION OF AMOUNT ALLOCATED TO STATES

SEC. 201. (a) Section 2002(a)(2)(A) of the Social Security Act is amended by striking out clause (ii) and inserting in lieu thereof the following:

"(ii) The amount specified for purposes of clause (i) for fiscal year 1980 and each succeeding fiscal year shall be an amount (not exceeding $3,300,000,000) equal to the indexed ceiling amount for that fiscal year as determined under subparagraph (B).".

(b) Section 2002(a)(2) of such Act is amended (subject to subsection (c) of this section) by striking out subparagraphs (B), (C), and (D), and by inserting after subparagraph (A) the following new subparagraph:

"(B)(i)(I) Except as otherwise provided in clauses (ii), (iii), and (iv), the indexed ceiling amount for any fiscal year shall be an amount equal to the indexed ceiling amount for the preceding fiscal year increased or decreased (as the case may be) by an amount determined under division (II).

"(II) For purposes of division (I) the amount of the increase or decrease (as the case may be) shall be an amount equal to $2,500,000,000, multiplied by a percentage equal to the positive or negative percentage change in the Consumer Price Index prepared by the Department of Labor, and used in determining cost-of-living adjustments under section 215(i) of this Act, for the second quarter of the preceding fiscal year as compared to such index for the second quarter of the second preceding fiscal year (rounded to the nearest one-tenth of 1 per centum). For purposes of this clause the Consumer Price Index for any quarter shall be the arithmetical mean of such index for the three months in such quarter.

"(ii) If the percentage increase in the Consumer Price Index as determined under clause (i)(II) for any fiscal year exceeds the inflation rate for that fiscal year as shown for that year (or, if no rate is shown for that year, for the most recent preceding year for which a rate is shown) in the table which appears on page 25 of Senate Budget Committee Report Numbered 96-311, then for such fiscal year such inflation rate shall be used in making the determination under clause (i)(II) instead of the percentage increase in the Consumer Price Index.

"(iii) The indexed ceiling amount determined under clause (i) shall, if not a multiple of $100,000,000, be rounded to the next lesser amount that is a multiple of $100,000,000.

"(iv) The indexed ceiling amount for fiscal year 1979 shall be $2,500,000,000."

(c) With respect to fiscal year 1980 only—

(1) subparagraphs (B) and (C) of section 2002(a)(2) of such Act (as in effect immediately prior to the enactment of this Act) shall continue in effect, redesignated as subparagraphs (D) and (E), respectively;

(2) the subparagraph of such section 2002(a)(2) which is redesignated as subparagraph (E) and continued in effect by paragraph (1) of this subsection is amended by striking out "subparagraph (B)" and "subparagraph (D)" and inserting in lieu thereof "subparagraph (D)" and "subparagraph (F)", respectively; and

(3) subparagraph (D) of such section 2002(a)(2) (as in effect immediately prior to the enactment of this Act) shall continue in effect, redesignated as subparagraph (F) and amended to read as follows:

"(F) The amounts made available pursuant to subparagraph (E) for allotment in fiscal year 1980 shall be allotted by the Secretary to the States which have certified under subparagraph (D) that the amounts of their limitations for such fiscal year are less than their need for such year. The amount of such allotment to any State (which shall be in addition to any payments made to the State under subparagraph (A)) shall bear the same ratio to the total amount available for allotment in such year under this subparagraph as the population of such State bears to the population of the fifty States and the District of Columbia, but shall in no case exceed the amount by which such State certified that its limitation is less than its need for such fiscal year.".

EXTENSION OF 100-PER-CENTUM FEDERAL MATCHING FOR CHILD DAY CARE EXPENDITURES

SEC. 202. (a) Section 2002(a) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(17)(A) The total payment to a State under this section with respect to expenditures during any fiscal year for the provision of child day care services under this title (including expenditures for grants to qualified providers under section 2007) shall be equal to 100 per centum of such expenditures to the extent that such expenditures (during that fiscal year) do not exceed—

"(i) an amount which bears the same ratio to $200,000,000 as the amount of the State's limitation under paragraph (2)(A) bears to the indexed ceiling amount for such fiscal year, in the case of fiscal year 1980 and fiscal year 1981; or

"(ii) 8 per centum of the State's limitation under paragraph (2)(A) for such fiscal year, in the case of fiscal year 1982 and any subsequent fiscal year.

"(B) Federal funds payable to a State under this title (with respect to expenditures for child day care services) at the rate specified in subparagraph (A) shall, to the maximum extent that the State determines to be feasible, be employed in such a way as to increase the employment of welfare recipients and other low-income persons in jobs related to the provision of child day care services.".

(b) Section 2002(a)(1) of such Act is amended by striking out "100 per centum" and all that follows down through "2007" and inserting in lieu thereof "100 per centum of the expenditures during that quarter for child day care services (including expenditures for grants to qualified providers under section 2007) to the extent permitted by paragraph (17)".

LIMITATION ON FUNDS FOR TRAINING

SEC. 203. (a) The first sentence of section 2002(a)(2)(A)(i) of the Social Security Act is amended by striking out "in excess of an amount" and all that precedes it, and inserting in lieu thereof "Except as provided in clause (iii), no payment may be made under this section to any State for any fiscal year in excess of an amount".

(b) Section 2002(a)(2)(A) of such Act is further amended by adding after clause (ii) the following new clause:

"(iii) Payment with respect to expenditures for personnel training or retraining directly related to the provision of services under this title shall be made to a State in excess of the limitation for such State promulgated under clause (i) for any fiscal year and without regard to such limitation; except that—

"(I) notwithstanding any other provision of law, payment to a State with respect to such expenditures for fiscal years 1980 and 1981 may not exceed an amount equal to 4 per centum of such State's limitation (for the fiscal year involved) under clause (i), or, if greater, an amount equal to the amount of the payment made under this title to such State with respect to such expenditures for fiscal year 1979, or equal to (a) the amount which would be payable without regard to this subclause with respect to expenditures pursuant to an appropriation made prior to October 1, 1979, by such State for fiscal year 1980, or, if less, (b) the amount determined under division (a) of this subclause reduced to the extent necessary and on a proportional basis so as to assure that the aggregate of the additional amounts payable to all States as a result of such division (a) does not exceed $6,000,000; and

"(II) payment to a State with respect to such expenditures for fiscal year 1982 or any succeeding fiscal year may be made only if the State has submitted to the Secretary in accordance with paragraph (18) (prior to the beginning of the fiscal year involved) a training plan specifying how its funds expended for such training or retraining in that fiscal year will be used, and only with respect to expenditures included in such plan which are approved by the Secretary in accordance with criteria prescribed by him.".

(c) Section 2002(a) of such Act is amended by adding after paragraph (17) (as added by section 202(a) of this Act) the following new paragraph:

"(18) Effective October 1, 1981, no payment may be made under this section for training or retraining expenditures except in accordance with a training plan approved by the Secretary which, at a minimum—

"(A) describes how training needs were assessed and how the assessment was used to structure the training programs, the individuals to be trained, and the training resources to be used;

"(B) demonstrates that the training activities have a direct relationship to the title XX services program and to the State's staffing needs to carry out the title XX services program; and

"(C) describes the State agency's plan to monitor training programs and to evaluate the agency's overall staff training and development program.".

USE OF RESTRICTED PRIVATE FUNDS FOR TRAINING PROGRAMS

SEC. 204. (a) Section 2002(a)(7)(D)(ii) of the Social Security Act is amended by striking out "and" at the end thereof and inserting in lieu thereof the following: "except that during fiscal years 1980 and 1981 the provisions of this clause shall not apply with respect to funds that are donated for the purpose of training or retraining as provided in subsection (a)(1), if such training or retraining is carried out by a public or nonprofit entity, and".

EMERGENCY SHELTER

SEC. 205. (a) Section 2002(a)(11) of the Social Security Act is amended—

(1) by striking out "and" at the end of subparagraph (C);

(2) by striking out the period at the end of subparagraph (D) and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subparagraph:

"(E) any expenditures for the provision of emergency shelter, for not in excess of thirty days in any six-month period, provided as a protective service to an adult in danger of physical or mental injury, neglect, maltreatment, or exploitation.".

(b) The amendments made by this section shall be effective on and after October 1, 1979.

MULTIYEAR PLAN; CHOICE OF FISCAL YEAR

SEC. 206. (a) Section 2004(1) of the Social Security Act is amended to read as follows:

"(1) for each services program period, the beginning of the fiscal year of the Federal Government, the State government, or the political subdivisions of such State is established as the beginning of the State's services program period, and the end of such fiscal year, the succeeding fiscal year, or the second succeeding fiscal year is established as the end of the State's services program period; and".

(b) Section 2004 of such Act is further amended—

(1) by striking out "services program year" each place it appears and inserting in lieu thereof in each instance "services program period";

(2) by striking out "annual" in paragraph (2) (in the matter preceding subparagraph (A)) and in paragraph (4);

(3) by striking out "during that year" in paragraph (2) (in the matter preceding subparagraph (A)) and inserting in lieu thereof "during that period";

(4) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

(5) by adding at the end thereof the following new paragraph:

"(6) in the case of a State that adopts a services program planning period of longer than one year, the State agency publishes and makes generally available such information concerning the comprehensive services program at such times as the Secretary may by regulation require.".

(c) Section 2003(b) of such Act is amended—

(1) by striking out "each services program year" and inserting in lieu thereof "each fiscal year (as selected by the State under section 2004(1)) within each services program period"; and

(2) by striking out "any services program year" and inserting in lieu thereof "any services program period".

(d) Sections 2003(d)(1) and 2005 of such Act are each amended by striking out "services program year" and inserting in lieu thereof "services program period".

(e) Section 2002(a)(3)(B) of such Act is amended by striking out "annual".

(f) The amendments made by this section shall be effective with respect to services program periods beginning after the date of the enactment of this Act.

SOCIAL SERVICES FUNDING FOR TERRITORIES

SEC. 207. (a) Section 2002(a)(2) of the Social Security Act is amended by adding after subparagraph (B) (as added by section 201(b) of this Act) the following new subparagraph:

"(C) From the amounts made available under section 2001 for any fiscal year beginning with fiscal year 1980 (in addition to any sums appropriated for purposes of payments under the preceding provisions of this subsection), the Secretary shall allocate—

"(i) to the jurisdictions of Puerto Rico, Guam, and the Virgin Islands, for purposes of payments under sections 3(a)(4) and (5), 403(a)(3), 1003(a)(3) and (4), 1403 (a)(3) and (4), and 1603(a)(4) and (5), with respect to services, the sums of $15,000,000, $500,000 and $500,000, respectively, and

"(ii) to the jurisdiction of the Northern Mariana Islands, for purposes of payments under section 403(a)(3), with respect to services and for services programs for other individuals as defined by the Secretary, the sum of $100,000,

in addition to any amounts otherwise available to such jurisdictions under this Act.".

(b) The last sentence of section 2001 of such Act is amended by inserting before the period at the end thereof the following: "(and to territorial jurisdictions as described in subsection (a)(2)(C) thereof".

(c) Section 1108(a) of such Act is amended by striking out "section 2002(a)(2)(D)" and inserting in lieu thereof "section 2002(a)(2)(C)".

PERMANENT EXTENSION OF PROVISIONS RELATING TO CHILD DAY CARE SERVICES AND WIN TAX CREDIT

SEC. 208. (a) Section 4(d) of Public Law 96–178 is amended by striking out "during the period beginning October 1, 1979, and ending March 31, 1980" and inserting in lieu thereof "on or after October 1, 1979".

(b)(1) Section 50B(i) of the Internal Revenue Code of 1954 (relating to special rules with respect to employment of day care workers) is amended to read as follows:

"(i) SPECIAL RULES WITH RESPECT TO EMPLOYMENT OF DAY CARE WORKERS.—

"(1) ELIGIBLE EMPLOYEE.—An individual who would be an 'eligible employee' (as that term is defined for purposes of this section) except for the fact that such individual's employment is not on a substantially full-time basis, shall be deemed to be an eligible employee as so defined, if such employee's employment is related to the provision of child day care services and is performed on either a full-time or part-time basis.

"(2) ALTERNATIVE COMPUTATION WITH RESPECT TO CHILD DAY CARE SERVICES ELIGIBLE EMPLOYEES PAID FROM FUNDS MADE AVAILABLE UNDER TITLE XX OF THE SOCIAL SECURITY ACT.—The amount of the credit allowed a taxpayer under section 40, as determined under section 50A and the preceding provisions of this section, with respect to work incentive program expenses paid or incurred by him with respect to an eligible employee whose services are performed in connection with a child day care services program conducted by the taxpayer, and with respect to whom the taxpayer is reimbursed (in whole or in part) from funds made available pursuant to section 2007 of the Social Security Act, at the option of the taxpayer shall be equal to 100 percent of the unreimbursed wages paid or incurred by the taxpayer with respect to such employee, but not more than the amount of the limitation in paragraph (4).

"(3) UNREIMBURSED WAGES.—For purposes of this subsection, the term 'unreimbursed wages' means work incentive program expenses for which the taxpayer was not reimbursed under section 2007 of the Social Security Act or under any other grant or program.

"(4) LIMITATION.—The amount of the credit, as determined under paragraph (2), with respect to any employee shall not exceed the lesser of—

"(A) an amount equal to $6,000 minus the amount of the funds reimbursed to the taxpayer with respect to such employee from funds made available pursuant to section 2007 of the Social Security Act; or

"(B) with respect to work incentive program expenses attributable to service rendered—

"(i) during the one-year period which begins on the day such employee begins work for the taxpayer, an amount equal to the lesser of—

"(I) $3,000, or

"(II) 50 percent of the sum of the amount of the unreimbursed wages of such employee and the amount reimbursed to the taxpayer with respect to such employee from funds made available pursuant to section 2007 of the Social Security Act; or

"(ii) during the one-year period which begins on the day after the last day of the one-year period described in clause (i), an amount equal to the lesser of—

"(I) $1,500, or

"(II) 25 percent of the sum of the amount of the unreimbursed wages of such employee and the amount reimbursed to the taxpayer with respect to such employee from funds made available pursuant to section 2007 of the Social Security Act.".

(2) Section 50B(h)(1)(B) of such Code is amended by inserting "(except as provided in subsection (i))" after "full-time basis".

(3)(A) The amendments made by paragraphs (1) and (2) shall be effective with respect to taxable years beginning after December 31, 1979.

(B) The redesignation of subsection (i) of section 50B of the Internal Revenue Code of 1954 as subsection (j) by section 3(a)(1) of Public Law 96–178, shall remain in effect with respect to taxable years beginning after December 31, 1979.

PERMANENT EXTENSION OF PROVISIONS RELATING TO SERVICES FOR ALCOHOLICS AND DRUG ADDICTS

SEC. 209. Section 5(b) of Public Law 96–178 is amended by striking out "during the period beginning October 1, 1978, and ending March 31, 1980" and inserting in lieu thereof "on or after October 1, 1978".

TITLE III—OTHER SOCIAL SECURITY ACT PROVISIONS

PERMANENT EXTENSION OF PROVISIONS RELATING TO CHILD SUPPORT ENFORCEMENT

SEC. 301. (a) Section 2(b) of Public Law 96–178 is amended by striking out "during the period beginning October 1, 1978, and ending March 31, 1980" and inserting in lieu thereof "on or after October 1, 1978".

(b) Section 452(a)(10) of the Social Security Act is amended by adding at the end thereof (after and below subparagraph (H)) the following new sentence:

"The information contained in any such report under subparagraph (A) shall specifically include (i) the total amount of child support payments collected as a result of services furnished during the fiscal year involved to individuals under section 454(6), (ii) the cost to the States and to the Federal Government of furnishing such services to those individuals, and (iii) the extent to which the furnishing of such services was successful in providing sufficient support to those individuals to assure that they did not require assistance under the State plan approved under part A.".

INCENTIVES TO REPORT EARNINGS UNDER AFDC PROGRAMS

SEC. 302. (a) Section 402(a)(8) of the Social Security Act is amended—

(1) by inserting "or" at the end of subparagraph (D) thereof; and

(2) by adding after subparagraph (D) the following new subparagraph:

"(E) any of the persons specified in clause (ii) of subparagraph (A) with respect to which there is a failure without good cause to make a timely report (as prescribed by the State plan) to the State agency;".

(b) The amendments made by subsection (a) shall take effect on the date of the enactment of this Act.

PRORATING OF SHELTER ALLOWANCE

SEC. 303. Part A of title IV of the Social Security Act is amended by adding at the end thereof the following new section:

"PRORATING OF SHELTER ALLOWANCE IN CERTAIN CASES WHERE CHILD LIVES WITH RELATIVE NOT LEGALLY RESPONSIBLE FOR HIS SUPPORT

"SEC. 412. (a) Notwithstanding any other provision of this part, a State plan for aid and services to needy families with children shall not be regarded as failing to comply with the requirements imposed under this part solely because, under such plan, in any case in which one or more children live in any household—

"(1)(A) in which the total income of such child or children and the closely related family members (as defined in subsection (b)) living in the same household equals or exceeds the standard of need under such plan for a family equal in number to the total number of such children and closely related family members in the same household, or (B) where the income of children and family members cannot be determined due to failure to cooperate, and

"(2) which (A) does not include a relative (specified in section 406(a)(1)) who is legally responsible for the support of the child or children, or (B) includes one or more such relatives who is legally responsible for the support of the child or children but none of whom is eligible for aid under the State plan because such relative is being supported by another person or under another program,

the amount of the aid furnished with respect to such child or children for shelter, utilities, and similar expenses, bears the same ratio to the total amount which would be furnished for such expenses, if all the closely related family members with whom such child or children are living were eligible for such aid, as the number of such children bears to the total number of such children and closely related family members.

"(b) For purposes of subsection (a), the term 'closely related family members' of a child means those relatives of his who are specified in section 406(a)(1) and any other individual for whose support such a relative is legally responsible, but does not include any such relative or other individual (1) with respect to whom benefits are provided under another public program eligibility for which is based on need, or (2) whose presence in the home would not increase the total amount which would be allowed for shelter, utilities, and similar expenses if he was eligible for aid.

"(c) The amount of aid to families with dependent children for shelter, utilities, and similar expenses shall be identified, for purposes of this section, in the following manner:

"(1) If the State plan approved under this part provides for paying 100 per centum of the standard of need specified in the plan, and designates a portion of that standard, for families of specified sizes, to meet shelter, utilities, and similar expenses, then an amount equal to that portion shall be considered the total amount for such expenses for a family of the specified size.

"(2) If such plan provides for meeting less than 100 per centum of such standard, and designates a portion of that standard, for families of specified sizes, to meet such expenses, then an amount equal to that portion, multiplied by the proportion of the standard of need which such State pays as aid to families with dependent children, shall be considered the total amount for such expenses for a family of the specified size.

"(3) If such plan does not designate any portion of the standard of need for meeting such expenses, then such portion shall be prescribed by the Secretary, but in no event shall such portion exceed 30 per centum of the standard of need for a family of a specified size, multiplied by the proportion of such standard which the State pays as aid to families with dependent children.

"(d) For purposes of subsection (a), the total income of the child or children and the closely related family members (as defined in subsection (b)) shall be determined as it would be if all such individuals were applicants for aid under the State plan and shall not include any income which any such individual is obligated to apply to the support of any other individual not living in the household.".

SERVICES FOR DISABLED CHILDREN

SEC. 304. Section 1615 of the Social Security Act is amended by redesignating the second subsection (c) as subsection (e), and by striking out "October 1, 1979" in paragraph (1) of such subsection (e) and inserting in lieu thereof "October 1, 1982".

PUBLIC ASSISTANCE PAYMENTS TO TERRITORIAL JURISDICTIONS

SEC. 305. (a) Section 1108(a) of the Social Security Act is amended—

(1) by striking out "with respect to the fiscal year 1972 and each fiscal year thereafter other than the fiscal year 1979" in paragraphs (1)(E), (2)(E), and (3)(E) and inserting in lieu thereof in each instance "with respect to each of the fiscal years 1972 through 1978"; and

(2) by striking out "with respect to the fiscal year 1979" in paragraphs (1)(F), (2)(F), and (3)(F) and inserting in lieu thereof in each instance "with respect to the fiscal year 1979 and each fiscal year thereafter".

(b) Section 1108(a) of such Act is further amended by striking out "under part A," in the matter preceding paragraph (1) and inserting in lieu thereof "under parts A and E".

(c) The last sentence of section 1118 of such Act is amended by striking out "when applied to quarters in the fiscal year ending September 30, 1979".

PERIOD WITHIN WHICH CERTAIN CLAIMS MUST BE FILED

SEC. 306. (a) Part A of title XI of the Social Security Act is amended by adding after section 1131 the following new section:

"PERIOD WITHIN WHICH CERTAIN CLAIMS MUST BE FILED

"SEC. 1132. (a) Notwithstanding any other provision of this Act (but subject to subsection (b)), any claim by a State for payment with respect to an expenditure made during any calendar quarter by the State—

"(1) in carrying out a State plan approved under title I, IV, V, X, XIV, XVI, XIX, or XX of this act, or

"(2) under any other provision of this Act which provides (on an entitlement basis) for Federal financial participation in expenditures made under State plans or programs,

shall be filed (in such form and manner as the Secretary shall by regulations prescribe) within the two-year period which begins on the first day of the calendar quarter immediately following such calendar quarter; and payment shall not be made under this Act on account of any such expenditure if claim therefor is not made within such two-year period; except that this subsection shall not be applied so as to deny payment with respect to any expenditure involving court-ordered retroactive payments or audit exceptions, or adjustments to prior year costs.

"(b) The Secretary shall waive the requirement imposed under subsection (a) with respect to the filing of any claim if he determines (in accordance with regulations) that there was good cause for the failure by the State to file such claim within the period prescribed under subsection (a). Any such waiver shall be only for such additional period of time as may be necessary to provide the State with a reasonable opportunity to file such claim. A failure to file a claim within such time period which is attributable to neglect or administrative inadequacies shall be deemed not to be for good cause.".

(b)(1) The amendment made by subsection (a) shall be effective only in the case of claims filed on account of expenditures made in calendar quarters commencing on or after October 1, 1979.

(2) In the case of claims filed prior to the date of enactment of this Act on account of expenditures described in section 1132 of the Social Security Act made in calendar quarters commencing prior to October 1, 1979, there shall be no time limit for the payment of such claims.

(3) In the case of such expenditures made in calendar quarters commencing prior to October 1, 1979, for which no claim has been filed on or before the date of enactment of this Act, payment shall not be made under this Act on account of any such expenditure unless claim therefor is filed (in such form and manner as the Secretary shall by regulation prescribe) prior to January 1, 1981.

(4) The provisions of this subsection shall not be applied so as to deny payment with respect to any expenditure involving adjustments to prior year costs or court-ordered retroactive payments or audit exceptions. The Secretary may waive the requirements of paragraph (3) in the same manner as under section 1132(b) of the Social Security Act.

(c) Notwithstanding any other provision of law, there shall be no time limit for the filing or payment of such claims except as provided in this section, unless such other provision of law, in imposing such a time limitation, specifically exempts such filing or payment from the provisions of this section.

INCENTIVES FOR STATES TO COLLECT CHILD SUPPORT OBLIGATIONS

SEC. 307. (a) The heading of section 458 of the Social Security Act is amended by inserting "STATES AND" after "TO".

(b) Section 458(a) of such Act is amended—

(1) by inserting "or a State on its own behalf makes," after "another State,", and

(2) by striking out "or such other State" and inserting in lieu thereof ", such other State, or such State (in the case of a State which on its own behalf makes such enforcement and collection)".

(c) Section 458 of such Act is further amended by adding at the end thereof the following new subsection:

"(c) No payment under the preceding provisions of this section shall be made to any State or political subdivision thereof with respect to any amount collected and distributed by it unless such amount was collected and distributed in accordance with the State plan of the State approved by the Secretary as meeting the conditions required by section 454.".

EXCHANGE OF INFORMATION ON TERMINATED OR SUSPENDED PROVIDERS

SEC. 308. (a) Section 1862(d) of the Social Security Act is amended by adding at the end thereof the following new paragraph:

"(4) The Secretary shall promptly notify each State agency which administers or supervises the administration of a State plan approved under title XIX of any determination made under the provisions of this subsection.".

(b) Section 1866(c) of such Act is amended by adding at the end thereof the following new paragraph:

"(3) Where an agreement filed under this title by a provider of services has been terminated by the Secretary, the Secretary shall promptly notify each State agency which administers or supervises the administration of a State plan approved under title XIX of such termination.".

(c) Section 1902(a) of such Act is amended—

(1) by striking out "and" at the end of paragraph (39);

(2) by striking out the period at the end of paragraph (40) and inserting in lieu thereof "; and"; and

(3) by inserting after paragraph (40) the following new paragraph:

"(41) provide that whenever a provider of services or any other person is terminated, suspended, or otherwise sanctioned or prohibited from participating under the State plan, the State agency shall promptly notify the Secretary of such action.".

POSTPONEMENT OF IMPOSITION OF CERTAIN PENALTIES RELATING TO CHILD SUPPORT REQUIREMENTS

SEC. 309. No reduction in the amount payable to any State under title IV of the Social Security Act with respect to fiscal year 1977 or fiscal year 1978 shall be made prior to October 1, 1980, on account of the provisions of section 403(h) of such Act.

CONTINUING MEDICAID ELIGIBILITY FOR CERTAIN RECIPIENTS OF VETERANS' ADMINISTRATION PENSIONS

SEC. 310. (a)(1) Part A of title XI of the Social Security Act is amended by adding after section 1132 (as added by section 305 of the Act) the following new section:

"APPLICANTS OR RECIPIENTS UNDER PUBLIC ASSISTANCE PROGRAMS NOT TO BE REQUIRED TO MAKE ELECTION RESPECTING CERTAIN VETERANS' BENEFITS

"SEC. 1133. (a) Notwithstanding any other provision of law (but subject to subsection (b)), no individual who is an applicant for or recipient of aid or assistance under a State plan approved under title I, X, XIV, or XVI, or part A of title IV, or of benefits under the Supplemental Security Income program established by title XVI shall—

"(1) be required, as a condition of eligibility for (or of continuing to receive) such aid, assistance, or benefits, to make an election under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978 with respect to pension paid by the Veterans' Administration, or

"(2) by reason of failure or refusal to make such an election, be denied (or suffer a reduction in the amount of) such aid, assistance, or benefits.

"(b) The provisions of subsection (a) shall be applicable only with respect to an individual, who is an applicant for or recipient of aid, assistance, or benefits described in subsection (a), during a period with respect to which there is in effect—

"(1) in case such individual is an applicant for or recipient of aid or assistance under a State plan referred to in subsection (a), in the State having such plan, or

"(2) in case such individual is an applicant for or recipient of benefits under the Supplemental Security Income program established by title XVI, in the State in which the individual applies for or receives such benefits,

a State plan for medical assistance, approved under title XIX, under which medical assistance is available to such individual only for periods for which such individual is a recipient of aid, assistance, or benefits described in subsection (a).".

(2) The amendment made by paragraph (1) shall be effective on and after January 1, 1979; except that nothing contained in such amendment shall be construed to authorize or require any payment (or increase in payment) of any aid or assistance or benefits referred to in section 1133(a) of the Social Security Act (as added by paragraph (1)) for any benefit period which begins prior to the date of enactment of this Act.

(b)(1)(A) For purposes of section 1902(a)(10)(A) of the Social Security Act, any individual who, prior to the date of enactment of this Act and for the month of December 1978, was eligible for and received aid or assistance under a State plan approved under title I, X, XIV, or XVI, or part A of title IV of such Act, or was eligible for and received supplemental security income benefits under title XVI of such Act (or a supplementary payment described in section 13(c) of Public Law 93-233), and was also in receipt of (or was a dependent, for purposes of chapter 15 of title 38, United States Code, as in effect on December 31, 1978, of an individual in receipt of) pension from the Veterans' Administration for the month of December 1978 shall (subject to subparagraph (B)) be deemed to have been receiving such aid, assistance, supplemental security income, or supplementary payment, for each calendar month thereafter (prior to the month in which the provisions of this subparagraph cease to be effective with respect to him as determined under subparagraph (B)), if such individual would have been eligible therefor in December 1978 and in the month in which the provisions of this subparagraph cease to be effective with respect to him as determined under subparagraph (B) had the increase in income of such individual (or of the family of which such individual is a member), attributable to an election (made by such individual or another member of such individual's family) under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978, not occurred.

(B)(i) The provisions of subparagraph (A) shall take effect on January 1, 1979, and shall cease to be effective, in the case of any individual, for and after the first calendar month beginning more than 10 days after an "informed election" (as defined in subdivision (ii) of this subparagraph) has been made by such individual (or, if such individual is not eligible to make such an election, by a member of such individual's family who is eligible to make such an election which affects such individual's eligibility for aid, assistance, or benefits under a plan or program referred to in subparagraph (A)).

(ii) The term "informed election" means an election made under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978 (or a reaffirmation of such an election which previously was made under such section 306) after the date of compliance by the Administrator of Veterans' Affairs (hereinafter in this section referred to as the "Administrator") with the provisions of paragraph (2)(A) with respect to the individual concerned. An individual who fails, within the time limits prescribed in paragraph (2)(B), to disaffirm an election previously made by such individual under such section 306 shall be deemed, for purposes of this section and such section 306, to have reaffirmed such election.

(2)(A) The Administrator shall provide to each individual to whom section 1133 of the Social Security Act (as added by subsection (a)(1) of this section) applies and who is eligible to make or has made an election under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978, a written notice, in clear and understandable language, which (i) describes the consequences to such individual (and possibly to such individual's family), in terms of a determination or possible determination of ineligibility for medical assistance under a State plan approved under title XIX of the Social Security Act, of making an election with respect to pension under such section 306, (ii) describes the provisions of subparagraph (B) of this paragraph and subsection (a) of this section, (iii) sets forth other relevant information that would be helpful to such individual in making an informed decision concerning such an election or the disaffirmation thereof, and (iv) in the case of any individual who has made such an election, is accompanied by a form prepared for the purpose of enabling such individual to file with the Administrator a written disaffirmation of such an election.

(B) Notwithstanding any other provision of law—

(i) any individual to whom section 1133 of the Social Security Act (as added by subsection (a)(1) of this section) applies may, within the 90-day period beginning with the day that there is mailed to such individual (at such individual's last known mailing address) a notice referred to in subparagraph (A), disaffirm an election previously made by such individual under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978 by completing and mailing to the Administrator the form furnished such individual for such purpose by the Administrator pursuant to subparagraph (A),

(ii) whenever any such individual files such a disaffirmation with the Administrator, the amount of pension payable to such individual shall be adjusted, beginning with the first calendar month which commences after the receipt by the Administrator of such disaffirmation, to the amount that such pension would have been if such an election by such individual had not been made,

(iii) any individual who has filed a disaffirmation, pursuant to this subparagraph, of an election made by such individual under such section 306 may again make an election thereunder, but such subsequent election may not be disaffirmed under this subsection, and

(iv) no indebtedness to the United States, as a result of the disaffirmation by an individual, pursuant to this subparagraph, of an election made by such individual under such section 306 shall be considered to arise from the payment of pension pursuant to such an election.

(C) The Administrator shall promptly advise the Secretary of Health, Education, and Welfare, and provide identification of the individuals involved and other pertinent information with respect to (i) disaffirmations of elections made by individuals pursuant to subparagraph (B), (ii) individuals who, by failing to disaffirm within the 90-day period prescribed in subparagraph (B), are deemed to have reaffirmed elections previously made, and (iii) individuals who, after having disaffirmed an election under subparagraph (B), subsequently again make an election under section 306 of the Veterans' and Survivors' Pension Improvement Act of 1978. The Secretary, upon receipt of any such information with respect to an individual, shall promptly notify the appropriate agencies administering State plans approved under title I, X, XIV, XVI, XIX, and part A of title IV of the Social Security Act, and State agencies making supplemental payments pursuant to section 1616 of such Act or an agreement entered into pursuant to section 212(a) of Public Law 93-66.

And the Senate agree to the same.

That the House recede from its disagreement to the amendment of the Senate to the title of the bill and agree to the same.

AL ULLMAN,
JAMES C. CORMAN,
CHARLES B. RANGEL,
WILLIAM M. BRODHEAD,
BARBER B. CONABLE, Jr.,
JOHN H. ROUSSELOT,
Managers on the Part of the House.

RUSSELL LONG,
HERMAN E. TALMADGE,
ABRAHAM RIBICOFF,
DANIEL P. MOYNIHAN,
DAVID BOREN,
BOB DOLE,
JOHN HEINZ,
BILL ROTH,
Managers on the Part of the Senate.

JOINT EXPLANATORY STATEMENT OF THE COMMITTEE OF CONFERENCE

The managers on the part of the House and the Senate at the conference on the disagreeing votes of the two Houses on the amendments of the Senate to the bill (H.R. 3434) to amend the Social Security Act to make needed improvements in the child welfare and social services programs, to strengthen and improve the program of Federal support for foster care of needy and dependent children, to establish a program of Federal support to encourage adoptions of children with special needs, and for other purposes, submit the following joint statement to the House and the Senate in explanation of the effect of the action agreed upon by the managers and recommended in the accompanying conference report:

The Senate amendment to the text of the bill struck out all of the House bill after the enacting clause and inserted a substitute text.

The House recedes from its disagreement to the amendment of the Senate with an amendment which is a substitute for the House bill and the Senate amendment. The differences between the House bill, the Senate amendment, and the substitute agreed to in conference are noted below, except for clerical corrections, conforming changes made necessary by agreements reached by the conferees, and minor drafting and clarifying changes.

TITLE I—FOSTER CARE AND ADOPTION ASSISTANCE

ESTABLISHMENT OF A SEPARATE FOSTER CARE (AND ADOPTION ASSISTANCE) PROGRAM UNDER A NEW PART E OF TITLE IV OF THE SOCIAL SECURITY ACT

(Sec. 101)

Present law.—Title IV-A of the Social Security Act provides Federal matching for State payments for foster care. States are required to make foster care payments as part of their AFDC program.

House bill.—The House bill retained present law provisions for Federal matching of foster care under Title IV-A, with amendments (including provisions for adoption assistance).

Senate bill.—The Senate bill provided repealed the current Title IV-A authorization for Federal AFDC foster care matching funds and the requirement that States have an AFDC foster care program. The bill created a new Part E of Title IV, "Federal Payments for Adoption Assistance and Foster Care," under which States would have the option of making foster care payments (and adoption assistance). In addition, under the Senate bill Federal matching funds would not be available for children placed in foster care after September 30, 1984.

Conference agreement.—Under the conference agreement, the present IV-A AFDC foster care program would be shifted to a new Title IV-E, as under the Senate bill, but would continue to be a required program as under current law. States could shift AFDC foster care from IV-A to the new Title IV-E program as of October 1, 1980 and would be required to have made the transition by October 1, 1982. Authority for Federal IV-E foster care matching funds would be permanent, as under the House bill.

NEW FOSTER CARE (AND ADOPTION ASSISTANCE) STATE PLAN REQUIREMENTS

1. Administration

(Sec. 101)

Present law.—The State plan requirements that apply to AFDC are generally also applicable to AFDC foster care. These include requirements relating to administration, personnel standards, reporting, privacy, benefit standards, and others.

House bill.—Same as present law.

Senate bill.—The Senate bill provided that, in order for a State to be eligible for payments for foster care and adoption assistance under the new Title IV-E, it must have a plan approved by the Secretary which provides that, in addition to certain State plan administrative requirements in current law. the agency responsible for administering the Title IV-B child welfare program shall administer or supervise the administration of the new program.

Conference agreement.—The House recedes.

2. Disclosure of information

(Sec. 101)

Present law.—Current law restricts the use or disclosure of information to purposes directly connected with: AFDC, SSI, Medicaid, or the Title XX social services program; any investigation, prosecution, or criminal or civil proceeding related to the administration of these programs; or the administration of any other federally assisted program providing assistance or services based on need. Present law also prohibits the disclosure to any committee or legislative body of information which identifies by name or address any applicant for, or recipient of. such assistance or services.

House bill.—Same as present law.

Senate bill.—The Senate bill modified present law to allow the disclosure of information regarding individuals assisted under the State's foster care and adoption assistance plan (1) for purposes of any authorized audit conducted in connection with the administration of the program including an audit performed by a legislative audit body, and (2) to the Committee on Finance and the Committee on Ways and Means. The bill also added language stating that nothing in the amendment shall preclude a State from providing standards which restrict disclosures to purposes more limited than those specified, or which, in the case of adoptions, prevent disclosure entirely.

Conference agreement.—The House recedes with an amendment. The conference agreement includes the provisions of the Senate bill, except that disclosure of information containing names and addresses of individual recipients to the Committees on Finance and Ways and Means would not be authorized. The conferees note that this limitation pertains only to names and addresses. As under existing law, the two committees would otherwise have full access to data and findings concerning the operations of these programs and would be able to request and receive the results of program audits. In addition, disclosure for purposes of the independently conducted audits required by other provisions of this bill would be authorized.

3. Required audit or evaluation of State's foster care, child welfare services and adoption assistance programs

(Sec. 101)

House bill.—No provision.

Senate bill.—The Senate bill would require a State to arrange for a "periodic and independently conducted audit" of Federally assisted AFDC foster care, adoption assistance and Title IV-B child welfare services programs at least once every three years. It would also require that the State agency periodically evaluate the foster care and adoption assistance programs and review the standards for foster care homes and institutions and the appropriateness of the amount paid for foster care and adoption assistance.

Conference agreement.—The House recedes with the understanding that the required independently conducted audit may be performed by a governmental agency.

4. Hearing procedures

(Sec. 101)

Present law.—The AFDC law requires that States must provide a fair hearing to any individual whose claim for aid is denied or not acted on with reasonable promptness. Specific requirements for fair hearing procedures are established in Federal regulations which provide that, in the case of an adverse determination, the State must give timely and adequate notice. Notice must be mailed at least 10 days before the effective date of the action and benefits must be continued if the recipient asks for a hearing within the 10 day period.

House bill.—Same as present law.

Senate bill.—The Senate bill required that any individual who is denied a request for benefits under Part E or under the IV-B child welfare program be informed of the reasons for the denial and offered an opportunity to meet with a representative of the agency.

Conference agreement.—The conference agreement provides that hearing procedures under the new IV-E program would be the same as under current IV-A law.

5. Procedure and Requirements Related to Children in Foster Care in Excess of 24 Months

(Sec. 101)

House bill.—No provision.

Senate bill.—The Senate bill required a State to:

(1) establish by State law by October 1, 1981, for each fiscal year beginning with FY 1983, specific goals as to the maximum number of children (absolute number or by percent of foster care children) who at any time during such year will be in foster care after having been in foster care over 24 months, and

(2) describe the steps which will be taken by the State to achieve the State's goals.

Conference agreement.—The House recedes with an amendment to the effective date. The State must establish its goals by October 1, 1982 for fiscal years beginning with fiscal 1984.

6. Case plan and case review system

(Sec. 101)

Present law.—Current law requires the development of a case plan for each IV-A foster care child, and a "periodic review of the necessity for the child's being in a foster family home or child care institution."

House bill.—The House bill specified that the case plan must be a written document which includes a description of the child's placement and its appropriateness; a plan, if necessary, for compliance with judicial determination requirements; and a plan of services which will be provided in order to improve family conditions and facilitate returning the child to his home, or which will facilitate other permanent placement of a child, or which will serve the needs of a child while in foster placement. In addition, it required a case review at least every six months by a court of competent jurisdiction or an administrative review.

Senate bill.—The Senate bill included the same case plan requirements as the House bill. However, it maintained the current law provisions for "periodic review."

Conference agreement.—The Senate recedes.

7. Preventive and reunification services

(Sec. 101)

Present law.—Current law requires the development of a case plan for each child to assure that the child "receives proper care and that services are provided which are designed to improve the conditions in the home from which he was removed or to otherwise make possible his being placed in the home of a relative."

House bill.—Same as present law.

Senate bill.—The Senate bill provided that in order for the State to have an approved State plan under Title IV-E after October 1, 1981, the State plan must provide that in each case:

Reasonable efforts will be made prior to the placement of the child in foster care to prevent or eliminate the need for removal of the child from his home; and

Reasonable efforts will be made to make it possible for the child to return to his home.

Conference agreement.—The House recedes with an amendment which retains the current law requirement assuring that the child receives proper care. The conferees agreed to the Senate requirement beginning October 1, 1983.

8. Federal sanctions for non-compliance with State plan requirements

(Sec. 101)

Present law.—Present law provides for the denial of Federal matching for part or all of the State's AFDC program if there is a finding by HEW of substantial failure to comply with the AFDC State plan requirements.

House bill.—Same as present law.

Senate bill.—The Senate bill provided that if there is a finding by HEW of substantial failure to comply with the State plan requirements under the new Part E of Title IV for foster care and adoption assistance, HEW could reduce the Federal matching payments to the extent determined to be appropriate.

Conference agreement.—The House recedes.

CEILING ON FEDERAL MATCHING FOR FOSTER CARE

(Sec. 101)

Present law.—Under present law, Federal matching funds for AFDC foster care are available to States on an open-ended, entitlement basis.

House bill.—Same as present law.

Senate bill.—The Senate bill provided for a ceiling on the amount of Federal matching funds available to each State for AFDC foster care maintenance payments, including related administrative expenses, for fiscal years 1980 through 1984. The ceiling for a State in fiscal year 1980 would be the greatest of: 120 percent of the 1978 Federal matching funds for AFDC foster care, including related administrative expenses; 1979 Federal matching funds for AFDC foster care for a State, including related administrative expenses, increased by the greater of 10 percent or the increase in the CPI; or a State's share of $100 million relative to its population under age 18.

In applying the above, a State's base would include that additional amount of money a State would have been entitled to be paid for foster care maintenance payments on behalf of children whose foster care was provided by related persons and whose placement met the other requirements of law if such payments had been made. Certain disputed claims would also be included in the base until they are resolved.

The ceiling for a State in fiscal 1981 through 1984 would be the greater of; 110 percent of the preceding year's ceiling; or a State's share of $100 million relative to its populations under age 18.

Any funds made available to a State for foster care under this ceiling which are not used for Title IV–E foster care could be used to provide child welfare services under Title IV–B at the 75 percent Federal matching rate.

Conference agreement.—The House recedes with an amendment. Under the conference agreement, there would be a ceiling on Federal foster care matching funds for four years beginning with fiscal 1981.

States would have the following options in the determination of this ceiling:

1. The State's fiscal year 1978 Federal foster care funds increased by 33⅓ percent for fiscal year 1981, and increased by 10 percent per year thereafter.

2. The State's share of $100 million relative to its population under 18.

3. Or, a State whose AFDC foster care caseload in fiscal year 1978 was below the 1978 national average AFDC foster care caseload (based on the percentage of children under 18 in AFDC foster care in the State and nationwide) could receive an amount for 1981, and for each year thereafter (1982–1984) that its foster care caseload remained below the 1978 national average caseload, determined as follows: for each year, the amount of Federal AFDC foster care matching funds the State received in 1978 would be increased (1) by the same percentage its AFDC foster care caseload had increased since 1978 (not to exceed 10 percent per year from 1978 to the year in question) and (2) further increased by 33⅓ percent for fiscal year 1981 and by 10 percent per year thereafter. This option would not be available to a State once its foster care caseload equals or exceeds the 1978 national average caseload.

Under all options, a State's base would include the cost of certain foster care provided by related persons and certain disputed claims, as in the Senate bill.

The ceiling on Federal foster care funds would not be effective for fiscal year 1981 if IV–B child welfare services appropriations are less than $163.5 million, for fiscal year 1982 if IV–B appropriations are less than $220 million, and for fiscal years 1983 and 1984 if IV–B appropriations are less than $266 million. Further, beginning with fiscal year 1981 for expenditures in fiscal year 1982, IV–B appropriations must be provided on an advance funding basis.

Federal foster care matching funds made available to a State under the ceiling which are not used for foster care maintenance could be used for IV–B child welfare services at the 75 percent Federal matching rate under the following conditions:

A State that selected the ceiling option No. 3 described above could not transfer IV–E foster care funds to IV–B child welfare services.

A State could not transfer from IV–E to IV–B more than an amount which, together with the IV–B funds it receives, exceeds its share of $141 million under the IV–B allocation formula, unless and until it had implemented the foster care procedures and protections, except preplacement preventive services, required by section 103 of this bill in order for a State to receive additional IV–B child welfare services funds. (These required procedures and protections are described in the part of section 103 entitled "Requirements for Additional Federal IV–B Child Welfare Services Funds.") After Federal IV–B appropriations have equaled the authorized maximum of $266 million for two consecutive years, a State could not transfer funds from IV–E to IV–B unless and until it had implemented all the foster care procedures and protections required for receipt of additional IV–B child welfare services funds, including a program of preplacement preventive services.

In any year there is no ceiling on Federal IV–E foster care funds because of inadequate IV–B appropriations, a State that opted for a ceiling in order to be able to transfer funds from IV–E to IV–B could not transfer more than an amount which, together with the IV–B funds it receives, exceeds the amount of IV–B funds it would have received if the IV–B appropriations for such year had been sufficient to require a ceiling on foster care funds in all States. Further, the State could not transfer from IV–E to IV–B more than an amount which, together with the IV–B funds it receives, exceeds its share of $141 million under the IV–B allocation formula, unless and until it had implemented the foster care procedures and protections required in order for a State to receive additional IV–B child welfare service funds, except preplacement preventive services. When for any two fiscal years the amount of funds transferred from IV–E to IV–B plus direct IV–B funds has equaled the State's share of $266 million (under the IV–B allocation formula), the State could no longer transfer funds from IV–E to IV–B unless and until it had implemented all the foster care procedures and protections required for receipt of additional IV–B child welfare services funds, including a program of preplacement preventive services.

PROVISION OF PREVENTIVE SERVICES FOR CHILDREN PLACED AS A RESULT OF JUDICIAL DETERMINATION

(Sec. 101)

Present law.—Under present law, Federal IV–A matching funds are available for foster care maintenance payments for a child (1) who has been removed from the home of a relative and placed in a foster family home or child care institution as a result of a judicial determination that continuation in that home would be contrary to the child's welfare, and (2) who received AFDC during the month in which court proceedings were initiated or was eligible to receive AFDC in that month or within 6 months prior to that time.

House bill.—The House bill maintained present law for IV–A matching funds. (However, one of the new requirements a State would have to meet to continue to receive additional IV–B funds is that judicial determinations in the case of involuntarily removed children would have to establish, among other findings, that there had been reasonable attempts to provide preplacement preventive services.)

Senate bill.—The Senate bill provided that under the new IV–E program the current judicial determination requirement would be modified to include a judicial finding that reasonable efforts have been made to prevent the need for the child's removal from his home or, where applicable, to make it possible for the child to return to his home.

Conference agreement.—The House recedes. The modification in the Senate bill would become effective October 1, 1983. (The conference agreement also provides for Federal funding for certain "voluntarily" placed children as described in the part of section 102 entitled "Children Voluntarily Placed in Foster Care.")

DEFINITION OF FOSTER CARE MAINTENANCE PAYMENTS

(Sec. 101)

Present law.—In present law, there is no general definition covering all "foster care maintenance payments." However, payments on behalf of children in an institution are subject to limitations prescribed by the Secretary with a view to including only those items which are included in the case of foster care provided in a foster family home.

House bill.—No provision.

Senate bill.—The Senate bill defined "foster care maintenance payments" as payments to cover the cost of (and the cost of providing) food, clothing, shelter, daily supervision, school supplies, personal incidentals, liability insurance for the child, and reasonable travel to the child's home for visits. In the case of institutional care, the term would include the reasonable costs of administration and operation of the institution as are required to provide the items listed above.

Conference agreement.—The House recedes with the understanding that, in the case of foster family homes, payments for the costs of providing care to foster children are not intended to include reimbursement in the nature of a salary for the exercise by the foster family parent of ordinary parental duties.

FOSTER CARE MAINTENANCE PAYMENTS TO CHILDREN IN HOMES AND INSTITUTIONS

(Sec. 101)

Present law.—Present law authorizes matching for maintenance payments made to children who are living in foster family homes and in nonprofit *private* child care institutions.

House bill.—The House bill allowed matching for maintenance payments made to children in *public* institutions which accommodate no more than 25 children (but not including detention facilities, forestry camps, training schools, or any other facilities operated primarily for the detention of children who are delinquent). The change applied to children already in such institutions on the date of enactment and to those placed after enactment.

Senate bill.—The Senate bill included the same provision, except that it applied only to children placed in qualified public institutions after the date of enactment.

Conference agreement.—The Senate recedes.

FEDERAL MATCHING PROVISIONS FOR FOSTER CARE

(Sec. 101)

Present law.—Under present law, States receive Federal matching for AFDC foster care payments on the same basis as matching for regular AFDC payments. They may use (1) the AFDC formula, which is used by only 4 States, or (2) the Medicaid formula.

House bill.—Same as present law.

Senate bill.—The Senate bill provided for Federal matching under the new IV–E program according to the Medicaid matching formula.

Conference agreement.—The House recedes.

CHILDREN VOLUNTARILY PLACED IN FOSTER CARE

(Sec. 102)

Present law.—Under present law, Federal AFDC matching funds are not available for children placed in foster care without a judicial determination.

House bill.—The House bill removed the limitation that only children who have been placed in foster care as the result of a judicial determination may receive federally matched foster care payments. It allowed Federal matching for children who have been removed from the home pursuant to a voluntary placement agreement, but only after the Secretary of HEW had determined that a State had in place all of the protection and procedures required by section 103 of this bill for the receipt of additional IV–B child welfare services funds.

Senate bill.—The Senate bill maintained the present law limitation.

Conference agreement.—The Senate recedes with an amendment. The conference agreement provides that, in those States that have implemented the protections and procedures required by section 103 for receipt of additional IV–B child welfare services funds, including a program of preplacement preventive services (as described in the section on IV–B child welfare services) Federal foster care matching funds would be available until September 30, 1983 for children who have been voluntarily removed from their home (without a judicial determination), if such removal is pursuant to a voluntary placement agreement. The voluntary placement agreement must be revokable on the part of the parent unless the child welfare agency objects and obtains a judicial determination that the return of the child to the home would be contrary to the child's best interests. There would have to be a judicial determination of a voluntary placement within six months to the effect that such placement is in the best interests of the child. The Secretary of HEW would be required to report annually to the Congress on the number of children placed under this provision.

CERTAIN VOLUNTARILY PLACED CHILDREN

(Sec. 102)

House bill.—The bill provided that a child who was voluntarily removed from the home prior to enactment of the bill without a judicial determination would, upon enactment, become eligible for Federally matched foster care payments in the future, but only if (1) the State had implemented the protections and procedures referred to above (except preplacement preventive services) and (2) there was a written individualized case plan for that child which had been prepared and reviewed according to specified procedures.

Senate bill.—The Senate bill provided that Federal matching under the new Title IV–E would be allowed for a child who was voluntarily removed from the home and for whom there had been, at some time prior to October 1, 1978, a judicial determination that continuation in the home would have been contrary to the welfare of the child. Federal matching funds would become available from the date that a case plan was prepared and a case review was made regarding the child. The bill also authorized Federal matching under Title IV–A until such time as a State had an approved plan under the new Title IV–E for certain children voluntarily placed prior to October 1, 1979. Federal matching would be provided for AFDC foster care costs in the case of a child removed from the home on a voluntary basis where, prior to October 1, 1978, there was a judicial determination that continuation in the home would have been contrary to the welfare of such child. The date of the voluntary removal would be deemed to be the date on which the court proceedings were initiated.

Conference agreement.—The House recedes.

PROVISION FOR STATE ADOPTION ASSISTANCE PROGRAM

(Sec. 101)

Present law.—There is no requirement in present law that States have a program of adoption assistance.

House bill.—The House bill required that States establish no later than September 1, 1980 an adoption assistance program under which adoption assistance payments would be made and AFDC Federal matching funds could be claimed under certain conditions and limitations.

Senate bill.—The Senate bill provided that, as part of its IV–E plan, a State may establish an adoption assistance program and receive Federal matching funds under certain conditions and limitations.

Conference agreement.—The Senate recedes with an amendment. Under the conference agreement States would be required to establish an adoption assistance program under the new Title IV–E no later than October 1, 1982.

ELIGIBILITY FOR ADOPTION ASSISTANCE

(Sec. 101)

House bill.—The House bill authorized Federal matching for payments to parents who adopt a child with "special needs" who, prior to adoption, was eligible for SSI or AFDC (including AFDC foster care pursuant to a judicial determination or voluntary placement agreement). The bill also provided that a child could not be considered a child with "special needs" unless the State agency determined that the child could not or should not be returned to his biological family; that the child was difficult to place because of his ethnic background, age, membership in a minority or sibling group, or the presence of factors such as medical conditions or physical, mental, or emotional handicaps; and that a reasonable but unsuccessful effort had been made to place the child without providing assistance.

Senate bill.—The Senate bill authorized Federal matching for payments to parents who adopt a child with "special needs" who, prior to adoption, was eligible for SSI or AFDC foster care pursuant to a judicial determination. The Senate bill also provided that a child could not be considered a child with special needs unless the State agency had determined that the child could not or should not be returned to his home; the State determined that there existed with respect to the child a specific factor or condition because of which it was reasonable to conclude that the child cannot be placed without providing adoption assistance; and that a reasonable but unsuccessful effort had been made to place the child without providing assistance.

Conference agreement.—The conference agreement provides that Federal matching would be available for a child with "special needs" who was eligible for SSI, AFDC or AFDC foster care, including voluntarily placed children, as under the House bill. "Special needs" would be defined as in the Senate bill, modified by House language to provide examples of the kinds of factors or conditions that could constitute "special needs."

ADOPTION ASSISTANCE AGREEMENTS

(Sec. 101)

House bill.—The House bill provided federal matching for adoption assistance payments pursuant to an adoption assistance agreement. It defined "adoption assistance agreement" to mean a written statement, binding on all parties, between the State agency, other relevant agencies, and the prospective adopting parents, which specifies, at a minimum, the amount of payments and any additional services and assistance which are to be provided. In addition, the bill required that the agreement shall remain in effect regardless of whether the adoptive parents are or remain residents of the State.

Senate bill.—The Senate bill included the same provision as the House bill, with the exception that it omitted the requirement that the agreement remain in effect regardless of whether the adoptive parents are or remain residents of the State.

Conference agreement.—The Senate recedes with an amendment providing that, effective October 1, 1983, States would be required to continue to comply with adoption assistance agreements regardless of whether the adoptive parents are or remain residents of the State, as in the House bill. Between enactment and October 1, 1983, HEW would be directed to develop interstate compacts with respect to adoption assistance agreements.

AMOUNT OF ADOPTION ASSISTANCE PAYMENTS

(Sec. 101)

House bill.—The House bill provided that the amount of the payments would be determined through agreement between the parents and the agency, taking into consideration the economic or other circumstances of the adopting parents and the needs of the child being adopted, and could be readjusted periodically depending on changes in circumstances. The bill also provided that adoption assistance payments could include payments of an amount necessary to cover part or all of the *nonrecurring* expenses (as defined in regulations of the Secretary) associated with the proceedings related to the adoption of the child.

Senate bill.—The Senate bill included the same provision with respect to the amount of payments, but stipulated that funds expended with respect to *nonrecurring* costs of adoption proceedings could be paid for with Title IV–B child welfare services funds, but not with open-ended funds for adoption assistance payments.

Conference agreement.—The House recedes. The conferees understand that some States already fund certain costs associated with adoption through the child welfare services program. This provision is not intended to prohibit funding for expenditures which are considered eligible for funding under present law, such as costs associated with the adoption of children who do not meet the requirements for adoption assistance under the new program established under Title IV–E.

DURATION OF ADOPTION ASSISTANCE

(Sec. 101)

House bill.—The House bill provided that adoption assistance payments could continue until the child reached age 18. In the case of a child with a physical or mental handicap, the State could continue with assistance until the child reached age 21. Adoption assistance payments to adoptive parents would cease prior to age 18 (or 21) if the State determines that the child is no longer receiving any support from such parents.

Senate bill.—The Senate bill provided that adoption assistance payments could continue until the child reached age 18. In addition, the bill provided that adoption assistance payments to adoptive parents would cease if the State determined that—

The child was no longer receiving any support from such parents; or

The parents were no longer legally responsible for the support of the child.

Conference agreement.—The conferees agreed that Federally matched adoption assistance could continue until the child reached 18, or until 21 in the case of a child with a mental or physical handicap, as in the House bill. Federally matched adoption assistance payments would stop if the State determines the parents are no longer supporting the child or are no longer legally responsible for supporting the child, as in the Senate bill.

MEDICAID ELIGIBILITY FOR ADOPTED CHILDREN

(Sec. 101)

House bill.—The House bill provided that children receiving adoption assistance payments would be considered to be receiving AFDC and therefore would be categorically eligible for Medicaid.

Senate bill.—The Senate bill provided that children eligible for adoption assistance would be covered under Medicaid.

Conference agreement.—The Senate recedes.

FEDERAL MATCHING FOR ADOPTION ASSISTANCE

(Sec. 101)

House bill.—The House bill provided permanent Federal matching funds for adoption assistance. Matching would be the same as for AFDC, using either the AFDC or Medicaid formula.

Senate bill.—The Senate bill provided that Federal matching for adoption assistance would be limited to adoption assistance agreements entered into before October 1, 1984. Matching would be based on the Medicaid formula.

Conference agreement.—The conference agreement provides that Federal matching for adoption assistance would be permanent, as in the House bill, and would be based on the Medicaid matching formula, as in the Senate bill.

HEW RESPONSIBILITIES FOR STUDIES AND TECHNICAL ASSISTANCE

(Sec. 101)

House bill.—No provision.

Senate bill.—The Senate bill authorized the Secretary of HEW to provide technical assistance to the States in implementing the new Title IV–E. It further required him to conduct a study of foster care and adoption assistance programs established under the new part IV–E and to submit a report to the Congress by October 1, 1982, including an analysis and evaluation of the effectiveness of the new Title IV–E, and recommendations as to whether the program should continue or any recommendations regarding changes needed in the program.

Conference agreement.—The House recedes. HEW would be authorized to provide technical assistance to States, and to conduct a study of the new IV–E program with a report to Congress, as in the Senate bill. The report would be due October 1, 1983

TITLE IV–B CHILD WELFARE SERVICES

REQUIREMENTS FOR ADDITIONAL FEDERAL IV–B CHILD WELFARE SERVICE FUNDS

(Sec. 103)

Present law.—Current law authorizes up to $266 million annually, subject to appropriations, for IV-B child welfare services matching funds to be allocated among the States on the basis of the child population and per capita income of each State. Annual appropriations have never exceeded $56.5 million. Appropriated funds may be used for foster care maintenance payments and a wide variety of child welfare services.

House bill.—The bill provided that in fiscal years 1980 and 1981, if appropriated, States could receive up to $84 million in excess of $56.5 million currently appropriated for child welfare services. In order to continue to receive its share of these new funds beyond fiscal year 1981, a State would have to have implemented specified laws and procedures to assure: judicial determinations in the case of involuntary placements, which would include a finding with regard to the provision of preplacement preventive services; "voluntary placement agreements" in the case of voluntary placements; reunification services; placements in the least restrictive setting and within reasonable proximity to home; a case plan for each child in foster care (6 month administrative review and 18 month dispositional hearing); and fair hearing procedures.

Beginning in fiscal year 1981, if appropriated, a State could receive its share of an additional $125.5 million if, in addition to the above items, it had: completed case reviews of all children who have been in foster care for over 6 months; and provided HEW with an inventory and report based on these case reviews. In order for a State to continue to receive its share of this second allotment of new funds beyond the end of the fiscal year following the fiscal year it received such funds, it would have to have: implemented "preplacement preventive services" for voluntary and involuntary placements; established procedures enabling it to provide HEW with an annual report on children in foster care; and demonstrated that 40 percent of additional IV–B funds are used for preventive reunification services.

Senate bill.—The bill provided that, if in any year funds in excess of $56.5 million are appropriated, the appropriations act may restrict States' use of such new funds to certain foster care procedures and services. This included for the first year: conducting an inventory of children who have been in foster care for over 6 months; developing a statewide information system on children in foster care; developing a case review system for each child in foster care (12 month review and 24 month dispositional hearing), designed to achieve placement in the least restrictive setting in close proximity to home, and to provide procedural safeguards for parents; and developing a service program designed to help children remain with their families or, where possible, return to their families. In any following fiscal year, the additional IV–B funds could be used for the implementation and operation of the information and case review system and service programs referred to above. However, if a State had completed all the activities referred to above, any amounts available to it in any fiscal year in excess of the $56.5 million appropriation could be used for implementation and operation.

Conference agreement.—In any year in which Federal IV–B appropriations exceed $141 million, a State could not receive any IV–B funds in excess of its share of $141 million unless it had implemented the following procedures and protections:

Conducted an inventory of children who have been in foster care for over 6 months.

Implemented a statewide information system on children in foster care.

Implemented a case review system for each child in foster care, which includes a 6 month review and 18 month dispositional hearing for each child. The case review system must be designed to achieve placement in the least restrictive setting and in close proximity to home, and to provide procedural safeguards for children, parents and foster care providers.

Implemented a services program designed to assist children, where possible, to return to their homes.

Further, when Federal IV–B appropriations have equalled the authorized maximum of $266 million for two consecutive years, a State would have its IV–B funds reduced, beginning with the succeeding fiscal year, to the share of $56 million it received in fiscal year 1979, unless and until it had implemented the protections and procedures described above and, in addition, implemented a service program of preplacement preventive services designed to prevent the need for removing a child from his or her home.

DEFINITION OF CHILD WELFARE SERVICES

(Sec. 103)

Present law.—For purposes of Title IV–B, the term "child welfare services" is defined as public social services which supplement, or substitute for, parental care and supervision for the purpose of—(a) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation or delinquency of children; (b) protecting and caring for homeless, dependent, or neglected children; (c) protecting and promoting the welfare of children of working mothers; and (d) otherwise protecting and promoting the welfare of children, including the strengthening of their own homes where possible or, where needed, the provision of adequate care of children away from their homes in foster family homes or day care or other child care facilities.

House bill.—The bill changed the definition of "child welfare services" to public social services which are directed toward the accomplishment of the following purposes: (a) preventing or remedying, or assisting in the solution of problems which may result in, the neglect, abuse, exploitation or delinquency of children; (b) protecting and promoting the welfare of all children, including handicapped, homeless, dependent, or neglected children; (c) preventing the unnecessary separation of children from their families by identifying family problems, assisting families in resolving their problems, and preventing breakup of the family where the prevention of child removal is desirable and possible; (d) restoring to their families children who have been removed, by the provision of services to the child and family; (e) placing children in suitable adoptive homes, in cases where restoration to the biological family is not possible or appropriate; and (f) assuring adequate care of children away from their homes, in cases where the child cannot be returned home or cannot be placed for adoption.

Senate bill.—No provision.

Conference agreement.—The Senate recedes.

LIMITATIONS ON USE OF TITLE IV–B FUNDS

(Sec. 103)

House bill.—The bill prohibited a State from using any funds it received in excess of its share of the $56.5 million currently appropriated for foster care maintenance payments, adoption assistance payments, and for child care which is solely employment-related.

Senate bill.—The bill prohibited a State from using any funds, in excess of its share of the $56.5 million currently appropriated. for foster care maintenance payments.

Conference agreement.—A State would be prohibited from using new IV–B funds for foster care maintenance payments, adoption assistance, and for child care that is needed only for employment, as in the House bill.

PROHIBITION AGAINST REDUCTION OF STATE CHILD WELFARE EXPENDITURES

(Sec. 103)

House bill.—The House bill provided that to be eligible to receive its share of increased appropriations under Title IV–B, a state could not reduce its spending level for child welfare services under Title XX and Title IV–B, below its 1979 level.

Senate bill.—No provision.

Conference agreement.—The Senate recedes with an amendment. Under the conference agreement, the reference to Title XX would be omitted.

FEDERAL MATCHING RATE FOR IV–B CHILD WELFARE SERVICES

(Sec. 103)

Present law.—Current Federal matching rates range from 33⅓ percent to 66⅔ percent based upon State per capita income.

House bill.—The Federal matching rate for Title IV–B funds would be changed to 75 percent.

Senate bill.—Same as House bill but a State would be allowed to use State foster care expenditures to meet the 25 percent IV–B matching requirement.

Conference agreement.—The House recedes.

ADVANCE FUNDING OF TITLE IV–B

(Sec. 103)

House bill.—No provision.

Senate bill.—The bill converted the child welfare services program to an "advance funding" basis. Appropriations would become available for expenditure in the fiscal year following the fiscal year to which the appropriation act generally applied in order to provide States with advance knowledge of the amount of funding available.

Conference agreement.—IV–B funds would be shifted to an advance funding basis as in the Senate bill beginning in fiscal year 1981 for expenditures to be made in 1982.

CARRYOVER OF A STATE'S UNUSED TITLE IV–B CHILD WELFARE FUNDS

(Sec. 103)

House bill.—Funds appropriated for fiscal year 1980 would remain available, to the extent provided in an appropriation act, through fiscal year 1981.

Senate bill.—No provision.

Conference agreement.—The Senate recedes.

REALLOCATION OF TITLE IV–B FUNDS

(Sec. 103)

Present law.—Current law permits reallocation of funds not needed by one State to other States which the Secretary determines have need for such funds to carry out their State plans and which will be able to use such funds during the fiscal year. Reallocation is to take into consideration the population under age 21 of each State and the State per capita income.

House bill.—The bill repealed the present law provision for reallocation of unused funds.

Senate bill.—Same as present law.

Conference agreement.—The House recedes.

CHILD WELFARE PAYMENTS DIRECTLY TO INDIAN TRIBAL ORGANIZATIONS

(Sec. 103)

Present law.—There is no specific provision relating to Indian tribal organizations.

House bill.—Same as present law.

Senate bill.—The bill provided authority for the Secretary of HEW to make payments from funds appropriated for Title IV–B child welfare services directly to an Indian tribal organization in a State. The payments would come from the State's Title IV–B allotment.

Conference agreement.—The House recedes.

TITLE II—SOCIAL SERVICES

CEILING ON FEDERAL TITLE XX FUNDS

(Sec. 201)

Present law.—For fiscal year 1979, Federal funding for social services under Title XX of the Social Security Act was subject to a temporary national ceiling of $2.9 billion. As of October 1, 1979, the ceiling reverted to its permanent level of $2.5 billion.

House bill.—The House bill provided for increasing the permanent ceiling on Federal funding for Title XX to $3.1 billion for fiscal year 1980 and after.

Senate bill.—The Senate bill provided for annual indexing of the $2.5 billion ceiling through FY 1985, resulting in the following levels: $2.7 billion in 1980; $2.9 billion in 1981; $3.0 billion in 1982; $3.1 billion in 1983; $3.2 billion in 1984; $3.3 billion in 1985 and after.

Conference agreement.—The House recedes with an amendment requiring reallocation of any unused funds in fiscal year 1980.

100 PERCENT MATCHING FOR CHILD DAY CARE; GRANTS TO HIRE WELFARE RECIPIENTS

(Sec. 202)

Present law.—For fiscal years 1977, 1978 and 1979, $200 million annually was available for day care under Title XX with no Federal matching requirement. Under temporary provisions of law which expired March 31, 1980, States were permitted to use Title XX funds to make grants to employers for the wages of welfare recipients hired to provide day care services, under certain specified limitations and restrictions. Grants could be used to pay wages up to $6,000 a year to an employee in the case of a public or nonprofit provider of child care, or $5,000 in the case of a profitmaking provider.

House bill.—The House bill provided that, of the total amount of Title XX funds available under the statutory ceiling, $200 million would be available for child care in fiscal years 1980 and 1981 with no State matching requirement. In addition, the House bill extended through fiscal years 1980 and 1981, the temporary provision of law permitting States to use their share of the $200 million for grants to reimburse employers for wages paid to welfare recipients hired as child care workers.

Senate bill.—The Senate bill, like the House bill, earmarked $200 million for child care in fiscal years 1980 and 1981 with no State matching requirement. In addition, the Senate bill made permanent the same provision permitting States to use Title XX funds for reimbursement of the costs of hiring welfare recipients in child care jobs with the addition of the following provisions: (a) for fiscal year 1979, States would be limited to their share of the $200 million earmarked for child care; (b) for fiscal years 1980 and 1981, such reimbursement would first be applied to the $200 million child care allocation, and, in any case, could not exceed 8% of the State's share of Title XX Federal funding, with no State matching requirement; (c) for fiscal years 1982 and after, up to 8% of the State's share of total Title XX Federal funding, with no State matching requirement, would be available.

The wage limits would be increased on a permanent basis to $6,000 per eligible employee in public and nonprofit private child care facilities and to $5,000 in profitmaking facilities.

Conference agreement.—Of the total amount of Title XX funds available under the statutory ceiling, $200 million would be available for child care in fiscal 1980 and 1981 with no State matching requirement, as in both the House and Senate bills. In addition, authority for States to use Title XX funds for grants for hiring welfare recipients as child day care workers would be made permanent with the modifications contained in the Senate bill. For fiscal years 1982 and thereafter, a State could receive up to 8 percent of its Title XX allotment with no matching requirement if such allotment was used for child care services (including grants to hire welfare recipients) as provided under present law for the $200 million earmarked for child care services.

LIMITATION ON FUNDS FOR TITLE XX TRAINING

(Sec. 203)

Present law.—75 percent Federal matching funds are available to States on an entitlement basis for training costs related to Title XX activities. These funds are open-ended and are in addition to matching funds provided under the Title XX statutory ceiling.

House bill.—The House bill provided that, for fiscal 1980, Federal matching funds for training would be limited to an amount equal to 3 percent of the State's fiscal 1980 allotment of funds under the statutory services ceiling. States that received more Federal Title XX training funds in fiscal 1979 than 3 percent of their fiscal 1980 allotment would receive an additional amount equal to two-thirds of the amount by which Federal training funds received in fiscal 1979 exceeded 3 percent of their fiscal 1980 allotment. Beginning in fiscal 1981 and for each year thereafter, States would be reimbursed only for those training expenditures that had been included in, and approved by HEW as part of, a State Title XX training plan.

Senate bill.—The Senate bill provided that for fiscal year 1980, notwithstanding any other provision of law, Federal matching funds for training would be limited to the highest of:

4 percent of the State's allotment for that fiscal year under Title XX funding ceiling,

The actual amount of Federal matching for amounts spent by the State for training for fiscal year 1979, or

The amount payable to the State with respect to State appropriations made prior to October 1, 1979 for fiscal year 1980, except that the additional amount would be limited to $6 million distributed among affected States.

Conference agreement.—The conference agreement provides that for fiscal years 1980 and 1981, the ceiling specified in the Senate bill would be in effect. For fiscal 1982 and thereafter, there would be no specific ceiling, but States would be reimbursed only for those expenditures included in an HEW approved State training plan, as in the House bill.

USE OF RESTRICTED PRIVATE FUNDS FOR TRAINING PROGRAMS

(Sec. 204)

Present law.—Private funds donated to the State for purposes of meeting the non-Federal requirement for Title XX services or training must be donated without restrictions, unless the donor is not a sponsor or operator of a program that provides these services or training.

House bill.—No provision.

Senate bill.—The Senate bill provided that in fiscal year 1980, States would be permitted to accept restricted private matching funds for training purposes (except where the training was provided by a proprietary facility).

Conference agreement.—The House recedes with an amendment providing that States could accept restricted private matching funds in fiscal 1980 and fiscal 1981.

EMERGENCY SHELTER

(Sec. 205)

As in both the House and Senate bills, effective October 1, 1979, Title XX funds could be used for emergency shelter, for not in excess of 30 days in any 6 month period, as a protective service to an adult in danger of physical or mental injury, neglect, maltreatment, or exploitation.

MULTI-YEAR PLANNING; CHOICE OF FISCAL YEAR

(Sec. 206)

Present law.—Title XX requires States to develop annual service plans and to make them available for comment each year. The service plan year must coincide with the fiscal year of either the Federal or State Governments.

House bill.—The House bill provided that States would be given the option of using a 1, 2, or 3 year Title XX program period.

States that opt for a multi-year program period would be required to make information about their plan available at such times as may be specified by HEW regulations.

Senate bill.—The Senate bill provided for multi-year planning as in the House bill and also provided that States would be given the option of using a service program period which coincides with the fiscal year used by local governments within the State.

Conference agreement.—Under the conference agreement, States would have the option of a multi-year Title XX program period, as in both bills, and a local government fiscal year, as in the Senate bill, effective for program periods beginning after enactment.

SOCIAL SERVICES FUNDING FOR TERRITORIES

(Sec. 207)

As in both the House and Senate bills, a separate Title XX entitlement would be established for Puerto Rico, Guam, the Northern Marianas and the Virgin Islands in the following amounts, effective October 1, 1979:

	Millions
Puerto Rico	$15.0
Guam	.5
Virgin Islands	.5
Northern Marianas	.1
Total	16.1

PERMANENT EXTENSION OF PROVISIONS RELATING TO CHILD DAY CARE SERVICES AND WIN TAX CREDIT

(Sec. 208)

Present law.—Employers of AFDC recipients who are placed in jobs under the WIN program, or who have received AFDC for at least 90 days, are eligible for a tax credit equal to 50% of up to $6,000 of wages per employee for the first year of employment and 25% of such wages for the second year.

House bill.—Present law.

Senate bill.—The Senate bill would permit employers who receive Title XX grants for purposes of hiring welfare recipients in child care jobs to elect to include such grants in wages eligible for the tax credit. For taxpayers who so elect, the credit amount would be limited so that the total amount of the credit plus the grant could not exceed the lesser of $6,000 or 100% of total wages paid to the employee. In addition, the bill would allow the tax credit for persons employed on a part-time basis in child care jobs and would make certain technical amendments to correct errors in the Revenue Act of 1978.

Conference agreement.—The conference agreement maintains the current law provision which provides that the credit is not allowed for wages reimbursed by a grant. The conference agreement provides, however, for a special 100-percent credit with respect to unreimbursed wages paid to workers whose wages are reimbursed in whole or in part by funds made available under section 2007 (grants to hire welfare recipients as child care workers) of the Social Security Act. If the taxpayer elects to compute the credit using this rate, the credit with respect to any employee is limited to the least of: (1) $6,000 minus the reimbursement with respect to this employee under section 2007, (2) $3,000 (for the first year of employment) or $1,500 (for the second year of employment), or (3) 50 percent (for the first year of employment) or 25 percent (for the second year of employment) of the sum of unreimbursed wages and the reimbursement under section 2007.

The conference agreement includes the Senate provision with regard to the eligibility of part-time child care workers for the credit. Regulations should define a minimum standard for part-time employment, such as 8 hours per week for the first 4 weeks of employment, to ensure that employees are eligible only if they have established a regular employment relationship with the employer.

SERVICES TO ALCOHOLICS AND DRUG ADDICTS

(Sec. 209)

Both the House and Senate bills provided for making permanent a temporary provision of law which allows Title XX funds to be used for certain rehabilitative services provided to alcoholics and drug addicts, and for limited funding of detoxification services provided in medical facilities.

TITLE III—OTHER SOCIAL SECURITY ACT PROVISIONS

FEDERAL FUNDING FOR NON-AFDC CHILD SUPPORT ENFORCEMENT PROGRAM

(Sec. 301)

Present law.—To cover administrative cost, Federal funds are available at a 75% matching rate for child support enforcement services provided to AFDC recipients. Matching funds were also available for non-AFDC families until September 30, 1978 under prior provisions of law and were extended to March 31, 1980 by P.L. 96-178. States are allowed to charge an application fee of no more than $20 to non-AFDC families and to recover costs in excess of the application fee by deducting such costs from the amount of child support collected.

House bill.—No provision.

Senate bill.—The Senate bill reinstated the provision for 75% Federal matching on a permanent basis.

Conference agreement.—The House recedes.

INCENTIVE TO REPORT EARNINGS UNDER AFDC PROGRAM

(Sec. 302)

Present law.—Present law provides no penalty for failure to make a timely report of earned income.

House bill.—No provision.

Senate bill.—The bill provided that the earnings disregards would not be applied to any earned income that is not reported on a timely basis (unless there is good cause).

Conference agreement.—The House recedes.

PRORATING OF SHELTER ALLOWANCE

(Sec. 303)

Present law.—A State generally may not presume that the income of any nonlegally responsible relative is available to a child for purposes of AFDC.

House bill.—No provision.

Senate bill.—The Senate bill permitted a State to prorate the shelter and utilities portion of the AFDC benefit in the case of a child who is living with a relative who is not himself an AFDC recipient so as to take account of that relative's presumed contribution to those shelter costs. The provision applies where the relative is not legally responsible for the AFDC child's support, or where none of the legally responsible relatives living with the child is eligible for AFDC because such relative is being supported by another person or another program, and where the total income of the household equals or exceeds the State standard of need for a unit that size or the total income of the unit cannot be determined.

Conference agreement.—The House recedes.

SERVICES FOR DISABLED AND BLIND CHILDREN RECEIVING SSI

(Sec. 304)

Present law.—As a part of the SSI program, $30 million in Federal funds were authorized for allocation to States to provide services to blind and disabled children receiving SSI. This program expired September 30, 1979.

House bill.—No provision.

Senate bill.—The Senate bill extended the program from October 1, 1979 until September 30, 1982.

Conference agreement.—The House recedes.

PUBLIC ASSISTANCE PAYMENTS TO TERRITORIAL JURISDICTIONS

(Sec. 305)

As in both the House and Senate bills, the temporary $78 million funding level and 75 percent matching rate provided in fiscal 1979 for AFDC and assistance programs for the aged, blind and disabled in Puerto Rico, Guam and the Virgin Islands would be made permanent, effective October 1, 1979. (As of October 1, 1979, the funding level reverted to the permanent level of $26 million and the matching rate reverted to 50 percent.)

PERIOD WITHIN WHICH CERTAIN CLAIMS MUST BE FILED

(Sec. 306)

Present law.—There is no time limit on State submission of claims under the public assistance, medicaid and social services programs in the Social Security Act.

House bill.—The bill provided that no payment may be made to a State with respect to any expenditure under the Child Welfare Services Program (Title IV–B of the Social Security Act) unless the Secretary received a claim for Federal reimbursement on or before the last day of the fiscal year following the fiscal year in which the expenditure is made.

Senate bill.—The bill provided that no payment may be made to a State with respect to any expenditure under the AFDC, Medicaid, Social Services, and other Social Security Act programs unless the Secretary received a claim for Federal reimbursement from the State within a two-year period after expenditure; except, court-ordered retroactive payments, audit exceptions, adjustments to prior year costs, or where the Secretary determines there is good cause to waive the limit. The provision would be effective starting with fiscal year 1980 expenditures, except that the provision specified that there shall be no time limit on the payment of claims which have been filed prior to enactment and that claims for expenditures prior to fiscal year 1980 must be filed by December 31, 1980.

Conference agreement.—The House recedes.

INCENTIVES FOR STATES TO COLLECT CHILD SUPPORT OBLIGATIONS

(Sec. 307)

Present law.—A 15 percent incentive payment financed entirely from the Federal share of collections is paid to States that enforce and collect support on behalf of other States, or to a political subdivision within a State that enforces or collects child support on behalf of its own State.

House bill.—No provision.

Senate bill.—The Senate bill retained provisions of present law, and, in addition, allowed States which enforce and collect child support within the State on their own behalf to receive the 15 percent incentive payment.

Conference agreement.—The House recedes.

POSTPONEMENT OF IMPOSITION OF CERTAIN PENALTIES RELATING TO CHILD SUPPORT REQUIREMENTS

(Sec. 309)

Present law.—If a State is found by an annual audit not to have an effective child support enforcement program which is effective and meets the requirements of Title IV–D, the State's AFDC reimbursement is reduced by 5 percent. (The first audit period was January 1 to September 30, 1977.)

House bill.—No provision.

Senate bill.—The Senate bill prohibited imposition of the 5 percent penalty for failure to have an effective child support enforcement program for the period January 1, 1977 to October 1, 1977 for any State which established its child support program on July 1, 1977.

Conference agreement.—The conference

agreed that the 5 percent penalty for failure to have an effective child support enforcement program would not be imposed on any State before October 1, 1980. The conferees note that this provision should not be considered to prejudice in any way the ultimate disposition of penalties for prior years.

EXCHANGE OF INFORMATION ON TERMINATED OR SUSPENDED PROVIDERS UNDER MEDICARE AND MEDICAID PROGRAMS

(Sec. 308)

Present law.—The Secretary of HEW is required to suspend from the Medicare program any practitioner convicted of a criminal offense related to involvement in the program, and any institutional provider in which a managing employee has been so convicted, and to notify the State Medicaid agency to suspend the physician or provider from the Medicaid program. Present law also allows the Secretary of HEW to exclude from the Medicare program individual practitioners or providers that knowingly or willfully make or cause to be made any false statements in an application for payment, or submit excessive bills, or furnish services in excess of needs. Federal matching payments may not be made under medicaid to any such suspended practitioner or provider.

House bill.—No provision.

Senate bill.—The Senate bill required the Secretary of HEW to notify the State Medicaid agency when individual practitioners or providers are suspended or terminated under the Medicare program for making false statements, submitting excessive bills, or furnishing services in excess of needs (but not necessarily convicted of a criminal offense). The bill also required the State Medicaid agency to promptly notify the Secretary of HEW whenever a provider of services or an individual practitioner is terminated, suspended or otherwise sanctioned or prohibited from participating under the Medicaid program.

Conference agreement.—The House recedes.

CONTINUATION OF MEDICAID ELIGIBILITY FOR CERTAIN RECIPIENTS OF VA PENSIONS

(Sec. 310)

Present law.—Under P.L. 95–588, the Veterans' and Survivors' Pension Improvement Act of 1978, benefits were increased for recipients of non-service connected VA pensions, and pensioners were given the option to continue receiving their pensions under the pension system as in effect before enactment of the new law, or to elect to be covered under the new law.

Many pensioners are also eligible for and receive AFDC or SSI benefits. In all States except Arizona, a person who is an AFDC recipient is automatically eligible for Medicaid. In all but 15 States, eligibility for SSI also makes one categorically eligible for Medicaid. In the other 15 States a more restrictive standard is in use, but persons may be eligible if they spend their excess income on medical care.

Specific statutory language in SSI law requires, as a condition of eligibility, that any beneficiary apply for any other Federal benefits—such as higher VA pension benefits under the new pension law—to which he or she is entitled. Longstanding policy in the AFDC program has a similar result. Both AFDC and SSI count VA benefits as income in determining eligibility.

House bill.—No provision.

Senate bill.—The Senate bill allowed those AFDC and SSI recipients who were receiving VA pensions as of December 1978, and who became eligible for the higher VA pension benefits under P.L. 95–588, and thereby became ineligible for Medicaid in those States which provide Medicaid eligibility for AFDC and SSI recipients only on a categorical basis, to disaffirm any entitlement to the higher VA pensions in order to continue eligibility for SSI, AFDC and Medicaid. (Medicaid eligibility would be restored retroactive to January, 1979.) It required that the Veterans' Administration keep separate records of pensioners opting for the lower pension benefit and transfer the "savings" resulting therefrom to the Secretary of HEW in order to defray the cost to HEW and the States of the restored SSI, AFDC and Medicaid benefits.

Conference agreement.—The House recedes with an amendment. There would be no transfer of funds from the VA; and, individuals who have already lost eligibility for SSI or AFDC because of the higher VA pension would be considered to have remained eligible for SSI and AFDC for the months between their transfer to VA benefits and the date that this amendment becomes effective with respect to them.

PROVISIONS DELETED BY THE CONFERENCE

The conference did not accept:

1. The House provision that would have required States, prior to publication of their Title XX plan, to consult with local government officials.
2. The House provision that would have required States to specify in their Title XX plan the criteria for the distribution of Title XX funds within the State.
3. The House provision that would have added language to the Title XX law stating it was the purpose of the program to meet social service needs not otherwise being met.
4. The Senate provision that would have changed the earnings disregards under the AFDC program.
5. The Senate provision that would have required States, in determining AFDC eligibility or benefits, to take into account certain amounts of a stepparent's income.
6. The Senate provision that would have required States to have computerized medicaid management information systems operational by July 1, 1981.

Al Ullman,
James C. Corman,
Charles B. Rangel,
William M. Brodhead,
Barber B. Conable, Jr.,
John H. Rousselot,
Managers on the Part of the House.

Russell Long,
Herman E. Talmadge,
Abraham Ribicoff,
Daniel P. Moynihan,
David Boren,
Bob Dole,
John Heinz,
Bill Roth,
Managers on the Part of the Senate.

PERMISSION FOR COMMITTEE ON SCIENCE AND TECHNOLOGY TO SIT TODAY WHILE HOUSE IS IN SESSION

Mr. FUQUA. Mr. Speaker, I ask unanimous consent that the Committee on Science and Technology be permitted to sit today while the House is in session.

The SPEAKER. Is there objection to the request of the gentleman from Florida?

There was no objection.

BIG OIL CAPITALIZES ON VULNERABILITY OF AMERICAN CONSUMER

(Mr. CONTE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. CONTE. Mr. Speaker, the oil companies of this country are beginning to report their first-quarter profits. According to a Washington Post article, higher prices both in the United States and abroad have doubled Texaco's 1980 first-quarter earnings from last year's first quarter. In addition, Standard Oil of Indiana has posted a 64.5-percent gain in first-quarter earnings.

Once again, we are watching Big Oil capitalize on the vulnerability of the American consumer who relies so much upon petroleum products. Texaco is the Nation's third largest oil producer, and Indiana is the sixth largest.

As the oil companies report their historically high earnings during the remainder of this week, I hope that the consumers of this Nation are not hoodwinked into believing that profits of this magnitude are warranted on the basis of a need for additional money to explore for more energy.

I must say that it is pleasing to know that as a result of the congressional passage of the crude oil windfall profits tax, a sizable percentage of those additional profits will be recouped to the consumer in the form of fuel assistance and tax cuts.

MORE RESIGNATIONS FROM NICARAGUA JUNTA

(Mr. BAUMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BAUMAN. Mr. Speaker, in a continuing effort to keep the House informed of the events in Nicaragua, since the President wants to give them $75 million of our hard earned money, I would like to report to the House that the predictions some of us made have come true. The Sandinista Marxist's are now in undisputed control. On Friday, Mrs. Violetta Chamorro, one of the two non-Sandinista members of the Nicaraguan junta, resigned. Yesterday, Alfonso Robelo also resigned. He was the other non-Communist member. Well might he resign. He had tried to start his own political party and was threatened by the Marxist government with extinction immediately and members of his party were roughed up by the Sandinistas. Taken together with the fact that the Government's agents have closed down the only free paper, La Prensa, that they have signed an aid pact with the Soviet Union and admitted thousands of Cubans who are now running things, this is yet another step away from freedom.

Perhaps Mr. Carter would like to reconsider the aid to Nicaraguan communism that he has proposed. I am sure the American taxpayers would agree with him; but, I do not expect him to back down on this erroneous policy and that we should defeat it for him.

CALL OF THE HOUSE

Mr. MOORE. Mr. Speaker, I move a call of the House.

A call of the House was ordered.

The call was taken by electronic device, and the following Members responded to their names:

[Roll No. 193]

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N. Dak.
Annunzio
Atkinson
Badham
Bailey
Baldus
Barnard
Bauman
Beard, R.I.
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Burton, John
Butler
Campbell
Carney
Carr
Carter
Chappell
Cheney
Chisholm
Clausen
Clay
Cleveland
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
Courter
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dicks
Dixon
Donnelly
Downey
Drinan
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Ferraro
Findley
Fish
Fithian
Flippo
Florio
Ford, Tenn.
Forsythe
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heftel
Hightower
Hinson
Holland
Hollenbeck
Holt
Holtzman
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kindness
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Leland
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Long, Md.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCormack
McHugh
McKay
Madigan
Markey
Marks
Marlenee
Marriott
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nowak
Oberstar
Obey
Ottinger
Pashayan
Patten
Patterson
Paul
Pease
Perkins
Petri
Peyser
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Rodino
Rose
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Sabo
Satterfield
Sawyer
Schroeder
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
Stack
Staggers
Stangeland
Stanton
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Stump
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Weaver
Weiss
Whitehurst
Whitley
Whittaker
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

☐ 1020

The SPEAKER pro tempore. On this rollcall, 344 Members have recorded their presence by electronic device, a quorum.

Under the rule, further proceedings under the call are dispensed with.

THE UNWORKABLE GAS ALLOCATION SYSTEM

(Mr. GILMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GILMAN. Mr. Speaker, I would like to draw to the attention of my colleagues a report which, along with several of my colleagues, I have requested to be undertaken by the General Accounting Office. The report, entitled "Gasoline Allocation: A Chaotic Program in Need of Overhaul," examines why the Department of Energy's allocation program was ineffective in managing the fuel shortage experienced all across our country last summer. The report makes various significant recommendations for improving the inefficient program.

The present policies make allocations solely a function of gas consumption, whether or not that consumption is consistent with the plan to conserve energy, and certainly irrespective of the effect that changes in supplies have on the economies of different areas. This has resulted, as we can now testify 1 year later, in the encouragement of States to increase their gas consumption in order to obtain their regular supplies of gas.

Mr. Speaker, I need not overemphasize the catastrophe that awaits us if we allow this type of an unworkable gasoline allocation program to carry us into the energy stricken eighties. I urge my colleagues to take a close look at this GAO report, dated April 23, 1980, bearing in mind the challenges facing us if we wish to see our Nation's gas allocation program implemented in such a manner that will keep our country supplied with minimal disruption during any future shortage.

REMOVAL OF NAME OF MEMBER AS COSPONSOR OF H.R. 4484

Mr. MAVROULES. Mr. Speaker, I ask unanimous consent to remove my name from the list of cosponsors for H.R. 4484.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

☐ 1030

APPRECIATION OF EFFORTS OF THE PRESIDENT

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, I rise in order to compliment and praise the President for the announcement we read about this morning—yesterday's news—that our so-called principal allies have finally come around and have acceded to joining the United States in attempting to have some kind of a common recognition of the necessity for the world to unite in protest of this international brigandage reflected in the Iranian situation and the takeover of the American Embassy and the hostages.

We know that this is a crime that has no precedent. Nothing like this has happened since the Middle Ages and therefore the President has acted wisely. I am surprised that all of those who have been quick to condemn the President unceasingly and unmercifully are remaining quiet because obviously it is a triumph of the Carter policy of patience, restraint, and wisdom in the handling of this unprecedented thing.

Mr. Speaker, if the President is in trouble it is only because he is following Republican economic policy. That is the only place he is in trouble because all Democrats know that when you adopt Republican policy that is when you become a minority party. This is what I warn about when we go into consideration of the budget resolution today.

PORTUGAL. FIRST COUNTRY TO SUPPORT THE TRADE EMBARGO

(Mr. COELHO asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. COELHO. Mr. Speaker, I am sure some of us have read in the paper that the first country and the first of our allies to support the trade embargo against Iran has been the country of Portugal.

As the first Portuguese American ever elected to the Congress of the United States, and the only one, I take great pride in telling all of you about this and encouraging all of you who have different ethnic backgrounds to encourage your countries to do likewise.

Mr. Speaker, I would like to submit for the RECORD a letter written by the Speaker of the House to the Prime Minister of Portugal, Francisco Sa Carneiro, congratulating him on the position that the country of Portugal has taken. I take great pride not only in the letter from the Speaker but the action taken by the country of Portugal.

U.S. HOUSE OF REPRESENTATIVES,
Washington, D.C., April 18, 1980.

Hon. FRANCISCO SA CARNEIRO,
Prime Minister, Republic of Portugal, c/o Ambassador Richard J. Bloomfield, U.S. Embassy, Lisbon, Portugal.

DEAR MR. PRIME MINISTER: Please accept my most sincere congratulations and appreciation for your government's decision to impose a trade embargo on the government of Iran.

The American people send their heartfelt thanks for this courageous act in the face of the blatant illegal acts against American citizens in Iran.

After our conversation, we in the Congress can indeed appreciate what your decision means to the people of Portugal. We want you to know that it means very much to the people of America.

May the friendship and mutual trust between our great peoples continue through the coming years.

With warmest regards,

Sincerely,

THOMAS P. O'NEILL, JR.,
Speaker, U.S. House of Representatives.

PROVIDING FOR CONSIDERATION OF HOUSE CONCURRENT RESOLUTION 307, FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. BOLLING. Mr. Speaker, by direction of the Committee on Rules, I call up House Resolution 642 and ask for its immediate consideration.

The Clerk read the resolution, as follows:

H. RES. 642

Resolved, That during the consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the United States Government for the fiscal years 1981, and 1982, and 1983 and revising the congressional budget for the United States Government for the fiscal 1980, in the Committee of the Whole House on the State of the Union, no amendments to the concurrent resolution shall be in order except the following amendments, which shall be considered only in the following order, and shall all be in order even if previous amendments to the same portion of the concurrent resolution have been adopted, and which shall not be subject to amendment except pro forma amendments for the purpose of debate and except as provided in this resolution: (1) an amendment printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Giaimo of Connecticut, which shall not be subject to a demand for a division of the question in the House or in Committee of the Whole; (2) an amendment printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Conable of New York, which shall be subject to amendment by a substitute printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Quillen of Tennessee, and said substitute shall not be subject to amendment except pro forma amendments for the purpose of debate; (3) an amendment in the nature of a substitute printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Obey of Wisconsin, which shall be subject to amendment by the following substitutes which shall be considered only in the following order and shall not be subject to amendment except pro forma amendments for the purpose of debate; (a) a substitute printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Mitchell of Maryland, and (b) a substitute printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Solarz of New York; (4) an amendment in the nature of a substitute printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Ottinger of New York; (5) an amendment in the nature of a substitute printed in the Congressional Record of April 21, 1980, by, and if offered by Representative Holt of Maryland; (6) an amendment in the nature of a substitute printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Latta of Ohio; (7) an amendment in the nature of a substitute printed in the Congressional Record of April 21, 1980, by, and if offered by, Representative Rousselot of California; and (8) a motion to strike section 3 of the concurrent resolution, or the corresponding section of the concurrent resolution as amended, relating to reconciliation. It shall also be in order to consider the amendment or amendments provided for in section 305(a)(6) of the Congressional Budget Act of 1974 (Public Law 93–344) necessary to achieve mathematical consistency. If more than one of the amendments in the nature of a substitute made in order by this resolution has been adopted, only the last such amendment which has been adopted shall be considered as having been finally adopted and reported back to the House.

SEC. 2. Notwithstanding the provisions of section 203 of Public Law 96–78, the provisions of section 201 of said public law, amending the Rules of the House of Representatives to establish the public debt limit as part of the congressional budget process, shall apply with respect to section 6 of H. Con. Res. 307 or the corresponding section of any concurrent resolution as finally adopted revising the second concurrent resolution on the budget for fiscal year 1980, as well as to section 1 of H. Con. Res. 307 or the corresponding section of any concurrent resolution as finally adopted, setting forth the congressional budget for the fiscal year 1981.

The SPEAKER pro tempore. The gentleman from Missouri (Mr. BOLLING) is recognized for 1 hour.

Mr. BOLLING. Mr. Speaker, I yield 30 minutes to the gentleman from Ohio (Mr. LATTA) and pending that I yield myself such time as I may consume.

Mr. Speaker, I yield to the distinguished chairman of the Committee on the Judiciary, the gentleman from New Jersey (Mr. RODINO).

Mr. RODINO. Mr. Speaker, I would not be true to the people I represent, honest with myself or candid with my colleagues if I did not express strong opposition to the pattern of cuts embodied in this budget resolution. It is obvious to me that the human consequences of this resolution have not been fully considered, and I urge the House to reconsider.

I believe that inflation threatens the economic and social fabrics of our society. The buying power of American workers and families has dropped 7.3 percent in just the past year, and those at the bottom levels have suffered most. Clearly, reducing inflation should be of highest importance because of the human suffering it causes.

However, inflation represents a greater threat than merely its economic consequence—that is Americans' lack of confidence in the ability of their institutions to deal effectively and humanely with the inflation problem.

Mr. Speaker, I do not believe that this budget resolution meets this crisis in a constructive manner. Slashing social programs with a reckless disregard for the human cost is no solution at all. I cannot accept widespread cuts in public service jobs, economic development projects, food stamps, child nutrition programs, low-income energy assistance, and countercyclical and law enforcement assistance to State and local governments.

The citizens of my district and my State are representative of a great portion of this country which will be devastated by these cuts. For example, the reduction of 149,000 public service jobs means 2,500 more New Jersey residents will be out of work. Unemployment is over 14 percent in my home city of Newark and over 10 percent in the neighboring city of East Orange. Unemployment among minority youths reaches 35 percent in many areas of my district.

I cannot support the notion that unemployment is a viable weapon against inflation.

The cuts in community and regional development funds will set back the efforts of New Jersey families to improve their neighborhoods in cities which have been struggling to rebuild.

The reduction in child nutrition funds means the various State programs will not be able to keep up the levels of help for school lunch, special meal assistance, and child care feeding programs.

The elimination of Law Enforcement Assistance Administration grant programs is particularly unacceptable to me. Last year the Committee on the Judiciary reported the LEAA authorization at a bare bones minimum, yet designed to meet the Federal Government assistance obligations to our States and cities. The House approved the conference report to this bill in December by a 304-to-83 vote.

Crime is increasing rapidly and recent studies by the Judiciary Committee and other authorities in the field of criminal justice document that unemployment is a continuing factor in the crime rate. With unemployment increasing, this is no time to close down the only direct Federal assistance program to help local communities fight crime.

In New Jersey LEAA funds help fund anti-arson programs, senior citizen escort services, juvenile justice delinquency programs, treatment alternatives to street crime-drug rehabilitation programs, shelters for battered women, and other criminal justice services.

The pattern of cuts in social services embodied in this budget resolution will not help to restore Americans' faith in our institutions. It will contribute to the disillusionment with Government and with governmental leaders.

The confidence of American citizens will not return by denying them the right to jobs, to adequate housing and to basic nutrition. What is threatened in this budget resolution is not some degree of comfort or even long-range security. What is threatened is their basic, immediate needs for survival.

I refuse to march under a symbolic banner of a balanced budget by trampling on programs for the poor or the jobless. This will not solve the crisis that confronts our Nation.

I will support reasonable, equitable and sensible spending cuts in the effort to halt inflation. But I must steadfastly oppose the proposed cuts which devastate those who have had to struggle for so long to find the means to eat, to be warm, to work—to survive.

Mr. BOLLING. Mr. Speaker, those who listened to the rule will know what it does. It is obviously an unusual rule and this is an unusual situation. We spent a lot of time crafting the rule and we tried to take into consideration all of the broad interests that were present in the House of Representatives on this very difficult matter.

□ 1040

I think everybody understands that this is one of the great tests of the institution's ability to live with itself. The Budget Act is still young, and we are trying something somewhat unique in this process. It is a very controversial process. A great many people feel enthusiastic about this approach, and some do not. Some single interest groups feel very strongly that they are being abused. Some general interest groups find this approach an offensive one to them in principle. So, we have the whole range of views involved, and what we have tried to do in presenting this rule is to be as fair as we could to all the members of the institution, and at the same time be fair to the general issues.

With the exception of a couple of amendments on revenue sharing and one particular corrective amendment to be offered by the chairman of the Budget Committee, virtually everything is a real substitute. The line that we drew on the rule is at the individual particular interests; and very frankly, they are not given an opportunity for a single shot, the resolution. We felt, and I believe correctly—the vote later will test it—we felt that a majority of the Members of the institution wish to vote on the broad issues; wish to vote on the process; wish to vote on the generalities rather than the specifics.

As the last author of the Budget Act in the House, that actually was what was in the minds of those who drafted the final version that came out of conference. That intent was that we would deal with broad issues rather than narrow ones.

I believe this rule is fair in a party sense. We think it gives Democrats who disagree an opportunity to be heard and to present their views in a substitute or two. I think it is fair to the Republican side; I think it is fair to the liberal side; I think it is fair to the conservative side. It is just as fair as we could make it and not leave it wide open. We had an experience with the wide open consideration of these matters that made it pretty clear that the House did not like it. The House prefers, I believe, to have an opportunity to deal with the major elements of these broad issues rather than all the details at this stage.

As a matter of fact, the budget process provides for the method, a systematic method of dealing with a broad brush, and then dealing with detail as matters go back to the committees; as matters go back to the authorizing committees, in effect, but primarily the appropriations committees at this particular time in the process. And then, at the end of the budget process, there is an opportunity to reconcile everything.

In this case, one of the controversies is over the targeting. The targeting is very specific and very tough, and some would say it is more than targeting, but I think with these amendments, this array of amendments, we make it possible for all points of view to be considered and considered judiciously.

There is no provision for limitation of time except the statutory provision. General debate is 10 hours under the Budget Act; 4 hours under Humphrey-Hawkins. There is a lot of general debate, and then the House itself will make the decisions of limitation on the amendments that are made in order.

We made an attempt to be fair. I think we succeeded, and I very much hope this rule will be adopted forthwith.

Mr. LATTA. Mr. Speaker, I yield myself 9 minutes.

Mr. Speaker, I agree with the statements just made by the chairman of the Rules Committee. This rule is a compromise. Certainly, every person who would like to offer an amendment to a $600 billion resolution could not be given an opportunity if we are going to attempt to limit debate somewhat during the consideration of this first concurrent budget resolution. I know that some of the Members who appeared before the Rules Committee, some of the Members who contacted the chairman of the Budget Committee, contacted various members of the Rules Committee, and contacted me, have not gotten their amendments made in order. This is truly a compromise, an attempt to satisfy a majority of the House.

Let me say that there was one amendment that I thought was going to be made in order that was not made in order. That would have affected the 1980 fiscal year requests that are in this budget. As a matter of fact, I would have preferred separate resolutions, and so stated in the Budget Committee, rather than having the add-ons in fiscal year 1980 put in this fiscal year 1981 budget resolution. I was quite surprised to find that the so-called Michel amendment was not made in order.

But, let me say that I quite agree that most requests were carefully considered by the Rules Committee, and a compromise was fashioned. There will, as I understand it, be an attempt to vote down the previous question on this rule with the thought in mind that perhaps the Michel amendment can be made in order if the previous question is voted down. In furtherance to what the chairman of the committee stated, let me just point out and reemphasize the fact that no attempt—no attempt—is being made in this rule to limit the time for debate. We are still going to have 10 hours of general debate, plus 4 hours of debate time under Humphrey-Hawkins. However, the rule does, as I have mentioned previously, limit the number of amendments that will be made in order, and it specifies which amendments may be offered and specifies the order in which these amendments may be offered.

The rule states that all the amendments will be in order even if previous amendments—and I want to stress this fact—even if previous amendments to the same portion of the budget resolution have been adopted. The rule also specifies that the named amendments will not be subject to amendment except by pro forma amendments for the purposes of debate, and except as provided in the rule. I am not going to attempt a detailed description of each of the amendments that this rule makes in order. They were all required by the rule to be printed in the Congressional Record of April 21, except for the amendment to strike reconciliation provisions. They will all be debated at length later on.

The amendments in the order in which they are to be considered, however, probably should be mentioned. First, an updating amendment by the chairman of the Budget Committee, Mr. Giaimo, is allowed. Second, an amendment by the gentleman from New York (Mr. Conable) dealing with revenue sharing is made in order. The rule then provides that the gentleman from Tennessee (Mr. Quillen) may offer a substitute to the Conable amendment. The Quillen amendment also deals with revenue sharing.

Third, the rule makes in order an amendment in the nature of a substitute by the gentleman from Wisconsin (Mr. Obey) affecting a number of functions. Two substitutes are made in order to the Obey amendment. The first substitute to the Obey amendment will be offered by the gentleman from Maryland (Mr. Mitchell). The Mitchell of Maryland substitute would reduce defense spending and increase funding for various social functions. The second substitute to the Obey amendment will be offered by the gentleman from New York (Mr. Solarz).

□ 1050

The Solarz amendment would increase funding for a number of social functions.

The fourth amendment made in order will be offered by the gentleman from New York (Mr. Ottinger). The Ottinger amendment, as I understand it, is similar to the President's original January budget as reestimated by the Congressional Budget Office.

After the fourth amendment offered by the gentleman from New York (Mr. Ottinger) has been acted upon, the rule then makes in order amendment No. 5, which will be offered by the gentlewoman from Maryland (Mrs. Holt). The Holt amendment would increase defense spending, with offsetting cuts from a variety of programs.

The sixth amendment made in order by the rule is one which I will offer. It is an amendment in the nature of a substitute which has become known as the Republican substitute. It provides more for defense, makes some reductions in other areas, and would provide for lower taxes than the committee has proposed.

The seventh amendment made in order is an amendment in the nature of a substitute by the gentleman from California (Mr. Rousselot). The Rousselot amendment in the nature of a substitute would eliminate the President's oil import fee and make other changes.

Finally, the eighth amendment made in order is a motion to strike the reconciliation provisions.

The rule allows amendments necessary to achieve mathematical consistency. It provides that if more than one of the amendments in the nature of a substitute is adopted, only the last one adopted will be reported back to the House.

In addition to all the above provisions, the rule includes a section 2 designed to make effective now a procedure the House passed some time ago to set the public debt limit at the same time the budget resolution was passed. When the House originally took this action, it was made effective October 1, 1980, and, therefore, it would not apply now in the absence of this provision.

Mr. Speaker, this rule is a compromise, as I indicated at the outset. It does not include some things I would like to have included, and some of the provisions that are in it I oppose. But on balance I believe it is a fair procedure and a compromise that probably should be acted upon favorably by this House.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. LATTA. I am happy to yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I would like to express my opinion to the gentleman who is here speaking for the Committee on Rules that this has been a very carefully crafted rule. I am grateful for the time spent by the Committee on Rules in putting the rule together. Clearly the limitations involved are appropriate.

I regret that the 1980 budget is not dealt with, and I would like to ask the gentleman if he is aware of any other effort to defeat the previous question, than that of the gentleman from Illinois (Mr. Michel), or if he is aware of any general dissatisfaction with the rule that could result in changing the basic substance of the rule if the previous question were defeated.

What is the prognosis, in other words, following a vote on the previous question?

Mr. LATTA. Mr. Speaker, I wish I had my crystal ball here to answer that question. I can only say I do not know of any other effort.

Mr. CONABLE. Mr. Speaker, is the gentleman aware of any other Member who is moving against the previous question?

Mr. LATTA. I do not know of any other effort that might be devised.

The SPEAKER pro tempore (Mr. Glickman). The time of the gentleman from Ohio (Mr. Latta) has expired.

Mr. LATTA. Mr. Speaker, I yield myself 2 additional minutes.

Mr. CONABLE. Mr. Speaker, if the gentleman will yield further, I would like to ask him this question, and perhaps I should address this to the gentleman from Illinois (Mr. Michel).

Is the gentleman satisfied with the rule with respect to the fiscal 1981 budget, or does his dissatisfaction go only to the failure to include a provision relative to the fiscal 1980 budget?

Mr. LATTA. Mr. Speaker, I cannot answer that question, but I would be happy to yield to the gentleman from Illinois if he would like to answer the question.

But let me say that the gentleman from Illinois (Mr. Michel) has not expressed any dissatisfaction with any other provisions.

Mr. CONABLE. Mr. Speaker, I would like to express my general conclusion that this is a very carefully crafted rule and appropriate under the circumstances, particularly with respect to the 1981 budget.

Mr. LATTA. Mr. Speaker, I thank the gentleman.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the distinguished gentleman from Texas (Mr. Roberts).

Mr. ROBERTS. Mr. Speaker, last Monday I alerted my colleagues in the House of my plan to oppose the modified rule providing for consideration of House Concurrent Resolution 307 setting forth the congressional budget for the next fiscal year. I oppose the rule as a matter of principle.

I am a strong advocate of the budget process. In prior years Members were given the opportunity to offer amendments to all functional categories. There was ample opportunity to be heard on all the issues. Under the modified rule only a few amendments will be permitted. Granted, full debate takes longer, but the results from such means the House has worked its will. This cannot be done under the modified rule granted by the Rules Committee. Only a selected few amendments will be in order.

Mr. Speaker, the targets established for veterans benefits and services in the budget resolution would require reductions totaling more than $700 million. The Committee on Veterans' Affairs would be required to report a bill no later than June 15, 1980, that would reduce spending or recommend program reductions by $400 million. In addition to these so-called legislative cost savings the budget resolution would also require further reductions of more than $323 million, mostly from the medical program.

Mr. Speaker, as I have advised the Members of the House, I am prepared to recommend to the members of my committee and, hopefully, to the Members of the House, some legislative cost savings; however, the total reductions proposed by the administration and agreed to by the Committee on the Budget would have much too severe an impact on our Nation's veterans.

Although the Committee on the Budget has traditionally supported reductions in veterans benefit levels proposed by the administration, in prior years we have been permitted to offer amendments to restore some of the proposed cuts. Our recommendations have always been accepted overwhelmingly by the House. I can only conclude that our success in prior years is now working against us. There is no doubt a reasonable adjustment in the veterans' functional category, if offered separately, would be accepted by an overwhelming majority of the members of this body. Unfortunately, the modified rule will not permit a decision on the merits of such a proposal.

Mr. Speaker, the ranking minority member of the Committee on Veterans' Affairs and I asked the Committee on Rules to allow us to offer an amendment to the budget resolution to restore some of the cuts proposed for veterans programs. Our request was not granted.

Although one can understand the need to place some limitation on amendments to be offered to the budget resolution, I feel it should always be in order for a committee chairman, with the support of the ranking minority member of the committee, to offer an amendment to the functional category in which such committee has jurisdiction. The House can then decide whether to accept the recommendation of the Committee on the Budget or that of the authorizing committee of jurisdiction. Unfortunately, this modified rule will not permit this to happen. Therefore, I will oppose the rule Mr. Speaker, and hope my colleagues will join me and others who feel the veterans of our Nation are being asked to bear too much of the burden in balancing the Federal budget.

There follows a list of the proposed reductions:

Budget Authority

PROPOSED LEGISLATIVE COST-SAVINGS

[In millions of dollars]

1. Terminate certain GI bill benefits for Vietnam veterans:

a. Flight training program, $45.4.

b. Correspondence training program, $10.8.

c. Predischarge education program, $3.0.

d. Certain administrative expenses related to above programs, $0.8.

2. Terminate dental treatment on one-time basis for veterans not given proper dental care when discharged, $31.9.

3. Third-party reimbursement from insurance carriers for treatment of certain nonservice-connected veterans, $321.3.

(Note.—It should be noted that if enacted, the Congressional Budget Office estimates that savings would be only $213 million. The Committee on Veterans' Affairs is considering a bill that would save $109 million in fiscal year 1981 as an alternative to this proposal.)

OTHER REDUCTIONS RECOMMENDED BY BUDGET COMMITTEE

1. Discretionary programs:

a. Construction program, $260.0; other, $100.0.

b. Rather than that proposed by the Budget Committee, the administration recommends the following reductions:

1. Supplies, equipment, printing (nonmedical), $16.8.

2. Transfer Washington Data Processing Center to Austin, $2.1.

3. Employment reductions (nonmedical), $1.2.

4. Reduce number of outpatient visits, $10.6.

5. Reduction in exchange of medical information, $0.7.

6. Support costs for new medical facility projects reduced, $3.6.

7. Reduce medical supplies, $12.4.

8. Reduce vet reps on campus, $3.0.

9. Construction projects delayed, $26.8.

10. Central Office program reductions, $1.3.

11. Reduce national cemetery maintenance, $0.4.

12. Reduce by 50 percent the payments to State approval agencies who make audits and investigations in approving the veteran programs (saves millions for the Federal budget each year), $8.8.

13. Terminate direct home loan program (a vistal program for all veterans living in isolated areas or rural areas of the country where financing not available for purchase of home), $59.0.

14. Reduce funding for spinal cord injury, alcoholism, aging, and prosthetic research efforts, $5.3.

15. Reduce hospital and outpatient clinical equipment procurement, $154.6.

16. Reduce beneficiary travel for some vet-

erans who cannot afford expenses to VA medical facilities, $15.0.

(Note.—Above reductions would also require a loss of 346 full-time employees.)

In addition to the above reductions, the administration budget would: reduce employment in VA medical facilities by 311; would provide no funding for health manpower training institutions; reduce funding of grants to the Republic of the Philippines; underfund by a substantial margin the vocational rehabilitation program proposed by Congress for service-connected veterans; provide a 10-percent increase in the GI bill rate for Vietnam veterans rather than the 15-percent proposed by the Committee on Veterans' Affairs, and would reduce nonprescription drugs by $10 million.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from New York (Mr. Weiss).

Mr. WEISS. Mr. Speaker, I rise in opposition to the passage of House Resolution 642 and urge its defeat.

This proposed rule for the concurrent resolution on the budget will be considered under a modified procedure, limiting to 11 the amendments which can be offered.

When the Budget Act of 1974 was enacted, our colleague, the gentleman from Oregon, Mr. Al Ullman, who later became the first chairman of the House Committee on the Budget, said, and I quote: "For the first time we will debate economic policy" before zeroing in on budget priorities.

This rule makes a mockery of that concept. What it does is to take away from the House the power to set that economic policy and instead places the power very clearly and definitely in the hands of a small body of Members of this House, primarily the Committee on the Budget which now, with the concurrence of the Committee on Rules, in essence sets economic policy for this entire body.

Ironically, at the very time when the Committee on the Budget itself, the administration, and the entire economics community of this country are projecting an economic recession of unknown dimensions, perhaps bordering on a depression, this budget focuses on a balance-the-budget approach which will even more certainly induce that recession or depression. It seems to me that this budget resolution is calculated to make our economic situation worse without the flexibility of this House to correct the problems which will peak at just the time this budget will go into effect.

For the first time in the history of this budget process the Committee on the Budget mandates a reconciliation procedure to apply to the first budget resolution. The very concept of the budget resolution was to allow a reconciliation provision which forces authorizing committees to live within the limits set by the budget resolution only as to the second resolution. For the first time now we are doing that in the first resolution. It seems to me that that is a direct violation of the very intent of the legislation. Instead of the first budget resolution being the nonbinding measure it has always been, it now would become legally binding. That is a distortion of the Budget Act and therefore, Mr. Speaker, I urge the defeat of the resolution.

Mr. BOLLING. Mr. Speaker, I yield 1 minute to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Speaker, I rise in opposition to House Resolution 642, the rule providing for the consideration of the first budget resolution for fiscal year 1981 because, if it is adopted, it will close off the opportunity for a full-scale and serious debate on the budget by limiting the opportunity to amend the budget. This is not the correct procedure to follow at a time when this country is in serious economic difficulty. When we deny democracy in the House, I think we impair our ability to deal seriously and effectively with the economic problems before this country.

The fact of the matter is that while this budget resolution calls for a balanced budget, and I support a balanced budget, this resolution balances the budget in a way that is unfair geographically and impacts unfairly on States in the Northeast, and on my State in particular. This rule will not give us the opportunity to redress the geographical inequities in the budget resolution.

At the same time, the budget resolution is socially inequitable, and makes reductions in Federal spending without sufficient concern for their effect on the less-fortunate members of our society. If we adopt the budget resolution as it is currently written, we are going to be cutting back on jobs, we are going to be cutting back on mass transit, on juvenile justice, on child nutrition, on education, and on other important programs. I think we ought to have the opportunity to correct those inequities. I think this rule will prevent us from the full and careful consideration that the Federal budget deserves, and so I oppose the rule, and urge its defeat.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Texas (Mr. Gramm).

Mr. GRAMM. Mr. Speaker, I would like to thank the distinguished chairman of the Committee on Rules for yielding this time to me.

Mr. Speaker, I want to point out to my colleagues that they may be confused in looking at this rule when they see that the so-called Holt amendment is made in order. I am sure many of the Members realize that 55 Democrats cosponsored that amendment. and that the primary driving force behind that amendment was bipartisan effort. It had 150 cosponsors when it went to the Committee on Rules.

□ 1100

A vote came before the Committee on Rules on whether to make it in order that I might present the amendment as its principal sponsor. Six members of the Committee on Rules voted to give me that right; eight voted against it.

I recognize what is feasible and what is not. I thank the chairman for allowing the amendment to be presented, and I believe my colleagues have the ability to recognize that a rose is indeed a rose, the amendment is a bipartisan effort, it has 55 Democratic cosponsors, and I think it gives us a real opportunity to be fair with the American people, to tell them that we are going to meet our commitment to NATO, but we are going to do it in such a way as to balance the budget in October as well as in April.

Mr. BAUMAN. Mr. Speaker, I yield 5 minutes to the gentleman from Illinois (Mr. Michel).

Mr. MICHEL. Mr. Speaker, I rise in opposition to the ordering of the previous question on this rule.

We have before us two major issues of equal importance. One is the 1981 budget, the so-called balanced budget on which all of the Nation's attention is now being focused. On this issue the House will be able to work its will, if only to a limited degree, by the amendments that have been previously made in order.

The other issue is the 1980 budget. On this issue the House will not be able to work its will. We have but one choice under this rule: to increase spending and cover up the horrible mistakes that have been made in economic forecasting.

The only amendment allowed to this year's budget provides for a new level of spending of $571.6 billion, nearly $5 billion above the level we thought was final just a few weeks ago, and $25 billion above the level we thought was final just 5 months ago. This one amendment puts the new deficit figure at more than $42 billion for the current fiscal year.

That is it. Take it or leave it.

It is just a little inconsistent, in my judgment, to be engaging in all of this political posturing about 1981, while we let spending in 1980 rage out of control. It is like a fire chief telling the owner of a burning building, "We have decided to put out your fire, but we have a few more calls to make before we get around to you."

Well, I am of the opinion that there is going to be nothing left of our economy but charred ruins and rubble if we do not start putting out this fire now, not next year.

If it is necessary to increase 1980 outlays by $5 billion in just 3 weeks, how much more will we need to cover up the miscalculations over the next 5 months? Will it be another $25 billion?

Now, you are going to be told here today that these latest increases are needed primarily to keep pace with the uncontrollable cost of government, the interest payments and the entitlement programs. We have been listening to that story for a good many years, and I have been saying for as many years that we ought to do our job and legislate our way out of this uncontrollable dilemma. Today is one of those days. Congress can control spending if Congress has the will and the backbone to control spending. We can test our will today by defeating the previous question, by allowing one simple amendment.

Now, the amendment would reduce this latest outlay figure by only four-tenths of 1 percent. Instead of increasing outlays by $4.6 billion, we would increase them by only $2.3 billion. More importantly, however, we would make it the sense of the Congress that a statutory ceiling be imposed on outlays of the level that we decide upon here today.

Furthermore, we would empower the President to impound funds in this fiscal year if the Congress just cannot discipline itself. And this is not an unprecedented action. The Members will recall that back in 1973 the interest and inflation rates were rising to the horrifying height in those days of 8 or 10 percent. President Nixon tried to bring down inflation by controlling Federal spending. He impounded funds, just as every President before him had done, when Congress got to playing fast and loose with the taxpayers' dollars. And when that happened, the Congress rebelled, not with my vote, but the Congress, other than those of us who took the position I did, rebelled and placed restrictions on the President's impoundment powers by making them subject to congressional veto, and as a trade-off on the veto, we also put a cap on Federal spending. That is right. We did precisely what I am calling for today, with the support then of the Speaker, the majority leader, and the distinguished chairman of the Rules Committee also joined in that support. My, how times have apparently changed.

Since then we have turned our fiscal muscle into flab. We have waived the budget resolution with the bat of an eye, and we have given up totally, apparently, on reconciliation. The budget process, born back in 1973, has become a "fudge-it process." And it is time to rebuild the muscle and reimpose disciplines on the budget process. We can do that by voting down the previous question and opening the way for the consideration of at least my amendment.

Mr. CONABLE. Mr. Speaker, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Speaker, I believe the gentleman has answered the question I previously addressed to the gentleman from Ohio. His dissatisfaction, then, is for the failure to deal with the 1980 budget in this resolution. And if the previous question is defeated and the gentleman is recognized to state a new rule, he will seek only to amend the existing rule and will not change it with respect to the 1981 budget; is that correct?

Mr. MICHEL. The gentleman has stated it correctly.

Mr. CONABLE. I quite agree that we should address the problem of the 1980 budget.

Mr. MICHEL. I appreciate the gentleman's expression of support for what we are attempting to do here.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the distinguished gentleman from Kansas (Mr. GLICKMAN).

Mr. GLICKMAN. Mr. Speaker, generally, I do not like to support restrictive rules. I think it is most important that the full House have the opportunity to work its will on legislation reported by our committees whenever that is possible. However, I have decided to support the rule recommended by the Rules Committee on this first concurrent budget resolution for one very simple reason, and I would add a most compelling one: the Nation is demanding fiscal austerity. In each instance, the amendment which will be offered tomorrow would result in a balanced budget or one in surplus for fiscal 1981. They have been drafted recognizing the tradeoffs involved in achieving the balance that our dire economic situation necessitates, and they do provide an opportunity for adequate consideration of alternative and competing priorities.

If there is one thing I have learned during my little more than 3 years in this House, it is that fiscal restraint does not come easily to the Federal Government. The only way we can assure that it will be maintained in this budget resolution is if we are willing to operate within a framework which will not let the House stray from a balanced budget. The rule recommended by the Rules Committee would do just that, and I urge my colleagues, regardless of their desires to see changes that will not be in order, to support the rule. Otherwise, we run a very serious risk of letting the demands of special interests, each of which wants to, add just a little bit more in their area, prevail over the national well-being.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Speaker, I rise in opposition to the rule on House Concurrent Resolution 307. That rule called a modified open rule makes in order only the consideration of specified amendments.

The rule reported by the Committee on Rules is—in my view a modified closed rule which denies consideration of any amendment which would restore funds for the Law Enforcement Assistance Administration. I appreciate that House Concurrent Resolution 307 reflects a determination to balance the budget, and I support that laudable goal. However, the provision in House Concurrent Resolution 307 which would reduce $521 million in budget authority and $89 million in outlays for the LEAA would virtually eliminate that program. I believe that House Concurrent Resolution 307 should be considered under an open rule, which would give this body the opportunty to consider an amendment to restore the funds eliminated or recommended for elimination by the Budget Committee.

Since its inception, the Law Enforcement Assistance Administration has provided valuable assistance to the States and cities in the war against crime. LEAA grants have provided them with an incentive to be innovative and to improve their criminal justice systems. This program enables communities to benefit from the successful initiatives of all other communities of the Nation. Although the program has not been flawless it, was only last December that we passed, and President Carter signed, legislation which completely restructure and revitalize LEAA. All of the know defects were removed. That legislation, the Justice System Improvement Act of 1979, had as its goal the efficient and effective use of Federal dollars in combating crime rate. Urban areas will be especially in the system should be given a real opportunity to work.

The need of the States and particularly, the cities for LEAA assistance will be rendered more acute by other recommended reductions in the budget. The impact of the proposed cuts in jobs programs and revenue sharing will be significant in terms of an increase in the crime rate. Urban areas will be especially hard hit by the cuts. In light of these problems, it is highly questionable whether Federal assistance to State and local criminal justice efforts should be cut. The cities and States and the Nation needs this program now more than ever.

In sum, Mr. Speaker, I believe that House Concurrent Resolution 307 should be considered under a rule which would make in order consideration of an amendment to eliminate the reduction in LEAA budget authority and outlays. This body, which so recently reaffirmed its support of the program by revitalizing it, should have the opportunity to voice its opinion on whether or not the program shall be continued. To deny that opportunity under this modified closed rule is to deny to the Members of this body the right to work their will on this critical issue of crime in America.

□ 1110

Mr. BOLLING. Mr. Speaker, I yield 3 minutes to the distinguished gentleman from California (Mr. PANETTA).

Mr. PANETTA. Mr. Speaker, I urge support for the rule as presented to this body. The budget is by its very nature a document of controversy and by necessity a document of compromise. This budget resolution deals with over $600 billion in spending, impacting on some 19 functional areas that affect almost every constituency in this body and in this country and impact on every American in terms of his or her pocketbook and in terms of his or her security.

There is no question but that there is controversy on each line item of spending—some are for each item, others against. Each of us has his own specific area of interest in which he would like to focus; each of us would like to know our particular amendment. But our responsibility today in dealing with the budget is to fashion a budget resolution for the Congress of the United States that focuses on broad targets. The responsibility of the Rules Committee and of this body is to address ourselves to broad priorities. That is what the essence of this rule is all about: It allows us the opportunity to express ourselves on those broad priorities. If we favor additional spending on the domestic side, there are four amendments here that allow for that expression: Obey, Mitchell, Solarz, and Ottinger.

If we favor additional spending on defense, there are three amendments that allow for the expression of that intent.

If we favor additional tax increases, there are amendments here that allow for that kind of expression.

If we favor a reduction of the enforcement capability of this resolution through eliminating reconciliation, that amendment is built into this rule as well. So the rule allows for an expression by the Members on a variety of broad priorities. We will go on record, our people will know where we stand. That is what is important here.

Each Member will have the opportunity to vote on these substitutes and on these priorities. But the rule keeps the resolution on track so that in the end we will, indeed, provide a final and hopefully responsible budget resolution for the Congress.

It is for those reasons that I urge you to support this rule.

Mr. BOLLING. Mr. Speaker, I yield 2 minutes to the gentleman from Michigan (Mr. Davis).

Mr. DAVIS of Michigan. Mr. Speaker, I appreciate the work of the committee on this particular matter, the gentleman from Connecticut (Mr. Giaimo), and the gentleman from Ohio (Mr. Latta). I am sure their job was very difficult; however, I do rise in opposition to the rule allowing consideration of House Concurrent Resolution 307, the first concurrent resolution on the fiscal year 1981 budget. I strongly support balancing our budget but the rule allows only 11 specified amendments to a bill which deals with the broadest, most all-encompassing subject matter of any bill we will consider this year. The budget resolution affects every person and every program in this country at least indirectly.

The final version of this bill could directly affect the employment opportunities for tens of thousands of people, the condition of the roads we drive on, the quality of health care we receive, and this year, even the days on which we will receive our mail. It is a complex, comprehensive bill which will make many important decisions about the operations of the Government in the coming year. Because the decisions that are made have such an important effect on everyone, it is important that the making of those decisions include all voices.

The proposed rule allows only limited input from Members on the decisions being made. The only way I could attempt to protect what I feel to be a valuable program, under this rule, would be through voting for an amendment which may contain many other decisions to which I am totally opposed, in other words, a take it or leave it approach. Mr. Speaker, I strongly protest this limitation on the ability of Members to participate in the budgetary process and I urge that this rule be defeated.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. Giaimo).

Mr. GIAIMO. Mr. Speaker, I want to commend the chairman of the Committee on Rules, who has put in long, hard work and hours and days, and to commend all of the members of the Committee on Rules for trying to fashion a rule which I believe is fair and equitable and will accomplish the purposes we are interested in here today.

I do not think that we can find much to argue about with this type of rule. I think that the Committee on Rules has equitably treated all the varying, conflicting, major interests which are involved in trying to fashion a budget resolution.

Certainly, if we think back, the Budget Committees of the House and the other body were given a mission in the famous meetings set up by the administration, by the President and the Speaker and the majority leader of the other body. We had deliberations for well over 8 days with the leadership of the House and the other body, with the chairmen of both Budget Committees and with some of the other representatives of the Budget Committees representing conflicting points of view. We were given a mission and that mission was clearly to balance the budget, and further to do it by a reduction in spending. That means that programs are going to be affected, and programs have been affected. I think we have all got to remember this as we vote on this rule. We cannot have a completely wide open rule. We would be here literally for weeks balancing one interest against the other.

We think we have been able to balance the equities in a careful way. We think that we treated all viewpoints on the Federal budget in a fair way. We ask you, therefore, to support this rule.

In response to my friend, the gentleman from Illinois (Mr. Michel), I would say that the problem the gentleman raised was considered as to whether or not to try to put limitations of some sort or another on the appropriating process. We decided not to do that. Members should know that the other body did do that and did put a ceiling on for 1980 also.

Members should also realize that that will be one of the items of conference and one of the items of negotiation in the conference where the gentleman's point of view can be reflected and perhaps to some degree accommodated. I am not making any kind of commitment, but certainly it can be an item of discussion and negotiation in the conference at the right time; but we did not think, and I personally did not think, we should go to that extent with the appropriating process. Therefore, we recommended that it not be included in this rule which the Committee on Rules wisely presented in the fashion in which it did.

Some people are unhappy because of specific interests in some areas. I plead with you, you have got to look at this budget process as a whole, as an entity, as $613 billion, and if we do not all tighten our belts and suffer a little, then we will not be doing the job which we promised the people who elected us that we were going to do. That means some restriction on the rule. The Committee on Rules faced up to this problem and faced up to it in brilliant fashion, I might say. They deserve our support and our vote. I would urge you to adopt the rule.

Mr. NELSON. Mr. Speaker, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Florida.

Mr. NELSON. Mr. Speaker, I just want to take this opportunity to associate my remarks with those of my chairman. We have through an extraordinary legislative process crafted a delicately balanced product in the committee, one that after heated debate had a significant vote of 18 to 6 in the committee. It is important that the crafting of this balance be maintained. And yet, it is important to present a diversity of views, to have those points brought to the floor and to be voted upon. I believe that the rule that comes before us today offers that opportunity for such diversity. I support the rule.

□ 1120

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Arizona (Mr. Rudd).

Mr. RUDD. Mr. Speaker, I hope that the House, in its wisdom, will reject this proposed rule for the consideration of House Concurrent Resolution 307.

As reported from the House Budget Committee, this budget resolution would set 1981 Federal spending at an unprecedented high level of $611.8 billion.

It would set the Federal tax burden at $613.8—a record high in peacetime or war throughout our Nation's history.

Unless substantially reduced, the committee's proposed budget resolution would increase Federal spending to a level $118 billion higher than actual Federal spending in 1979, and $48 billion higher than the President's estimate of 1980 spending last January which carries with it a $40 billion-plus deficit.

In order to balance the 1981 budget, the committee proposes to raise Federal taxes to a level $148 billion higher than the actual tax burden in 1979, and $90 billion higher than the President's estimate of the 1980 tax burden when he submitted his budget to Congress last January.

This proposed rule for the consideration of House Concurrent Resolution 307 is designed to prevent Members of this body from offering or considering a wide array of responsible and needed amendments to reduce Federal spending, in line with recommendations from millions of American citizens who have communicated to Congress their deep concerns over the size of this budget and its accompanying heavy increase in Federal taxes.

This rule closes off consideration of all but 11 amendments—which themselves would be unamendable.

Seven of the amendments approved by the Rules Committee for consideration by the full House are proposals either to increase spending even higher, or to transfer funds from one function to another without achieving a net reduction in spending.

Only one of the amendments—the substitute to be offered by our colleague Del Latta—would reduce Federal spending below the $48 billion increase over current levels proposed by House Concurrent Resolution 307, the 1981 budget approved by a majority of the House Budget Committee.

The Latta amendment would reduce outlays, budget authority, and revenues by about $14 billion—still permitting a net increase in Federal spending of about $34 billion above current levels.

The increased spending would accommodate real growth in the defense budget, while holding nondefense programs approximately to their current levels.

The Latta substitute is by its nature a consensus proposal.

It does not include many of the possible spending reductions, because it was designed to appeal to a majority of all House Members.

Under the ground rules established by the House leadership, the substitute had to be prepared this way.

The rule allows the Latta substitute as

an all-or-nothing proposition for any House Member who wants to reduce spending anywhere in the budget below the overall high level set by the Budget Committee.

If this rule is adopted, there will be no opportunities other than the Latta substitute for Members of the House to vote on overall spending reductions in this proposed $612 billion 1981 budget.

It is called a modified open rule.

It is really a modified closed rule.

By whatever name, if this rule is adopted, in effect preventing Members from offering amendments to reduce spending in specific areas of the budget as proposed, it will tend to confirm the worst of the public's fears that Congress is unable or unwilling to control irresponsible Federal budget increases which have fueled the fires of soaring inflation and high interest rates that are currently destroying our economy.

Inflation is eroding our purchasing power at the fastest rate in modern U.S. economic history.

The Consumer Price Index rose 13.3 percent in 1979.

In the first 3 months of 1980, the CPI went up at an annualized rate of 18.2 percent.

The producer price index—a reliable indicator of future consumer prices—is going up even faster.

The PPI went up at an annualized rate of 19.6 percent for the first 3 months of 1980.

At this rate, the dollar loses half its value every 30 months—assuming, of course, that the inflationary psychology does not go completely out of control and result in the kind of superheated inflationary blowout that other nations have experienced.

Higher Government spending and taxes will only compound these problems, not help them.

Productivity is skidding, and will be further adversely affected by the increased tax burden proposed under this resolution.

Unemployment is rising again—up to 6.2 percent in March, according to the Bureau of Labor Statistics.

Mortgage rates, where mortgages are available, have moved past 17 percent.

This means that only high-income people and the wealthy can obtain housing credit.

New housing starts have plummeted, down 45 percent from the same time a year ago in Arizona, and every day brings new reports of business failures.

Higher Government spending this year will mean higher Government borrowing in private money markets, where the Federal Government already consumes 25 percent of all available borrowing funds.

That will mean yet higher interest rates for American citizens and their businesses.

This will be compounded by the off-budget deficit.

This budget is presented as a balanced budget, but it is not.

It does not take into account the $18 billion-plus in spending for off-budget activities, which will eat further into available credit, boosting interest rates even higher for average people.

We need to cut spending drastically in those areas that have been hardly touched by the House Budget Committee—and which will get heavy increases in 1981 under either House Concurrent Resolution 307 or the Latta substitute.

I am referring to the area of social welfare spending, which comprises more than $294 billion of the Federal budget, and which consists primarily of entitlement programs which need to be reformed by their respective legislative committees.

One area of particular concern which I raised in the Budget Committee is the area of food stamps.

It is unbelievable that this program has been allowed to reach a current level of $8.6 billion, serving 22 million people, or about 1 out of every 10 Americans.

I was personally disappointed by the lack of any positive response by the committee to the amendments which were offered to reform overlenient eligibility requirements for food stamps, to set a ceiling on gross income and personal assets for participation, and to help eliminate fraud, waste, and abuse in the food stamp program.

Mr. Speaker, I have enough confidence in Members of this House to know that many of my colleagues have found ways to cut the Federal budget, so that Congress will not have to approve this mistaken budget proposal that raises Government spending and taxation to such astronomical heights.

It is a gross disservice to the American people, as well as to those Members of Congress with good ideas for reducing spending that are worthy of consideration, to approve a rule allowing consideration of only one, unamendable amendment for cutting the 1981 budget.

Not all Members will agree with the priorities established by the substitute amendment.

Others will want to cut more programs—and many programs can be cut which will not be touched by the 11 amendments approved for consideration by the Rules Committee.

The American people are angry at Government waste, abuse of their tax dollars, and the failure of the executive branch and Congress to govern effectively.

Are going to justify that anger and that criticism by stacking the deck against responsible reductions in Government spending?

I hope not.

I hope that this body will defeat the restrictive rule proposed to govern House action on the first concurrent budget resolution, so that every constituency represented by each Member of the House of Representatives will have an opportunity to work its will on the 1981 Federal budget.

In my judgment, a vote against this rule is a responsible course of action that should be taken.

Mr. LATTA. Mr. Speaker, I yield 3 minutes to the gentleman from Maryland (Mr. BAUMAN).

Mr. BAUMAN. Mr. Speaker, I rise in opposition to this rule. When it was before the Rules Committee I made the point that this rule was entirely contrary in substance and in fact to the budget process and the Budget Act which created that process.

Many of us had a great many doubts over the last several years about the effectiveness of the budget process itself. But this is the first time we have seen an effort by the leadership on both sides, to some extent, to arrange a deal, and that is what this rule is. If your name is GIAIMO, CONABLE, QUILLEN, OBEY, MITCHELL of Maryland, SOLARZ, OTTINGER, HOLT, LATTA, or ROUSSELOT then all is well and good and you are high on the hog. I do not say that in any denigration of the Members involved. They were able to get their part of the deal arranged either for the inherent merit of their proposals, or their good looks, or talent, or whatever else commended them to the Rules Committee. But for the rest of the House of Representatives, most of the 435, they are out in the cold. They get to vote on these few propositions and nothing else, and that is all. Good luck, you can go back to your people and explain why you are not important enough to be included in this club.

That is not what I think the rules of this House are supposed to do. I know my colleagues will be told by the leadership and this is a leadership rule, that chaos will reign unless restrictions are applied. Shame on you, how could you possibly be allowed to work your will in a democratic fashion when you might actually produce a net result that would reflect what the Congress really wants.

Now, I want to balance the budget. Really balance it. I think some of the substitutes that claim to do that are a joke, and I think the debate would demonstrate that.

But this rule is so finely tuned, let me point out, that the majority side of the aisle decided to exclude one of its Members, Mr. GRAMM, of Texas, personally targeting him and refusing to let him join in and offer the Holt-Gramm substitute. I was informed the reason was that Mr. GRAMM, being a Democrat, might bring some Democratic votes with him, or there was some dissatisfaction with him in the Texas delegation because he was too conservative on this issue. That was the reason he should not be allowed to offer his substitute.

What kind of petty politics is that to be embodied in a rule of the House.

I would support the gentleman from Illinois (Mr. MICHEL) in his suggestion that we vote down the previous question. I would hope he would include in his rule a change, if he offers it, with the right to offer an amendment to increase veterans' benefits, an amendment to increase LEAA. I am not going to commit myself before such votes, but if a majority of this House does not want to vote on these issues, then the people of America should know that, too. At least the Members should have the right to work its will.

We are here to represent the people, not the Rules Committee or the leadership, and if we cannot make intelligent decisions as adults on how to devise a Federal budget, then we ought to admit the failure of the whole representative form of government and the budget process too, because this rule is a confession of our own collective failure. If the previous question is not voted down, we should reject the rule, and let us go back to the Rules Committee. We have a highly paid staff, many, many people on both sides. We can deliberate for many more days. We do not meet that often. The gentleman from Maryland will even leave the floor and sit during sessions to write a rule that is fair to the Members of this House, but, more importantly, to the people of America. As it is written we should reject the rule.

Mr. LATTA. Mr. Speaker, I yield 2 minutes to the gentleman from California (Mr. Rousselot).

Mr. ROUSSELOT. Mr. Speaker, I rise in favor of this rule. I agree that it is unfortunate that we have had to depart from the general rules relating to the budget procedure, but I do believe that the Rules Committee has made a legitimate effort to provide a wide diversity of amendments that the House will consider.

I want to say to my colleague from Maryland that one way he could, for instance, help himself on the consideration of the veterans' benefits is to vote for the Latta substitute. The Latta substitute I think more appropriately takes the functional category for veterans and places that targeted expenditure at a more appropriate level than does the Budget Committee resolution. So the gentleman will have an opportunity to support the more appropriate veterans' target in the Republican substitute by the gentleman from Ohio (Mr. Latta).

There are a great number of things the gentleman from Maryland and I support. For instance, there is the $32 billion tax reduction in the Latta substitute. So many of the things which the gentleman from Maryland and I support will be included in the Latta resolution. I believe we can give it our full support with the knowledge that all of the aspects of a restrained budget that we think should be there, will be included in the Latta substitute.

Mr. BAUMAN. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I will be glad to yield to my colleague from Maryland.

□ 1130

Mr. BAUMAN. I thank the gentleman for yielding. I believe the gentleman from California is the same gentleman from California whose name appears on page 3 of the rule making his substitute in order.

Mr. ROUSSELOT. That is my understanding.

Mr. BAUMAN. I, therefore, understand the reason that he supports the rule.

Mr. ROUSSELOT. No, the reason my substitute is in order is because the gentleman from Maryland (Mr. Bauman) made sure it was included in the rule.

Mr. BAUMAN. But the thing that shocks, chagrins, and completely disturbs the gentleman from Maryland is that Rousselot and Bauman should be opposed to each other on any question, and I am going to retire to the cloakroom and sob.

Mr. ROUSSELOT. I find that very distressing, I may join you.

Let me review for my colleagues another aspect of this rule:

The rule allows amendments necessary to achieve mathematical consistency. It provides that if more than one of the amendments in the nature of a substitute is adopted, only the last one adopted will be reported back to the House. That is an important additional provision in this rule.

Mr. LATTA. Mr. Speaker, I yield such time as he may consume to the gentleman from Georgia (Mr. Gingrich).

Mr. GINGRICH. I thank the gentleman.

Mr. Speaker, I rise to oppose this rule. It is not a modified open rule; it is a closed rule. It is a deliberate attempt to manipulate this House to avoid facing key issues. It is an insult to the intelligence and integrity of the House and to the citizens of this Nation to call this anything but a deliberate closed rule. But then we are going to hear many insults to our intelligence and distortions of the English language in this debate.

To call the budget a balanced budget is to deny the history of the last decade. We are in a recession, and as unemployment goes up, tax collections will fall and Government spending will rise.

At least one Democrat in the other body has been honest enough to admit that their budget will be $50 billion to $100 billion in deficit by the end of fiscal year 1981. It would be refreshing for the majority leadership to admit honestly that in the real world they are offering a budget guaranteed to be in deficit. To refer to this budget as fiscally austere is a joke. This budget has a 14-percent real increase in Government spending, that is the equivalent of a 21-percent increase in before tax in take-home pay for the average American to spend. This budget has a $96 billion increase in tax revenues. That is the equivalent of a $990 increase in the tax burden on the working American.

Every independent, conservative, and moderate Democrat should vote against this rule. The action of the Committee on Rules in deliberately setting aside the gentleman from Texas (Mr. Gramm), and in deliberately fashioning a rule to humiliate a member of that party, and to deliberately establish a situation in which only the name of the gentlewoman from Maryland (Mrs. Holt) could appear, I think is an insult to the House, is an attack on the independence and integrity of the individual Members, and is a brutal display of political power of unprecedented proportion.

Mr. BOLLING. Mr. Speaker, I yield 5 minutes to the distinguished majority leader, the gentleman from Texas (Mr. Wright).

Mr. WRIGHT. Mr. Speaker, I rise in support of this rule and in support of this resolution. It is a responsible rule, and it is a responsible resolution.

The rule offers many options. There is a wide variety of viewpoints available to the Members. Eleven broad, generally responsible amendments are made in order—five of those by Republicans, five by Democrats, and one by whatever unnamed Member of the House may rise to offer an amendment to remove from this budget resolution the requirement for reconciliation. Each of the 10 substantive amendments would seek, in its own way, to reach a budgetary balance—by spending more for certain things and less for others, or in certain cases by increasing taxes. Certainly the rule represents a responsible effort to give to the Members a broad variety of viewpoints from which to choose.

Now let me say something about this resolution as reported by the Budget Committee, this is a budget of which none of us need be ashamed. This is a responsible budget. It is a tight, austere, tough budget. It is a budget which embodies recommended spending reductions totaling some $21 billion.

Anybody who refuses to recognize the reality that this Budget Committee resolution produces a balanced budget simply does not want to recognize that the House is competent of producing a balanced budget. This budget as reported by the committee will yield a surplus of some $2 million. In the event we might need a cushion to accommodate unforeseeable events, we set aside the $10.5 billion expected to inure from the President's imposition of the oil import duty to accommodate tax cuts that will assist individual worker productivity, or to help balance the budget if needed. So nobody can truthfully challenge the fact that the committee resolution is an honest, responsible vehicle to balance the budget.

This resolution represents the first truly bipartisan product of our House Committee on the Budget in the years since its creation. It is our first major blow in the current fight against inflation. I should not want to suggest to the Members that balancing the budget alone will cure inflation; of course, it will not. But until we demonstrate the self-discipline to curb our propensity to borrow, and stop borrowing by the Federal Government, we are not going to set in motion those dynamics that will reverse the inflationary spiral.

Most of those economists who have appeared before the committee, of both the liberal and conservative schools, agree that there are four basic roots from which the poison weed of inflation has grown to such proportions.

The first of those roots is the spiraling cost of energy. Obviously, as pervasive as the cost of energy is in the lives of all Americans, we shall not get a permanent grip on inflation until we make this Nation of ours energy-independent again. And I am standing here today to promise you that within a matter of weeks we shall have back before this House in the form of conference committee reports on the Energy Mobilization Board and our dramatic synthetic fuels initiative an opportunity for us to demonstrate to the world, to the American people, and to ourselves that we have the capacity to begin that march back toward energy independence.

The second of those roots that feed inflation is the cost of money, the spiraling cost of interest rates brought about by the borrowing, public and private, that has escalated to such enormous heights in the United States. It was estimated just last week by the chairman of the President's Council of Economic Advisers, Dr. Schultze, that if somehow we could stop the increase in the cost of energy and if we could bring back the mortgage interest rates to a reasonable level, we could cut in half the existing inflation rate. We could reduce the annual rate of inflation by somewhere between 8 and 10 points.

Obviously, the problem is that we shall not be able to reduce interest rates until we reduce the level of borrowing, and that is the third of the great roots that feed inflation. Borrowing by its very nature is inflationary. If you define inflation in its classic terms as too much money chasing too few goods, then you just have to conclude that borrowing and debt—by adding to the money in our pockets money that we do not yet have—adding tomorrow's income, next month's income, next year's income, to bid up the price of today's goods is by its very nature inflationary.

Not most of the debt is public debt; most of it by far is private debt—corporate debt, mortgage debt, installment debt, debt of all sorts. But let us see how menacingly it has grown in its total proportions. In 1960 all debts owed by all Americans, public and private, amounted to some $750 billion. One decade later by 1970 the figure had almost doubled to $1.3 trillion in total debts. But in the decade of the 1970's, total debt, public and private, in the United States more than tripled from $1.3 trillion to nearly $4.5 trillion. Obviously that has fed inflation. Obviously it must be slowed and reversed.

And here is why a balanced budget this year, though it represents a difference in borrowing of only a small percentage of the total debt, is so important. Not until Government can come to the public with clean hands, having demonstrated that we in the Congress of the United States have the capacity at least to start things in the other direction by getting the Government out of the borrowing markets, can we then in good conscience ask the American people to reduce their reliance on this credit card binge on which the private economy has been embarked.

Only then will we strike effectively at the fourth and final root of inflation which is the public inflation psychology. It is the general feeling that things are not going to get better which causes people to borrow now to buy things they may anticipate wanting next year in the fear that it will cost more if they wait. It is this very psychology which encourages debt and discourages saving, which could be a powerful antidote to inflation.

We cure that inflation psychology, which expects things to get worse and, this, actively feeds the inflation, by demonstrating that for once we have turned things around and started in a new direction.

So I plead for your vote for the rule and for the resolution.

Mr. LATTA. Mr. Speaker, I yield 1 minute to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Speaker, I wish the gentleman from Texas (Mr. WRIGHT) had made the speech he just concluded every year for the past 7 years.

I rise in support of the rule, although I will support Congressman MICHEL. I think a point should be made that all substitutes made in order are balanced budgets. This allows Members to vote their priorities, but, nevertheless, in the final analysis adopt a budget in balance. Inflation is the No. 1 concern of the American people. For 25 years we have been monetizing our deficits, printing money to pay for our red-ink budgets. The result today is 18.6 percent inflation. The answer is a balanced budget, this year, next year, next year, and next year, for as long as we have the will to do so.

☐ 1140

Eight years ago we adopted this voting card system and I have described it to my constituents as the world's greatest credit card. Vote now, pay later. We must change this habit.

Mr. Speaker, this week we have an opportunity to have a balanced budget; to achieve the fiscal discipline that is a vital answer to achieving a reduction in the rate of inflation.

Mr. BOLLING. Mr. Speaker, I yield such time as he may consume to the gentleman from New York (Mr. HANLEY).

Mr. HANLEY. Mr. Speaker, I rise in opposition to the rule and urge my colleagues to vote against the adoption of this rule.

Yesterday, Mr. DERWINSKI and I sent a letter expressing our reasons for this opposition. In one phrase, it will destroy the public service of the U.S. Postal Service. The Budget Committee recommends a reduction in postal appropriations of $836 million for fiscal year 1981 and a complete elimination of the public service appropriation to the Postal Service after 1981. That kind of cut in funds for the postal system will result in disastrous reductions in service which the American people have received for more than 100 years. It will truly take the "service" out of the Postal Service.

The Committee on Post Office and Civil Service has held two hearings since this budget resolution was made known. On March 16, the Postmaster General told the committee that if the Budget Committee's recommendations were approved, he would have no alternative but to eliminate Saturday mail delivery. Last Thursday, we met with the Governors of the Postal Service. They supported the Postmaster General's testimony.

This issue goes much further than Saturday mail delivery: It goes to the whole concept of the postal system and whether it is going to be a public service or a business enterprise similar to A.T. & T. or Con Ed. If public appropriations are withdrawn, I will guarantee this House that the Postal Service will never cease its efforts to reduce service in order to control costs. Day before yesterday, the Postmaster General announced the 20-cent stamp. And, lest there be any misunderstanding, that 20-cent rate does not take into account any reductions in appropriations. So if we cut another $836 million, the Postal Service will be that much more in the "red" and will have to ask for another rate increase on top of the 20-cent stamp, or pile up more debt—in addition to the billions they already owe—for future ratepayers to pay.

Saturday delivery will just be the first to go. No responsible administrator of the postal system could refrain from eliminating public services in order to "break even." Business mail users strongly resist rate increases and are currently turning to alternate means of delivery wherever possible. Mass circulation magazines and newspapers are already doing so. Courier services are springing up everywhere. United Parcel controls the parcel market. As the business is lost, forever, further rate increases will be necessary, and even more business will be lost. Rural services, the 20,000 or so small post offices that are so vital to the social and cultural life of American towns and communities will be eliminated, consolidated, or converted into less costly contract stations. Speed and reliability in delivering mail will suffer. The public will increasingly turn to some private delivery system.

We are at a critical point in postal affairs. Electronic communication is rapidly eroding first-class mail volume and whether the Postal Service will ever play an important role in that communications system has yet to be determined. It may be that in 20 years the postal system will be radically different than it is today. At this time, the postal system needs the strong support of the Congress to insure an orderly transition into the future. If electronic mail works and the Postal Service plays a significant role in that method of communications, the bridge to that future must be secure. Cutting out $836 million in appropriations in one swoop of the budget knife is a disastrous policy.

The postal system simply cannot operate the way the representatives of the people insist that it be operated unless a significant portion of the costs of the system are paid for by public money. This rule does not permit consideration of that vital issue. The Postal Service is an important social and governmental institution. It must have careful consideration. Mr. DERWINSKI and I oppose the rule and urge that it be defeated so that a rule can be adopted which will permit consideration of postal appropriations as a separate issue.

● Mr. DERWINSKI. Mr. Speaker, I am going to vote against the rule for consideration of the first concurrent resolution on the budget for fiscal year 1981 for the simple reason it is a charade which undercuts the budgetary process and is not in the best interests of the public. Normally, I support most rules with the belief all Members of this body should be allowed the opportunity to perfect or reject legislation through the amendment process. Now, we are being asked to consider the budget under what amounts to a closed rule.

We are being asked to approve a blueprint for a national budget under a parliamentary procedure which will allow only a few broad-based amendments to be offered. Adoption of the pending resolution will result in a crippling, frontal assault on the very budgetary procedures we installed a few years ago on the premise it would permit us to combine precision and expertise in dealing with Federal spending. What we are witnessing is the subversion of a good idea—a good idea which has been allowed to run amok.

Adoption of this rule will render meaningless the role of legislative committees. There will be no opportunity for the committees to offer carefully considered alternatives which are based on years of experience in dealing with specific problems.

Speaking as the ranking member of the Post Office and Civil Service Committee, I deplore the complete mishandling of the postal situation by the administration and our Budget Committee. In their rush to gut postal appropriations, neither the administration nor the Budget Committee were impeded by the facts or the consequences of their actions.

The President's revised budget would limit the cut in postal appropriations to $250 million for fiscal year 1981 and would follow up in the next fiscal year with the elimination of all of the public service subsidy. Postmaster General Bolger already has indicated that the cut recommended by the President would result in the elimination of 6-day mail delivery. Top postal managers have made it clear there will be major problems in attempting to process and deliver in 5 days the same volume now handled on a 6-day schedule. That problem will be further aggravated in weeks where the 9 holidays are observed.

As thoughtless and illogical as was the President's recommendation, it is a model of restraint when compared with the misdirected recommendations of our Budget Committee. With all due respect to the integrity of members of the Budget Committee, their recommendations were made with little understanding of the eventual effect on the service which the Postal Service is expected to provide.

The Budget Committee has recommended cuts totaling $836 million in postal appropriations for the coming fiscal year. This would be accomplished by eliminating all of the $736 million authorized for the public service subsidy plus an additional $100 million for the revenue foregone appropriation for nonprofit mail.

Elimination of the public service subsidy would end 6-day mail service and result in other major service cuts to be determined by the Postal Service. The revenue foregone appropriation provides reduced postal rates for religious, charitable and educational organizations and institutions. These subsidies were not provided unilaterally by the Postal Service. They were mandated by Congress to provide postal relief to various worthwhile organizations which rely on the mails for sustenance. The Budget Committee apparently thinks we should renege on that obligation.

I urge you to defeat this rule and open the way for the regular order of floor amendments. That would permit us to amend the Postal Service appropriations in a reasonable manner.●

● Mr. SIMON. Mr. Speaker, the House Budget Committee has set an historical precedent this year on a number of fronts. It has reported its first balanced budget ever, as a committee, the first balanced budget this country has seen in 12 years. It has asked for a modified rule—one which limits amendments. This budget was changed, virtually in midstream, from one which moved gradually—and firmly—toward a balanced budget, to one which brought us precipitously to the doorstep of numerical balance. The significance of these events must be measured in terms of the other economic policies which we endorse and which I hope can bring us back from economic policies which are causing serious, substantial damage.

The limiting of amendments has a threefold impact on this budget process. First, it changes the nature of the process itself. The budget has always been subject—under the act which created the budget process—to free and open debate and amendments.

That debate and amending process brought national spending priorities to the forefront. It also needlessly delayed and complicated the process of passing a budget.

We cannot afford to let the budget debate run endlessly. We face critical spending needs in 1980—for food stamp and black lung legislation as two examples. Supplemental requests must be considered for these programs, and that cannot be done until the budget resolution is completed.

Although I support limiting the rule to address these very critical budgetary needs, I do think there is a danger in limiting amendments too narrowly. The purpose of the open rule on the resolution is to allow the widest variety of approaches to budgeting to be aired. I commend the Rules Committee for developing a rule that allows a variety of perspectives on the budget to be addressed by this House. However, I believe, in some cases, that the rule may force some of the most important budgetary issues we face, to be overlooked.

Two of the amendments which I requested to be made in order in the rule on the budget were denied. The first eliminates funding for the defense budget for the research and development for the basing mode for the MX. This amendment, although addressing a narrow issue in the overall defense budget, addresses a key budgetary issue: Whether this Congress will take responsibility in today's budget for the implications of its decisions in future years for the second largest expenditure in the history of the country, second only to our interstate highway system.

The MX basing mode funding this amendment sought to delete was a speck in the budget of defense spending in 1981—a mere $500 million out of a $160.8 billion authority package for defense recommended by the committee. But this amendment is not small in its implications for our entire defense posture and our priorities for defense spending. The latest estimates of the MX missile system and deployment exceeds $60 billion over the next decade. I am sure the estimates will get worse.

Total expenditures for the MX represent close to one-half of our total recommended defense outlays for 1981 of $147.9 billion. And that is for a system that nobody can assure us will ever be built, that we cannot be assured will satisfy our defense needs—with or without SALT II, and that we are not sure will be tolerated by the people in Utah and Nevada where this basing system is planned to be located.

This amendment would have addressed a key budgetary concern: The need to slow down programs that we are not sure are defensible—economically or substantively. A slowdown in this funding to require the Defense Department to evaluate alternate basing methods would, it is agreed by many Members of this House, be a strategically sound, economically desirable action. This type of issue can and should and will be addressed in the authorizing and appropriations bills, but the issue transcends that and should be considered here too.

A second amendment which I requested—also denied—was to make a minor restoration in one of the domestic programs which I believe will be among the most critical next year. That amendment would have restored 40 percent of the cuts recommended by the Budget Committee for reducing the CETA public service employment program. Cuts recommended in CETA by the Budget Committee in this resolution have to be taken in context with previous action on this program. In 1980, the level of CETA jobs was already reduced from more than 300,000 slots in 1979 to 200,000 in title VI—the program for public service employment. The President recommended in January that that same 200,000 level be maintained—providing no increase at all in the number of these jobs. The Budget Committee further recommended a cut of $500 million more, or a loss of 50,000 additional slots. The President, in his March revised budget, also recommended that 51,000 jobs be cut in this program—about the same as the Budget Committee. The Senate regrettably is even worse, eliminating the program.

In overall budgetary terms, this may look like a way to save $500 million. But, when we are talking about a budget that is calculated to reduce services, slow down the economy, and—as a matter of policy—result in increased unemployment, we should not also take a slash in jobs programs. Labor Secretary Ray Marshall admirably defended this jobs program as one which combated the 1976 unemployment level of 7.9 percent effectively through its rapid buildup of enrollees. This public service employment program, according to Secretary Marshall "is much more flexible in terms of timing and reversibility than is any other antirecession policy instrument."

There has been some discussion among Budget Committee members that we need not worry, CETA will take care of itself because of overflows in some programs. I have talked with the Labor Department people and they see no "excess carryovers" by the end of the year, in any of their programs, including title IID which was underenrolled at the start of this year because of delays in the appropriations.

Whatever funds might be available could be used to fund—at drastically reduced levels—the Young Adult Conservation Corps, or the Youth Conservation Corps, both of which were eliminated by the House Budget Committee. The committee also assumed a full year's delay in the President's youth initiative. It is clear that, while reducing spending and exacerbating unemployment on the one hand, this budget removes any cushion for those landing on unemployment rolls on the other.

So, again, while it was suggested that such a small change in the overall budget totals by an amendment to the budget resolution might be dilatory to the entire process, the exclusion of such an amendment eliminated the opportunity of Congress to focus on the impact of major categorical policy decisions on overall economic priorities.

Despite what I believe are the faulty characteristics of this modified rule for this resolution, there are a number of amendments which have been allowed which I support. These amendments, including a $1.1 billion package I am sponsoring with Mr. Obey, do address the vital budgetary concerns of many Members of this House.

The Obey amendment adds a small amount of stability to a number of domestic programs. It does it primarily by reducing administrative costs of Government, and restores funds for youth employment, fuel assistance, child health, elderly nutrition and rural and elderly housing, revenue sharing, and mass transit.

This amendment does not do a lot—but it restores some of the basic funding levels needed in programs to enable them to carry on. I will vote in favor of the rule. I do not want to see a repetition of the 1979 fiasco when we had 13 days of debate and amendments which did not belong in the budget consideration.●

Mr. BOLLING. Mr. Speaker, I yield myself 3 minutes.

Mr. Speaker, I think this has been a useful and clear debate. I was afraid it was going to be a frantic and unclear debate.

Mr. Speaker, I think, really, the choice between this resolution in its present form and any addition to it or its defeat is not a good one.

I am for the previous question, not because I am the chairman of the Committee on Rules but because I honestly believe that we came out with a balanced rule. I know the disappointment of Members in not having their amendments offered, and there are many distinguished Members on both sides of the aisle who were cut off. However, Mr. Speaker, we tried to give the broad view a real shot at dealing with this.

Mr. Speaker, I hate to waste time since I have 3 minutes, but I remember once upon a time Speaker Rayburn called me up to the chair and said, "Dick, will you take the chair?" I said, "Mr. Speaker, I cannot. I only have about 1 hour."

Speaker Rayburn said, "Well, it is only going to take about 40 minutes."

Three days later I got out of the chair and we had provided for a tunnel over the Potomac. We got sort of messed up in a complicated fight and we ended up in chaos.

Mr. Speaker, I honestly believe that if we do not adopt this rule we are going to do something to the Budget Act like build a tunnel over the Potomac, and I think we ought to have this kind of rule.

Mr. Speaker, I have the greatest respect for my friend from Illinois (Mr. Michel), but what his proposal does is unbalance this rule. This rule is very carefully crafted to give all the sides a reasonable shot at a given situation. What the gentleman does is raise the ante and change the balance. I do not blame the gentleman for doing it; I understand that. It is fair for the gentleman to do it. However, I think it is similarly fair for the House to leave this rule in balance as between conservative and liberal, Republican and Democrat, as well as it could be crafted with the ingenuity of people on both sides of the aisle put into it.

I urge a vote for the previous question and I urge a vote for the rule so we can get on with this unique task we set ourselves of trying to be fully responsible about all the things we do through the budget process.

Mr. Speaker, I move the previous question on the resolution.

The SPEAKER. The question is on ordering the previous question.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. MICHEL. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 249, nays 153, not voting 30, as follows:

[Roll No. 194]

YEAS—249

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brown, Calif.
Burlison
Burton, John
Byron
Carr
Cavanaugh
Chappell
Chisholm
Coelho
Collins, Ill.
Conyers
Corman
Cotter
D'Amours
Daniel, Dan
Danielson
Davis, S.C.
de la Garza
Deckard
Dellums
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fountain
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Gonzalez
Gore
Gradison
Gramm
Grisham
Guarini
Gudger
Hall, Ohio
Hall, Tex.
Hance
Hanley
Harkin
Hawkins
Heftel
Hightower
Holland
Hollenbeck
Holt
Holtzman
Howard
Hubbard
Huckaby
Hughes
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, La.
Lehman
Leland
Levitas
Lloyd
Long, La.
Long, Md.
Lowry
Luken
Lundine
McCormack
McHugh
McKay
McKinney
Maguire
Markey
Matsui
Mattox
Mavroules
Mazzoli
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Montgomery
Moorhead, Calif.
Mottl
Murphy, Ill.
Murphy, Pa.
Murtha
Musto
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Quillen
Rahall
Rangel
Ratchford
Reuss
Richmond
Roe
Rose
Rosenthal
Rostenkowski
Rousselot
Roybal
Runnels
Sabo
Santini
Scheuer
Seiberling
Shannon
Shelby
Simon
Skelton
Smith, Iowa
Solarz
Spellman
Spence
St Germain
Stack
Staggers
Stark
Steed
Stewart
Stokes
Stratton
Studds
Stump
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weaver
Weiss
Whitley
Whitten
Wilson, Bob
Wilson, Tex.
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—153

Abdnor
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bauman
Bereuter
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Butler
Campbell
Carney
Carter
Cheney
Clausen
Clay
Cleveland
Clinger
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Coughlin
Courter
Crane, Philip
Daniel, R. W.
Dannemeyer
Davis, Mich.
Derwinski
Devine
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Evans, Del.
Evans, Ind.
Fenwick
Findley
Fish
Forsythe
Frenzel
Gilman
Gingrich
Goldwater
Goodling
Grassley
Green
Guyer
Hagedorn
Hamilton
Hansen
Harris
Harsha
Heckler
Hinson
Hopkins
Horton
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Johnson, Colo.
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Latta
Leach, Iowa
Leath, Tex.
Lee
Lent
Lewis
Livingston
Loeffler
Lott
Lujan
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Madigan
Marks
Marlenee
Marriott
Martin
Mathis
Michel
Miller, Ohio
Mitchell, N.Y.
Moore
Myers, Ind.
O'Brien

Paul
Perkins
Petri
Porter
Pritchard
Pursell
Quayle
Railsback
Regula
Rhodes
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roth
Royer
Rudd
Satterfield
Sawyer
Schroeder
Sensenbrenner
Sharp
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Stangeland
Stanton
Stenholm
Stockman
Tauke
Taylor
Thomas
Trible
Vander Jagt
Walker
Wampler
Whittaker
Williams, Mont.
Williams, Ohio
Wilson, C. H.
Winn
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—30

Anderson, Ill.
Anthony
Bafalis
Beard, Tenn.
Bethune
Brooks
Burton, Phillip
Crane, Daniel
Daschle
Dickinson
Diggs
Dougherty
Gray
Hammerschmidt
Hefner
Hillis
Jones, N.C.
Kazen
Lederer
Moorhead, Pa.
Murphy, N.Y.
Myers, Pa.
Nichols
Pickle
Russo
Schulze
Sebelius
Symms
White
Whitehurst

☐ 1200

The Clerk announced the following pairs:

On this vote:

Mr. Lederer for, with Mr. Bafalis against.

Mr. Jones of North Carolina for, with Mr. Daniel B. Crane against.

Mr. Gray for, with Mr. Dickinson against.

Mr. Diggs for, with Mr. Hillis against.

Mr. Myers of Pennsylvania for, with Mr. Schulze against.

Mr. Moorhead of Pennsylvania for, with Mr. Sebelius against.

Mr. Murphy of New York for, with Mr. Symms against.

Until further notice:

Mr. Brooks with Mr. Anderson of Illinois.

Mr. Phillip Burton with Mr. Dougherty.

Mr. Kazen with Mr. Beard of Tennessee.

Mr. Pickle with Mr. Whitehurst.

Mr. Nichols with Mr. Hammerschmidt.

Mr. White with Mr. Bethune.

Mr. Russo with Mr. Anthony.

Messrs. PERKINS, COLLINS of Texas, and SHUSTER changed their votes from "yea" to "nay."

Mr. BOLAND changed his vote from "nay" to "yea."

So the previous question was ordered.

The result of the vote was announced as above recorded.

The SPEAKER. The question is on the resolution.

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. CONABLE. Mr. Speaker, on that I demand the yeas and nays.

The yeas and nays were ordered.

The vote was taken by electronic device, and there were—yeas 261, nays 143, not voting 28, as follows:

[Roll No. 195]

YEAS—261

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Andrews, N.C.
Annunzio
Applegate
Ashley
Aspin
Atkinson
AuCoin
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brown, Calif.
Broyhill
Burgener
Burlison
Butler
Byron
Campbell
Chappell
Chisholm
Coelho
Coleman
Conable
Conte
Conyers
Corman
Cotter
Daniel, Dan
Danielson
Daschle
de la Garza
Derrick
Dicks
Dingell
Dixon
Dodd
Donnelly
Downey
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
English
Erlenborn
Ertel
Evans, Ga.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Harkin
Hawkins
Heftel
Hightower
Holland
Hollenbeck
Horton
Howard
Hubbard
Huckaby
Hutto
Ireland
Jenkins
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kildee
Kogovsek
Kostmayer
LaFalce
Latta
Lee
Lehman
Levitas
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
McKinney
Maguire
Markey
Marks
Martin
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Mottl
Murphy, Ill.
Murphy, N.Y.
Murtha
Musto
Natcher
Neal
Nedzi
Nelson
Nolan
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Preyer
Price
Pritchard
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Ritter
Rose
Rostenkowski
Roybal
Runnels
Sabo
Santini
Scheuer
Seiberling
Shannon
Sharp
Shelby
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stanton
Steed
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Walgren
Watkins
Waxman
Weaver
Whitley
Whitten
Williams, Mont.
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Yatron
Young, Mo.
Zablocki
Zeferetti

NAYS—143

Abdnor
Ambro
Andrews, N. Dak.
Archer
Ashbrook
Badham
Bauman
Bereuter
Bethune
Bingham
Broomfield
Brown, Ohio
Buchanan
Burton, John
Carney
Carr
Carter
Cavanaugh
Cheney
Clausen
Clay
Cleveland
Clinger
Collins, Ill.
Collins, Tex.
Corcoran
Coughlin
Courter
Crane, Philip
D'Amours
Daniel, R. W.
Dannemeyer
Davis, Mich.
Davis, S.C.
Deckard
Dellums
Derwinski
Devine
Diggs
Dornan
Drinan
Duncan, Tenn.
Edwards, Okla.
Emery
Erdahl
Evans, Del.
Evans, Ind.
Findley
Fish
Garcia
Gilman
Gingrich
Goodling
Grassley
Green
Hagedorn
Hanley
Hansen
Harris
Harsha
Heckler
Hinson
Holt
Holtzman
Hopkins
Hughes
Hyde
Ichord
Jacobs
Jeffords
Jeffries
Kelly
Kemp
Kindness
Kramer
Lagomarsino
Leach, Iowa
Leach, La.
Leath, Tex.
Leland
Lent
Lewis
Livingston
Loeffler
Lujan
Lungren
McClory
McDonald
Madigan
Marlenee
Marriott
Miller, Calif.
Miller, Ohio
Mitchell, N.Y.
Montgomery
Moore
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Pashayan
Paul
Perkins
Petri
Porter
Pursell
Quayle
Rinaldo
Roberts
Robinson
Rodino
Roe
Rosenthal
Roth
Rousselot
Royer
Rudd
Satterfield
Sawyer
Schroeder
Sensenbrenner
Shumway
Snyder
Solomon
Spence
Stangeland
Stark
Stenholm
Stump
Tauke
Taylor
Thomas
Trible
Vander Jagt
Volkmer
Walker
Wampler
Weiss
Whittaker
Wilson, C. H.
Wydler
Wylie
Young, Alaska
Young, Fla.

NOT VOTING—28

Anderson, Ill.
Anthony
Bafalis
Beard, Tenn.
Brooks
Burton, Phillip
Crane, Daniel
Dickinson
Dougherty
Gray
Hammerschmidt
Hefner
Hillis
Jones, N.C.
Kazen
Lederer
Moorhead, Pa.
Myers, Pa.
Nichols
Pickle
Russo
Schulze
Sebelius
Stockman
Symms
White
Whitehurst
Wilson, Bob

☐ 1210

The Clerk announced the following pairs:

On this vote:

Mr. Lederer for, with Mr. Bafalis against.

Mr. Jones of North Carolina for, with Mr. Daniel B. Crane against.

Mr. Dougherty for, with Mr. Symms against.

Until further notice:

Mr. Brooks with Mr. Anderson of Illinois.

Mr. Gray with Mr. Hillis.

Mr. Kazen with Mr. Hammerschmidt.

Mr. Moorhead of Pennsylvania with Mr. Schulze.

Mr. Myers of Pennsylvania with Mr. Sebelius.

Mr. Nichols with Mr. Beard of Tennessee.

Mr. Pickle with Mr. Whitehurst.

Mr. Phillip Burton with Mr. Bob Wilson.

Mr. Anthony with Mr. Dickinson.

Mr. Russo with Mr. White.

Mr. BETHUNE changed his vote from "yea" to "nay."

So the resolution was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the resolution just agreed to.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

There was no objection.

☐ 1220

DIRECTING THE PRESIDENT TO FURNISH TO THE HOUSE OF REPRESENTATIVES INFORMATION AND FACTS REGARDING UNDERSTANDINGS MADE WITH FORMER SHAH OF IRAN

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent to discharge the Committee on Foreign Affairs from the further consideration of the resolution (H. Res. 626) to direct the President to furnish to the House of Representatives information and facts regarding understandings made with the former Shah of Iran at Lackland Air Force Base, and elsewhere, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

Mr. HANSEN. Reserving the right to object, Mr. Speaker, I would like to inquire if there will be a possibility on House Resolution 626 or 627 that we will have the opportunity, as the author or authors, to address ourselves for a brief time to apprise the House of what these moves are all about, in order that the House might act intelligently.

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Wisconsin.

Mr. ZABLOCKI. Mr. Speaker, I thank the gentleman for yielding. I can assure the gentleman from Idaho (Mr. HANSEN) that I will yield ample time for debate on the two resolutions. The chairman intends to yield to the sponsor of the resolution at the proper time.

Mr. HANSEN. Mr. Speaker, I thank the gentleman.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 626

Resolved, That the President is directed to furnish to the House of Representatives the full and complete information and facts in his possession with regard to any commitments and obligations with regard to the former Shah of Iran:

(1) any representations made by or on behalf of National Security Adviser, Secretary of State Vance and/or Donald McHenry to the President with regard to the protection and health concerns of the Shah;

(2) the information or facts presented to the President with respect to said commitments and/or obligations;

(3) when the President first was advised of said commitment and/or obligations;

(4) all instructions given by the President with regard to said commitments and/or obligations; and

(5) all recommendations made to the President with regard to same;

and the President should make available for this purpose all notes, documents, memoranda, and other items in his possession and control containing the information requested in this resolution.

The SPEAKER. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. ZABLOCKI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise to inform the House of the action taken by the Committee on Foreign Affairs on April 22, 1980, with respect to House Resolution 626, a resolution of inquiry directing the President to furnish to the House of Representatives information and facts regarding understandings made with the former Shah of Iran at Lackland Air Force Base and elsewhere.

Following consideration of House Resolution 626, it is my intention to also call up House Resolution 627, a resolution of inquiry directing the President to furnish to the House of Representatives information and facts regarding the U.S. decision to submit to the Government of Iran concessions as to U.S. conduct in Iran on or about March 25, 1980. In the interest of time, I will take this opportunity to apprise the House of the committee's action on both resolutions at this point.

The two resolutions of inquiry were introduced on March 31, 1980, and referred to the Committee on Foreign Affairs. On April 1, 1980, I wrote the President requesting his comments on the resolutions. On April 18, 1980, I received a response on behalf of the President from the Honorable J. Brian Atwood, Assistant Secretary of State for Congressional Relations. The executive branch response was accompanied by attachments consisting of the executive branch announcements of sanctions imposed on Iran on April 7 and other relevant administration statements relating to U.S. policy toward Iran in March and in early April. I will insert copies of the executive branch response in the table of contents of the attachments at the end of my statement. The actual attachments are on file in the Committee on Foreign Affairs.

On April 22, 1980, the Committee on Foreign Affairs met in open session to consider House Resolution 626 and House Resolution 627. During the course of the committee's meeting, the executive branch response was presented to the Members and the committee heard testimony from the principal sponsor of the two resolutions, the Honorable GEORGE HANSEN, and received a statement from the Honorable EDWARD J. DERWINSKI, a cosponsor of House Resolution 627. After consideration, it was the consensus of the committee that the executive branch reply represents an appropriate response to the basic issues underlying the two resolutions of inquiry, and agreed that further public inquiry into the subject matter covered under the two resolutions at this time would be counter to the best interests of the hostages and counter to our Government's efforts to gain their release. Accordingly, the committee agreed to a motion that the Chair take the necessary steps to discharge the committee from further consideration of the resolutions and seek to table them on the floor.

Therefore, at the close of debate, it will be my intention to move that House Resolution 626 be laid on the table.

DEPARTMENT OF STATE,
Washington, D.C., April 18, 1980.

Hon. CLEMENT J. ZABLOCKI,
Chairman, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: Thank you for your letter of April 1 requesting our comments on two resolutions submitted to your Committee. H. Res. 626 asks the President to furnish to the House of Representatives information and facts regarding understandings made with the former Shah of Iran at Lackland Air Force Base and elsewhere. H. Res. 627 asks the President to furnish the House of Representatives information and facts regarding the U.S. decision to submit to the Government of Iran concessions as to United States conduct in Iran on or about March 25, 1980.

On December 15 the former Shah of Iran departed Lackland Air Force Base in Texas following his convalescence after treatment in the United States to accept the invitation of the President of Panama. Representatives of the Administration were on hand prior to his departure to discuss his interest in assuring medical care. We told him we would assist in seeing that he received appropriate care, including emergency treatment in the US, if necessary. The remainder of the conversation dealt with ways we might be able to assist with various personal and administrative matters.

Resolution 627 seeks information on "commitments, admissions, and/or obligations to the Government of Iran during March 1980". In our efforts to gain the safe return of American personnel held in Tehran, the Administration during the month of March communicated with the Government of Iran through the good offices of the Government of Switzerland. The response to these messages and public statements by officials of the Government of Iran led us to believe that there was some hope that custody of the American personnel would be transferred from the militants at our Embassy property to the control of official representatives of the Government of Iran. Although this transfer would not have met our fundamental concern for freedom for the hostages, it was believed that it would lead to an improvement in their condition.

The communications to the Government of Iran in this connection were consistent with the President's announced policy that we are prepared for an airing of Iran's grievances but only in connection with the release of the hostages. We undertook no private commitments to take actions contrary to our announced policy; these communications also reflected the President's position that an apology for past American actions in Iran was neither appropriate nor acceptable.

When even this step was rejected in Tehran, the President announced on April 7 the imposition of sanctions on Iran. The announcement of those sanctions is attached as Tab 1. At Tab 2 are additional statements made by the Administration in March and early April.

We believe that further inquiry into this as well as all other aspects of U.S. policy on Iran should await the release of the hostages. Further public inquiry at this time, conducted while the hostages are held in detention, would be counter to the best interests of the hostages themselves and of our efforts to seek their release.

We believe it important that nothing be done which will complicate efforts to release the hostages. In our judgment, discussion of material requested in these resolutions could be misinterpreted by persons in Iran and have adverse effects on our efforts to free the hostages. Therefore, we would prefer that the resolutions not be approved.

I can assure you that we have scrupulously conducted United States foreign policy during this crisis to protect the principles of international law and the national interests and prestige of the United States.

Sincerely,

J. BRIAN ATWOOD,
Assistant Secretary for Congressional Relations.

Table of Contents of Information on Resolutions of Inquiry

(H. Res. 626, understandings with Shah at Lackland AFB and elsewhere; and H. Res. 627, U.S. commitments, obligations to Iran during March 1980 provided to accompany April 18 letter to Zablocki)

Tab 1. April 7, 1980 Press Release of President's Announcement Declaring the breaking of diplomatic relations with Iran and imposition of economic sanctions against Iran.

Tab 2. a. State Department Daily Press Briefing, April 1, 1980.

b. State Department Daily Press Briefing, April 2, 1980.

c. State Department Daily Press Briefing, April 3, 1980.

d. State Department Daily Press Briefing, April 4, 1980.

e. "New Requirements for Iranians Wishing to Enter the U.S."—Press Guidance, April 7, 1980.

f. State Department Daily Press Briefing, April 7, 1980.

g. "New Requirements for Iranians Wishing to Enter the U.S."—April 7, 1980.

h. April 7, 1980, "U.S. Actions Against Iran", President Carter's announcement, Executive orders, memorandum for the Secretary of Treasury, and message to the Congress of April 7, 1980, and a Department of State press release of April 8.

i. "Clarifications of Visa Expiration Dates"—Press Guidance, April 8, 1980.

j. "Visa Revocation for Iranian Officials"—Press Guidance, April 8, 1980.

k. State Department Daily Press Briefing, April 8, 1980.

l. "Iranian Students Now in the U.S.", April 8, 1980.

m. Answer to Question Taken at April 8 Noon Press Briefing.

n. "Visa Revocation for Iranian Officials", State Department Press Release, April 8, 1980, No. 76.

o. "Departure of Iranian Diplomats", Press Guidance, April 9, 1980.

p. State Department Daily Press Briefing, April 9, 1980.

q. Questions taken at April 9 Noon Briefing, "Iran".

r. State Department Daily Press Briefing, April 10, 1980.

s. State Department Daily Press Briefing, April 11, 1980.

t. White House, Questions asked Jody Powell, March 26, 1980.

u. White House, Questions asked Jody Powell, March 27, 1980.

v. White House, Questions asked Jody Powell, March 28, 1980.

w. Announcement by Jody Powell, March 31, 1980.

x. Announcement by Jody Powell, April 1, 1980.

y. Statement by President on Developments in Iran, April 1, 1980.

z. News Conference with Jody Powell, April 2, 1980.

A. News Conference with Jody Powell, April 3, 1980.

B. April 9, 1980, White House release of various memos, press releases, executive orders, and Q & A.

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. ZABLOCKI. I yield to the gentleman from California.

Mr. JOHN L. BURTON. What is the title of the person who responded to the inquiry?

Mr. ZABLOCKI. The title of the person who responded on behalf of the President was the Assistant Secretary of State for Congressional Relations.

Mr. JOHN L. BURTON. Mr. Speaker, if the gentleman will yield further, does he make policy or is he just a lobbyist?

Mr. ZABLOCKI. He is the person who represents the State Department in matters of mutual interest to the Department and the Congress.

Mr. JOHN L. BURTON. Does he testify before this committee on matters of policy?

Mr. ZABLOCKI. He does not testify before the committee on matters of policy under normal circumstances. Normally the Secretary of State or the Under Secretary of State would testify on matters of policy.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman.

Mr. ZABLOCKI. Mr. Speaker, I now yield for debate purposes only to our colleague, the very distinguished ranking minority member of the Committee on Foreign Affairs, the gentleman from Michigan (Mr. BROOMFIELD).

Mr. BROOMFIELD. Mr. Speaker, I support the chairman of the Foreign Affairs Committee in his request that these resolutions of inquiry be tabled. At the same time, I want to emphasize that this support is not an endorsement of the administration's handling of the Iranian crisis. I would call the Members' attention to the fact that a number of us on the committee yesterday expressed our deep concern over the allegations made by the resolutions of inquiry. We also expressed our belief that at some point there should be hearings to see if the allegations have a basis in fact.

But because of the deteriorating situation in Iran and with the fate of our hostages in jeopardy, this is not the time to hold hearings which might further jeopardize these Americans who have already spent 172 days in capivity. However, once the hostages are released, the Foreign Affairs Committee should immediately consider looking into the handling of the Iranian crisis, including the allegations of the resolutions of inquiry.

Mr. ZABLOCKI. Mr. Speaker, I yield 10 minutes to the principal sponsor of House Resolution 627, the gentleman from Idaho (Mr. HANSEN), for debate purposes only.

Mr. HANSEN. Mr. Speaker, I appreciate this much overdue opportunity to debate key questions pertaining to the conduct of our policy in the Iranian crisis. Involved is an incredible story in the embarrassing saga of a letter of apology to the Government of Iran, which the President later repudiated.

It is imperative to protect the U.S. policy from further embarrassment and erosion, as happened with the administration's disastrous hiring of a double agent as an intermediary, who was working with the Government of Iran, a man with a shadowy background and reputation.

The matter was first directed to the House Committee on Foreign Affairs, whose staff was kind enough to provide me with the response of the Department of State on my resolutions of inquiry Nos. 626 and 627, to which we direct ourselves at this time.

House Resolution 626 was introduced March 31, 1980, "to direct the President to furnish the House of Representatives information and facts regarding understandings made with the former Shah of Iran at Lackland Air Force Base and elsewhere."

Now, I might say, Mr. Speaker, that these are narrow band inquiries. We are not talking about going into the full range of the Iranian crisis and who is responsible and what has been happening. We are talking about two requests. House Resolution 626 is a request specifically to ask what the Lackland agreements were, and I think the people of this country and this Congress ought to be able to understand what those agreements were that created such controversy on the Shah's movement from the United States to Panama and then to Egypt.

House Resolution 627, again is a narrow band request to ask specifically who the author was and by what means he was operating with regard to the letter that went to Iran that our President had to repudiate and which caused embarrassment to us and some confusion in world politics.

House Resolution 627 was introduced by me and cosponsored by a member of the Committee on Foreign Affairs, the gentleman from Illinois (Mr. DERWINSKI), "to direct the President to furnish to the House of Representatives information and facts regarding the United States decision to submit to the Government of Iran concessions as to United States conduct in Iran on or about March 25, 1980."

□ 1230

I find the response from the State Department to both resolutions generalized, uninformative, and ambiguous. In responding to House Resolution 626 the State Department says that "The remainder of the conversation dealt with ways we might be able to assist with various personal and administrative matters." I doubt that anything so general could have been the gist of a conversation which created such an unroar internationally. I am informed that the Foreign Affairs Committee staff inquired as to the nature of those "matters" with the response being that they were essentially housekeeping details. This again does not square with the facts and circumstances.

I suggest to Members of Congress that the House should take official notice of what is now common knowledge. The Shah left Panama in circumstances and under terms which gave every appearance of a prearranged exit to avoid the imminent attempt of Iran to extradite him.

Without determining whether this was a wise arrangement, we should at least know what the actual arrangement was rather than relying on allegations and representations by certain parties involved which seemed to shift by the hour. Our Nation continues to be at the mercy of any wild allegation emanating from the various factions in Tehran and

Qom precisely because so little credence can be placed in the latest pronouncement of our own Department of State.

In House Resolution 627, the gentleman from Illinois (Mr. DERWINSKI) and I asked exactly what commitments were made to Iran in March during the time that one source alleged that the United States had, through the President, agreed to some accommodation with the Iranians on the matter of either apologizing for American actions or allowing investigatory hearings. It is now a known fact that such a message was sent. The issue is on whose authority and by whom.

If the President did not send or authorize such a message, then the grave question is, "who is so close to our affairs of state as to be able to send such a message and have it accepted as authentic?" Does not the denial of authority raise a question of equal importance; that is, how do people of such questionable reliability achieve positions of authority? Who was our European intermediary and what part did he play in the transmission of the message which caused such grave consequences and such exacerbated misunderstanding in an already strained relationship. Who hired him? Who authorized the message? If we fail to look at these matters now, are we not in danger of both appearing and being derelict in a matter in which we already know that results have been unsatisfactory and policy ambiguous?

Now, independent of what the State Department does or does not admit, Mr. Speaker, I am in possession of information, some which has been published in our daily press, that our intermediary in the matter of the message of apology was a shadowy international manipulator of considerable notoriety named Hector Villalon. Villalon not only has a history of shady and apparently felonious activity, including kidnapping, but his representation of the Government of Iran at the same time he is being used by White House Chief of Staff Hamilton Jordan is an unconscionable conflict of interest which demands congressional investigation.

Can this body, Mr. Speaker, condone a double agent representing the United States and causing embarrassment to our country and our policy and our President?

Mr. JOHN L. BURTON. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from California.

Mr. JOHN L. BURTON. Mr. Speaker, I thank the gentleman for yielding. I intend to support him on both resolutions. I believe that the Congress and the American people have a right to know what our options are from a course of action by this administration that may well lead to world war III.

I intend to support the gentleman wholeheartedly in his efforts to bring the facts not only to the Congress but to the American people.

Mr. HANSEN. I thank the gentleman.

The administration has admitted that Villalon was intermediary on more than one occasion.

The State Department asks us to refrain from acting for fear that we might complicate efforts to release the hostages. Could they be more complicated? Are we so successful as to refuse to exercise our own judgments on these matters? Since when does an interpretation which might be placed on an action of this House by foreign powers influence what we decide to do? The State Department's assurance that it has scrupulously conducted foreign policy during this crisis is less than satisfying. It is, after all, day 171—and the hostages are still there.

Mr. Speaker, I sincerely request that House Resolutions 626 and 627 be favorably considered so that we might begin to know the truth on the Iran crisis.

Mr. Speaker, I would like to inquire of the gentleman from Wisconsin, chairman of the Foreign Affairs Committee, Mr. ZABLOCKI, if I will have the opportunity to explain per se the role of Mr. Villalon for 10 minutes during consideration of House Resolution 627?

Mr. ZABLOCKI. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman.

Mr. ZABLOCKI. I would say to the gentleman, that is correct.

Mr. HANSEN. I thank the gentleman because I know there are others who wish to address themselves to that particular resolution.

At this time again, Mr. Speaker, I ask that this body give full consideration to the need for truth in what promises were made between the United States and the Shah at Lackland Air Force Base and where we are going from here so that people will not continue to be surprised, and so that our friends and our enemies and adversaries will not continue to rock and reel because of an American foreign policy that demonstrates a dangerous inconsistency from day to day.

GENERAL LEAVE

Mr. ZABLOCKI. Mr. Speaker, I ask unanimous consent all Members may have 5 legislative days in which to revise and extend their remarks on the resolution under consideration.

The SPEAKER pro tempore (Mr. BENNETT). Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

Mr. ZABLOCKI. Mr. Speaker, I move to lay on the table the resolution (H. Res. 626), to direct the President to furnish to the House of Representatives information and facts regarding understandings made with the former Shah of Iran at Lackland Air Force Base and elsewhere.

The SPEAKER pro tempore. The question is on the motion to table offered by the gentleman from Wisconsin (Mr. ZABLOCKI).

The question was taken; and the Speaker pro tempore announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 342, nays 57, not voting 33, as follows:

[Roll No. 196]

YEAS—342

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carney
Carter
Cavanaugh
Chappell
Cheney
Clausen
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Courter
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Daschle
Davis, Mich.
Davis, S.C.
de la Garza
Deckard
Derrick
Derwinski
Devine
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Tenn.
Early
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gephardt
Giaimo
Gibbons
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Gore
Gradison
Gramm
Grassley
Gray
Green
Grisham
Guarini
Gudger
Guyer
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Harsha
Hawkins
Heckler
Heftel
Hightower
Hinson
Holland
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jeffries
Jenkins
Jenrette
Jones, Okla.
Jones, Tenn.
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Lehman
Lent
Levitas
Lewis
Livingston
Lloyd
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
Lungren
McClory
McCloskey
McCormack
McDonald
McEwen
McHugh
McKay
McKinney
Madigan
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mineta
Minish
Moakley
Mollohan
Montgomery
Moorhead, Calif.
Mottl
Murphy, Ill.
Murtha
Musto
Myers, Ind.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Ritter
Roberts
Robinson
Rodino
Roe
Rose
Rostenkowski
Roth
Rousselot
Royer
Rudd
Runnels
Sabo
Santini
Satterfield
Sawyer
Seiberling
Sensenbrenner
Shannon
Shelby

Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Stump
Swift
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Vento
Volkmer
Walker
Watkins
Waxman
Weiss
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zablocki
Zeferetti

NAYS—57

Burton, John
Carr
Chisholm
Clay
Cleveland
Collins, Ill.
Conyers
Coughlin
Crane, Philip
Dannemeyer
Dellums
Dornan
Eckhardt
Erdahl
Goodling
Hagedorn
Hansen
Harkin
Holtzman
Horton
Jeffords
Johnson, Colo.
Kastenmeier
Kindness
Kramer
Leland
Long, Md.
Maguire
Martin
Mazzoli
Mikulski
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Mitchell, N.Y.
Moffett
Moore
Murphy, Pa.
Nolan
Oakar
Oberstar
Paul
Quillen
Rhodes
Rosenthal
Roybal
Scheuer
Schroeder
Stangeland
Stark
Stokes
Vanik
Walgren
Wampler
Weaver
Williams, Mont.
Wilson, C. H.

NOT VOTING—33

Anderson, Ill.
Bafalis
Beard, Tenn.
Bedell
Bonker
Burton, Phillip
Crane, Daniel
Dickinson
Dougherty
Duncan, Oreg.
Gaydos
Hammerschmidt
Hefner
Hillis
Jacobs
Johnson, Calif.
Jones, N.C.
Kazen
Lederer
McDade
Moorhead, Pa.
Murphy, N.Y.
Myers, Pa.
Pickle
Russo
Schulze
Sebelius
Sharp
Symms
Udall
White
Whitehurst
Wilson, Bob

☐ 1250

The Clerk announced the following pairs:

Mr. Murphy of New York with Mr. Anderson of Illinois.

Mr. Moorhead of Pennsylvania with Mr. Dougherty.

Mr. Lederer with Mr. Symms.

Mr. Kazen with Mr. Whitehurst.

Mr. Hefner with Mr. Sebelius.

Mr. Jones of North Carolina with Mr. Bob Wilson.

Mr. Pickle with Mr. McDade.

Mr. Russo with Mr. Schulze.

Mr. Bedell with Mr. Hammerschmidt.

Mr. Johnson of California with Mr. Dickinson.

Mr. Phillip Burton with Mr. Sharp.

Mr. Udall with Mr. Beard of Tennessee.

Mr. White with Mr. Bafalis.

Mr. Gaydos with Mr. Hillis.

Mr. Bonker with Mr. Duncan of Oregon.

Mr. Meyers of Pennsylvania with Mr. Jacobs.

Ms. **OAKAR**, Messrs. **MAZZOLI**, **DANNEMEYER**, **MOFFETT**, **JEFFORDS**, and **ECKHARDT** changed their votes from "yea" to "nay."

Mr. **McKAY** and Mr. **CORCORAN** changed their votes from "nay" to "yea."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

DIRECTING THE PRESIDENT TO FURNISH TO THE HOUSE OF REPRESENTATIVES INFORMATION AND FACTS REGARDING THE U.S. DECISION TO SUBMIT TO THE GOVERNMENT OF IRAN CONCESSIONS AS TO U.S. CONDUCT IN IRAN

Mr. **ZABLOCKI**. Mr. Speaker, I ask unanimous consent that the Committee on Foreign Affairs be discharged from the further consideration of the resolution (H. Res. 627) to direct the President to furnish to the House of Representatives information and facts regarding the U.S. decision to submit to the Government of Iran concessions as to U.S. conduct in Iran on or about March 25, 1980, and ask for its immediate consideration in the House.

The Clerk read the title of the resolution.

The **SPEAKER** pro tempore. Is there objection to the request of the gentleman from Wisconsin?

There was no objection.

The Clerk read the resolution, as follows:

H. RES. 627

Resolved, That the President is directed to furnish to the House of Representatives the full and complete information and facts in his possession with regard to any commitments, admissions and/or obligations to the Government of Iran during March 1980, including:

(1) any representations made by or on behalf of any representative of the United States concerning conditions for the release of hostages held by the Government of Iran;

(2) information and facts with respect to the transmission of communication by the President or anyone on his behalf through another government acting as an agent or intermediary for the United States; and

(3) all instructions given by the President with regard to such commitments, concessions and/or threats to the Government of Iran; and the President should make available for this purpose all notes, documents, memoranda, and other items in his possession and control containing the information requested in this resolution.

The **SPEAKER** pro tempore. The gentleman from Wisconsin (Mr. ZABLOCKI) is recognized for 1 hour.

Mr. **ZABLOCKI**. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as I explained during the debate on the previous resolution (H. Res. 626) the resolution now before the House (H. Res. 627) is a resolution of inquiry directing the President to furnish to the House of Representatives information and facts regarding the U.S. decision to submit to the Government of Iran concessions as to the U.S. conduct in Iran on or about March 25 of this year. This resolution was considered by the Committee on Foreign Affairs in open session yesterday, April 22. During that meeting, the committee agreed that the executive branch response sufficiently dealt with the issues underlying the resolution and agreed that the resolution should be taken to the House floor and tabled.

Therefore, at the close of debate on this resolution, Mr. Speaker, I will move to lay House Resolution 627 on the table.

Mr. Speaker, I have already referred in my remarks to the desirability of not considering this matter further, since, in my opinion, a public debate would not be conducive to the release of the hostages which is our highest priority at this time. Therefore I urge the Members of the House to agree to lay House Resolution 627 on the table when the motion is made.

Mr. Speaker, I now yield such time as he may consume to the gentleman from New York (Mr. WOLFF) a very distinguished member of the Foreign Affairs Committee and chairman of the Subcommittee on Asian and Pacific Affairs for purposes of debate only.

Mr. **WOLFF**. Mr. Speaker, I thank the gentleman for yielding. I rise in support of the resolution to table.

Mr. Speaker, I will ask the chairman of the full committee whether or not this will preclude examination of these facts after the hostages are released.

Mr. **ZABLOCKI**. Mr. Speaker, I can emphatically assure the gentleman from New York that action to table these resolutions does not preclude inquiry and hearings on the subject of House Resolution 627 following release of the hostages.

Mr. **WOLFF**. Mr. Speaker, I thank the gentleman from Wisconsin.

Mr. **ZABLOCKI**. Mr. Speaker, I now yield 10 minutes to the gentleman from Idaho (Mr. HANSEN), the principal sponsor of this resolution, for purposes of debate only.

Mr. **HANSEN**. I thank the Speaker and the chairman of the Committee on Foreign Affairs.

Mr. Speaker, the preceding resolution, of course, was one to try to identify what kind of promises were made in the Lackland agreements which caused the former Shah of Iran to have to be ricocheted into various countries of the world, which kept him in a state of controversy and our foreign policy in such a state of turmoil that it, not only complicated, but very probably delayed the release of the hostages. We are talking about trying to speed up the release of the hostages. The resolution before us now is even more significant because we are talking about action behind the scenes by certain shady characters, double agents, if you will, which if this kind of activity persists will continue to keep our foreign policy in such turmoil that people cannot comprehend it and the release of the hostages will be delayed indefinitely.

☐ 1300

We need to get clarification of what is going on, especially when we are dealing with conflicts of interest. I have before me a New York Times article of April 1, 1980. On page 1 and then continued on page 9 we have an article entitled, "Mysterious Argentine Portrayed as a Go-Between for U.S. in Iran."

I might say that I have verified the

information in here not only from our own sources, but from French sources and others, which tell me that this is accurate, and indeed it should be alarming to anyone who understands what is here. This article, by Philip Taubman, special to the Times, states:

> In the absence of normal diplomatic communication between the United States and Iran, Administration sources say that Washington has turned to a small group of foreign lawyers to carry messages to Teheran—a practice that came to light over the weekend during a flurry of reports about official and unofficial messages.
>
> One of them, according to officials, is Hectór Villalón, a politically active lawyer from Argentina now living in Paris. Mr. Villalón, a long-time associate of the late Argentine ruler, Juan Domingo Perón, is known in his homeland as a shadowy figure with a reputation of operating close to the margin of the law at times, according to several Argentine politicians now living in the United States.
>
> A senior Administration official said Mr. Villalón has acted as a go-between with Teheran "more than once."
>
> The exact role being played by Mr. Villalón and others remains nuclear, shielded by the Administration as it explores various "Irregular channels" in its effort to free the hostages.
>
> But senior officials said that Mr. Villalón and others developed as intermediaries in recent months as normal diplomatic contacts proved unproductive. Officials said that Mr. Villalón and several other lawyers based in France were introduced to the Carter Administration by Panamanian Government officials who helped the White House find temporary refuge for Shah Mohammed Riza Pahlevi in Panama last fall.
>
> According to these sources, Panamanian authorities put Hamilton Jordan, the White House chief of staff, in touch with Christian Bourguet, a French lawyer familiar to both the Panamanians and to Iranian Government officials.
>
> Mr. Jordan has been working behind the scenes to find a solution to the crisis, officials said, and has used his connections in Panama to establish an "informal" channel of communication with Teheran.
>
> The law firm of Bourguet, Chéron and Vallette in Paris represented Iranian commercial interests in the past and helped the Government in Teheran prepare the papers it recently presented in Panama to seek extradition of the Shah, according to Administration officials.

Now, Mr. Speaker, what we are talking about is a law firm associated with this individual who has been active in the employment of the government in Tehran, and who is also being employed by our own Government. Since such a conflict of interest can constitute felonious activity, what business our Government has in such an association with this kind of individual is beyond me, and I think it demands an explanation.

The article goes on to say:

> Associates at the law firm said today that Mr. Villalon worked with the firm and was currently representing the Iranian Government.

So, it is clear that the subject in question represents the Iranian Government.

> A spokesman there denied that Mr. Villalon has acted as an intermediary between Washington and Tehran.

So, here you have the spokesman with the law firm saying he works for the firm and the Government of Iran not for the United States; but the U.S. official says "He works for us." So, we find that there is an admission of employment on both sides making this man a double agent.

> Mr. Villalón was reported to be in Teheran today.
>
> According to Argentine sources, Mr. Villalón is known in Argentina as a somewhat mysterious figure who became prominent as an associate and confident of the late dictator, Mr. Perón.
>
> Mr. Villalón left Argentina in the late 1950's following the overthrow of Mr. Perón and moved to Madrid where he developed close ties to the ousted leader.
>
> In the early 1960's he was known as a supporter of left-wing Peronism, according to Argentine politicians now living in the United States. For several years he sold Cuban tobacco in Europe.
>
> Mr. Villalón reportedly helped Mr. Perón return to power in Argentina in 1972. In 1976, with opposition growing to the rule of Perón's widow, Isabel Martinez de Perón, Mr. Villalón placed a full-page ad in an influential Peronist newspaper calling for her resignation.
>
> A year later, Mr. Villalón was arrested by French police, jailed briefly in connection with kidnaping of Luchino Revilli-Beaumont, the Fiat Corporation's chief executive in France.

Here we have an individual, who is having scrapes with the law every time he turns around, in the employment of Tehran and also in the employment of Washington. I think it demands the approval of this resolution of inquiry to find out what in the world is happening because the activities of this man have proved to be an embarassment to U.S. foreign policy and to our own President. My sources downtown tell me that a letter written by this man was delivered to the authorities in Tehran, written in French and signed Jimmy Carter. That letter prepared by this man and sent to Tehran allegedly as a letter from President Jimmy Carter reportedly made conciliatory statements in behalf of the United States to resolve the Iran crisis. What resulted was a fraudulent letter by a person who had the credibility of the Government of the United States to cause the people in Tehran to believe that he was acting in our behalf. This is extremely dangerous when we find ourselves on the edge of the cliff of warfare, perhaps World War III, to have an intermediary of this kind of shadowy background making the difference between whether we go to war or get the crisis resolved and getting our hostages home.

If anybody can sweep this under the rug, I would not want to live with their conscience, because this is a most serious business. The damaging and embarassing thing was that the President had to repudiate this letter. It became an international incident. There are some who said it was political because it closely preceded a primary election. I do not know, but it created a real problem for the United States and a problem for the President. And more so, let me tell you what else it has done.

I was in contact with some people in Tehran today. The Ayatollah Behesti, Chairman of the Revolutionary Council, has said that one of the reasons that they have difficulties—just like the complaints of some of our allies overseas—is that they do not know what Carter's real position is because they get these kinds of conflicting signals. I am not here to make any excuses for the Iranian Government in Tehran who have such serious fragmentation problems that it is difficult for us to make any sort of sense out of their pronouncements, but I am here to say that we cannot afford two governments doing this kind of thing. One is more than enough. We need to get our act together so that everybody in the world, allies, enemies, those in the middle, know exactly where we are going and who speaks for the United States. I think the credibility of the President of the United States demands that the papers requested by this resolution be furnished so that we can get this situation on the table, get it cleared up once and for all.

I urge the defeat of this motion to table and approval of the motion to direct the President to furnish the papers necessary to find out what is going on.

Mr. BROOMFIELD. Mr. Speaker, will the gentleman yield?

Mr. HANSEN. I yield to the gentleman from Michigan.

Mr. BROOMFIELD. Mr. Speaker, I think it should be made very clear that there is no one on the Foreign Affairs Committee who wants to sweep under the table any of the allegations that the gentleman from Idaho has made. It is our feeling, however, that a full investigation of all these allegations and others in the handling of the Iranian situation should be considered at the proper time. Because of the sensitive and deteriorating situation in Iran, many of us feel that this is not the time. We feel that the safety of the hostages should come first.

I do not want to minimize what the gentleman has said, and I think the gentleman deserves a lot of credit. He is deeply concerned about the things he has mentioned today, and we share his concern. Again, I want to emphasize that none of us on the committee want to sweep any of these allegations under the table. We want a full investigation just as soon as the hostages are returned.

I support the chairman and ask that this motion, as well as the previous one, be tabled.

Mr. HANSEN. I thank the gentleman from Michigan. I want to say that I have great respect for the chairman of the full committee, and I have great respect for the gentleman from Michigan and I know that they have great integrity in the way they address matters here. We have a difference of opinion, obviously.

But, what I would like to say is this: What the gentleman suggests about handling this after the hostages are home reminds me somewhat of driving over a cliff in a car and we say, "We are not going to deal with it before he goes over the cliff and we won't try to stop him; but we are going to pick up the pieces at the bottom of the cliff."

□ 1310

Mr. Speaker, I do not think we want to let this go over the cliff so we have to pick up the pieces later. Let us stop our foreign policy from going over the cliff.

Mr. ZABLOCKI. Mr. Speaker, I yield 5 minutes, for debate purposes only, to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Speaker, I would like to point out to the Members that this resolution, House Resolution 627, specifically calls for information and facts regarding communications with the Government of Iran on or about March 25.

Mr. Speaker, the situation in Tehran, where Iranian terrorists in violation of international law and the norms of civilized behavior hold American citizens captive in our Embassy, has gone on for an intolerable length of time. This situation has been complicated and made more intolerable by a series of administration reports of imminent breakthroughs. False hopes are dashed by cold reality as missteps trip on prior missteps.

One of these false alarms, if you will, took place in late March, and the White House seemed to be involved in a special way. A glimpse of light at the end of the tunnel and announcements prompting unusual hope coincided closely with certain primary elections. That the light went out and the hope was once again proved false reinforces the suspicion that cynical manipulation accompanied this remarkable coincidence of events.

A monstrous credibility gap thus yawns between this administration and its incredulous, almost mesmerized, observers. A thorough investigation then of this latest rumor mongering—and the underlying motivation for it—is a legitimate subject of inquiry for this body. I support House Resolution 627 for that purpose.

Now, the background of it is that on March 29 Iran published a purported confidential message from Mr. Carter to the Ayatollah Khomeini. It termed the message "conciliatory," and presumably this message said that Mr. Carter had said, quoting him, that a reasonable reaction of the youth of Iran was involved in seizing the U.S. Embassy last November. Then the message went on—and this is the Iranian version—to say that it had gone a long way toward meeting the Iranian demands for American aims in the past interference in Iran during the reign of the Shah.

Subsequently Mr. Jody Powell at the White House denied that a message had been sent by Mr. Carter to Khomeini or anybody else. However, the White House then admitted that they had in fact sent two letters via the Swiss Government to the Iranian President.

The point of all this is that I believe, partly as a result of poor advice and amateurish staff work, the President has developed a monstrous credibility gap. I think it is hurting him at home and abroad, and it is hurting him especially as he tries to deal with the powers of Western Europe and tries to get support for the boycott he has proposed. This credibility gap is hurting us, this credibility gap is hurting our allies, this credibility gap is hurting the free world.

It does not help when we have contradictory statements, first a denial from the President's spokesman and then an admission in a message from the White House.

Along with this credibility gap, there is also the old story of "crying wolf." We have had, since the hostages were seized, about four specific instances where the White House seemed prepared to welcome the hostages. They all turned out to be either miscalculations or situations of exaggerated optimism, whatever the case might have been. Again, though, this contributes to the credibility gap.

Then, last but not least, I think we should point out that with all due respect to Mr. Carter and his nobility of character and his great heart, he is in fact something less than an effective world statesman. Part of that, I think, is from the advice he receives or the lack of advice.

I, at this point, have one small suggestion to make, that is, the next time there is a "bloody Monday," or whatever they call those reshuffles in the administration, perhaps Mr. Carter would take the staff director of the Committee on Foreign Affairs of the House, Mr. Jack Brady, and appoint him as National Security Adviser. That would shore up his policy quite a bit. But in the absence of that switch, with a perpetuation of the present White House "inner sanctum," I see nothing but continued disaster in foreign affairs.

I see nothing in this resolution that would present a new danger to the hostages. After almost 6 months, one would wonder how much patience the public really has, and, Mr. Speaker, I would like to know and I think all of us would like to know just what the White House has or has not done and just what concessions may or may not have been offered. I think, if anything, this would help the situation relating to the hostages, not harm it.

Mr. Speaker, in that sense, I am pleased to support the resolution, and I urge a vote against the motion to table.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to the distinguished gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I appreciate my colleague's yielding.

As a member of the Committee on Foreign Affairs, the gentleman does not believe that this resolution will do damage to our ability to get our hostages back or in any way reveal anything that the public should not know?

Mr. DERWINSKI. No. I think at this point we need more activity to obtain the release of the hostages. I would not want to be hiding behind shadows or reports at this point. I would like to have more things brought out in the open.

Mr. ROUSSELOT. So none of this information that would generate from this resolution would, in the gentleman's judgment, do harm?

Mr. DERWINSKI. I personally do not think so. I think there are unfortunate time factors here that relate to certain Tuesdays in the American calendar. I think that is a factor. I think that is a factor in some of the public relations statements.

Mr. ROUSSELOT. Oh, the gentleman thinks there is some relationship between this and some of our elections?

Mr. DERWINSKI. Mr. Speaker, I will let the gentleman make up his own mind on that.

Mr. ROUSSELOT. That observation needs to be highlighted and noted by my other House colleagues.

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. DERWINSKI. I yield to my friend, the distinguished gentleman from New York.

Mr. WOLFF. Mr. Speaker, I thank the gentleman for yielding.

The gentleman says that we should be doing more. What would the gentleman suggest we do now in order to effectuate a release of the hostages, and what will this contribute? What will this information contribute toward the release of the hostages?

Mr. DERWINSKI. Mr. Speaker, I think this information would contribute at least a clarification of the ambiguous statements, the denials and admissions in messages from the White House.

The real problem, as I stressed earlier, is that I think our poor President suffers from a monstrous credibility gap, the worst in recent history. The fact is that so many heads of states in Western Europe and our other natural allies are afraid to stand up with us for fear that 72 hours later our policy may be completely reversed, and that is the real weakness we have.

Mr. Speaker, we have got to show our strength, and at this point I would like to have the President admit that his staff has boxed us in, in this particular area that is truly damaging.

Mr. WOLFF. But what does that accomplish toward the release of the hostages? What would the gentleman do about that?

Mr. DERWINSKI. It enables us to have a clarity of the American policy. For once we would have a policy.

Mr. Speaker, I want the President to get these hostages out. I want to stand united behind the President. I would like to know where the President stands, though.

Mr. ZABLOCKI. Mr. Speaker, I yield such time as he may consume to the gentleman from Texas (Mr. ECKHARDT).

Mr. ECKHARDT. Mr. Speaker, I thank the gentleman for yielding this time to me, and I rise in support of the motion to table.

Mr. Speaker, I voted not to table House Resolution 626 which I think very properly asked for all information concerning commitments made by or under the authority of the President on behalf of the Nation to the Shah of Iran, particularly those made at Lackland Air Force Base, just before the Shah's departure. Surely Congress should know what the Nation has been committed to or what officials have purported to commit us to.

Congress must appropriate all funds to carry out the Nation's commitments, and we are entitled to know what they are in much more detail than has been supplied us.

I shall, however, vote to table House Resolution 627 because its direction is very much less specific and deals with very sensitive ongoing negotiations with another nation, Iran, about a very explosive topic, the treatment and release of the hostages.

When the President is dealing with other nations, he is dealing with matters peculiarly within his province under our Constitution. Such dealings may result in international agreements or treaties, the entry into which he alone can initiate. His authority in such matters stems directly from the Constitution itself.

Making commitments to a now private individual like the Shah is within the executive department's ordinary function of carrying out the laws. Such authority stems from congressional policy enunciated in law and made possible by appropriations.

Therefore, the two resolutions are very different in fundamental character. But they are also different in practical effect, and this stems from their fundamental difference.

I cannot see how Congress can afford to relinquish its oversight function in an area where private commitments are involved, that may have widespread public effects, merely because it is argued that this may ruffle the feathers of a foreign power. Furthermore, I think it unlikely that congressional examination of that issue would have such effect.

On the other hand, I can see how a complete disclosure of the step-by-step negotiations with a foreign government and of preliminary discussions and planning could very much hamper the Presidency in carrying out the most delicate of dealings.

These are the reasons why I will vote differently on the two resolutions.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute, for debate purposes only, to the gentleman from New York (Mr. Peyser).

Mr. PEYSER. Mr. Speaker, the part of this discussion that disturbs me is that I heard the proponent of this resolution and its sponsor talking as though somehow the United States were at fault because there are hostages in Iran.

I think the one part of the President's statement that has been totally clear and understandable to everybody is that we want these hostages released, and as to the illegal seizure of the Embassy, there is no explanation for it or defense of it.

Mr. Speaker, it seems to me that any such resolutions as we are now considering would at best become a political counterproductive type of attempt that has nothing to do with the aim of releasing the hostages. That is what I think we must direct ourselves to, and nothing else, at this time.

Mr. HANSEN. Mr. Speaker, will the gentleman yield?

Mr. PEYSER. I am pleased to yield to the gentleman from Idaho.

Mr. HANSEN. Mr. Speaker, I would just like to ask the gentleman if he supported a similar resolution of inquiry and and the subsequent inquiries regarding the United Nations' vote on which the administration admitted there was some foul-up on the Israeli land problem recently? I would ask the gentleman how he can separate that kind of an inquiry from this type of inquiry.

Mr. PEYSER. Mr. Speaker, I do not support inquiries of a nature that says the President made a mistake or did not make a mistake which the White House did not admit. I am concerned about the lives of 50 Americans, and I think every Member of this Congress is concerned about that.

Mr. Speaker, I think inquiries of this type are tremendously counterproductive. We do have one aim—and the President has stated it—and that is to get these men and women out of that Embassy.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 minutes to the gentleman from Illinois (Mr. Hyde).

Mr. HYDE. Mr. Speaker, I think one of the easiest "I told you sos" that one could aim at the White House is this: The President was campaigning against secret diplomacy, but I think that he now more than anyone else understands the absolute indispensability of some negotiations occurring in secret.

To accuse the White House and the State Department of ineptitude is indeed like shooting fish in a barrel. But what does it profit us? It is our Government, it is the only Government we have, and if we continue to publicly display our lack of confidence in our Government, we continue then to provide grist for a Soviet miscalculation.

Mr. Speaker, the stakes are extremely high. It is not simply springing 50 hostages. The Soviets are poised on the borders, and if we continue to show division to the international community on the home front, if we continue to divert our attention from the incredible breaches of decency that have occurred by the Iranian Government and talk about division and ineptitude and lack of support on the home front, we encourage the Soviet Union and we encourage the militants in Iran to say, "Look! They are falling all over themselves. The longer we hold on, the more they will continue to snipe at their government."

I simply say that I hope the White House consults the gentleman from Wisconsin (Mr. Zablocki), I hope the White House consults the gentleman from Michigan (Mr. Broomfield), and I hope the White House consults the gentleman from Illinois (Mr. Derwinski) about what they are doing, but those consultations should be done quietly. Yes, they should be done secretly until we get out of this mess. Once that has happened, there is time enough for investigations.

But, Mr. Speaker, I think the stakes are too high to put our dirty linen—and indeed it may be "dirty linen"—out on the line for the world to see. Therefore, I do support the motion to table.

□ 1320

Mr. ZABLOCKI. Mr. Speaker, I yield 1 minute to the gentleman from Michigan (Mr. Broomfield).

Mr. BROOMFIELD. Mr. Speaker, I would like to commend the gentleman from Illinois (Mr. Hyde). I think he has given an excellent summary of where we should stand on this. I just do not favor any piecemeal investigation of the allegations that have been made regarding the Iranian situation. Although these are serious allegations which deserve our considered attention at some future date, I believe that our primary responsibility now is to be sensitive to the safety of the American hostages. Once the hostages are released, we will certainly have a full opportunity for a thorough investigation of all allegations.

I strongly urge that the resolution be tabled.

Mr. ZABLOCKI. Mr. Speaker, I yield for purposes of debate only, 3 minutes to the gentleman from California (Mr. Dellums).

Mr. DELLUMS. Mr. Speaker, I am very troubled by the last remarks. The ranking minority member indicated that the speech by my distinguished colleague, the gentleman from Illinois (Mr. Hyde), set this matter in proper context. I would like to challenge that.

We are indeed part of the Government. We are representatives of the people. We are part of the triumvirate form of government, which means that we have the same responsibility to understand international crises as the executive branch of Government.

My colleague stated that we should show unity to the world. I would simply suggest that many of us have argued validly on this floor that what ostensibly makes this Government better than other governments is the process by which we arrive at decisionmaking; and that process is discussion, debate, dissent, and consensus building.

Now, there has been no discussion on the Iranian policy; there has been no dissent; there has been no debate; there has been no consensus development.

Indeed, some people who have stood up to challenge our present policy on Iran have been characterized as unpatriotic citizens, and my notion is that the true patriots of this society are those persons who have the courage and the tenacity and the intellect to challenge policy when they perceive that it is wrong.

Now, to my colleague, the gentleman from New York. The gentleman raised the question: How do we get the hostages released?

It is a marvelous question. I am sure that none of us on this floor are totally capable of responding to the question. But I think that it would be less than honest to not suggest that there are different points of view in this country with respect to how to handle that situation.

There are millions of American people who believe that war in this situation is not a viable alternative, that the notion of some abstract idea of national honor is not really what is involved here.

Many of us believe that what really is involved here are the lives of 50 people. Many of us believe that peace is the only way that we can bring these people back. Some of us believe that we should apologize to the world community and to Iran. Some people believe that we should admit our wrongs. Some people admit that we should state to the world, "Yes, our CIA overthrew a legitimate government in 1953, that we were involved in helping them set up SAVAK, one of the most heinous secret police units ever devised on this face of this Earth."

Some of us believe that maybe we ought to discuss this policy.

I would just simply conclude and suggest to my colleagues again, the gentleman from Illinois (Mr. Hyde), the gentleman from New York (Mr. Wolff), to all of the Members, the strength of this process is the right to dissent. The thing that has me excited about coming to this Congress every day is my right to challenge and my right to speak and my right to dissent from policies that I do not agree with. That is the only strength we have, and when we throw away the right for some of us to stand here to challenge policy, the President, even in our own party, then I would suggest that we render ourselves impotent.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. Dellums) has expired.

Mr. ZABLOCKI. Mr. Speaker, I yield 2 additional minutes to the gentleman from California (Mr. Dellums).

Mr. DELLUMS. Mr. Speaker, No. 1, we in this body have the responsibility to gain the necessary information. I think that that is the bottom line.

No. 2, I think we have a right to demand that the process have integrity and that the rules apply across the board, not simply when it is convenient.

The true test of this democratic process is whether or not the rules can be lived up to in the middle of crises. You show me where it is written anywhere on pages stained yellow with age that we should suspend the democratic process because we are in an international crisis.

I would submit, in conclusion, that the way we arrive at policy is on the basis of discussion, dissent, debate and consensus building; and once you throw that out the window, you have made a mockery of our process and you have rendered this body impotent. I choose not to want to be involved in any process that challenges my right to speak.

Mr. HYDE. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to the gentleman from Illinois.

Mr. HYDE. Mr. Speaker, I agree completely with the support and emphasis of my good friend in the well, the gentleman from California (Mr. Dellums). But I suggest that when brain surgery is going on, you do not bump the surgeon's elbow.

There will be plenty of time to debate and to implement that debate when the election occurs in November.

Mr. DELLUMS. Mr. Speaker, I would simply say to my colleague that I understand that there are times when analogies have strength as well as weakness.

What the gentleman is suggesting here is that our present status quo policy in some way is going to release the hostages.

That may be an issue that is on the table for discussion and debate, and I am simply suggesting: Let the debate go forward. Nothing is supposed to challenge our right to be able to speak in this well on any policy. I think, when you make the statement, "Let us show a unified front," we all know there are different points of view in this country, and the honest point of view, the strength of this country, is the capacity to allow not only ourselves but the world to see that in dissent we can arrive at a position that is a consensus of our people.

The SPEAKER pro tempore. The time of the gentleman from California (Mr. Dellums) has again expired.

Mr. ZABLOCKI. Mr. Speaker, I yield 1 additional minute to the gentleman from California (Mr. Dellums).

Mr. WOLFF. Mr. Speaker, will the gentleman yield?

Mr. DELLUMS. I yield to my colleague, the gentleman from New York.

Mr. WOLFF. Mr. Speaker, I agree with the gentleman's major premise that we should debate the full policy of what has been our Iran policy, but nowhere in this resolution is there the statement of looking into Mr. Kissinger's activity with relation to Iran. And, unfortunately, what is happening here is that we are making the same political elements of the hostages as we made of the MIA's and the POW's, and I am opposed to that. I do not want to see this situation politicized to the point where we jeopardize the lives of these people who are being held over there.

Mr. DELLUMS. I understand the gentleman's comment. The situation is already politicized. I do not think that this resolution further politicizes it. I think what this resolution does is to provide a vehicle by which we can obtain information. And all I would suggest to all of my colleagues is: Search deeply within your spirit and your soul and try to justify a vote which says, "I do not want to know."

Mr. ZABLOCKI. Mr. Speaker, I yield myself 1 minute.

Mr. Speaker, no one will deny the Members an opportunity to debate every and any issue that comes before this body. But at this moment we must bear uppermost in mind that the safety and the return of our hostages is most important. It has been pointed out in debate that the time to discuss all of the issues involved in our relations with Iran is after the hostages have been released and not while they are still in captivity. Nobody wants to avoid debate, all we want is time to get the hostages released.

During debate it was also alleged that "shady characters" were being used by the United States in the effort to obtain the release of the hostages. If that is so I am not aware of it. I do know that many people have offered to help—Arafat, the Pope and perhaps Villalon. There is little doubt that the President has taken such peaceful steps as are available including accepting the services of those who might be helpful.

It should be pointed out, however, that the reply at the State Department to my letter requesting information pursuant to the resolutions makes it clear that in the communication sent by the President to the Iranian Government that the United States would be prepared for an airing of Iran's grievance in an appropriate forum but only in connection with, or after, the release of the hostages. Now, that is a view that all of us can share.

Mr. Speaker, I yield back the balance of my time, and I move to lay on the table House Resolution 627.

The SPEAKER pro tempore. The question is on the motion to table offered by the gentleman from Wisconsin (Mr. Zablocki).

Mr. HANSEN. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER pro tempore. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 314, nays 90, not voting 28, as follows:

[Roll No. 197]

YEAS—314

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Anderson, Ill.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Applegate
Archer
Ashley
Aspin
Atkinson
AuCoin
Badham
Bailey
Baldus
Barnard
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brooks
Broomfield
Brown, Calif.
Buchanan
Burgener
Burlison
Butler
Byron
Campbell
Carr
Carter
Chappell
Cheney
Clausen
Cleveland
Clinger
Coelho
Coleman
Collins, Tex.
Conable
Conte
Corcoran
Corman
Cotter
Courter
D'Amours
Daniel, Dan
Danielson
Daschle
de la Garza
Deckard
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Eckhardt
Edgar
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erlenborn
Ertel
Evans, Ga.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Findley
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harris
Heckler
Hightower
Hinson
Holland
Hollenbeck
Holt
Hopkins
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jenkins
Jenrette

Johnson, Calif.
Johnson, Colo.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Lagomarsino
Leach, La.
Leath, Tex.
Lehman
Lent
Levitas
Lloyd
Loeffler
Long, La.
Long, Md.
Lowry
Lujan
Luken
Lundine
Lungren
McCloskey
McCormack
McDade
McEwen
McHugh
McKay
Maguire
Markey
Marks
Marlenee
Mathis
Matsui
Mattox
Mavroules
Mica
Michel
Mineta
Minish
Mitchell, N.Y.
Moakley
Mollohan
Montgomery
Moorhead, Pa.
Mottl
Murphy, Ill.
Murtha
Musto
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Panetta
Pashayan
Patten
Patterson
Pease
Pepper
Perkins
Petri
Peyser
Pickle
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Ritter
Roberts
Rodino
Roe
Rose
Rostenkowski
Royer
Runnels
Sabo
Santini
Sawyer
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stanton
Steed
Stenholm
Stewart
Stockman
Stratton
Studds
Stump
Swift
Synar
Tauke
Thomas
Thompson
Traxler
Trible
Ullman
Van Deerlin
Vander Jagt
Volkmer
Watkins
Waxman
Weaver
Weiss
Whitley
Whittaker
Whitten
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wylie
Yates
Yatron
Young, Alaska
Young, Mo.
Zablocki
Zeferetti

NAYS—90

Ashbrook
Bauman
Brown, Ohio
Broyhill
Burton, John
Burton, Phillip
Carney
Chisholm
Clay
Collins, Ill.
Conyers
Coughlin
Crane, Philip
Daniel, R. W.
Dannemeyer
Davis, Mich.
Dellums
Derwinski
Devine
Dornan
Erdahl
Evans, Del.
Fish
Gilman
Gingrich
Grassley
Gray
Hansen
Harkin
Harsha
Hawkins
Horton
Ichord
Jeffords
Jeffries
Kindness
Kramer
Latta
Leach, Iowa
Lee
Leland
Lewis
Livingston
McClory
McDonald
Madigan
Marriott
Martin
Mazzoli
Mikulski
Miller, Calif.
Miller, Ohio
Mitchell, Md.
Moffett
Moore
Moorhead, Calif.
Murphy, Pa.
Myers, Ind.
Nolan
Oakar
Oberstar
Ottinger
Paul
Regula
Rhodes
Robinson
Rosenthal
Roth
Rousselot
Roybal
Rudd
Satterfield
Scheuer
Schroeder
Schulze
Seiberling
Sensenbrenner
Stangeland
Stark
Stokes
Taylor
Vanik
Vento
Walgren
Walker
Wampler
Williams, Mont.
Wilson, C. H.
Wydler
Young, Fla.

NOT VOTING—28

Bafalis
Beard, Tenn.
Cavanaugh
Crane, Daniel
Davis, S.C.
Dickinson
Dougherty
Hammerschmidt
Hefner
Heftel
Hillis
Holtzman
Jacobs
Jones, N.C.
Kazen
Lederer
Lott
McKinney
Murphy, N.Y.
Myers, Pa.
Obey
Russo
Sebelius
Symms
Udall
White
Whitehurst
Wilson, Bob

☐ 1340

The Clerk announced the following pairs:

Mr. Russo with Mr. Bafalis.

Mr. Udall with Mr. Daniel B. Crane.

Mr. Kazen with Mr. Dougherty.

Mr. Lederer with Mr. McKinney.

Mr. Murphy of New York with Mr. Lott.

Mr. Hefner with Mr. Hillis.

Ms. Holtzman with Mr. Whitehurst.

Mr. Obey with Mr. Sebelius.

Mr. White with Mr. Bob Wilson.

Mr. Davis of South Carolina with Mr. Symms.

Mr. Jones of North Carolina with Mr. Hammerschmidt.

Mr. Heftel with Mr. Beard of Tennessee.

Mr. Jacobs with Mr. Cavanaugh.

Mr. Myers of Pennsylvania with Mr. Dickinson.

Mr. VENTO, Mr. DAVIS of Michigan, and Mr. PHILLIP BURTON changed their votes from "yea" to "nay."

Mr. STAGGERS changed his vote from "nay" to "yea."

So the motion to table was agreed to.

The result of the vote was announced as above recorded.

A motion to reconsider was laid on the table.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, pursuant to section 305(a) of Public Law 93-344, the Congressional Budget Act of 1974, and House Resolution 642, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

GENERAL LEAVE

Mr. Speaker, pending that motion, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter during consideration of House Concurrent Resolution 307.

The SPEAKER. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the consideration of the concurrent resolution (H. Con. Res. 307) with Mr. BOLLING in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. Without objection, the first reading of the concurrent resolution will be dispensed with.

There was no objection.

☐ 1350

The CHAIRMAN. Pursuant to section 305(a), title 3, of Public Law 93-344, as amended, of the Congressional Budget Act of 1974, the gentleman from Connecticut (Mr. GIAIMO) will be recognized for 5 hours, and the gentleman from Ohio (Mr. LATTA) will be recognized for 5 hours.

After opening statements by the chairman and ranking minority member of the Committee on the Budget, the Chair will recognize the gentleman from Connecticut (Mr. GIAIMO) and the gentleman from Ohio (Mr. LATTA) for 2 hours each to control debate on economic goals and policies. After these 4 hours of debate have been consumed or yielded back, the Chair will recognize the chairman and ranking minority member of the Committee on the Budget to control the remainder of their 10 hours of debate.

The Chair recognizes the gentleman from Connecticut. (Mr. GIAIMO.)

Mr. GIAIMO. Mr. Chairman, I yield myself such time as I may consume.

Mr. Chairman, I rise in support of House Concurrent Resolution 307, the first budget resolution for fiscal year 1981.

This budget marks a departure from past years. It is not a "spending as usual" budget. It is not loaded with fiscal sweeteners to please this group or that group or this Member or that Member.

Instead, it is a lean and tight budget that calls for substantial spending cuts. It projects a surplus of $2 billion and holds out the prospect of a tax reduction to become effective sometime in fiscal year 1981.

As you know, last month, faced with the highest inflation rate in three decades, leaders of the House, the Senate, and the administration began a series of meetings in the Capitol to devise a common anti-inflation strategy.

We met in marathon sessions for 8 consecutive days. Never in my 21 years in Congress have I seen such dedication of purpose. The meetings were marked by a sense of urgency and a spirit of cooperation and commitment that are rare in our Nation except in times of international crisis.

During the 8 days, a clear consensus on a course of action emerged.

Inflation, it was immediately agreed, continues as a clear and present danger to our national well-being and a threat to the freedoms and institutions that Americans have always taken for granted.

One crucial step toward breaking the continuing upward spiral is a balanced Federal budget. No one who participated deluded himself into believing it is the only step or that it can dramatically or quickly reduce the inflation rate. But all agreed that it is an essential step and that, coupled with other anti-inflationary policies, it can break the back of this menace which continues to exact an intolerable price from millions of Americans.

We also reached an important consensus on how the budget should be balanced; not with new taxes; not with empty promises; not with reckless slashes in entitlement programs, which beneficiaries have come to depend upon; not with mirrors or tricks or gimmicks, but with genuine reductions in runaway Federal spending.

The resolution before you today, reported by the Budget Committee with broad bipartisan support, closely parallels the agreements reached during those meetings last month.

It is not Chairman GIAIMO's resolution, nor simply the Budget Committee's resolution. It is a resolution reflecting the common judgments of leaders in both the executive and legislative branches on how to respond to the crisis of inflation.

The first budget resolution, as you know, sets a target spending ceiling and revenue floor as a guide to our action on legislation the rest of the year. Until it is adopted, no spending bills for fiscal year 1981 can come to the floor.

The aggregates in the Budget Committee resolution are as follows:

Budget authority: $694.6 billion;
Outlays: $611.8 billion;
Revenues, $613.8 billion; and
Surplus: $2 billion.

If we adopt these targets and then stay within them in our subsequent actions this year, the 96th Congress will have made an historic breakthrough. We will have balanced the Federal budget for the first time in 12 years and for only the second time in the last two decades.

This is the first resolution since I became chairman of the Budget Committee that has emerged from the committee with Republican support. I am pleased that it has solid bipartisan backing. All but 1 Republican member joined a majority of 11 Democrats in ordering it reported. Inflation is not a partisan matter. It hits the pocketbooks and jeopardizes the future of all Americans. It would be tragic if partisan maneuvering prevents us now from taking the important step that economic circumstances and the American people clearly are demanding. I urge my colleagues—from the majority and minority sides alike—not to let that happen.

I will be frank to say that there is no painless way to balance the budget. Despite what critics of the Congress sometimes claim, there are few, if any, programs in the Federal budget that do not serve some worthwhile purpose.

But for too long, we have been on a spending binge. New programs have proliferated. Old programs have received almost automatic annual funding increases. The Federal Government has assumed functions that more properly should be carried out at the State or local levels. The Federal Government has become overly generous—and with funds that it does not have.

This budget moves to arrest the pendulum of free spending. It defers new starts. It returns some programs to State and local governments. It says we will not spend beyond our means.

In all, it proposes to cut $16.5 billion from the budget proposed by the President in January as reestimated by the Congressional Budget Office in March. In addition, it would reduce spending by $5.5 billion through enactment of a series of legislative reforms recommended by the President and endorsed by the committee.

Among the major spending reductions are the following: $1.7 billion by not renewing the State portion of revenue sharing. In this connection, I would point out that more than half of State governments are expected to run significant surpluses in 1980; $1.1 billion by adjusting benefits for Federal retirees once a year instead of twice to reflect changes in the Consumer Price Index. The change would put Federal retirees on the same adjustment basis as social security recipients; $1 billion by reducing agency overhead and administrative costs through such policies as hiring freezes, lower use of consumable supplies, and more restrictive policies on travel and contract services; $1 billion in defense through the appropriations process with reductions made for a variety of causes, including schedule slippages, and redefinition of requirements and identification of operating efficiencies; $1 billion by slowing down purchases for the strategic petroleum reserves; $1 billion through a reduction of about 10 percent in the CETA program; and $1 billion by eliminating the proposed new antirecession fiscal assistance initiative, which would be targeted to local government, not individuals.

Now let me tell you what this resolution does not do. It does not, as some critics have suggested, turn its back on people in need. It does not destroy essential programs for the poor and the disadvantaged. It does not break the Federal commitment to the cities.

Of the $16.5 billion in reductions, only 14 percent are direct cuts in human resources programs. Other reductions are achieved:

By program reform to end abuse and insure that benefits are targeted on the truly needy;

By delaying the effective dates of some new programs; and

By returning some programs to States and localities whose treasuries are in healthier conditions than the Federal Treasury.

At the same time, the resolution provides for continued funding at high levels of essential social programs. Some highlights:

While it recommends a suspension of revenue sharing to States, it would continue revenue sharing to hard-pressed local governments at a level of $4.6 billion.

While it recommends a reduction of 50,000 jobs from the CETA title VI program, it would still maintain a 150,000 job level under that title and recommends a total of $8.6 billion in outlays for all CETA job programs to help solve structural unemployment problems, which are concentrated in our cities.

The committee assumes $3.8 billion of budget authority for community development block grants and $675 million for urban development action grants.

The committee assumes $32.2 billion in budget authority and $5.5 billion in outlays for HUD subsidized housing programs to help provide decent shelter for lower income families and rehabilitate the decaying housing stock in older urban areas.

The committee recommends $4.1 billion in budget authority for elementary and secondary education programs, an increase of $352 million above the fiscal year 1980 appropriation, to allow Congress to strengthen its commitment to supplementary education for disadvantaged and bilingual children. The committee also recommends an increase of $89 million—to a total of $879 million—for Head Start and related child development services.

The committee assumes full funding of the title XX social services program at the levels agreed to in the conference report on H.R. 3434, or $2.9 billion.

The committee includes an increase of $600 million for the low-income energy assistance program over the $1.6 billion appropriated in fiscal year 1980.

The resolution also provides for a strong national defense although, in equity, defense as well as domestic programs must share in the belt tightening. The target established by the committee provides for essential force levels as well as improved readiness and modernization. Procurement programs other than ships, for example, are up more than 9 percent after inflation; Air Force missile procurement is up 28 percent; research and development are increased by more than 13 percent—all in real terms, or after allowing for inflation.

In short, the resolution provides for the Nation's essential needs. It does not, however, condone waste, scattergun targeting or profligacy. It recognizes that the real enemy of the cities, of the poor, and of a strong defense establishment is runaway inflation.

Finally, let me address two other issues in the resolution—the adjustment of spending ceilings for fiscal year 1980 and reconciliation.

As you know, the budget authority and outlay ceilings for fiscal year 1980 must be raised, not because Congress has been irresponsible in its spending actions, but because a higher than expected inflation rate has driven up costs, particularly on interest payments and such entitlement programs as social security, medicare, and medicaid. The total effect of these increases has been to add $18.8 billion in budget authority and $18.7 billion in outlays to the budget even though Congress enacted no new spending legislation. The current law estimate of revenues increased by $6.1 billion during the same period .

I will offer an amendment raising the ceiling on budget authority for fiscal year 1980 to $660.3 billion and the outlay ceiling to $571.6 billion. Passage of the amendment and the resolution will permit supplemental appropriation requests for fiscal year 1980 to come to the floor of the House and permit funding for such essential programs as food stamps, forest fire fighting, and disaster relief.

Finally, because of the urgent necessity of bringing the budget into balance, the committee for the first time has included reconciliation language in the resolution. The reconciliation section, which is provided for in the Budget Act, would direct eight House committees and their Senate counterparts to submit recommendations for $9 billion in spending reductions.

The resolution does not direct the committees to take specific action on the matters within their jurisdiction. But the committee believes that Congress must act decisively and quickly to control spending and help put the brakes on inflation. The reconciliation instructions are included in this resolution because there may not be time to act on such instructions before the end of the the 96th Congress if we waited until the second budget resolution in the fall.

Failure to take the steps necessary to realize the recommended savings and tax actions would result in a deficit of $11.3 billion, rather than the surplus we project.

Mr. Chairman, the committee resolution is a carefully crafted package that I believe spreads the burden of a balanced budget equitably across all major functions of Government. It provides for essential national needs. It does not wreck basic and proven programs that have become important parts of our national life.

The amendments that will be offered, in my judgment, would upset the balance of equity the committee resolution has achieved or would upset the balance of the budget itself.

□ 1400

At this time I would like to express, Mr. Chairman, my appreciation and gratitude to all of the members of the Committee on the Budget who have worked long and tedious hours for many, many weeks, giving of their time and of their effort and of their expertise and knowhow in helping to fashion this resolution. I would particularly like to pay my respects to my good friend the gentleman from Ohio (Mr. LATTA) the minority leader on the Committee on the Budget who has played a vital and key role, together with the majority, in fashioning a budget resolution which does meet national needs and which does make serious efforts and attempts to reduce spending. I want to thank my friend for all he has done these many weeks and months on the committee.

Mr. Chairman, I want to thank all of the members of the leadership and all of the committee chairmen and other members who met in those emergency meetings which we had with the other body and with the administration in establishing the basic concepts and principles under which we would guide ourselves in trying to fashion a balanced budget this year. Without the help of those leadership members, Mr. Chairman, we would not be able to come here today with such an all-embracing budget vehicle, one which undertakes to really address the issue of inflation, one which really attempts to reduce Government spending, one which really seeks to effectuate a balanced budget through spending reductions and not by new taxes which are not about to happen. Among those essential members of the leadership I include the present chairman of the Committee of the Whole, the gentleman from Missouri (Mr. BOLLING).

Mr. Chairman, I urge support of this resolution and I urge support of the perfecting amendment which I will offer for fiscal year 1980 and I urge rejection of all subsequent amendments which will be offered.

Mr. Chairman, I reserve the balance of my time.

□ 1410

Mr. LATTA. Mr. Chairman, I yield myself 15 minutes.

Mr. Chairman, if there is a more difficult, trying, and unpopular job in this House these days than being chairman of the Budget Committee, I do not know what it would be. This year, more than ever before, my good friend from Connecticut has been under enormous pressure from every conceivable interest group affected by this budget. While everyone is in favor of a balanced budget in principle, precious few seem willing to support one when it means their favorite program is given anything less than every penny they would have liked. Because of the strong leadership of the chairman of the Budget Committee, a majority of the committee members have withstood these pressures and come forth with a balanced budget for fiscal year 1981. If anyone thinks this did not take will power, yes, and backbone, or that it could have been accomplished without the courage and determination of the chairman, he is mistaken.

For the past 3 years I have had the honor and the pleasure of serving as ranking member on the Budget Committee under the leadership of the gentleman from Connecticut. While we have not always agreed, I have always respected his positions and known of the tremendous pressures under which he labored. In past years, the Republican efforts to reduce spending and to achieve a balanced budget fell on deaf ears. This year was different. The chairman pledge his support for a balanced budget, accepted some of our amendments in committee—particularly the one I offered for a $20 billion tax cut—and we were able to report a balanced budget resolution for House consideration. I was well aware of the fact that without the votes of the minority members of the Budget Committee, the committee's balanced budget resolution could not be reported.

However, our minority votes in support of this resolution did not indicate nor signal our total agreement with the manner in which this balanced budget was achieved. As always, we support the balanced budget concept, but feel that it should not be achieved through increased taxes, but rather through reductions in spending.

So, as a consequence, we plan to offer a substitute to achieve a balanced budget in fiscal year 1981 without the tax increases contained in House Concurrent Resolution 307 when the proper time comes. As the debate on this budget resolution proceeds, a great deal of criticism will be leveled at the Budget Committee and, yes, at its chairman, for the decisions it made or failed to make in crafting this particular resolution. That criticism will come from all sides and all points of view in the House. Whatever the end result, I want everyone to know what a splendid job our chairman did, and what a remarkable feat he has accomplished in developing a consensus, on his side of the aisle in particular, that the fiscal year 1981 budget must be balanced.

As many Members know, BOB GIAIMO and I came to the Congress together in 1951, and while we are often on opposite sides of the many issues here in the Congress, I respect and admire no one more than I do BOB GIAIMO. He has courage, and he displayed that courage during the last day of markup on this particular resolution. While his efforts have made him somewhat unpopular at the moment on his side of the aisle, I want him to know that I for one will miss him when he retires from this Congress, and I for one did not like to hear that unpleasant news.

I also wish to pay tribute to the minority members of the Budget Committee, individually and collectively: The gentleman from North Carolina (Mr. BROYHILL); the gentleman from New York (Mr. CONABLE); the gentlewoman from Maryland (Mrs. HOLT); the gentleman from Ohio (Mr. REGULA); the gentleman from Pennsylvania (Mr. SHUSTER); the gentleman from Minnesota (Mr. FRENZEL); and the gentleman from Arizona (Mr. RUDD). These members are not Johnny-come-latelies when it comes to saving taxpayers' dollars or balancing the budget. They have been for balancing the budget by less expenditures for years, and have been so voting in the Budget Committee and on the floor of this House.

Let me say that no ranking member could have asked for, nor received more cooperation and support on a committee than I have received from these members. They are made from the whole fiscal cloth, and I am honored to have the privilege of serving with them.

And further, let me say that I wish to pay tribute to our minority staff, ably headed by Jim Hedlund. We have but seven specialists on this staff on our side, plus two secretaries, but they get the job done and we are mighty grateful to them. And certainly, the taxpayers are grateful to them.

Now, Mr. Chairman, to the business at hand. I am not going to begin by saying, "I told you so." I might just comment, however, that a good friend on the opposite side of the aisle, who has probably voted for every increase and expediture in social programs since he came to the Congress, said to me, "If I vote this time, DEL, for a balanced budget, would you not say, 'I told you so'?"

I said, "You vote for it and I promise not to say: 'I told you so'."

We are debating this budget resolution in a truly unique atmosphere. There is a consensus, I believe, in the House and across this country that the Federal Government must begin to live within it means for the first time in over a decade. I am hopeful that when this debate is over, this House will have resisted the easy temptations to increase spending for politically popular programs; turn back efforts to weaken the enforcement mechanisms built into this budget, and reject attempts to raise taxes even further instead of cutting spending. This side of the aisle is firmly committed to this goal, and if enough of our newly-found converts will join us, a balanced budget will result.

At this point it would be easy to inject partisanship into this debate and remind the House of the many times Members on our side have offered balanced budget resolutions only to see them go down in defeat.

☐ 1420

I will not do so because I think balancing the budget now is too important to this country. I know there are those who believe the recent and welcome conversion to the cause of balanced budgets by some in this Congress is only a temporary manifestation caused by the latest public opinion polls. I frankly choose to think otherwise. This change of mood in the Congress is not the result of something Lou Harris or George Gallup are reporting but is, rather, the result of the cold, hard, and unpleasant news being issued by the Bureau of Labor Statistics and the Department of Commerce.

What we are seeing from virtually all of the economic measures is proof-positive that the economic policies which the Federal Government has followed for the last 25 years are bankrupting this country. More specifically, these economic statistics completely repudiate this administration's economic policies.

Let us look at the record. By the time the Ford administration left office, through the efforts of the Congress and the administration, we had lowered inflation to 4.8 percent, as measured by the Consumer Price Index, and only 3.3 percent, using the producer or wholesale price index. To do this took courage, and it took a will by the President to veto over 50 spending bills sent to him by the Congress, to propose tight and austere budgets, and to fight the Government regulatory agencies attempting to hamstring the American economy.

Few of these decisions were politically popular, but they were effective and they worked.

But now, look at what has been happening. Inflation has been on the rise. During the first year of the present administration, in 1977, inflation rose to an annual rate of 6.8 percent. After the imposition of the Carter anti-inflation program No. 1, inflation hit 9 percent. By 1979, after two more anti-inflation programs, prices were rising at a rate of 13.3 percent. Today, after the President's fourth full-fledged anti-inflation program has been announced, prices are increasing at an annual rate of 18.6 percent.

Should this rate continue for the remainder of the year, the President will have presided over a 48-percent increase in the cost of living in just 4 years.

Several days ago one of the administration's leading economic spokesmen predicted that inflation would drop to 10 percent by year's end but continue at that rate for another several years. If this does not speak to the absolute failure of these policies, I do not know what does.

The problem, of course, is that all of the worries about inflation at the White House have not been backed up by actions which are truly anti-inflationary. When the President prepared his 1981 budget and submitted it in January, inflation had been running at over 13 percent for months. Yet that budget contained a long litany of new spending programs which would have cost an extra $19 billion in 1981 and which would have grown to an annual cost of over $74 billion by 1985.

Yes, an attempt was made to put the blame for inflation on everybody but the administration. They blamed OPEC, even though higher energy prices only accounted for 2.3 percent of last year's 13.3 inflation rate.

Mr. Chairman, let me repeat that, because we hear this argument everytime they speak of inflation. OPEC prices are higher, everyone knows, but according to the record, they accounted for only 2.3 percent of last year's 13.3 percent inflation rate.

Moreover, the administration cannot explain why Germany, which imports 96.8 percent of its oil, and Japan which imports 99.8 percent, both had significantly lower rates of inflation than the United States in 1979, namely, 4.2 percent for Japan and 5.7 percent for Germany.

The grim record does not end with inflation. In the last year of the prior administration's term of office, productivity in American factories and businesses rose.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

Mr. LATTA. Mr. Chairman, I yield myself 10 additional minutes.

Mr. Chairman, to repeat, in the last year of the Ford administration's term in office, productivity in American factories and business rose by 3.5 percent while labor costs rose at a modest 4.7 percent.

Yet 3 years later productivity actually declined. It declined by 2.3 percent while unit labor costs were soaring by 11.4 percent.

The gross national product in real terms grew by 5.5 percent in 1976, a rate comparable with those of Germany with 5.6 percent and Japan with 6 percent. Yet by 1979 our economy was limping along at a growth rate of just over 2 percent while Germany and Japan continued to experience solid real growth rates of 4.3 and 6 percent, respectively.

Mr. Chairman, all of these statistics might not mean much if they were only of interest to the economists. The fact is, however, that these seemingly sterile statistics can be translated directly into a declining standard of living for all citizens. No one has been spared. The average factory worker's family has seen its real spendable earnings decline to the lowest point since 1964. The elderly may have had their social security benefits indexed for inflation, but they have seen their life savings diminish in value. Our young people have suffered as the Carter-backed minimum wage increases have effectively shut them out of the job market. Four years of this administration have caused the American people to suffer through the most severe economic disaster since the Great Depression, and that will continue unless action is taken.

The entire blame cannot be pinned on the President of the United States because Congress, after all, must appropriate every dollar and every cent that the Government spends. But neither can the administration escape the responsibility by hiding in the White House. The root cause of our economic troubles rests in Washington, and these charts on my left clearly demonstrate this.

Federal spending levels between 1955 and 1981 are indicated. In 1955 it is $68.5 billion, and we see how it goes to $611.18 billion by 1981. There is an increase from 1977 of $402.7 billion to $611.8 billion in just that short period of time. Notice also, for statistical purposes, just how much of an increase we had just during the 1970's.

☐ 1430

In 1970, the outlays were $196.6 billion. But lo and behold, between 1977 and 1981 we will have a spending increase more than the total expenditures were for all Government agencies, including Defense, in 1970. This indicates where we are and where we are headed unless something is done about it.

The next chart, showing the growth of the public debt between 1955 and 1981, indicates something that is unconscionable because it shows we have been living off the credit cards of our children and our grandchildren and their children and their grandchildren. You can see where the public debt stood in 1955 and where it stands today. We have not been paying our way. In 1955 the public debt stood at $274.4 billion. Today we are faced with increasing the national debt limit to $926.8 billion, a $200 billion increase in the national debt just since 1977. Unconscionable. And when people say, "Those figures do not affect me," they do not know what they are talking about, because the third highest item in this budget resolution will be going for interest charges on the national debt—approximately $72 billion in 1981. And when they settle up with Uncle Sam on April 15, that is what they were paying for, interest on the national debt, the third highest item in the entire Federal budget.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague yielding and I appreciate his bringing this presentation to the House today to so graphically illustrate the damage that this increased Federal spending and Federal public debt does to the general economy.

The gentleman has just mentioned that it does affect every citizen of this country when we in Congress—and we can blame nobody else—do not do a better job of managing this tremendous debt that the Federal Government is now carrying, because, as the gentleman knows, the Treasury has to go out into the marketplace and borrow all of that money. And that creates a tremendous competition in the marketplace for funds, when those debt securities are sold, that could be used for other things. And as our former Secretary of the Treasury Bill Simon has said, this does affect everybody out there, all of our citizens, because it is Government competition for the same money.

Is that not correct?

Mr. LATTA. That is absolutely correct, and it explains why we have these high interest rates.

Mr. ROUSSELOT. In other words, the Federal Government is competing for that money out in the marketplace, driving up the cost of that money, and because the Federal Government can set an interest charge that it pays for those debt securities it, in effect, drives up the price of money, does it not?

Mr. LATTA. The gentleman is correct again.

Let me just point out also that Uncle Sam is in a very peculiar position, as opposed to the banks and the savings and loan companies who are restricted as to how much they can pay to borrow money. Uncle Sam is not. He can pay any amount that is needed.

At one time, about 4 or 5 weeks ago, as the gentleman knows, Treasury bills sold for as high as 16½ percent.

Mr. ROUSSELOT. Right.

Mr. LATTA. Fortunately, they have started to decline, they are coming down. We are glad to see that.

Mr. ROUSSELOT. So the old argument that it does not matter what this debt is just is not true. This is a myth that we have finally destroyed, I hope, and we are glad to see so many current balance-the-budget advocates. It is nice to see some of our colleagues joining us for a change. But what has happened since President Carter came into the Presidency? He was going to balance the books and get Government in shape, and the gentleman's chart shows that that debt has gone up $200 billion, and this Congress has helped do that. Is that not correct?

Mr. LATTA. This administration, or any other administration, cannot spend 1 red cent that is not first appropriated by the Congress.

Mr. ROUSSELOT. I think the gentleman is to be complimented for putting before the House very graphically the damage that is done to the American public when our Federal Government does not live within its means, spends far beyond what we have, drives the Treasury into the marketplace to borrow all of this money. I think the gentleman's illustrations are well done and I hope our colleagues have paid attention to it here.

Mr. LATTA. I thank the gentleman for his comments.

Mr. Chairman, these charts present graphically what most American people have long since realized; namely, that Government spending and Government borrowing is out of control. There is simply no other way to explain how spending could have gone from less than $100 billion in 1960 to over $600 billion 20 years later. Indeed, the Federal budget has doubled—I repeat, doubled—just since 1974.

Let me give the Members an example of what has been happening. Take the food stamp program. In the mid-1960's, it was sold to the Congress as a small program to take care of the elderly and others. It started out with less than $40 million and was intended to dispose of excess commodities.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield myself 10 additional minutes.

By 1980, this program had grown to $6.2 billion. Yet even that apparently will not be enough for 1980.

The third budget resolution for 1980, which is a part of House Concurrent Resolution 307, raises this $6.2 billion to $8.8 billion just for fiscal year 1980 which ends October 1.

I understand the chairman will offer another amendment to the 1980 budget to increase the $8.8 billion figure by another $500 million. Even more incredible, for the past decade total Federal spending has increased by 190 percent, yet defense spending has actually declined 28 percent in real terms. In short, not only has this Congress spent the American people nearly into bankruptcy, but it has neglected our national defense. I say that this is a sorry record, especially in view of today's critical times.

The administration has "distinguished" itself in one other area, and that is the matter of taxation. No other administration, from George Washington through the past administration, has come close to matching the tax increases that have occurred under this administration.

While the Members have heard the figures before, I will repeat them until the magnitude of this issue is fully appreciated by everybody. From 1954 through the last year of the Ford administration, the Federal Government took an average of 18.6 percent of the gross national product in taxes. If you look at this chart, it graphically illustrates what has been happening. In fact, in 1976, Federal taxes took 18.5 percent of our gross national product, a tax burden slightly below the historic average. Under this administration, the tax burden has risen steadily. In 1981, according to the administration's own estimates, Federal taxes will consume 22.5 percent of the gross national product, a tax level never before attained, even during the height of World War II.

While these percentages may not seem much different, keep in mind that 1 percent of the gross national product is equal to about $28 billion. By allowing taxes to rise to 22.5 percent of the gross national product, we have increased the tax burden of the American people by $112 billion in 1 year alone over what it would have been under the previous administration.

Let me put it another way. If Carter had not raised taxes, every taxpaying family in America could get a tax refund of $1,500 in 1981 if the excess taxes were divided equally. This would not be a tax cut. This $1,500 rebate would mean that the average family would once again have the same tax burden they had during the previous administration.

Putting this into perspective, then, we see a Federal Government which has consistently spent well beyond its means, even when those means, the tax revenues, were increasing at the most rapid rate in history.

□ 1440

It is a picture of an administration devoid of the willpower to turn things around.

Now, the administration tells us it is mending its ways, and I am glad to hear this. It, too, wants to balance the budget; albeit only 3 months ago it was proposing a $16 billion deficit. A balanced budget, according to the President, will help cure inflation. Well, what is the first thing he does? He imposes a fee on imported oil in order to raise gas prices at the pump by 10 cents a gallon, an act that by itself will increase inflation by 0.5 percent directly and 0.2 percent indirectly.

In short, his first action is to push the Consumer Price Index up by 0.7 percent of a full point.

Next, he sends to Congress a revised budget which increases taxes $28 billion from his recommendation in January and cuts spending by $17 billion; but before anyone gets too impressed, keep in mind the President is apparently playing with mirrors. The President claims spending under his revised budget is $611.5 billion; but, in fact, the Congressional Budget Office has found errors in his calculations which, when corrected, make the President's new budget $621.2 billion, or almost $10 billion higher than he says it is.

At $621.2 billion, the Carter budget is actually $5 billion higher than the one he submitted in January; so the only way he can show a balanced budget on paper is by raising taxes faster than he is raising spending. By raising taxes, he assures that Americans will have even less money to save and that, in turn, will lower productivity even further. That means more inflation, not less.

By imposing a fee on imported oil, he directly increases inflation by pushing up gasoline prices.

By actually spending more than he asked for only last January, he guarantees that the financial markets will not take his new fiscal policies any more seriously than they have taken the first three Carter anti-inflation programs.

Compared with the President's, the House Budget Committee's House Concurrent Resolution 307 is a tremendous improvement. This resolution contains a $20 billion tax cut for calendar year 1981. In spite of this, taxes will rise by $85 billion over 1980; but nonetheless, it is a start in the right direction.

Second, the committee budget contains some real restraints on spending. It does not include some of the gratuitous handouts, such as the President's $500 million New York primary money he sought to have the Budget Committee approve during our deliberations.

Moreover, the committee-reported resolution contains reconciliation instructions. While the minority fought to have reconciliation in the second budget resolution for 1980 and were defeated, we are delighted to see the committee chairman and others now adopt our position on this very important matter.

To underscore the importance of reconciliation, I would remind the House that last year the congressional budget resolution for 1980 assumed that over $2.7 billion would be saved by changing existing entitlement programs. The committees responsible for those $2.7 billion in savings managed to enact—and get this—only $300 million worth of savings, and even that meager amount is now in jeopardy in a House-Senate conference.

Quite clearly, if we are sincere in wanting to achieve a balanced budget, the appropriate committees of the House and of the Senate must make the necessary legislative changes, especially in so-called entitlement programs.

Having advocated a balanced budget for years, the minority members of the Budget Committee voted to report House Concurrent Resolution 307 out of the committee for House consideration; however, we believe this budget resolution must be improved before passage. The tax cut in House Concurrent Resolution 307 is only a first step and will not make any appreciable dent in the tax increases which will occur in 1981 from inflation, higher social security taxes, new taxes on oil and other tax-raising schemes advocated by the administration.

Moreover, the committee actually reduced the defense budget below that of the President and provides no additional moneys to cover the higher fuel costs the Defense Department will face in 1981.

There is no question that we must substantially increase our ability to defend ourselves and the committee budget does not do this adequately.

In the nondefense area, the committee has not reduced spending enough to really insure a balanced budget. Let me explain this. In attempting to achieve a balanced budget, the committee started with the budget the President sent up in January. That sets spending at $616 billion; but because economic conditions have changed for the worse since January and other reestimates had to be made, the President's January budget had to be updated.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

Mr. LATTA. Mr. Chairman, I yield myself 10 additional minutes.

The CHAIRMAN. The gentleman from Ohio is recognized for an additional 10 minutes.

Mr. LATTA. The committee and the President agreed that his reestimated budget total was $629 billion. It was from that level that the committee then began deducting funds in order to reach its recommended level of outlays of $611.8 billion. Unfortunately, the Congressional Budget Office has determined that the President's January budget, reestimated, amounts to $636 billion, or $7 billion higher than the Budget Committee believed when it was marking up the first budget resolution.

Now, since the Budget Committee's total spending reductions amount to $16.5 billion, when these reductions are made from CBO's more realistic starting point of $636 billion, we find that the real level of spending under the committee's resolution is $619.5 billion, not the $611.8 billion originally thought.

Since revenues have been set at $613.8 billion, we now see that the committee's budget will result in a deficit of some $5.7 billion instead of producing the $2 billion surplus as we had anticipated.

I want to make it clear that I do not believe the Budget Committee intentionally used this incorrect information. It used the best numbers available at the time. Unfortunately, that number was probably at least $7 billion too low, according to CBO. The result is that the committee did not cut spending sufficiently to produce a balanced budget in 1981.

Quite clearly then, we must make further spending restraints if we wish to keep the budget balanced, and we must make these reductions now, at the time of the first budget resolution. If we fail to recognize this reality—that we have underestimated spending by $7 billion—we will find ourselves with a budget out of balance in September when it is time to pass the second budget resolution, and I might add, to adjourn the Congress and go home and face the people who are demanding a balanced budget.

I trust no one in this Chamber relishes the thought of voting for a balanced budget in April, then having it unbalanced in September; but that is exactly what we will have to do unless we change the resolution currently before the House. To this end, I will offer a substitute which reduces spending by $14 billion over what the committee has recommended. It will also provide for a tax cut in the calendar year 1981 of $32 billion, an amount sufficient to offset President Carter's new gas tax, as well as to make up for the higher taxes which will otherwise result when workers are pushed by inflation into higher tax brackets. While I will discuss this substitute more in detail at the time it is offered, let me make several points at this time.

□ 1450

First, the spending level in my substitute will be more than $30 billion higher than the 1980 spending level contained in House Concurrent Resolution 307. So, we are not cutting the budget. When some say the total is being cut, they are absolutely wrong. It will be $30 billion more than the prior year. Therefore, I am not proposing that we make these so-called drastic cuts that some people are talking about, only that we restrain the growth of spending in this Government.

Second, the tax cut I am proposing, $32 billion, would not be inflationary. Even with this tax cut, total taxes will rise by $72 billion between 1980 and 1981. Only with the added spending restraints I propose will the 1981 budget be in balance. As stated before, the committee version has become unbalanced due to the independent reestimates of actual spending levels.

One final thought. The administration is now acknowledging that we slipped into a recession. While they predict it will be a mild turn-down, recent developments in the automobile industry and the housing industry suggest that we may be in for a recession even more severe than that of 1974–75. This will be a recession which could have been avoided, for it is a recession which has been brought on by unrestrained inflation. This inflation largely was caused in Washington where we pass all of these appropriations—appropriations that could have been much lower. Jimmy Carter, as President, tries, as I have indicated to pin the blame on OPEC. Yet he pursues policies which discourage the development of our own domestic oil supplies.

In the coming months it is very probable that hundreds of thousands of Americans will lose their jobs. These lost jobs mean fewer goods and services for all Americans and therefore, a decline in our living standard. Lost jobs translate into lost taxes and more Government welfare and unemployment benefits.

If we once again make the mistake of trying to spend our way out of a recession we will merely insure that inflation never comes down and the unemployment rate will remain high. We will not avoid this recession due to past mistakes, but we can do something about it if we seek to avoid those same mistakes in the future.

Mr. SHUSTER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I am happy to yield.

Mr. SHUSTER. The gentleman said President Carter is attempting to pin inflation on the oil price increases from OPEC. The gentleman is perhaps aware of the fact, and if not I certainly hope he would disagree with me if he so chooses, that the U.S. Department of Labor recently, in putting out its calculations with regard to cost-of-living increases, has indicated that that portion of inflation which is attributable to energy cost increases is only about 2.1 to 2.3 inflation percentage points. If that is true, that means the inflation rate is well into double-digit inflation without any consideration for energy cost increases. Would the gentleman agree with that?

Mr. LATTA. It is actually 2.3 percent, and I do agree with that.

Mr. SHUSTER. I thank the gentleman.

Mr. LATTA. Of last year's 13.3-percent inflation rate, according to the Department of Labor, it was 2.3 percent.

Mr. SHUSTER. So, it is very misleading for the President and others to try to suggest the reason we have double-digit inflation is because of the energy cost increases. We would have double-digit inflation today without any energy cost increases; is that not correct?

Mr. LATTA. That is correct.

Mr. SHUSTER. I thank the gentleman.

Mr. LATTA. In conclusion, let me say we must tighten our belts, we must spend less, actually far less than the short-term political instincts of some would dictate. It means postponing, if we are to have a balanced budget, a truly balanced budget, many good programs and cutting back on others, phasing out those that we do not need and cannot afford.

Most of all it means balancing the budget and letting those Americans who work keep more of their income to save, to enjoy, and to invest in America's future.

The CHAIRMAN pro tempore. The gentleman has consumed 45 minutes. The Chair will now recognize the gentleman from Connecticut (Mr. GIAIMO) and the gentleman from Ohio (Mr. LATTA) for 2 hours each to control debate on economic goals and policies.

PARLIAMENTARY INQUIRY

Mr. BAUMAN. Mr. Chairman, I have a parliamentary inquiry.

The CHAIRMAN pro tempore. The gentleman will state his parliamentary inquiry.

Mr. BAUMAN. Mr. Chairman, as I understand the statutory requirements, the debate now will be confined to economic policy and goals; is that correct?

The CHAIRMAN pro tempore. That is correct.

Mr. BAUMAN. What if a Member strays from that and starts talking about other things, should other Members make points of order and point out that they are out of order? I mean, I do want to do this under the rule.

The CHAIRMAN pro tempore. The Chair would have to interpret at that time whether they were within the bounds of the rule or not, and the rules relating to relevancy in debate would apply.

Mr. BAUMAN. I thank the chairman for that explanation. I will listen very carefully. This is an unprecedented situation.

Mr. GIAIMO. Mr. Chairman, I yield 2 hours to the gentleman from California (Mr. HAWKINS) for purposes of debate only.

Mr. HAWKINS. Mr. Chairman, I thank the gentleman from Connecticut for recognizing me at this time.

I also feel remiss in saying that we have a great deal of respect for his courage and his tremendous contribution in connection with the budget. Our differences with him are over the basic policy and certainly not in any way a reflection of his ability or certainly his integrity.

As this body begins debate on the economic policy assumptions which have served to formulate the budget resolution before us. When the Budget Act was first passed in 1974, an economic policy debate on the budget resolution was not a mandated activity. It was not until the passage of the Full Employment and Balanced Growth Act of 1978, that an extended, comprehensive debate was required.

This act established, in law, the inseparable relationship between the economic goals and policies of the Government and the actual levels of Federal budget expenditures and receipts, which would serve as one of the most important tools for converting economic goals and policies into actual economic achievements.

The provisions of the Humphrey-Hawkins Act that amended the Budget Act to require debate was to serve as a permanent mechanism for establishing this inseparable relationship every time the House and Senate debated a budget resolution. It serves to link economic policy with economic and budget realities.

It is in this context that I say to my colleagues that the budget resolution before us is based on pursuing the discredited economic policy of trading-off jobs and deliberately creating economic recession to "supposedly" fight inflation.

Never before have I seen so many so saddened over our failure to produce a deep recession. To all of these, this budget resolution must be a great comforting encouragement.

The most destabilizing thought, however, about this debate over the Federal budget is its approach. We will, I fear, as usual, go through it without relating what we are doing to any overall economic policy or to the purposes of a budget in achieving the objectives of a free society.

It was to prevent this, that this time period in the debate was mandated by law, and allocated to a discussion of economic policy and a review of its effects, and set aside to debate proper alternatives.

The current economic policy assumptions have absolutely no basis in justification. They are distortions of reality and lack any form of economic soundness. These actions are designed to cause more inflation; more unemployment; deeper recession and will result in a weaker economy and a weaker America.

A budget resolution based on such a misguided economic policy should not, in all good conscience be supported.

The purpose of the Full Employment and Balanced Growth Act was to require this Government to shed the discredited economic policies I have just mentioned, and to embark on a mandated policy of economic growth and full production, which would result in full employment and price stability.

Humphrey-Hawkins set reasonable goals for our Government to achieve if these sound economic policies were utilized. The problem is not unreachable goals. The problem is a continuation of widely discredited policies and programs.

The Full Employment and Balanced Growth Act of 1978 was approved by the Congress by overwhelming majorities in both Houses after extraordinarily long and comprehensive study, hearings, and debate, and signed by the President with the promise to act vigorously and promptly to achieve its purpose. It provided for a coherent and comprehensive national economic policy, including precisely defined goals and timetables as to the reduction of unemployment and inflation. It established mechanisms for developing year-by-year goals in each area of national economic policies, including employment and unemployment; production; productivity; reduction of inflation; use of the Federal budget to achieve these goals, and to move toward a balanced Federal budget by means of, and as of the time of attainment, a reasonably full national economic performance; coordination of Federal Reserve policies toward these same ends; and responsibility within the Congress to evaluate and to reformulate, to the extent needed, the policies initiated by the President through his Economic Reports and budget messages.

But the hopes and expectations of knowledgeable and forward-looking people were dashed when the January 1979 Economic Report and budget message appeared. Both were in flagrant violation of the Humphrey-Hawkins Act.

Unemployment was planned to rise from 5.8 percent in December 1978 to 6.2 percent in both 1979 and 1980. This was utterly in conflict with economic commonsense and concern for human values; it sounded a bugle for retreat never articulated by any previous administration; and it was absolutely irreconcilable with achievement of the modest and feasible 1983 goals of the act, to reduce unemployment to 4 percent for all those in the civilian labor force and to reduce the inflation rate to 3 percent.

The other goals established by the administration in January 1979 were, sadly, compatible. The goal for the average annual real economic growth rate during 1978–80 was lower than the actual average during 1969–79, a period marked in accelerating fashion by the troubles which led to Humphrey-Hawkins in 1978. The 4-year goal for productivity growth was less than half the average in better times. The "lean and austere budget," could be reconciled only with the stagnation and then the recession which ensued. National priorities, especially those of a human-service nature were ignored. Allowing for proposed increased spending for national defense, the domestic portions of the budget contemplated that outlays for all domestic programs decline from the fiscal 1979 ratio to GNP in fiscal 1980, and decline further in fiscal 1982. Severe declines were scheduled for manpower programs, and housing and community development. Education represented a decline by fiscal 1982, as did the figures for income security. All of these actions—the start under Humphrey-Hawkins—were especially significant as a foreshadow of later policies now upon us and in the current budget resolution.

As soon as these proposals appeared in January 1979, I and many others insisted that the actual performance under these proposals would be even worse than those projected by the President. And while the administration did not attain its goal of lifting unemployment to 6.2 percent in 1979, that magnificent purpose was achieved by January 1980. The administration also said a restrictive budget would move us closer to a balanced budget and thus combat inflation. But some of us insisted that the budget could not be balanced by further unbalancing the national economy; and, while the President had estimated a deficit of only $29 billion for fiscal 1980, the actual deficit was close to $40 billion. Relying on the tradeoff between unemployment and inflation, the January 1979 Economic Report and budget message estimated that inflation, after moving upward from 7.7 percent in 1978 to 8.2 percent in 1979, would then decline to 7.1 percent in 1980. But actual inflation from 1978 to 1979 was more than 11 percent and about 13 percent at the end of that year and, thus far in 1980, the inflation rate has reached 18 percent and now above.

By March 1980, the administration came forward with even more drastic proposals in the same wrong directions, and the changes proposed in the current budget resolution now before this House does nothing to reverse this trend. Outlays for fiscal 1981 in real terms, are now set at $3 billion less than in fiscal year 1980, and $4 billion lower than the President's January 1980 fiscal 1981 budget.

However, it appears important and indicative to state the economic assumptions embodied in the current resolution. These are an unemployment rate of 7.3 percent by the end of calendar 1980 and 7.6 percent by the end of calendar 1981; a real economic growth rate of minus 1 percent in 1981; and a callous disregard for national economic and social priorities, not readily distinguishable from those contained in the President's proposals from January 1979 and forward.

What would all of this do, if put into effect? In defiance of all past experience, pressing needs and clear capabilities, and with complete disregard of the Humphrey-Hawkins Act, the current budget resolution virtually abandons goals for a healthy and just economy, and replaces them with endorsement of economic recession and more human distress. Advancing these evils as a remedy for inflation, it nonetheless admits intolerable inflation for years to come, which has, by the way, always been the emblem of the tradeoff attempt now being continued. It makes the claim of a budget surplus in fiscal year 1981, a claim which will fail by a long shot in the presence of a worsening economic situation, just as efforts to balance the budget at the expense of the national economy have failed again and again. It endorses, by silence, the monetary policies of the Federal Reserve Board, which for many years has been and still is spreading economic wreckage and personal distress instead of bringing any relief.

In April 1979, Mr. GIAIMO, in defending the budget resolution, enumerated what he termed "difficulties in reaching the Humphrey-Hawkins goals" of 4-percent unemployment and 3-percent inflation by 1983.

In each of the instances he was wrong then and even more wrong now as experience has amply proved over the last year. For example:

On consumer demand he stated:

> Efforts to stimulate demand in order to provide more jobs and reduce unemployment may increase pressure on prices.

The fact is we have not reduced unemployment and have done everything to limit demand, yet inflation has skyrocketed.

On economic growth he warned against high real growth as being inflationary. The fact: We have achieved very low growth, yet have experienced low productivity and had opposite impact on inflation.

In summary he stated:

> There are inconsistencies between the unemployment, growth and inflation objectives that create severe problems accompanying any effort to reach the Humphrey-Hawkins objectives in five years.

This statement reveals a gross misunderstanding of the act. It is instead a defense of the current approach to economic policies on a haphazard, piecemeal, and ad hoc basis, the very approach we sought to do away with. Economic growth, reduction of unemployment, and lowering inflation are not separate and inconsistent objectives, they are interwoven and mutually reinforcing or should be.

Empirical evidence for over a quarter of a century demonstrates a healthy, growing economy in which we fully utilize both human and material power is less inflationary.

The last balanced budget was in 1947–53, when we came close to full production—4.8-percent growth rate. Unemployment was reduced to 2.9 percent—and with price stability.

In contrast, between 1969 and 1978, we had an annual growth rate of only 2.8 percent—now only 1.1—yet have astronomical inflation and rising unemployment.

As the midyear Review of the Economy by the Joint Economic Committee August 1979, stated:

> Policies which produce slow growth will not also produce price stability. . . . The fight against inflation can be won only by policies which increase production.

Thus, the 1979 budget resolution proceeded on the shaky formulation of restricted growth and assisted in achieving along with the executive branch the worst economic performance of any administration since Herbert Hoover, except of course, his recession was not deliberately planned.

At a recent White House affair, according to Washington Post article of April 14, 1980, Mr. Paul Volcker, when asked if the Feds policy would produce a recession, replied "Yes," and "the sooner the better."

On the same policy, the President had earlier replied, "It suits me fine."

The current budget as proposed by the committee is in full accord with this policy.

Let us return, however, to a more specific review of how deviation from the Full Employment and Balanced Growth Act has brought us to the brink of economic disaster.

From the very date on which he signed the act, the President has consistently violated it with the explanation:

First. A tradeoff is needed until inflation is solved, and

Second. OPEC is responsible for our high inflation rate, which requires a continuation of the tradeoff until better times.

First, the act prohibits a tradeoff and for very sound economic and moral reasons. There is no need to create any more unemployment for any reason, while 8 to 10 million persons are already unemployed when fully counted, and millions more underutilized.

The tradeoff theory itself has been discredited in practice and publicly rejected even by such notable conservatives as Arthur Burns, former President Gerald Ford, and the Wall Street Journal. (I say this with respect—no tint of partisanship.)

As to blaming OPEC for our economic woes, it is widely recognized that a large part of the Consumer Price Index (CPI) inflation, variously estimated at 8 to 12 percent—called the underlying rate of inflation—is largely independent of rising energy prices, and a substantial part of rising energy prices are not due to OPEC actions as evidenced by grossly excessive profits of domestic producers.

Nor can OPEC be blamed for excessive interest rates of the Federal Reserve Board, administered prices in monopolistic industries, decontrol, the tradeoff policy and low growth—all of which have contributed to high inflation and resulted from government policies in this country.

Instead of engaging in these travesties, it is my view that the current budget should be thoroughly reconstructed as a prime weapon to help achieve lowered unemployment, higher production and productivity, proper attention to national priorities, less inflation, and a genuine rather than spurious effort to balance the budget in due course. The budget should become highly stimulative rather than restrictive, and moderate estimates would require a total budget with about $38 billion more on the outlays side than that now proposed. This amount would be reduced first by savings in welfare and antirecession costs and could be reduced considerably and properly by tax reduction, which should be highly selective instead of being thrown to the winds, as in the past. We must, however, bear in mind, that every dollar of increased outlays does more for employment and economic stimulus than a dollar of tax reduction.

Being realistic, I do not expect that the Congress will adopt a budget similar to this. But, I do expect, and earnestly hope, that the American people have every right to expect and hope that this House and the entire Congress will take reasonable steps to approve a budget offering a legitimate foundation for progress instead of endorsing a frightened acceptance of retreat. We in this body, can do no less, if we are to be guided by the light of reason, hold our head up high, be true to our conscience and sense of justice, and do our best, not our worst.

□ 1520

Mr. REGULA. Mr. Chairman, I yield 10 minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mrs. HOLT. Mr. Chairman, I, too, want to commend the chairman of the committee and the ranking member for their sincere efforts this year to find a way to balance the budget. Not too many years ago Mr. ROUSSELOT and some of the rest of us were ridiculed and derided each year when we tried to offer a balanced budget. In a political year it is particularly difficult, but I think that the voice of the American people has finally been heard. But, there are many ways to balance a budget. We can balance it by raising taxes, by reducing spending, or by cutting defense.

Mr. Chairman, unemployment is not the only problem that we have. The American people are wondering what has gone wrong. We are no longer the dominant military power in the world. We find a gang of thugs holding American hostages in Iran with the assent of the Iranian Government. Foreign policy has been aimless and dithering. Our allies doubt our reliability. Our enemies become more aggressive. Even in our hemisphere Soviet proxy armies are marching.

Our people are enduring an 18- to 20-percent inflation rate, a horrendous and rising tax burden, falling real incomes, and intense worries about the future. We have the lowest saving and investment rates in the industrialized world. We are not performing well against many foreign competitors which have pursued more practical economic policies, and the growth of the central government is steadily eroding freedom.

This is what the years of antidefense proinflation attitude has given the American people. This administration and this Congress have spent and borrowed and taxed our economy into low productivity and soaring inflation that threatens the future of every family. This administration and this Congress have placed a low priority on the most important Federal responsibility, national defense, but has ballooned social spending far beyond the affordability of a productive economy.

When we get into the amending period, Members will have two opportunities to vote for a stronger annual defense effort. The first will be the Gramm-Holt substitute, which the Rules Committee in its Mickey Mouse wisdom chose to call the Holt substitute, which will be followed by the minority substitute offered by the gentleman from Ohio (Mr. LATTA). I strongly urge the Members to vote for both amendments.

The minority substitute is much more than a defense amendment. It recommends a $32 billion tax reduction to stimulate saving and investment, and provide across-the-board tax relief for the American people. This is the medicine desperately needed by our ailing economy.

This administration has an extremely poor record in dealing with the fiscal problems. I would remind the Members that former President Ford exercised the veto power 61 times during his 2½ years in office. He struggled manfully to restrain the extravagant spending habits of the congressional majority. He recognized the critical need to rebuild our military strength because the trend in the world balance of power was running against us. President Ford proposed a 5-year plan for rebuilding defense, yet slowing the overall growth rate of Federal spending to achieve a balanced budget with lower taxes. The budget would be balanced this year at lower tax rates if his plan had been implemented.

I would remind the Members that every year some of us have offered amendments to achieve those goals, but the majority has always rejected our proposals. Instead, 1980 finds us with weaker defense, a $40 plus billion budget deficit, another $15 billion in off-budget borrowing and spending, and a tax burden soaring toward an alltime record.

For the 1981 fiscal year, the current bleak economic outlook has panicked this House into a frenzy to balance the budget, but with a heavy tax burden. In 1977, Federal revenues were less than 19 percent of the gross national product.

In 1981 Federal taxation will be taking 22.5 percent of the gross national product, an alltime record, eclipsing even the record war year tax burden of 1944.

Our economy desperately needs major tax reduction to restore real, productive, and noninflationary economic growth. The best answer to inflation is more saving, more investment, and increasing productivity. The way to achieve that is to reduce the heavy tax penalties imposed on income from savings and investments.

To those who complain about a lack of employment opportunities for our young people, I say that the best way to increase employment opportunities can be created with greater capital formation and investment.

The resolution reported by the Budget Committee is woefully deficient in the funds it has allocated for defense. They are deficient because they fail to overcome years of neglect. They are inadequate because they fail to address the very real danger to our national security that confronts us in today's world.

The grave problems I have recited are addressed by the Gramm-Holt substitute and the Latta substitute. We must improve the conditions of our military personnel. I just had the opportunity of visiting the carrier *Coral Sea* on April 7, a part of the Indian Ocean task force. Out there, there are two battle groups. There are 31 ships and over 20,000 soldiers and marines. The *Coral Sea* has now been on station for more than 79 days; the other carrier, the *Nimitz*, for 103 days. The *Nimitz* will set a record for the number of days at sea without a port call, but the carrier replacing it will break that record. The next carrier may be at sea for over 6 months before returning to port.

This means that the crew of 4,200 on the *Coral Sea* has not set foot on land for almost 3 months, and longer for the *Nimitz* crew. They have to do that because nobody in that part of the world thinks we have any credibility; nobody wants to associate himself with us.

That is why we have no ports to which these crews can go for exercise. They have been operating 7 days a week in temperatures between 90 and 100 degrees in the Arabian Sea, temperatures that will soon get hotter. The glamour of sailing in the Indian Ocean and Arabian Sea is reduced by the fact that the crews cannot even stop the ship and swim because of the danger of sharks. They are visible evidence of the U.S. commitment in the area as well as the U.S. deterrent force against future Soviet aggression in an area critical to the freedom of the United States and to Europe.

More importantly, in the short run this is the force that would act if we had to take action to try to recover our hostages in Iran. Do you know the questions that were asked by those young troops that swarmed around us? They said, "Does anybody know we are here? Does anybody care? Are we doing any good out here at all? Is America proud of us? Is America proud of us?"

Mr. REGULA. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I will be happy to yield to the gentleman from Ohio.

Mr. REGULA. Mr. Chairman, I just want to add that I recently had an opportunity to be in West Germany to visit some of our NATO force American service people there. I received the same reaction the gentlewoman is describing in her meeting with the sailors.

☐ 1530

Mr. Chairman, I think it is a very important question, one that we should answer on the floor of this House, to these service people.

Mrs. HOLT. Mr. Chairman, I thank the gentleman for his comments. It certainly is a critical point.

When they ask us, "Is America proud of us?" I try hard to assure them of their importance, and that they are the presence of the United States of America in the Indian Ocean. But I wish I could have said to them that "the House Budget Committee has put money in the budget for you to get increased compensation because we are proud of you."

Mr. KEMP. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I am happy to yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I have been moved sitting here listening to the gentlewoman's eloquent and articulate manner in defending our service personnel. It is "sweet music" to the ears of those of us who share the gentlewoman's concerns, not only about defense in general but about pride in those men and women who serve not only in that part of the world but indeed in our own country.

Mel Laird pointed out something to us about a young E-4 handler of a $25 million plane on a $2 billion nuclear carrier.

The CHAIRMAN. The time of the gentlewoman from Maryland (Mrs. HOLT) has expired.

Mr. REGULA. Mr. Chairman, I yield 5 additional minutes to the gentlewoman from Maryland (Mrs. HOLT).

Mr. KEMP. Mr. Chairman, will the gentlewoman yield further?

Mrs. HOLT. I yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I certainly want to thank my friend, the gentleman from Ohio (Mr. REGULA), for helping to get some additional time for us.

The point I was making is that it is absolutely outrageous—indeed I have used the word "immoral"—to have on a ship, a $2 billion nuclear carrier in the Persian Gulf area, handling $25 million planes, an E-4 making less money than a hamburger stand checkout clerk.

An E-7 chief petty officer, Mel Laird reports in his AEI analysis of the military pay situation to which the gentlewoman has alluded, makes less money than a union scale janitor.

How can a nation express pride, how can a nation express confidence, how can a nation express support for a situation which exists today in which those young men and young women in the military are steadily seeing their pay debauched?

John Maynard Keynes in 1919 said:

> There is no subtler or surer way to overthrow the existing basis of a society than to debauch its currency.

It is absolutely of critical moment that we join with the gentlewoman from Maryland (Mrs. Holt) to do whatever is necessary and possible, given the constraints that I know we are faced with today, to raise the level of pay of service personnel so it is competitive and so it is not debauched, not only to protect their paychecks but their lives and their missions on behalf of the United States of America.

So, Mr. Chairman, I deeply appreciate what the gentlewoman has said, and I join with her in cosponsoring her amendment.

Mrs. HOLT. Mr. Chairman, I thank the gentleman from New York (Mr. Kemp) very much for his remarks.

Mr. GIAIMO. Mr. Chairman, will the gentlewoman yield?

Mrs. HOLT. I am happy to yield to the chairman of the committee.

Mr. GIAIMO. Mr. Chairman, I would just ask the gentlewoman from Maryland (Mrs. Holt) if we could defer this discussion until we get back to the debate on the budget and the various functions of the budget. The thing that bothers me is that we are supposed to be consuming this time for debate on economics and economic assumptions relating to the Humphrey-Hawkins legislation.

Mrs. HOLT. Mr. Chairman, I think we are debating on the economic situation.

Mr. GIAIMO. Mr. Chairman, if the gentlewoman will yield further, while this may have some remote connection with it, it really sounds as if we are debating the actual budget resolution and its functions. In all fairness, this time should be reserved for those who want to debate the economic issues.

Mrs. HOLT. Mr. Chairman, I think these are the economic issues we are debating. I have to take issue with my committee chairman. I am talking about the economic issues.

If we are going to do one thing, we have to forego something else, so I feel very strongly that I should be allowed to finish my statement.

Mr. GIAIMO. Mr. Chairman, will the gentlewoman yield further?

Mrs. HOLT. I will be happy to yield.

Mr. GIAIMO. Mr. Chairman, I do not want to debate the point with the gentlewoman. I just say that there is plenty of time available. We have 10 hours of general debate on the concurrent resolution, and certainly I will assure the gentlewoman that we will make available to her all the time she needs.

Mrs. HOLT. Mr. Chairman, I just have a couple of further points to cover.

Mr. GIAIMO. Mr. Chairman, I think we should reserve the time for those who want to speak on economics and unemployment and things of that kind.

Mrs. HOLT. Mr. Chairman, I wish to recover my time, and I do disagree with the committee chairman. This is on the economic issues. This is the heart of the whole issue. I thank the gentleman for his comments.

Mr. Chairman, I wish I could have said to those young men out there that "the House Budget Committee has put some money in the budget for you to train adequately, with that strenuous, demanding job of launching those planes from the carriers."

But I could not tell them that. I could not tell them that we had put money in there to take care of the spare parts.

I wish I could have said that the fuel was going to be taken care of, but I could not. We have not even covered the amount of money that is necessary to pay for fuel.

But here is an opportunity, when we get to the amending process, to say to those young people, "We are proud of you, and we do care." We can say that without hurting anyone.

In the Gramm-Holt substitute we are above the Senate budget in all except four areas: commerce, international affairs, and a small amount in health and national defense. We are $2 billion under the Senate in defense. And all of these reductions were proposed by the Congressional Budget Office.

So, Mr. Chairman, I think if we are concerned about the inadequacy of our military strength, we will vote for both of the substitutes that will be offered, in the hope that one of them will pass. If the Members are as concerned as I am about the condition of our failing economy, they will support the major tax relief promised by the Latta substitute.

Mr. HAWKINS. Mr. Chairman, I yield 10 minutes to the gentlewoman from New York (Mrs. Chisholm).

Mrs. CHISHOLM. Mr. Chairman, I rise today to express my deep sense of concern and dismay over the first concurrent budget resolution for fiscal year 1981 and the general state of our economic policy, or should I say lack thereof. I would first like to congratulate many of my fellow colleagues for the excellent job they have done at taking a simplistic notion such as balancing the Federal budget through deep reductions in spending and waving it as a panacean banner in the face of our increasing economic problems. The administration and this Congress continues to make the Federal Government the scapegoat for our economic woes, at a time when the people of this country should be looking toward Washington to take positive and effective action against inflation, rather than the ineffective, damaging, and symbolic course we now embark upon.

It appears that a majority of the American public have "bought" the rhetoric behind the call to balance the budget and reduce Federal spending, which their elected representatives have propounded over the last few months by exaggerating the size of the Federal deficit and grossly oversimplifying the relationship between inflation and deficits. I can only imagine the potential disillusionment which will arise as the American public observes only a negligible impact on inflation after witnessing its Government profess the overriding importance of Federal fiscal restraint.

I reject the notion that reducing the Federal budget, while not substantially altering the inflation rate directly, will have the kind of mystical psychological effect by serving as a symbol of the Federal Government's commitment to cut the rate of inflation. Why in the face of impending economic crisis do we settle for symbolic gestures? The obsession with balancing the budget and reducing Federal spending continues to divert our attention from the complexities of and potential remedies to the Nation's economic predicament.

It is time for the administration to acknowledge that its current economic policies have failed and that the most effective action the Government can now take is to impose an immediate freeze on wages and prices. The rhetoric that abounds concerning the failure of controls during the Nixon administration neglects important circumstances surrounding the manner in which controls were used.

They were initiated by an administration whose party's basic philosophy is contrary to such broad Government action and were lifted prematurely and precipitously with little attention to the need to phase them out in a prudent way. More importantly, the Nixon administration did not use the period of controls to initiate policies to curb inflation in the longer term. Inflation exploded in 1973 not because of the failure of controls, but rather due to the ineffective manner in which they were conceived and implemented.

Controls will not be effective in the long run unless we simultaneously root out the causes of inflation. Inflation is focused in a few key sectors of the economy which, unfortunately, are the "basic necessities"—energy, food, housing, and medical costs. The combined rate for these items was 10.8 percent in 1978; last year it skyrocketed to 17.6 percent. Only in the area of medical costs has the administration seriously targeted the problem of inflation in a basic-necessity sector, but the Congress has bowed to powerful interest by rejecting even a weak version of hospital cost containment. We cannot afford to continue to attempt symbolic gestures based on perceived psychological impacts if we are to effectively deal with the problems of the Nation's economy.

The administration and Congress have chosen to take on the weakest of the lobbies that wield influence in this Nation—the poor, the elderly, the disadvantaged, and minorities. While an austere budget may serve as a symbol of the Federal Government's will to reduce inflation, that symbol means far more to the millions of Americans who depend on the Government's commitment to help protect them from economic and social disaster.

Those Americans disproportionately impacted by the ravages of inflation will now be faced with further economic trauma in the name of this symbolic fight against inflation. How can we morally or economically defend a budget which seeks to slash vital funds for health care, education, nutrition, and jobs for the unemployed. The planned reductions in this Federal budget will spell economic chaos for our urban areas and their residents.

It is impossible to support this budget as sound economic policy if we survey the future economic and social effects of these reductions.

This first budget resolution represents far more than a statement to guide this Congress during the authorization and appropriation's process for the coming fiscal year. The Federal budget is a statement of this Nation's priorities and its commitment to achieve an equitable society. I regret that we are faced today with such a shallow and cynical statement of those priorities and that commitment. The budget flies in the face of the principles of the Humphrey-Hawkins Act, and the administration's avowed policy of economic trade-off—fighting inflation by triggering an economic slowdown and the resultant high levels of unemployment—is specifically prohibited by that law. The administration and Congress have completely neglected the mandates and objectives of Humphrey-Hawkins.

Finally, it saddens me to see that on issues so vital to the well-being of this Nation that we have been so polarized and sorely fragmented between conservative and liberal, Republican and Democrat, poor and affluent. I suppose that it is inevitable that this be the case, and yet, it is my hope that through conciliation and compromise we may one day work toward the betterment of life for all Americans in this country. That day is not today, as I find myself at odds not only with my colleageus on the other side of the aisle, but with the majority of my party and the President of my party who have chosen to further erode the lives and hopes of the weakest in this Nation.

□ 1540

Mr. REGULA. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. KEMP).

Mr. KEMP. Mr. Chairman, I do not stand before my colleagues with any prepared speech. Frankly, I was in a constituent meeting in my office and I happened to watch the monitor and see the distinguished gentleman from California (Mr. HAWKINS), one of the coauthors of the Humphrey-Hawkins Act, giving a very eloquent speech on the floor of the House on behalf of economic growth and jobs, something I strongly believe in. I also heard the gentleman from California absolutely demolish the idea that there is some mystical tradeoff between inflation and unemployment. He is right, unemployment is no answer to inflation.

The gentlewoman from New York, another friend, is saying essentially the same thing.

I wanted to take part in this debate, not to debate the goal, because I share it, but the means to the goal. It is absolutely impossible, historically, empirically, politically, economically, or otherwise, to show that unemployment, slow growth, and recessions will cure inflation. Categorically, they do not.

Two cases in point are 1969–70 and 1974–75. In both cases, inflation accelerated at the depth of the recession, and did not decline until after the economy had begun.

Weakening the economy does not cure inflation.

Margaret Bush Wilson, the distinguished leader of the NAACP, said, "Inflation is not caused by too many people working." I love that statement. She recognizes intuitively that inflation is not caused by people working. It is not caused by a healthy economy. Inflation is not caused by economic growth, as some of the people frankly in my party have believed in the past, and now, apparently, many people in the majority party, the gentleman's and the gentlewoman's party believe.

The Phillips curve tradeoff is an idea imported into the United States from Great Britain. Phillips thought he had found empirical evidence that the inflation and unemployment rates were inversely related. His was a curve looking for a theory to support it. There has been no lack of such theories, on both sides of the political spectrum, for many years. As a member of the minority party, I must admit, I am glad to see my party taking steps to repudiate its association with the Phillips curve. But it is clear that such thinking now dominates the majority party. I say that more in sorrow than in anger.

The theory is wrong, because it assumes that what drives an economy to higher levels of production and employment is simply spending, money in people's pockets. The theory is that if you want to cure unemployment, you ease up on fiscal and monetary policy to put more money in people's pockets, thus they will go out and spend it, and somehow that will increase production.

Of course, there is a conservative version of this theory that has gone along. The theory is that if you have inflation, you must use fiscal and monetary restraint to get money out of people's pockets. Then, somehow, if you can just slow down the economy enough, and get enough money out of people's pockets, reduce their demands for a better life or a job or a home, that somehow inflation will come down, and interest rates will come down, and then maybe we can start the process all over. It is hopeless as a policy, both in its message to Americans, and the slim odds for its success, It is certainly mistaken, because now we have simultaneous 18 percent inflation, according to yesterday's index, rising unemployment and low or declining rates of economic growth.

How can it be? Those great economists, who have told us that recession cures inflation, are now finding themselves in the ultimate dilemma of the spending-creates-prosperity school, because they cannot simultaneously put money in and out of pockets at the same time. I put it to my friends, who have raised, I think, one of the most significant recent debates, on this issue of Humphrey-Hawkins, how can we achieve full employment without inflation?

□ 1550

The gentleman from California mentioned that no-growth clearly is a tragedy. I hope I am not abusing Margaret Bush Wilson's name by quoting her, but I consider her one of the great women of this country. She also said something else I love. She said:

> A limited growth policy tends to freeze people to what ever rung of the ladder they happen to be on. That's OK if you are a highly educated 28-year-old making $50,000 a year as a Presidential adviser. It's utter disaster if you're unskilled, out of work, and living in a ghetto.

I agree, and it is a disaster if you live any where in America.

It is a disaster. It is disastrously tragic that my party, in the past at times got itself into such an economic theory, and I admit it, myself included.

I am not doing a mea culpa; we are looking at things differently today, I say to my friend, the gentleman from California. Because if we look at the world today, there is a clear association between high levels of production and job opportunities for people, and low rates of inflation; and conversely, some of the weakest economies in the world have the highest rates of inflation. During the economic boom of the 1960's, black unemployment rates dropped from 12.4 percent in 1961 to 7.3 percent in 1966—black youth unemployment rates dropped from 26.8 percent to 21.3 percent. Jobs is the answer not a problem. If you want an example of a weak economy, look at Turkey. They have an abysmal rate of economic growth, declining productivity, and a recession, the likes of which only President Carter's economic advisers could hope for.

I take that back. I guess it is too late to take it back, but I did not want to turn this into that type of a personal speech. Let us merely note that our economy is headed in the direction of Turkey's, which has triple-digit inflation.

Do you know that the metalworkers union, I say to my friend, the gentleman from New York over there—I am not trying to put the gentleman on my side, but I know he is as concerned as I am about our State of New York—the metalworkers union of Turkey is asking 200-percent pay increase; not over 3 years, by the way, but every single year. That is inflation. They have an inordinately steep graduated income tax system where a working man or woman is in the 55-percent marginal income tax bracket at $1,600.

Now, I realize that not many incomes are paying that. Turkey's subterranean economy is growing faster than New York City's.

We are pushing people, I would say to my friend, the gentleman from New York. We are pushing people with inflation and literally punishing confiscatory tax rates in the city of New York. We are pushing New Yorkers into the subterranean economy.

Professor Gutman at Baruch College says the underground economy may be upward of $300 billion a year.

Mortimer Kaplan, the former Chairman of the IRS, former Director of the IRS, did you see his statement the other day in the Wall Street Journal? Mortimer Kaplan said because of high tax rates there is more cheating, more evasion, more avoidance going on in the tax system today in America than ever before in the history of the country.

Do you know what his solution is? Tighten up on the IRS, hire more agents, send them sneaking into your bank accounts and into your jobs.

But that again is not the subject of my speech. I want to go back to the idea of growth and restoring incentives for all Americans.

It used to be in this country that men and women in office reassured us that prosperity was right around the corner. Well, this budget does not even hope that prosperity is around the corner. This budget says austerity is right around the corner.

How can austerity be an answer to our problems? Austerity is the problem.

The President's Economic Report to the Congress outlines, what he calls his economic goals, including the estimate that unemployment will go up this year by more than 1 full percentage point.

The gentleman from California has pointed out many times on this floor as have the gentlewoman from New York and the gentleman from Maryland, and I have heard them, that unemployment is not only tragic in the life of an individual man or woman but it is impossible to balance the budget when you are throwing people out of work. According to the Congressional Budget Office, it costs $25 billion to $29 billion for each 1 percent of unemployment.

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has expired.

Mr. REGULA. Mr. Chairman, I yield 5 additional minutes to the gentleman from New York.

Mr. KEMP. I repeat that if unemployment is allowed to go from 6.2 to 7.5 percent, as projected by the President's economic report, not only will it be tragic for the lives of almost 1.5 million Americans and their families, it will also miss the goal of balancing the budget. Budget balancing becomes a chimera. It becomes a gossamer wing. It is impossible to balance the budget when the economy is in recession. Herbert Hoover found that out.

I want to say to my friends in the Congressional Black Caucus, I have been alluding to, but not directly and specifically talking about, an approach that rejects the failed, inhumane assumptions of the past conservative economics. It is not conservative. It is radical.

I do not know why Alice Rivlin attacked some of us, calling it a right-wing claque. It is not right wing. It is not left wing. I do not care what wing it is. It is certainly not conservative in the sense of status quo. Conservative economic theory is promoted in Business Week magazine and by some people downtown in the administration, both in this administration and the last administration. Their theory is that you lower inflation with a recession, rationing and redistribution of wealth.

Mr. Chairman, I want to make the point again, it is absolutely impossible to slow down inflation that way. Oh, yes, you can get interest rates down a little bit. Yes, you can force the cost of living down. Of course, over a short period of time, you might be able to see the prime rates come down. On that basis, Herbert Hoover really had the answer. Do you know what the interest rates were in 1931, 1932, 1933 and 1934? Half a percent, 1 percent, 1½ percent—terrific. Low interest rates, if that is your goal, you know, I am for lower interest rates, but some of my friends believe that if we can just get the interest rates down through a recession, that somehow everything will start to pick back up; oh, no. It will not work. It never has worked. That is why I have really appreciated some of the remarks being made here today by those members of the Congressional Black Caucus, and I hope it does not hurt their reputations to have me standing up and praising them for demolishing the idea that no growth and austerity will be good for America.

Ultimately the only way to stop inflation is to restore a sound monetary standard. It does not require unemployment. In fact, reduced output only worsens inflation. It seems to me ultimately there is no way to stop inflation, other than by having a standard of value behind our currency. I do not want to turn this into a debate over monetary policy; but as part of the Humphrey-Harkins debate, I think we ought to have a dollar that is convertible, meaning a dollar that is honest, to stop inflation, while we use fiscal policy to promote economic growth and employment.

I think Mr. Nixon's biggest mistake was closing the gold window in 1971 and unleashing inflation not only in this country, but throughout the world, through a declining unit of account, the U.S. dollar.

I would say to the gentlewoman from New York (Mrs. CHISHOLM) that she is absolutely right. There really is not a great deal of correlation between deficits and inflation. Oh, am I going to get attacked from my friends because the orthodox economic idea is that deficits are in and of themselves inflationary. But as a percent of GNP, today's deficit, cannot explain 18 percent inflation. Now, it does create problems but it does not necessarily cause inflation. It does, I say to my friends—just let me finish, because I know I have really touched a nerve. They are all standing up now.

I want to say to my friend who is getting ready to speak, I do not say that there is no correlation, but that there is a smaller correlation than most conservatives think.

I want to ask this question rhetorically, because I do not want to let the gentleman get at me for just a moment. Among the strongest currencies in the world is the German mark. Does anybody doubt it? Does anybody want to debate the fact that the German mark is the strongest currency? They have run deficits relatively twice the size of ours, with only a fraction of the inflation.

The CHAIRMAN. The time of the gentleman from New York (Mr. KEMP) has again expired.

Mr. REGULA. Mr. Chairman, I yield 2 additional minutes to the gentleman from New York.

Mr. KEMP. Of course, Mr. Chairman, I will have to yield to my friend, the gentleman from Ohio, but I want to make this point. It is not the deficit alone that explains how inflation went from 5 to 18 percent. I am anticipating the gentleman's question, but I will yield to him at this point.

Mr. REGULA. Well, would the gentleman agree that if you monetize the deficit, it certainly has a substantial impact on inflation?

□ 1600

Mr. KEMP. I agree with that.

Mr. REGULA. Would the gentleman agree in the case of the instance he cited that deficit was financed by withdrawing funds in the form of Treasury borrowings from the credit market?

Mr. KEMP. I made the point that deficits in and of themselves are not inflationary, it is how you finance the deficit that matters. The gentleman from Ohio is now on track, but we ought to be honest with our friends across the aisle. It is not just a deficit fiscal policy, in and of itself, which can devalue the dollar. If we look at the history of deficits in this country, we cannot find such a correlation. There must also be insufficient private saving to cover the Government's borrowing, and a Government policy to monetize the debt. Inflation is a decline in the value of the currency. It is caused by an imbalance between the supply of money and the demand for money to buy goods. It is possible to have an expansive monetary policy, if the demand for the currency is high, without resulting in inflation; Switzerland in recent years is an excellent example.

Frankly, we could balance the budget, weaken the economy, and close up the deficit with all of this legerdemain, and still have inflation, so long as people do not demand as many dollars as are circulating. We are not a closed economy. The only closed economy is the world economy, and we cannot stop inflation in this country without recognizing that we must preserve the purchasing power of the dollar as a world currency.

But I would take 1 last minute to say that, simultaneous with sound monetary policy to stop inflation, we must do something with fiscal policy to revitalize our economy.

Now, there is an advocacy of greater or lesser budget cuts in both parties. I am going to support the Latta balanced budget amendment. Perhaps that admission may restore some of my credentials. I believe the Republican substitution budget shows how it is possible to strengthen our defense and restore economic incentives in the context of a balanced budget, without throwing widows and orphans out into the snow.

What matters most is not whether the official budget is balanced, but how the policies contained within that budget affect the lives of Americans. This budget, which is balanced on paper, will not be balanced in fact, come the recession. Therefore, we should cast our votes, not on the basis of budget balance—or deficit, for that matter—but by asking ourselves whether we are shaping our budget to meet the needs of Americans, or forcing Americans to conform to the budget.

I would say to my friends, not trying to get them to agree with me, I am asking them to consider, I would ask my friends on the Democratic side of the aisle who are deeply concerned about social justice, jobs, and economic growth, to please consider the possibility, if not today or tomorrow, or not in this budget, that someday we take this dialog a little bit further. We can start to talk about how regulations that are inordinately burdensome, not minimum safe standards for air, water, food, safety, and things like that, but inordinately burdensome regulations and inordinate taxes, are slowing down the productive sector of the economy, to the detriment of the economic and social goals we share.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. REGULA. Mr. Chairman, I yield 1 minute to the gentleman.

Mr. KEMP. Redistributing wealth does not help the poor. Redistributing wealth shrinks the wealth of a nation, and squeezes those at the bottom the hardest. This should not be a poor versus rich, black versus white, labor versus management issue. All people need opportunity. All people need incentives, and all people need the type of economic opportunity and justice to which I know the gentlewoman and the gentleman are committed. But we have to find a better way in this country, and the way is to get the economy rising and expanding again. Jobs and real economic growth without inflation is the means to our common goal.

I am going to close with a John F. Kennedy statement. I would simply remind you he said that "a rising tide lifts all boats." I agree with the gentleman, the economic tide needs to get rising and this majority budget of higher taxes and slower growth must be defeated because it is a recipe for austerity, for more taxes, less jobs, less hope, and lots of despair. America does not need despair and austerity going into the 1980's. We need hope and prosperity.

Mr. HAWKINS. Mr. Chairman, I yield 15 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, I am going to take just a moment of my time to recover from that rather startling performance of my colleague from New York (Mr. KEMP). Has the gentleman abandoned the Chamber? It takes just a moment to recover from the shock. However, I am now recovering and I think I will be able to make my presentation.

I publicly indicate that at least one Member of the House wants to meet with greater frequency with my colleague from New York to discuss some future directions for America in terms of its economic policy. In the process of recovery I want to just extend I guess my sympathy really to the gentleman from Connecticut (Mr. GIAIMO). Forgive me for being informal. I served on the Budget Committee with Chairman GIAIMO and I know that during the 4 years I was on that committee we met regularly to try to protect human needs programs. I sympathize with the gentleman because he is in part the victim of something that has happened in this House, in this country, and in the White House, sort of a mania which has gripped the Congress demanding a balanced budget. It was the gentleman's duty as chairman of the Budget Committee to carry out the consensus that was arrived at. I am awfully happy to say that the Congressional Black Caucus was not, is not, and will not ever be a part of this consensus because it is a bad consensus. But I sympathize with the plight in which BOB GIAIMO finds himself.

I will speak about the Hawkins-Humphrey full employment bill as a part of economic policy. Of course, I was an ardent advocate for the Hawkins-Humphrey full employment bill, an ardent advocate for it because I was appalled, like the Members of this Chamber ought to be appalled, or should have been appalled by the persistent nature of unemployment in America, both the structural unemployment and the cyclical unemployment.

I was incredibly struck by a piece of data which I saw recently which says that for 35 years, good times, bad times, prosperity, depression, growth, recession, for 35 years, since the end of World War II, the black rate of unemployment in this country has always been at least twice as high as the white, 35 years of that.

That means there is something enormously wrong with our economic policy that will permit a group of people to experience unemployment for 35 years twice as great as that of our white counterparts.

I want to talk a little bit about one part of the Hawkins-Humphrey bill that I have a particular responsibility for, and that is the part that we did not want in the bill, because I do not think it is a part that fits in the bill, to link up full employment with monetary policy. However, Mr. Chairman, it is my responsibility as chairman of the Subcommittee on Domestic Monetary Policy of the Committee on Banking, Finance, and Urban Affairs to look at the monetary policy and to at least try to work with the Federal Reserve in keeping that monetary policy in some semblance of array, not disarray.

As my colleagues know, some several years ago the Congress required that the Federal Reserve Board come before it once a year to establish the targets for monetary growth, a floor and a ceiling. What has happened consistently since we required that is the Feds have come in and set a floor and a ceiling, and then almost immediately violated that floor and that ceiling. This past year it was to be 4.5 percent low in monetary growth and 6.5 percent high. If my colleagues will look at the record from last year they will find that the Federal Reserve Board consistently exceeded its own ceiling, and when it realizes that it has done so, that is when it tightens up on monetary policy and really drives us into a recession.

At one point last year the Federal Reserve had an M–1 policy of 8 percent, almost 1.5 percent above the 6.5 ceiling it promised to the Congress it would live with. Then when it realized what it was doing it kept it there for 3 months. That is when they tightened up on the money at the discount window, and that is when they started driving up inflation really because of the past policies and the past mistakes that it had made.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio.

☐ 1610

Mr. REGULA. I thank the gentleman for yielding. I think the gentleman's statement is very significant here. I would like to ask a question. Does the gentleman think in his judgment that the M–1 rate should be at a higher level than the real productivity growth in the economy?

Mr. MITCHELL of Maryland. That depends. There may be an occasion where one might want that to happen. Generally I would say no, but there may be a time when one would want that to be a higher rate. I will get back to the gentleman on that later. I have a limited amount of time, and I have several points I want to cover.

That is the first. Let me talk about the second, and I know somebody is going to scream, what in the world does this have to do with economic policy? I have got to talk about race. If you look at the statistics on unemployment in this country, if you look at the shrinking of the median family income, black, as opposed to the median family income, white, it is going to be patently obvious that economic policy is related to race. Let me just point out a couple of things that I think are of significance.

In 1979 the unemployment rate for blacks and other minorities over 20 years old was 8.6 percent. The unemployment rate in 1979, at the end of 1979, for whites over 20 was 4.2 percent. The black rate was twice as high as the white rate. I want to pay particular attention to that figure because I think that is a part of the reason, I will say to the gentleman from California (Mr. HAWKINS), why we are not going to implement the rest of the Hawkins-Humphrey full employment bill. We are not going to do it based upon race because white male adults have already achieved the goal of low unemployment that was set for 1983, and I think in this country there is a mood that says, OK, we have got our people covered; let the rest of them suffer a little bit.

Let me look at another statistic. In 1979 unemployment for minority youths 16 through 19 was 34.9 percent, while at the same time the unemployment for white youths 16 through 19 was 13.9 percent. That was 1979. I said earlier that the black rate of unemployment for 35 years has been twice as high as the white rate.

Let us look at 1980. Where are we now? In 1980 when we are talking about over-20 white male employment, the unemployment figure is down to 4.9 percent. that is almost the goal of the Hawkins-Humphrey bill for 1983. But the black rate for black males over 20 is 9.3 percent. The correlation persists year after year after year, as well as at twice the rate.

Let us look at the rate of youth unemployment. So far this year, ages 16 through 19 for white youths it is 13.8 percent, but for black youths it is 33 percent, and that is an average.

I want to ask a question. In Detroit, Mich., the black youth rate of unemployment is 55 percent. The question that I want to propound is this: If that were a white youth rate of unemployment in Detroit, 55 percent, would we be cutting back on jobs and job training programs? No, we would not. We would not be doing it, and I am suggesting that our economic policy is tied to race. We are compounding a problem that has existed for lo these many years, and we are doing it in the name of balancing the budget, which is grossly unfair. And we are doing it I hope remembering that somewhere down the line we are going to pay a price.

The gentleman from New York (Mr. KEMP) stated a figure for the cost of 1 percent unemployment. I will give you the low figure. The lowest estimate that I know is that 1 percent unemployment costs $17 billion a year, and yet based on this budget and what has come out of the Senate and what has come out of the White House, we are going to increase unemployment and still pay $17 billion a year. That is utter nonsense. Why should we pay to keep people from working? But that is what this budget will do. It is not only in terms of cost.

I want to submit some documents for the RECORD. On the Joint Economic Committee I conducted a series of hearings about the economy and unemployment. As I recall, earlier there was a unanimous consent request agreed to that we could revise and extend our remarks and include extraneous material. I want to submit for the RECORD "Pathology and the National Economy," based upon testimony before the Joint Economic Committee in 1979. It talks about the rise in mental illness. It talks about the increased pathologies in those unemployed for a long period of time. The report is as follows:

PATHOLOGY AND THE NATIONAL ECONOMY

(By M. Harvey Brenner)

A logical if not ideal approach to the examination of the possible impact of life stresses on illness is through the use of historic data on major aspects of societal change. Indeed, virtually all the major types of life stress can be seen to have social trends of their own, e.g., rates of financial loss, unemployment, illness, mortality, birth, migration, marriage, divorce, separation, and criminal aggression. The confluence of such trends over time, with a greater or lesser intensity, should therefore produce greater stress. Thus if stress phenomena increase the risk of morbidity or mortality either directly as agents of disease (24, 37) or by increasing susceptibility (or reducing immunity) (9, 23, 29), then we should be able to observe such intercorrelations historically and quantitatively. There is a technology, which is now about 20 years old, that can handle the principal methodological problems encountered in multivariate time series analysis (10, 17, 22).

The clinical researcher who is unfamiliar with these techniques may well wonder how such "highly individualized" factors as life changes or specific stress reactions can be analyzed using macrolevel historic data. In fact, however, from the purely methodological standpoint, macrolevel historic analysis is at least an equally efficient method, as compared with microanalyses, and frequently is the only one suitable for the analysis of social stresses and their possible consequences for illness.

Perhaps the principal methodological problem in stress research encountered at the individual level of analysis is the lack of a means to discriminate the alleged causal variable from its effect. The implication is that it becomes exceedingly difficult to ascertain (a) the direction of the relationship, (b) whether the relationship is spurious (due to unobserved relationships with a third, and truly causal, variable), or (c) whether the variables are not symptomatic of the same pathological process.

The most dramatic example of these methodological problems at the individual level of analysis is found in studies of stress that use low socioeconomic status as a stress indicator. Theoretically, the lower an individual's socioeconomic position, the more exposed he or she is to deleterious life changes (especially involving economic instability and losses) and the less protected he or she is because of comparatively low financial or human support resources (1). The theory has been supported by empirical evidence that there is a statistically reliable inverse relationship between socioeconomic status and the prevalence of mental disorder. This finding has been the single most consistent empirical regularity in the field of psychiatric epidemiology for more than 40 years (13).

The difficulty has been that alternative hypotheses to the stress formulation could be raised to suggest that the relationship actually ran in the opposite direction. Thus a previous situation of mental disorder might result in diminished competence in the economic sphere. One well-known formulation of this thesis maintained that the reason the mentally ill tended to be of lower socioeconomic status is that they "drifted downward" in status as a result of earlier mental disorder (12, 36). This interpretation has itself been impossible to sustain at the individual level of analysis even where there were findings that the mentally ill of lower socioeconomic status had in fact fallen in social status (14). This finding supports the stress hypothesis at least equally well because from the stress perspective it is that very loss of status that may have precipitated the currently observed mental disorder.

The only solution to this type of problem is to examine situations, as independent variables, that are not under the influence of the subjects. In stress research at the individual level, few such circumstances exist. Typically, then, when it is observed that illness tends to follow a period of several life changes or stresses, it is difficult to determine whether the factor(s) that precipitated the illness condition, (e.g., a psychopathological mental state) also precipitated the life changes (e.g., financial loss).

These problems of the direction or existence of causal relationships at the individual level of analysis are compounded further by a lack of control for factors that ordinarily influence morbidity or mortality due to specific causes. Since the person is put at risk to coronary disease, for example, by smoking, overweight, high levels of serum cholesterol, and other factors (25), proper epidemiological procedure requires that these be controlled in order to observe the impact of additional factors, including life changes, on coronary morbidity or mortality.

Such controls are rarely applied in stress research because samples are usually too small to cope with the gathering of data on life changes as well as on risk factors that would apply to the manifold outcomes of stress, ranging from the acute infectious disorders and accidents to the chronic diseases, mental disorders, and social pathologies.

There are no perfect research designs inherently free of all problems of validity and reliability. Yet for these problems, multivariate time series methods using aggregated (or macroscopic) data do provide a way out of the causal trap and allow us to control for the coincidence of multiple trends.

MACROSCOPIC HISTORIC APPROACHES IN STRESS RESEARCH

It is precisely the time series approach at the macrolevel that permitted a solution to the chicken-egg question posed by the socioeconomic status-mental illness relationship. It was necessary to find a situation in which changes in the economic situation of persons affected by income and employment losses could not, in turn, be influenced by those persons. Such a situation exists at the macrolevel, and the employment rate was selected as the independent variable. The research question was, then, to what extent are changes in the employment rate associated with changes in first admissions to mental hospitals? Theoretically, if the stress formulations used in socioeconomic status-mental illness research were correct, then a reduction in status for a population average should be associated with increased first admissions. It was found that for at least 127 years in New York State, first admissions to mental hospitals were inversely related to the rate of employment (5).

It was not possible to interpret this relationship as indicating the influence of mental disorder (or hospitalization) on the employment rate because the hospitalization, as compared with the employment rate for the state, was too small. This is obviously because severe pathological phenomena are comparatively rare in a population compared to the number earning incomes subject to inflation, or to the unemployed. Moreover, a variety of tests indicated that it was precisely those who lost the most income, whose social roles were the most seriously affected (e.g., married males), and who were living in counties hardest hit by unemployment changes who were also the most readily hospitalized during economic downturns.

These findings, published in 1973 in *Mental Illness and the Economy*, strongly supported the thesis of a causal inverse relationship based on economic stress between changes in socioeconomic status and in the level of mental disorder. Nevertheless, these findings, based on first admissions to mental hospitals, left unclear to what extent—if at all—intolerance of mental disorder, rather than psychiatric symptoms alone, was precipitated by economic stresses. It thus became useful to work with indicators of pathology which would ideally not be contaminated by factors associated with administrative dispositions or changes in family or community behavior (Fig. 1–3).

(Figures not printed in RECORD.)

A logical choice was found in the area of cardiovascular mortality. There had been substantial theoretical speculation and a body of empirical evidence that linked cardiovascular illness to stressful events (8, 11, 19, 26, 31, 39–41, 44). The predicted relationship was found between adverse changes in the economy, as indicated by the unemployment rate, and various subdiagnoses of cardiovascular disease mortality, including coronary artery disease. The peak of the average mortality reaction occurred at approximately 2 years after the peak in the unemployment rate (2). These findings on approximate lag time corresponded well with those obtained by Holmes, Rahe, and colleagues (20, 34, 35, 42) in their examination of the cumulative effect of life event changes on the onset of subsequent pathology associated with various chronic diseases.

A second study (6), using similar hypotheses and methodology, found that trends in mortality rates associated with cirrhosis of the liver also tended to peak approximately 2 years after a peak in unemployment. In that case, the multiple regression analysis also revealed that the long-term trend in cirrhosis mortality was positively associated with the growth in real per capita disposable income. The same study also indicated that short-term increases in per capita consumption of alcohol tended to increase during economic downturns, as did arrests and trials for the crime of intoxication during automobile driving and first admissions to mental hospitals in the United States with a diagnosis related to alcohol abuse.

In a subsequent study (4), infant mortality rates in the United States were found to be related to economic recessions, as indicated by the unemployment rate, with a lag of from 1 to 2 years of the peak average mortality behind the peak of unemployment. The original hypothesis of this study specified that as a result of material deprivation and lack of medical care, in addition to psychological stress, economic decline would be associated with elevated infant mortality rates. It was suggested that the stresses of economic loss might result in maternal cardiovascular illness or in smoking or abuse of alcohol on the part of pregnant women, which are established risk factors in infant mortality.

A final group of studies, which followed from the original research on mental disorder as related to economic change, was concerned with the problem of criminal aggression. Beginning with New York State (3) and finally involving the United States, Canada, England and Wales, and Scotland (7), economic changes were studied in relation to crimes known to the police, trials, convictions, and imprisonment for each of several crimes against persons (murder, manslaughter, rape, robbery) and property (embezzlement, fraud, arson, burglary, larceny). Adverse changes in employment and income were associated with increases in rates of all these crimes, controlling for the effects of urbanization, demographic changes, and changes in criminal justice system activity.

It was subsequently recognized that a single major indicator of intermediate and short-term fluctuations in the entire economy was inadequate, especially to express the full extent of economic stress even where it originated at the national level. Not only were such factors as inflation thought to have possible stressful consequences, but real income (i.e., in constant dollars), welfare, and education were thought to be important amelioraters of economic loss. In addition, questions were raised as to the more nearly precise timing of the lag in pathological reactions to changes in economic indicators. For example, increased pathology related to recession could appear to the naked eye—especially without multivariate controls—to occur as a result of the subsequent economic upturn if the lag were in the range of 2 to 4 years (15, 43).

The need for more sophisticated analysis to take into account multiple economic and sociodemographic indicators became quite pragmatic when the Joint Economic Committee of the United States Congress requested that estimates be made of the amount of increased pathology that would follow from increased unemployment or the maintenance of it at a high level. To deal with this problem, it was necessary to control for the effects of those economic and sociodemographic factors that ordinarily influence the pathological phenomena in question. Also, it was crucial to know over how long a span of time the deleterious effect of unemployment might precipitate an increased incidence of pathology. It was not sufficient, therefore, to estimate the average or peak lag interval but rather the entire span over which the elevated rates of pathology would occur.

The predictive equation that was finally set up included the unemployment rate, the inflation rate, real per capita personal income, and demographic variables relating to each of the specific types of pathology. The dependent variables or indices of pathology involved the general areas of physical health, mental health, and criminal aggression. The conception was that no single type of indicator, such as depression or heart disease, would serve as a proper measure of the pathological impact of economic life stress. Rather, specific indicators relating to mental disorder and physical morbidity and mortality—involving both acute and chronic problems, would have to be involved. Also, illegal activities involving both violence and property should be included. The following indices of stress outcome were used, based on the United States as a whole: (a) first admissions to mental hospitals by sex and age, (b) total mortality by sex, race and age, (c) suicide by sex and age, (d) homicide by sex and age, (e) cardiovascular-renal disease mortality by sex and age, (f) cirrhosis of the liver mortality by sex and age, and (g) imprisonment by age.

A sample of the resulting predictive multiple regression equations, and measures of the goodness of fit of these equations to each major type of pathology, are shown in Tables 1 and 2. It is clear that in all cases the unemployment rate is significantly positively associated with increases in each pathology over a 5-year period following the first year of impact of an increased unemployment rate. In other words, we allow the cumulative effect of increased pathology within a 6-year period to be taken into account. The assumption was that the impact of major economic stresses may occur over each of several years, with the more nearly acute reactions (e.g., mental hospitalization, imprisonment, suicide, homicide) predominating during the first 3 years and the more nearly chronic reactions (e.g., cardiovascular-renal disease, cirrhosis, and total mortality) predominating during the second 3 years.

TABLE 1.—MULTIPLE REGRESSION OF NATIONAL ECONOMIC INDICES ON SELECTED MORTALITY RATES, UNITED STATES

Dependent variable	Years	Intercept	Time trend	Log time trends	Per capita income	Unemployment rate	Inflation rate	R²	F	D.W.
General mortality rate [a] (lag 0–5) [c]										
(1) Mortality rate, total whites	1940–74	96.2			—0.53E–2 *(1.92)	0.62 **(5.05)	0.87 **(2.96)	0.89	21.9	1.93
(2) Mortality rate, total nonwhites	1940–74	136.4			–.32E–1 **(6.55)	1.68 **(6.95)	2.83 **(5.16)	.96	74.1	1.67
(3) Mortality rate, LT 1 whites	1940–74	497.7			–.24 **(7.06)	12.65 **(8.01)	3.59 **(5.44)	.97	98.6	2.11
(4) Mortality rate, LT 1 nonwhites	1940–74	936.2			–.43 **(10.48)	17.74 **(10.69)	30.77 **(6.49)	.99	199.6	2.40
(5) Mortality rate, 75–84 whites	1940–74	1141.0			–.22 **(7.59)	10.39 **(7.02)	17.56 **(5.20)	.97	103.8	2.47
(6) Mortality rate, 75–84 nonwhites	1940–74	767.1			–.93E–1 *(2.07)	15.45 **(6.96)	14.80 **(2.91)	.84	14.8	2.36
(7) Cardiovascular disease mortality rate [b] (lag 1–4) [d]	1945–73	537.7			–.33E–1 **(2.49)	5.46 **(2.62)	–.04 (.37)	.85	11.8	2.89
(8) Cardiovascular disease mortality rate [b] (lag 1–4) [d]	1940–73	–2836.8	–17.8 **(4.70)	1077.0 **(4.76)		2.35 (1.83)	1.04 (.78)	.74	6.50	2.36
(9) Cardiovascular disease mortality rate [b] (lag 1–4) [d]	1945–73	–843.8	–7.5 *(1.43)	436.3 *(1.35)		6.15 **(3.17)	–1.10 (.74)	.79	6.70	2.02
(10) Cirrhosis mortality rate [b] (lag 0–5) [c]	1940–73	–.2			.65E–2 **(8.99)	.14 **(4.21)	.16E–3 (.01)	.98	114.4	1.65
(11) Cirrhosis mortality rate [b] (lag 0–5) [c]	1945–73	–.2			.63E–2 **(8.81)	.12 **(3.62)	.29E–1 (.37)	.98	114.4	1.82

[a] Per 10,000 population.
[b] Per 100,000 population.
[c] 2d degree polynomial distributed lag equation.
[d] Ordinary least squares equation.

† 0.10 level of significance; $t=1.31$; $F=1.89$.
* 0.05 level of significance; $t=1.71$; $F=2.28$.
** 0.10 level of significance; $t=2.49$; $F=3.21$.

TABLE 2.—MULTIPLE REGRESSION OF NATIONAL ECONOMIC INDICES ON SELECTED PATHOLOGICAL INDICES, UNITED STATES

Dependent variable	Years	Intercept	Time trend	Log time trends	Dummy constant or trends	Other trends	Per capita income	Unemployment rate	Inflation rate	R²	F	D.W.
(12) Suicide rate[a] (lag 0–5)[c]	1940–73	6.34					0.90E–3 (1.50)+	0.42 **(14.23)	0.27 **(4.23)	0.91	26.2	1.80
(13) Suicide rate[a] (lag 0–5)[c]	1945–73	6.38					.11E–2 *(2.17)	0.40 **(17.30)	.25 **(4.70)	.95	40.9	2.35
(14) Suicide rate[a] (lag 0–5)[c]	1940–73	–.62		2.08 **(3.63)				.43 **(12.51)	.31 **(6.68)	.87	25.3	2.03
(15) Homicide rate[a] (lag 0–5)[c]	1940–73	–7.60			[e]DT 1967–74 0.14E–1 **(3.90)	[g]TJ 0.30 **(3.16)	0.16E–2 °(1.56)	.10 *(2.38)	.11 (.92)	.99	115.6	2.29
(16) Homicide rate[a] TJ[g] (lag 0–5)[c]	1940–73	1.02	0.65E–1 **(5.30)		[e]DT 1967–74 .18 **(3.79)			.54 **(5.00)	.84 **(5.30)	.94	47.0	1.88
(17) Imprisonment rate[a] (minus 1942–1945 (lag 0–2)[d].	1935–65	–577.90	–3.18 **(3.14)	195.5 **(3.48)				1.59 **(5.92)	.64 **(3.35)	.76	10.4	1.87
(18) Imprisonment rate[a] (minus 1942–1945) (lag 0–2)[d].	1935–73	–594.50	–2.55 *(2.38)	180.9 **(2.93)	[f]DC 1967–71 –8.36 **(8.33)	[g]TJ 1.31 **(4.27)		1.52 **(5.60)	.57 **(3.07)	.90	23.9	1.90
(19) Mental hospital admission rate LT 65[a] (minus 1942–1945) (lag 0–5)[c].	1940–71	–77.70					0.55E–1 **(9.78)	3.39 **(9.58)	1.78 **(2.58)	.96	60.0	1.52
(20) Mental Hospital admission rate LT 65[a] (lag 0–5)[c].	1940–71	–70.00					0.49E–1 **(8.69)	3.11 **(8.92)	2.19 **(3.21)	.97	63.4	1.85

[a] Per 10,000 population.
[b] Per 100,000 population.
[c] 2d degree polynomial distributed lag equation.
[d] Ordinary least squares equation.
[e] "Dummy" trend.
[f] "Dummy" constant.
†TJ, percentage of total male population who are ages 15–19.
*0.10 level of significance; t=1.31; F=1.89.
**0.01 level of significance; t=2.49; F=3.21. 0.05 level of significance; t=1.71; F=2.28.

The same procedure of estimating the 5-year distributed lag of pathology to changes in the economic indicator was used in the case of per capita income and inflation. Tables 1 and 2 show that while significant relationships were found for per capita income and inflation, the overall results were less stable, predictable, and interpretable than was the case with the unemployment rate.

From these equations, it was possible to estimate the historic impact, from 1940 to 1974, of a 1% increase in the unemployment rate on the various pathological indices (Table 3).

TABLE 3.—ESTIMATES[1] OF THE TOTAL EFFECTS OF 1 PERCENT CHANGES IN UNEMPLOYMENT RATES SUSTAINED OVER A 6-YR PERIOD ON THE INCIDENCE OF SOCIAL TRAUMA

[Based on the population of 1970 and 1965]

Measures of social trauma	Incidence of pathology related to 1 percent increase in unemployment based on population		Total incidence of pathology, 1965	Incidence of pathology in 1965 related to 1 percent increase in unemployment, 1960–65 as a proportion of total 1965 pathology
	1970	1965		
Total mortality	36,887	35,042	1,828,000	0.019
Whites:				
Males	12,360	11,866	911,000	.013
Females	16,534	15,709	695,000	.023
Nonwhites:				
Males	3,829	3,599	125,000	.028
Females	4,161	3,911	98,000	.040
Cardiovascular mortality	20,240	19,228	1,000,787	.019
Cirrhosis of liver mortality	495	470	24,715	.019
Suicide	920	874	21,507	.041
Homicide	648	616	10,712	.057
State mental hospital 1st admissions[2]	4,227	4,045	117,483	.034
Males	3,058	2,935	68,917	.043
Females	1,169	1,110	48,566	.023
State prison admissions	3,340	2,952	74,724	.040

[1] Estimates are derived from equation types in tables 1 and 2 as follows: Total mortality classified by sex and race, equation (1)–(6); cardiovascular mortality, equation (9); cirrhosis of liver mortality, equation (10); suicide, equation (14); homicide, equation (16); mental hospital admissions, equation (19); state prison admissions, equation (17).

[2] Includes only individuals under 65 yr of age.

RAPID ECONOMIC GROWTH VERSUS UNEMPLOYMENT AS SOURCES OF ECONOMIC LIFE STRESS

In the multivariate equations described above, each of the sources of economic life stress—decreased income, inflation, and unemployment—are understood to be unidirectional in their impact on pathology; their impact is conceived as entirely deleterious. This view is traditional with respect to the literature on low socioeconomic status as a risk factor in mental disorder, morbidity and mortality, and criminal aggression. Indeed, the idea that only deleterious changes provoke pathological reaction has been traditional "common sense" as well as the professional behavioral science view.

The formulation of Selye in 1956 (37) went a considerable distance to change these traditional perspectives. It suggested that the phenomenon of change itself—beyond the capacities of the organism to adapt—is the critical precipitant of pathology. This formulation has been the guiding concept to a large number of researchers into the stress-producing potential of different types of life changes. For example, in summarizing the theoretical orientation of many researchers in this field, Levi (24) indicates that the highest stress levels are usually found at the extremes of the stimulation continuum, and thus deprivation or excess of almost any influence is provocative of stress.

However, the research evidence from studies on mental disorder (30), especially depression (32) and criminal behavior (16), show clearly that life changes viewed as undesirable showed considerably greater potency to provoke pathological responses. The weight of the evidence, when one includes traditional research pioneered by Holmes and Rahe (20,21,33) dealing in large measure with chronic physical illnesses (18), is that while all significant life changes are potential stressors, undesirable changes are predictive of higher stress levels.

If this perspective is correct, then we should observe that economic recession should show more severe and longer lasting pathological effects than periods of rapid economic growth, but that the periods of growth themselves, while desirable overall, nevertheless are stressful. A related issue, which the stress literature does not deal with systematically, is that of the interrelationship among life changes. The guiding hypothesis of the formulation in the present study is that deleterious life changes in particular are capable of producing stresses, which in turn lead to other life changes and stresses. We label this interaction among stresses the principle of acceleration of stress. An example would be the loss of a job, which may lead to financial disruption, marital and parent-child strains, and possibly the breakup of family, loss of friendships which were occupation-related, and the securing of a new job at a lower status with the requirement of moving to a home in a new area. In this formulation, the more undesirable the life change, the greater the probability of additional life changes (or stressors).

This principle of stress acceleration, which can be observed in the life of a single person, should not be confused with that of the "contagion," or multiplier, effect of one person's stresses upon those of another. Examples of the latter principle can be seen in the stress on each member of an entire family in the financial and status loss of a head of household. We therefore come to the proposition in this case that while rapid economic growth carries with it short-term stressful effects based on what may appear to be desirable life changes, the impact of economic recession—based almost entirely on undesireable effects—carries a considerably more stressful impact over a much extended span of time.

A more detailed and incisive examination of the relationship between economic change and pathology allows us to test this proposition. We can isolate the impact of long-term economic development from that of rapid economic growth periods because economic growth usually occurs in spurts of 1 to 3 years and is followed by periods of pause or recession, during which it usually slows or actually declines somewhat (27, 28). We isolate the long-term, smooth, economic development trend from the rapid growth periods by fitting an exponential trend to the real per capita income data. The exponential fit then represents the abrupt periods of rapid economic growth and pause. We can also isolate the short-term "random" fluctuations in real per capita income by calculating the annual changes in that series.

Since there is only a moderate and unstable correlation over time between unemployment rates and per capita income in any of the forms—(a) long-term exponential trend, (b) residuals from the exponential trend, and (c) annual changes—we can add each of these components in per capita income trends to a prediction equation in which unemployment is also an independent variable. Such an equation is ideally suited to discriminate the differential impact on pathologies of rapid growth as compared with unemployment, short-term income losses (annual changes in per capita income), and the long-term trend of economic development.

Furthermore, since the impact of inflation on the pathological indices was observed to be highly unstable, it is useful to determine whether our predictive equation actually requires a separate variable for inflation, especially considering that we have already controlled for inflation by using real per capita income. Finally, in view of recent work showing the importance of educational level to health (38) and the probable contribution of welfare and social security and related health care benefits, it is prudent to control for trends which would measure them.

The principal hypothesis is that rapid economic growth, as well as unemployment, will be positively related to pathology. Since it is argued that economic growth will have only a short-term pathological effect, we do not require a distributed lag measure for this variable. On the other hand, we continue to suggest that the unemployment rate will show a distributed lag effect of from 0 to 5 years on pathology. All the other independent variables in the predictive equation—the exponential trend of economic growth, welfare (i.e., the percentage of government spending allocated to welfare and social security, including health, payments)—except for annual changes in per capita income, are considered without lagged effects. Since the annual changes in per capita income series has virtually no trend (i.e., zero autocorrelation), 1 year of lag has been added to the measurement procedure.

The findings (Table 4) support the principal hypothesis that rapid economic growth, unemployment, and short-term income loss are significantly related to the pathological indices. In this test, only mortality data in general and for specific causes generally associated with psychosocial stress are used, including suicide, homicide, cardiovascular disease, and cirrhosis of the liver. It can also be seen (Table 4) that the statistical significance of the lag of mortality rates by cause to changes in the unemployment rate varies by cause of death. Thus the theoretically slower reacting chronic diseases, indicated by cardiovascular, cirrhosis, and total mortality, often require that the lag estimate of average impact begin with the second year and end in the fifth. The theoretically "quick" reacting causes of death, such as suicide and homicide, require that the lag structure include the early years (0 and 1); indeed, the predominant impact is seen during those years. The implications of these findings is that, as hypothesized, while both rapid economic growth and unemployment are positively related to pathology, the impact of unemployment lasts for several additional years, particularly for the chronic illnesses. These findings further explain why it has appeared to some observers using only graphic techniques or simple correlation (i.e., not using multivariate procedures) (15, 43) that the heaviest incidence of increased mortality occurs during upswings in the "economic cycle."

TABLE 4.—MULTIPLE REGRESSION OF NATIONAL ECONOMIC INDICES ON SELECTED PATHOLOGICAL INDICES, UNITED STATES

Dependent variable	Years	Intercept	Time trend	Percent Government expenditures on welfare from total expenditures	Number of college graduates	Percent juveniles in total population	Exponential trend: Long-term per capita income	Residuals from Long-term per capita income	1-year change in per capita income[b]	Unemployment	R²	F	D.W
Total mortality rates	1940–73	137.06		−0.03	−0.04		−0.02	0.01	−0.6E−2	0.60	0.94	38.17	2.38
	[c](2–5)	**(5.92)		(−.22)	**(−2.95)		†(−1.65)	(2.29)	(.73)	**(4.72)			
	1940–73	113.13		.16	−.04		−.01	.5E−2	−.76	.54	.94	40.34	2.55
	(0.5)	**(3.85)		(.81)	**(−3.29)		(−.51)	(.84)	(.89)	**(3.21)			
Suicide mortality rates	1940–73	−24.85			−.01	34.49	.02	−.2E−2	−.6E−2	.20	.87	15.69	1.96
	[c](2–5)	†(−1.59)			*(−2.43)	**(3.08)	*(1.98)	(−1.13)	*(2.26)	**(5.13)			
	1940–73	−6.27			−.9E−3	23.32	.6E−2	.5E−4	−.3E−2	.28	.91	27.55	2.06
	(0–5)	(−.47)			**(−2.70)	**(2.52)	(.88)	(.08)	(1.27)	**(7.56)			
Homicide mortality rates	1940–73	.38			.7E−3	38.08	−.5E−2	.4E−2	−.8E−2	.06	.98	100.95	1.36
	(2–5)	(.04)			(.26)	**(5.11)	(−.86)	**(3.03)	**(−4.33)	*(2.27)			
	1940–73	−4.97			−.4E−3	42.45	−.2E−2	.3E−2	−.6E−2	.07	.97	97.69	1.59
	(0–5)	(−.43)			(−.13)	**(5.25)	(−.34)	(2.25)	**(−3.26)	*(2.23)			
Cardiovascular mortality rates.	1950–73	388.6	24.10				−.80	.28	*−.21	18.17	.87	13.63	2.90
	[c](2–5)	**(11.92)	**(5.91)				**(−5.56)	**(2.74)	(−1.94)	**(2.62)			
	1950–73	367.17	21.62				−.68	.16	[d]−.17	*8.79	.86	10.08	2.57
	[c](0–5)	**(11.56)	**(5.25)				**(−5.14)	*(2.30)	(−1.40)	(2.35)			
Cirrhosis mortality rates	1940–73	1.82		−.03	−.39E−2		.48E−2	.01	[f]−.01	[f].19	.98	119.78	1.43
	[c](2–5)	(.25)		†(−1.49)	(−.29)		**(7.93)	*(2.15)	(−5.16)	(4.82)			
	1940–73	.25		.66E−1	−.1E−2		.61E−2	.5E−2	−.01	.09	.98	117.09	1.57
	[c](0–5)	(.26)		†(1.49)	(−.29)		**(7.93)	*(2.15)	**(−4.44)	(1.30)			

[a] Indicator of rapid economic growth.
[b] Indicator of very short-term income change; includes lags of 0, 1 yr.
[c] Unemployment lags.

† 0.10 level of significance, $t=1.31$; $F=189$.
* 0.05 level of significance; $t=1.71$; $F=2.28$.
** 0.01 level of significance; $t=2.49$; $F=3.21$.

These findings support the position of the majority of researchers that undesirable events are likely to produce far greater stress reactions than are desirable ones. Yet the thesis is also supported that apparently desirable events (or groups of events), such as are involved in rapid economic growth, are also provocative of pathology. We must infer that the totality of changes rather than only the undesirable ones are the more appropriately used in a complete index of economic life stress.

It is also possible, however, that researchers working with life change data have made far too fine a distinction between desirable and undesirable events. In fact, it is possible that all major life changes, whether inherently agreeable or disagreeable, may possess undesirable features. In the examples of agreeable cases, e.g., marriage, birth of a child, and job promotion, each of these life transitions may involve substantially increased responsibilities for which a certain proportion of individuals may be unprepared. The unprepared persons then stand a substantial risk of role failure. We may say, in a rather straightforward manner, that it is likely that when marriage, childbirth and job promotion are associated with stress, it is because of anxiety over, if not the actuality of, failure. In general, then, probably all desirable life changes are potentially stressful to the extent that they carry the risk of failure, in which case, of course, they are in fact undesirable.

In terms of the present study, rapid economic growth might on the surface be thought of as inherently desirable. It involves new jobs, promotions, and increased real income, and is associated with higher marriage and birth rates (3, 15, 43). However, since nearly all of these changes involve potential anxieties over fulfillment of new responsibilities, for a certain proportion of persons who are anxious or who actually fail, they may be extremely undesirable.

We can practically distinguish between relatively desirable and undesirable events by (a) the probability of failure (or maladaptation) and (b) the extent to which other life changes may follow. In such a formulation, for example, death or serious illness of a husband would be considered extremely grave because of loss of job, income, and family status as well as the need of the wife to manage the family affairs, possibly take or change jobs, perhaps move to another residence, and so on. Major undesirable life changes, then, are inherently correlated with other life changes in an almost epidemic fashion.

This feature of the interrelationship of life changes, the acceleration principle of stress, is especially important in understanding the lag of several years over which mortality increases with respect to a major undesirable life change, such as unemployment. Not only must the unemployed person encounter the short-term disruption to finances, family, social network, and work life, but he or she also encounters an entirely new set of stressful life changes when reemployed. First, it is probable that the reemployed individual will be at a lower position than was previously held; thus, despite a new job, this situation really indicates downward mobility, with loss of work status, income, and social position. Second, the implications of the downward mobility for family and social relationships must be considered, as well as the possible move of residence associated with the job change.

SUMMARY AND CONCLUSIONS

We have endeavored to show that major economic life changes, as basic stressors, are associated with severe pathology in the areas of mental and physical health and criminal aggression. The hypotheses underlying the studies involved are that the number and magnitude of life changes and life changes which disrupt patterns of social organization are generative of stress. The observation was made that the pathological impact of life changes can often be more easily observed on the macro-, or societal, level of analysis than on the individual level. Several factors contribute to the special utility of stress research when conducted at the macrolevel. Most critical is that a continuous scale over time can be constructed of the occurrence of any particular life change as it affects a population in terms of rates (e.g., unemployment, migration, divorce, illness, or birth rates). The confluence of high rates of stressful events can then, through applied regression analysis over time, be tested with respect to relationships with pathological indicators. Thus quite sophisticated casual models can be investigated, including simultaneous, reciprocal, and detailed multivariate causation.

Additionally important contributions of time series analysis with macrohistoric data are that they permit the use of large population aggregates to allow controls for multiple sources of causation which may be important in disease epidemiology but minimally related to stress. Finally, these techniques permit a clearer resolution of issues of direction of causation that have proven nearly intractable in stress research using socioeconomic status or life changes as independent variables.

The use of some of these time series techniques has been reviewed with respect to the pathological impact of major economic changes, such as unemployment rates and changes in per capita income. In this chapter, data are utilized to examine the question of whether major economic changes in general, rather than only undesirable ones, were associated with mortality rates for stress-sensitive causes. It was found that in most instances, these sources of mortality responded to both rapid economic growth and increased unemployment. The response to unemployment, however, was more intense and occurred over a considerably longer period (at least 5 years for unemployment as compared with 1 year for rapid economic growth).

We conclude, therefore, that abrupt economic changes, regardless of direction, are stress provoking, but that undesirable changes, such as unemployment and income loss, are substantially more generative of pathology. Thus these macroscopic analyses confirm the importance of the overall stressful nature of extremely high stimulation, as in the formulations of Selye (37) and Levi (24), or, put another way, of a large number of stressful events, as in the Holmes and Rahe scheme (21). These analyses are also consistent with the findings of Paykel (32), Mueller et al. (30), Gersten et al. (16), and others who argue that undesirable changes are more stress-provoking than desirable ones. The findings in this chapter suggest that the undesirable events are not only inherently more stressful but have further implications for additional life stresses subsequent to the initial major event.

ACKNOWLEDGMENTS

The author gratefully acknowledges support for this research under National Institute of Mental Health grant No. MH26154, entitled "Economic Change and Social Pathologies in Urban Areas," under the Center for the Studies of Metropolitan Problems.

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I want to submit for the RECORD an article on "Size and Characteristics of the Low-Income Youth Population." The Members ought to read this in tomorrow's RECORD and ought to know that what we are doing in this budget and what we are doing by our present economic policies is keeping a group of people contained away from the manpower market. The article is as follows:

APPENDIX: SIZE AND CHARACTERISTICS OF THE LOW-INCOME YOUTH POPULATION

This appendix to the "Youth Employment Policies for the 1980s" staff briefing paper provides information about the low-income youth population that may be useful to the National Commission for Employment Policy as it develops policy recommendations. It was noted in the paper that youth from economically disadvantaged backgrounds are more likely than other youth to be in need of employment and employability development. Data from the March 1978 Current Population Survey (CPS), reported in Table A–1, indicate the size of this population and some of their characteristics.[1] Several points may be relevant:

1. Of the 20.4 million persons between the ages of 16 and 21, nearly 20 percent (3.7 million) were in households with incomes at or below 70 percent of the Bureau of Labor Statistics lower living standard; for a family of four, this means that their income was at or below $8,082. Using the criterion of 100 percent of the BLS standard ($11,546), adds another 10 percent (2.0 million).

2. The probability of being in a low-income household is much higher for a black youth: of the 2.8 million black youth in the 16–21 age group, nearly half (1.3 million) were in households at or below 70 percent of the BLS standard.

Footnotes at end of article.

TABLE A-1.—POPULATION, AGES 16 TO 21, BY INCOME, RACE AND ENROLLMENT STATUS, MARCH 1978

		Population in households with income at or below 70 percent of BLS standard		Population in households with income between 71 and 100 percent of BLS standard	
	Population	Number	Percent of population	Number	Percent of population
Total, 16 to 21	20, 447, 385	3, 712, 334	18. 2	1, 957, 309	9. 6
In school	(8, 439, 340)	(1, 588, 757)	(18. 8)	(739, 156)	(8. 8)
Not in school	(12, 008, 045)	(2, 123, 577)	(17. 7)	(1, 218, 155)	(10. 1)
Black, 16 to 21	2, 779, 295	1, 273, 057	45. 8	401, 379	14. 4
In school	(1, 292, 322)	(632, 261)	(48. 9)	(154, 438)	(12. 0)
Not in school	(1, 486, 972)	(640, 796)	(43. 1)	(246, 940)	(16. 7)
Black share of total (percent)	13. 6	34. 3		20. 5	
In school	(15. 3)	(39. 8)		(20. 9)	
Not in school	(12. 4)	(30. 2)		(20. 3)	
Total, 16 to 17	8, 236, 675	1, 593, 091	19. 3	794, 343	9. 6
In school	(6, 797, 070)	(1, 242, 026)	(18. 3)	(599, 910)	(8. 8)
Not in school	(1, 439, 605)	(351, 065)	(24. 4)	(194, 434)	(13. 6)

3. Nonetheless, nearly two-thirds of the youth from low-income households are not black. The lower the income cutoff used to define low-income, the larger is the black share: 34 percent of the youth from households at or below 70 percent of the BLS standard, but only 20 percent of the youth from households with incomes between 71 and 100 percent of the standard.

COSTS OF SERVING THE LOW-INCOME YOUTH POPULATION

The preceding tabulations can be used to compute the federal costs that would be incurred in providing employment and employability development assistance to youth from low-income backgrounds. The total programs cost depend on four factors: (1) the number of youth who would be eligible; (2) the percentage of the eligible population that would participate in the program activities; (3) the average duration of their participation; and (4) the average cost per participant-year of the activities. While this is not the place to attempt to estimate the costs of a particular program proposal, it may be useful to provide an illustration, suggesting the sensitivity of total costs to variations in each factor.

One way of delineating eligibility (i.e., factor (1) is by parental income. If one believes that the family background of youth is a critical determinant of their need for federal assistance, then this would argue for measuring household income before the individual forms his or her own household. The data for persons ages 16–17 in Table A–1 provide an approximation to this number, since most of this group are still in school and living at home.

In March 1978, 1.6 million persons ages 16–17 were in households with incomes at or below 70 percent of the BLS standard and another 0.8 million were in households with income between 71 and 100 percent of the standard. Suppose the eligible population is defined as all persons between the ages of 16 and 21 who were in low-income households at age 16, where the low-income criterion is 70 percent of the BLS standard. Then, assuming for simplicity that there are no changes in the size and incomes of the population age 16 in future years,[2] about 800,000 persons would become eligible each year and the same number would, by reaching age 22, end their period of eligibility.

Suppose that each of the 800,000 persons from a low-income background were certified at age 16 to be eligible for up to two years of intensive employability development and/or subsidized employment. The total cost would then depend on the percentage who choose to participate, their duration of participation, and the costs of the activities provided. To keep the illustration simple, assume that one-half of the eligible population took full advantage of the opportunity and the other half did not participate at all. Then, in any given year, 800,000 youth times 50 percent times 2 years).

The most intensive of the major youth programs is the Job Corps. In fiscal year 1978 the average cost per person-year of a Job Corps slot was $10,253. If this level of services were provided, then the annual cost of the youth program activities would be *over $8 billion* (800,000 times $10,253), considerably more than is now being spent on all employment and training programs for this age group.

One obvious way of reducing the total cost is to restrict the size of the eligible population. It is doubtful that a lower income cutoff would be politically acceptable. (And use of the 100 percent of BLS standard, rather than the 70 percent, would raise the total cost in our illustration to about $12 billion.) An alternative way would be to add other criteria, such as employment status and location. If, for example, the individual had to not only be from a low-income background, but also be unemployed or live in a low-income community, many fewer would be eligible.[3]

Another way of reducing the total cost is to take measures that would reduce the program participation rate of the eligible population. In the illustration it was assumed that 50 percent would participate, much higher than the percent of the eligible out-of-school population that has chosen to participate in the entitlement demonstration program.[4] Clearly, the more stringent the conditions of being in the program, the fewer will be the number of youth who join or remain in the program.

A third way of reducing the total cost is to limit the maximum duration of participation to less than the full two years assumed here. Based on the program experiences reported in Chapter 7 of the paper, there appears to be a tradeoff between cost-cutting in this manner and program effectiveness. Of course, this will depend on the type of services provided and the needs of the participants.

Finally, the total cost could be reduced by providing less intensive activities. The Job Corps costs were chosen for this illustration because this is the most costly of the major programs. At the other extreme, it costs less than $1,000 per participant to provide part-time summer jobs. In reality, one should anticipate that some youth will only need the latter.

LIMITATIONS

The preceding exercise ignores the difficulties that would be involved in delineating an eligible population in terms of their household income in only one year. It would be more realistic to assume that anyone whose current income falls below the cutoff point would be eligible. Under that rule (and still using the 70 percent standard), 3.7 million persons between the ages of 16 and 21 would have qualified last year. The problem here is that we do not know how many of the people who qualify in subsequent years are newly eligible, rather than the same people and, hence, already counted.[5] The 800,000 per year estimate used in the illustration is a very rough approximation to this annual flow.

We have also ignored the start-up problem. In the first year of operation, all of the age 16–21 group who meet the eligibility requirements would be newly eligible; in the second and in subsequent years only the 16 year olds would be new. Actual program participation could not have such a bulge. One possibility would be to ignore the needs of the older youth, but this would certainly not be equitable. This suggests that initial program costs might be higher than in subsequent years. A second reason for anticipating this pattern of declining expenditures is that the size of the age 16 population will be decreasing over the next decade. On the other hand, good programs take time to phase in, which is an argument for a gradual buildup in participation.

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[1] Based on March 1978 CPS unpublished tabulations provided by Robert Lerman, U.S. Department of Labor. These data exclude: college students, persons in the Armed Forces, and persons in institutions.

FOOTNOTES

[1] Additional information about their characteristics, including the number who are Hispanic, the number who live in cities, suburbs, and outside metropolitan areas, and the number who live in poverty areas has been requested from the Labor Department and will be included in our final report.

[2] In fact, the size of the age 16 population will be declining by about 26 percent over the next decade: from 4.2 million in 1978 to 3.1 million in 1990.

[3] Lerman reports that less than one-third of the 16–21 year olds in families with incomes at or below 70 percent of the BLS standard in 1978 had experienecd one week or more of unemployment in the preceding year (Robert Lerman, "The Full Coverage Issue in Youth Employment and Training Programs," Department of Labor memo, September 28, 1979). Even if program eligibility rules do not limit participation to persons who have been unemployed, these are the ones who are probably the most likely to choose to participate. On the other hand, unless a long duration of unemployment were required, it would be easy for any low-income youth who wanted to participate in a program to qualify.

Restricting eligibility to low-income youth who reside in poverty areas would be a more stringent approach. In the 1970 Census, only 58 percent of poor out-of-school youth in the 60 largest cities lived in census tracts in which the poverty rate exceeded 20 percent. The Census data also indicate that adding a geographic income criterion would be one way of focusing more resources on minority youth: in 1970 in the large cities, 58 percent of the poor out-of-school youth were black or Hispanic, whereas 77 percent of the poor out-of-school youth in the poverty areas of these cities were black or Hispanic. Similarly, if residence in a poverty tract were the *only* criterion, 75 percent of the eligible youth would have been black or Hispanic. However, adding or substituting a location rule would introduce equity problems: 42 percent of the poor youth did not reside in poverty tracts and 70 percent of the youth living in the poverty tracts were not poor.

[4] About 46 percent of the eligible in-school youth and 12 percent of the out-of-school youth have participated (Lerman).

[5] Some people who have low incomes in one year move up in the next and vice versa. Income mobility (in either direction) is especially likely for a youth who leaves home, since the criterion involves total family income and is adjusted for family size. The use of an income accounting period of more than one year would provide a better indicator of the chronically poor, except that the data might be more difficult to obtain.

Finally, I want to submit for the RECORD "An Estimate of the Loss in Potential Gross National Product Due to Existing Employment, Productivity and Wage Differentials Between White and Nonwhite Workers in the United States" prepared by Mr. Ciccone. The document is as follows:

AN ESTIMATE OF THE LOSS IN POTENTIAL GROSS NATIONAL PRODUCT DUE TO EXISTING EMPLOYMENT, PRODUCTIVITY AND WAGE DIFFERENTIALS BETWEEN WHITE AND NON-WHITE WORKERS IN THE UNITED STATES

(Prepared at the request of the Joint Economic Committee; Task Force on Economic Disparities—Charles C. Ciccone, Specialist in Business and Labor Economics, Economics Division, and John D. Fisk, Analyst in Labor Economics, Economics Division, October 16, 1979)

ACKNOWLEDGEMENTS

The authors wish to acknowledge the thoughtful comments and help of Dr. Everson Hull, Specialist in Macroeconomics in the Congressional Research Service. Of course, any shortfalls in the paper must be attributed to the authors.

AN ESTIMATE OF THE LOSS IN POTENTIAL GROSS NATIONAL PRODUCT DUE TO EXISTING EMPLOYMENT, PRODUCTIVITY AND WAGE DIFFERENTIALS BETWEEN WHITE AND NON-WHITE WORKERS IN THE UNITED STATES

This analysis estimates the loss in potential 1978 U.S. gross national product (GNP) in current dollars due to existing differentials in employment levels, productivity and average wages between white and non-white workers.[1] This report measures the potential increase in the Nation's output assuming, as instructed by the requester, a hypothetical situation in which the differentials did not exist, and assuming other crucial accommodating economic activity. Average productivity, employment, and wages are presumed to be equal to that prevailing for white workers.

This report makes no attempt to isolate particular causes for the existing differentials in employment, productivity, and wage levels. Rather, the analysis recognizes that many current or past causes may exist, including: (a) unequal skill and educational levels; (b) racially discriminating hiring and pay raise policies; (c) unequal health care and housing; (d) differences in labor market mobility; (d) disparities in personal motivation and effort. While each of these possible factors may be the direct or indirect result of overt as well as latent discrimination, this analysis makes no attempt to assign degrees of probability or severity to any one factor. Instead, it uses available data which indicate that substantial differences in employment levels and wage rates exist between white and non-white workers. Given these data, the report quantifies the hypothetical addition to GNP forgone due to these differentials.

Because the factors involved in measuring the potential addition to GNP are numerous and complex, this analysis makes the following crucial assumptions, some of which may be questioned:

(1) In the absence of historical forces generating employment and wage differentials between white and non-white workers, no differences in average competence and productivity between races would exist. Thus both white and non-white workers would be proportionally dispersed among occupations, would on the average have equal skill levels, and would have equal median annual pay.[2] (We assume workers would be paid the value of their marginal product.)

(2) Non-white workers would be paid at the annual median wage level prevailing for white workers.[3]

(3) Increased job competition would not significantly change the median pay for whites prevailing in any labor market; median annual pay levels for all workers would be equal to those currently prevailing for whites.

(4) Unemployment among all workers due to racially discriminatory hiring practices would not exist; average employability of all races would be the same; unemployment rates for non-white workers would be equal to those existing for white workers. (We assume no changes in labor force participation.)[4]

(5) Aggregate demand for goods and services would expand sufficiently to absorb increased output by more productive employed non-whites, and by newly employed non-whites; savings and investment would grow sufficiently; the monetary authorities would make the necessary adjustments in the money supply.

Given the above critical assumptions, this analysis uses the following data:

a. Average annual unemployment rates for white and non-white workers in 1978.

b. Median annual earnings of full-time wage and salary white and non-white workers based on weekly wage levels prevailing in May 1978.[5]

c. The amount of transfer payments (unemployment compensation, food stamps, Aid to Families with Dependent Children—Unemployed Parent) received by black unemployed heads of household in fiscal 1978.

These data were then used to compute the following:

a. The number of additional non-white workers who would have been employed in 1978 had the unemployment rate for non-whites been equal to the rate existing for whites in that year.

b. The aggregate amount of wages and salaries these additional employed non-white workers would have received in 1978 if they were equally qualified as whites and were paid at the white median full-time annual earnings level.

c. The estimated amount of transfer payments received by the previously unemployed non-whites as an offset to the additional total spendable earnings generated among the newly employed non-white workers.

d. The additional aggregate amount of wages and salaries the already employed non-white workers would have received in 1978 had their median full-time annual wage and salary levels been equal to the annual median full-time wage level prevailing for white workers in 1978.

e. A multiplier of 2.5 is applicable to the total of (b), (c) and (d) above to account for the multiplier effect such additional income would have on GNP. While the 2.5 factor is considered to be at the higher end of reasonable estimates, it is considered appropriate in this case because of the relatively strong impact these changes would have on low income groups in the economy.

Because this estimation process is one of several which could have been used, the results represent only a rough estimate of the potential impact on GNP of present employment and salary differentials between white and non-white workers. Based on the assumptions and limitations specified in this report, this procedure estimates that the impact of racial differentials in employment and income on 1978 current dollar GNP could have been approximately $93.5 billion. This is equivalent to a potential increase of 4.4 percent over 1978 GNP. (Even though we have assumed otherwise, this $93.5 billion increase would most likely not be captured totally within 1978. Our assumption avoids difficulties in apportioning the GNP increase between 1978 and future years.) Although this GNP increase would be a once-and-for-all time adjustment, higher levels of GNP in successive years brought about by the assumed more equitable, efficient, and robust total labor market would benefit the economy as a whole, and would avoid any waste of latent manpower associated with wide discriminatory differentials in wage and employment levels.

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[1] We refer to current 1978 dollars.

[2] 50 percent of all workers earn more than the median; 50 percent earn less.

[3] A more likely situation might be equalization of wage levels slightly below that prevailing for whites; however, there is no ready method for determining the equilibrium median wage. Consequently, we have assumed that non-whites would on the average be paid at the median level prevailing for whites.

[4] A decline in the national unemployment rate is typically associated with increased labor force participation by discouraged and other workers.

[5] By using earnings for full-time employees, we have implicitly assumed that all employed non-whites are working full-time and assumed that the additional newly employed non-whites get full-time jobs. We have made this assumption only because of data limitations.

Data and calculations used in arriving at this estimate are:

1. Labor force data, 1978.[1]

	(Annual averages)	
	White	Non-White
(a) Civilian labor force	88, 456, 000	11, 964, 000
Employed	83, 836, 000	10, 537, 000
Unemployed	4, 620, 000	1, 427, 000
Unemployment rate	5. 2%	11. 9%

[1] U.S. Bureau of Labor Statistics, Employment and Training Report of the President, 1979. Table A–7, p. 247.

(b) Number of non-white workers unemployed if the 1978 annual average non-white unemployment rate (11.9 percent) was equal to the white 1978 average annual rate (5.2 percent): 622,000.

(c) Difference between the actual 1978 annual average non-white employment (1,427,000) and "equalized" non-white unemployment above: 805,000.

2. Median earnings of full-time Wage and Salary Workers, May 1978.[6]

Weekly earnings:

White workers, $232; black workers, $181; differential, $51 per week.

Annualized:

White workers, $12,064; black workers, $9,412; differential, $2,652 per year.

3. Additional wage and salaries earned if employment for white and non-white workers were equalized at 5.2 percent and if annual median wage and salary levels were equalized at $12,064:

White-non-white unemployment differential	805, 000
Annualized white 1978 wage and salary earnings	$12, 064
Total (billions)	$9. 7

4. Additional wages and salaries earned if already employed non-white workers received the same median full-time annual wages and salaries as white workers in 1978:

Number of non-white workers employed in 1978	10, 537, 000
Earnings differential	$2, 652
Total (billions)	$27. 9

5. Sum of No. 3 and No. 4 above: $37.6 billion.

6. Total estimated potential impact on 1978 current dollar GNP:

[Dollar amounts in billions]

Additions to wage and salaries	$37. 6
Less estimated transfer payments received by previously unemployed nonwhite workers [1]	−$0. 2
Equals	$37. 4
Multiplier effect on GNP	×2. 5
Equals total estimated potential impact on 1978 current dollar GNP [2]	$93. 5
Plus actual 1978 current dollar GNP [3]	+2, 127. 6
Equals total potential GNP without employment, productivity, and wage differentials	$2, 221. 1
Potential percentage increase over 1978 current dollar GNP	4. 4

[1] Based on Congressional Budget Office data.

[2] Even though we have assumed otherwise, this increase will most likely not be captured totally within 1978. Our assumption avoids difficulties in apportioning the GNP increase between 1978 and future years.

[3] U.S. Council of Economic Advisers. Economic Indicators, September 1979, p. 1.

Mr. REGULA. Madam Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I will yield briefly.

Mr. REGULA. I thank the gentleman for yielding. The real key to what the gentleman's goals are as he has outlined them is real growth in productivity and the gross national product.

Mr. MITCHELL of Maryland. That is it in part. I hope that I was making it very clear to that gentleman and the Members of the House that it is only in part. The other part is that we are going to have to deal with some racism in America that permits black unemployment to remain where it is.

We passed civil rights laws; we have got title VII and other titles; and yet somehow or another the economy was able to create—the private sector—a million jobs a year for the last 3 years. We created 3 million new jobs, and the creation of those 3 million new jobs resulted in white male adults now near being at the goal of full employment. The creation of those new jobs in the private sector had no appreciable impact on reducing black male unemployment, and because the Government slacked off, we have seen that rate go up. I suggest to you in addition to all those things like productivity and growth and everything else, racism stands at the hiring gate in the private sector finding 10,000 reasons why you cannot hire a black male and always finding one good reason why you can hire a white male. That we have got to include also.

I want to read to you from the report of the Joint Economic Committee for 1980. In that report—and I serve on that committee—I want to suggest to you that our report indicates that because of long-term demographic trends, the problem is not going to be unemployment in America; after we get through the squeeze, the problem is going to remain black unemployment in America. I quote:

> During the 1970s, the problem of structural unemployment was magnified by the unusually high rates of growth of those segments of the labor force which suffer the most serious employment problems. For example, the number of females in the labor force increased by 42 percent during the decade, more than twice the male increase of 18.5 percent. Blacks and other minorities increased 37 percent, while whites increased 26 percent. The teenage labor force (16 to 19 years old) increased 36 percent over the decade, and the young adult labor force (20 to 24 years old) grew 55 percent, compared to a growth rate of only 22 percent for workers 25 years old and over.

The CHAIRMAN pro tempore (Mrs. CHISHOLM). The time of the gentleman has expired.

Mr. HAWKINS. Madam Chairman, I yield 4 additional minutes to the gentleman from Maryland.

Mr. MITCHELL of Maryland. I thank the gentleman.

These are all people coming into the manpower market, and they are coming into the manpower market when we are advocating and fighting for governmental policies which are going to restrict the possibility of their getting work.

□ 1620

While they are out of work we are going to continue to pay, we shall continue to pay the $17 billion a year, $17 billion a year for keeping them out of work. That is the danger, ladies and gentlemen. That is the danger it seems to me, that is the danger in this House budget resolution, that is the danger in the policies being pursued by our Government at all levels containing growth, stifling economic growth and leave a group of people expendable in the economic market.

Mr. ROUSSELOT. Madam Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. Let me make but one other statement and then I will be delighted to yield to the gentleman from California.

It has been said a dozen times on this floor that there is absolutely no relation between unemployment and inflation. There is no correlation there. The idea that you have to put people out of work to crush inflation is sheer errant nonsense. Every economist that I know who is worth his or her salt will point out that a deficit, a deficit in our budget has little or no appreciable impact in a $2.25 trillion economy. Yet we are using all of these misguided thoughts to justify policies, economic policies, that are destroying and hurting so many people.

Madam Chairman, there was a social compact in this country at once time. There really was. There was a compact, a social compact that said that Government had a responsibility for those who through no fault of their own were being hurt. In the budget we propose coming out of the House committee, in the economic policies that we are now pursuing, we are destroying that social compact; and, before yielding to my friend from California, let me retiterate what I said yesterday.

There may be dangers to America, there may be external dangers. I worry about that possibility but I worry more about the possibility of internal dangers. My colleagues, for God's sake, you cannot expect to achieve any kind of a national interest, national purpose, as long as you pursue policies that are going to keep black people and Spanish people and Hispanic people isolated from the mainstream of America. That is the danger. That is the danger and I am not threatening anyone. I am simply pointing out that every group has a tolerance level for frustration. I do not know what it is for us but turn the screws as you are doing now and keep on turning them and that toleration level for frustration will be broken.

I yield to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. I appreciate my colleague yielding and I wish to say that I associate myself with the gentleman and his statement that we do not have to have high inflation.

The CHAIRMAN pro tempore (Mrs. CHISHOLM). The time of the gentleman has expired.

Mr. HAWKINS. Mr. Chairman, I yield 2 additional minutes to the gentleman from Maryland.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. MITCHELL of Maryland. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, has it been at the expense of those marginally employed when you begin to try to cope with inflation by cutting Federal spending? I do not believe that budget restraint and unemployment are necessarily synonymous. As a matter of fact, I think that the policies we are trying to encourage in our Latta substitute are exactly the opposite. As a matter of fact, if the gentleman from Maryland will study our projections, they project that the unemployment rate would be much lower than it will be under the budget resolution submitted by the majority. We base that on the fact that we think there are more incentives in the system under our proposals.

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[6] J. N. Hedges and E. F. Mellor. Weekly and Hourly Earnings of U.S. Workers, 1967–1978. Monthly Labor Review, August 1979, p. 33.

Mr. Chairman, let me ask a question of the gentleman from Maryland:

The gentleman has mentioned how high the levels of unemployment are in many areas of the country among the black population. What does the gentleman estimate the unemployment levels will be under the budget resolution before us in the black community? There is a higher level of unemployment projected under the committee measure than under the Latta substitute.

Mr. MITCHELL of Maryland. Very quickly I can respond to the gentleman. The historic pattern has been if the national rate of unemployment is 6 percent then on the average the black rate of unemployment will be 12 percent.

Mr. Chairman, I will now reclaim my time. We are projecting 7.6 percent and that is conservative because it is going up to 8 percent, there is no question about it, if we pursue those policies and that is going to mean at least a 16 percent black rate of unemployment or close thereto.

I thank the gentleman for raising those questions. They helped me a great deal.

Mr. Chairman, let me summarize by saying this, we will go ahead and pursue these policies because this is an election year and because we assume that blacks and other minorities are not going to come out in overwhelming numbers. Frankly, I wish they would but I can understand why they will not, because these same policies have been in effect.

Mr. LATTA. Mr. Chairman, I yield such time as he may consume to the gentleman from North Carolina (Mr. BROYHILL).

Mr. BROYHILL. Mr. Chairman, in January the President of the United States submitted a budget of some 600 pages to the Congress for the fiscal year 1981. The President called the budget "lean, austere, and tight." He bragged about the extra effort to present a budget which would be accepted by the Congress and the American people. Then when inflation continued skyrocketing past the 18-percent mark, interest rates soared to 20 percent, homebuilding dropped, plants began closing, and the President's popularity began another decline, the President renewed his rhetoric about reducing spending and balancing the budget.

I think it is only fair to point out to the American people that just last year, the President presented the first budget in history to go over the $500 billion mark. This year he establishes another landmark figure by zooming past the $600 billion mark.

President Carter is the biggest spender in our Nation's history. He is also the biggest tax increaser in history. Since 1976, the amount of money collected by the Federal Government has doubled from $300 billion to an estimated $600 billion in the new budget. And the leaders of the majority party in this Congress tell the American people they have reduced taxes twice in the past 4 years. This is simply not true, and any working American looking at his paycheck or his income tax returns knows this is not true.

I have been in Congress for 18 years, and I, along with others, have been advocating a balanced budget for years. I regret to say that a majority of the Members of Congress are just now getting the message from the American people. However, I submit to you, ladies and gentlemen, the American people do not want the budget balanced by raising taxes. And that is exactly what this Congress and this President are planning to do. I read in a North Carolina newspaper the other day that a Member of this body told a local chamber of commerce gathering that Congress was serious about balancing the budget, and he was also quoted as saying that it would be done without raising taxes. Now that is just not true, if we adopt the budget resolution which will be before us shortly. More than $100 billion in new taxes collected from the American people is being used to balance the budget.

This gigantic growth in Federal spending under President Carter and his party in Congress has been financed by a growingly frustrated group of taxpayers. Much of the increase in taxes occurs when inflation kicks wage earners into higher income tax brackets. The free spenders in Congress like that approach because they do not have to record their votes for higher taxes. That is why those of us who have introduced legislation to index the income tax tables to lessen the impact of inflation have thus far been unsuccessful in getting this proposal enacted into law.

I say "thus far" because I believe the American people are finally waking up, and they are beginning to become more vocal as they see Washington taking more and more of their hard earned money.

Yes, the President's policy on increasing, rather than reducing taxes, is generating a lot of discussion in Washington and throughout the country. Assuming Congress takes no action, tax revenues coming into the Federal Treasury next year will increase by more than $100 billion in the form of higher income taxes, social security taxes, excise taxes, windfall profit tax, and the President's latest scheme to add a dime tax on the price of a gallon of gasoline. This is how the majority proposes to balance the budget. There are those of us who want to use a different method and that is reducing spending so we can balance the budget, reduce taxes, and create incentives for investment and expansion so new jobs will be created.

Another concern with the budget is the increasing interest on the national debt which will total at least $72 billion. For fiscal year 1981 compared to less than $20 billion only 10 years ago. We found back in January that we could not count on the administration's projection of a $15 billion deficit when it presented its January budget, and I just wonder if we can count on the current projection of a small surplus. Many economic experts say the administration is basing its figures on too many uncertainties, such as congressional action on certain bills, overly optimistic revenue estimates, and changes in cash management policies. For example, the current year's debt is running at least $11 billion higher than the President promised the American people last year.

As if concern about the new spending figures in the fiscal year 1981 is not bad enough, let us look for a minute at the trends for the future. The President has dramatically increased his spending projections for the year 1984. Last year he placed this figure at $673 billion, and now the official projection is $839 billion. Mr. and Mrs. Taxpayer should be told that is an increase of $166 billion in just 1 year. I might add that the President did not call a press conference to inform the American people of this policy as he is prone to do just before important primary elections.

We have justified our income tax forms for the past year, and I am sure that the date of April 15 prompted many of our constituents to write to us about taxes. I wrote to my constituents that this is an appropriate time for all of us to think about the taxes we pay and the type of Government we want.

It is human nature for us to complain about taxes. I imagine that all of us feel we pay too much in taxes, especially at a time when inflation is skyrocketing at the rate of over 18 percent a year.

Inflation is literally robbing American families of their future. The American dream of owning a home is dead for a growing number of people. It is getting impossible to save any money, and the money we might be able to save is worth less and less. So our people do have the right to complain about our tax structure because it is destroying the economic livelihood of the American family. The biggest beneficiary, as I have pointed out, is the Federal Government.

As we begin debate on the budget, I can think of no more appropriate time to discuss taxes and inflation. I am sure that we all realize most people get hit twice in the pocketbook. We get socked by inflation every time we buy groceries, purchase gasoline for our cars or heating oil for our homes, or when we buy clothes for our children. Then we get hit by high taxes when we get our paycheck, and more of our earnings are eaten away by State and Federal taxes.

It is sobering to realize that in 1965, 19 percent of the taxpayers in this country paid out 20 percent of their earnings in taxes. Today, 53 percent of all taxpayers are in the 20 percent bracket or higher. If this trend continues, the average working American will pay nearly half of his income in taxes in just 9 more years. The average American now works until May 11 for the Government before he begins working for himself.

My constituents are asking the question, "Why doesn't someone do something about this deplorable trend?" Some people tend to shrug their shoulders and say we can not really do anything about inflation and high taxes. Some say we should not cut taxes now.

Last year, I was a part of the group of conservative-minded Congressmen who proposed a budget that would have cut spending by $20 billion and cut taxes by the same amount. The majority party said "no" to this proposal and "yes" to higher spending and higher taxes. In this election year, more people are giving lip service to the philosophy which I and other conservatives have been advocating for years in Washington.

Yes, this is the month, not only when taxes are due, but it is also an appropriate time to note the fact that our taxes have increased substantially. Just in the last 4 years, taxes have risen more than $2.000 per family and another $127 billion has been added to the Federal deficit.

There is one particular area where the unfair tax structure is particularly disturbing. I wrote my newsletter on the subject recently, and I would like to share a part of it with the Members of the House:

Broyhill Cites Need for Change in Tax Structure

> Millions of working Americans filling out their income tax forms will find that they are penalized by the federal government for being married; that is, they are penalized if both husband and wife work. Termed the "marriage tax," this inequity in our tax laws causes married people to pay more in taxes to the federal government than would be the case if they lived together unmarried.
>
> Certainly the federal government should not encourage this type of situation, but I am afraid our tax structure is doing so at the present time.
>
> Let's look briefly at the background of the marriage tax. Congress did not set out to enact a marriage penalty. This situation was created inadvertently as the Congress, over the years, sought an acceptable equilibrium in taxing married and single individuals.
>
> Actually the changing roles of women entering the work force helped create the marriage penalty. Like other statutes on the books, the existing tax system is based on the assumption that the majority of married couples depend almost entirely on the wages of a single breadwinner in the family. When the joint tax return was enacted in 1948, only 20 percent of married women were in the labor force. In 1969, when Congress made additional changes in this area, fewer than 40 percent were in the work force, and many of them worked on a part-time or temporary basis.
>
> As we move into the decade of the 80's, the situation has changed. Now the one-worker family is in the minority, in contrast to what was once the case. Inflation, along with the changing role of women in today's society, has made it almost mandatory for both husband and wife to work in order to meet the bills. The most recent statistics available indicate that 13.5 million married couples depend solely on the husband's earnings, while 22.8 million couples had both husband and wife in the work force.
>
> Trends for the future highlight a need to change the tax structure. The female labor force is expected to increase by one million people each year, and by 1990, it is expected that at least 70 percent of married women will be in the active labor force.
>
> Legislation is needed now to change the marriage penalty which hurts too many couples at all income levels. Under current law, if two workers decide to marry and have more or less equal salaries, they will have to pay more taxes than they would were they to remain single.
>
> Let me give you an example of what I am talking about. Currently, a husband with a non-working wife and a salary of $15,000 pays $1,635 in taxes. If his wife goes to work at the same salary, she pays nearly $4,000 in taxes. That is because the first dollar of the wife's income is taxed at the same higher rate as the last dollar of her husband's income. This simply means that her salary is taxed at a much higher tax rate than that of her husband.
>
> I am co-sponsoring legislation which will correct this inequity in our tax structure. It will allow married couples the option of filing as if they were single. Many states already use this system in their state income tax returns. Two columns appear on the tax form, and husband and wife report their incomes separately.
>
> It is estimated that more than one million couples live together unmarried, and it is felt that a large number of them do so to avoid the tax penalty. Wide coverage was given recently to a Maryland couple who divorced each other just before the tax deadline each of the past three years in order to lessen their tax burden. If Congress does not change the law, it is likely that this could happen more often in the future.
>
> I hope that serious consideration for correcting this inequity will be given to the legislation which I am co-sponsoring with Congresswoman Millicent Fenwick of New Jersey.

I am sure that all of us would agree that the No. 1 problem facing our country is inflation. Every day when I read mail from my constituents, I again see the tremendous problems which inflation causes for the working people of our country and also the headaches, pain, and worry which befall our retired people who must live on fixed incomes.

When I go back to the 10th Congressional District of North Carolina, and I might add that is nearly every weekend, I tell my constituents that the economic news is bad. However, I also tell them that there is a glimmer of hope. But this glimmer will soon go out if Congress does not have the courage to adopt a sensible economic policy.

The latest inflation figures are causing great alarm and near panic. This is especially true when we remind the American people that just 3 short years ago when President Ford left the White House inflation was increasing at a rate of less than 5 percent per year. Now, it is nearly four times that figure and despite continued optimistic statements from the White House, the rate of inflation does not appear to becoming down dramatically any time soon. We have heard the rosy forecasts too many times in the past even as the rate of inflation increased. The American people have no confidence in these predictions from the White House, and neither do I.

While it will be difficult to ever achieve zero inflation, we can and must bring it down much lower than the current rate. The first step is to reduce Federal spending because excessive spending by Washington means that dollars which you could save or spend as you so choose are being taken out of your pay checks, and you have little say-so about how this money is spent.

The Members of Congress have the opportunity to do something about inflation other than just making speeches as we begin work on the first budget resolution. Cutting the Federal budget is not easy. All Members of Congress have their favorite programs which they do not want to see cut. However, more and more Members are beginning to see the necessity of saying "no" to new programs and voting to reduce spending for others, no matter how badly they might be needed. Government cannot and should not be all things to all people.

We cannot blame the working people of this country for causing inflation as some in the administration have tried to do. In fact, a recent story in U.S. News & World Report indicated that while the cost of living increased 31 percent in the past 3 years, people's income has risen only 7.3 percent while the value of the dollar is down 18.7 percent.

The case for reducing spending and cutting taxes is clear. We must increase productivity by making it more attractive for investors to modernize their plants and expand their operations. We must make sure that those who are able to work are forced to do so, instead of living off those who work for a living. We must make certain that those who live on a fixed income do not have to choose between having enough to eat or enough fuel to keep warm.

In considering this budget resolution, we must take action to increase the savings rate in this country. In 1976, the saving rate of the average American was 6 percent. Now it is 3 percent and dropping. Our tax policy must encourage savings and investments, not discourage them.

In studying economic issues, I have been doing some reading and some listening to economic experts.

Alan Greenspan, former Chairman of the Council of Economic Advisors, warns that the 1981 budget year is critical in the battle to contain Federal spending and halt inflation:

> Either we come to grips with controlling what amounts to a budget juggernaut or we threaten the underlying stability of our economy and our society.

Dr. Greenspan also said that the financial markets no longer perceive the current inflation in the United States as temporary. This is a new development, and it is quite disturbing. As a consequence, Dr. Greenspan pointed out, we had a collapse in the bond market. Interest rates rose very sharply, and they are, of course, still very high. They have caused tremendous problems for the housing industry, for the automobile industry, and in fact, for many related businesses. The full impact is yet to be seen.

As Dr. Greenspan said, and I quote:

> But the key question, and the key issue is, that unless and until we can restructure our approach to fiscal affairs; to the budget, to taxation, to the question of credit guarantees; unless and until we can do that we are threatening the American economy with permanent damage.

I think we should heed Dr. Greenspan's warning—before it is too late.

I also recently had a chance to review some of the ads which the Advance Machine Co. of Spring Park, Minn., is running in several national publications. These ads are designed to make the American public more aware of the causes of inflation. I commend the management of this company for its foresight in providing these ads.

One of the ads is entitled "If Elected, I Will Fight Inflation." It points out that this statement is a popular election-year promise because politicians know that the voters will support them if they make this commitment. After the election, many of these winners then come to Washington and take actions which make inflation worse, as the ad points out.

Further, it is stated that the increase in the supply of money by the Federal Government to make up for deficit spending is the cause of inflation. As billions and billions of additional dollars are put into circulation each year, every dollar becomes worth less, causing prices and wages to climb. Only when the Federal Government takes in as much or more than it spends and when it stops increasing the money supply to pay its bills, can we hope to control inflation.

Finally, one of the ads closes with this statement:

> Very few politicians want to talk about raising taxes and/or cutting back on public programs to balance the budget. Especially not in an election year. It's easier to print more money.

Yes, it is past time for the Congress to come to its senses when it is time to deal with the economic problems facing our country. That time is now as we begin debating the first budget resolution.

More spending, more deficits, and more taxes are not the answer. Less spending, budgets with a surplus, and reduced taxes are necessary. That is what the American people deserve. That is what they are demanding, and that is what this Congress should have the courage to do.

Mr. LATTA. I yield such time as he may consume to the gentleman from Georgia (Mr. GINGRICH).

Mr. GINGRICH. Mr. Chairman, I think we have just heard one of the most important speeches we are going to hear on this floor in this debate. The gentleman from Maryland (Mr. MITCHELL), whether you agree or disagree with the gentleman's philosophy, is saying unequivocally that he speaks for a people in pain, that the agony level, the level of hopelessness, rising at such a rate that we are creating a time bomb of misery in this country, and it is unequivocally true that this time bomb is at its most volatile in the great central cities and that it is in many ways essentially an ethnic time bomb, because, despite the efforts of the last generation, it is still generally true: The blacks are the last hired and first fired. That reality has to affect every politician who sits in this House, Republican or Democrat, conservative or liberal.

Mr. Chairman, a free society cannot long endure if a large portion of its people feel rejected and outcast and left alone.

I think, frankly, that this is the most serious debate on the American economy since the Depression and that is why the minority leader sent a letter to the Speaker asking that this debate be deliberately scheduled in prime time and that we ask the Public Broadcasting System to broadcast it. We feel the country needs to hear the gentleman from Maryland (Mr. MITCHELL) and the gentleman from California (Mr. ROUSSELOT) and we think we need to focus the country's attention on the reality that this Government and this Congress has a direct impact on what happens in the lives of Americans.

Mr. Chairman, the great problem that my good friend and colleague, the gentleman from Connecticut (Mr. GIAIMO), faces and the problem I am sure he may overcome by sheer weight of his majority but which he would have a hard time overcoming in any course of public opinion is posed best by an ad we saw:

You have been riding on a cruise ship and the ship has hit an iceberg. The ship is sinking. As you get into the lifeboat, the ship's captain asks you to buy tickets for the next cruise. What do you think of that idea?

The reality that the dominant party in this country faces is that the economic policies have been a disaster on such a scale that Herblock can draw a cartoon showing the Carter administration having a campaign slogan of "two people in every garage."

The caption says "That was not exactly the slogan we had in mind."

It is a tragedy for this Nation that yields me no joy as a partisan to have people faced with the fact that if you get married you cannot afford to buy a house but that is all right because you probably will not have a job and could not pay for a house.

Mr. Chairman, it is a tragedy of unprecedented proportions that our automobile industry lacks capital to change over and therefore cannot employ the workers and therefore we are facing in Detroit for example, to cite a city that the gentleman from Maryland mentioned, literally a collapse of the economic base of that city.

To make matters worse, Mr. Chairman, the gentleman from Connecticut in the fall said specifically: "We plan to slow down the economy." Well, if that was the plan, he has succeeded I am sure beyond his wildest hopes. I think that statement is important though I do not intend to say I told you so. I know the gentleman from Connecticut bears a most difficult burden as he wends his way with incredible skill in bringing together many factions.

□ 1630

But, the reality is that in that statement you in fact laid the base for this whole debate, because the Government does have the power to create an economy in which people have jobs. That statement fully indicates that power; the reality indicates that power, and therefore the party that governs must bear the burden if we are to face it. It cannot be blamed purely on OPEC. It is in fact the legacy of a generation.

Let me raise a word that may be distressing. I do not mean to raise fears, but I think it is important that we talk honestly. It is possible that western civilization is on the brink of a depression comparable to the 1930's. I say that unequivocally. To the Members, of course they think I am only a mild partisan, but I am also a professor of history, and I honestly believe that we are teetering on the edge of a collapse of this system.

One gentleman in the other body, the Member from Idaho, Senator CHURCH, was quoted recently as saying:

> Not only has the housing and construction industry gone down, but the lumber industry has gone down to the point where half the working people in the mills have been released and are now unemployed and that is spreading to the farms, because farmers have to have credit to plant their crops, and they cannot pay those interest rates.

He said finally:

> Depression has already struck my State.

The distinguished Member of the other body from the State of Washington said that present policies "indeed will lead us to a very severe recession, which will mean a totally unbalanced budget * * * I think we could have a deficit next year or shortly thereafter of $50 billion to $100 billion if we go over the precipice, and we're * * * about to go over."

Where are we going to go over? Twenty-one thousand Ford and Chevrolet workers were told in the third week of April that they would be without jobs. They have a concern. Thirteen thousand steelworkers in Ohio were given pink slips in December. They have a concern. Six thousand and one hundred white collar Ford employees are looking for work. That is 11 percent of Ford's North American work force. Another 7 percent was laid off last summer. That means that almost one-fifth of Ford's North American salaried employees have lost their jobs. In the last 10 months Ford Motor Co. actually lost money on its American operations, and if it were not for their overseas sales they would be on the way to being another Chrysler.

Consider this: A staggering 28 percent—one out of every four—of United Auto Workers membership are on layoff. Newsweek explained what this meant to the Nation in its April 28 issue:

> With one in seven jobs in the economy tied directly or indirectly to the automobile business, a Detroit on the skids always means trouble for dozens of other industries—and the current crisis is already rippling through Pittsburgh steel mills, Akron rubber plants and the hundreds of smaller companies that supply the assembly lines.

What does that lead to? We are already in a severe depression in America, a minidepression, if you will. When auto workers are in such trouble, and I have two plants in my district, they are going to come to us and say, "Cut out imports." When those imports are cut out, the Japanese are going to retaliate. The steelworkers have already filed an antidumping suit. The common market countries say that they will retaliate.

The New York Times said on April 6:

> An international trade war could break out with spillover effects on the whole political and economic spillover of Atlantic relations.

The only people who stand to gain from the current economic policies is the Soviet Union, because we are on the way to creating a trade war with our own allies.

Why is there no sense of crisis in the District of Columbia? It is simply that if we laid off as many Federal employees as the steel industry has laid off proportionately, we would lay off over 325,000 Federal employees, and I suspect that if the gentleman from Connecticut brought in that kind of personnel budget, this city would have a sense of crisis. This is the only city in the United States that is immune to catastrophe until, as the gentleman from Maryland pointed out, catastrophe becomes political and physical.

The tragedy we face is that each side of the aisle is trapped in its own vision of the world. The governing side has focused on a strategy that so far is not working, and has not, and will not work. You cannot tax people heavily enough to afford to create the kind of Government programs that would buy our way into a state in which everyone can carry on the lives they would like. My side of the aisle bears an equal burden because all too often we have focused on the process rather than the goal; because all too often we have said, "We agree with you on full employment. But let us tell you why the bill is wrong." We have said, "Yes, we want young couples, whether they be black or white, to buy housing, to live better, to have jobs, to buy cars," but instead we said, "Oh, no, your proposal is so bad," because we focused on the process.

I will shock my colleagues in the Black Caucus by saying that I think that almost every one of our goals as a vision of the future are identical. I think almost every one of our dreams for our neighborhoods are identical. I think almost everything we want for America in the long run is identical, and yet we have been blocked for so long by disagreement on process that we have depressed ourselves. You know, we have been fighting with our natural allies.

At the risk of embarrassing my great colleague from California, who for a lifetime has fought for full employment, I am going to quote from the California Journal, and I hope it will not cause him too much embarrassment. It is from an article called, "Perspective from Washington," by Leo Rennert, and I quote:

> Hawkins says he feels closer to GOP conservatives like New York's Jack Kemp than to many Democrats because the new-breed Republicans at least believe in immediate action to stimulate economic growth.

That may be a slight exaggeration, and I certainly would not want the gentleman to leap up and endorse KEMP for Vice President, but JACK KEMP more than anyone in this country has re-created the spirit of hope and optimism of an activist government that is not paralyzed by a war between those who want no bureaucracy and no action. He has said, let us at least talk about new ways to skin the cat of despair and poverty.

We favor full employment. We belong to a party which in its long history was founded on jobs and hope and opportunity with Lincoln arguing for free men and free soil, for the Homestead Act, for the creation of agricultural extension services; with McKinley campaigning on a full dinner pail and arguing that there can be sound money and sound jobs, and that is how to create sound neighborhoods.

The last Republican Government, which was in 1953–54, the last time we controlled both the Congress and the executive branch, stabilized the money supply, created jobs, and created the base which causes prosperity. I think the time has come for us to look at new ways of dealing with the problems that we could generally agree on.

I share the gentleman from Maryland's concern about it. I think in the long run it will lead to civil war that will tear this land apart, but I would say to him and to his colleagues in the caucus that it should be obvious that his party has deserted him; that his party will never finance full employment through Government. It will never finance enough houses through Government. It will never save those unemployed teenagers—and I fully agree with the 33-percent figure the gentleman mentioned. I have two areas in my district, Adamsville and Ben Hill in the city of Atlanta, that worry me and terrify me when I think of the future we are creating. The gentleman's party will never rebuild neighborhoods through central government.

I do not suggest that you adopt our proposals. I do not suggest that you leap across the aisle, not that we object to it, we would be glad to have you, but I do suggest that the time has come for you to get together to break down the whole barrier and raise new issues.

We need to work together to build hope for small business, because the black who goes into business goes into a small business and then gets compressed between the very bureaucracy we have fostered, compressed between the very taxes that destroy the small business community.

We need to work together to help people acquire a home, because young black couples need homes just as anyone else does. We must work together to create new visions of success instead of focusing on old visions of opposition. Let me cite one example. The British Conservative Party in its new budget is proposing five one-square mile zones that will be tax free for special purposes. I would suggest that if we were to select five areas as an experiment and say that there will be no Federal corporate income tax and no small business tax in those five areas of activity for the next 5 years as an experiment, we would lose very little and gain a great deal and begin the process of trying to find out what I think the gentleman from California so passionately believes.

□ 1640

Then we would begin the process of trying to find out what I think the gentleman from California (Mr. HAWKINS) so passionately believes in: How do we guarantee that every American eager to work is able to work?

It might not work, but I think it is time we made mistakes in the right direction and that we risk money in the right direction instead of explaining why it is good for people to live a life without jobs and without hope.

Could we not join together in creating a bill that would help the black urban community, that would help the business community, that would create factories in the cities, that would create a tax base and open government, and that would create long-term jobs and rebuild the industrial base in America?

The vote on the budget is critical. This is the turning point. Are we going to adopt the majority budget that raises the total tax burden by $990 per working American in the civilian work force?

Are we going to have fancy gimmicks that technically avoid tax increases and yet in fact, through cute tricks, mean tax increases?

The basic issue is that if the Government got the money, then our taxes went up, and the total of $96 billion additional in tax revenues goes to the Government in this process.

It is time that we turned away from this bureaucratic depression budget, this budget of despair, and turn to the Latta substitute—to a people's budget, a budget that offers hope, one that does force the city of Washington to bear some of the pain but does so by restructuring the Government to keep the money going to the constituencies and not by cutting across the board in ways that wreck our creativity and cause pain in the country. This is a budget that offers more factories and more jobs, that offers relief in supply-side economics, and that offers hope with the promise of a little more take-home pay for Americans who are being crushed by inflation.

So, Mr. Chairman, I would close by asking my friends and colleagues in the Black Caucus: Would it not be a tremendous message—a great risk but a message to both parties—to vote one time for my party's budget, not because it is particularly a great budget or even a good budget, but because from my standpoint it is vital that you show more than a willingness to be isolated on the far left, to be outmaneuvered, and to be avoided?

This would be showing a willingness to take a risk. Would it not be good if we were willing for us to be able to sit down with my party's leadership and say, yes, we will come across this one time and we want to send a message to the leaders of our country that we are so concerned about the crisis of unemployment that we will take any risk within reason? And now what will the minority party do to share that risk?

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. Of course, I will yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, I would just like to point out, in answer to the point the gentleman raises, that it is not simply the Black Caucus that believes in the Humphrey-Hawkins approach of assuring on the part of the Federal Government that we have a full employment economy. Humphrey-Hawkins was cosponsored by many of us who are not in the Black Caucus but who are very strongly committed to the idea not only of the growth which the gentleman advocates—but I think we have some questions about the means by which we arrive at the goal—as well as having the Federal Government make a commitment, to the extent that the private sector is unable to provide full employment, and that the Goverment act as an employer of last resort.

Mr. GINGRICH. Mr. Chairman, I want to thank my colleague, the gentleman from New York, for that point, and I want to broaden the invitation because I think the gentleman is right.

I frankly have been so saddened to see the gentleman's leadership in his party betray him so frequently, saying kind things and offering no prospect to develop jobs and having nothing in the budget to promise future hope and then annually explaining why it will not be done this year, that I frankly had focused on those of my friends who happened to be in the area I represent, specifically the Adamsville and the Ben Hill part of my district.

But I think that any liberal, any Democrat for that matter—but particularly we are talking about liberal values in the broad sense in the last years—any liberal should be ready to say, "I am so angry, about the deliberate measures of this leadership that I want to send a signal the leadership expects you to vote for your amendment and then be maneuvered into impotence. But there are alternatives to following their plan.

I think that a strong liberal and Black Caucus vote for Mr. LATTA would shock the majority leadership a great deal. It would shock the country, and it would shock my party's leadership if we were to have 70 or 80 votes from the left wing of the gentleman's party. Then we could all meet together in joint conference and say, "All right, let's forget everything we know didn't work. Let us work between us and let us find out how to save this country before the depression comes."

Mr. OTTINGER. Mr. Chairman, let me say to the gentleman that I personally have never yet voted for the budget because I do not think it meets the needs of the country. So I have been doing that, but unfortunately it is not enough.

Mr. GINGRICH. Mr. Chairman, I would now ask the gentleman to take another additional half step, having come almost all the way down the aisle, and I ask him seriously, as a straight political gesture, not to say, "Yes, I love the Latta budget" or "I love supply-side economics." But he might say, "I am sick and tired of being lied to and being misled by my party. I want to make the gesture and see what our prospects are."

Mr. Chairman, I think that would frankly change the world and change this country.

Mr. GRAMM. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, I find much of what the gentleman says to be something with which I can agree, but I find a partisanship that I do not think is borne out by the facts.

I think if we look at the situation since the Second World War, that we have had three administrations that were basically conservative economically and fiscally responsible. In 1946 there was a lot of pressure on Harry Truman to expand Government spending and to create jobs, but Harry Truman was a student of history and he knew it was important to hold the line, and he did. He balanced the Federal budget in 18 months. We stopped the inflation, and we made the greatest transition from a wartime production to peacetime production in history.

From 1946 until 1964, with the beginning of the Vietnam war, with the exception of 1950, we had virtually stable and unchanging prices during two Democratic administrations and one Republican administration.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. GINGRICH) has expired.

Mr. REGULA. Mr. Chairman, I yield 2 additional minutes to the gentleman from Georgia (Mr. GINGRICH).

Mr. GRAMM. Mr. Chairman, will the gentleman yield further?

Mr. GINGRICH. I yield to the gentleman from Texas.

Mr. GRAMM. Mr. Chairman, philosophically I find very little the gentleman says that I disagree with, but I think it is important to note that fiscal irresponsibility has not been a partisan matter.

In 1969 President Nixon had brought the inflation rate by July down to 2.7 percent from a 7-percent rate under Lyndon Johnson. The unemployment rate went up, and Nixon panicked and turned on the printing presses. Then we had a $23 billion deficit within 12 months, and the unemployment rate slipped off and the inflation rate went up.

So I do not think that balancing the budget, fiscal responsibility, and freeing capital for private use are necessarily partisan issues. I think it really clouds history to claim basically that it is.

Mr. Chairman, I am hopeful that the things the gentleman talks about are things he can build a consensus on. I think the record of Republican and Democratic administrations alike has been bad.

Mr. GINGRICH. Mr. Chairman, the sentiment the gentleman expresses is exactly the direction we need to move in. This country is in a great crisis. We need a bipartisan coalition that puts the survival of this economy and the survival of this country above party considerations and traditional partisan power.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

Mr. Chairman, I was interested in the figures the gentleman brought out here that if we accept the budget produced by us by the Committee on the Budget, the add-on cost to every individual of the new tax burden that will be added by this resolution, which is $96 billion, is, I think, by their own figure $990 per person.

Mr. GINGRICH. No. If we take the civilian labor force, which is the figure normally used to compute unemployment, it is $990, and that includes the Federal Civil Service.

The CHAIRMAN. The time of the gentleman from Georgia (Mr. GINGRICH) has again expired.

Mr. REGULA. Mr. Chairman, I yield 1 additional minute to the gentleman from Georgia (Mr. GINGRICH).

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. GINGRICH. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate my colleague's yielding.

So the add-on burden to the working people of this country, if we accept this resolution that the committee has produced, is $990 per individual working; is that correct?

Mr. GINGRICH. That is correct.

Mr. ROUSSELOT. Mr. Chairman, there is a substantial number of working people in every Member's congressional district. I think it averages about 220,000. That is quite a burden to ask everybody to accept.

Mr. GINGRICH. Mr. Chairman, it is a burden that will crush this economy.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the gentleman's making that point.

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. WYLIE).

Mr. WYLIE. Mr. Chairman, I thank the gentleman from Ohio (Mr. REGULA) for yielding me this time.

Mr. Chairman, this is one of the most important debates, as the gentleman from Georgia (Mr. GINGRICH) just said, that we will have in this Congress or any Congress as far as I am concerned.

Inflation has indeed become the curse of our times. It is the most serious problem now facing our Nation, and if we do not bring inflation under control, we will not have to worry about national defense, dependence on foreign oil, health care, welfare reform, food stamps, or Humphrey-Hawkins or any of the other laudible programs that are in this budget.

□ 1650

Inflation must be brought under control, and now. I think the American people are to be given at least partial credit for the administration's shift of position from its first budget resolution which was submitted back in January. The American people are up in arms about inflation and about high interest rates, and they are demanding that we in Congress do something about it, and now. And I say, "It is about time, Mr. President, and I applaud you for your conversion to the balanced-budget concept, however belated."

I and my Republican colleagues have been arguing for a long time that a balanced budget is the first step in breaking the inflation pattern that has been brought on by 25 years of deficit spending.

I might say that I serve on the Joint Economic Committee and that in appearances before the Joint Economic Committee by Mr. Volcker, who is Chairman of the Federal Reserve Board, Mr. Partee, a Governor of the Federal Reserve Board, Mr. Janis, who is Chairman of the Federal Home Loan Bank, and Dr. Russell, who is head of COWPS, who was just before us yesterday, all of these people agree that we must now balance the budget or at least stop deficit spending if we are to bring inflation under control.

And I told Governor Partee that I thought the Federal Reserve Board had been on the leading edge of attempting to control inflation too long without proper tools, that the Federal Reserve Board can only fine-tune the economy and that stopping deficit spending is the first thing that must happen before we can anticipate bringing inflation under control. The main thing is to balance the budget, as I say, to bring inflation under control. But, we should not balance the budget by anticipating increased tax revenues, which is what the budget before us now does.

That is by increasing tax receipts through inflation. That is the so-called tax bracket increase. That is the psychology of inflation, to increase spending with anticipated increased revenues through inflation. We should not balance the budget by increasing the tax on gasoline or by the windfall profits tax or by withholding the tax on interest or dividends. I say that, regrettably, the fiscal year 1981 budget actually calls for an increase in new Federal spending of about $43 billion along with increased tax revenues of about $95 billion.

Now, I am pleased that the President has signed a revised balanced budget and that the Budget Committee has come up with a balanced budget. I say, "Welcome aboard." There is some good news and there is some bad news in the Budget Committee resolution. The good news is that it does call for some restraints on Government spending; $16.5 billion will be cut in unnecessary spending. This should have a positive psychological effect on the Nation and on the world. The bad news is that more money will be collected from the American taxpayer. And it is for this reason that I say that we should support the Latta substitute which calls for a balanced budget without an increase in taxes.

I think it is very important that we do vote a balanced budget right now, however, by whatever procedure, that Government spending be brought within its revenues, and that the Federal Government be taken out of the fiscal management marketplace. I say to my friend, the gentleman from Maryland (Mr. Mitchell), with whom I serve on the Joint Economic Committee, that I think the real problem, as far as our economy today is concerned, is the fact that the Federal Government is intervening in the marketplace continuously in its debt management problems to finance the public debt.

I would say to my friend, the gentleman from New York (Mr. Kemp), who a little while ago said that the problem is not really a balanced budget at the present time, that I respectfully disagree with him, that I think the problem is a balanced budget, and the fact that we have to in effect create new money on a continuing basis, new inflated dollars, this has brought us to the place where we are today with an 18-percent inflation rate and with an interest rate of 18 to 20 percent and with the economy in the state that it is now in, as far as the housing industry is concerned, as far as unemployment is concerned, and that the real thing that we must do today to bring inflation under control is to balance the budget so that we do not have to worry about financing a public debt which is way out of balance, up to $800 billion now.

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from Maryland.

The CHAIRMAN. The time of the gentleman from Ohio has expired.

Mr. REGULA. Mr. Chairman, I yield 5 additional minutes to the gentleman from Ohio (Mr. Wylie).

Mr. MITCHELL of Maryland. I appreciate my good friend yielding to me.

Let us accept just for this moment that a balanced budget is good. My concern comes in how one balances the budget, if you have to balance it. The gentleman says $16.5 billion has been cut from Government spending. Is it not true that 7.3 percent of that $16.5 billion has come out of human resources categories? You see, that is the inequity that I see in the situation, where you get a disproportionate share of the cuts being imposed on one category of programs.

Mr. WYLIE. That is a fair analysis, and I might support some amendments of the gentleman from Maryland if he has some to offer, as long as it takes out of one program and puts into another which might be even more laudable. The only point I pretend to make right now is that at this point in time we do need a balanced budget, we do need to get the Federal Government out of the private sector economy, we need to get the Federal Government out of competition with the private sector for money. There is no way that the private sector can compete with the Federal Government when it is financing short-term Treasury notes, 91-day Treasury notes, at 15 or 15½ percent. That is the thesis that I want to make.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYLIE. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, I appreciate the comments of my colleague, the gentleman from Ohio, in response to the gentleman from Maryland. I would like to comment just briefly that we really are not talking about cuts in social programs in any of these resolutions, either the Latta resolution or the Giaimo resolution, because in all cases of social programs in the functional categories, they are all increased substantially over last year. Now, they may not be as high in dollars as the gentleman would like personally in certain areas, but I am telling the gentleman they are substantial. They are 10, 15 percent increases in some cases over last year's functional categories.

Mr. MITCHELL of Maryland. If the gentleman will yield, I only wish I had the time to respond to the gentleman.

Mr. ROUSSELOT. I will get the gentleman time.

I am just saying to my colleague from Maryland, as the gentleman was discussing with my friend from Ohio, I just could not resist the temptation. Let us take the increase in health. The expenditure last year was $54 billion. This year the committee resolution is $61 billion. That is not a small increase.

Mr. MITCHELL of Maryland. If the gentleman will yield, if the gentleman will get me some time I will respond to the gentleman.

Mr. WYLIE. Mr. Chairman, may I respectfully say to the gentleman from California and to the gentleman from Maryland that I will yield in just a minute. I think we are in a period of time in our Nation's history when everyone must sacrifice. I think every category must be examined. I think we must be careful to see that no increases are made in any category which will put the budget out of balance. I would say to the gentleman that if he can find a way to do what he wants to do and not increase the overall budget so that we have a budget deficit again, I might support him.

I would be glad to yield to my friend, the gentleman from Maryland (Mr. Mitchell), to respond.

Mr. MITCHELL of Maryland. I thank the gentleman for yielding.

Mr. Chairman, it is just a matter of simple mathematics to look at the rate of inflation that everyone has talked about and apply that rate of inflation to each of those programs. You will see that there is no real increase. That is all the response we need to make. Not a single one of those programs that my colleague has referred to has an increase which is commensurate with the rate of inflation. Indeed, most of them have an increase which is less than the rate of inflation; therefore, there is automatically a decrease in the delivery of service.

Mr. WYLIE. Mr. Chairman, we are about to adopt a balanced budget resolution, apparently, for fiscal year 1981, by one process or another; and I applaud that aim and goal. I say we should make more attempts to reduce the fiscal year 1980 budget and not add to it.

One of the reasons we are told we are going to have to add to the fiscal year 1980 budget is because of inflation. So we are going to increase the cost of the programs because of inflation. That is inflation feeding on inflation.

I thank the gentleman from Ohio (Mr. Regula) for yielding me this time, and I yield back the balance of my time.

Mrs. CHISHOLM. Mr. Chairman, I yield such time as he may consume to the gentleman from New Jersey (Mr. Rodino).

Mr. RODINO. Mr. Chairman, the goal of full employment continues to elude us. Today, it seems to be receding even farther away from our reach. And I fear that program cuts recommended in the budget resolution would shove the goal of full employment toward the edge of fantasy.

In February, 6.3 million able Americans were unemployed. That adds up to a rate of 6 percent of our work force. The rate for some groups of workers is much worse. Among black workers, it is 11.5 percent. And for young blacks, the jobless rate is a shameful 37.9 percent.

In recent weeks, the onset of a new recession has been painfully obvious. The unemployment rate in the home construction industry is increasing sharply. The troubled auto industry is announcing more and more layoffs of workers. Joblessness is rising among steel workers and those in other basic industries.

If the pending budget resolution is approved, the situation will become much worse. The AFL-CIO estimates—reliably, I believe—that 500,000 more jobs would be wiped out by the impact of this budget resolution.

This is not just a statistic—cold and abstract—which has hissed out of a computer. These are human beings, with families and needs, with shattered dreams and growing fears. The extreme word "catastrophe" must be used to describe the personal consequences when a worker loses his or her job.

As I deplore the human consequences of budget cuts which produce higher unemployment, I must also doubt that those cuts would result in any positive economic consequences.

A few weeks ago, AFL-CIO President Lane Kirkland spoke of the prospective loss of a half million jobs as a result of this budget resolution:

> Every one million persons unemployed adds one additional percentage point to the national unemployment rate. And each one percent of unemployment costs the Federal Government $20 billion in lost tax revenue and in increased social costs such as unemployment compensation and food stamps.
>
> In other words, when the administration and the Congress seek to balance the budget by eliminating 500,000 jobs, they are adding one half a percentage point on unemployment and adding $10 billion to the deficit.

The cruel irony of the current and worsening unemployment situation is that it follows so soon after we enacted the Full Employment and Balanced Growth Act of 1978, informally known as the Humphrey-Hawkins Act.

The recommended budget cuts slashing such programs as CETA, countercyclical assistance and community development are not only inconsistent with the Humphrey-Hawkins Act; they directly contradict the purposes, the provisions and the priorities of the Full Employment and Balanced Growth Act of 1978.

The statement of purpose of Humphrey-Hawkins begins this way:

> To establish and translate into practical reality the right of all adult Americans able, willing, and seeking to work to full opportunity for useful paid employment at fair rates of compensation. . . .

There is simply no logical, rational way to reconcile the huge contradiction between the Humphrey-Hawkins Full Employment and Balanced Growth Act and the budget resolution before us.

The Congress voted to enact the Humphrey-Hawkins bill. The President signed it into law.

I cannot now support a budget resolution which would crudely suspend or ignore that law.

☐ 1700

Mrs. CHISHOLM. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. Weiss).

Mr. WEISS. Mr. Chairman, I thank the gentlewoman for yielding this time to me.

Mr. Chairman, I would like to associate myself with the remarks of our distinguished colleague, the gentleman from California (Mr. Hawkins), the chairman of the Employment Opportunity Subcommittee of the Committee on Education and Labor, on which I have the privilege of serving. One year ago I joined with the gentleman from California (Mr. Hawkins) and others to express my frustration with the President's proposed fiscal 1980 budget. At that time the unemployment rate was 5.8 percent and inflation had hit a record high of 12 percent. Today, one year later, these seem to be enviable figures.

One year later our rate of productivity continues to decline, unemployment steadily rises, inflation is above 18 percent and we still have no long-range economic policy.

I want to take note of the fact that the distinguished chairman of the Budget Committee, the gentleman from Connecticut (Mr. Giaimo) has in my opinion under very difficult circumstances been forced into a position that I am sure he is not happy with. Although I have very strong disagreements with him on the basic outcome of his committee's work product, I believe that he has acted from only the sincerest of motivations.

Mr. Chairman, we have had this afternoon some comments and speeches, which if you listened to them and took them at face value would seem to indicate that those making them support not only a balanced budget, but also all the social welfare goals which America needs to have adopted to provide for the best interests of all its poor and underprivileged.

We were just a few moments ago, presented with a statement by the distinguished gentleman from Georgia who suggested that if only the members of the Black Caucus and the Democrats generally supported the Latta amendment, that we would have the best of all possible worlds. A balanced budget, lower taxes and social programs for the poor and the minorities of our country.

What the gentleman did not say in the course of a very eloquent speech outlining what all the very serious social concerns of this country are, what the gentleman did not say was that the Latta amendment not only seeks to cut back taxes by $32 billion, it also seeks to cut back by almost $27 billion the very social welfare programs that the gentleman from Georgia, supposedly is committed to furthering; so it seems to me we must examine with care what everybody says about this budget, including the Budget Committee itself.

There is a tendency, I think, on the part of the Budget Committee and the administration to operate on the premise that the American people are stupid. Why do I say that?

It has been said to us, that the Budget Committee knows and the President knows that a spending reduction of $15 billion to $20 billion in this budget to remove the deficit will not really cure inflation, because it will only reduce inflation by one-tenth to two-tenths of 1 percent, from 18.2 percent a year to perhaps 18.1 or 18 percent; but the administration and this Budget Committee operates on the premise that although we are smart enough to know that a one-tenth of 1-percent reduction does not cure the problem, the American people themselves are too stupid to understand the same thing. I suspect that we in this Congress are the ones who are stupid, if we think that the American people are that stupid.

The fact is, Mr. Chairman, that this whole budget resolution process which culminates in this budget-cutting mania is fighting the last economic war. For some mysterious reason, the administration and the Budget Committee majority, including both Democrats and Republicans now, was caught up with the idea that balancing the budget was what the people of this country wanted. That is not what they want. What the people of this country want is a reduction in the inflation rate, which is running now at 18 percent, after last year's 13 percent and the year before of 9 percent. They do not want the symbolic one-tenth of 1 percent cut in the inflation by balancing the budget.

Indeed, when this budget resolution goes into effect on October 1 at the beginning of the next fiscal year, and the people see that there is not only no reduction in inflation, but a massive rise in unemployment, there will be a tremendous outcry.

At that point I suggest that any Member of this House who goes out to his or her constituents and says, "Look at what a fantastic thing we did for you. We balanced the budget," when, in fact, there may be millions of Americans newly unemployed. I do not think such a Member will get the thanks of the constituents. I think rather that those constituents are going to turn around and say, "What a bunch of idiots you are."

Walter Heller has pointed out that if we are trying to follow the fiscal restriction route to reducing inflation, what we have to be prepared to do is to have 3 million Americans fired for every 1-percent reduction in the underlying rate of inflation; so that if you assume that the underlying rate of inflation is 9 or 10 percent and you want to bring that down to perhaps 6 percent, you may be talking about causing the loss of jobs to 9 to 12 million Americans.

During the height of the Depression, there were 12 million Americans unemployed. Are we saying to the country that what we want is an economic recession that compares with the Great Depression of the 1930s? That is the direction in which this budget resolution goes.

At the very time that we are moving in that direction, we are cutting all the safety nets.

The gentleman from California (Mr. ROUSSELOT) suggested that he does not understand what all the talk is about, that we are not cutting back on last year's budget. All that we are doing is cutting back on some of the increases. That simply is not true.

Take CETA. In fiscal year 1980 in the title VI portion of CETA, there were 200,000 jobs. In this budget resolution, the proposal is 150,000 jobs. That is a 50,000-job reduction, a billion dollars out of that budget.

Do you know what that is being done in the face of? It is being done in the face of a provision in the 1978 CETA reauthorization which said that as a safety net we are going to build a triggering mechanism in so that if unemployment in this country rises above 7 percent, then the Government through CETA will provide for 25 percent of those unemployed above 4 percent to be able to be hired through CETA.

That would mean under the law that we should be building into this budget resolution, a provision for anywhere from 800,000 to 900,000 jobs, because the very projection of this budget resolution is that there will be 7.6 percent unemployment in the fiscal year 1981 time period.

Are we doing that? No. We are blithely acknowledging the reality of the need for 800,000 to 900,000 jobs but all we are providing for is 150,000 jobs.

I do not know how we have the temerity to stand here and say, as it has been said on the floor today that for the good of the country we have to tighten our belts.

□ 1710

Nonsense.

We are not suggesting that we tighten our belts. We are mandating that millions of Americans tighten their belts because they are going to be losing weight, because they are going to have much less to eat. That is the reality of what we are doing.

The gentleman from California suggests no real cutbacks. In the countercyclical program there is a cutback of $1 billion.

The Secretary of the Treasury appeared before the Subcommittee on Government Operations on which I served last week.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. HAWKINS. Mr. Chairman, I yield 5 more minutes to the gentleman.

Mr. WEISS. When the Secretary of the Treasury appeared before our committee I asked him "What do you think the effect is going to be on unemployment?" He said, "Oh, it is going to be a very mild recession, maybe 7, 7.2 percent." I said, "Well, you suggested 6 months ago that the recession was half over." He said, "Oh, I was talking about the recession of 1979."

I do not think that we ought to be conning ourselves and kidding ourselves as to where we are. We are at a very serious stage in our economy and all of the suggestions that we can solve the problem by cutting back on social welfare programs and balancing the budget, do not take into consideration the real pain and suffering that is going on.

General revenue sharing is being proposed to be cut back by $2.5 billion. That is money that is in the budget for this year that is not going to be there next year if this budget prevails. So we are talking about the real loss of real money for real people who are going to really be missing meals if we go through with this kind of a budget.

It seems to me that if we want to do something about inflation, wage and price control is the way to do it. I certainly do not think we ought to just go along with the sham that if we balance the budget that will be the end of all of our problems.

The New York Times for Sunday, April 20, carries a frightening story. I quote:

> The Nation's business and personal bankruptcy filings in February totaled 29,228. That is up 81 percent from February of 1979, following a 70 percent rise in January over the year earlier. It looks as though 1980 will break the previous record set in 1975 of more than 250,000 filings.

Ladies and gentlemen, that is not just poor people, that is not just minorities. That is everybody. That is the middle class, that is the small business people in your districts. That is what you are forcing on them and on this country if we adopt the budget resolution that is before us.

Mr. WYLIE. Mr. Chairman, will the gentleman yield?

Mr. WEISS. I am happy to yield to the gentleman.

Mr. WYLIE. I thank the gentleman for yielding.

What does the gentleman from New York think is causing the 18-percent rate of inflation if it is not deficit spending?

Mr. WEISS. It is not deficit spending. We have had studies which indicate that there is no correlation between deficit spending and inflation. When the Ford administration went out of office the deficit that year was $66 billion. The year before it had been $45 billion, and yet the inflation rate went down from the year before to the year when the inflation was higher. One reason that we have had an increase in the inflation rate is because we have made no real effort to cut back in the importing of oil. Another reason is that we have had no food policy, we have allowed speculation to go on in food production and distribution and of course we have fueled inflation by decontrolling domestic oil and natural gas. I think the gentleman is in for a rude shock if he thinks balancing of the budget is really going to achieve anything at all.

Mr. WYLIE. If the gentleman will yield further, the gentleman does not think the fact that the Treasury intervenes in the marketplace to finance the public debt with Treasury bills at 15 and 15.5 percent has an inflationary impact?

Mr. WEISS. I think there may be some mild impact.

I have no opposition to balancing the budget. All I am suggesting is that this whole budget process was supposed to be set up to create priorities. We have not done that. What we have done is to take those who are in the greatest need and push them further down to the bottom.

Mr. WYLIE. I am glad to hear the gentleman say that he has no objection to balancing the budget.

Mr. WEISS. I would suggest that the gentleman might want to look at some of the excess spending that we are putting into the defense budget. That budget is not only going to cover for inflation, but it is going to go above by 2 or 3 percent, and perhaps as much as 5 percent if the other body has its way.

It seems to me that is what we ought to be looking for, some wastes and cutbacks, rather than social welfare programs that people cannot afford to lose.

Mr. WYLIE. I agree, we should look at every category. But I am glad to hear the gentleman say that he has no objection to a balanced budget.

Mr. WEISS. I hope the gentleman understands that I oppose the areas where he suggests cutting the budget because I think he would be unhappy with the consequences.

This administration and a majority of the Budget Committee are responding to this crisis with policies of short-term expediency without any consideration of their long-term impact. The policies they have adopted represent a belief that one, the major cause of inflation is a Federal deficit; two, that the remedy for an unacceptable inflation rate is to throw millions of people out of work; and three, that the Federal budget must be balanced. These are unsound and unfair economic policies which violate reason as well as the intent and goals of the Hawkins-Humphrey Full Employment and Balanced Growth Act.

The Hawkins-Humphrey Full Employment and Balanced Growth Act directs the President to establish yearly numerical goals to "achieve as rapidly as possible the goals of full employment and productivity" and "interim targets of 4 percent unemployment and 3 percent inflation by 1983."

The President, who is empowered by the law to recommend modification of the timetable, stated in his 1980 economic report that the goals of the legislation would not be met. The President's request and the subsequent first budget resolution seek to establish as national policy the violation of the same law which he and many of us had actively supported in the last Congress.

This philosophy that a recession must be induced, people must lose their jobs in ever-increasing numbers, and the Federal budget must be balanced—and be balanced by denying services and programs for those who need them more than ever—is wrong.

These steps, alone or in concert will not stop inflation. The idea that a rise in unemployment will cause a like lowering in the rate of inflation is a myth. The idea that high inflation is caused by an unbalanced Federal budget is a myth.

In 1975 when the budget deficit was over $45 billion, inflation was at 7 percent. The following year, the deficit reached $66 billion, yet the rate of inflation decreased to 4.8 percent. The link between a high inflation rate and deficit Federal spending is at best weak. Reduction of Federal spending by $20 billion according to the Congressional Budget Office would only lower inflation by between 1 and two-tenths of 1 percent.

Reducing efforts in job creation both in the public and private sector will not reduce inflation, and most certainly will not balance the Federal budget. Walter Heller has stated that an attempt to reduce the rate of inflation by a forced increase in unemployment would have to be almost Draconian to effect any change. Three million people would have to lose their jobs to effect each 1 percent decrease in the underlying rate of inflation. To use this method, to actually curb the rate of inflation by just 4 percent, 12 million people would have to be forced out of work.

Estimates have been made that enactment of the first budget resolution will cause the direct loss of 500,000 jobs, and as the "ripple" effects of the resolution are realized, an additional half million people could be out of work. For every 1-percent increase in unemployment, the Congressional Budget Office estimates that the Federal Government loses $25 billion in decreased tax revenues and increased unemployment compensation payments and welfare benefits. If 500,000 people were to lose their jobs, the budget deficit would in fact be increased by $10 billion. How can we even hope to balance the budget with this decrease in revenues and increase in Federal expenditures?

And this kind of increase in the numbers of people being forced out of work is not in a full employment economy. The unemployment rate is already at 6.2 percent and rising, and in one industry, the auto industry, 25 percent of the work force is now on lay-off.

One of the most effective tools to combat inflation, and one which is provided for in Hawkins-Humphrey, is to encourage productivity and create new jobs both in the public and private sector. One of the mandates of CETA, the Comprehensive Employment and Training Act, is that the number of jobs provided by the Federal Government shall be sufficient to provide jobs for 25 percent of the number of unemployed in excess of 4 percent when the national unemployment rate exceeds 7 percent. If the unemployment rate rises to 7.4 percent, as the Budget Committee projects and we follow the mandate of the statute, 850,000 countercylical public service positions should be provided under title VI of CETA yet the budget resolution, in direct opposition to the law calls for a decrease of 50,000 positions.

The budget resolution also abandons one of the most effective tools to combat the recession, countercyclical fiscal assistance and the State's share of general revenue sharing. Countercyclical assistance was originally enacted to provide a standby mechanism to aid local communities deal with increased public service costs as measured by increases in national and local unemployment and the resulting loss in tax revenues. In the first budget for fiscal year 1981 submitted by the president, the inclusion of $1 billion for the countercyclical program indicated the President's clear recognition that this local assistance would again be crucial for economically distressed communities during the next fiscal year. But as the economic situation continued to worsen, the President somehow reasoned that this would no longer be needed, and eliminated it from his revised budget submission.

The administration's reasoning is likewise shortsighted in elimination of the States' share of general revenue sharing. The common argument used for doing away with this $2.3 billion State program is the budget surpluses which some States now enjoy. However, only last week the Secretary of the Treasury, in testimony before the Government Operations Subcommittee on which I serve suggested that States will likely find themselves in a deficit position within a very short time. This would obviously mean that the States would also no longer be able to aid localities during this recession.

The President's request and the first budget resolution will likewise effect massive reductions and changes in authorizing legislation in the child nutrition programs, cutbacks in food stamps, welfare demonstration projects and low-income energy assistance. Reductions in programs whose services are needed more than ever before.

Certainly the timing of all these reductions and program ATIC changes in the first budget resolution could not be worse. As we head into a deep recession we are cutting back the very programs which could be effective weapons against it. Again, we are formulating a short-term policy without recognition of the long range implications.

If we are to adopt an effective economic policy, wage and price controls must be a component. Only the imposition of across the board controls could attack the vicious wage-price inflation spiral and break the momentum of inflation. Controls were sucessful immediately following World War II, the Korean War, and in the Nixon administration, and can be successful today. Only in this manner would the burden of fighting inflation be shared by every segment of the population.

I would also like to address the reconciliation instruction in the budget resolution which would establish fixed ceilings, instead of spending targets for fiscal year 1981 expenditures. This attempt by the Budget Committee to usurp and undermine the authority of the authorizing and appropriating committees must be rejected. Imposition of this type of procedure in the first resolution was considered and rightfully abandoned during the authorization of the Budget Act in 1974. The authorizing committees have the expertise to provide appropriate sums for programs as they see fit within the targets of the budget resolution. They should not be forced to bow to the indiscriminate dictates of the Budget Committee.

I am not opposed to a balanced budget, but I do oppose the priorities of this proposal, and the unrealistic and unjust projections that are part of it. Under the budget resolution, spending for social and Government fiscal assistance programs will fall. Yet spending for defense programs will increase.

The question of the priorities established in this budget resolution go to the very heart of the function of the Federal Government. Of course the Nation requires a sound national defense, but the Government must provide as well basic social services and necessities for all Americans—children, the unemployed, minorities, the young, students, the disabled and the elderly. We must recommit this Nation to the mandates of the Hawkins-Humphrey Full Employment and Balanced Growth Act.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Colorado (Mr. KRAMER).

Mr. KRAMER. Mr. Chairman, once again as election day looms on the horizon we are witnessing the biennial transformation of the free-spending liberals to self-proclaimed fiscal conservatives. In all honesty I think we ought to give them credit for having their finger on the public pulse and recognizing the primary concern of the majority of Americans today, that being inflation, the oppressive inflation rate which has gripped this country and which relentlessly erodes the earnings and savings of every American. Americans have indeed come to recognize that inflation, the rate of inflation, and all of the horrors accompanied by it are not just the result of OPEC price increases or just the result of corporate price gouging, even though some would have us believe that. But, rather, it is brought on and exacerbated by the persistent growth in Government spending and years of Federal deficit spending.

The majority of Americans today are strong advocates of a balanced Federal budget and a reduced level of Government spending. Unfortunately, coming new to the balanced budget team, the big spenders have not quite got the complete hang of things and have missed a central part of the equation.

It is true that the budget that is being offered today is balanced if we forget about the $18 billion worth of off-budget items. But at what cost? The sad fact is that these born again budget balancers have not been willing to get hold of increasing Government spending and, in fact, have balanced the budget not by cutting back on spending, but by raising taxes to pay for the continued binge of Federal spending.

The American people should not allow themselves to be hoodwinked into believing this attractive packaging is in fact budget balancing. Let us look at the bottom line.

The bottom line shows an increase in taxes for fiscal year 1981 over fiscal year 1980 of more than $80 billion, $80 billion in order to pay for this balancing act.

The tax increases over 1980 break down in the following way:

The increase in individual taxes due to inflation, "bracket creep," is $15 billion. The increase in social security taxes is almost $28 billion. The windfall profit tax is $15 billion. The gas conservation fee is $12.6 billion. Withholding taxes on interest and on dividends, $3.4 billion. Other miscellaneous increases, including restrictions on tax-exempt housing bonds, $8.3 billion, giving as an increase over fiscal year 1980 in excess of $83 billion in new revenues attributable to increased taxes.

This figure does not even include increased tax receipts generated as a result of economic growth. Total revenue increases over fiscal year 1980 are now estimated at close to $100 billion. Revenues, which, in fact, are taxes, have nearly doubled during the 3½ years of the present administration from the revenue base when President Ford left office.

For years the Republican minority has acted as a voice of responsibility and, as a result, has often been cast as the heavy, erroneously labeled as insensitive to the low- and moderate-income, the blue collar workers and the average American taxpayer.

□ 1720

In fact, the policies which the Republicans have espoused for years have been designed to really benefit these people by increasing meaningful job opportunities, by increasing real income, and by decreasing the Government presence and tax burden. For years the Republicans have argued in vain for a balanced budget, a responsible balanced budget, a real balanced budget. The budget which is offered today in the name of balance does not meet that test. The Republican alternative budget does, for it is balanced on the twin pillars of reducing Government spending and reducing taxes. This is what the American people have in mind when they call for a balanced budget, not Government as usual and an additional $900 in taxes for each taxpayer to pay for it.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. I yield 1 additional minute to the gentleman from Colorado.

Mr. KRAMER. I thank the gentleman. People should not be lulled into a false sense of security thinking that Republicans will support any budget so long as it says "balanced" on it. Republicans want a balanced budget, yes, but a responsible balanced budget such as we have proposed in the Republican alternative. I believe that Republicans and the American people will reject this budget, which is balanced only at the expense of continuing the ruinous policies of high spending, high taxes, and high inflation.

Mr. HAWKINS. Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I want to congratulate my friend, the gentleman from California (Mr. HAWKINS) not only for authoring the Humphrey-Hawkins bill but for staying here all day and leading the debate on the failure of this budget to meet the objectives of that act which we so recently passed and leading the fight to try and get to a healthy economy in this country that will employ the tremendous resources that we have, the most important of which are our human resources. Only implementation of this act will get us back into a situation where we can have prosperity and enjoy once again the real strength of this Nation which is its promise as land of opportunity where people wanted to come from all over the world to escape repression in the countries from which they came, to get an opportunity to advance themselves within a land which offered a greater opportunity than any other country on Earth. We are quickly getting away from that.

I am very worried about the state of this country because we have at this time an administration that is consciously trying to throw this country into a recession or depression. We are seeing the results of that very radically at the present time as we now have 200,000 auto workers out of work, and we have a construction industry that is going down in increments of 22 percent just last month and there were virtually no new housing starts. We are beginning to see fright and pain and suffering within our society, both from a combination of increased inflation and increased unemployment.

At the same time we are seeing this country becoming less competitive with respect to the other industrialized countries of the world. We are seeing jobs shifting to Japan and to Europe to a frightening extent and the Government of the United States is actually aiding and abetting that move.

There is only one thing that this recession or depression is going to do for us. It is not going to counteract inflation as the classical economists tell us. In point of fact, it does not address the causes of inflation. It is not even going to balance the budget because, as you get these millions of people who are thrown out of work, they are going to go on unemployment insurance; they are going to go on welfare; and they are not going to be able to pay taxes.

The statistics show that somewhere between $20 and $25 billion of additional deficit spending results from every 1 percent increase in that unemployment. So this whole recessionary and expenditure cut effort is really a fraud on the American people that is going to head us down the road to a shrinking, shriveling economy, to a state where no one is going to want to come here because our promise is not going to be delivered upon. We are going to lose our competitiveness even further to the European countries and Japan, and we will not have solved inflation. It is a tragedy. It is nothing short of a tragedy.

The idea of my friends on the Republican side saying, you know, these cuts really do not mean anything is simply false—those cuts are going to contribute to the bankruptcy of our cities, to having small businesses go out of business, to human suffering in this country the likes of which we have not seen since the 1930's. To no avail in fighting inflation, those cuts are really very beautiful to our society.

You take a look at the prosperity that presently is going on in Japan and in Europe. They do not do that without Government help or with any campaign inducing people to hate their Government and believe that their Government has no role in their economy. They have the most active participation of government anyplace else in the world. We see in fact that their economy succeeds. The Japanese Government works with business and the labor groups, and it makes a huge investment of their taxpayers' money to make sure that their technology moves forward, that their industry moves forward, and that they do create jobs within their industries. Japan assures a person a job for his entire lifetime. Their social programs are actually far more advanced, and they are prospering.

You talk about deficits. The Japanese economy at the present time has a $63 billion deficit, and their inflation rate is very low. It just plainly is not so that what this country needs to have is slashes in the Federal Government expenditures, and particularly in the areas that are most critical both to our progress and to fighting inflation.

What is causing our inflation? I think the prime cause of our inflation has got to be the energy dependence that we have allowed to accumulate within this country.

We are going to be paying $90 billion in the coming year for imported oil, and that is a tremendous load on the economy. It does not just translate itself, as the press tends to proclaim, into an increase in the price of gasoline, because we are the most energy-intensive society in the world. All our goods get manufactured with machinery that uses oil. They get delivered to a warehouse in trucks, and then, of course, the factory and the warehouse and the office buildings and everything else get heated and cooled with oil and much of their electricity is produced with oil. Then our products go to an ultimate marketplace in trucks, and all the salesmen go out in cars. Then take a look at the degree to which we are depending directly on oil: From the time you get up in the morning and brush your teeth with a plastic toothbrush, you put on clothes made of plastic, you eat food grown with oil-based fertilizers, you go to bed at night in plastic sheets. You are using oil all day long. It is all energy-intensive within our economy, so that oil price increases have a tremendous economic effect.

I think another real factor in inflation is something on which we agree, and that is that we have allowed our industry to become less competitive. The means we have got to make huge investments within our society to see to it that our industry becomes more competitive, whether we do that by tax cuts or whether we do it by subsidies.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I will be glad to yield to my friend, the gentleman from Michigan.

Mr. CONYERS. I thank the gentleman for yielding. I want to commend the gentleman from New York in the well on his analysis, because I think it is as sharply focused as any I have heard. Could he comment, if we would, on two proposed remedies in connection with the impact of the energy crisis? Could he refer to the creation of an import agency to deal with this $90 billion worth of crude oil being imported, and does he have any comments about the prospective decontrol on domestic crude oil?

Mr. OTTINGER. I will be glad to, because they clearly contribute importantly to our inflation problem. The idea that you have the oil companies, which stand to gain a billion dollars in profit for every dollar-a-barrel increase in the price of OPEC oil—that you have them doing the buying for you is just absolutely nonsense. What we ought to do is have a Federal buying authority.

As a matter of fact, we ought to have an international buying authority. For us to be competing with Japan and Europe to drive the OPEC prices up is nonsense. And to have the oil companies, which stand directly to benefit, do the entire administration of international oil purchases, has got to be, from anybody who would observe this from the outside, the most insane policy to pursue.

Decontrol of oil prices allows an oil-intensive economy to suffer the kind of inflation we have seen, permits OPEC to set our oil prices and determine our economy and allows the oil companies to come away with huge windfall profit, of which we laughingly say we are taxing away with a tax that affects less than a quarter of the windfall and fails to reach the other special tax provisions like expensing intangible drilling costs, depletion, and the foreign tax credit that permits the major oil companies to pay an effective tax rate of only 20 percent.

Mr. CONYERS. Then if the gentleman will yield further, on top of that we have the proposal for a 10-cent-per-gallon so-called fee on imported oil, another inflationary component of this supposed balancing-the-budget fiasco.

Mr. OTTINGER. That is highly inflationary. As a matter of fact the overall program of the President and of this Budget Committee is highly inflationary.

□ 1730

They themselves say that their proposed budget cuts will reduce inflation by only one-tenth to two-tenths of 1 percent and that the oil import fee is going to add anywhere from a half of 1 percent up to three-quarters of 1 percent, so their overall program is clearly going to add fuel to the inflation, add havoc to our economy, leave us in a less competitive position, not address the real problems which need to be addressed within our economy.

Mr. Chairman, let me just talk about some of the other things that are causing inflation.

At the present time we have a really drastic housing shortage in this country. The kind of depression in the housing industry we are seeing is going to deprive us, from the figures I have seen, of about a million housing starts that we will probably never make up.

Mr. Chairman, how does cutting housing funds possibly remedy inflation in this kind of a situation? It is in fact going to create further shortages in housing. We are at the point where the babies that were born after the war in the baby boom are at the point of needing housing and there is a tremendous shortage of housing. To the extent we contribute to that housing shortage by making cuts in that area, we are in fact worsening inflation.

Mr. Chairman, take a look at the cuts that are being made in energy. This budget calls for a $1.6 billion cut from the January budget in energy expenditures that are designed to try to make ourselves energy independent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. HAWKINS. I yield 2 additional minutes to the gentleman from New York.

Mr. OTTINGER. Certainly we ought not to be making this kind of cuts in the meaningful programs that are attempting to get us off of dependence on foreign oil.

Mr. Chairman, take a look at the degree of monopolization in our country today. Clearly one of the things that is causing our inflation is that you have administered prices as you do with oil companies. A number of us have tried for years to see if we could not get an effective revision of the antitrust laws to at least mandate in these highly concentrated fields the restoration of competition. If we do not get that then we are going to invite further Government regulation which I know many other people on the Republican side of the aisle, and I myself, abhor. I would much rather see a competitive marketplace with a multiplicity of firms competing.

One of the reasons we have soaring food costs which are leading inflation, much higher than the rest of the economy, is, in the major food industries you have a very high concentration, just a few companies doing the distribution. I think that is one of the things we fail to attack as a basic cause of inflation.

Mr. Chairman, there is another category of cuts here that is going to be counterproductive. As you cut youth unemployment programs, CETA programs and so forth, what you are going to be doing is throwing people on unemployment insurance or welfare; you are going to have thousands of youngsters on our city streets with nothing to do but get into trouble—for sure they are going to get into trouble, so you are going to have to hire more police, you are going to have to build more jails. You are not going to achieve any real economies at all, but you are going to end up in a much poorer country and much less desirable country than you otherwise would have.

Mr. Chairman, the last thing I would like to speak to is the effect of these cuts shifting the load on your local taxpayers. As we cut the education budget, as we cut the job programs, as we cut revenue sharing and countercyclical funds, you have at the present time cities and communities that are on the verge of bankruptcy. If you are going to keep up essential services, that means higher local taxes. I do not think that is something we want.

Mr. Chairman, I do think we need a balanced budget at this time to prevent Government borrowing from driving up interest rates, and when the budget is considered I will offer an amendment which balances the budget with tax reform long advocated by most tax experts—but restoring these disastrous and counterproductive cuts and leaving a sufficient surplus to permit us to attack the real causes of inflation. I hope everyone will support my amendment.

What America needs is revitalization, not recession. We must not destroy our economy in the name of saving it. We must make the investments necessary to become quickly energy independent and competitive again in the world economy. We owe our constituents and our children no less.

Mr. LATTA. Mr. Chairman, I yield 1 minute to the gentleman from Ohio (Mr. BROWN).

Mr. BROWN of Ohio. Mr. Chairman, I am pleased that so many of my colleagues now support a balanced budget, but the budget resolution before us today represents the highest spending and the highest taxes in history. No amount of posturing and explaining can change these basic facts.

Much will be made of the fact that this budget is balanced—at least on paper. And a balanced budget certainly is a worthy goal. But this balanced budget proposal from President Carter and the House Budget Committee consigns Americans to years of economic stagnation and, perhaps, a severe recession.

This balanced budget does nothing to erase the recent spending and tax explosion. It does nothing to reduce the record taxes faced by workers, savers, and investors. It does little or nothing to get the economy growing again in housing, autos, steel, agriculture and other elements of our economy. It does nothing to increase real wages for workers or job opportunities for the unskilled and unemployed.

Since 1976, our Bicentennial Year and President Ford's last year in office, Federal taxes have doubled, from $300 billion to more than $600 billion. It is this tremendous increase in the tax burden which has permitted the budget to be balanced. Spending restraint has been ignored. It is ridiculous to call this process "budgeting" when, in fact, all Congress is doing is raising taxes to cover all of the spending it would like to do.

Under the terms of this budget, Federal spending and taxing will be at 22 percent of gross national product. The last time the budget was balanced, in 1969, the Federal share of the economy was just 20 percent of GNP.

Our bloated Federal budget is consuming more and more of the productive private economy, choking off initiative and burdening Americans with insurmountable taxes. As long as Congress continues to allow Government spending and taxing to strangle economic growth, millions of Americans will be forced to turn to the Federal Government for help, creating the need for even more social services and setting the vicious cycle in motion again.

There is good reason to suspect that we will find, before the next fiscal year is over, that the spending limit we are being asked to approve today is too low. If the recession which the economy appears to be entering is serious—and this budget will help to assure that it is—we will find the so-called "uncontrollables" in the budget will zoom out of control. As millions lose their jobs, the demand for Federal services will break the back of this supposedly balanced budget.

We do not have to look far to find a historical precedent for budgets going out of control long after Congress has set its spending target. This very budget resolution we are now debating for fiscal year 1981 includes an upward revision of $19.4 billion in spending for fiscal year 1980, because Congress has approved more spending than the last budget resolution allowed.

We are told that the extra spending for fiscal year 1980 is unavoidable; it is those "uncontrollables" again. We have no choice, we are told, but to send the U.S. Treasury back into the private credit markets to borrow money at a time when the Federal Reserve Board is clamping down tightly on the money supply and interest rates are soaring.

No wonder President Carter wants to slap credit controls on the average American who is struggling to balance the family budget. Who is going to tell the farmer who needs a loan to get his crops planted, the small businessman who needs credit to pay his bills, the laid-off factory worker whose plant cannot borrow to expand, who is going to tell them the Federal Government needs to borrow that money? Surely they will understand when it is explained that it is not Congress fault; it is those "uncontrollables," you see.

Yes, Mr. Chairman, the budget should be balanced. And not just next year, but this year, too. But just as important as the balance between outlays and revenues is the amount of the spending and taxes. We must use the budget process as an instrument of spending restraint. We need not cut spending drastically, but we must slow the pace of spending growth which permits the budget to double in just a few short years.

If the budget process will not work—and it is clear that it has not worked—it is time to enact limitations on Congress ability to spend. At the beginning of this Congress, in January 1979, I proposed legislation which would have limited 1980 spending to 21 percent of gross national product and gradually reduced the federal share of the economy to its traditional 18-percent level by 1983.

But the House has not been permitted to vote on any spending limitation measure. I also have cosponsored a constitutional amendment to balance the budget, but this also has been bottled up in committee.

If the budget resolution we are now considering is approved, there will be much self-congratulation over the fact that it appears to be in balance. But Congress cannot escape the reality that this balance results from the highest taxes Americans have ever paid, nor from the certainty that this huge budget will insure slow or no growth in the private economy. For the working American, that means no chance for a rising standard of living. For those not fortunate enough to have a job already, it means no hope of finding one.

Mr. HAWKINS. Mr. Chairman, I yield 10 minutes to the gentleman from Illinois (Mr. SIMON).

Mr. SIMON. Mr. Chairman, I will be speaking a little later about some of the specifics but at this point we are discussing the economics of the budget resolution.

I heard the opening remarks by the gentleman from California (Mr. HAWKINS). I was called to my office. As I listened to the gentleman on the monitorscope in my office, I could not help but think that here is a prophet in our midst, that most of us who are Members of the House and Members of the Senate are going to be forgotten at a point when our colleague from California and what he has said to us and where we ought to be going, those things are going to be remembered.

Mr. Chairman, we have an inflation problem. That is what is causing all the stir right now. That problem is real.

Mr. Chairman, I talked to a gentleman the other day who said would it not be great if—he happened to mention election day—if by election day we could get inflation down to 14 percent.

Mr. Chairman, if inflation were half that rate, 7 percent, at 7 percent in 10 years you double prices; in 20 years you quadruple prices; in 30 years you increase by a factor of almost 8. The question is, then, as has been posed by a few people, how do we move toward stopping inflation. Balancing the budget can be part of it. However, it tends to be exaggerated in the atmosphere in which we are now.

It is a handy symbol that the public understands and the public thinks as responsible so we grab it. I would differ from those who say it makes no difference at all. It right now will have an impact of perhaps two-tenths of a percent on inflation and it is cumulative, so that this year it is two-tenths of a percent and that is added on in future years and if next year you have another two-tenths that means four-tenths.

Mr. Chairman, perhaps more significant than that, what we are doing is, we are spending an increasing percentage of our tax dollar on interest rather than goods and services and that is not rational. It is a factor in inflation in part because in years when we should have balanced, we have not.

Mr. Chairman, it should be pointed out that this year, for example, Japan and Germany, countries with much lower rates of inflation, have, relative to GNP, much higher rates of deficits. Even assuming the President's original $16 billion, West Germany this year will have a deficit roughly triple that figure relative to GNP.

Mr. Chairman, the question really is, are we moving in a solid, steady course toward balancing the budget and, second, are we balancing it in the right way?

My colleague from Ohio (Mr. WYLIE) said we ought to be examining every area. That is correct, but that, my friends, we have not done. We have said that the defense area is sacrosanct. We cannot reexamine any expenditures in the defense area.

Mr. Chairman, there was an excellent speech made by Senator MUSKIE, I think it was before the Grocers of America or some group, printed in the Congressional Quarterly, saying we are making a massive mistake in this country not reexamining defense along with all other areas.

□ 1740

So, that fundamental error has been made. Now, how do we get hold of inflation fundamentally, more than balancing the budget? I think there are two ways historically that we do that. One might work, and that is what much of our policy is premised on. That is to increase unemployment, and in the process climb down inflation, and it may work. I do not know.

There is a real question today because, unlike past periods, we are not going to let people starve anymore. There is unemployment compensation; there is welfare; there are other programs, and we are going to be paying people for doing nothing rather than paying people for doing something. It might work, but it might not; and even if it did work, it would be working at a terrible cost to the human spirit in this Nation.

There is another way that we know works. And here let me say that I do not always agree with my colleague from New York (Mr. KEMP), but much of what he had to say today I found myself agreeing with. If he reads the RECORD, I hope he does not have a heart seizure or anything because he reads that I am agreeing with him here. That is, we have to utilize the resources we have. We turn the liability of unemployment into an asset of productivity. It is really not that complicated, and if we look at our history since World War II, we find a very interesting thing. We can find three or four exceptions, but almost inevitably every year where we have high employment we have low inflation because people are productive. They are doing what they ought to be doing to help move this Nation ahead economically.

But this budget—and a budget has to reflect policy—this budget is following the policies that have been set down by our committees, by the administration.

This budget is premised on the first of those two alternatives, and that I think is fundamentally wrong. I think the day is going to come—I hope it is going to come yet while I am a Member of Congress—when we say in this Nation that we are going to guarantee every person a job. Fundamentally and to the extent that we can do it, in the private sector, let us do it in the private sector, but we are going to pay people either for being productive or nonproductive, and how infinitely greater sense it makes to pay people for being productive.

It is a strange thing again through history, when we had this thing called the WPA, we turned a liability into an asset. Why we cannot learn from our own history I do not understand. And yet, we are—and my colleague from New York (Mr. Weiss) has pointed this out—we are saying under title VI, and I remind the Members, that we are not only saying cut jobs 50,000, public service jobs 50,000 out of 200,000, but we have already come down from 300,000 to 200,000, and now down to 150,000 in 2 fiscal years.

These are not just statistics. These are not just statistics that impact on our economy. Let me tell the Members about a man, and I mentioned it in the committee meeting the other day, a man in Anna, Ill., who came and talked to me. He is on welfare right now, but every 6 weeks he has an epileptic seizure. For some reason the medicine that is now available does not help him. He cannot get a job in the private sector. I would love to get a CETA job for him, but we have cut back and I cannot get a CETA job for him. He is on welfare right now.

Now, maybe somewhere there is some Member of Congress who thinks that is a good thing. I cannot believe it. I have to believe that we ought to have policies that put this man to work.

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will yield to my colleague, who I am sure must agree with me.

Mr. REGULA. Would not the gentleman love even better to get his constituent a steady job, to have a job in the private sector that has permanency, that resulted in some real growth in the economy?

Mr. SIMON. Let me say to my colleague from Ohio, and I think he has some business experience, as I have, in fairness to any private sector employee, he has 10 people who apply for a job, one of whom every 6 weeks is going to have an epileptic seizure on the job.

The CHAIRMAN. The time of the gentleman from Illinois has expired.

Mr. HAWKINS. Mr. Chairman, I yield 4 additional minutes to the gentleman from Illinois.

Mr. SIMON. Would the gentleman from Ohio employ that man as a private employer?

Mr. REGULA. Well, the gentleman is putting a different set of circumstances on it. I thought he was referring, when he said that he would love to have a CETA job, to an able bodied individual that would normally go into the private sector.

Mr. SIMON. I am sorry, but the gentleman did not hear me. Here is a man who about every 6 weeks has an epileptic seizure. What we are doing through our policies is, we are saying to him, "You go on welfare."

Why do we not have manpower policies that say to that man, "You plant trees; you do some things to enrich the society," and maybe in the process he will work for some local agencies and the private business sector will find a way to say, "Here is a fellow we can take a chance on."

Does the gentleman from Ohio think that makes sense?

Mr. REGULA. It does make sense, but I would point out that the restraints that were put in on the committee resolution reducing CETA jobs were not aimed at that type of thing, but rather the general title VI jobs.

Mr. SIMON. I understand, but general title VI jobs apply to real people who have real problems, and I think we are ignoring that. People who for one reason or another, such as they may have a hard time reading and writing English, they may have epileptic seizures, whatever it is, they simply are not able to be getting jobs in the private sector.

Mr. REGULA. I would support that if it were separated out, but I think that again should not be used in support of increased funding across the board in title VI.

Mr. SIMON. I wish I were here debating increased funding. We are talking about slashes in funding. We are talking about eliminating under this resolution the Young Adult Conservation Corps. Again, I cannot believe that is sound public policy. It is going to save a few dollars temporarily. Long range, it is going to cost us.

Mr. GRASSLEY. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will be pleased to yield to my colleague from Iowa.

Mr. GRASSLEY. Mr. Chairman, I thank the gentleman for yielding. If the gentleman would permit me to be partisan just for a second, there have been at least two opportunities in the last 12 months for this House to adopt a little bit of the philosophy that the gentleman suggested. One was an opportunity, when the gentleman from the gentleman's own State, Mr. Findley, offered an amendment to have a program for workfare for food stamps; just a pilot program in each one of the States, and it was turned down. Another opportunity was when we had the welfare reform measure before this body as well as before the appropriate committees of the House, the Agriculture and the Ways and Means Committee.

During that particular time this side of the aisle tried to get adopted a work requirement to allow the States to have work rules in their welfare programs. That was not permitted because the gentleman's party objected to that approach. You cannot have it both ways.

Mr. SIMON. If I may reclaim my time from that slightly partisan remark, rather than rebutting it I will yield to the gentleman from Vermont (Mr. Jeffords).

Mr. JEFFORDS. Mr. Chairman, time is running out. I thank the gentleman for yielding. I must say that in essence I agree with both gentlemen, but I would like to say that I do agree with the gentleman in the sense that we have some very pressing national priorities.

☐ 1750

Mr. Chairman, in particular I refer to youth unemployment which is rising at an incredible rate, and it is going up even more so with the recession that is coming on us. I think it is a shame that this budget resolution does not take into consideration the administration's proposal for trying to do something in this area.

The CHAIRMAN. The time of the gentleman from Illinois (Mr. Simon) has again expired.

Mr. HAWKINS. Mr. Chairman, I yield 1 additional minute to the gentleman from Illinois (Mr. Simon).

Mr. JEFFORDS. Mr. Chairman, will the gentleman yield further?

Mr. SIMON. I yield to the gentleman from Vermont.

Mr. JEFFORDS. Mr. Chairman, I think in these terms it becomes counterproductive when we try to cut in some of these areas since in the end it results in or adds to the Federal expense rather than deducting from it in some of these areas we mentioned.

Mr. SIMON. Mr. Chairman, I could not agree with the gentleman from Vermont (Mr. Jeffords) more, and I appreciate his remarks.

Mr. Chairman, let me add just one other fact, and that is that I think the policy and the budget represented here probably reflects accurately public opinion today. If our job is simply to follow public opinion no matter where it leads, then we are doing the right thing, but I think our job is to determine what the national need is and then lead the Nation. I think we can lead the Nation to better sound economic policies and at the same time more humanitarian economic policies.

Mr. CONYERS. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I yield to my colleague, the gentleman from Michigan.

Mr. CONYERS. Mr. Chairman, I am glad to hear the analysis by my colleague, the gentleman from Illinois (Mr. Simon), but we helped shape the public attitude that we are now being expected to follow. I think we have to take some responsibility for the public's believing that we can fight inflation by balancing the budget.

Mr. HAWKINS. Mr. Chairman, I yield 11 minutes to the gentleman from Michigan (Mr. Conyers).

Mr. CONYERS. Mr. Chairman, a year and a half ago—It almost seems like a millennium ago—the Congress approved and the President signed into law the Humphrey-Hawkins Full Employment and Balanced Growth Act. I would not have expected then to be standing here today, on the eve of an historic debate on the budget and the economy, discussing the reasons why this landmark legislation has been subverted and abandoned by those who make economic policy. After all, Humphrey-Hawkins was approved by the overwhelming majority and was intended to furnish a new framework for economic policy in the coming years.

The full employment law of 1978 was the result of a great deal of economic thought and of the experience of a quarter century. It built upon the employment act of 1946 and addressed the inadequacies of that law that aimed to create a full-employment and production economy.

Humphrey-Hawkins was not intended as a seasonal law, to be applied under one set of circumstances but not another. Its mandate was not to deal with a high-unemployment, low-inflation economy only, to be cast aside during a period of runaway inflation. Humphrey-Hawkins was intended as a law for all seasons. The basic framework for economic planning and decisionmaking, regardless of particular circumstances.

Yet the policies that the administration has pursued during the past several months, and that the House is being asked to ratify through this budget resolution, are totally contrary to the spirit and the letter of the full employment law. These policies are being pursued in disregard of that law.

As a result, we are witnessing yet another economic calamity, that is likely to be a repeat of, perhaps worse than, the stagflation of the mid-1970's:

Another deep recession that can throw an additional 3 million workers out of jobs, beyond the 6-8 million already out of work;

Another deep business slump that can destroy an untold number of small firms;

Another round of exploding public costs and deficits to cover unemployment, welfare, and local economic dislocations (it is estimated each additional percentage of unemployment means $20 billion in Federal costs) ; and

Another round of fiscal defaults affecting major cities.

The State of Michigan and the city of Detroit, as just one example, are reeling under the twin jolts of staggering inflation and runaway unemployment. Their situation is not unique.

Detroit's current jobless rate is 14 percent, more than twice the national rate (Michigan's is over 11 percent) ;

Detroit faces a deficit this year that could reach $60 million, even though the city has made drastic cuts in its work force, which now stands at the lowest level since the 1930's;

Twenty-three percent of Detroit's black labor force is unemployed; close to 50 percent of the city's youth are unemployed; and minority youth unemployment is expected to reach beyond 60 percent;

Public assistance applications throughout Michigan climbed 61 percent in January over the previous year; one-quarter of Detroit's citizens now receive some form of direct public assistance, and this is projected to climb to one-third of the city's population;

In terms of unemployment and public assistance, Detroit already has reached the situation that existed during the last recession, and this time we have not yet reached the bottom; and

Not surprisingly, Detroit's crime rate is moving up, virtually in the same fashion during the last recession when it was at a 30-percent rate annually.

What is happening today in Detroit is just the cutting edge of what will no doubt occur in many other urban centers, and these grim statistics do not portray the even greater damage that will take place if the House approves a balanced budget resolution, one that will cut out the heart of the very domestic programs that up to now have kept cities afloat.

This is a thumbnail sketch of the damage that has been done by a set of economic policies that are totally contrary to the Humphrey-Hawkins full employment law.

Humphrey-Hawkins directed the Government to build its economic policy on the basis of the goals of full employment, full production, and full economic growth. The policies—including the balanced budget—that we now are being asked to ratify will bring about the very opposite goals of massive unemployment, declining production, and no growth.

While H.R. 50 declared the achievement of a balanced budget one of its goals, it explicitly tied this to, and made it consistent with, the prior achievement of an interim unemployment goal of 4 percent and of an inflation goal of 3 percent.

Humphrey-Hawkins created a comprehensive and coordinated planning and policy framework for achieving economic goals. The Budget Committee, on the other hand, offers us the spectacle of helter-skelter, seat-of-the-pants, policymaking, with not the slightest consideration of its costs and consequences.

The full employment law of 1978 called for achievement of its goals on the basis of first attending to the Nation's domestic, economic, and social priorities. Current economic policy and the House budget resolution cast aside those priorities.

Humphrey-Hawkins mandated balanced growth, and policies to even out economic conditions across regions. Current policy further aggravates the economic disparities that exist.

It called for economic programs targeted to those persons and places in greatest need. The budget resolution, instead, singles out the most disadvantaged persons and places to bear the greatest sacrifice.

Yet the most fundamental difference between the two is one of economic philosophy. Humphrey-Hawkins directed us to plan for full economic growth, not to engineer massive slowdowns and recessions. It directed us to increase personal income and purchasing power, not depress it; to fully utilize and augment our productive capacity, not force it into idleness, as we have done today.

To me the House's pursuit of a balanced budget at a time when the economy is depressed is equivalent to calling for another recession as the best "cure" for inflation. It barely masks the creation of another grand illusion—namely, that we can bring the economy into balance by crippling its human and material basis—its manpower; its job skills; its productive capacity; and its purchasing power.

We have gone this route before—I am told the 1980 recession will be the 34th in history since records were first kept. If we pursue this route again, I predict we will wind up by putting the economy and the Government in an even greater hole than it is today—with another round of Federal deficits to finance the public costs of the recession, further fiscal disruption in our cities; a weaker economic base with which to compete in world markets.

Let me then offer my own prescription, that is consistent with the purposes of the Humphrey-Hawkins law.

It has four elements: across-the-board economic controls to halt the inflation; economic planning as Humphrey-Hawkins calls for; a policy to reduce oil prices and eliminate dependency on foreign oil, which is at the heart of the inflation; and cuts in defense spending to save the few social programs that offer citizens some hope.

Economic controls are the only decent alternative to recession. If fairly applied, they are the best method in the short run for breaking the inflation psychology, that is at the root of the problem.

Second, an immediate halt to the oil decontrol policy, which is the single most critical factor fanning the inflation. To sever the cozy connection between OPEC and big oil and to break the monopoly that big oil exercises, I have proposed the creation of a Federal oil import agency to buy and sell all foreign oil used in the United States. Shortly, I will be introducing a companion bill to create a public oil and gas corporation to tap the enormous energy resources on Federal lands.

Third, a military budget that already provides for a nuclear arsenal capable of killing every Russian 145 times is a budget that can, and ought to be cut. No one has yet presented a good argument for raising defense spending in order to build more weapons that any nation can ever possibly use.

Finally, having experienced one economic disaster after another as a result of abandoning the Humphrey-Hawkins full employment law, I suggest we start now to implement that law and build the machinery for rational economic planning that has escaped us to our detriment for so long.

In an election year, where polling trends replace logic, the tendency is for economic sense to take a back seat to organized power and for fair play to be pushed aside by raw strength.

A balanced budget, plus a recession, plus a failure to straighten out our energy policy spells economic and social disaster.

It is still not too late to reconsider our course, and to implement the Humphrey-Hawkins law.

□ 1800

Mr. LATTA. Mr. Chairman, I yield 15 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, during the debate on this budget resolution, I think it is imperative that we understand the importance of passing a balanced budget this year and in the years ahead with a surplus in periods of strong economic activity.

In fighting inflation and economic decline, we are really fighting a battle which has its roots in the economic policies of 15 years ago of the Johnson administration. It was in the mid-1960's, and while we were fighting two wars, the war in Vietnam and the war on poverty, we were laying the groundwork for a third war, the war on inflation.

During the heydays of President Johnson, we had it all, large defense outlays, which consumed over 40 percent of our budget, and the beginning of what was to become a tremendous growth in expensive social programs. We were assured we could have guns and butter. But rather than pay for these through higher taxes, the Government chose to charge them off to future years through manipulating the money supply or, in effect; paying a portion of our bills with the printing press.

Economically, the 1960's and early 1970's were easy. The American dream seemed to be a reality. We had big Federal budgets, cheap energy and low taxes to keep everything rolling. Unfortunately, all of this led to cheap dollars as the Government recklessly printed money to pay for its spendthrift ways.

At this point I would like to quote from an article that appeared in Time magazine of April 21 of this year:

> Successive U.S. administrations since the mid-1960's have mismanaged the economy by wildly spending more than they collected in taxes and then recklessly printing money to pay for the prodigal policies. In 18 of the past 19 years, the Federal budget has been in deficit, creating a sea of red ink totaling $372 billion. Until recently, the Federal Reserve Board has cooperated with the spend-and-spend policies by pushing up the growth of money. This rapid increase in expenditures and credit beyond any real growth in the production of goods and services remains the basic cause of inflation.

This is from the article in Time, entitled "Capitalism, Is It Working?" I urge all of my colleagues to read the entire article.

These policies have finally come home to roost. The increase in spending, the rapid growth of the money supply, and the failure to increase production of goods and services to keep up the pace underlie the situation we are now in. The inflation of today is the legacy of monetizing our deficits for many years.

The Government was not the only one who enjoy the expanding economy. The American people have become accustomed to a level of affluence that few now wish to give up. Although many are pressed hard economically to maintain their former standard of living, the plastic money has made it relatively easy for them to try.

The result has been a tremendous growth in consumer debt and a reduction in the savings rate.

It is 1980, and the economic fruits born from the policies of the past 15 years are poisoning our economy. In our basket of economic indicators, we now have:

First. A productivity rate which dropped to minus 2.1 percent last year and is far below that of many of the Western industrialized nations and Japan. This is compared with an average rate of real productivity growth of a plus 2.9 percent in our own country over the past 30 years.

I think this is an extremely significant set of statistics. For 30 years we have had a growth each year in real productivity of 2.9 percent, and yet last year we dropped to minus 2.1 percent. What this really says is that we no longer have the luxury of expanding our money supply predicated on an increase in the real productivity of the Nation.

Second. A low and falling savings rate. Americans are now saving less than 3 percent of their income, lower than at any time in the post-Korean war period. West Germany last year had a savings rate of about 13.5 percent and Japan about 22 percent.

Third. High energy costs. The cost of oil, both foreign and domestic, has more than doubled over the past 2 years. More importantly, it is continually being made clear to us just how unstable our foreign sources of supply really are.

Fourth. High consumer debt, which reflects the average American's attempt to maintain his desired standard of living, and it is at an all-time high.

Fifth. An annualized inflation rate that is presently at 18.6 percent, and prime interest rates that are almost 20 percent. Small businesses are failing right and left, and the rest of the country is fighting merely to stay afloat. Thoughts of getting ahead in this economy have long been forgotten.

Amidst all of this, we have the President trying to lay the blame for the economic problems at the feet of the OPEC cartel. However, I think we should look at the facts, and we will determine that this is not quite the case. Japan, for example, imports all its oil, yet its inflation rate is 6 percent, its productivity growth rate is 7.9 percent, and its economic growth is 6.1 percent. West Germany imports most of its oil, and its inflation rate is 5.6 percent, its rate of productivity growth is 3.4 percent, and its economic growth is 4.4 percent.

□ 1810

It is essential that the administration learns that all our problems are complex and begins to take substantive action. In the meantime, it is up to the Congress to take action.

In my judgment, we must take four bold and determined steps to get ourselves on the right track.

First, we must restrict the growth of the money supply to real growth in productivity in our economy. Current figures show that the growth of money supply in the first quarter of 1980 dropped to about 5 percent, down from 5.3 percent in the fourth quarter of 1979. During the month of March, the growth of the money supply was negative, reflecting the fact that real productivity is also negative in our economy and reflecting the fact that the Federal Reserve Board is no longer willing to monetize our deficits.

Second, we must reduce the impact of the Federal Government in our economy by reducing Federal spending as a percentage of GNP.

Third, we must increase our productivity through reduced tax rates, tax incentives for savings and investment, and increased research and development incentives. We must encourage real growth in the economy.

Fourth, we must eliminate unnecessary, costly and inefficient Government regulations. These regulations add substantially to the inflationary impact of prices in our economy.

It is clear that the administration is unable to do much to get us out of our economic troubles. It is, therefore, time for the Congress to take the lead.

We have an opportunity before us today to strengthen, rather than to weaken our economy. We have a budget approved by the Budget Committee of the House, made more forceful with its reconciliation and enrollment language. I intend to discuss this at greater length when we debate the proposed amendment that would remove the reconciliation language. I think this is a very important feature in this budget and I urge all the Members to read carefully in the budget resolution the language of reconciliation and also the enrollment language. It will achieve a discipline that has been missing in previous budget resolutions.

We can today reduce Federal spending.

We can today plan for a productivity-inducing tax cut.

We can today reduce personal tax rates and thereby lessen the burden of taxation on all individuals.

There are few persons who have not cut back on spending, nor are there many families that have not tempered their consumption to the realities of the 1980 economy.

I would suggest to my colleagues that it is time for Congress to take the lead from our constituents and do the same.

Mr. THOMPSON. Mr. Chairman, will the gentleman yield?

Mr. REGULA. I yield to the gentleman from New Jersey.

Mr. THOMPSON. Mr. Chairman, in my 26 years as a Member of this great body, I have never seen such a confusing set of circumstances as those we have facing us today as we begin debate on this important budget resolution.

I look around me, and hear some of my colleagues on this side of the aisle arguing that the only way to fight inflation is by focusing economic policies that will bring on a recession and throw millions of Americans out of work. Then, I look to the other side of the aisle, and hear some of my Republican colleagues arguing that the only way to fight inflation is through job creation and economic policies which will promote economic growth.

Somehow, somewhere, the issues have gotten very mixed up indeed, and I think it is time we take a moment to consider just where our actions in these next few days will take our country.

It should be clear to us by now, that bringing on a recession is the least effective, most unfair and manifestly unjust way to solve our inflation problems. Such a policy will mean hardships for the working men and women of this country, minorities, the elderly, the disadvantaged and our young people.

There are other ways to address the problem of inflation without having to sacrifice peoples' jobs, senior citizens' ability to make ends meet, and children's breakfasts and lunches. Bringing on a recession to fight inflation ignores the root causes of the inflation we are experiencing and will only cause bigger deficits due to increased unemployment.

All we have to do is look at the statistics, to see what is really causing the current 18–20 percent inflation. It is not an overheated economy, it is not a wage-price spiral. On the contrary, it is the unprecedented increases in the basic costs of every day life: The escalating costs of heating oil, gasoline and other energy related items; sky-high interest rates which have virtually dried up the housing market: Food costs which seem to go up every time we enter the supermarket; and the continually rising cost of quality health care.

I will not support an economic policy which puts the fight against inflation on the backs of the working men and women of this country, and sacrifies the weakest members of our society in order to make life better for the few at the top.

I urge my colleagues, especially my fellow Democrats, to remember the compact we made with the people of the United States just 4 years ago. We promised never again to tradeoff jobs to fight inflation; we promised to be the voice for the retired person, the homeowners, working men and women, the small businessman, the young family, and the small farmer.

I hope we carefully consider the importance of what we are about to undertake, and not abandon our party's principles.

Mr. HAWKINS. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. GONZALEZ).

Mr. GONZALEZ. Mr. Chairman, the debate on the budget has a curious air about it, an air of unreality. There is a pretention that the revenue and spending targets are based on some certain knowledge, and that is far from the case.

The Budget Act is bottomed on the assumption that there is an economy whose course can be predicted within a very narrow range; that the economic forecasts will hold true with very little margin of error. This assumption would be reasonable if we were enjoying a relatively stable economy. It would be reasonable if our economy were wholly within our power to control. That is, unhappily, not the case.

It is those forecasts that the resolution and each of the substitute resolutions is founded on. If there is more inflation than expected, if there is a greater recession than predicted, or if any other variable or combination of them changes more than expected, the outcome of the budget will be very different from what we provide in the resolution. We cannot assume that a budget will be balanced when we have no earthly idea of what economic conditions will be 6 months hence, let alone more than a year from now. But we pretend that our forecasts are faultless.

Yet we persist in this fiction that we can readily see what economic conditions will be 6 months, a year, and 15 months from today.

It might be possible to place such great faith in our forecasts if this were a world in which we could control our own economy, without much regard to the influences of outside forces. But this is not such a world.

The world we are living in is one in which outside forces have a profound effect on our economy. The OPEC organization can create inflation in our country simply by raising the price of oil, as they did last year. They can create recession merely by reducing production. Our food prices are influenced by world weather patterns, which determine market conditions everywhere. Grain prices can be influenced by the decision of a major country's decision to buy, or our decision of whether to sell. All of these outside forces, the Federal Reserve or any other authority will admit, profoundly affect our economy.

What we decide about monetary and fiscal policy certainly is important, but we cannot pretend that this is the only factor to consider; yet that is what we are doing here. We are ignoring in this resolution the fact that outside forces can readily, and at any moment, make a joke of the economic forecasts and assumptions on which the resolution is built.

Given the fact that the outcome of the budget depends on economic reality and not economic forecasts, and given the additional and obvious fact that we are in the midst of profoundly uncertain times, I believe that it is unrealistic to adopt a rigid budget resolution. We need to provide for flexibility, because there is no way of knowing today whether the cold light of December's reality will see the economy in need of stimulus or restraint.

Suppose we find ourselves 6 or 8 months hence in a situation where a deep recession is clearly underway. This could happen—for as we have seen in just the past 2 months, the whole bottom has fallen out of the automobile and housing market—two of our most important economic sectors. We could find ourselves in a situation where the policy embodied in the budget resolution is completely unrealistic and counter to our needs. In such times we need flexibility.

Rather than leave ourselves in a situation in which there is no flexibility and moreover in a situation where we would have to go through the whole complex budget process again in order to change anything, why can we not provide for flexibility here and now?

We could and should have targets that take into account the uncertainty of economic conditions and developments. If, for example, the rate of unemployment exceeds our forecast, which it surely can, as we have seen in the auto and housing markets, why should the resolution not provide that in the employment and training function more funds would be made available if unemployment reached a given level? Why could we not provide for more aid to city governments if the rate of unemployment reached a level of say, 8 percent?

Suppose that recession results in less revenue than we now expect. Suppose recession also causes more spending for entitlement programs than we now expect. What would we then do? I am not speaking hypothetically. We have the actual experience that unemployment forecasts even in the President's March 18 budget provided for a billion dollars less than is actually required to meet entitlements arising from that unemployment. But our resolution as it now stands, and all the substitutes for it, do not take that kind of eventuality into account.

It is imperative that we take account of and provide for the tremendous variables in the economy, because there is no way that we can forecast accurately how those factors will actually behave. Neither can we predict what outside forces may do to our assumptions.

The action of Congress should be to devise a budget plan that could respond to a range of conditions, not one that is built on assumptions that have no more basis than a shot in the dark. We ought to have a budget resolution that is indexed to reality, not one that is tied inflexibly to economic forecasts that are questionable at best.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Vermont (Mr. JEFFORDS).

Mr. JEFFORDS. Mr. Chairman, there has been a good deal of talk today about spending levels necessary to provide for our national security. In my view, the single most important thing we could do to guard against immediate threats to U.S. security is to begin filling the Strategic Petroleum Reserve. It disturbs me greatly that none of the resolutions being discussed today take seriously the danger of an interruption in oil imports.

The President's January budget request called for $800 million in outlays for oil purchases designated for the SPR. The March revisions recommended that we defer purchases until June of 1981. The House Budget Committee resolution retains $300 million in outlays for purchases in fiscal year 1981, while the Senate Budget Committee assumes that no oil will be stored in the 1981 fiscal year.

I find this situation completely incomprehensive, particularly in light of the budget commitments we are willing to make to our long-range defense needs. The fiscal 1981 defense budget includes $1.6 billion for development of the MX missile protection system, a program which will not make any real contribution to our national security for several years. And yet we cannot find half that amount for a program which could prevent this country from being brought to its knees in the immediate future, either economically or militarily, through an interruption in energy supplies.

The Department of Energy has stated that it will resume filling the reserve only when such action would not place "undue pressures" on world markets. The Department is also reluctant to reenter the world market because of international agreements reached at the Tokyo Economic Summit last June.

Yet we have no reason to expect significant changes in world oil market conditions. The fact is that crude prices will continue to increase, and world oil supplies will remain tight. The United States must identify alternatives that will allow us to meet our storage goal within these market constraints.

I introduced legislation last year which would establish a national policy of dedicating the Elk Hills Naval Petroleum Reserves for the strategic storage system, and increasing their output potential for the purpose of supplying the reserve. This would be accomplished either by transferring the oil from underground at Elk Hills to more readily accessible storage areas, or through a swap system whereby a barrel of Elk Hills crude could be exchanged for a barrel of more readily accessible domestic or imported oil.

In the last few months, this idea has gathered substantial support in the House and in the other body. I understand that Secretary Duncan nominated a high-level task force to study the options for filling the SPR, including the Elk Hills option. It makes eminent sense to me, especially because no other country could legitimately object if we simply remove oil from one hole which has a limited drawdown capability, and move it to a storage place which has a much greater distribution capacity. In an emergency, it would not do us much good to be able to draw down Elk Hills oil at a rate of 250,000 barrels per day, when we have strategic storage areas which can pump out at least 1 million barrels per day.

The only serious objection to this policy has to do with the loss of Elk Hills receipts. Currently, Elk Hills oil is sold on the commercial market to the highest bidder. These sales are expected to bring in $1.9 billion to the Treasury in the 1981 fiscal year. In my view, however, it is unacceptable to defer filling the reserve on the basis of its fiscal 1981 budget impact. Prices are going nowhere but up, and the Treasury will lose more in fiscal 1982, or it will pay more out to purchase oil on the world market.

In addition, there are a number of ways in which we can reduce spending, or raise revenues, to provide for a project which has such important national security implications. The first saving measure that comes to my mind is the $1.6 billion planned for the MX system, only $300 million short of the revenue loss to the Treasury if we stop selling Elk Hills oil. I know of no more important spending priority, and no more important issue facing this country, than how we can, on the quickest possible schedule, fill the strategic reserve needed to provide emergency energy supplies. With control over the Elk Hills reserve, we have an excellent opportunity to seize the initiative.

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Mr. HAWKINS. Mr. Chairman, I yield 3 minutes to the gentleman from New York (Mr. GARCIA).

Mr. GARCIA. Mr. Chairman, I will try and be as brief as possible.

Sitting in my office and listening to the debate, I kept hearing about the American people want this and the American people want that. As we talk about a budget and we talk about unemployment, I just wonder what American people we are really talking about. Are we talking about the American people in Beverly Hills or are we talking about the American people in Miami? Are we talking about the American people in Chicago, or are we talking about the people from the South Bronx or the Harlems and Wattses of this country? Who are these Americans?

I just wonder where our priorities really are. It is pretty difficult for me to sit in my district and talk to a youngster and try and explain to him that we are building an aircraft carrier that is going to cost x billions of dollars and we are not going to be able to provide a roof over his head or be able to provide housing that is going to be essential for him and his family to live.

One of the thoughts I had when I was running for this office was there was no way we can get the Government to do it all, and I have no problem with that. But I do have a problem in terms of trying to get the Government and the private sector to cooperate jointly and cooperatively. I believe the private sector must play a major role in terms of unemployment, but I do not believe that the private sector is going to play a major role in areas like mine or in areas like Watts or the South Side of Chicago or the Harlems of this world without some effort made by those of us who sit in this Chamber. So when we talk about the American people, let us talk about all of the people, not just some of the people.

One of the suggestions I made that I would like to put forward during the course of this debate is I think it may really do all of us a great deal of good if we can switch districts, and my colleagues come to my district, I will go to their districts, and we will then have an opportunity to really look and examine what America is all about, not just from the narrow perspective of our own districts, but from all of the districts across this country, because then I believe it will make a difference and we will be able to see, every time we put a budget through in terms of balancing it and trying to make ends meet, that we are going to be telling many youngsters throughout this country that we are not available and we do not want to help.

I speak somewhat from experience this year because as chairman of the Census Subcommittee I have had an opportunity to travel throughout this country. I tried to concentrate on cities where the poor were, and for the most part the minorities in the inner cities. I will tell my colleagues that I just wish some of them had shared that experience over this past year with me.

● Mr. ALEXANDER. Mr. Chairman, for 20 years Americans have been on a spending spree. We have ignored a basic rule of economics—that people, businesses, and governments must live within their means. Total debt in the United States, both public and private, has exceeded $4.2 trillion. The most recent estimates of the Federal Government's outstanding debt is $867 billion. Even with a proposed Federal budget surplus for fiscal year 1981 this debt is estimated now to grow to $925 billion next year.

Our debt problem is compounded by skyrocketing imported oil bills. In 1973 our imported oil bill was $7.5 billion. Even with our conservative efforts this cost is expected to grow to $90 billion this year. We are exporting our wealth to other nations and importing inflation.

America's spending binge—private and public—has put our economy out of control. The situation can be compared with alcoholics who lose the ability to control the factors to which they expose themselves. Now is the time to sober up and recognize the fact of life—that we must, as a Nation and as private individuals, live within our means.

The President and the Congress have agreed on the need for economic austerity. We are going through the rigors of drying out economically. It is time to take the medicine we need to cure our economic ills. A balanced budget in Washington which emphasizes spending to stimulate private sector productivity is essential to setting the tone and direction our people and businesses must follow.

We live in a world that is increasingly more interdependent. We cannot build a wall around the United States. We are not able to supply, from our own resources a number of essential needs including energy and minerals. To survive we must trade with other nations. To trade with other nations we must improve our productivity to be competitive and to give us as strong an advantage as possible. If we fail in this it will be virtually impossible to heal our Nation of the ills of inflation, unemployment, and recession.

Bringing Federal spending closer into line with Federal revenues is not the whole answer. That is clear from what has happened in the past 4 years. Since 1976 the Federal budget deficit has been cut by more than 50 percent. In the same time the inflation rate has risen from 4.8 to a current estimate of 18 percent.

Americans—in our private and public spending—have caused more inflation by accepting the reality of inflation. It has been common practice among all of us to buy now in anticipation of inflation, on the theory that interest on our debt will be cheaper than the future's inflation prices. By doing so we have fed and worsened inflation.

There are no simple or painless solutions. If there were we would have put them into action before now. We have been indulging in instant wish fulfillment. If we thought of something we wanted we tried to give ourselves a present, usually on credit. Now we are forced to realize that the gift wrapping was rising inflation.

Not since the Great Depression have we faced so severe a challenge to our economic survival. It is time we, in our private and public spending, accepted economic reality over expediency. It is difficult to deny ourselves the things we want now. It is difficult to say "no" to our constituency. But, our future economic well-being depends on our personal and political self-discipline now.●

● Mrs. COLLINS of Illinois. Mr. Chairman, in all fairness and honesty, I feel compelled to just touch on concerns for full implementation of the Humphrey-Hawkins Full Employment and Balanced Growth Act.

Instead of the administration addressing what this act will, in fact, do to reach the stated goals of price stability and full employment, it abusively suspends the act because its deficient policies are moving in the opposite direction from the intent that this measure offers.

With inflation and energy levels well over what it should be, how can the administration ignore what this act would mean for this country? Given our present situation, it is more vital than ever that we fight inflation and build economic strength by following the guidelines of the Humphrey-Hawkins Act which clearly and obviously outlines policies and programs that will effectively achieve goals and timetables for unemployment, the reduction of inflation, and economic growth.

By implementing this act we of America can at least see a ray of light at the end of the dark tunnel in which we are entrapped.

I urge this House to reconsider any actions that will totally defeat and destroy provisions of Humphrey-Hawkins, through any conceived and reactionary measures.●

● Mr. WAXMAN. Mr. Chairman, today's debate on the first budget resolution for the fiscal year beginning in October is the most important in this Congress. It will affect the lives of every citizen in this country. In any year, decisions on the budget are of the highest importance. The budget is nothing less than a national statement of our goals, our priorities, and our commitments. But this year, because of the political firestorm which has raged as a result of nearly uncontrollable inflation, the judgments we will reach are especially critical.

Over the past several years—primarily as a result of the upheaval in the price and supply of oil—the political and economic landscape has been transformed.

Where there was once abundance, and a consensus toward using our powers fully to meet the basic needs of the American people, there is now apparent scarcity of goods, resources, and funds to complete the task. But the social needs have not grown scarcer, but greater. And our ability to cope effectively with them has been diminished.

The economic dilemmas we face are painfully clear. The current hyperinflation—caused primarily by the explosion of oil prices induced by Iran's collapse—is running at over 18 percent per year.

Unemployment is now above 6 percent—and heading for the highest levels since the recession of 1974–75.

This year, our oil import bill will exceed $70 billion—more than twice the Federal deficit.

Interest rates hover at the unspeakable level of 20 percent—limiting the ability of business to borrow, grinding the economy to a halt, and utterly destroying the hopes of this generation that some day they can own their own homes. That day is in jeopardy of vanishing forever.

But inflation is especially harsh on those who can least afford it: The poor, the elderly, the disabled, the ill, those who live on fixed incomes. Rising prices in food, fuel, housing, and health care have placed an intolerably high premium on the ability of millions to afford life's essentials.

Where it previously took 10 years for the cost of these basic goods and services to double, it now takes only 5. And in the meantime, real income is declining at a rate approaching 10 percent per year.

The American people are, understandably, demanding relief. And they want leadership from the Congress in bringing inflation to acceptable levels.

But the fact is there are no easy answers. There is no painless way to stop importing half the oil we consume. There is no effective way of imposing a price freeze on OPEC oil. No one sector of the economy—business, labor, consumers—wants to bear an unfair share of the burden of breaking the inflationary spiral.

And yet we are faced with a terrific—perhaps irresistible—wave of support, reflected in this resolution, to bring the budget into balance next year.

But let no one be deceived: the price of creating a Federal surplus is far greater than any economic benefits it is designed to achieve.

Although a balanced budget is supposed to make a substantial contribution to reducing inflation, it will cut the inflation rate by a pitifully small one-half of 1 percent.

Although balancing the budget is designed to restore economic health, it will do nothing to reduce unemployment, or promote investment, or provide incentives for savings.

Although a balanced budget is depicted as a cornerstone of future prosperity, the budget cuts which are required will add to the hardships faced by low- and middle-income Americans.

If the goal is questionable, the means to the end are especially disturbing. While human services are to be reduced, defense expenditures are permitted to increase dramatically. It is cruelly inconsistent to demand sacrifices in education, jobs, housing, and health care while actively seeking increases for tanks, warplanes, and nuclear weapons. Can we possibly allow the budget to be balanced on the backs of the poor and working people of America?

The balanced budget is little more than a symbolic exercise of limited value at enormous cost to the public. It represents a severe, and perhaps irreversible, retreat from the commitment, born over a generation ago, to meet the basic needs of our citizens. It compromises our ability to act effectively in the future to build a better nation. It is a simplistic solution to a complex crisis.

Nowhere is this better demonstrated than in the effect of the budget cuts on the Nation's health care agenda.

I feel a responsibility to speak to this issue today because the Subcommittee on Health and the Environment, which I chair, oversees all of the public health programs administered by the Federal Government. I have seen the tangible results these programs have had. I feel that cuts—deep cuts—in these programs will make them unworkable. I predict we will see a change for the worse in key indices of public health such as infant mortality, immunization rates, and accidental deaths, to name just a few, if drastic cuts are endorsed by this Congress.

So, if I speak out today on the budget resolution, I want to make clear that I am not in any way indicating a lack of appreciation for the herculean task which we face.

I am simply raising some critical questions:

What is the reasonable priority for funds for Federal health programs? What is the point where funding becomes so inadequate that there is no purpose in having the programs at all?

Will a cut here and a cut there this year mean that we are only postponing reckoning with long-term reforms in our health care system? Will we find ourselves back here next year engaged in the same budget cutting process, having neglected to make the changes necessary to stem the incessant increases in the costs of our health financing programs?

It is the policies implied by the budget for the health area that I am concerned about here today. Similar policies, of course, may be imposed upon other areas. The elderly, the unemployed, the disabled would all feel the effects of major budget reductions.

But the health programs, as the largest segment of domestic spending after the income security programs, will be affected by the requirements of a balanced budget more than other areas. Both directly and indirectly our health care policies will be called into question by the new limits on Federal expenditures.

The direct effects of the new budget are obvious. The administration has proposed to eliminate a number of our most important health programs, reduce support for others, and then limit almost all of the remainder to increases insufficient to cover the increased costs of doing business.

Programs which the administration proposes to eliminate include:

Formula grants to the States to support their public health activities. With these funds States operate infectious disease control programs, maternal and child health programs, and other important preventive health programs.

Grants to States to support drug abuse and alcoholism programs. These cuts are proposed at a time when the Nation is faced with a significant increase in the supply of hard drugs.

Support for our health manpower training institutions through capitation grants. Although these funds are eliminated, additional funds are not proposed for any of the more targeted manpower programs.

Programs which are proposed to be reduced include:

Emergency medical services under which local areas are assisted to improve their ambulance and emergency room systems. These systems can reduce unnecessary deaths due to accidents, heart attacks, and other emergency conditions.

Health systems agencies which help design a more efficient health care system. This, in spite of the administration's insistance that it seeks to contain health care costs.

Nurse training which supports nursing schools all across the Nation. These cuts come at a time when there is an acute shortage of nurses in many cities and communities.

The budget provides increases insufficient to cover the increased cost of operation for almost all programs which are not eliminated or reduced. Included in this category are:

The Center for Disease Control which operates important preventive health programs. The center is asked to absorb all increases in the cost of living for the last year. Efforts to immunize children, control venereal disease, and prevent dental decay will inevitably be reduced. Even studies of epidemics, such as legionaires disease, will be curtailed.

The National Institutes of Health is provided an increase of far less than the increase in the cost of laboratory equipment and salaries during the year. The only result will be reduced effort to understand cancer, heart disease, and control all of the other diseases about which we know so little.

While the proposed House budget resolution provides funds to restore some of the reductions proposed by the administration, the Senate resolution proposes to diminish the funds for health programs by even greater amounts.

But of even more concern to me than the direct cuts in support for the health programs is that the budget resolution presents real alternatives concerning our long-term policy in the health care field. The choices now required by the budget process are clear: either we will reform our health care system to contain costs or we will reduce health insurance benefits and require our citizens to bear even more of the cost of health care as individuals. And this choice—one that I thought our society had cast aside—would inevitably deny medical services to those in need because of their inability to pay for care.

It is clear that the health care financing programs in the Nation today are not so generous as to justify reductions at this time:

More than 5 million poor children need additional basic health insurance coverage.

The elderly now pay more for health care out-of-pocket than they did before medicare was enacted.

And more than 24 million Americans have no health insurance at all.

With average health care costs now exceeding $1,000 a year for a family of four, and $10,000 hospitalizations not at all uncommon, good health insurance is more essential than ever. Last year more than 50,000 American families faced bankruptcy as a result of catastrophic health care costs.

This is not the time to reduce the Federal commitment to a strong, equitable and efficient health care financing programs.

Fortunately, the proposed budget resolution recognizes this. Funds are provided for fiscal year 1981 for the initiation of the child health assurance program at the very end of the year. Further, funds are projected for fiscal year 1983 to initiate a broad national health insurance program. These programs are essential to improving health care of the American people.

But they, like the existing medicare and medicaid programs will be affordable only if the costs are contained. This is the crucial choice posed by the proposed budget. The current budget resolution, in fact, projects savings in fiscal year 1981 of more than $1.1 billion in the medicare program and $300 million in the medicaid program.

The most obvious possible cost containment program is that which was proposed by the administration in the spring of 1977 and rejected by the House last fall.

Last fall I supported the administration's cost containment bill. I supported the measure to gain some time, time that was needed to design fundamental changes in the cost-plus reimbursement system which rewards inefficiency in our health care systems.

I see the defeat of the administration's hospital cost containment proposal last year as a vote against the prospect of mandatory Federal controls when alternatives were available. However, it is the responsibility of those who helped defeat the administration's proposal to spell out what the alternative reforms are and to work for their accomplishment.

Unfortunately, since the rejection of the cost containment bill more than 5 months ago, no new proposals have been made to reduce the appetite of the medicare and medicaid programs for Federal dollars. Now, although we face a fiscal year 1981 budget resolution which insists that we reduce Federal expenditure and balance the budget we have heard of no alternative cost containment programs.

In a nation as rich as ours, health care is a right not a privilege. If we are to maintain services for the needy and elderly, then we must have meaningful proposals for streamlining our presently inefficient and unobstructed health care delivery system. Only with reform can we contribute to maintain and improve the protection of the American people against bankruptcy. Without reforms we will, I am afraid, see further reductions in health care programs.

This, I believe is the real implication of the budget resolution for the health care program. So the choice is clear. We must meet the challenge to reform our health care system in a meaningful way rather than accept the inevitability of annual cuts in our vitally important health care programs.●

● Mr. CORRADA. Mr. Chairman, I rise in support of House Concurrent Resolution 307, the first concurrent resolution on the fiscal year 1981 budget.

First of all, Mr. Chairman, I would like to commend the chairman of the committee (Mr. GIAIMO) and the ranking minority member (Mr. LATTA) for the leadership they provided during the very difficult deliberations that took place in their committee during the past few weeks.

Mr. Chairman, although I have very mixed feelings about a balanced budget, especially since there is no certain proof that this will have a significant impact in slowing inflation while we restrict expenditures in important domestic programs, I at least hope that this symbolic gesture will send a message to the American public and make us realize that these are times of economic restraint and that everybody must cut down on excessive and superfluous consumption and spending. Eventually, if inflation is curbed, all of the people will benefit including those who might be now adversely impacted by some of the reductions recommended in order to achieve a balanced budget.

Mr. Chairman, I do want to urge my colleagues to act on this resolution as expeditiously as possible. As all of you know, we have very important legislation pending that we cannot consider until we pass this resolution. Among these is S. 1309, a bill to lift the cap imposed on the food stamp program for fiscal years 1980 and 1981. This we have to do in a hurry or else food stamps will be reduced or completely cut off beginning on June 1.

I was glad to note that the Budget Committee has recommended an additional authorization of $2.5 billion for this program and that probably no reduction in the program will be necessary.

Again, Mr. Chairman, although I do not feel completely comfortable with this resolution I realize that it is a product of hard labor and much agonizing on the part of many of our colleagues. I only hope that as inflation is curbed and as changes in the economy permit, we will be able to restore many of the funds that have been cut back from President Carter's budget request sent to Congress last January. Our Nation must always keep its commitment to the elderly, the disabled, the unemployed, the ill, the children, and the poor; and as Members of Congress we have the responsibility of seeing that while we act wisely to implement policies that will promote economic growth and development, we act compassionately to respond to the aspirations of social justice of those who are weaker in our society and whose conditions need to be improved.●

● Mr. GRASSLEY. Mr. Chairman, we are now debating the first concurrent budget resolution for fiscal year 1981 under a rule that is an insult to Members of the House. This closed rule represents an admission by the guiding lights of the House that we—the individual representatives from 435 congressional districts—are not competent to make the tough spending decisions that must be made. The way in which this most crucial matter is being handled is an affront to the American people who have a right to insist that we are held accountable for actions, policies, and programs of the Federal Government.

The rule specifies what amendments can be offered to the budget, and, further, prescribes which Members of Congress can offer amendments. Finally, the exact order in which amendments can be offered is limited. This means, essentially, that many Members of the House will not be able to adequately respond to the views and concerns of citizens who have contacted us requesting that spending for certain broad program areas be adjusted to take into account changed economic circumstances.

Adoption of this proposed rule is a public announcement that the Federal budget for fiscal years 1980 and 1981 is beyond the control of Congress. I reject that notion. The Federal budget is probably the most important piece of legislation to come before the Congress each year. The spending decisions that are made on the budget have a dramatic impact on the lives and well-being of the American people. We ought to be able to debate this matter fully. Members of Congress ought to be able to go on record so that the people they represent will be fully advised as to how they feel on budgetary decisions. This accountability is crucial to the democratic process.

House Concurrent Resolution 307, as reported and sent to the House floor by the Budget Committee, contains a number of flaws which render it fatally defective. Foremost among these deficiencies in the resolution is language which raises spending ceilings for the current fiscal year, fiscal year 1980, House Concurrent Resolution 307 increases Federal outlays for 1980 by $19.4 billion, budget authority by $19.1 billion. The Federal deficit for 1980 will, despite huge new fiscal year 1980 tax increases, raise by $8.5 billion to a level of $38.2 billion.

Current Federal spending actions are too important a matter to be relegated to addendum status. We ought to fully investigate and study the question of current year spending in separate legislation. The ardor of many of my colleagues for this budget resolution would cool considerably if they fully understood that increasing fiscal year 1980 spending ceilings, in the manner contemplated by the pending resolution, means that we are moving away from, rather than toward, a balanced Federal budget. Let us not wait until October 1 to begin restraining Federal spending.

A second disturbing feature of the measure now before the House is that for 1981, at least, it seeks to balance the budget by increasing Federal taxes instead of limiting spending. This is the wrong approach. An overwhelming majority of the American people favor a balanced Federal budget and they want it balanced by limiting the size and growth of Government. Let me just point out that the revenue level contemplated by the resolution as reported by the Budget Committee contemplates an increase in Federal revenues of $96 billion from those anticipated by the second budget resolution for fiscal year 1980 adopted by this Congress just last fall. Federal revenues are scheduled to increase by 19½ percent. This is unconscionable.

The first concurrent budget resolution for fiscal year 1981 can, however, be improved, even though we are limited in our options. As I said, certain amendments are in order under the rule. My votes on these amendments will reflect my continuing commitment to bringing about a limited, but nevertheless compassionate Federal Government.

Let me conclude by saying that I am pleased that the Congress is beginning to heed the admonition of section 7 of Public Law 95–435. That law mandates a balanced Federal budget by fiscal year 1981. As you may recall, I worked with Senator HARRY BYRD in having this language added to legislation passed by the 95th Congress and signed into law by the President in October of 1978. So I am pleased at least the letter of the law will be followed. But, I am disturbed by the fact that House Concurrent Resolution 307 runs counter to the spirit of the law which is to limit Federal spending and reduce Federal taxes.●

● Mr. DRINAN. Mr. Chairman, I shared my colleagues' shock at learning that inflation is now booming at an annual rate exceeding 18 percent. But I refuse to lose sight of a Congressional Budget Office estimate that a Federal expenditure cut of $25 billion will lower the inflation rate by only one-tenth of 1 percent.

This House is on the verge of approving the first non-deficit budget since the congressional budget process began in 1974. And since inflation is the motivation, I would like to examine its causes.

Budget deficits are not the heart of the problem. As Lane Kirkland, president of the AFL–CIO, reminded the Budget Committee:

> The budget has been in balance or surplus only 12 times in the last 50 years. And even a casual look at the numbers shows absolutely no relationship between deficits and inflation. In fact, the sharpest price increases in recent years took place during periods when the deficits were being rapidly reduced.

West Germany—a country with budget deficits proportional to its gross national product more than four times as large as the United States—also has an inflation rate below 5 percent. West Germany maintains that inflation rate at the same time that government expenditures account for 42 percent of the GNP—8 percentage points higher than for all levels of government in the United States.

I will not deny that Federal expenditures affect inflation. Military spending—three-quarters of controllable Federal expenditures—is inflationary. Military spending, as Alfred Kahn, the administration's inflation advisor, points out:

> Puts money into the hands of workers without expanding the supply of goods they can buy. There is no consumer market for missiles, thereby driving up the prices of goods like autos and refrigerators and machine tools.

America does not need the MX missile to defend itself. Herbert Scoville, past assistant director of the Arms Control and Disarmament Agency, has argued that the MX missile will be obsolete before it can be deployed due to probable Soviet development of maneuverable missile reentry vehicles. And yet the President proposed in his budget to spend $1.6 billion on this project, to create the largest construction project in this Nation's history—larger than the Panama Canal, larger than the Alaskan pipeline.

President Carter has also proposed $1.6 billion for the new XM–1 tanks that have serious flaws and have never been adequately tested; $714 million to provide credit financing totaling $2.6 billion for arms purchases by 35 countries; $530 million for overhauling the nuclear carrier *Saratoga* that is unnecessary; and $23 million for draft registration that will not add personnel to the active or reserve forces.

If the Congress accepts the Navy's proposal to retire 12 World War II destroyers that are unlikely to play any future combat role, $129 million could be eliminated from the budget during this year alone. As long as we are examining Federal spending and its inflationary effects, let us take a hard look at the waste in the military budget.

There are, of course, other causes of inflation and ways to stop it. The price of health care has been rising faster than other prices, and the structure of our health system is to blame. Physicians' fees-for-service too often reward physicians for spending instead of controlling costs. Since most of our medical bills are paid by third parties—insurance companies, and medicare and medicaid—the cost of our health, unlike other expenses, is out of sight and out of mind—at least until our insurance premiums are raised in an inflationary spiral. The Health Care for All Americans Act would correct these defects and create incentives for controlling costs, as would effective hospital cost containment legislation. Such legislation could reduce Federal outlays for medicare and medicaid by $17 billion over 5 years.

Corporate mergers reduce the number of firms which can compete for customers by reducing prices. I urge enactment of the Small Business Protection Act, a tough antitrust bill to prohibit mergers between companies with assets or annual sales of over $2 billion.

Elimination of anti-competitive regulations would also slow price hikes. Airline productivity rose after that industry was deregulated in 1978. The number of seats filled and the number of hours spent in the air by the average aircraft has risen dramatically. When fuel costs were doubling, and overall industry costs rising by 29 percent, the average price of a ticket went up only 16 percent. Similarly, trucking deregulation could save Americans an estimated $8 billion annually.

Robert Fuller of the Worldwatch Institute points out that:

> Protectionism functions internationally much as industry regulation functions nationally—by reducing opportunities for competition, it supports higher prices.

Robert McNamara, President of the World Bank, notes that America's protectionism cost its citizens an additional $660 million for sugar, $1,250 million for steel, $400 to $800 million for meat, $500 million for television sets, and $1,200 million for footwear between 1975 and 1977. We must resist the escalating calls to shelter economically weak, but politically influential industries from free competition.

I am concerned that productivity in manufacturing declined last year for only the second time since 1947. It has been estimated that a 1 percent increase in productivity will stem inflation by 1 percent. Spurring productivity is therefore an important element in the process of curbing inflation. Although massive investment tax incentives for businesses have been proposed to stimulate productivity, a recent study conducted by the National Center for Economic Alternatives suggests that various forms of worker participation and ownership of businesses would be more effective.

The U.S. inflation rate was boosted by an estimated 3 percentage points after OPEC oil prices increased 75 percent last year. Conservation measures, such as home weatherization, solar energy development, and improved mass transit systems would reduce both American dependence on petroleum imports and the inflation that results.

Conservation of natural resources besides oil is vital. Robert Fuller points out that America's inflation, for the first time, is shared by the rest of the world. This phenomenon underscores not only the interdependence of the world's economies, but also the finiteness of the Earth's bounty. Fuller states:

> Everywhere one turns, limits are being encountered and the effects are being compounded. The biological and physical systems that underline all economic activity and that have generally supported it unstintingly in the past were reeling during the seventies under the impact of excessive demand. During the past decade or so, world per capita production of wood, petroleum, fish, cereals, and the most meats all appear to have peaked. And during this period the prices of these same commodities soared and inflation became a central feature of global economic life. The law of diminishing returns is "ruling" in an increasing number of economic settings.

My point, Mr. Chairman, is that there is no single cause of inflation. There is no single solution. If we want to stop the spiraling of prices in this country and throughout the world, we must conserve our natural resources, increase competition and productivity, and dramatically curtail miiltary expenditures. These approaches are long-range. We cannot expect to stop inflation cold in its tracks by voting for a balanced budget.

I have no objection to a non-deficit budget. But I oppose a merciless budget. Blacks, the poor, the handicapped, the old and the very young are already staggering from the effects of inflation. Let us not crush them completely with fiscal austerity.

The price of necessities—food, fuel, housing, and medical care—is already surging past the general inflation rate. Now is not the time to slash programs that help low-income people, the people who spend so much of their incomes for necessities. With inflation raging, and only 4 percent of private pensions protected by cost-of-living clauses, now is not the time to cut programs for the elderly.

The cost of attending private colleges and universities is increasing more rapidly than family income. It is not the right time to cut back financial aid to students. The economy is tottering toward recession. Over 27,000 auto workers lost their jobs last week alone. Proposals to end State revenue sharing and certain postal operations threaten the employment of over 100,000 workers, according to the AFL–CIO. Is this the time to cut back jobs programs as well?

If cuts have to be made, let us close the Clinch River Breeder Reactor program, and save one and a half billion dollars over 5 years. Let us end operating and construction subsidies to the maritime industry and save $1 billion over 5 years.

It is time to eliminate the taxpayer subsidy to private shippers and mariners that will amount to $3.5 billion over the next 5 years, and the subsidy to airport and airway users that will cost over $5 billion cumulatively through 1985. If the government charges grain, meat, and poultry shippers and processors for inspection, savings would exceed $350 by 1985.

Repealing the percentage depletion allowance for oil and gas would generate $11 billion in increased revenue during the next half-decade; repeal of expensing of oil and gas intangible drilling costs will increase revenue by $16 billion.

The House may have the opportunity to consider as part of the budget my proposal to increase the cigarette excise tax by a dime. If consumption remains stable, this tax will raise an additional $3 billion per year, bringing the annual total revenue from the cigarette tax to $5.4 billion. Since cigarette smoking costs the Treasury $5 to $8 billion annually in health care and disability expenses, it is altogether appropriate to place the economic burden of smoking on smokers.

The Federal cigarette excise tax has not been raised since 1951 when it was increased to 8 cents a package, or 37 percent of the average retail price. Today, the Federal cigarette tax constitutes only 14 percent of the retail price of a package of cigarettees. The 10-cent increase I propose will raise the tax to 27 percent, still well below the level established almost two decades ago.

Mr. Chairman, we have been asked to turn our backs on those Americans who most need the Government's protection. The request distresses me because it is unnecessary. Wasteful programs can be cut. Revenues can be raised in a fair way. The budget does not have to be merciless.

I recall in 1974 the excessive fiscal and monetary restraint imposed by the Nixon and Ford administrations in an attempt to battle inflation. They succeeded in driving up unemployment rates and causing hardships for millions of citizens. They also reduced the capital investment which is essential for this country to progress technologically, to increase productivity, and to avoid future inflation. Let us not be as shortsighted.●

● Mrs. COLLINS of Illinois. Mr. Chairman, today, we are considering the first concurrent resolution on the fiscal year 1981 budget (H. Con. Res. 307).

Given the current atmosphere of this Nation regarding our economic stability (or what appears to be a bit of instability) and the implications of the administration's measures to alleviate some of the financial misery in which we, as citizens, are engulfed, I feel it extremely necessary to address this most vital and sensitive area of concern.

As I have stated many times, the President's fiscal year 1981 budget is, in itself an unmitigated disaster to the poor, the unemployed, the minorities, and everybody else. Although there is a loud clamor for a balanced budget, this apparent need must not be met at the expense of social, domestic, and human needs programs designed to help Americans. Such proposed actions will surely undermine the very purpose of the budget—the scheduling of finite funds for the well-being of the American people.

I fully understand the need to have a strong defense force for this Nation. However, the defense portion of our overall domestic budget ought not be held as sacrosanct. To increase military spending at a time when we already have stockpiles of weapons that can blow everybody off the face of this Earth is ludicrous at best and ridiculous to say the least.

Just last weekend when I was back home in my district, many of my constituents approached me, expressing grave concern regarding our national priorities which seem to them to be more concerned with foreign affairs than toward domestic needs. Everyone feels the current economic crunch—not just the poor but also middle America, upper America. We all are feeling the pressure of this fast-falling economy. John Q. Citizen is totally frustrated. He is working extremely hard, but finds himself running on a treadmill moving backward at an accelerated pace.

This proposal—this first concurrent budget resolution not only calls for cuts in housing, education, health care, programs targeted for the elderly, youth and the handicapped, but even worse, job training programs to help us rid our society of high unemployment. To pass legislation such as this at a time when productivity is decreasing, unemployment is increasing, and inflation and recession is upon us, is to destroy all hope for those who are striving to be self-sufficient.

For these and a host of other reasons, I, in all honestly, cannot support this resolution or the budget as offered by the administration because such measures totally disregard the rights of all Americans and insults their intelligence.

It is all to clear that balancing the budget by axing domestic programs will neither reduce inflation or unemployment, and to even think it would is madness.●

● Ms. MIKULSKI. Mr. Speaker, as I examine the budget we are now considering, I have to ask myself who will pay for the balanced figures we seek to achieve. I have listened to my colleagues on the floor, read the letters they have sent, and examined House Concurrent Resolution 307 carefully. But most important of all, I have talked to people in my district when I go home at night, and I have read their letters. Inflation is hurting us all, but most especially the poor, the elderly, the unemployed, and the newly employed. These are the people who will pay for our balanced budget. Unfortunately, Congress will make its symbolic gesture to fight inflation at the expense of these segments of our society.

The budget proposed by the Budget Committee will reduce spending in social, educational, and revenue-sharing programs. These are the very programs that most directly benefit people in need in our society. Funding will be drastically cut, and these people are left with no alternatives for the services which they so badly need.

House Concurrent Resolution 307 is a replay of the old shell game, intended to deceive the American people into thinking that these steps will really help to curb the inflation race. But, it has been widely acknowledged that a balanced budget in fiscal year 1981 will reduce the budget only two-thirds of 1 percent. In reality, these are not budget cuts but budget shifts. We will simply be transferring the cost of many essential services from the Federal Government to State and local governments. In my city, countercyclical revenue sharing funds were to be used to help pay for additional police officers who are desperately needed. Now that Baltimore will have to assume this expense itself, the mayor expects to increase the property tax rate. Now I ask myself, "How can our taxpayers stand this further erosion of their paychecks?" When they find they cannot save for their children's education and turn to Federal student grants, there won't be any. When older people need transportation to get a doctor, there won't be a local Office on Aging van to take them. When young people need on-the-job training to develop a skill, opportunities will not be available. I could go on. But, the point is that many of our citizens need these services and local governments will be hard pressed to supply them.

I believe House Concurrent Resolution 307 will have an unfair impact on certain groups, singling them out to absorb program cutbacks. Women are one of these groups, for the following reasons:

1. They are 75 percent of those persons living in poverty and 80 percent of the aged poor.

2. Women head nearly half, 49 percent, of all poor families.

3. Minority women are at a particular disadvantage. black and Hispanic women have the highest unemployment rate and the lowest median income in our society.

Instead of implicitly letting such groups bear the brunt of our balanced budget, I believe we should take a different approach. We should work hard to eliminate waste and fraud. We should enact sunset legislation so that those programs that are not necessary and useful are eliminated. We should adopt a rational, achievable, and consistent energy policy so that spending in that area can be contained. And, we should reform our tax policies. These are ways of balancing the budget that are both doable and fair. They do not require any one group of citizens to bear the expense of reduced Federal spending. I would like to suggest to my colleagues that this would be a more balanced approach to balancing our Federal budget.●

Mr. BAUMAN. Mr. Chairman, I make the point of order that a quorum is not present.

The CHAIRMAN. The Chair will count.

Mr. BAUMAN. Mr. Chairman, I withdraw my point of order.

The CHAIRMAN. The gentleman from Maryland withdraws his point of order.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker pro tempore (Mr. HAWKINS) having assumed the Chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, had come to no resolution thereon.

☐ 1830

HOUR OF MEETING TOMORROW

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to convene at 10 o'clock tomorrow.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, and I will not object, can the gentleman give us an idea about what time we might close down tomorrow night?

Mr. GIAIMO. If the gentleman will yield, I cannot give the gentleman an idea.

Mr. ROUSSELOT. But the gentleman is awfully close to the leadership.

Mr. GIAIMO. If the gentleman will yield, I have heard comments that it is the intention of the leadership to adjourn tomorrow somewhere around 5 o'clock.

Mr. ROUSSELOT. I appreciate that, and if we can stick by that, it sounds pretty good to me.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

SPIRIT OF HELSINKI VIGIL—1980

(Mr. WIRTH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WIRTH. Mr. Speaker, I rise as a participant in the Spirit of Helsinki Vigil 1980 joining my concerned colleagues in bringing to the attention of the House the plight of Soviet dissidents who wish to emigrate from the Soviet Union. Today, I would like to speak about Prof. Nohim Meiman, a Soviet Jew and a mathematical scientist who has been actively seeking an exit visa since 1974. Professor Meiman's case is typical of the harassment and threats Soviet scientists have suffered in their struggle for basic human rights.

In 1935, Nohim Meiman received the highest degree awarded in the Soviet Union, doctor of physical and mathematical sciences. He is widely known for his work with quantum field theory and analytical function theory, and he worked at the Institute of Theoretical and Experimental Physics in the Soviet Union until he was dismissed. When Professor Meiman decided to emigrate from the U.S.S.R., his application was refused on the grounds of "possessing state secrets."

In a letter to Leonid Brezhnev, Meiman explained that the only time in his career when he dealt with secret subjects was in the years 1948–55, when he worked on theoretical calculations related to defense issues for the Institute of Physical Problems of the Academy of Sciences. Since the work had been done over 25 years earlier, it had since been published and had become obsolete, and could hardly be termed "state secrets." Meiman appealed:

> I declare categorically and can prove convincingly that I do not possess any state secrets . . . I am afraid that the possession of secret information of which I am being accused is not the real reason for denying me a visa . . . but is only a pretext.

On January 25, 1978, an international appeal in support of Professor Meiman was signed by over 1,200 physicists and mathematicians, among them several Nobel Prize winners, from Belgium, Denmark, France, Germany, Great Britain, Holland, Israel, Japan, Switzerland, and the United States. Today has been designated as a day of international recognition and support for Professor Meiman by the Centre d'Etudes Nucleaires de Saclay in France, a second appeal to the Soviet Government for permission for Meiman to emigrate.

Professor Meiman is now 69 years old. He has been an active human rights advocate and, with Andre Sakharov—a close friend—he has taken a leading role in the Helsinki Monitoring Committee. Although he is in very poor health, he is under constant surveillance by the KGB and that harassment has increased. Following the recent arrest of Sakharov, Meiman was again interrogated. In a letter written in February of this year, Meiman wrote:

> I have been refused permission to emigrate many times since 1975, but so far it has always been a question of temporary detention. This January 30, I was told for the first time that I will never be released . . . I think this is due to, and a sign of, a deterioration and aggravation of the general situation . . . My situation is aggravated by the fact that my health worsened just before all these troubles, without the possibility of receiving adequate medical care, having been expelled from the Academy Polyclinic in 1977.

Professor Meiman's hopes lie with us, and his arrest seems always imminent. With increasing pressure, we must impress upon the Soviet Government the deep concern and commitment of the American people. I hope that we can continue these efforts, despite the present political relationship between our two nations. Indeed, it is more important now that we do not let these efforts be overshadowed by our other domestic and foreign policy concerns, and that we reinforce our commitment in the Congress to helping all those who suffer such violations of human rights.

EARTH DAY, LOVE CANAL, ELIZABETH, AND SUPERFUND

(Mr. LAFALCE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LAFALCE. Mr. Speaker, yesterday April 22, was the 10th anniversary of Earth Day.

When the first Earth Day was proclaimed in 1970, we said that we were setting aside this day to remind us of our dedication to preserving a safe and healthy physical environment in which to live.

Congress has attempted to live up to this commitment over the decade of the 1970's by passing such vitally important legislation as the National Environmental Protection Act (NEPA), the Clean Water Act of 1972 and its amendments in 1977; the Toxic Substances Control Act; the Clean Air Act and its amendments in 1977; the Safe Drinking Water Act; and the Resource, Conservation, and Recovery Act.

Mr. Speaker, for the last several years I have been saying that we need to dedicate ourselves not only to the preservation of our physical environment, but to our human environment. We must now make a national commitment to the safety and well being of the health and welfare of the citizens of this country.

On August 2, 1978, the New York State Health Commissioner announced that the Love Canal area of Niagara Falls, N.Y., in my congressional district, was unsafe for pregnant women and children under the age of 2 because toxic substances were percolating through the soils from an abandoned landfill and polluting the air they breathed. This announcement was quickly followed by a declaration of an emergency by President Carter.

The Love Canal has become just the first of many exploding ticking timebombs.

It is ironic that yesterday, as the country was celebrating Earth Day, another industrial waste disposal facility exploded. I am speaking of Chemical Control Corp. in Elizabeth, N.J., where a warehouse of 24,000 barrels of chemicals exploded, forcing thousands of people in New York and New Jersey to fear for their lives.

How many of the 50,000 other similar known sites across the country will become next year's Earth Day celebrations? How much better it would be if the fireworks we see on the Mall each Fourth of July could be an annual reminder that the pyrotechnics of Elizabeth are rendered much less likely because Congress, in 1980, acted on the superfund legislation presently pending before us.

Thus, as we begin the decade of the 1980's let us commit ourselves to improving both our physical and our human environment. Let us commit ourselves to swift, positive action on the superfund legislation so that on Earth Day 1981 we will not have to view fireworks made possible by exploding PCB's, mustard gas, pesticides, and insecticides.

KIDNAPING RESOLUTION

The **SPEAKER** pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. COLLINS) is recognized for 30 minutes.

(Mr. COLLINS of Texas asked and was given permission to revise and extend his remarks.)

Mr. COLLINS of Texas. Mr. Speaker, the time has come for Congress to provide some definitive leadership. In our national policy on kidnaping, the first place to start is with the reporting of radio and television. We all believe in the first amendment. We commend the broadcasters for their concern, interest, and zeal in trying to deliver full coverage of the news.

However, in the matter of kidnaping or the taking of hostages, I believe that there are special responsibilities that rest with the media. The safety of human lives is involved. Statements or pictures could create an emotional reaction that would lead to the loss of lives. There are broad limits which are recognized for all news reporting, but where it involves the safety and lives of individuals there is explicit need for more definitive newscasting.

This bill provides all broadcasters full opportunity to present news on any subject. In drafting this legislation, I was extremely cautious about guarding first amendment protections. My bill will not impose any Government censorship or prior restraint before broadcasting.

What my bill requires is that within 24 hours of any broadcast of a kidnaping or hostage-taking situation, a report will be filed with the FCC. The report will be submitted by both the broadcasting network, if it is a network report, and each affiliate that airs that broadcast. Independent radio and television licensees will also have to file a report on the broadcasting of these events.

The report must contain such information as may be necessary to verify the fairness, accuracy and balance of the broadcast involved; a transcript of the broadcast; a statement indicating whether any money or other consideration was paid for the information contained in the broadcast; and a statement indicating the extent of the broadcaster's or network's control over the content of the programs.

On the other hand, there are no restrictions as to what a U.S. Government official or a law enforcement officer would say because their statements are in behalf of our country and the safety of the individuals who are kidnaped or held hostage.

Thomas Jefferson was one of the greatest believers in our country in the importance of free speech as covered in the first amendment. Here is what Jefferson said:

> The people shall not be deprived or abridged of their right to speak, to write or otherwise to publish anything but false facts affecting injuriously the life, liberty, property, or reputation of others or affecting the peace of the confederacy with foreign nations.

The specific bill is as follows:

H.R. 7138

A bill to amend the Communications Act of 1934 to require broadcasting networks and licensees which broadcast certain information relating to the kidnapping or taking hostage of American citizens to submit reports to the Federal Communications Commission verifying the accuracy, balance, and fairness of such broadcasts, and for other purposes

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That part I of title III of the Communications Act of 1934 (47 U.S.C. 301 et seq.) is amended by adding at the end thereof the following new section:

"REPORTS RELATING TO CERTAIN NEWS BROADCASTS

"SEC. 331. (a)(1) Except as provided in paragraph (3), if any broadcasting station licensee, or any television broadcasting network, broadcasts any newscast, news interview, news documentary, or on-the-spot coverage of a news event relating to—

"(A) the kidnapping of any individual in the United States or the kidnapping of any American citizen in any foreign Nation; or

"(B) the seizure or taking hostage of any individual in the United States or the seizure or taking hostage of any American citizen in any foreign Nation;

then such licensee or network shall submit a report to the Commission in accordance with subsection (b).

"(2) Such report shall be submitted not later than 24 hours after the completion of the initial transmission of the broadcast involved. If such broadcast is originated by a television broadcasting network, then such network and each television broadcasting station licensee which transmits such broadcast shall submit the report required in paragraph (1).

"(3) The requirement established in paragraph (1) shall not apply to the broadcast of any newscast, news interview, news documentary, or on-the-spot coverage of a news event to the extent that such broadcast includes or relates to information furnished by, or to the interviewing of, any officer or employee of any Federal, State, or local law enforcement agency or any other Federal, State, or local officer or employee acting in his official capacity.

"(b) Each report required in subsection (a)(1) shall be submitted in such form, and according to such procedures, as the Commission may require. Each such report shall—

"(1) contain such information as may be necessary to verify the accuracy, balance, and fairness of the broadcast involved;

"(2) include a transcript of such broadcast;

"(3) indicate whether any monies or other consideration was paid in exchange for any information or other material contained in such broadcast; and

"(4) specify the extent to which the broadcasting station licensee, or the television broadcasting network, as the case may be, exercised control over the content and format of such broadcast.

"(c) In the case of a broadcasting station licensee, the Commission, in determining whether to approve any application for the renewal of the broadcasting station license of such licensee, shall take into account the manner in which such licensee has complied with the requirements of this section.

"(d) For purposes of this section, the term 'television broadcasting network' means (1) any person offering an interconnected program service on a regular basis for 15 or more hours per week to at least 25 affiliated television broadcasting stations in 10 or more States; and (2) any person controlling, controlled by, or under common control with the person specified in paragraph (1).".

SEC. 2. (a) Section 315 of the Communications Act of 1934 (47 U.S.C. 315) is amended by redesignating subsection (c) and subsection (d) as subsection (d) and subsection (e), respectively, and by inserting after subsection (b) the following new subsection:

"(c)(1) Except as provided in paragraph (2), in any case in which a broadcasting licensee or a television broadcasting network broadcasts any newscast, news interview, news documentary, or on-the-spot coverage of a news event relating to any matter specified in section 331(a)(1), any failure by such licensee or network to present such broadcast in an accurate, balanced, and fair manner shall be a violation of the last sentence of subsection (a).

"(2) The provisions of paragraph (1) shall not apply to the broadcast of any information specified in section 331(a)(3).".

(b) Section 315(d) of the Communications Act of 1934, as so redesignated in subsection (a), is amended—

(1) in paragraph (1) thereof, by striking out "and" at the end thereof;

(2) in paragraph (2) thereof, by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new paragraph:

"(3) the term 'television broadcasting network' means (A) any person offering an interconnected program service on a regular basis for 15 or more hours per week to at least 25 affiliated television broadcasting licensees in 10 or more States; and (B) any person controlling, controlled by, or under common control with the person specified in subparagraph (A).".

CONGRESSIONAL RECORD TRIBUTE TO FALL RIVER AWARDS WINNERS

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from Massachusetts (Mrs. HECKLER) is recognized for 5 minutes.

Mrs. HECKLER. Mr. Speaker, every spring, the Greater Fall River Chamber of Commerce confronts and confounds Shakespeare's famous lines:

> The evil that men do lives after them,
> The good is oft interred with their bones.

By singling out for honor men and women in the community who have given their talent and time to and in the service of others.

The 12th Annual Recognition Dinner held last week was an inspiring evening for all of us who were privileged to participate in the salute to seven wonderful sons and daughters of Fall River.

I would like to share with my colleagues in the House and the readers of the CONGRESSIONAL RECORD this year's distinguished honorees from Fall River:

John D. Almeida, was an honored recipient because of his 15 years of service to the Catholic Young Organization—CYO—as a boxing coach. John's lessons go beyond the techniques—the art—of boxing; the scores of young men he tutored learned what the word "sportsmanship" really means from a man who is the personification of that word.

Philip S. Brayton is a man for all good causes; the pluralism of his civic interests has been matched by the intensity of his dedicated work for the Fall River High School Alumni Association, the Fall River Historical Society, the home for the aged and a lifetime of activity in other charitable and civic groups.

Florence C. Brigham has made the Fall River Historical Society an exciting, lively, hospitable part of the life of the city. Her enthusiasm and knowledge are infectious; her tireless volunteer work has been a boon to the newly formed historical commission to which she brings prodigious ability and insight.

Lillian C. Darmody's loving loyalty to class after class of Durfee High School students has made her a legend and won her a legion of friends. As founder of the Parents Committee for Durfee Sports and a "booster" for the school and its students on several other fronts, her own good citizenship has inspired thousands of Durfee students.

James J. Harrington, Jr., "Hank" to his legion of Fall River friends, set southeastern Massachusetts athletic records as a young man. For years he has helped the younger generation of Fall River athletes set records of their own through his tireless efforts as secretary-treasurer to the Thomas Chew Memorial Boys Club and leader of the Durfee Booster Club.

Gerald J. Lawton has been a quiet, Fall River good samaritan in the field of mental health. His leadership, caring and availability have brought light, help and hope to hundreds in the city during their days of personal trauma.

Ronald J. Lowenstein's decade of diligence as chairman of the Fall River Redevelopment Authority has helped to bring forth a renaissance in Fall River's downtown business district. That economic regeneration will pay untold dividends to FR and its people in the years ahead. Ronnie's tact, professionalism, patience, and prescience were key factors in keeping this all important project "on tack."

All of these winners, Mr. Speaker, define what the words "good citizen" really means. They are the cement that binds a city together and makes it a genuine community.

I join the Greater Fall River Chamber of Commerce in thanking them for the constructive role they have played in making Fall River such a livable city.

LET US RESCIND SOYBEAN CROSS-COMPLIANCE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. FINDLEY) is recognized for 5 minutes.

● Mr. FINDLEY. Mr. Speaker, I am today introducing legislation to help thousands of farmers who are experiencing one of the worst financial farm crises in my memory as a senior member of the House Agriculture Committee. My bill would enable farmers to get price-support loans on their 1979 crop soybeans and thus give them an important source of short-term credit to help meet expenses of producing this year's crops.

Technically, this legislation would require the Secretary of Agriculture to remove the cross-compliance restriction which prevents many soybean farmers from obtaining price-support loans at $4.50 per bushel. This restriction applies to the large majority of farmers who did not sign up for the 1979 crop feed grains and wheat programs. In other words, a soybean and corn farmer who did not sign up for the 1979 feed grains program and make the required set-aside, for example, is not eligible for price support on his soybean crop, even though no set-aside program is in effect for soybeans.

Farm operating costs have skyrocketed and getting the money to pay these production expenses is costing the farmer dearly. Prices of 1979 crops now held by farmers are in a severely depressed situation, due largely to the grain embargo and the failure of the Carter administration to protect farmers from the economic fallout of that decision.

Thus, providing soybean farmers with a needed source of short-term credit would help them weather this financial crisis. The Congress already has acted to open up the feed grain reserve-price-support program to producers who did not comply with the 1979 program and the President has signed it into law. It makes no sense to deny producers of soybeans the same right to put their 1979 crop soybeans under a price-support loan and thereby get needed operating cash. Removal of the wholly unnecessary cross-compliance restriction would give soybean farmers the right to get price-support relief.

This unwarranted restriction is in effect because of an administrative decision. The American Soybean Association, representing the Nation's soybean producers, urged the Secretary of Agriculture to remove the restriction. He did not. In a telegram April 4, I urged President Carter to order the Secretary of Agriculture to remove this cross-compliance restriction to help ease the credit crunch which is squeezing farmers. Since the President has not seen fit to take action on this request and since the farm crisis worsens daily, I have introduced this bill to force this needed action. I am hopeful that it will get swift action by my concerned colleagues on the Agriculture Committee.●

GOVERNOR REAGAN'S BOLD STRATEGY FOR ECONOMIC GROWTH WITHOUT INFLATION IN THE EIGHTIES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 60 minutes.

● Mr. KEMP. Mr. Speaker, we are witnessing a major change in the course of American politics. Americans are rejecting the policies that brought on 18 percent inflation, rising unemployment, and continuing stagnation; the politicians who blame workers and consumers for our economic malaise; and the party which can only promise more of the same in 1981. They are turning instead to the one Presidential candidate who is offering a bold new strategy for economic growth, expansion, and full employment without inflation. A new consensus is forming behind Ronald Reagan, choosing growth over stagnation, jobs over unemployment, and a strong dollar over continued inflation. This consensus will continue to grow, and will, I believe, carry Governor Reagan to victory in November.

Governor Reagan outlined his commonsense, people-oriented economics recently in a speech before the American Society of Newspaper Editors, saying that—

> There is no crisis of confidence; no collapse of the American spirit. What we are suffering from is misguided, thoughtless government policies.

I commend this important statement

on our economic future to the attention of all my colleagues.

The speech follows:

Remarks by Ronald Reagan, April 8, 1980

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On the campaign trail, where I've been for all but a few days of the last 13 weeks, I'm often asked in interviews by members of your profession how I can appeal across party lines, to Democrats and Independents. It was, after all, another Republican candidate who was supposed to have "cross-over appeal." In retrospect, it seems that those who were saying this were thinking in terms of traditionally liberal Democrats who found no candidate in their own party satisfying. What they had overlooked was that a different sort of crossover was actually beginning to take place; one that may foreshadow a major change in American politics. This is the crossover voting of increasing numbers of blue-collar workers, ethnics, registered Democrats and Independents with conservative values. Am I happy to have these votes? Of course I am, yes, and the Republican party will need millions of them in November.

The day of appeals to group interests alone is fast disappearing. We are seeing a growing determination on the part of the voters to be seen not just as members of economic groups or social classes, but as human beings with values they hold dear. On the farm, in the labor unions, on the street corners of the cities and in white collar offices; in the suburbs (where the values of the old neighborhoods have been preserved) and in the old neighborhoods themselves, there is the new coalition, and I believe it is coming our way.

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Right now, the most important issue we Americans face is this: can we stop inflation and still enjoy economic growth and a rising standard of living? Or, as our leaders are telling us, must we endure a mixture of high inflation, unemployment, austerity, and limited unemployment for an indefinite period?

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Our leaders seem to be saying that America's time of greatness has past; that Americans have become self-indulgent, that our country was built on cheap energy and abundant natural resources which are no longer available.

These are the arguments of despair. I reject them and I believe the American people will reject them. This country was built on the hard work, thrift, and ingenuity of its people. Surely we have as much human initiative in this country as we have ever had. There is no shortage of either natural or human resources which is not caused by ill-advised policies of our own government. We can develop our own resources, if the government will let us.

In the next few minutes let me outline the strategy I think we shall need to stop inflation and get the nation moving forward again. I propose no gimmicks. When a nation has been as badly managed as ours, it is time to get back to basics.

For almost 200 years, as we Americans expanded the world's economic and spiritual frontiers, we just asked three things of our government: to protect us from internal disorder, to assume our national security and to maintain a strong, stable dollar at home and abroad. We accepted sensible taxes and regulations to advance our national goals without hindering productivity and initiative. And, we demanded that the government balance its books and pay back outstanding debts during peacetime.

If the government would do these things, we would do the rest.

For almost two centuries, the United States was the world's model of government, a "shining city on a hill" whose success showed the rest of the world that democracy can provide every citizen the chance to reach as high or as far as skill, talent, and industry will take him or her.

But, this formula of success has been put aside in recent years. The stable dollar was replaced by the idea that a little inflation is good for the economy. Taxes and regulations multiplied beyond reason, along with their indispensible handmaiden, the bureaucracy. And, prompt repayment of our debts was replaced by a notion that government borrowing is a positive virtue.

We can see the results of those changes. The dollar has shrunk to 43 cents compared to the 1967 dollar. Our standard of living has fallen far behind that of other nations and continues to decline. Inflation continues its relentless march—now about 20 percent and American productivity is declining. Yet, our government not only refuses to look inward at the cause of our problems, it goes on to blame the American people. The administration says we have inflation because Americans expect too much out of life. The President says we are less productive because we are losing our confidence.

The President's economic advisors have estimated that to reduce inflation by a single percentage point, they must eliminate the wages of about two million workers. Either that many people must lose their jobs, or else that much must be deducted from everyone's income with taxes and wage controls.

If that scares you, it should. The government is saying that to get inflation down to where it was only four years ago, more people would have to lose their jobs than at any time during the Great Depression.

The administration's approach doesn't make sense and that is why inflation has doubled since Mr. Carter began his series of so-called "anti-inflation" policies. Inflation is not caused by workers or businessmen or consumers or producers. It is not like a plague of locusts or mysterious forces from outer space. It is caused by government. The price of goods can go up only if the government creates too many dollars. Deficits tempt it to print new dollars instead of paying back its debt with honest money. We must remove that temptation by curbing government's appetite and by balancing the budget.

Of course, getting control of the government's monetary policy is only part of the answer to inflation. We also need strong economic growth. When we produce fewer goods, prices go up, not down. Yet, that is precisely the course Mr. Carter has chosen.

It is right that we worry about declining productivity. Higher productivity means we can produce more with the same effort. It takes people who have better ideas. And, it takes people with savings to invest in those ideas. It also takes motivated workers to turn those ideas into the reality of products and services. You can't increase productivity by making people work harder for less pay. They need better tools and rewards equal to their efforts.

The federal income tax is a tax on all individual productivity—on labor, on savings and investment, on enterprise. These tax rates climb steeply with income. But, what's worse, they are not adjusted for inflation. Every time inflation raises your income, but not your buying power, you are pushed into a higher tax bracket. Over the past decade, this combination of inflation and steep tax rates has reduced the reward for higher productivity—both for individuals and for business.

I don't think anyone objects to paying reasonable taxes. And, we all agree on the need to help the less fortunate, but, rich or poor, young or old, a person's reward for working more should always clearly exceed his reward for working less.

The government's refusal to adjust (or "index") income tax rates for inflation not only stops all Americans from climbing higher on the economic ladder, it also pushes some people off the bottom rung every year. Two million more Americans are considered permanently unemployed today than only 10 years ago.

Those who do manage to keep their grip on the ladder still face dismal prospects. In half of all households, rich and poor alike, the government takes at least 50 cents of every one-dollar wage or salary increase, and the average is 46 cents. At these rates, you need to increase your income about twice as fast as inflation just to stay even after taxes.

Americans aren't losing their confidence, they're losing their shirts!

What about Mr. Carter's statement a while back that Americans worship consumption and are unwilling to save for the future? Is this why they saved less of their income last year than in 30 years? With inflation well into double-digits, even with the latest proposals to increase savings interest rates, anyone who does save is losing money. Not only does the government tax the interest on savings, further reducing their value, now the Administration wants to withhold that tax at the source, creating more work for bureaucrats and increasing government's share of those earnings by an estimated 2 to 2½ billion dollars.

But what happens if, against all odds, you succeed in really putting something away? Suppose you want to form an investment large enough to provide a continuing source of income for your family when you are gone. Or, want to leave a family-owned business or a farm? At today's inflated prices that family-owned business or farm will have to be sold to pay inheritance taxes.

To me, that's wrong. It's one thing for the government to tax a family's income, but it's something else to force that family to liquidate its source of income, just so the government can spend the proceeds. And this tax can hardly be justified on the basis of government's need; gift and estate taxes raise barely one percent of all federal revenue.

Americans as individuals produce more than four-fifths of the national income. But all of us are also seriously affected by the government's combination of inflation, unproductive taxes and heavy regulations on business.

Like the income tax, our outdated corporation tax does not adjust for inflation. A businessman may not allow for the rising cost of replacing plant, machinery and inventories. The result: inflation causes profits to be taxed at too high a rate.

At the same time, compliance with mushrooming government regulations adds $100 billion a year to the cost of doing business and therefore to the cost of living.

These, then, are the major flaws in our economy. There is no crisis of confidence; no collapse of the American spirit. What we are suffering from is misguided, thoughtless government policies. Our government has nothing to show for them but economic decline and wasteful spending, despite much recent bluster about budget balancing. If those $15 billion worth of items can be cut from Mr. Carter's recently presented "austere" budget, why were they there in the first place?

We don't need to abolish government or its safety net of programs. But, we must change the government's policies to get it working on our side rather than against us.

I would tell our monetary authorities that they have only one job: to restore and maintain a sound dollar at home and abroad. They would be directed to create as few or as many dollars as it will take to stabilize the value of what a dollar will buy.

In proceedings toward the goal of full employment without inflation, I would ask

Congress to act immediately to begin the necessary reform of our tax system; to restore the rewards for working and saving by cutting income tax rates and adjusting them automatically for inflation. My goal would be to cut the tax rates of all Americans by at least 30 percent over three years. And, I would ask Congress to widen the tax brackets yearly thereafter to prevent any further tax "bracket creep" caused by inflation.

I believe Congress should also help existing businesses with measures designed, at minimum, to adjust corporate tax rates for inflation. It is only fair that businesses be allowed to account for the true cost of replacing their plant, equipment and inventories. This is necessary if American business is to recover and to stand up to the fierce international competition of the 1980's.

As to federal gift and estate taxes, I believe they should be abolished. The federal government never imposed such death taxes, except in emergencies, until the Depression. Before that, this property-tax base traditionally belonged to the states. Is it only coincidence that the number of farms in this country has dropped every year for 44 years straight since the estate tax rates were first hoisted to their current level?

As the third aspect of this program, I would go after excessive federal spending. A freeze on federal hiring would be one step. Seeking out and eliminating waste and fraud would be another. Last year, the present Attorney General, before he assumed that post, told Congress that something between one and 10 percent of the federal budget could be estimated to fall into these categories. At the time, that meant as much as $50 billion. Likewise, inflation adds to the government's cost. It is estimated that every one percent of inflation increases spending about $5 billion. Every one percentage point added to the unemployment rate cost the government between 25 and 29 billion dollars.

As part of the process of streamlining government, we should take a close look at the efficiency of various federal programs to determine which could be handled more effectively by state and local government. Those that can should be transferred—in an orderly, phased manner—along with the tax sources to pay for them. I believe there would be a tremendous savings in administrative overhead. Welfare is one major prospect for such transfer. In California, where we were able to put a major reform program into effect, we reduced the rolls, saved the taxpayers added expense and still increased grants to those truly in need by an average of 43 percent.

It's a big job to turn a government around, and it must be done with care. But, it must be done.

Critics of major tax cuts usually cry that these will aggravate inflation by enlarging the federal deficit. They don't take into account the fact that the additional money the people get to keep isn't buried in a tin can in the backyard. It's put into savings and investments; into a new car; a vacation; a new room on the house—all the things people do when they make decisions in the marketplace. That money spreads out through the economy. It means more production so there would be more jobs. And, both the prospect and reality of tax cuts would have a positive effect on the nation's investment markets.

Recent history shows that significant tax cuts, rather than throwing sand in the gears of the federal machinery, actually help it. For the five years just prior to the round of tax cuts proposed by President Kennedy's administration, federal tax receipts increased by 25 percent. But, during the five years they were taking effect, federal receipts increased by more than 50 percent! Inflation wasn't a factor. During the earlier five-year period it averaged only 1.6 percent, and only 2.3 percent during the second period. A more productive economy produced the added revenue.

Similar effects were seen when major tax cuts were put into effect by the Harding and Coolidge administrations in the Twenties.

The program I am talking about is not a "free lunch," but a plan for economic growth. We must have growth. Other nations have not waited, militarily or economically, for the United States to squabble over matters that should have been settled long ago. The world is a more dangerous and challenging place today than when our leaders turned inward to debate whether America would continue to be great. We have no choice but to be great. The world has never begged more clearly for us to serve as its shining city on a hill, a place of refuge, as well as an example and proof of democracy's strength.

* * * * *

I begin these remarks by commenting on the new coalition I see forming in American politics: a coalition of people with shared values and a desire to put them to work productively. So, too, on a global scale, once we act again as the leaders of the free world, I believe we will be supported by a grand coalition of other nations and peoples who want to work with us to preserve their freedom.

Here in America our choice is not between liberal and conservative, young and old, black and white, rich and poor, Sunbelt and Snowbelt, consumer and producer or Democrat and Republican. No, our choice is between up and down; up to the ultimate in individual freedom, consistent with an orderly society, or down through statism and government intervention to authoritarianism or even totalitarianism. And, to me, the signs are everywhere and they are unmistakable—the American people want to go up.

Thank you.●

LEGISLATION TO ESTABLISH OFFICE IN NIH FOR DEVELOPMENT OF DRUGS FOR DISEASES OF LOW INCIDENCE

The SPEAKER pro tempore. Under a previous order of the House, the gentlewoman from New York (Ms. HOLTZMAN) is recognized for 5 minutes.

● Ms. HOLTZMAN. Mr. Speaker, I have introduced a bill to establish within the National Institutes of Health a new office to stimulate the development of drugs for serious diseases that afflict relatively small numbers of people. At present these drugs are not being developed or marketed because they are unprofitable for potential producers.

Over the past few years the problem of drugs of limited commercial value have received increased attention by the Department of Health and Human Services, private groups and drug companies. While the problem has been studied at length no coordinated attempt to solve it has been made.

The problems are numerous. It is a cold fact of life that for most drug companies there is just not sufficient profit in developing drugs for relatively rare diseases to justify the high development costs. Compounding this problem are issues of legal liability, complex and costly Food and Drug Administration drug approval requirements, shortage of research funds, concerns over the patentability of certain compounds, lack of coordination of research and information on rare diseases, and the small size of the possible test population. No single piece of legislation can solve all these problems simultaneously. My bill, however, seeks to establish the administrative framework under which these problems can begin to be addressed and seeks to provide funds to advance research where there is a proven potential and also seeks to remove impediments to further development of promising drugs.

My bill would establish within the National Institutes of Health an office to further these purposes. The director would be the director of the office of the National Institutes of Health and would be advised by a board composed of representatives of the public, pharmaceutical manufacturers, the medical profession, and scientists involved in the development of new drugs.

The bill defines the term "drug of limited commercial value" as one which may provide an advance in the diagnosis, prevention, or treatment of the disease, and is commercially unavailable.

The director of the office would have a wide variety of methods for providing financial assistance for new drug development. These include loans, grants, contracts, purchase of liability insurance, undertaking studies to determine the scientific and therapeutic need for these drugs, coordinating efforts of public and private entities in drug development, and collecting and making available information on possible sources for financial assistance.

In order to receive assistance, applicants must show that there is a scientific basis for the proposed drug. Should the developed drug produce substantial profits, the bill provides for recapturing them for the Federal Government.

I have seen both the problems and great potential in this area as a result of my effort to assist a constituent of mine, Sharon Roubeck, who suffers from a disease known as myoclonus. Myoclonus, a rare form of brain damage, causes uncontrollable jerky muscle movements which strike at unpredictable moments; the disease can be paralyzing.

Dr. Melvin Van Woert of Mount Sinai Hospital in New York City has been treating Sharon with L–5 hydroxytrytophan (L–5HTP) and carbidopa which he discovered reduces the symptoms of myoclonus.

Sharon, who is 26, began treatment more than 5 years ago at a time when she was bedridden by myoclonus. Her condition has improved so much since Dr. Van Woert began her treatment, that she is now able to hold a job, drive a car, and lead a full and independent life.

Funds from NIH originally enabled Dr. Van Woert to produce the drug, but as the money ran out, Sharon, the doctor, and other myoclonus sufferers had to contribute their own finances to continue the expensive production of the drug. A long battle ensued and brought Sharon to me seeking help. After meeting with representatives of NIH, funding was restored. Presently the National Myoclonus Foundation also contributes to the development of L–5 HTP. While in this particular case funding was found, it pointed out to me that we desperately need a system for overcoming these serious dilemmas.

My bill will aid many who suffer from rare diseases, people whose suffering continues not because an effective treatment cannot be found, but because its production is deemed unprofitable. I urge that this legislation be speedily considered and adopted.

The bill follows:

H.R. —

A bill to establish an office in the National Institutes of Health to assist in the development of drugs for diseases and conditions of low incidence

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

ESTABLISHMENT OF OFFICE

SECTION 1. (a) There is established in the National Institutes of Health the Office of Drugs of Limited Commercial Value (hereinafter in this Act referred to as the "Office"). The Office shall be under the direction of a Director who shall be the Director of the National Institute of Health.

(b)(1) There shall be in the Office an advisory council to advise the Director with respect to the Director's functions under this Act. The members of the advisory council shall be appointed by the Director. The membership of the advisory council shall not exceed nine members and shall include representatives of the pharmaceutical industry, medical profession, scientists involved in the development of drugs, and public interest groups.

(2) The advisory council shall, as appropriate, make recommendations to the Secretary of Health and Human Services respecting changes to shorten the time required for drug approval under the Federal Food, Drug, and Cosmetic Act.

FUNCTIONS OF THE DIRECTOR

SEC. 2. (a) The Director of the Office—

(1) may provide financial assistance to entities for the development of drugs of limited commercial value;

(2) may undertake the development of such drugs;

(3) may purchase for the developers of such drugs liability insurance for claims by the users of such drugs if the Director determines that the drugs would not be developed without such insurance;

(4) shall undertake studies to determine the scientific potential and the therapeutic need for the development of specific drugs of limited commercial value and the economic requirements involved in the development of such drugs;

(5) shall coordinate the efforts of public and private entities engaged in the development of such drugs and shall make recommendations to Federal entities with respect to their programs for the development of such drugs; and

(6) shall collect and make available information respecting public and private sources of financial assistance for the development of drugs of limited commercial value.

(b) The Director of the Office shall compile and keep current a list of drugs of limited commercial value. The Director shall publish guidelines for the submission of recommendations to the Director for inclusion of a drug on such list.

REQUIREMENTS FOR ASSISTANCE

SEC. 3. (a) No financial assistance may be provided under section 2(a)(1) unless an application therefor has been submitted to and approved by the Director. Such an application shall be in such form and submitted in such manner as the Director may require and shall contain—

(1) the scientific basis for the development of the drug with respect to which the financial assistance will be provided, the proposed therapeutic use of the drug, and the significance of such use:

(2) a detailed statement of—

(A) the basis for the determination by the applicant that the drug cannot be developed without financial assistance under section 2(a)(1);

(B) the expected expenses to be incurred in the development of the drug and the expected revenues from the drug during the ten-year period (or such other period as the Director shall specify) beginning on the date the drug is approved under the Federal Food, Drug, and Cosmetic Act;

(C) any unpredictable legal liability, shortages of personnel, facilities, or materials, special consultations, reviews, or tests, packaging, shipment, storage, or other distribution problems, or any other special or unusual circumstance affecting the development of the drug; and

(D) any drug development undertaken under previous financial assistance under section 2(a)(1);

(3) assurances satisfactory to the Director that the applicant is qualified to develop the drug and is capable of developing the drug in a cost effective manner.

(b) Financial assistance provided under section 2(a)(1) shall be subject to such terms and conditions as the Director may prescribe to protect the financial interests of the United States and to assure that funds paid out will be efficiently and effectively used. the Director may require that—

(1) any agreement entered into for financial assistance will, at the option of the Director, be subject to revision to reflect changed circumstances; and

(2) the recipient of funds will reimburse the United States for all or part of such funds (as specified by the Director) if the revenue from the drug developed with such funds exceeds such level as the Director may specify at the time the funds are first made available.

RECORDS AND AUDITS

SEC. 4. (a) Each entity which receives funds under section 2(a)(1) shall establish and maintain such records as the Director shall by regulation or order require. Such records shall include records which fully disclose (1) the amount of funds received and the disposition made of such funds by such entity, (2) the total cost of the project or undertaking for which such funds were made available, and (3) such other records as will facilitate an audit conducted in accordance with generally accepted auditing standards.

(b) Each entity which receives funds under section 2(a)(1) shall provide for a biennial financial audit of any books, accounts, financial records, files, and other papers and property which relate to the disposition or use of the funds and such other funds received by or allocated to the project or undertaking for which the Federal funds were made available. For purposes of assuring accurate, current, and complete disclosure of the disposition or use of the Federal funds received, each such audit shall be conducted in accordance with such requirements concerning the individual or agency which conducts the audit, and such standards applicable to the performance of the audit, as the Director may by regulation provide. A report of each such audit shall be filed with the Director at such time and in such manner as the Director may require.

(c) The Director may specify, by regulation, the form and manner in which the records required by subsection (a) shall be established and maintained.

(d)(1) Each entity which is required to establish and maintain records or to provide for an audit under this section shall make such books, documents, papers, and records available to the Director or the Comptroller General of the United States, or any of their duly authorized representatives, for examination, copying, or mechanical reproduction on or off the premises of such entity upon a reasonable request therefor.

(2) The Director and the Comptroller General of the United States, or any of their duly authorized representatives, shall have the authority to carry out the purposes of this subsection.

DEFINITION

SEC. 5. For purposes of this Act, the term "drug of limited commercial value" means a drug for a disease or condition of low incidence which drug—

(1) is or may be unique or provide an advance in the diagnosis, prevention, or treatment of the disease or condition; and

(2) is commercially unavailable because—

(A) the estimated revenue from the sale of such drug is not sufficient for the development of the drug by private drug companies without Federal financial assistance;

(B) the estimated revenue from the sale of such drug is not sufficient for a private drug company to assume the cost of establishing the safety and efficacy of the drug for purposes of section 505 of the Federal Food, Drug, and Cosmetic Act; or

(C) exclusive rights to the development of the drug cannot be obtained.

EVALUATION

SEC. 6. The Director shall report to Congress not later than two years after the date of the enactment of this Act on the effectiveness of this Act in furthering the development of drugs of limited commercial value. ●

ANNOUNCEMENT OF HEARINGS ON EXPORT OF HAZARDOUS PRODUCTS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. BINGHAM) is recognized for 5 minutes.

● Mr. BINGHAM. Mr. Speaker, the Subcommittee on International Economic Policy and Trade, which I have the honor to chair, has scheduled hearings on H.R. 6587, a bill to amend the Export Administration Act of 1979 to restrict the export of goods which have been found to be hazardous to the public health. The hearings will take place on June 5 and 12, 1980, at 2 p.m., in room 2200, Rayburn House Office Building.

Persons interested in testifying should contact Victor C. Johnson, staff associate, Subcommittee on International Economic Policy and Trade, room 707 HOB, Annex No. 1, House of Representatives, Washington, D.C. 20515 (202) 225–3246. Persons interested in submitting written statement for the hearing record should send one copy to the same address.●

FEDERAL RESERVE BOARD NEEDS BETTER UNDERSTANDING OF ECONOMIC PROBLEMS OF RURAL AMERICA

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Iowa (Mr. SMITH) is recognized for 5 minutes.

● Mr. SMITH of Iowa. Mr. Speaker, more than 2 years ago, on February 21, 1978, I sent a letter to the President strongly suggesting the appointment of a person to the Federal Reserve Board who would understand the economic problems of rural America. I am setting forth a copy of that letter in the RECORD.

Such a person with a better understanding of small business, agriculture and rural America was not appointed to the Board at that time and I have since, on several occasions, followed up with additional requests to that effect. Since then, several others have joined in making similar requests.

As long as the economy seemed to be fairly strong, the need for having such a person on this important Board did not receive great attention; but last fall, when the Federal Reserve Board raised the discount rate a whole percentage point in 1 day, and it became obvious that they were bent on a high interest policy which would very adversely effect and be counterproductive when applied to small businesses including farmers.

I called Chairman Volcker and had a lengthy discussion with him concerning the special impact upon small businesses, including farmers, and rural America. He agreed that it would have a special impact but seemed reluctant to do more than make personal requests of important banks that they give special consideration to this problem. A half dozen large banks did give some consideration to the problem but it still plagued the vast majority of small businesses in this country.

The House Small Business Committee has, on almost a weekly basis, been calling attention to the special problems of small business since that time. Subcommittees and the full committee have held hearings and exposed these special difficulties with firsthand reports from small businesses which are affected. We had promises from time to time that some special consideration would be given. At long last, action was taken last week to at least partially relieve some of this credit difficulty.

Recognizing the House Small Business Committee's role in airing these difficulties and pushing for some relief, the Vice Chairman of the Federal Reserve Board, Frederick Schultz, appeared before a House Small Business Subcommittee and announced that $3 billion would be made available through special discounts to those banks which would in turn make the money available to small businesses, including farmers.

As chairman of the House Small Business Committee and on behalf of the 41 members of the House Small Business Committee who have unanimously supported this mission by the committee, I want to commend the Federal Reserve Board for the action that they took. I do not believe that this action in and of itself will adequately relieve the pressures on small businesses.

However, I fully recognize that this is the first time in history that this important financial institution has ever taken significant steps recognizing the different impact that their policies may have upon small businesses compared to businesses in general. Hopefully, such a recognition will continue and future actions be taken only after considering the special impact upon small business. The most significant aspect of the Federal Reserve Board action may indeed be the official recognition of the need for special consideration for small business rather than the fact that an additional $3 billion in credit was made available.

I also wish to take this opportunity to thank those small business men and women and other Members of Congress who supported the committee in these activities during the past several months which helped to accomplish these objectives.

The letter follows:

FEBRUARY 21, 1978.

The PRESIDENT,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: The upcoming vacancy on the Federal Reserve Board when Arthur Burns leaves on March 31, presents you with an opportunity to appoint as his replacement, a person who is familiar with the economic development problems of Rural America.

Not since R. M. "Spike" Evans of Iowa was appointed by President Franklin D. Roosevelt, has the Federal Reserve Board had a member who had such a knowledge of the economic problems of farmers and small businessmen who make up Rural America. Undoubtedly, it was this need that your former Director of the Budget, Bert Lance, had in mind last Fall when he spoke of the need for a National Bank for Rural Development.

Your appointment of a Board member who had such a knowledge of Rural America along with the other attributes that you will want to include in your search for Mr. Burns' replacement, can provide a much needed input into the deliberations of the Federal Reserve Board as it formulates the nation's monetary policy and affects the discount rates and money supply of the thousands of rural banks.

I am sure that there are many qualified people you could find who could fill this appointment. John Chrystal of Coon Rapids, Iowa, is an example of the kind of person I have in mind. With a background of a rural banker, close personal connections with both farming and rural business organizations, a Director, American Banking Association, and a former Commissioner of Banking for the State of Iowa, he could bring the kind of knowledge and views of Midwest Rural America that you need on the Federal Reserve Board.

Sincerely,

NEAL SMITH,
Member of Congress.●

EXPORT-IMPORT BANK FINANCING NOTIFICATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. NEAL) is recognized for 5 minutes.

● Mr. NEAL. Mr. Speaker, I am submitting to the House today a notification from the U.S. Export-Import Bank on proposed financing to make possible the sale of $641 million worth of American-made telecommunications equipment to the Republic of Korea.

Eximbank financing will make it possible for Western Electric International, Inc., to win contracts for this long-term project in competition with companies from Japan and West Germany.

Western Electric International estimates that the manufacture, installation, and servicing of this equipment will provide 8,553 man-years of employment for American workers, most of them in Oklahoma, Texas, Illinois, Pennsylvania, Missouri, New Jersey, Virginia, New York, Maryland, North Carolina, Ohio, and Indiana.

Eximbank has agreed to provide direct credits of $292.4 million in the Korean project's first phase and has made a preliminary commitment for $252.5 million in the second phase. Western Electric would deliver subscriber, toll and tandem switching equipment, provide installation, training and technical services, and ship the equipment on U.S.-flag vessels.

This Eximbank notification was referred to me as chairman of the Banking Committee's Subcommittee on International Trade, Investment and Monetary Policy. Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, requires the Bank to notify the Congress of proposed loans or financial guarantees or combinations thereof of $100 million or more. Unless the Congress determines otherwise, the Eximbank may give final approval to the transaction after 25 days of continuous session of the Congress following notification.

I am providing for the RECORD copies of correspondence from the Eximbank giving the terms and details of the proposed transaction with the Korean Government's Ministry of Communication. I would welcome any comments or questions my colleagues might have regarding this financing proposal.

The material follows:

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., April 11, 1980.

Hon. STEPHEN L. NEAL,
Chairman, Subcommittee on International Trade, Investment and Monetary Policy, Washington, D.C.

DEAR MR. CHAIRMAN: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank, I am taking the liberty of providing you with a copy of this statement.

Sincerely,

JOHN L. MOORE, Jr.

EXPORT-IMPORT BANK
OF THE UNITED STATES,
Washington, D.C., April 11, 1980.

THE SPEAKER OF THE HOUSE OF REPRESENTATIVES,
The Speaker's Room, Washington, D.C.

DEAR MR. SPEAKER: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States House of Representatives with respect to the following transaction involving U.S. exports to the Republic of Korea (ROK).

A. DESCRIPTION OF TRANSACTION

1. Purpose

The Government of the ROK is expanding its telecommunications network and has requested Eximbank to provide financing for

United States goods and services for the expansion project. The project is divided into several phases and the first phase is divided into two stages. It is estimated that the total cost of the United States goods and services for which the Eximbank financing may support the purchase of is $641,000,000.

Phase I. Eximbank is prepared to make available a direct credit of $170,000,000 to the Government of the ROK for the purchase of the United States goods and services to be used by the Ministry of Communications in the first stage of Phase I of the Korea telecomunications network expansion project (Phase I). The cost of such U.S. goods and services is estimated to be $200,000,000.

Eximbank is also prepared to issue a preliminary commitment to the ROK Government to finance part of the cost of purchasing the United States goods and services for the second stage of Phase I. The total cost of these goods and services is estimated to be $144,000,000 for which Eximbank will offer to provide a direct credit of $122,400,000.

Western Electric International, Inc. will supply nearly all of the U.S. goods and services.

In addition to the estimated aggregate U.S. costs of $344,000,000, there is an estimated $60,000,000 project cost for local goods and services to be financed by ROK Government loans and funds internally generated by the Ministry of Communications.

Phase II. Eximbank has outstanding a preliminary commitment to the Government of ROK to finance part of the cost of United States goods and services for Phase II of the Korea telecommunications network expansion project (Phase II). This cost is estimated to be $297,000,000 and Eximbank has offered to provide a direct credit of $252,450,000. A credit application to finance the procurement for Phase II is expected to be made by the ROK Government in September 1980.

2. Identity of the parties

The Government of the Republic of Korea, acting through its Economic Planning Board, will be the direct obligor for the transaction. It has been either the direct obligor or the guarantor in numerous transactions with Eximbank and payments have been made on a timely basis.

The Ministry of Communications of the ROK will be the end user of the United States goods and services as it has been in nine transactions with Eixmbank financing. The Ministry has earned high levels of profits from both its telephone and telegraph operations as well as from its postal operations.

3. Nature and use of goods and services

The goods to be exported are subscriber switching equipment, toll switching equipment, tandem switching equipment and items for installation and training. The United States originated services consist of installation services, training, technical services, ocean freight charges on U.S. flag vessels and premiums for transit insurance underwritten by U.S. insurers.

The goods and services will be used in the supply and installation of 340,000 lines of electronic subscriber switching equipment, and 273,000 lines of digital switching equipment for toll and tandem exchanges, all needed in the expansion of ROK's telecommunications network.

B. EXPLANATON OF EXIMBANK FINANCING

1. Reasons

The Eximbank direct credit of $170,000,000 will facilitate the export of $200,000,000 of United States goods and services required for the first stage of Phase I. The preliminary commitment offer of a direct credit of $122,400,000 will facilitate the export of $144,000,000 of United States goods and services required for the second stage of Phase I.

This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. None of the goods to be exported is in short supply in the United States, and Eximbank perceives no adverse impact on the United States economy from the export of these goods and services.

Western Electric, the U.S. supplier, has informed us that the goods and services it is supplying will require approximately 8,553 man years of employment, both direct and indirect labor. Listed below are the states involved and their unemployment rate as of September 1979:

State	Man-years	Unemployment rate (percent)
Oklahoma	2,152	3.1
Texas	1,361	4.0
Illinois	1,204	5.7
Pennsylvania	1,086	6.7
Missouri	1,086	4.4
New Jersey	671	6.2
Virginia	394	4.5
New York	100	7.5
Maryland	92	5.5
North Carolina	59	4.6
Ohio	23	5.5
Indiana	14	6.2
Other	311	
Total	8,553	

Manufacturers from Japan and West Germany, actively supported by the official export credit agencies in these countries, vigorously competed to obtain the contracts of supply for the project. Interest rates reported to be offered on the financing were lower than the rate Eximbank could offer. All offered 10 years repayment terms commencing after project completion. The technology was nearly the same. The final competition was between Western Electric and Siemens of West Germany. Important factors instrumental in Western Electric winning the contract are the terms, conditions and schedule for technology transfer; the scope and content of the transfer; and the Eximbank support.

In addition U.S. suppliers were involved in previous telecommunications projects in the ROK and their work was well received. Also the ROK Government envisions several additional phases over the next six years with a total project cost of about $2,300,000,000 and a potential U.S. procurement of nearly $2,000,000,000.

Each phase of the telecommunications expansion will bring positive benefits to the people of the ROK. Because of the accelerating rise in demand for phone service caused by economic growth and rising living standards and the present shortage of communication lines, many business and social conversations are accomplished by meetings and through messengers. A better phone service could expedite business, diminish traffic congestion in the larger cities, save fuel and unnecessary travel, and aid people to communicate better with each other. Demand for telephone lines is projected to grow at 17.7% during years 1980 to 1982 on an annual basis and about 11% annually during years 1983 to 1986. In 1979 the shortfall between the demand and the number of installations was over a million lines.

2. The financing plan—Direct credit

Phase I (First Stage)

The total cost of United States goods and services to be purchased for the first stage of Phase I will be financed as follows:

	Amount	Percent of U.S. costs
Cash payment	$30,000,000	15
Eximbank credit	170,000,000	85
Total	200,000,000	100

(a) Eximbank Charges. The Eximbank credit will bear interest at the rate of 8.375 percent per annum, payable semiannually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank direct credit.

(b) Repayment Terms. The Eximbank credit will be repaid by the ROK Government in 20 semiannual installments beginning April 5, 1983.

3. The financing plan—Preliminary commitment

Phase I (Second Stage)

The total cost of United States goods and services that may be purchased for the second stage of Phase I will be financed as follows:

	Amount	Percent of U.S. costs
Cash payment	$21,600,000	15
Eximbank credit	122,400,000	85
Total	144,000,000	100

(a) Eximbank Charges. The Eximbank credit will bear interest at the rate of 8.375 percent per annum, payable semiannually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank direct credit.

(b) Repayment Terms. The Eximbank credit will be repaid by the ROK Government in 20 semiannual installments beginning April 5, 1983.

4. The financing plan—Preliminary commitment

Phase II

The financing plan under the Preliminary Commitment for Phase II is as follows:

	Amount	Percent of U.S. costs
Cash payment	$44,550,000	15
Eximbank credit	252,450,000	85
Total	297,000,000	100

(a) Eximbank Charges. The Eximbank credit would bear interest at the rate of 8.375 percent per annum, payable semiannually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment Terms. The Eximbank direct credit would be repaid by the ROK Government in 20 semiannual installments beginning the earlier of the date six months after Phase II completion or June 30, 1985.

Sincerely,

JOHN L. MOORE, JR.●

RURAL HOUSING ACT OF 1980

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. AUCOIN) is recognized for 15 minutes.

● Mr. AUCOIN. Mr. Speaker, today my good friend and colleague STAN LUNDINE and I are introducing the Rural Housing Act of 1980.

Each year Congressman LUNDINE and I, as members of the Subcommittee on Housing and Community Development, join together in sponsoring legislation aimed at improving housing conditions in the Nation's rural areas. This year, in recognition of the desperate need to balance the Federal budget, we seek to improve existing programs through a variety of technical changes in the programs administered by the Farmers Home Administration. We expect many of these changes to be approved by the subcommittee when it begins markup tomorrow on this year's housing bill.

Our bill would also authorize the continuation at current program levels of Farmers Home Administration housing programs. This is reasonable in light of the President's support for increased funding for urban housing programs administered through the Department of Housing and Urban Development—a proposal essentially ratified by the House Budget Committee.

Although this year's Rural Housing Act does not propose any major new effort to improve housing conditions in rural areas, I think it is vitally important that we not forget the desperate need for decent housing in rural America. And it is easy to forget. Dilapidated housing in our rural areas is not found on busy city streets. Instead it is tucked away in mountain valleys, isolated in vast expanses of farmland and ignored in pockets of rural poverty. Despite the fact that only one-third of the Nation's population lives in rural areas, over two-thirds of our substandard housing can be found there.

With a problem of that magnitude, we cannnot ease up on efforts to improve housing for the rural poor. In 1978, Congressman LUNDINE and I fought for and won approval of an innovative new approach for housing the rural poor. The homeowners assistance program, which Congress approved that year, increased the flexibility of Farmers Home Administration for meeting the housing needs of low-income people in rural areas by extending subsidized loans to families with very low incomes in areas that do not have subsidized rental housing. Linked to the program was a proposal for recapture of the subsidy upon sale of the home—a concept that has now been applied to a variety of other housing programs.

There will be an effort in the subcommittee this year to drop authorization for that program because it has never received an appropriation. That fact has been a disappointment to both of us. Still, in our view, HOAP is good housing policy. It would be an injustice to the rural poor to delete that program and say, in effect, that the hope and the promise of home ownership no longer belongs to poorly housed families in rural areas.

A bill to amend title V of the Housing Act of 1949 relating to rural housing

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

AUTHORIZATIONS

SECTION 1. (a) Section 513 of the Housing Act of 1949 is amended to read as follows:

"AUTHORIZATIONS

"SEC. 513. (a) The Secretary may, as approved in appropriation Acts, insure and guarantee loans under the authorities provided in this title in an aggregate principal amount not to exceed $5,097,000,000 with respect to fiscal year ending September 30, 1981; except that—

"(1) not less than $3,610,000,000 of any amount so approved in appropriation Acts for such year shall be made available for loans insured or guaranteed on behalf of borrowers receiving assistance pursuant to subparagraph (B) or (C) of section 521 (a)(1);

"(2) not more than $50,000,000 of such amount so approved for such fiscal year may be made available for loans insured under section 514; and

"(3) not more than $5,000,000 of such amount so approved shall be available for making advances under section 501(e) for such fiscal year.

"(b) There are authorized to be appropriated—

"(1) such sums as may be necessary to meet payments on notes or other obligations issued by the Secretary under section 511 equal to (A) the aggregate of the contributions made by the Secretary in the form of credits on principal due on loans made pursuant to section 503, and (B) the interest due on a similar sum represented by notes or other obligations issued by the Secretary;

"(2) not to exceed $100,000,000 for loans and grants pursuant to section 504 for the fiscal year ending September 30, 1981;

"(3) not to exceed $50,000,000 for financial assistance pursuant to section 516 for the fiscal year ending September 30, 1981;

"(4) not to exceed $2,500,000 for the purposes of section 525(a), of which not less than $1,500,000 shall be used counseling purchasers and delinquent borrowers, and not to exceed $2,500,000 for the purposes of section 525(b) for the fiscal year ending September 30, 1981; and

"(5) such sums as may be required by the Secretary to administer the provisions of sections 235 and 236 of the National Housing Act and section 8 of the United States Housing Act of 1937."

(b) Section 521(a)(1)(C) of such Act is amended—

(1) by striking out the last sentence thereof; and

(2) by inserting the following before the period at the end of the second sentence: ", and an aggregate amount of $300,000,000 for contracts entered into with respect to fiscal year 1981".

(c) Section 523(f) of such Act is amended by striking out "1980" both times it appears therein and inserting in lieu thereof "1981".

(d) Section 523(g) of such Act is amended by striking out "and" after "1979," and by inserting the following before the period at the end of the first sentence: ", and not to exceed $5,000,000 for the fiscal year ending September 30, 1981".

(e) Section 515(b)(5) of such Act is amended by striking out "1980" and inserting in lieu thereof "1981".

(f) Section 517(a)(1) of such Act is amended by striking out "1980" and inserting in lieu thereof "1981".

DISPLACEMENT

SEC. 2. Section 501 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(g) The Secretary shall, to the maximum extent practicable, take such steps as are necessary to provide—

"(1) that assistance furnished under this title does not result in the involuntary displacement of people or businesses; and

"(2) that, in cases in which the Secretary deems such displacement to be unavoidable, relocation benefits are provided to eligible persons and businesses under provisions of law governing such benefits."

PURCHASE AND RESALE OF HOUSING

SEC. 3. (a) Section 502(b) of the Housing Act of 1949 is amended—

(1) by redesignating paragraph (4) as paragraph (5); and

(2) by inserting the following new paragraph after paragraph (3):

"(4) provide that the borrower shall offer to sell such property to the Secretary before attempting to sell or otherwise transfer title to the property to any other person; and".

(b) Section 510 of such Act is amended by inserting after "such property unless" the following: "the Secretary determines, in areas in need of housing for low-income families, that such sale will, to the maximum extent practicable, benefit such families, and unless".

APPLICABILITY OF ENERGY CONSERVATION STANDARDS TO HOMES ACQUIRED AND SOLD BY THE FARMERS' HOME ADMINISTRATION

SEC. 4. Section 510(e) of the Housing Act of 1949 is amended by inserting after "standards," in clause (1) the following: "including cost-effective energy conservation standards applicable to the weatherization program described in section 504(c),".

AMENDMENTS TO MORATORIUM AUTHORITY

SEC. 5. Section 505 of the Housing Act of 1949 is amended—

(1) by inserting after "beyond his control," in the first sentence the following: "including excessive energy costs,"; and

(2) by inserting the following new sentence after the first sentence thereof: "Such sums that may have come due but are not paid at the time of any such circumstance shall be included in the moratorium and shall not be used as cause for denying assistance under this section."

PREFERENCE FOR DOMESTIC FARM LABORERS

SEC. 6. Section 515 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(f) In any case in which the Secretary determines—

"(1) that farm laborers, who would be considered domestic farm labor under section 514(e)(3) and who are living in an area in which housing assistance under this section is to be constructed, are in need of decent, safe, and sanitary rental housing, and

"(2) that such laborers will likely be denied use of such housing without a preference being given to their housing needs, the Secretary may permit the sponsor of such housing to give a preference, in establishing tenant eligibility criteria for such housing, to the housing needs of such laborers."

CONDITION ON RENT INCREASES IN 514, 515, AND 517 PROJECTS

SEC. 7. Title V of the Housing Act of 1949 is amended by adding the following new section at the end thereof:

"CONDITION ON RENT INCREASES IN 514, 515 AND 517 PROJECTS

"SEC. 530. The Secretary may not approve any increase in rental payments in any project assisted under section 514, 515, or 517 unless the project owner is receiving or has applied for (within the most recent period of 180 months prior to the effective date of such increase) rental assistance payments under section 521(a)(2)(A) of this title."

REFINANCING FOR CONSUMER COOPERATIVE

SEC. 8. Section 515 of the Housing Act of 1949 is amended by adding the following new subsection at the end thereof:

"(f) Notwithstanding the provisions of subsections (a) and (b) of this section, the Secretary may make loans to consumer cooperatives to enable such cooperatives to finance the transfer of membership in the cooperative upon such terms and conditions as low- and moderate-income persons can reasonably afford; except that such loans shall not be made upon terms more favorable than are authorized under section 521(a) and that the total loan to the cooperative under this section does not exceed the value of the property."

CONTINUED ELIGIBILITY OF CO-OP MEMBERS

SEC. 9. (a) Section 515(a) of the Housing Act of 1949 is amended—

(1) by striking out "and" at the end of paragraph (2);

(2) by striking out the period at the end of paragraph (3) and inserting in lieu thereof "; and"; and

(3) by adding the following new paragraph at the end thereof:

"(4) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon condition that persons, admitted as eligible members and tenants of the cooperative, may not subsequently be deprived of their membership or tenancy by reason of their no longer meeting the income eligibility requirements established by the Secretary."

(b) Section 515(b) of such Act is amended—

(1) by striking out "and" at the end of paragraph (4);

(2) by striking out the period at the end of paragraph (5) and inserting in lieu thereof "; and"; and

(3) by inserting the following new paragraph at the end thereof:

"(6) such a loan, when made to a consumer cooperative for cooperative housing purposes, may, notwithstanding any other provision of law, be made upon the condition that persons, admitted as eligible members and tenants of the cooperative, may not subsequently be deprived of their membership or tenancy by reason of their no longer meeting the income eligibility requirements established by the Secretary."

INTEREST RATES ON SITE LOANS

SEC. 10. Section 524(a) of the Housing Act of 1949 is amended to read as follows:

"(a) The Secretary may make loans, in such amounts as he deems necessary, to public or private nonprofit organizations or Indian tribes for the acquisition and development of land as building sites to be subdivided and sold to families, nonprofit organizations, public agencies, and cooperatives eligible for assistance under any section of this title or under any other law which provides financial assistance for housing low- and moderate-income families. Such a loan shall bear interest at a rate prescribed by the Secretary taking into consideration a rate determined annually by the Secretary of the Treasury as the current average market yield on outstanding marketable obligations of the United States with remaining periods to maturity comparable to the average maturities of such loans, adjusted to the nearest one-eighth of one per centum except that, in the case of loans for projects which serve very low-income people assisted under sections 521(a)(1)(C), 521(a)(2)(A), 523, 514, or 516 of this title or section 8 of the United States Housing Act of 1937, the Secretary shall lower the interest rate to aid in the reduction of costs. Any such loan shall be repaid within a period not to exceed three years from the making of the loan or within such additional period as may be authorized by the Secretary in any case as being necessary to carry out the purposes of this section."

ASSISTANCE TO INDIAN TRIBES

SEC. 11. (a) Section 514 of the Housing Act of 1949 is amended by inserting "or to any Indian tribe for such purpose," before "or to any State" in subsection (a).

(b) Section 515 of such Act is amended—

(1) by inserting "or to any Indian tribe" after "consumer cooperatives" in subsection (a); and

(2) by inserting "Indian tribe," after trust in subsection (b).

(c) Section 516 of such Act is amended by inserting "or any Indian tribe," after "or political subdivision thereof" in subsection (a).

(d) Section 523 of such Act is amended—

(1) by inserting "Indian tribes," after "organization," in subsection (b)(1)(A);

(2) by inserting "and to Indian tribes" after "private nonprofit organizations" in subsection (b)(1)(B); and

(3) by inserting ", including Indian tribes," after "other associations" in subsection (b)(2).

(e) Section 525 of such Act is amended by inserting "Indian tribes," after "organizations," in the first sentences of subsections (a) and (b).

(f) Section 501(b) of such Act is amended by adding the following new paragraph at the end thereof:

"(5) For purposes of sections 514, 515, 516, 523, 524, and 525, the term 'Indian tribe' means any federally recognized Indian tribe or group or any tribal-authorized entity on a Federal or State reservation."

SUBSEQUENT LOANS IN INELIGIBLE AREAS

SEC. 12. Section 510 of the Housing Act of 1949 is amended by inserting the following after "available" in subsection (h): "for subsequent loans to permit necessary dwelling repairs and rehabilitation and".

SURPLUS FEDERAL LAND

SEC. 13. The first sentence of section 414 of the Housing and Urban Development Act of 1969 is amended to read as follows: "Notwithstanding the provisions of the Federal Property and Administrative Services Act of 1949, any Federal surplus real property within the meaning of such Act may, in the discretion of the Administrator of General Services, be transferred to the Secretary of Housing and Urban Development or the Secretary of Agriculture at either's request for sale or lease by either Secretary at its fair value for use in the provision of housing to be occupied predominantly by families or individuals of low- or moderate-income, assisted under a Federal housing assistance program administered by either the Secretary of Housing and Urban Development or the Secretary of Agriculture or under a State or local program found by the Secretary to have the same general purpose, and for related public commercial or industrial facilities approved by the Secretary."●

ENERGY CONSERVATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MARKEY) is recognized for 60 minutes.

● Mr. MARKEY. Mr. Speaker, the biggest energy story of the decade is happening all across the country. Yet few people in Congress know very much about it. It is energy conservation—the cheapest barrel of oil on the market today.

All over the country, people are conserving energy. As individuals, as neighborhoods, as communities—villages, towns, and cities—we are learning to use less energy by using it more wisely and efficiently.

In Congress, however, we have yet to produce a rational energy plan, let alone a serious conservation program. Without real help or encouragement from Federal policy, cities and towns in America are, without fanfare, designing local energy supply and conservation systems. These communities have grasped what Congress has not yet understood: That what makes sense in Malden, Mass., may not be feasible in Tucson, Ariz. Quite simply, local solutions to the energy crisis must vary according to local conditions, including geography, climate, population, and economic base.

National energy planning can make an important contribution to our effort to free ourselves from dependence upon unstable sources of energy such as the Persian Gulf. But any national energy plan based upon a monolithic and centralized agenda risks being dragged under by its own weight and expense. Instead, we should foster and reward the creative energy planning and experimentation which is taking place, right now, at the local level. In fact, community energy planning could serve as the foundation for a national legislative and administrative program based upon renewable power sources and energy productivity.

Consider the example of Fitchburg, Mass., which late last year launched a citywide energy conservation program with the goal of weatherizing every house in town. By the end of last year, one-half of Fitchburg's 14,000 dwelling units were weatherized, saving about 2 million gallons of home heating oil a year at an average cost of only $25 to $50 a home. How did they do it? The entire community got involved. In the words of one reporter:

> All over this town, everyone from school children to little old ladies are replacing air filters, sealing vents, cleaning refrigerator coils, and taking dozens of basic energy-saving steps.

The community of Fitchburg shows us what can be done. But much more remains possible all across this country. The challenge to the Federal Government is to spur this grassroots effort along. The challenge to Congress is to seize this opportunity to invest in the cheapest source of new energy today, the energy that we can save now so that we can use it later.

Last November, I introduced the Community Energy Efficiency Act to establish a 5-year $5 billion program of incentives for community energy conservation and renewable resource planning. Today, I am pleased to join my colleague from Oregon, LES AUCOIN, in introducing a revised version of several earlier bills, including my own, to consolidate and rewrite the administration's bill to consolidate existing programs in this area. Title III of our bill rewrites the administration's Energy Management Partnership Act to strengthen the role of the States in achieving national energy goals. The second title breaks new ground, however, and provides for new Federal assistance directly to local communities. In the Senate, our bill is being introduced by Senator PAUL TSONGAS and Senator HARRISON WILLIAMS.

We seek to establish two new community energy grant programs to stimulate actions all across America like those in Fitchburg, Mass. First, we amend the community development bloc grant program at HUD to establish a separate program to provide grants for energy conservation and renewable resource programs and activities. These "energy bloc grants" are authorized for 3 years with a first year funding level of $75 million. Cities over 50,000, central cities of SMSA's and urban counties would receive entitlement funding based on the present bloc grant formula with increased population weighting. Formula grants to metropolitan areas would account for 80 percent of the total funds available. The balance would be given as discretionary grants to nonmetropolitan areas. Second, we establish at the Department of Energy an "energy action grant" program modeled after HUD's urban development action grant program. These capital grants can be used in communities to help build projects that lead to substantial energy savings. DOE would also run a technical assistance program to help local governments and community groups reduce energy consumption.

Our bill is only the beginning. But it is an important first step toward a rational and safe energy program for America. It places the emphasis where it belongs, on relatively quick, cheap, safe—and enormous—opportunities for raising energy productivity and harnessing a vast range of proven, renewable energy resources.

Amory Lovins, the energy consultant who has popularized the so-called soft path energy philosophy, makes a great deal of sense when he urges us "to build national consensus where it already exists," namely, to promote vigorously the measures to conserve energy and tap renewable resources.

"The kind of energy mobilization we need is happening today in hundreds of communities and millions of homes across America." I agree with him when he adds: "It needs a modest government willing to lend a hand and then get out of the way."●

Mr. AuCOIN. Mr. Speaker, there has been a great deal of debate in this Chamber about the causes of and solutions for the rampant double-digit inflation which is wracking our economy. If any consensus has emerged from this debate, it is that there is no magic potion that will rid us of inflation. Instead we need to chip away at inflation. That means eliminating deficit spending. It means increasing productivity through increased capital formation and more innovation. It means decreasing our dangerous dependence on high-priced foreign oil.

I am convinced that a real national commitment to energy conservation will pay a long-run dividend to the economy. Yet 7 years after the Arab oil embargo, we still lack a comprehensive approach to energy conservation.

I am introducing today legislation—the Community Energy Conservation Act—aimed at stimulating a comprehensive grassroots approach to energy conservation; an approach that avoids Federal mandates which stifle creative ways to save energy. I am joined in introducing this legislation by the gentleman from Massachusetts, Ed Markey.

We have only just begun to recognize the untapped potential of conservation. Several years ago, a Ford Foundation study estimated that we could cut energy use in this country by 50 percent with no harm to the economy. Last year, in Energy Future, a widely read study that made the bestseller list, the Harvard Business School put the figure at 30 to 40 percent.

It is beyond dispute that conservation is a major energy source. But so far, unfortunately, our commitment to conservation has been far short of comprehensive.

On the one hand, Government has issued a battery of standards and regulations to reduce energy consumed in public buildings, private residences and for transportation On the other, the Government has formulated new programs to make grants and loans available to encourage conservation and use of alternative energy resources by individuals.

Both approaches are needed. But both have their weaknesses. In mandating the conservation, the Government promulgates standards without the participation of people who will be subjected to them. Resistance is high. And the standards never seem to account for differences in geography and climate.

The weakness with programs aimed at encouraging conservation by individuals is that they operate independently from other local or Federal programs. There is no opportunity to take a comprehensive approach.

The Community Energy Act would take an innovative energy conservation program. It would be incentive oriented, comprehensive, and flexible. It would take community needs into account. The bill has three parts.

The first section is similar to a bill I introduced last session. It would create a community energy block grant program to provide grants to local governments for energy conservation planning and programs. The grants would allow local governments to develop their own strategies for saving energy and give them assistance in meeting energy conservation goals through home weatherization, traffic flow improvements, and the like.

This program would build on HUD's existing community development block grant program and would be administered through the existing network of regional offices operated by the Department of Housing and Urban Development.

The second section of the bill would create an energy action grant program modeled after HUD's urban development action grant program. This program, administered by the Department of Energy, would provide seed money to encourage private and public investment in alternative energy sources, such as using mill and cannery wastes, or municipal wastes, to generate energy.

Finally, the bill would consolidate a number of State energy programs and provide additional financial assistance to States for energy planning. This effort is similar to the Energy Management Partnership Act proposed by the administration.

If the high cost of imported oil is one of the leading contributors to inflation—and there can be no doubt that it is—then we ought to be doing everything we can to use the energy we already produce in this country as efficiently as possible. Other countries, such as Sweden, have shown that conservation does not mean "doing without." Per person, Sweden uses slightly more than half the energy Americans consume while maintaining a standard of living very close to our own.

Energy is a national problem. But it requires a grassroots commitment from all Americans, and grassroots participation. That is why I am pushing for the kind of program embodied in the Community Energy Conservation Act. Unlike synfuels, or fusion or photovoltaics, conservation is a technology we do not have to wait for. It is available now, waiting to be tapped.

Mr. Speaker, I would like to include a section-by-section summary of the Community Energy Conservation Act at this point in the Record.

COMMUNITY ENERGY ACT: SUMMARY OF PROVISIONS

TITLE I—FINDINGS, PURPOSE AND DEFINITIONS

The achievement of energy security is vital to our economy and to our national security. Increasing energy efficiencey is the most rapid and economical method for attaining energy security. States and units of local government have unique opportunities to achieve energy savings and to increase the use of renewable energy resources and should be provided with financial resources and flexibility to develop their own program measures and activities.

TITLE II—LOCAL ENERGY MANAGEMENT PARTNERSHIP

Section 201—Community energy block grants

Amends HUD's Community Development Block Grant authority to establish a separate program to provide grants for energy conservation and renewable resource programs and activities.

Section 201(a) Authorizes the Community Energy Block Grant Program for three years and provides a first year funding level of $75 million out of the $1 billion Solar and Conservation Reserve (appropriated along with funds for alternative fuels by the 1980 Department of Interior Appropriations Act, P.L. 96–126).

Section 201(b) Requires applicants to submit a comprehensive three-year strategy for meeting energy needs. The strategy must include:

A commitment to maintain or increase current expenditures on local energy programs and activities.

Projections of the savings to be achieved through activities funded through the Community Energy Block Grant Program.

Enactment or modification of local ordinances which mandate or encourage energy conservation and renewable resource use.

Energy conservation and renewable resource improvements to public buildings and residential structures.

Programs to meet the energy needs of elderly and low-income persons.

Specific plans to deal with energy emergencies.

The State must be provided an opportunity to review and comment upon the local application to ensure consistency with the State plan. The strategy must also be developed in a manner that provides opportunity for community and neighborhood groups to be involved.

Section 201 (c) Prohibits the Secretary of HUD from approving an application if the Secretary of Energy makes a negative finding on technical aspects of the application, or finds that the strategy is not consistent with the State agency plan.

Section 201 (d) Permits local governments who have not yet initiated energy planning to make use of a portion of CEBG funds to develop a strategy in the first year of the program and to receive full funding for implementation of the strategy in subsequent years.

Sections 201 (e)-(h) Set forth the processes of application review and program monitoring.

Section 201 (i) Provides that 75 percent of CEBG funds will be allocated to metropolitan areas. Cities over 50,000, central cities of SMSA's and urban counties would receive entitlement funding based on the present block grant formula, with increased weighting for population. In making grants to non-entitlement jurisdictions within metropolitan areas and to non-metropolitan jurisdictions, HUD will give priority to applications from State and areawide planning organizations.

Section 202—Energy project grants

The Secretary of Energy may make grants to units of local government, areawide planning organizations, and States for the purchase, design, and construction of projects which will contribute to a significant reduction in the use of non-renewable energy supplies.

Sections 202 (a)-(f) Set forth the application process, selection criteria and program monitoring by the Secretary of Energy. Projects must significantly reduce local consumption of non-renewable energy resources and at least 20 percent of project costs must be provided through non-Federal public or private funds. The Secretary of HUD shall review the grants for compliance with a community energy strategy which meets the requirements of Section 201.

Section 202 (g) Provides that 75 percent of project grant funds will be allocated to metropolitan areas.

Section 202 (h) Authorizes the Energy Project Grant Program for three years and provides a first-year funding level of $7 million out of the $1 billion Solar and Conservation Reserve (P.L. 96-126).

Section 203—Technical assistance

Sections 203 (a)-(d) Authorize the Secretary of Energy (in cooperation with the Secretary of HUD) to establish a National Community Energy Reference Center to provide local governments, areawide planning organizations and community groups with information and technical assistance with respect to conservation and renewable resources; establish the Technical Assistance Program's relationship to State and local governments and existing technical assistance programs; and provide for program monitoring.

Section 203 (e) Authorizes the Technical Assistance Program for three years and provides a first-year funding level of $5 million out of the $1 billion Solar and Conservation Reserve (P.L. 96-126).

TITLE III—STATE ENERGY MANAGEMENT PARTNERSHIP

Section 301—State Basic Energy Program

Deletes Part D of the Energy Policy and Conservation Act (P.L. 94-163) as amended, and inserts a new part which consolidates and rationalizes existing State energy programs, provides additional financial resources to States, and strengthens the role of States in achieving national energy goals.

Section 351 Authorizes the Secretary of Energy to provide financial assistance to States and Indian tribes for development and implementation of State energy plans.

Section 352 Sets forth the application process and requirements.

Section 353 Sets forth the basic elements which the State energy plans must contain. These include:

A description of the State's current supply/demand situation including energy consumption patterns disaggregated by region and local jurisdiction where practicable.

A management plan which identifies those energy sectors in which the State can achieve the greatest energy savings and utilize renewable resources and describes how the State will coordinate other Federally assisted or mandated energy programs.

A description of how the State plans to implement mandatory energy conservation and renewable resource programs, including measures to remove technical, economic and institutional barriers; increase participation of financial institutions and public and private utilities; and address agricultural, rural, low income and urban sector needs.

A State emergency conservation plan prepared pursuant to the Emergency Energy Conservation Act.

A program to grant units of local government authority to enact energy related ordinances, including mandatory conservation measures.

Section 354 Requires each State receiving financial assistance to provide for:

Implementation of the Building Energy Performance Standards.

A traffic law or regulation which permits right turn on red.

A program to protect consumers from unfair or deceptive practices involving energy conservation.

A program to promote the use of carpools, vanpools and public transportation.

An energy conservation program in State facilities and procurement practices.

An energy extension service or public outreach program.

Section 355 Requires the State to provide for a satisfactory process for consultation with local governments and requires appropriate financial assistance to local governments to implement measures required by the State energy plan.

Sections 356(a)-(g) Set forth administrative processes and requirements and establish an allocation formula for States with 75% of the funds allocated by population and 25% allocated equally among the States. The State would be required to provide a 20% match to its Federal allocation. The Secretary would reserve funds for Indian tribes and U.S. territories.

Section 357 Authorizes States to make consolidated application for this or any other State energy program administered by DOE.

Section 358 Authorizes $75 million for FY 1981.

Mr. MARKEY. Mr. Speaker, the biggest energy story of the decade is happening all across the country. Yet few people in Congress know very much about it. It is energy conservation—the cheapest barrel of oil on the market today.

All over the country, people are conserving energy. As individuals, as neighborhoods, as communities—villages, towns, and cities—we are learning to use less energy by using it more wisely and efficiently.

In Congress, however, we have yet to produce a rational energy plan, let alone a serious conservation program. Without real help or encouragement from Federal policy, cities and towns in America are, without fanfare, designing local energy supply and conservation systems. These communities have grasped what Congress has not yet understood: That what makes sense in Malden, Mass., may not be feasible in Tucson, Ariz. Quite simply, local solutions to the energy crisis must vary according to local conditions, including geography, climate, population, and economic base.

National energy planning can make an important contribution to our effort to free ourselves from dependence upon unstable sources of energy such as the Persian Gulf. But any national energy plan based upon a monolithic and centralized agenda risks being dragged under by its own weight and expense. Instead, we should foster and reward the creative energy planning and experimentation which is taking place, right now, at the local level. In fact, community energy planning could serve as the foundation for a national legislative and administrative program based upon renewable power sources and energy productivity.

Consider the example of Fitchburg, Mass., which late last year launched a citywide energy conservation program with the goal of "weatherizing" every house in town. By the end of last year, one half of Fitchburg's 14,000 dwelling units were weatherized, saving about 2 million gallons of home heating oil a year at an average cost of only $25 to $50 a home. How did they do it? The entire community got involved. In the words of one reporter, "All over this town, everyone from school children to little old ladies are replacing air filters, sealing vents, cleaning refrigerator coils, and taking dozens of basic energy-saving steps."

The community of Fitchburg shows us what can be done. But much more remains possible all across this country. The challenge to the Federal Government is to spur this grassroots effort along. The challenge to Congress is to seize this opportunity to invest in the cheapest source of new energy today, the energy that we can save now so that we can use it later.

Last November, I introduced the Community Energy Efficiency Act to establish a 5-year $5 billion program of incentives for community energy conservation and renewable resource planning. Today, I am pleased to join my colleague from Oregon, LES AUCOIN, in introducing a revised version of several earlier bills, including my own, to consolidate and rewrite the administration's bill to consolidate existing programs in this area. Title III of our bill rewrites the administration's Energy Management Partnership Act to strengthen the role of the States in achieving national energy goals. The second title breaks new ground, however, and provides for new Federal assistance directly to local communities. In the Senate, our bill is being introduced by Senator PAUL TSONGAS and Senator HARRISON WILLIAMS.

We seek to establish two new community energy grant programs to stimulate actions all across America like those in Fitchburg, Mass. First, we amend the community development block grant program at HUD to establish a separate program to provide grants for energy conservation and renewable resource programs and activities. These "energy block grants" are authorized for 3 years with a first year funding level of $75 million. Cities over 50,000, central cities of SMSA's and urban counties would receive entitlement funding based on the present block grant formula with increased population weighting. Formula grants to metropolitan areas would account for 80 percent of the total funds available. The balance would be given as discretionary grants to nonmetropolitan areas.

Second, we establish at the Department of Energy an "energy action grant" program modeled after HUD's urban development action grant program. These capital grants can be used in communities to help build projects that lead to substantial energy savings. DOE would also run a technical assistance program to help local governments and community groups reduce energy consumption.

Our bill is only the beginning. But it is an important first step toward a rational and safe energy program for America. It places the emphasis where it belongs, on relatively quick, cheap, safe—and enormous—opportunities for raising energy productivity and harnessing a vast range of proven, renewable energy resources.

Amory Lovins, the energy consultant who has popularized the so-called soft path energy philosophy, makes a great deal of sense when he urges us "to build national consensus where it already exists," namely, to promote vigorously the measures to conserve energy and tap renewable resources.

"The kind of energy mobilization we need is happening today in hundreds of communities and millions of homes across America." I agree with him when he adds: "It needs a modest Government willing to lend a hand and then get out of the way."

GENERAL LEAVE

Mr. GIAIMO. Mr. Speaker, I ask unanimous consent that all Members be permitted to extend their remarks and to include therein extraneous material on the subject of the special order speech today by the gentleman from Massachusetts (Mr. Markey).

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. White (at the request of Mr. Wright), for today, on account of illness.

Mr. Ford of Tennessee (at the request of Mr. Wright), for today, on account of a death in the family.

Mr. Jones of North Carolina (at the request of Mr. Wright), for today, on account of official business.

Mr. RUSSO (at the request of Mr. Wright), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Rudd) to revise and extend their remarks and include extraneous matter:)

Mr. Collins of Texas, for 30 minutes, today.

Mr. Jeffords, for 10 minutes, today.

Mrs. Heckler, for 5 minutes, today.

Mr. Findley, for 5 minutes, today.

Mr. Kemp, for 60 minutes, today.

(The following Members (at the request of Mr. Giaimo) to revise and extend their remarks and include extraneous material:)

Mr. Skelton, for 30 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Ms. Holtzman, for 5 minutes, today.

Mr. Bingham, for 5 minutes, today.

Mr. Smith of Iowa, for 5 minutes, today.

Mr. Neal, for 5 minutes, today.

Mr. Markey, for 60 minutes, today.

Mr. AuCoin, for 15 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Rudd) and to include extraneous matter:)

Mr. Collins of Texas in three instances.

Mr. Madigan in two instances.

Mr. Stockman.

Mr. McDade.

Mr. Erlenborn.

Mr. Cheney.

Mr. Solomon.

Mr. Dannemeyer in two instances.

Mr. Roth.

Mr. Sawyer.

Mr. Schulze.

Mr. Lagomarsino.

Mr. Bereuter.

Mr. Clausen.

Mr. Tauke.

Mr. Kemp.

Mr. Gingrich in two instances.

(The following Members (at the request of Mr. Giaimo) and to include extraneous matter:)

Mr. Aspin.

Mr. Fascell in five instances.

Mr. Minish.

Mr. Pepper.

Mr. Fauntroy.

Mr. Rahall.

Mr. Santini.

Mrs. Schroeder.

Mr. Solarz.

Mr. Stenholm.

Mr. Roe.

Mr. Daschle.

Mr. Edwards of California.

Mr. Stark in two instances.

Mr. Long of Maryland in two instances.

Mr. Harris.

Mr. Downey.

Mr. Edgar.

Mr. Won Pat.

Mr. Gephardt.

Mr. AuCoin.

Mr. LaFalce.

Ms. Oakar.

Ms. Holtzman.

Mr. Alexander.

Mr. Yatron.

Mr. Nolan.

Mr. Udall in two instances.

Mr. McDonald.

Mr. Miller of California.

Mr. Harkin.

Mr. Jones of Oklahoma.

Mr. Drinan.

Mr. Rodino.

Mr. Conyers.

Mrs. Collins of Illinois.

Mr. Lehman.

Mr. Mitchell of Maryland.

SENATE BILLS REFERRED

Bills of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S. 2177. An act to amend the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority, and for other purposes; to the Committee on Banking, Currency and Finance; and

S. 2475. An act to amend title V of the Motor Vehicle Information and Cost Savings Act, "improving automotive efficiency," to exempt very low volume automobile manufacturers from certain requirements of the act, to encourage increase of the domestic value added content in labor and materials of foreign automobiles sold in the United States, to extend the time available to all manufacturers for carry forward or carry back of credits earned under the act, and for other purposes; to the Committee on Interstate and Foreign Commerce.

ENROLLED BILLS SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill and a joint resolution of the House of the following titles, which were thereupon signed by the Speaker:

H.R. 6464. An act to authorize the Secretary of the Army to convey to the Michigan Job Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Mich., in return for two new office buildings at the Detroit Arsenal, Warren, Mich.; and

H.J. Res. 474. Joint resolution to authorize and request the President to issue a proclamation designating April 21 through April 28, 1980, as "Jewish Heritage Week."

ADJOURNMENT

Mr. OTTINGER. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 44 minutes p.m.), under its previous order, the House adjourned until Thursday, April 24, 1978, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4187. A letter from the Comptroller General of the United States, transmitting a report on the audit and review of two contracts awarded by the Navy to Litton Industries, Inc., for landing helicopter assault and DD-963 destroyer vessels, pursuant to section 821 of Public Law 95-485 (PSAD-80-39, April 2, 1980); to the Committee on Armed Services.

4188. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Robert V. Keeley, Ambassador-designee to Zimbabwe, and by members of is family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4189. A letter from the Executive Officer, U.S. Environmental Protection Agency, transmitting a report on the Agency's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4190. A letter from the Secretary of Transportation, transmitting a report on bicycle transportation for energy conservation, pursuant to section 682 of Public Law 95-619; to the Committee on Interstate and Foreign Commerce.

4191. A letter from the Comptroller General of the United States, transmitting a report on the Department of Energy's administration of its gasoline allocation program (EMD-80-34, April 23, 1980); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

4192. A letter from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting his third quarterly report, pursuant to section 7(a)(5)(E) of Public Law 94-586; jointly, to the Committees on Interior and Insular Affairs and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PRIVATE BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 4000. A bill to amend the Social Security Act with respect to health programs authorized under it, and for other purposes; with amendment (Rept. No. 96-589, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 3904. A bill to amend the Employee Retirement Income Security Act of 1974 and the Internal Revenue Code of 1954, as amended, for the purpose of improving retirement income security under private multiemployer pension plans by strengthening the funding requirements for those plans, authorizing plan preservation measures for financially troubled multiemployer pension plans, and revising the manner in which the pension plan termination insurance provisions apply to multiemployer plans; with amendment (Rept. No. 96-869, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee of conference. Conference report on H.R. 3434 (Rept. No. 96-900). And ordered to be printed.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. ASPIN:

H.R. 7135. A bill to amend the Internal Revenue Code of 1954 to provide for cost-of-living adjustments in the individual tax rates and in the amount of personal exemptions; to the Committee on Ways and Means.

By Mr. AuCOIN (for himself and Mr. Markey):

H.R. 7136. A bill to establish programs of financial and other assistance to States and units of local government for energy conservation and renewable resource activities, and for other purposes; jointly, to the Committees on Banking, Finance and Urban Affairs and Interstate and Foreign Commerce.

By Mr. BINGHAM (for himself, Mr. Bonker, Mr. Derwinski, and Mr. Lagomarsino):

H.R. 7137. A bill to establish an interim procedure for the orderly development of hard mineral resources in the deep seabed, pending adoption of an international regime relating thereto, and for other purposes; jointly, to the Committees on Foreign Affairs, Interior and Insular Affairs, Merchant Marine and Fisheries, and Ways and Means.

By Mr. COLLINS of Texas:

H.R. 7138. A bill to amend the Communications Act of 1934 to require broadcasting networks and licensees which broadcast certain information relating to the kidnapping or taking hostage of American citizens to submit reports to the Federal Communications Commission verifying the accuracy, balance, and fairness of such broadcasts, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. COTTER:

H.R. 7139. A bill to suspend for 1 year the duties on wrapper tobacco; to the Committee on Ways and Means.

By Mr. THOMPSON (for himself and Mr. Erlenborn):

H.R. 7140. A bill to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 1 month the date on which the corporation must pay benefits under terminated multiemployer plans; to the Committee on Education and Labor.

By Mr. DASCHLE:

H.R. 7141. A bill to amend the Consolidated Farm and Rural Development Act to authorize loans for the construction and improvement of subterminal storage and transportation facilities for certain types of agricultural commodities, to provide for the development of State plans to improve such facilities within the States or within a group of States acting together on a regional basis, and for other purposes; to the Committee on Agriculture.

By Mr. FINDLEY:

H.R. 7142. A bill to eliminate any cross compliance requirement as a condition of eligibility for loans and purchases in the case of 1979 crop soybeans thus providing soybean producers with a needed source of short-term credit during their financial crisis; to the Committee on Agriculture.

By Mr. HOLLENBECK:

H.R. 7143. A bill to amend title 38, United States Code, to reduce from 10 years to 5 years the period during which a service-connected disability must have been in effect immediately preceding a veteran's death in order for the veterans' survivors to be eligible for dependency and indemnity compensation; to the Committee on Veterans' Affairs.

By Mr. JACOBS:

H.R. 7144. A bill the Former Presidential Enough is Enough and Taxpayers Relief Act of 1980; to the Committee on Government Operations.

By Mr. JENKINS:

H.R. 7145. A bill to maintain at the present level the duty on levulose until the close of December 31, 1981; to the Committee on Ways and Means.

By Mr. LUJAN:

H.R. 7146. A bill to establish a program for the leasing of Federal lands to certain non-Federal governmental units for use as shooting ranges; to the Committee on Interior and Insular Affairs.

By Mr. NOLAN:

H.R. 7147. A bill to provide that certain land of the United States shall be held by the United States in trust for certain communities of the Mdewakanton Sioux in Minnesota; to the Committee on Interior and Insular Affairs.

By Mr. RODINO (for himself, Mr. Ashley, Mr. Barnes, Mr. Bingham, Mr. Phillip Burton, Mr. Clay, Mrs. Collins of Illinois, Mr. Diggs, Mr. Downey, Mr. Fauntroy, Mr. Heftel, Ms. Holtzman, Mr. Lehman, Mr. Maguire, Mr. Markey, Mr. Mitchell of Maryland, Mr. Ottinger, Mr. Rangel, Mr. Richmond, Mr. Rosenthal, Mr. Scheuer, Mr. Solarz, Mr. Stewart, Mr. Studds, Mr. Vanik, and Mr. Yates):

H.R. 7148. A bill entitled: "The Handgun Crime Control Act of 1979"; to the Committee on the Judiciary.

By Mr. ROE:

H.R. 7149. A bill to amend Public Law 95-427 to permit certain State police officers to file a claim for credit or refund of Federal income tax with respect to certain subsistence allowances, without regard to whether the allowance was included in gross income; to the Committee on Ways and Means.

By Mr. WATKINS:

H.R. 7150. A bill to designate the Indian Health Facility in Ada, Okla., the "Carl Albert Indian Health Facility"; to the Committee on Interior and Insular Affairs.

By Mr. BRINKLEY:

H.J. Res. 535. Joint resolution to designate a period between Abraham Lincoln's birthday and George Washington's birthday of each year as "National Patriotism Week"; to the Committee on Post Office and Civil Service.

By Mr. MARRIOTT (for himself, Mr. Anderson of Illinois, Mr. Perkins, Mr. Lewis, Mr. Pepper, and Mr. Rousselot):

H. Con. Res. 317. Concurrent resolution expressing the sense of the Congress with respect to taxing social security benefits; to the Committee on Ways and Means.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII,

Mr. McDADE introduced a bill (H.R. 7151) for the relief of William Kubrick and for other purposes, which was referred to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 5208: Mr. Abdnor.

H.R. 5408: Mr. Glickman.

H.R. 5631: Mr. Dickinson.

H.R. 5654: Mr. Livingston.

H.R. 6008: Mr. Hall of Ohio.

H.R. 6074: Mr. Fisher, Mr. Seiberling, Mr. Wolpe, and Mr. McDade.

H.R. 6370: Mr. Simon.

H.R. 6377: Mr. Lee, Mr. Leach of Louisiana, Mr. Richmond, Mr. Nolan, Mr. Whitehurst, Mr. Cavanaugh, Mrs. Heckler, and Mr. Brown of California.

H.R. 6404: Mr. Kostmayer.

H.R. 6429: Mr. LaFalce, Mr. Lloyd, Mr. Lewis, Mr. Hollenbeck, Mr. Neal, Mr. Chappell, Mr. Robert W. Daniel, Jr., Mr. Robinson, Mr. Hyde, Mr. Simon, Mrs. Spellman, Mr. Edwards of Alabama, Mr. Mitchell of New York, and Mr. Pashayan.

H.R. 6468: Mr. Evans of Georgia and Mr. Gray.

H.R. 6472: Mr. Ritter and Mr. Musto.

H.R. 6539: Mr. Oberstar.

H.R. 6591: Mr. Ireland and Mr. Lent.

H.R. 6624: Mr. Conable.

H.R. 6657: Mr. Boland.

H.R. 6672: Mr. Hughes, Mr. Snyder, Mr. Lent, Mr. Evans of Delaware, Mr. Jones of North Carolina, Mr. Stack, Mr. Bonker, Mr. Oberstar, Mr. Myers of Pennsylvania, Mr. Studds, Mr. de la Garza, and Mr. Murphy of New York.

H.R. 6675: Mr. Fazio and Mr. Edgar.

H.R. 6734: Mr. Broyhill, Mr. Winn, Mr. Ritter, Mr. Petri, Mr. Hollenbeck, Mr. Pritchard, Mr. Fish, Mr. Regula, Mr. Hillis, Mr. Whitehurst, Mr. Lagomarsino, Mr. Clinger, Mr. Forsythe, Mr. Stangeland, Mr. Evans of the Virgin Islands, Mr. Derwinski, Mr. Ertel, Mr. Mitchell of New York, Mr. Kogovsek, Mr. McClory, Mr. Cleveland, Mr. Bedell, Mr. Neal, Mr. Dougherty, and Mr. Coughlin.

H.R. 6744: Mr. Railsback and Mr. Mitchell of Maryland.

H.R. 6794: Mr. Badham, Mr. Barnard, Mr. Beard of Tennessee, Mr. Brown of Ohio, Mr. Butler, Mrs. Byron, Mr. Carter, Mr. Coleman, Mr. Corcoran, Mr. Daniel B. Crane, Mr. Robert W. Daniel, Jr., Mr. Derwinski, Mr. Erlenborn, Mr. Evans of Georgia, Mr. Frenzel, Mr. Frost, Mr. Guyer, Mr. Ichord, Mr. Lagomarsino, Mr. Lungren, Mr. McDonald, Mr. Madigan, Mr. Marlenee, Mr. Miller of Ohio, Mr. Mottl, Mr. Myers of Indiana, Mr. Neal, Mr. Petri, Mr. Quillen, Mr. Roth, Mr. Rousselot, Mr. Sawyer, Mr. Sebelius, Mr. Solomon, Mr. Spence, Mr. Whitehurst, Mr. Charles Wilson of Texas, Mr. Winn, Mr. Yatron, and Mr. Young of Alaska.

H.R. 6860: Mr. Corcoran, Mr. Frenzel, Mr. LaFalce, Mr. Garcia, and Mr. Dornan.

H.R. 6897: Mr. Edgar, Mr. Lowry, Mr. Rangel, and Mr. Gray.

H.R. 6941: Mr. Brown of Ohio.

H.R. 6982: Mr. Mollohan, Mr. Hutto, Mr. Leach of Louisiana, Mrs. Byron, Mr. Mavroules, Mr. Wyatt, Mr. Emery, and Mr. Dougherty.

H.R. 6986: Mr. Beard of Rhode Island, Mr. McKinney, Mr. Moffett, and Mr. St Germain.

H.R. 7101: Mr. Downey.

H.R. 7130: Mr. Ambro and Mr. Murphy of New York.

H.J. Res. 508: Mr. Leland and Mr. Corman.

H.J. Res. 530: Mr. Murphy of Illinois, Mr. LaFalce, Mr. Downey, Mr. Frost, Mr. Collins of Texas, Mr. Carter, Ms. Mikulski, Mr. Neal, Mr. Spence, Mr. Edwards of Oklahoma, Mr. Roth, Mr. Lagomarsino, Mr. Loeffler, and Mr. Hanley.

DELETIONS OF SPONSORS FROM PUBLIC BILLS AND RESOLUTIONS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 4484: Mr. Mavroules.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 307

By Mr. LATTA:

(Amendment in the nature of a substitute.) —Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $599,900,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $14,500,000,000;

(2) the appropriate level of total budget authority is $681,300,000,000;

(3) the appropriate level of total budget outlays is $597,800,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,100,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $174,200,000,000;
(B) Outlays, $152,400,000,000.
(2) International Affairs (150):
(A) New budget authority, $22,800,000,000;
(B) Outlays, $8,800,000,000.
(3) General Science, Space and Technology (250):
(A) New budget authority, $6,000,000,000;
(B) Outlays, $5,800,000,000.
(4) Energy (270):
(A) New budget authority, $6,200,000,000;
(B) Outlays, $6,200,000,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $11,700,000,000;
(B) Outlays, $12,200,000,000.
(6) Agriculture (350):
(A) New budget authority, $5,100,000,000;
(B) Outlays, $2,000,000,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $4,700,000,000;
(B) Outlays, —$400,000,000:
(8) Transportation (400):
(A) New budget authority, $20,400,000,000;
(B) Outlays, $18,300,000,000.
(9) Community and Regional Development (450):
(A) New budget authority, $7,500,000,000;
(B) Outlays, $9,100,000,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $29,500,000,000;
(B) Outlays, $27,000,000,000.
(11) Health (550):
(A) New budget authority, $70,600,000,000;
(B) Outlays, $60,900,000,000.
(12) Income Security (600):
(A) New budget authority, $241,600,000,000;
(B) Outlays, $214,100,000,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,800,000,000;
(B) Outlays, $21,300,000,000.
(14) Administration of Justice (750):
(A) New budget authority, $3,900,000,000;
(B) Outlays, $4,300,000,000.
(15) General Government (800):
(A) New budget authority, $4,500,000,000;
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, $8,500,000,000;
(B) Outlays, $8,600,000,000.
(17) Interest (900):
(A) New budget authority, $71,800,000,000;
(B) Outlays, $71,800,000,000.
(18) Allowances (920):
(A) New budget authority,—$4,100,000,000;
(B) Outlays,—$3,600,000,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority,—$25,400,000,000.
(B) Outlays,—$25,400,000,000.

Sec. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $1,120,000,000 in budget authority and $1,120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,233,000,000 in budget authority; and $1,207,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,539,000,000 in budget authority and $1,486,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $370,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,839,000,000 in budget authority and $4,404,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $550,000,000 in budget authority and $550,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new

budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $300,000,000 in budget authority and $300,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $1,117,000,000 in budget authority and $2,369,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) The Senate Committee on Commerce, Science and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $550,000,000 in budget authority and $550,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions with the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,417,000,000 in budget authority and $2,669,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal years 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolution within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolution by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall decrease revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $14,500,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget outlays and total new budget authorquired to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $660,300,000,000;

Fiscal year 1983: $731,500,000,000;

and the amount by which the aggregate levels of Federal revenues should be decreased is as follows:

Fiscal year 1982:–$25,600,000,000;

Fiscal year 1983:–$46,300,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $733,000,000,000;

Fiscal year 1983: $811,550,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $659,700,000,000;

Fiscal year 1983: $730,655,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $600,000,000;

Fiscal year 1983: $2,155,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;

Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $204,500,000,000;

(B) Outlays, $183,100,000,000.

Fiscal year 1983:

(A) New budget authority, $233,900,000,000;

(B) Outlays, $208,600,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $13,770,000,000;

(B) Outlays, $8,500,000,000.

Fiscal year 1983:

(A) New budget authority, $11,925,000,000;

(B) Outlays, $8,020,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,360,000,000;

(B) Outlays, $6,190,000,000.

Fiscal year 1983:

(A) New budget authority, $6,250,000,000;

(B) Outlays, $6,170,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $6,210,000,000;

(B) Outlays, $8,920,000,000.

Fiscal year 1983:

(A) New budget authority, $7,650,000,000;

(B) Outlays, $9,020,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $10,700,000,000;

(B) Outlays, $11,720,000,000.

Fiscal year 1983:

(A) New budget authority, $11,425,000,000;

(B) Outlays, $11,200,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $5,655,000,000;

(B) Outlays, $3,870,000,000.

Fiscal year 1983:

(A) New budget authority, $3,825,000,000,

(B) Outlays, $4,500,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $4,675,000,000;

(B) Outlays, $1,950,000,000.

Fiscal year 1983:

(A) New budget authority, $4,275,000,000;

(B) Outlays, $1,720,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $20,000,000,000;

(B) Outlays, $18,420,000,000.

Fiscal year 1983:

(A) New budget authority, $20,375,000,000;

(B) Outlays, $18,650,000,000.

(9) Community and Region Development (450):

Fiscal year 1982:

(A) New budget authority, $8,125,000,000;

(B) Outlays, $8,150,000,000.

Fiscal year 1983:

(A) New budget authority, $8,125,000,000;

(B) Outlays, $7,970,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $32,030,000,000;

(B) Outlays, $29,810,000,000.

Fiscal year 1983:

(A) New budget authority, $32,750,000,000;

(B) Outlays, $30,475,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $67,635,000,000;

(B) Outlays, $56,585,000,000.

Fiscal year 1983:

(A) New budget authority, $84,250,000,000;

(B) Outlays, $72,475,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $270,000,000,000;

(B) Outlays, $240,000,000,000.

Fiscal year 1983:

(A) New budget authority, $300,000,000,000;

(B) Outlays, $265,000,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $21,390,000,000;

(B) Outlays, $20,800,000,000.

Fiscal year 1983:

(A) New budget authority, $22,750,000,000;

(B) Outlays, $22,740,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $3,955,000,000;

(B) Outlays, $4,125,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,450,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $4,450,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,475,000,000;

(B) Outlays, $4,400,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $7,055,000,000;

(B) Outlays, $7,055,000,000.

Fiscal year 1983:

(A) New budget authority, $7,175,000,000;

(B) Outlays, $7,175,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $0;

(B) Outlays, $0.

Fiscal year 1983:

(A) New budget authority, $1,300,000,000;

(B) Outlays, $1,300,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, —$27,300,000,000;

(B) Outlays, —$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,700,000,000;

(B) Outlays, —$29,700,000,000.

SEC. 6. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

SEC. 7. The Congress reaffirms its commitment to find a way to relate accurately the outlays of off-budget Federal entities to the budget. The Congress recognizes that by law the outlays of the off-budget Federal entities are not reflected in the budget totals, and that in fiscal year 1981 off-budget outlays (and, hence, the off-budget deficit) are estimated to be $16 billion.

SEC. 8. The Congress recognizes that the growth of Federal credit programs in recent years has been dramatic, and in some cases, has grown more rapidly than non-credit programs. Between 1976 and 1979, Federal expenditures increased by 35 per centum while new loan guarantees increased by 108 per centum; new direct loans by off-budget agencies increased by 70 per centum. Therefore, the Congress affirms its desire to exercise meaningful control over Federal credit programs.

SEC. 9. For the fiscal year which began on October 1, 1979, the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

By Mr. MITCHELL of Maryland:

(Amendment in the form of a substitute.)

Concurrent resolution setting forth the congressional budget for the United States Government for the fiscal year 1981, 1982, and 1983 and revising the congressional budget for the United States Government for the fiscal year 1980

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $613,900,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is zero

(2) the appropriate level of total new budget authority is $698,000,000,000;

(3) the appropriate level of total budget outlays is $613,900,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is zero;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,800,000,000 and the appropriate level of total commitments to guarantee loan principal is $81,400,000.000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1980, the appropriate level of new budget authority and the estimated budget oulays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $155,000,000,000;

(B) Outlays, $144,800,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,000,000,000;

(B) Outlays, $9,600,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,700,000,000.

(B) Outlays, $6,300,000,000.

(4) Energy (270):

(A) New budget authority, $7,300,000,000;

(B) Outlays, $6,900,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,000,000,000;

(B) Outlays, $12,400,000,000;

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,300,000,000;

(B) Outlays, $100,000,000.

(8) Transportation (400):

(A) New budget authority, $22,800,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,600,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $35,000,000,000;

(B) Outlays, $32,600,000,000.

(11) Health (550):

(A) New budget authority, $71,500,000,000;

(B) Outlays, $61,800,000,000.

(12) Income Security (600):

(A) New budget authority, $257,900,000,000;

(B) Outlays, $222,200,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,700,000,000;

(B) Outlays, $21,200,000,000;

(14) Administration of Justice (750):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,700,000,000.

(15) General Government (800):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $7,200,000,000;

(B) Outlays, $7,700,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

(18) Allowances (920):

(A) New budget authority, $000,000,000;

(B) Outlays, $000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$24,600,000,000;

(B) Outlays, −$24,600,000,000.

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act: (a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $100,000,000 in budget authority and $100,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees; and (2) the Senate Committee on Agriculture, Nutrition and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $433,000,000 in budget authority and $407,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection.

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $539,000,000 in budget authority and $486,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,000 in outlays and are instructed to report on or before June 15, 1980 their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection.

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees; and (2) the House Committee on Public Works and

Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(g) the House Committee on Veterans Affairs and the Senate Committee on Veterans Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reductions required by this subsection.

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $717,000,000 in budget authority and $1,869,000,0000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(i) the Senate Committee on Commerce, Science, and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $917,000,000 in budget authority and $2,069,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $106,000,000 in budget authority and $149,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacting laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection, and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $24,700,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301 (b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401 (c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302 (b) of the Budget Act, shall be enrolled until Congress has completed action on the section budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982–1983—

(a)(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $700,000,000,000;

Fiscal year 1983: $809,000,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300,000,000;

Fiscal year 1983: $000,000,000.

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $768,400,000,000;

Fiscal year 1983: $862,500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $684,700,000,000;

Fiscal year 1983: $773,400,000,000.

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $15,300,000,000;

Fiscal year 1983: $35,600,000,000.

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $950,600,000,000;

Fiscal year 1983: $963,700,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of the total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal 1982:

(A) New budget authority, $178,000,000,000;

(B) Outlays, $162,400,000,000.

Fiscal year 1983:

(A) New budget authority, $199,600,000,000;

(B) Outlays, $181,300,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority $16,200,000,000;

(B) Outlays, $10,000,000,000.

Fiscal year 1983:

(A) New budget authority, $15,900,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250);

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $8,100,000,000;

(B) Outlays, $10,200,000,000.

Fiscal year 1983:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $10,900,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $13,200,000,000.

Fiscal year 1983:

(A) New budget authority, $13,900,000,000;

(B) Outlays, $13,600,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000.

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $5,700,000,00;

(B) Outlays, $2,500,000,000.

Fiscal year 1983:

(A) New budget authority, $5,900,000,000;

(B) Outlays, $2,500,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,400,000,000;

(B) Outlays, $9,300,000,000.

Fiscal year 1983:

(A) New budget authority, $9,700,000,000;

(B) Outlays, $9,700,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $37,500,000,000;

(B) Outlays, $35,400,000,000.

Fiscal year 1983:

(A) New budget authority, $42,000,000,000;

(B) Outlays, $38,500,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,100,000,000;

(B) Outlays, $70,100,000,000.

Fiscal year 1983:

(A) New budget authority, $119,000,000,000;

(B) Outlays, $103,300,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $292,600,000,000;

(B) Outlays, $252,300,000,000.

Fiscal year 1983:

(A) New budget authority, $319,200,000,000;

(B) Outlays, $275,400,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,800,000,000.

Fiscal year 1983:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,000,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $7,500,000,000;

(B) Outlays $8,000,000,000.

Fiscal year 1983:

(A) New budget authority, $8,500,000,000;

(B) Outlays, $8,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, —$27,300,000,000;

(B) Outlays, —$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, —$29,700,000,000;

(B) Outlays, $29,700,000,000.

SEC. 6. Section 1 of Senate Congressional Resolution 53 is revised as follows—

(a)—

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000;

(2) the appropriate level of total new budget authority is $660,200,000,000;

(3) the appropriate level of total budget outlays is $571,500,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and other relevant factors is $42,700,000,000;

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b)—

(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,900,000,000;

(B) Outlays, $30,000,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,700,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$22,300,000,000;

(B) Outlays, —$22,300,000,000.

SEC. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within 60 days after passage of this budget resolution.

By Mr. ROUSSELOT:

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $603,500,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $20,600,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $900,000,000.

(2) the appropriate level of total budget authority is $689,000,000,000;

(3) the appropriate level of total budget outlays is $601,400,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,100,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $174,200,000,000;

(B) Outlays, $151,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $22,800,000,000;

(B) Outlays, $8,800,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority; $6,400,000,000;

(B) Outlays, $6,100,000,000.

(4) Energy (270):

(A) New budget authority, $6,600,000,000;

(B) Outlays, $6,500,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority $11,800,000,000;

(B) Otulays, $12,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Otulays, $2,200,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,100,000,000;

(B) Outlays,—$100,000,000.

(8) Transportation (400):

(A) New budget authority, $20,200,000,000;

(B) Outlays, $18,200,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,000,000,000;

(B) Outlays, $9,000,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,500,000,000;

(B) Outlays, $27,200,000,000.

(11) Health (550):

(A) New budget authority, $70,600,000,000;

(B) Outlays, $61,000,000,000.

(12) Income Security (600):

(A) New budget authority, $243,500,000,000;

(B) Outlays, $214,900,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,800,000,000;

(B) Outlays, $21,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $3,900,000,000;

(B) Outlays, $4,300,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,300,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

(A) New budget authority, $72,000,000,000;

(B) Outlays, $72,000,000,000.

(18) Allowances (920):

(A) New budget authority, —$0;

(B) Outlays, —$0.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$24,600,000,000;

(B) Outlays, —$24,600,000,000.

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $1,120,000,000 in budget authority and $1,120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,033,000,000 in budget authority, and $1,007,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,339,000,000 in budget authority and $1,286,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $300,000,000 in budget authority and $370,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $550,000,000 in budget authority and $550,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $300,000,000 in budget authority and $300,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $917,000,000 in budget authority and $2,169,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Commerce, Science and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $550,000,000 in budget authority and $550,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $1,217,000,000 in budget authority and $2,469,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Commitee on Finance shall decrease revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $19,800,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $660,300,000,000;
Fiscal year 1983: $731,500,000,000;

and the amount by which the aggregate levels of Federal revenues should be decreased is as follows:

Fiscal year 1982: —$31,600,000,000;
Fiscal year 1983: —$46,300,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982; $733,000,000,000;
Fiscal year 1983: $811,500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $659,700,000,000;
Fiscal year 1983: $730,655,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982; $600,000,000;
Fiscal year 1983: $2,155,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;
Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal year 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $204,500,000,000;
(B) Outlays, $183,100,000,000.
Fiscal year 1983:
(A) New Budget authority, $233,900,000,000;
(B) Outlays, $208,600,000.000.

(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $13,770,000,000;
(B) Outlays, $8,500,000,000.
Fiscal year 1983:
(A) New budget authority, $11,925,000,000;
(B) Outlays, $8,020,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $6,360,000,000;
(B) Outlays, $6,190,000,000.
Fiscal year 1983:
(A) New budget authority, $6,250,000,000;
(B) Outlays, $6,170,000,000.

(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $6,210,000,000;
(B) Outlays, $8,920,000,000.
Fiscal year 1983:
(A) New budget authority, $7,650,000,000;
(B) Outlays, $9,020,000,000.

(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $10,700,000,000;
(B) Outlays, $11,720,000,000;
Fiscal year 1983:
(A) New budget authority, $11,425,000,000;
(B) Outlays, $11,200,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $5,655,000,000;
(B) Outlays, $3,870,000,000.
Fiscal year 1983:
(A) New budget authority, $3,825,000,000;
(B) Outlays, $4,500,000,000.
(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $4,675,000,000;
(B) Outlays, $1,950,000,000.
Fiscal year 1983:
(A) New budget authority, $4,275,000,000;
(B) Outlays, $1,720,000,000.
(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $20,000,000,000;
(B) Outlays, $18,420,000,000.
Fiscal year 1983:
(A) New budget authority, $20,375,000,000;
(B) Outlays, $18,650,000,000.
(9) Community and Regional Development (450):
Fiscal year 1982:
(A) New budget authority, $8,320,000,000;
(B) Outlays, $8,150,000,000.
Fiscal year 1983:
(A) New budget authority, $8,125,000,000;
(B) Outlays, $7,970,000,000.
(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $32,030,000,000;
(B) Outlays, $29,810,000,000.
Fiscal year 1983:
(A) New budget authority, $32,750,000,000;
(B) Outlays, $30,475,000,000.
(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $67,635,000,000;
(B) Outlays, $56,585,000,000.
Fiscal year 1983:
(A) New budget authority, $84,250,000,000;
(B) Outlays, $72,475,000,000.
(12) Income Security (600):
Fiscal year 1982;
(A) New budget authority, $270,000,000,000;
(B) Outlays, $240,000,000,000.
Fiscal year 1983:
(A) New budget authority, $300,000,000,000;
(B) Outlays, $265,000,000,000.
(13) Veterans Benefits and Services (700):
Fiscal year 1982:
(A) New budget authority, $21,390,000,000;
(B) Outlays, $20,800,000,000.
Fiscal year 1983:
(A) New budget authority, $22,750,000,000;
(B) Outlays, $22,740,000,000.
(14) Administration of Justice (750):
Fiscal year 1982:
(A) New budget authority $3,955,000,000;
(B) Outlays, $4,125,000,000.
Fiscal year 1983:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $4,450,000,000.
(15) General Government (800):
Fiscal year 1982:
(A) New budget authority, $4,450,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1983:
(A) New budget authority, $4,475,000,000;
(B) Outlays, $4,400,000,000.
(16) General Purpose Fiscal Assistance (850):
Fiscal year 1982:
(A) New budget authority, $7,055,000,000;
(B) Outlays, $7,055,000,000.
Fiscal year 1983:
(A) New budget authority, $7,175,000,000;
(B) Outlays, $7,175,000,000.
(17) Interest (900):
Fiscal year 1982:
(A) New budget authority, $73,600,000,000;
(B) Outlays, $73,600,000,000.
Fiscal year 1983:
(A) New budget authority, $76,500,000,000;
(B) Outlays, $76,500,000,000.
(18) Allowances (920):
Fiscal year 1982:
(A) New budget authority, $0;
(B) Outlays, $0.
Fiscal year 1983:
(A) New budget authority, $1,300,000,000;
(B) Outlays, $1,300,000,000.
(19) Undistributed Offsetting Receipts (950):
Fiscal year 1982:
(A) New budget authority, —$27,300,000,000;
(B) Outlays, —$27,300,000,000.
Fiscal year 1983:
(A) New budget authority, —$29,700,000,000.
(B) Outlays, —$29,700,000,000.

SEC. 6. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

SEC. 7. The Congress reaffirms its commitment to find a way to relate accurately the outlays of off-budget Federal entities to the budget. The Congress recognizes that by law the outlays of the off-budget Federal entities are not reflected in the budget totals, and that in fiscal year 1981 off-budget outlays (and, hence, the off-budget deficit) are estimated to be $16 billion.

SEC. 8. The Congress recognizes that the growth of Federal credit programs in recent years has been dramatic, and in some cases, has grown more rapidly than non-credit programs. Between 1976 and 1979, Federal expenditures increased by 35 per centum while new loan guarantees increased by 108 per centum; new direct loans by off-budget agencies increased by 70 per centum. Therefore, the Congress affirms its desire to exercise meaningful control over Federal credit programs.

SEC. 9. For the fiscal year which began on October 1, 1979, the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

By Mr. SOLARZ:

(Amendment in the nature of a substitute.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $619,200,000,000 and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000 and the amount by which the aggregate level of Federal revenues should be increased is $27,700,000,000;

(2) the appropriate level of total budget authority is $700,200,000,000;

(3) the appropriate level of total budget outlays is $617,200,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,000,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budgt outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):
(A) New budget authority, $160,850,000;
(B) Outlays, $147,950,000.
(2) International Affairs (150):
(A) New budget authority, $24,200,000;
(B) Outlays, $9,800,000.
(3) General Science, Space, and Technology (250):
(A) New budget authority, $6,700,000;
(B) Outlays, $6,300,000.
(4) Energy (270):
(A) New budget authority, $7,700,000;
(B) Outlays, $7,200,000.
(5) Natural Resources and Environment (300):
(A) New budget authority, $12,150,000;
(B) Outlays, $12,500,000.
(6) Agriculture (350):
(A) New budget authority, $5,400,000;
(B) Outlays, $2,300,000.
(7) Commerce and Housing Credit (370):
(A) New budget authority, $5,700,000;
(B) Outlays, $550,000.
(8) Transportation (400):
(A) New budget authority, $23,050,000;
(B) Outlays, $19,750,000.
(9) Community and Regional Development (450):
(A) New budget authority, $9,150,000;
(B) Outlays, $9,500,000.
(10) Education, Training, Employment and Social Services (500):
(A) New budget authority, $34,650,000;
(B) Outlays, $32,000,000.
(11) Health (550):
(A) New budget authority, $71,900,000;
(B) Outlays, $62,200,000.
(12) Income Security (600):
(A) New budget authority, $253,850,000;
(B) Outlays, $221,850,000.
(13) Veterans Benefits and Services (700):
(A) New budget authority, $21,700,000;
(B) Outlays, $21,200,000.
(14) Administration of Justice (750):
(A) New budget authority, $4,200,000;
(B) Outlays, $4,600,000.
(15) General Government (800):
(A) New budget authority, $4,700,000;
(B) Outlays, $4,600,000.
(16) General Purpose Fiscal Assistance (850):
(A) New budget authority, 6,700,000;
(B) Outlays, $7,300,000.
(17) Interest (900):
(A) New budget authority, $72,200,000;
(B) Outlays, $72,200,000.
(18) Allowances (920):
(A) New budget authority, $0,000;
(B) Outlays, $0,000.
(19) Undistributed Offsetting Receipts (950):
(A) New budget authority, —$24,600,000;
(B) Outlays, —$24,600,000.

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $120,000,000 in budget authority and $120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $233,000,000 in budget authority, and $200,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b)(1) the House Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b)(2) the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $460,000,000 in budget authority and $460,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $301,000,000 in budget authority and $274,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $2,803,000,000 in budget authority and $3.368,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection.

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $267,000,000 in budget authority and $1,419,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $467,000,000 in budget authority and $1,619,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(j) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(k) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $27,600,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has complete action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $694,800,000,000;
Fiscal year 1983: $804,100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased as follows:

Fiscal year 1982: +$30,000,000;
Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $767,850,000,000;
Fiscal year 1983: $865,050,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $683,650,000,000;
Fiscal year 1983: $775,950,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $11,150,000,000;
Fiscal year 1983: $28,150,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;
Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $182,100,000,000;
(B) Outlays, $166,500,000,000.
Fiscal year 1983:
(A) New budget authority, $203,900,000,000.
(B) Outlays, $185,600,000,000.
(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $16,200,000,000;
(B) Outlays, $10,000,000,000.
Fiscal year 1983:
(A) New budget authority, $15,900,000,000;
(B) Outlays, $10,700,000,000.
(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1983:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,900,000,000.
(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $8,600,000,000;
(B) Outlays, $10,500,000,000.
Fiscal year 1983:
(A) New budget authority, $10,200,000,000;
(B) Outlays, $11,700,000,000.
(5) Natural Resources and Environment (300):
Fiscal year 1982:
(A) New budget authority, $13,400,000,000;
(B) Outlays, $13,200,000,000.
Fiscal year 1983:
(A) New budget authority, $13,900,000,000;
(B) Outlays, $13,600,000,000.
(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $6,300,000,000;
(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370);

Fiscal year 1982:

(A) New budget authority, $6,050,000,000;

(B) Outlays, $2,850,000,000.

Fiscal year 1983:

(A) New budget authority, $6,250,000,000;

(B) Outlays, $2,850,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,000,000,000.

Fiscal year 1983:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $36,500,000,000;

(B) Outlays, $33,900,000,000.

Fiscal year 1983:

(A) New budget authority, $41,000,000,000;

(B) Outlays, $39,300,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,100,000,000;

(B) Outlays, $70,100,000,000.

Fiscal year 1983:

(A) New budget authority, $119,000,000,000;

(B) Outlays, $103,300,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $289,900,000,000;

(B) Outlays, $249,600,000,000.

Fiscal year 1983:

(A) New budget authority, $318,400,000,000;

(B) Outlays, $274,600,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4.700,000,000.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$27,300,000,000;

(B) Outlays, −$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, −$29,700,000,000;

(B) Outlays, −$29,700,000,000.

SEC. 6. Section 1 of Senate Concurrent Resolution 53 is revised as follows:

(a)(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $100,000,000;

(2) the appropriate level of total new budget authority is $660,500,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b)(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $30,000,000,000.

(B) Outlays, $30,100,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,800,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (75):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000;

(B) Outlays, −$22,300,000,000.

SEC. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

FACTUAL DESCRIPTIONS OF BILLS AND RESOLUTIONS INTRODUCED

Prepared by the Bill Digest Section, American Law Division of the Congressional Research Service pursuant to clause 5(d) of House rule X. Previous listing appeared in the CONGRESSIONAL RECORD of March 24, 1980, page 6257. Cumulative listing may be found in the Digest of Public General Bills and Resolutions.

H.R. 6762. March 11, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from gross income annual interest on payments by any foreign governments of reparations to survivors of Nazi concentration camps or other Nazi-era atrocities. Permits a one-time income tax deduction from gross income of the sum total of the annual interest derived from such payments made after May 7, 1945.

H.R. 6763. March 11, 1980. Interstate and Foreign Commerce; Ways and Means. Amends the Emergency Petroleum Allocation Act of 1973 to exempt the first sale of heavy crude oil from the mandatory allocation regulations promulgated under such Act. Provides that such exemption shall not be subject to the President's authority to reimpose allocation requirements on any exempt oil.

Exempts heavy crude oil from any Federal windfall profit tax or other Federal excise tax.

H.R. 6764. March 11, 1980. Ways and Means. Amends the Internal Revenue Code with respect to a person entitled to notice of a summons to a third-party recordkeeper to produce records of such person: (1) to repeal the current right of such person to stay compliance with the summons; and (2) to authorize such person to move for quashal of the summons within 14 days after notice is given.

H.R. 6765. March 11, 1980. Ways and Means. Amends the Internal Revenue Code to make the United States liable for civil damages for the unauthorized disclosure of tax return and nonreturn information made within the scope of office or employment of a Federal official or employee against whom damages are awarded.

H.R. 6766. March 11, 1980. Ways and Means. Amends the Internal Revenue Code to prohibit the unauthorized disclosure of nonreturn information as well as of tax returns.

Establishes an affirmative defense to a prosecution for unauthorized disclosure of a return or nonreturn information.

H.R. 6767. March 11, 1980. Ways and Means. Amends the Internal Revenue Code to provide for the disclosure of tax returns or nonreturn information to a Government attorney, either by way of an ex parte Federal court order or upon written request, for use: (1) in administrative, judicial, or grand jury proceedings, or in Federal or State criminal investigations; or (2) in connection with Federal civil litigation.

H.R. 6768. March 11, 1980. Post Office and Civil Service. Reforms the process for the selection and oversight of administrative law judges.

H.R. 6769. March 11, 1980. Post Office and Civil Service; Judiciary. Requires adjustments in census population figures for aliens in the United States illegally to minimize distortions in: (1) the reapportionment of the House of Representatives; (2) the legislative apportionment and districting of the States; and (3) the allocation of funds under Federal assistance programs.

H.R. 6770. March 11, 1980. Agriculture. Directs (rather than permits) the Secretary of Agriculture to promulgate regulations for the clean and sanitary movement of livestock and poultry in interstate commerce or into or from the United States.

H.R. 6771. March 11, 1980. Public Works and Transportation. Provides that the Federal Aviation Administration shall only perform functions relating to aviation safety.

H.R. 6772. March 11, 1980. Ways and Means. Amends the Internal Revenue Code to allow a limited income tax exclusion of interest earned on savings accounts on deposit with certain financial institutions. Disallows income tax deductions for interest paid on credit card debt.

H.R. 6773. March 11, 1980. Interior and Insular Affairs. Authorizes the establishment of the Georgia O'Keefe National Historic Site in the State of New Mexico.

H.R. 6774. March 11, 1980. Education and Labor. Amends the Fair Labor Standards Act of 1938 to make inapplicable, or to allow the waiver of, child labor provisions in the case of specified individuals employed to harvest strawberries, even if such employment is during school hours, if an employer certifies that compliance would cause severe economic disruption.

H.R. 6775. March 11, 1980. Post Office and Civil Service. Entitles any individual covered by a Federal health benefits program which provides payment for the services of a nurse-midwife, to unrestricted selection of, and access to, such nurse-midwife.

H.R. 6776. March 11, 1980. Ways and Means; Interstate and Foreign Commerce. Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act to provide for services rendered by a certified nurse-midwife under such titles.

H.R. 6777. March 11, 1980. Banking, Finance and Urban Affairs. Amends the Council on Wage and Price Stability Act to require the Council on Wage and Price Stability to report to the President and the Congress on an annual basis (formerly, on a quarterly basis and not later than 30 days after the close of each calendar quarter).

Raises the authorization of appropriations under such Act for fiscal year 1980. Extends the authorization of appropriations and the authority under such Act through fiscal year 1981.

H.R. 6778. March 11, 1980. Veterans' Affairs. Provides for confidential treatment of medical peer review and quality assurance documents.

H.R. 6779. March 11, 1980. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of older Americans in recognition of the 1981 White House Conference on Aging and the proposed 1982 World Assembly on Aging.

H.R. 6780. March 11, 1980. Agriculture. Amends the Agricultural Act of 1949 to establish a land diversion payment program, applicable with respect to the 1980 crop of feed grains.

H.R. 6781. March 11, 1980. Banking, Finance and Urban Affairs. Establishes a national legal rate of interest applicable to judgments, loans, and other extensions of credit.

H.R. 6782. March 11, 1980. Judiciary. Amends the venue provisions of Federal law to provide that a civil action in which a defendant is the United States, and an appeal from certain agency orders, must be brought in a judicial district or circuit in which a substantial portion of the impact or injury exists.

H.R. 6783. March 11, 1980. Ways and Means. Amends the Tariff Act of 1930, the Customs Procedural Reform and Simplification Act of 1978, and the Trade Act of 1974 to authorize appropriations for fiscal year 1981 for, respectively, the International Trade Commission, the Customs Service, and the Office of the Trade Representative.

Amends the Airport and Airway Development Act of 1970 to modify the maximum charge for overtime services performed for private aircraft and vessels arriving in and departing the United States.

H.R. 6784. March 11, 1980. Armed Services. Directs the Secretary of the Navy to acquire a leasehold interest in certain land in Balboa Park, San Diego, California, as a site for a new naval medical center in return for the conveyance to the city of San Diego, California, of all right, title, and interest of the United States in certain land in such park presently owned by the United States.

H.R. 6785. March 11, 1980. Judiciary. Authorizes the granting of a visa to, and admission of, a named individual to the United States for permanent residence.

H.R. 6786. March 11, 1980. Judiciary. Declares four individuals to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6787. March 11, 1980. Judiciary. Declares a certain individual to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6788. March 12, 1980. Government Operations; Rules; Ways and Means; Banking, Finance and Urban Affairs. Amend the Budget and Accounting Act, 1921 and the Congressional Budget Act of 1974 to prohibit any increase in Federal borrowing. Makes permanent the existing temporary limit on the public debt. Amends the Federal Reserve Act to prohibit the Federal Reserve from conducting operations to accommodate borrowing by the United States Treasury.

H.R. 6789. March 12, 1980. Ways and Means. Amends title II (Old Age, Survivors and Disability Insurance) of the Social Security Act to discontinue the payment of student benefits to children beyond the high school level.

H.R. 6790. March 12, 1980. Foreign Affairs; Post Office and Civil Service. Consolidates Foreign Service administration. Provides for a Director General, an Inspector General, a Board of the Foreign Service to aid the Secretary of State in administering the Foreign Service.

Establishes a Senior Foreign Service, members of whom are eligible for performance pay. Establishes a Foreign Service Schedule to include all personnel available for worldwide assignment. Converts individuals not so available to the Civil Service. Sets forth various personnel provisions concerning such things as selection boards, retirement, labor-management relations, and grievances.

Amends specified Acts to make conforming changes or repeal provisions superseded by this Act.

H.R. 6791. March 12, 1980. Post Office and Civil Service. Permits the postage-free mailing of absentee ballots and related materials.

H.R. 6792. March 12, 1980. Judiciary. Provides for contribution of damages attributable to an agreement by two or more persons to fix, maintain, or stabilize prices under the Clayton Act.

H.R. 6793. March 12, 1980. Ways and Means. Amends the Internal Revenue Code to allow an income tax exclusion for certain amounts of dividends or interest income earned by an individual taxpayer.

H.R. 6794. March 12, 1980. Education and Labor; Ways and Means; Agriculture; Banking, Finance and Urban Affairs. Requires each State to establish a workfare program as a condition of eligibility for benefits or assistance under Federal programs of aid to families with dependent children, food stamp assistance, and public or assisted housing.

H.R. 6795. March 12, 1980. Banking, Finance and Urban Affairs. Establishes within the Department of Housing and Urban Development a Special Assistant to the Secretary for Hispanic Programs.

H.R. 6796. March 12, 1980. Education and Labor. Amends the Comprehensive Employment and Training Act to revise the allocation of funds for the private sector programs. Directs the Secretary of Labor to use a portion of such funds to provide incentive bonuses to prime sponsors for coordinated activities with Federal, State, or local economic development programs.

Authorizes appropriations for the private sector program through fiscal year 1984.

Includes specified local economic development councils in advisory capacities under such program.

H.R. 6797. March 12, 1980. Judiciary. Amends the Federal criminal code to specify prohibited activities with respect to the administration or use of a polygraph examination on behalf of an employer engaged in business affecting interstate commerce.

H.R. 6798. March 12, 1980. Ways and Means. Amends the Internal Revenue Code to allow married individuals filing jointly an income tax credit to offset the effect known as the "marriage penalty" under the income tax rates.

H.R. 6799. March 12, 1980. Post Office and Civil Service. Directs the Postmaster General to issue a special postage stamp in honor of older Americans in recognition of the 1981 White House Conference on Aging and the proposed 1982 World Assembly on Aging.

H.R. 6800. March 12, 1980. Interstate and Foreign Commerce. Amends the Public Health Service Act to: (1) repeal the authority of the Secretary of Health and Human Services (formerly Health, Education, and Welfare) to make certain kinds of grants or loan guarantees to medical and other health training-related schools; (2) extend the authorization for other grant programs; (3) revise the provisions for release from service obligation of National Health Service Corps Scholarship recipients; and (4) abolish the National Advisory Council on Nurse Training.

H.R. 6801. March 12, 1980. Interior and Insular Affairs. Extends the provisions of the General Exchange Act to certain lands in order that they may become parts of the Umatilla and Wallowa National Forests.

H.R. 6802. March 12, 1980. Interstate and Foreign Commerce; Ways and Means. Amends titles III (General Powers and Duties of Public Health Service), VII (Health Research and Teaching Facilities and Training of Professional Health Personnel), and VIII (Nurse Training) of the Public Health Service Act to: (1) revise programs of the National Health Service Corps; (2) revise educational assistance programs; (3) revise nurse training programs; (4) establish the Graduate Medical Education National Advisory Committee; and (5) authorize appropriations for specified programs.

Amends titles XVIII (Medicare) and XIX (Medicaid) of the Social Security Act in relation to services provided by physicians who are medical residents.

Amends the Immigration and Nationality Act in relation to alien physicians.

H.R. 6803. March 12, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to the estate of a named individual in satisfaction of a claim against the United States.

H.R. 6804. March 13, 1980. Interior and Insular Affairs. Amends the National Historic Preservation Act of 1966 to maintain and expand a National Register of Historic Places.

Establishes as an independent agency an Advisory Council on Historic Preservation.

Provides a program of financial assistance to States and local governments and sets forth guidelines for all Federal agencies for the furtherance of the preservation of historic properties.

Establishes a Historic Preservation Fund in the United States Treasury.

Establishes the "National Center for the Building Arts" and the National Buildings Arts Foundation in the District of Columbia.

H.R. 6805. March 13, 1980. Interior and Insular Affairs. Directs the Secretary of the Interior to establish a national historic preservation program and a natural heritage program. Requires the Secretary to expand and maintain the National Register of Historic Places and to establish and administer a National Register of Natural Areas.

Renames the Advisory Council on Historic Preservation the Council on Heritage Conservation.

Establishes the Pension Building, located in the District of Columbia, as the "National Center for the Building Arts."

Establishes the National Building Arts Foundation to provide education and information relating to the history and practice of the building arts.

H.R. 6806. March 12, 1980. Ways and Means. Amends the Internal Revenue Code with respect to the treatment of public utility property to prohibit any taxpaying utility from using the normalization method of accounting if, for rate-making purposes or for reflecting operating results in its regulated books of account, it employs any adjustment that is inconsistent with the existing requirements for users of such accounting method.

Revises the formula for determination of the allowability of an investment tax credit on certain depreciable public utility property.

H.R. 6807. March 13, 1980. Interstate and Foreign Commerce; Ways and Means. Amends the Powerplant and Industrial Fuel Use Act of 1978, the Emergency Petroleum Allocation Act of 1973, and the Natural Gas Policy Act of 1978 so as to increase domestic production and conservation of energy.

Amends the Internal Revenue Code to increase the percentage of qualified energy investment which is entitled to the investment tax credit.

Allows an amortization deduction based on a period of 60 months for specified energy property.

H.R. 6808. March 13, 1980. Interstate and Foreign Commerce. Amends the Railroad Revitalization and Regulatory Refrom Act of 1976 to direct the Secretary of Transportation to encourage the private sector development of the rail passenger corridor between Atlantic City, New Jersey and Philadelphia, Pennsylvania. Mandates cooperation among specified agencies, rail carriers, and transportation authorities to aid in such development.

Authorizes appropriations for the purposes of this Act for fiscal year 1981.

H.R. 6809. March 13, 1980. Agriculture. Amends the Food and Agricultural Act of 1977 to require the Secretary of Agriculture to purchase the same quantity of classes of commodities affected by a suspension of commercial export sales of a specified commodity as he is required to purchase of such suspended commodity.

H.R. 6810. March 13, 1980. Ways and Means. Amends the Internal Revenue Code to allow certain low and moderate income taxpayers an income tax credit equal to the percentage increase in the Consumer Price Index in excess of ten percent, multiplied by the amount of tax imposed with respect to the taxpayer.

H.R. 6811. March 13, 1980. Banking, Finance and Urban Affairs Amends the International Development Association Act to authorize increased U.S. contributions to the International Development Association.

Provides for U.S. membership in the African Development Bank.

Amends the Bretton Woods Agreements Act and the Asian Development Act to revise the Banks' authority to subscribe to additional shares of stock.

H.R. 6812. March 13, 1980. Post Office and Civil Service; Judiciary. Requires adjustments in census population figures for aliens in the United States illegally to minimize distortions in: (1) the reapportionment of the House of Representatives; (2) the legislative apportionment and districting of the States; and (3) the allocation of funds under Federal assistance programs.

H.R. 6813. March 13, 1980. Ways and Means. Amends the Internal Revenue Code to allow the residential energy credit for energy conservation expenditures with respect to new residence if such expenditures are for items not required by Federal, State, or local housing standards.

H.R. 6814. March 13, 1980. Interstate and Foreign Commerce. Amends the Railway Labor Act to provide that State law shall govern the settlement of a labor dispute between employees and a State-owned rail passenger carrier after the procedures and requirements set forth in such Act (other than the creation of an emergency board) have been exhausted by the parties to the dispute.

H.R. 6815. March 13, 1980. Agriculture. Amends the Agriculture Act of 1949 to increase loan rates under the price support loan program for the 1980 and 1981 crops of corn and wheat.

H.R. 6816. March 13, 1980. Interior and Insular Affairs. Amends the Mineral Leasing Act of 1920 to authorize the Secretary of the Interior to issue coal leases on other Federal lands in the State of New Mexico to the owner or owners of specified coal leases upon surrender of such leases.

H.R. 6817. March 13, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from gross income certain unemployment compensation payments resulting from a specified work stoppage.

H.R. 6818. March 13, 1980. Interstate and Foreign Commerce. Authorizes additional appropriations for the Northeast corridor improvement project. Provides for the development of high-speed intercity rail passenger service in other corridors throughout the United States.

H.R. 6819. March 13, 1980. Agriculture. Amends the Food Stamp Act of 1977 to require annual rather than biannual adjustments in the cost of the thrifty food plan and the standard deduction under the food stamp program.

H.R. 6820. March 17, 1980. Intelligence. Revises congressional oversight procedures with respect to intelligence activities. Establishes criminal penalties for the unauthorized disclosure of classified intelligence information.

Specifies the circumstances and procedures under which an intelligence entity may collect or disseminate information concerning a United States person.

H.R. 6821. March 17, 1980. Agriculture. Amends the Food Stamp Act of 1977 to reduce the value of the allotment received by a household containing members who have available to them meals provided under the national school lunch program.

H.R. 6822. March 17, 1980. Ways and Means. Amends the Internal Revenue Code to allow married individuals filing jointly an income tax deduction from gross income to offset the effect known as the "marriage penalty" under the income tax rates.

H.R. 6823. March 17, 1980. Ways and Means. Amends the Internal Revenue Code to extend the termination date for certain provisions of the Tax Reform Act of 1976 relating to the allowance of a deduction for the amortization of certain rehabilitation expenditures for certified historic structures.

H.R. 6824. March 17, 1980. Ways and Means. Requires the application of existing law to nonqualified deferred compensation plans maintained by tax-exempt organizations.

H.R. 6825. March 17, 1980. Education and Labor. Directs the Secretary of Agriculture to study and report to the appropriate committees of Congress on the feasibility of amending the National School Lunch Act to make all children within specified jurisdictions eligible for free lunches.

H.R. 6826. March 17, 1980. Ways and Means. Amends the Internal Revenue Code to provide for the disclosure of tax return or nonreturn information to a Government attorney, either by way of an ex parte Federal court order or upon written request, or use: (1) in administrative, judicial, or grand jury proceedings, Federal or State, or in criminal investigations; or (2) in connection with Federal civil litigation.

H.R. 6827. March 17, 1980. Ways and Means. Amends the Internal Revenue Code to prohibit the unauthorized disclosure of nonreturn information as well as of tax returns.

Establishes an affirmative defense to a prosecution for unauthorized disclosure of a return or nonreturn information.

H.R. 6828. March 17, 1980. Ways and Means. Amends the Internal Revenue Code to make the United States liable for civil damages for the unauthorized disclosure of tax return and nonreturn information made within the scope of office or employment of a Federal official or employee against whom damages are awarded.

H.R. 6829. March 17, 1980. Ways and Means. Amends the Trade Expansion Act of 1962 to require the specific authorization of Congress before the President may impose import fees on petroleum and petroleum products.

H.R. 6830. March 17, 1980. Interstate and Foreign Commerce. Amends the Securities Exchange Act of 1934 to authorize appropriations for the Securities and Exchange Commission for fiscal years 1981 through 1983.

H.R. 6831. March 17, 1980. Interstate and Foreign Commerce. Amends the Securities Investor Protection Act to increase the maximum amount which the Securities Investor Protection Corporation may distribute to a customer in the liquidation of a broker-dealer.

H.R. 6832. March 17, 1980. Interior and Insular Affairs; Interstate and Foreign Commerce; Public Works and Transportation. Amends the Environmental Policy Act of 1969 to require that environmental impact statements be prepared with respect to interstate pipelines before Federal rights-of-way or permits may be issued.

H.R. 6833. March 17, 1980. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act to prohibit the Secretary of Health and Human Services (formerly, the Secretary of Health, Education, and Welfare) from establishing a regulation for the use of a food additive which is found to induce cancer when ingested in reasonable quantities by man or by animal.

H.R. 6834. March 17, 1980. Judiciary. Directs the Secretary of the Treasury to pay a sum to be specified by the Secretary of Agriculture to named individuals in full satisfaction of claims against the United States.

H.R. 6835. March 17, 1980. Judiciary. Declares two individuals to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6836. March 17, 1980. Judiciary. Relieves a named individual of liability to the

United States for indebtedness to the Department of Agriculture for overpayments for travel and relocation expenses.

H.R. 6837. March 18, 1980. Energy and Commerce. Amends the Railroad Revitalization and Regulatory Reform Act of 1976 to authorize appropriations for the Northeast Corridor improvement project and to require the Secretary of Transportation to begin development of energy-efficient rail passenger corridors.

Provides for the protection of the employees of the Chicago, Rock Island and Pacific Railroad Company.

H.R. 6838. March 18, 1980. Armed Services. Authorizes the Secretary of the Navy to establish a mass transit system for transporting military personnel from their residences and place of work on a non-fare charging basis.

H.R. 6839. March 19, 1980. Merchant Marine and Fisheries. Amends the Endangered Species Act of 1973 to extend the authorization of appropriations for State cooperative programs.

H.R. 6840. March 18, 1980. Interstate and Foreign Commerce. Amends the Toxic Substances Control Act to direct the Administrator of the Environmental Protection Agency to promulgate rules to: (1) prohibit the release of asbestos fibers or fibers from asbestos substitutes into the environment; (2) require warnings and instructions on such substances and materials; and (3) require asbestos substitutes to be employed in place of asbestos where feasible, provided that such substitutes present no new hazard.

H.R. 6841. March 18, 1980. Education and Labor; Agriculture. Amends the National Lunch Act and the Child Nutrition Act of 1966 to provide for the issuance of commodity letters of credit by the Department of Agriculture for the purchase of domestic agricultural commodities by schools to carry out school feeding programs in lieu of the purchase and distribution of commodities to the States by the Department.

H.R. 6842. March 18, 1980. Post Office and Civil Service; Merchant Marine and Fisheries. Exempts Shippers' Export Declarations from public disclosure.

Requires bills of lading to be attached to the manifest of the cargo of a ship bound for a foreign port. Specifies the information to be included on such manifest and the elements of such information to be available for public disclosure.

H.R. 6843. March 18, 1980. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to provide for comprehensive assessments and community-based services.

H.R. 6844. March 18, 1980. Foreign Affairs. Requires the Director of the International Communication Agency to make available the film, "Reflections: Samuel Eliott Morison," for public distribution within the United States.

H.R. 6845. March 18, 1980. Ways and Means. Amends the Internal Revenue Code to exempt from the excise tax on the sale of motor vehicles certain wind deflectors designed to be permanently mounted on the front of a truck cargo containers.

H.R. 6846. March 18, 1980. Judiciary; Interstate and Foreign Commerce. Authorizes appropriations for fiscal year 1981 to carry out the activities of the Department of Justice.

H.R. 6847. March 18, 1980. Agriculture; Interstate and Foreign Commerce; Science and Technology. Amends the Animal Welfare Act to require any research facility using live animals for research, testing, teaching, or for the production of medical or veterinary products to utilize certain methods of research and testing which minimize the pain inflicted upon such animals. Requires such facilities to establish and maintain animal care committees which shall be responsible for the care and use of such animals in accordance with this Act.

Directs the Secretary of Health and Human Services (formerly the Secretary of Health, Education, and Welfare) to appoint an advisory committee on the humane treatment of laboratory animals.

H.R. 6848. March 18, 1980. Armed Services. Requires that a unit of the Junior Reserve Officers' Training Corps contain 100 students to be established and 50 students for the unit to be maintained.

H.R. 6849. March 18, 1980. Small Business; Interstate and Foreign Commerce. Amends the Small Business Act to provide special loan guarantees to small business concerns for the acquisition of motor fuel service stations. Requires the divorcement of such stations from operation by certain producers and refiners of motor fuels. Controls sales by producers and refiners of motor fuels.

H.R. 6850. March 18, 1980. Interior and Insular Affairs. Amends existing Federal law to provide for the administration, maintenance, and operation of the Institute of American Indian Arts by the Indian Arts and Crafts Board.

H.R. 6851. March 18, 1980. Judiciary. Restores to a named individual certain rights that he forfeited as the result of a conviction under Federal law over interstate dealings in firearms.

H.R. 6852. March 18, 1980. Judiciary. Authorizes the classification of a certain individual as a child for purposes of the Immigration and Nationality Act.

H.R. 6853. March 18, 1980. Judiciary. Directs the Secretary of the Treasury to pay a specified sum to a named individual in full satisfaction of a claim against the United States.

H.R. 6854. March 19, 1980. Ways and Means. Amends the Internal Revenue Code to repeal the disability and income requirements for the sick pay exclusion enacted by the Tax Reform Act of 1976.

H.R. 6855. March 19, 1980. Ways and Means. Amends the Internal Revenue Code to impose upon homeowners associations the same income tax rates as are presently applicable to corporations.

H.R. 6856. March 19, 1980. Education and Labor. Directs the Bureau of Labor Statistics, in addition to its monthly collection of statistics and report on the volume of and changes in employment in specified fields, to collect statistics and report on job vacancies in such fields and to use the number of available but unfilled positions as an indicator.

Requires that all statistics in its monthly report be derived from a data base which permits meaningful comparison of the statistics.

H.R. 6857. March 19, 1980. Judiciary. Amends the Copyright Act of 1976 to permit: (1) the performance or display of a copyrighted work by instructors or pupils in the course of face-to-face teaching activities of any educational institution; and (2) the performance of a nondramatic literary or musical work by a nonprofit veterans' or fraternal organization if the profits are used exclusively for education, religious, or charitable purposes and not for private financial gain without infringement of copyright.

H.R. 6858. March 19, 1980. Ways and Means. Amends the Internal Revenue Code to extend the child care expenses credit to parents of handicapped children whether or not such parents incur the child care expenses while employed or outside their homes.

Grants tax-exempt status to a trust established for the care of a handicapped child. Allows an income tax reduction for contributions to such a trust. Provides that distributions from a child care trust shall not be taken into consideration in determining the eligibility of the trust beneficiary for Federal or State assistance.

H.R. 6859. March 19, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from an employee's gross income the value of a public transit pass distributed, under a written plan of the employer which does not discriminate in favor of emplolyees who are officers, shareholders, or highly compensated employees, by such employer to such employee and used by such employee for commuting between his residence and place of employment.

Allows a credit against the income tax of an employer of an amount equal to five percent of the cost of such passes.

H.R. 6860. March 19, 1980. Banking, Finance and Urban Affairs. Revises certain Federal housing programs which provide mortgage insurance for multifamily rental housing.

H.R. 6861. March 19, 1980. Education and Labor. Amends the Occupational Safety and Health Act of 1970 (OSHA) to exempt farms or non-hazardous businesses with ten or less employees from OSHA coverage.

Provides a partial exemption from OSHA regulation for certain workplaces with good safety records.

Directs the Secretary of Labor and the Secretary of Health and Human Resources to conduct education and training programs.

H.R. 6862. March 19, 1980. Education and Labor. Amends the Occupational Safety and Health Act (OSHA) to limit the amounts of civil penalties against employers who maintain advisory safety committees and regular consultation programs at workplaces.

Prohibits the use of OSHA appropriations to apply OSHA provisions to specified employers with lower than national average rates of occupational injury and illness.

H.R. 6863. March 19, 1980. Public Works and Transportation. Amends the Disaster Relief Act of 1974 to authorize appropriations to carry out such Act through fiscal year 1983.

H.R. 6864. March 19, 1980. Public Works and Transportation; Merchant Marine and Fisheries. Amends the Deepwater Port Act of 1974 to extend the current level of authorization for administration of such Act through fiscal year 1983.

H.R. 6865. March 19, 1980. Interstate and Foreign Commerce; Interior and Insular Affairs; Science and Technology. Authorizes the Department of Energy to carry out a high-level liquid nuclear waste management demonstration project at the Western New York Service Center in West Valley, New York.

H.R. 6866. March 19, 1980. Interstate and Foreign Commerce. Amends the Clean Air Act to direct the Administrator of the Environmental Protection Agency, States, and local governments to modify or withdraw imposed or proposed requirements of such Act which have adverse effects on employment.

Directs the Administrator to approve less stringent emission limitations on existing sources, under specified conditions, if a State Governor declares that the requirements of such Act threaten shutdown of such source.

H.R. 6867. March 19, 1980. Public Works and Transportation. Amends the Federal Water Pollution Control Act to direct the Administrator of the Environmental Protection Agency to implement his or her recommendations, in the case of finding an adverse effect on employment, by modifying or withdrawing any effluent limitation or order issued under such Act.

Directs the Administrator to modify or withdraw any effluent limitation or order if the Governor of any State advises the Administrator that such limit or order threatens closing of a plant facility.

H.R. 6868. March 19, 1980. Education and Labor; Armed Services. Establishes a commission to: (1) examine existing volunteer service opportunities, including opportunities under the Domestic Volunteer Service Act of 1973; (2) examine alternative comprehensive national service programs; and (3) develop a comprehensive national service program.

H.R. 6869. March 19, 1980. Armed Services. Authorizes officers of flag rank to serve in the Medical Service Corps of the Navy.

H.R. 6870. March 19, 1980. Education and Labor; Government Operations; Ways and Means. Amends the Civil Rights Act of 1964, the National Labor Relations Act, the Fair Labor Standards Act of 1938, the Occupational Safety and Health Act of 1970, the Freedom of Information Act, the Social Security Act, and the Internal Revenue Code of 1954 to include specified employees and officials of the Federal Government and of the legislative branch of the Federal Government for specified coverage under such Acts.

H.R. 6871. March 19, 1980. Education and Labor. Requires the use of the current assessed value of Federal property within a school district in determining the eligibility of a local educational agency for Federal compensation for the revenue the agency fails to receive because of the Federal acquisition of such property.

H.R. 6872. March 19, 1980. Government Operations. Requires the Administrator of General Services, where a specified amount of land within a State or local governmental unit is Federal real property, to pay to such unit amounts equivalent to the property taxes which would have been collected had the property been privately owned.

H.R. 6873. March 19, 1980. Ways and Means. Amends the Internal Revenue Code to: (1) permit businesses to accumulate up to $500,000 of earnings without incurring liability for the tax on accumulated earnings; (2) increase the maximum dollar amount of used property eligible for the investment tax credit; and (3) permit certain small businesses to elect to use the cash method of accounting in reporting inventories.

H.R. 6874. March 19, 1980. Small Business; Judiciary; Ways and Means; Government Operations. Increases Federal expenditures which go to small business concerns for research and development. Provides tax incentives for small business concerns including accelerated depreciation, investment tax credit for equipment, deferral of capital gains from investment in such a concern, and a corporate income tax rate reduction. Awards attorneys' fees where such concerns are successful in a suit with the Federal Government. Provides for Federal regulatory flexibility with respect to such concerns.

H.R. 6875. March 19, 1980. Judiciary. Establishes in the District of Columbia the Center for Defense Services as a private nonmembership nonprofit corporation to aid State and local efforts to promote the fair administration of criminal justice in State court proceedings and the uniform provision of defense services to individuals unable to afford counsel.

H.R. 6876. March 19, 1980. Veterans' Affairs. Provides for the payment of supplemental tuition allowances to certain veterans pursuing educational programs for the purposes of off-setting the differences in State educational costs. Extends the delimiting period for veterans enrolled in educational programs.

H.R. 6877. March 19, 1980. Agriculture. Amends the Agricultural Act of 1949 to increase price supports for the 1980 and 1981 crops of corn and wheat to specified levels.

H.R. 6878. March 19, 1980. Agriculture. Amends the Agricultural Act of 1949 to permit the Secretary of Agriculture to make price support loans on the 1979 crops to corn and wheat to any producer who did not comply with the requirements of the 1979 set-aside program for the commodity. Authorizes the sale of Commodity Credit Corporation stock of corn for use in making alcohol for motor fuel.

H.R. 6879. March 19, 1980. Interior and Insular Affairs; Public Works and Transportation; Interstate and Foreign Commerce. Establishes a procedure for the certification and regulation of coal pipeline carriers. Provides for the regulation by the Federal Energy Regulatory Commission of certain prices of pipeline-transported coal.

H.R. 6880. March 19, 1980. Interstate and Foreign Commerce. Amends the Public Health Service Act to extend the authorization of appropriations for specified cancer, cardiovascular, lung, blood, diabetes, and arthritis activities.

Extends the expiration dates for the National Diabetes Advisory Board and the National Arthritis Advisory Board, and revises the composition of the former.

Revises the formula for calculating National Health Service Corps cost sharing.

Amends the Community Mental Health Centers Act to extend the authorization for rape prevention and control and to eliminate specified reports and assistance.

Amends the Federal Food, Drug, and Cosmetic Act to repeal the exemption from regulation as cosmetics of coal-tar hair dyes.

H.R. 6881. March 19, 1980. Interior and Insular Affairs; Judiciary. Confers jurisdiction upon the United States District Court for the Eastern District of Oklahoma to hear all claims which the Cherokee Nation of Oklahoma may have against the United States with respect to certain lands or interests.

H.R. 6882. March 19, 1980. Interior and Insular Affairs. Alters the authority of the Secretary of the Interior to grant leases of oil and gas lands.

H.R. 6883. March 19, 1980. Ways and Means. Amends the Internal Revenue Code to revise the provisions relating to the tax treatment of installment sales of realty and casual sales of personalty.

H.R. 6884. March 19, 1980. Post Office and Civil Service. Entitles a State agency which collects taxes for elementary or secondary education to reduced postage rates.

H.R. 6885. March 19, 1980. Merchant Marine and Fisheries. Provides for certain vessels to participate in transporting salmon to on-shore processing plants in Alaska.

H.R. 6886. March 19, 1980. Judiciary. Authorizes the granting of a visa and admission to the United States for permanent residence to a named individual.

H.R. 6887. March 20, 1980. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise the program of assistance for health professions schools in financial distress.

H.R. 6888. March 20, 1980. Judiciary. Amends the Civil Rights Act of 1957 to authorize appropriations for the Commission on Civil Rights for fiscal year 1981.

H.R. 6889. March 20, 1980. Science and Technology. Establishes a methane vehicle research, development, and demonstration program to provide for research on the development of domestic methane resources and on methane-fueled vehicles, to demonstrate the practicalities of such vehicles for fleet use, and to provide for the substitution of such vehicles for gasoline—and diesel-powered vehicles currently used in fleet operation.

H.R. 6890. March 20, 1980. Public Works and Transportation. Amends the Urban Mass Transportation Act of 1964 to provide for authorizations of appropriations for: (1) buses and related transit equipment; (2) specified grant and loan programs; and (3) construction or operating assistance in urbanized areas. Establishes a program of grants of buses and related equipment to States and public bodies for public transportation service.

H.R. 6891. March 20, 1980. Government Operation. Amends the State and Local Fiscal Assistance Act of 1972 to: (1) authorize appropriations to the State and Local Government Fiscal Assistance Trust Fund for fiscal year 1981; (2) terminate payments to State governments; (3) subject revenue sharing entitlements to the appropriations process; and (4) require a study of the efficacy of the revenue sharing program.

H.R. 6892. March 20, 1980. Judiciary. Amend the Gun Control Act of 1968 to make it unlawful for any licensed importer, manufacturer, or dealer to sell a handgun to any person or entity which such licensee has reason to know is not a licensed importer, manufacturer, dealer, or government. Defines "handgun" to mean a firearm having a barrel less than ten inches in length.

H.R. 6893. March 20, 1980. Judiciary. Directs the Secretary of Education to relieve the State Community College of East Saint Louis and any past or present member of the board of trustees of such college of all liability relating to a specified misappropriation of funds by an official of such college, exceeding sums paid or due prior to the date of enactment of this Act under a specified agreement.

H.R. 6894. March 20, 1980. Veterans' Affairs. Provides a comprehensive program of benefits for Vietnam era veterans by providing: (1) a program of career development, advancement, and training; (2) a conditional extension of the educational assistance delimiting period; (3) modifications to the disabled veterans vocational rehabilitation program; (4) the payment of GI bill tuition expenses through an educational loan discharge program; (5) an increase in educational assistance allowances; (6) modifications to the outreach psychological readjustment assistance, educational and occupational counseling, and employment programs; (7) an interagency Veterans Advisory Task Force and a Presidential Commission on Veterans' Affairs; and (8) for veterans suffering from diseases or disabilities attributable to exposure to specified substances.

H.R. 6895. March 24, 1980. Judiciary. Permits associations of professional pharmacists to negotiate collectively with third-party insurers relative to their reimbursement for dispensing prepaid prescriptions.

H.R. 6896. March 24, 1980. Education and Labor. Amends the Occupational Safety and Health Act of 1970 to require an employer to: (1) identify any chemical substances which are handled or used in connection with work performed at any workplace of such employer; (2) provide employees with clear and adequate information regarding any hazard associated with such handling and use; and (3) furnish employees with appropriate instruction regarding safety precautions to be followed in such handling and use.

Establishes a civil penalty of up to $300,000 for each violation, for willful or repeated violations of such requirements.

H.R. 6897. March 24, 1980. Education and Labor. Amends the Elementary and Secondary Education Act of 1965 to establish an Office of Alternative and Worksite Education.

Directs the Secretary of Education to: (1) make grants to qualified nonprofit organiations located in and serving an eligible area to conduct alternative and worksite education programs; (2) to obtain and distribute, in cooperation with the Secretary of Labor, information on probable employee needs of employers; and (3) establish and operate a National Clearinghouse on Alternative and Worksite Education.

H.R. 6898. March 24, 1980. Interstate and Foreign Commerce. Amends the Clean Air Act to prohibit the Administrator of the Environmental Protection Agency from requiring that State implementation plans require the periodic inspection and testing of motor vehicles.

Authorizes the Administrator to establish and enforce separate inspection and testing of each new motor vehicle before the vehicle is sold by the manufacturer.

H.R. 6899. March 24, 1980. Merchant Marine and Fisheries; Ways and Means. Revises the economic regulation of international ocean shipping. Exempts specified ocean shipper and carrier agreements from the antitrust laws.

Amends the Merchant Marine Act, 1936, to revise the construction-differential and operating-differential subsidies. Directs the Secretary of Commerce to preserve and promote the maritime shipping interests of the United States.

Amends the Internal Revenue Code to revise the tax treatment of income derived from maritime shipping.

Amends the Intercoastal Shipping Act, 1933, in regard to specified shipping rates and tariffs.

H.R. 6900. March 24, 1980. Judiciary. Makes technical changes to specified titles of the United States Code relative to the armed forces, Coast Guard, National Guard, pay and allowances of the uniformed services, and veterans.

H.R. 6901. March 24, 1980. Ways and Means. Amends the Internal Revenue Code to limit the advertising expense deduction from gross income for oil companies to amounts paid or incurred for advertisements whose purpose is solely the sale of products or services.

H.R. 6902. March 24, 1980. Interstate and Foreign Commerce. Amends title IV (National Research Institutes) of the Public Health Service Act to set forth uniform authority for the National Institutes of Health and extend the authorization of appropriations for such institutes.

H.R. 6903. March 24, 1980. Judiciary. Declares a certain individual to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6904. March 25, 1980. Banking, Finance and Urban Affairs; Small Business. Redesignates the Minority Business Development Agency in the Department of Commerce as the Minority Business Development Administration. Establishes a revolving Treasury fund for such Administration.

Sets forth such Administration's duties.

H.R. 6905. March 25, 1980. Education and Labor. Amends the National Defense Education Act of 1958 to direct the Secretary of Education to establish a program of making grants to institutions of higher education to promote student enrollment in foreign language and international studies.

H.R. 6906. March 25, 1980. Ways and Means. Amends the Internal Revenue Code to allow, in the case of a taxpayer engaged in the trade or business of farming, a credit against income tax in an amount equal to the annual expenditures for conversion of qualified farm equipment to alcohol fuel use.

H.R. 6907. March 25, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from gross income interest or dividends earned on savings deposits which are used by the deposit institution for residential mortgage lending purposes.

H.R. 6908. March 25, 1980. Interstate and Foreign Commerce. Amends the automobile fuel economy provisions of the Motor Vehicle Information and Cost Savings Act, as enacted by the Energy Policy and Conservation Act, to provide an alternative means for automobile manufacturers to meet the fuel economy standards established under such provisions.

H.R. 6909. March 25, 1980. Armed Services. Allows an individual who receives a readjustment payment upon discharge from active duty with the Armed Forces as a member of the Reserves and who later becomes tion or distribution industries, threat of economic justment payment through partial, rather than total, reductions from such individual's retired pay.

H.R. 6910. March 25, 1980. Science and Technology; Judiciary. Establishes a national technology foundation.

H.R. 6911. March 25, 1980. Post Office and Civil Service. Increases the minimum coverage under the Federal Government life insurance policies for civil service retirees from 25 percent to 40 percent.

H.R. 6912. March 25, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from the gross income of an individual who has attained age 65 before the close of the taxable year any amount received as a pension or annuity under a public retirement system.

H.R. 6913. March 25, 1980. Post Office and Civil Service. Provides for the right of employees of the Postal Service to a safe working environment.

H.R. 6914. March 25, 1980. Ways and Means. Amends the Internal Revenue Code to allow a credit against a married individual's income tax in an amount equal to such taxpayer's qualified fuel oil contribution for the taxable year.

H.R. 6915. March 25, 1980. Judiciary. Amends in the entirety title 18, the Federal criminal code.

H.R. 6916. March 25, 1980. Ways and Means. Amends the Internal Revenue Code to declare the due date for payment of the manufacturers excise tax on tires, tubes, and tread rubber.

H.R. 6917. March 25, 1980. Ways and Means. Amends the Internal Revenue Code to allow a credit against income tax for a portion of local earned income taxes paid by individuals who are not residents of the local governmental area.

H.R. 6918. March 25, 1980. Interior and Insular Affairs. Designates the Curecanti Storage Unit, Colorado, of the Colorado River Storage Project as the Wayne N. Aspinall Storage Unit.

H.R. 6919. March 25, 1980. Appropriations. Rescinds specified appropriations for fiscal year 1980 made available for the purchase of furniture and rental of space by Federal agencies and departments.

H.R. 6920. March 25, 1980. Ways and Means. Amends the Trade Expansion Act of 1962 to require the specific authorization of Congress before the President may impose import fees on petroleum and petroleum products.

H.R. 6921. March 25, 1980. Interstate and Foreign Commerce. Amends the Uniform Time Act of 1966 to change the date each year on which daylight savings time begins from the last Sunday in April to the last Sunday in February.

H.R. 6922. March 25, 1980. Ways and Means. Provides mandatory social security coverage for Members of Congress and the Vice President.

H.R. 6923. March 25, 1980. Public Works and Transportation. Authorizes common carriers to establish special rates for transportation of certain handicapped individuals accompanied by their guide dogs. Authorizes guide dogs accompanying their handicapped masters to enter public buildings.

H.R. 6924. March 25, 1980. Interstate and Foreign Commerce. Amends the Controlled Substances Act to extend the authorization of appropriations through fiscal year 1983 for the expenses of the Department of Justice in carrying out its functions under such Act. Increases the criminal penalties for violation of such Act involving in excess of 1,000 pounds of marihuana.

H.R. 6925. March 25, 1980. Post Office and Civil Service. Makes Inauguration Day a legal public holiday.

H.R. 6926. March 25, 1980. Judiciary. Allows a named individual to apply, within six months after the date of enactment of this Act, for benefits as compensation for work injuries notwithstanding applicable Federal law.

H.R. 6927. March 25, 1980. Judiciary. Considers a named individual to have been married for a specified period for the purposes of determining her entitlement to widow's insurance benefits under the Social Security Act.

H.R. 6928. March 26, 1980. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act with respect to cash discounts.

H.R. 6929. March 26, 1980. Energy and Commerce. Amends the Public Health Service Act to eliminate an additional grant requirement for nonprofit private schools of optometry.

H.R. 6930. March 26, 1980. Energy and Commerce. Expedites the conversion by certain existing electric powerplants from the use of oil to coal or another alternate fuel. Assists the ratepayers of the electric utilities involved in reducing the costs of conversion and insuring that petroleum and natural gas costs are reasonable.

H.R. 6931. March 26, 1980. Energy and Commerce. Amends the Solid Waste Disposal Act to authorize the Administrator of the Environmental Protection Agency to: (1) require an inventory of hazardous waste sites; (2) clean up dangerous inactive waste sites; (3) provide for the management of inactive hazardous waste sites; (4) make hazardous waste generators liable for injuries caused by such waste; (5) impose fees on such generators to be used in assisting States in such management and compensating for unsatisfied damages; (6) provide for subpoena authority; (7) provide funds for enforcement by States attorneys general; and (8) increase criminal penalties and types of violations under such Act.

H.R. 6932. March 26, 1980. Veterans' Affairs. Increases the rate of compensation payable to veterans who have lost, or lost the use of, both upper extremities as the result of a service-connected disability.

H.R. 6933. March 26, 1980. Judiciary. Authorizes an individual to: (1) cite to the Patent and Trademark Office prior art patents or publications which are pertinent to a later patent; and (2) reexamine a patent to determine whether such a prior patent or publication has any bearing on the patentability of any claim of such patent.

Directs the Secretary of Commerce to establish fees for all services and materials relating to patents and trademarks, including application and maintenance.

H.R. 6934. March 26, 1980. Judiciary. Amends the Copyright Act of 1976 to limit the exclusive rights of a copyright owner in a computer program. Permits owners of a copy of such program to adapt such program for utilization or archival purposes without infringing the copyright.

H.R. 6935. March 26, 1980. Ways and Means. Extends the income tax exclusion for subsistance allowances paid to State police officers.

H.R. 6936. March 26, 1980. Energy and Commerce. Prohibits the Secretary of Energy from promulgating any Federal emergency energy conservation plan which would restrict recreational boating.

H.R. 6937. March 26, 1980. Energy and Commerce; Public Works and Transportation. Amends the Hazardous Materials Transportation Act to authorize appropriations for fiscal year 1981 and 1982.

H.R. 6938. March 26, 1980. Energy and Commerce; Public Work and Transportation. Amends the Independent Safety Board Act of 1974 to authorize appropriations for fiscal years 1981 and 1982.

H.R. 6939. March 26, 1980. Ways and Means. Amends the Internal Revenue Code to eliminate the requirement that a taxpayer must have attained age 55 to qualify for the one-time exclusion of gain from the sale of a principal residence.

H.R. 6940. March 26, 1980. Energy and Commerce. Amends the Federal Food, Drug, and Cosmetic Act to require infant formulas to provide specified nutrient levels.

H.R. 6941. March 26, 1980. Judiciary. Amends the Alien Enemies Act to include within the definition of a predatory act against the United States: (1) the seizure of a diplomatic mission; or (2) the seizure of such premiess together with the taking of diplomatic hostages.

H.R. 6942. March 26, 1980. Foreign Affairs. Amends the Foreign Assistance Act of 1961, the Arms Export Control Act, and the Peace Corps Act to authorize appropriations for fiscal year 1981 for international development and security assistance programs and for arms sales. Establishes the African Development Foundation.

H.R. 6943. March 26, 1980. Energy and Commerce. Amends the Motor Vehicle Information and Cost Savings Act to extend the carryover and carryback periods for fuel economy credits earned by manufacturers. Provides incentives with respect to increasing the amount of labor and materials added in the United States in connection with the manufacture of automobiles by foreign manufacturers.

H.R. 6944. March 26, 1980. Banking, Finance and Urban Affairs. Establishes a national legal rate of interest applicable to judgments, loans, and other extensions of credit.

H.R. 6945. March 26, 1980. Energy and Commerce. Amends the Public Utilities Regulatory Policies Act of 1978 to expand the allowable power capacity of dams at which small hydroelectric power projects may be undertaken.

H.R. 6946. March 26, 1980. Energy and Commerce. Amends the Federal Power Act to provide that a person may construct, operate, and maintain a power project which has not more than 100 kilowatts of installed capacity without obtaining a license from the Federal Energy Regulatory Commission.

H.R. 6947. March 26, 1980. Energy and Commerce. Amends the Powerplant and Industrial Fuel Use Act of 1978 to expedite conversions from the use of petroleum and natural gas to the use of mixtures of petroleum and coal or other alternate fuels.

H.R. 6948. March 26, 1980. Energy and Commerce. Establishes a loan program for the purchase and installation of microhydroelectric equipment.

H.R. 6949. March 26, 1980. Ways and Means. Amends the Internal Revenue Code to qualify microhydroelectric energy property for the residential energy credit.

H.R. 6950. March 26, 1980. Judiciary. Declares a certain individual to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6951. March 27, 1980. Banking, Finance and Urban Affairs. Amends the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority.

H.R. 6952. March 27, 1980. Banking, Finance and Urban Affairs. Amends the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority.

H.R. 6953. March 27, 1980. Ways and Means. Extends the income tax exclusion for subsistence allowances paid to State police officers.

H.R. 6954. March 27, 1980. Ways and Means. Amends the Trade Expansion Act of 1962 with respect to the powers of the President to impose fees on imports of petroleum and petroleum products.

H.R. 6955. March 27, 1980. Education and Labor. Amends the National Labor Relations Act to include effects upon energy production or distribution industries, threat of economic instability, and regional emergencies among specified conditions for emergency remedies for strikes or lock-outs.

Provides that, as part of emergency labor injunctions, wage supplement orders may be issued if compelling employees to return to work at existing wage rates would unduly advantage employers or disadvantage employees. Authorizes the President to direct the Attorney General to petition a court for such orders, and for further injunctions.

Provides for civil penalties against employers and for reductions or deferrals of such wage supplements.

H.R. 6956. March 27, 1980. Merchant Marine and Fisheries. Amends the Coastal Zone Management Act of 1972 to provide for coastal zone management programs and grants in the United States.

H.R. 6957. March 27, 1980. Judiciary. Amends the Immigration and Nationality Act to exempt from English language naturalization requirements certain political refugees.

H.R. 6958. March 27, 1980. Public Works and Transportation. Requires any airport receiving Federal assistance to provide reasonable access to the terminal area of the airport to motor common carriers of persons seeking to provide transportation to and from the airport.

H.R. 6959. March 27, 1980. Merchant Marine and Fisheries. Authorizes the establishment of a cooperative program involving the United States, the State of Washington, the Treaty Tribes, and other appropriate parties to: (1) encourage stability in commercial and charter fishing industries; and (2) improve the quality of and opportunity for salmon and steelhead recreational fishing.

H.R. 6960. March 27, 1980. Interstate and Foreign Commerce; Judiciary. Amends the Immigration and Nationality Act and the Public Health Service Act with regard to alien graduates of foreign medical schools.

H.R. 6961. March 27, 1980. Armed Services. Authorizes and directs the Director of the Federal Emergency Management Agency to develop emergency evacuation plans for highly populated areas of the United States for use in the event of nuclear attack and to use such plans as a model to the extent practicable in the development of supplemental emergency evacuation plans for use in the event of accidents at civilian nuclear powerplants or other nonmilitary disasters or accidents which threaten U.S. civilian populations.

H.R. 6962. March 27. 1980. Judiciary. Declares that a named individual shall be considered to have come to the United States and been physically present therein for a specified period, for purposes of certain subsequently repealed nationality and citizenship requirements of the Immigration and Nationality Act which applied to such individual.

H.R. 6963. March 28, 1980. Banking. Finance and Urban Affairs. Directs the Secretary of the Treasury, beginning in fiscal year 1981, to issue guarantees with respect to the payment of principal and interest on bonds issued by the Suffolk County Sewer Authority, in Suffolk County, New York.

H.R. 6964. March 28, 1980. Public Works and Transportation. Allows the Secretary of Transportation to make grants and loans for carpooling and vanpooling programs. Establishes a national office of ridesharing.

H.R. 6965. March 28, 1980. Science and Technology; Judiciary. Establishes a uniform Federal system for management, protection, and utilization of the results of federally sponsored scientific and technological research and development.

H.R. 6966. March 28, 1980. Armed Services. Revises the special pay provisions for certain health professionals in the uniformed services.

H.R. 6967. March 28, 1980. Ways and Means. Amends the Internal Revenue Code to subject to income tax withholding agricultural labor which is otherwise subject to FICA tax withholding.

H.R. 6968. March 28, 1980. Interstate and Foreign Commerce. Requires a rail carrier having market dominance to demonstrate that its proposed rates do not exceed a reasonable maximum. Prohibits the Interstate Commerce Commission from allowing a rail carrier to impose subsidy burdens on certain shippers in order to achieve adequate overall revenue levels.

H.R. 6969. March 28, 1980. Education and Labor. Directs the Secretary of Labor to take any necessary action to insure that the enlistment of any individual in the U.S. Armed Forces is treated the same as any other employment or placement of an individual for purposes of the "Wagner-Peyser Act" (which established a national employment system).

H.R. 6970. March 28, 1980. Interior and Insular Affairs; Agriculture. Designates certain lands in the Mount Baker-Snoqualmie National Forest, Washington, for inclusion in the national wilderness preservation system.

H.R. 6971. March 3, 1980. Judiciary. Transfers the counties of Audrain and Montgomery from the Eastern Division of the Eastern Judicial District of Missouri to the Northern Division of such District.

H.R. 6972. March 28, 1980. Armed Services. Provides that members of the Armed Forces who are residents of Guam and who are serving in Guam shall receive foreign duty pay on the same basis as other members of the Armed Forces serving in Guam.

H.R. 6973. March 28, 1980. Judiciary. Declares a certain individual to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 6974. March 31, 1980. Armed Services. Authorizes appropriations for fiscal year 1981 for military weapons procurement and for military research, development, test, and evaluation. Sets forth the end strength levels for active duty and reserve military personnel and for civilian personnel within the Department of Defense. Sets forth the authorized military training loads for the components of the various armed forces. Extends specified reserve recruitment incentives.

Authorizes appropriations to carry out the provisions of the Federal Civil Defense Act of 1950.

H.R. 6975. March 31, 1980. Ways and Means. Amends the Tariff Schedules of the United States to provide for the duty-free entry of wood veneer.

H.R. 6976. March 31, 1980. Energy and Commerce. Amends the Federal Trade Commission Act to eliminate the Federal Trade Commission's current authority to provide attorneys fees, expert witness fees, and other costs of participating in rulemaking proceedings.

H.R. 6977. March 31, 1980. Interstate and Foreign Commerce. Amends the Federal Hazardous Substances Act to establish labeling requirements for substances which cause chronic health side effects.

H.R. 6978. March 31, 1980. Ways and Means. Amends the Internal Revenue Code to extend the termination date for certain provisions of the Tax Reform Act of 1976 relating to the allowance of a deduction for the amortization of certain rehabilitation expenditures for certified historic structures.

H.R. 6979. March 31, 1980. Merchant Marine and Fisheries. Amends the Coastal Zone Management Act of 1972 to provide for coastal zone management programs and grants in the United States.

Abolishes the Coastal Zone Management Advisory Committee.

H.R. 6980. March 31, 1980. Ways and Means. Amends title XVI (Supplemental Security Income) of the Social Security Act to: (1) increase the amount of income an individual or couple may receive and still qualify for

SSI benefits; and (2) provide for periodic cost-of-living increases.

H.R. 6981. March 31, 1980. Ways and Means. Amends the Internal Revenue Code to allow an employee, in the case of an employee annuity, to elect to exclude from gross income all amounts received by such employee under the annuity until the employee recovers his consideration, without regard to whether such consideration is recovered during the first three years of such annuity.

H.R. 6982. April 1, 1980. Armed Services. Revises the special pay provisions for certain health professionals in the uniformed services.

H.R. 6983. April 1, 1980. Education and Labor. Amends the Juvenile Justice and Delinquency Prevention Act of 1974 to authorize appropriations through fiscal year 1984 for the Office of Juvenile Justice and Delinquency Prevention, the Coordinating Council on Juvenile Justice and Delinquency Prevention, the National Institute for Juvenile Justice and Delinquency Prevention, and related committees, and for assistance to State and local programs.

Revises the duties of the Council and of the Institute.

Requires the Law Enforcement Assistance Administration to maintain a portion of its appropriations for juvenile delinquency programs.

Requires specified programs to focus on the treatment of serious, violent, or chronic repeat juvenile offenders.

H.R. 6984. April 1, 1980. Merchant Marine and Fisheries; Foreign Affairs. Authorizes the Secretary of the Interior to: (1) assign employees to international organizations or foreign governments for wildlife conservation projects; (2) provide financial assistance for wildlife conservation training of foreign nationals; and (3) assign regional wildlife resource attaches to disseminate reliable wildlife data. Establishes the Advisory Council on International Wildlife Resource Conservation.

Directs the Secretary to design a comprehensive program to conserve the African elephant.

H.R. 6985. April 1, 1980. Ways and Means. Amends the Internal Revenue Code to allow an employee, in the case of an employee annuity, to elect to exclude from gross income all amounts received by such employee under the annuity until the employee recovers his consideration, without regard to whether such consideration is recovered during the first three years of such annuity.

H.R. 6986. April 1, 1980. Interstate and Foreign Commerce. Amends the Regional Rail Reorganization Act of 1973 with respect to the transfer of rail properties of the Consolidated Rail Corporation in the States of Connecticut and Rhode Island to another rail carrier.

H.R. 6987. April 1, 1980. Armed Services. Provides for the acquisition and the conveyance of certain real property by the United States Air Force.

H.R. 6988. April 1, 1980. Ways and Means. Amends the Social Security Act to declare that amounts paid to or on behalf of a public employee by a State or a local government (including certain payments into an annuity fund) do not constitute covered wages under the State's agreement if they would not be treated as covered wages for purposes of FICA taxes in the case of a private employee.

H.R. 6989. April 1, 1980. Judiciary; Ways and Means. Amends the Internal Revenue Code to disallow tax deductions for punitive damages paid or incurred by a taxpayer.

H.R. 6990. April 1, 1980. Judiciary. Extends death benefit coverage under title I of the Omnibus Crime Control and Safe Streets Act of 1968 to include public safety officers who die as a result of a medical condition sustained while ingesting a poisonous substance or while subject to extreme physical stress, on a single occasion or during a single event, in the performance of duty.

H.R. 6991. April 1, 1980. Banking, Finance and Urban Affairs. Revises the public participation requirements concerning housing assistance plans developed in connection with the community development program carried out under title I of the Housing and Community Development Act of 1974.

H.R. 6992. April 1, 1980. Interstate and Foreign Commerce; Science and Technology; Interior and Insular Affairs. Amends the Atomic Energy Act of 1954 to establish in the United States Treasury a uranium enrichment fund to consist of specified monies to be used for uranium production and enrichment activities.

H.R. 6993. April 1, 1980. Banking, Finance and Urban Affairs; Veterans' Affairs. Provides that the interest rate on certain federally insured mortgages under the National Housing Act shall be the rate charged for uninsured mortgages.

H.R. 6994. April 1, 1980. House Administration. Renames certain buildings of the Library of Congress.

H.R. 6995. April 1, 1980. Interstate and Foreign Commerce. Amends the Toxic Substances Control Act to extend the authorization of appropriations through fiscal year 1982.

H.R. 6996. April 1, 1980. Armed Services. Provides for an immediate increase in the pay and allowances of members of the uniformed services. Provides for automatic semiannual cost of living increases in such pay and allowances thereafter.

H.R. 6997. April 1, 1980. Ways and Means. Amends the Internal Revenue Code to allow a personal exemption deduction for a dependent without regard to: (1) such dependent's gross income; or (2) whether the dependent, if a child, is under age 19 or a student.

H.R. 6998. April 1, 1980. Government Operations. Amends the Federal Property and Administrative Services Act of 1949 to require Federal agencies which are about to dispose of surplus real property suitable for agricultural use to offer to sell such property to specified prior holders or lessees of such property.

H.R. 6999. April 1, 1980. Interstate and Foreign Commerce. Expedites the conversion by certain existing electric powerplants from the use of oil to coal or another alternative fuel. Assists the ratepayers of the electric utilities involved in reducing the costs of conversion. Ensures that petroleum and natural gas costs are reasonable.

H.R. 7000. April 1, 1980. Interstate and Foreign Commerce. Provides for a uniform product liability law.

H.R. 7001. April 1, 1980. Banking, Finance and Urban Affairs. Amends the Federal Reserve Act with respect to Federal Reserve bank stock subscriptions, the organization of Federal Reserve banks, and membership in the Federal Reserve System.

H.R. 7002. April 1, 1980. Ways and Means. Amends the Internal Revenue Code to restore the income tax deduction for State and local taxes on gasoline and other motor fuels.

H.R. 7003. April 1, 1980. Interstate and Foreign Commerce. Amends the Toxic Substances Control Act to extend the authorization of appropriations contained in such Act.

H.R. 7004. April 1, 1980. Ways and Means. Amends the Tariff Schedules of the United States to provide for the temporary duty-free entry of specified warp knitting machines.

H.R. 7005. April 1, 1980. Education and Labor. Authorizes the Secretary of Education to enter into an agreement with the Howard County College District of Big Spring, Texas, for the establishment and operation, including construction and equipment, of the Southwest Collegiate Institute for the Deaf.

Sets forth requirements under such agreement, for the use of Federal funds, an advisory group to the director of such institute, and annual reports.

H.R. 7006. April 1, 1980. Education and Labor. Amends the Occupational Safety and Health Act of 1970 (OSHA) to provide a partial exemption from OSHA regulation for certain workplaces with good safety records.

H.R. 7007. April 1, 1980. Judiciary. Grants the consent of the Congress to the Southern States energy compact.

H.R. 7008. April 1, 1980. Judiciary. Declares three individuals to have been lawfully admitted to the United States for permanent residence, under the Immigration and Nationality Act.

H.R. 7009. April 2, 1980. Ways and Means. Amends the Internal Revenue Code to exclude from gross income Federal grants for tuition and related expenses at institutions of higher education, even though the grant recipient is required to perform future service as a Federal employee.

H.R. 7010. April 2, 1980. Interstate and Foreign Commerce; Judiciary; Education and Labor. Develops a system of self-governance for large corporations with respect to: (1) the participation of shareholders and directors in company decisionmaking; (2) the informing of stockholders and affected communities of the economic and social impact of corporate activities; (3) the protection of the rights of employees; (4) the establishment of public responsibilities of directors, officers, and managing agents of corporations; and (5) providing penalties for violations of those responsibilities.

H.R. 7011. April 2, 1980. House Administration. Provides that United States citizens residing abroad shall be represented by a Delegate to the House of Representatives for United States Citizens Abroad, who shall be elected by such citizens under provisions of this Act.

H.R. 7012. April 2, 1980. Science and Technology. Authorizes appropriations for the National Bureau of Standards for fiscal year 1981.

H.R. 7013. April 2, 1980. Science and Technology. Amends the Earthquake Hazards Reduction Act of 1977 and the Federal Fire Prevention and Control Act of 1974 to authorize appropriations to the Director of the Federal Emergency Management Agency to carry out the earthquake hazards reduction program and the fire prevention control program.

H.R. 7014. April 2, 1980. Science and Technology. Authorizes appropriations for the National Science Foundation for fiscal year 1981. Establishes spending ceilings and floors for specified programs. Requires the Foundation to prepare and submit to Congress specified reports.

H.R. 7015. April 2, 1980. Ways and Means; Rules. Amends the Internal Revenue Code to: (1) lower individual and corporate income tax rates and social security tax rates; (2) provide tax incentives for investment in the common stock of domestic corporations; (3) revise tax rules for computing depreciation; and (4) impose a value added tax on sales of property and services.

Amends the Congressional Budget Act of 1974 to limit Federal expenditures to specified percentages of the gross national product for fiscal years after 1980.

H.R. 7016. April 2, 1980. Banking, Finance and Urban Affairs. Amends the mortgage amount, sales price, and interest rate limitations under the Government National Mortgage Association emergency home purchase assistance authority.

H.R. 7017. April 2, 1980. Interstate and Foreign Commerce. Requires the Secretary of Health, Education, and Welfare to study whether there may be a relationship between exposure of members of the Armed Forces of the United States to nuclear radiation in Hiroshima and Nagasaki immediately after World War II and various symptoms currently exhibited by such members.

H.R. 7018. April 2, 1980. Agriculture. Amends the Federal Insecticide, Fungicide, and Rodenticide Act to authorize appropriations to carry out the provisions of such Act through fiscal year 1981.

H.R. 7019. April 2, 1980. Ways and Means. Amends the Internal Revenue Code to increase the excise tax on cigarettes.

H.R. 7020. April 2, 1980. Interstate and Foreign Commerce. Amends the Solid Waste Disposal Act to provide authorities to respond to releases of hazardous waste from inactive hazardous waste sites which endanger public health and the environment. Establishes a hazardous waste response fund to be funded by a system of fees. Establishes prohibitions and requirements concerning inactive hazardous waste sites. Provides for liability of persons responsible for releases of hazardous waste at such sites.

H.R. 7021. April 2, 1980. Interstate and Foreign Commerce; Ways and Means. Provides increases with respect to the speed and reliability of performance of intercity rail passenger service.

H.R. 7022. April 2, 1980. Agriculture. Authorizes a national soil conservation program utilizing incentives to land owners to install and maintain conservation measures meeting certain standards. Establishes a pilot program to test the purchase of conservation benefits.

H.R. 7023. April 2, 1980. Interstate and Foreign Commerce. Directs the Secretary of Health and Human Services (formerly, the Secretary of Health, Education, and Welfare) to conduct a clinical investigation of the safety and efficacy of dimethyl sulfoxide as a drug to be used by persons with arthritis.

H.R. 7024. April 2, 1980. Ways and Means. Amends the Internal Revenue Code to allow small businesses an income tax credit for cash contributions to a business expansion reserve designed to finance purchases of depreciable equipment and property and employee wage increases.

H.R. 7025. April 2, 1980. Foreign Affairs. Requires reports to Congress concerning: (1) the effectiveness of export controls imposed in response to the Soviet invasion of Afghanistan; (2) any removal or relaxation of such controls; and (3) any approval of licenses for exports to the Soviet Union.

H.R. 7026. April 2, 1980. Armed Services. Amends a specified survivor benefit plan to permit a person who has elected to participate in such plan to suspend that election when such person has been rated as totally disabled for a specified period of time.

H.R. 7027. April 2, 1980. Foreign Affairs. Provides for payment by the Government of Iran of the claims for damages resulting from the personal injuries suffered by the U.S. citizens held in the U.S. Embassy in Tehran.

H.R. 7028. April 2, 1980. Interstate and Foreign Commerce. Permits relatives of Medicaid eligible individuals residing in nursing homes to contribute voluntarily to a State fund for the provision of such care.

H.R. 7029. April 2, 1980. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to permit State Medicaid programs to require nominal copayments for basic services provided to categorically needy individuals.

H.R. 7030. April 2, 1980. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to permit States to terminate eligibility for Medicaid medical assistance for up to one year for individuals determined to have abused the Medicaid program.

H.R. 7031. April 2, 1980. Interstate and Foreign Commerce. Amends title XIX (Medicaid) of the Social Security Act to allow States to provide for competitive bidding for the purchase of certain items under their Medicaid plans.

H.R. 7032. April 2, 1980. Armed Services. Amends the Federal Civil Defense Act of 1950 to direct the President to implement a new civil defense program.

H.R. 7033. April 2, 1980. Interior and Insular Affairs. Designates certain lands in the Monongahela National Forest, West Virginia, as the Cranberry Wilderness Area. Establishes the Cranberry Glades National Botanical Area. Establishes the Cranberry Back Country.

H.R. 7034. April 2, 1980. Small Business; Interstate and Foreign Commerce. Amends the Small Business Act to provide special loan guarantees to small business concerns for the acquisition of motor fuel service stations. Requires the divorcement of such stations from operation by certain producers and refiners of motor fuels. Controls sales by producers and refiners of motor fuels.

H.R. 7035. April 2, 1980. Interstate and Foreign Commerce. Amends the Federal Food, Drug, and Cosmetic Act with respect to: (1) the registration of food processors; (2) the compliance of importers with the requirements of such Act; (3) the disclosure of ingredients in foods; and (4) prescription animal drugs.

H.R. 7036. April 2, 1980. Interstate and Foreign Commerce. Amends the Public Health Service Act to revise and extend the authorities under such Act relating to national research institutes.

H.R. 7037. April 15, 1980. Foreign Affairs. Authorizes appropriations for the International Natural Rubber Agreement for fiscal year 1981.

H.R. 7038. April 15, 1980. Banking, Finance and Urban Affairs. Amends the Truth in Lending Act to prohobit application of any change in an open end credit plan to any credit extended prior to the effective date of the change.

H.R. 7039. April 15, 1980. Merchant Marine and Fisheries; Rules. Provides for comprehensive research and development regarding United States fisheries. Expands the fishing vessel and fish processing capacity of the United States.

H.R. 7040. April 15, 1980. Judiciary. Imposes penalties with respect to certain nondisclosure by business entities as to serious concealed dangers in products and business practices.

H.J. Res. 508. March 11, 1980. Post Office and Civil Service. Designates the week beginning July 20, 1980, as "National Environmental Health Week."

H.J. Res. 509. March 11, 1980. Post Office and Civil Service. Designates the week beginning June 1, 1980, as "National Garden Week."

H.J. Res. 510. March 12, 1980. Appropriations. Appropriates funds necessary to continue the activities of the Federal Trade Commission which were conducted in fiscal year 1979, but have not yet been provided for in fiscal year 1980.

H.J. Res. 511. March 12, 1980. Post Office and Civil Service. Designates the week commencing with the third Monday in February of 1981 as "National Patriotism Week."

H.J. Res. 512. March 13, 1980. Post Office and Civil Service. Authorizes and requests the President to designate May 1, 1980, as "National Save Children Day."

H.J. Res. 513. March 17, 1980. Foreign Affairs; Science and Technology. Condemns the internal exile of Andrei Sakharov. Sets forth the policies of the United States with respect to scientific and technical exchanges with the Soviet Union.

H.J. Res. 514. March 19, 1980. Appropriations. Transfers for the "Federal Trade Commission, Salaries and Expenses" a specified amount from funds previously appropriated for fiscal year 1980 for the "International Communications Agency, Salaries and Expenses."

H.J. Res. 515. March 19, 1980. Foreign Affairs. Directs the President to convene an International Conference on Communication and Information.

H.J. Res. 516. March 19, 1980. Post Office and Civil Service. Designates the week beginning February 1, 1981, as "National Scleroderma Week."

H.J. Res. 517. March 24, 1980. Post Office and Civil Service. Authorizes and requests the President to designate September 3, 1980, as "National Postal Workers' Recognition Day."

H.J. Res. 518. March 14, 1980. Post Office and Civil Service. Requests the President to designate the reunion of American and Japanese veterans at Iwo Jima on June 11, 1980, as a national historic event.

H.J. Res. 519. March 25, 1980. Post Office and Civil Service. Designates May 11, 1980, as "Taxpayers Independence Day."

H.J. Res. 520. March 25, 1980. Banking, Finance and Urban Affairs. Extends by 60 days the expiration date of the Defense Production Act of 1950.

H.J. Res. 521. March 26, 1980. Appropriations. Makes additional funds available by transfer for the fiscal year 1980 for the Selective Service System.

H.J. Res. 522. March 26, 1980. Appropriations. Provides for the transfer of additional funds for the Small Business Administration disaster loan program for salaries and expenses for fiscal year 1980.

H.J. Res. 523. March 26, 1980. Post Office and Civil Service. Designates the week commencing on the third Monday in February of each year as "National Patriotism Week."

H.J. Res. 524. March 26, 1980. House Administration. Authorizes the Vietnam Veterans Memorial Fund, Incorporated, to erect a memorial on public grounds in the District of Columbia in honor and recognition of the men and women of the armed forces who served in the Vietnam war.

H.J. Res. 525. March 27, 1980. Foreign Affairs. Authorizes the President to impose on the Iranian Government a $50,000,000 fine, payable from blocked Iranian assets, for each day that United States citizens held hostage or otherwise illegally detained in Iran continue to be held hostage or so detained beyond a date designated by the President.

H.J. Res. 526. March 27, 1980. Post Office and Civil Service. Designates May, 1980, as "National Arthritis Month."

H.J. Res. 527. March 31, 1980. Post Office and Civil Service. Designates the week beginning April 5, 1981, as "National Vegetable Garden Week."

H.J. Res. 528. April 1, 1980. Judiciary. Constitutional Amendment—Permits voluntary prayer in public buildings.

H.J. Res. 529. April 1, 1980. Post Office and Civil Service. Proclaims October 19, 1981, a national day of celebration as the two hundredth anniversary of the victory of General George Washington at Yorktown, Virginia.

H.J. Res. 530. April 15, 1980. Post Office and Civil Service. Authorizes and requests the President to issue a proclamation designating the week of April 20, 1980, "National Secretaries Week."

H.J. Res. 531. April 15, 1980. Ways and Means. Disapproves the imposition, effective March 15, 1980, by the President of fees on the importation of crude oil and gasoline.

H. Con. Res. 296. March 11, 1980. Ways and Means. Expresses the sense of Congress that the 1980 automatic cost-of-living increase in social security benefits should be allowed to occur as scheduled in accordance with the recommendations of the President.

H. Con. Res. 297. March 11, 1980. Foreign

Affairs. Expresses the sense of Congress that the President should report to Congress concerning the military capabilities of Soviet troops in Cuba, Cuban troops, and Soviet assistance to Cuba.

H. Con. Res. 298. March 11, 1980. Banking, Finance and Urban Affairs. Expresses the sense of the Congress that it does not intend to take any action to authorize wage and price controls.

H. Con. Res. 299. March 11, 1980. Banking, Finance and Urban Affairs. Expresses the sense of the Congress that the Board of Governors of the Federal Reserve System should reexamine its monetary supply policy and roll back interest rates to reasonable levels to enable small businesses and individuals to obtain needed capital.

H. Con. Res. 300. March 12, 1980. Post Office and Civil Service. Authorizes and requests the President to designate June 1 through June 7, 1980, as "National Recreation and Park Week."

H. Con. Res. 301. March 12, 1980. Education and Labor. Expresses the sense of Congress that school authorities and college and university administrators should consider strengthening the study of foreign languages and cultures through appropriate actions.

H. Con. Res. 302. March 13, 1980. Interstate and Foreign Commerce. Expresses the sense of the Congress that the Secretary of Energy should not promulgate any Federal emergency energy conservation plan which would harm recreational boating.

H. Con. Res. 303. March 18, 1980. Armed Services; Foreign Affairs. Expresses the sense of Congress that nuclear weapons should be reduced annually until all nuclear weapons are eliminated from every country.

H. Con. Res. 304. March 19, 1980. Banking, Finance and Urban Affairs. Expresses the sense of the Congress that the Board of Governors of the Federal Reserve System should establish a discount rate for agricultural paper which is less than the rate for commercial and industrial paper.

H. Con. Res. 305. March 19, 1980. Foreign Affairs. Expresses the sense of Congress that no U.S. citizen should attend or participate in the 1980 summer Olympic games in Moscow.

H. Con. Res. 306. March 19, 1980. Foreign Affairs. Expresses the sense of the Congress that U.S. foreign policy should reflect a national strategy of peace through strength with specified principles and goals.

H. Con. Res. 307. March 26, 1980. Budget. Sets forth the congressional budget for the years 1981, 1982, and 1983. Revises the congressional budget for the United States Government for the fiscal year 1980.

H. Con. Res. 308. March 26, 1980. Foreign Affairs. Expresses the sense of the Congress with respect to the effectiveness of the Voice of America, Radio Free Europe, and Radio Liberty.

H. Con. Res. 309. March 27, 1980. Makes corrections in the enrollment of H.R. 4986.

H. Con. Res. 310. March 27, 1980. Foreign Affairs. Express the sense of Congress, with regard to Kampuchea (Cambodia), concerning: (1) humanitarian assistance; (2) an international conference to end the fighting; (3) withdrawal of foreign forces; and (4) United Nations action to protect human rights.

H. Con. Res. 311. March 31, 1980. Foreign Affairs. Expresses the sense of Congress that hearings should be held and an investigation should be conducted to find facts necessary for the release of the hostages in Iran.

H. Con. Res. 312. April 1, 1980. Provides for an adjournment of the House of Representatives beginning Wednesday, April 2, 1980, until twelve noon on Tuesday, April 15, 1980.

H. Con. Res. 313. April 1, 1980. Makes corrections in the enrollment of H.R. 3824 (revenue bonds).

H. Con. Res. 314. April 1, 1980. Budget. Sets forth the congressional budget for the United States Government for fiscal year 1981.

H. Con. Res. 315. April 1, 1980. Government Operations; Foreign Affairs; Banking, Finance and Urban Affairs; Ways and Means. Expresses the sense of the Congress that: (1) all unconstitutional Federal spending should be reduced in order to achieve a truly balanced budget; (2) reduced Federal spending should be reflected in reduced taxes; and (3) all United States assistance to foreign countries and contributions to international organizations should be terminated immediately.

H. Con. Res. 316. April 2, 1980. Banking, Finance and Urban Affairs. Expresses the sense of the Congress that the Board of Governors of the Federal Reserve System should establish a lower discount rate on commercial and industrial paper relating to small business concerns.

H. Res. 603. March 11, 1980. Foreign Affairs. Expresses the concern of the House of Representatives for the civil rights of political prisoners in Taiwan and of native Formosans. Urges closer attention to the human rights situation in Taiwan before further military sales or assistance is provided.

H. Res. 604. March 11, 1980. Sets forth the rule for the consideration of H. Res. 602.

H. Res. 605. March 11, 1980. Waives certain points of order against the conference report on H.R. 3919.

H. Res. 606. March 12, 1980. Sets forth the rule for the consideration of S. 2222.

H. Res. 607. March 12, 1980. Sets forth the rule for the consideration of H. Res. 549.

H. Res. 608. March 12, 1980. Rules. Directs the Committee on Standards of Official Conduct to conduct a full investigation of alleged improper conduct (commonly referred to as ABSCAM) of Members, officers, or employees of the House of Representatives.

H. Res. 609. March 17, 1980. House Administration. Directs the printing of additional copies of the House Report entitled, "First Concurrent Resolution on the Budget—Fiscal Year 1981."

H. Res. 610. March 17, 1980. House Administration. Authorizes the expenditure of funds for investigations and studies to be conducted by the House Select Committee on the Outer Continental Shelf.

H. Res. 611. March 18, 1980. Expresses the condolences of the House of Representatives on the death of the Honorable John M. Slack, a Representative from the State of West Virginia.

H. Res. 612. March 18, 1980. Banking, Finance and Urban Affairs; Government Operations; Judiciary. Calls upon the President and the Judiciary Committee of the House of Representatives to take specified actions to combat inflation, balance the Federal budget, and limit Federal expenditures.

H. Res. 613. March 18, 1980. Judiciary. Refers to the Chief Commissioner of the Court of Claims, a bill for the relief of a named individual's estate. Directs the Commissioner to report to the House of Representatives on the nature of the claim against the United States and the amount, if any, due such individual's estate from the United States.

H. Res. 614. March 19, 1980. Elects Members to specified standing Committees of the House of Representatives.

H. Res. 615. March 19, 1980. Rules. Amends the Rules of the House of Representatives to establish a special calendar to be known as the Budget Calendar, to which shall be referred all bills and joint resolutions of a public character which are reported from committees and which, if considered immediately, would be in violation of the Congressional Budget Act of 1974.

H. Res. 616. March 20, 1980. Foreign Affairs. Calls on Taiwan to relax restrictions on freedom of expression and to continue democratic development. Urges a spirit of reconciliation in connection with the Kaohsiung incident.

H. Res. 617. March 20, 1980. Agriculture; Interstate and Foreign Commerce. Expresses the sense of the House with respect to the immediate need for expedited Federal action on programs to aid domestic alcohol fuels production.

H. Res. 618. March 24, 1980. Ways and Means. Expresses opposition to a proposed import fee on crude oil.

H. Res. 619. March 25, 1980. Sets forth the rule for the consideration of H.J. Res. 514.

H. Res. 620. March 25, 1980. Sets forth the rule for the consideration of H.R. 4986.

H. Res. 621. March 25, 1980. Sets forth the rule for the consideration of H.R. 6837.

H. Res. 622. March 25, 1980. Post Office and Civil Service. Honors Coach Denny Crum and the University of Louisville Cardinals for winning their first National Collegiate Athletic Association basketball title.

H. Res. 623. March 26, 1980. Elects a named Representative to the Committee on Standards of Official Conduct.

H. Res. 624. March 27, 1980. Government Operations. Expresses the disapproval of the House of Representatives of the Reorganization Plan Numbered 1 concerning the Nuclear Regulatory Commission and transmitted to the Congress by the President on March 27, 1980.

H. Res. 625. March 28, 1980. Sets forth the rule for the consideration of H.R. 5563.

H. Res. 626. March 31, 1980. Foreign Affairs. Directs the President to furnish the House of Representatives with information concerning U.S. commitments and obligations with regard to the former Shah of Iran.

H. Res. 627. March 31, 1980. Foreign Affairs. Directs the President to furnish the House of Representatives with information concerning commitments, admissions, and/or obligations made to the Government of Iran during March 1980.

H. Res. 628. March 31, 1980. Sets forth the rule for the consideration of H.R. 6464.

H. Res. 629. March 31, 1980. Sets forth the rule for the consideration of H.R. 6554.

H. Res. 630. March 31, 1980. Sets forth the rule for the consideration of H.R. 6614.

H. Res. 631. March 31, 1980. Sets forth the rule for the consideration of S. 2009.

H. Res. 632. April 1, 1980. Committee on Committees. Amends the Rules of the House of Representatives to modify existing procedures for multiple referrals of bills to committees.

H. Res. 633. April 1, 1980. Elects a specified Member of the House of Representatives Speaker pro tempore during the absence of the Speaker.

H. Res. 634. April 1, 1980. Ways and Means. Declares that it is the sense of the House of Representatives that the Committee on Ways and Means should study, and consider legislation to achieve the goals of, recent proposals by certain prominent economists to control inflation by providing tax benefits to employers who moderate price increases for their products and employees who moderate wage demands.

EXTENSIONS OF REMARKS

IMPORTS THREATENING AMERICAN JOBS

HON. NICK JOE RAHALL II

OF WEST VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. RAHALL. Mr. Speaker, the American color television industry presently is under siege. The sudden influx of color television imports to this country during the last several years has caused many Americans to lose their jobs and threatens still more today. The U.S. International Trade Commission recently held a hearing on a petition for the extension of relief against color television imports which was filed by Compact, a coalition of 14 labor organizations and companies.

I wish to call to the attention of my colleagues the testimony before the ITC of George M. Parker, president of the American Flint Glass Workers Union. In his statement, Mr. Parker describes in detail the devastating impact that color television imports have had on American workers and the grim prospect of further job loss which would occur if the relief program is not extended. The protection of American jobs should be a primary national concern in these times of rampaging inflation and fiscal belt-tightening. The testimony follows:

TESTIMONY OF GEORGE M. PARKER

Members of the Commission, the American Flint Glass Workers Union, AFL-CIO, is one of the oldest trade unions in the country. Our Union was formed in 1878 and has been proud to represent its membership in the finest democratic tradition.

We initially represented workers who produced hand-crafted glass products and, as the industry mechanized, included in our ranks those who made machine-made glass products. Today we represent approximately 30,000 working men and women in the Glass Industry. Most color television bulbs are made by our members.

We appreciate the opportunity to testify before this Commission on the basic issue of preserving the jobs of workers who are employed in the television picture tube industry. Thousands have already been added to the unemployment rolls because of the impact of imports from abroad. Many thousands more will lose their jobs if the government does not act immediately to extend the ceiling on the number of foreign-produced color television sets which are allowed to come into this country.

This is not the first time we have appeared before this Commission to appeal for fair treatment. Nor will it be the last unless the government hears our cry for just treatment.

We testified before this Commission in April, 1975 on the dangers we foresaw with the implementation of tariff reductions provided by the Trade Act of 1974. The issue was vital to our Union then because we had already lost five thousand jobs in the hand-made glassware business because of imports from abroad.

We were concerned then with the serious erosion of jobs in the color television industry after having watched the death of the black-and-white industry.

We testified before this Commission again in January, 1977 to ask the government to save the remaining jobs in the color television industry. It was gratifying when this Commission recommended that additional duties on imported receivers be levied for five years to remedy the injury suffered. You threw a "life saver" to an industry sentenced to death—and saved it.

So why is it necessary to appear before you again today—and again to ask the government to help? The answer is simple: instead of the five-year period in which to prove that we could compete effectively with foreign producers, we were given but three under the terms of the Orderly Marketing Agreement—and those three years became but one when countries other than Japan circumvented the agreement.

I am not an engineer, but from my forty years of experience as a worker and union official in the Glass Industry, I know the production of glass parts for color television to be the most complex task in the 3500 years of glassmaking history. One year in this long span simply is not enough to achieve what is needed.

The record of employment in the industry speaks for itself. From the level of 29,000 workers employed at the time the OMA with Japan went into effect, the industry reports a reduction to 26,000 in 1979—an 11.5 percent drop during a period when supposedly we had been given relief.

Even more alarming is the effect on the total industry—on those who supply components for color television sets. According to the United States Bureau of Labor Statistics, for every worker directly involved in producing television receivers we are told that there are 2.2 other jobs in supporting industries. In other words, from a level of 92,800 workers at the time the OMA was signed in 1977, the industry has been reduced to 83,200 today.

That is not a very good record of protecting jobs for American workers.

Instead of jobs, we get unemployment compensation and adjustment assistance benefits and welfare payments. And if relief from foreign imports is not provided, these costs will amount to $8,000 for every worker in the industry who will be out of a job—an annual expense of more than $200 million annually, just for those directly employed in the color television industry, alone.

I did not appear before this Commission in 1975 to argue for better Adjustment Assistance benefits. Nor was that my message when I testified in 1977. I am here representing American workers—proud and skilled workers who want jobs, not welfare payments. We want to deal with jobs, not the Office of Trade Adjustment Assistance.

The issue is clear. You recognized it in 1977 and tried to help us. But surely you recognize that one year of actual relief has not been sufficient time for the color television industry to make the progress required to meet the threat of unfair competition from abroad.

The basic question of protecting present jobs and providing more jobs for American workers will be answered successfully only by extending import relief.

A few weeks ago we revisited Albion, Michigan to study the impact of the closing of the Corning Glass Works T.V. Bulb Plant there in 1975. At one time Corning was the largest employer in Albion and 1,500 of our members affiliated with Local 1006 were employed in the plant. As a result of imports of both black and white color television sets, employment declined from over 1,500 in the peak years to approximately 250 when the plant was closed.

In discussing the matter with officials of the Chamber of Commerce and local officials, we find that the city has never recovered from the loss of the T.V. Tube Plant. Almost immediately with the closing of the plant retail business declined by 20 percent. Some retail establishments closed their door permanently. As Corning executives and mid-management left the area there was a glut of higher priced homes in the real estate market. The entire income of the city was adversely affected by a drastic drop in the 1 percent payroll tax returns.

Some of the previous Corning employees, particularly skilled craftsmen, have found other employment in the area. Nevertheless, unemployment in Albion exceeds 10 percent at the present time, with the national average slightly over 6 percent.

On top of the loss of the Corning plant Albion has been hurt by cutbacks affecting the automobile industry. Hayes-Albion the city's present largest employer which produces iron castings for the automobile industry has permanently laid off several hundred employees. Union Steel Products, Albion's present second largest employer is also affected by the downturn in the automotive industry.

We have talked with many former Albion workers and we find a sizeable number who previously had good jobs at Corning have never been able to regain the economic status they enjoyed when employed in the television industry.

The people hurt most severely were those who were unable to find other work or who had to take work far below their previous pay and skill levels. Some of these are now living at or below the recognized poverty level after spending most of their working lives in a highly paid and highly unionized industry. Because of their present circumstances they have become bitter in their attitude towards both the Company, the Union and our government. They feel that, through no fault of their own, they have lost the best job they ever had—or will have.

We dread the prospect of witnessing the death of the color television industry in the same way we watched the black-and-white industry die.

Unless relief from imports is extended, there is no question in my mind but that there will be similar scenes at the gates of present factories that produce glass for color television. The handwriting is on the wall. The precedent has been set. The trend of the past three years clearly shows what will happen.

Members of the Commission, I urge you not to retract the life saver you gave the Color Television Industry in 1977, but instead continue to assist the American worker and give the American color television industry the chance it deserves. In your

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

deliberations on this vital issue, you have our thanks and prayers.●

LOAN FUNDS FOR ENERGY-SAVING PROGRAMS

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. SOLARAZ. Mr. Speaker, I would like to bring to the attention of my colleagues the successful efforts of the National Urban Energy Cooperative Funding Corp., in facing the challenges posed by the energy crisis. I believe, and I hope my fellow Members will agree, that the work of this nonprofit organization must be expanded across the Nation wherever possible.

National Urban, or UEC, which includes members from my own district, is a coalition of cooperatively owned housing, industrial and commercial enterprises at the local, statewide, regional, and national levels. The UEC provides its members with an independent source of loan funds for such energy-saving programs as onsite energy generation, weatherization and oil-to-gas boiler conversions in keeping with its commitment to alleviate the economic and social disruption caused by the energy crisis.

The UEC has been extremely effective in helping to implement programs using energy-saving alternatives throughout the New York area. Its work is just beginning, however. Richard Stone, UEC's president, has issued a call for new members.

I would like to take this opportunity to urge my colleagues to contact housing organizations in their districts that would benefit from such an alliance on behalf of the UEC. Richard Stone can be contacted at 59-55 47th Avenue, Woodside, N.Y. 11377, 212-898-7057.

In these times when there is a national need to develop low-cost efficient energy sources, the National Urban Energy Cooperative Funding Corp. has demonstrated that a group of concerned individuals can help themselves meet such a goal, for the benefit of us all. I hope their work will be able to reach as many people as possible through this new expansion effort.●

THE GUARANTEED STUDENT LOAN PROGRAM: AN OBVIOUS PLACE TO CUT SPENDING

HON. JOHN N. ERLENBORN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. ERLENBORN. Mr. Speaker, last fall during consideration of H.R. 5192, the Education Amendments of 1980, I offered an amendment which applied to the guaranteed student loan program. Under this program, college students are eligible to receive a federally guaranteed loan which is later repaid at an interest rate of 7 percent. The Federal Government not only pays the difference between the 7-percent rate and the prevailing market interest rate, it also makes all interest payments while the student is attending school and during a 9- to 12-month grace period thereafter.

Under the original program, only students from families with adjusted gross incomes less than $15,000 were eligible for the inschool and grace period interest subsidies. Under the Education Amendments of 1976, the income limit was increased to $25,000. The Middle Income Student Assistance Act of 1978 removed the income ceiling altogether. The effect of this action was to allow any student to obtain an interest-free loan for up to 5 years. This created a powerful incentive for students, who could otherwise afford their education, to secure a guaranteed Federal loan, particularly when the comparable interest rates approach 18 percent in the current lending market.

My amendment to H.R. 5192 would have limited the inschool interest subsidy to students from families with less than a $40,000 adjusted gross income. My amendment would not have prevented well off students from obtaining the 7-percent loan; it simply would have required them to pay interest over the entire life of the loan. Unfortunately, my amendment was defeated and the Federal Government continued to offer 5 years of free money to all students regardless of their family's annual income.

What has happened since we removed the income limit for the inschool interest sudsidy? The cost of the guaranteed student loan program has skyrocketed. The Congressional Budget Office estimates that this program will cost the Treasury over $1.6 billion this year, which represents a 40-percent increase over last year's figures. According to the Educational Department, the costs of the guaranteed loan program are expected to climb another 50 percent next year to an estimated $25 billion in fiscal 1981.

Higher interest rates has been one reason for the increased cost of the guaranteed loan program. The Federal Government is presently paying commercial banks 17.7 percent on the fully guaranteed loans.

Perhaps an even greater factor in the soaring costs of this program is the considerable jump in the number of students receiving guaranteed loans. In the first year following the removal of the income limitation, the number of students receiving the guaranteed loan mushroomed by 39 percent. The total dollar value of the guaranteed loan program climbed at an even greater rate, increasing 52 percent. These dramatic increases can largely be attributed to a greater number of student borrowers from high-income families.

Given all of the current talk about fiscal austerity and budgetary restraint, it seems incredible that the Congress continues to provide 5 years of interest-free loans to wealthy students who are indisputably capable of financing their education without Federal assistance.

At this point I insert into the RECORD a recent article from the Washington Post which documents the high costs of our Federal student loan programs, as well as an editorial from the New York Times which justifiably takes the House to task for liberalizing benefits last fall when my amendment was defeated.

[From the Washington Post, Apr. 12, 1980]

Government Pays Banks 17 Percent for Student Loans

The federal government is paying commercial banks and state lending agencies a record 17.7 percent in interest this year on their fully guaranteed loans to college students.

The Congressional Budget Office estimates it will cost the Treasury $1.9 billion this year to subsidize 3 million student loans under the Guaranteed Student Loan and National Direct Student Loan programs.

Students pay no interest on these loans while in college. Afterwards, they repay the loans at 7 percent and the National Direct Student Loan programs at 3 percent. The direct loans are handled by colleges, not banks.

The government pays the full interest while the students are in school, including a special allowance that is pegged to 3.5 percent below the three-month Treasury bill rates.

This special allowance amounted to 9 percent in the last three months of 1979 and jumped to 10.7 percent in the quarter ended March 31. Combined with the 7 percent base rate, it gives the banks a total of 17.7 percent.

Student demand for these loans has skyrocketed since 1978, when the Carter administration and Congress removed a restriction that limited the loan subsidies to students from families with income below $30,000. The program costs are up 40 percent this year and the Education Department expects them to climb 52 percent in 1981.

These costs are deemed uncontrollable, since the government automatically subsidizes any student loan a bank or state agency makes.

An Office of Education spokeswoman said yesterday that the current default rate in the direct student loan program run by colleges is 18 percent, and for guaranteed student loans 8 percent.

Student default rates have garnered most of the public's attention, but the biggest cost to government is subsidizing the loans, not writing off bad ones.

Until last September, the banks' special allowance was limited to 5 percent on top of the 7 percent base. Congress removed the lid to encourage banks to keep making the loans.

Eighteen states and the District of Columbia have sold tax-exempt bonds at roughly 6 percent interest to raise money for student loans. The government pays the states the same 17.7 percent that it gives banks for taking part in the program.

[From the New York Times, Mar. 19, 1980]

Aiding Students at Lower Cost

One way to save a great deal of Federal money is for Congress to reform the college student aid program. The House last fall enlarged the benefits, and a Senate subcommittee is now deciding whether to go along. Yet a recent report from the Congressional

Budget Office suggests that more than $7 billion could be saved over the next five years by limiting tuition grants to students who are truly poor and by limiting loan subsidies to other students.

Even in stringent times, Washington should put the poor through college and enable middle-class students to borrow money at affordable rates against future earnings. But the subsidies should bear some relation to family incomes.

Tuition aid used to be mostly for the needy. Grants were given to students from families earning less than $15,000 a year, and subsidized loans were available to families earning up to $25,000. As college costs became burdensome even for wealthier families, Congress extended the benefits. In 1978 it raised the earnings limit for outright grants to $25,000 and made loan subsidies available to everyone.

During 1978-79, outlays for just one part of this program—loan subsidies—more than doubled, from $705 million to $1.7 billion. Payments are soaring as the gap between the interest charged to students and the true cost of money widens. Still, the House would raise the maximum tuition grant from $1,800 to $2,500, and keep subsidizing loans even to the rich.

The Congressional Budget Office would restore the $15,000 family income limit for tuition grants. The students of families earning more than that should still have access to Government-backed loans, but the highest subsidies should be reserved for those in the poorest circumstances. When income reaches, say, $40,000 a year, the loan subsidy could disappear altogether, except perhaps for very large families.

If the student-aid program is to survive at all, it needs to be not only fair but fiscally prudent. The present system is getting out of hand.●

PERSONAL EXPLANATION

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. STENHOLM. Mr. Speaker, on rollcall No. 186 on April 17, I had a general pair. Had I been present, I would have voted "aye" to recommit the conference report on S. 662 to the Committee of Conference.●

LEGAL, ACADEMIC, AND BUSINESS GROUPS CRITICIZE THE LAW OF THE SEA NEGOTIATIONS AND SUPPORT DEEP SEABED MINING LEGISLATION

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. BREAUX. Mr. Speaker, the law of the sea negotiations appear to be heading for a precipitous and calamatous conclusion. The envisioned regime for deep seabed mining provides for Third World control of access to an otherwise secure source of strategic mineral resources; wholly inadequate U.S. representation and excessive Soviet participation in the decisionmaking procedures of the International Seabed Authority that will regulate ocean mining; a restrictive production scheme based on the centrally planned, Socialist model; access conditioned on mandatory transfer of private technology to a supranational enterprise advantaged by complete tax immunity and substantial state financing (25 percent from the United States); massive exactions of private mining revenues for contributions to developing countries and national liberation movements; and a phaseout of private enterprise, if private operations are ever actually permitted to take place.

The American Bar Association, the National Association of Manufacturers, the International Law Association (American Branch), the American Mining Congress, the National Ocean Industries Association, and the international seabed mining industry have severely criticized the emerging regime for the deep seabed. The statements of these groups have favored the enactment of interim deep ocean mining legislation that passed the House by a vote of 312 to 80 in the 95th Congress and passed the Senate by unanimous voice vote in the 96th.

The following is the resolution recently adopted by the steering group for the Natural Resources Committee of the National Association of Manufacturers. As a member of the Law of the Sea Advisory Committee and cosponsor of H.R. 2759, the deep seabed mining bill, I urge my colleagues to consider the statement carefully.

THE THIRD UNITED NATIONS CONFERENCE ON LAW OF THE SEA AND VARIOUS BILLS IN CONGRESS RELATING TO DOMESTIC OCEAN MINING ACTIVITIES

THE NATURAL RESOURCES COMMITTEE

Recalling prior publications and position papers of the National Association of Manufacturers:

(a) "Oceans—The New Frontier"—Industry speaks on America's need for a progressive ocean resources policy.

(b) "The Law of the Sea Conference"—Critical Issues.

(c) "Information Bulletin: Deep Seabed Mining."

Taking into full account Resolution 118 on law of the sea unanimously adopted by the House of Delegates of the American Bar Association (mid-year 1979) and the accompanying joint report of the ABA Sections on International Law and on Natural Resources Law;

Noting with agreement the recent American Mining Congress "Summary of Detailed Industry Comments" on the terms and conditions contained in the current negotiating text serving as the basis of the Third United Nations Conference on Law of the Sea now in session in New York City;

Having reviewed and agreed with the 1978 Report of the Committee on Law of the Sea, American Branch, International Law Association;

Being advised that the U.S. Department of State has ignored the request of the Chairman and Ranking Minority Member of the Senate Foreign Relations Committee to delay the opening for signature at the United Nations of the Treaty on the Moon and Other Celestial Bodies, a treaty which adopts the principle of the Common Heritage of Mankind as it has evolved in the Law of the Sea negotiations to the injury of industrialized, market-oriented countries and the system of private enterprise;

Bearing in mind that the vital role metals to be derived from the oceans and other "international commons" may play in the domestic manufacturing industry, and the vital role domestic technological innovation will play in maintaining the future strength of the nation's economy;

Noting the powerful forces at play in the Third United Nations Conference on Law of the Sea to deny access by the United States and private investment to the minerals of the deep seabed, and to reduce the incentives for application to the deep seabed of domestic technological innovation by providing for "one-time" forced transfer of proprietary technology to competitors in non-arms length transactions.

Resolves, That the National Association of Manufacturers endorses the longstanding policy of the United States Government that any future comprehensive Law of the Sea Treaty to which the United States becomes a party must provide assured access for the United States and its citizens to the resources of the seabed and subsoil beyond the limits of national jurisdiction, and that such access must be under reasonable and nondiscriminatory terms and conditions, with security of tenure; and further

Resolves, That the National Association of Manufacturers endorses efforts directed toward the enactment of interim domestic legislation to promote the orderly development of mineral resources in the seabed, on the basis of the freedom of the high seas, pending the entry into force for the United States of a superseding international agreement, and further

Resolves, That it is the position of the National Association of Manufacturers that the National interest requires (1) firm and patient long-term negotiation to achieve fundamental changes in the treaty, coupled with earliest possible passage of domestic legislation, and (2) a firm and continuing commitment on the part of the U.S. Government that no treaty will be acceptable unless it encourages deep seabed minerals production, protects domestic access to seabed resources, preserves private ownership rights to domestic technology, and effectively "grandfathers" domestic ocean mining operations conducted pursuant to the legislation from any provisions of the treaty which might impose significant new economic burdens or prevent continuation of such operations on a viable economic basis.●

NATIONAL SECRETARIES WEEK

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. MADIGAN. Mr. Speaker, the week of April 20, 1980, marks the 29th annual observance of National Secretaries Week, which is sponsored by the National Secretaries Association (International).

In the hectic, day-to-day work of both the Government and private industry, the vital work of secretaries often goes unnoticed and unrecognized.

The observance of National Secretaries Week provides the opportunity for all persons who use secretarial services to pay a special tribute and express their appreciation and respect for the dedicated and talented secretaries who perform them.

I urge my colleagues to join me in this observance.●

A NOTED FOREIGN POLICY OBSERVER COMMENTS ON IRAN

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. BROWN of California. Mr. Speaker, as the United States continues its impasse with Iran, talk of military action has grown louder. Some of this talk is obviously idle chatter, while other comments are clearly valid contingency planning.

I. F. Stone, a noted Washington writer who has devoted a lifetime to observing Washington foreign policymaking, recently wrote a commentary about the situation between the United States and Iran, and the deepening crisis. Due to the seriousness of the now openly discussed options, I commend these sober thoughts by I. F. Stone to my colleagues:

[From the Los Angeles Times, Apr. 23, 1980]

A TERRIFYING CLOCK TICKS ON

(By I. F. Stone)

If, by some electronic magic, the country could suddenly be piped in on the private conversations in the White House, the State Department and the Pentagon in these darkening days, one unmistakable if unexpected strain in the discordant medley of voices would be a loud and clear warning that we are on a slippery slope in Iran. Though they speak only off the record and not for attribution, there are many in government who fear President Carter's talk of military action as his next step. Those who read between the lines of the dispatches may often hear the echoes of this dissidence. Even among the hawks there is some misgiving.

There are two ways of destroying an enemy.. One is to attack him directly. The other, if he is too big, is to provoke him, to exasperate him, until blind rage leads him to harm himself.

That's how one assassin's bullet could wreck a world in 1914. The spirit then and now was epitomized again last Monday by an apologetic remark from Lord Carrington, Britain's foreign minister, in persuading the Common Market in Luxembourg to join in sanctions against Iran, though no one really believes that they will be effective in freeing the hostages. "Something has to be done," he said, no doubt with one eye on Washington, "even if it doesn't work."

We are not playing chess against a thoughtful opponent, astute enough to know when to draw back. We are dealing with an aged fanatic who hates the modernity and secularism that we symbolize. The Ayatollah Ruhollah Khomeini would love nothing better than to see his country shut off, even catastrophically, from such evil influences.

The ayatollah must believe himself an expert in bringing down forces far mightier than his own. He provoked the shah into self-defeating measures from which neither a far-flung secret police nor a huge army could save him. He may well believe that he can repeat the performance with an even mightier power.

Let us consider and debate while there is still time. A naval blockade is an act of war. We may set out with the utmost care, but we will be at the mercy of unexpected incidents. The Iranian air force may lack spare parts, but not many planes are needed for a kamikaze raid.

What if a U.S. naval vessel is sunk? It will be impossible to resist impatient demands for immediate retaliatory bombing. Once bombs fall, we are irrevocably at war with a Muslim country, and the pro-Khomeini Muslim fundamentalists who exist underground in every friendly Arab country will be mobilized for sabotage and revolution.

A blockade is not as antiseptic as it sounds. How do you blockade Iranian shipping, especially in such narrow waters, without interfering with oil supplies from the other Persian Gulf states, or with neutral shipping, or with a Soviet vessel that refuses to recognize our blockade?

What do we do if Moammar Kadafi, fully as far out as the ayatollah, shuts off Libyan oil, which furnishes a significant portion of our own imports? What do we do if the wheels begin to slow down in Western Europe and in Japan? Are we ready to sacrifice to save oil-starved allies from economic shutdown? Are we prepared for strict and meager rations?

Such questions are not being canvassed in this flaccid presidential campaign, a contest in inanities. Now is the time—as the signs once said at railroad crossings—to stop, look and listen. Are we trying to save our hostages or—Godfather and Mafia style—merely determined at any cost to them and ourselves to enforce "respect?"

Again we ask: If President Lyndon B. Johnson could keep his cool for 11 months in the Pueblo affair and then apologize to North Korea to get the crewmen safely home, why can't Carter offer some acknowledgement of past error to save these hostages? That seems to be the sticking point in the negotiations. Is that piece of humble pie too big a price to pay for their lives?

Some unusual voices are being raised in warning, though unheeded. Sen. Henry Jackson (D-Wash.), usually hawkish, warned last weekend that military steps could lead to the collapse of the Iranian government and a Soviet takeover. Carter's own Senate majority leader, Robert C. Byrd of West Virginia, also counseled against military measures. "It is hard," he said quietly at a press conference in Washington last Saturday, which too few papers covered, "to envision any direct military action that would free those hostages unharmed." He added gravely, "The main thing for a powerful nation to know is how to use power, and when to use it, and when to show restraint."

A terrifying clock is ticking, and it may very soon be too late.●

NATIONAL TRANSPORTATION WEEK

HON. GUS YATRON

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. YATRON. Mr. Speaker, the week of May 11 through May 18, 1980, has been designated by President Carter as National Transportation Week.

The purpose of this observance is to pay tribute to and acknowledge the outstanding contributions made by the commercial transportation industry to our Nation. I join the President in honoring the men and women of this industry for their continued work for excellence in the field of transportation.

In the Sixth Congressional District of Pennsylvania, the Reading Traffic Club, has been making important contributions to transportation in Berks County and Pennsylvania. I know that my colleagues will join me in commending the members of this fine organization for their outstanding efforts.

Transportation is a vital part of our existence. It enables us to deliver the products of our industries and agricultural concerns. It allows us to travel, to work where we wish, to communicate, to shop, to receive medical assistance, and innumerable other activities which would not be possible without a sound transportation system. Transportation enriches our economy and our lives. Without it, life as we know it, would be impossible.

Mr. Speaker, I invite my colleagues to join me in wishing everyone connected with the transportation industry in the United States a very successful and productive National Transportation Week.●

GUAM'S JUDGE ABBATE SEEKS TO STRENGTHEN GUAM COURT SYSTEM

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. WON PAT. Mr. Speaker, I wish to call to the attention of my colleagues an excellent speech which was recently given on Guam by Hon. Paul J. Abbate, presiding judge of the Superior Court of Guam.

I have long been privileged to know and on occasion, work with Judge Abbate on behalf of the people of Guam. He is an outstanding attorney and judge. He has served the island's court system with the highest degree of excellence and today is one of the most respected jurists in the Pacific.

In his statement, Judge Abbate noted that Guam has undergone a significant drop in felonies in 1979 over the previous year. Unfortunately, the island also saw a 45-percent increase in juvenile cases coming before the courts.

The story about juvenile crime, as depicted by his honor, is a shocking one for any concerned citizens. It is obvious that Guam is headed along the same tragic path as many of our larger metropolitan cities here in the States. To head off a further rise in juvenile crime, Judge Abbate has wisely called on the local territorial government to create several new laws. I support him in this call.

Judge Abbate has also called for a new law opening up the courts to the media. As one who strongly supports freedom of the press, here again I support the judge.

One welcome bit of news in Judge Abbate's statement was that Guam is seeing a reduction in the use of heroin. My office was very active in obtaining extra Federal antidrug abuse officials for Guam and it is apparent that my efforts have borne the kind of success we all wanted.

At this time, I insert Judge Abbate's statement in the RECORD for the enlightenment of my colleagues.

Thank you.

STATE OF THE JUDICIARY ADDRESS, 1980—BY PAUL J. ABBATE, PRESIDING JUDGE, SUPERIOR COURT OF GUAM

Mr. Speaker, Governor Calvo, Lt. Governor Ada, Senators of the 15th Guam Legislature, judges of the court, Bishop Flores, Rear Admiral Fountain, Major General Buckman, Attorney General North, Members of the consular corps, distinguished guests, ladies and gentlemen:

It is my distinct honor and pleasure to present this fourth state of the judiciary message.

This gives the judicial branch of government an opportunity to tell the people of Guam the judiciary's progress.

The judicial council has recently promulgated new rules of court and rules of evidence. The rules of evidence are patterned after the federal rules. These rules will do much to standardize the practice in the superior court and make for more efficient adjudication of cases. The judicial council also adopted rules regulating the filing fees in probate cases as well as rules regulating the appointment of counsel for indigent defendants.

The board of law examiners last year admitted 22 of the 28 attorneys who took the bar examination. I am proud to say that one of them is the first Chamorro woman attorney.

Over the past year, superior court has experienced an increase in virtually every class of case.

When comparing 1979 with 1978, the superior court experienced a 15-percent increase in domestic cases, an 11-percent increase in civil cases, an 11-percent increase in probate cases, an 11-percent increase in adoption cases, a 16-percent increase in special proceedings of all kinds, a 45-percent increase in juvenile cases, and a 9-percent increase in small claims cases.

The first three months of 1980 showed an increase in criminal cases of 63 percent over the first three months of 1979. Felonies, however, are down. In comparing 1979 with 1978 figures, a 45-percent decrease in criminal cases of all kinds occurred. However, there was a 45-percent increase in juvenile cases.

Currently, the staff of the court and representatives of all agencies connected with the juvenile justice system are engaged in a comprehensive redrafting of the juvenile law. This is being done with the assistance of the legislature's law revision commission. It is expected that a draft bill will be submitted to you this month.

In recent years, our island has experienced a remarkable increase in the number and seriousness of juvenile cases filed. The greatest increase, within the last two years, was in the area of the 17-year-old offenders, followed by 16-year-old offenders. Many of these juvenile cases involve serious felony crimes.

During 1979, the juvenile probation department of the superior court handled 362 cases, 336 males and 26 females. A comparison of the first part of 1979 with the first part of 1980 shows even further that there is an upward trend in juvenile cases filed in the superior court. As of March 25, 1980, 70 additional cases had been referred, nearly double.

As mentioned in our governor's recent state of the terrritory address, there is a need for a new approach to the problem of juvenile law violators. I suggest that you seriously consider legislation that would make persons over the age of 16 subject to the jurisdiction of the superior court as adults—subject to certification to the juvenile court, if the superior court finds it to be in the minor's and society's best interest. Such legislation, only applicable to felony cases, would go far toward deterring crime on Guam. If something is not done to turn these young people around, we will see a similar rise in adult crime within the next two years. Any such juvenile bill should also have a provision for expungement of juvenile records, so that a youthful mistake, by a less serious offender, will not follow a person all his life.

The court's alternative community service program is directed toward non-violent, first-time offenders. From its inception in January of 1977 to December 1979, the program has contributed 13,223 hours of community work to 53 participating non-profit and government agencies. 97 percent of all those in the program have completed it satisfactorily. We feel that such a program has all the deterrent value of jail sentence or a fine for selected offenders and offenses. It encourages a positive outlook and minimizes the chance that a first-time offender convicted of a less serious offense will become a repeat offender. This expanded program, now designated as the alternative sentencing office, is a continued funding effort by the Guam criminal justice planning agency.

The superior court is currently cooperating in the drafting of a comprehensive restitution bill. Such a law would provide for restitution to the victim of crime and provide a means for some offenders to work their way back into society, and to make their victims whole.

Local and Federal officials have done much to remove the plague of heroin from our island. But unless we also approach the heroin problem with early and effective treatment for the addict, the problem of heroin and heroin-related crime will be a recurring one, and will be with us for a long time to come.

Therefore, I propose a program in addition to the present criminal justice system. A program on the civil side of the court, essentially, a civil commitment law for addicts. The present law that provides direct civil commitment can only be used in the case of mental illness and thus does not apply to most addicts. The law that does provide for commitment for addicts only provides for commitment after a criminal charge has been filed. Something more is needed, something more direct, something more expeditious.

During 1978, the superior court's one family counselor counseled no one in criminal cases, 44 juvenile cases, and 57 marital cases. During 1979, he counseled clients in 5 criminal cases, 55 juvenile cases, and 82 marital cases. It is obvious that the large increase is in the area of juvenile and domestic cases. It should also be considered that the conciliation law was passed on May 30th of 1979. Therefore, the yearly figures on couples counseled by the superior court do not reflect the increase in volume generated by this new law.

If we compare the first three months of this year with the first three months of last year, a strong upward trend emerges. During the first quarter of last year 10 couples were counseled. During the first quarter of this year 29 couples were counseled, an increase of nearly 300%.

One of the saddest duties to fall upon a judge is to preside over divorce cases. I need not tell you that the family is one of the key factors in the stability of any society. The recently enacted conciliation law may save many marriages as it provides for a cooling-off period with court supplied counseling before proceeding with a divorce case.

Bill number 819 currently pending before you, would provide for a second family counselor. I strongly urge its passage. It is crucial to the preservation of family integrity on Guam.

Another family counselor position will definitely be needed to implement the spouse abuse law, Public Law 15-60, passed within the past year. This law was badly needed. Under this law, an abused spouse may now come directly to the superior court, without the need to go to other law enforcement agencies first. All an abused spouse, or anyone who knows of a case of spouse abuse, need do is walk into the clerk's office of the superior court and file a complaint. In such situations that can be so life threatening, time is of the essence and delay may be fatal. This law will insure that these important cases get before the superior court with all possible speed.

In May of 1979, the superior court implemented the traffic court records information and management system. This was in an effort to keep up with an ever-increasing flow of traffic cases. 1979 saw an 80% increase in the number of traffic citations issued. 33,318 such citations were filed in 1979. The Judicial Council promulgated new rules for the traffic division in an effort to speed up the flow of cases and standardize the procedures. The superior court has been considering night operations for the traffic court in an effort to better serve the public, but will need additional money to accomplish this as overtime must be paid. Last year, the traffic division of the superior court paid into the general fund of the Government of Guam $431,109.00. The superior court, as part of its duties, also administers various monies such as trust funds. In an effort to improve its handling of all funds entrusted to it, the superior court is now using the financial management system.

Recently, the department of youth affairs has completed a splendid courtroom for our use at the juvenile house. It consists of a courtroom, judge's chamber, and clerk's office. All future hearings with respect to offenders detained at the Department of Youth Affairs facility, will henceforth be held there. We wish to thank them for it.

The superior court has only three security officers. Because certain types of proceedings and certain trials require more security arrangements than others, the marshals have been utilized for additional security, which is not their primary duty but the service of process in both civil and criminal cases.

Certain minimal modifications are needed for the superior court's main building to make it more secure. There is no facility on the second floor of the courthouse to hold prisoners awaiting arraignment. As a result, the court has had to use large numbers of marshals to provide even minimal security, but even this cannot guarantee security in the absence of proper facilities. Thus far, we have all been lucky in that no extremely dangerous defendant has escaped from the court. The safety of our citizens however should not be left to luck. An appropriation is needed to make security modifications to the courthouse.

The judges and staff of the superior court wish to thank the 15th legislature for its quick response to the court's security situation. It is sad to say that such security problems go hand in hand with the operation of the courts. Recently, the court's security has done a great deal in the area of physical security of the courthouse and in the area of protection of judges.

No court can function, no rights can be vindicated, and no justice can be done without the maintenance of security for all who work in the courthouse and for all who come before the bar of justice.

Over the past year, this legislature and administration have been in the forefront of the effort to preserve our resident's rights and provide for the betterment of all. But rights cannot be created without also creating duties at the same time. Every time a bill is passed, every time a bill is signed into law, not only are rights created, but duties are created as well.

This legislature has been sensitive over the past year to provide for funding to implement the laws it passes. This legislature has recognized that to create programs, to create rights, without the appropriations to fulfill those rights, is meaningless. But there is a third step in this process. Once rights are created, not only must they be funded, but the courts must have the capability to enforce them. In the past, the superior court has kept up, not only with its criminal docket, but with its civil caseload as well. But at this point in time, the courts are at the point of losing that capability.

The superior court's caseload has increased tremendously. Its duties have also increased. Yet during fiscal year 1980, its budget request was reduced by $296,598.00. When the effects of inflation are taken into account, the budget was cut more. When the court budget is cut, the court suffers, but more importantly, society suffers. Criminal cases may still be tried just as quickly, because, by law, they must be. But others suffer. A small merchant who must wait and wait to recover on a bad check, a landowner who must wait to get clear title to his land until court calendars are less crowded, a young couple who must wait to adopt a child. All suffer. The superior court has the responsibility to make the most efficient use of the money alloted to it. The superior court is meeting that responsibility, but there are limits as to how far money will stretch.

During 1979, the superior court generated over half-a-million dollars, specifically, $626,836.94. Of these revenues, 85 percent or $533,046.30 was paid into the general fund, the remainder of the amount of $93,790.64 or 14.9 percent was contributed to the territorial law library fund.

It is vital that the superior court be able to respond to all the cases brought before it. Accordingly, we are seeking legislation for the creation of a family court division within the superior court. Another judgeship is absolutely essential.

There are few areas of the law which bear so directly on and influence so profoundly the lives of so many people. Hence, it is a judicial function which merits calm, competent, and considered attention in the least adversary atmosphere possible. When domestic discord reaches the intensity which requires court intervention, fair and prompt resolution of marital problems is critical, not only to the litigants but to the children and to the community.

This court, which would be structured similarly to the present juvenile court division, would encompass all matters relating to the family, that is to say, juvenile cases, matrimonial cases, spouse abuse cases, adoption cases, guardianships, and civil commitments. This would speed up the superior court's hearing of all classes of cases and may give some hope of stemming the alarming rise of domestic and juvenile cases filed.

In seeking the appointment of a new judge we must seek one with judgment, stamina, drive, sensitivity and emotional maturity. But we suggest that an attorney today with those qualifications may view a judicial appointment with some reservations. Potential applicants must weigh exchanging some measure of personal control over his or her economic destiny for a career in which salaries have been stagnant since 1977 while the cost of living has mushroomed 25.9%. We know that if time permits, you will address the issue as you have in the past. No judicial system can perform better than the quality of its judges. We are proud of the superior court judges who are hardworking, intelligent and concerned jurists. We know you want to maintain that quality.

Judges daily hear the emotional traverse of child custody matters, balancing risks in persons' freedom or incarceration and applying intricate calculus of adjudicating property rights and damages claims. Each day our judges must directly face the troubled people, and people in trouble, whose fate and fortune they determine. They operate gallantly in the eye of legal storms.

I also wanted to mention that the time has come for a reform in the manner in which our grand and petit juries are picked. They are currently chosen strictly from voter registration rolls. Thus far, the law on this subject has withstood every attack upon it. But as the character of our island's population changes, this method of jury selection becomes more and more vulnerable. It is time for a change to multiple source lists. Lists such as welfare rolls, food stamp lists, tax rolls, etc. in addition to the present voter lists, such multiple source list legislation will place our jury selection process beyond any possibility of constitutional challenge.

Another vital piece of legislation is now before you, the Probate Reform Bill. I urge its passage. This bill would require the court to investigate unprobated estates to determine if such estates should be probated. Unprobated estates may have tragic consequences, not only for the heirs, but for the future economic development of Guam. Land which is unprobated, quickly becomes unmarketable as the cost of probating such land mounts up from generation to generation. This probate reform bill will do much to solve the problem, but if it is passed, funds must be appropriated to implement it.

Another measure that would increase the superior court's responsiveness to the needs of the public would be to raise the ceiling on small claims actions to $1,000.00. It presently stands at $750.00. Small claims actions may be brought without a lawyer. It is a simple, straight forward procedure. The average small claims case is disposed of with much less use of court resources than the average civil case. It is possible that raising the small claims limit may actually help alleviate some of the congestion of the civil side of the court's docket.

The superior court welcomes the recent case of *Gannet* v. *Dispasquale,* which reaffirmed the first amendment rights of the media to observe the functioning of our system of justice. In bygone days when life moved more leisurely, people visited the courtroom. In today's hectic race they go only in response to a subpoena or summons, or when they are directly involved in a legal proceeding.

Most media coverage has always been directed toward the criminal cases, to the exclusion of the civil cases. This is understandable, for it is the criminal cases that are usually the most newsworthy to the general public but this has obscured the fact that in areas other than criminal, the court is falling behind. These areas include the civil cases that are so vital to our island's continued economic development, and juvenile, matrimonial, adoption, spouse abuse cases, guardianships, and civil commitments.

Accordingly, we would recommend and support legislation that would allow television cameras, still cameras, and tape recorders in the courtroom, under appropriate guidelines, it will take legislation to accomplish this. It would be important that any such bill provide for regulations to be issued by the superior court. The vast majority of court proceedings can and should be open to the media to inform the public of the operation of our system of justice. Let us follow the lead of 21 other states and institute an experiment to take the courtroom to the people. Demonstration that the judiciary and news media, cooperating can help the people of our territory better understand how the judicial branch of this government functions

There are other things that can be done to speed up the pace of litigation in the superior court. Many law offices, both public and private have installed word processing systems. These systems automate the preparation and typing of documents.

Such machines vastly speed up the preparation and filing of papers in court by law offices and government bodies. Yet, judges' decisions in response to such papers are essentially prepared as they have been for decades. The Superior Court currently has one IBM mag card II system to serve all the judges, all court departments, the judicial council, and the board of law examiners. It simply cannot even begin to keep pace.

It is ironic, but unless the Superior Court installs some sort of comprehensive word processing system, the increasing automation of Guam's law offices, both public and private, may indeed, result in a slowdown in the handling of litigation. This problem is not in the future, it is upon us.

In closing, let me state that great strides have been made in the administration of justice, in securing to the people of our island their legal rights to freedom and security, but the task is not over yet. The passage of any bill is an act of trust on the part of this legislature.

Trust that the Executive Branch will faithfully enforce the law, and that the Judicial Branch will faithfully adjudicate cases arising under the law. But each of our three branches needs the resources to carry out its function, to fulfill that trust, for it is only by the working together of our three branches of government that the rights, safety, and economic well-being of our territory will be assured.

Thank you,

PAUL J. ABBATE,
Presiding Judge,
Superior Court of Guam.●

PATRIOTISM IN HAMILTON TOWNSHIP, MICH.

HON. DAVE STOCKMAN

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. STOCKMAN. Mr. Speaker, the illegal detention of our Embassy personnel in Iran has been felt in the hearts of every American. We read our newspapers, listen to our radios, and watch our televisions, hoping for a breakthrough in the long drawn out crisis.

What often goes unrecognized, however, are the efforts and feelings of thousands of American citizens—people who, on the grassroots level, are protesting peacefully the shocking tragedy that continues to unfold in Teheran. I would like to bring to the attention of this House the efforts that one group of southwestern Michigan citizens has undertaken to honor the 50 American hostages and their families.

Last month, the families of Hamilton Township in Van Buren County, Mich., erected a unique memorial to the hostages and their loved ones. Arranged in a wide circle, 49 American flags donated by township families are flying at this very moment in the southern Michigan breeze. A 50th flag, higher than the rest, flies at the center. The flags each bear the name of the donor and will be sent to the hostage families when the hostages are finally released.

The Hamilton Township families have erected this memorial not as any kind of political gesture, but rather as an expression of compassion and unity—unity of the American family at a time when our Nation, and the hostage families in particular, need our genuine support. The ring of flags in Hamilton Township signifies to the hostage families that they are not alone in their hopes and prayers that the hostages be returned soon.

Mr. Speaker, I would especially like to recognize Mr. James Postello, a Van Buren County carpenter who organized the Hamilton Township memorial. He was assisted by a project committee consisting of his father, Daniel Postello, Mike Frohelick, Mike and Burdell Flowers, Mike and Larry Conway, Jim Strand, Oroville Hamilton, Rev. Theodore Neeley, and Vardell Smith. These men have provided a noble example of the spirit of the American people during this crisis and I ask my colleagues to join me in saluting their efforts.●

WASTEFUL YEAREND SPENDING SPREES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. HARRIS. Mr. Speaker, as chairman of the House Civil Service Subcommittee on Human Resources, I have been conducting a major investigation into wasteful Federal contracting and yearend spending abuses. The subcommittee's probe has revealed that millions, perhaps billions, of taxpayers' dollars are wasted on unnecessary projects and purchases during the last 2 months of the fiscal year. In fiscal year 1979, seven major Federal agencies spent more than 20 percent of their single year appropriations in the last 2 months of the fiscal year—HUD spent 47.2 percent, EPA spent 41.7 percent, Commerce spent 30.3 percent, HEW spent 22.9 percent, Interior spent 23.1 percent, Postal Service spent 22.1 percent, DOT spent 22.8 percent.

I feel strongly that direct congressional action must be taken to stop the yearend spending sprees. I have introduced legislation, H.R. 4717, to limit yearend spending to 20 percent of an agency's annual appropriation and it was approved by the House Post Office and Civil Service Committee last December. The bill is now pending before the House Government Operations Committee and I am hopeful it will be considered by the full House in late spring or early summer. I also plan to offer a yearend spending amendment to the fiscal year 1981 budget resolution when it is considered by the full House later this month. Congress must plug this loophole which allows uncontrolled Federal spending to continue.

I share with my colleagues an editorial that ran in the Potomac News in Woodbridge, Va., in support of my efforts to stop wasteful Federal contracting and eliminate yearend spending sprees:

BUDGET CUTTING FROM MR. HARRIS

Calls to decrease governmental expenditures by improving efficiency often have a hollow ring to them.

Relatively liberal candidates who want to maintain or improve programs but do not want to be associated with high taxes often rally around the banner of efficiency. Usually, we don't pay much attention.

Well, it's time to pay attention.

When Rep. Herbert Harris began public hearings on government agencies' use of private consulting firms, people sneered. They contended that Mr. Harris was simply trying to please his Northern Virginia constituents, many of whom are, or would like to be, federal employees.

However, Mr. Harris had obviously talked with lots of federal employees. We had, too, and we had heard that federal agencies were using private consulting firms to bypass restrictions on federal hiring. We had heard that consulting firms were, as a practical matter, making the kinds of policy decisions which should be made within the government. We had heard that the costs associated with private contracts are staggering.

At Mr. Harris' behest, the General Accounting Office undertook a study of the use of private consultants by seven government agencies. The report, made public last week, confirmed all the things we had heard informally, and it included other reports of abuse as well.

The upshot is that use of private consultants is costing governmental agencies and, therefore, all taxpayers a bundle. There are no hard figures, but estimates run in the neighborhood of $5 or $6 billion per year. Other estimates indicate that between one third and one half of these expenditures are a total waste.

Now, that's big money, really big money. Suddenly, the call for reducing government expenditure by improving efficiency makes a lot of sense. Everyone should be listening.

Congress is now beginning the agonizing process of trying to balance the federal budget by cutting everybody's programs without creating undue suffering. Getting a handle on the private contracting problems would not, by any means, bring the federal budget into balance, but it certainly would help.

One potential source of assistance will be introduced by Mr. Harris as an amendment to the Congressional budget resolution: he will propose that federal agencies not be allowed to spend more than 20 percent of their annual budgets in the last two months of the fiscal year. Right now, many agencies exceed the 20 percent; one agency spent 47 percent of its 1979 budget in the last two months. The idea is that, if you haven't spent last year's money, you have a tough time justifying an increased budget for the coming year. Hence, there is an annual rush to spend.

The Harris amendment should help eliminate pointless spending, as well as cut some of the most foolish consulting contracts. However, it is not going to solve the entire problem.

More legislation is now being written to attempt to cope with some more aspects of private contracting.

. While Mr. Harris and other Congressman work on specific solutions to the problem, let us all take time to applaud Mr. Harris' efforts. The savings we may see will come from a concern for government programs, as well as government spending. They will come from Mr. Harris' listening to federal workers talk about what was really happening in their agencies. Perhaps most important, they will come from Mr. Harris' hard work and sense of direction.●

SECRETARIES DAY

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. DOWNEY. Mr. Speaker, today is Secretaries Day. These wonderful people who make it possible for us to get through our hectic days here in Congress should be recognized for their efficiency, loyalty, and unfailing good humor.

In recognition of the secretary, the week of April 20-26, 1980, has been designated as Secretaries Week. In keeping with the best tradition of their profession, secretaries are accepting vital responsibilities and are performing important roles in commerce, industry, and government. The efforts of these professionals and their many contributions to the Nation's progress are significant. To recognize the secretaries now doing their jobs diligently and to encourage others to enter this worthy career, it is essential that rightful acknowledgement be given their talents.

Therefore, I proclaim the week of April 20-26, 1980, as Secretaries Week, and ask that all business and industry join me in giving due recognition to this group.●

MS. TINNINA ROSS—EDUCATOR OF THE YEAR

HON. JOSEPH M. McDADE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. McDADE. Mr. Speaker, it is my pleasure to announce to this great body that the University of Scranton's chapter of Phi Delta Kappa has named Ms. Tinnina Ross as recipient of the Educator of the Year award to be presented this Friday, April 25, 1980.

The announcement of Ms. Ross as recipient of this award is a truly outstanding one for it reflects the embodiment of the character of the people of northeastern Pennsylvania in their loyalty and dedication to excellence.

Mr. Speaker, a few words about the career of this woman is in order at this time. She began her teaching career as a kindergarten teacher and later was a guidance counselor as well as school psychologist. In 1966, when the Scranton School Board created the Department of Pupil Personnel Services, she was appointed the department's administrator. She served in that position for 14 years until her retirement on March 1, 1980.

Ms. Ross was the recipient of the William Van Essen Award by the Northeastern Pennsylvania Optometric Society for distinguished service on behalf of the visual welfare of children in 1977 and was cited as 1 of 10 outstanding graduates by the Alumnae Association on the 61st anniversary of Marywood College.

In closing, I send my very best to her family, friends, and wellwishers on this most memorable occasion. Thank you.●

PERSONAL EXPLANATION ON REGISTRATION VOTE

HON. RICHARD A. GEPHARDT

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. GEPHARDT. Mr. Speaker, I was unavoidably absent yesterday when the House voted on final passage to approve House Joint Resolution 521 by a vote of 219 to 180. The resolution makes additional funds available for the Selective Service System. Had I been present, I would have voted in favor of this important piece of legislation. From votes, in which I participated, taken prior to the final vote, it was obvious that this measure would be enacted. Had this not been the case, I would have broken my other commitment to be present on the question of final passage. It became obvious that the question of final passage was already decided by the vote on the committee substitute which I voted for.

Throughout the course of the debate and consideration of the various amendments offered to the resolution, I voted consistent with those who favored reinstitution of registration. On the "test" vote, the committee amendment to increase the transfer authority to $13.2 million from $4.7 million, I was present and voted for the increased transfer authority. It was obvious from the vote margin on this pivotal amendment that its passage decided the issue of draft registration. I also indicated my support for registration by supporting two other amendments, which the House rejected, that would have increased the amount of funds that could be transferred to reactivate the Selective Service System.

I believe, along with the majority of my colleagues, that the Nation's military manpower deficiencies are the most serious problem facing our Armed Forces, and that we must take action to reverse the trend of qualitative and quantitative deficiencies in our forces which have resulted from total reliance on the All Volunteer Force concept. While registration will certainly not solve all of our manpower problems, I am heartened by the fact that this body has at least pointed itself in the right direction and has taken an important first step to strengthen our military manpower.

The fact is that we can spend our entire budget on military hardware, more guns, and more ammunition, and not appreciably improve our deterrent capability unless we have the soldiers to man our outposts and use the weapons we intend to buy. Again, I was pleased to see that this body had the courage to take the first step toward this end, and I am hopeful that we can continue to show this wisdom and courage in future votes which address our military manpower needs.●

DISTRICT OF COLUMBIA TO HOST 75TH ANNIVERSARY MEETING OF THE AMERICAN LUNG ASSOCIATION

HON. WALTER E. FAUNTROY

OF THE DISTRICT OF COLUMBIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. FAUNTROY. Mr. Speaker, in May of this year, the District of Columbia will be honored to host the diamond jubilee annual meeting of the American Lung Association. Since 1904 this organization, the first voluntary health agency established in our Nation, has carried on research and public education on the causes and treatment of diseases afflicting the lungs.

Dignitaries from several nations, including a large contingent from Canada, will join with their American counterparts in marking this milestone. No more appropriate location could be found for this convocation than this greatest of international capitals.

There is, however, a cruel irony that shadows our pleasure at being chosen as host city for this celebration. Washington, D.C., has perennially ranked in the top three major U.S. cities in the incidence of tuberculosis, and latest figures show little abatement of this alarming situation. It is a shame and an embarrassment to all of us that the Nation's Capital of the United States should be blighted by a disease whose treatment has been known for decades. The tuberculosis rate in this city approaches one new case every day. The spread of this disease occurs because of the inability of our health agencies to maintain adequate monitoring programs—an inability stemming directly from the lack of funds to keep these programs going at appropriate levels.

Tuberculosis treatment does not stop with the individual. Relatives and other close contacts should be checked as well, since the TB germ can spread by proximity with someone whose disease is active. Unless this kind of followup is done, the chain of infection will not be broken.

Tuberculosis attacks every economic and social group; but, it is the poor who suffer most by the inadequate funding of TB control programs, because conditions of poverty help breed the disease.

The government of the District of Columbia has recently taken several positive steps toward controlling tuberculosis, including the appointment of a full-time TB control officer who has already begun a vigorous effort to upgrade the performance of the Department of Human Services with regard to this disease. Despite these gains, however, further efforts are being limited by the currently inadequate level of funding. The TB control budget has dropped considerably since 1972, because of budgetary constraints, despite a substantial need for this service among the people of the District.

As we welcome the American Lung Association to Washington, D.C., I call upon Members of Congress to take action to improve the "lung life" of America's citizens. I ask my colleagues to restore the funds which are needed to eradicate tuberculosis from the population. I can think of no better way to mark the achievements, nationwide, of the American Lung Association, while at the same time improving the health of our citizens.●

TRIBUTE TO HARRIET S. ADAMS

HON. JOSEPH G. MINISH

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. MINISH. Mr. Speaker, recently, feature articles in the Washington Post and Newark Star Ledger celebrated the 50th year of the floorboard groans and creepy cat burglars who plagued but never defeated Nancy Drew, the daring girlhood mystery idol who should be 68 by now. I would like to join the Post and Ledger in paying tribute to Harriet S. Adams, of Maplewood, N.J., known to her readers as Carolyn Keene, the author of such wonderful tales of intrigue as "Secret of the Golden Pavilion", "Mystery of the Brass-Bound Trunk", and "The Invisible Intruder."

The cunning girl detective who skillfully drives her dark blue roadster through the pages of these books is a rare literary heroine for our day and age. For a half-century, Nancy Drew has not succumbed to the increasing social pressures of a teenage world, a world in which traditional morality is unpopular and old fashioned. Harriet Adams has created a timeless character: a girl who has only aged 2 years throughout her adventurous 50-year career just so that she could drive legally in all States. Her modern-generation adjustments go only as far as wearing jeans and permitting her boyfriend, Ned Nickerson, to give her a few friendly kisses.

Harriet Adams has given us an unflinching character of solid moral fiber and joyous adolescent curiosity. For 50 years, Nancy Drew has delighted and inspired 70 million preteenagers with her wit and courage. It can not be doubted that she has been a role model for many an ambitious young girl; Liz Carpenter, Assistant Secretary of Education, has recently admitted that she wanted to be just like Nancy Drew.

At 87, Harriet Adams has just published her 59th book, "The Flying Saucer Mystery" and is working on number 60, which will be completed this summer. Her limitless imagination, shaped by versions of her own childhood and teenage adventures as well as her later travels throughout most of the world, continues to make the Nancy Drew books one of the most popular series around. Harriet Adams' social and literary contribution deserves the acclaim not only of her readers but of their parents and educators as well.

I am proud to honor Mrs. Adams by bringing to my colleagues' attention this meritorious anniversary.●

TAX INDEXATION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. ASPIN. Mr. Speaker, I am today introducing legislation to index income tax brackets.

This is a subject that has been popular on the Republican side of the aisle for decades. But my colleagues on the Democratic side regrettably have shied away from this issue.

I suspect it has taken on a partisan flavor because tax indexation was broached and pushed by the late Senator Robert A. Taft in the early 1950's. If we look at the most popular indexation bill introduced this Congress, Mr. GRADISON's H.R. 365, we find that it has 96 Republican consponsors and only 19 Democratic cosponsors.

I have long been concerned at the lack of movement on indexation. It is really an issue of equity and ought not to be mired in partisanship. I note that in Canada indexation was enacted several years ago by a liberal government.

Apart from the specter of partisanship, one issue, and a legitimate one, has retarded support for indexation on both sides of the aisle. That is concern over inaccuracies in the Consumer Price Index.

If we are to index tax brackets, the key policy question is what do we index them to. The standard solution is to tie tax brackets to the Consumer Price Index, which is widely if falsely considered to be a measure of the cost of living.

The bill I am introducing today breaks with this pattern. It specifically authorizes the Bureau of Labor Statistics to devise a new measure, dubbed the "Index of the Rate of Inflation." The IROI would be designed specifically "for the purpose of reflecting changes in the cost of living."

The bill does not detail the structure of the IROI, a subject that is not very suitable for the statute books. I would expect the Bureau of Labor Statistics to work closely with the relevant committees of the Congress in designing the IROI. I would point out that considerable research and analytical work has already been done; we are not talking about starting from scratch trying to devise some wholly new concept without any idea of where we are going. The IROI that I have in mind would, for example, use a "flow of services" approach in calculating inflation in the shelter area. One of the major problems with the CPI is that it in effect assumes that every citizen is buying a new home each month. Thus the rise in the value of real estate is listed as an inflationary burden for all when it is actually a growth in the value of assets for most.

For the purpose of measuring changes in consumer prices, the CPI very logically uses fixed weights. Here is what this means. The BLS surveyed our spending patterns in 1972-73. We spent x percent of our income on beef and y percent on gasoline then. Those weights are fixed; they are set in concrete. In reality, of course, spending habits have changed.

In just the last year we cut gasoline consumption by 5 percent. If we look at food, we find that in the last dozen years beef prices have risen 20 percent faster than the general increase in the CPI, while poultry prices have risen 44 percent less. In other words, poultry prices have risen at only half the rate of the overall CPI. The public, not illogically, is eating more chicken and less steak. The public, very logically for a society that believes in the marketplace, has adjusted its eating habits. The CPI has not been adjusted accordingly, however. Thus, the CPI is not a measure of the cost of living, it is a measure of consumer prices, just as its name clearly states. What we need, however, is an index designed specifically to measure changes in the cost of living. And that is the reason I am proposing the IROI.

The IROI will fill a large gap in our statistical package. And, I believe, it will make tax indexation much more palatable to Members who have quite reasonable doubts about linking everything in society to the CPI.

Under my bill the IROI would be used to adjust tax brackets each year automatically.

Let me explain the effect of our current unindexed tax system. Take the example of a childless couple earning $10,000. A look at this year's tax tables shows that they will pay $707 in Federal income taxes or a tax rate of 7.1 percent.

Now, if the cost of living rises 10 percent and their income goes up an equal amount, they haven't gained a penny in spending power. Yet at their new income level of $11,000 they will be paying $887 or 8.1 percent of their income in Federal taxes. The marginal tax on that added $1,000 is a whopping 18 percent, when it ought to be 7.1 percent.

Under current law, everyone earning from $10,000 to $10,050 is taxed at the rate of 7.1 percent. Under my bill, this tax bracket and all other tax brackets would be linked to the IROI. If the IROI shows the cost of living rose 10 percent in a year, then next year the 7.1-percent tax bracket would range from $11,000 to $11,055.

Under my bill, the personal exemption, which is now $1,000, would also be indexed to the IROI.

Mr. Speaker, the current tax structure is a crime. The Federal Treasury ought not to be benefiting from inflation. Ideally, of course, we should do away with inflation entirely. While that remains an elusive goal we can serve our people best by guaranteeing that as the cost of living rises we will not use the tax structure to pummel them even more. Therefore, Mr. Speaker, I ask all Members—Democrats and Republicans alike—to give their support to indexation of tax brackets.●

HIGH LOW SILVER

HON. JIM SANTINI

OF NEVADA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. SANTINI. Mr. Speaker, on April 6, the CBS "60 Minutes" news program aired a segment entitled, "High Low Silver," focusing on the price fluctuation of silver.

Although an important commodity, neither the availability of silver nor the massive price fluctuations surrounding its manipulation is as potentially devastating to America's interests as related concerns regarding cobalt, manganese, chromium, and platinum. Crucial to our national defense and our industrial base which supports it, each of these minerals is nearly 100 percent imported from foreign sources.

While gamblers like Mr. Hunt lost millions on speculations on the silver market, the gamble our Federal Government is taking on strategic and critical minerals will spell massive loss for all Americans—a loss that may well threaten our national survival.

Mr. Speaker, it is important that Government officials and the American people not lose sight of the more important aspects of minerals. The volatility of the minerals market is greater than the price fluctuations projected by the "60 Minutes" program.●

VIEWS OF A PRIVATE CITIZEN

HON. THOMAS A. DASCHLE

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. DASCHLE. Mr. Speaker, I rise today to bring to my colleagues' attention the observations of one of my South Dakota constituents, Dale Washnock, a young family farmer from Stratford, who recently completed a 2-week period as a member of my Washington staff.

Once a month, for a 2 week period, I select a South Dakotan to work along side my congressional staff to better learn the many aspects of the Congress, the legislation process and the Federal Government.

In his observations, Dale describes his realization about the complexities of the Congress and the Government and his observations of the role a private citizen can play in the governmental process.

I insert the text of Dale's remarks into the RECORD for the benefit of my colleagues:

When I read in the Brown County News that Congressman Tom Daschle had a Congressional Exchange Program, where he wanted to bring South Dakotans to Washington to work on his Congressional staff and learns the ins and outs of the Federal government, I decided to drop him a line telling him I was interested.

I didn't expect to be chosen, as I only had met Tom once, but in January, I got a call from one of Tom's staff people and the plans for my work period in Tom's Washington office were finalized.

As a result of the embargo, Tom told me he realized that the early part of 1980 would be a crucial year for many young farmers in South Dakota. As a member of the House Agriculture Committee, he knew that the Committee would be debating many different proposals for the upcoming farm program, and he wanted to have the advice of a young farmer when these bills came before the Committee. Thus, I came to Washington mainly to work on agricultural programs and learn how the Federal government affects agriculture.

A large portion of my time in Tom's office was spent on collection and documentation of information from people of South Dakota. There are many view points that can be taken on issues, and that close and frequent contact with South Dakota citizens is one way to insure that South Dakota's wants and needs are understood and represented.

By helping Tom and his staff answer calls on his toll free telephone and letters from South Dakotans, I found you don't get results on the first call or even the second. Often times it takes half a dozen calls to get through to the person having the information to answer a question.

I found that letters and phone calls to Tom's office are treated with importance as they are excellent tools to help keep Tom abreast of what is happening in South Dakota. Despite the fact Tom returns to South Dakota regularly, it is difficult to keep up to date on news from Aberdeen and Vermillion. It is at an Open Door Meeting that I had my first close contact with Tom and could personally express my views to him and build a foundation for future correspondence. Very little can be solved if our Congressmen don't know what their constituents problems are.

Daschle is a member of the Agriculture Committee, which gives South Dakotans a vital opportunity to funnel in legislation pertinent to South Dakota's number one industry, agriculture. One must keep in mind that around 13,000 bills are introduced each session. Because of the debating on different points of view, as well as the amending that is involved, it is no wonder so much time is needed to get a bill passed. It is just as difficult to get 12 members of a Committee to agree as it is to get a dozen farmers to agree on any given issue. You can imagine the difficulty getting 535 Congressmen to be in a common agreement.

As far as agriculture, the view point I am coming home with is first, the farmers must keep in perspective the vast size of the national government. Farmers are 2 percent of the United States population, so they must work for legislation that is attractive to the consumer as well. Farmers want agriculture programs to keep family farms solvent and to encourage young men to pursue a career in farming. This, in turn, will ensure the consumer a supply of high quality, inexpensive foods and fibers. Farmers must keep in mind that agriculture programs must be sold for the consumer as well as the farmer. We must not ask the agriculture to be subsidized by the rest of the American economy, but to sell the realism that today's agriculture programs are subsidizing the consumer's grocery bill.

My experience from sitting in on Tom Daschle's Agriculture Subcommittee sessions bears out the fact that when some common goals are employed, legislation can effectively be worked up the bureaucratic ladder.

One committee session I sat on dealt with finding a solution to control the 1980 crop production. After considerable debate the session yielded a 10 percent wheat diversion program at $1.50 per bushel on the diverted acres and a 15 percent corn diversion program at $1.25 per bushel. The following session dealt with the livestock and grains markup on the embargo legislation. The session markup consideration included H.R. 6245, a bill that would set the loan level for any commodity, which the Federal government suspends the export sales and continues commercial trade, at 90 percent of parity. When an embargo is set for reasons of national security and foreign policy the loan level would be set at the average market price before the embargo.

After considerable debate and amending, the bill was sent on to the full Committee for consideration. It is interesting to note the legal counsel and USDA representatives that are present to give estimates on costs, expected farm participation, and any other facts needed by the Committee to consider a bill.

Interest groups, such as the American Agriculture Movement and the Farmers Union, as well as private individuals, gave testimony at Committee hearings. The members of the Committee then have an opportunity to question these people on pending legislation. After these experiences at Tom's committee sessions and following through in the day to day office schedule, I have a better understanding of my Congressmen's work here in Washington.

This internship was most rewarding to me in getting a handle on the vast scope of the bureaucracy and a viewpoint on how to approach and solve the farmers' problems. Attending meetings held by the Congressman, writing letters, or calling his office, is the first step toward making your viewpoint known. Congressmen are in the position to open doors that are otherwise locked to the farming community. Expression of your views is important.●

TRIBUTE TO DR. JULIUS LEVINE

HON. DON EDWARDS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. EDWARDS of California. Mr. Speaker, I would like to pay tribute to Dr. Julius Levine, an outstanding community leader in my congressional district, and to bring some of his accomplishments to the attention of my colleagues.

Dr. Levine, owner and director of Levine Hospital in Hayward, Calif., for some 25 years, has extended his service to the community in many ways in addition to his considerable responsibilities in connection with the hospital. He has taken an active role in Boys Clubs of Hayward, serving as president and chairman of the board of the Hayward Boys' Clubs, and as chairman of the Bay Area Council of Boys' Clubs of America. In addition to his involvement in this endeavor to help the youth of our community, Dr. Levine has been involved in a wide range of religious, professional, and civic activities.

A World War II veteran of great distinction, and the recipient of numerous decorations, Dr. Levine has been actively involved with the Veterans of Foreign Wars for over two decades. In his position of national hospital chairman for the VFW over the years, his input has been of great help to me in my work on the House Veterans' Affairs Committee and in particular on the Subcommittee on Medical Facilities and Benefits. I have benefited greatly from his valuable insights on the Veterans' Administration's medical facilities and on how those facilities are serving the needs of our veterans.

Dr. Levine has received many commendations in his lifetime for his many and varied achievements. On the occasion of his 66th birthday, I would like to add my appreciation for his many years of outstanding service to the community. We need more citizens as dedicated as Dr. Levine.●

STUDENTS OF PIKESVILLE SENIOR HIGH SCHOOL VISIT CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the students from Pikesville Senior High School who, with Mr. Donald Reuwer, are visiting the Capitol. My constituents will tour the House of Representatives, attending committee meetings, and observing floor debate. I will be meeting with the students from Pikesville High to discuss the legislative process and the issues of the day.

Mr. Speaker, I invite you to join me in welcoming:

Jeff Altman, Paul Albert, Terry Berger Bruce Cweiber, Karen Day, George Dillon, Melissa Erlanger, Lisa High, Mark Jensen, Stefanie Jules.

Allyson Kramer, Debbie Leonard, Robyn Mahler, Robert Miller, Mike Omara, Mitchell Parson, Miles Pollack, Chris Roberson, Robert Rombro.

Betsie Shavitz, Marcie Rubin, Scott Shaynes, Rob Silverman, Ellen Singer, Harold Surratt, John Troxell, Anthony Wall, Guy Tuvin, Marcie Wolk, Stacey Sell.●

LINCOLN HIGH SCHOOL RAILERS FINISH FOURTH IN STATE

HON. EDWARD R. MADIGAN

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. MADIGAN. Mr. Speaker, on March 24, 1980, my hometown newspaper, the Lincoln Courier, reported in front page headlines the Shah of Iran's arrival in Egypt, the renewed threat of spy trials for our hostages in Tehran, and the fourth place finish of the Lincoln High School Railers in the Illinois State basketball tournament.

The Railers' finish in the State tournament was front page news because it was the climax of the most successful season in Lincoln High's history. The team finished with 30 wins and 3 losses and was the first in the school's history to finish in the coveted final four. Although the Railers finished fourth in the official tournament results, they finished in the first place of the hearts of Lincoln High School fans.

A lot of hard work and late suppers went into the Railers successful season. The parents of the players and the Lincoln community have a right to be proud of the achievements of these young people..

My congratulations to team members Ty Miller, Jim Austin, Terry Biggs, Todd Lohrenz, Paul Kendrick, Dan Duff, Willie McCray, Kevin Seitzer, Stan Werner, Ron Williams, Alex Ulrich, Craig Fink, and Glen Farmer; to team managers Brian Ritter, Daren Atteberry, Doug Lee, Brook Vinson, and Jim Wilson; to head coach Loren Wallace and assistant coaches John Welsh and John Flowers; and to the athletic director, Gene McDonald.●

CLEVEPAK BRINGS NEEDED JOBS TO NORTH COUNTRY

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. SOLOMON. Mr. Speaker, 2 months ago, a local manufacturing firm in my district began its year by making an extremely positive announcement: They were increasing business they did at a plant in my district at Victory Mills. This move created additional jobs for approximately 50 people.

Today, Clevepak Corp. is very happy it made the moves in its plant at Victory Mills, and is experiencing numerous benefits from the move.

Clevepak manufactures folding cartons and boxes used by major American drug and pharmaceutical, candy, automotive accessory, stationery, paper products, liquor, and other package goods companies. Its manufacturing facility is a handsome, old complex called, "Victory Mills." Inside this historic building, I found some of the most modern processing and production equipment, and work being done for some of America's largest companies.

Their move came at an especially important time for my district because just previously, a major papermaker had closed down a mill facility putting approximately 200 people out of work. Clevepak has been able to draw on this available, skilled work force to expand their production capabilities. Eugene C. Holcombe, Jr., the general manager of Clevepak's operation here, said at the opening:

> We're particularly pleased to be expanding in Victory Mills because the work force here is hard working, skilled, experienced, and loyal. Our local elected officials have been very cooperative and helpful in the past. We feel Victory Mills is an excellent place to live and do business.

To the many of us who are concerned with the continued viability of this district's many and varied businesses, the Clevepak move came as a very welcome addition.

And it is obvious that Clevepak is happy with their move. I talked with Mr. Holcombe the other day and he said he had found all of the benefits that they anticipated from the expansion had been realized.●

PROMISES, PROMISES: BALANCED BUDGET—PART 1

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. SAWYER. Mr. Speaker, as the House begins consideration of the long awaited and talked about balanced budget for 1981, I take this opportunity to share with my colleagues the first of a two-part editorial by WZZM-TV, Grand Rapids, Mich. I believe these comments articulately and persuasively identify the gamesmanship associated with balancing the budget through "enormous increases in taxes."

The budget forecast for 1981 is $611.8 billion. This figure allows a $64 billion increase over this year's spending level—hardly the sacrifice which the American people are expecting from politicians during the period of soaring inflation.

We are all for a balanced budget. But if we fail to adopt difficult spending cuts as part of the Nation's fight against inflation, we are fighting only half the battle. Americans cannot afford the $99 billion tax increase which the President has proposed to balance the budget.

The editorial follows:

BUDGET BALANCING: PART 1

(By George Lyons)

Many people, government departments and agencies have been wringing their hands and going into convulsions over President Carter's decision to balance the budget. He's warned of pending cuts in federal spending to succeed in efforts to avoid a deficit in the 1981 budget. A closer look at the newly revised proposed budget will give taxpayers an indication who's really going to balance the budget; they are, through enormous increases in taxes.

It's a fantasy to believe that the 1981 budget contains any streamlining of the bureaucracy or cuts any fat or waste from federal programs. To balance the revised edition of the 616 billion dollar budget sent to congress in January, the administration has decided to increase revenues instead of slashing expenditures. That means Carter must come up with an additional 28 billion dollars, and it will come from you and me.

Remember that highly touted windfall profits tax which the President signed with such gusto? It's really an excise tax per barrel of oil and since it accompanies decontrol of oil, you'll pay the tax.

Originally, the proceeds of the windfall profits tax were to be applied toward efforts to reduce taxes, discover new energy resources and help the poor with heating costs. Instead, the 12 billion from the tax will go into general revenues as part of that extra 28 billion the administration needs to cover spending as usual. So much for promises.

We'll explain how the administration plans to come up with the remainder of the additional revenues in our next editorial.●

THE PROMISE OF SUPERCONDUCTIVITY

HON. PATRICIA SCHROEDER

OF COLORADO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mrs. SCHROEDER. Mr. Speaker, while Congress and its shoals of lobbyists and interest groups nibble away on energy development, use, and control, researchers around the world are working on technological advancements that make many of the present problems irrelevant.

Gasoline rationing, windfall profit tax, and synthetic fuels, to name just a few burning issues of the day, pale when compared with the promise of superconductivity, magnetic levitation, and magnetohydrodynamic generation.

Most of the assumptions we make about energy resource and use are based on a present or near future state of the art. However, technology is rarely at parade rest.

The past 100 years have witnessed dramatic changes in, for example, the way we transport ourselves and the way we heat our homes. There is no reason to believe that the next 100 years will be any different.

The April 1980 issue of High Technology contains a fascinating discussion of what the future may bring, "Superconductivity: Will Its Potential Be Realized?" More important for our purposes, the article discusses where and why the United States lags behind.

The article follows:

SUPERCONDUCTIVITY: WILL ITS POTENTIAL BE REALIZED?

(By Eric J. Lerner)

Over the past several years, researchers have demonstrated several remarkable possibilities for superconductivity—the ability of some materials to lose all resistance to electricity at very low temperatures.

Magnetic levitation trains, which float on fields generated by superconducting magnets, could potentially travel at thousands of miles per hour. Extremely compact, superfast computers are promised by superconducting Josephson junctions, as detailed in the March issue of High Technology. Superconducting magnets can focus radio waves to detect the minutest cancer tumors, and in the future there is hope that cures also may be possible. These powerful magnets can also separate dangerous pollutants from drinking water.

By the turn of the century, energy production may make wide use of superconductivity. It might produce the high fields needed for nuclear fusion plants, and for magnetohydrodynamic generators. Experiments are already under way on superconducting power lines for virtually lossless transmission of electric power.

Yet, despite the immense potential for superconductivity, it is today an open question how fast, or even whether, this potential will be realized, especially in the United States. While the U.S. has consistently pioneered in the most innovative research on superconductivity and its applications, the American government and many U.S. industries have been slow to implement these applications in practice. Instead, other countries have taken American work and moved it towards industrial reality. Leading superconductivity scientists, such as Dr. Henry Kolm of MIT's Bitter Magnet Laboratory, have bluntly stated that a pervasive "bookkeeping mentality" threatens to deny this country the benefits of superconducting technology.

Superconductivity was first observed in 1911 by students of the Dutch scientist Kammerleigh Onnes, who found that the electrical resistance of a rod of frozen mercury fell to zero when the rod was cooled to four degrees Kelvin (−269 degrees C). Subsequently, other scientists discovered that a variety of materials could be made to superconduct when sufficiently cooled. In such a state, a current, once induced in a material, will circulate indefinitely without any need for additional energy. Thus, superconductors can potentially carry extremely high currents without loss.

Early superconductors exhibited an important limitation, however, which prevented their immediate development and application. When the magnetic field rose above a relatively small value—just a few hundred gauss—the superconducting effect disappeared. Since high currents would produce such fields, the use of superconductors in high-power applications seemed impossible.

This limitation was theoretically overcome in 1937, when a Soviet scientist, L. W. Shubnikov, discovered a class of superconductors which he called Type II. These were able to maintain their superconducting state in the presence of magnetic fields up to several thousand gauss. This discovery opened up the possibility of using superconductors in electricity generation and transmission, and in the production of powerful electromagnets.

After World War II, new technologies made low-temperature research easier. In the 1950s, many laboratories initiated serious work to develop practical high-power superconductors. Over the past 20 years, new materials—such as niobium-tin, niobium-titanium, and niobium-germanium—were developed which could withstand magnetic fields up to 200,000 gauss. Materials were also developed with higher transition temperatures. Niobium-germanium, for example, becomes superconducting at 23 K, allowing cooling with liquid hydrogen rather than the rarer liquid helium needed for temperatures below the boiling point of hydrogen. In the past two years, new techniques have been developed which greatly ease fabrication of normally brittle superconductors.

Today, superconductivity research and development in a wide range of fields is being carried out in hundreds of laboratories around the world. There is nothing at present which could really be considered as a "superconductivity industry;" only the most limited commercial applications exist. Yet in 20 years, according to a recent report, sales of superconducting machinery may be a $10-billion-a-year business.

The reason such projections are now being made is that in the past few years, the engineering feasibility of a number of extremely significant superconductivity applications has been demonstrated, transforming the field from one which is mainly research-oriented to one with direct potential for commercial use.

The principal applications derive from three main properties of superconductors. At the simplest level, superconductors' ability to carry large currents without loss make them ideal for long distance power transmission. Second, since superconductors are lossless, superconducting circuits can hold electrical energy indefinitely.

Theoretically, then, extremely powerful superconducting magnets require no power at all. Conventional magnets of similar strength need impractically large amounts of power to compensate for resistance losses. These superconducting magnets are the basis for most high-power applications. The third basic property is the Josephson effect, which allows superconductors to be made into tiny, ultra-rapid switches for electronics applications (see March issue).

Over the coming years, superconductors will very likely replace conventional conductors in the production, storage, transmission and use of electrical power. Within 20 years, the familiar electrical world based on copper—and perhaps even silicon—will be yielding to superconducting technology that may be based on exotic alloys of niobium.

Powerful superconducting electromagnets are moving most quickly into industrial and commercial uses. The use of such magnets for super-accelerators to study the basic properties of matter through energetic particle collisions has been one factor spurring development. But they are finding important uses outside the research community as well. Such magnets, for example, can literally drag pollutants out of water streams. Experiments at MIT have demonstrated that, when water is seeded with iron oxide particles, bacteria and other pollutants (which absorb the iron particles) can be efficiently trapped in the high fields of superconducting magnets. Thorough, one-step water purification by this method is estimated to be far less than one half as costly as conventional techniques.

A far more dramatic, and better developed, use of superconducting magnets is magnetic levitation transport—a new concept in mass transit which may finally end man's millenial reliance on the wheel as the basis for land transportation. Magnetic levitation vehicles are supported a foot off the ground by the magnetic repulsion created from the motion of a powerful magnet over a conductor. The moving magnet sets up eddy currents in the stationary conductor, and these currents in turn produce a magnetic field, repelling the magnet in the vehicle. With superconducting magnets, forces sufficiently strong to levitate train cars can be produced at speeds as low as 60 miles per hour.

Magnetic levitation eliminates the primary speed limitation of ground transport—the need for increasingly smoother rails as velocity increases. With a foot separation between the vehicle and the conducting tracks, minor irregularities in the conductors are completely insignificant. The levitation gap is automatically maintained, since the repulsive force increases rapidly the closer the vehicle approaches the conductor.

Maglev vehicles, also called magneplanes, are propelled, as well as supported, electromagnetically, using a Linear Synchronous Motor (LSM). An LSM is nothing more than a conventional rotary electric motor transformed into a linear system (see diagram). Alternating currents are fed into coils in the track, changing the polarity of the magnetic field created in synchronism with the motion of the magneplane. The fields move so the magneplane's magnets are always attracted towards the track magnets ahead and repelled by those behind. The magneplane thus rides like a surfboard on the crest of an electromagnetic wave.

Magnetic levitation has tremendous advantages over both rail and air travel since magneplanes can travel from center city to center city at extremely high speeds. Used on above-ground tracks, magneplanes can travel almost noiselessly at 300 mph. If magneplanes were used on heavy-travel corridors, such as between New York and Washington, DC, travel time could be radically cut. A magneplane could get a passenger from downtown Washington in 40 minutes, about a third the center-to-center time for an airplane, and a fifth the time for conventional trains. Such a magnetic levitation system could carry six times the number of passengers per hour and use one sixtieth the energy per passenger as conventional rail lines, according to calculations by MIT's Dr. Henry Kolm, one of the magneplane's originators.

Even more spectacular results can be obtained if the magneplanes are placed in evacuated tunnels. Here, without air friction, speeds are almost unlimited. Practically, such advanced magneplanes would be limited by passenger comfort to 9,000 miles-per-hour. Above that speed—half the velocity of an orbiting satellite—centrifugal forces caused by the curvature of the earth would make passengers approach weightlessness. A RAND study of a $50-billion transcontinental maglev system showed that hypersonic travel on this basis could be achieved for about a third the cost and a fiftieth the energy expenditure per passenger as current jetliners.

Counting in time for smooth acceleration and deceleration, a magneplane operating in an evacuated tunnel could take passengers from downtown New York to downtown San Francisco in a half hour. Eventually, maglev tunnels under shallow water channels separating Europe from Canada, and Alaska from Siberia, could link the entire world into one huge subway system based on maglev vehicles. At that point, perhaps sometime in the 21st century, it will be possible to travel anywhere in the world in an hour and a half, and get to the other side of the planet in less time than it takes today to get across town.

The development of magnetic levitation transport was initiated in the late 1960s by James Powell and Robert Danby at Brookhaven National Laboratory and Dr. Kolm at MIT's Francis Bitter Magnet Laboratory. However, Department of Transportation and National Science Foundation funding for Dr. Kolm's pioneering work was terminated in 1975. Dr. Kolm said he was told by one DOT representative that "there was nothing wrong with steel wheels and steel rails—they've been around for a hundred years."

Dr. Kolm's efforts were followed up abroad. In Canada, a team of engineers is currently completing a feasibility study for installing an above-ground maglev train to link Toronto and Montreal. Again, the Japanese have taken the lead in applying superconductivity, building a half-scale magnetic levitation train and testing it on a 7-km track at Miyazaki. The superconducting magnetic levitation vehicle has, in the past few months, reached its planned test speed of 500 km per hour (330 mph), thus establishing a world rail speed record. The Japanese National Railway, which built the test vehicle and track, is now planning the commercial introduction of the system sometime in the next decade. If the Canadian government also decides to go ahead with its magnetic levitation link, this system may also be operating by 1990.

It is not surprising that Dr. Kolm is angered by the U.S. government's decision to terminate his funding, while others develop his ideas. But this is only one of many similar examples of the government's lack of support for superconductivity. In the medical field, government funding has been denied to a new technology that could potentially save thousands of lives and open a new era of electronics-based medicine.

In 1972, researchers at the State University of New York's Downstate Medical Center, led by Dr. Raymond Damadian, discovered a method of using nuclear magnetic resonance (NMR) to detect cancer cells. In NMR, the nuclei of atoms placed in a magnetic field are exposed to radio waves. At certain resonant frequencies, the nuclei absorb and then re-emit the radio signals. Dr. Damadian found that the nuclei of hydrogen atoms in the water of cancerous cells produced different NMR signals than was the case for healthy cells.

His team developed a technique called field-focused NMR, or FONAR, which could be used to scan an animal or a human being for cancer tumors. A FONAR device produces a magnetic field structured so that NMR signals will only be produced within a tiny area of the animal or patient. Areas can be scanned to produce a detailed NMR picture of the whole body. In effect, cancer tumors are forced to become tiny radio transmitters which announce their own location.

After initial experiments with animals showed that cancer tumors as tiny as 1 millimeter across could be detected, Dr. Damadian's group constructed a superconducting magnet large enough to produce a carefully shaped field over the whole of a human being. Only a superconducting magnet could produce such a field without the use of exorbitant amounts of electrical power.

When the 3-foot bore, 1000-gauss magnet was completed in 1978, Damadian did initial tests showing that FONAR could detect not only cancer, but other pathological conditions in human beings as well.

The ability to detect cancers as small as 1 mm is a major step forward in the battle against the disease. Such small tumors can usually be easily treated with radiation or surgery long before they have grown large enough to begin to spread. FONAR scans of the entire population on an annual or semi-annual basis could potentially radically reduce the risk of cancer death.

In addition, Damadian believes that it may be possible to treat cancer using FONAR. Since cancer cells absorb certain frequencies of radio waves which normal cells do not, such radio waves might be used to destroy the cancer cells without harming the normal ones.

According to Dr. Damadian, FONAR could not only revolutionize cancer treatment, but all of medicine. NMR spectra could show exactly what chemical processes are taking place and where in the body. This would allow doctors to directly monitor the effect their treatment is having, and to adjust it to the individual's own specific biochemistry.

"This shifts the whole basis of medicine from anatomy to chemistry," explains Dr. Damadian. Eventually, FONAR scans and spectra, analyzed by sophisticated processing equipment, may become the doctor's principal diagnostic tool—the basis for what Dr. Damadian terms "electronic medicine." Funds for these projects were cut off in 1977.

The most spectacular application of superconductivity is in the harnessing of thermonuclear fusion power. Fusion power, the nuclear power which drives the sun and the stars, and provides the awesome destructiveness of the hydrogen bomb, has long been viewed by many scientists as the ultimate solution to the energy problem. The fuels for thermonuclear reactions—deuterium (a form of hydrogen), lithium and boron—are found in great abundance in ordinary seawater. Not only is this fuel virtually free, but it is sufficiently common to provide energy at current world production levels for billions of years.

Work done at the University of Wisconsin and elsewhere has demonstrated that fusion reactors might produce electricity as cheaply as 2.5¢ per kwh, or less, based on current ideas on how they might be designed. Other studies have indicated that electricity at this price could be used to produce artificial liquid fuels, such as methanol and ethanol, whose equivalent in energy content to a gallon of gasoline could sell for about 70¢.

Controlling fusion, however, is technologically very difficult. Fusion reactors, to be economical, must reach temperatures of over 100-million degrees C. The containment of hot, ionized gases called plasmas at these enormous temperatures has been the key problem in the 30-year effort to harness fusion.

From the start, one of the most promising approaches has been to use extremely powerful magnetic fields as a sort of "bottle" to trap the plasma while the reaction occurs. In the 1960s, Soviet scientists developed a donut-shaped device called the tokamak which could produce a stable magnetic field suitable for containment. Last year, scientists at Princeton University's Plasma Physics Laboratory, using a version of the Soviet design, were able to contain a plasma at the fantastic temperature of 75-million degrees, demonstrating that the conditions necessary for controlled fusion could be achieved.

Superconducting magnets would be essential for the commercialization of fusion power. While the magnets used in the Princeton experiment were ordinary copper-wire ones, it has long been recognized that practical thermonuclear reactors based on the tokamak design will require superconducting magnets. Otherwise, the heat loss in the magnetic windings would exceed that generated by the fusion reactions.

The Soviet fusion project is leading in the development of the larger superconducting magnets needed for fusion. The Tokamak T-10M, a superconducting fusion device using 2-meter bore magnets, is expected to be operational in the early part of this year. It will represent the first such device to use superconducting magnets with a plasma close to reactor temperatures.

If successful, the superconducting magnet design used in the T-10M is to be upgraded for use in Russia's next version, the T-20, which will be completed in 1982. Although this will be an experimental power reactor, it is expected to actually produce net energy from fusion.

The Japanese are also moving rapidly, developing a similar magnet producing 80,000-gauss fields at the Cluster Test Facility in Tokyo.

The U.S. also is building large superconducting magnets, under the Department of Energy's Large Coil Program, part of the DOE's Magnetic Fusion Division. But the U.S. will not incorporate superconducting coils into its experimental reactor, the TFTR, mainly for budgetary reasons.

Although the U.S. and Soviet programs are at present not far apart in their accomplishments, the contrast in future plans and allocation of resources is striking. The Soviet fusion program, now funded at an estimated $700-800 million and growing rapidly, aims at the development of a full-sized (1000 MW or bigger) fusion-fission breeder reactor by 1990. This reactor, a transitional step towards pure fusion, will enormously accelerate the production of fuel for the Soviet Union's growing numbers of fission reactors. By the year 2000, the Soviets plan to begin bringing on line operational pure fusion reactors. This could permanently secure the energy future for the USSR.

By contrast, the U.S. program is funded at less than half the Soviet level ($355 million in 1979) and has grown only slightly in the past three years in current dollars, shrinking by about 15% in real terms. Despite estimates by program managers such as Dr. Steven Dean that the U.S. could build a commercial fusion reactor in 10 to 15 years, official DOE policy is to target commercial fusion for no earlier than 2025-2030—a full generation behind Soviet plans!

A recent report by the Congressional watchdog agency, the General Accounting Office, echoed the same conservative attitude, warning Congress that "fusion energy should not be looked to as a means for solving the nation's near or midterm energy problems." GAO suggested that budget priorities be focused on other, more immediate projects. The Office of Management and Budget has repeatedly cut back program requests on the ground that fusion is not yet cost-effective.

Obviously, as program officials point out, such projections can become self-fulfilling. Estimates done by the Office of Magnetic Fusion concede that commercial fusion could probably never be developed at present levels of funding. Thus, without a reversal of present trends, many fusion scientists fear that the year 2000 may see fusion lighting up Moscow and, perhaps, Tokyo, but not New York or Chicago.

A less spectacular but more immediate contribution of superconductivity to alleviating the energy problem is magnetohydrodynamic generation (MHD). In this process, the efficiency of energy generation from fossil fuels can be increased by 50% over current methods. Present generation techniques are based on burning fuel to produce steam, with the steam turning conventional generators. At best, such a process is about 40% efficient. However, in MHD, the hot gases produced from combustion are doped with phosphorous, creating an ionized plasma capable of carrying current. When this plasma is passed through a powerful magnetic field, a transverse electric current is set up, directly converting the motion of the gas into electricity. As with fusion, the size and power of the magnets require that they be superconducting.

When used together with conventional steam cycles, MHD can increase conversion efficiency by half, to 60% or more. Correspondingly, fuel use is reduced by one third, and so, approximately, is the cost of the electricity generated. Preliminary studies have indicated that MHD, using coal as the fuel, could be used in the creation of synthetic fuels. In such schemes, MHD-produced electricity would be used to dissociate water, forming hydrogen. The hydrogen would then be reacted with CO_2 from the furnace to form synthetic alcohol. Such a fuel would almost certainly be cheaper as an automotive fuel than gasoline at the present dollar-plus gallon price.

In addition to increased efficiency, MHD has the advantage of automatically removing the most serious pollutants, especially sulfur, from coal generator exhausts. The phosphorous chemically binds the sulfur particles, turning them into a heavy precipitate which drops out as slag. In the U.S., this means that heavy sulfur coals could be used for electricity generation without affecting air quality.

The United States and the Soviet Union, until the recent cooling off of relations, collaborated in the development of the superconducting magnets and associated technology needed for MHD. Here again, Soviet plans for the future are far more aggressive.

At present, the Soviets have in operation a small MHD plant based on natural gas as a fuel. The plant, the U-25, feeds 25 MW of power into the Moscow power grid and is being used to test the durability of MHD components. The facility is also being used to test a 40-ton superconducting magnet built by Argonne Laboratory in Illinois as part of the cooperative project.

The Soviets plan to soon begin constructing the first full-scale MHD generator, a 500 MW plant scheduled for operation in 1984-85. However, the U.S., while making contributions vital to the Soviet project, does not plan to have its own commercial plant operating before 1991. Part of the reason for the longer U.S. timetable is that there are greater technical difficulties in using coal, which is the American fuel, than in using natural gas, the Russian fuel. But another reason is, as in fusion, Administration budget cuts, including a reduction of MHD expenditures from $80 million in 1979 to $72 million this year.

The Soviets, and the Austrians, are also leading the U.S. in the development of superconducting transmission of electricity. Superconducting cables, with their lack of resistance, can carry far more electricity than similarly-sized conventional cables. A Long Island Lighting Company study indicated that superconducting cables could cut the cost of transmitting power by a factor of four. A single superconducting cable can carry the power of nine conventional cables (10 gigawatts, or the power now needed by New York City).

Austria, surprisingly, has the most advanced program for implementing superconducting transmission, and will be installing the first commercial superconducting cable at its Arnstein power plant in the near future. Russia is now constructing a short, 1-km full-scale test of a superconducting cable at its Mogenergo substation near Moscow. In the U.S., active research programs at Brookhaven and Los Alamos National Laboratories have yet to produce any serious utility interest in applications.

However, the United States remains a leader in two other areas of energy application of superconductivity. Westinghouse is currently building the first superconducting turbine generator, a 300 MW machine, at its Pittsburgh research and development center. Tests of smaller such generators, such as a 20 MW device at General Electric, have proven that use of superconducting wires in conventional type generator rotors can lead to generators 10 times smaller than with copper wires, with less heat loss and lower overall costs.

In addition, U.S. scientists have pioneered in the design of large-scale superconducting magnets of the storage of electricity. Electric currents, once generated, will circulate indefinitely in superconductors. A University of Wisconsin design envisions the storage of 10-million kWh of electricity in a stadium-sized underground superconducting magnet at a cost of only a penny per kWh. Such energy storage can flatten out peak demands for electricity generation, thus reducing capacity needs.

Taking these developments in energy together, it is clear that superconducting technology should gradually oust the familiar copper conductors in the generation, storage and transmission of electricity over the coming years.

But those areas where the U.S. still has an edge are expected to shrink in coming years. Why has the development of superconductivity run into such obstacles in this country? Dr. Kohm at MIT speaks for many scientists in the field when he denounces the reluctance of American business and government to invest in the great potential of this new technology.

"This is the age of the bookkeeper," he warns. "If the Wright brothers had to ask for money on the basis of cost-effectiveness, the airplane would never have been developed."●

OTA REPORT ON FORECASTS OF PHYSICIAN SUPPLY AND REQUIREMENTS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. UDALL. Mr. Speaker, if the Congress is to do an effective job of helping assure the Nation enough of the kinds of physicians needed where they are needed, it must have forecasts of physician supply and demand that it can rely on. The Office of Technology Assessment has just issued a report which underscores the fact that such forecasts are only as good as the assumptions upon which they are based.

Undertaken at the request of the Senate Committee on Labor and Human Resources, the OTA report—"Forecasts of Physician Supply and Requirements"—points out that the latest forecast of the Nation's need for physicians by the Department of Health and Human Resources (DHHR) is based on some questionable assumptions which overestimate the rate at which physicians' services will be used and thus overestimate need. However, the model also ignores possible changes in the "productivity" of physicians which could make the overall DHHR forecast of physician supply and need a reasonable one.

The OTA report concludes that, if forecasts are to serve as useful tools in the shaping of Federal medical policy, their limits must be made clear "by explicitly describing the assumptions behind any forecasts, by making alternative forecasts based on different sets of assumptions, and by expanding the forecasting process to include policymakers as well as technicians."

Mr. Speaker, for the information of my colleagues, I attach a brief synopsis of the OTA report, "Forecasts of Physician Supply and Requirements," along with an April 18, 1980, New York Times article on the report:

[From the New York Times, Apr. 18, 1980]

Experts Find Further Evidence of Oversupply of Doctors in United States

(By Robert Reinhold)

Washington, April 17.—Further evidence that the United States is rapidly acquiring a large oversupply of medical doctors emerged today in a report by Congressional health experts.

The report, issued by the Congressional Office of Technology Assessment, said that by 1990 the nation might have as many as 185,000 more physicians than it needed. Earlier this week the Carter Administration forecast a much smaller surplus.

"The public still has the impression we have a shortage of physicians, but the picture has clearly changed," said Dr. David Banta, health program manager for the technology assessment office, which was established by Congress to make independent analyses of technical and scientific issues.

"There is no question that we are increasing our per capita supply of doctors at a very rapid rate," he added. "But we are not doing anything to be sure they go where services are needed."

EQUAL DISTRIBUTION SOUGHT

The report comes as an increasing number of experts are saying that the need is not to train more doctors but to distribute them more evenly throughout the country and to persuade more doctors to become general practitioners.

This message is beginning to be felt in Congress, which is trying to trim the budget. Only yesterday the House Commerce Committee voted to gradually eliminate the "capitation" grants that have long been used to reward medical schools for producing more doctors.

Last Monday the Department of Health, Education and Welfare predicted that the supply of doctors would rise by an average of 15,000 a year, from 378,000 in 1975 to about 600,000 in 1990. But it found that the overall need for physicians would fall somewhat short of that, ranging from 553,000 to 596,000.

The Congressional analysts agreed that the department's forecast of an oversupply of physicians was probably accurate, but they contended that the projection of an overall need for physicians was greatly overstated because it was based on the faulty assumption that Americans would make greater use of physicians' services.

NATION HAS 450,000 DOCTORS

Assuming no long-term increase in per capita use, the report concluded that only 415,000 doctors would be needed in 1990. There are now about 450,000 active physicians in the United States.

Dr. Banta said the excess of physicians might not mean much if doctors continued to concentrate in larger cities and specialize to the degree they have in recent years. "If things go as in the past," he added, "we will continue to get more surgeons and more unnecessary surgery."

Copies of the report, "Forecasts of Physician Supply and Requirements," are available at $3.75 each from the Government Printing Office, Washington, D.C. 20402.

[From Office of Technology Assessment]

FORECASTS OF PHYSICIAN SUPPLY AND REQUIREMENTS

The supply of physicians is growing at an unprecedented rate. The United States is expected to have 600,000 physicians by 1990, as against 378,000 in 1975. As a result, Federal concern has shifted from the total number to the kinds needed and where they are needed.

Wide variations in forecasts of the number and kinds of physicians needed and where they should practice make it difficult to develop effective legislative policies.

Two main physician-forecasting efforts exist. The Bureau of Health Manpower (BHM) of the Department of Health and Human Services (DHHS) provides annual reports which include estimates of the present and future supply of and need for physicians and other health professionals. In addition, DHHS has chartered a Graduate Medical Education National Advisory Committee (GMENAC) to make recommendations on present and future requirements for physicians, their specialty and locational distribution, and methods for financing graduate medical educational programs. These two groups use different forecasting methods. BHM relies on standard economic techniques, while GMENAC uses a medical opinion approach.

Forecasts of needed medical services reflect projected population growth and changes in its age, sex, and income distribution, as well as per capita use. Different assumptions about demographic changes, per capita use, and/or physician productivity lead to different estimates of how many physicians are required. Adjusting only for demographic changes, BHM estimates that 415,000 physicians will be required in 1990. Decreases in productivity and/or increases in per capita use would increase the requirements. With the further assumption of increased per capita use, the BHM projection rises to 600,000.

Adequate forecasts of how many physicians are required in each specialty cannot be made until agreement is reached on what these specialties are. Experts disagree on what primary care is and what specialties it includes.

The Health Manpower Shortage Area (HMSA) designation is the vehicle for providing Federal support through the National Health Service Corps, determining eligibility for certain Federal grant programs, and obtaining Federal reimbursement for nurse practitioners' and physicians' assistants' services. In contrast to forecasting techniques for aggregate and specialty requirements, the methods used to identify HMSAs and the number of physicians they require contain assumptions on how physicians should be distributed and how much the Federal Government should be involved in such efforts.

Projections of physician supply and requirements depend on historical data to predict future events but even recent historical data reflect past policies, not current ones. The limits of forecasts must be fully understood if they are to serve as effective tools in the shaping of Federal medical policy. Those limits could be made clearer by explicitly describing the assumptions behind any forecasts, by making alternative forecasts based on different sets of assumptions, and by expanding the forecasting process to include policymakers as well as technicians in establishing the parameters.

Copies of the full OTA report, "Forecasts of Physician Supply and Reqnirements," are available from the U.S. Government Printing Office. The GPO stock number is 052-003-00746-1: the price is $3.75. Copies of the full report for congressional use are available by calling 4-8996.●

CERTAIN LAND IN TRUST FOR THE MDEWAKANTON SIOUX IN MINNESOTA

HON. RICHARD NOLAN

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. NOLAN. Mr. Speaker, today I am introducing legislation which will change the legal status of tracts of land in Minnesota presently held by the United States for exclusive use by the descendants of the Mdewakanton Sioux who resided there on May 20, 1886. This legislation will put these tracts of land on an equal status with land granted to the Mdewakanton Sioux by the Indian Reorganization Act of 1934 (IRA). Equal land status is imperative if the tribal governments involved are ever to gain proper jurisdiction over these lands from under the strict auspices of the Bureau of Indian Affairs (BIA), and able to achieve self-determination as set forth in Public Law 93-638.

The need for this legislation resulted from acts of Congress which followed the great Sioux uprisings of the late 19th century. Government policy at that time was to intern warring tribes on reservations remote from their traditional homelands, and to award small tracts of land, in the areas of current settlement, to so-called peaceful Indian tribes who did not participate in the uprisings.

Since it was often difficult to guarantee that peaceful Indians would maintain their usage rights over these lands, the law designated the tribes not only by name, but also by date and location. The BIA was charged with the near impossible responsibility of taking and maintaining an accurate role of the Indians so specified as well as keeping track of subsequent ancestry.

The Mdewakanton Sioux were among the peaceful tribes receiving land grants in the late 1800's. Acts of Congress in 1888, 1889, and 1890 awarded tracts of land in southern Minnesota to the Mdewakanton Sioux who resided on those locations on May 20, 1886, and provided for the protection of the exclusive usage right of this land for all descendants.

The Indian Reorganization Act of 1934, in an attempt to bring some semblance of order to the relationship between the Federal Government and the Indian tribes, expanded the acreage at each reservation and called for the establishment of legally recognizable tribal governments. In order to protect the rights of the Mdewakanton residing on those reservations, as well as the exclusive land rights granted only to the decendents of the 1886 Mdewakanton, the bylaws required that the Mdewakanton classify themselves into two groups. IRA land belonged to all Mdewakanton residing on each reservation, according to membership requirements stipulated by the tribe, whereas land granted previously was held by the United States for exclusive use by decendents of the May 20, 1886, Mdewakanton Sioux.

This distinction in Mdewakanton Sioux bylaws has severely hampered the tribal efforts to achieve self-determination, as well as effectively barred the Mdewakanton from participation in numerous Federal programs.

The 1886 Mdewakanton land, although designated for exclusive use by the decendents of the 1886 Mdewakanton Sioux, is owned by the Federal Government and managed at the discretion of the Secretary of the Interior. The tribal governments involved have no control over the actions of the Federal Government with regard to land use, and have no recourse against infringement of exclusive land rights.

It is ironic that the special status of the 1886 land as granted to the Mdewakanton Sioux for a nonparticipatory role in the Sioux uprisings should be such an effective barrier to rightful privileges and self-determination.

The legislation I am proposing is simple and straightforward. A change in the legal status of 1886 Mdewakanton land will place all Mdewakanton lands on an equal basis. The right to assignments of land under the provisions of the earlier acts of Congress will not be taken from those decendants of the 1886 Mdewakanton, and will be protected under this bill. This change in legal title will finally give local tribal councils proper jurisdiction over their reservations, and will provide the Mdewakanton Sioux with the legal tools necessary to begin desperately needed self-improvement projects.

Pressing problems exist on each of the Mdewakanton reservations. Housing is grossly substandard and unemployment is over 45 percent. The Mdewakanton Sioux, like so many Native Americans across the country have finally awakened to their need and right to self-determination. We should do as much as our present resources can afford to help them reach this goal. We can achieve better quality education for Native Americans, better job training, better housing, improved health facilities, and much more. At the outset, we must revise antiquated laws which deny this group of people the same privileges afforded to the rest of our citizens. I urge my colleagues to act promptly to correct this most unfortunate injustice.●

IS THIS IN THE PUBLIC INTEREST?

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. DANNEMEYER. Mr. Speaker, when Mr. Ralph Nader is demanding such strict requirements and total accountability of American corporations, it is only fair that he be subject to the same standards.

Accountability, however, does not begin at the home of so-called public interest, as the following Wall Street Journal editorial of April 17, 1980, shows. It should be also noted that Mr. Nader's "Big Business Day" attack was kicked off with $10 and $20 admission fees charged at the door to the congressional conference room where the meeting took place. This is a practice strictly forbidden by the rules of the Speaker of the House, rules circulated in a letter by the Speaker dated March 21, 1980. They read in part:

Dear Colleague: This letter provides you with information pertinent to reserving one of my five rooms. . . . No money is to be taken at the door or exchanged within the rooms for admission.

Mr. Speaker, I insert the aforesaid Wall Street Journal article in the RECORD at this time:

MR. NADER'S CONGLOMERATE

Today is "Big Business Day," an assault on the American corporation sponsored by some 200 labor, religious, environmental and self-styled consumer groups. There will be hundreds of meetings around the nation to discuss "the corporate abuse of power." It may be only our materialistic mind at work, but what we keep wondering is who finances these festivities, and how.

The corporate suspicion is that the attack on Big Business is bankrolled by Big Labor. This suspicion draws credence from some of the celebrants: Robert Georgine, president of the building and construction trades department of the AFL-CIO, Jerry Wurf of the municipal employes, William Winpisinger of the machinists, Cesar Chavez of the United Farm Workers, of course. Not to mention board member Douglas Fraser of the auto workers, who apparently isn't bothered by the implications for his members when big corporations like Chrysler and Ford end up on the endangered species list.

Then of course there are the foundations. The seed money for Big Business Day came from the Stern Foundation.

But everyone knows that the real push behind Big Business Day comes from Ralph Nader's money, power and ego-satisfaction machine. Over the years he has spawned a vast conglomerate: The Center for the Study of Responsive Law, Congress Watch, Corporate Accountability Research Group, etc., etc. No one has yet succeeded in tracing all the interlocking directorships that tie together these groups, let alone trace their financing. But thanks to a lawsuit in New Jersey, we can take a good look at one corner of the empire.

This is the New Jersey Public Interest Research Group. Mr. Nader first conceived the idea of intrastate PIRGs in 1970. The notion was to have college students hire a full-time staff to "represent their interests," and the New Jersey one was established in 1972 by the vote of students at Rutgers, Douglass and Livingston colleges. Mr. Nader may no longer have any direct connection with the PIRGs, but the New Jersey PIRG is coordinating the state's "Big Business Day" activities, including a speech by Mr. Nader on "corporate accountability."

The New Jersey PIRG, it happens, is also being sued by three Rutgers students who don't think it represents their interest. Their suit, assisted by the Mid-Atlantic Legal Foundation, contends that their constitutional rights are violated when Rutgers collects a $2.50 student activity fee for PIRG every semester. Rutgers being a state school, they contend, this is an illegal expenditure of state funds.

The PIRG operates a negative option scheme, which we're sure Mr. Nader would condemn when used for the sale of books or recordings. Any student who files for a refund of the $2.50 collected for PIRG can get his money back at the end of the semester. To file for the refund, however, he must first fill out a form applying for membership in the PIRG. The students argue that it violates their constitutional rights to be forced to join an organization which advocates political and ideological causes with which they disagree.

The suit is providing a good chance to look at the finances of a consumer group. The New Jersey PIRG's budget for the fiscal year ending August 31 totals $571,000, which is not a bad slush fund, especially for one organization in one state. Of this some $118,000 comes from the negative-option student fee scheme. Most of the rest, it turns out, comes directly from the taxpayer. The New Jersey PIRG collects $354,293 in five CETA grants. CETA, in case you have mercifully forgotten, is the federal Comprehensive Employment and Training Act; the PIRG says it is spending this money to hire unemployed students to police river banks for liter and pollution.

Meanwhile, the New Jersey PIRG's other activities include investigating alleged redlining by Camden banks, a chemistry lesson on Agent Orange, campaigning for the Equal Rights Amendment, organizing anti-Nuke rallies, claiming credit for halting construction of the Tocks Island Dam, intervening in utility rate cases involving Three Mile Island, and of course bringing Mr. Nader to New Jersey for "Big Business Day."

It may be, of course, that the New Jersey PIRG is not typical of the consumer movement. We would be delighted to have further information, starting with Mr. Nader releasing his personal income tax returns, and ending with a public interest research book on the various organizations with which he is formally and informally connected. But at least in New Jersey this movement is rooted in bilking innocent college kids through a negative-option scam and raking funds from the most notorious tax-financed boondogles. Where it gets the brass to lecture business on morality is one of this society's great wonders.●

THE EMERGENCY REMEDIES ACT OF 1980

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. MICHEL. Mr. Speaker, I am placing in the RECORD a comparison of my bill, H.R. 6955, the Emergency Remedies Act of 1980, with the current provisions of law.

COMPARISON OF EMERGENCY REMEDIES ACT OF 1980 (PROPOSED BY THE HONORABLE ROBERT H. MICHEL) WITH CURRENT TAFT-HARTLEY ACT

(MATERIAL IN BRACKETS REPRESENTS ADDITIONS TO CURRENT LAW)

Taft-Hartley	Michel proposal
Section 176. National emergencies; appointment of board of inquiry by President; report; contents; filing with Service Whenever in the opinion of the President of the United States, a threatened or actual strike or lockout affecting an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for commerce, will, if permitted to occur or to continue, imperil the national health or safety, he may appoint a board of inquiry to inquire into the issues involved in the dispute and to make a written report to him within such time as he shall prescribe. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position but shall not contain any recommendations. The President shall file a copy of such report with the Service and shall make its contents available to the public.	Section 206. National or regional emergencies; appointment of board of inquiry by President; report; contents; filing with Service (a)(1) Whenever in the opinion of the President of the United States, a threatened or actual strike or lock-out affecting an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, communication, [or energy distribution] among the several States or with foreign nations, or engaged in the production of [energy or] goods for commerce, will, if permitted to occur or to continue, imperil the health, safety, [or economic stability of the Nation, or a substantial part of its population or territory,] he may appoint a board of inquiry to inquire into the issues involved in the dispute and to make a written report to him within such time as he shall prescribe. Such report shall include a statement of the facts with respect to the dispute, including each party's statement of its position but shall not contain any recommendations other than as required by paragraph (2). The President shall file a copy of such report with the Service and shall make its contents available to the public.

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COMPARISON OF EMERGENCY REMEDIES ACT OF 1980 (PROPOSED BY THE HONORABLE ROBERT H. MICHEL) WITH CURRENT TAFT-HARTLEY ACT—Continued

(MATERIAL IN BRACKETS REPRESENTS ADDITIONS TO CURRENT LAW)

Taft-Hartley	Michel proposal
	[(2) If the board of inquiry determines that compelling employees to return to work at existing wage rates would be unduly advantageous to the employer and unduly disadvantageous to employees, the board may recommend to the President that any injunction sought by the Attorney General under section 207 be accompanied by such related orders as may be necessary to compel the employer to pay such employees a wage supplement while any such injunction is in effect (but subject to the provisions of section 209(b)). In determining the amount of the wage supplement, the Board shall consider such relevant factors as the last offer of either party involved in such dispute, the increase in the cost of living since the last contract negotiation, and working conditions in the industry.]
Section 177. Board of Inquiry (a) Composition A board of inquiry shall be composed of a chairman and such other members as the President shall determine, and shall have power to sit and act in any place within the United States and to conduct such hearings either in public or in private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute. (b) Compensation Members of a board of inquiry shall receive compensation at the rate of $50 for each day actually spent by them in the work of the board, together with necessary travel and subsistence expenses. (c) Powers of discovery For the purpose of any hearing or inquiry conducted by any board appointed under this title, the provisions of sections 49 and 50 of title 15 (relating to the attendance of witnesses and the production of books, papers, and documents) are made applicable to the powers and duties of such board	(b) Board of Inquiry (1) Composition A board of inquiry shall be composed of a chairman and such other members as the President shall determine, and shal have power to sit and act in any place within the United States and to conduct such hearings either in public or in private, as it may deem necessary or proper, to ascertain the facts with respect to the causes and circumstances of the dispute. (2) Compensation Members of a board of inquiry shall receive compensation, at the daily rate [prescribed for GS–18 under section 5332 of title 5, United States Code,] for each day actually spent by them in the work of the board, together with necessary travel and subsistence expenses. (3) Powers of discovery For the purpose of any hearing or inquiry conducted by any board appointed under this title, the provisions of sections 9 and 10 (relating to the attendance of witnesses and the production of books, papers, and documents) [of the Federal Trade Commission Act (15 U.S.C. 49, 50), are hereby made] applicable to the powers and duties of such board.
Section 178. Injunctions during national emergency (a) Petition to district court by Attorney General on direction of the President Upon receiving a report from a board of inquiry the President may direct the Attorney General to petition any district court of the United States having jurisdiction of the parties to enjoin such strike or lock-out or the continuing thereof, and if the court finds that such threatened or actual strike or lock-out— (i) affects an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, or communication among the several States or with foreign nations, or engaged in the production of goods for commerce; and (ii) if permitted to occur or to continue, will imperil the national health or safety, it shall have jurisdiction to enjoin any such strike or lockout, or the continuing thereof, and to make such other orders as may be appropriate.	Section 207. Injunctions during national or regional emergency (a) Petition to district court by Attorney General on direction of the President Upon receiving a report from a board of inquiry the President may direct the Attorney General to petition any district court of the United States having jurisdiction of the parties to enjoin such strike or lock-out or the continuing thereof, and if the court finds that such threatened or actual strike or lock-out— (1) affects an entire industry or a substantial part thereof engaged in trade, commerce, transportation, transmission, communication, [or energy distribution] among the several States or with foreign nations, or engaged in the production of [energy or] goods for commerce: and (2) if permitted to occur or to continue, will imperil the health, safety, [or economic stability of the Nation or a substantial part of its population or territory,] it shall have jurisdiction to enjoin any such strike or lock-out, or the continuing thereof, and to issue such other orders [as described in subsection (b) of this section or as may be otherwise appropriate. Any injunction issued pursuant to this subsection shall be discharged on the 80th day after the day of its issuance or, if earlier, on motion of the Attorney General under section 208(d) or at the time of issuance of an injunction under section 209.]
	[(b)(1) The President may also direct the Attorney General to petition the court described in subsection (a) for such additional orders as may be necessary to carry out the recommendations of the board of inquiry under section 206(a)(2) or such alternative measures as the President deems necessary to carry out the purposes of that section.] [(2) If the court determines that compelling employees to return to work at existing wage rates would be unduly advantageous to the employer and unduly disadvantageous to employees, and that the wage supplement as proposed in the petition of the Attorney General is fair and equitable, the court shall issue an order as prescribed in paragraph (3).] [(3) Any order providing for the payment of a wage supplement as described in section 206(a)(2) shall—] [(A) provide that for each day after the conclusion of the 60-day period described in section 208(b) that an injunction is in effect under section 207(a), 209(a), or 209(b), and until settlement is reached (or that supplement is eliminated), such supplement shall be reduced by an amount equal to 5 percent of the total supplement originally prescribed; and] [(B) for the imposition, for each such day, of a civil penalty against the employer involved in such dispute of an amount equal to twice the sum of the wage supplement reductions imposed on employees pursuant to paragraph (1). Such civil penalty shall be paid to the Department of the Treasury.] [(4) Orders issued pursuant to this subsection shall continue in effect notwithstanding the issuance of an injunction under section 209 (a) or (b) (and the consequent discharge of the injunction under 207(a)), but shall be discharged on motion of the Attorney General upon settlement of the labor dispute.]
(b) Inapplicability of chapter 6 In any case, the provisions of chapter 6 of this title shall not be applicable	
(c) Review of orders The order or orders of the court shall be subject to review by the appropriate United States court of appeals and by the Supreme Court upon writ of certiorari or certification as provided in section 1254 of title 28.	(c) Review of orders The injunctions and orders of the court shall be subject to review by the appropriate circuit court of appeals and by the Supreme Court upon writ of certiorari or certification as provided in section 1254 of title 28, United States Code.
Section 179. Injunctions during national emergency; adjustment efforts by parties during injunction period (a) Assistance of Service; acceptance of Service's proposed settlement Whenever a district court has issued an order under section 178 of this title enjoining acts or practices which imperil or threaten to imperil the national health or safety, it shall be the duty of the parties to the labor dispute giving rise to such order to make every effort to adjust and settle their differences, with the assistance of the Service created by this chapter. Neither party shall be under any duty to accept, in whole or in part, any proposal of settlement made by the Service.	Section 208. Injunctions during national or regional emergency; adjustment efforts by parties during injunction period (a) Assistance of Service; acceptance of Service's proposed settlement Whenever a district court has issued an injunction under section 207 enjoining acts or practices which imperil or threaten to imperil the national health or safety, [or economic stability of the Nation or a substantial part of its population or territory,] it shall be the duty of the parties to the labor dispute giving rise to such injunction to make every reasonable effort to adjust and settle their differences, with the assistance of the Service created by this chapter. Neither party shall be under any duty to accept, in whole or in part, any proposal of settlement made by the Service.
(b) Reconvening of board of inquiry; report by board; contents; secret ballot of employees by National Labor Relations Board; certification of results to Attorney General. Upon the issuances of such order, the President shall reconvene the board of inquiry which has previously reported with respect to the dispute. At the end of a sixty-day period (unless the dispute has been settled by that time), the board of inquiry shall report to the President the current position of the parties and the efforts which have been made for settlement, and shall include a statement by each party of its position and a statement of the employer's last offer of settlement. The President shall make such report available to the public	(b) Reconvening of board of inquiry; report by board; contents; secret ballot of employees by National Labor Relations Board; certification of results to Attorney General (1) Upon the issuance of such injunction, the President shall reconvene the board of inquiry which has previously reported with respect to the dispute. At the end of a sixty-day period (unless the dispute has been settled by that time), the board of inquiry shall report to the President the current position of the parties and the efforts which have been made for settlement, and shall include a statement by each party of its position and a statement of the employer's last offer of settlement. The President shall make such available to the public.
	[(2) After publication of the report described in paragraph (1), the President may—] [(A) at any time while an injunction under section 207, 209(a), or 209(b) is in effect, direct the Board to conduct a secret ballot in accordance with subsection (c) of this section;] [(B) direct the Attorney General to petition any district court of the United States having jurisdiction of the parties to issue an injunction as provided in section 209(a); or] [(C) direct the Attorney General to petition any such court to issue an injuction and related orders as provided in section 209(b).]
The National Labor Relations Board, within the succeeding fifteen days, shall take a secret ballot of the employees of each employer involved in the dispute on the question of whether they wish to accept the final offer of settlement made by their employer as stated by him and shall certify the results thereof to the Attorney General within five days thereafter.	(c) The National Labor Relations Board, within the succeeding fifteen days [after issuance of an order by the President under subsection (b)(2)(A) of this section,] shall take a secret ballot of the employees of each employer involved in the dispute on the question of whether they wish to accept the final offer of settlement made by their employer as stated by him and shall certify the results thereof to the Attorney General within five days thereafter. [Acceptance of the final offer by a majority of employees shall represent a settlement of the dispute.]
Section 180. Discharge of injunction upon certification of results of election or settlement; report to Congress Upon the certification of the results of such ballot or upon a settlement being reached, whichever happens sooner, the Attorney General shall move the court to discharge the injunction, which motion shall then be granted and the injunction discharged. When such motion is granted, the President shall submit to the Congress a full and comprehensive report of the proceedings, including the findings of the board of inquiry and the ballot taken by the National Labor Relations Board, together with such recommendations as he may see fit to make for consideration and appropriate action.	(d) Discharge of injunction upon certification of results of election or settlement; report to Congress Upon the certification of the results of such ballot [if it results in a settlement being reached] the Attorney General shall move the court to discharge any injunction [in effect under section 207(a) or 209(a),] which motion shall then be granted and the injunction discharged. When such motion is granted, the President shall submit to the Congress a full and comprehensive report of the proceedings, including the findings of the board of inquiry and the ballot taken by the National Labor Relations Board, together with such recommendations as he may see fit to make for consideration and appropriate action.
	[Section 209. (a) If the President determines that significant progress is being made toward the settlement of the dispute and that the approaching conclusion of the 80 day period prescribed by section 208(b)(1) is likely to prevent an acceptable settlement from being secured, the President may direct the Attorney General to petition the court to further enjoin the strike or lock-out which was the subject of the injunction issued under section 207(a) for not more than 30 additional days and to discharge such prior injunction. If the court determines that such progress is being made and that the approaching conclusion of such period is likely to prevent an acceptable settlement from being secured, the court shall have jurisdiction to so further enjoin the strike or lock-out, or the continuing thereof, and to renew such injunction for such purposes. The civil penalty provided in section 207(b)(3)(B) shall continue in effect during this period at the level reached on the 80th day, and no wage supplement shall be permitted for the employees.] [(b)(1) If the President determines that the parties to the labor dispute have failed and are failing to comply with section 208(a), the President may direct the Attorney General to petition the court to further enjoin the strike or lock-out which was the subject of the injunction issued under section 207(a) or subsection (a) of this section for not more than 30 additional days, to discharge such prior injunction, and to order the imposition of the sanctions described in paragraph (2). If the court determines that the parties to the labor dispute have failed and are failing to comply

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COMPARISON OF EMERGENCY REMEDIES ACT OF 1980 (PROPOSED BY THE HONORABLE ROBERT H. MICHEL) WITH CURRENT TAFT-HARTLEY ACT—Continued

(MATERIAL IN BRACKETS REPRESENTS ADDITIONS TO CURRENT LAW)

Taft-Hartley	Michel proposal
	with section 208(a), the court shall have jurisdiction to so further enjoin the strike or lock-out, or the continuing thereof, and to renew such injunction for such purposes.] [(2) Any injunction issued pursuant to this subsection shall be accompanied by such orders as may be necessary to—] [(A) provide that for each day for which an injunction under this subsection is in effect, any wage increases which may be agreed to by the parties to the dispute shall be deferred for one week; and/or] [(B) provide for the imposition, for each such day, of a civil penalty, to be paid to the Department of the Treasury, against the employer involved in such dispute of an amount equal to twice the sum of the wage increase deferrals that are or could be imposed on employees pursuant to subparagraph (A).] [(3) Any injunction issued under this section may be discharged upon motion of the Attorney General after certification of the results of a secret ballot under section 208(d) if such ballot results in a settlement being reached, except that no such discharge shall provide for the relief from the sanctions which have been imposed pursuant to paragraph (2).] [(c) Upon issuance of an injunction under this section, the President shall reconvene the board of inquiry which has previously reported with respect to the dispute and direct the board to continue to inquire into the issues involved in the dispute and to regularly report to the President on the status of the negotiations.] [(d) If, at the conclusion of the 30-day injunction period prescribed by section 209(b), the President has submitted to Congress legislation providing for a settlement of the dispute, the President may direct the Attorney General to petition the court for an extension of this injunction and corresponding sanctions for 30 additional days or until legislation providing a settlement is enacted into law, whichever occurs first.] [Section 210. Violations of section 207 or 209 The board of inquiry established with respect to a labor dispute shall report immediately to the President any instances of violation of any injunction or order issued under section 207 or 209, and the President shall direct the Attorney General to bring such violations to the attention of the court which has issued such injunction or order.] [Section 211. Inapplicability of the Norris-Laguardia Act The provisions of the Act of March 23, 1932, entitled "An Act to amend the Judicial Code and to define and limit the jurisdiction of courts sitting in equity, and for other purposes", shall not be applicable to any judicial proceeding brought under or to enforce the provisions of this Act.] [Section 212. Separability If any provision of this Act, or the application of such provision to any person or circumstance, shall be held invalid, the remainder of this Act, or the application of such provision to persons or circumstances other than those as to which it is held invalid, shall not be affected thereby.]

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VALUE ADDED TAX STUDY

HON. RICHARD T. SCHULZE

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. SCHULZE. Mr. Speaker, I commend to my colleagues' attention the following "Fiscal Issue Study on the Value Added Tax," written by Dr. Norman B. Ture, and jointly published by the Heritage Foundation and the Institute for Research on the Economics of Taxation.

Dr. Ture is currently the president of the Institute for Research on the Economics of Taxation and of Norman B. Ture, Inc., and earned his Ph. D. at the University of Chicago. He has taught public policy theory at the Wharton School, and served on the staffs of the U.S. Treasury and the Joint Economic Committee. He was Director of Tax Studies at the National Bureau of Economic Research. His recent publications include "Wealth Redistribution and the Income Tax" and "The Effects of Tax Policy on Capital Formation." The following is a summary of "The Value Added Tax: Facts and Fancies":

The growing popular discontent with the government's tax system and spending programs and with the poor performance of the economy has impelled many public policy makers to seek a new approach to the management of government finances. In this connection, a new tax—the Value Added Tax (VAT)—has engaged the interest of two of the most influential members of Congress in the field of tax policy—Senate Finance Committee Chairman Russell Long and House Ways and Means Committee Chairman Al Ullman. This interest means that the VAT soon could be the subject of extensive public examination and debate.

This study is offered in hopes that it will provide a dispassionate and objective analysis and thus contribute to better public understanding of the VAT. To this end, the study attempts to answer such questions as whether the tax is merely a form of sales tax, whether its burden would rest only on individuals in their roles as consumers or also fall on them as savers, investors, and workers. It describes the various types of VAT and the mechanisms of computing and collecting VAT liability. It analyzes the effects of a VAT on the economy when the tax merely is added to existing taxes or is substituted in part for one or another of the principal existing revenue sources. Finally, it reports and analyzes the results of simulations performed with a "supply-side" econometric model to measure how a VAT would affect employment, output, capital formation, consumption, the trade balance, and Federal tax revenues if it were imposed as an additional tax or substituted for part of one or another existing taxes.

THE BURDEN OF THE VAT

Who pays the VAT—The important thing is not the name which popular or historic usage has given to the VAT. The real issue is whether the sales tax label accurately characterizes how the tax would affect the economy.

Calling the VAT a sales tax is equivalent to saying it is a tax borne entirely by consumers, and its only effect is to reduce their spending. In reality, things are not so simple. If a ten percent "consumption" VAT were imposed and all businesses sought to pass the tax forward, the initial effect would be an increase in all prices of ten percent. Consumers would face the choice of buying the same physical quantity of goods, in which case they would be allocating ten percent more of their incomes to spending, or of spending the same amount as before, winding up with 9.1 percent less of consumables because of the price increase. If they take the first course, their saving must go down by the same amount as their consumption outlays go up; they would bear the tax not as consumers but as savers. If they choose the second route and buy less, then manufacturers and suppliers would soon have to reduce their production. This would mean that fewer production inputs—principally labor and capital—would be used and the VAT would be borne by people not as consumers, but as workers and investors.

The actual outcome would probably fall somewhere between these two extremes.

Prices of some products and services would rise by a substantial fraction of the VAT while those of others would go up little, if at all. Similarly, the VAT would initially have a heavy impact on rates of pay and employment and on rates of return and investment in some lines of production and little such effect in others. In time, the composition of employment and investment would change, tending to diffuse the effects of the VAT throughout the private sector. Ultimately, there would be some general increase in the prices of products and services sold to the private sector, some aggregate reduction in the output of these products and services, and some reduction in the amount of labor and capital employed in that production and in the aggregate compensation these resources would earn.

Do these effects describe the consequences of a tax borne by people as consumers? In a sense, the answer is "Yes"; people would be buying some lesser physical quantity of goods and services in the private sector, and paying more for them. But they would also be carrying the burden of the tax as workers, savers, and risk-taking entrepreneurs.

Would the VAT depress consumption more than saving?—

No tax ever devised has been completely neutral in this sense. Every tax alters relative costs, and this differential cost effect offers us a guide for characterizing any tax. A tax which increased the cost of saving relative to the cost of consumption would be the equivalent of a tax on savings.

If the VAT were really a "consumption tax," it would be such because it increases the cost of consumption relative to the cost of saving. But the so-called consumption VAT actually increases the cost of consumption in just the same proportion as it increases the cost of saving. It would, therefore, reduce consumption in the same proportion as it reduces saving. Unless numerous exemptions and special rates were provided, moreover, it would be likely to reduce all kinds of consumption outlays in the same proportion.

Similarly, it would raise the cost of labor and capital services in the same proportion and in time reduce their use in the same degree.

In effect, this means that the VAT is far more neutral than our present system of individual and corporate income taxation, which makes saving or investing relatively more costly than current consumption.

Is the VAT regressive? Should exemptions be used to reduce its burden on the poor?—

In terms of the burdens that the VAT imposes on the various uses and sources of income, it may be correctly characterized as a proportional income tax. This does not necessarily mean, however, that it takes the same percentage of income at each level.

The popular view that the VAT is a regressive tax rests on the assumption that as a "consumption" tax, it would take a larger proportion of the incomes of the poor than the rich, because the poor must consume a larger proportion of what they earn. As we have seen, the burden of the VAT does not rest solely on people as consumers, but on people as workers, savers and investors as well. If the VAT were truly regressive, it would weigh more heavily on low-income than on upper income individuals as suppliers of labor and capital. In order for this to happen, there would have to be a shift in the composition of outlays away from goods and services produced by low-paid workers with capital provided by low-income savers and toward products employing more highly rewarded workers and savers. Nothing inherent in the VAT would induce such a shift. Distortions of this sort would arise only as a result of exemptions, exceptions or preferential rates that inadvertently favored highly-rewarded over less-well rewarded producers.

Ironically, exemptions or preferential rates are the remedies that are frequently advocated as a means of alleviating the alleged regressivity of the VAT. One of the most desirable features of the VAT is its neutrality—the fact that it would interfere to a lesser extent than most existing taxes with the free functioning of the market. But as soon as exemptions are written into the system, that neutrality is compromised, and the possibilities of regressive shifts in tax burden are enhanced. To provide exemptions for such products and services as food, clothing, shelter and health care, for example, would risk serious economic distortions.

ECONOMIC EFFECTS OF THE VAT

Would a VAT be inflationary?—A major corollary to the popular perception of the VAT as a sales tax is the expectation that it would push up the general level of prices—that it would be inflationary. This erroneously assumes that every producer would try to "pass his VAT forward"—that is, raise his selling price by the amount of his VAT liability—and that he would succeed in doing so. It also assumes that no prices would go down.

This result is implausible, unless the VAT also depressed real output, because with no change in output, the price level cannot rise unless there is an increase in the supply of money, or its velocity—the rate at which it turns over.

If, as is likely, the government sector of the economy were to be exempt from the VAT, imposition of the tax would initially raise the prices of private output sold in the private sector relative to output produced by or sold to governments. But this one-time increase in private sector prices should not be confused with inflation—the ongoing increase in the overall level of prices—which is attributable to excessive increases in the stock of money. The VAT itself would not contribute to inflation. Only if the stock of money were increased more rapidly than otherwise in an ill-advised attempt to counteract the initial contraction caused by imposition of the VAT would the overall price level increase.

Would the VAT improve our balance of trade?—The extent to which the VAT would improve our balance of trade depends on whether the VAT were imposed as an addition to existing taxes, or as a substitute for part of one or more existing taxes.

A standard feature of so-called indirect taxes is that they may be imposed on foreign goods entering the country and rebated to domestic firms on the goods they produced for export. Since the VAT has been classified as an indirect tax under the General Agreement on Tariffs and Trade, it is not applied to export production but is levied on the goods and services a country imports.

If the VAT were imposed as an additional tax, these border adjustments would tend to raise the prices of imports compared to what they otherwise would be, but, in general, by no more than the VAT would tend to raise prices of domestically produced output. On the other hand, prices of exports are not increased by the VAT and, although they would tend to be lower than comparable output produced for the domestic market, they would be unchanged relative to prices of competing products in foreign markets. These initial effects of a VAT with border adjustments on import and export prices, therefore, would provide no inducement for changes in either imports or exports.

The trade balance might nevertheless improve. As an added tax the VAT would result in reduced total output and incomes, hence in a cutback in imports. At the same time, production for export would become relatively, though not absolutely, more profitable, and firms would shift their capital and labor inputs to export output. The dollar volume of exports, therefore, would tend to rise relative to the dollar amount of imports.

If substituted for the corporate income tax, in whole or in part, the VAT would probably expand the volume of exports because it would tend to reduce the overall cost of production for export, absolutely as well as compared to costs prevailing before the tax substitution. It would also tend, in time, to reduce prices of output for domestic markets relative to imports. On the other hand, the resulting expansion of total production and income would tend to increase import volume, even with the higher prices of imports. While the net effect on the trade balance cannot be generalized, this tax substitution would probably result in an improvement, possibly substantial.

Effects of a VAT on capital formation—In the popular view, a corollary of the conviction that the VAT is a consumption tax is that it exempts capital formation. In fact, however, the VAT falls on consumption and capital formation in equal proportion. Unlike a standard income tax, however, it does not subject capital to multiple taxation.

The effects of the VAT on capital formation would depend on the way it was adopted. Levied as an additional tax it would exert a contractionary effect—increasing the costs of consumption and saving, and of capital and labor, reducing capital formation, and slowing the growth of production capacity and total output.

If the VAT were instead imposed as a partial or full substitute for other taxes, the effects would vary, depending on which existing taxes were affected. As a substitute for part of the individual or corporate income taxes, the VAT would lead to significant gains in capital, employment, output, and real income. In contrast, introduced to replace part of the existing payroll taxes, the VAT would have seriously adverse effects on the total economy.

Measures of economic effect—To estimate the magnitude of its economic effects, the VAT was simulated, using the Analysis of Tax Impacts Model (ATIM), assuming it was enacted as (1) an additional tax, (2) a substitute for the employer's share of payroll taxes, (3) a substitute for 30 percent of the individual income tax, (4) a substitute for one-sixth of the corporate income tax, or, (5) as a substitute for payroll taxes, 30 percent of individual income taxes, and one-sixth of corporate income taxes, combined. The results of the ATIM simulations are shown in Tables 1-5 (all dollar amounts are in terms of constant 1979 dollars).

Imposed as an added tax, at slightly less than 6 percent, the VAT would seriously reduce employment, GNP, investment, and consumption. For the first year there would be about 1,800,000 fewer jobs than if the tax weren't levied, and this employment loss would grow to about 3 million by 1989. GNP would fall from levels it would otherwise attain by more than $100 billion in the first year and by more than a quarter of a trillion dollars 10 years later. Investment would drop by increasing amounts for the first five years; after 10 years it would be about $75 billion less than the amount projected if the VAT were not added. Consumption outlays would be seriously depressed below levels projected under present law; in 10 years, this shortfall would be $200 billion. Federal tax revenues, on the other hand, would increase, despite the contraction in economic activity. Allowing for these economic effects, Federal tax liabilities would be $52 billion more than now projected in 1980, and this gain would be over $60 billion in 1989.

As a substitute for the employers share of Federal payroll taxes, the VAT would have seriously adverse effects on the economy.

A VAT rate of 5.92 percent would be required to replace the employers' contribution to the payroll tax—estimated at about $75 billion by 1980.

The net effect of this substitution would actually increase labor costs slightly because the existing payroll tax has built-in ceilings, while the VAT would not. At the same time, the cost of capital would increase substantially relative to the cost of labor.

As a result, investment would drop by $36 billion in 1980 and $62 billion in 1989, as compared with present-law levels, while employment could be expected to drop by 530,000 jobs in 1980, and by 640,000 jobs in 1989. As shown in table 1, GNP would shrink by $61 billion in 1980, and $159 billion by 1989, compared to levels projected under existing law. Consumption would be reduced by $113 billion by 1989, and only net exports would rise, gaining $9 billion in 1980, and $16 billion by 1989.

This economic contraction would produce a $2 billion shortfall in Federal tax revenues in 1980, rising to $28 billion by 1989 as compared to existing law.

Substituted for 30 percent of the individual income tax, a 5.1 percent VAT would be called for. This tax change would have a strong expansionary effect on the economy.

By reducing the income tax's bias against saving and investment, partial substitution of a VAT would result in an improved capital: labor ratio leading to much greater productivity and real wage gains than could be expected under existing law.

GNP measured in constant 1979 dollars would increase by $100 billion in 1980 and this gain would advance to $289 billion by 1989 as shown in table 3. Employment would rise by 1.8 million and 3.2 million in those same years. Investment would be $65 billion greater in 1980 and $78 billion more in 1989 than under existing law. Consumption, net exports and federal revenues would also show substantial gains over the ten-year period. Federal tax revenues would also be significantly greater than if the substitution were not made.

Imposition of a 1.25 percent VAT to replace one-sixth of the corporate income tax revenues projected for 1980 would have more mixed effects. By substantially reducing the cost of capital relative to the cost of labor this substitution would encourage substantial increases in investment, but at this same time, it would slightly lower the demand for and supply of labor as reflected in the reduced levels of employment shown in table 4.

Through 1984, increases in investment would exceed gains in the GNP, while consumption would be somewhat less than projected under existing law. After this adjustment phase, however, the resulting productivity would result in substantial consumption increases. The balance of trade and federal tax revenues would show modest net gains throughout the ten-year period.

Substituted for the combination of the employers' share of payroll taxes, 30 percent of the individual and one-sixth of the corporate income taxes, a VAT of 12¼ percent would be required. As shown in table 5, this substitution would yield substantial gains for the economy over the ensuing 10 years. These gains, for the most part, would be less than in the case of the substitution of VAT for a significant part of the individual income tax. Nonetheless, the results would be a substantially larger and more productive economy than projected with the existing tax system.

CONCLUSIONS

A VAT of the sort which would probably be adopted would be neither as good nor as bad for the Nation as its proponents and detractors would have us believe. The VAT would be far more nearly neutral than the taxes we now principally rely on with respect to savings vs. consumption and capital vs. labor. Rather than being regressive, the VAT would be essentially a proportional income tax. It would not be inflationary, although it would raise costs for the private sector compared with those for the public sector.

If levied as an additional tax, the VAT would exert a powerful contractionary influence. On the other hand, substituting a VAT for part of the existing income taxes would provide substantial gains in employment, capital formation, output, income, and tax revenues.

It is the latter which should give us pause. The VAT would be a highly productive revenue raiser. Moreover, it would be far less visible than the income tax, particularly the individual income tax. Potentially, therefore, the VAT poses a serious hazard as a governmental money machine which could lead to a sharp, untoward expansion of government spending. ●

SOVIET PRISONER OF CONSCIENCE NAUM MEIMAN

HON. WILLIAM LEHMAN

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. LEHMAN. Mr. Speaker, on this international day of recognition for Prof. Naum Meiman designated by the concerned French scientists of the Centre d'Etudes Nucleaires de Saclay, I would like to join them in bringing attention to the continuing plight of Naum Meiman.

Two years ago, when I met with Professor Meiman's daughter to discuss her father's situation, his health was already deteriorating. Today his health continues to decline, and his overall situation is ever more precarious.

Naum Meiman graduated from Kazan University in 1933 and received his doctorate degree in physical-mathematical sciences in 1935. Besides specializing in quantum field theory, he studied the theory of analytical function and, for the last 20 years, worked in the Institute of Theoretical and Experimental Physics. In the late 1950's, Professor Meiman was among other scientists, including Dr. Andrei Sakharov, who signed a letter in defense of democratic freedom in the Soviet Union and hence lost his position as department chairman.

He applied to emigrate from the Soviet Union in 1974, was refused because of the supposedly secret nature of his work, despite the fact that in the last 20 years, he had solved only abstract questions of mathematics. Moreover, the institute director asked him to retire. It is now impossible for him to publish his works, but Meiman continues his study at home with no hope that his articles will be published. Since becoming a refusenik, Meiman has been actively involved in the emigration movement, and is a member of the Helsinki monitoring group in Moscow.

Since his daughter and her family immigrated to the United States in 1977, Professor Meiman is alone in the Soviet Union, has been in very poor health recently, and it has become increasingly difficult to keep in touch with him since his telephone was disconnected.

I urge my colleagues to appeal to the Soviet authorities to act on humanitarian grounds to allow Prof. Naum Meiman to be reunited with his family. Certainly, keeping him isolated and ill in the Soviet Union, and denying his right of free emigration in violation of the Helsinki Final Act will only renew our commitment to the struggle of Naum Meiman and all Soviet dissidents who are suffering under these violations of human rights.●

ASSASSINATION OF TURKISH DIPLOMATS

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. McDONALD. Mr. Speaker, Turkey has been a reliable NATO ally since 1952 despite the ups and downs of our relations in the wake of the Turkish intervention to prevent the annexation of the island of Cyprus in 1974 by Greece. Just very recently we have concluded a Defense Cooperation Agreement with the new Demirel government enabling us to use the intelligence gathering bases on a stable basis and our bilateral relations are also improved as a result.

The geopolitical importance of Turkey cannot be overemphasized. It is absolutely crucial to the defense of the eastern Mediterranean and in wartime its control of the straits could bottle up the Soviet fleet in the Black Sea.

It is with dismay and shock we have noted the wave of killings of Turkish diplomats and in the last few years their family members in Western Europe and even in America by the "Secret Army for the Liberation of Armenia." With the 65th anniversary of the "Armenian massacres" of 1915 occurring this week, protests marches against Turkey are planned in various cities in the United States and this gives timeliness to our expressions of sympathy for the Turkish diplomatic corps and the victims of these terrorists attacks.

Since 1974 the following members of the Turkish diplomatic corps have been assassinated—in each case Armenian groups claimed "credit":

The Ambassador to France, to the Vatican, and to Austria.

The Consul General and the consul in Los Angeles.

The First Secretary in Beirut.

The press attaché in Paris.

The wife of the Ambassador in Madrid and his brother-in-law, also a retired ambassador.

The son of the Ambassador to the Netherlands.

Diplomats have not been the only targets of the Armenian Secret Army terrorists. On March 3, 1980, for the fourth time since December, this group took responsibility for the bombing of airlines offices. The Armenian Secret Army tactic is particularly vicious. In each instance, two bombs are used in which the second explodes ten minutes after the first in order to kill and maim rescue workers, firemen, police, and passers-by.

In the March 3 bombing of the Turkish Airlines office in the Piazza della Republica in Rome, Italy, 2 passers-by were killed and 11 were seriously injured by the second boobytrap blast. In an English-language telephone message to a newspaper, the terrorists said that the Armenian Secret Army bombings were "a warning for Turkish fascism and Italian imperialism which ignores the Armenian cause."

Western European intelligence analysts have pointed out that half of the former Armenian territory lies within the Soviet Union, and that there are strong indications that the U.S.S.R. has been both infiltrating Soviet Armenians into Turkey and Western countries and recruiting some militant Armenians as terrorists in order to use the longstanding Armenian grievance against the Turks to destabilize NATO's eastern Mediterranean member. The "Secret Army" terrorists use strict Marxist terminology in their statements and have had only praise for the situation of Armenians inside the U.S.S.R.

There are additional indications that training of Armenian Secret Army terrorists has taken place at bases of the Palestine Liberation Organization (PLO), itself armed, politically supported, advised, and to a considerable extent trained by the U.S.S.R. The chief operations center for the PLO's international terrorist networks is in Cyprus which maintains close relations with Moscow. According to a New York Times story of February 27, 1980, the Armenian terrorists receive considerable assistance from Cypriot officials.

It is interesting to note that no Armenian terrorist activity took place from the end of World War I until 1974. It is further interesting to note that no violence has taken place against the 80,000 Armenians presently living in Turkey in recent years.

The United States should continue to support our Turkish ally, the anchor of the free world's chief defense alliance in the troubled eastern Mediterranean. Furthermore, our Federal intelligence agencies should be on the alert to insure that neither the Armenian Secret Liberation Army nor any of its PLO or Iranian allies is able to import anti-Turkish terrorism to this country.●

OPPOSITION TO DRAFT REGISTRATION

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. MILLER of California. Mr. Speaker, yesterday I spoke in strong opposition to House Joint Resolution 521 to establish draft registration, and urge my colleagues to vote against this unwise, unnecessary, and costly legislation.

This proposal authorizes the transfer of $13.3 million in appropriated funds for the purpose of reestablishing draft registration.

Let us be very clear about what this legislation will and will not achieve:

It will not make America any safer;

It will not expedite military readiness; and

It will not improve reenlistments or upgrade the quality of service personnel.

In short, it will not address a single one of the alleged reasons for which it has been proposed or for which it is being advocated.

What will this legislation accomplish?

It will reopen one of the most acrimonious debates in recent political history;

It will generate hostility toward Government among a new generation of young people;

It will distract attention from the serious problems which do exist in the military;

And it will undoubtedly waste $13.3 million, and set the stage for far more waste next year.

This legislation substitutes symbolism for substance. It is not needed, and it is profoundly unwise.

Reactivation of military registration is obviously being supported as a response to recent events in Iran, Afghanistan, and in other areas where U.S. military authority has been challenged. These situations do require serious thought about the adequacy and the appropriateness of our defense capabilities.

But the draft registration plan fails to address any of the challenges which the world situation has presented.

Instead it is, as President Carter told a group of questioning student leaders, merely "symbolic".

It is not going to intimidate anyone.

It is not going to improve the quality of the military.

It is not going to fool the Russians.

It is only going to drag this Nation over the coals once again on the issue of peacetime conscription.

Let us remember that the draft itself is an historical oddity throughout our history. It has existed for only 36 years out of our 203-year national history. There ought to be a good reason when we begin down the road to the draft, and make no mistake, that is the road we are heading down if we approve this bill.

I presume that if registration were a sound idea, no agency would be more interested in promoting it than the Selective Service. They would benefit by having more personnel, more money, and presumbly something to do during the day.

But, in fact, the Selective Service Director has called registration redundant and unnecessary, and concluded that we could expect that total costs would increase significantly, but with no increase in responsiveness.

Studies have indicated that registration will save only a few days of readiness over nonregistration preparedness. Compare those days with the months it takes to produce a combat soldier, and you realize the meaninglessness of peacetime registration without a draft.

Recent history bears out this projection. In 1940, when there was no registration, it took 2 months to induct the first man into the Army.

In 1950, when we had 8 million men registered it still took 2 months to begin induction.

Little wonder that the Congressional Budget Office concluded that registration alone will not appreciably increase our mobilization potential.

In a true national crisis, there has never been any reluctance by Americans to volunteer for the services. In reviewing various options available to the military, the Selective Service concluded only last January that a postmobilization plan would be by far the most cost-effective, and least intrusive, and is the option chosen by the Selective Service.

In light of these recommendations against the program presented by House Joint Resolution 521, why would we enact this legislation?

I submit that, as the President said, it is a symbolic action. But it is symbolic only to ourselves. It is a meaningless act in terms of the current international situation, and it is meaningless in terms of the real security needs of our country.

To some extent, this legislation is a reaction to perceived shortcomings in the All-Volunteer Force (AVF). But many of these failures are more imagined than real. It is unclear that there is any true lack of capability in the Armed Forces. Certainly none will be alleviated through draft registration.

We have no shortage of troops. There are about 2 million American soldiers around the world.

Registration will not reduce the reenlistment problem in any fashion. However, we have begun to see a decline in the attrition rates, which fell some 25 percent between 1978 and 1979.

Desertion has dropped 80 percent since 1971.

We are all familiar with the allegations that the Army, in particular, is now filled with below intelligence men who are not capable of adequately defending this country. But studies show that in 1979, we had the largest percentage of recruits who were high school graduates in history.

I have read several interviews with field commanders who dispute allegations about the mental competence of their troops. Again, if there are shortcomings, draft registration will not correct those problems.

Mr. Speaker, I want to return briefly to the issue of the cost of the registration program. Admittedly, $13.3 million seems paltry in comparison to a $150 billion military budget or a $600 billion Federal budget.

But for those throughout the country who plead for programs to feed hungry children, to house children without parents, to rehabilitate handicapped people, $13.3 million is not paltry at all.

We do not spend $13.3 million on symbolic actions aimed at the poor, or the sick, or young people in crisis in this country. We have to produce study after study to justify any program relating to health, education, social services, and nutrition.

But somehow this bill ought to be exempt from that scrutiny. We are told that, in this year of fiscal austerity, we should spend over $13 million—not to improve our national defense, not to improve military efficiency—but for symbolism.

Let us remember that the Selective Service experts themselves have studied this issue exhaustively. They have concluded that the expenditure of this $13 million will not improve combat readiness or military strength, that it is costly and it is unnecessary.

I voted against this resolution because it has no relationship to our national security, and because it is fiscally unsound. If it is enacted, we will have no stronger a defense capability, but we will have reopened wounds which have only recently healed, and which will do great damage to our country. I am dismayed at the House's action, and I only hope that we do not have reason to regret it still more.●

PUBLIC DESERVES MORE INFORMATION ON THE FIGHT WHICH DETERMINES THEIR FAMILY BUDGET

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. GINGRICH. Mr. Speaker, I mentioned in the debate on the budget resolution today that I was disappointed that working Americans would not have a chance to see our debate—a debate which will determine the shape of their family budgets.

I can understand why supporters of the Giaimo budget—which guarantees more inflation, higher taxes, fewer jobs, and a worse recession through higher interest rates—I can understand why they do not want a public debate. And I would commend Mr. RHODES for making the suggestion described in this newspaper article:

[From the Washington Post, Apr. 18, 1980]

NO HOUSE DEBATE

(By John Carmody)

House minority leader John Rhodes (R-Ariz.) has apparently struck out with his request . . . submitted earlier this month to Speaker Thomas P. (Tip) O'Neill that the commercial TV and radio networks be allowed to carry live next week's debate on the budget . . . during prime time . . .

A spokesman for the speaker said yesterday that while no formal answer to Rep. Rhodes' request has been made . . . "we've already announced our program for the debates, and they will be held in the mornings, starting Wednesday at 10 a.m. . . ."

Rep. Rhodes had written O'Neill during the recent recess inviting the speaker to "join him in inviting" the networks to provide live coverage of the budget debates . . . and urging that "every effort be made to enable the American public" to see or hear what he said "may well be the most important votes cast by members this year" . . .

He cited the public's "very deep concerns over the economy" and said the broadcasts would demonstrate that the House shares in that concern . . .

Rhodes had specifically requested that the debate on the budget resolutions . . . scheduled for Wednesday and Thursday by the leadership . . . be when most Americans are at home" . . . set "during the evening hours . . ."

The chances of the commercial networks clearing prime-time hours for two nights next week were remote from the start . . . more especially if Speaker O'Neill's current rules that severely limit use of cameras in the House (and putting those that are used in the hands of House cameramen) remained in force . . .

There is a remote chance that the daytime debate either could still be covered by PBS or National Public Radio . . . although officials of PBS said yesterday they hadn't been contacted as yet . . .

The C-SPAN cable service, of course, will carry the debates in full on their regular schedule . . .●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. ALEXANDER. Mr. Speaker, I am inserting some more issues which are of major concern to American citizens living and working abroad. Again as with so many of the issues the major concern of these citizens is in the tax area.

ISSUE NO. 39

Short title: Non-Recognition of Foreign Postmarks For U.S. Tax Submissions.

Summary of the problem: Many overseas local postmarks have been refused as proof of submissions of U.S. tax returns by the relevant deadlines. Postmarks of the United States do not have this same infirmity.

ACA's question: Why are overseas taxpayers being harassed because of the local postmarks?

The President's reply: "Foreign postmarks are accepted, provided that it is reasonable to believe that the return was filed on time. The IRS may disallow a foreign postmark if it is of doubtful validity; but in general it is the policy of the IRS to accept foreign postmarks."

We do not know if this is a new policy which has been decided in response to our raising of the issue, but we are happy to learn that our postmarks are now generally acceptable.

ACA's renewed question: We would very much like to know whether the IRS maintains a list of countries whose postmarks are systematically considered of doubtful validity. Overseas Americans have to confront so many unique problems trying to satisfy two competing tax sovereignties that we need all of the clarification we can have on details such as this. We hope the IRS will give us further guidance as to how to avoid being challenged on our postmarks in the future.

ISSUE NO. 40

Short title: Lack of Sufficient Time to Pay Tax From Abroad.

Summary of the problem: While overseas Americans are granted an automatic extension to June 15th to file their tax returns, they are expected to pay their U.S. tax on April 15th. If they pay the tax at the same time they have calculated it, they have to pay interest from April 15th.

Overseas Americans, trying to live with competing tax sovereignties often do not have sufficient information on hand on the 15th of April to complete their tax forms. It seems invidious to give a filing delay and then automatically collect interest on the tax payment that will consequently be late, by definition.

ACA's question: Why does the United States not give an automatic extension of time to pay U.S. tax in parallel with the extension of time to submit the returns?

The President's reply: "Taxes of U.S. taxpayers payable with the return are due generally no later than April 15 of each year. An extension of time to file the return and to pay taxes due with the return (to June 15) is granted automatically to U.S. citizens and residents living or traveling outside the United States. Taxpayers who are not abroad may receive an extension of time to file their return by submitting the appropriate forms. Taxpayers who utilize an extension of time to file their return are responsible for payment of interest on the tax due from April 15."

The President told us what we already knew. We asked him why this practice was not altered to coincide with the delay for filing. He chose not to address this question.

ACA's renewed question: Why does the United States not grant an extension of time to pay U.S. tax without interest in parallel with the extension of time for filing the return from which this tax payment is calculated? The present policy is nothing other than an interest trap which means that overseas Americans will generally have to pay higher taxes than those living at home.

ISSUE NO. 42

Short title: Effective Loss of January 31 Filing Benefit When Abroad.

Summary of the problem: Certain penalties for underpayment of estimated tax are eliminated for taxpayers who file their tax return and pay all tax due on or before January 31 of the year following the tax return year. It is frequently difficult for overseas Americans to accumulate the needed information to submit returns by January 31. It is also rare that tax forms arrive abroad before the end of January. It is nearly impossible, therefore, for overseas Americans to benefit from this provision of the IRS regulations. It is most unfortunate, also, because overseas Americans have a much greater difficulty accurately estimating their tax liabilities to the U.S. when dealing in fluctuating exchange rates.

ACA's question: Why does the IRS not make an allowance for the greater difficulties being faced abroad and grant a more lenient indulgence to overseas Americans with respect to the January 31 filing benefits?

The President's reply: The President chose not to address this problem.

ACA's renewed question: ACA would like to ask that this question be addressed by the President in his forthcoming report.

ISSUE NO. 43

Short title: Lack of Relevant Information Guides for Taxes Abroad.

Summary of the problem: IRS pamphlets are almost entirely designed to help the domestic American taxpayer prepare his tax returns. Overseas Americans have to confront very confusing tax situations which result from competing tax sovereignties between the United States and more than 150 different foreign nations. The information made available to Americans abroad is not sufficient to meet the tax needs of those abroad.

ACA's question: Why does the IRS not spend more time preparing relevant tax guides that recognize the problems being faced by Americans abroad in the 150 different nations of the world?

The President's reply: The President said that the IRS is trying to help Americans abroad. The IRS has prepared five special publications of relevance to overseas Americans and one comprehensive guide exclusively for their use. There are a few IRS employees stationed in key cities abroad who can respond to questions, and there will be longer visits to other Embassies to help local Americans with their returns. Finally, the President stated that: "In 1976, there were only 164,000 tax returns filed from abroad (other than from military post offices) compared to a total of 84.5 million individual tax returns. From that perspective, the publications and personal assistance provided to overseas Americans are substantial when compared to the assistance given to Americans at home."

The last quoted phrase sums up the attitude of the IRS on most questions of why overseas Americans are not receiving better treatment. This is simply that the overseas taxpayer is already getting more than his share of the IRS's time and should be happy with what he has.

ACA's renewed question: Why does the IRS maintain that overseas Americans must be taxed no matter where they live and then not make a better effort to assist these overseas Americans to comply with their U.S. tax obligations by preparing tax guides that address the tax problems of overseas Americans in each of the overseas countries where they reside?

Overseas Americans needs much more help with their U.S. tax returns. We ask the President to consider greatly increasing the budget of the IRS to provide for much more service to Americans abroad.●

THE LATTA BUDGET WILL FIGHT THE RECESSION WITH LOWER INTEREST RATES

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. GINGRICH. Mr. Speaker, the budget proposed by Mr. LATTA promises lower interest rates.

Yesterday, Dr. Richard Rahn, an economist with the U.S. Chamber of Commerce noted:

> Lower spending and lower tax revenues will decrease inflationary pressure which will lead to lower interest rates.

Lower interest rates will help the homebuilders in my area who are closing up. It will help the realtors, and the farmers.

As I understand it, even using the liberal economic models favored by the Congressional Budget Office, our budget results in interest rates which are low enough that we would save $400 million in interest payments on the national debt.

That helps every working American.●

IN COMMEMORATION OF THE 189TH ANNIVERSARY YEAR OF THE POLISH CONSTITUTION DEDICATED TO THE PRINCIPLE OF FREEDOM, LIBERTY, AND JUSTICE FOR ALL

HON. ROBERT A. ROE

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. ROE. Mr. Speaker, on Sunday, April 27, the Center of Polish Organizations of Passaic, Clifton, and Wallington, located in my congressional district, State of New Jersey, will join together with the Polish Army Veterans Post No. 36 and our Polish American community in observance of the adoption of the May 3, 1791, Polish Constitution and the 40th anniversary of the Katyn Forest massacre where 15,000 Polish officers were slaughtered.

All participants will assemble at the Polish Home in Passaic, N.J., and proceed to St. Joseph's Church for a memorial prayer to be offered by Rev. Ladislaus Flek and the main homily by Monsignor (retired) Alexander Fronczak. At the conclusion of the memorial services a special commemorative program will be held at the Polish Home with guest speakers, Comdr. Henry Kowalczyk of Polish Veterans Post No. 36; our former colleague, Hon. Henry Helstoski; and Councilman Louis Gill.

Mr. Speaker, I know that you and all of our colleagues here in the Congress will want to join with me in commemorating this historic event in tribute to the valiant people of Poland in their courageous struggle for freedom, human rights for all of their citizens, and restoration of their national sovereignty which were subjugated by Nazi-Communist totalitarianism.

To remember and gain inspiration from the good deeds and quality of excellence of time, place, and people which have gone before—in deep appreciation—we pay tribute.

At this point, Mr. Speaker, I would like to call attention to the following preamble to our Constitution:

> We the people of the United States in order to form a more perfect Union, establish Justice, insure domestic Tranquility, provide for the common defense, promote the general Welfare and secure the Blessing of Liberty to ourselves and our Posterity * * *

We can indeed all gain strength from our heritage. Our generation has been truly enriched with the endowment and traditions of our forebearers—which is truly the strength of America. In concern for our representative democracy which has been nourished and secured by the cultural standards of excellence that all nationalities have contributed to her greatness, I was pleased to join with our colleagues during the 93d Congress in introducing House Resolution 75 calling upon the President to issue a proclamation designating May 3 of each year as "Polish Constitution Day" and inviting the people of the United States to observe this day with appropriate commemorative ceremonies.

Mr. Speaker, as our colleagues are well aware, it was on May 3, 1791, just 2 years after the adoption of our own Constitution, that the people of Poland succeeded in drafting and adopting a most memorable document—the Polish Constitution—without resorting to violent warfare.

However great this accomplishment, it did not deter the third partition in Poland in 1795 by Russia, Prussia, and Austria.

This proud nation since the end of World War II has been under Communist control. However, in talking to many Polish Americans, I believe that the spirit of democracy is still firmly embedded in the hearts and souls of the Polish people.

In commemorating this important event, I would like to quote from the Polish 3d of May Constitution, which I believe symbolizes the most deeply held ideals of not only people of Polish descent but the entire human race:

> All power in civil society should be derived from the will of the people, its end and object being the preservation and integrity of the state, the civil liberty and the good order of society, on an equal scale and on a lasting foundation.

Mr. Speaker, I appreciate the opportunity to participate in a congressional meditation on the anniversary of Polish Constitution Day—a time to reflect upon and manifest our continuing friendship toward the Polish nation and our deepest appreciation for the richness of the heritage of the people of Poland which is an integral part of the foundation of America's democracy.

We do indeed salute the people of Poland and the many Americans of Polish heritage in commemorating and celebrating this national holiday of historic significance throughout the free world.●

ST. CLEMENT STUDENTS VISIT CAPITOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. LONG of Maryland. Mr. Speaker, I rise to welcome the sixth-grade students, their parents, and teachers who are visiting the Capitol from the St. Clement Mary Hofbauer School in Baltimore.

My constituents are touring the Congress and the White House. I am certain that their day here will be interesting and educational.

Mr. Speaker, I invite you and my distinguished colleagues to join me in welcoming:

The teachers: Mrs. Jean Huntington and Sister Evelyn Grudza, OSF.

The parents: Mrs. Gloria Perry, Mrs. Bert Erhardt, Mrs. Pat Bush, Mrs. M. Kosmas, Mrs. Gately.

The students: Beth Ann Caggese, Denise Chapman, Stacey Crivello, Deana Della Noce, Christopher Erhardt, Carol Heid, Susan Hoover, Ronald Huber, Matthew Karl.

Patricia Perry, Harry Pfeiler, Gina Raspa, Renee Retz, Frederick Seling, Anthony Serafini, Douglas Snyder, Beth Ann Speranzella, Lisa Stacharowski, Tina Marie Zielinski.

David Bush, John Costello, Kimberly Crusse, Mark Davis, Michael D'Antoni, Patricia Geisendaffer, Lisa Hessie, Linda Horwath, Michael Kosmas.

Mary Pat Leppert, Marianne Lotz, Michelle MacGregor, Marcia Manzo, Frank Mattes, Kimberly Reddy, Christopher Sikorski, Michael Soul, Karen Strubel, Frederick Walton.●

A MISSING ELEMENT IN OUR ENERGY POLICY

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. DANNEMEYER. Mr. Speaker, Federal leasing policy is usually not discussed in the same breath with conservation, decontrol, and synthetic fuels as a source of domestic energy. Indeed, it is reported that the No. 2 man at the Department of Energy (DOE) omitted Federal leasing policy from a recent discussion of energy options with the Comptroller General. One might fairly conclude that a better Federal leasing policy is a missing element in the Nation's energy policy.

Last year, the General Accounting Office (GAO) reported, in report EMD-79-60, that the split reponsibility for leasing of Federal lands for energy exploration and production shared by DOE—setting production goals—and the Interior Department—land management and leasing—was not working well. These agencies did not agree with GAO that they should spell out their roles and priorities in binding rules. Apparently, regulatory doses for industry are not good medicine for agencies.

How much of our domestic energy resources are locked up in Federal lands is well explained in the following article reprinted by Dr. Howard E. Kershner, visiting professor of current economic problems of the Northwood Institute, Houston, Tex. A better Federal leasing policy may have to wait for the leadership of a new administration.

Mr. Speaker, I insert the aforesaid excerpt, entitled "Government Causes the Energy Shortage," in the RECORD at this time.

GOVERNMENT CAUSES THE ENERGY SHORTAGE

Government controls 96.4 percent of land in Alaska, 86.4 percent of Nevada, 66.2 percent of Utah, 63.7 percent of Idaho, 52.3 percent of Oregon, 45 percent of California, and 43.9 percent of Arizona; in all, approximately one-third of mainland United States.

These lands are often referred to as "federal lands" implying that they are the property of government and not necessarily of the people.

The management responsible for these lands is spread among 24 government agencies, and 47 sub-units of the government. The largest amount of land is managed by the Bureau of Land Management, an agency of the Department of the Interior. These lands contain 50 percent of all known U.S. energy resources; 40 percent of all U.S. coal, 70 percent of all low sulfur coal, 75 percent of all U.S. oil shale; 85 percent of all U.S. tar sands; 15 percent of all U.S. developed oil reserves; 15 percent of all U.S. discovered oil resources; 33 percent of all U.S. estimated oil resource base; 20 percent of all U.S. developed gas reserves; 25 percent of all U.S. discovered gas resource; and 43 percent of all U.S. estimated gas resource base.

In spite of this, in 1976 only ten percent of U.S. energy production came from these public lands.

The "withdrawal process," which has been used to declare the majority of public lands off-limits to energy mineral production, was originally devised for withdrawal and reservation of lands for certain uses, such as Indian reservations, trading posts, pony express stations, lighthouses, and military bases. Today it is being used for preservation purposes, on the greatest scale ever conceived by man.

Formerly, only the President had the power to withdraw lands from public use, and then only on a temporary basis. In 1941, the Attorney General, after reconsideration of an earlier opinion, ruled that such withdrawals could be made on a "permanent" basis. Then, in 1942, the President delegated his authority to withdraw lands to the Secretary of the Interior, where it rests to this day.

Unfortunately, the bureaucracy has allowed itself to lower its guard on the subject of land withdrawal. Until October, 1977, when Congress ordered otherwise, any federal agency could effectively withdraw land by merely filing a request to do so in any local Bureau of Land Management office. Neither the Secretary of the Interior nor the President had to know about it, let alone approve. In the past, the public has had no say in the matter. Worst of all, nobody—not even the federal government—has been keeping score on exactly how much of the public land has been withdrawn.

The shock came when two Department of the Interior employees started to add up the amount of land withdrawn from just those records which were readily available. They came to the startling conclusion that most of the public lands are no longer available to the public—at least not for prospecting for or digging up minerals. Still worse, the great majority of these withdrawals have occurred recently. In 1968 only one-quarter of the lands were withdrawn, but in 1974 almost three-quarters of the lands were withdrawn. The process continues.

Besides withdrawing public land, the federal government is making leasing of those lands more difficult.

The shelf-wells (offshore wells) are by far the largest producers in the U.S. In 1976, in spite of the fact that only 3 percent of U.S. wells are located offshore, these wells produced 20 percent of the nation's oil and gas. Worldwide, 17 percent of all crude oil produced came from offshore. Estimates are that if permitted to, oil production from the shelf could reduce American imports by 30 percent by 1985.

So far, only 4 percent of federal offshore holdings on the continental shelf have been developed for oil, and this is nearly all off the producing states of Texas and Louisiana. At present, Interior estimates the minimum lead time requirement for first production of new wells in the Gulf of Mexico, off the California Coast, off the Atlantic Coast, and the Gulf of Alaska, to be three, four, six and eight years, respectively. However, they also estimate the present and proposed federal regulation will increase this time requirement by an additional two to four years.

Another point of interest is the economics of the continental shelf oil and gas production. Between 1953 and 1976 the production from the shelf had a gross value of $27.6 billion. Of this, $22.9 billion was paid to the federal government in the form of bonuses, royalties, and rentals. That's right, 83 percent of the gross (before taxes) went to the federal government.

Federal policies today clearly discriminate against offshore oil and gas production. As a consequence, in 1974 we drilled only 830 offshore wells whereas in 1967, the peak year, we had drilled 1,365 offshore wells.

Last year the Chase Manhattan Bank analyzed the cash flow of 30 major oil companies. These 30 companies had collectively made $13.5 billion in profits, $5 billion of which had been distributed to the shareholders as dividends. They had invested $27.8 billion in new projects and they had paid $65.2 billion to governments. Thus, in 1976, payments to governments by these 30 oil companies were 13 times dividends and five times profits!

In 1978, when the Bureau of Land Management published its estimated budget requirements for the next several years, it said no new coal leases would be issued until fiscal years 1980 to 1982. Is the federal government really trying to solve the energy problem?

The evidence is mounting that the policy of the federal government is to withhold America's energy resources from our use. While we may be fighting an energy battle which the President has declared as "the moral equivalent of war," the federal government has embargoed the very resources which are necessary for us to win the battle.

Dr. Peter Flawn, president of the University of Texas at San Antonio and an eminent geologist, has put it this way: "As in all wars, we are seriously threatened both nationally and individually. Losing the war will result in a profound economic depression with attendant massive unemployment, crippled industry, and an agricultural system unable to feed, at anything like its accustomed level, a population with a greatly reduced mobility. . . . Democratic institutions are not likely to survive the kind of social unrest that losing this war will produce."

Flawn, being from an oil and gas producing state, also points to the regional problems involved with the present federal crude oil and natural gas pricing policy. . . . "The producing regions of the United States want to receive a fair price for their products. When the government suppresses the price of domestic goods and pays higher prices to foreign producers for the same goods, it produces bitterness, political confrontations, a depressed domestic industry, and a threat to national security. . . . Those who would protect the consumer must address the security of the supply as well as the price of the commodity."●

KIRKWOOD COLLEGE: TEACHING BY TELEPHONE

HON. THOMAS J. TAUKE

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● **Mr. TAUKE.** Mr. Speaker, Kirkwood College, located in Cedar Rapids, Iowa, in my congressional district, has undertaken an impressive new method of teaching. For the past 2 years, classrooms outside the nucleus of the Kirkwood campus are set up, and instruction is provided by means of the telephone. Those who attend the classes benefit by receiving instruction without the costly expense of commuting. In addition, the program has made reformatory education possible at one of our State's penal institutions. Further applications of the telenetwork are practically unlimited.

Recently, the New York Times recognized the importance of this Iowa program and printed an article entitled "Teaching by Phone Cuts Student Costs." Because I know this will be of interest to my colleagues, I insert the text of that article in the RECORD immediately following my remarks:

TEACHING BY PHONE CUTS STUDENT COSTS

CEDAR RAPIDS, IOWA.—An Iowa community college is teaching by telephone to help students faced with rising gasoline costs.

Kirkwood Community College is sending telephone instruction into small towns—even a penal institution—with growing success, according to Bill F. Stewart, president of the college.

The Kirkwood experiment is significant in a sparsely populated area where rising gasoline prices have a great effect on ways of living, he said.

"This is country where people have thought nothing of driving one or two hundred miles on a Saturday for a college football game, or a performance by a touring symphony group," Mr. Stewart said. "It's a way of life that faces destruction from rising oil costs."

SERVES A 7-COUNTY AREA

The same people often commute great distances to attend college classes. Kirkwood, for example, serves a seven-county rural area covering 4,292 square miles. The college has no dormitories and no resident students.

Mr. Stewart said that the school's two-year experiment with a telephone "telenetwork" had demonstrated its effectiveness and popularity with students, and added that the college now viewed telephone instruction as a "bridge" to more sophisticated methods, such as two-way microwave television instruction, he said.

At Kirkwood's central campus in Cedar Rapids, a single classroom is equipped with sending and receiving equipment for telephone communications. Instead of regular telephones, there are microphones and speakers.

Six classrooms are similarly equipped in smaller cities and towns throughout the Kirkwood service area. Students are invited to attend classes near their home, rather than driving to the central campus. The instructor can teach from any of the seven sites.

The telephone system provides for discussions among the students as well as lectures by instructors. It's not too different from a telephone party line. Kirkwood faculty members were given special training on how to use the system effectively.

One obvious question about the new system was whether it was too impersonal. To help overcome this, instructors were encouraged to teach from different telenetwork sites on alternating weeks, allowing all of their students to get to know them.

Some subjects were found to be better suited to telephone methods than others. Good results have been obtained in social science, agricultural and criminal justice, and such personal development subjects as career decision-making. Such subjects as science and pure mathematics are more difficult to teach by telephone, Mr. Stewart said.

"One of the big advantages for Kirkwood has been the ability to bring college instruction to small groups in rural areas," Mr. Stewart said. Previously, the college had difficulty organizing extension classes in smaller towns and cities. The telenetwork method makes it economically feasible to teach groups of two or three students at each class site.

AVERAGE CLASS SIZE IS 27.1

In the first five quarters of experimentation, the average telenetwork class size was 27.1 students, including 8.2 students at the central campus site and smaller numbers in the outlying sites. The men's state reformatory in Anamosa, about 25 miles from the campus, enrolled an average of 7.2 students in each class.

"The telephone system has given new life to the reformatory education program, making it feasible for inmates to earn their two-year associate degrees almost exclusively by telephone instruction," Mr. Stewart said, adding that Kirkwood provided professional counseling and other services through a staff employed inside the reformatory.

Even in its first year of operation, 1978–79, the telenetwork system generated tuition income greater than costs. More than 39,000 hours of instruction were delivered via the system.

Kirkwood has now planned a microwave system providing two-way color television communication throughout the college's service area. The college has received the first in a series of grants from the Public Telecommunications Facilities Program of the Department of Commerce to construct microwave links between the central campus and outlying cities and towns.●

NATIONAL SECRETARIES DAY

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● **Mrs. COLLINS** of Illinois. Mr. Speaker, I rise today in honor of National Secretaries Day. As we all know, a good secretary is a valuable asset to any office. Yet few of us remember to recognize this fact. Have you ever stopped to think what you or your office would do without your secretary? Most offices would turn into chaos, since the secretary is its backbone. Sylvia Cash, a member of the National Secretaries Association, is quoted as saying, "Some secretaries know more about the organization than the vice presidents."

In today's society, people carry the stereotype that a secretary is a woman. This is not true. One percent of all secretaries are men and this number is increasing. The traditional job stereotype of a secretary is also changing.

Automation promises to revolutionize the secretarial field. As more sophisticated machinery is used, the office has the potential to transform into a computerized business factory. But no machine will ever take the place of the secretary.

Secretarial jobs are becoming more exciting, and challenging. Executive secretaries have the opportunity to learn a lot about business and can often wield a great deal of power. Other secretaries are assuming more managerial type responsibilities. This added power and responsibility give secretaries more satisfaction in their jobs.

In closing, I would like to remind my colleagues not to forget their secretaries today or on other days in the future, as secretaries work to keep our offices running smoothly.●

THE 32D ANNIVERSARY OF ISRAELI INDEPENDENCE

HON. HAROLD C. HOLLENBECK

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● **Mr. HOLLENBECK.** Mr. Speaker, Monday, April 21, marked the 32d anniversary of the creation of the sovereign state of Israel. In the spring of 1948, a courageous group of men and women met to sign a declaration of independence which was the culmination of a long and arduous struggle for freedom and recognition that spanned many centuries. The signing of this declaration was the fulfillment of a dream of millions of Jews worldwide. It was the fruits of a labor which lasted thousands of years and cost millions of lives.

The Jewish people of Israel and the world have much for which to be grateful and much of which to be proud. Their tale is one of sorrow and rejoice; defeat and victory. But most importantly, it is a tale of inspiration.

The ancient Hebrews first entered the land of Israel about the 18th century B.C. when the patriarch Abraham led his people to what was then called Canaan, and later known as Palestine. Since then the Jews and their descendants have been forced to battle for their freedom with the Egyptians, Babylonians, Romans, Byzantinians, Arabs, Ottomans, Spaniards, Nazis, British, and currently the PLO. The fact that the Jews have survived, endured, and even prospered throughout history is testimony to their courage and conviction.

As we note the passing of this 32d anniversary, it is clearly evident that the State of Israel is a strong and thriving nation. In the past year, the Israelis have taken great strides in advancing their long-held beliefs in brotherhood and friendship. As a result of the dedication and foresight of Prime Minister Begin and President Sadat, Israel and Egypt are now closer than ever to being cooperative friends and allies. They have recognized their countries' common interests and have had the courage to "bury the hatchet."

Each country now maintains embassies in the other, allows for unrestricted travel across their borders, and participates in economic and cultural exchanges. Prime Minister Begin's and President Sadat's recent commitments to further talks to solve the Palestinian question is just another example of Israel's dedication to peace in the Middle East.

Although Israel and Jews worldwide have made great strides since the dark days of the holocaust, there is still a long way to go. The recent PLO attack on the kibbutz Misgav Am highlights the existing security problems and illustrates the blind hostilities of Palestinian terrorists.

There also remains many questions concerning the plight of Soviet Jews who have not been allowed to emigrate. A number of these Jews have been incarcerated by Soviet authorities. Among other injustices, I have closely followed all developments concerning Anatoly Shcharansky and Iosef Mendelevich. Repeatedly, I have urged their expeditious release. As we all know, March 15 marked the third anniversary of Mr. Shcharansky's arrest, and he received a severely inflated 13-year prison term as a result of trumped up espionage charges. This 13-year sentence was imposed by Soviet authorities despite Presidential intervention attesting to the fact that Mr. Shcharansky was in no way associated with the Central Intelligence Agency. In fact, Mr. Shcharansky broke no Soviet laws, but was actively engaged in working for the human rights of Jews and other minorities in the Soviet Union, all in accord with Soviet law and international agreements signed by the U.S.S.R.

Now over 3 years later, I am sad to state that the situation has worsened. Mr. Shcharansky not only remains imprisoned, but his health has continued to deteriorate.

To realize that such an unjust series of events, in direct violation of the Helsinki accords, can actually occur in modern times is indeed unnerving. As civilized people with an inherent respect for human rights we must not relent in our efforts to secure the release of Anatoly. We must continue to persevere as we hope and pray that Anatoly is able to persevere.

Similarly we must not relent in our efforts to secure the ultimate release of Iosef Mendelevich. Mr. Mendelevich was convicted to 12 years imprisonment for allegedly attempting to hijack a plane to Israel. At his trial, Iosef acknowledged his involvement in the Soviet Jewish movement. He was accused of writing anit-Soviet articles, which actually dealt with Jewish holidays and the anniversary of the Warsaw ghetto uprising. It is reliably reported that excessively harsh treatment by prison officials and Iosef's strict adherence to orthodox religious traditions has made his already difficult existence nearly intolerable.

It is very hard for those of us who are citizens of a nation whose highest laws guarantee individual freedom to believe that Anatoly and Iosef merely represent the tip of the iceberg. Yet there are many thousands of equally heart-wrenching cases. A week hardly passes in which another desperate family plight is not brought to my attention. Amid this depressing picture, and in the spirit of independence, we must continue to work in behalf of all the Shcharansky's and Mendelevich's presently being held against their will in the Soviet Union.

At this 32d independence anniversary, the United States must reaffirm its support for the great and sovereign State of Israel, which time and time again has stood by our side during times of trouble, and has truly proven to be a faithful and trustworthy ally.

From the 1917 Balfour declaration to the 1948 declaration of independence to the 1979 Camp David accords, the Jewish people everywhere, and the State of Israel, have consistently emerged from adversity victorious. Thus, I ask my collegues to join with me in congratulating our Jewish friends and allies on the occasion of "Yom Ha'atzmaut", Israeli Independence Day.●

IN THESE TIMES: ANALYSIS OF ECONOMIC POLICY

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. CONYERS. Mr. Speaker, in the 3½ years that In These Times, the weekly national newspaper published in Chicago, has been in existence, it has provided its readers with first-rate coverage of economic issues and a growing number of significant analyses of the causes and conditions of America's economic decline. Last July it published a celebrated four-part series on plant shutdowns, written by Associate Editor David Moberg. It has consistently furnished news of labor, the women's movement, community organization activities that none of the major newspapers find the time or space to report on.

In line with its growing reputation in covering the major issues, In These Times recently published an analysis of current economic policy—April 16-22, 1980—written by Martin Carnoy, a professor of education and economics at Stanford University and author of numerous economic works.

I urge my colleagues to read the following article. "The Carter Cure Won't Work."

[From In These Times]

THE CARTER CURE WON'T WORK

(By Martin Carnoy)

When President Carter announced new budget cuts as a cure for inflation, his economic policy did not get an enthusiastic endorsement from any quarter. Liberals say the cuts will further impoverish the already poor by eliminating government programs designed to spread the burdens of capitalist development. Conservatives argue the cuts are too slight to induce the deep recession that would cool off and shake out an overheated economy or to significantly reduce government spending relative to private, thereby increasing productivity.

Everybody is right on this one. The Carter budget will hit the poor, accentuating even more the tendency of the last decade to finance whatever growth has occurred out of worker's pockets—particularly those of low-income workers.

At the same time, the budget cuts are not great enough to cause the kind of recession that would halt inflation in its tracks—the kind that causes widespread business failures, high unemployment, dropping interest rates, and falling prices. The conservative ideal of rolling back the public sector through lower government expenditures and tax cuts is not going to materialize either, at least not at the federal level.

What we are going to get in this election year—and perhaps well beyond—is a recession, continued inflation, continued sluggishness in growth and labor productivity, increased unemployment, lower real wages for most (but not all) workers, and continued redistribution of income from poor and middle-income groups to the rich.

Inflation and high interest rates are currently hurting those with salaries and favoring those with capital to invest. But that does not mean that every salaried worker is suffering from inflation and every capital owner is gaining. Certain salaried occupations did very well in the late '70s, while others lost. Bond and stock holders have not profited in the last few years; but those who kept their funds liquid or bought certain commodities have. In general, though, profits and the return to capital have increased over the last five years while real wages have declined. This is the most significant fact of the inflationary period, and the Carter budget cuts will have little effect on that trend. If anything, they could accentuate it.

The U.S. is not on the verge of an economic apocalypse; nor is capitalism about to collapse. But the economic rules are changing. The government—responsible for the last 50 years for smoothing the wrinkles out of capitalist development is in a quandary as to how to react under the new rules. So far, the response has been to let workers bear the brunt of corporate confusion.

When the situation stabilizes—and we can assume that without a sharp public reaction it will stabilize eventually—most Americans will find themselves back at early '60s consumption levels. If they are lucky, two or three family members will be working so that they can maintain, to some extent, the halcyon days of the '70s.

WHAT'S WRONG?

Why is all this happening, and why won't the Carter measures work? Before 1973, the U.S. economy not only grew rapidly, it also increased employment and delivered higher per-capita consumption. Real weekly earnings in manufacturing—that is, earnings adjusted for consumer price changes—increased 25 percent from 1945 to 1960 and increased another 24 percent from 1960 to 1973. While unemployment in peace-time years averaged 5.5 percent between 1947 and 1975 (the highest rate in the industrialized world), almost all Americans were materially a lot better off in the '70s than in the '50s.

The early '70s saw the beginning of a crisis in the post-1945 development process, and it is this crisis that now dominates the '80s. With the dollar under attack, fuel prices up, and an economic system built on capital- and energy-intensive technology, expansion can no longer proceed smoothly. Profits actually fell between 1969 and 1973 under an onslaught of organized labor activity that raised real wages rapidly in a high-employment economy. But the recession of 1974-75 ended the era of rising real wages and falling profits. Wages fell drastically in the recession, not even recovering to 1973 levels by the end of the decade and now declining again with the double-digit inflation. Today the average worker is able to consume about what he was buying in 1970.

But this halt in the rise of real wages during the '70s (accomplished by increased profits after 1975) hides important differences among workers: some, like auto and steel workers, increased their real wages rapidly, even in this period, while others—mostly white collar workers but many production workers as well—remained steady or even lost real income. Many wives entered the wage-labor force in order to meet increased family consumption costs. So while individual wages fell, family income may have risen as additional family members worked for the first time. Also, some economists have argued that the effects of inflation are overstated for those who already owned their own homes, since mortgage payments remain constant. But while it's true that some are hurt less than others, the overall pressure on real income is down.

The mechanism to slow the increase in real wages during the '70s was inflation. This inflation did not come just from too much government spending. Robert Lekachman argued in 1973 that traditional monetary and fiscal policies would not solve the present rise in prices. The whole concept of correcting demand-pull inflation with tighter money and reduced government expenditures, he noted, is insufficient in a domestic world economy dominated by monopolies and monopoly pricing. For example, during the 1974-75 recession, prices of many products rose. An analysis of inflation carried out at Stanford University suggests that firms raised prices to maintain profits, so that falling profits in a recession economy actually contributed to rising prices. The fact is that "free enterprise" is not very free anymore, and policies based on that model are not going to end inflation.

There is another way to look at this same problem: Leslie Nulty has shown that the greatest price increases in the '70s occurred in energy, health care, food, and housing—exactly those goods that constitute the highest fraction of low-income budgets and decline as a percentage of higher income budgets. Housing prices are tied to inflation (interest rates) and land prices (speculation against inflation); energy prices are in the hands of huge monopolies such as OPEC; food prices are tied to land prices, interest rates and petroleum prices (chemicals and fertilizers); health care is completely distorted by national insurance schemes combined with private medicine—the worst of all possible worlds.

WHAT WILL CHANGE?

Government policies of tight money and surplus budgets are unlikely to have much effect on the underlying dynamics of these high-inflation products. In housing, present tight-money policy is drastically restricting the housing supply and raising rents and mortgage rates. Meanwhile, the price of homes is softening, but the monthly payments required to buy a cheaper house have increased much more. Since the structure of the real estate market remains unchanged, the moment interest rates begin to fall, speculation will begin again.

Continued control by monopoly corporations at home and by Third World countries anxious to get the highest possible prices for their national wealth will give the American public less and less power over energy prices. Nothing now in the cards indicates a decline in petroleum prices or a coherent energy policy that would reduce demand or increase supplies in acceptable ways. Food prices may come down with reduced demand, but, again, the underlying factors are such that in the medium and long run they will rise. And unless something happens in American health care, an increasingly older population will raise health care costs, not reduce them.

Neither is government prepared to go back to the kind of depression required to "clean things out." The Penn Central, Lockheed, and Chrysler are not allowed to fail, and unemployment cannot be allowed to rise to 20 percent. Nor could government expenditures be cut wholesale. Despite a lot of complaining, people have come to depend on government services and the corporations themselves want the political peace purchased with welfare payments, unemployment insurance, veterans' benefits, and increased education. Besides, the government directly or indirectly employs about one-third of the labor force, and more than one-half of all minority and women professionals. Massive reductions in government spending would be political suicide.

This isn't a very rosy picture. But it is a picture rife with contradictions. For one thing, there is a lot of confusion among corporate managers themselves. In the face of leveling productivity, inflation and revolutionary activity in the Third World, no one is sure how American economic expansion can continue without getting *American* workers to pay for that expansion with declining real wages. This implies a tremendous political risk for the corporate world: badly squeezed, the public may demand changes far beyond what American capitalists can accommodate.

For their part, corporate leaders will continue to blame government policy, trying to shift public dissatisfaction onto the federal bureaucracy, social welfare, and other federal programs that do not affect corporate subsidies like defense spending. Also likely are many repetitions of the Iran crisis, in which attention is shifted to world-scale saber-rattling.

Yet both these types of deflection spell trouble for corporate institutions. First, if government social programs are cut severely, the potential for social unrest could increase rather than diminish. Productivity might decline further. Secondly, jingoistic police actions run up against a tremendous reservoir of anti-war, anti-adventurist sentiment among the nation's youth, raised as they were in the Vietnam era. Such adventurism could also turn out to be much more expensive than anticipated, accentuating the fiscal crisis and inflation.

Things will therefore not be simple for the American power bloc, even if the public is relatively docile, and acquiesces to corporate-initiated policies. And docility is by no means assured, particularly if progressives can provide a well thought out alternative program around which to organize a legitimate and active opposition.●

A TRIBUTE TO WARD JENKS

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I wish to honor the memory of a man whose recent passing leaves the community of Santa Barbara, Calif., saddened and somewhat poorer. Mr. Ward Jenks, who chose to move to the area for his retirement years, became, in the time left to him, a prime example of how retired citizens can contribute to their community.

When public regard of Reserve Officer Training Corps programs appeared to be on the wane, Ward Jenks organized a group known as Friends of ROTC. Largely due to the support of that group, ROTC programs on local high school and university campuses have been maintained and allowed to grow.

County Supervisor Robert E. Kallman recalls that when Ward Jenks saw the need for a parade in Santa Barbara to celebrate Independence Day, he originated the Spirit of '76 Association to sponsor a Fourth of July parade. Ward worked year around to insure that the parade was successful and, through his efforts, it has become a major part of our community's celebration.

When Americans expressed their pride of country in thousands of bicentennial celebrations, the citizens of his county and city turned to Jenks for leadership, which he unselfishly provided.

Ward Jenks was a good friend of mine, a man who gave his community the benefit of his energies, his commitment, his caring. I join with those who mourn his passing and with those who appreciate his stopping with us for awhile.●

UNITED NATIONS DECADE FOR WOMEN

HON. MARY ROSE OAKAR

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Ms. OAKAR. Mr. Speaker, 1980 marks the year of the United Nations Mid-Decade Conference for Women to be held in Copenhagen, Denmark, July 14-30, 1980, to include the main topics of equality, development, and peace. Concern for women's rights is now an integral part of the U.S. human rights policy. Through bilateral and multilateral diplomacy, it is my hope that we will continue to promote equal rights and opportunities for women. In 1979, Secretary Vance issued a new foreign policy directive aimed at intensifying U.S. efforts to promote the status, rights, and well-being of women throughout the world. I would like to take this opportunity to share this with my colleagues:

Policy on Worldwide Status and Rights of Women

Following is the text of a joint State/AID/ICA/Peace Corps message sent by Secretary Vance to all overseas posts on May 31, 1979.

"A key objective of U.S. foreign policy is to advance worldwide the status and conditions of women. I believe that special attention should be given this issue as we approach the mid-way point in the United Nations Decade for Women, and the International Year of the Child, and as we prepare for the second Women's World Conference, scheduled to be held in Copenhagen in July 1980.

"Despite the many commendable instruments and resolutions on this subject, agreed to by virtually all nations, and despite some encouraging developments in recent years, the fact remains that progress has been too slow. Women continue often to be victimized, their interests and viewpoints overlooked, their educational and job opportunities limited. Physical abuse of women persists to a shocking degree.

"Mindful of the vital contribution which women can make to national development, the Congress in 1973 adopted the 'Percy Amendment' to the Foreign Assistance Act, which requires that our aid programs encourage and promote the participation of women in the national economies of developing countries. Yet, the world community, to a distressing degree, continues to be deprived of the full participation and talents of that most-overlooked asset of nations: Women. Meanwhile, urbanization and new technologies seem to create more problems for women than for men.

"Most effective in dealing with these problems will be the efforts of women themselves, working together nationally and internationally, but they need more active support of leaders, governments, and organizatons, if the spirit of internationally approved resolutions is to be translated into effective practice.

"I believe that you and your staffs can make a significant contribution through finding appropriate, diplomatic ways of encouraging host countries to be more attentive to this problem. You are in the best position to judge how best this can be done, bearing in mind the laws, regulations, attitudes, and circumstances of the countries where you are assigned. I am sure that you will, nevertheless, be assisted in this regard by having some basic background facts as well as the benefit of knowing what approaches have proved effective in other nations.

"In preparing such background facts and suggestions, and in order that we can all benefit from our various ideas and experiences in the field, I ask for your personal reactions and comments by cable within thirty days of receipt of this message."●

INFLATION: AN EDITORIAL VIEWPOINT

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. BEREUTER. Mr. Speaker, as we begin debate on the budget resolution, I would like to call to the attention of my colleagues a recent editorial that appeared in the Omaha World Herald, "OPEC Isn't Biggest Inflation Culprit—It's Domestic Policies."

To those who blame all of our current inflation problems on OPEC, I think the comments from the editorial would be of great interest.

Contrary to President Carter, if only a single label of blame is affixed to inflation, it should not be "OPEC." More appropriate would be "Made in Washington."

As we make the difficult decisions on the budget, I think the sentiments expressed in this editorial will serve as a helpful reminder to each of us.

Record Doesn't Bear Out Carter Claim: OPEC Isn't Biggest Inflation Culprit—It's Domestic Policies

Japan imports almost 100 percent of its oil. Last year, its inflation rate was 4.2 percent.

West Germany also imports nearly all its oil, in 1979, its inflation rate was 5.7 percent.

The United States imports about half its oil. Its last-year inflation rate was 13.3 percent.

Yet President Carter, asked early this year about inflation soaring from 4.8 percent of the start of his administration to 13.3, said:

"All of the increases, for practical purposes, have been directly attributable to increases in OPEC oil prices."

That is an impression he and his administration spokesmen continue to leave, even as United States inflation nears 20 percent. OPEC is the culprit—not administration policies.

Of course, OPEC is a factor. But the record does not show that OPEC contributes to the U.S. inflation rate to nearly the extent that Carter implies. There are even economists who instead blame U.S. inflation for the steep rise in world oil prices.

Albert H. Cox, Jr., chief economist for Merrill, Lynch, Pierce, Fenner, and Smith, Inc., was asked what percentage of U.S. inflation his statisticians figured was due to OPEC. His answer: About 2 of the present percentage points.

Looking at it another way, leaving out energy, all the other components of the Consumer Price Index—food, home purchases, interest rates, etc.—escalated from a 4.2-percent rate in 1974 to 10.9 percent last year, while the overall index including energy costs, increased from 4.8 percent to 13.3 percent.

This certainly doesn't indicate that energy cost dominated.

Dr. Craig F. MacPhee, associate professor of economics at the University of Nebraska at Lincoln, said in an interview this week that United States inflation problems began when President Johnson tried to pay for both a war and his Great Society programs at the same time—the "we-can-have-both-butter-and-guns policy."

Inflation continued to build, he said, as a new generation of Americans became accustomed to obtaining whatever they wanted—feeling that resources and supplies of everything were unlimited.

Some economists, he said, believe that a major reason OPEC nations began their series of steep price hikes was that the value of the dollar was declining so fast that only through increased prices could they get the same real return for their oil.

In a Congressional Quarterly article on today's adjoining Weekend Focus page, a view is presented that the basic difference between the rates of inflation in the United States and in Japan and Western Europe was "domestically originated." The strength of each country's currency was another factor. Strong currencies were credited with holding down the price of oil and other imported goods.

Milton Copulos, energy analyst for the Heritage Foundation, recently wrote that when oil prices are adjusted for inflation, "it becomes rapidly apparent" why OPEC decided on the raises. He said that in real dollars Saudi Arabia received 4.4 percent less in 1979 than in 1974.

Contrary to President Carter, if only a single label of blame is affixed to inflation, it should not be "OPEC." More appropriate would be "Made in Washington."

But that doesn't let off the hook the wasteful users of energy among us and the heavy consumers of all kinds of products. Nor does it excuse Americans for producing and saving less while the government spends more for all kinds of programs and services.

Until recently the American public has not raised a loud enough cry against inflation, nor indicated willingness to make sacrifices.

Now we pay the price, and that price, like inflation, grows higher by the month. It won't help to blame other nations for our plight.●

OTA REPORT ON THE FUTURE OF LIQUEFIED NATURAL GAS (LNG) IMPORTS

HON. MORRIS K. UDALL

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. UDALL. Mr. Speaker, a recent report by the Congressional Office of Technology Assessment (OTA) points out that current administration policy discourages LNG imports which, if encouraged, could double by 1990 and meet as much as 7 to 13 percent of U.S. natural gas needs. Natural gas now accounts for about 24 percent of total U.S. energy use and about 33 percent of residential heating and cooling use.

Mr. Speaker, the value of this report is underscored by an event that took place a few days after its release. As the following article in the April 21, 1980, Business Week explains—

> On April 1, Algeria cut off liquefied natural gas supplies to El Paso Co., the largest U.S. importer of LNG, because of a disagreement over price.

The article goes on to point out that—

> Algeria is losing an estimated $2 million a day on its contracted price to El Paso alone and that with nearly $5 billion invested in four gas liquefaction units, associated infrastructure, and terminal facilities, Algeria could soon find itself sinking in a sea of debt.

The United States and French refusal to pay the prices now demanded by Algerian interests is consistent with OTA's analysis of both import contract terms and supply curtailment impacts. LNG exporters have a far greater financial stake than oil producers do in uninterrupted shipments, the report says, because they cannot easily find alternative purchasers who have the terminals needed to handle the LNG, and they typically borrow heavily for liquefaction facilities. Thus an LNG exporter who cuts off the flow of LNG also cuts off the return flow of cash to exporter needs to pay off his debt. However, OTA also points out that, to the extent that Maritime Administration and Export-Import Bank

programs promote involvement of U.S. owners and creditors in LNG ships and facilities, the exporter's need for uninterrupted revenues diminishes.

This report is the first installment in OTA's continuing examination of alternative energy futures and responds to a request from the Senate Committee on Finance for an evaluation of the economic and energy implications of any future LNG imports. This report does not consider questions of safety, since that subject is covered in an earlier GAO report.

The summary of this report is available in convenient, self-mailer form for Members of Congress to send to constituents, district offices, and interested local agencies.

Mr. Speaker, for the information of my colleagues, I attach a brief synopsis of the OTA report "Future of Liquefied Natural Gas Imports," along with an article on the report that appeared in the April 2, 1980, Christian Science Monitor and the April 21, 1980, Business Week article on the Algeria action:

FUTURE OF LIQUEFIED NATURAL GAS IMPORTS

Despite current administration policy of discouraging imports of liquefied natural gas (LNG) from overseas, such imports could be desirable as part of a strategy to meet future U.S. energy demand. Specific import proposals should be judged on their individual merits in the light of the following findings:

By 1990, LNG imports could double from the currently approved level of 0.8 trillion cubic feet per year (Tcf/yr) to between 1.3 and 1.8 Tcf/yr—less than one-tenth of present domestic gas production. Imports will probably not exceed those levels because of political instability in Iran, the absence of any economic advantage in exporting gas for some other Middle Eastern oil producers, shorter transportation distances to competing European and Japanese markets, and restrictions on trade with the Soviet Union. The likely sources of U.S. imports outside North America include Nigeria, Indonesia, Australia, Malaysia, Trinidad, Colombia, and Chile.

Since not all potential LNG exporters are major oil producers or members of OPEC, cutbacks in foreign oil supplies do not automatically mean cutbacks in gas supplies. Moreover, LNG exporters generally have a greater financial stake than oil producers do in uninterrupted shipments, because they cannot easily find alternative purchasers with appropriate terminals, and because project revenues must pay for the large amounts of debt exporters incur for liquefaction facilities. To the extent that Maritime Administration and Export-Import Bank programs promote involvement of U.S. owners and creditors in LNG ships and facilities, the exporter's stake in uninterrupted revenues diminishes. The United States could ease the adverse impacts of any interruption through the present priority curtailment system and by sales and exchanges among gas wholesalers.

Over the next decade, domestic gas production will probably satisfy essential requirements, but neither domestic sources nor pipeline imports from Canada and Mexico are likely to meet additional marginal demand except at costs equal to greater than that of LNG. Delivered gas from LNG is likely to cost about the same as competing fuels, less than synthetic fuels and distillates from foreign crude oil, and more than currently regulated domestic natural gas. Customers also assume part of the financial risks associated with an LNG project by paying gas prices regulated to allow investors to recover portions of their initial costs, regardless of the project's subsequent commercial success or failure.

Gas from LNG imports will generally be used at least partly, and possibly entirely, in manufacturing and electric generating applications. Under the Natural Gas Policy Act of 1978, the cost of added supplies will not necessarily be borne by the customers receiving them. Industrial customers will probably pay a price close to that of alternative fuels and of the LNG itself, and electric utilities and purchasers of electricity will receive a subsidy in the form of "exempt" prices under the Act. Although households and commercial establishments would probably receive little additional gas, at least initially, the price levels in these sectors will rise or fall in response to the higher cost of LNG and to any savings that may result from the more economical use of transmission and distribution capacity that LNG makes possible.

Copies of the full OTA report, "Alternative Energy Futures—Part 1, The Future of Liquified Natural Gas Imports," are available from the U.S. Government Printing Office. The GPO stock number is 052-003-00743-6; the price is $4.75. Copies of the full report for congressional use are available by calling 4-8996. Summary copies are available at no charge from the Office of Technology Assessment.

[From the Christian Science Monitor, Apr. 2, 1980]

SHOULD UNITED STATES GET HOOKED ON LNG?

(By John Yemma)

Should the conservation-conscious United States abstain from an as yet little used foreign energy resource—liquefied natural gas?

Vast fields of gas underlie North Africa, Indonesia, the Soviet Union, the Persian Gulf, and other parts of the World. Current demand for it is relatively light. In fact, in areas where the "cash crop" is petroleum, gas is flared off or left untapped.

Since 1964, however, increasing quantities of natural gas have been liquefied through an expensive superchilling process and shipped aboard cryogenic tankers to Japan, Europe, and the US. When it arrives, it is returned to its gaseous state and fed into the pipeline system.

World trade in liquefied natural gas (LNG) is still in its infancy. Only 1.75 trillion cubic feet are traded annually. Although the US currently produces enough gas domestically to satisfy its essential requirements, it already imports 0.8 trillion cubic feet of LNG—an amount which could be expanded substantially in the coming decade.

Natural gas is clean, easy to use, and plentiful. Proved reserves worldwide as of 1978 were 2,557 trillion cubic feet. A small but substantial portion of that would be available for import if the US desired.

A new study by the congressional Office of Technology Assessment (OTA) estimates that the US could increase its imports of LNG by 0.54 to 1.33 trillion cubic feet a year in the next five to seven years.

This new natural gas would ease the pressure on the nation's fuel oil supply, cause less pollution than coal, and be less politically sensitive than nuclear power. Imported natural gas could be used, the OTA says, to fuel new economic growth of the US in the 1980s and beyond: new houses, manufacturing, and electricity generation.

The expense of LNG facilities would be bad news for US consumers, who would experience higher across-the-board prices for natural gas to help pay for the more costly LNG. But the LNG would help ensure the domestic gas supply and would be comparable in cost to Mexican natural gas.

Along with crude oil, LNG also could be part of a "portfolio" of imported energy supplies that would decrease US vulnerability if a single import, such as Persian Gulf crude, were halted.

"Not all potential LNG exporters are major oil producers or members of OPEC [the Organization of Petroleum Exporting Countries]," the OTA report says, "so curtailments of foreign gas supplies are less likely to coincide with those of oil than they would be otherwise."

Potential US suppliers of LNG are limited because of instability in the Persian Gulf, lack of economic advantage in exporting gas for other Middle Eastern oil producers, shorter transportation distances to competing European and Japanese markets, and restrictions on trade with the Soviet Union. The most likely sources, therefore, would be Nigeria, Indonesia, Australia, Malaysia, Trinidad, Colombia, and Chile.

The OTA points out that LNG exporting nations also have greater financial incentives than oil producers to maintain uninterrupted shipments. Alternative purchasers with the proper terminal facilities would be difficult to find. And because of the expense of building liquefaction facilities, a continual flow of LNG revenue would be needed to pay off the debt.

But if the LNG supply were interrupted, the OTA says, the shortage of natural gas in the US could be managed under current priority reallocation guidelines.

A $3 billion southern California LNG project has been approved by the Department of Energy (DOE), although the department gives LNG development a low priority at this time. Alaskan and Indonesian LNG is to be shipped to Point Conception, adding 900 million cubic feet a day to the Pacific Gas & Electric Company's natural gas supply.

The Sierra Club and American Indian tribes in the area have been fighting the project for a variety of reasons, one of which is LNG safety—an issue addressed earlier in a General Accounting Office study.

The most often cited danger of LNG is that a malfunction at sea or in port could cause the liquid to warm and expand so rapidly that it explodes. Current DOE policy steers the site selection of LNG facilities away from urban areas. The Point Conception project was relocated from near Los Angeles to the sparsely populated point because of this concern.

LNG tankers are being built with double hulls, computerized collision avoidance systems, special fire-fighting equipment, and backup navigation and communication ability.

The OTA study was not concerned with the issue of LNG safety, but emphasizes the economic advantages. Nations with undiscovered natural gas resources, the study says, would actively search for new reserves if they perceived the United States as an interested and reliable customer. The outflow of US dollars to pay for the gas, it says, could be balanced by greater US manufacturing capability.

[From Business Week, Apr. 21, 1980]

ALGERIA'S GAMBIT TO BOOST LNG PRICES

On Apr. 1, Algeria cut off liquefied natural gas supplies to El Paso Co., the largest U.S. importer of LNG, because of a disagreement over price. Now it appears that France, the largest European importer, also resisting higher prices, has had a reduction in supplies. Together, these moves amount to a high-stakes Algerian gamble over the future price and attractiveness of internationally traded gas.

Algeria is betting it can push its f.o.b. natural gas price up to parity with high-quality crude oil. The U.S. and Western Europe are betting that soft oil and gas markets will allow them to hold out until cash needs force Algeria to settle for much less. The first serious attempt at breaking this impasse was expected in mid-April, when a high-level U.S. delegation was due to go to Algiers to discuss gas prices.

The U.S. insists that the landed cost of gas imports should not exceed the domestic price of fuel oil, even though LNG costs about six times as much as oil to transport. The Algerians want more than the fuel oil equivalent for their gas, even before shipping charges are added to its price.

This demand "is totally out of the ball park," says one international gas expert at the Energy Dept. Algeria has not been alone in attempting to ratchet gas prices up in the wake of last year's leap in oil prices. Canada and Mexico both increased delivered gas prices earlier this year by about 25% to $4.47 per Mcf. But U.S. officials say that price, at least, is only slightly below the equivalent price—in Btus—of fuel oil. Algeria is asking for $5 to $6 per Mcf before shipping. That would mean a delivered price of $6.45 to $7.45.

A NATURAL GAS BUBBLE

Besides the inflationary and balance-of-payments problems flowing from any increase in importing energy costs, officials on both sides of the Atlantic have two big concerns about Algerian price demands. They fear that Algeria's move could lead to price leapfrogging by other gas exporting countries. That in turn, could result in prices too high for the gas to be marketable—because it would cost more than the fuel oil that many industrial users can substitute.

El Paso and the pipeline companies to which it sells Algerian gas from its Cove Point (Md.) terminal—Columbia Gas System Inc. of Wilmington, Del., Consolidated Natural Gas Co. of Pittsburgh, and Southern Natural Gas Co. of Birmingham, Ala.—are optimistic about an early settlement. But they are also convinced that enough of a "natural gas bubble"—a temporary supply excess—remains in the domestic U.S. market to enable them to hold out for some time without Algerian supplies.

"We feel that without the LNG we would still be in a position to meet all normal requirements in our service area for two or three years," says a spokesman for Consolidated Natural Gas Co., which has been getting about 8 percent of its supply from Algeria.

MEETING DEMAND

Government experts are most concerned about the supply situation for Southern. But company officials insist they have no near-term problems. "Our supplies are such that we contemplate being able to provide the same level of service even through this winter if the LNG remains interrupted," says Hugh Morgan Jr., senior vice-president at Southern Natural Gas.

With no surplus gas supplies to call on, the French will have to make up the difference with greater oil imports if there is a lengthy cutoff. But for the time being at least, international oil markets are more than able to meet any increased demands without adding upward pressure on oil prices.

The hope in Washington and Paris is that Algeria will be forced to settle before any of these factors change for the worse. Algeria is losing an estimated $2 million a day on its contracted price to El Paso alone. And observers estimate that with nearly $5 billion invested in four gas liquefaction units, associated infrastructure, and terminal facilities, Algeria could soon find itself sinking in a sea of debt.

It is a game of chicken that threatens to have serious repercussions for the budding world LNG market. "The LNG market is getting so politicized so quickly that there is a very serious risk that this will kill the goose that laid the golden egg," says Energy Dept. oil and gas market analyst John Treat. "This kind of competitive pricing is likely to destroy the LNG market before it really develops."●

ATTORNEY GENERAL CIVILETTI SPEAKS ON NAZI WAR CRIMINALS

HON. ELIZABETH HOLTZMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Ms. HOLTZMAN. Mr. Speaker, the 35-year effort of our Government to investigate and prosecute alleged Nazi war criminals who have found sanctuary in the United States has been distinguished only by its failure. In large measure, our Government's history of inaction, delay, and in some instances coverup in dealing with this issue has been attributable to the unwillingness of our highest officials to insist on the prosecution of war criminals as a priority and to make a personal commitment to assuring that something is done.

Attorney General Civiletti, however, has from the beginning of his tenure sought to change this pattern. Working in concert with those of us in Congress who have been concerned about this issue for many years, Mr. Civiletti has finally put our Government at the highest levels on record as insisting that justice be done. He has supported sufficient funding and staffing for the Office of Special Investigations in the Criminal Division to assure that prosecutions are handled expeditiously and professionally. He has met with the highest judicial officials of the Soviet Union to request cooperation in providing witnesses and evidence in these cases. He has met with Simon Wiesenthal, the famed international Nazi hunter, to solicit advice and cooperation. And he has taken time out of his schedule to speak on the issue to groups throughout the United States.

At the end of February, the Attorney General received the Herbert Lehman Ethics Medal at the Jewish Theological Seminary of America at Temple Emanuel in Miami Beach, Fla. In his acceptance speech, Mr. Civiletti spoke about the reasons, why, after 35 years, we should continue to keep the issue of Nazi war criminals in the United States alive. I commend this excellent speech to my colleagues' attention.

The text follows:

REMARKS BY ATTORNEY GENERAL CIVILETTI UPON ACCEPTING THE HERBERT H. LEHMAN ETHICS MEDAL

Chancellor Cohen, Mr. Vice Chancellors, I accept this award with gratitude, and with appreciation for what it represents. The religious, intellectual, and cultural tradition for which this Seminary stands is one which has always placed a strong emphasis on the dual ideals of the rule of law and ethical behavior. Fairness on the one hand and compassion on the other are what we really mean when we speak of justice. It is a joint value which is shared by the Jewish and American traditions, which was exemplified in many ways by the life of the late Senator Lehman, and which I am proud to be serving in my work as Attorney General.

Justice is not an easy goal. All the law books in the world will not chart the road to justice, because justice is more than just statutes and decisions. It requires dedication; it requires a sense of human purpose and proportion; it requires a commitment to those ethical values which give the laws their legitimacy and influence in the first place. And that commitment to ethical value in justice demands efforts against very difficult odds.

I'd like to illustrate this point briefly. In none of my many responsibilities as Attorney General are the compelling demands of justice more evident that in the work of the Justice Department's Office of Special Investigations. That office works toward the identification, denaturalization, and deportation of Nazi war criminals living in the United States. The odds against which this office works are formidable. We bear the burden of proof for crimes committed decades ago, in foreign countries, against civilians who were not American citizens. The chief witnesses are advanced in years, and may not live much longer. In addition, many witnesses and much of the documentary evidence are to be found in countries under Communist domination, whose cooperation has not always been forthcoming. And finally the many avenues of appeal and delay, over which we have little control, can drag these cases out over long periods of time.

So in light of those great odds, I am often asked why we are now redoubling our efforts in this area, as we are. Why not let this black chapter in history recede into the past? My answer to that question is always the same: No reading of our immigration laws, or of the rules of civil procedure, no matter how diligent, can ever convey the urgent demands of justice which impose themselves on us in this area, and which must override those odds. This matter involves men and women who, because of the quirks of world politics, were able to make their way into the largest and most prosperous country in the free world and live comfortable lives there, despite their pasts. It involves other men and women, refugees from unspeakable horrors, who share their hard-won American citizenship with these imposters. It involves millions of Americans, who believe in a government of laws under which the defenseless are protected and criminals are punished. And finally, it involves our children and grandchildren, who must not be allowed to conclude from their history books someday that the guilty were not pursued because of the passage of time.

So we are redoubling our efforts. We have devoted a score of attorneys and 9 experienced investigators to these activities. We are considering some legislative proposals to cut down the length of the required judicial procedures. Most important, we are building on the cooperation which we have received from other nations in the past by establishing new relationships with foreign governments which are in a position to help us. Thousands of pages of documents, which have already been screened for pertinence by Justice Department personnel, are now on their way to the United States from West Germany. The Berlin Documentation Center has furnished us with a list of 6000 SS officers who were assigned to concentration camps, and that list has enabled us to identify several new suspects who may be in this country.

For the first time ever, we have secured the cooperation of East Germany, through the direct assistance of a top state prosecutor there. Most recently, on a trip to Moscow, the director and deputy director of the office obtained the agreement of the Soviet Union on a variety of matters, including granting leave to witnesses to travel to the United States to testify at these proceedings. The high level of communication and cooperation which we have now established with the Soviet Union in these matters is unprecedented and our partnership with Israel has never been stronger. We have made, and are continuing to make significant and deliberate progress.

I am pleased to be presiding over a Department which, while acting to welcome to our shores tens of thousands of refugees from destruction and oppression in various parts of the world, is also seeking to deny the protection of the United States to those who have been parties to persecution in the past. And I am also pleased that in doing so, we scrupulously respect our cherished principles of due process, so that it is always abundantly clear that this nation refuses hospitality not only to these criminals, but also to the ideas for which they have stood.

We are committed to this program because we believe that there is tremendous symbolic power in the way in which laws are administered, and that belief carries over into all of the Justice Department's activities. Senator Lehman once said that America is a "nation born of a great ideal and as long as the nation survives that ideal must and will be cherished and preserved." Those who are charged with the administration of the laws in any society must be the leaders in preserving and promoting the distinctively Jewish and American ideal of justice. That is why I am so very proud to be the recipient of this particular award today. Thank you very much.●

TO ENCOURAGE PRODUCTIVITY IN THE ECONOMY

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. MITCHELL of Maryland. Mr. Speaker, if we are to address the problem of inflation in the economy, then we must talk productivity. To encourage productivity in the economy, we must alter our tax laws to reflect a more direct, positive domestic investment procedure rather than continuing efforts to promote the flow of direct foreign investment. The domestic corporate structure should be provided consideration in developing employment, training, and skill development in Chicago, New York, or Baltimore; however, we should not subsidize the economic growth of foreign countries through our domestic tax policy. Unless we make tax expenditure adjustments in the deferral of income of controlled foreign corporations, and exclusion of certain income earned abroad by U.S. citizens, we will continue our contribution to the perils of inflation.

A U.S. corporate parent of a foreign subsidiary is not taxed on the subsidiary's income until the income is remitted to the parent corporation. The deferral of U.S. tax liability on the subsidiary's income continues indefinitely as long as the income is reinvested in that foreign subsidiary or some other foreign subsidiary rather than remitted to the U.S. parent corporation. A tax credit in the amount of foreign taxes paid on repatriated income after grossup—that is after adding back foreign income taxes paid to the actual dividend—is allowed at the time of repatriation. Income generated from foreign branches of U.S. corporations is taxed the same as income earned in the United States which clearly encourages U.S. firms to invest in foreign subsidiaries rather than domestic firms. Accompanying the corporate tax policy is the exclusion of certain income earned by U.S. citizens who work in foreign subsidiaries.

For example, U.S. tax policy provides special tax relief to certain residents and citizens of a foreign country for at least a full taxable year and citizens or resident aliens who are physically present outside the United States for at least 510 days in an 18-month period may deduct from the tax base certain added expenses incurrred abroad for housing, education, general cost-of-living differentials, and home leave travel. Those in hardship areas may deduct an additional $5,000 per year. Employees living in camps in hardship areas may elect, instead of the special deductions for excess costs and hardship conditions, to exclude $20,000 of foreign earned income plus the value of the meals and lodging furnished by the employer.

The deductions or exclusion are not limited to cases where the employer pays allowances. The deductions are also available to self-employed persons and persons engaged in business, on the portion of profit attributed to their labor.

The result of these tax policies are reductions in the revenue-generating potential; reductions in our export-generating potential which adversely affect our balance of payments and balance-of-trade deficits; and finally, they limit the domestic capital and labor growth potential and thus the productivity of U.S. firms to the benefit of foreign country growth and development. All of these factors are inflation inducing components that are major contributors to the current inflation rate which is approaching 20 percent.

Another cause of inflationary trend is the high turnover in consumer and production markets. Both markets are being saturated with new products that quite often do not stand the scrutiny of the advertising market and consequent consumption function of the American consumer. Because of the high failure ratio of new products and their subsequent costs to the producer, and ultimately the consumer, a successful product development must bear the costs of failure. Because of abuses of the research and development expensing expenditure in our tax policy, we encourage and subsidize new product development. A recent Senate Budget Committee document points to evidence which suggests that, of the total amount claimed as expenses of research and development tax expenditure costs, about 10 percent is basic research while 90 percent is product development. Because product development expenses are written off as tax expenditures and subsequently passed through as price increases, it becomes profitable for firms not to maximize their development efforts. As such, our tax system effectively rewards product failure and inefficiency with tax advantages.

Another reward for poor management and economic inefficiency is displayed in tax provisions which afford financial institutions the opportunity to deduct bad debt deductions in excess of actual losses. In general, businesses are permitted to deduct as a current operating expense a reasonable allowance for bad debts. The allowance usually is based on the experience of prior years. However, the special formula used by financial institutions to compute bad debt reserves permit deductions in excess of actual experience. In fiscal year 1981, the U.S. Treasury will forgo nearly $1 billion because of this provision in the tax code which provides an incentive to promote economic inefficiency.

Many arguments have been made to reduce Federal aid to States. All arguments are based on the fiscal viability of States relative to the Federal budget. Discussions focus on elimination of the State portion of revenue sharing and discretionary program reductions, but never does the discussion focus on State and local tax expenditures which are essentially revenue sharing. It is also worth noting that the exclusion of interest on all State and local debt serves as a windfall for private investors while never reducing the actual borrowing costs. For example, it is estimated that every $0.75 of interest saved by State governments because the interest on their bonds is not taxable, costs the Treasury $1 of revenue forgone. In fiscal year 1981, an estimated $7.2 billion in Federal revenue will be forgone to save State and local governments $5.4 billion in interest costs. The estimated differences of $1.8 billion will be tax relief to investors.

This difference between forgone revenue and interest cost reduction results from the fact that the tax exemption provides additional tax savings to high-income taxpayers with marginal tax brackets above the minimum level of those taxpayers the issuer is attempting to attract to its bonds. To see why this is so, consider the following hypothetical example. State X wants to sell $200,000 worth of general obligation bonds. Suppose the interest rate for taxable corporate bonds is 10 percent. Suppose further that two potential investors, A and B, each with $100,000 to invest, are considering purchasing the bonds. A is in the 50-percent marginal income tax bracket; B is in the 20-percent marginal income tax bracket. If the interest on the bonds were not tax exempt, State X would have to pay A and B $10,000 each to forego corporate bonds and invest in State or municipal bonds. In after-tax terms, the $10,000 would be worth $5,000 to A and $8,000 to B. Since the bonds are tax exempt, State X need pay only $8,000 to B to induce him to invest. It also must pay $8,000 to A. Total interest savings to State X as a result of the tax exemption is therefore $4,000. A's tax savings are 50 percent of his $8,000 of interest, or $4,000. Total tax savings to B are 20 percent of his $8,000 of interest, or $1,600. Total Federal revenue foregone would therefore be $5,600. Interest cost reductions as a percentage of foregone revenue in this example would be $4,000 to $5,600, or 71 percent.

The argument of credit controls and targeting investment to highly productive sectors of the economy as an anti-inflationary mechanism also runs counter to our tax policy. For example, commercial banks which serve as major investors of corporate expansion, are the basic buyers of tax-exempt State bonds. A recent study indicated that the tax exemption reduced the tax rate of commercial banks by an average of 19 percentage points. The exemption provides an advantage for commercial banks to invest in tax exempt bonds rather than contribute to the capital turnover and hence productivity of the economy through plant expansion or new equipment. Tax policy that is designed to create capital turnover, as the accelerated depreciation and investment tax credit, are in effect negated by the tax advantages of State bonds. As a result, the efforts to create noninflationary, highly productive growth through one policy is negated by the effects that are created by another tax policy. This undisciplined and chaotic economic policy is a result of Congress inability to evaluate and target tax policies for general economic benefit. Tax expenditures are the result of special interest pressures.

In 1981, the U.S. Treasury will forgo some $400 million in revenues due to a tax provision that allows capital gains treatment of income derived from the sale of timber. A Treasury Department document states that more than two-thirds of that tax expenditure will be shared by 16 corporations with 5 corporations accounting for more than one-half of the capital gains claimed. These same type of corporate concentrations occur in the capital gains treatment of royalties on coal and iron ore. We must be prepared to eliminate these special interest subsidies because they are counter productive to a long-term economic growth strategy.

The Congressional Budget Office lists a set of 18 completely different tax expenditures which have the potential of generating more than $60 billion in additional revenue in fiscal year 1981. The human needs alternative budget is designed to generate an additional $2.5 billion by repealing, reevaluating, and/or modifying the tax expenditure provisions that run counter to the macroeconomic goals of sustained, noninflationary economic growth.

If we are to be effective in our efforts to promote growth and enhance our productivity we must concentrate our growth sectors. In hearings before the Joint Economic Committee we heard testimony which defined the small business sector as the growth sector in the economy. In a study completed for the Joint Economic Committee data document that small businesses currently account for almost half of the Nation's total business output and 55 percent of all private employment. Also, the study documents that two-thirds of the private sector's employment growth was generated by firms with 20 or fewer employees while only 13 percent of private sector employment growth was generated by firms with over 500 employees in a 7-year period from 1969 to 1976. Therefore, the problem of unemployment must be addressed by targeting incentives to the small business sector rather than large multinational conglomerates with little to no growth potential. To maximize our economic growth and address the problems of structural unemployment, we must stimulate small business development in the urban and rural pockets of America. Only then can we sustain growth and labor productivity, because that economic policy matches the low-skilled labor supply with the high growth employment sector. An economic policy designed as such would break the chain of structural unemployment and provide opportunities for skill development and increased productivity in the lower productive sectors of the economy.

Small business has been the backbone of innovation and productivity in the country. The National Science Foundation has documented that one out of four of the most significant industrial product and process innovations since World War II was developed by firms of less than 100 employees. It is the small firm that is more adventuresome and has the greater propensity for risk taking. They have the ability to adapt and move resources more effectively than large companies. However, the maximum growth of the small business sector, and hence our economy, is constrained by the small business sector's ability to generate enough money to convert new ideas into a more productive economy.

Greater access to both credit and equity markets is essential to maximize our economic growth potential. The Budget Committee denies the growth of the small business sector through its reduction in the direct loan account and the guaranteed loan account of the Small Business Administration and National Consumer Co-op Bank. The human needs amendment supports this growth by providing an $8 billion annual tax cut targeted to small businesses with the expressed intent of enhancing productivity, improving access to capital and/or encouraging labor skill development. In the past, the Congress has enacted tax incentives which assume a homogeneous business sector. The failure to acknowledge the special problems of small businesses in our tax policy has served to curtail its growth. Therefore, the human needs amendment is stressing a special small business tax provision such as an exemption on capital gains that are reinvested in a new small business which locates in a depressed area; or accelerated depreciation only to small business; or additional training and wage subsidies provided to small businesses for training the structurally unemployed. These tax incentives work to enhance productivity and growth in the economy through the budget process.

Mr. Speaker, the human needs budget is at variance with the House Budget Committee revenue recommendation. The human needs alternative provides for a delay in the increase of the social security tax rate. The social security tax rate, scheduled for increase from the current 12.26 percent to 13.3 percent on January 1, 1981, is delayed until January 1, 1983. However, the annually scheduled increases in the earnings base has been accelerated such that $35,400 is the ceiling effective January 1, 1981. This change will lower the costs of employment and render employment more comparable with the subsidies provided for capital. Small, labor intensive businesses disproportionately bear the burden of social security tax increases. This tax measure is designed to lessen the costs of labor and thus assist the small business sector in generating additional employment.

Mr. Speaker, I ask that the human needs budget alternative be supported because it contains the economic tools necessary to promote growth and development. Unlike House Concurrent Resolution 307, the human needs budget is a budget with an objective. It promotes the growth and development of the small business sector while targeting its resources to long term economic alternatives.

MITCHELL HUMAN NEEDS REVENUE RECOMMENDATION

[In billions of dollars]

	Fiscal year 1981 budget		
	President's January budget	Committee recommendation	Mitchell human needs
Current law receipts	579.0	588.6	588.6
Major tax proposals:			
1. Windfall profit tax	13.7	18.0	18.0
2. Cash management initiatives	4.5	2.6	2.6
3. Restrictions on tax exempt housing bonds	.8	.4	.4
4. Railroad retirement taxes	.3	.3	.3
5. Airport and Airway Trust Fund	.2	.2	.2
6. Oil and hazardous substances cleanup fee	.2	.1	.1
7. Limits on foreign tax credit for oil and gas extraction	.7		
8. Independent contractors withholding	.6		
9. Receipts from increased IRS audits		.3	.3
10. Miscellaneous tax cuts for ways and means flexibility		−.1	
11. Import fees on oil imposed by the President		10.3	10.3
12. Productivity or anti-inflationary tax cut if the budget stays in balance		−10.3	(1)
13. Withholding on interest and dividends		3.4	3.4
14. Increase in waterway fees			
15. Social security rollback:			
a. Loss due to rollback in tax rate to 12.26 percent			−9.2
b. Increase due to earnings base ceiling increase to $35,400			2.4
16. Revenue raising proposal to rid inflationary no-growth tax expenditures			2.5
17. Targeted productivity tax cut of $8 billion effective Jan. 1, 1981			6.0
Total	600.0	613.8	613.9

(1) See 17.

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WELFARE REFORM—WORK FARE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. ROTH. Mr. Speaker, now more than ever before the American people are concerned about the efficient and proper use of their tax dollars. With less spendable income, inflation raging over 18 percent, and a recession underway, the family budgets of millions of Americans are being stretched to the limit. That is why it seems only fair to me in this time of belt tightening that every able-bodied person who can work make a contribution toward their own support.

In other words, it is time to get the freeloaders off the welfare rolls. Let me add that I firmly believe that we have a responsibility to help those individuals who truly need help. However, it is becoming increasingly clear that there are many individuals receiving welfare, and food stamps in particular, who are just taking the American taxpayers for a ride. For instance, I was utterly shocked to learn recently that there are now over 20.2 million participants in the food stamp program—or 1 in every 10 Americans. The Federal budget estimate for food stamps this year is over the $10 billion mark. We cannot accept the idea that 1 out of every 10 Americans cannot provide for their own minimum nutritional requirements without taxpayers paying their food bills. Moreover, recent data from five workfare pilot projects under the food stamp program confirms this. Of the first 547 persons subject to a work requirement, 361 of them, or two-thirds, chose to give up food stamps rather than work for them. These were individuals registered for work and presumably hunting for jobs. Of the remainder, 13 percent found jobs on their own during the waiting period before their public service work requirement would have started.

Moreover, with the recent downturn in the economy and the expected high unemployment rates in fiscal year 1981 it is expected that there will be thousands more people eligible to join the welfare rolls. It should be recognized that the majority of these are people who want to work but have been forced out of jobs due to the recession and the no-growth philosophy of the present administration.

It is for this reason that I think that something must be done to police the welfare system and correct some of the flagrant fraud and abuse that the taxpayers have tolerated up to this point. I plan to introduce legislation to require a workfare program be initiated in every State. In addition, I have written the President urging him to expand and increase the number of workfare pilot projects currently approved by legislation passed in 1977. At this time only 7 of the 14 projects approved by Congress have been implemented. The administration has been dilatory in implementation of these pilot programs. For the first 1½ years after the legislation was signed into law nothing was done, then 5 of the 14 projects began and have been in operation almost 1 year; 2 more projects were begun last winter and 7 more projects are waiting to be implemented.

Welfare reform must be linked to workfare. Americans are fed up with a welfare system that allows freeloaders to live off the Public Treasury and does little to encourage those who can work to get jobs. Workfare weeds out those who do not really need the assistance and adds incentive for those sincerely hunting for jobs. It also gives valuable on-the-job experience to help the hardcore unemployed move into the economic mainstream.

Let us return the welfare system to its original purpose by providing assistance to those who truly need it and return control of the program back to the individual States where it belongs and who can deal with it more effectively and efficiently.

In the final analysis there are no free lunches. Somewhere along the line someone has to pay for it, and I believe that the taxpayers have been giving free lunches long enough. It is time we restore the general faith in our Government by assuring taxpayers that the welfare system is fair and just.●

OCS LEASE SALE NO. 53

HON. DON H. CLAUSEN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. CLAUSEN. Mr. Speaker, When Interior Secretary Cecil Andrus announced the proposed 5-year oil and gas leasing program for the Outer Continental Shelf, residents of the north coast of California and I were shocked to learn that the schedule includes lease sale No. 53 under the same time frame as was previously proposed.

At a minimum, we had hoped the Secretary would adopt alternative 5 as stated in the final environmental impact statement for the 5-year plan which calls for a delay in lease sale No. 53 until all the required environmental studies are complete.

The Select Committee on Outer Continental Shelf recently held hearings on the 5-year plan and to listen to our concerns regarding lease sale No. 53. I would like to share with my colleagues my testimony before the committee:

STATEMENT BY CONGRESSMAN DON H. CLAUSEN BEFORE THE SELECT COMMITTEE ON OUTER CONTINENTAL SHELF, APRIL 15, 1980

Mr. Chairman, I am here today to testify on a subject of utmost importance to the State of California and, particularly, my Congressional District—namely, the Five-Year Oil and Gas Leasing Program for the Outer Continental Shelf and Lease Sale #53.

When Interior Secretary Cecil Andrus recently submitted the new Five-Year Plan to the President and the Congress, we were shocked to learn that he had included Lease Sale #53 under the same leasing schedule as was previously proposed for the sale.

To quote from the Secretary's press release, "The proposed final leasing program calls for a careful balancing of considerations based on the Nation's need to develop new domestic sources of oil and gas and the equally important need to assure that this development is carried out in an environmentally safe manner."

I agree with the Secretary that we must develop new domestic sources of oil and gas to reduce our dependence on foreign supplies. However, if the Secretary truly means to balance all considerations and proceed in an environmentally safe manner, he should not be considering leasing off the North Coast of California at this time. The potential supplies of oil and gas are believed to be minimal yet the risk to the environmental integrity of our coast and its resources is substantial.

Rather than concentrating on sensitive and unacceptable areas, I strongly believe the Administration should be placing greater emphasis on developing the heavy crude in Central California and concentrating on the Outer Continental Shelf of Alaska in those areas where the potential inventory is high and the environmental risks are not as great.

The Secretary did delay a similar sensitive area off Kodiak, Alaska until 1983 to provide time for environmental investigations. This is the type of action that should have been taken on Lease Sale #53.

Our North Coast economy is dependent on four industries: agriculture, forest products, fishing and tourism. Our fish resources and sea mammals support both a commercial fishing industry as well as sport fishing and other tourist activities. They are extremely sensitive to the dangers of oil spills. While the OCS Lands Act provides for compensation to fishermen for losses and damage to equipment, no amount of money can replace the fishery resource once it has been adversely impacted.

To restate my position I will quote from my testimony of August 29, 1979 during our California field hearings: "We all recognize there is a need for establishing a program of adequate and strategic oil reserves. I believe the north coast of California's off-shore area should be a prime candidate for designation as a reserve.

"We should identify and quantify the amounts of oil, set the area aside as a 'sanctuary' for additional fishing and recreational pursuits and preserve the known quantities of oil and gas to be used only in times of national emergency or a threat to our national security—in keeping with our national strategic reserve requirements."

We had hoped, at a minimum, the Secretary would comply with our request for a delay in Lease Sale No. 53 until all the required environmental studies are complete, as proposed under Alternative 5.

To quote from the description of Alternative 5 in the Final Environmental Impact Statement for the Five-Year Plan, "Resources of particular concern in Central and Northern California include abundant coastal and pelagic birds and their rookeries, and coastal sea mammals. These organisms are known to be extremely sensitive to oil spill impacts. Studies sponsored by BLM are currently underway to develop more information regarding distribution and abundance of these resources. However, all studies will not be completed prior to the final environmental statement for this proposed sale under Alternative 1. This alternative would delay the sale for nearly two years, so that the studies would be fully completed and all information would be available in order to perform a risk analysis and for use in stipulation development in the environmental process."

Alternative 5 has been endorsed by all the Boards of Supervisors of the coastal counties impacted by Lease Sale No. 53. I would like to submit for the record as an addendum to my statement copies of the resolutions, as well as a copy of a resolution passed by the Mendocino County Outer Continental Shelf No. 53 Task Force.

Our area is classified as a "frontier area". I do not believe we should go ahead blindly disregarding the potential harm which can be created if the proper mitigation efforts are not made and the proper technology is not developed and used. Alternative 5 would give us the time needed to complete the environmental work now underway and would give added time for the development of even more sophisticated techniques for removal of the oil and gas should the kind of national emergency develop to a point where my proposed national reserve area would become necessary.

More emphasis on conservation as a source of near and long term energy supplies is needed and broader consideration should be given to the development of the right type of incentives.

Rapid development of Lease Sale No. 53 may also be premature until the local coastal programs are in place, an issue I believe will be more fully discussed by other witnesses today.

Alternative 5 would also allow more time for the coordination and integration of all our energy transportation systems on the West Coast. For example, the Alaska Gas Pipeline; Western Leg will be bringing new supplies of natural gas into California which should be carefully coordinated with development of gas supplies from other sources. We are already acutely aware of the lack of ability to move West Coast and Alaskan oil off the West Coast.

The Secretary's refusal to delay Lease Sale #53 demonstrates his continued disregard for the views of Members of the California Delegation representing coastal Districts, local government, environmental groups and others who have been extremely outspoken in their opposition to Lease Sale #53.

We are not latecomers to the process. The impacted counties have been working on this issue diligently since the nomination process began last summer.

Local efforts to respond appropriately at each stage of the process have often been thwarted by a lack of cooperation by the Administration. Documents have been mailed third class delaying their delivery by several weeks. In addition, critical documents have been provided in limited supply. For example, only one copy of the preliminary draft EIS was sent to each county.

A delegation also traveled to Washington last summer to meet with Secretary Andrus and this committee heard from a vast number of local representatives in August when you travelled to California.

Their concerns must be listened to. The environmental program is not running on time; thus, we should not proceed with Lease Sale #53 under the proposed five-year schedule. While continued exploration may be merited, the current development proposal must be reevaluated and revised to conform more to the local people's concerns.

Later on during the course of the testimony you will be hearing from several members of the Mendocino County OCS #53 Task Force. I would like to urge your careful consideration of their statements.

Thank you, Mr. Chairman.●

WHOLESALER DISTRIBUTORS SUPPORT CAPITAL COST RECOVERY ACT

HON. JAMES R. JONES

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. JONES of Oklahoma. Mr. Speaker, I come before my colleagues to announce another endorsement for H.R. 4646, the Capital Cost Recovery Act. The National Association of Wholesaler-Distributors, an important and active group in American business, has thrown their support behind enactment of this legislation. I am extremely happy to have the support of this group as we continue our battle to bolster a sagging American economy.

The United States needs more capital formation and investment, and the NAW recognizes the important part H.R. 4646 will play in achieving these goals. Through simplified depreciation, this proposal would also increase our level of productivity and provide new jobs in business and industry. The future health of the American economy depends on these results and I hope my colleagues will note the words of Mr. William C. McCamant, vice chairman of the board of NAW. The letter of endorsement follows:

NATIONAL ASSOCIATION OF
WHOLESALER-DISTRIBUTORS,
Washington, D.C.

Hon. JAMES R. JONES,
House of Representation,
Washington, D.C.

DEAR MR. JONES: The National Association of Wholesaler-Distributors is giving strong support to H.R. 4646, the Capital Cost Recovery Act of 1979. We appreciate your interest in sponsoring this legislation which if enacted will encourage business modernization and expansion.

NAW is composed of 113 national commodity line wholesale associations which have in their membership 40,000 merchant wholesaler-distributors. We anticipate that sales in 1979 will exceed $825 billion. The wholesale distribution industry is characterized by small, closely-held, family-owned businesses. In our own membership, the average sales volume is approximately $2.5 million, with an average of 25 employees. It is through this size of business that the vast bulk of products move to market. Net profits before taxes range from a low of one-half percent of sales to a high of 4 percent, with an average of about 1.7 percent.

Our Special Action Bulletin of September 6, 1979 encouraged members of the industry to request their Congressmen and Senators to co-sponsor H.R. 4646 or its companion Senate bill S. 1435.

We look forward to testifying on this measure when hearings are held before the House Ways and Means Committee.

Sincerely yours,

WILLIAM C. MCCAMANT,
Vice Chairman of the Board.●

THE 40TH ANNIVERSARY OF THE KATYN FOREST MASSACRE OF WORLD WAR II

HON. JACK KEMP

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. KEMP. Mr. Speaker, April 1980 marks the 40th anniversary of one of the most brutal events of World War II—the Katyn Forest massacre of 1940.

In the spring of 1940, Polish prisoners of war were brought to the Katyn Forest near Smolensk, U.S.S.R., where thousands were executed in secret and buried in a mass grave. This was one of the most heinous crimes of the war, made more so because of the silence of the West for so many years on the truth of the incident.

My esteemed colleague, Representative EDWARD DERWINSKI, from Illinois has been quoted in the Pol-Am Journal on this grisly episode:

> The Katyn Massacre was a premeditated, planned mass murder and should have been classified as a crime against humanity and brought to the docket of the International War Crimes Tribunal in Nuremberg. Unfortunately, it was conveniently overlooked by the Western Powers in order to placate the Soviet Union.

I would like to bring this article to the attention of the Congress, so that the memory of this bloody evidence of man's inhumanity to man can remind us of the basic struggle that still exists between the forces of freedom and the forces of tyranny.

[From POLAM Journal, Apr. 12, 1980]

Katyn—A Crime Without Parallel

April, 1980 marks the 40th anniversary of one of the most shocking events in history—The Katyn Forest Massacre.

Some 15,000 Polish prisoners of war during World War II were murdered, historically the largest assassination of prisoner-soldiers since Ghenghis Khan.

Polish prisoners from three different concentration camps were brought to the forest which is located near Smolensk, USSR. Included in the slaughter of 15,000 prisoners of war, were around 8,000 Polish officers, 800 phyicians and surgeons, hundreds of professors, judges, engineers, lawyers, clergy and students.

Virtually the entire flower of a generation of Poles had been murdered in cold blood, and in secrecy.

The executions took place in April, 1940. Each prisoner was tied with barbed wire and shot in the back of his head by skilled executioners. Their bodies were then thrown into a mass grave and covered over by bulldozers. Trees were planted to camouflage the scene of the heinous crime.

Louis Fitzgibbon in his book, Katyn—a crime without parallel, (Charles Scribner's Sons, 1971) writes:

"In early 1940, after the simultaneous assault upon Poland by the Russians and Germans, all but a few hundred of the 15,000 Polish officers taken prisoners by the USSR disappeared. When, two years later, the Smolensk region was overrun by invading German troops, the bodies of some 4,300 of these Polish officers were found buried in Katyn woods . . . The monstrous crime of Katyn was at once used by the Germans as a propaganda weapon against their Soviet enemy. The Russians immediately countercharged the Germans with the same crime.

That the Katyn murders are not yet a part of the common knowledge of every educated person in the Western world is a sad commentary on the ease with which it is possible for the truth to be obscured or lost.

Prof. J. K. Zawodny in his book on the infamous Katyn Forest Massacre, entitled "Death in the Forest" says:

"The Soviet and German government accused each other of the massacre. To obtain or remove evidence, the intelligence services of several nations carried on a merciless secret contest in the Katyn Forest, Poland, Germany, Italy, England, and the United States. Men disappeared; so did files, including one from the U.S. Military Intelligence Office. In the process a key witness was found hanged, diplomatic and military careers were destroyed in the United States, personnel of the International Military Tribunal at Nuremberg lied by omission, and so did some of the greatest Allied leaders of the Second World War."

Cong. Edward Derwinski (R.-Ill.) speaking to his colleagues in the halls of Congress on March 27, 1980 stated:

"The Katyn massacre was a premeditated, planned mass murder and should have been classified as a crime against humanity and brought to the docket of the International War Crimes Tribunal in Nuremberg. Unfortunately, it was conveniently overlooked by the Western Powers in order to placate the Soviet Union.

"Then in 1951, a select committee of the House of Representatives thoroughly investigated the Katyn massacre, and formally accused the Soviet Union of the Katyn crime and asked the State Department to present the case to the UN. Here, again it was deemed inopportune to offend the Soviet Union with incontrovertible facts."

The tragedy of the Katyn Forest massacre was just one of many sufferings that wracked Poland during World War II. Because the West is not generally familiar with the great sacrifices undergone by the Polish people, I have introduced House Joint Resolution 452, to recognize the Polish holocaust of World War II. The text of this resolution follows, and I urge my colleagues in the House of Representatives to support this tribute to the courageous, freedom-loving people of Poland:

H.J. Res. 452

Joint Resolution To Recognize the Polish Holocaust World War II

Whereas on September 1, 1939, Nazi Germany invaded Poland thus precipitating World War II; and

Whereas Poland was the first country to offer resistance by force to the Nazi invasion; and

Whereas the people of the Republic of Poland were colleagues of the allied nations during World War II; and

Whereas the Polish people fought to preserve their nation from fascism and communism; and

Whereas Polish forces fought in the West—in the battle of Britain, at Narvick, in Africa, Italy, France, Belgium, and the Netherlands; and

Whereas Poland suffered immeasurably from oppression inflicted upon its people, of all faiths, on the battlefield and in the concentration camps; and

Whereas Auschwitz was established as a concentration camp for Polish citizens by the Third Reich; and

Whereas at the massacre at Katyn in the spring of 1940 four thousand Polish prisoner-of-war officers were murdered by Soviet soldiers; and

Whereas Poland lost approximately five million of her citizens, of all faiths, both Christians and Jews, between 1939 and 1945 as a result of the war: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That, in memory of all the victims of the Polish Holocaust, during World War II—the President is requested to issue a proclamation calling upon the people of the United States to remember the atrocities committed by the Nazis and Russians upon Poland during World War II and to commemorate Poland's struggle for liberty, freedom, and democracy with appropriate ceremonies and activities.●

A PARDON FOR SION ASSIDON

HON. TOM HARKIN

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. HARKIN. Mr. Speaker, I have taken a particular interest in the case of a political prisoner in Morocco. He has been adopted as a "prisoner of conscience" by Amnesty International, and I would like to submit their report on M. Assidon to the Record. It is my hope that the Government of Morocco will see fit to pardon M. Assidon, who, though a critic of the Government, has never advocated or committed an act of violence. I am particularly concerned about Sion Assidon, because he is in poor health, and prison conditions are creating additional problems.

The report referred to follows:

Sion Assidon—Amnesty International Washington Group Report

Sion Assidon is a thirty-two year old former graduate student and high school (lycee) instructor. He was arrested as part of a government crackdown in the spring of 1972. In 1973 he was sentenced at a mass trial where many of the defendants were tried in absentia. Assidon was sentenced to fifteen years imprisonment for "endangering the internal security of the state." Although Assidon is a political opponent of the present Moroccan government, there is no evidence showing that he ever used or advocated violence. He has been adopted as an Amnesty International "prisoner of conscience" for the last five years. Recently an officer of the Moroccan Embassy here admitted that Assidon is a political prisoner. The Embassy has occasionally responded to Amnesty pleas on Assidon's behalf, but there has never been any official or unofficial statement from Morocco itself.

Additionally, I note that Monsieur Assidon is in poor health: he has an ulcer and a sciatic nerve disorder. These conditions are aggravated by the harshness of prison life. This fall Assidon escaped from custody. He was recaptured and sentenced to three additional years of imprisonment. Amnesty International suspects that he was mistreated and injured while awaiting his trial. M. Assidon is presently in Maison Centrale prison in Kenitra.

While the Kingdom of Morocco has a number of opposition parties, dissidents who oppose the Monarchy or question Morocco's Saharan war—even non-violent ones such as M. Assidon—are punished severely. In the past King Hassah has mitigated this harsh situation by periodically pardoning a selected list of prisoners. M. Assidon would certainly seem an apt candidate for such an act of mercy.

AGENT ORANGE: AN ONGOING PROBLEM

HON. JOHN J. LaFALCE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. LaFALCE. Mr. Speaker, I hear daily from my constitutents who are Vietnam veterans about readjustment assistance and other Federal programs to help them better their lives. One of the cruelest legacies of the Vietnam war is that even now, in 1980, many of our young men who served in Southeast Asia have been unable to successfully reenter society in a productive manner. While the reasons for the slow readjustment are many and varied, one of the most difficult is the health-related effects of possible exposure to agent orange. Vietnam vets who have reason to believe they were exposed to this highly toxic defoliant have faced an uphill battle for help and recognition.

I submit for my colleagues' attention the text of a letter I received from the wife of a Vietnam vet. I believe the letter speaks for every veteran who fears agent orange exposure.

The text of the letter follows with names removed:

Realizing that documentation of facts is important in having the V.A. reconsider

Bob's claim under Agent Orange, we have tried to recall the past ten years and all of the associated health problems Bob has had since he was in Viet Nam.

Ever since Bob returned from Viet Nam, he has been plagued with bowel disorders and associated health problems. He has had chronic bowel problems for the past ten years. In 1973 he went to a private physician, because he was having loose and frequent bowel movements (with blood in them), nausea, headaches and dizziness. For six months prior to this, he had been on a diet and lost 60 pounds. The suggested weight for his height is 180-190 lbs. Before his dieting he weighed 240 pounds. Dr. —— hospitalized him and ran a series of tests. He finally concluded that Bob might have a form of colitis and put him on a bland diet.

After he regained 40 lbs. of the weight he had lost, he felt better. He continued to have the loose, frequent bowel movements but the fatigue and dizziness went away. This has only been since he returned from Viet Nam. He did not have these problems before he entered the service.

We moved to Arizona and while living there Bob suffered what was thought to be a rupture. He was admitted to Yavapai Hospital in August of 1976. When the physician operated on him, he found 3 tumors. This again has been the subject of many conflicting reports. Dr. —— informed both Bob and I that it was probably malignant and that he should prepare for the worst. The tumors or cysts as they were later referred to were benign. Bob then started having some kind of allergic reaction, to what we don't know. Dr. —— prescribed Benedryl and shots of adrenalin to combat the huge hives and fevers he was suffering.

He kept getting worse and finally he went to the V.A. Hospital in Arizona. He was suffering from abdominal and groin pains, fever, blinding headaches, nausea and very loose frequent stools. After the fever and pains in the stomach would cease, he would then have huge, raised, red hives all over his lower left stomach and buttock. This pattern continued from September through March of 1977. Dr. —— ran tests on him and finally found an ulcer. He gave him Malox for it and said he had a topic personality.

We moved back to N.Y. and Bob continued with the loose and frequent stools but kept his weight up and was working full time. In June of 1979 he had been on a diet for two weeks and had lost 15 pounds when he was struck with severe stomach and groin pains and return of a fistula which he had had two months previous. The first time it broke and drained on its own. He was admitted to the V.A. Hospital in Batavia at which time they lanced and drained the fistula. He was discharged and returned to work. One and ½ days after he was discharged he was readmitted with severe groin and abdominal pains, headache and dizziness. Dr. —— and Dr. ——ran many tests of him but could find nothing conclusive. Dr. —— seemed to feel he might have a small bowel disease. Dr. —— felt it was an emotional problem. Bob continued to have the groin and abdominal pains, loose and frequent stools, headaches, nausea and worst of all fatigue. He attempted to go back to work in September and lasted only 3 days.

We then consulted with a gastro-intestinal specialist. Dr. —— admitted him and again ran a series of tests. It was found he had an intolerance of lactose and was put on a special diet. This has helped with the frequency of bowel movements but he still suffers the dizziness, headaches, and the extreme fatigue. He was sent to a psychiatrist and psychologist at the V.A. in Rochester. They were of the opinion he was fine. If anything I feel Bob has coped with the extreme financial hardship, emotional upheaval our children have experienced dealing with their father being hospitalized and always sick, and most of all "what's wrong with me", that never gets answered.

He's had a rash on his back, face and fingers. He was sent to the V.A. dermatologist who said it was an extension of eczema and given ointment for temporary relief. He did have eczema on his face as a child but never on his fingers. He never had it get to the point where he actually aches from it. His fingers become so sore and swollen he can't even write his name without pain.

Nothing has been accomplished since his discharge from either hospital. He was not ill before he went in the service, all of this has occurred since he was in Vietnam. In summation he still has extreme fatigue, he sleeps twelve to thirteen hours a day—he has had to quit his regular job and works as a self-employed cleaner—at the most he can work 4 hours. He's kept his weight up which is the only way he seems to feel at all better. He stays on the lactose free diet which helps the bowel frequency. He cannot tolerate any emotional pressure or stress. When these situations arise he becomes instantly nauseated and has such a blinding headache, he feels his head will blow off.

We have had no answers to the reasons why he's been ill from any doctor (V.A. or otherwise). He has been examined and reexamined and pushed from one doctor to another. All they can say is his body reacts in a "bizarre" manner.

We feel he should be listed as a victim of Viet Nam and that every possible means should be employed to discover why a 32 year old man should be as sick as he is.

The last ten years have not been easy ones for us. Because they can't give what Bob has a name, it should not and cannot be ignored. Something has to be done to give him the emotional and financial support he needs. It does not help to be shoved from one doctor to another.

We need help, both financially and emotionally. You're made to feel like a parasite, junkie or alcoholic. Bob served his country and now he needs help—where is it?●

THE IRRELEVANCE OF FORCE

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. DRINAN. Mr. Speaker, as the House of Representatives begins to consider the first concurrent resolution for the fiscal year 1981 budget, I believe it is essential that we take a moment to consider the actions we are about to take. The Budget Committee has recommended an unprecedented $160.8 billion in budget authority for defense. This figure represents more than 9 percent real growth in procurement programs—other than ships—and more than 13 percent real growth in research and development. Yet as Sanford Gottlieb ably points out in an op ed piece which appeared in the New York Times, increasing the money spent on defense may have no direct relation to the ability of our Nation to defend ourselves.

The international political climate is rapidly changing and we cannot afford to vote on matters that affect our security if we hold to outmoded and irrelevant assumptions about the nature of the world military balance. Many of the conflicts which trouble our country overseas cannot be solved by means of force. In such cases, we must work to develop other avenues to approach these problems, either through stronger international institutions or alternative bilateral methods. As Sanford Gottlieb infers, throwing money at the military may even promote increased military confrontation around the globe, rather than deter it. I commend the article to my colleagues:

[From the New York Times, Apr. 19, 1980]

THE IRRELEVANCE OF FORCE

(By Sanford Gottlieb)

WASHINGTON.—It is ironic that the national consensus in favor of increasing military spending has swelled at a time when the uses of military force by the superpowers are becoming more constrained.

Military force is clearly a major reality but three factors inhibit its use by the United States and Soviet Union in the post-Afghanistan era: the worldwide availability of modern weapons, volatile nationalism, and the irrelevance of force in many international situations.

The superpowers have amassed arsenals too huge for any rational purpose—15,000 hydrogen bombs and over 10,000 tactical nuclear weapons between them. In recognition of this, they have sought to avoid self-defeating nuclear war. However, even as the United States and the Soviet Union have run their arms race, other countries have acquired considerable military clout.

There are five acknowledged nuclear weapons states. India has exploded a nuclear device and Israel and South Africa are troubling question marks. Potential new members of the "nuclear club" are to be found mainly in the third world. Moreover, conventional arms have flowed steadily to developing countries as a result of $64.5 billion worth of sales and grants by the superpowers from 1970 to 1978. Some of the more industrialized third-world nations have built their own war industries. Guerrillas, saboteurs and terrorists can at least harass, and sometimes paralyze, invading armies.

A 1977 Rand Corporation report for the Air Force notes: "By the 1980's, force as a political instrument in international relations may have become seriously constrained by the availability of cheap precision-guided weapons and even of nuclear weapons to countries that in the past could not have afforded effective defenses against great powers."

Even if they cannot win military victories, the bush leaguers may now have enough clout to frustrate the objectives of the big leaguers. The use of force, for example, to assure a supply of oil would almost certainly be counterproductive. It would generate the kind of conflict that would prevent oil from flowing to North America, Europe and Japan.

Under these circumstances, the superpowers must not only avoid a direct clash, but also ponder carefully the consequences of any further intervention in the third world, the arena of superpower competition.

Military hardware is only one of the constraints on the use of outside military force in the third world. Today, nationalism represents at least as powerful a deterrent. As Washington discovered in Vietnam and Moscow is learning in Afghanistan, nationalists who fiercely resist foreign domination can punish even the best-armed great powers. The Politburo has managed not only to squander Soviet lives and treasure in

Afghanistan but also to antagonize the United States, alienate the nonaligned, enrage the Moslems, and embarrass Fidel Castro.

The temptation to forget this lesson may arise if and when a rapid-deployment force is in place. A future President may well be pressured to use the pre-positioned troops and arms not against the Russians but against a Middle East government or radical movement that is seen to be hostile to American interests. This could trigger a nationalist furor throughout the Moslem world.

We would do well to heed the wise counsel of the late Senator Richard Russell, in his 1968 reference to an earlier version of the rapid-deployment force: "If it is easy for us to go anywhere and do anything, we will always be going somewhere and doing something."

In many situations the use of armed force is irrevelant. The United States could not use it to free the hostages in Iran. The Soviet Union could not use it to deter China from invading Vietnam, to block the peace treaty between China and Japan, to oblige Rumania to accept a rise in military spending, to keep Pope John Paul II from reaching millions of the Polish faithful. In all of these cases, the superpowers were militarily powerless, unless prepared to pay very high costs.

Why, then, is there so little questioning of a system that enlarges bulging arsenals and, simultaneously, fuels inflation? Probably because so many Americans feel personally diminished by the loss of American dominance in the world and believe that more military hardware will restore our "strength." Yet, some of the key factors that explain the erosion of the United States position—the decline of the dollar, price boosts by the Organization of Petroleum Exporting Countries, feeble productivity—have no military solutions.

The United States does have to maintain an overall military balance with the Soviet Union. But soaring military budgets may become the most classic example yet devised of throwing money at problems.●

THE NEED FOR REFORM OF WETLANDS LAWS

HON. JOHN B. BREAUX

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. BREAUX. Mr. Speaker, among the laws passed in recent years which have not been implemented as intended by Congress, few stand out like section 404 of the Clean Water Act. Section 404, which affects our Nation's wetlands and serves to regulate construction type activity within them, has resulted in innumerable hassles and headaches for many landowners across the country. Although in some instances there are valid reasons for preventing certain types of activities in and uses of wetlands, I have learned that what results too often is one or more Federal agencies dictating what one can or cannot do with his land. The reasons given by the agencies are often conflicting, not grounded in evidence, and finally more often than not reflect the individual opinions of people within the agencies instead of the standards as set by law. The article which I am inserting into the RECORD today appeared in this month's issue of Field and Stream magazine, and I feel that it expresses clearly this problem and the need to correct it:

[From Field & Stream, April 1980]

WETLANDS LAWS: A BREAKDOWN IN COMMONSENSE

(By George Reiger)

Curtis H. Jones, Jr. of Franktown, Virginia, is a frustrated farmer. He wants—he needs—an irrigation pond, and he has the perfect location for one. He recently acquired a drained mill pond with a break in the dike where all the water has run out. All he has to do is close the breach, and rain and runoff will do the rest. An afternoon's effort with a dragline should put him in business.

So what's the problem? The rigid and uncompromising way Section 404 of the Water Pollution Control Act amendments is interpreted—that's the problem. Originally designed to prevent the destruction of essential wetlands, the law has become an insurmountable barrier for honest landowners who want to alter or improve any low-lying part of their landscape.

I stress the word honest, for the dishonest landowner simply goes ahead and does the work and, if caught, pays a relatively modest fine. With spiraling inflation, it is a whole lot cheaper to cheat and pay the penalty than wait a year or two—or maybe forever—for your paperwork to be processed and then pay construction costs that will have doubled in the interim.

Farmers feel a special frustration because they know, as individuals, they lack the expert legal advice and financial staying power of an industry. Farmers know that once an industry gets the required zoning changes to move into a rural area, it is only a matter of time before that industry gets all associated construction permits as well, including those to build roads, lay sewage lines, or even to cut channels through marshlands.

Indeed, it sometimes seems as though corporate executives do not so much ask the district office of the U.S. Army Corps of Engineers whether they can get a permit to dredge and fill as *tell* the state governor when and where they want the permits delivered.

As an individual (and honest) landowner with no particular political pull, Curtis Jones does not know whether he should even bother filling out the various permit request forms. After all, he has watched the bureaucratic hassles suffered by a neighbor over a similar request to repair an old pond. The neighbor tried for his permit for two years and then was finally turned down.

In both Curtis Jones' and his neighbor's cases, certain types of marsh grasses have colonized the areas behind the old pond dikes and those areas now qualify as Type II wetlands. No matter that these particular wetlands are only occasionally flooded and, thereby, relatively limited in fisheries production, or that freshwater ponds would enhance the diversity of local flora and fauna. The term "wetlands," like "wilderness," "ecosystem," and other words that have been given legal as well as conceptual meanings, has become a sacred cow—an ideal that is worshiped as a symbol rather than dealt with in its real terms. Few bureaucrats will risk their jobs by making decisions that could adversely affect a single root fiber in a clump of *Typha*, alias cattail.

For the ordinary landowner, the situation has become practically hopeless. An increasing number of inconvenienced *and* influential people feel their only relief would be the abolition of the wetlands protection law. More thoughtful protestors are aware this will again unleash real estate hucksters and dredge-and-run ghouls, but the stubborn refusal by the various agencies responsible for the welfare of wetlands to allow any alteration in the status quo is causing even the best kind of landowner to consider desperate remedies.

As Curtis Jones remarks, "I know that draglines can improve certain wetlands. Look at the work of Ducks Unlimited in Canada or of the Fish and Wildlife Service on National Wildlife Refuge wetlands in this country. So why aren't private landowners allowed to do the same thing? It's our money, and it's our land!"

However, on the low-lying peninsula where Curtis Jones lives—between Chesapeake Bay and the Atlantic—more than principles of private property are at stake. Traditionally, irrigation has involved the use of small impoundments replenished by surface water runoff. Since the end of World War II, more than 400 such pounds were dug in the two Virginia Eastern Shore counties. However, in the past seven years, not one permit has been issued to allow farmers to dig ponds at the headwaters of tidal creeks, and the farmers—ever determined to provide themselves with guaranteed sources of freshwater—have begun digging wells to get what they need. Since 1978, more than 70 percent of new irrigation systems have underground wells as the fountainheads of their water supply.

As more and more farmers turn to ground water for their surface needs, more and more salts are seeping into the local aquifers. Cones of depression are developing in many areas along the coast, and nonfarming residents have begun drilling deeper wells to find sweeter drinking water.

Tragically, although there are officials aware of the problem in every one of the resource agencies responsible for wetlands and water quality protection, no one feels he or she can do more than make sympathetic noises. As the permit man for the National Marine Fisheries Service (NMFS) said, "My job is to protect marine fisheries. There is no way that putting freshwater ponds at the heads of every tidal creek in Virginia will do that. Sure. I see where exceptions should be made, but that's for the Army Corps of Engineers to decide. My responsibility extends only to fishes."

Unfortunately, the U.S. Army Corps of Engineers has never been particularly interested in seeing wetlands protection laws work as they were intended to work. When the Water Pollution Control Act Amendments went on the books, propagandists for the Corps issued news releases calculated to stir up landowners against the law. Anyone reading these notices might have thought that a farmer would need to file an Environmental Impact Statement even if he wanted merely to plow his fields in a wet spring!

The Corps was taken to task for its lies by the National Wildlife Federation, which pointed out that such propaganda amounted to an obstruction of justice. Now proponents of wetlands development within the Corps are having the last laugh. By accepting every recommendation against pond construction submitted by NMFS, the Environmental Protection Agency (EPA), and the U.S. Fish and Wildlife Service, the Corps is feeding the growing groundswell of resentment against Section 404. For many, the law itself seems to have become an obstruction of justice!

The solution is to have the law work as it was supposed to work.

First, it should place no special financial or administrative burden on individual landowners seeking permits, and the processing of paperwork should be limited to a matter of days, not the months or even years currently consumed.

Second, administrators should attempt to take into account all the repercussions of a permit's rejection. They should ask themselves not just what will happen if they issue a permit, but what may happen if they do not.

Third, final arbiters of permit requests should not be so locked into textbook definitions of wetlands that they cannot accept the positive aspects of a pond adjoining marshlands—particularly when such impoundments represent a net gain for the commonwealth with a minimum expenditure of public money.

Irrigation ponds—especially those that are bulldozer-built with at least one shallow, sloping end—enhance the headwaters of most any marsh or creek in several ways. The open surfaces attract species of waterfowl that can't cope with weed-choked drains. Gamefish may be introduced, and they will attract an array of new predators, including possibly threatened species like the osprey and bald eagle, or furbearers like mink and otter.

Local Virginia watermen feel that ponds at the heads of tidal creeks catch and settle out contaminants that might otherwise affect the flavor and safe eating of downstream oysters and other shellfish. Surprisingly, while considerable research funds have been spent by biologists to repeat and confirm studies done by their predecessors decades ago, not one penny has been spent to determine whether the watermen are right in their judgment about the value of upstream settling ponds.

But most important from the standpoint of long-term human need, irrigation ponds help maintain aquifers and may even raise water tables, rather than depress them as irrigation wells inevitably do. In the arid West, rigid interpretations of Section 404 would be self-defeating in cases such as that of an administrator who refuses to let a pond be built because its digging would adversely affect a local wetland, yet allows that same wetland to succumb to a lowered water table induced by wells dug in place of the pond.

It is a discouraging trend in American life that we increasingly have to justify everything we do to some governmental agency that could care less whether we flourish or die. Certainly these are the feelings of Dr. Larry Valentine and his wife Dottie, a registered nurse, after undergoing the belittling process of applying for a permit to dig a pond in a low-lying corner of their property.

The Valentines rehabilitate sick and injured wildlife at their seaside home in Virginia. They have been doing this work for over a decade at considerable personal expense, but they do it for the satisfaction it brings them and what they are learning about wildlife.

Their record of success with species never before held in captivity and some that are endangered should be the envy and admiration of veterinarians and zoologists. I say should because I know "wildlife experts" are a jealous breed; none of the people being subsidized by the taxpayers to learn about such things have ever bothered to call the Valentines to find how they clean oiled loons so the birds survive the washing, or what vitamin supplements are essential to the well-being of young otters. The only people from any governmental agency who regularly visit Dottie and Larry are state and federal game wardens to make sure the Valentines' permits are up to date and their paperwork is in order.

Nearly three years ago, Larry and Dottie decided to build a pond near their house. The pond would include an upland slope and less than a quarter of an acre of salt meadow hay (Spartina patens). Their reason for wanting the pond was esthetic. The pond would add beauty to their home's setting and attract some species of wildlife, such as wood ducks, that are not normally found on the 153 acres of salt marsh around and downstream of the Valentines' residence.

Larry accepted the possibility that as soon as the pond was finished, the local tax assessor would hurry out with his pocket calculator to penalize them for having acquired "waterfront property." He even accepted the fact that his privacy would be invaded by a number of people asking personal questions about his income, intentions, and his attitude toward land and natural resources.

However, the first lesson he learned is that you must have a practical reason for wanting a pond. It was not enough to say "a pond would be pretty" or "a pond attracts wildlife." So the Valentines came up with the idea they could use the pond to rehabilitate water birds prior to release.

Then the paperwork—and expenses—began. Lawyers had to be consulted, notices had to be posted, maps had to be drawn, and, of course, governmental agencies initially sent all the wrong forms to fill out. Furthermore, the county government quickly put its hand out for an "application fee"—which naturally could not be refunded even if the pond was "disallowed."

In addition to Accomack County, Virginia's Marine Resource Commission, and the state's Department of Game and Inland Fisheries; NMFS, EPA, the Fish and Wildlife Service, the Agricultural Stabilization and Conservation Service (ASCS), and the U.S. Army Corps of Engineers all got into the act. While the state agencies finally said "okay" all the federal agencies but ASCS said "no." NMFS disallowed the pond because freshwater impoundments don't produce saltwater fish; EPA turned down the project because it might adversely affect local water quality; and the U.S. Fish and Wildlife Service said "nay" because it consulted a West Coast expert on the rehabilitation of oil-damaged birds, and he said it wasn't worth the effort.

Both the Fish and Wildlife Service and EPA were represented by the same young permit reviewer who suggested that if the Valentines moved the proposed location of their pond to a completely upland site that would require a well and expensive pumping to keep filled, she might approve their request.

But Larry wasn't having any part of the deal:

"Why should I? Why should I compromise my dream for people who couldn't possible care as much about this land, including the wetlands, as I do?

"All I want is to include one-quarter acre of upland marsh into a pond that will provide a productive interface of fresh and salt water for a variety of wildlife we don't have here now.

"As the EPA's claim that my project might adversely affect water quality, I find that particularly ironic and bitter since that same agency bent over backwards to stay out of our fight with Frank Perdue's chicken pluckers who were polluting this creek so bad some days the smell would drive you away from home!

"EPA thinks nothing of condemning extensive wetlands for the construction of sewage treatment plants. Yet this same agency says my few rehabilitating waterfowl will contaminate our creek. I'll be damned before going down on bended knee to such hypocrisy!"

We are approaching a crossroads in wetlands protection. Either our laws are used with commonsense, or more and more voices will demand their repeal. If that happens, the hustlers will be back pushing "prime waterfront lots" on the sandbars along our coasts and in the floodplains of our rivers.

As someone who fought hard to see wetlands protection become a reality, I'd hate to see the triumphant return of the real estate developers who created so much longlasting harm in the 1950's and 1960's. Yet so long as bureaucrats cannot see the wetlands for the reeds, the ghosts of those bygone Bad Days stalk the corridors of Congress whispering lies and clanging dragline chains like the malignant spirits they are.●

TRIBUTE TO HOWARD TIHILA, OUTSTANDING OREGON NATIVE

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Wednesday, April 23, 1980

● Mr. AuCOIN. Mr. Speaker, it is with great pride that I bring to the attention of my colleagues the honor bestowed upon an Oregon native by George Washington University at a recent ceremony here in Washington, D.C.

Howard "Nig" Tihila, a native of Astoria, Oreg., was inducted into George Washington University's Athletic Hall of Fame for his outstanding football feats in the late 1930's. "Nig," as his friends call him, was born of Finnish parents and was raised in Astoria. He excelled in football at Astoria High School and ended up at George Washington where he was their first-string fullback in 1936 and 1937. He helped lead the Colonial team to its second best record in their history and was noted for his outstanding blocking ability which opened the holes in the single-wing attack for the great running back, Tuffy Leemans.

After college, he captained a Navy minesweeper during World War II and returned to Washington to hold several key positions in Government until his retirement. Howard's last position was Director of Administrative Services for the National Science Foundation where he received the Foundation's Meritorious Service Award.

Tihila joins a group of distinguished George Washington athletes in the hall of fame including Red Auerbach, Tuffy Leemans, Calvin Griffith, Bob Considine and others. Howard is also a distinguished member of the prestigious Chowder and Marching Society of Washington, D.C.

I send my congratulations to his family back in Astoria plus his lovely wife, Mary, and thank you again, Mr. Speaker, for the opportunity to display my pride in the people from the great State of Oregon.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Thursday, April 24, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 25

9:00 a.m.

Finance

Taxation and Debt Management Generally Subcommittee

To hold hearings on the following miscellaneous tax legislation, S. 1854, 2239, 1384, 2179, 2396, 2367, 1867, 1826, 2415, 753, and H.R. 5973.

2221 Dirksen Building

9:30 a.m.

Environment and Public Works

To continue oversight hearings on the implementation of the Animal Damage Control Program of the Fish and Wildlife Service.

5110 Dirksen Building

Judiciary

Constitution Subcommittee

Business meeting, to consider S. 506, proposed Fair Housing Amendments Act.

2228 Dirksen Building

Labor and Human Resources

To resume hearings on S. 2571, to provide that certain employers who successfully contest citation or penalities under OSHA will be awarded a reasonable attorney's fee and other litigation costs, S. 1486 and 1572, bills to exempt family farms and nonhazardous small business who employ 10 or fewer employees from the Occupational Safety and Health Act, and S. 2153, to target OSHA safety inspections to the 10 percent of workplaces with more frequent injuries.

4232 Dirksen Building

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the National Aeronautics and Space Administration.

1318 Dirksen Building

Commerce, Science, and Transportation

To hold joint hearings with Labor and Human Resources' Subcommittee on Education, Arts, and Humanities on H.R. 6614, authorizing funds through fiscal year 1983 for the National Sea Grant College Program.

1224 Dirksen Building

Energy and Natural Resources

Energy Regulation Subcommittee

To resume hearings on S. 2470, proposed Powerplant Fuels Conservation Act.

3110 Dirksen Building

Governmental Affairs

To resume hearings on the President's proposed Reorganization Plan No. 1, to provide for the reorganization of the Nuclear Regulatory Commission.

3302 Dirksen Building

Labor and Human Resources

*Education, Arts, and Humanities Subcommittee

To hold joint hearings with the Committee on Commerce, Science, and Transportation, on the substance of H.R. 6614, authorizing funds through fiscal year 1983 for the National Sea Grant College Program.

1224 Dirksen Building

12:00 Noon

Judiciary

To hold hearings on the nominations of Charles L. Hardy, to be U.S. district judge for the district of Arizona, and William C. Canby, Jr., of Arizona, to be U.S. circuit judge for the ninth circuit.

2228 Dirksen Building

APRIL 28

9:30 a.m.

*Judiciary

To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To resume hearings on S. 2332, authorizing funds for fiscal years 1981 and 1982 for energy regulatory programs of the Department of Energy.

3110 Dirksen Building

Environment and Public Works

To hold hearings on S. 2412, to develop an effective oil recycling program to promote resource recovery and enhance the quality of air, water, and land resources.

4200 Dirksen Building

10:30 a.m.

Governmental Affairs

Permanent Subcommittee on Investigations

To hold hearings on the topic "Organized Crime and the Use of Violence."

5110 Dirksen Building

2:30 p.m.

Finance

Unemployment and Related Problems Subcommittee

To hold hearings on H.R. 4007, to permit States with outstanding Federal unemployment insurance (U.I.) loans to avoid the automatic increases in the Federal U.I. tax, specified under current law.

2221 Dirksen Building

APRIL 29

9:00 a.m.

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.

3110 Dirksen Building

9:30 a.m.

Judiciary

Business meeting, to consider pending legislation and nominations.

2228 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Personnel Management, Merit Systems Protection Board, Federal Labor Relations Authority, and the U.S. Tax Court.

1318 Dirksen Building

Environment and Public Works

*Environmental Pollution Subcommittee

Business meeting, to consider proposed legislation authorizing funds for fiscal years 1981 and 1982 for the Clean Water Act, and a proposed moratorium extension of the Industrial Cost Recovery Program.

4200 Dirksen Building

Governmental Affairs

To resume hearings on the President's proposed Reorganization Plan No. 1, to provide for the reorganization of the Nuclear Regulatory Commission.

3302 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on the topic "Organized Crime and the Use of Violence."

5110 Dirksen Building

Labor and Human Resources

Business meeting, to mark up S. 1658, proposed Asbestos School Hazard Detection and Control Act, and S. 1839, proposed Higher Education Amendments.

4232 Dirksen Building

12:00 noon

Labor and Human Resources

Health and Scientific Research Subcommittee

Business meeting, to consider S. 2144, 2375, and 2378, bills to provide support for the training of professionals in health service needs.

4232 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

Energy and Natural Resources

Business meeting, to begin consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

2:30 p.m.

Select on Intelligence

To hold a closed business meeting.

S-407, Capitol

APRIL 30

9:30 a.m.

Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To hold hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

Energy and Natural Resources
To hold hearings on the potential for improved automobile fuel economy between 1985 and 1995.
3110 Dirksen Building

Governmental Affairs
*Oversight of Government Management Subcommittee
To resume oversight hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year—"hurry-up spending problem"—focusing on administrative and legislative proposals to remedy this situation.
3302 Dirksen Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Select on Small Business
To hold hearings on the Department of Energy's small business research and development program.
424 Russell Building

Special on Aging
To hold hearings to examine the effects of aging on learning and working abilities.
5110 Dirksen Building

10:00 a.m.

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the International Buffer Stock Contribution—Rubber, Federal Election Commission, Advisory Committee on Federal Pay, Committee for Purchase from the Blind and Other Severely Handicapped, and the Administrative Conference of the U.S.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on title I, proposed Privacy Protection Amendments of 1979, and title II, proposed Fair Credit Information Practices Act, of S. 1928, proposed Fair Financial Information Practices Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for programs under the Coastal Zone Management Act.
457 Russell Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the topic "Organized Crime and the Use of Violence."
357 Russell Building

Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To hold hearings on S. 2477, proposed Nondiscrimination in Insurance Act.
6226 Dirksen Building

Labor and Human Resources
To hold hearings on the nominations of Steven A. Minter, of Ohio, to be Under Secretary of Education; Thomas K. Minter, of Pennsylvania, to be Assistant Secretary for Elementary and Secondary Education, Department of Education; and F. James Rutherford, of the District of Columbia, to be Assistant Secretary for Educational Research and Improvement, Department of Education.
4232 Dirksen Building

2:00 p.m.

Appropriations
Military Construction Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

MAY 1

9:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To hold hearings on the price volatility of the silver futures market.
324 Russell Building

Energy and Natural Resources
To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade.
3110 Dirksen Building

9:30 a.m.

Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for research and educational programs administered by the Department of Agriculture.
1223 Dirksen Building

*Environment and Public Works
Nuclear Regulation Subcommittee
Business meeting, to consider S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.
4200 Dirksen Building

*Governmental Affairs
Oversight of Government Management Subcommittee
To continue oversight hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year—"hurry-up spending problem"—focusing on administrative and legislative proposals to remedy this situation.
3302 Dirksen Building

*Veterans' Affairs
Business meeting, to consider S. 2534, to provide for the recruitment and retention of qualified health-care personnel by the Veterans' Administration, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Citizen Health Care Act.
412 Russell Building

10:00 a.m.

Appropriations
HUD-Independent Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration.
1114 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on S. 2492, proposed Ocean Thermal Energy Conversion Act.
235 Russell Building

Governmental Affairs
Energy, Nuclear Proliferation, and Federal Services Subcommittee
To receive the U.S. Postal Service's annual report from Postmaster General William F. Bolger, and to resume hearings on S. 2558, H.R. 79 and 826, bills to increase the authority of the President and Congress in postal operations and to provide continued financial security for the Postal Service.
357 Russell Building.

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the topic "Organized Crime and the Use of Violence."
1202 Dirksen Building

*Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

11:00 a.m.

*Labor and Human Resources
Child and Human Development Subcommittee
To hold hearings on issues Congress might consider which would affect youth in the coming decade.
6226 Dirksen Building

2:00 p.m.

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

MAY 2

9:00 a.m.

Agriculture, Nutrition, and Forestry
Agricultural Research and General Legislation Subcommittee
To continue hearings on the price volatility of the silver futures market.
1202 Dirksen Building

Select on Small Business
To hold hearings on the proposed Small Business Energy Conservation Act.
424 Russell Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

10:00 a.m.
Appropriations
Agriculture, Rural Development and Related Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for programs administered by the Department of Agriculture.
1114 Dirksen Building

Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.
1318 Dirksen Building

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

Environment and Public Works
To hold hearings on a proposed Federal building prospectus in Jamaica Queens, New York.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the topic "Organized Crime and the Use of Violence."
5110 Dirksen Building

MAY 5

10:00 a.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Highway Administration.
1224 Dirksen Building

Energy and Natural Resources
Energy Regulation Subcommittee
To hold hearings to review the Federal gasoline allocation process.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To resume hearings on the topic "Organized Crime and the Use of Violence."
6226 Dirksen Building

2:00 p.m.
Appropriations
Transportation and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Coast Guard and National Highway Traffic Safety Administration.
1224 Dirksen Building

MAY 6

9:30 a.m.
Agriculture, Nutrition, and Forestry
Agricultural Credit and Rural Electrification Subcommittee
To hold oversight hearings on the activities of the Rural Electrification Administration, focusing on the opportunities for energy conservation by rural electric cooperatives, and the effects of conservation on the ability of those cooperatives to remain financially sound.
324 Russell Building

Appropriations
Agriculture, Rural Development, and Related Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.
1318 Dirksen Building

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology, Department of the Interior.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

2:00 p.m.
Appropriations
Military Construction Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.
1223 Dirksen Building

MAY 7

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.
1224 Dirksen Building

Commerce, Science, and Transportation
Merchant Marine and Tourism Subcommittee
To hold hearing on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.
235 Russell Building

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 8

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for fossil programs of the Department of Energy.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

Environment and Public Works
Business meeting, to consider pending calendar business.
4200 Dirksen Building

MAY 9

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

MAY 13

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

Special on Aging
To resume hearings to explore initiatives to stimulate opportunities for continued work for older persons.
6226 Dirksen Building

MAY 14

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.
1223 Dirksen Building

Appropriations
Transportation Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

Energy and Natural Resources
Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.
3110 Dirksen Building

MAY 15

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

Appropriations
Transportation Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.
1224 Dirksen Building

MAY 16

10:00 a.m.
Appropriations
HUD-Independent Agencies Subcommittee
To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.
1318 Dirksen Building

MAY 20

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.
1223 Dirksen Building

MAY 21

9:00 a.m.
*Veterans' Affairs
To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.
412 Russell Building

MAY 22

9:30 a.m.
Labor and Human Resources
Child and Human Development Subcommittee
To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.
4232 Dirksen Building

MAY 29

9:30 a.m.
*Veterans' Affairs
To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.
412 Russell Building

JUNE 11

9:30 a.m.
*Veterans' Affairs
To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.
412 Russell Building

CANCELLATIONS

APRIL 25

10:00 a.m.
Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Surface Mining Reclamation and Enforcement, Department of the Interior.
1114 Dirksen Building

SENATE—*Thursday, April 24, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Acting President pro tempore (Mr. Heflin).

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O Thou who withholds no good gift from those who walk uprightly and call upon Thee with sincere hearts, help us this day to think upon what is true and just and righteous in Thy sight. Grant us grace to speak prudently when we must speak; to remain silent when we have nothing to say; to learn by listening and by study; to be unafraid of the hard decision; to act according to Thy will as we understand it, and to leave the consequences to Thy Providence. Reward our faithfulness by souls at peace with Thee.

We pray in His name who is the Way, the Truth, and the Life. Amen.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the majority leader is recognized.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Wisconsin such time as he may desire of the time allotted to me under the order.

THE GENOCIDE CONVENTION: OUR DUTY TO THE FUTURE

Mr. PROXMIRE. I thank my good friend, the majority leader.

Mr. President, for the last few days, I have spoken of Raoul Wallenberg, the remarkable Swedish gentile who devoted his life to helping rescue Jews who suffered in Hitler's terrible purge in World War II.

Today, I want to speak of his opponent in that deadly struggle to save Jewish lives, Adolf Eichmann. Time magazine recently announced the inclusion of part of Eichmann's personal memoirs in an upcoming book by Gideon Hausner, the man who prosecuted him. Eichmann wrote these memoirs while awaiting the outcome of an appeal of his sentence in Israel.

Eichmann was executed on May 31, 1962, for his role in the massacre of the Jewish people. The legacy he left in terms of death, suffering, and agony can never be balanced. It must never be forgotten.

His personal memoirs are a part of that legacy. They are a testament to the diseased mind that could contemplate and carry out such a diabolical plot.

At one point in his writing, Eichmann declares:

> The Holocaust was the greatest crime in history. I was never taken in by the mysticism of Nazi ideology. My views never matched the official line. I always had doubts.

Yet this same man can also write:

> The Gods I worshiped demanded the dance of death. I had no choice and whoever claims otherwise is a liar.

The reasoning is absurd. Nobody can rationalize genocide. Nothing can justify it.

The Time article ends by summarizing continuing efforts to apprehend Nazi war criminals. Three former Gestapo agents were convicted recently in Cologne and are currently awaiting the results of an appeal to higher courts.

The one paragraph summary at the end of the article makes a very important point. It ties the past with the present. Genocide occurred 35 years ago. But these trials today must remind us that the effects of genocide reverberate through time. The aftermath of genocide cannot be confined to an arbitrary number of years. Genocide is an abiding stain on all human culture, a stain time will not erase.

The Time article points out that the effects of genocide against the Jews are still present. But I have a more important point to make. I want to ask whether genocide still occurs. To the shame of all humanity, the answer is an unequivocal "Yes." Six million Jews were exterminated by Hitler during World War II. Tens of thousands of tribesmen were persecuted and destroyed by Idi Amin in Uganda.

What have we done about genocide? To the shame of us all, nothing.

Nothing done in the face of these shocking, blatant examples of genocide in our time is intolerable. The isolation of the Jewish holocaust in history is not an excuse for inaction. It is not an isolated historical example. We have other shocking examples of genocide before us. We have examples in history. But I hope and pray that we do not have any in our future.

What can the Senate do to prevent further instances of genocide? The Senate can act by ratifying the Genocide Convention. This convention seeks to formally proscribe genocide as an international crime. It seeks to formally punish an outrage against the basic premise of a civilized world. It embodies in formal law our disgust for this heinous crime.

We must act now lest our descendants be forced to bear the burden of our inaction by bearing witness to further cases of genocide. We have a duty to our descendants, to future generations, and to the very concept of a civilized world to act now to prevent genocide.

I call on my colleagues to ratify the Genocide Convention.

Mr. President, I ask unanimous consent that the text of the Time article be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Prison Memoir: Eichmann's Plea for a Reprieve

"The Gods I worshiped demanded the dance of death. I had no choice, and whoever claims otherwise is a liar." So wrote Adolf Eichmann, after his four-month 1961 trial in Israel, as he attempted to justify his role in the wartime deaths of millions of Jews. The onetime SS officer who was chiefly responsible for carrying out the Final Solution of the Third Reich's "Jewish problem" even insisted that he was not anti-Semitic. Eichmann had made that claim somewhat obliquely in court and more directly in a lengthy "confession" to a German journalist that was published by Life in 1960. He repeated that disavowal in a little-known, long suppressed personal memoir that is now coming to light. Declared Eichmann: "The Holocaust was the greatest crime in history. I was never taken in by the mysticism of Nazi ideology. My views never matched the official line. I could never identify with the objectives of national socialism. I always had doubts."

These statements disavowing Nazism are contained in a rambling account of his life that Eichmann wrote in prison while awaiting the results of an appeal of his conviction. (The appeal was rejected by Israel's Supreme Court, and on May 31, 1962, he was executed by hanging.) The apparent purpose of his memoir was to bolster his chances of a reprieve and to arouse public sympathy. Eichmann asked his defense attorney, Robert Servatius, to seek permission for its publication. The trial prosecutor, Gideon Hausner, refused; then Premier David Ben-Gurion ordered that the manuscript be suppressed for 15 years and placed in the state archives. Its existence was known to only a few people.

Portions of the memoir will be contained in an updated Hebrew edition of Hausner's 1966 book on the trial, *Justice in Jerusalem*, which will be published in Israel this March. Hausner, who is now chairman of the Yad Vashem memorial to Holocaust victims in Jerusalem, feels the entire manuscript should not be published on the grounds that it is rambling, repetitive and stuffed with what he calls the typical Nazi "jargon of violence." Besides, adds Israel's former Attorney General, "I felt that Eichmann had ample opportunity to make his defense during the trial, and did not feel that we owed him any other platform."

Nonetheless, the excerpts that Hausner does include contain some interesting tidbits. Although Eichmann, prior to his arrest, had proudly professed his allegiance to Hitler, he warns in his memoir "against following idols, like the parched bones drying up in the desert." The warning was directed to both the next generation—"The youth of the world should unite. The adults failed"—and to women—"Maybe women should be entrusted with the responsibility for the world because they are led by emotion and not by intellect. Maybe they would do better than we did." Eichmann also discloses that he had been

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

ordered to check out the racial origins of the "Diet Chief," the code name for Hitler's mistress, Eva Braun. It was discovered that Braun was one-thirtysecond Jewish.

Hausner gives no credibility to Eichmann's prison denials. "I don't believe him when he says he is not anti-Semitic. We have evidence of his own acts. And we have other private remarks of his in which he gives vent to his feeling that he would have been happy if all 11.3 million Jews had been exterminated."

Meanwhile, the exposure of Eichmann's coworkers continues. In Cologne, three former Gestapo agents—one the mayor of a Bavarian town—were convicted of deporting 73,000 French Jews and Communists to Nazi concentration camps. The longest sentence given was for twelve years. During the 18-week trial, which was attended by dozens of angry survivors of Auschwitz and Treblinka, the defendants denied knowing at the time the real purpose of the death camps. They were imprisoned last week while a higher court heard their appeals.

Mr. PROXMIRE. I thank my good friend, the majority leader, for so graciously yielding. I yield the floor.

Mr. ROBERT C. BYRD. Mr. President, does any other Senator wish to have me yield time? Does the minority leader need additional time?

RECOGNITION OF THE MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the minority leader is recognized.

Mr. BAKER. Mr. President, I thank the distinguished majority leader for his offer to yield to me the time remaining under the standing order.

TWENTIETH ANNIVERSARY OF CONGRESSIONAL SERVICE BY SENATOR MATHIAS

Mr. BAKER. Mr. President, this year marks the 20th year of congressional service for our distinguished colleague from Maryland, Mr. Mathias.

This is an anniversary well worth celebrating, because Mac Mathias has been a civilizing, illuminating, inspiring influence in the public affairs of this country during two of the most challenging decades in our history.

The Senate has been especially fortunate these last 12 years to have the benefit of his wise counsel and his sound and independent judgment on the major issues of our time.

We on the Republican side of the aisle are very proud to count a man of Mac Mathias' calibre among our number, and he has distinguished our party with his talented service.

As Republican leader of the Senate, I have been particularly fortunate in being able to turn to Mac Mathias on many occasions to seek his advice on matters of party policy, to gain his insights on legislative procedures that will advance those policies, and to share the special perspective on national issues which is his trademark in the Senate.

But the surpassing quality of Mac Mathias—beyond his broad experience, beyond his keen intellect, beyond his legislative skill—is a special personal quality that has been of enormous value to this country and its government these last 20 years.

It is the quality of absolute integrity—a combination of courage, devotion to duty, profound patriotism, loyalty, personal grace, and commonsense—which has made Mac Mathias a man of enormous influence for the good of his State and the good of the Nation.

The people of Maryland have sent Mac Mathias to the Senate in 1968 and 1974—years of national trial when calm and reasoned voices were most in need.

The election of 1980 finds us in another time of trial, with economic distress here at home and dangerous tensions abroad. We need the calm, reasoned, powerful voice of Mac Mathias in the Senate now more than ever before, and I fervently hope the people of Maryland will elect him to a third term this November.

Mr. ROBERT C. BYRD. Does the distinguished Senator from Illinois need additional time beyond the time under his order?

Mr. STEVENSON. No, Mr. President, I need no additional time.

RECOGNITION OF SENATOR STEVENSON

The ACTING PRESIDENT pro tempore. Under the previous order, the Senator from Illinois (Mr. Stevenson) is recognized for not to exceed 15 minutes.

THE UNCONVENTIONAL ECONOMIC WISDOM

Mr. STEVENSON. Mr. President, during the decade of the seventies the prices of food, gold, and oil increased several fold. The dollar was unhitched from gold and sank like a barometer of world confidence in our ability to discipline ourselves and compete. The International Monetary System the United States helped forge at Bretton Woods collapsed, and more than a trillion dollars in xenocurrencies came to speed about the world in mysterious, sometimes destabilizing, and inflationary ways. Japan and West Germany, their preconceptions, like their factories, obliterated in World War II, began to win the new world war for markets and trade. Another wave of competition appeared, as a handful of less developed countries came on stream with modern steel mills and low-cost textiles. Other countries neared insolvency, as a revolution of rising expectations swept through the Third World and was disappointed, leaving an embittered, unstable majority of nations in global politics.

By the end of the century, the population of the world may increase 50 percent. Already half a billion of the world's people are hungry. Humanity approaches the margins of survival as the United States, like other nations, pays farmers not to produce food. The world's available sources of oil and other essential materials—even air and fresh water—are vulnerable. One-third of the world's arable land may be destroyed by the end of this century. More change, and at accelerating rates, is the only certainty. Everything is changing, except the orthodoxies which shape attitudes and policies in America.

In America, the frontiers are long gone. Our cities are aging and crowded, the environment expensive to protect. Cheap labor comes only with foreign immigrants and refugees we no longer welcome. The United States, although advantaged still, is dependent like other nations on expensive foreign sources of the most essential materials, including oil.

In the aftermath of World War II, we were not hesitant before large challenges. We did not lack ideas about what to do. The United States led the postwar recovery of Europe and built global institutions which gave the world a measure of peace and stability. Later, it pushed back the frontiers of human knowledge, eliminated polio and TB, and sent men to the Moon.

Today, our politics produces little to correct the underlying causes of the world's and our own insecurity—including dependence on undependable sources of oil in the Persian Gulf and an ongoing war in the Middle East. It produces conventional wisdom—a peace process that produces no peace nor rights of self-determination for Palestinians, SALT agreements and more arms, inflation, and recession, more methods without ends. The budget, it is said, must be increased for defense and decreased for inflation.

Our security has less to do with the U.S.S.R. and defense budgets than with the wisdom of our diplomacy and the strength of our economy. Not many free societies have long survived 18-percent inflation. The world's stability and our security depend on the great locomotive force of the U.S. economy. Social justice, the unifying confidence of the American people—everything is tied together and dependent on the American economy, which is, itself, a reflection of our society's vitality. In terms of sound growth, stable prices, employment opportunities, innovation, and productivity, the U.S. economy is sick.

Our economic policies, like the impulses which pass for foreign policy, are reactions to symptoms. They rarely address the phenomena which gave rise to them. The Nation suffers the worst price inflation in its peacetime history. The conventional wisdom assigns the cause to excessive demand—that is to say, excessive spending by Government and consumers. The conventional response is to decrease Federal spending, with budget cuts for everything, except the military, credit controls, and the highest interest rates in history.

These orthodoxies may strengthen the dollar temporarily, but they retard modernization and investment in productive sectors. Nineteen-percent interest rates divert money away from long-term investments in housing and efficient plants, and away from equity financing for high-risk ventures capable of producing innovation. They postpone development of the energy, food production, health and transportation systems, and high technology industries which could, over time, stabilize prices. Low rates of productivity growth produce more inflation. And with more inflation, more stagnation, more budget deficits, trade deficits, weak currencies, and declining growth rates the world over, the wheel takes another turn.

An unconventional wisdom holds that our economic problems are structural. It holds that the neglect of long-term imperatives has undermined our scope for short-term control of the economy. Unlike familiar business cycles, persistent inflation and structural stagnation do not yield readily to fiscal and monetary tools. An unconventional wisdom suggests that this inflation is not caused by excessive demand or overheating.

Inflation can accompany decreased demand as companies increase prices to maintain profits on smaller volumes of sales, or as they say, to cover increased costs. As labor productivity goes down, the wages of organized labor go up. This inflation is caused by distortions in the marketplace and inefficiencies and high producer costs, of which food and energy costs are examples. It is caused by insufficient capacity in some industries, overcapacity in others, and Government policies which inhibit productivity, investment and exports. It is caused by a psychology which anticipates more inflation. It is caused by nations and corporations competing for xenocurrencies at ever higher interest rates. And it will not be cured by economic orthodoxies, including wage and price controls. Controls are more symptomatic relief—more excuses for doing nothing. And doing nothing already threatens collapse of the International Financial System.

Nearly $400 billion in market value has been lost in the collapse of Wall Street bond markets since last October. OPEC oil producers prefer foreign banks for investment of their $120 billion surplus this year. Some bank loans to nations and businesses are turning soft. And as corporations and banks compete for funds at high interest rates, the danger of a liquidity squeeze—even a panic—looms. For lack of secure, politically acceptable and inflation-proof investment vehicles, the foreign oil producers are cutting back production. The political imponderables of this disordered world weigh heavily against the success of policies based on abstractions about the behavior of nations and markets in the 18th century.

The economic orthodoxies of the seventies are being played out, like those during the twenties, little heeding the structural causes of inflation and stagnation in a changing world. This process could continue until the futility of the conventional wisdom is inescapable again, and the Government is pressed to act in ways which cause permanent damage to a system of free enterprise which is still basically sound.

With more vision and plausibility, the United States would combine an intelligently balanced budget with efforts to remedy structural, economic defects. Our actions would address, and not exacerbate, our problems. They would have a global dimension.

In Japan the invisible hand of Adam Smith is the visible hand of government and industry establishing sound directions for the economy. In Japan, business and government look to the next decade, not the next profit and loss statement. Japan is committed to economic growth. It produces for a global market, exports and brings wealth, employment and the fastest rising standard of living anywhere to its people.

The Japanese Government does not "cool off" demand pressures that far exceed our own. Until recently Japanese interest rates were maintained below 5 percent. Even now they are half our own rates; and there is no shortage of capital for the targeted industries of Japanese growth. Last year, the Japanese Government's budget deficit was $62 billion—more than the central governments deficits of the United States, Britain, and France combined. And its inflation rate was under 5 percent. Japan follows the reverse of our conventional wisdom. It makes choices. It invests in its economy, not its military, and then it markets its products aggressively in the world.

An unconventional wisdom suggests that a balanced Government budget is no more important than what a government does with its revenues. A nation that uses Federal moneys for farm price supports, corporate geriatrics and billion dollar race tracks for missiles should not be surprised by inflation rates of 20 percent. Our Government subsidizes the least competitive industries and shelters agriculture and the powerful in labor and industry from the natural workings of the market. It resists, instead of facilitating, adjustment to change. At the same time, it ignores the unnatural workings of a market which assigns the highest stock values to gambling houses, a market which neglects the imperatives of competition in a resource hungry, interdependent world, and indulges extravagant products, planned obsolescence, excessive advertising and layer upon layer of legal, accounting and other transactional costs. The credit controls, like the budget cuts, will affect demand in a tiny part of a $2 trillion economy and do little to assure credit for the most productive purposes.

Priorities are needed which squeeze waste from the economic system, enlarge investments in human knowledge and real wealth, and enhance the quality of life. Those priorities are not likely to be set by zero-base budgets, the budgetary meat axe, indiscriminate tax cuts, credit and price controls, or social nostrums which ultimately require everybody to subsidize everybody else through the clumsy offices of the Government.

The West German Government, at all levels, spends 46 percent of GNP, as compared with 32 percent in this country. German deficits are relatively larger, their public investments relatively higher, and public sector debt in that country—as in Japan—is growing rapidly. In this country the Federal debt has declined steadily, as a percent of GNP, since 1946. Our orthodoxies insist these are recipes for double-digit inflation. Yet in West Germany prices rose less than 6 percent last year. The experience of Germany and Japan indicates that the soundness of economic decisions is more important than whether they are made in the public or private sectors and that it is possible to combine strengths from both sides. The United States tends to combine the weaknesses of both. The Government and marketplace are encumbered by habit and procedure. Decisions are geared to the status quo. The media, and therefore the market, pay little attention to the realities of a rapidly changing world, until it is too late.

It is said that structural change takes too long. But nothing will be done without a beginning, and much can be done now. Besides, the conventional wisdom will not be convincing for long without recognition of the underlying causes of inflation and recession. The conventional wisdom buys time. Without more it could help plunge the world into depression.

Noncommercial uses of gasoline should be taxed, as in other nations, to cut consumption. Domestic wellhead oil prices should be controlled for longer and at levels which give U.S. producers adequate incentives to produce and consumers an incentive to conserve. "Decontrol" puts an OPEC floor under domestic oil prices—and, therefore, under all domestic energy prices, producing a "windfall" that is taxed for some producers and suppliers, not for others. An unconventional strategy would hit the energy waste with gas taxes and spare the backbone of our energy intensive, developed economy, restoring some advantage of the United States in a competitive world. The gas tax revenues could be used to reduce social security taxes, provide tax incentives for investment and productivity, and move the United States toward a genuinely balanced budget.

A national oil and gas corporation could negotiate in cooperation with other consumer nations for oil at stable prices and assured amounts. We might then with the World Bank and the national companies of other nations undertake to explore for and develop alternative foreign sources of oil and gas, using U.S. capital and technology, including satellites. U.S. energy policy, like most of our policies, lacks a global dimension.

The unconventional wisdom attacks inflation's sources at home and in the world one by one. Hospital costs could be contained now, while incentives are developed over time to keep people healthy instead of expensively curing the unhealthy. Transportation costs could be cut by trucking deregulation. Small farmers could be supported with deficiency payments instead of inflationary price supports and set-asides. Repeal of the Davis-Bacon Law and enactment of a subminimum wage for youth would reduce inflation and unemployment. The regulatory impediments to increased labor and capital productivity are numberless.

The jawbone could be given some teeth—the council on wage and price stability given the staff and power to monitor wage and price increases. Insulated from political and economic pressures, it could assess publicly the economic implications of public policies before they are adopted. It could monitor organized labor and organized business and expose unjustifiable economic behavior.

The United States could authorize trading companies and develop an export policy to expand our declining share of world trade and sustain that universal currency, the once almighty dollar. A weak dollar increases the costs of imports, including oil, and allows domestic manufacturers to increase the price of their products, a double source of inflation. The nations which trade most successfully have strong currencies and the lowest inflation rates.

After the Civil War, money created to finance it was soaked up by reconstruction, industrialization and the development of the West. In the early sixties high levels of investment, associated research and development and high rates of productivity growth helped sustain high levels of demand and sharply rising wages without inflation.

The production of energy, housing, health services, food and other goods, research and technology, job training, the exploration of the universe and the oceans are today altogether more promising means of controlling inflation than indiscriminate attempts to decrease the demand for goods and the capital for their production. This is an old American notion that once had something to do with entrepreneurship and ingenuity but is better evidenced today in West Germany and Japan.

Some things must be done—even if by the Government. Other nations understand that. They have national fuel and transportation companies. Their industrial and tax policies support industry. Government and industry cooperate, and produce results.

An assembly plant in Japan produces 1,300 cars a day and is manned by 67 workers. Between 10,000 and 15,000 robots are on line throughout Japanese industry; the U.S. lags far behind. The plight of the U.S. domestic auto industry is symptomatic of a disease spreading to the most technology intensive sectors.

The Japanese already have roughly 40 percent of the world market for semiconductors. They may have a corner on the memory market by the mid-1980's. That depends as much on capital and marketing as on technology—and they have the edge. The Japanese computer industry is organized by government for investment, basic research and global competition. Back in the United States, the Justice Department is trying to break up IBM. The U.S. semiconductor industry with annual growth rates of 28 percent and competitive prices for its products is being driven out of the market by policies which dry up capital for all but the largest companies. What is happening with respect to semiconductors is being repeated less obviously in robotics, bioengineering, lasers and most nonmilitary high technology fields.

As the United States enters the space shuttle era, the West Germans, French and others are poised to exploit opportunities for materials processing in a zero gravity environment, and perhaps for routine manufacturing in space. Budget cutting has forced NASA to schedule only nine experiments for the shuttle space lab. The Europeans plan 39. The French plan their own fully automated, unmanned space lab; Japan has committed about $1 billion a year to space exploitation, including materials research.

The conventional wisdom of indiscriminate budget cuts comes down on space sciences and applications, the National Science Foundation's meager support for industrial innovation, high energy physics, aeronautics, energy and agricultural research, mass transit, the National Institutes of Health—the growth oriented, price stabilizing activities of the Government. The conventional wisdom strikes hard at potentials for increased productivity in the public and private sectors. Investments in basic research do not yield immediate results. They are not susceptible to quantitative analyses and cost benefit ratios. The benefits from applied research are difficult to quantify, and no attempt is made to factor in the revenues to Government which they generate. Activities in the public and private sectors which are not geared to immediate returns and lack powerful constituencies suffer from the conventional wisdom. The most productive activities of Government and business lose out under pressures from the status quo.

The political victors of 1980 may suffer the political consequences of their economic orthodoxies for years to come.

The Nation will enter the 1980's with a budget surplus. It will enter the 1980's with no comprehensive energy policy, no food policy, no export strategy, no space policy, no strategy to repair the world's institutions for trade, development and money. It enters the eighties with an aging industrial structure and no industrial strategy. We do not have to look far for signs of the Chrysler syndrome; Ford, United States Steel, the textile industry, all are in for a wave of radical retooling if they are to remain competitive. Without adjustment mechanisms to assist displaced workers and facilitate the transfer of capital to productive sectors, political pressures for employment will lock the country into the spiral of subsidies, inefficiency and declining productivity which have crippled the British economy. There, the Government spends $2 million a day to support the uncompetitive British steel. The United States already has a $500 million loan guarantee program to keep steel firms here afloat.

An industrial strategy for the United States would help businesses adapt to change and assume some responsibility for the retraining and relocation of workers in declining sectors. This does not mean Federal programs or Federal planning. It means incentives, such as the Belgians have adopted, for private firms to employ and retrain workers hurt by structural economic change. The German experience with labor participation in management should be examined for ways to stimulate worker productivity and labor/management peace. The Japanese methods for achieving quality control by design instead of labor consuming inspection and repairs deserves more attention. Capital formation in productive sectors could be facilitated by accelerated depreciation schedules, lower capital gains tax rates to revive risk taking and incentives to investment in R. & D.

Innovation centers could bring Government, industry, and the universities together in a new cooperative effort to develop generic technologies for U.S. industry. Other nations soak up our technology; we should establish an information system which soaks up theirs. Government support for basic research should be increased. The most competitive American industries are those which have enjoyed the most Government support, including computers, aerospace, and agriculture. But efforts to enhance the productivity of capital and labor are cut back or shunted aside by the obsession with conventional fiscal and monetary wisdom.

I have spelled out elements of trade, food, space, and industrial policies elsewhere, all aimed at enhancing the competitiveness of the United States in a competitive world. But a competitive America is not enough. In 1930, the financial collapse of countries—heavily in debt—helped transform the American crash into a global depression. This year the balance-of-payments deficit of the non-oil-developing countries will increase $20 billion to a total of about $60 billion, even as these countries spend almost one-fifth of their export earnings to pay interest on old debts. Upon the continued access of these countries to credit and trade with the industrial countries hangs the world's stability—and our own prosperity. The outflow of funds from banks, the collapse of bond markets, the financial requirements of borrowers, including LDC's, are straining the resources of commercial banks and will strain official credit facilities.

The United States must revive the spirit of Bretton Woods and help the world forge institutions for the future. The IMF must be expanded, with more supplemental financing for the poorest countries. Starting with the proposed substitution account, ways must be found to diversify reserves out of the uncertain dollar and move the world toward a global monetary system with a dependable unit of value. World pressures for protection must be resisted, and trade enriched by competitive exports from the advanced developing countries. With support for basic research, new technologies and the industries of the future, this country, like Japan, will be able to cede some production of textiles, shipbuilding, and other basic industries to the South Koreans, Brazil, and Mexico. A generation hence, it will be Nigeria and Pakistan. They will all become markets for American food and technology, and they will be stable and at peace. The great threat to these countries is not so much from without, as from within, them.

The competition with the Soviet Union is in these countries with gaping needs and high aspirations and three-fourths of the world's people. They will develop economically or suffer convulsions which make them susceptible to alien philosophies and hostile ways of ordering the world's affairs. The West has much to offer in the way of technology, capital, and trade—this Nation most of all. It has most to lose. Other nations are stepping up trade and aid, including Russia. This is a far less expensive approach for the United States than arms credits and military assistance and a far more promising means of competition with Russia.

Somewhere in this vast country lies the vision with which to enlist ourselves and the world in a new cooperative effort to enhance the security and welfare of all. But we are practical men, and, as John Maynard Keynes warned, practical men are usually "slaves to the ideas of some defunct economist." History will not deal kindly with another generation of American leaders which offered nothing but a balanced budget, credit controls, and more arms in the face of global adversity and radical change. Great leaders are not remembered for balanced budgets.

Mr. President, I yield back the remainder of mv time, and I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business, not to extend beyond 15 minutes, and that Senators mav speak therein up to 5 minutes each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

CONCLUSION OF MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CIVIL RIGHTS INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. Under the previous order, the Senate will resume consideration of the conference report on H.R. 10, which will be stated by title.

The assistant legislative clerk read as follows:

> Conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. THURMOND. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. THURMOND. Mr. President, we are now considering the conference report on H.R. 10. In my opinion H.R. 10 is one of the most dangerous bills that has come before Congress in the 26 years I have been a Member.

I say that because it gives the Justice Department the right to institute suits against the States. Under the present law, they can join in a suit as amicus curiae but they do not have the power to institute suits.

I can understand the Justice Department taking a position after someone has brought a suit. A decision could be made to join in the suit. That is a reasonable position. But whether anyone complains or not—and it may be that no one complains—the Justice Department, under this bill, has the right to institute a suit against any State in this Nation for any alleged violation which is chosen under the blank check given in this bill.

I have said before and I say now that I do not think the bureaucrats in Washington are any more interested in the inmates of institutions in Alabama, South Carolina, Indiana, or any other State than are the people in those States.

The Governors of the Nation are opposed to this bill. The State attorneys general of this Nation are opposed to this bill. They have gone on record and recently in their spring meetings I understand they reaffirmed their position.

Mr. President, I want to say there are many reasons why this bill should not pass. How can the Federal Government look after its own institutions and also look after the institutions in all 50 States? The States themselves are sovereign entities. They have all the powers not delegated to the Union and they are responsible. The Governor of each State, the attorney general of each State, the head of the penal institution in each State, the head of the mental institution in each State, and the institutions affected by this bill, the heads of those agencies, again, I repeat, are more interested, in my judgment, in the people of their respective States than any outsider from Washington.

I think it is purely a political bill. I think it is a bill purely to try to attract votes of certain groups of people on the theory that a lot of people are being discriminated against and not being treated fairly. There are bound to be some isolated cases. You could probably go into any State and find a case where there may be some merit. That does not give the Federal Government cause to reach down into the State and try to run State institutions of all States of the Nation.

Mr. President, in the first place, I think the Federal Government ought to clean up its own institutions before it tells the States that, "We are going to run your institutions."

I want to present to the Senate today a staff study of the U.S. Penitentiary in Atlanta, Ga. The Permanent Subcommittee on Investigations of the Committee on Governmental Affairs of the U.S. Senate made this investigation. This report is dated January 1980.

I want to show by this report that the Federal Government is not capable or at least it is not properly operating its own institutions. Before they tell the States about their institutions and try to correct conditions in State institutions, they had first best clean up their own backyard.

Mr. President, this report is addressed to all members of the Permanent Subcommittee on Investigations and is from Senator SAM NUNN, chairman, and CHARLES PERCY, ranking minority member.

There you have Senator NUNN as a Democrat and you have Senator PERCY as a Republican. They had no bias, I am sure, about this matter. They merely state the result of the investigation of the Atlanta Penitentiary. Atlanta is located in the State of Georgia. Senator NUNN is one of Georgia's Senators. I am sure he would not wish to discredit a Federal institution in his State unless for just cause.

Now this is what is in the report. The subject is Staff Study of the U.S. Penitentiary, Atlanta, Ga.:

> In response to information from multiple sources, the Permanent Subcommittee on Investigations conducted a year long investigation into the U.S. Penitentiary at Atlanta, Ga.

I especially want to call the next statement to the attention of the Senate. Continuing:

> The inquiry found that the Atlanta Penitentiary has become the setting for violent inmate murders, extensive narcotics trafficking, and various other criminal activities.

Now, Mr. President, I will continue in a minute, but I want to comment for a minute. If this Federal penitentiary is allowing, as Senator NUNN and Senator PERCY say, "Violent inmate murders, extensive narcotics trafficking and various other criminal activities," why does not the Federal Government clean up this penitentiary? Why does it not look after its own institutions first instead of urging a new law passed to exert Federal control over State institutions in Alabama, South Carolina, Indiana, and all other States? I continue reading:

> After a preliminary investigation, the subcommittee conducted hearings in Atlanta on September 29 and October 2, 1978. This staff study summarizes the testimony received at those hearings and a subsequent staff inquiry.
>
> The Atlanta Penitentiary has an inmate population of 1,300 adults, is a maximum security prison, and houses the largest prison industry in the United States.

Mr. President, again I want to interpolate here. Here we have the largest prison industry in the United States—1,300 adults. Let us see what happens:

> Both inmates and employees of this institution testified at the hearings in Atlanta. In addition, the staff interviewed a cross section of witnesses, drawn from the subcommittee investigation and suggestions from the Director of the Bureau of Prisons.
>
> Atlanta Penitentiary inmates testified to the availability of narcotics, alcohol, and weapons in the prison. Knives could be readily produced in the prison industry and could be hidden throughout the prison due to lax security measures. Violence and narcotics trafficking were common events. Many inmates testified that involvement in such activities was virtually impossible to avoid. The Atlanta facility was described by some inmates as a "country club" or like "being on the outside."

Mr. President, here we are considering a bill proposed to be enacted by the Congress, which would give the Federal Government the right to investigate and, use the judgment of bureaucrats to rectify conditions in the State institutions. Here is what is happening in one Federal institution.

I want to repeat:

It is clear here that narcotics, alcohol and weapons according to the unrefuted evidence, were available in the Federal penitentiary in Atlanta.

What kind of penitentiary was it? Was it a State institution? No. A county institution? No. A city institution? No. What kind, then? A Federal institution. A Federal institution, I repeat. If the Justice Department cannot control one of its own institutions under its jurisdiction better than that, how can the Justice Department go throughout the United States and control every penal and mental institution, and other institutions, in the various States of the Nation?

Mr. President, I will go on reading this report of Senator NUNN and Senator PERCY:

> The major drug of abuse within the facility is marijuana. Prison inmates testified that the primary source of this drug was through the prison employees. The employees would make "connections" within the prison and bring the marijuana in from the outside. Heroin and cocaine were generally smuggled in by friends and relatives at visiting times.
>
> Prison employees testified to the lack of security within the Atlanta Penitentiary. One witness candidly presented how he had been corrupted by prison inmates and served as a messenger and banker for them. He resigned from the institution after his public testimony to the subcommittee. One employee indicated that the prison administration encouraged employees to overlook illegal activities among inmates in order to keep the prison population under control. Others expressed fear for their safety if they were to "crack down" on the inmates.

Mr. President, I want to interpolate here. Is a Federal institution like the Atlanta Penitentiary going to encourage employees to overlook illegal activities? This is a Federal penitentiary and here they are encouraging, according to Senator NUNN and Senator PERCY, the employees to overlook illegal activities.

Well, if they are going to operate institutions like that, Mr. President, do you think they are justified in trying to tell the States how to operate their institutions? I dare say the States do not use the Federal penitentiary in Atlanta as a model. There may be problems here and there, but they are not of such a scale as exists in the Atlanta Penitentiary, which is operated by the Federal Government.

Next mentioned in the report:

> Others expressed fear for their safety if they were to "crack down."

The employees are afraid to crack down. They are afraid to enforce the law. They are afraid to do their duty. Where is that happening? In a Federal penitentiary, a Federal institution.

The Justice Department, again I say, should clean up its own back yard. The Federal Government must look after its own institutions first before trying to tell the States what to do.

(Mr. MORGAN assumed the chair.)

Mr. THURMOND. To continue:

> In response to the many criticisms of the Atlanta Penitentiary revealed in the Subcommittee investigation, the prison administration instituted several major changes in prison management. These were:
>
> (1) The establishment of a pass and controlled movement system;
>
> (2) More frequent daily searches to reduce availability of weapons and narcotics;
>
> (3) Installation of metal detectors between cell blocks and shop areas;
>
> (4) Increased supervision of inmate living areas; and
>
> (5) Inmate relocation so that only level V inmates are to be located at the Atlanta facility.
>
> At the close of the hearings in Atlanta, it was suggested that there be continuing oversight of the Atlanta Penitentiary by the subcommittee. Subcommittee staff monitored the results of the major changes in security measures instituted by the prison administration.
>
> Despite efforts to increase security, the staff found that there has been no significant change in the amount of violence and narcotics flow within the institution. In the staff's opinion, the Atlanta Penitentiary is too large and too old to enable prison officials to manage a prison population in a safe and efficient way. It was estimated that it would cost up to $44 million to renovate the Atlanta Penitentiary so that it is in compliance with the minimum standards of a modern correctional facility. Consequently, the staff recommends that the penitentiary be closed as soon as feasible but not later than 1984. Closure of the prison also has been suggested by the House Judiciary Committee and the Bureau of Prisons.
>
> The staff recommends that in developing a plan to close the Atlanta facility by 1984, the Attorney General should consider the profound effect the closure will have on prison employees and the community at large. While it must be assured that the transition will not present undue burdens to the persons involved, it is clear that closure of the prison is a necessary though difficult step toward the development of a modern and respectable correctional facility.

Mr. President, here is an example of a Federal institution in such poor shape and so lacking in discipline it did not meet the standards of a modern correctional institution—in fact, it was in such bad shape that the subcommittee recommended it be closed entirely.

That is a Federal institution, under the Department of Justice. Yet the Department of Justice comes in now and wants us to give them the authority to go out and supervise all institutions in all the 50 States of the Nation—mental institutions, penal institutions, and other categories. Mr. President, I say if the Federal Government cannot do a better job with its own institutions, how can they undertake the responsibility for institutions in all 50 States of the Nation?

I want to go into this Atlanta Penitentiary in a little more depth, because I think if the Senate is convinced that the Federal Government, through the Department of Justice, cannot handle an institution like the Atlanta Penitentiary, then it certainly should not let it take on obligations in all the States of the Nation. To continue:

> The U.S. Penitentiary at Atlanta is located on 162 acres in Atlanta, Ga. This huge institution was built between 1900 and 1902 with an inmate capacity of 1,500. Currently, it houses some 1,300 adults, many of whom are repeat offenders and are serving long prison sentences. Although the inmate population has been reduced from a high of 2,300 in September 1977 to 1,300 in November 1979, it is still more than double the recommended maximum population for modern correctional institutions. This maximum security prison also operates the largest prison industry in this country. Efforts to control violence and narcotics flow in the Atlanta Penitentiary are hindered by its size, age, and overcrowding. Hence, the Atlanta Penitentiary has become the setting for violent inmate murders, extensive narcotics trafficking, and various other criminal activities.
>
> Conditions at the U.S. Penitentiary in Altanta came to the attention of the Permanent Subcommittee on Investigations in 1978 during the course of an authorized inquiry into organized criminal activity in south Florida. Testimony was received from a former inmate which indicated that there were distinctions in the nature of incarceration of known organized crime figures at the penitentiary, compared to the less desirable status of ordinary inmates; that the smuggling of narcotics and other contraband was relatively easy; that there was ready access to tools and stock for the manufacture of "homemade" weapons. In addition, the witness testified as to his personal involvement or knowledge of five homicides that occurred within the prison.

Mr. President, I want to pause here to say that here is a Federal institution in which they have had five homicides in recent years, under the Federal Government, under the Department of Justice. Yet the Justice Department comes in and says, "Give us supervision over all the institutions in all 50 States," when they cannot control their own institutions. Continuing:

> The witness, Gary Bowdach, was serving a 15-year Federal sentence as a dangerous special offender for firearms violations and extortionate extensions of credit (loansharking) when he was brought to the attention of the subcommittee by the Department of Justice Organized Crime and Racketeering Strike Force in Miami, Fla. Bowdach had been incarcerated in the Atlanta Penitentiary on two occasions for a total of 5 years between 1971 and 1977. He testified at public hearings held by the subcommittee on August 1, 2, 3, 9, and 10, 1978.

Mr. President, I hope the Senators are listening on their devices back in their offices and will listen to what has happened in the Atlanta Penitentiary. According to Bowdach, who was an inmate there, he says:

> A laxity on the part of the prison administration and its lack of understanding of the nature, scope, and magnitude of inmate activity made it relatively easy for inmates to engage in illegal activity ranging from narcotics smuggling to murder. He also attributed such illegal activities to ignorance and indifference on the part of officers that were on duty in the visiting room, and he flatly stated that some prison guards were corrupt.

Mr. President, I want to repeat this one paragraph. According to this witness, Bowdach, there was "a laxity on the part of the prison administration." Laxity? Well, if they are going to be lax in handling their own institutions, how can they properly tell other people in the States of the Nation how to run their institutions?

"And its lack of knowledge of the nature, scope, and magnitude of inmate activity"—in other words, it seems the authorities did not know what was going on there.

Then he goes on to say that this made it relatively easy for inmates to engage in illegal activity, ranging from narcotics smuggling to murder.

He also attributed such illegal activities to ignorance and indifference.

Mr. President, if the Federal Government, according to a witness who testified at this hearing and whose evidence Senator NUNN and Senator PERCY accepted, makes the statement that the officers in this institution, a Federal insitution, were ignorant and indifferent with regard to their duty and flatly stated that some prison guards were corrupt, how again—I repeat, how—can the Federal Government say to others, "We want to supervise your institutions, although ours are corrupt, although we have narcotics smuggling, we have narcotics used by inmates, we have murders committed, we have alcoholism, we have all this crime in this Federal institution? Although all of this is going on under the Justice Department, yet the Justice Department says it wants supervision over all the institutions in the States of the Nation. Mr. President, it simply does not make sense. In the first place, they have serious problems in their own institutions, they have not set a good example for the States of the Nation.

In the second place, it would be impossible for the Justice Department to properly supervise all the institutions in the States of the Nation.

In the third place, they have no constitutional authority to do so, if they did have the personnel to do it and if they could do it.

They are taking away the rights of the States and injecting themselves into the responsibilities which belong to the States under the Constitution of the United States. To continue:

> In light of these allegations, Senator Sam Nunn, chairman of the subcommittee, directed the staff to pursue an investigation of the Atlanta Penitentiary in order to evaluate the adequacy of the facility and the effectiveness of the Bureau of Prisons in maximizing offender security. This investigation culminated in public hearings conducted in Atlanta on September 29 and October 2, 1978. The testimony received at those hearings is summarized herein.

This report was made by Senators NUNN and PERCY, members of the Permanent Subcommittee on Investigations.

These are the Atlanta hearings:

> The subcommittee's hearings in Atlanta were designed to explore the allegations concerning civilian employee corruption and narcotics and weapons availability at the U.S. penitentiary in that city.
>
> During the course of the investigation, the subcommittee received information from scores of inmates, employees, and individuals interested in events and inmate treatment at the institution. However, public presentation of information was limited to those individuals who could testify to their own involvement in the events. The focus was on a small group of employees who may have been involved in corrupt activities, as well as on the question of inmate management and security.

Again, inmate management and security, going to the management of the institution under the Department of Justice:

> Prior to the hearings, the Director of the Bureau of Prisons, Norman Carlson, had requested Senator Nunn to have the subcommittee's staff interview a "cross section" of inmates specifically selected by the Bureau, since the BOP was concerned that the staff had interviewed, over the course of several months, numerous past and present selected inmates who often were critical of the institution and its administration. The staff interviewed eight of the nine inmates selected by the Bureau, and F. Keith Adkinson, an assistant counsel to the subcommittee, summarized those interviews in his testimony at the Atlanta hearings:
>
> One inmate was not available. All of the eight categorically took exception to the proposition that every inmate has a knife. Although each of these concede a lethal weapon of some sort would be available to any inmate bent on murdering another inmate, many stated weapons are readily available.

Mr. President, can we imagine in a Federal institution, a Federal penitentiary, where people are incarcerated against their will, being put in a place where he says inmates—I want to repeat this:

> concede a lethal weapon of some sort would be available to any inmate bent on murdering another inmate, many stated weapons are readily available.

That is the kind of situation we have in the Atlanta Penitentiary. That is the kind of situation we have in an institution that is run by the Justice Department. This department is now asking to take over the supervision of all institutions in the Nation.

I will continue:

> Three of the seven who had been in other Federal and State institutions categorically stated Atlanta is more desirable, from their points of view, than any of the other institutions where they had been inmates. Their reasons ranged from prisoner mobility to the ability to be alone. One, who had been in Marion, observed that coming to Atlanta was like "going out on the street" compared to Marion.
>
> While only one expressed no particular concern for his personal safety at Atlanta, two others expressed abject fear for their personal safety. One inmate agreed with Bowdach that it is a "country club" but only for those inmates who are strong and run with a strong group, but sheer "hell" for a loner, such as himself. This inmate's main fear is that he will see something he should not see and be threatened or harmed as a result.

Mr. President, can we imagine a man put in an institution, placed there, where he did not want to go, and being subjected to such fear?

He continues:

> that it is a "country club" but only for those inmates who are strong and run with a strong group, but sheer "hell" for a loner, such as himself.

In other words, the fellow who may wish to read books, or try to develop himself so when he gets out he can pursue some occupation or vocation, to improve himself and make a living for himself and family, says it is actually dangerous for him to do it. But it is a country club for the others, the strong group, and those who undoubtedly had the weapons and had their way in the prison.

Continuing:

> Half raised miscellaneous complaints concerning adequate medical care and the competence of case workers.
>
> Regarding narcotics, one of the eight feels there is "enough marihuana in the institution to supply all of Atlanta"—an obvious overstatement, to make his point. That same inmate is unaware of heroin availability.

In other words, he says there is enough marihuana in the Atlanta penitentiary to supply all of Atlanta.

Who runs the institution? The Justice Department. And what do they want to do? They want to take over the supervision of all the institutions in all 50 States of the Nation.

Continuing:

> Three inmates felt drugs are not a major problem. Only one inmate said heroin and other hard drugs are readily available. Half felt homebrew is readily available.

Home brew readily available in this country club in Atlanta, known as the Atlanta Penitentiary. I continue:

> In summary, this cross section suggests to us that the U.S. Penitentiary in Atlanta is rather like a microcosm of an urban area, with narcotics available to certain groups; knives available to certain groups; and homebrew available to certain groups. Most felt these groups and these problems could generally be avoided. None had seen a gun in the institution or believed them to be there.

After the brief staff summary of their interviews with inmates, the subcommittee turned its attention to the firsthand accounts of conditions in the penitentiary. The first inmate witness called before the subcommittee was Jewell Wesley Walters.

JEWELL WESLEY WALTERS

J. W. Walters was in the U.S. Penitentiary in Atlanta from April 1969, until February 1970, and again between February 1975 and October 1976. Walters was transferred to the Marion institution where he remained between 1970 and February 1975. In October 1976, he was transferred from Atlanta to the Butner, N.C. facility. From there he was transferred to the U.S. Penitentiary in Lewisburg.

Walters is serving a total of 38 years: 20 years for bank robbery; 10 years for assaulting a U.S. marshal; 5 years for escape; and 3 years for threatening a Federal judge. He contacted Senator Nunn by letter dated September 11, 1978, wherein he indicated he had firsthand information concerning the November 1975 murder of Francis Klien and criminal misconduct of civilian employees. He perceived his knowledge of the Klien murder jeopardized his security and he offered to cooperate with the subcommittee investigators.

In his testimony, Walters described how he observed Bobby Meyers remove a large knife from Meyers' locker in the prison industries area. He further described observing and having contact with Meyers near the scene of Klien's murder and at the time of the assault. In subsequent discussions, Meyers allegedly admitted to Walters that he had robbed and murdered Klien. He further stated that he had a knife, which he kept in his cell while in Atlanta, similar to the one he saw Meyers remove from his locker.

Walters, who said knives were "about as plentiful as dope," stated that the main source of knives was prison industries.

During the course of Walters' testimony, Senator Nunn asked him the following question: "Did you worry about getting caught with a knife?" Mr. Walters responded: "I would rather get caught with it than without it."

Walters also provided testimony concerning his personal involvement in narcotics transactions with two prison employees: John Carroll and Ervin "Blue" Elswick. Walters, who testified he was distributing heroin in the penitentiary for Atlanta inmate Frank Coppola, testified that on six or eight occasions Mr. Carroll, who worked in the food service area, brought heroin into the institution for him and Coppola. On "two or three" other occasions, according to Walters, Ervin "Blue" Elswick, a recreation officer, smuggled powdered Dilaudin (a heroin substitute) into the penitentiary for inmate Foster Sellers. Walters said he distributed the narcotics for Coppola and Sellers to roughly 200 to 300 regular inmate customers, generating $10,000 to $15,000 per week.

Mr. President, is it not astonishing, is it not surprising, that in a Federal institution, under the supervision of the Justice Department, an inmate said that he was able to and did distribute narcotics to between 200 and 300 regular customers, generating $10,000 to $15,000 per week? That is in a Federal jurisdiction, under the Justice Department, the Department that is now asking authority to supervise all the institutions in all the States.

In comparing the availability of narcotics and weapons at Atlanta to the other Federal facilities where he has been incarcerated, Walters stated that the Atlanta Penitentiary was "No. 1".

In response to Senator Nunn's question as to what steps, if any, can be taken to improve the situation in the Atlanta Penitentiary, Walters focused upon the civilian employees who, according to him, were bringing in 95 percent of the narcotics.

Mr. President, is it not difficult to believe that in a Federal penitentiary, the officials would allow the civilian employees to bring in narcotics to the inmates? This witness knew about it, he participated in it, he distributed narcotics, and he says that 95 percent of the narcotics are brought in by the employees.

To Walters, there are only two ways to curb employee smuggling: Searching, on a daily basis, each officer as he enters the institution; or administering polygraph examinations to the staff every 2 or 3 months.

To curb the ready availability of weapons, Walters had a very straightforward solution:

". . . take all the convicts out of the machine shops, put free personnel [civilian employees] in there."

Regarding press reports that metal detectors were being installed, Walters observed:

". . . they ain't doing nothing but wasting the taxpayers money."

Wasting the taxpayers' money. Where does that come from? A Federal penitentiary, a Federal institution. Further:

According to Walters, "where there is a will there is a way" and the inmates would find a way to circumvent the metal detectors.

In response to a question from minority counsel, Joseph Block, Walters stressed that it was virtually impossible for inmates to avoid involvement in criminal activity in the Atlanta Penitentiary. Avoidance of violence and narcotics flow could only be achieved if the inmate remained isolated from fellow inmates. Walters said that this is largely due to the ability of inmates to freely roam the facility.

Who allows them to roam? The officials in charge allow them to roam. What institution are they in? A Federal institution, the penitentiary in Atlanta. Continuing:

He testified that he spent only an average of 10 to 15 minutes at his job in the prison industry. He then would leave and was never checked upon. Walters speculated that the size of the Atlanta facility made it impossible to curb criminal activity. Mr. Block asked if the production of weapons could be reduced by putting more officers in the industry area. Walters pointed out that industry personnel were required to observe prisoners on the jobsite but were rarely there.

In other words, those charged with observing the prisoners, according to this witness, were rarely looking after their jobs, and the prisoners could walk from their jobs. I continue reading:

In a telling observation regarding inmate life inside the walls at Atlanta, Walters stated:

I wouldn't go so far as to say it was a country club, but it was nice; you know, considering.

* * * * *

I eat steaks plenty at night, drink hard liquor, shoot all the dope I wanted to shoot, do about anything I wanted to do. The only thing I missed was women.

Mr. President, here is a man in a Federal penitentiary which is operated under the Justice Department who says that in that penitentiary, he eats steaks at night, all he wants; he drinks hard liquor; he shoots all the dope he wants. If those who run institutions of that kind operate them in such a manner, should we give them any supervision or the right to investigate the institutions in all the States of this Nation? I say, "No!" They cannot look after their own institutions properly.

Here is another witness, Truman Fagg:

The second inmate to testify in the Atlanta hearings was Truman Duane Fagg, who is serving a 45-year sentence for bank robbery and post office robbery. Fagg was incarcerated at the Atlanta Penitentiary from November 1974 to April 1978, when he was transferred to the U.S. Penitentiary in Leavenworth. Prior to his current conviction, Fagg was convicted on State and Federal charges. He was incarcerated at Leavenworth on a previous conviction from 1965 to 1972.

In his testimony, Fagg described his narcotics transactions with "Blue" Elswick. Between November 1977, and approximately the end of January 1978, Fagg testified that Elswick smuggled marihuana into the penitentiary for Fagg on four or five different occasions. According to Fagg, on one such occasion Elswick also smuggled "speed" pills into the facility. On other occasions, Fagg said Elswick smuggled radios for him. In each instance of narcotics smuggling, Fagg said he would be approached by other inmates who had narcotics on the outside. The other inmates were aware of Fagg's relationship with a civilian employee (Elswick) and they would ask Fagg to determine the employee's willingness to bring in the contraband.

According to Fagg, if he received an affirmative response from Elswick, he would give the inmate the address of an outside drop point to pass along to his outside contact. The outside contact would then arrange for the narcotics to be left at the designated spot where Elswick would pick it up. In all but one instance Fagg testified Elswick demanded that the inmate "front" his "fee" before the transaction took place. Elswick's fee was based upon his rate of $400 per pound of marihuana and $1 per pill. During the course of these transactions, most of which were for one pound quantities of marihuana, Elswick increased his fee to $500 per pound.

Fagg testified that, on two occasions, Elswick handled the narcotics directly. On other occasions, the narcotics were left in a specially modified amplifier in the recreation shack where Fagg worked.

In comparing the Atlanta Penitentiary with the Leavenworth Penitentiary, Fagg testified:

Most of the staff, I thought at Atlanta, were very sloppy and didn't seem to care what really went on. Over at Leavenworth, they keep a close eye on you, you are on the job someplace, the man is right near the area, or has somebody else watching you.

In the opinion of Fagg, the number of weapons in Atlanta exceeded tenfold the weapons at Leavenworth; narcotics at Atlanta exceeded twentyfold the narcotics availability at Leavenworth; and incidents of homosexuality were four to five times more prevalent at the Atlanta facility.

When asked what steps could be taken to curb narcotics availability in the Atlanta penitentiary, Fagg replied that the prison administration—Mr. President, I want the Senate to hear this statement.

When this witness, who is an inmate there, was asked what steps could be taken to curb narcotics availability in the Atlanta penitentiary he replied that the prison administration either had to "change a great deal of the employees" or "have shakedowns of the employees coming in at various times without any warning."

That shows that the operation of this penitentiary was at a low ebb. It was run in a lax manner. That shows that the inmates were allowed to do things that no one could conceive would happen in a Federal penitentiary.

And who is this under? The Justice Department.

And who is trying to take over the investigation of all the institutions in the whole Nation, penal institutions, mental institutions, and others? The Justice Department. They want more power.

There are too many people in the Federal Government today who have too much bureaucratic power, but they are still not satisfied. They are clamoring to go further and further with the long arm of the Federal Government not only down in their own institutions but in the institutions of the States of the Nation.

No wonder the Governors of the States of the Nation are against this bill. No wonder the attorneys general of the States of the Nation are against this bill. Every Senator in this body who regards State sovereignty and appreciates the rights of the States under the Constitution should rise up and oppose this bill. Continuing:

> With respect to curbing the availability of weapons, Fagg, echoing the administration position, testified:
>
> I don't really think there is too much to be done about it, even fencing off the areas where they can be made or anything else. There are too many other things you can make weapons out of. I think if somebody really wants to kill in one of these places, they can do it.

Mr. President, why can they do it? It is because they do not have proper supervision and steps are not taken to properly operate an institution of this kind. Continuing:

> Minority counsel questioned Fagg concerning ability of inmates to avoid narcotics, weapons, and violence. Fagg stressed that the inmate's freedom to wander throughout the facility increases the chance of involvement in criminal activity. He noted that at Leavenworth he was not allowed to avoid work or to roam the facility without a pass.

Another witness who testified down at this hearing was Joe Louis Denson. I continue reading:

> The most significant and enlightening testimony of current conditions within the penitentiary was elicited from Joe Louis Denson, an inmate at the institution until the time of the hearings. Denson was one of the inmates that Director Carlson requested the subcommitee staff interview for the purpose of obtaining a balanced perspective of inmate living conditions.
>
> Denson was first interviewed by staff at the institution on Wednesday, September 27, 1978. Immediately prior to the interview, staff reviewed Mr. Denson's multivolume central prison file and noted Denson's wide experience in the Federal prison system. He had served time at the Federal Reformatory, El Reno, Calif., and the penitentiaries at Terre Haute, Ind.; Leavenworth, Kans.; Marion, Ill.; and Atlanta, Ga. He also had served time in the Kansas State Penitentiary.
>
> According to Denson's file, he, as well as Frank Coppola, whose activities were described in earlier testimony by J. W. Walters, were persistent and significant drug traffickers in the penitentiary. It included the following statement by Atlanta prison officials:
>
> We have received the material on Denson. We are well acquainted with Densons (sic) persistent habits of drug pushing, assault, and other deeds.
>
> Mr. Denson is currently serving a life sentence for murder. This offense occurred at the U.S. Penitentiary in Leavenworth.
>
> For some time Denson has been under suspicion of being the ringleader of a narcotics ring at our institution (Marion). As noted in the progress report on September, 1975, he was charged with possession of narcotics paraphernalia.
>
> Additionally, his file revealed numerous reports pertaining to his assaultive nature, his narcotics activities, and various other misdeeds.
>
> In the staff interview on September 27, Denson, in comparing the Atlanta Penitentiary to the one at Marion, said coming to Atlanta was comparable to "going out on the street." Denson also indicated, albeit in generalities, that he was currently running gambling and narcotics distribution operations in Atlanta.
>
> In response to staff inquiries, Denson indicated a general willingness to talk further with staff and provide specific information regarding the narcotics activities in which he had been involved while incarcerated at Atlanta. Because of the immediate value of this information, which was enhanced by its current status, arrangements were made by subcommittee staff for an indepth interview of Denson on Saturday, September 30, at the office of the U.S. marshal in Atlanta.
>
> A unique and unlikely set of circumstances resulted in an extremely informative second interview. On Wednesday evening, after the initial staff interview, Denson was advised that his mother, to whom he was very devoted and for whose financial support he allegedly performed many of his illegal activities, died of cancer. On Saturday morning, immediately prior to his scheduled removal from the penitentiary for the indepth interview with staff, two inmates, wearing masks, assaulted Denson in the stairway of the cell block. One man was armed with a knife, the other with a piece of pipe or wood. Denson, however, was not injured.
>
> The information Denson shared with staff was so significant that it was immediately called to the attention of Senator Nunn, who convened an executive session of the subcommittee at 9:30 Sunday morning, October 1, for the purpose of obtaining Denson's testimony under oath. At this time, Denson provided testimony on his narcotics dealings with Carroll and Elswick, who had already been the subject of public testimony in the hearings on the preceding Friday. Denson also supplied information on three additional employees at the penitentiary whom he had reason to believe were involved in narcotics smuggling activities. Finally, Denson provided a detailed eyewitness account of the murder of Vincent Papa.
>
> Denson's testimony in executive session was such that a determination was made to have him appear as the first witness on Monday, October 2.
>
> In his public testimony, Denson, who is 37 years old, chronicled his criminal background which has resulted in him spending the previous 15 years (with only a 2-week interval when he was released on bond) in various prisons for convictions including possession of a sawed-off shotgun, second-degree burglary, grand larceny, interstate shipment of a stolen vehicle and second-degree murder.
>
> After describing the circumstances of the assault upon him the previous Saturday, Denson related his firsthand knowledge of, and involvement in, narcotics transactions with Messrs. Elswick and Carroll, Denson stated that he was present when inmates Mike Schapolino and Junior Brown, in separate transactions, picked up a pound of marihuana from Elswick. Additionally, Denson testified that John Carroll delivered directly to him, in separate transactions, 16 1-ounce bags of marihuana secreted in an ice bucket; 1 ounce of heroin and 1 ounce of cocaine; and another pound of marihuana, also secreted in an icebucket. According to Denson, all three transactions were for other inmates, and, in each instance, Denson received a portion of the narcotics for his role.
>
> The portrait that emerged in Denson's testimony was that of a physically strong, emotionally stable inmate being employed by other inmates to pick up and, on occasion, distribute their narcotics. For example, in the case of the heroin/cocaine transaction with Carroll, Denson said he (Denson) received, for his efforts, one-third of the heroin.
>
> Senator Nunn pursued with Denson the magnitude of the narcotics problem in the penitentiary. Denson testified that, in his opinion, more than 90 percent of the inmate population is using some form of narcotics.

Mr. President, I want to say here that, I have previously brought out that, another witness said in his opinion 95 percent were using narcotics. This witness says more than 90 percent were using narcotics. Where were they using narcotics? In a Federal institution, a Federal institution under the Justice Department. This is the kind of direction the Justice Department is giving to the institutions under its care? Reading further:

> Denson went on to estimate that 95 percent of the marihuana comes in through prison personnel, while most of the heroin and cocaine, in his opinion, comes through the visiting room.
>
> In the area of weapons availability, Denson stated that "almost everybody" has a weapon—"if a man wanted a weapon, needed one, he could find one just almost any time he wished". He went on to say there is no way to prevent weapons manufacturing because of the dependence upon inmate labor to work in the prison industry. He related making his last knife by putting sandpaper on the shaft of a loom to create a grinder which he used to fashion a knife from a piece of scrap metal.

Mr. President, if this man had had proper supervision why was he allowed to make knives there? Why were others allowed to make knives? This man says everybody had a knife, everybody who wanted one. If that is the kind of supervision the Justice Department gave to this institution, why do they want to take over the supervision of institutions in the States of the Nation, investigate them, when they have their hands full looking after their own Federal institutions? Continuing:

> Denson stated it is his belief that most of the weapons come "out of the factory':
>
> Not each and every inmate has a weapon. One guy may have one that he will let 15 or 20 other guys use; just ask him for it. It is like a community thing. If a guy has got 10 or 15 buddies, they don't need but one weapon. They are not all going to use it at

> the same time, but if the situation occurs where four or five of them need a knife at the same time, to go do something, they could get it all, four or five of them could get it, but normally, it is just, they just need one knife for one kill, you know.
>
> In a statement which provided a more expansive explanation of Bowdach's characterization of the Atlanta Penitentiary as a "country club," Denson, drawing upon his experience in numerous Federal penal institutions, testified:
>
> The difference is like leaving Marion, coming to Atlanta, is just like going to the streets in the free world. That is the difference in the setup of each institution.
>
> * * * * *
>
> * * * It was just wide open. You can move around the way you want there. You can be involved with any type of people you want to be involved with; whatever you want to do, there is somebody there to do it with. It wasn't hard to find whatever you wanted to do.
>
> But at Marion, it is just so close and it is just that there are not many guys in Marion as there are in Atlanta. Everybody knows everybody at Marion; and Atlanta, you can go just like going across town. If you want to get away from this group of people, just go across, go on the other side of the institution. You are away from it, you know.
>
> To Denson, "anything anybody can do anywhere else in the Federal system you can do it at Atlanta."
>
> Senator Nunn, who had toured the facility on Firday afternoon, September 30, and noted numerous significant changes made since the April 26 report of the Department of Justice investigative team, questioned Denson as to the significance of these changes, particularly the recently implemented pass and controlled-movement systems. In response, Denson, who was the only inmate witness currently in the institution and therefore the only witness who could provide a timely assessment of the changes, stated:
>
> * * * Really that hasn't changed that much. It is just an inconvenience to you at certain times of day, but you can gear your activities to coincide with all of these passes and moves, and this and that, you know.

In other words, Mr. President, the investigators there back in April recommended changes and thought the changes would bring better results. But they went back again in September, and this witness said there had been little change. It was just an inconvenience to him, but they gear their activities to coincide with these passes and moves.

Another witness who testified was Michael McCurley, as follows:

> Michael McCurley, now a Cobb County Sheriff's Department deputy, left the Atlanta Penitentiary in May 1978, after 2 years and 9 months as a guard. He said he left out of frustration—frustration over the "lack of discipline in the penitentiary."
>
> McCurley, who prided himself on the successes he had at Atlanta seizing contraband, expressed dissatisfaction over the fact the administration apparently did not want him to do his job too well because, when he did, it resulted in inmate complaints. As a guard, he also was displeased that little significant action was taken against inmates caught with contraband.
>
> Senator Chiles probed McCurley concerning specific incidents in which criminal activity was overlooked.

Mr. President, this was a man who was a guard in this Federal penitentiary, in this Federal institution, and later became a deputy sheriff in Cobb County. Continuing:

> McCurley testified that a flow of liquor, drugs, weapons, and money goes overlooked by prison officials. He noted that employees were encouraged by prison administrators not to "harass" the inmates. Furthermore, McCurley said that many prison employees feared that inmates would seek revenge against them by calling inside "contracts" on them unless they overlooked the criminal activity.

Mr. President, that is what is going on in this Federal institution—the liquor, drugs, weapons, money, narcotics being distributed in this Federal institution under the Justice Department. They cannot even control the situation here in this institution but they want to take over the right to investigate and enforce their rules in the penal and criminal institutions and the mental institutions throughout this Nation. Continuing:

> McCurley, in response to Senator Nunn's questions, agreed with Bowdach's characterization of the Atlanta Penitentiary as "a country club," at least insofar as inmate freedom is concerned. He further endorsed the accuracy of Denson's observations in his earlier testimony. McCurley testified that he personally believes weapons are available to any inmates who want them, as are narcotics. To curb weapon availability, he felt the mill should be closed. However, as to narcotics, he testified that, in his opinion, an immediate halt in narcotics availability would result in "a full-scale riot".

Mr. President, this should be startling to the people of America, a Federal institution, a Federal penitentiary, in which a man who worked as a guard make such statements. He worked as a guard. He knew what was going on. And he testified that he believed that weapons are available to any inmates who want them, as are narcotics; weapons and narcotics available to the inmates who want them. He also said that an immediate halt in narcotics availability would result in a full-scale riot.

In other words, the inmates, if they cannot get narcotics, are going to riot. This is a Federal penitentiary where you are supposed to have discipline, where you are supposed to have control of people, and where you are supposed to have an institution that is an example for the institutions in the Nation.

And that is under the Justice Department, Mr. President, do not forget, the Department that wants to take over the supervision and investigation of the penal and mental institutions and other institutions in the States. Continuing:

> To McCurley, the main cause of the problems he observed in the Atlanta facility were administrative:
>
> One of the reasons for the pressure on the officers was the lax administration of the penitentiary. * * * the lack of inmate control is the direct result of a shared management of the institution. The Atlanta Penitentiary is run by the warden and a committee of 2,000 inmates.
>
> In addition to McCurley, who, according to his employment records, had an unblemished record while employed at the institution, the subcommittee staff interviewed other civilian employees against whom allegations of criminal misconduct surfaced during the course of the subcommittee's inquiry. Ervin "Blue" Elswick and John Carroll, two prison employees against whom such allegations were publicly made by Gary Bowdach, Truman Fagg, J. W. Walters, and Joe Louis Denson, were subpenaed to appear before the subcommittee on Friday, September 29.
>
> John Carroll repeatedly denied any wrongdoing. Carroll, who is 46 years old, retired from the Air Force in 1971. He had been employed at the Atlanta Penitentiary for approximately 5 years at the time of his testimony. Carroll testified that he knew Frank Coppola only casually and denied that Coppola, or anyone else, sent narcotics to him through the mail. He did state that, on one occasion, Coppola, approached him to bring "something" in, which he suspected was heroin, but that he had refused. However, he acknowledged that he had failed to report this request by Coppola as required by prison regulations.
>
> Carroll testified he did not know J. W. Walters. He further stated he never brought heroin, marihuana, money or any other contraband into the Atlanta facility.
>
> Elswick exercised his fifth amendment right against self-incrimination and, other than providing limited background information on himself, did not testify.

In other words, Mr. President, this witness, who served as a guard in the Atlanta Penitentiary and later became a deputy sheriff in Cobb County, said that this institution is run by who? The Warden alone? No. The warden and 2,000 inmates.

In other words, the inmates who were put there for disciplinary purposes are running the institution, along with the warden.

Mr. President, we have other employee testimony that came out in this hearing in this report by Senator Nunn and Senator Percy, as follows:

> On the other hand, Euros Knight, recreation specialist and former custodial officer, confessed to numerous violations and in so doing presented a graphic discription of how civilian employees are corrupted by inmates. Knight described how he was enticed into performing favors for inmates William Jackson and Leslie Atkinson, bringing in "envelopes, notes, information, sometimes money" which he regularly picked up from the law offices of two Atlanta attorneys. Knight described serving as a personal banker for these inmates, delivering a total of approximately $10,000 to Atkinson alone. Knight, who admitted receiving between $3,500 to $4,000 for his services, cooperated completely with subcommittee investigators after an initial period of reluctance. He resigned his position in the institution immediately after his public testimony before the subcommittee.
>
> Edward Goodlett also cooperated fully with the subcommittee. Goodlett is a retired counselor at the penitentiary. After his retirement he continued to have regular access to the facility in his capacity as an employee and member of the board of directors of the Employees Club. In interviews with subcommittee staff, and in a sworn affidavit, he recounted numerous instances when he carried sealed, unmarked white envelopes to inmates Willie James and William Jackson. Goodlett's affidavit was read at the public hearing and included in the hearing record as exhibit No. 40 at page 439.
>
> Additionally former masonry instructor Eugene Clark admitted in a sworn statement that he received gratuities from inmates at Atlanta in the form of a full-length leather coat, several shirts and $150 in cash. Clark maintained he performed no services for inmates in exchange for the gratuities. Clark resigned his position at the Atlanta Penitentiary shorty after he was interviewed by subcommittee staff and executed his affidavit.
>
> All information developed by subcommittee staff in prehearing interviews, as well as

information developed in executive and public session testimony, was turned over to the U.S. attorney for the Northern District of Georgia for prosecutorial review.

WARDEN JACK HANBERRY AND REGIONAL ADMINISTRATOR GARY M'CUNE

On Monday, October 2, 1978, Jack Hanberry, warden of the Atlanta Penitentiary, and Gary McCune, Regional Administrator, U.S. Bureau of Prisons, were called before the subcommittee to respond to the questions raised by preceding witnesses.

Hanberry, who became warden at Atlanta in July 1977, began his testimony by describing the antiquated nature of the facility. He described his initial concern with conditions in the facility, a concern which prompted him to commission a task force in January 1978, to examine the institution's internal operations. The report, according to Hanberry, was forwarded to Director Norman Carlson who responded by sending an investigative team to review the Atlanta facility. The investigative team's report, dated April 26, 1978, made numerous recommendations. With regard to these recommendations, Warden Hanberry testified:

I am proud to report that we have completed or are in the process of implementing all of the recommendations which relate to the internal operations of the Atlanta Penitentiary.

Warden Hanberry summarized for the subcommittee the major steps taken to improve inmate accountability:

1. Establishment of a pass and controlled-movement system;
2. More frequent daily searches to reduce the availability of homemade weapons and narcotics;
3. Installation of metal detectors between the cell blocks and the shop areas; and
4. Increased supervision of inmate living areas.

With regard to the last point, the warden stated that in November 1979, he intends to implement the unit management system in the institution. The unit management system basically subdivides the population into smaller groups which are easier to manage, permanently assigning a team of counselors and caseworkers, headed by a unit manager, to each group.

In responding to the testimony of others regarding the availability of metal knives, primarily from the industry area, Warden Hanberry described and displayed nonmetallic items with lethal potential, including a sparerib bone, a broken broom handle, and a knife made out of Lexan, a plastic substance. None of these items, the warden said would be picked up by the metal detectors.

In addressing the criticism of previous witnesses regarding narcotics availability within the penitentiary, Warden Hanberry painted a rather dismal picture outlining the many opportunities for secreting narcotics into the facility:

1. Corrupt staff members, which can be expected with a staff of approximately 537;
2. Visiting room transfers, where contraband is often swallowed by inmates;
3. Mailroom deliveries;
4. Eighty-five to ninety inmates working outside of the institution on landscape details;
5. Shipments into the penitentiary, which ships and receives 3 million pounds of products through the industry area per month (approximately 5 rail boxcars and 25 trucks are in and out of the institution on a daily basis); and
6. Approximately 100 individuals from the city of Atlanta who enter the institution weekly as participants in volunteer programs.

According to the warden, even tennis balls hit out of the institution and thrown over the wall offer the opportunity for narcotics smuggling.

Warden Hanberry conceded that, given the many means by which smuggling can be accomplished, narcotics will continue to be a factor in the prison environment:

Though we do everything we possibly can to prevent, and no one wants to prevent it anymore than I do, there is always that possibility as I said in my opening statement, it is inherent in this kind of system because, in addition to many other things, there are a number of inmates who are drug dependent.

Warden Hanberry went on to explain the urine analysis program designed to identify heroin and other hard drug usage. Under the program, a minimum of 5 percent of the population is sampled each month on a random basis and without notice. In the year preceding his testimony, according to Mr. Hanberry, 1,208 inmates were tested and 31 were positive.

In response to earlier witness testimony critical of the inmate pass system at Atlanta, Hanberry stated that Atlanta had used a pass system until 1965, which was not reinstituted until April 25, 1978. Gary McCune had the following observations on that pass system:

I think it [the pass system] definitely is working but, again, it doesn't assure that an inmate cannot go into a given area or that it is impossible for him to do it. For example, when the controlled movements take place, he has a certain amount of time he may go to an area, but as soon as the movement is over, then we will know whether he is in the right area.

We are not saying it is a panacea to control all the problems. All we are saying is it does do a good job in controlling the movement within the fences.

One area in need of specific attention, and a recommendation made by the inmate witnesses, was the need for an adequate "shakedown" capability. Warren Hanberry had the following observations to make on this recommendation:

Nothing would please me more than to have a permanent shakedown crew of 10 or more people, but I have a certain staff of people and in order to maintain the operation of the institution, at the present time I cannot take any more staff away from any other function than we have already done in order to provide that kind of detail.

Regional Administrator McCune said shakedown crews would be used "* * * if we could afford them. * * *"

In concluding his testimony, McCune said the long-range objective of the Bureau of Prisons is to close the Atlanta Penitentiary. Mr. McCune said the costs of adequately remodeling Atlanta would be comparable to building two 500-inmate institutions. He noted, however, that closing Atlanta would result in the loss of the largest prison industries operation in the system—one which could not be replaced. However, on balance, Mr. McCune unhesitatingly made the following statement with regard to the future of the Atlanta Penitentiary: " * * * Yes. It should be closed. The sooner the better".

GENERAL ACCOUNTING OFFICE REVIEW

In addition to allegations concerning inmate accountability, civilian employee corruption, and weapons and narcotics availability, the subcommittee received allegations from an Atlanta inmate concerning fiscal mismanagement in the Department of Central Mechanical Services, where the inmate worked. That inmate, who testified in executive session in Atlanta on June 10, 1978, raised issues which indicated inadequate accounting procedures in the Central Mechanical Services Department.

As a result of this and similar allegations that staff received from civilian employees, Robert Taylor, Audit Manager in charge of the Bureau of Prisons review, and Fred Mayo and Paul Rhodes of the U.S. General Accounting Office, Regional Office in Atlanta, were detailed to the subcommittee for the month prior to the hearings to conduct a "limited review of certain expenditures of the Mechanical Service Department of the U.S. Penitentiary at Atlanta."

On Monday, October 2, 1978, the three GAO employees presented a brief overview of their findings. Taylor summarized the objective of the audit activity and their findings as follows:

"The objective of our survey was to learn whether the resources earmarked for the maintenance and rehabilitation of the Atlanta Penitentiary are adequately controlled and utilized in an effective, efficient, and economical manner. We examined the institution's and the regional office's compliance with applicable laws and regulations, accounting for property, use of accounting data to promote good management, and use of reports to disclose the information called for in the Bureau's policies.

"Because of the allegations that material purchased by the institution was being diverted to unauthorized, and sometimes personal, uses, we designed our audit to identify the weaknesses that do or can result in (A) significant waste, loss or extravagance in the management of property acquired with public funds; or (B) the inability of the institution to carry out its primary function of the custody, care, and correction of its inmates.

"We did not find evidence that material diverted from the institution. However, the records were incomplete, and activities were managed in such a way that material could be improperly diverted."

Taylor suggested that a more thorough audit was needed, noting that the "substantial flaws in the management system" extend to the regional office and are "common throughout the Bureau of Prisons system."

Mr. Taylor made it clear that they were not suggesting that regional office and penitentiary authorities "engaged in any illegal or improper activities resulting in their personal gain."

In addition to the limited fiscal review conducted by the team and presented by Mr. Taylor, at the request of staff, the auditors conducted a review of violent incidents from August 1975, to the end of September 1978.

These findings are summarized in the following chart:

AUGUST 1975–SEPTEMBER 1978—VIOLENT INCIDENT REPORT

Total year/months	Killings	Assaults	Fights	Total 1, 2, 3	Threatening	Weapons	Drugs
1975/5 mo	2	10	19	31	10	14	52
1976/11 mo	3	30	78	111	36	46	148
1977/12 mo	6	35	98	139	39	48	230
1978/9 mo	3	26	70	99	18	38	134

Mr. President, if anybody wants to know how a Federal institution is operated and whether it is operated with proper discipline and in a proper manner, all they have to do is read that chart. There you see that, in this Federal institution, in the years 1975–78, there were 14 killings, 14 killings in this Federal institution. Then we have 101 assaults, 265 fights, 103 threats, 146 weapons, and 564 drug incidents.

This is the type of management the Department of Justice employs in one of its own institutions. Over a 4-year period, as I have said, we see 14 killings taking place, numerous assaults, fights, threats and a large number of weapons and drug incidents which run into the hundreds.

Mr. President, if the Department of Justice cannot operate one of its own institutions in a more efficient manner than this, why do they come to Congress and ask us to pass a law to give them the right to go down and investigate violations and make corrections in the institutions of the various States of the Nation? They are either grasping for more power, asking us to give them more power over the institutions of the States of the Nation, and the lives of the people—which I think is in violation of the Constitution—or they are completely inept and stupid in thinking they can look after all these institutions. If they cannot look after their own institutions any better than has been done in the Atlanta penitentiary, how can the Justice Department take on more responsibility?

Mr. President, to continue:

Fred Mayo, in commenting upon his findings, stated:

When examined on a monthly basis, the review of incident reports shows that there has been no significant change in the rate of violence during the period examined.

Therefore, it appears from a review of the reports that any measures adopted by penitentiary officials to control violence have not affected the number of reported incidents.

Although they investigated in April of 1978 and returned in September, there appeared to be little if any change in this Federal penitentiary. I repeat that statement. This is by Fred Mayo:

Therefore, it appears from a review of the reports that any measures adopted by penitentiary officials to control violence have not affected the number of reported incidents. However, reporting of incidents can be controlled to show either an increase or decrease simply by not preparing reports or by preparing more reports.

As a result of the preliminary findings of the audit team, Senator Nunn announced during the hearings that he was requesting the General Accounting Office to conduct a full review of the management practices of a number of penitentiaries. The Senator's letter, which is included as appendix B, requested a detailed GAO audit of a cross section of institutions including Atlanta, Ashland, Englewood, McNeil Island, and New York, together with the appropriate regional offices and headquarters departments. The Senator requested a careful examination of Bureau of Prisons management of its procurement, financial, property, services and personnel functions.

Senator Nunn, in summarizing the hearing, made the following comments:

In summary, three employees confessed to their misdeeds; one employee invoked his fifth amendment right and declined to give testimony; one employee declined any involvement; an account of a confession of murder was related; and, in executive session, an eyewitness account of a second murder was provided, along with the names of three additional employees whom this particular inmate suspects of bringing in contraband.

He went on to observe that the purpose of the hearings was fact-finding: the subcommittee "did not come to these hearings with any simple answers as to how the problems can be resolved * * *" (p. 553). Moreover, he added, "* * * we do not leave these hearings with simple answers as to their solutions."

He closed by expressing his concern, and the concern of Senator Chiles, who was present for the second day of the proceedings, that the problems raised by the preliminary GAO overview may "permeate the Bureau of Prisons" (p. 553). While Senator Nunn noted that he felt the problems were difficult and not capable of "quick, easy solutions" (p. 553) he expressed interest in developing solutions through "continuing oversight."

CONTINUING OVERSIGHT FACT-FINDING

With Senator Nunn's closing mandate, and at his direction, Keith Adkinson, assistant counsel to the subcommittee, and subcommittee investigator, Larry Finks, returned to the Atlanta Penitentiary on April 18 and 19, 1979, to assess the impact of changes implemented since the subcommittee hearings.

Staff began their oversight visit in a 4-hour interview with Warden Hanberry. The warden began by describing the changes made as a result of the subcommittee's investigation and hearings, changes which he said have improved inmate accountability.

IMPLEMENTATION OF UNIT MANAGEMENT SYSTEM

Warden Hanberry had mentioned, in discussions with the subcommittee staff in September 1978, his intention to move forward with a decentralization of inmate control which would divide the inmate population into smaller more manageable units. The decentralization involved the establishment of "unit managers" within each of the cell blocks. The concept is that caseworkers and other staff would be located in each of the cell blocks rather than in a separate area removed from the population as they had been. Under the system, each cell block has its own unit manager and caseworkers. Files for the inmates housed in that particular cell block are located contiguous to that unit. The purpose of the project is to develop a more personal relationship between the inmate and his caseworker and unit manager to overcome the stereotype of an inmate being merely a number. This project had been fully implemented as of April 1979. The implementation necessitated the creation of 23 new positions at Atlanta. The new positions were created and filled subsequent to the subcommittee's hearings.

While the presence of unit managers was criticized by certain inmates and civilian employees which the subcommittee staff interviewed (primarily on the basis that they tend to function as correctional officers in some instance rather than as counselors), it seems evident to staff that the system has definite merit and has been implemented reasonably rapidly and efficiently. Certain of the transition problems in its implementation will no doubt be corrected with the passage of time. Subcommittee staff believes the unit management approach is a definite step forward in providing additional personnel on cell blocks and in providing a more personal relationship with the inmates.

PERMANENT SHAKEDOWN CREWS

In November, shortly after the hearings, Warden Hanberry instituted a permanent "shakedown" crew to conduct surprise searches of prison areas for narcotics, weapons and other contraband. This group originally was to be comprised of six employees: two provided by new positions authorized by the Bureau of Prisons; two to be provided by the institution; and two to be obtained from Prison Industries. However, the Bureau of Prisons headquarters did not provide any additional personnel and the crews have been operating since November with four individuals. These individuals are rotated on a quarterly basis with the exception of one individual who remains in the group to provide continuity. The shakedown crew does nothing but conduct unannounced searches of various areas of the institution. These areas include the shop areas and individual cells. Those inmates thought to be narcotics users or distributors are subjected to unannounced shakedowns on a more frequent basis than the random shakedowns conducted periodically.

The unit, which went into operation on November 26, 1978, had, as of the April staff review, recovered some 20 knives, $2,000 in cash, narcotics, and narcotics paraphernalia. Most of the knives found were metal knives stolen from the cafeteria area.

Subsequent interviews with inmates and correction officers involved in the shakedown operation suggest to staff that it is having a significant deterrent effect.

CONTROLLED MOVEMENT

Since the subcommittee hearings, the employment of the pass system has been complemented by a regulated movement of inmates. Inmates are only allowed to move without passes for a 10-minute period at the end of each hour. During these movement times, inmates can relocate from one area to another. However, the inmate must be in an authorized area during the period between the movement periods.

The net result of this controlled movement approach is that inmates are not found milling around the various areas of the prison facility at their pleasure as had been observed on previous occasions.

Members of the subcommittee staff spent several hours behind the walls and observed several mass movement intervals and the intervening time. Inmates no longer are able to roam about the facility at will. During the subcommittee's hearings, McCune pointed out that one unannounced census revealed 255 inmates "out of bounds" (p. 521). A census taken less than 3 days prior to the subcommittee's April 1979 review of the facility revealed only three inmates out of bounds.

Controlled movement, coupled with the implementation of the pass program, may well be the single most important change effected in the institution since the subcommittee hearings.

Subsequent interviews with inmates revealed that the controlled movement approach is "being felt" by the inmates. They are, for example, now required to spend 8 hours at their designated job. In the past, if they completed their work in less than the time allotted to it, they could go into the yard or the recreational areas or back to their cells. Now, they must be at the job for the entire work period.

METAL DETECTORS/X-RAY MACHINES

During the hearings, the installation of metal detectors was discussed by the warden and pointed to as a manifestation of increased concern for inmate security. While the metal detectors were not operational at the time of the hearings, their operation was commenced immediately thereafter.

Concern was expressed at the hearings by inmates and officers alike with regard to inmate acceptance and utility of the metal detectors. The subcommittee staff's review indicates that the inmates have, in fact, accepted the metal detectors, and that all inmates pass through the metal detectors as they return from Prison Industries.

Warden Hanberry observed that prison administrators had determined the lack of a need for four detectors as had been originally proposed; two detectors can adequately handle the inmate population. In lieu of the two additional detectors, the warden is installing X-ray machines for hand-carried items. This results from the warden's determination that inmates have the capability of inserting knives, screwdrivers, scissors and other items in portable radios and other materials which they may carry with them and which, in the past, have been simply subject to guard scrutiny. The warden conducted his own personal evaluation of whether or not contraband items could be secreted in portable radios. He was advised by his custodial staff that the portable radio housing units were too filled with radio components to accommodate contraband items. The warden, therefore, ordered a portable radio unit from the commissary, dismantled it, and inserted a screwdriver, a knife and various other items in the radio unit. He then demonstrated the unit, including these items, to his custodial staff. This demonstration resulted in the ordering of two X-ray machines, identical to those employed at airports, which will be physically located in the shed housing the metal detectors.

In a subsequent interview with an inmate, which will be discussed in greater detail below, the inmate observed that the metal detectors cannot possibly be totally effective because of the ability of inmates to secret knives and contraband items in radios. The installation of the X-ray units, which are not yet operational, began in early May 1979.

PLASTIC EATING UTENSILS

During the hearings, discussions took place with respect to the use of metal cafeteria knives as weapons. It was pointed out that the metal detectors are located between the industry area and the rest of the facility. It was observed, however, that the cafeteria is located on the inside of the metal detectors and therefore an inmate could obtain a metal knife from the cafeteria area which could be honed into a very effective lethal weapon. In hopes of improving that situation, the warden has installed plastic, reusable eating utensils in the cafeteria. While these eating utensils are sturdy enough to withstand reuse, it is felt that they are less hazardous than metal utensils. The warden, as does the subcommittee staff, shares the concern that even these plastic utensils could be used in a lethal manner.

E CELL BLOCK RENOVATION

Concern was expressed by the Federal Prison Systems investigative team about the processing of new inmates coming into the institution in a manner affording "predator-type inmates relatively easy access to new inmates."

In that regard, the renovation of E cell block, which was in the discussion stages at the time of the hearings, has been approved and is under construction at this time. E cell block is located to the right and the rear of the main cell house and adjacent to a separate entrance in the west wall of the penitentiary. This old entrance has been in disuse for decades. The renovation of E cell block involves the installation of single unit, stainless steel commode and basin units (incapable of being broken and turned into weapons); the opening of an entrance into the cell block on the west end; and fencing from the cell block to the west entrance.

As modified, E cell block will be used for the indoctrination of new inmates into the prison facility. Inmates will enter through the west wall directly into E cell block. They will spend approximately 2 weeks in the cell block being processed, indoctrinated and evaluated. In addition to this capability, E cell block will have floors designated for disciplinary segregation, administrative segregation, and transients. This will allow inmates in the various categories to be separated from other inmates. In the view of the subcommittee staff this process should help prevent the kinds of problems that gave rise to the murder of William R. Zambito within hours of his arrival at the institution. Zambito, reputedly a mob enforcer in Miami, and a suspect in numerous murders, was given assurances he would be protected while serving the time on drug charges in exchange for his testimony in a naroctics case. Even though placing him in Atlanta exposed him to physical jeopardy, he was transferred there and stabbed to death on March 23, 1978, within hours of his arrival.

Mr. President, William R. Zambito was given assurances that he would be protected while serving time on drug charges in exchange for his testimony in a narcotics case. In other words, he cooperated with the Government in a narcotics case, and he was given assurances that he would be protected while serving time on the drug charges.

Even though he was given those assurances, and even though the authorities should have known that putting him in Atlanta exposed him to physical jeopardy, that he might be injured or killed, they did it anyway. He was transferred there, and he was stabbed to death on March 23, 1978, within a few hours after his arrival.

Mr. President, I think that shows mismanagement. It shows a lack of interest in a human being. The proponents talk about the rights of individual citizens. We all believe in rights. But I think the greatest right a person has is the right to live and the right to make a living.

In this case the man was not allowed to live. He had cooperated with the Government and they assured him he would be protected, but they put him in Atlanta with people there who killed him.

If the Government cannot manage its own institutions in a more efficient and acceptable manner than that, why do they come in and ask authority to investigate and bring suits against States concerning the institutions in the States of the Nation?

Again I say they have their hands full in managing their own institutions without trying to involve themselves in the State institutions. Continuing to read:

The use of E block for incoming inmates should be contrasted with the current situation wherein inmates are brought through the main door and through general population to a processing area under the central corridor from which they are immediately removed to general population.

INMATE RELOCATION

An additional positive influence on conditions in Atlanta is the new inmate designation system which went into effect the first of the year. That designation program provides that only level V inmates are to be located in Atlanta. This has resulted in the less violent inmates being transferred out of Atlanta. In fact, the situation is such that the warden has had to make a request for 45 level I inmates, which are minimum custody, honor inmates, to work outside the institution on the grounds. So far, only five level I inmates have been received in Atlanta. These level I inmates are housed separately from the other inmates.

INCREASED URINE SAMPLING

Random unannounced urine specimen tests are now conducted on 12 percent of the inmate population each month, an increase from the 5 percent discussed in hearing testimony. Additionally, a "hot-book" is being maintained on narcotics users. In the past a hot-book was maintained in the lieutenant's office on violence and escape-prone inmates; the movements and associations of those included in the hot-book were more carefully monitored. Now, a separate book is maintained on suspected narcotics users and a larger proportion of these individuals are subjected to the urine specimen tests because of their suspected narcotics dependency.

STAFF BRIEFING

Shortly after the subcommittee hearings Warden Hanberry began a briefing procedure during which he personally briefed every employee on contraband, inmate techniques for gaining favor with employees and the consequences of becoming involved with inmates. Each training session lasted approximately 30 minutes and included 15 employees at a time. Additionally, the warden includes this more expansive presentation in his orientation presentation for new employees.

OTHER CHANGES

Warden Hanberry also provided the subcommittee staff with a brief summary of other changes designed to improve facility management and morale. These changes include the installation of 20 coinless, nodial telephones in the cell blocks for inmate use in making collect calls not to exceed 10 minutes; and a reduction in inmate population from approximately 2,000 at the time of our hearings to 1,300 inmates on November 30, 1979.

Subsequent to the interview of Warden Hanberry, staff took an extended tour of the penitentiary and noted for itself the implementation of the physical changes which he described. Certain of staff's observations are noted under appropriate headings earlier in this report.

After the comprehensive tour of the facility, subcommittee staff conducted a series of recorded interviews with certain inmates who were first interviewed last fall prior to the Atlanta hearings. In general, the interviews confirmed the accuracy of Warden Hanberry's characterization of the "tightening down" of the institution.

INMATE INTERVIEWS

The first such inmate interviewed was, in previous meetings, hostile toward the warden and the management of the institution and critical of the loose manner in which the institution was run. In the April 18 interview, the inmate complained of different problems. His concern is now over the fact that inmates no longer have the freedom to move about as they did in the past. He said: "I am supposed to work an 8-hour day and I have to be at the job 8 hours." He went on to state that while, in the past, if he got his work done in an hour he could go take a nap or go out for exercise or walk around the yard, he can no longer do that. He said that, in his opinion, there is less contraband in the institution. However, he stated that the metal detectors are not adequate since a knife could be concealed in a radio. He made these statements without being aware of the fact that X-ray machines were about to be installed in the institution to rectify the problem. The inmate expressed concern over the unit management system because he feels that the unit managers are performing custodial functions rather than being counselors and advocates of inmate welfare. He also resented the employment of plastic as opposed to metal service ware in the cafeteria. He feels that this is demeaning. The inmate, who told the subcommittee staff that he was "high" on marihuana during our interview, stated that, while scarcity is causing marihuana to be more expensive, it is still available at a higher price.

Another inmate interviewed had been complimentary of Warden Hanberry during his earlier meeting with staff. During the recent interview, the inmate stated that the situation has "improved 100 percent." He attributes this to the controlled movement of inmates and to the deterrent effect on the shakedown activities. He was generally in favor of the unit management concept because it develops closer ties between inmates and employees.

The third inmate with whom staff spoke, who was also interviewed prior to the Atlanta hearings, expressed his support for the changes which have been made and feels that they have definitely improved inmate security and conditions in the penitentiary. Additionally, he said the unit management concept is a sound idea because of the close contact it provides between inmates and employees. While he admitted controlled movement significantly reduced inmate mobility, he found it somewhat of a disadvantage because of the direct consequence of requiring any activity to take the 50-minute interval between permitted movements. For example, if an individual wants to take a 15-minute walk, he has to take a 50-minute walk because he cannot make a transition from one area of the institution to another other than at a designated time. Additionally, he was not particularly pleased with the fact that the warden has significantly reduced the maximum permissible personal property which may be maintained in a cell. He concluded by stating that the shakedown group is causing significant inmate dissension. But he unequivocaly favors it because he feels it is for the inmates' own good.

(Mr. LEVIN assumed the chair.)

Mr. THURMOND [reading]:

EMPLOYEE INTERVIEWS

In addition to interviewing the three inmates, the subcommittee staff interviewed three penitentiary staff members, two in person and one by telephone. The first staff member, interviewed in the institution on April 19, is a correctional officer who has been employed with the institution for 5 years. He has been on the shakedown squad for the past 3 months. He was enthusiastic over the shakedown group and feels that it has improved staff morale significantly. He explained that his entire 40-hour week is spent on shakedown operations. However, he feels additional manpower needs to be allocated to the shakedown crew. He favored increasing the complement from four to six. For 9 days, two of the four were removed because of manpower shortages in other areas, making it difficult for the unit to operate effectively, he said.

The employee also expressed some concern over the unit management system since, in his perception, it has resulted in "too many bosses" in a particular cell block. He feels that the presence of the unit managers is an indirect encroachment on the role of the custodial officer who used to be preeminent in the cell block. He cited a few minor examples of this encroachment.

While he acknowledged the legitimate need to rotate personnel on the shakedown unit, he would personally prefer to remain in that detail; he did not see any real advantage to the rotation program if the right individuals for the shakedown crew were initially selected.

The second Atlanta employee interviewed by subcommittee staff on Thursday April 19, had been, in the past, one of the most ardent critics of fiscal mismanagement in the facility. He was helpful to the subcommittee's investigative efforts prior to its Atlanta hearings in the fall. In this interview, he candidly stated that the financial mismanagement and sloppy record keeping in the CMS area has ceased. He directly attributed this to the subcommittee's investigation. He further stated that inmate movement has been significantly curtailed to the benefit of the entire institution.

The third employee interviewed also was helpful to the subcommittee in its preparation for the Atlanta hearings. In the most recent discussions with him, he candidly stated that the warden has made significant and dramatic changes in the institution resulting in greater inmate security and more employee control. He pointed with some pride to the fact that plastic utensils are currently being employed in the cafeteria. This is something he had recommended to the subcommittee last summer as a change easily implemented which could have a dramatic impact on security.

CONCLUSIONS

To complete its oversight update, the subcommittee staff requested that the onsite GAO auditors update their review of the violent incident reports for the period October 1978, through November 1979. This review produced the following results:

Mr. President, I ask unanimous consent that this table be printed in the RECORD.

There being no objection, the table was ordered to be printed in the RECORD, as follows:

OCTOBER 1978 TO NOVEMBER 1979.—VIOLENT INCIDENT REPORT

Month and year	Killings	Assaults	Fights	Total 1, 2, 3	Threatening	Weapons	Drugs
October 1978	0	4	8	12	4	3	13
November 1978	0	1	7	8	4	3	10
December 1978	0	7	11	18	2	0	33
January 1979	0	3	7	10	1	4	45
February 1979	0	1	7	8	1	2	18
March 1979	0	1	5	6	0	4	22
April 1979	1	0	0	1	6	1	04
May 1979	1	1	2	4	1	0	12
June 1979	0	0	1	1	0	1	8
July 1979	0	3	1	4	1	2	5
August 1979	0	3	3	6	3	6	17
September 1979	0	2	0	2	1	1	9
October 1979	0	3	4	7	2	1	2
November 1979	1	4	2	7	2	1	4
Total	3	33	58	94	28	29	220

(Mr. PRYOR assumed the chair.)

Mr. THURMOND. Mr. President, I think this further illustrates the manner in which the Justice Department is handling one of its institutons, the Atlanta penitentiary. In 1 year, I repeat, they had 3 people killed, they had 33 assaults, they had 58 fights, for a total of 94 incidents. They had 28 threats, 29 weapons, and 220 engaged in drugs.

This does not speak too well for the Justice Department which operates this institution and now wants to take over and supervise, investigate, and bring suits against the States for alleged violations in State institutions.

Now, from August 1975 to September 1978 the violent incident report is very interesting, too, and, as given here as exhibit No. 47 in the report by Senator NUNN and Senator PERCY, and I ask unanimous consent that that table be printed in the RECORD.

There being no objection, the exhibit was ordered to be printed in the RECORD, as follows:

EXHIBIT NO. 47.—AUGUST 1975 TO SEPTEMBER 1978 VIOLENT INCIDENT REPORT

Month and year	Killings	Assaults	Fights	Total 1, 2, 3	Threatening	Weapons	Drugs
August 1975	1	0	0	1	1	2	6
September	0	1	2	3	2	5	8
October	0	3	6	9	4	2	14
November	1	1	5	7	3	4	8
December	0	5	6	11	0	1	16
Total	2	10	19	31	10	14	52
January 1976	0	2	9	11	4	1	10
February	0	0	2	2	1	2	24
March	0	4	16	20	5	3	6
April	0	1	7	8	2	6	10
May	1	2	5	8	4	6	12
June	1	3	9	13	3	2	6
July	0	0	6	6	2	3	22
August (missing from files)							
September	0	9	12	21	9	5	13
October	1	3	6	10	3	7	14
November	0	4	1	5	2	2	15
December	0	2	5	7	1	9	16
Total	3	30	78	111	36	46	148
January 1977	2	5	14	21	3	4	11
February	0	1	0	1	1	2	15
March	0	6	14	20	5	5	18
April	0	1	7	8	4	6	13
May	0	1	6	7	5	1	25
June	0	5	13	18	2	7	20
July	0	3	10	13	0	3	22
August	2	2	5	9	3	2	24
September	0	4	10	14	5	9	24
October	0	1	3	4	4	3	16
November	0	3	7	10	5	3	24
December	2	3	9	14	2	3	18
Total	6	35	98	139	39	48	230
January 1978	0	2	6	8	4	5	21
February	1	1	6	8	4	5	17
March	1	3	12	16	1	2	27
April	0	5	5	10	3	4	23
May	0	0	8	8	2	0	5
June	0	5	8	13	1	6	5
July	0	4	7	11	0	4	10
August	0	4	7	11	3	4	17
September	1	2	11	14	0	6	9
Total	3	26	70	99	18	38	134

These statistics, which are for a 14-month period, suggest a decrease in most categories. However, when considered in light of the major changes implemented by the prison administration, they are not encouraging. Throughout these hearings, the Atlanta prison industry has been cited by both employees and inmates as a major threat to security within the institution. Unfortunately, it may be true that an inmate bent on injuring or killing another will find the means to do so, no matter what. Nevertheless, the fact that so many of the homicides committed at the Atlanta Penitentiary have been accomplished with industry-made weapons cannot be ignored.

The Atlanta industrial operation is the largest in the Federal prison system. It has a staff of 101 and a capacity to employ 1,150 inmates. In fiscal year 1978, the industry operation employed a daily average of 926 inmates who earned $1,453,000.

Although the size of the industrial operation has contributed to Atlanta's security problems, there is no doubt that prison industry programs serve a beneficial purpose. Indeed, inmates at Atlanta have consistently extolled the virtues of the industry operations as a vehicle for them to generate needed income invaluable to their families. Many inmates, such as Joe Louis Denson, have worked double shifts to maximize their income-producing capacity. Furthermore, for those inmates who are sincere about their efforts to rehabilitate, learning a trade and becoming familiar with a work environment can be useful for adjusting to the outside.

In a recent letter to Senator Nunn, one inmate currently in Atlanta raised the following question:

Have you considered the consequences of cutting off the major source of income for the inmates by closing the prison industries? You would create a horrible situation. Traffic in drugs and contraband would increase as inmates dealt in these even more as a source of income.

They would be robbing each other's lockers which would bring about more killings. If an inmate did have money to buy commissary he would have to have two or three bodyguards to keep from getting robbed as he went from the commissary to his cell.

The Atlanta Penitentiary is a huge institution; its population exceeds by three times the recommended maximum for correctional institutions. It has been the setting for many violent inmate murders and hundreds of dangerous incidents, primarily because the ancient physical plant is extremely difficult to manage and make safe. Closure of this prison is essential to the development of a respectable Federal Prison System.

It is the opinion of staff that the Attorney General should develop a plan to close the Atlanta Penitentiary as soon as feasible but not later than 1984. The Bureau of Prisons and the House Judiciary Committee stated its opinion in the Department of Justice Authorization Act report:

Mr. President, that is an effort to blame the violence and other things on the plant. I do not know that you can do that. Management is the key to running institutions and management of the right kind, in my judgment, could prevent a number of these violations. But if the Justice Department cannot manage this institution any better than it has, again I ask the question: How can it take over the supervision or investigation of all State institutions of the kind referred to in this bill and assume that responsibility. Continuing:

James A. Meko, the Executive Assistant to the Director of the Bureau of Prisons outlined the specific deficiencies of the Atlanta facility in a May 30, 1979 letter to the subcommittee. His main criticisms focused on the monolithic size of the institution. He cited numerous authorities, including the American Correctional Association (ACA), that recommend limiting prison populations to 400 to 600 inmates. The Atlanta facility also fails to meet other modern standards. The square footage of the cells tends to be far below the minimum set by the ACA. The use of steel and multitiered cage construction results in sensory deprivation for both the inmates and staff. Furthermore, the Bureau of Prisons estimates that it would cost up to $44 million to renovate the Atlanta Penitentiary so that it is in compliance with minimum standards.

The Atlanta Penitentiary was built in an era in which a prison was designed merely to isolate inmates physically and psychologically from the community. Since that time, great strides have been made in the correctional process. The Atlanta Penitentiary stands as a massive reminder of an earlier age but is no longer adequate as a modern correctional institution. Staff recognizes that a decision to close the Atlanta facility and its prison industry will be most difficult. However, as these other inquiries have shown, the investigation and hearings conducted by this subcommittee demonstrate that the penitentiary is too big, too old, and too dangerous. It serves to stimulate criminal activity rather than diminish it; it is unsafe for both prison employees and inmates alike.

The consequences of this conclusion cannot be taken lightly. It affects hundreds of prison employees who have diligently and courageously worked in the Atlanta Penitentiary despite the antiquated conditions. In devising a closure plan, the Attorney General should consider the effect upon the prison's employees and their families. The plan should assure that the closing is accomplished so as not to present undue burdens to these persons.

Closure will also have a profound effect upon the community at large. Staff suggests that alternative uses for the Atlanta prison property should be explored so that a smooth transition might occur when one of the Nation's biggest and oldest prisons closes its doors for the last time.

Mr. President, in the back of this report is appendix A, which I will read to show the situation:

The U.S. Penitentiary at Atlanta is located on 162 acres in the southeast quadrant of the city of Atlanta. What is now C and D cellhouses and the kitchen building were opened in 1902, although construction continued until 1921. There are 22 buildings on 28 acres inside the wall. The wall itself has 11 manned towers. Staff residences, the power house, warehouses, and the Atlanta Staff Training Center and Community Treatment Center are on reservation land, adjacent to, but outside the wall of the institution. The reservation is today bounded by residential areas to the north, east and south; a General Motors assembly plant is to the west.

The maximum security penitentiary houses adult, long term repeat offenders primarily from the southeast. The current physical capacity is 1,500; the operating capacity is 2,200. During calendar year 1977, the averge monthly population was 2,194. In September 1977, the population reached 2,300. However, it has steadily decreased to a present total of approximately 1,300.

The inmates are housed in five cellhouses, six dormitories, and a drug abuse program unit. A and B cellhouses are the largest and are physically identical. However, the first and second tiers of B cellhouse are the admissions and orientation unit. In each cellhouse are 100 cells divided into 5 tiers of 20 cells. Nineteen are used for housing, one for showers. Although the cells are designed for four inmates, with the population increase each cell now houses six to eight men. Each of these cellhouses has a physical capacity of 380, although operating capacity is now between 570 and 760.

C and D cellhouses each have 180 single cells on 5 tiers. There are 36 cells and 1 shower to a tier. E cellhouse is located in a separate building behind the hospital and adjacent to the west wall. The 4-tier E cellhouse has an operating capacity of 225. The first tier houses two inmates per cell with an operating capacity of 90; the remaining cells are single occupancy with 45 per tier.

Two of the six dormitories are located in the basement underneath A and B cellhouses. They have a physical capacity of 102 and 134, respectively. Dorm 1 is located in the basement of E cellhouse and has a physical capacity of 70. Dorm 2 is on the third floor of the classification and parole building with a physical capacity of 65. Dorms 3 and 4 are above the laundry and have a physical capacity of 70 and 60, respectively.

E cellhouse and the six dorms are used as preferred housing for inmates who maintain good conduct. There are no housing units outside the wall. The total institution operating capacity is 2,200 excluding the segregation building and the hospital.

The drug abuse program unit, in the basement of the hospital building, has a physical capacity of 50 inmates.

The segregation building has a capacity of 118 inmates housed on two floors. The first floor is used for disciplinary segregation cases and those in administrative detention awaiting Institutional Disciplinary Committee hearings. There are 13 cells with 4 beds each and 3 single occupancy strong cells for a total of 55. The second floor confines long-term administrative detention cases. There are 17 cells with 3 beds each and a 12-bed dormitory for a total of 63. The dormitory is used for young holdovers awaiting bus transportation to their designated institution. All cells have stainless steel security sinks and toilets, and each floor has a shower room. A small kitchen equipped with microwave ovens is also located on each floor. Attached to the building is the recreation yard which is 54½ feet by 35½ feet surrounded by an 11-foot wall topped by a 5-foot fence. The yard has a basketball hoop, a handball court and a punching bag. In addition, a universal gym machine is located on the second floor, but only inmates on that floor can use it. During 1977 an average of 88 inmates were confined in the segregation building.

* * * * *

The Federal Prison Industries complex is the largest in the Bureau of Prisons with over 16 acres of floor space. With a staff of 104, Federal Prison Industries can employ 1,150 inmates. In 1977 an average of 900–950 were continuously employed and earned over $1 million in salaries. (Report of the Investigative Team Into Matters of the Security of the Offender, Atlanta Penitentiary, April, 1978.)

Mr. President, Senator Nunn wrote a letter, shown as appendix B, to the Honorable Elmer B. Staats, Comptroller General of the United States, General Accounting Office, Washington, D.C., on October 2, 1978. That letter reads as follows:

Dear Mr. Staats: The Permanent Subcommittee on Investigations has been conducting an inquiry into allegations of corruption at the U.S. Penitentiary at Atlanta. Hearings were held on September 29 and October 2, 1978, on the subject. In preparation for the hearings three members of your staff were detailed to the subcommittee to conduct a limited review of certain expenditures of the

Mechanical Services Department of the Penitentiary. The three General Accounting Office staff members are: Bob Taylor, Fred Mayo and Paul Rhodes.

While their audit did not uncover evidence of corruption in maintenance and construction activities, it did uncover management practices which could allow such corruption to happen. Records were poorly kept and there was a failure to adhere to Bureau of Prisons policy statements with regard to expenditures of funds for appropriated purposes. Your staff members also found that the Bureau of Prisons Southeast Regional Office was authorizing these expenditures. In interviews with regional office and penitentiary officials, the staff was told these practices are common throughout the Bureau of Prisons system, in part because the Bureau's policies are incomplete.

Because of the volatility of the situation in the penitentiary and because of the management practices your auditors found seem to apply throughout the Bureau of Prisons and not uniquely to Atlanta, I decided not to make their detailed findings public at this time.

I am deeply concerned about what was learned at Atlanta and the subcommittee will continue investigating similar problems elsewhere for future hearings. At the same time, I wish to see the Bureau start taking immediate corrective action. For these reasons, I request that the General Accounting Office expand the work begun in Atlanta to a detailed audit of a cross section of Bureau of Prisons institutions, including those in Atlanta, Ashland, Englewood, McNeil Island, and New York, and the appropriate regional offices and headquarter departments.

The audit should examine in detail how well the Bureau is managing its procurement, financial, property, services, and personnel management functions. In doing so, the auditors should determine (1) Bureau of Prisons compliance with Federal laws and regulations; (2) the appropriateness of Bureau of Prisons policies; and (3) needed corrective action. Because of our concern about the lack of management and training provided Bureau of Prisons managers and staff, including correctional officers, I request that this area be thoroughly examined as part of your review of personnel management.

I realize that my request will require a significant expenditure of your resources. However, I understand that Mr. Taylor is also responsible for examining Federal assistance provided State correctional agencies and I feel that the experience gained in this audit of the Bureau of Prisons can be made available to State correctional agencies to help them develop proper management, accounting and auditing procedures.

The subcommittee staff will work closely with Bob Taylor to work out the details for reporting the results of the audit and providing further assistance to the subcommittee. Mr. Taylor has assured me that he will design the audit in such a way that the Bureau of Prisons will be able to take corrective action as each phase of the audit is completed rather than having to wait until formal reports are ready for issuance.

It is my hope that Messrs. Mayo and Rhodes will have the time and can be assigned to the review. Based upon the precision and speed with which they completed their initial survey and the quality of their work product, I personally would feel comfortable knowing that Messrs. Taylor, Mayo and Rhodes were working on this project.

I suggest that this project can be broken down in phases, so that incremental parts of it can be reported as they are completed, in a timely manner. I suggest that the GAO consider issuing a series of staff studies and that at the end of the review, a report, including the information contained in staff studies, be issued with findings, conclusions and recommendations. My suggestion is based upon my desire to have the elements of your review disseminated as quickly as possible.

Again, I wish to thank you for the outstanding assistance provided the subcommittee by your staff.

Sincerely,

Sam Nunn,
Vice Chairman.

Mr. President, I think this letter by Senator Nunn to Mr. Elmer Staats, the Comptroller General of the United States, is a key to the lack of ability of the Federal Government, through the Department of Justice, to take on any additional duties which this bill would contemplate. This bill contemplates investigating the penal institutions, the mental institutions, and other categories mentioned in this bill. At the same time, the Department of Justice is called on the carpet, so to speak, by this report that indicates deficiencies in their own institutions.

Senator Nunn says in his report to Mr. Staats that this subcommittee—

> did uncover management practices which could allow such corruption to happen. Records were poorly kept and there was a failure to adhere to Bureau of Prisons policy statements with regard to expenditure of funds for appropriated purposes.

He goes on to say:

> Your staff members also found that the Bureau of Prisons Southeast Regional Office was authorizing these expenditures. In interviews with regional office and penitentiary officials, the staff was told these practices are common throughout the Bureau of Prisons system, in part because the Bureau's policies are incomplete.

Mr. President, if all of these deficiencies exist in the Bureau of Prisons and in the Atlanta Penitentiary and in the operation of them by the Department of Justice, does the Department of Justice not have enough to do to make corrections in the responsibilities which it now has rather than trying to take on responsibilities for all of the institutions in the States of the Nation which could be affected by this bill?

I just want to say that this report is a most important report. This report was made by Senator Sam Nunn and Senator Percy. It was a staff study of the U.S. penitentiary in Atlanta in response to information from many sources. The permanent Subcommittee on Investigations conducted a year-long investigation into this matter. The inquiry found, and I hope Senators are listening now.

This report by Senator Nunn and Senator Percy found that the Atlanta Penitentiary, a Federal institution under the Department of Justice, has become the setting—and these are their words, Senator Nunn's and Senator Percy's words, "has become the setting of violent inmate murders"—murders, I repeat; a Federal institution in which murders are occurring—"extensive narcotics"—not just some narcotics, but extensive narcotics. That means narcotics that are being distributed extensively, on a broad basis, to the inmates of the penitentiary.

Trafficking in narcotics, as well as the distribution. One witness testified there about the profits being several hundred dollars a week made from selling narcotics and other criminal activities.

If the Department of Justice cannot operate an institution more efficiently than this, their own institution, the Atlana Penitentiary, how can we expect them to do an efficient job in investigating and prosecuting—persecuting, I would call it, in State institutions?

Again, I say that, undoubtedly, there are some instances in the States of some mistreatment, but you find that everywhere.

But I do not believe we will find as bad a situation in any State institution I know of as we find, for instance, in this Federal institution, this Federal institution where I pointed out the large number of murders that were committed, the large number of assaults that were committed, the large number of fights that take place, the large number of threatening to people's lives that take place, the large number of weapons taken into this institution that pose a threat to people's lives, and the large number of people, hundreds and hundreds of people, on drugs in this institution.

If the Justice Department cannot control the situation in their own institution, how will they go down into the States and investigate and institute suits?

I say now if anyone has any complaint against any State institution, he can bring a suit. There are lawyers paid by the Government, eager, ready and willing, to bring those suits against the State, as the case may be.

Right now, there are remedies, and if any suit is brought on the part of any local government or because of a complaint of individuals, the Justice Department now can join in the suits as amicus curiae. Is that not sufficient?

Why, I repeat, why do we want to give the Justice Department the right to institute suits? If anyone wants to bring a suit and wants help from the Government, he can get it under the law now.

This bill will give the Justice Department the right to institute suits where no one has complained. Under this bill, if the Justice Department wanted to "find" for political purposes that some person of a particular minority, for example, is being mistreated or prosecuted, in order to win the votes of people of that particular minority group regardless of what group it is, they could bring suit and then the people of that group would feel that the Justice Department has the love of people at heart. They are coming down to look after their interests.

Mr. President, again I repeat that, in my judgment, the bureaucrats in Washington are truly not as interested in the welfare of people in the States and the inmates of State institutions as are the Governors of the State, as much as the attorney generals of the States, or as much as the State officials are.

I know in my State of South Carolina we have a Democratic Governor. I am sure he is interested in the inmates of all the institutions. We have a Democratic attorney general. I am sure he is interested in all the inmates of the institutions.

The majority of Governors in this Nation today are Democrats. The majority of attorneys general are Democrats. I am sure that regardless of party affiliation, they are interested in their people. They are interested in the welfare of the inmates in the various institutions of this country.

I think it is ridiculous to give this added power. Today, the people of the Nation are yelling and pleading with their Senators, they are with me and I believe they are with the other Senators of this Senate, to stop this Federal power, stop the long arm of the Federal Government from interfering and interjecting itself into the lives of the people.

The people are terribly dissatisfied with what is going on now. This bill will give the Federal Government more power and more power and more power, to go down and interject itself in the lives of the people and interfere with the rights of the States.

I cannot believe there is a Governor in this country, or an attorney general in this country, not interested in protecting the inmates, the people in their State. I am sure that if they are contacted and there are complaints, they will look after them. If they do not, as I said, we have lawyers, paid by the Federal Government, to bring suits, in which the Federal Government can come in as amicus curiae—a friend of the court—can come in and as a friend of the court, and participate in these suits, if there is merit in them.

Mr. President, as I said in the beginning, in my opinion, this is one of the most dangerous, one of the worst, bills I have seen introduced in the Senate in my 26 years in the Senate.

We talk about power. There is only so much power. It is a question of whether it is at the Federal level or whether left with the States and the people where the Constitution put it.

This bill now will have just the opposite effect from what people want. People want the Federal Government curbed. People want the Federal Government curbed in interfering with the rights of the States. They want the Federal Government curbed as interfering in the lives of the people.

This bill does just the opposite. This bill shifts more power—I repeat, more power—to the Federal Government than it has now.

Is that what the people of Arkansas want? Is that what the people of South Carolina want? Do they want to shift more power to the Federal Government, or do they want to curb the power of the Federal Government?

My people in South Carolina think the Federal Government has too much power. They think they are interjecting themselves into too many things now that are causing trouble and irritation. Why have that? Why bring about more irritation?

I can visualize the Justice Department bringing suits in South Carolina and Arkansas and New York and Illinois, and everywhere, against State officials—that, in itself, creates irritation—within the States. It causes people to get mad at the Federal Government when it is unnecessary.

Why not let the State run its own institutions, as they are doing now. If anybody is dissatisfied, he can complain. If the State authorities do not correct it, lawyers are paid by the Federal Government to bring suits in which the Federal Government can join in the suit. But do not give the Federal Government the power to institute these actions, which in many cases, in my opinion, may be for pure political purposes.

Mark my word, if this bill passes, we will see lawsuits instituted against States and State officials for pure political purposes.

Mr. President, to give an example of the feeling of the Governors and the attorney generals of this Nation, I will read an excerpt from the testimony of the attorney general of the State of Nebraska, Paul L. Douglas. I will not read all of it, but a portion of his statement. This comments on S. 1393, which was a bill introduced in a previous session of Congress on the same subject:

> The real issues, pro and con, on the above bill do not involve the protection of the constitutional rights of persons in state institutions. I consider myself, and persons with whom I have come in contact in administration of the state institutions of the State of Nebraska, as much concerned with the protection of the constitutional and other legal rights of persons in our institutions as anyone, including the staff of the United States Department of Justice. The real issues involved, as I see them, are how may these constitutional and legal rights best be identified and protected commensurate with the constitutional rights of the public generally.
>
> On these questions, I would first point out that except for prison cases by inmates, no United States Supreme Court decision concerning or delineating any constitutional right to treatment has yet been decided. The only case thus far, touching only tangentially, is that of *O'Connor* v. *Donaldson*, 422 U.S. 563 (1975), which held that a nondangerous mentally ill person not receiving treatment must be released from custody if he has a satisfactory place to go.
>
> If the levels, techniques, gradations, goals, etc. of treatment have not even been determined, the question arises, how is the United States Justice Department to determine that constitutional rights of institutionalized persons are being violated. Of course, there are certain conditions, such as those cited by Senator Bayh in the Congressional Record when introducing this bill, upon which all reasonable men would agree are violative of a person's constitutional or legal rights. However, experience demonstrates that the United States Justice Department has not and will not be restricted to such flagrant abuses as there depicted.
>
> Once the United States Justice Department gets involved, on the grounds that minimal constitutional rights must be protected, their demands quickly turn to an all-out effort to secure a maximal ideal program of services, minutely prescribed by their experts, costing million in tax dollars to implement and resulting in lowered services to other citizen groups. (Witness New York State which has spent an additional 60 million dollars on mentally retarded programs over the past two years to implement the Willowbrook consent decree.)

Who is going to pay those millions? The States. Continuing:

> Another problem with the approach to S. 1393, besides the United States Justice Department selecting standards it feels are constitutionally required, is the selection of the states against which it wishes to litigate.

In other words, what the Attorney General is saying is that the Justice Department, in their discretion, can pick out any State it wishes and leave alone any State it wishes. Some big State with many millions of votes, they may decide to leave alone in an election year. A little State or some other State they feel they can afford to lose an election, they will pick on. This will make the whole Nation feel that they are trying to protect the civil rights of the people of the entire Nation. Continuing:

> Does it pick what it considers the worst first, or does it pick the best first, or somewhere in between? The State of Nebraska, which is one of the leading states in the United States in providing community programs for mentally retarded and is first in the nation in percentage of persons transferred from its one state mental retarded institution into community programs, was selected by the United States Justice Department as a target for intervention in an existing case, and in which it has led litigation ever since, the primary objective of the case being the transfer of more persons to community programs. There are no guidelines as to which states have to suffer the high costs of manpower and money in defending these onslaughts. So, presumably, it is to be done at the sole discretion of the United States Justice Department (apparently in Nebraska to set precedent to show other states they had better fall into line).
>
> In *United States* v. *Solomon*, 419 F. Supp. 358 (1976), one of the cases which held the Justice Department had no authority to bring such suits, and triggered, in part, this proposed legislation, the federal district court pointed out that the United States Congress has already taken a number of steps through the Department of HEW to improve state institutions, not only by providing funds, but also by delegation to a department with experts in the field. In this regard the court stated:
>
> "This Court simply cannot believe that Congress intended or expected that while an elaborate plan to improve the lot of the mentally retarded was being implemented by the one federal agency (the Department of Health, Education & Welfare) with expertise in the field of mental retardation, another government agency (the Department of Justice) with no expertise in the solution of the very difficult problems posed by mental retardation would simultaneously be making wholesale attacks on a state's mental retardation programs under the guise of protecting thirteenth and fourteenth amendment rights. Surely, if Congress had wanted two agencies to be involved in ameliorating the states' efforts to help the mentally retarded, it would have at least provided some legislative guidance as to procedures for preventing the conflict and contradictory goals that can and do occur when two federal agencies independently act on the same matter."
>
> In this vein, pending litigation with the Justice Department, of which I have personal knowledge, involves many conflicting and contradictory goals as between HEW and the U.S. Justice Department to the point that the states' compliance with standards of HEW in order to receive more federal funds is denounced by the Justice Department as a violation of what it deems to be the constitutional rights of the retarded. (One example: If the state expends matching funds to improve the living facilities at its one institution to meet the standards of HEW to qualify for large grants, the Justice Department claims these funds should be spent to better improve community facilities.)

> Of course, when the approach of litigation is to be used, the federal judge must become the expert in whatever type of institution may be involved. He must be guided by the experts selected to testify for the Justice Department (who in the past have frequently been the same people) as opposed to the experts the state may present, often very limited by lack of funds. The Justice Department comes sweeping in with a battery of experienced attorneys, investigators, and all types of discovery methods gleaned from specialization in this one type of case, frequently to be opposed by attorneys for the state who have never litigated these issues before. The result may be a heavily weighted presentation in favor of the U.S. Justice Department.
>
> A federal district judge, in attempting to determine what are constitutional and legal rights of residents, has no legal guidelines to go by. The same is true as to finding solutions. Assuming the case before him is one involving mental health, in drafting orders he does not have to be concerned with the state's problems of funding programs for the mentally retarded, convicted criminals, persons with disabilities of all kinds, education problems, dependent children, etc.
>
> An example of the tunnel vision which may result from litigation into one specific type of institution arose in litigation with the U.S. Justice Department involving the retarded in Nebraska.

Here the attorney general is telling us that there is a case involving his own State with the Justice Department.

(Mr. STEWART assumed the chair.)

Mr. THURMOND. Mr. President, I am now quoting from the testimony of the attorney general of Nebraska:

> The Justice Department objected vigorously, even claiming that court orders had been violated, because of the allocation request of the Governor in the distribution of Title XX funds among the various categories of needy and disabled persons eligible for said funds. This, despite the fact that the retarded received, and had received for years, a much larger percentage of said funds than the ratio of retarded persons to the other eligible categories.
>
> In this same regard, there are not only policy decisions which must be made as to the distribution of funds among persons entitled to categorical assistance, but very grave decisions must be made, as this Congress well knows, as to the entitlement to the national resources of all persons. For example, what is the level of housing or national health to which all citizens are entitled? Is everyone entitled to the ultimate in housing or medical care as a matter of constitutional right? Obviously, any one extreme in any one field such as mental health, mental retardation, etc., when carried to the highest standard, could exhaust all available state funds to the detriment of other goals and need groups.
>
> Litigation will not solve these questions even as to the one particular field involved in the case. Should the U.S. Justice Department obtain an order from the federal court which requires the state to provide treatment of the highest standard, which is what it will seek, how is it enforced? Suppose the Legislature of the state cannot or will not comply because of too many other demands upon the limited funds of the state.
>
> In the recent case of *Welsch* v. *Likins*, No. 76–1473 and No. 76–1797 (Mar. 1977), which involved the level of treatment to be provided in a state institution for the retarded in Minnesota (a case instituted by private individuals under the Civil Rights Act, 42 U.S.C. § 1983, and injunctive relief under 28 U.S.C. § 1343(3)), the United States Court of Appeals for the Eighth Circuit, while upholding the orders of the United States District Court requiring extensive changes in the staffing and other levels of treatment, recognized that the Minnesota Legislature was still the ultimate determiner of what was to be done. In this regard, the Court of Appeals stated:
>
> "In this case we are dealing with the right of a sovereign state to manage and control its own financial affairs.

This is important, Mr. President. It points out the powers of the States and of the Federal Government. He is trying to delineate here. He continues:

> "No right of a state is entitled to greater respect by the federal courts than the state's right to determine how revenues should be raised and how and for what purposes public funds should be expended."
>
> The court further recognized that if the State of Minnesota was going to operate institutions like the one involved, it must do so in a constitutional manner. The court then went on to recognize, however, that alternatives to such operation do exist, as follows:
>
> "An extreme alternative would, of course, be the closing of the hospitals and the abandonment by the State of any program of institutional care and treatment for mental retardees. A lesser alternative might be the reduction in the number of hospitals. Or the Legislature and the Governor might decide to reduce by one means or another the populations of the respective institutions to a point where the hospitals would be staffed adequately and adequate treatment could be given to individual residents."
>
> The case was then remanded to the district court to see what action the Governor and current (1977) Legislature, then in session, were going to take.
>
> From the foregoing, it is obvious that the problem is not one which can be or should be attempted to be solved by litigation. The problem is primarily a financial one. Under litigation, the ultimate sanction of the courts, as pointed out above, presuming nothing else works, is closing the institutions. This relieves the state legislatures from providing any facilities at all and is no solution for the patients or inmates involved.
>
> A much more meaningful and desirable solution can and should be worked out between the states and the federal government. The level of standards which can practically and uniformly be reached in all states commensurate with availability of trained staff, money, and the needs of other citizens should be worked out after a thorough study of the problem. Considering the mobility of the population, the availability of trained personnel, and the diversity of the states, perhaps each state should not have an institution of each and every type.
>
> In spite of achieving "landmark" decisions in their favor, the United States Justice Department has really achieved no significant benefits for the classes it represents. In *Willowbrook*, for example, costs have increased to $35,000.00 per client per year. Yet, all parties agree, no significant benefits have resulted for the client. Some clients are not responsive to current medical technologies and no amount of funds will help. The involvement of the United States Justice Department has focused on making a case for the inability of state government to insure rights and provide services. To do this, the U.S. Department of Justice frequently distorts reality (i.e., gathering only negative pictures of the institution and only positive pictures of community services and depicting this as objective comparisons).
>
> In Nebraska, the totality of human needs far outstrips the availability of funds to meet these legitimate human needs. In fact, if the total income of all working Nebraskans were taken via taxation and applied to the identified needs of Nebraska citizens, there would still be insufficient funds to meet all needs for housing, education, medical care, food, roads, etc. S. 1393—

And that is a similar bill introduced in the previous Congress.

> represents a mechanism for developing responsiveness to a special interest or need group, at the expense of other citizens. Since there is not enough money to adequately meet the needs of all people, court action to insure that the needs of specific groups of people are met, simply reduces the level of services to other need groups.
>
> Lastly, but of utmost importance, the area which has probably suffered more than any other because of the past litigation by the United States Justice Department is that of State-Federal relations.

Now, Mr. President, I think this is most important. It addresses how this bill is going to damage State-Federal relations. If the Federal Government has to bring suit against the State of Alabama and the officials of Alabama, it is not going to leave a very good taste with the citizens of Alabama, with them or with the officials of that State. The same thing applies to my State of South Carolina or to any other State. Continuing:

> Further litigation can do nothing but broaden this gap. Except for the Civil War, State-Federal relations are undoubtedly at one of the lowest levels since the Constitutional Convention. Had the framers of the Constitution remotely envisioned the breaches in the principles of federalism which have occurred, the arguments over the adoption of the Constitution would probably still be going on. Congress has repeatedly rejected this type of legislation in the past, except when based upon racial discrimination. Not only does the present bill go farther than ever before, it permits it to be done without even giving the States an opportunity to remedy an alleged situation after notice. The United States Justice Department says, "We'll give them a chance to remedy the situation first"—the bill doesn't require it and it frequently has not given time to the States in the past. Be that as it may, the last thing this nation needs is the Federal Government suing the States if it is to continue to survive. The United States Justice Department frequently treats us as the enemy already, without legislation.

Mr. President, that is the statement of the attorney general of Nebraska. They knew from firsthand experience how the Justice Department operates in these matters.

I want to repeat that the Governors of the States are against this bill. I ask any Senator here to ask his Governor how he stands.

I want to repeat that the attorneys general of this Nation are against this bill. If there is any question in Senators' minds, let them ask their own attorney general how he feels about it. They are against it because this bill gives the right to the Federal Government not only to come in on a suit, which it can do now if somebody else institutes it, but it gives them the right to institute the suit in the first instance.

Right now under present law they cannot do that. If somebody complains and brings a suit—and there are plenty of lawyers paid by the Federal Government to bring the suits—the Federal Government can intervene. They can come in and join amicus curiae. But they cannot in the beginning institute a suit. This bill gives them that right.

I can visualize a lot of irritation, a lot of turbulence, a lot of ill-feeling between the States and the Federal Government if this bill passes, because when suits are brought by the Federal Government against the State of South Carolina, my people are going to begin to hate the Federal Government. They feel now it is usurping too much power belonging to the States. They feel now it is usurping too much power belong to the citizens of the States.

When this bill passes, if it does pass, and suits are instituted, these citizens of my State will begin to wonder who is their friend. Is it the Federal Government, their Government, or is it like some enemy overseas? Why should the Federal Government sue my State or any other State here in matters of this kind? This matter here involves purely State institutions, mental institutions, penal institutions, and other State institutions, and I do not think the Federal Government ought to come in and institute suits against them to control the State institutions. They have no right under the Constitution to do that.

Now, I want to say this: There is a lot made here, as I have said before, over a few cases, a few isolated cases, where maybe someone was not treated right in some place. Well, maybe they were not, and there probably is merit in some of the few cases. But we are speaking of only a handful of cases. You have 225 million people in this country, and only a few people and a few States have complained, and if they want to bring a suit, they can bring a suit. They can find lawyers to bring them. The Federal Government provides legal defense lawyers.

They are eager and waiting to bring suits. However, I do not think the Federal Government ought to be allowed, in the very beginning, to institute suits in matters of this kind against the States.

I repeat, the Federal Government cannot even take care of its own institutions. I have stated in my speech here today how they have allowed violence to occur in the Federal penitentiary in Atlanta. They have allowed murders there, they have allowed narcotics to be distributed and sold in the Federal penitentiary in Atlanta, and they have allowed other criminal acts to occur in the Federal penitentiary in Atlanta.

I just read the report here by Senator NUNN, a Senator from that State, and Senator PERCY, a Senator from Illinois, to the effect that those things are going on.

If they cannot control their own institutions, how in the world can they try to control their institutions and go further and control all of the institutions covered by this bill in all of the States of the Nation? It just does not make sense.

I say, let the Federal Government look after its own affairs and let the States look after their affairs. That is what the people of this Nation want. They are sick and tired of Federal power. They are sick and tired of Federal control.

Right now, the Federal Government is controlling every school district in my State. It is controlling every hospital in my State. It is controlling everything it touches. And it is doing the same thing in Alabama, Nebraska, Virginia, and every other State of the Nation.

The people of this country are tired of it. They are sick of it. They have enough of it.

And this bill goes even further, I repeat, it goes even further and give more Federal power and takes it away from the States and the people as provided in the Constitution. I hope the Senate will see fit to kill this bill.

This bill is a worse bill than the Senate passed. Anyone who voted for this bill when it went to the Senate before has good reason not to support it now. Because, in the conference which was held between the House and the Senate, this bill was made a worse bill from the standpoint of the States and the people in the States. They have good reason not to go along with this bill now, and I hope they will not do it.

Mr. President, I ask unanimous consent that I may continue my address on this legislative day or some other legislative day.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Mr. President, reserving the right to object, and I do not want to object, but I wonder if the Senator has completed his very stirring address and perhaps some other Member of the Senate might care to follow and then he would have another chance, under the rules, to start again on another day.

Mr. THURMOND. Mr. President, there are others who would like to speak. I just did not want to monopolize the whole day. The Senator from Nebraska, whose State has been affected by suits by the Federal Government in matters similar to this, which caused the Governor of Nebraska and the attorney general of Nebraska to be so strong against this bill, and various other Senators want to speak. I just thought I would finish.

Mr. BAYH. Mr. President, I would have to respectfully object.

The PRESIDING OFFICER. The objection is heard.

Mr. BAYH. Mr. President, I would be glad to participate in a colloquy with my friend from South Carolina. He made some critical statements that I would like the RECORD to show, if he has time to do that now. If not, he is probably pretty weak in the vocal cords here, although you cannot tell it by listening.

Mr. THURMOND. I am not weak in the vocal cords a bit.

Mr. BAYH. Would the Senator from South Carolina care to indulge in a little dialog?

Mr. THURMOND. Mr. President, I am catching a plane right around 3 o'clock and I hardly have time enough to get to my office and get things ready to go.

But the able Senator from Nebraska (Mr. EXON) was going to speak now. I thought I would complete my speech later. If I have to do it on another legislative day, I would do that.

Mr. BAYH. Mr. President, I think that the only fair way to run a filibuster is to, if you are going to make two speeches, have it count as two instead of one.

Mr. THURMOND. Mr. President, it is all one speech. I am just going to give part of it at this time but the rest later.

But if the Senator objects, he has a right to object.

Mr. BAYH. Mr. President, I would be glad not to object if we could have unanimous consent that, at the end of a reasonable time after the second speech, we have a vote on this. Could the Senator accept that compromise or that effort to try to move the legislative process?

Mr. THURMOND. Mr. President, to be perfectly frank with the Senator, this bill is so objectionable, it is so obnoxious, it is so dangerous, it is so unreasonable, it is so impractical, that I expect to oppose it with all the power in my soul to the last minute.

Mr. BAYH. That is a lot of power.

While the Senator is riding along, I wish he would ponder a couple of questions here. He made the statement that every hospital in his State is under the control of the Federal Government. Can the Senator tell us how that is the case?

Mr. THURMOND. On the regulations of the Federal Government. They met last year. We had a meeting up here. They were about to issue other regulations that would determine whether they could even have a hospital. Fortunately, we were able to get the man here at Federal level not to promulgate the resolutions he had planned to.

Mr. BAYH. Then it is not really fair to say that every hospital is under the control of the Federal Government.

Mr. THURMOND. Well, to a certain extent. They have to meet certain requirements. And I think the hospitals in the State, the schools in the State, and all the institutions in the State ought to have to meet the requirement of the States, not the Federal Government. Let the agencies of the Federal Government, the institutions of the Federal Government, meet the requirements of the Federal Government. That is my position. Of course, we do not agree on that.

Mr. BAYH. I understand that.

One other quick question. I know the Senator wants to catch that plane. Could the Senator tell us how this bill is worse than when it left the Senate?

Mr. THURMOND. Mr. President, I am going to tell the Senator that in the rest of my speech. I have to catch this plane now. But I expect to point out some differences on that. Of course, even if it was not any worse, it would be terrible. But it is even worse.

Mr. EXON. Mr. President, a point of order.

The PRESIDING OFFICER. The Senator will state the point of order.

Mr. EXON. Mr. President, who at this time controls the floor?

The PRESIDING OFFICER. The Senator from South Carolina has the floor.

Mr. THURMOND. Mr. President, I ask unanimous consent to yield to the distinguished Senator from Nebraska.

The PRESIDING OFFICER. Is there objection?

Mr. BAYH. Mr. President, reserving the right to object, the Senator from South Carolina has, I thought, yielded the floor and was going to go to South Carolina or some place.

Mr. THURMOND. Well, I am. But I wanted to yield to the Senator from Nebraska to speak while I am gone.

Mr. BAYH. Mr. President, a parliamentary inquiry.

Mr. THURMOND. Let me put my question, then you can object, if you want to.

Mr. President, I ask unanimous consent to yield to the distinguished Senator from Nebraska, with the understanding that I will not lose my right to the floor and, upon resuming, it will not be considered a second speech and that his statement will come at such place in the RECORD as appropriate.

Mr. BAYH. Mr. President, reserving the right to object, the Senator from South Carolina is such a thoughtful and cooperative colleague, I hate to do this to him, but I am going to have to object, because what he is trying to do is to be able to have a filibuster conducted, even while he is gone, in his name. Now, the Senator has a lot of power, but I do not think we ought to let him do that.

With all respect, I want to hear the rest of his speech, but let us let that happen as a second speech under the rules when he gets back. And if the Senator from Nebraska wants to be heard, he can claim the floor in his own right and I would be glad to listen.

Mr. THURMOND. Mr. President, does the Senator object to my stopping at this point?

Mr. BAYH. I object.

Mr. THURMOND. Mr. President, the Senator from Nebraska can get the floor in his own right.

The PRESIDING OFFICER. Does the Senator from Nebraska seek the floor?

Mr. EXON. Mr. President, the Senator from Nebraska does wish recognition. I was hopeful that I could receive recognition under the unanimous-consent agreement as offered by my friend from South Carolina.

I make the inquiry of the Chair as to whether or not there was a ruling made on what was raised by the Senator from Indiana. Can the Senator from South Carolina yield to the Senator from Nebraska, as he requested, without losing his right to be able to address the Senate on this subject on only one other occasion?

The PRESIDING OFFICER. Not without unanimous consent.

Mr. BAYH. Parliamentary inquiry. I suppose the Senator could advise the Senator from Nebraska that the Senator from South Carolina could yield to the Senator from Nebraska for a question.

The PRESIDING OFFICER. The Senator is correct.

Mr. BAYH. But I do not think that that is what the Senator from South Carolina and the Senator from Nebraska have in mind.

Mr. EXON. Mr. President, one further parliamentary inquiry. Under the rules of the Senate, can the Senator from South Carolina yield for a question to the Senator from Nebraska and then would have the control of the floor, as a result thereof, flow to the Senator from Nebraska?

The PRESIDING OFFICER. The control of the floor would still reside with the Senator from South Carolina, but he could yield for a question.

Mr. THURMOND. I could yield for a question, but if the question is very long, I would not be able to stay here and answer it. [Laughter.]

Mr. EXON. Mr. President, for the clarification of my friend from Indiana and my friend from South Carolina, the yielding to the Senator from Nebraska would not necessarily be a short-time question. It might be a question that would go on and on.

It might be a question that would go on and on and on for a considerable period of time. Since I am relatively new in this body, I am merely seeking clarification of what the rules are and what game we are going to be playing on this particular matter. I have considerable that I would like to say, as do others in this body, with regard to objection to this conference report. I guess I await the decision of the Senator from South Carolina as to whether or not he wishes to yield to me at this time or whether he wishes to yield to me for the purpose of a question. I think there is a considerable distinction on that with regard to control of the floor, the action taking place here. Therefore, I do not wish to rush the decision on my friend from South Carolina.

I certainly recognize the rightful parliamentary action being taken by my friend from Indiana. My friend from Indiana and I do not find ourselves on the same side on this particular issue.

Mr. THURMOND. Mr. President, I want to say while I am on my feet that I will object to any meetings by the Judiciary Committee or any hearings by that committee while this matter is under consideration and until it is disposed of. I have already sent my request in, but I want to be sure the majority leader understood that.

Mr. ROBERT C. BYRD. The Committee on the Judiciary, yes.

The PRESIDING OFFICER. The question is on the conference report.

Mr. BAYH. I am prepared to vote, Mr. President.

Mr. EXON. Mr. President, I rise in objection to the conference report on H.R. 10. We debated this long and loud here in the Senate a few short weeks ago. I wish to express my grave concern for the fact that the conference report between the House and the Senate did not even make any legitimate effort, as I view it, to meet some of the objections that a substantial number of the Members of the Senate had with regard to this measure.

I might be talking about the long history on this particular type of legislation in the Senate, what went into its original formation, the difficulties this body has had in the past for good and logical reason, in my opinion, to keep this type of legislation from ever becoming law.

I would address for the present time, at least, the considerations and concerns that I have with the lack of consideration that the conference committee gave with regard to the serious objections, legitimate objections, that many of us who have had experience in carrying out the laws, the dictates, and wrestling with the bureaucracy of the Federal Government have had as top elected State officials in the States of this Union.

I think it goes without saying that there seems to permeate a belief in Washington, D.C., on the banks of the Potomac that all wisdom flows automatically from the District of Columbia wherein resides the Capital of the United States of America.

I have found with great concern over the years that while there is professed time and time again the consideration that we do not know what is right automatically because we happen to be elected President of the United States or elected to the House of Representatives or elected to the Senate, sometime, somehow, after we get here there seems to begin to permeate the thinking of otherwise well-intentioned people that, after all, those people back there in the States really do not know what is going on, and the seat of power on anything and everything properly resides here in the Nation's Capital where we have all of the wisdom to do all of the things that are proper for all of the people of the United States of America.

Time and time again, Mr. President, that super wisdom, that super knowledge, that super power has been proven wrong. It has been proven as an invasion of the constitutional rights of the States. It has been proven that once again big Government continues to centralize its authority out of the Nation's Capital.

With all of the concerns that we have today in the international situation, with the concerns that we have with the domestic situation in the United States today, as far as our economy is concerned, there still remains one overriding fact. That fact is that with more and more centralization of government, with more and more dictates of power from Washington, D.C., with more and more building of the Federal bureaucracy, with more and more beefing up of the ever-increasing numbers of lawyers in the Justice Department to do their thing at the expense of the legitimate rights of the States, more and more we are certainly going to see, Mr. President, that that kind of activity from Washington, D.C., is going to cause further disillusionment over the years as far as the people of these United States are concerned.

During these times we are struggling to balance the Federal budget. Great debates that have taken place in this body and in the House of Representatives. Those conflicting opinions are going to continue when we take up the first concurrent budget resolution hopefully sometime next week if we can be successful in bottling up this unfortunate bill and sending it back where it belongs, wherever that is. If we can ever get that done, we might be able to take up the budget, which is of major concern, I believe, to most Americans as we face our ever increasing domestic problems.

Mr. BAYH. Will the Senator yield?

Mr. EXON. I will yield to the Senator from Indiana provided I am not yielding my right to the floor and provided when I resume it is not counted as a second speech on the current matter. I ask unanimous consent that, with those understandings, I be allowed to yield to my friend from Indiana for whatever question or statement he may wish to make.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. I appreciate the courtesy and the care with which the Senator from Nebraska yielded. I think he knows me well enough that I am not going to pull a quickie on him.

I was just suggesting to my friend from South Carolina that if we are all agreed that this is going to be extended debate, everyone should comply with the general rules and not try to fudge on them.

I would point out to my friend from Nebraska that I share his concern over the budget and I am ready to have it considered in 30 minutes. That will give the Senator from Nebraska 10 minutes to finish his statement, time for us to have a quorum, maybe the Senator from Indiana to have 5 minutes, vote on this measure, and then turn immediately to the budget. If we are really concerned about the budget, let us get to it right now.

Mr. EXON. Does the Senator wish to talk further?

Mr. BAYH. No, I can phrase that as a question, but I am afraid that it is not.

Mr. EXON. I would be happy if the Senator would.

Mr. BAYH. I think if the Senator from Nebraska is concerned about the budget, would it not make more sense to start on that right now?

Mr. EXON. I respond in this way, Mr. President: I appreciate very much the question being phrased by my friend from Indiana. For his information, suddenly, as of yesterday, at considerable surprise to myself and other Members who, the Senator from Indiana knows, oppose very vehemently this conference report, it was called up. It was my suggestion that, rather than bring up this conference report, we proceed with consideration of the budget and get to this conference report at some date after that more important matter came forward. For reasons that I am not sure of, it was decided that this matter should come ahead of the budget matter. I suspect, although I am not casting any aspersions on any strategy that anyone had in mind, and certainly not my good friend from Indiana, it may well be that the decision was made, Mr. President, that this is one of those matters that we can slip through the Senate very quickly because we are coming up against that budget matter.

As important as I think the budget resolution is, I am not ready for the quickie vote that the Senator from Indiana indicated he would be willing to agree to.

Mr. BAYH. Will the Senator permit me to make one comment?

Mr. EXON. I am glad to yield back to the Senator from Indiana so long as the previous statements I made continue to prevail at this time.

Mr. BAYH. I appreciate the point of the Senator from Nebraska.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BAYH. I am sure the Senator from Nebraska does not want to leave the impression that he was not fully aware of what was going on. At least a day prior to our bringing this down, he and others were approached to see if we could get a unanimous-consent agreement. Inasmuch as the budget was not ready to come on the floor—it has not been acted on in the House—it was the decision of the majority leader to bring this up. It is a conference report and has been through both Houses.

Let me phrase a unanimous-consent request to show my sincerity.

Mr. President, I ask unanimous consent that this matter be put aside and that it be voted on no later than 5 o'clock 3 weeks from today.

Mr. EXON. I object to that request.

The PRESIDING OFFICER. The objection is heard.

Mr. EXON. Obviously, what my friend from Indiana is trying to do, and certainly that is his right, as a parliamentary maneuver, is attempting to get a unanimous-consent time agreement so those of us who oppose this measure would agree not to carry on a long-term delay in consideration of this bill. Therefore, I object, despite the fact that I am sure he is offering that in all sincerity.

Mr. BAYH. Oh, the Senator from Indiana is being very devious in his request. He wants to show that the purpose of bringing this up now is not to intervene or delay the budget, that we are willing to accept this at a time when there has been adequate time to debate it. Three weeks from now gives plenty of time to point out the shortcomings of this report.

I also point out that my friend, much as I love him, is involved in using his rights, as are other of our colleagues, to just plain talk this conference report to death. The Senator from Indiana has a commitment to try to keep him from doing that. We shall have to see. I am committed to doing that and it is going to be an interesting opportunity to debate this issue.

Mr. EXON. I object to the unanimous-consent request as suggested by the Senator from Indiana. In order to show good faith, if we really do want to get at the budget, then I would offer a unanimous-consent motion that we simply put off the consideration of H.R. 10 until some time after the budget matter is disposed of.

Mr. BAYH. I object, unless the Senator is willing to put a time certain. Certainly, 3 weeks is enough time to put this off. In fact, if he wants to put it off 4 weeks and say 4 weeks from today, that by 4 o'clock 4 weeks from today, we would have a vote up or down on passage, then the Senator from Indiana would be willing to accept that or urge his colleagues to accept it.

Mr. EXON. I would not agree to set any time certain; for several reasons, I personally would object to that. I suspect that many of those who are alined with me in this effort will do everything we can to stop what we consider an unconscionable bill from becoming the law of this land. Therefore, I suggest that the suggestion for unanimous-consent agreements by my friend from Indiana and my substitute offer will not prevail.

Mr. BAYH. I think the Senator is correct. I appreciate his courtesy. It is always a pleasure to have a chance to participate in a little friendly disagreement with him, although I hate to do that because I have such great respect for him. I know his particular experience in the State of Nebraska, and have sympathy with him, having confronted that experience. That is why we spent hours and hours and wrote in numerous amendments to the original bill, in an effort to try to improve it to reach the problem so the Federal Government could not come in the dark of the night, invade a State and send in an FBI agent without even informing the Governor. I think the Senator from Nebraska has a legitimate complaint, but the fact is that if we defeat this bill, that is not going to prohibit the Federal Government from doing in other States what they did in the State of Nebraska, because they are doing that under the constitutional structure. We are writing in this bill prohibitions to keep them from doing that.

That is why it escapes the Senator from Indiana why the Senator from Nebraska feels offended. I know he is genuine. I think he has been wounded. But we are trying to perform major surgery here and see that no one else will be similarly wounded. I know he views this differently, but I hope he is fully aware of my sympathy and that we have gone a long way to keep this kind of thing from happening.

Mr. EXON. I thank my friend from Indiana. In all sincerity, I join with him and wish to say I agree that we have been old and good friends and we have general understanding and we seem to agree on most issues but not on this one. Specifically, I say to him that if the major surgery that has been supposedly performed in this bill is to satisfy the objections of the Senator from Nebraska, then it has been surgery without anesthetic, and I do not like it.

I say to the Senator from Indiana that, while I am sure that the way he views this, he has given in on some of the points that we raised, to continue what I began to say sometime ago, I am very much concerned that the conference report ignores—I emphasize "ignores"—the only amendment that was passed by the Senate on S. 10 as it originally came to this body.

I am sure the Chair will remember that when S. 10 was passed on a relatively close vote in the U.S. Senate, the only amendment that those of us who objected to the bill were able to get through the Senate—and I think that by only one or two votes after reconsideration—was a rather simple amendment by the Senator from Nebraska that said that before the Justice Department could launch into these lawsuits against the States and the institutions therein and the elected officials in those States, they at least had to check with the Department of Health, Education, and

Welfare to see whether or not the Department of Health, Education, and Welfare was, at that time, instituting actions under some of the laws that they have control over with regard to the channeling of Federal funds into some of those institutions.

We thought that was a rather reasonable amendment and, frankly, I was quite surprised when the managers of the bill did not agree to that by voice vote. They forced this body to a rollcall vote on that particular issue. Yet, after that one amendment prevailed, we trotted over to the House of Representatives, sold out lock, stock, and barrel, and did not even agree to the adoption of that particular amendment. I feel that that shows less than a full understanding of those of us who have had firsthand experience with the nearly uncontrolled bureaucracy of the Justice Department, located right here, in Washington, D.C.

I would certainly take issue with the thrust of the report. All that one has to do is to read the conference report and one would certainly understand, Mr. President, that it is more than anything else a citing of horrors, if you will, the abuse of some individuals in some of the institutions in some of the States.

Following up on what my distinguished colleague from South Carolina said, I think it would be foolhardy for anyone to assume that in all cases, everywhere, that every individual, regardless of his station in life or where he was a resident of an institution, has always been treated properly and fairly, in some consequences, even with regard to constitutional rights. But, therefore, that does not give us justification to step in with an all-encompassing bill.

I cannot agree with my friend from Indiana when my friend from Indiana indicates that this measure gives us the protection on some things that were brought home to us with this overbearing influence and attitude of the U.S. Justice Department in a particular case, involving right on point what this particular legislation is addressed to.

Mr. DANFORTH. Will the Senator from Nebraska yield for a question?

Mr. EXON. I am happy to yield for a question to my friend from Missouri.

Mr. DANFORTH. Mr. President, I would like to call the attention of the Senator from Nebraska to page 12 of the conference report and ask him if he believes that a particular paragraph which I will read is a matter of concern and whether or not it establishes the worst kind of precedent for the Congress of the United States to take in our view of the Justice Department.

The paragraph states as follows, and this is from page 12 of the conference report:

> Congress recognizes that before initiating litigation with respect to a particular institution, the Attorney General must, of course, thoroughly investigate such institution. It is anticipated that the States and relevant officials will cooperate in the investigative process. If there is a failure to do so, the Attorney General may consider this factor in taking any actions under this Act.

Restating this paragraph, a very short paragraph, only six lines long, that before commencing litigation the Attorney General will conduct an investigation and that it is anticipated that States will be cooperative with the Attorney General, with the Justice Department, in the investigative process. But if they are not cooperative, then, in not being cooperative, the Attorney General would consider this factor in deciding what further actions to take.

I wonder if this does not strike the Senator from Nebraska as being a very heavyhanded technique and a very, very poor precedent for the Congress to take in saying, in effect, to the several States and, really, the American people, that the Department of Justice is an investigative agency and that it is in our interests to cooperate with these investigations, and, if we are not in a cooperative mood and a cooperative spirit, then the Justice Department would bear that in mind in determining just how it wants to deal with us.

Mr. EXON. I thank my friend from Missouri for posing a question that I think is a case in point.

What we have done and the way this is raised in the conference report and in the bill is to really say to the Governors and attorneys general, and the other elected and appointed officials of the States, that unless they shape up, unless they cooperate with an investigation that big brother from Washington, D.C., thinks we should undertake, that we, therefore, will take that into consideration with regard to the future legal action we have taken.

The Senator from Missouri is a former, very distinguished head of the legal department of the State of Missouri, an elected official before he came to serve in this body, and he knows and understands very well the legal points and implications that have been raised.

Exactly, I say to the Senator from Missouri, exactly on point, and despite the legitimate understandings—legitimate understandings, I say, Mr. President—that my friend from Indiana and the other prime movers on this legislation, despite the fact that they think they have corrected this, I suggest that past practices and attitudes of the U.S. Department of Justice, and what I suspect will be ever-increasing encroachment of the bureaucracy in the Justice Department, would lead one to believe that the intentions of the act will not be followed, certainly the intentions of the act as explained by the Senator from Indiana.

I remind my colleague, Mr. President, that we will be citing during the hours and days of talks that will be made in this body, gross injustices, inconsistencies, and actions by the bureaucracy in the Justice Department.

Mr. DANFORTH. Will the Senator yield again for a question?

Mr. EXON. I am happy to yield to the Senator from Missouri.

Mr. DANFORTH. Mr. President, does it strike the Senator from Nebraska as being ironic—ironic in the extreme—that in a bill which is designed to further the civil liberties of citizens of the United States, that language such as that in the conference report which I read earlier is included in a conference report on such a bill? That is, what we are dealing with in this bill concerns the rights and the liberties of the citizens of the United States.

Now, whether or not the bill is an effective tool for accomplishing that objective is debatable and, indeed, the Senator from Nebraska and the Senator from Missouri would both take the position that this bill is not an appropriate vehicle for accomplishing that.

But, nevertheless, the objective of the bill is to purportedly further the cause of individual rights and individual liberties, but at the same time this very expanded version of the Justice Department is inserted in the conference report.

I was wondering if the nature of that irony struck the Senator from Nebraska, as it does the Senator from Missouri, that the Justice Department here would be viewed as an agency that it is really in the best interests of the American people to be cooperative with, and if we are not cooperative then we just better watch out for what happens next?

Mr. EXON. Mr. President, I think the point that has been made is another excellent one.

Frankly, to answer the question of the Senator from Missouri, I had not picked up that particular point. Once again, I believe it emphasizes the concerns that many of us have—that the Justice Department of the United States is delighted at the free hand, so to speak, they are going to receive if this bill becomes law.

Earlier, in response to a question, the Senator from Indiana indicated that he felt that because of the major surgery that has been done on this bill, the Justice Department would not be creeping into the States in the dead of night to pull some shenanigans on elected officials. I do not agree with the thrust of his comments, although I emphasize once again that I am sure they are well intentioned.

Basically, what this bill will allow if it becomes law is for the Justice Department simply to initiate on their own, almost any time they wish, an investigation of any person in any institution in any of the States of the United States of America—of their own volition.

What we are doing with the whole thrust of this bill is to make the Justice Department a czar, if you will, over all the institutions. In my opinion, it goes far beyond the matter of civil rights. It also goes far beyond—in remarks I will make later—the legitimate rights of the Justice Department to become involved in civil rights action.

As the Senator from Missouri knows full well, and as others of us know who have had firsthand experience and knowledge with this matter, in addition to the major concern I have of the Justice Department being given almost czar power over the institutions that are run by the States, at the expense of the States, we are having an argument here, although it never has been brought out, about what kind of care—not just the quality of care—and treatment will be received, a philosophy of treatment, with regard to some of the individuals who are residents of State institutions.

Therefore, I ask my friend from Missouri, with the dialog that has been going on here and with his experience as an attorney general of Missouri, is he not concerned about the overpowering power and basic thrust this bill would give to the Justice Department in Washington, D.C.?

I would appreciate a response, if I could yield to the Senator from Missouri.

Mr. BAYH. Mr. President, I suggest the absence of a quorum, and I ask unanimous consent that it not be in any way interruptive of the rights of the Senator from Nebraska.

The PRESIDING OFFICER. Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. EXON. Mr. President, I ask unanimous consent that I may yield to the Senator from Missouri, without having my remarks today be counted and be confronted with a situation of only being able to speak on one more occasion under the rule.

Mr. DANFORTH. Mr. President, reserving the right to object——

The PRESIDING OFFICER (Mr. SARBANES). The Senator from Missouri reserves the right to object.

Mr. DANFORTH. I wonder whether the Senator from Nebraska would be willing to expand that unanimous-consent request to the effect that any remarks made by him or by me today not count in computing the maximum number of remarks that can be made in a single legislative day.

Mr. EXON. I will be happy to expand my request as outlined by the Senator from Missouri.

Mr. DANFORTH. So it is my understanding that the request would encompass not only the remarks of the Senator from Nebraska but also the remarks of the Senator from Missouri.

Mr. EXON. That is correct.

Mr. BAYH. Mr. President, reserving the right to right to object—and I shall not object—just from the standpoint of clarification, out of a spirit of friendship to both my colleagues, we want to permit as much leeway as we can to resolve this matter in an amicable way.

As I understand the unanimous-consent request, it would apply only to today's speech, and when it is concluded tomorrow, that will be the conclusion of one speech, and the second speech will be a new and second speech under the rules.

Is that the way the Senator from Nebraska looks at it?

Mr. EXON. If I understand the Senator from Indiana, I think we understand each other.

Basically, the unanimous-consent request I have proposed says that the remarks by the Senator from Nebraska and the remarks by the Senator from Missouri will not be counted as the two times we can talk on this subject. In other words, when we come in tomorrow or succeeding days, whatever agreements are entered into at that time will prevail. But the fact would be that the comments I have made and the comments he has made today will not be counted as our first address on this subject.

Mr. BAYH. Mr. President, further reserving the right to object—and I shall not object—I asked the question because I would not want anyone to misinterpret this, as to what the Senator said today, as not counting for anything. I want the proper interpretation to be placed on it.

Mr. EXON. I certainly want what is said today counted. I do not want it counted against me when I come back to the floor at least two more times.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request?

Mr. DANFORTH. Mr. President, further reserving the right to object, I am not sure that I understand exactly what is involved here. As I understand it, the nature of the unanimous-consent request is that the remarks of the Senator from Nebraska and the remarks of the Senator from Missouri not be counted for the purpose of computing the maximum number of speeches on the same subject.

Mr. EXON. The Senator is correct.

The PRESIDING OFFICER. Is there objection to the unanimous-consent request? The Chair hears none, and it is so ordered.

Mr. DANFORTH addressed the Chair.

The PRESIDING OFFICER. The Senator from Missouri is recognized.

Mr. DANFORTH. Mr. President, at the outset, I should like to raise a matter which I think is indicative of the whole drift of this bill and which is a little different from the main thrust of the bill itself. It is a matter which deserves attention in its own right from the Members of Congress.

During the colloquy with Senator EXON, I read this six-line paragraph from the conference report. I should like to read it again, because it seems to me that it deserves very close attention.

On page 12, the conference report, middle of the page, the following paragraph appears:

> Congress recognizes that before initiating litigation with respect to a particular institution, the Attorney General must, of course, thoroughly investigate such institution. It is anticipated that the States and relevant officials will cooperate in the investigative process. If there is a failure to do so, the Attorney General may consider this factor in taking any actions under this Act.

Mr. President, consider the meaning of this paragraph. First, it states that the basic relationship between the Justice Department and the several States under House bill 10 is an investigative relationship. That is to say that it is the thrust of this bill that the Attorney General and the staff of the Justice Department assume an investigative posture with respect to State and local governments.

And, as a matter of fact, in similar cases already undertaken by the Department of Justice it has in fact been an investigative role that has been assumed. The Federal officials going into State institutions to investigate those institutions have not been consultants by any stretch of the imagination. They have not been professional people by any stretch of the imagination. The people who have gone into State hospitals and State schools for the retarded have had no professional expertise in the treatment of the mentally ill nor in the treatment of the mentally retarded.

They have not been physicians. They have not been nurses. They have no medical training. They have no psychiatric training. They do not carry the title "doctor" before their names. They have no necessary professional skills. They possess no expertise in the area of health or in the area of care for institutionalized persons.

They are investigators, and they are investigating, Mr. President, for one purpose: in preparation for litigation. Hence the words in the cited paragraph "Congress recognizes that before initiating litigation." The end product in this bill is litigation. The end product in this bill is a lawsuit.

So the people who go into State institutions do so in preparation for litigation. Who are these people, Mr. President? Who are these representatives of the Federal Government if they are not physicians or nurses or people with advanced degrees? Who are they if they have no expertise in health care and care for the mentally retarded, care for the mentally ill? They are FBI agents. That is who they are. They are FBI agents. They are dispatched, sent to State institutions by the Justice Department from the Federal Bureau of Investigation.

In my State of Missouri, this is precisely the experience that we had. I can remember the occasion very well. The Justice Department was commencing an investigation into the Missouri State schools for the mentally retarded, and during the early days of that investigation, the special agent in charge of the FBI in our capital city of Jefferson City, Mo., came to visit my office. I, at the time, was the attorney general of our State. The special agent in charge of the Federal Bureau of Investigation in Missouri was at the time and I believe still is a man named Tom Weaver, a very excellent person. He came into the office and he talked to the chief of our litigation division. Note: The FBI talking to the chief of our litigation division about our State schools for the retarded. And he said that he had been instructed by the Civil Rights Division of the Department of Justice to conduct an investigation into our State schools.

And he further stated that that investigation would entail a number of weeks and that a large number of FBI agents would have to be dispatched into our State institutions for a number of weeks to conduct that investigation.

So essentially it is an adversary relationship between the Federal Government and the State government, a relationship which involves litigation as its end product, not improving the plight of the retarded or the mentally ill, or prisoners in penal institutions but instead litigation and involving the dispatching of FBI agents.

Mr. President, I have a very high regard for the Federal Bureau of Investigation. Its present Director, William Webster, is a citizen of my State and he is a person I have known for a great many years. I believe I am the only Member of the Senate to have ever tried a lawsuit in front of Judge Webster when he was on the Federal bench. He is an outstanding lawyer. He has the respect and the admiration of the people of his State.

His immediate predecessor was also a Missourian and still is. He has moved back to his city of Kansas City. Clarence Kelley before he was appointed Director of the FBI was the police chief of Kansas City, Mo.

So I have a very high regard for the FBI and for its image and for the kind of highly professional organization it is. But, Mr. President, that admiration is not universally shared by all the people of the United States. There are those who view the Federal Bureau of Investigation as being a very threatening organization. There are those who, when they hear the very name "FBI," shudder. For most of its history, the FBI was run by a man named J. Edgar Hoover. Some say that his name should be removed from the FBI building. They say that he abused his power. Now is not the time to go into that. But the fact of the matter is that the FBI is a formidable organization. It is an organization which in the minds of many inspires not trust but fear. When they hear of the FBI, they are fearful, and when they are told that they are under investigation by the FBI, they are especially fearful. And what we are involved in in these institutionalized persons' lawsuits are FBI investigations.

Can you imagine, Mr. President, the thought going through the minds of well intentioned highly professional employees of State institutions for the mentally retarded when an FBI agent shows up at the door and flashes his identification and states that he is agent so and so of the Federal Bureau of Investigation and that the institution is going to be investigated? Can you imagine what that does to the morale, what that does to the spirit of State institutions? The people who are employed by State institutions have nothing to do with the practice of law. They are not used to enforcement officers and law enforcement techniques. They are hardly criminal types.

(Mr. BOREN assumed the chair.)

Mr. DANFORTH. The people in charge of the institutions usually are medical doctors, sometimes people with Ph. D. degrees. The people who work in the institutions may be doctors, nurses, psychiatric personnel, vocational therapists, physical therapists. These are the people who work in the institutions.

They are there one day trying to do their job, usually at precious little pay, and who shows up? The Federal Bureau of Investigation. Detectives, gumshoes, armed with cameras and clipboards, with their sole purpose in mind, following instructions of the Justice Department, to help prepare a case for litigation. That is the nature of this relationship, investigation and litigation.

So the Attorney General, it says in the conference report, must, of course—which is the language of the conference report, must, of course—thoroughly investigate such institution.

Mr. President, I can tell the Senate on the basis of my own experience as the attorney general of the State of Missouri that those investigations are, in fact, thorough, extraordinarily thorough. They go on week after week after week after week. They involve countless investigating personnel.

I can remember very well talking to the superintendent of the State school for the mentally retarded in Marshall, Mo., one Adrienne McKenna, a very outstanding public servant, truly dedicated, doing a magnificent job. She told me when the FBI came through their institution they literally opened every single door; FBI agents—Justice Department agents at this point, not FBI, but people with the Civil Division of the Justice Department, in their preliminary investigation before the FBI was to come in, the Justice Department personnel literally opened every door, including, according to Mrs. McKenna, the fact that the Justice Department lawyers went into the basement of the State school and hospital in Marshall, Mo., and opened closet doors in the hospital.

Justice Department personnel, when they went through our State schools, were told, "You can look around, fine. But one thing we would rather have you not do is look into the personal medical file of individual patients. Those are private matters. A person's medical file is a private matter. Don't look into those."

The Justice Department personnel nodded their heads, fine. Yet when the employees of the State Division of Mental Health had their backs turned, and they turned back again, they noticed the Justice Department lawyers literally grabbing patients' charts off the walls and rustling through them.

Yes, investigations will be thorough under this bill; they will be very thorough.

One story of what happened in our State, before the FBI ever got into the act Justice Department lawyers were going through one of our State schools, and they were unattended for a brief moment, and I guess that is a mistake—you always have to watch these people—they were unattended for a brief moment, and then one of them was caught rummaging through the desk of one of the employees of the State of Missouri.

That is what is entailed, I guess, Mr. President, under the rubric of a thorough investigation, to look through closets, to look through patients' medical records, to rummage through other people's desks when those people are not around.

Thorough investigations in preparation for litigation, that is what this bill is all about.

Then the paragraph goes on, Mr. President, and says:

> It is anticipated that States and relevant officials will cooperate in the investigative process.

To repeat, it is anticipated that the States and relevant officials will cooperate in the investigative process.

Mr. President, is that how we view the investigative process in the U.S. Senate?

Is that how the Congress of the United States feels about those who are being investigated—it is anticipated they will be cooperative, we say? It is anticipated that the State schools and hospitals will be cooperative, that State officials will cooperate with the Federal investigators? It is anticipated that those who are under investigation will go along with it, will roll over and play dead, will do what they are told—"You will be cooperative, Mrs. McKenna; you will be cooperative, Dr. Hensley; it is anticipated that you will be cooperative with the FBI." Is that what the Senate thinks of the Justice Department? Is that what the Senate thinks of FBI investigators? Is that what the Senate thinks of State and local employees? Is that the Senate thinks of the American people? Is this the new standard, Mr. President—we expect the people to be cooperative with their investigators? We expect them to go along? You can almost hear the strong German accent behind such a statement.

The paragraph continues:

> If there is a failure to do so the Attorney General may consider this factor in taking any actions under this act.

Cooperate, cooperate, "and if you do not we will take that into consideration."

Mr. President, during the early part of the last decade, the early 1970's, this great country underwent one of the most wrenching experiences of its existence—wrenching. I regret to say this took place under the Presidency of my own party.

It was a Republican who was President of the United States; his former campaign manager who was the Attorney General of our country. It was a Republican administration, a Republican FBI, a Republican CIA; Republican investigative agencies. It was not even a decade ago.

Think of the attention that was focused by the American people on that great catastrophe of Watergate. A lot of the attention, of course, was directed at the person of the President himself. But much of the attention was directed at more than the President. It was directed at our institutions. It was directed at the CIA. It was directed at the FBI.

Some people believe that, in trying to correct the problem of the misuse of investigative power, we overdid it; that we put too many parameters on our Central Intelligence Agency. Some people believe—and I am one of them—that the United States does not now maintain the kind of intelligence capability we need to protect the vital interests of our country.

Be that as it may, it seems like only yesterday that we were concerned about abuses of the Justice Department. It seems like only yesterday when we were concerned about what Government could do to the American people, not in the name of some sinister motive, necessarily. But that is what happens when power is absolute and when power is unchecked. Investigative agencies can be misused. The American people can be threatened by them.

Mr. President, in this country, before we even adopted our Constitution, we, as a people, recognized that Government could not be absolute. We recognized that we would not grant to any governmental agency absolute power. Power corrupts and power corrupts absolutely. And so we would try to restrain the use of power.

Then, not even a decade ago, we became concerned about a very particular type of abuse of power, the abuse of investigative power, the abuse of power by Federal investigative agencies, by the FBI and by the CIA. Those were the concerns that grabbed the attention of the people of our country.

And now a committee report coming out of the Judiciary Committee of the Senate and the Judiciary Committee of the House of Representatives has language like this. Two committees, consisting almost entirely of attorneys; two committees of the Congress of the United States charged with the special duty to look at our legal system, to look at our constitutional system; two committees with that kind of special responsibility. And they produced in their committee report this language:

> Congress recognizes that before initiating legislation with respect to a particular institution, the Attorney General must, of course, thoroughly investigate such institution. It is anticipated that the States and relevant officials will cooperate in the investigative process. If there is a failure to do so, the Attorney General may consider this factor in taking any actions under this Act.

Mr. President, I think that there are very serious issues involved in this conference report, very far-reaching issues, but I believe that one of the crucial points is embodied so clearly in this single paragraph of the conference report.

I believe that this language is unworthy of the U.S. Senate. I believe that this language is unworthy of the Congress of our country. I believe that this language is flatly contrary to what we believe in in America, to our whole standard of justice, the notion of the investigative relationship between the Federal Government and the rest of the country, the notion of FBI agents being dispatched in the State institutions and the notion that persons in those institutions are expected to cooperate.

(Mr. MUSKIE assumed the chair.)

Mr. DANFORTH. Mr. President, I can imagine circumstances in which the cooperative spirit of State and local personnel would be sorely tested.

Let me give the Senate an example or two of what I mean. When the Justice Department arrived in the State of Missouri—and I will go into this in greater detail—and the first meeting was held between the Justice Department lawyers and our State personnel, that meeting occurred at our State school for the retarded in Nevada, Mo.

Here is the first question asked of our State officials by the Federal investigators:

> How many people have died in this institution because of inadequate medical care?

That was for openers.

Mr. President, assuming people are of normal sensitivity and normal pride in what they are doing with their lives, what kind of a question is that to ask, when people come in from Washington, employees of the Justice Department, lawyers, litigators, and ask the question:

> How many people have died in this institution because of inadequate care?

Imagine the same question being asked of other people not State employees. Assume that the Senate takes a dim view of State government, assume that the Senate takes the view that people in State government are some lesser kind of life. I do not share that view. It certainly is implicit in this particular bill. I do not share it. But just assume that point of view.

Apply the same question to somebody else, some other kind of professional. Imagine, Mr. President, going to, say, Georgetown Hospital in Washington and finding some doctors in that hospital and going up to those doctors and saying: Well, how many people have died when you have treated them because they have had inadequate care from you?" Is that the kind of question keyed to bringing out a cooperative spirit from the doctors?

All of us in the Senate have been on the public stump. Sometimes, when we are tired after a long day of work, we are in a public forum of some kind and somebody will ask us a question that will go right to the nerve. We are professionals. We are used to being tested by questions—sometimes tough questions. But even we, professionals in being tested in such manner, sometimes react to the strain in less than the spirit of cooperation and understanding. Sometimes we snap back. Sometimes we show a little temper.

Here are people who are not used to being questioned in this manner. Here are people who have not been in the political forum.

They are not politicians. They are not lawyers. They are not used to verbal combat. They are professional people, sensitive people, physicians, nurses. They are people who have committed their lives to helping people who are the most unfortunate members of our society.

Suddenly, litigators approach them and litigators say to them, "How many people have died under your care because of inadequate care by you?"

Mr. President, it is certainly understandable, is it not, that given such a question under such circumstances posed by litigators of the Justice Department, State officials would be somewhat less than cooperative in their response? They might be unnerved. They might be very, very testy. That is human nature, is it not?

Now let us push the question one step further. Let us suppose that it is not just a single opening question by a small group of Justice Department lawyers. Let us suppose that the FBI has been assigned to this institution. Let us suppose that for weeks a large team of FBI agents has moved through the institution, has opened the doors of every closet, every room. Let us suppose that FBI agents have been seen rummaging through people's desks. Let us suppose that they have wrested medical charts from racks, from the walls where they are hanging, and have rummaged through their medical charts when they were asked, "Please do not get into the personal affairs of a patient."

Let us suppose, Mr. President, that this has gone on not just for an hour, for a day, or for a week, but that it has gone on for week after week after week, that people who are trying to do a good job working for the State or working for local governments caring for the least fortunate members of our society have been faced with this kind of situation.

It is not an easy matter to be employed by a State psychiatric hospital or a State school for the mentally retarded. It is a very challenging job indeed. It is a job which tests one's patience. It is a job which is extremely demanding under the best of circumstances.

And suppose that on top of the usual trials, demands, of this kind of public service job, for week after week after week after week squads of FBI agents are roving through the State institutions, trying to talk to patients, asking insulting questions. Suppose that after weeks, maybe months, of this kind of slow water torture some of the employees of these State institutions begin to get their backs up and begin to say, "No, we are not going to cooperate any longer." Then what would happen? Is this not the normal kind of human reaction, Mr. President? It was in the State of Missouri. I can tell the Senate that. After a few weeks of this, before the FBI got totally into the act, before their squads were even dispatched, I, as the attorney general of our State, said, "Enough is enough. The FBI will not be permitted in our State institutions. The Justice Department will not be permitted to come in. File a lawsuit, if you want. We will at least have the protection of discovery from the courts, normal protection from harassing discovery techniques. But, no, we are not going to let you in, just invite you in, to harass our people any more."

So I was not cooperative. The attorney general of the State of Missouri was not cooperative, given the kind of baiting that we had experienced from the Department of Justice.

According to this conference report, such lack of cooperation, testiness, if you will, will be considered. "The Attorney General may consider this factor in taking any actions under this act."

Mr. President, is this America? Is this really what our country is all about? Is this really what the American system of justice is? The investigator will investigate. The investigator will expect cooperation and if he does not cooperate the Attorney General, in deciding what action he will take, will take this lack of cooperation into account.

Mr. President, under the fifth amendment to the Constitution of the United States we treat people suspected of crimes better than we treat employees of State governments under this bill. We accord people who are accused of crimes, suspected of crimes, rights against self-incrimination.

We say, in fact, that a prosecutor may not comment in court on the refusal of a defendant in a criminal case to testify against himself, to take the stand. He may not comment on it. Elaborate rules have been devised in order to protect people who have been accused of crimes or suspected of crimes. The Supreme Court has spoken many times. Every police officer in this country carries a little plastic card in his pocket stating what warnings he has to give people who are arrested, that they have a right not to talk, that they do not have to cooperate at all. They do not have to do anything to cooperate with investigative authorities. And the decision when to act and when not to act, when to punish and when not to punish, is not under our system of criminal justice made in accordance with whether or not there will be cooperation with the investigation.

And yet, Mr. President, in the conference report, the Congress of the United States says that, "If there is a failure to cooperate, the Attorney General may consider this factor in taking any actions under this act."

Mr. President, there are many things wrong with this bill. This bill is wrong in concept. This bill is a terrible step for the Congress to take. I felt this way long before I saw this particular paragraph in this conference report.

But by golly, what a terrible step it is for the Congress of the United States to adopt a conference report with this kind of language in it. What a terrible, terrible precedent it is for the cause of justice in this country and for our whole view of the relationship between the Department of Justice and investigative agencies and the rest of America.

I daresay that if the language in this paragraph were read to the American people, they would rise up against the Congress, as well they should. We have fought too many battles in too many parts of the world against this kind of thing. We have been so careful, so solicitous in protecting our people from this kind of thing. Watergate—the misuse of governmental power, the misuse of Justice Department power, the misuse of FBI power—turned the stomachs of the American people, and for good reason. This is turning the clock back. This is a direct assault on everything we believe, and we are asked to adopt this, and we shall be able to vote on this, yea or nay, in a vote in the U.S. Senate.

So let us consider that. Let the Members of the Senate consider this language. I hope that, sometime before we vote on this conference report, each Member of the U.S. Senate will turn to page 12 of the conference report, will look to the third full paragraph on that page, and will read it and ponder it long and hard, and will ask himself or herself, "Is this what it really means to have a system of law? Is this what the Justice Department is really all about?"

Is it up to the American people and their local governments to cooperate? "It is in your interest to cooperate. If you do not cooperate, it will be held against you."

Mr. President, I have mentioned the situation in our State of Missouri, and I should like to indulge the Senate, if I may, in describing our situation at some length, because I believe it is such a classic case of the abuse of Federal power. I think that exactly the kind of thing that we experienced in our State, back in 1975, is going to be repeated over and over again under this bill. Therefore, because I really believe that the Senate should have the advantage of knowing how something like House bill 10 will work in practice, an airing of this particular situation is worthwhile.

Mr. President, the story begins with a letter I wrote as attorney general of the State of Missouri on January 30, 1975, to the Honorable William B. Saxbe, Attorney General of the United States, Department of Justice, Washington, D.C.

DEAR MR. SAXBE: This letter is to protest the tactics which have been used by the Department of Justice in its investigation of our state schools for the mentally retarded. These tactics, which will be described herein, have included deception, circumvention of this office, lack of candor, ludicrous demands for detailed information, and threatened dispatch of teams of FBI agents into our state schools for the mentally retarded. What follows is a chronological description of the activities of your personnel, together with my comments on those activities.

In the week of October 15, 1974, a Mr. Michael Thrasher, who turns out to be Chief Counsel for the Office of Special Litigation of the Civil Rights Division of the Department of Justice telephoned Dr. C. Duane Hensley, Ph.D., at Dr. Hensley's office in Jefferson City. Dr. Hensley is Division Director of Mental Retardation and Developmental Disabilities of our Missouri Department of Mental Health. Mr. Thrasher told Dr. Hensley that he, Mr. Thrasher, was with the Justice Department, but did not indicate that his job there was special litigation. Mr. Thrasher told Dr. Hensley that he was frequently in this part of the country, that he had planned a trip to Kansas City and Jefferson City for October 29, 1974, and that as long as he was in the area, he would like to stop by Dr. Hensley's office for a chat.

Thereafter, on October 29, 1974, Mr. Thrasher called on Dr. Hensley in Jefferson City. Mr. Thrasher was accompanied by a Mrs. Susan Lentz. They met with Dr. Hensley for about three hours that day in an atmosphere which was disarmingly informal. At no time did Mr. Thrasher or Mrs. Lentz volunteer that they were active in special litigation. At no time did they indicate that our state schools for the mentally retarded were under investigation by the Department of Justice. At no time did they communicate with my office or suggest that Dr. Hensley seek the counsel of my office. On the contrary, Dr. Hensley now states that the demeanor of Mr. Thrasher was so informal that Dr. Hensley felt as though he were being interviewed for a job.

On the next day, Mr. Thrasher and Mrs. Lentz returned to Dr. Hensley's office. At this time, Dr. Hensley became suspicious, and asked them exactly what they were doing in Jefferson City. Then, for the first time, they disclosed that they were visiting several states with a view to possible litigation concerning whether patients in state schools for the mentally retarded are receiving constitutionally adequate treatment.

At this point, let me say that in my experience it is the universal practice of attorneys to communicate with parties or potential parties to litigation only through attorneys, if the attorneys are known. It is common knowledge that a state's attorney general is the attorney for the state, and usually for its agencies. Regrettably, this universal courtesy was not accorded my office by the Department of Justice. It would have been so easy for Mr. Thrasher to call me or one of my assistants to inform me that he wanted to question Dr. Hensley about possible litigation. Mr. Thrasher did not do so. Instead he used the tactic of stealth to slip quietly into Jefferson City. And being here, he declined to put his cards on the table, and tell Dr. Hensley the purpose of his visit.

Dr. Hensley next heard from the Justice Department in a November 5, 1974, phone call from Mrs. Lentz followed by a letter of the same date. A copy of the letter is attached for your information. It announces a schedule of a four day tour of the state by Mrs. Lentz and two other employees of the Department of Justice, to begin two weeks after the date of the letter, and it sets forth two single spaced pages of statistical information and records which it asks Dr. Hensley to have available on November 21.

Once again, no effort was made by the Department of Justice to communicate with this office, nor did Mrs. Lentz give me the courtesy of a copy of her letter to Dr. Hensley. The apparent view of Mrs. Lentz was that the Department of Mental Health should blindly cooperate with her preparation for litigation, conduct tours for her, prepare statistical reports so she could gather her evidence, and not advise its own counsel of what was going on.

Fortunately, Dr. Harold Robb, Director of the Department of Mental Health did advise this office of the visit by Mrs. Lentz and her two colleagues, and my assistant, Paul Allred, was able to be at the state school at Nevada, Missouri, as the inspection tour commenced.

Beginning November 20, 1974, Mr. Allred and personnel from the Department of Mental Health conducted Mrs. Lentz and her colleagues on an exhaustive tour of our state schools for the mentally retarded at Nevada, Marshall and Higginsville. The tour of Nevada lasted about seven hours, of Higginsville about five hours, and of Marshall about seven and a half hours. Throughout this tour, the investigative team took what appeared to be elaborate notes on their observations.

Prior to commencing the tour at Nevada, Assistant Attorney General Allred told Mrs. Lentz and her colleagues that he would be happy to have them tour our schools for the mentally retarded, but that he expected openness and candor from the Department of Justice in return. Unfortunately, such candor was never forthcoming. On the night of November 21, after the visit to Marshall, Mr. Allred asked the Department of Justice team to relate to him their findings and conclusions to date. They flatly refused to discuss their findings and conclusions with him, except that one member of the team said that conditions at our state schools were better then he had been led to expect. Based on the lack of openness on the part of the Department of Justice team, Mr. Allred advised them that he would not accompany them on a tour of the state school at St. Louis, and that they did not have permission to visit that facility.

In addition, at that time, Mr. Allred stated to Mrs. Lentz that the time had come for the Department of Justice to explain to me exactly what the basis was for its investigation and what its findings and conclusions were to date. He stated that the Department of Justice could not reasonably expect to receive even more cooperation from state officials without first extending to me the common courtesy of an explanation of why the Office of Special Litigation was conducting an investigation in Missouri. Mrs. Lentz inquired about my schedule for the following Monday, and assured Mr. Allred that such an explanation would be forthcoming from the Department of Justice immediately. It never was.

Throughout the two day period Mr. Allred spent with Mrs. Lentz and her investigative team, he repeatedly stated that Missouri would welcome any suggestions the Department of Justice might have for further upgrading our program for the mentally retarded, and that we would prefer to make any improvements without the need for expensive and time consuming litigation. At no time has the Department of Justice offered any constructive suggestions to us. Indeed, since the beginning of Mrs. Lentz's tour of our state schools, the impression given to us has been that of people who have made up their minds that their only interest has been to go to court.

(Mr. DECONCINI assumed the chair.)

Mr. DANFORTH. Mr. President, parenthetically and before resuming this letter, let me make a couple of points.

The first is that it was absolutely clear to our State officials in Missouri that the purpose of the Justice Department investigation was exactly the purpose set out in House bill 10. That is, to prepare for a trial in court, to prepare a case for litigation, that the purpose was not to be cooperative, not to be helpful, not to be outgoing in the sharing of information with State officials, but instead, that the entire thrust of the Justice Department's activities was to go to court, to go to trial, to have a case in litigation.

They were investigatives. They were litigators, lawyers used to the combat of being in the courtroom, not professionals in health care, not professionals in taking care of those who were mentally retarded. Not at all. Investigators. Justice Department personnel.

That is the first parenthetical point I would like to make at this point.

The second is this. It will be noted in this letter that having been pushed by the Department of Justice, the reaction of State officials in Missouri was to be noncooperative.

That was my reaction. That is the natural reaction of another lawyer presented with a possibility of litigation, not to be outgoing, not to offer things, but instead to try to resist the open-ended type of investigation taking place without any protection for the State at all.

So we were not cooperative after a point.

According to the conference report, such a lack of cooperation would be held against the State of Missouri because, again, the conference report expressly states that it is anticipated that the States and relevant officials will cooperate in the investigative process. If there is a failure to do so, the Attorney General may consider this factor in taking any actions under this act.

Mr. President, to continue reading the letter to then Attorney General Saxbe:

The next known development in the matter was a visit to Mr. Allred by Mr. Tom Weaver, a special agent of the Federal Bureau of Investigation stationed in Jefferson City. Mr. Weaver informed Mr. Allred that the FBI had received a request from the Office of Special Litigation for the Civil Rights Division of the Department of Justice. Mr. Weaver said that the Office of Special Litigation had requested a field investigation by the FBI of certain institutions operated by the Department of Mental Health. He explained that the investigation would probably require the assistance of approximately ten agents working for several weeks in each institution. He identified the institutions as the state schools for the mentally retarded at Nevada, Marshall, Higginsville and St. Louis, and the State Hospital for the Mentally Ill at St. Louis. Mr. Weaver said that he had a very specific list of the information requested by the Office of Special Litigation.

Again, Mr. President, it should be noted that this was no trivial investigation. It was, in the words of the conference report, a matter to be thoroughly investigated in preparation for litigation. So the FBI agent in Jefferson City instructed the Attorney General's office that his investigation into our State's schools probably would require the assistance of approximately 10 agents working for several weeks in each institution.

Continuing with the letter:

Mr. Weaver related in some detail the information desired from the Department of Mental Health, but he stated that he was unable to inform Mr. Allred of the specific purposes of the investigation. He stated that information would be solicited from the superintendents, various employees and records of the institutions. Mr. Allred asked Mr. Weaver if an attorney from this office could be present during the FBI investigation. Mr. Weaver said that it was the policy of the FBI not to allow an attorney to be present, but that he would relay Mr. Allred's question to his superiors.

Mr. President, it is well known that under the Miranda case, a person who is accused of a crime has a right to call a lawyer, has a right to have the lawyer present when he is questioned, when he is investigated. That right does not apply under the bill which is now before us. under the conference report now before us, and it does not apply to the methods of the Justice Department in investigating State institutions.

Again, under this bill, we treat a person accused of criminal activity much better than we treat people who are employed by State institutions.

Resuming the letter:

After Mr. Weaver's visit, Mr. Allred telephoned Mr. Thrasher. Mr. Allred asked that he receive a copy of the request made by the Office of Special Litigation to the FBI. Such a copy was turned over to us, and is attached to this letter. In addition, Mr. Allred suggested that Mr. Thrasher come to Missouri to discuss with us the findings and observations of Mrs. Lentz and her investigative team. Mr. Thrasher stated that he would be happy to come to Missouri, but that he would not share with us the findings and observations of Mrs. Lentz and her investigative team.

In point of fact, Mr. President, I had at one point—I do not have it in my hands now—a list of the information that the FBI wanted in its investigation. Suffice it to say that it was extraordinarily detailed, that it was quite long and complex, and that it was the kind of the thing that investigators and lawyers look for in trying to make a case against somebody. It was not objective information at all. It was not the kind of information that a person with an open mind would seek. It was information obviously aimed at making the worst case.

In point of fact, Mr. Weaver stated that he had been instructed that the FBI agents involved in this investigation should carry cameras with them and they should take pictures, not of everything they saw but only the worst things they saw; that if they saw anything dirty, anything messy, anything that looked crowded, that was what they were to take pictures of.

That was the nature of the investigation. I think it is fair to describe the general demeanor of Mr. Tom Weaver as being embarrassed by the entire proceeding.

I resume the reading of the letter:

Mr. Saxbe, it is not the purpose of this letter to discuss the merits of our state's program for the mentally retarded. But without getting into the merits of our state's program, I can assure you that the program has a high priority in Missouri, and that those who operate it are people of good will. The leadership of our Department of Mental Health is not offended by constructive advice from well meaning people. But the Department of Mental Health is upset by the approach and attitude of the Department of Justice.

Mr. President, when this bill was on the floor of the Senate, I offered an amendment in the nature of a substitute to set up a cooperative effort on the part of Federal, State, and local officials, to try to come together in a constructive approach to improving the conditions in all kinds of institutions, whether run by the State governments or local governments or, indeed, by the Federal Government. It was the approach taken in that amendment that the answer to the problems of State institutions and other institutions was not in lawsuits but, instead, was in trying to come together in a cooperative effort to solve a common problem.

I suppose we live in an age of litigation, in which we assume that every problem can be solved by taking it to court.

Mr. President, returning to my letter to then Attorney General William Saxbe on January 30, 1975, the letter continues as follows:

The Department of Mental Health is, as you can imagine, quite accustomed to investigations of various sorts. As one state hospital superintendent has put it recently,

"(W)e are continually and perennially investigated by persons representing medicare and medicaid and we have our own internal investigations such as by the Utilization Review Board, Medical Records Committee, and the State Committee on Hospital Accreditation—all of which are an effort to monitor and improve functions."

However, in the present instance, the possibility of disruption is especially great. Dr. Harold Robb, the Director of the Department of Mental Health, has told me that the earlier visits of Mrs. Lentz and her team caused numerous alarmed phone calls from superintendents at the state schools expressing their concern about the demoralizing effect of the procedures in this investi-

> gation. I have asked Dr. Robb and Dr. Hensley how much effort it would take to compile the information called for in the memorandum to the FBI. They have informed me that in each of the five institutions it would take approximately five key people six months. Dr. Robb and Dr. Hensley are both especially concerned with the effect on the morale of the staff and parents of patients of sending ten FBI agents into each of the state schools and into the state hospital at St. Louis for periods of several weeks.
>
> It is my present position that our state officials have been more than cooperative with the Office of Special Litigation. Unfortunately, cooperation has not been a two way street. I have advised our Department of Mental Health not to furnish further aid to the Office of Special Litigation until you can convince me of the good will of your Department. I should be delighted to discuss the matter with you in Jefferson City, at your convenience.
>
> Sincerely yours,

Signed by my name.

Mr. President, let me make the following comments about the situation portrayed in this letter.

The investigation threatened by the Office of Special Litigation to be conducted by the FBI was no trivial matter. It was an investigation which had its costs. The costs were measured in terms of dollars, they were measured in terms of time, and they were measured in terms of morale.

The officials of our State mental health program at that time, two professional people, Dr. Robb and Dr. Hensley, examined the memorandum to the FBI stating what information would be needed, and they concluded on the basis of their professional judgment that in each of the five institutions to be investigated it would take approximately five key people in five different institutions 6 months to simply gather the information requested by the Department of Justice.

Mr. President, in Washington I suppose that sounds like absolutely nothing at all. Five people by our standards mean nothing. What are five people in this massive bureaucracy that we call Washington? Why we can hardly get the buildings up fast enough to house the bureaucracy. Five key people are but the twinkling of an eye in our Federal Government here in Washington.

So when we hear in the Chamber that all that is involved are five key people in each of five institutions for 6 months we might be tempted to say what is that, a mere 25 people for 6 months? What is that? What is the problem with that? Why not have these people use their time to gather information for the Justice Department?

But, Mr. President, in State programs or in local governmental programs five key people can make all the difference in the world between an effective program and a not effective program. Five key people in the setting of a State institution can have an enormous effect in the day-to-day operations of that program.

So the kind of requests for investigative information made back in 1974 and 1975 of officials in the State of Missouri would have meant the enormous investment of key manpower in the light of the totality of the programs in Missouri.

Second, it was very costly in morale, and this was a point that was repeatedly made by Dr. Robb and Dr. Hensley. Here were two individuals who were trying to run a first-rate State program, and I believe, at least at that time—and I cannot speak about the present time—when I was in the State government in Missouri, that our program for institutionalized persons in the State Department of Mental Health was truly outstanding, operated by very, very dedicated men and women.

According to them, just on the basis of their personal experience, their personal knowledge of the situation in our State, there was a devastating effect on morale, and not just the staff's appearance.

Mr. President, during consideration of this bill, when it was on the floor of the Senate, just by chance I was visited in my office here in Washington by a man whom I have known for some years. His visit was on another matter, but it happens that this man has two children, twin children, who are patients at our State school for the retarded at Higginsville, Mo.

The father of two retarded children in one of the schools investigated under this program was visiting me, and I cannot tell you how encouraging he was to me in his urging me to fight this bill, and in his view of the devastating effect of this bill on the morale of parents of retarded persons, and of personnel in these State institutions, a devastating effect.

He saw the threat in this bill, and he saw the threat in the kind of investigation that was about to begin in the State of Missouri, even in the early stages of it before the FBI got into the investigation, when it was just the Office of Special Litigation in the Justice Department that was involved.

I had the experience of touring our State schools and talking to the personnel and getting their reaction to what was going on. Mr. President, these people who work in State institutions are not cruel, vicious people. I think sometimes when we go to the movies and see something like "One Flew Over the Cuckoo's Nest," we assume that people who are employed in such institutions must be some kind of fiends.

That is not the case at all. There is nothing evil about them or sinister about them. They are not abusing people. They are not on some kind of weird ego trip. They are dedicated and devoted.

Dr. Hensley, who was referred to in this letter, at the time it was written, was the director of our program in the State of Missouri for retardation, and it is an enormously sensitive human being I am speaking about, and I can remember talking to him at this time about the nature of his interest in retardation. He said the reason for his interest is that one of his own siblings—I cannot remember whether it was a brother or a sister—was retarded, and that is how he got into this field.

So the notion that these people who work in these institutions have something wrong with them and we can just feel free to be insensitive to them and investigate them and insult them is totally mistaken. It has nothing to do with reality. It has nothing to do with fact.

When we destroy the morale of people who have dedicated their lives to the service of others, we have destroyed something very precious indeed, and that is how they view this kind of an investigation, as destructive to their morale, as insulting to them.

Would any of us in the Senate think of intentionally insulting decent people who are trying to perform a public service? I do not think any of us would.

Yet that is how it is taken by those who are actually doing this kind of work. It is taken as an insult, it is taken as a personal attack. It does damage their morale. It does upset the parents of institutionalized persons and, indeed, institutionalized persons themselves.

I can remember during this time being told of efforts by the Justice Department personnel to try to interview inmates in State mental hospitals, untrained Federal Justice Department personnel, Justice Department people, FBI people, with no notion at all as to how to deal with the mentally ill, trying to interrogate them one on one.

Mr. President, I suggest to you that the kind of investigation commenced and then stopped in the State of Missouri because of my protest is not benign, it is not benevolent. It is most injurious to good and decent people and to effective programs. It is not a step forward to helping the retarded or the ill or the institutionalized; it is a step backward. It is destructive. It is damaging.

The second point I would like to make about this letter is as follows: The approach that we took to the Justice Department back in 1975 in the State of Missouri under the language of this conference committee report would be absolutely the wrong approach to take because we drew the line. We told them to get lost. We told them we were not going to take that any more. We told them that no, we did not want detectives moving through our institutions talking to our patients.

We did not want detectives rummaging through the medical records of patients. We believed in privacy; we believed in decency. We did not want gumshoes moving through the hallways of our State schools for the retarded. Because we insisted on our position they went away. We stopped them before the FBI got into the picture. We insisted that if they proceed further, they do so by lawsuit, not this roving squad of investigators, uncontrolled by any policing by the courts.

So they stopped.

Mr. President, under the language of this conference report, it would have had the opposite effect, because again the conference report says:

> It is anticipated that the States and relevant officials will cooperate in the investigate process. If there is a failure to do so, the Attorney General may consider this factor in taking any actions under this act.

I wonder, Mr. President, given this House Bill 10, if that had been in effect when I was attorney general of Missouri, what I would have done. Because my job as attorney general was to protect my client and my client was the division of mental health. That is what I was employed to do. That is what the taxpayers of Missouri paid me to do—to protect our State institutions, to protect those who worked within them, to protect those who were patients within them from this kind of disruption.

And the way that I sought to protect them was to draw the line and to say to the Special Litigation Division, "No, you can't do this any more." And to say to the FBI, "No, stop it. We are not going to have police officers moving through our institutions with cameras. We are not going to have the key personnel of our State institutions taking up their time filling our your questionnaires. Enough is enough."

That was my approach then. What would be my approach today if I were attorney general of Missouri with this kind of law on the books, when, unlike the criminal laws in this State, failure to cooperate is taken against you, when failure to cooperate would be an invitation to the Attorney General of the United States to really crack down, to really get tough, to really use his muscle on our State employees?

What an impossible dilemma that is for a lawyer, for an attorney general of the State. Do you cooperate or do you not cooperate? Do you go along with the investigators or do you not go along with the investigators?

In our system, Mr. President, we do not force lawyers for individual clients in criminal cases into that kind of position. We do not force them in the position of knowing that if they do not go along with the investigation, it is to their peril. We have constitutional protections against that. Most lawyers are not in that kind of situation.

But here it is like a Franz Kafka novel. You do not know how to deal with the bureaucracy. You do not know how to deal with Washington. You do not know whether to go along or not go along, to cooperate or not to cooperate, or what is best for your people and your clients and your constituents.

I do not know how to handle it. But I do know this: That nothing good will come of this kind of an approach to Federal-State relations; that nothing good will come of sending investigators into State institutions for the purpose of litigation.

Well, there is more to be told about the situation in our State of Missouri. It was sort of a little saga for a while. Letters went back and forth. One Attorney General was replaced by another. Mr. Saxbe left office. Mr. Levi came into office. I was trying to communicate with Attorney General Saxbe. He was replaced. Then I was trying to communicate with Attorney General Levi. He never answered my mail. Assistant Attorney General Pottinger was in charge of the Civil Rights Division. He wrote me letters that misrepresented my position.

I tried to line up a meeting with the Attorney General to take him on a tour of our State institutions, to try to instill in him an understanding of some of the human values that are at stake in this kind of situation. I never heard from him at all.

And I think, Mr. President, that perhaps he would have gained from the experience of visiting one of our State schools himself. Sometimes we can be isolated here in Washington. Sometimes we can be a little bit insensitive to what is going on in the rest of the country. We can assume that we have all the answers and that we are perfect, that there is something wrong with everyone else. That is why it has been said that Washington is 10 miles square, surrounded by reality on all sides.

There is the notion that the rest of the country exists for the purpose of being directed by us, instructed what to do by us, that the rest of the country is incapable of taking care of its own, that State governments and local governments are defective and evil.

So I wanted to get these two Attorneys General to come out to Missouri, see our institutions, see what is going on, and talk to the people.

Oh, no. Why, that is too much trouble. They might have to leave their office. They might have to leave Washington. We would not want that. The people who they dispatch from Washington are not the people who make decisions. They are the FBI agents.

Mr. President, what would happen if the shoe were on the other foot? Is it only State institutions and local institutions which provide dubious treatment for people who are in them? I certainly would not agree with that.

There is a State prison in Atlanta, Ga., and I am told that it is a dump. I am told that it is one of the worst prisons in this country, not one of the best.

I talked to one of the members of the congressional delegation from Georgia. He said that the Federal penitentiary in Atlanta was a disgrace. Who runs the Federal penitentiary in Atlanta? What department of the Federal Government is in charge of it? The Justice Department, the same Department that is charged in this bill with investigating State institutions. "Physician, heal thy self."

Another approach would be to truly put the shoe on the other foot: Why not allow the States to investigate Federal institutions?

Why not permit the attorney general of each State to send his highway patrol into Federal institutions to conduct investigations of several weeks? Why not allow the attorneys general of the various States to send questionnaires to the Federal institutions requiring five people in each institution, five key people, to spend 6 months filling out the questionnaires? What is wrong with that?

Mr. President, I would imagine that the case would be if a team of investigators from the State Highway Patrol in Georgia went into the Federal prison in Atlanta and started asking inmates in the penitentiary whether they were happy with their lot, whether the food was good, whether the conditions were good, that there might be some complaints, the basis of a lawsuit. And if you sent in investigators under assignment from the litigation division in the State attorney general's office with a view toward looking for the worst and making a case for litigation, there is no end to the kind of evidence that could be garnered for a lawsuit by the State of Georgia in this case against the Federal Government.

Why not put the Attorney General of the United States in the same position as the attorney general of each State under this bill?

How about my own State of Missouri? In Springfield, Mo., the Federal prison hospital is located. That is the federally run institution, a hospital, for inmates from the Federal prison system who need hospitalization. That is where they are sent, to Springfield, Mo.

I have been through that hospital. Mr. President, it is no great shakes as a hospital, I can tell you that.

We have some wonderful hospitals in our State of Missouri. The Cox Medical Center in Springfield is a wonderful hospital. It certainly is many, many times better than the Federal prison hospital in Springfield. Why not send teams of litigators and investigators from the State attorney general's office in Missouri into the Federal prison hospital in Springfield? Why do we not have a bill that funds such a program? We could authorize it and then we could subsidize it through LEAA, or some other program. They could go in there and set up a little booth in which to talk to people. They could find out what is going on. Are they happy? Are they getting adequate treatment? Are they seeing the doctor frequently enough? How are their living accommodations? How is the food?

Is that the relationship that we want between the Federal and State governments?

If the Missouri State Highway Patrol were to show up at the Springfield Federal prison hospital, stay there for weeks, and present lengthy questionnaires to be filled out by Federal employees—with a view toward what? Toward filing a lawsuit in our State courts in Missouri. Can you imagine that?

It would be a lawsuit filed by the attorney general of Missouri in the State courts against the Federal Government for failure to maintain minimum standards of treatment for people in the Federal prison hospital in Springfield, Mo.

Mr. President, that is the exact mirror image of what we are doing in this bill. Just insert the word State for Federal and the word Federal for State. What we are doing in this bill is sending litigators, investigators, and FBI agents into State institutions with a view toward filing lawsuits in Federal courts against State governments. Why should we not turn that around? Can the case be seriously made that Federal institutions are better than State institutions? Is that the point? And, therefore, the Federal institutions should get off the hook?

Mr. President, let me tell you what happened in the State of Missouri within the last year. It happened in, I believe, Platte County, Mo., where there is located a satellite of the Federal penitentiary in Leavenworth, Kans.

What happened at that institution just within the last year? It blew up. It exploded. People were killed. Inmates in that institution were blown to bits.

Mr. President, when inmates in institutions are blown to bits by explosives, does that, as a matter of law, meet the constitutional test for minimum treatment of people in State institutions?

I would suggest that it does not. I am sure that the advocates of the bill which is before the Congress could point to a number of horror stories in State institutions, and no doubt they can. There are 8,000 State and local institutions in this country. It is a simple matter to comb through 1,000 institutions and find horror stories. It is as easy as falling off a log.

Mr. President, let me tell you what we are not doing at the State level in this country. We are not blowing inmates to bits. That is a Federal specialty. So why can the attorney general of the State of Missouri not send Federal highway patrol officers into that Leavenworth Platte County satellite in Missouri with a view to preparing a case for trial? Of course, Mr. President, there is an obvious reason. The obvious reason is that we have a system of government in this country involving roles to be played by the Federal Government and by the State government. We do not assume in America that the Federal Government is better than the State government or that the State government is better than the Federal Government. They have different roles to play in our system of things, in our scheme of things. Those different roles are best furthered by cooperation, by agreement, by understanding, by mutual support.

Clearly, if the attorney general of a State were to dispatch highway patrolmen into Federal institutions, if he were to give Federal officials lengthy forms to fill out and elaborate requests for statistical information, if he were to file lawsuits in State courts—clearly, if we had such a system, it would mark the breakdown of the relationship between Federal and State governments which our Founding Fathers spent so much time trying to create. It would be an absurdity, outlandish, ridiculous, foolish for such a situation to exist.

Why, Mr. President, is it foolish only in the case of States doing it to the Federal Government? Why is it not equally foolish for the Federal Government to do it to the States? So, what are involved in this bill are some matters of very great principle.

Unfortunately, sometimes, we rush onto the floor of the Senate, we view everything in purely symbolic terms. I am sure that has been the case in this bill, as with others. And, basically, the way the case is put is, well, are you for institutionalized persons or not?

Mr. President, I ask unanimous consent that I may yield at this point to the Senator from Tennessee without losing my right to the floor. I ask unanimous consent further that any subsequent regaining of the floor by me in accordance with the same unanimous-consent agreement previously entered into, to the effect that any comments on this bill by either Senator EXON or myself today not be included in the computation of the maximum number of times we can speak on one bill in a legislative day.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senator from Tennessee is recognized.

Mr. SASSER. Mr. President, I thank the distinguished Senator from Missouri for yielding to me without losing his right to the floor, to make a statement that I think is of considerable urgency to the country.

THE FEDERAL RESERVE BOARD AND THE SILVER SPECULATORS

Mr. SASSER. Mr. President, the Washington Post has reported that Chairman Paul Volcker of the Federal Reserve Board has engaged in negotiations that appear to have been secret, resulting in an arrangement with some of the Nation's largest banks to help bail out some of the speculators whose actions led to the collapse of the silver market.

If these reports are correct, the Fed seems willing to offer help and assistance totaling $800 million to the Hunt financial empire, while providing minimal assistance to the Nation's small businesses, including homebuilders and farmers. The Federal Reserve Board seems to be taking a position that billionaires and speculators who knowingly took a risk, and lost deserve consideration, while denying substantial and necessary relief to small businessmen who constitute the seedbed of our free enterprise system.

The Federal Reserve Board did announce last week some assistance to farmers and small businessmen, but the $3 billion for millions of farmers and small businessmen will not go far. The meager sums provided to these most important sectors of the economy will not prevent tens of thousands of bankruptcies, and it will not stop the tide of economic ruin for millions of Americans.

The favorable credit approved for the Hunt brothers of Dallas will prevent their economic ruin. It will keep them afloat and prevent their bankruptcy.

Again, the Federal Reserve Board has demonstrated its myopic perception of the Nation's problems. It appears that Chairman Volcker and his colleagues on the Fed are more concerned with the economic vitality of billionaires than with the economic security of most Americans.

An $800 million bailout for one family—a family that owns more assets than hundreds of thousands, indeed millions, of Americans, put together—is indeed a strange episode in the economic tragedy developing from the policies of the Federal Reserve Board.

Last week the Fed made a big splash out of providing credit for farmers and small businessmen, but that credit is meaningless at the interest rates that still must be paid. The Fed's so-called "favorable terms" for small business amount to effectively reducing the interest rate on a small sum to be loaned to farmers for planting by only 3 or 4 percent. The farmers will still be paying 16–17 percent interest, more than twice the interest rate of the last planting season.

The farmers are in trouble, Mr. President, and we are all going to suffer if they cannot plant their crops. We shall have a food shortage next year and consumers will end up paying more for their daily groceries. This of course, will only lead to more inflation. But farmers and consumers do not command the attention of the big bankers and the Federal Reserve officials that the speculators can command. The farmers just do not travel in the same circles as the economic elite that seems to appeal to the Chairman of the Federal Reserve Board.

Mr. President, there may have been a good reason to attempt to cushion the effect of the silver collapse, but the question I am asking is a bailout sanctioned by the Chairman of the Federal Reserve Board the best way to do it? Should such financial negotiations be carried out in apparent secrecy behind the scenes and reported surreptitiously 2 or 3 weeks after the fact? Is that the answer? Is that the way we do the people's business in this country?

I think not. There should have been a full public discussion of this matter, including all the members of the Federal Reserve Board, and the Congress should at least have been advised of what was going on.

Again, I call on the Federal Reserve Board to take immediate steps to reduce the exhorbitant interest rates that are punishing the American farmer, the American homebuilder, and the small businessmen of this country. The Federal Reserve, with the bail-out of the silver speculators, has demonstrated a willingness to respond to what they perceive to be a threat to the stability of the national economy. But I submit that the greater threat to our ecoonmic future lies in the high interest rate policies which are causing an economic slump. This could conceivably reach depression proportions for millions of Americans who will lose their farms, lose their businesses, lose their jobs, or lose their possessions.

Mr. President, as my colleagues might be able to determine by my demeanor, I have simply lost my patience with Mr. Volcker and his colleagues on the Federal Reserve Board.

I am tired of the insensitivity of the Federal Reserve Board officials. I am tired of the obvious big business bias of the Federal Reserve Board. I am tired of seeing my constituents suffer at the hands of Federal Reserve Board officials who are committed to outmoded policies that are counterproductive and shortsighted, and are, in and of themselves, inflationary.

Mr. President, I am deeply disturbed by Chairman Volcker's and Comptroller Heimann's actions in approving this massive loan to the Hunt family while millions of more deserving American businessmen are being crucified by high interest rates.

Consequently, I have written Chairman Volcker for a full explanation of his actions in this matter and I ask unanimous consent that this letter be printed in the RECORD.

There being no objection, the letter was ordered to be printed in the RECORD, as follows:

U.S. SENATE,
Washington, D.C., April 24, 1980.
Chairman PAUL A. VOLCKER,
The Board of Governors of the Federal Reserve System, Washington, D.C.

DEAR CHAIRMAN VOLCKER: It has recently been reported that with your personal concurrence, loans totaling over $800 million have and will be made to the Hunt family to allow them to cushion their financial losses in their recent speculative effort to corner the silver market.

I am most disturbed by the fact that the nation's financial community has seen fit to extend the Hunt family this staggering amount of credit while daily farmers, homebuilders, and small businessmen are going out of business because of high interest rates.

I would appreciate a full and complete report on the events that led up to your approval of this extension of credit to the Hunt family together with an explanation of the authority on which you relied to approve these loan commitments to the Hunt family.

Finally, I would appreciate your explanation of why this commitment occurred in light of the Federal Reserve Board admonition of March 14 to member banks to stop making loans to speculative business ventures.

This nation is in an unparalleled credit squeeze, and I think that all those that are being denied credit deserve a full explanation of this most unusual action in approving this massive loan to the Hunt family.

I await your immediate response to this inquiry.

With best regards, I am
Sincerely,

JIM SASSER,
Chairman, Subcommittee on Intergovernmental Relations.

Mr. SASSER. Mr President, high interest rates are retarding the economic growth of this country.

Obviously wild speculators should not be rewarded with tender, loving financial care while the Fed tosses a few dregs of relief to small businessmen and women struggling to keep alive.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report.

Mr. DANFORTH. Mr. President, I ask unanimous consent that Senator BOREN may at this time claim the floor, that any remarks made by him at this time may not count in computing the maximum number of times he can speak on one subject in one legislative day.

The PRESIDING OFFICER (Mr. BRADLEY.) Is there objection?

Without objection, it is so ordered.

Mr. BOREN. Mr. President, I further ask unanimous consent that any remarks I make on this calendar day on the pending legislation, H.R. 10, not count in computing the two speeches allowed on the same legislative day on the same subject.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. BOREN. Mr. President, I thank my distinguished colleague from Missouri for yielding to me, and I thank him for the excellent remarks which he made earlier on the floor of the Senate.

His analysis of the pending legislation contains great insight. I am proud to join him in opposing the adoption of the conference committee report on H.R. 10.

Mr. President, I could hardly have suspected earlier this year when the Senate considered and adopted H.R. 10 that it would be possible for the conference committee to return a bill to the Senate floor in worse condition than the one which originally was before us. But such is the case with this conference committee report.

I feel compelled at the outset to point out again, as I did during the debate last February, that my opposition to this measure is not an endorsement in any form of the often horrible abuses of the civil rights of institutionalized persons across this country which have unfortunately and most regrettably, occurred.

I take this position certainly without intending any disrespect to my good friend and colleague, the Senator from Indiana. In fact, I salute his efforts in bringing to the attention of the country the nature of these abuses, and I salute him for his efforts to try to protect the rights of institutionalized persons.

Mr. BAYH. Will the Senator yield, without losing his right to the floor, et cetera, et cetera, et cetera?

Mr. BOREN. I am most happy to yield under those conditions to my good friend.

Mr. BAYH. Mr. President, I appreciate the thoughts and words of the Senator from Oklahoma.

Although I have a sneaking suspicion that he will not concur, I would like to point out that the abuses that he, as a former chief executive of his State, is understandably concerned about, will continue unabated unless this legislation is passed.

That abuse, which I think is intolerable and which we went to a great extent to try to prohibit in the legislation before us, is the concern of the Justice Department, to operate as they feel they have a right to do under the Constitution.

What this bill does, I say to the Senator, is to limit their ability in intervention. At the same time, they have the right to initiate.

So it seems to the Senator from Indiana that what we are doing is establishing a much higher standard before the Federal Government could get involved, and to try to keep the distinguished Governors of our States, the Borens and the Exons, and the others who have represented their States as Governors and attorney generals, and are now colleagues, and those who do not have that opportunity, from having to go through the kind of unacceptable abuse which has been pointed out here.

I thank my colleague for yielding. As I said earlier, I have a sort of nagging doubt that he might not be persuaded by the good faith of the Senator from Indiana; nevertheless, the good faith is there.

Mr. BOREN. I thank the Senator from Indiana. As usual, he has demonstrated great foresight in stating that he has doubt that I will agree with him as to a solution, because his doubt is well placed.

I do not dispute for an instant the existence of the abuses that my colleague has pointed out, which have been pointed out before.

I join my good friend Senator BAYH and all other Senators in abhoring the existence of those abuses and in dedicating my efforts to seeing that they are eradicated. However, to try to achieve that goal by allowing the Federal Government—and in particular the Justice Department—to interfere in the rights of the various States is entirely the wrong manner in which to proceed.

Rarely have I viewed a piece of legislation which is so well-intentioned in its goals but which is so mistaken in the means it adopts.

I think it would be very instructive for the Senate and for the country to engage in a very thorough discussion of what this bill intends to do.

The people of this country should know that the Senate of the United States is proposing to inaugurate the Attorney General of the United States as a supreme authority—a supreme authority—over State and county institutions, over the wardens and superintendents and directors of those institutions, over the corrections boards, over the county commissioners of this country, the city councils and the mayors of America, over the State legislatures, and even over the Governors of the sovereign States—will stand the Attorney General of the United States. I cannot believe that such was the intent of any framer of the U.S. Constitution.

Because I understand that the conference committee report has yet to be printed and fully distributed, I believe it is most important for my colleagues to be fully aware of what that report says and of the explanatory statements made by the Committee of Conference. It is therefore my intent to go over that report and statement in finite detail to make sure that all within the sound of my voice fully understands the intent of the legislation and the havoc I believe it will create in our federalist system.

Mr. President, even in the introduction to the report, there is cause for alarm. The report begins by saying:

> One measure of a nation's civilization is the quality of treatment it provides persons entrusted to its care. The past decade has borne testimony to the growing civilization of this country through its commitment to the adequate care of its institutionalized citizens. Nowhere is that commitment more evident than in the actions of the U.S. Justice Department.

Certainly, I would not quarrel with the sentiment that a significant nature of a Nation's civilization is the treatment it affords to those entrusted to its care. Nor would I quarrel that the United States leads the world in its commitment to such care.

I do question highly that the actions of the U.S. Justice Department should be held as a shining beacon to which all who share such concerns should gather.

For example, it has been the U.S. Department of Justice that has been responsible for overseeing conditions in the Federal correctional system in this country. It is certainly worthy of close examination how they have discharged that responsibility, for it is just such additional responsibility H.R. 10 proposes to give the Justice Department in relation to State and local institutions.

For the purposes of such an examination, I intend to return later, and will quote extensively—perhaps even verbatim—from a staff study of the U.S. penitentiary in Atlanta, Ga. A study conducted by the permanent Subcommittee on Investigations of the Committee on Governmental Affairs of the U.S. Senate, which was chaired by the distinguished and able senator from Georgia, Senator SAM NUNN.

But for now, let us go on with our examination of the explanatory statement of the current conference committee report.

The report goes on in its introductory phase to read like a press release from the Justice Department itself:

> Since 1971, the Attorney General has participated in a series of civil actions seeking to redress widespread violations of constitutional and federal statutory rights of persons residing in state institutions. Through litigation conducted by the Civil Rights Division, the Justice Department has participated as *amicus curiae* or plaintiff-intervenor in more than 25 suits brought to secure decent and humane conditions in institutions housing the mentally ill, the retarded, the chronically physically ill, prisoners, juvenile delinquents, and neglected children. In addition, the Attorney General has participated in suits successfully challenging the constitutionality of several State commitment statutes.
>
> At least ten Federal district courts have requested the Justice Department to participate in litigation concerning the rights of institutionalized individuals. The Attorney General has also petitioned to intervene in pending cases, to represent the interests of the United States in securing basic constitutional rights for its institutionalized citizens.

Mr. LONG. Mr. President, will the Senator yield at that point?

Mr. BOREN. I will be happy to yield to the Senator, without losing my right to the floor.

Mr. LONG. I ask the Senator this question: Do I correctly understand that the principal difference between the existing law and that which is proposed in this bill is that under existing law, for the Federal Government to become involved in suing a State, they have to get somebody to complain?

Mr. BOREN. That is exactly right.

The Federal Government already has a right to intervene. If you have a group of inmates in the penitentiary who file a lawsuit—as I have had the experience in my own State—the Federal Government can come in with all the weight of the Justice Department, all the resources of the Federal Government on the side of those who file the suit.

Under this bill, if passed, the Federal Government could go around with its own team of investigators, roving throughout the country, looking into every matter of local affairs, and decide on its own initiative. Even if every inmate of the institution were satisfied, they could, on their own initiative, file such suits against units of State government and local government.

Mr. LONG. I ask this question of the Senator: Under existing law, would the Attorney General or any of his subordinates—he has thousands of them—have the right to prepare a petition and everything, so that all the person would have to do would be to sign his name to it, and then they could file the lawsuit for him, if he wanted to have such a lawsuit filed?

Mr. BOREN. The Senator is absolutely correct.

Under existing law the Department of Justice and the Attorney General could provide any such service to an inmate. So it would boil down to the fact that they would have to find at least one person in the institution who, at the urging of the Justice Department, would be willing to bring the suit in his name.

Mr. LONG. The need for this law, if there is one, would have to be a need to sue the States even though nobody in the State is interested in suing the State.

Mr. BOREN. I think that is exactly right. The Senator from Louisiana is correct. It would mean they could not find one, single, solitary dissatisfied person in an institution, to the point that they would have to bring the suit themselves.

Mr. LONG. Mr. President, will the Senator yield for another question?

Mr. BOREN. I am happy to yield.

Mr. LONG. Is the Senator of the opinion, as some of us are of the opinion, that the people today feel that the Federal Government is wasting their money by engaging in all sorts of things that are nothing but an irritation and a violation of the rights of people to run their own affairs and to run their own government at a State and local level?

Mr. BOREN. The Senator is correct. He has expressed the frustration I have found up and down the length of my own State and other States I have had the privilege of visiting.

In other words, what they are saying here is that people at the local level, elected officials, chosen by the people of their States, who are close to the local problems, have no sense or no judgment about what should be done in their own institutions, in their States; that somebody sitting in Washington, who has not been to those States and has not been to those institutions has better sense about setting the budget priorities and what the real needs are than the people themselves.

Mr. LONG. May I ask the Senator a further question?

Mr. BOREN. Certainly.

Mr. LONG. Does this seem to be somewhat in line with the great wisdom that was demonstrated in this body when someone came forth with legislation to pay people to sue us, in other words, to pay people to sue the Federal Government?

I ask the Senator further: Other than the Federal Government itself, can the Senator name me anyone who is not a complete idiot who has ever hired a lawyer to sue himself?

Mr. BOREN. I would have to tell the Senator that I believe that the Federal Government is the only individual institution on the face of this Earth that I have known of that has ever done that.

Mr. LONG. Will the Senator yield for another question?

Mr. BOREN. I am happy to yield.

Mr. LONG. Is the Senator aware of the various provisions in various laws where we pay people to represent people indigent and people who otherwise could not afford to hire a lawyer even though the judge would appoint one to defend them?

Mr. BOREN. Yes, I am certainly aware of that.

Mr. LONG. Is the Senator aware of the fact that these lawyers, very generously paid by the government to represent criminals, are also paid to just appeal, appeal, and appeal, and drag the case out ad infinitum at great expense to all levels of government, the State courts, the law enforcement officials, the police on the beat, and everyone else?

Mr. BOREN. The Senator is correct, and I am certainly aware of that.

Mr. LONG. Mr. President, will the Senator yield for a further question?

Mr. BOREN. I am happy to yield.

Mr. LONG. Did it ever occur to the Senator that before we just spend untold thousands of dollars trying a case over and over again, appealing, looking for technicalities to keep the thing going, getting writs of habeas corpus, just keeping the thing going on and on forever, it might be a good idea at least to add, since the man was convicted, will someone take a look to see if he thought the guy was guilty? If he is guilty, quit wasting Federal Government money dragging the thing out on and on forever through the courts.

Mr. BOREN. I could not agree with the Senator more. I say that the vast overwhelming majority of the citizens of this country would feel the same way.

When we think about the funds that are expended in this way, when we think about the funds that would be expended under this bill funding not only the salaries of the lawyers who are going to be intervening and the people who are going around trying to stir up this litigation, but a whole horde of investigators who are going to be coming down on the State and looking into every local jail and into every institution, when we think about the fact that we know that money could be spent by the Federal Government itself maybe in cleaning up some of its own institutions, and perhaps they should set their own house in order before they go around looking at what the States and local units of government are doing, it certainly seems like a misplaced priority to me.

Mr. LONG. Will the Senator yield for a further question?

Mr. BOREN. I am happy to yield.

Mr. LONG. Is the Senator aware of the fact that some of us are being urged and pressed by the Budget Committee to make drastic reductions in expenditures for various functions of Government today? Is the Senator aware of the fact that the budget resolution is calling upon those of us on the Finance Committee to cut back drastically in social welfare programs, even including welfare or social security benefits for people who need those benefits?

Mr. BOREN. I am certainly aware of that.

I think again this shows the mistaken priority of this bill. It is obviously going to cost money to finance this program. It is going to cost a lot of money because if they are really going to do any good, at least if they are going to carry out the aims of the authors of this bill, they are going to have to have some investigators and they are going to have to send them out. If they do not have any investigators why have the bill? They are going to have to hire some more lawyers.

They are saying there is an unmet need here. That implies they are going to have a lot more litigation. That takes a lot more lawyers and it takes the more expensive lawyer, as the Senator already pointed out, when he says that it should be a higher priority or a higher bunch of investigators and a roving team to go out across the country, hordes of them and more lawyers in the Justice Department to go into institutions that one has not even complained about, where there has not even been a lawsuit filed by a single individual inmate, as the Senator has already pointed out to go in and initiate these suits by the Federal Government itself under the guise the Federal Government knows better for the people than they know for themselves.

And they say that is a higher priority, that we should be putting money into that while we cut back on the social security checks of individuals, like a little lady I visited with recently who is trying to live on somewhere around $140 a month. She is in her 80's and has no family members to take care of her, no one but herself to depend on. She is trying to buy the medication, pay the rent, keep a roof over her head, and buy clothes and groceries. As the Senator says, in these times, in which we are cutting back on things like that, when we are leaving honest law-abiding citizens who worked all of their lives and have no one to care for them, we should not go out and spend money to create an entire new Federal bureaucracy to declare war on the States.

Mr. BAYH. Mr. President, will the Senator yield?

Mr. BOREN. I am happy to yield.

Mr. BAYH. Maybe we could just save a lot of money if we repealed the whole Constitution of the United States so when we have people subject to cruel and unusual punishment, they do not have any remedy.

I get a little tired, I say to my friend, when he talks about that 80-year-old widow that is going to be denied her social security. I wish he could have talked to the old folks who talked to me in northern Indiana who were glad to hear this because of the kind of treatment they were getting in old folks' home.

We are not talking about a social welfare program, I say to both of my friends. We are talking about egregious, wanton, willful abuse of the constitutional rights of people.

Mr. BOREN. I certainly think the Senator from Indiana knows that neither the Senator from Louisiana nor the Senator from Oklahoma is talking about repealing the Constitution or the constitutional rights of individuals. Nor are we.

Mr. BAYH. That is what I heard, I say to my friend.

Mr. BOREN. I think the Senator is misreading what he is hearing. I think again there is a misunderstanding here of the goal and understanding of the practical impact of what the Senator is talking about.

I could go back again to my own experience in Oklahoma and I can cite chapter and verse because it actually happened. I can tell the Senator, for example——

Mr. BAYH. May I just ask a question? And I wish to hear this again because I have heard it and want the Senator from Louisiana to hear it again. This is happening under the present law, is it not?

Mr. BOREN. It is happening under the present law. There are abuses already under the present law because the Federal Government I think has gone ahead and intervened in cases where it should not have intervened.

Mr. BAYH. Without any notice, without trying to cooperate, without trying to resolve it in a spirit of cooperation?

Mr. BOREN. I say in many cases there has been an absence of that. All we are trying to do under this bill, if we have problems now, is compound these problems many times over by saying we are going to let the Federal Government initiate the suits; we are not even going to wait until someone files a lawsuit at the local level, that an inmate of an institution or person who has been institutionalized is not acting himself or herself. We are going to have the Federal Government come in and do it.

I can tell the Senator, for example, exactly what happened in our State. I think sometimes people at the Federal level forget that the States operate with balanced budgets.

It has been so long since we operated with balanced budgets at the Federal level that people forget there are units of government, thank goodness, that do operate within the requirements that they have of balanced budgets.

So when they spend more money for one function than they should that means they must spend less money for another function of government.

I can remember very well when we were under a Federal court order on the prison system in Oklahoma. I can remember the State director of mental health, Dr. Hayden Donohue, who is also superintendent of the State's largest mental hospital, coming into my office and saying, "Governor, we have a terrible situation in the mental hospital. We have an old steam plant that is operating there that has been there really virtually since statehood, since around 1907 when those institutions were first built. It is not working. The heat is uneven. Steam pours out. It is very unhealthy for these people who are in our institution."

I remember him pleading with me for the money to do something about that. I remember and I felt terrible to have to say to him: "I am sorry, Doc, we are going to have to wait another year. We have to go and put priority on the corrections budget. We have to go ahead and work on a new water system in one of our penal institutions because we are under Federal court order on that."

We are not under Federal court order on our mental institutions so they get shorted. I know the Senator from Indiana is sincere. I know he has talked about institutionalized people being mistreated, and I agree with him wholeheartedly that it should be stopped. I know that he has particularly been concerned about the mentally retarded and about those who are not capable of takng care of themselves.

But I can tell you as a practical result of coming under orders for one program in your State, you then take away money from other programs in your State, whether it be special education, care for juvenile facilities, halfway houses, for example, for juveniles, the program in which I believed, institutions for those who are mentally ill, and all the rest of them. When you have only so many dollars to deal with, when you come under orders, "You will do this and take certain action," one element of your budget, you set budgetary priorities across the board.

I can tell you, I think, dealing from the point of view of humanity—and I went into every one of those institutions myself and I knew which ones of them were firetraps and which were not—talking about all of our institutions, we provided for persons across the board; I think I had just as good an idea as somebody in the Department of Justice about what ought to be done. I daresay that as Governor of our State I spent more sleepless nights worrying about those people than some bureaucrats at the Department of Justice.

I daresay a lot of the members of our State legislature have the same humane concern. I think this bill is nothing but an expression of the feeling that there is nobody who cares about people in this country except the all-wise Federal bureaucracy; that somehow when people are elected at the local level by the local people as mayors, members of the city council, and members of the State legislature, that they lose all human compassion and all sense of reason, and they know nothing about their local budget and how to do the necessary job, but only that we in the U.S. Senate have more wisdom as to how to take care of institutionalized people and spending dollars than those local officials who are elected by the families of the people in those institutions.

Mr. LONG. Mr. President, will the Senator yield?

Mr. BOREN. I would be happy to yield.

Mr. LONG. Is it not true that there are people in some institutions who are there against their will, and that is necessarily the case?

Mr. BOREN. That is correct.

Mr. LONG. In other words, is it not true that there are some people in the penitentiary who would prefer not to be in the penitentiary?

Mr. BOREN. I would daresay that, without taking any great risk in answering, the vast majority of them might be in that category.

Mr. LONG. Is it not also true that

there are some people in some of these other asylums who would prefer not to be there? As a matter of fact, is it not true that, as my Uncle Earl used to say, if you turned those people inside asylums out, half of them are going to lock some of us up? [Laughter.]

But is it not so that, generally speaking, the average person, a great number of people in some of these cases do not think they ought to be there, that, in fact, somebody else ought to be there, if anybody at all?

Mr. BOREN. That is absolutely true. Even in our penal institutions I have rarely interviewed an inmate or talked to one who told me he deserved to be there.

Mr. LONG. But is it not also true that most of those people have relatives, they have loved ones, who care about them, who go visit them from time to time to check on their condition and see if they can do something to help make their stay more comfortable, to bring them some little things that otherwise they might not have, and to see that they are being treated well, and that those people on behalf of their relatives have the right to sue if they want to do so?

Mr. BOREN. The Senator is correct.

Mr. LONG. Well now, does not also the Attorney General have the right to represent all those curators and all those agents who speak for their relatives as well as the inmates themselves?

Mr. BOREN. That is correct.

Mr. LONG. So is it not true that what we are talking about here is the Federal Government going in here and suing where there is nobody complaining, nobody filing a lawsuit, nobody asking to be sued, no person who is not mentally competent to have a lawsuit filed on his behalf?

Mr. BOREN. The Senator is right.

I could have a lot more sympathy for this bill if it had been merely phrased to take care of a particular problem. Let us suppose this bill had said that there are some people who, because of age or mental competency or because added to this they have no family members or have no next of kin, in other words, there are situations where they themselves are not competent to take care of themselves, and there is no one near to them competent, that the Federal Government then, perhaps, could intervene on their behalf or could initiate it on their behalf then. In that case, I would say yes. The Senator from Oklahoma could support that kind of legislation.

But it does not say that. For example, under all of our court orders we have assured that inmates of our penal institutions will have access to legal libraries, to legal materials.

Inmates of our penal institutions, many of them have become so adept at filing lawsuits for themselves that we have even invented a phrase for them. I think it appears in the dictionary. We refer to them as "jailhouse lawyers." It is a well-known phrase and one that is often used and, in fact, some of the most knowledgeable people in terms of the legal rights of those who have been accused of violations of the criminal law are inmates of the institutions themselves, who spent hours and hours studying their own cases and writing their own appeals and making motions on their own behalf.

I know, again from my experience as Governor of a State, that there certainly is no inability on the part of inmates of penal institutions, for example, to bring lawsuits. I would dare say in my official capacity I probably was sued a thousand times by inmates of penal institutions. So there certainly is nothing which keeps inmates in these institutions from bringing suits.

If we are concerned about those people who might somehow fall through the cracks, those people who do not know how to bring a suit themselves or are not capable of complaining themselves, if we are talking about those people who are very young, talking about children in our institutions for children, who are somehow left without guardians to look after them except the institutions themselves, if we are talking about people who are not mentally competent, if for reasons of mental illness or mental incapacity they are simply unable to even focus upon the nature of their own treatment or the possible remedies that are available to them, I would say yes, yes, let the Federal Government initiate suits for them. But that is not what we are talking about.

I go back to the very fact—and I realize the Senator from Indiana is well intentioned; I realize those of my colleagues who put their names on this piece of legislation really and truly care about institutionalized persons, they really and truly care about the treatment they are getting.

I can only say that those of us who are opposing this piece of legislation also have deep concern for these people. We care about them. I can tell you that at one point in time when we were considering a corrections bill in our State legislature, and we badly needed to construct more facilities because our existing facilities were so overcrowded, conditions were deplorable, that I used every, every possible authority of the Governor's office to get legislation passed to do something about it. At one point in time—and this was allowable under rules—the rollcall on an appropriations bill was even held open for 2 hours so that an airplane could be dispatched to bring in the deciding vote to get the votes to build the penal facilities, so that we could modernize and update our system.

I can tell you that I cared; that as much as anything else I did during my term as Governor I spent what time and influence I had working to improve conditions in our institutions, in our correctional institutions, in our institutions of mental health, in our institutions providing social services to juveniles, and all the rest of it.

But I can tell you that I also think from that experience that people at the State and local level are in a much better position to judge the priorities, to decide how their dollars are going to be spent.

I just go back to this: If you leave it up to the Federal Government to rush around initiating suits on their own, as this bill would let them do, you, in essence, let the Federal Government set the budgetary priorities for the States. You let them decide. You let the Federal Government—and when I use the phrase "Federal Government," I really mean the Federal bureaucracy, not elected by anybody, not ultimately accountable to anybody, but certainly you are placing this power in the hands of the Federal bureaucrats who are really not familiar with the local situation.

Let us say they are sitting here in Washington, in the Justice Department or, perhaps, in additional buildings we will have to rent to house all of these additional Federal employees we are going to have to hire to send out on these investigating teams, they are sitting there deciding, "Well, where shall we go investigate this week, and what State shall we go and roam around in, looking until we find something that displeases us?" And away they go. They say: Let us go to State x. Shall we look at the juvenile detention facilities first or should we look at the State prisons first or should we look at the institution for the mentally retarded first?"

And on a whim they decide where they are going to go first. So they go into one of those institutions, and they find something there that displeases them. Let us suppose they go into the State prison first, as is the case in my own eyperience, where the State prison was the first major institution of the State government that drew the attention of those who were complaining about the treatment of institutionalized persons.

So purely by chance or by whim, perhaps following the interests of the team of investigators, perhaps members of that team maybe had degrees in penology, they were more interested in that than they were in the care of the mentally retarded, let us say, they go into the State prison.

So they go into the State prisons. They go there first. They find things that do not please them. They convince the Attorney General that he ought to file a suit against this State.

They then go into Federal court and, over a period of time and through a process of litigation, they obtain orders that the State, this particular State, will spend x amount of dollars to correct certain conditions. As is often the case, these orders are not general in nature. They are very specific. They get down to saying that you will get this many new cell spaces that have this many square feet.

They also get so specific as to say that you will install these new water towers on this location and you will install a pipe of a certain diameter made of a certain product that will connect up these water towers with the areas to be served. They get very specific.

You will find $7,823 on this purpose and $217,876.22 on this purpose. I have read those orders. I have experienced them. I have tried to live with them on a daily basis.

So the State government has no choice but to comply. The legislature goes through the motions of the appropriations process without any real input as to what is being said. Without the elected representatives of the people really deciding if that is where the money should be spent, they have to spend it there. Because the Federal Government, urged on by the Justice Department, has ordered them to spend it for that particular purpose. So the funds get spent there.

As I was saying a moment ago, because they get spent there, since the States have to operate with balanced budgets in most cases, and most cities operate with constrained financial limits, and most counties have to operate within certain fiscal contraints, less money gets spent somewhere else—at the mental hospitals, or that halfway house is not opened for juvenile offenders, or that community treatment program is not opened, or the dormitory for the mentally retarded children is not renovated and repaired this year.

So, because of the whim of that group of investigators from the Justice Department, priority is set in that State budget, not based upon any real understanding of what is going on in the State, not based upon any real competing understanding of other needs for those dollars—perhaps very legitimate needs—because they do not have to worry about coming up with the money. All they have to do is write the orders and tell the State governments: "You will spend x dollars on this certain purpose."

They do not have to worry, as I did, about telling the director of State mental health, because we were going to change the water system in one of our penal institutions, that we could not have a new heating system for the mental hospital. They do not have to worry, as I had to worry as an elected official, viewing other needs of the State. They do not have to worry about saying we are going to have a hundred fewer special education classes this year for children who need it because we are going to spend that money on the water system at the prison.

I could go on about the practical effects—the practical effects—which this kind of legislation could have.

I would ask, Mr. President, who is in a better position to make those decisions? The court, the Justice Department in Washington, concerned with only one narrow facet, only one element in the services provided by State and local governments to their citizens? Are they in the best position to set the budgetary priorities of the States when they do not even hold hearings or listen to evidence about other needs?

When the Justice Department or the Federal court says that you will spend x amount of dollars on the prisons, they do not even take evidence. Check the court records. You will not find anywhere where they took evidence about the educational needs of a State, mental health needs of the State, or other needs for State services. They do not do that. They do not weigh that.

Now, who is better equipped than the legislative bodies elected by people at the local level, city councils, State legislators, mayors, Governors; the people who go around holding hearings so that all of the needs of the State, all of the needs of the people; the people in the mental institutions; the people in the juvenile institutions; the people in the prisons? All these competing needs can be weighed against each other. And then, on the basis of weighing those needs and determining which are the most pressing, the elected representatives of the people at the local level set the priorities of the budget.

Or do you think that we ought to have great confidence in some bureaucrat at the Department of Justice to set the budgetary priorities for the local level and the State levels instead?

Do you think that you are more likely to get the right kind of balanced concern for all the people of your State from people elected by members of families of those who are in the institutions? Or do you think you are going to get more concern from unelected bureaucrats in the Department of Justice in Washington, who do not have to have any concern about how you pay the bills and whose pockets you may be robbing from in one area of State government to pay the bill in another?

No, Mr. President, I have to say—as the Senator from Indiana said earlier in guessing what my position would be—that I am not convinced that this is the proper method. I can only say to him that, as a practical matter, he will live to see the day when there are going to be some people he is vitally concerned about protecting who are going to have fewer dollars spent on them, fewer dollars spent on their institutions, because of the passage of this bill. That would be the case now.

When this bill was earlier before the Senate, I tried to amend it. I said:

> Let's take out the prisons, at least, so that we will not have the situation where a prison order comes first and we end up robbing the mental health budget and education budget of the State to pay for the prisons.

I said:

> At least, let's take that out.

But it was not done.

I said here today, let us limit this bill only to those cases where, for reason of age or mental competency, people are not capable of filing suit themselves. Why include in it inmates in prisons who are perfectly capable—and do every day of the week—of filing suits in their own behalf?

There are many other things that could be said about this legislation, about its unfairness. Because of its lack of specific notice to the State governments as to the conditions that need to be corrected, notice can be given on one subject, an investigation commenced on something else ends up being investigated instead, and court orders are sought on other subject matters for which notice has not even been given.

I could talk—and I hope I will have the oportunity in future days to talk—about the unfairness of this legislation in terms of the failure to keep in it an amendment offered by the Senator from Nebraska, adopted on the floor of the Senate, which would at least require that the different agencies of the Federal Government coordinate their instructions to the States, so that you do not have one Federal agency demanding you take one course of action and another Federal agency demanding that you do just the opposite.

I recall the Senator from Nebraska at that time pointing out that they were being ordered by the Justice Department and by some Federal agencies to do one thing and by HEW to do just the opposite.

It seems to me, if we are going to set up the Federal Government as czars over the State, we should at least require that the Federal Government speak with one voice to the State; at least speak consistently so that they can comply with the orders that are being sent down from all high in Washington. Even that amendment, a very mild amendment, an amendment just based on fairness that at least would put the local officials in a position to comply, taken out by the conference committee.

So I must say that this bill is a naked incursion into the rights of States. It is based upon the faulty premise that State governments and local governments have no concern, or very little concern, about the rights of institutionalized persons in their jurisdictions. It is going to end up hurting many of the very people in these institutions that the authors of this legislation are aiming—I think sincerely aiming—to protect.

Mr. President, I would urge the Members of the Senate to listen to those who have had experience with State and local governments; to listen to those who have wrestled with the budgets; to listen to those who have tried to make the dollars go as far as they possibly can; to listen to those people who stayed awake at night worrying about where within the State budget they could find additional dollars to remodel some institution that might be a firetrap or change the heating system so people in mental hospitals will not get cold and get sick. I wish they would listen to them.

It is no coincidence that nine former Governors, who are now Members of this Senate, representing all geographical parts of this country, all positions on the political spectrum from what we call liberal to conservative, members of both parties, Republicans and Democrats alike, nine former Governors who are now Senators, elected by their own people, as a result of their own experience have sent telegrams to all the Governors in this country urging them to contact Members of the Senate and express their opposition.

It is no coincidence that two of our colleagues, Senator MORGAN, of North Carolina, and Senator DANFORTH, of Missouri, both of whom have served as the attorneys general in their own States, have joined in this effort and have sent telegrams to chief law enforcement officers and prosecutors in their States urging them to become active in the defeat of this legislation. These are honorable people concerned about the citizens in their States who, from their experience, are saying that this piece of legislation should be defeated.

I hope every one of my colleagues will pause to consider why it is that these fine

Members of the Senate would be taking this position.

Mr. HELMS. Will the Senator yield?

Mr. MORGAN. I am happy to yield to my colleague from North Carolina.

Mr. HELMS. I thank the distinguished Senator from Oklahoma for his fine assessment of this legislation. I will say to him, for a very long time I have been somewhat less than impressed with the way the Federal bureaucracy operates in terms of investigating matters across the country, in terms of the pressures applied, in terms of the inordinate amount of money spent on such foolishness.

I wonder if the Senator from Oklahoma saw an item I read the other day that OSHA has finally gotten around to having an inspection of the OSHA headquarters here. Did the Senator see that item in the paper?

Mr. BOREN. I did indeed see that.

Mr. HELMS. OSHA was in violation, as I recall, of 200 of its own regulations.

We have to stop this centralization of power in Washington, D.C. All wisdom does not reside here. I have just about decided that no wisdom resides here when I see some of the judgments being made. But at this point in the history of this country, with the future of America being as fragile as it is in terms of our very survival, to continue to pile on additional authority to investigate, to persecute, to interfere, to meddle the rightful prerogatives of the States seems to me what the lawyers call reductio ad absurdum.

I commend the Senator for his eloquent assessment of this situation. I hope he stands firm. I know that he will.

I was sitting here thinking while the Senator was peaking. Maybe we ought to put the shoe on the other foot.

Not long ago I was in one of the cities of North Carolina and I went into the post office. One of the employees of the post office laughingly said, "Senator, I want you to take care of a little item for me. This building is infested with cockroaches."

Well, it occurred to me while I was sitting here listening to the distinguished Senator from Oklahoma that maybe we ought to send a swarm of State investigators into that post office and see how they like that.

I think the Federal bureaucracy, including the Justice Department, has a full plate of responsibility as it is, and instead of adding to the authorities and the responsibilities of the Federal Government we ought to hasten to diminish those authorities and those responsibilities, going back toward State rights. I commend the Senator and I thank him for yielding.

(Mr. METZENBAUM assumed the chair.)

Mr. BOREN. I thank my colleague from North Carolina. I agree completely with what he has said.

I was saying earlier that some of the most shocking reports concerning penal institutions have been written about Federal correctional institutions.

Mr. HELMS. Exactly.

Mr. BOREN. The outstanding work done by Senator NUNN, of Georgia, with reference to the Atlanta Penitentiary, said that it should really be closed. We heard what was said about drugs being used there on a widespread basis, about knife-wielding inmates, that the safety of all those in the institution was very much in doubt, that it was run by inmates themselves, and it was very crowded. It was a litany of abuses.

I read that report and, after reading it, one would ask what State that was located in. On the bottom line, it said it was referring to the Federal penitentiary in Atlanta, Ga.

The Federal Government has already undertaken to do more than it can do. We have already indicated that we certainly do not have the answers to the welfare problems, that we do not have the answers to the problem of crime in our society.

When this country was founded the people who wrote the Constitution reflected the faith of Thomas Jefferson in the people to run their own affairs. They reflected confidence in local electorates to confront local problems. They realized the wisdom of diversity and they set up a Federal system in which we could have a laboratory of experimentation. We could try different ideas on the local level, giving flexibility to the States to try something new. Then if something worked well, perhaps the whole country could consider benefiting from that experience.

Now we have gone full circle over the years. The feeling is a lot of the people do not have the ability to govern themselves. If we leave it up to the local people, those closest to it, the families of the people in the institutions, and he local councils and so on, the feeling is you cannot trust them, you cannot trust them to be concerned about their own kinfolks. We just have to put our faith instead into the people here in Washington to look after the interest of those people.

It is the exact reverse attitude from the faith and confidence that the founders of this Nation expressed in the people themselves and indeed of the democratic process.

Really, I guess I would say that one of the reasons I most resent this piece of legislation, or take offense at it, is that I think, really, it expresses a rejection of the democratic process. It really says the people themselves just do not have sense enough or compassion enough to take care of these kinds of problems, that we have to put it in the hands of unelected people, who are not accountable directly to the people.

I think the Senator is so right: If there is any message I get from the people back home, it is that not only do they not think Washington has come up with all the answers to the problem, they do not think Washington has come up with any answers that make sense at all. When we see what a mess has been made of most of the programs in this country and we look at what the Federal Government has done to the value of the dollar of the working person in this country, and the chaos the Federal Government has put our economy into—and it is the Federal Government; that is where the blame belongs—I think the people are saying, let us handle some of our own problems; we have had all the help out of Washington that we can stand and we cannot afford any more help from Washington.

In fact, there is a question right now whether the country can survive all the help it has received from the Federal Government.

Mr. HELMS. If the Senator will yield, one of my constituents was talking to me the other day and he said, "I have decided the Federal Government cannot solve the problem because it is the problem."

Mr. BOREN. I think the Senator is correct. I think that, as much as anything else, it has become the problem. It has become a burden to the people instead of the help it was intended to be.

I think we have to start drawing the line. I think we have to start breathing some life and creativity back into the Federal system. I hear people say, where are all the greatest innovators, people like LaFollette and people at the turn of the century at the State government level, who were experimenting with these problems. I doubt that there would be room for any of them any more. The Federal guidelines would never allow experimentation with some of those programs today, would never allow them, would not allow them to be tried. We have so changed and stifled the creative ingenuity of the people in local government in this country and, indeed, the people in the private enterprise sector of the economy that we have put ourselves in a national straitjacket.

I hope that the Members of the Senate, my colleagues, will exercise some restraint in this matter and that they will pause to question, do we really have the answers to all the problems this country has, or perhaps could people—even those elected by the citizens of our States—perhaps they should be trusted with making a few of these decisions themselves.

I am kind of confused, I say to my good friend from North Carolina. Obviously, I think if we polled the Members of the Senate and we said, "Do you trust the electorate, do you think the people are wise, basically"—at least, I think, for public consumption, my colleagues in the Senate would all pretty much have to say, "Yes, we think the people are pretty wise." You know, after all, the people were wise enough to elect the 100 people, the 100 men and women, who serve as Members of this body. Yet, sometimes, the 100 men and women of this body turn right around and say, "Yes, they were wise enough to elect us, but we don't think they are wise enough to make any other decisions."

It seems to me if they have shown such great wisdom as to elect the kind of men and women who are here—my friend from North Carolina, my friend from Indiana, my friend from Hawaii, who has joined us—I have to have a little more faith and confidence in these people that they are willing to take care of some of these problems and issues that they know about from experience in their own families, their own neighborhoods, their own towns.

I hope that we can bring a little bit of the spirit of Thomas Jefferson back into the policies we are making in this body. I say that being one who is very proud to try to follow that tradition. It is time we returned to his policies. The Republic would be much better off for it if we would.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CLOTURE MOTION

Mr. BAYH. Mr. President, I send to the desk a cloture motion.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Birch Bayh, Lloyd Bentsen, Charles McC. Mathias, Jr., Bill Bradley, Jennings Randolph, John Culver, William Proxmire, John Glenn, Frank Church, Robert C. Byrd, Dennis DeConcini, Harrison A. Williams, Jr., Max Baucus, Gary Hart, Howard M. Metzenbaum, Patrick J. Leahy, Robert T. Stafford, Spark M. Matsunaga.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 10.

Mr. BAYH. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there now be a brief period for the transaction of routine morning business not to extend beyond 10 minutes and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

C. STANLEY BLAIR

Mr. MATHIAS. Mr. President, funeral services were held today in Bel Air, Md., for C. Stanley Blair, a distinguished judge of the U.S. District Court for the District of Maryland.

I have seldom seen such an outpouring of family, of personal friends, of political friends and rivals, of judicial colleagues, and of legal brethren.

It was a tremendous tribute to Judge Blair and expressed how the people of Maryland felt about his remarkable career, a career in which he had served as a member of the General Assembly of Maryland and as secretary of state of Maryland.

He had been nominated by the Republican party of Maryland to be Governor and waged a positive and creative campaign. Finally, his distinguished public service culminated in the U.S. court where he sat for a period of 9 years.

If there was one distinguishing characteristic of Judge Blair's service as a Federal judge, I believe it was the commonsense that he brought to judicial decisions.

He was a good lawyer. He knew the law. He had experience in life and so he knew how Government and business operated.

He was dedicated. He was industrious. But the hard commonsense that he brought to political life and to judicial life was a distinguishing characteristic that is all too rare.

He will be very much missed in the State of Maryland and throughout the country. He was one of the very best of our Federal judges, honored by his colleagues on the bench, as well as by the bar.

Mr. President, Mrs. Mathias and I extend our deepest sympathy to Mrs. Blair and to Judge Blair's father, Mr. Charles E. Blair, as we share the loss of his premature death.

Mr. President, I ask unanimous consent that an article on Judge Blair's life by Mr. Peter A. Jay, which appeared in the Baltimore Sun, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

MAKING THE BEST OF IT

C. Stanley Blair, who died suddenly on Sunday at the early age of 52, was an engaging and extremely talented politician who had bad political luck. It changed his career, and probably changed his life.

For the last nine years he was a federal judge in Baltimore, and widely regarded as an excellent one, fair and hard-working and knowledgeable in the law. But unlike many lawyers who fool with politics only in the hope that it will one day lead to a judgeship, Stan Blair, given the choice, would have preferred the hurly-burly of elective office to the isolation of the bench.

It would be an overstatement to say that he accepted his appointment to the U.S. District Court with reluctance; he knew it was a prestigious and important job that would be a challenge to any lawyer, and he welcomed challenges. But he surely put on the robes with some regrets, and wore them with a touch of very private wistfulness.

Back in the early 1960s, Mr. Blair was an ambitious young lawyer who was obviously going places. After stints in the merchant marine and the construction trade, he had put himself through college and law school, editing the University of Maryland *Law Review* in the process. He was practicing law in Bel Air as a partner in Harford county's best-known firm. He was bright, gregarious, a good speaker, and in a hurry.

In 1962 he was elected to the House of Delegates as one of three Republicans from normally Democratic Harford county, and served as chairman of the county delegation. Despite his minority-party affiliation, he became even in his freshman term one of the people who counted in the legislature.

Four years later came the first flash of bad luck.

William S. James, the president of the state Senate, announced in early 1966 that he intended to leave his secure Harford county seat to run for attorney general. Mr. Blair, seeing an opening, immediately filed for the Senate. But at the last minute, when he wasn't invited to join any statewide Democratic ticket, Mr. James changed his mind and ran again for his old seat. He narrowly defeated Mr. Blair, who would never win another election.

Spiro Agnew, just elected governor, then named Mr. Blair to the $10,000-a-year part-time job of secretary of state. The position had a variety of official duties, but it really meant that Mr. Blair was the governor's right-hand political man, lieutenant governor in fact if not in title. (The office of lieutenant governor wasn't re-created in Maryland until 1970.)

The Agnew administration, of course, was short-lived. While the governor was off campaigning with Richard Nixon in 1968, Mr. Blair ran the state. After the election, he went to Washington to become the new vice president's chief of staff.

I used to stop in and see him sometimes at the White House, and often came away with the sense that he was restless. He loved power and action, but he didn't like being someone else's spear-carrier, even a quite exalted one. So he left in 1970 to run for governor himself.

That, in retrospect, was fortuitous for it kept him totally clear of the 1973 kickback scandal that brought about the vice president's resignation. He lost the election to Marvin Mandel, but was appointed to the Federal bench by Richard Nixon soon after, and so was out of harm's way when hell began breaking loose in Washington.

(Mr. Mandel, who has been through a lot himself in the last decade, had nothing but respect for Mr. Blair. "We were friends before that election," said the former governor on Monday, "and we were friends after—not close, but friends. He was a fine and honorable man.")

After he became a judge, Stan Blair's old friends saw less of him. He worked long hours keeping up with the many duties of a federal judge on a busy trial court, and while he still managed to play some tennis and go goose hunting on occasion, he didn't have the contact with a wide variety of people he had enjoyed in his political days.

It isn't usual to feel vaguely sorry for federal judges, especially good ones. They're well-paid, respected, and doing useful work. But I always had the feeling, which was reinforced on our infrequent meetings in recent years, that fate had dealt rather harshly with Stan Blair.

He loved being in the thick of things, as he had been long ago in the legislature. He would have loved being governor, and would probably have been good at it. But it was a measure of his strength of character that when these other lives didn't work out, he took what was available and made the best of it. He certainly never wasted his time, which ran out on him much too soon.

THE FEDERAL ELECTION COMMISSION PRESIDENTIAL PRIMARY MATCHING PAYMENT ACCOUNT REGULATION

Mr. PELL. Mr. President, on April 10, 1980, the Federal Election Commission transmitted to the Senate a proposed regulation pertaining to the administration of the Presidential primary matching payment account. The Commission may prescribe this proposal as a regulation if neither the House nor the Senate passes a resolution of disapproval within 30 legislative days. Through April 22, 1980, 5 legislative days have expired.

Presently, the Commission can suspend primary matching payments to a Presidential candidate who knowingly and willfully exceeds the expenditure limitations under the Federal Election Campaign Act. Such a candidate could receive payments once again if he or she repays the amount by which the limitation was exceeded or agrees to pay any civil or criminal penalties resulting from the violation.

Under the proposed regulation, the Federal Election Commission could suspend primary matching funds to a Presidential candidate who knowingly, willfully, and substantially exceeded the Federal law's expenditure limitations and a candidate who is suspended for exceeding the limitations could no longer receive matching payments. The proposed regulation appears in full at the end of this statement.

Members of the Senate having questions or comments on the proposed regulation may direct them to the Committee on Rules and Administration, Elections Section, 310 Russell Senate Office Building, 224-5647.

The proposed regulation follows:

Proposed Regulation

11 CFR 9033.9 is amended to read as follows:

Part 9033 Eligibility:

§ 9033.9 Suspension of Payments.

(a) If the Commission has reason to believe that a candidate or his or her authorized committee(s) has knowingly, willfully and substantially failed to comply with the disclosure requirements of 2 USC 434 and 11 CFR Part 104, or that a candidate has knowingly, willfully and substantially exceeded the expenditure limitations at 11 CFR 9035, the Commission may make an initial determination to suspend payments to that candidate.

(b) The Commission shall notify the candidate of its initial determination, giving the legal and factual reasons for the determination and advising the candidate of the evidence upon which its initial determination is based. The candidate shall be given an opportunity within 20 days of the Commission's notice to comply with the above cited provisions or to submit written legal or factual materials to demonstrate that he or she is not in violation of those provisions.

(c) The Commission shall consider any written, legal or factual materials submitted by the candidate in making its final determination. Such materials may be submitted by counsel if the candidate so desires.

(d) Suspension of payments to a candidate will occur upon a final determination to suspend payments by the Commission. Such final determination shall be accompanied by a written statement of reasons for the Commission's action. This statement shall explain the reasons underlying the Commission's determination and shall summarize the results of any investigation upon which the determination is based.

(e) (1) A candidate whose payments have been suspended for failure to comply with reporting requirements may become entitled to receive payments if he or she subsequently files the required reports and pays or agrees to pay any civil or criminal penalties resulting from failure to comply.

(2) A candidate whose payments are suspended for exceeding expenditure limitations shall not be entitled to receive further matching payments under 11 CFR 9034.1.

IN CALIFORNIA 800,000 JOBS DEPEND UPON FOREIGN TRADE

Mr. CRANSTON. Mr. President, it is estimated that two-way international trade valued at more than $40 billion passed through California during 1979. While it has long been known that this trade contributes substantially to the State's well-being, the actual extent to which California employment levels are increased by international trade has not been fully appreciated.

The California Council for International Trade (CCIT), California's oldest and largest statewide membership association dedicated exclusively to the expansion of international trade, has recently published a study which concludes that some 800,000 California jobs, or 10 percent of the civilian employment in our State, depend directly or indirectly upon international trade.

This study was compiled by the council in order to increase awareness of the significance of international trade on American employment and to improve prospects for future trade expansion. It is entitled "Who Needs Foreign Trade? California Does."

The council has performed an important public service by compiling this information and I commend their report to the attention of interested members of the public.

Copies of this brochure can be obtained from the council's Secretariat, 1333 Gough Street, room 6F, San Francisco, Calif. 94109.

IRAN: THE NEED TO RESTRAIN OUR MILITARY IMPULSE

Mr. PELL. Mr. President, yesterday the governments of the European community decided to reduce diplomatic ties with Iran immediately and to ban all exports to Iran except food and medicine on May 17, if "decisive progress" is not made by that time toward the release of the American hostages.

The President has striven mightily to persuade our allies to support his policy of sanctions against Iran and I congratulated our President on his excellent work and success in this regard. I applaud the Congress decision, as I too, have long called for a policy of concerted United States-European action in responding to both the crises in Iran and Afghanistan. The President now has European support, and concerted action should now be given a reasonable chance to succeed.

What the Europeans have done should not, however, be misinterpreted as support down the line for a get tough policy with Iran. Rather, the European decision reflects a fear that the United States is eager to abandon diplomacy in favor of military action. In my view, the European willingness to join in sanctions against Iran is motivated more by a desire to buy time in the hope that military action, with potentially calamitous consequences, can be avoided than by strong support of the United States.

I share these concerns of our European allies. I also share the view of the United Methodist Church, which yesterday implored President Carter "not to give in to those who counsel military intervention or to take steps which will lead eventually to war." Accordingly, I for one oppose the unilateral use of military force at this time.

In diplomacy, as in life, it is wise to avoid public ultimatums and threats of violent action. The spirit of Jingoism must not be revived. Although our national patience and pride are being sorely tested, and the temptation is strong to "teach Iran a lesson"—particularly in the heat of an election campaign—let us not give up on the search for a peaceful solution. The effort to isolate Iran and persuade the political forces which are still evolving in that country that Iran's true national interest lies in resolving the hostage crisis has not yet been played out. In this connection, we should not forget that it was only after 11 months of painful negotiations in 1968 that the release by North Korea of the 82 crewmen of the *Pueblo* was finally achieved.

If military action is taken, I fear that the first action will be followed by another and then another. We saw elements of this in Vietnam. The lives of the very people that the military actions are designed to save will be jeopardized, and the Soviets may be tempted to intervene in order to "save" Iran. Military action against Iran could also inflame the Muslim world just at a time when we have achieved some success in developing support for our condemnation of the Soviet invasion of Afghanistan.

Before going further, I believe our President should consult with Congress under the terms of the war powers resolution, the relevant provision of which reads as follows:

> The President in every possible instance shall consult with Congress before introducing United States Armed Forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances.

In my judgment, recent statements by the President indicate that our involvement in hostilities with Iran could occur in the not too distant future. Therefore, our President should take the Congress into his confidence by setting forth the military options he is clearly considering and the objectives he hopes to achieve if he exercises any of those options. And he should seek the counsel of the Congress on those options and objectives. There is an old saying that the Congress should be in on the takeoff as well as the landing on policy decisions affecting the security of the Nation. Now is the time to discuss calmly whether there should be a takeoff in turbulent and potentially stormy weather.

Mr. President, columnist Clayton Fritchey recently wrote a very perceptive and persuasive article on the need for consultations with Congress pursuant to the war powers resolution. I ask unanimous consent that the full text of this article, which originally appeared in the Washington Post of April 21, be printed at this point in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Mixed Signals on Iran

(By Clayton Fritchey)

It is not surprising that America's allies feel imposed upon in being required—without prior consultation—to reinforce a White House crackdown on Iran about which they have grave misgivings. However, if it's any comfort to our foreign friends, they are not alone in being ignored by the president in the formulation of a policy that could well lead to military involvement. Congress has not been consulted either.

There is no law, of course, obliging the president to get a green light in advance from the allies, but there is one—the 1973 War Powers Resolution—that requires prior consultation with Congress on military initiatives, except in an "emergency" when there is no time to consult.

For the last two weeks or so, Carter and his spokesmen have been threatening to take drastic steps that "might very well involve military means" if the economic sanctions already imposed fail to free the hostages. The time for decision, says Zbigniew Brzezinski, the national security adviser, is "a matter of weeks at the most."

Nobody in the administration is counting on the present sanctions (largely symbolic), or the severing of diplomatic relations with Iran, to win the release of the hostages. Hence, the United States is on the brink of what Carter says "would be very strong and forceful" action. Both a naval blockade and the aerial mining of Iranian oil ports have been intimated.

The president's tough new posture has been described by his press secretary as a public relations triumph, which it may be for the moment. But in adopting it, Carter has paid scant heed to the War Powers Act that was enacted in the wake of Vietnam to inhibit chief executives from initiating military moves entrely on their own.

It may be that Carter intends to consult Congress before using the armed forces. If so, the time to do it is now—not at the last minute, or after the fact. It also may be that he has privately confided in some of his friends on the Hill, but there is no record of it.

In any case, that's not the kind of broad conferring called for in Section 3 of the 1973 resolution. It provides that "the president in every possible instance shall consult with Congress before introducing U.S. armed forces into hostilities or into situations where imminent involvement in hostilities is clearly indicated by the circumstances."

The resolution further says that the president's powers in such situations "are exercised only pursuant to (1) a declaration of war, (2) specific statutory authorization, or (3) a national emergency created by attack upon the United States, its territories or possessions, or its armed forces."

Pat Holt was chief of staff for the Senate Foreign Relations Committee when the resolution was debated and adopted. This is the way he interprets it:

"Since both a declaration of war and specific statutory authorization require an act of Congress, this means that the president can act on his own authority in the case of hostilities or of an imminent threat of hostilities only when there is a national emergency caused by an attack on U.S. territory or on U.S. armed forces. This does not include a national emergency arising from other causes; nor does it include attacks on civilian Americans."

The dilemma of our European and Asian partners has aroused sympathy in unexpected quarters. Ronald Reagan, for instance, is saying, "A long string of conflicting signals from the White House, State Department and the National Security Council to the allies clearly is causing them to wonder if the Carter administration really knows what it is doing." He has a point.

The allies, being so dependent on Persian Gulf oil, naturally are not eager to join the United States in economic and diplomatic warfare against Iran, let alone military involvement. They feel it would not only be against their best interests, but against the best interests of the alliance as well.

There is also concern here and abroad that a resort to raw force could be fatal for the hostages and jeopardize the long-range interests of the United States in the whole area, especially if Iran, in desperation, should turn to neighboring Russia for help.

Since Carter pursued a constructive policy of patience and quiet diplomacy for almost six months, why not extend it for a couple of more months to give the new Iranian parliament, now being elected, a chance to resolve the hostage question, as proposed by Ayatollah Khomeini? Even if it turns out to be just another delaying tactic, there is little to lose.

The danger to the hostages, who have been well treated, is not losing their liberty between now and summer, but the possibility of losing their lives if U.S. armed force is invoked. Being confined is no picnic, but it is certainly better than being killed.

APPOINTMENT BY THE VICE PRESIDENT

The PRESIDING OFFICER. The Chair, on behalf of the Vice President and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86–420, appoints the following Senators to attend the Mexico-United States Interparliamentary Conference, to be held in Washington, D.C., May 5–8, 1980: the Senator from Nebraska (Mr. Zorinsky), the Senator from Arkansas (Mr. Pryor), the Senator from New York (Mr. Javits), the Senator from New Mexico (Mr. Domenici), the Senator from California (Mr. Hayakawa), and the Senator from New Mexico (Mr. Schmitt).

ECONOMIC ECOLOGY

Mr. HEFLIN. Mr. President, I introduced a bill which called for an inflation impact statement to be presented to the Senate by the committee that proposes legislation showing the inflationary impact on the economy that the proposed legislation might bring about.

In connection with this, an editorial appeared in the Alabama Journal, Montgomery, Ala., dated April 10, 1980, entitled "Economic Ecology."

I ask unanimous consent that the editorial be printed in the Record.

There being no objection, the article was ordered to be printed in the Record, as follows:

Economic Ecology

For years, businesses have been required by federal law to file environmental impact statements with the Environmental Protection Agency before beginning new construction projects. The value of the requirement is that it forces industry to take environmental considerations into account from the beginning, instead of ignoring them until some possibly irreparable damage has already been done.

Alabama's Sen. Howell Heflin is apparently quite impressed with the results of this requirement—so impressed, in fact, that he wants it extended to cover Congress itself as well as private industry.

The impact Heflin is primarily concerned with, however, is not environmental but economic. A bill he recently introduced would make a statement of any proposed legislation's economic impact a prerequisite for consideration by the U.S. Senate.

Before the Senate could consider any bill, in other words, its effect on the economy would have to be objectively evaluated, just as the effects of a proposed factory on the air, water and other aspects of the natural environment must now be scientifically evaluated.

If a bill would increase inflation, the impact statement would have to make that clear; then it would be up to the Senate as a whole to determine whether such an increase were tolerable or not.

An obvious objection to this proposal is that economics is still far from being the exact science that chemistry and biology are. While there's little room for disagreement about the effects of given substances on the environment, learned economists still advance inflation cures that are as incompatible as bloodletting and antibiotics.

Still, the virtue of Heflin's bill is that it would force senators to at least consider the economic consequences of their votes before they cast them, instead of after the damage has already been done. As Heflin points out, that's precisely the kind of consideration that has been conspicuously lacking thus far, and it's hard to believe that it wouldn't result in more conscientious spending policies.

Since there's nothing the federal government needs more, the Senate should give Heflin's approach a try. We have little to lose and possibly a great deal to gain from the experiment.

COMPREHENSIVE STEPS NEEDED FOR OUR SURVIVAL AND SECURITY

Mr. TSONGAS. Mr. President, the United States was strong beyond challenge in a world of $2-per-barrel oil that pretended to be unlimited. With OPEC oil now averaging around $30, and with much of its supply dependent on hostile states and precarious shipping lanes, the age of cheap energy is over. Price eruption and supply disruption in energy will bring wrenching, fundamental changes in our economy and throughout American society. How and where we live and work—the patterns of our society—have been influenced greatly by the availability of cheap energy, and the assumption that it would continue. A fundamental transformation has begun and will accelerate during the next 20 years—an explosion of crises and opportunities which we must realize, analyze, and direct.

In order for this Nation to survive and ultimately prevail in this dangerous time of transition, every level of government and every segment of society must contribute. New planning must go far beyond energy policy as we think of it now. Energy awareness must infuse a comprehensive reexamination of practices and policies in many areas, including transportation, career training, foreign trade, housing, recreation, settlement patterns and urban revitalization. We must incorporate energy reality into all decisionmaking—whether personal or governmental. The only alternative is that energy shortages and soaring prices will control our lives and make decisions for us.

The need for thorough planning and hard choices is acute in the Commonwealth of Massachusetts. We are 80-percent dependent on oil, and 80 percent of that is imported. In response to our extreme vulnerability, I recently proposed "the Massachusetts plan," a comprehensive framework for the State's future. It makes over 250 recommendations to government, business, community groups, and private citizens. It seeks to provoke comment, debate, additional proposals, and action.

The plan is a proposed blueprint for the future of Massachusetts, but I want very much to share it with my colleagues. Many of its proposals would work anywhere in the United States, thereby contributing to our national security. Moreover, this document, which was released in Massachusetts on April 10, will be strengthened by widespread, detailed debate.

Mr. President, I ask unanimous consent that "The Massachusetts Plan" be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

The Massachusetts Plan: Through Survival to Stability

I. INTRODUCTION

The single dominant phenomenon during the next 20 years will be energy. Its price—and more critically, its supply—will set in motion self-sustaining, market dynamics that will reward the foresighted and crush the complacent.

As a nation, we are unprepared.

As a state, we are unprepared.

As communities, we are unprepared.

As individuals, almost all of us are unprepared.

This plan seeks to confront the future and prepare for it. Its simple premise is that our state can survive the inevitable body blows of the future only if we so choose. And by choosing, we can craft a position of relative invulnerability that will serve as our major economic foundation.

The energy situation is, indeed, the equivalent of war. It threatens Massachusetts more gravely than many less energy-dependent states. We are already suffering economic injury without any plan for self protection.

War it is, and it's about time we began the mobilization.

II. THE PLAN

The plan asks: What resources don't we have? What resources do we have? What kind of economic base can we compete for and how do we maximize that capacity to compete?

A. What resources don't we have? The fact is that we don't have fossil fuels within our borders. This means the following:

1. Every dollar spent on oil, gas, and coal, for heating, transport, and commercial use is a dollar exported from our state. The greater the use of these fossil fuels, the greater will be the drain of our capital.

2. Every economic activity dependent upon the supply of these fossil fuels is in a critical, precarious condition. Any wise decision-maker in a fossil fuel-based, energy intensive industry will, if possible, locate, relocate, or expand where the supply is.

3. Every personal activity (i.e., driving to work, heating one's home) is subject to wildly escalating prices and interruptions, thus hindering those activities. Businesses dependent on a human resource base that engages in these activities will, if possible, gravitate to where the disruption is minimized.

B. What energy resources do we have? The fact is that we have remarkably diverse alternative energy resources (resource recovery, low-head hydro, wood, solar, wind). We have enormous conservation potential that can drastically cut our per capita fossil fuel consumption.

This means the following:

1. Every dollar spent on indigenous energy sources (i.e., weatherizing one's home) is a dollar multiplying through the system, reinforcing our economy, not draining it.

2. Every economic activity based on an indigenous energy resource (e.g., the RESCO energy supply to General Electric in Lynn) is for all intents and purposes secure from supply and price disruptions—and thus vitally stable. (See Section III.A.5 and Section IV.B.1.)

3. Every human activity based on an indigenous energy resource (e.g., living in passive solar heated homes, bicycling or walking to work) is also secure, and thus makes more attractive to the decision-maker the location in Massachusetts of human resource based industries. (See Section III.6.).

C. What industries can we compete for and how do we increase our capacity to compete? We can compete for energy intensive industries to the extent that we can link those industries to indigenous energy supply. We can compete for energy non-intensive industries (such as those involved with high technology, health, education, service industries, traditional industries with specialized skills) if we provide the milieu that such industries favor: adequate supply of skilled personnel, assured access by workers and management to the workplace, reasonable independence from energy supply shocks for workers and management.

The Massachusetts Plan is a blueprint for action in each of these areas. It outlines proposed federal, state, local, corporate, and individual decisions which, taken as a whole, will protect Massachusetts from imminent danger and potential disaster. It is a framework to hold onto the human and corporate resources that we have, and to secure from other states newcomers who will recognize the reinforced stability and strength of Massachusetts.

I believe there is an urgent need for serious public debate on Massachusetts' response to the energy crisis of the next two decades. This plan is my effort to open that debate. It is provocative and will, no doubt, prove controversial. But, it is offered with the hope and expectation that suggestions and criticism will improve it. It is an invitation to every Massachusetts citizen to join the debate.

III. ENERGY: THE PRIORITY OF RENEWABLE RESOURCES AND CONSERVATION

Massachusetts must seriously embrace renewable resources and energy conservation. This basic priority will allow us to maximize a dependable energy resource base, and stem the current $6 billion-per-year capital outflow from Massachusetts for energy resources. The report of the Harvard Business School's Energy Project and many other comprehensive scientific analyses are in agreement that conservation and renewables are our energy future.

They are an absolutely urgent priority because the oil market will deteriorate rapidly in the 1980's. Four nations openly hostile to U.S. interests—Iraq, Iran, Libya, and Algeria—produce one-third of OPEC's oil. Many of the more moderate OPEC nations are reaching production peaks. Domestic oil and gas production peaked several years ago despite increased drilling activity. Even with decontrol, domestic production is expected to decline steadily during the 1980's.

Price eruption and supply disruption in energy are inevitable. They will bring sweeping societal change because how and where we live and work have been influenced greatly by the availability of cheap energy and the assumption that it would continue. A fundamental transformation now is taking place, which we must realize, analyze, and direct.

Massachusetts citizens face extreme, disruptive changes in their lives due to the energy crisis:

Exorbitant energy prices and the resultant economic shocks will make home ownership difficult and will cause abandonments of marginal housing to skyrocket.

The cost of commuting will force some workers into unemployment and create labor shortages for firms located far from their employees.

Gasoline prices and shortages will devastate tourism and retail industries dependent on automobiles. (See Section IV.B.2.)

The Massachusetts economy will be drained by the cost of importing energy. Businesses and their highly skilled workers will head for the Sunbelt.

While the tax base shrinks, the need for social services will grow.

The need for fuel supplies will result in waivers of environmental standards. The burning of coal and high sulfur oil without pollution control equipment will result in significant health costs and will greatly reduce environmental quality, especially in cities. (See Section III.B.)

There is no rationale behind our state of unpreparedness. Massachusetts produces only 3 percent of our energy needs, which causes billions of dollars to drain from the state's economy annually. Massachusetts is 80 percent dependent on oil, of which 80 percent is foreign, and yet 80 percent of our homes are underweatherized.

Even if energy planning were adequate nationally—and it is not—it likely would be far short of what the facts demand for Massachusetts. Quite simply, our energy position will be the single most important factor influencing our lives during the next 20 years. Without careful planning and hard choices, our lives will be shaped and Massachusetts misshapen by drastic energy disruptions. Prodded by our extreme energy circumstances, we must begin to lead the nation into the energy future.

A. Conservation and renewable resources

The state's only indigenous energy resources are conservation, solar, hydro, wind, wood, and other renewable resources. Their widespread acceptance depends on millions of individual consumer and business decisions. Private citizens, corporations, community groups and government must all work together to make Massachusetts first in the nation in energy conservation and renewable resource development.

During the past several years, I have supported the outstanding efforts of the New England Energy Congress to develop an action energy plan for our region. Many of their recommendations are reflected here in the broad context of Massachusetts' economic future.

1. Federal role:

The federal government must provide programmatic leadership, financial assistance, and regulatory guidelines. Washington must provide financial incentives to individuals and businesses to invest in conservation and renewable resources; funding for state and local governments to develop and implement energy planning and programs; research, development, demonstration, and commercialization activities for new technologies, and regulations to ensure efficiency standards for buildings, vehicles, and appliances. In particular, the federal government must:

a. Enact and fully fund the Conservation and Solar Bank. This legislation, which I authored, would provide interest subsidies on loans used to finance conservation and solar measures in residential and commercial buildings.

b. Enact and fully fund the Community Energy Act. This bill, which I authored, would provide energy block grants to local governments for planning, programs, and projects in energy conservation and renewable resource development.

c. Extend Daylight Savings Time in order to reduce the amount of energy used during the early evening peak.

d. Greatly expand the low-income weatherization program and make program modifications to improve effectiveness.

e. Establish a program to weatherize multi-family homes.

f. Provide aggressive programs for conservation and renewables in federal buildings. Results from the Norris Cotton Federal Building, an energy conservation demonstration project in Manchester, New Hampshire, should be reflected in construction of all new federal buildings.

g. Develop national building energy standards to require all new buildings to conform to strict conservation standards and incorporate passive solar design elements. (See Section V.B.I.)

h. Target all federal funding for housing, industrial, commercial, public and private development to conservation efforts. Include strict energy standards for all new buildings and require siting near mass transit or require development of mass transit capability. Use highway funding to promote efficient traffic patterns and develop bike paths.

i. Provide an aggressive marketing and commercialization program to expedite the development and widespread use of new conservation and renewable technologies.

j. Establish a program to encourage exports of solar technologies, including demonstrations, export financing, tax credits, information sharing, and international training programs. I plan to file such legislation this year.

k. Fund regional vocational training programs in conservation and solar technologies. (See Section IV.C.1.)

l. Greatly expand effort to raise public awareness and disseminate energy curricular material to public school systems.

m. Provide incentives to federal employees to use mass transit, bikes, vanpools, and carpools. (See Section V.B.2.)

n. Purchase fuel efficient vehicles for official use.

o. Expand eligibility for renewable and conservation tax credits.

p. Levy a 5% gas tax to fund increased federal investment in mass transit for both capital and operating assistance.

q. Extend automobile fuel efficiency standards beyond 1985, requiring 40 m.p.g. fleet average by 1995.

2. State role:

The Governor and State Energy Secretary Joseph Fitzpatrick have initiated several major conservation and renewable resource measures. If we enact the Governor's program and expand these efforts, Massachusetts can become a national model, demonstrating the full range of activity that a state without significant indigenous fossil resources can implement.

State government must:

a. Ensure that every residential and commercial building in Massachusetts receives an energy audit. The Governor and Energy Secretary Fitzpatrick have proposed a Residential Conservation Service program to provide audits that expands and improves upon the federally mandated program. State Senator Brennan has proposed legislation to require an energy audit before a home is sold. Both initiatives deserve strong support. We should also consider requiring weatherization or funds for weatherization in escrow at time of transfer.

b. Modify state utility regulation to encourage utilities to expand activities in conservation and the use of renewable resources.

c. Work with utilities, and local governments to exploit cogeneration opportunities and convert 100 percent of Massachusetts urban solid waste to energy. (See Section IV. B. 1. a–b.)

d. Streamline state licensing procedures to expedite new renewable resource projects. The Massachusetts Energy Office's program for low-head hydro is regarded as a national model. This should be expanded to all decentralized renewable resources.

e. Adopt a strict building code that significantly reduces energy use and includes passive solar design elements. DOE has already recognized the state's Building Code Commission for its efforts and refers to it as a national model.

f. Encourages conservation and solar energy in public buildings throughout the state. Massachusetts' recently enacted Alternative Energy Property and Conservation Program will provide $25 million in financial assistance to state, local, and public authorities.

g. Give authority to local governments to enact conservation ordinances and utilize zoning and subdivision regulations to conserve energy. The Governor is preparing legislation to do this.

h. Provide subsidies to encourage conservation and renewable resources. The Energy Development Caucus has proposed an Alternate Energy Development Corporation to provide subsidized financing to consumers and small businesses, and the Massachusetts Energy Office has proposed a program similar to the Conservation Bank to provide interest subsidies.

i. Establish a statewide energy extension service and consumer protection service to provide public information and to prevent consumer fraud.

j. Link automobile excise taxes to fuel efficiency and not age.

k. Enforce the 55 m.p.h. speed limit more strictly and increase fines for violations.

l. Levy a 5 percent gas tax to fund increased state investment in mass transit.

m. Provide exclusive rights of way on highways for van and car pooling and buses.

n. Structure tolls on highways and bridges to encourage van and car pooling.

o. Extend the Massachusetts Bay Transit Authority route system.

p. Make the MBTA a more efficient system by providing a stable funding mechanism and increasing the productivity through better labor and management practices.

q. Finance, expand, and integrate, intercity bus transit through regional transportation authorities and private bus companies.

r. Maximize the use of the commuter rail.

3. Local role:

Local governments have many institutional tools to influence energy use. Because conservation and renewable resources involve decentralized activities, they are more effectively managed at the local level than the federal level. (The Community Energy Act, which I authored, would provide the financial resources to communities for energy initiatives.) Comprehensive community energy planning will play the most critical role in our efforts to make Massachusetts more self sufficient.

Local communities must:

a. Start comprehensive energy planning to assess local energy problems and resources, and map strategies to reduce consumption and utilize renewables. The Franklin County Energy Conservation Task Force is one leader, with projects including recycling centers, fuelwood cooperatives, street lighting reductions, and comprehensive inventories of energy use and local supply potential. The Button Up Northampton program is another important community effort, with conservation education through the school system, a model energy audit program, and plans for bulk purchase of insulation for cost economies.

b. Initiate mobilization using community and neighborhood groups to provide public information, technical assistance, and weatherization assistance. Fitchburg's Operation FACE demonstrated how much can be done.

c. Weatherize single and multi-family housing through rehabilitation programs. Cambridge has proposed an innovative program to do this.

d. Adopt zoning and land use plans that protect sun rights and encourage efficient development patterns along transit corridors. (See Section V. B. 2 and D.)

e. Initiate public awareness programs and education programs in the schools. (See Section IV. C. 1 and VI. D. 3.)

f. Reduce municipal energy use through conservation and solar measures in public buildings and procurement practices that consider energy efficiency.

g. Actively develop low-head hydro, resource recovery, and district heating projects.

h. Encourage neighborhood co-ops to purchase insulation and conduct solar demonstrations.

i. Purchase fuel efficient vehicles for town employees (e.g., police, building inspectors).

j. Use school buses to expand mass transportation capacity for special activities.

k. Encourage bicycle usage by providing bike racks, bike lanes, and bike paths (e.g., the proposed Greenbush Railroad Right of Way Project, which would provide a 7½-mile bike route from Scituate to the Hingham commuter boat).

4. Utilities' role:

Utilities are in an ideal position to promote residential conservation and solar and to use decentralized options for renewable electric generation such as cogeneration, low-head hydro, and wind. A diversity of generation sources will increase reliability, and decentralized options will require lower capital investments.

Massachusetts utilities must:

a. Offer no interest or low interest loans for residential conservation and solar investments. Pacific Gas and Electric in California, one of the largest private utilities, is offering no interest conservation loans to 1 million customers over the next 10 years. Pacific Power and Light in Portland, Oregon offers principal deferred loans for solar.

b. Establish creative programs of public information to promote efficient energy use and to discourage peak use. Hingham's municipal utility has cut its electric demand through such a program.

c. Offer peak load pricing and install time of day meters.

d. Encourage small power producers through favorable purchase rates and nondiscriminatory back-up arrangements. Work with industry to install cogeneration equipment. Work with small producers to resolve interconnection and loan management issues. (E.g., New England Electric developed a creative financing arrangement for low head hydro in Lawrence.)

e. Initiate a load management program by installing load control devices on appliances and installing residential storage systems. New England Electric is initiating a major load management program.

f. Develop district heating or total energy systems where feasible (e.g., in new developments).

g. Actively demonstrate newer technologies such as fuel cells, utility scale wind machines, residential and commercial photovoltaics. Many utilities across the country have been gaining experience with these systems, which are expected to become competitive over the next 2 to 10 years. Southern California Edison is installing a 3Mwe wind machine and is planning hundreds more.

h. Actively initiate low-head hydro, wood fired generation, and municipal solid waste projects. Many utilities in our state have started to do this. Boston Edison is evaluating resource recovery; the Massachusetts Municipal Wholesale Electric Company is investigating 50Mwe worth of low-head hydro.

i. Utilities should work with local governments and developers to encourage energy efficient and renewable resource developments.

5. Corporate role:

Corporations can be a tool for promoting development of conservation and renewables. Corporations can individually utilize energy efficient processes and expand their use of renewables. They can also act as the catalyst for the energy efficient behavior of their employees.

Massachusetts corporations must:

Obtain a comprehensive energy audit and take steps to reduce energy consumption and use renewable resources in company facilities.

b. Develop cogeneration, total energy systems, more efficient industrial equipment, and solar process heat. (See Section IV. B. 1.)

c. Provide employee incentives to take mass transit, carpool, vanpool, or bicycle (e.g., MBTA pass programs, flexible hours, preferential parking, elimination of free parking, vanpool financing, and shower facilities).

d. Purchase efficient automobiles for company fleets and institute a regular automobile maintenance program.

6. Individual role:

Energy cost and supply interactions most drastically affect the lives of individuals. We have had sufficient warning. In making decisions in our personal lives, we must seek to protect ourselves and our families from the impact of the coming energy crisis.

There are many steps we can each take. Some examples are:

a. Purchase fuel efficient automobiles, and use your automobiles more efficiently.

b. Obtain an energy audit and install weatherization measures.

c. When buying or renting a home, consider energy factors such as availability of mass transit, energy efficiency of the structure, and suitability for solar retrofit.

d. Schedule energy consuming activities (i.e., showers, laundry) during off-peak hours.

e. Live as close to workplace as possible.

f. Turn down the water heater and the thermostat, and purchase only energy efficient appliances.

g. Use public transportation whenever possible. (See Section V. B. 2 and C. 2.)

B. Other options

In the long term, renewable resources and fusion could provide most of energy supply, but projections indicate that in 2000, fusion will not yet be commercial and renewables will provide only between ¼ and ⅓ of our energy demand. Depending on the effectiveness of our efforts at reducing electric demand, load management, industrial cogeneration, and tapping our indigenous resources, we may need to build additional power plants.

We should not build new oil-fired power plants and, when possible, we should reduce our reliance on base-load oil-fired capacity. By the mid to late 1980's, we will be able to evaluate electric demand growth, assess the results of our efforts in renewables and conservation, and determine how large a gap exists in the mid-term. For all practical purposes, after we maximize efforts to bring online decentralized renewable resources, the choice is between coal and nuclear. Given what we know about the short and long term environmental impacts of coal, that option should be avoided. While we must develop more effective environmental controls and new coal combustion and conversion technologies, the carbon dioxide problem (greenhouse effect) which threatens massive climate changes should preclude any large scale shift to coal.

If the nuclear option is to remain viable, we must redouble our efforts to make nuclear plants safer, reestablish the credibility of the Nuclear Regulatory Commission, and restore public confidence. The NRC must be reorganized to strengthen the focus on protecting public health and safety. The lessons of Three Mile Island must be incorporated in all existing and new plants. The technical capabilities of utilities must be expanded. Evacuation plans must be put in place. A technical and political solution to waste disposal must be vigorously pursued. The NRC and the nuclear industry must adopt rather than resist fundamental changes in organization, procedures, and attitudes.

To be realistic, these efforts will take several years. But given our state's dependence on oil for electric generation, we must be prepared in the late 1980's to accept additional nuclear plants—if we have resolved the problems with nuclear and have maximized our efforts in conservation and renewable resources. These are absolutely essential prerequisites. Utilities should not be allowed to build new nuclear capacity unless and until they have demonstrated true leadership in the conservation and renewable resource area as TVA has done. Incurring the costs and risks of nuclear power while allowing relatively benign alternatives to remain unused is not in Massachusetts' vital interest.

The present generation of light water reactors should be seen as an interim option only. Long term reliance on plutonium cycle breeder reactors with their nuclear proliferation risks must be avoided. Research and development efforts in fusion offer some optimism with respect to bringing this new energy source on-line early in the next century. Fusion, coupled with conservation and renewables, should provide electric generation for future generations.

During the next 20 years we must take steps to diversify Massachusetts' energy base to minimize supply interruptions. In the short run we must mount an all-out effort to reduce electric demand, manage electric loads better, and tap indigenous, renewable, decentralized sources. In the midterm we may have to add some coal and nuclear capacity but only under stringent environmental, health and safety standards.

IV. ENERGY EFFICIENCY AND INDUSTRIAL DEVELOPMENT

A. Introduction

Energy efficiency must be the prime determinant in our Commonwealth's industrial development strategy. The energy facts for business and industry are no different than for individuals. Massachusetts does not have significant supplies of fossil fuels within its borders. Every year Massachusetts suffers a multi-billion dollar capital outflow for imported fuels. Dependence on imported fuels also guarantees constantly escalating prices and the continuous threat of supply interruptions. Although industry can and will pass along fuel price hikes to consumers, the threat of supply interruptions is devastating to any business enterprise.

For the Massachusetts economy to survive the energy crisis and to remain stable and vibrant, industrial energy needs must be met. In particular, energy intensive industries must be closely linked to indigenous energy supplies, and a concerted effort must be made to ensure that our Commonwealth remains a highly competitive environment for industries with low energy use and high labor intensity.

B. Energy intensive industries

1. Retain existing energy intensive industries by ensuring operational efficiency and maximizing use of indigenous resources that can provide reliable fuel supplies at relatively stable prices.

a. Resource recovery: expand the use of waste for energy.

(1) Make maximum use of energy from waste recovery.

(E.g., the United States converts 1% of urban waste for energy; Switzerland converts 40% and Denmark converts 60%.)

(2) Expand current efforts in Massachusetts to tie in waste recovery facilities with energy intensive industries (e.g., in Saugus, the RESCO facility's tie-in with General Electric in Lynn; the Braintree Resource Recovery Plant tie-in with Weymouth Art Leather Co.; Norton Company and Monsanto plans for similar ventures in Worcester and Lynn).

(3) Increase federal assistance for resource recovery through tax subsidies, price supports, and loan guarantees.

(4) Develop state and local government capacity for planning and site selection of resource recovery facilities.

b. Cogeneration: exploit energy wasted in industrial process steam. Require users of process steam to cogenerate electricity for their own use and for sale to the grid, and remove institutional and regulatory barriers to this activity.

(1) Estimated energy potential from cogeneration in New England States is an additional 1000 Mwe—the equivalent of a new nuclear plant.

(2) Cogeneration requires a cooperative effort of industry, utilities, state, and federal governments.

c. Solar energy and energy efficiency: aggressively pursue all sources, including:

(1) Heat recovery/reuse of waste streams (e.g., the thermal recovery system in the Bolt Beranek and Newman Inc. building in Cambridge, which cost approximately $100,000, created unexpected space savings, and is saving $70,000–$75,000 per year in energy and maintenance costs).

(2) Use of smaller electric motors and lights.

(3) Insulation.

(4) Computer controlled temperature and lighting (e.g., the Malden Housing Authority's energy monitoring computer for several hundred subsidized housing units).

(5) Solar energy process heat.

2. Develop comprehensive planning to protect the tourist industry, the number two industry in Massachusetts. The tourist industry is 80 percent dependent on automobile travel, and is therefore especially vulnerable to periods of energy instability and fuel shortage, when tourist related travel is considered non-essential. Federal, state, and local governments must work to increase public transportation access to tourist facilities and to reduce tourist travel by automobile.

a. Federal, state, and local policies:

(1) Financial assistance to promote integration of transportation and lodging facilities with tourist areas.

(2) Financial assistance to expand and improve public and private mass transportation access to tourist areas.

(3) Development of bicycle paths into and within tourist areas (e.g., the 65-mile Boston to Cape Cod Trail).

(4) Expansion of water transportation facilities to tourist areas.

(5) Expansion of Masspool program for tourist ridesharing and expansion of bus service program to tourist areas for low and moderate income families.

b. Private sector policies (hotels, airlines, museums, art galleries, recreation facilities, bus companies, commercial businesses, and restaurants):

(1) Development of package trips and tours based on public and private mass transportation.

(2) Increased development of brochures, maps, guidebooks, and informational materials which provide information on mass transportation access to tourist areas.

(3) Support for federal, state, and local financial assistance to expand and improve public and private mass transportation access to tourist areas.

C. Energy nonintensive industries

Even after Massachusetts maximizes its self-sufficiency in energy by coordinating energy intensive industrial development with indigenous energy resources, our state will continue to suffer in competition with oil-rich states for energy intensive industries. Economic development efforts should be aimed at low energy consumption industries. We must increasingly look to industrial sectors where human resources, a Massachusetts strength, are the key input. Service industries such as education, health, and insurance must remain strong elements in our economy.

We must recognize that, to a great degree, our future rests on our ability to attract and accommodate high technology firms. The high technology industry, a relatively low energy consumptive industry, is now and must continue to be the showcase industry in the Massachusetts economy. High technology companies are non-polluting exporters of high value-added products and importers of income. They sell in a world market, which contributes positively to the domestic economy of the U.S. trade balance, and they attract skilled workers. Massachusetts must educate more productive workers for the high technology industries, which currently face a manpower shortage. We must provide these industries with energy efficient transportation facilities and improved export capability. (High technology industries export 34 percent of their production.) We must reform tax policies to permit the necessary investment in these firms to take place. Finally, we must begin to expand our use of Massachusetts based fish and agricultural products.

1. Development of skills availability.

a. We must ensure that school curricula, at all levels of education, train students in marketable skills.

b. The state should encourage high technology firms to establish engineering scholarships for public and private educational institutions such as the University of Massachusetts, the University of Lowell, Massachusetts Institute of Technology, and Northeastern University. The state should increase funding for engineering programs at public institutions and continue to develop and fund community college programs for technical training. (Governor King and Secretary Kariotis should receive full support for their efforts to focus manpower resources on technical training.)

c. The federal school loan program must be improved. The maximum loan limits must be made more realistic. We must reward future engineers with more generous than average loans.

d. Congress must pass the Research Revitalization Act, S. 2355, which I introduced in March as an antidote to economic stagnation and declining productivity. It would award a tax credit to any firm that contributes money to a university for research—thus creating a cost-effective mechanism to encourage research with practical applications in business and industry. It would provide universities with funds to pay students assisting in such research endeavors.

2. Improvement of Massachusetts transportation:

a. Railroads:

(1) Congress is in the process of deregulating the railroad industry in an effort to allow the rate flexibility necessary to provide capital for reinvestment. Railroads constitute an important and valuable infrastructure which we must maintain.

(2) The Northeast Corridor Improvement Project must be completed as soon as possible with federal assistance. This should decrease transit time and make rail more competitive.

(3) Where appropriate, the state or federal government should buy railroad rights-of-way if the private company is incapable of maintaining them.

b. Massport must continue active promotion of Boston as a major transport facility—a gateway to the United States for foreign shippers and to Europe and other foreign markets for American business and industry. Massport must continue to:

(1) Improve cargo facilities to strengthen our economic base (e.g., increase air freight capacity by building the Bird Island Flat facilities at Logan).

(2) Pursue state and federal funding to further develop the Port (e.g., expand the Castle Island facility, fill 38 acres of the finger piers for containerport facilities, and develop the South Boston Naval Annex property).

(3) Promote intermodal linkage between rail and air or ship transport.

c. The Massachusetts Aeronautics Commission must promote the development of air transportation for Massachusetts products (i.e., additional development of Worcester airport for air freight for Massachusetts high technology firms).

d. The trucking industry must pressure vehicle manufacturers to produce the most efficient vehicles possible, and must promote fuel efficient transit practices within the industry (e.g., reduce trips with empty vehicles).

3. Expansion of export capability.

a. The Export Administration Act, passed by Congress in 1979, attempts to give the Commerce Department input into the Defense Department's awarding of high technology export licenses. It cannot be allowed to fail.

b. Federal assistance must be provided to make U.S. exporters competitive:

(1) The Export-Import Bank must be put on equal footing with the export banks of our competitors.

(2) Taxation of U.S. companies' efforts abroad must be commensurate with our competitors approaches.

4. Financial Incentives for Industrial Development.

a. Congress must enact a tax cut for industry. Tax reform, aimed at promoting reinvestment, is essential.

b. Congress must approve legislation for Incentive Stock Options (S. 2239). These would provide an incentive to workers to increase their productivity, and a source of capital to their company.

c. Support for Governor King's "social contract" with industry is essential. Particularly, the state must target capital gains tax relief and provide additional funding for the Massachusetts Technology Development Corporation. (This Corporation provides equity capital to fledgling firms with high promise.)

5. New Emphasis on Agriculture and the Fishing Industry:

Agriculture and fishing are two traditional industries that could play an important role in our efforts toward energy independence. Massachusetts, 92% dependent at present on imported food supplies, must face the fact that rising costs of transportation (mostly by trucks) will dramatically increase the cost of food. Thus, an aggressive policy to develop these indigenous Massachusetts resources should be pursued. This will also help to preserve the rural character of small communities, protect them from random development, and enhance the quality of the rural Massachusetts landscape.

a. Fishing and farming policies on the federal level must be structured to assist the small farmer and the independent fisherman. (E.g., FmHA financial and technical assistance programs should have set-asides for the small farmer.)

b. National Marine Fisheries must be funded adequately to support the development of the fishing industry.

c. State tax policy must be restructured to encourage farmland preservation.

d. The $10 million Development Rights Program must be continued and expanded.

e. Local zoning must be structured for the protection of farmlands.

V. ENERGY EFFICIENCY AND URBAN REVITALIZATION

A. Introduction

Suburban sprawl was made possible by inexpensive, abundant energy resources, and encouraged by federal housing and highway policies. Escalating adverse changes in energy supply and price are highlighting the basic energy inefficiencies of suburban sprawl: low-density, energy inefficient residential housing, and automobile dependency for commuting and shopping. The soaring price of new construction in particular will encourage adaption of existing structures to housing and commercial needs.

Economic reality mandates that new residential and commercial/industrial development be concentrated in cities. The economic opportunities will be in older, denser neighborhoods and in city centers. Government programs and policies must now be focused on encouraging the urban revitalization, and on maximizing the inherent energy efficiency of cities. Public funds must leverage private investment into urban areas.

B. Federal programs and policies

1. Develop federal programs and policies to encourage energy efficient development.

a. Enact the Community Energy Act to provide funding to state and local governments for energy conservation and renewable resource activities.

b. Require Executive Agencies to undertake, where appropriate, an energy impact analysis program, including development of a State and Regional A–95 Clearinghouse review process to include evaluation and comments on the energy impact of grant proposals.

c. Adopt strict conservation, land use, and transportation policy requirements as a condition of federal funding to state and local governments.

d. Direct existing housing, community and economic development program funds to promote urban energy conservation and urban revitalization.

(1) Mandate energy efficiency standards and passive solar on all federally assisted housing.

(2) Provide incentive funding for energy efficient housing and weatherization.

(3) Reauthorize and fully fund the Home Mortgage Disclosure Act and continue Community Reinvestment Act activities aimed at increasing financial institution investments in urban communities.

(4) Reauthorize and fully fund Community Development Block Grant, Urban Development Action Grant and assisted housing programs, and provide set-aside and bonus funding to promoting energy conservation.

(5) Provide assistance and incentives for financial institutions to provide mortgage and investment credit for downtown and neighborhood development.

(6) Authorize the National Public Works and Economic Development Act, to provide funding for infrastructure improvements and assistance to businesses expanding or locating in distressed areas.

(7) Enact legislation to permit continued tax exemption of mortgage revenue bonds, with an emphasis on mortgage revenue bond

programs which support community and economic development activities in downtowns and neighborhoods.

(8) Fully fund and support historic preservation programs, with increased emphasis on the use of historic preservation funds through revolving loan pools (e.g., the Architectural Conservation Trust for Massachusetts) and adaptive re-use projects involving energy efficient features.

2. Develop transportation strategies to reduce dependence on the automobile.

a. Develop policies and incentive funding to promote and maximize mass transit use.

b. Provide full funding for Urban Mass Transportation Administration and develop a Mass Transit trust fund.

c. Condition federally assisted housing and industrial development funding on accessibility of projects to mass transit.

C. State programs and policies

1. Develop state programs and administer federal assistance to states to promote energy efficient development.

a. Build capacity to undertake comprehensive energy conservation and renewable resource activities funded through the Community Energy Act.

b. Develop energy efficiency evaluations as part of A-95 State and Regional Planning Agency proposal review process.

c. Provide continued support for state programs which finance business and industrial expansion and development and which finance single and multi-family housing (e.g., Massachusetts Industrial Finance Agency, Massachusetts Housing Finance Agency, and long-term energy residential conservation strategy developed by Governor King and Secretary Matthews).

d. Provide bonus funding and give funding priority to state funded and federally funded activities administered by Massachusetts which comply with state and local energy strategies.

e. Provide recreation areas in central cities. (See Section VI.E.)

2. Develop transportation strategies to reduce single-passenger use of the automobile and overall dependence on the automobile.

a. Reduce or eliminate tolls for car and van pools (e.g., the Massachusetts Turnpike Authority's new fare structure).

b. Provide special lanes for car and van pools.

c. Develop links between mass transit and car and van pools.

d. Reduce insurance for car and van pools and mass transit use.

e. Encourage private industrial/commercial development of state-owned land and air rights adjacent to transit facilities (e.g., Star Market/Massachusetts Turnpike Project in Newton, and Southwest Corridor neighborhood development project in Boston.)

f. Use school buses in non-school hours for special public transportation services, including services for the elderly and the handicapped.

g. Expand water commuting facilities and services (e.g., commuter boat from South Shore to downtown Boston).

h. Give funding priority to road projects which provide access for in-town industrial/commercial development projects (e.g., Crosstown Industrial Park in Boston).

i. Develop publicly owned and feasible privately owned sites for commuter parking.

j. Provide bike racks and bike access on commuter rail, intercity buses and at transit terminals.

D. Local government programs and policies

1. Create or amend programs and policies to encourage energy efficient development.

a. Build capacity for energy conservation and renewable resources planning and activities (Community Energy Act).

b. Use local powers (water, sewer, zoning, building permits) to reduce industrial and commercial development that is dependent on automobile use, and to promote development in town and city centers.

c. Direct federal, state and local funds to activities which are consistent with the local energy plan.

d. Direct capital expenditures to support energy efficient development (e.g., street lights, roadways and other capital improvements to mass transit accessible commercial areas).

e. Implement energy efficient building and zoning codes.

f. Develop a local housing policy which incorporates the following key elements to maximize energy efficient living patterns:

(1) Rehabilitate existing housing stock and make energy conservation improvements (e.g., conversion to elderly housing of the Bugle Buick dealership in Taunton, the Cuticura Soap Factory in Malden, Tabor Mills in New Bedford, and the Academy Building in Fall River).

(2) Adaptively re-use vacant or underutilized commercial and industrial space for housing and mixed used development.

(3) Minimize demolition of existing housing.

(4) Mandate passive solar and energy efficiency standards for all newly constructed housing.

(5) Encourage high density, energy efficient construction models for newly constructed housing, including row housing.

(6) Mandate access to mass transit for all new housing, and use local powers to reduce residential development which is dependent on automobile use.

(7) Remove legal and administrative barriers to residential renewable resource use (e.g., remove zoning code prohibitions against solar collectors on single family housing).

g. Establish partnerships with the private sector to:

(1) Encourage the retention and expansion of existing industry and commerce and develop community investment strategies through formal mechanisms such as "business cabinets" and local development corporations (e.g., JOBS for Fall River, Inc., an umbrella agency created to coordinate local economic development agencies, including the local development corporation, the industrial commission, the industrial development financing authority, the redevelopment authority, and the economic development department).

(2) Maximize use of private resources for development, including technical assistance from educational institutions, revenue bond and mortgage loan pool financing through financial institutions, private financing of publicly assisted projects and technical assistance to local community groups (e.g., Springfield Central, Worcester Cooperative Council, Pride, Inc. of Fitchburg, local development corporations and Small Business Administration 502 programs).

2. Develop transit strategies to reduce dependence on the automobile.

a. Use federal highway funds for development of car free areas of the city (e.g., Downtown Crossing in Boston) and for development of more efficient traffic patterns.

b. Encourage Regional Transportation Agencies to provide linkages between local bus routes and commuter rail.

c. Develop publicly owned and feasible privately owned sites for commuter parking.

E. Private sector programs and policies

1. Work in partnership with the public sector, particularly local governments, to promote energy efficient development and development patterns. Establish partnerships with the public sector to:

a. Encourage the retention and expansion of existing industry and commerce and develop community investment strategies through formal mechanisms such as "business cabinets" and local development corporations.

b. Maximize use of private resources for development, including technical assistance from educational institutions, revenue bond and mortgage loan pool financing through financial institutions, private financing of publicly assisted projects and technical assistance to local community groups (e.g., Springfield Central, Worcester Cooperative Council, Pride, Inc. of Fitchburg, local development corporations and Small Business Administration 502 programs).

2. Develop business policies that reduce employee and customer dependence on automobiles:

a. Make use of flexible work hours.

b. Establish car and van pool programs (e.g., Digital's 74-van program).

c. Provide shower facilities and bicycle racks to promote bicycle commuting.

d. Encourage the use of public transportation for customers through Board of Trade and Merchant Association promotional campaigns.

VI. QUALITY OF LIFE

Stabilization of the Massachusetts economy is contingent upon successful competition for energy non-intensive industries and energy intensive industries that use our indigenous energy supplies. In order to attract such industries, we must also provide an environment that is irresistible to workers and businesses alike. Massachusetts cannot compete with Texas and her energy supply, but the quality of life in Massachusetts will help overcome this disadvantage. We must enhance and better communicate this quality.

A. Historic preservation

Massachusetts is best known for her historic sites, which serve as a magnet for attracting both Massachusetts residents and tourists. The rich history of Massachusetts should be optimized as an economic resource in the following ways:

1. Greater state and local utilization of historic sites as a central focus of the tourist industry.

2. Upkeep and preservation of historic sites with combined local, state, federal, and private funding (e.g., the Roman Candleworks building in New Bedford and the Howe Building in Lowell).

3. Location of small traditional industries in proximity to historic sites (e.g., the crafts industries and Old Sturbridge Village).

B. Arts and culture

As we rely on the quality of life to attract and retain industries and workers, we must begin to reevaluate people's perceptions of art and culture, and the roles that art and culture play in everyday living.

In order to stay ahead of other states, Massachusetts must cultivate an arts and culture movement from the grass roots up. Community arts should become the rule rather than the exception, and can happen in the following ways:

1. Statewide promotion of the arts and of the Commonwealth's rich cultural heritage.

2. Promotion of the arts through local business networks.

3. Art displays in public buildings of the work of local artists.

4. Implementation of the Commonwealth's Arts Lottery, recently signed into law by Governor King.

5. Utilization of local arts councils to coordinate low cost community-based activities such as:

a. Arts festivals focusing on indigenous art forms and cultures.

b. County fairs, exhibits, street fairs, tours and art displays in local firms and educational institutions.

c. Agricultural, industrial, technological or lifestyle-themed events associated with regular community activities.

6. Special recognition by Chambers of Commerce and local arts councils of the ef-

forts of businesses and community-based organizations in promoting the arts.

C. Ethnic diversity

As the first port of entry for many immigrants to this country, Massachusetts has benefitted from wide ethnic diversity. Each ethnic group brought along a wealth of tradition and culture; each contributes to the quality of life in Massachusetts. In recognizing the contribution of each ethnic group, we will begin to live out the covenant for peace that will ensure genuine celebration of ethnic diversity without divisive competition among individual ethnic groups.

We must strive to protect the rich multiethnic heritage of Massachusetts by:

1. Community-based heritage celebrations and ethnic arts festivals.
2. Multi-ethnic history presentations in schools, churches, temples, service clubs, etc.
3. Public library story-time series (directed at children) on the history and traditions of various ethnic groups.
4. Holiday celebrations in the tradition of various ethnic groups.
5. Funding ethnic museums and mobile heritage displays.

D. Education

Massachusetts developed the first public education system in the country and remains a leader in academic excellence in higher education. In order to ensure high quality in public elementary and secondary education, and to prepare our children for an increasingly interdependent world, we must insist on:

1. A "back to basics" strategy regarding proficiency in reading, writing, and arithmetic.
2. A second language requirement at the elementary school level in the context of programs to provide global awareness.
3. Courses on energy utilization and conservation beginning at least at the junior high school level.
4. Urban gardenry courses to increase food self-sufficiency.
5. Vocational education programs tailored toward training in energy conservation and renewable resource applications.

E. Recreation

The 1978 Statewide Comprehensive Outdoor Recreation Plan (SCORP) lays the foundation for utilization of our natural resources to enhance the quality of life in Massachusetts. As stated in the Plan, "open space and outdoor recreation are essential to the health and vitality of both individuals and communities." The need to provide outdoor recreation in an increasingly urban state is obvious. Open space and conservation programs to help control unplanned regional growth are essential. There are very direct roles that local, state, and federal governments must play to plan for outdoor recreation and open space services. In addition, the role of private organizations in helping to coordinate recreation activities is fundamental to a statewide plan for land usage.

1. Federal role:

The basic role of the federal government in recreation activities is to provide maintenance and funding assistance through:

a. The Fish and Wildlife Service and the National Park Service (responsible, for example, for the Boston and Minuteman National Parks, the Cape Cod National Seashore, and the Parker River and Great Meadows National Wildlife Refuges).

b. The Heritage Conservation and Recreation Service provides recreation planning and financial assistance for land acquisition, development and rehabilitation through the Land and Water Conservation Fund, and urban park rehabilitation funding through the Urban Park and Recreation Recovery Act.

c. The Army Crops of Engineers (responsible for flood control, and river and harbor maintenance services which support recreational boating and sport fishing activities).

2. State role:

The Commonwealth is the largest landholder of open space acreage in Massachusetts, and thus plays a vital role in providing outdoor recreation opportunities. The state is responsible for:

a. Continuing to provide state funds to cities and towns for open space acquisition and development programs such as Urban Self-Help (e.g., High Rock in Malden) and Heritage State Parks (e.g., Fall River's Battleship Cove, Western Gateway's Hoosac Tunnel Museum in North Adams, Lynn's waterfront projects, and Gardner's crafts programs and tours tied to the old furniture mills—all of which combine open space, historic preservation, and business district revitalization).

b. Natural resource protection through such programs as Wetlands Restrictions and Scenic Rivers.

c. Providing an overall framework through the SCORP planning process for land use, policy determination, and market and research services.

d. Providing technical assistance to conservation and recreation organizations.

3. Local government role:

The role of local government is to:

a. Provide neighborhood and community outdoor recreation services.

b. Protect conservation areas through acquisition, zoning, subdivision ordinances, and other means.

4. Private sector role:

Private sector involvement in recreation services is crucial. The Trustees of Massachusetts and the Massachusetts Audubon Society, for instance, operate landscape, cultural and wildlife areas. In addition, private organizations are responsible for:

a. Construction and operation of such capital-intensive facilities as golf courses, ski areas, campgrounds, and tennis courts.

b. Implementation and support of regional plans for recreation and open space services.

F. The environment

At the same time that we provide wider outdoor recreational opportunities, we must ensure a healthy environment. One of the liabilities of industrial growth is environmental pollution. Just as we in Massachusetts have exhibited leadership in our use of our natural resources for technology, so must we take the lead in protecting the environment from the waste products of technological development.

1. Hazardous waste management:

a. Massachusetts must develop licensed hazardous waste disposal facilities to ensure location of industry inside the Commonwealth.

b. Careful enforcement of the Resource Conservation and Recovery Act is essential to discourage illegal dumping of hazardous waste.

c. Appropriate resource recovery technology located near industry must be developed to obviate the need for landfilling and dumping. (Such technology is already in place in Europe, and in Texas and other states.)

d. The option of landfill sites must remain a last resort, and then only under carefully regulated and supervised conditions.

e. Congress must pass the Environmental Emergency Response Act (S. 1480) to pay for emergency containment of accidental releases of hazardous substances.

2. Rivers:

Major public investments in water quality improvements justify increased efforts to ensure public access to and use of cleaned rivers. We must maximize the use of rivers as complex resource systems.

a. Watershed greenways (management plans) must be developed statewide, using public and private funds, for river protection (e.g., Nashua, Housatonic and Charles Rivers with private dollars, and the North River projects with public dollars).

b. The Massachusetts Departments of Environmental Affairs, Economic Affairs, and Community Development must reach an interagency agreement to develop a model program for state river protection.

c. Regional demonstration programs must be developed to protect land and water resources.

d. Clean-up projects must be promoted to enhance the use of our rivers for swimming, boating, and fishing (e.g., the Malden River beautification project).

3. Air quality:

a. No expansion of coal should be allowed at the expense of environmental standards. (See Section III.B.) We must speed development of second-generation coal technologies (such as fluidized bed combustion) which reduce sulfur and carbon dioxide emissions.

b. Massachusetts must establish vehicle emissions control systems as well as inspection and maintenance programs.

4. Recycling:

a. Encourage local recycling efforts of paper, metals, etc.

b. Pass and implement national bottle bill legislation requiring deposits on returnable beverage containers to eliminate litter and beautify our countryside.

G. Summary

The quality of life in Massachusetts will be the foundation for statewide economic stabilization. Land management, wildlife preservation, academic excellence, cultural diversity, and the historic legacy of leadership are dominant forces in Massachusetts. While energy technology, tax policy, and a skilled work force will provide financial incentives for business development in Massachusetts, the high quality of life will provide the grass roots incentive for community revitalization. With all of the ingredients in place, the energy future of Massachusetts will be secure.

VII. CONCLUSION

This plan, if implemented, should provide a protective barrier against the inevitable future energy shocks that hang over us. That barrier will secure those within our boundaries from all but the most severe disruptions.

This barrier is intended to be interlocking, with each piece valuable in and of itself, but also acting to reinforce all the others. It is a kind of geodesic dome—strengthened by the totality of its components, however small any single component may appear to be.

This barrier, this security, is meant to be more than just comforting and serviceable to our people. It is meant as our chief marketable asset, the very foundation of our long-term economic viability in an increasingly competitive world.

The Massachusetts Plan is my effort to contribute a basis for discussion that will lead to decision-making. The plan obviously is imperfect. It will be modified where modifications are shown to be prudent.

But it remains a challenge to the six million decision-makers in our state: criticize, probe, amend, question.

But do not reject it without offering an alternative.

THE BALKANIZING OF AMERICA

Mr. HELMS. Mr. President, I believe it was Thomas Jefferson who made the remark:

> I tremble for my country, when I reflect that God is just.

Likewise, it is the taxpayers of this country who should tremble when politicians and policymakers discover what they like to term a "problem."

Inevitably, they find that the problem can be solved with the expenditure of x million dollars, which the Congress, ever anxious to rid the country of problems, duly appropriates. Thereafter, the problem is no longer just a problem, but a vested interest with a bureaucracy to perpetuate its existence, and a constituency reaping the benefits of its largesse.

Such was the beginning of the food stamps program, a modest proposal in the 1960's to combat malnutrition in Appalachia. Today its budget is $9.7 billion for fiscal year 1980 and $10.8 billion for fiscal year 1981, and it is subsidizing the grocery bills of people in towns and cities and suburbs all over the country. My remarks today, however, are not on the subject of food stamps, but rather they have to do with another little acorn in the fiscal forest that has grown up to be the Office of Bilingual Education and Minority Languages Affairs.

Return with me, Mr. President, to the 1960's, when the American people were having their consciousness raised, as the saying goes, with regard to those who were held to be victims of poverty, prejudice and deprivation. Our people are generous and altruistic by nature, and they appeared willing to go along with programs that experts assured them would alleviate the distress of their fellow citizens. One problem discovered at that time was that youngsters who had difficulties speaking English tended not to do well in their schoolwork. To alleviate this lamentable state of affairs, the Congress in 1968 passed the Bilingual Education Act (title VII of the Elementary and Secondary Education Act), which authorized special activities to provide equal educational opportunity for other-than-English-speaking children.

The first Federal contribution for this program was the modest sum of $7.5 million for fiscal year 1969 to fund some 76 projects. By 1978, title VII programs had grown to include some 565 projects and the bill went up to $160 million. In fiscal year 1979 the tab went up to $200 million; and the following authorizations of appropriations have already been made: $250 million for fiscal year 1980, $300 million for fiscal year 1981, and $400 million for fiscal year 1983. At the present time, there are an estimated 3.6 million school-age children who are classified as limited English speaking, so it is clear that there has been a substantial per capita expenditure over the last 11 years.

Mr. President, I submit that there has to be an easier and wiser way to deal with the language handicaps of schoolchildren than to subsidize the incorporation of some 60 or more languages and dialects into our schools, nationwide. The taxpayers are funding programs of instruction in scores of dialects of American Indian and Pacific Island natives; in Spanish, and in the various languages spoken in the Asian and European countries. The theory behind the present practice is that children should be taught in their native language for a period of years until their English is proficient enough to cope with instruction in English. Other programs double track instruction in English and in the native language of the child. But this is only the beginning.

From a practical standpoint, this often means that there must be a duplication of teachers in the classroom, that additional money must be spent on the training and recruitment and certification of bilingual teachers and instructional aides and that curricula and instructional materials have to be developed in scores of languages other than English. It means that outreach programs have to be developed for the community and for parents of the children involved. It means that the training programs and workshops and seminars and an immense amount of publishing which are part and parcel of the education scene multiply ad infinitum.

This roundabout approach is not only costly and time consuming, but, what concerns me most of all, it may ultimately have unforeseen social consequences that will be distinctly undesirable. It may well be that our well-intended programs will result some decades hence in the Balkanizing of the United States.

This concern is not a curmudgeonly reaction on my part, or the result of a chauvinistic attitude toward the non-English speaking. It was underscored for me by a letter I received from a linguist who has devoted most of his career to the teaching of English as a second language, and who has written extensively on the subject. One of his books, "The Way of Language," was published by Harcourt Brace Jovanovich and is currently a college textbook. The author's name is Fred West, and he presents a very convincing case that we are making a big mistake in pushing for what may turn out to be a multilingual society. In going to extraordinary lengths to postpone an individual's assimilation into an English-speaking society, we are in a sense fostering ethnic differences and a minority-mindedness, if you will, that may come back to haunt us.

Professor West believes that a person's basic loyalty is to his native language. He points to the existence of Miami's Little Havana, where, according to Newsweek magazine, Latin American tourists can escape the English language altogether. This is not a value judgment, but simply a statement of how people behave.

I must stress here that it is not my intention to disparage Spanish, or French, or Samoan or Eskimo or Tagalog or any other tongue, every one of which is a valuable part of the human heritage. What I am questioning is the judgment of those who insist that it is necessary and desirable to use the machinery of government to defer or delay the introduction of American schoolchildren into the mainstream of the cultural life of the United States, the most essential element of which is the English language.

A corollary of the bilingual approach is biculturalism, in which students are indoctrinated—and that is not too strong a word—in the glories of their linguistic homelands. Professor West cites the transformation of New Mexico Highlands University, which was once a small but highly regarded liberal arts university, when it was taken over by militant Chicanos and converted into an institute for the propagation of La Raza, the incendiary doctrine of the Chicano movement which included the declared aim of turning over most of the States comprising the Southwest to Chicano control. The Department of Health, Education, and Welfare evidently found this diversity a wonderful thing, and subsidized it heavily.

I notice, too, that the Office of Bilingual Education and Minority Languages Affairs in the new Department of Education is in the process of widening its sphere of influence to cover a good deal more of the educational spectrum. It has contracted with the National Foundation for the Improvement of Education, in cooperation with the Mexican Ministry of Education, to bring materials on Mexico into 20,000 U.S. classrooms. It is setting up training resource centers, research facilities, instructional programs for parents, vocational training programs and home based programs of instruction—a very ambitious agenda. The irony in all this is that studies of the effectiveness of bilingual education programs show rather indifferent results as far as gains in the reading and math scores of the children involved are concerned.

So, Mr. President, whose interests, I wonder, are being served in this billion-dollar experiment in progressive sociology? The children, I fear, have been lost in the rush as the educational bureaucracy grows and grows and competes with itself to find even more grandiose ways to challenge the cultural and linguistic unity of the country.

Professor West declares that the solution to this anomaly is relatively simple: We should, he contends, end Federal support to bilingual and bicultural programs and return to an infinitely cheaper and infinitely more practical system of teaching English as a language to English-deficient and nonnative schoolchildren, without all the mischievous interference of "biculturalism."

He declares:

> In California, a large number of educators have long argued my same point, that kids learn a foreign language quickly enough, given patient tutoring by specialists in teaching, not in cultural propaganda. A case in point right now: The thousands of Vietnamese refugee children are enjoying no such "bicultural" malarkey; for the most part, they go right into the public school system and quickly learn English. Children do this much better than adults, and without all the traumas that some soft-headed sociologists insist occur to the youngsters. The reason that the Vietnamese do it easily is obvious—motivation. Instead of being propagandized steadily against the American culture and the American language, they are urged by their parents to learn as quickly as possible.

To those who would charge that such a proposal is "cultural genocide," he points out that almost all of us are the descendants of immigrants.

None of my neighbors in North Carolina, he contends, ever broke out in a rash because they were not taught in Scots or Irish or German dialects, nor claimed that they had been robbed of their culture.

One of the staples of Fourth of July oratory used to be the image of this country as the melting pot, which miraculously transformed individuals of many nations and races into a distinctly American type. Most Americans still take a good deal of pride in their ancestral heritage, but in their hearts and souls they identify totally with the United States. The melting pot is not a fashionable symbol these days, because some writers and thinkers prefer to dwell on what was lost. But can there be any doubt that it was far better for all concerned to have become assimilated, to speak a common tongue, to share the same economic and political ideals?

It has often occurred to me that immigrants, and particularly the children of immigrants, are the best Americans we have, the most thankful and devoted, and I think we are denying the validity of two centuries of experience when we take away the motivation or the need that people have traditionally felt to learn English as quickly as possible when they come to live in America.

It is my opinion, Mr. President, that our Government which has struggled along with the English language for 204 years, ought to carry on the country's business in English, and cease acting like a vast engine for the propagation of minority languages. Surely we have enough diversity, enough variety and enough potential sources of harmony and disharmony among our citizens that we do not need to set off the kind of linguistic time bombs such as Canada has today, or to sow seeds of distrust and separatism that will make this a very different America for our children and grandchildren.

MESSAGE FROM THE HOUSE

ENROLLED BILL SIGNED

At 5:49 p.m., a message from the House of Representatives delivered by Mr. Gregory, one of its reading clerks, announced that the Speaker has signed the following enrolled bill:

H.R. 4197. An act to amend the Wool Products Labeling Act of 1939 with respect to recycled wool.

The enrolled bill was subsequently signed by the President pro tempore (Mr. MAGNUSON).

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3628. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Two Navy Ship Contracts Modified By Public Law 85-804—Status As Of July 29, 1979," April 22, 1980; to the Committee on Armed Services.

EC-3629. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to authorize appropriations for construction at certain military installations, and for other purposes; to the Committee on Armed Services.

EC-3630. A communication from the Secretary of Energy, transmitting, pursuant to law, a report concerning actions taken by the Department of Energy, the Department of State, the Department of Justice, and the Federal Trade Commission to carry out the provisions of antitrust defense accorded to oil companies participating in the Voluntary Agreement and Plan of Action to implement the International Energy Program; to the Committee on Energy and Natural Resources.

EC-3631. A communication from the Deputy Assistant Secretary of the Interior, reporting, pursuant to law, the approval of the form of contract to defer payment of the annual construction charge installment due December 15, 1979, for P&C Irrigation Association, Inc., (P&C) near Carey, Idaho; to the Committee on Energy and Natural Resources.

EC-3632. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "Bicycle Transportation for Energy Conservation," April 1980; to the Committee on Energy and Natural Resources.

EC-3633. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Gasoline Allocation: A Chaotic Program in Need of Overhaul," April 23, 1980; to the Committee on Energy and Natural Resources.

EC-3634. A communication from the Secretary of the Interior, transmitting a draft of proposed legislation to establish the Martin Luther King, Jr. National Historic site in the State of Georgia, and for other purposes; to the Committee on Energy and Natural Resources.

EC-3635. A communication from the Chief, Information Management Staff, Division of Personnel, Tennessee Valley Authority, transmitting, pursuant to law, an attachment to the fiscal year 1979 annual report of the Tennessee Valley Authority listing the names, salaries, and duties of employees of the TVA receiving compensation at the rate of more than $1,500 per year; to the Committee on Environment and Public Works.

EC-3636. A communication from the Chairman and Directors of the Tennessee Valley Authority, transmitting, pursuant to law, the annual report of the Tennessee Valley Authority for fiscal year 1979; to the Committee on Environment and Public Works.

EC-3637. A communication from the Assistant Secretary of the Army (Civil Works), transmitting a draft of proposed legislation to authorize the necessary funds for the completion of certain comprehensive river basin plans for flood control, navigation, and for other purposes; to the Committee on Environment and Public Works.

EC-3638. A communication from the Assistant Secretary of the Army (Civil Works), transmitting, pursuant to law, a final environmental impact statement on the Baltimore harbor and channels project, Maryland and Virginia; to the Committee on Environment and Public Works.

EC-3639. A communication from the Chairman of the United States Nuclear Regulatory Commission, transmitting, pursuant to law, the annual report of the Commission on the administration of the Government in the Sunshine Act for calendar year 1979; to the Committee on Governmental Affairs.

EC-3640. A communication from the Comptroller General of the United States, transmitting, pursuant to law, a report entitled "Productivity Measurement In The Defense Logistics Agency Must Be Supported, Improved, And Used"; to the Committee on Governmental Affairs.

EC-3641. A communication from the Administrator of the General Services Administration, transmitting, pursuant to law, a report on excess and surplus personal property programs under P.L. 94-519, April 1980; to the Committee on Governmental Affairs.

EC-3642. A communication from the Chairman of the National Endowment for the Humanities, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act by the National Endowment for the Humanities for calendar year 1979; to the Committee on the Judiciary.

EC-3643. A communication from the Freedom of Information Officer, United States Environmental Protection Agency, transmitting, pursuant to law, a report on the administration of the Freedom of Information Act by the Environmental Protection Agency for calendar year 1979; to the Committee on the Judiciary.

EC-3644. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, the fifth annual report on the Emergency Medical Services Program covering fiscal year 1979; to the Committee on Labor and Human Resources.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and referred or ordered to lie on the table, as indicated:

POM-697. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Agriculture, Nutrition, and Forestry:

"SENATE JOINT RESOLUTION NO. 12

"Whereas, The Snow Survey and Water Supply Forecasting Program administered by the USDA Soil Conservation Service has been of tremendous benefit to the state of Colorado; and

"Whereas, This program for the past thirty-five years has provided accurate information to water users, municipalities, farmers, ranchers, and residents of the state of Colorado in general; and

"Whereas, The administration is considering phasing out the federal responsibilities and in particular, the USDA Soil Conservation Service leadership role in this program; and

"Whereas, At a series of public meetings, the citizens have unanimously voiced their support for the continuation of the program in its present form under the leadership of the USDA Soil Conservation Service; now, therefore,

"Be It Resolved by the Senate of the Fifty-second General Assembly of the State of Colorado, the House of Representatives concurring herein:

"That the General Assembly of the State of Colorado go on public record as favoring continuation of the Snow Survey and Water Supply Forecasting Program in its present form with continued leadership being provided by the USDA Soil Conservation Service.

"*Be It Further Resolved,* That the General Assembly advocates the expansion of this important federal program to meet the needs of the states. That copies of this Resolution be forwarded to the United States Secretary of Agriculture, appropriate committees of Congress, and members of the Colorado congressional delegation."

POM-698. A resolution adopted by the Legislature of the State of New York; to the Committee on Commerce, Science, and Transportation:

"LEGISLATIVE RESOLUTION No. 313

"Background. The existing system of Daylight Saving Time is arbitrary and illogical, dividing the year into two different allocations of daylight having no connective relationship to the amount of daylight available. On October twenty-eight, nineteen hundred seventy-nine, the last Sunday in October the sun in the upstate New York area rose at 6:24 A.M. and set at 4:54 P.M. providing 630 minutes of daylight. Under current practice, Daylight Saving Time will resume April twenty-seventh, nineteen hundred eighty, the last Sunday in April at which time the sun will rise at 4:56 A.M. and set at 6:50 P.M., a total of 3 hours and 24 minutes more than on the last Sunday in October.

"This proposed would advance the date for the resumption of Daylight Saving Time to the date which most closely approximates the hours of daylight on the last Sunday in October. The corresponding date would be February thirteenth of this year. On this day there would be 629 minutes of daylight. It is our conclusion that the last Sunday in February would be a far more logical time to begin Daylight Saving Time than under the present system.

"There is strong sentiment for year-round Daylight Saving Time, but a drawback is the darkness in winter for school children and commuters. This proposal eliminates that problem while conserving energy, enhancing the quality of life through recreational pursuits and impacting traffic safety favorably.

"*Resolution*. This Legislative Body expresses its support for advancing Daylight Saving Time, and that copies of this resolution be transmitted to the President of the United States, the President Pro Tem of the United States Senate, the Speaker of the House of Representatives and the Governor and the Leader in each State Legislature of States within the Eastern Time Zone."

POM–699. A resolution adopted by the House of Representatives of the State of Pennsylvania; to the Committee on Finance:

"HOUSE RESOLUTION No. 214

"Whereas, The President of the United States, Jimmy Carter, proposes, as a part of a multifaceted national attack on inflation, to impose an additional fee of ten cents on all oil imported by the United States; and

"Whereas, Under the same proposed attack on inflation, the current Federal Revenue Sharing Program with the various states is slated for repeal or drastic curtailment, ironically when these same states are being increasingly called upon to enforce and administer more and more Federal laws and regulations with additional financial impairment; and

"Whereas, The average return of Federal money to the Commonwealth is in the area of six cents for every ten cents transmitted to Washington; therefore be it

"*Resolved*, That the House of Representatives memorializes the Congress of the United States to introduce and adopt legislation which would transfer the President's proposed additional import fee directly to the various states on the basis of their use of oils and fuels or that, in the alternative, the various states be allowed to impose this additional fee instead of so empowering the President; and be it further

"*Resolved*, That copies of this resolution be transmitted to the Speaker of the United States House of Representatives and to the President pro tempore of the United States Senate and to each member of the Pennsylvania Congressional delegation."

POM–700. A joint resolution adopted by the Legislature of the State of Colorado; to the Committee on Environment and Public Works:

"HOUSE JOINT RESOLUTION No. 1012

"Whereas, The General Assembly recognizes the desirability of protecting the quality of the waters of this state and of assuring that such waters remain suitable for beneficial use; and

"Whereas, The United States Congress enacted the 'Clean Water Act of 1977' and numerous other environmental protection laws; and

"Whereas, The 'Clean Water Act of 1977' and other federal environmental protection laws do not always provide for consideration of the relative costs and benefits of particular actions compelled by such laws; and

"Whereas, The costs of implementing environmental protection laws are ultimately borne by the American public; now, therefore,

"*Be it resolved by the House of Representatives of the Fifty-second General Assembly of the State of Colorado, the Senate concurring herein:*

"(1) That the Congress of the United States is hereby urged to amend the 'Clean Water Act of 1977' and other federal environmental protection laws to require consideration of the costs and benefits of actions compelled by such laws and to provide reasonable restraints on administrative interpretations of such laws.

"(2) That the Congress of the United States is hereby urged to amend Section 404 of the 'Clean Water Act of 1977' to allow individuals to perform maintenance in stream channels, without a lengthy permit procedure.

"*Be it further resolved*, That copies of this Resolution be sent to the President of the Senate and the Speaker of the House of Representatives of the Congress of the United States and to each member of Congress from the State of Colorado."

POM–701. A joint resolution adopted by the Legislature of the State of Oklahoma; to the Committee on the Judiciary:

"HOUSE JOINT RESOLUTION No. 1053

"Whereas, the United States Supreme Court has nullified the laws of various states, including Oklahoma's, concerning abortion, and has interpreted the United States Constitution in a way which permits the destruction of unborn human life; and

"Whereas, millions of abortions have been performed in the United States since the abortion decisions of the United States Supreme Court on January 22, 1973; and

"Whereas, the Congress of the United States has not to date proposed, subject to ratification, a right-to-life amendment to the Constitution of the United States; and

"Whereas, the Oklahoma Legislature endorses the concept of the right-to-life for the unborn.

"Now, therefore, be it resolved by the House of Representatives and the Senate of the 2d session of the 37th Oklahoma Legislature:

"Section 1. The Oklahoma Legislature respectfully makes application to the Congress of the United States, pursuant to Article V of the United States Constitution, to call a convention for the sole and exclusive purpose of deliberating, drafting and proposing a right-to-life amendment to the Constitution of the United States, which amendment, pursuant to Article V of the United States Constitution, would then have to be ratified by three-fourths (¾) of the states to take effect.

"Section 2. This application shall constitute a continuing application for such convention pursuant to Article V of the Constitution of the United States until the Legislatures of two-thirds (⅔) of the states shall have made like applications and such convention shall have been called by the Congress of the United States.

"Section 3. The Secretary of State of the State of Oklahoma shall send copies of this Resolution to the President of the Senate of the United States, the Secretary of the Senate of the United States, the Speaker of the House of Representatives of the United States, the Clerk of the House of Representatives of the United States, and to each Member of Congress from the State of Oklahoma and to the presiding officers of the Legislatures in each of the other states attesting the adoption of this Resolution by the Legislature of the State of Oklahoma."

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment:

S. 1803. A bill to modify the boundary of the Cibola National Forest in the State of New Mexico, and for other purposes (Rept. No. 96–661).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment and an amendment to the title:

S. 2209. A bill to amend the Federal Land Policy and Management Act (Rept. No. 96–662).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with an amendment:

S.J. Res. 119. Joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc., to erect a memorial (Rept. No. 96–663).

H.R. 1967. An act to modify the boundary of the White River National Forest in the State of Colorado (Rept. No. 96–664).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, with amendments:

H.R. 5926. An act to establish the Biscayne National Park, to improve the administration of the Fort Jefferson National Monument, to enlarge the Valley Forge National Historical Park, and for other purposes (Rept. No. 96–665).

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation, without amendment, but with a preamble:

S. Res. 407. A resolution to express the sense of the Senate that it offer its congratulations to Americans who participated in the second Olympic winter games for the physically handicapped in Geilo, Norway.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mrs. KASSEBAUM (for herself, Mr. DOMENICI, Mr. CHILES, Mr. BRADLEY, Mr. BURDICK, Mr. COHEN, Mr. PRYOR, and Mr. HEINZ):

S. 2603. A bill to provide for demonstration programs for the placement of certain elderly persons with foster care families; to the Committee on Labor and Human Resources.

By Mr. DECONCINI (by request):

S. 2604. A bill to amend provisions of law concerned with Indian health care; to the Select Committee on Indian Affairs.

By Mr. PRESSLER:

S. 2605. A bill to amend title 18 of the United States Code with respect to the bribery provisions; to the Committee on the Judiciary.

By Mr. GARN:

S. 2606. A bill to establish an Office of Strategic Trade, to transfer the functions of the Secretary of Commerce under the Export Administration Act of 1979 to the Office of

Strategic Trade, and for other purposes; to the Committee on Governmental Affairs.

By Mr. BAYH:

S. 2607. A bill to provide, in addition to any other remedies available under the laws of the United States, a judicial remedy and procedure for domestic businesses injured by unfair competition from foreign competitors in sales of merchandise within the United States; to the Committee on the Judiciary.

S. 2608. A bill to improve economy and reduce inefficiency in government and to alleviate the paperwork burdens of individuals, small businesses, and small organizations; to the Committee on Governmental Affairs.

By Mr. HEINZ:

S. 2609. A bill to amend the Solid Waste Disposal Act (P.L. 94-480), as amended; to the Committee on Environment and Public Works.

By Mr. DURENBERGER:

S. 2610. A bill to amend the Internal Revenue Code of 1954 to increase the investment tax credit for commuter highway vehicles to 20 percent, and for other purposes; to the Committee on Finance.

S. 2611. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain amounts received in connection with the provision of alternative commuter transportation, and for other purposes; to the Committee on Finance.

By Mr. PERCY (for himself, Mr. MCGOVERN, Mr. BOSCHWITZ, and Mr. CULVER):

S. 2612. A bill to regulate the feeding of garbage to swine; to the Committee on Agriculture, Nutrition, and Forestry.

By Mr. PERCY:

S. 2613. A bill to ensure the development and implementation of policies and procedures to encourage interagency cooperation in the efficient and effective use of Federal medical resources, and for other purposes; to the Committee on Governmental Affairs.

By Mr. PRYOR:

S.J. Res. 167. Joint resolution designating May 15, 1980 as "National Nursing Home Residents Day"; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mrs. KASSEBAUM (for herself, Mr. DOMENICI, Mr. CHILES, Mr. BRADLEY, Mr. BURDICK, Mr. COHEN, Mr. PRYOR, and Mr. HEINZ):

S. 2603. A bill to provide for demonstration programs for the placement of certain elderly persons with foster care families; to the Committee on Labor and Human Resources.

FAMILY CARE DEMONSTRATION PROJECT ACT

● Mrs. KASSEBAUM. Mr. President, as we all know, older Americans are disproportionately affected by chronic conditions which limit mobility necessary for unassisted day-to-day life. While these functional disabilities make it necessary for individuals to obtain some assistance with routine activities, they do not prevent an older person from taking care of some of his or her own needs. In far too many cases, our response has been to assign such individuals to nursing homes—even though they do not require the level of care offered in these institutions.

Unfortunately, this response is reinforced by Federal policies which offer generous support for institutional care but frequently neglect alternative arrangements. Continued reliance on these policies ignores both future cost implications and the preferences of a rapidly growing older population. While the need for nursing homes and other institutions will always exist, we must make a greater commitment to expanding the availability of long term care alternatives to individuals who are able to take advantage of them and wish to do so.

The bill I am introducing today—the Family Care Demonstration Project Act—authorizes the establishment of demonstration projects to determine the viability of efforts to place qualified older persons in private homes in cases where institutional placement would otherwise be unavoidable. I am extremely pleased that Senator CHILES, chairman of the Senate Special Committee on Aging, Senator DOMENICI, ranking minority member, and several other of my colleagues on the committee—Senators BRADLEY, BURDICK, COHEN, HEINZ, and PRYOR—have joined in cosponsoring this measure.

Studies have shown that one of the most significant variables which determine whether or not an impaired older person will live in the community or in a nursing home is the availability of another caring individual—generally a close family member. Although the level of family support for older relatives in our country is quite high, an estimated 10 to 18 percent of our institutionalized elderly could remain in the community if they were able to obtain some assistance with daily activities. These individuals are the focus of my proposal.

Under this program, qualified older people would be placed with families who agree to assume caretaking responsibilities. These families will be compensated for the services they provide. The amount of compensation will be based on criteria established by the Secretary of Health and Human Services. The compensation is intended to make home care possible—not profitable. The older participant will contribute to the cost of his or her care to the extent possible; however, each person will be allowed to retain sufficient funds to meet personal needs. In cases where the older person's contribution falls short of the level of compensation established for the family, the Secretary is authorized to use medicare or medicaid funds to pay the difference.

Caretakers will include both foster families and blood relatives of the older participant. Although many of the older individuals eligible to participate in the program will not have relatives who are able to assume responsibility for their care, assistance for caretaking relatives is an important feature of the program.

Given the financial pressures facing so many families today, there are no doubt numerous situations in which a family would like to bring an older member into their home but simply cannot afford to do so. Public assistance is often available only if the older relative enters a nursing home, and so nursing home placement often becomes the only choice for the financially strapped family. The magnitude of this problem is difficult to assess. It is my hope that the demonstration projects called for in this bill can add to our knowledge of the extent to which limited financial assistance would affect family decisions regarding the living arrangements of older members.

My bill contains several safeguards which I feel are essential to the proper functioning of a program of this nature. For example, no placement may be made without the consent of the older person, and he or she may choose to discontinue the arrangement at any time. Project sponsors must see that the older participants are receiving appropriate care by assuring that training, support, medical liaison, and periodic monitoring are provided. Caretaker families will be limited in the number of older participants they may have in their care and must make adequate provisions for the comfort and mobility of the older persons.

An indication of the potential for this type of program is provided by adult foster care programs now operating in some States. I have been particularly impressed by the program operated by Massachusetts General Hospital. Initiated 2 years ago, this program placed 36 individuals in foster homes during the past year. Of this number, 23 individuals have remained in the program. Evaluations conducted in conjunction with the program have demonstrated that individuals placed with families have made noticeable improvements in their health and overall well-being. Caretakers and older participants have indicated satisfaction with the program, which has become increasingly popular.

The program has also demonstrated great cost-savings potential. Initially, the total cost of the Massachusetts General program has slightly exceeded the cost of comparable nursing home care. However, current staff is able to support additional participants. As participation grows, program costs will fall below that of nursing home care. Participation in the program doubled during the last 6 months of 1979 and is expected to double again during this year. Johns Hopkins is sponsoring a similar program in cooperation with Massachusetts General.

Several other States have initiated programs and studies which deal with some form of the family care concept. One survey of these efforts notes that—

> While adult foster care is an existing national occurrence, it presents the paradox of being relatively invisible.

For the most part, foster care programs have been independently developed and there has been little opportunity for an exchange of information and ideas. What works and what does not is a discovery that each program has had to make for itself. For this reason, my bill includes a provision directing the Department of Health and Human Services to establish an information clearinghouse on existing foster care programs around the Nation. The exchange of information made possible through this clearinghouse would be extremely beneficial to organizations conducting this type of program as well as those which are considering doing so.

The findings of these demonstration projects will be reported in a study mandated in the bill. This study will include an evaluation of the cost effectiveness of family care; the effect of the program on the health status and attitudes of older participants; the feasibility of expanding the program; and other factors which should be taken into account in developing programs of this nature. In addition, because these projects are to be conducted in both urban and rural settings, it will be possible to compare the program outcomes in various parts of the country.

As the elderly grow both in numbers and as a proportion of our population, there will be an increasing need to find alternatives to the expensive institutional solutions upon which we have relied in the past. The type of program I am proposing cannot meet all of the long-term care needs we face today and will be facing in the future. However, I believe it does have great potential for meeting the needs of a significant number of individuals and should be considered as an additional option in a range of noninstitutional long-term care alternatives.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2603

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Family Care Demonstration Project Act".

SEC. 2. (a) The Secretary of Health and Human Services (hereinafter in this Act referred to as the "Secretary"), in consultation with the Commissioner of the Administration on Aging, may make a grant to, and enter into a contract with, any public or private entity, including any hospital that has an agreement in effect under section 1866 of the Social Security Act, for the purpose of conducting demonstration programs for the placement of elderly persons in private homes as foster care residents. Elderly persons placed in foster care homes under this Act shall be individuals who—

(1) are 65 years old or older;

(2) are inpatients in a hospital or nursing home but no longer require inpatient care;

(3) are ambulatory and require continued medical support services or intermittent medical or skilled nursing care similar to the care provided in an intermediate care facility, but who do not require continuous skilled nursing services; and

(3) lack other appropriate residential arrangements to which they may be discharged and in which the services needed will be provided.

(b) (1) No grant or contract may be made under this section unless an application therefor has been submitted to, and approved by, the Secretary. Such an application shall be in such form and be submitted in such manner as the Secretary shall by regulation prescribe. Such application shall provide assurances satisfactory to the Secretary that the applicant will make such reports and provide such other information respecting the grant or contract as the Secretary may require.

(2) The Secretary may not approve an application for a grant or contract under this section for a demonstration program unless the application contains a full description of the program and provides assurances, satisfactory to the Secretary, that the program will be conducted as follows:

(A) The program establishes criteria, consistent with subsection (a), for the selection of persons who will be placed in foster care under the program.

(B) The program establishes standards for the families and homes in which persons will be placed under the program, including standards to assure that—

(i) an excessive number of elderly persons are not placed with any one foster care home;

(ii) members of such foster care family are in good health and are capable of providing elderly persons placed with the family with adequate care and services;

(iii) each such foster care family lives in and maintains the home in which the persons are placed at all times;

(iv) each such foster care home provides adequate heat and hot water, telephone service, and handrails and other devices needed for the safety and mobility of such persons, and meets such other appropriate standards of physical condition, including appropriate fire, health, and safety standards, as the Secretary may prescribe by regulation;

(v) each such foster care home is accessible to medical facilities in which such persons have received treatment and may continue to receive treatment and is accessible to public transportation;

(vi) each such foster care family is not totally dependent for financial support on the income contributed by or on behalf of the elderly persons placed in the home; and

(vii) members of such foster care family have received appropriate training with respect to the care and condition of the elderly persons placed with such family, including the identification of local medical facilities that will assist in meeting the medical needs of such persons.

(C) The program provides for appropriate methods for the selection of elderly persons placed in foster care and the selection of the foster care home in which each elderly person will be placed, and such program specifically provides that no person will be placed in a home or remain in a home with a family without the consent of such person.

(D) The program provides for the placement of elderly persons under the program in the homes of blood relatives whenever possible if the home of such relatives meets the applicable requirements of this Act. The program shall include placements in homes of relatives and placements in other foster care homes so that an evaluation of the care in both settings may be made.

(E) The program provides that before an elderly person is placed with a home under the program—

(i) the institution from which such person is being discharged shall identify in writing the medical, nursing, dietary, and social needs of such elderly person;

(ii) the program must identify how such needs will be met in the foster care home; and

(iii) the elderly person and the family in whose home such person is placed are each provided copies of such statements.

(F) The program provides (directly or through appropriate arrangements) for—

(i) assuring the twenty-four-hour-a-day availability of medical support services to elderly persons placed in homes under the program;

(ii) assuring the provision of other appropriate support services to such persons; and

(iii) the regular monitoring (not less often than monthly) of the condition of such persons in the homes.

(G) The program provides for—

(i) a medical liaison team to serve as a liaison between local medical facilities and the elderly persons participating in the program, in order to insure that appropriate medical information is provided between—

(I) the medical facilities, physicians, and other medical personnel caring for an elderly person under the program, and

(II) the elderly person and the family caring for such person;

(ii) such medical liaison team to be accessible by telephone during working hours and to be on-call at other hours; and

(iii) each elderly person placed in a home to be visited by a liaison team within three days of the date of the placement in such home and monthly thereafter.

(H) The program does not duplicate, and makes efficient use of, existing home health care and other support services and other programs providing health care to elderly persons in homes.

(I) The program provides for appropriate methods for evaluating the cost-effectiveness of the program and the quality of care and services provided to persons placed in homes under the program.

(J) The program provides that the elderly person placed in a home contributes to the cost of needed care to the extent such person can do so without unduly depleting such person's resources, the criteria for such contribution to be determined by the Secretary.

(K) The program assures that the persons in whose home an elderly person receives foster care under the program are compensated in accordance with regulations prescribed by the Secretary under subsection (h).

(I) The program provides that the members of the family providing foster care are assisted in making arrangements for the care of an elderly person placed in the home of such family when circumstances require that alternative short-term care is necessary.

(c) (1) In reviewing and approving applications for grants and contracts under this section, the Secretary shall, to the extent feasible, provide for the distribution of such grants or contracts among urban and rural areas.

(2) The Secretary shall determine the amount of any grant or contract made under this section. Payments under such grants and contracts may be made in advance on the basis of estimates or by way of reimbursement, with necessary adjustments on account of underpayments or overpayments, and in such installments and on such terms and conditions as the Secretary finds necessary to carry out the purposes of such grants and contracts.

(d) (1) Each recipient of a grant or contract under this section shall keep such records as the Secretary shall prescribe, including records that fully disclose the amount and disposition by such recipient of the proceeds of such grant or contract, the total cost of the undertaking in connection with which such grant or contract was made, the amount of the portion of the cost of the undertaking supplied by other sources, and such other records as will facilitate an effective audit.

(2) The Secretary and the Comptroller General of the United States, or their duly authorized representatives, shall have access for the purpose of audit and examination to any books, documents, and records of the recipient of grants or contracts under this section that are pertinent to such grants or contracts.

(e) The Secretary may provide technical assistance to appropriate entities with respect to programs assisted under this section.

(f) The Secretary shall establish an information clearinghouse regarding foster care programs available in the United States.

(g) The Secretary shall evaluate the demonstration programs supported under this section and shall submit to the Congress, not later than January 1, 1984, a report including—

(1) the results of such demonstration programs;

(2) the Secretary's evaluation of such programs, including the cost-effectiveness of such programs, the quality of care provided under such programs, and the effect of different geographic settings on the results of such programs, particularly in comparison with care provided to elderly persons in intermediate care facilities; and

(3) any recommendations the Secretary may have with respect to the extension or modification of the authority provided under this section.

(h) (1) The Secretary shall prescribe regulations relating to the compensation to be received by persons in whose home an elderly person receives foster care under the program.

(2) In carrying out the demonstration programs under this Act the Secretary is authorized to make foster care maintenance payments on behalf of elderly persons who are eligible individuals under part A of title XVIII of the Social Security Act from the Federal Hospital Insurance Trust Fund.

(3) In carrying out the demonstration programs under this Act the Secretary is authorized to make payments to States under title XIX of the Social Security Act with respect to amounts expended by such State for foster care maintenance payments to elderly persons who are otherwise eligible for medical assistance under the State's plan approved under such title XIX.

(4) In determining the amount of any payment to be made under this subsection, the Secretary shall determine the reasonable amount for such foster care maintenance payments, and shall determine the portion of such reasonable amount which will be taken into account for payment purposes, based upon such factors as may be relevant to the demonstration program, including the individual's ability to pay for the foster care, the duration or quality of the foster care, and the degree to which the individual would otherwise require institutional care.

(5) Any foster care provided to an individual under a demonstration program funded in whole or in part under this Act shall not be taken into consideration in determining the eligibility for, or the amount of, supplemental security income benefits payable under title XVI of the Social Security Act, or State payments payable under section 1616 of such Act or under section 212 of Public Law 93-66, with respect to such individual.

(i) (1) There are authorized to be appropriated for grants and contracts under this section $1,500,000 for the fiscal year ending September 30, 1981, $1,500,000 for the fiscal year ending September 30, 1982, and $1,500,000 for the fiscal year ending September 30, 1983.

(2) Funds appropriated under this subsection shall be available for the costs of such demonstration programs, including payments to persons in whose home an elderly person receives foster care under the program for providing such care. Such funds shall be so available with regard to any elderly person participating in the program, including elderly persons for whom the payments under subsection (h), if any, and the contribution of such elderly person to such care, if any, do not adequately compensate the persons in whose home such elderly person receives foster care.●

By Mr. DECONCINI (by request):

S. 2604. A bill to amend provisions of law concerned with Indian health care; to the Select Committee on Indian Affairs.

● Mr. DECONCINI. Mr. President, I am introducing a bill, at the request of the administration, that would authorize appropriations under the Indian Health Care Improvement Act for fiscal years 1981 through 1984.

The bill would authorize the continuation of several important Indian health programs. These programs—the recruitment and training of Indian health professionals, the provision of health services, the construction and renovation of Indian Health Service facilities, and the provision of contract services for urban Indians—are a vital part of the Federal Government's efforts "to meet the national goal of providing the highest possible health status to Indians," as stated in the Indian Health Care Improvement Act.

The Senate Select Committee on Indian Affairs has conducted hearings in Arizona, Montana, and Washington, D.C.—all dealing with Indian health issues. As a result of these hearings, I am convinced that more than passing attention must be given to the reauthorization of this act. The proposals contained in this bill should be scrutinized and modified by the committee so the legislation will assure Indians that, indeed, the Congress intends to keep its commitment made in 1976—"of providing the highest possible health status to Indians." I look forward to working with Chairman MELCHER as the committee considers extending this important legislation.

Mr. President, I ask unanimous consent that the bill be printed in the RECORD at this point.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2604

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE AND REFERENCES IN ACT

SECTION 1. (a) This Act may be cited as the "Indian Health Care Amendments of 1980".

(b) Whenever in this Act an amendment or repeal is expressed in terms of an amendment to, or repeal of, a section or other provision, the reference shall be considered to be made to a section or other provision of the Indian Health Care Improvement Act, unless otherwise specifically stated.

INDIAN HEALTH MANPOWER

SEC. 2. (a) (1) Title I is amended by adding at the end thereof the following:

"APPROPRIATION AUTHORIZATIONS

"SEC. 107. For purposes of carrying out sections 102, 103, 105, and 106 there are authorized to be appropriated $3,200,000 for fiscal year 1981 and such sums as may be necessary for the three succeeding fiscal years.".

(2) Sections 102(c), 103(d), 105(d), and 106(b) are each amended by striking out the last sentence.

(b) The first sentence of section 757(a) of the Public Health Service Act is amended by striking out "and for each of the succeeding four fiscal years such sums as may be specifically authorized by an Act enacted after the date of enactment of this section" and inserting instead "$3,600,000 for the fiscal year ending September 30, 1981, and such sums as may be necessary for the three succeeding years".

INDIAN HEALTH SERVICES

SEC. 3. (a) (1) Title II is amended by adding at the end thereof the following section:

"RURAL HEALTH PROJECTS

"SEC. 202. The Secretary may provide support for not more than two pilot projects providing outreach services to eligible Indians residing in rural communities near Indian reservations.".

(2) Section 508 is repealed.

(b) (1) Title II is further amended by adding after section 202 the following section:

"APPROPRIATION AUTHORIZATIONS

"SEC. 203. For purposes of carrying out this title there are authorized to be appropriated $30,900,000 for fiscal year 1981 and such sums as may be necessary for the three succeeding fiscal years.".

(2) (A) The first sentence of section 201(a) is amended by striking out "subsection (c)" and inserting instead "this title".

(B) The second sentence of section 201(a) is amended by striking out "section" and inserting instead "title".

(C) Section 201(b) is amended by striking out everything after "seven-fiscal-year period" the first place it occurs and inserting instead a period.

(D) Section 201(c) (7) is repealed.

INDIAN HEALTH FACILITIES

SEC. 4. (a) (1) Section 301 is amended by adding at the end the following subsection:

"(d) For purposes of carrying out this section, there are authorized to be appropriated $26,500,000 for fiscal year 1981 and such sums as may be necessary for the three succeeding fiscal years.".

(2) (A) Section 301(a) is amended by inserting "or (d)" after "subsection (b)".

(B) Paragraphs (1) through (3) of section 301(b) are each amended by striking out the last sentence.

(b) The last sentence of section 302(b) is amended by striking out "specifically authorized in an Act enacted after this Act" and inserting instead "necessary".

UBRAN INDIAN HEALTH SERVICES

SEC. 5. Section 506 is amended—

(1) by striking out "and" after "1979,", and

(2) by inserting ", $8,000,000 for fiscal year 1981, and such sums as may be necessary for the three succeeding fiscal years" after "1980".●

By Mr. PRESSLER:

S. 2605. A bill to amend title 18 of the United States Code with respect to the bribery provisions; to the Committee on the Judiciary.

● Mr. PRESSLER. Mr. President, today I am introducing legislation which increases the penalties for Members of Congress convicted of bribery in conjunction with their official duties.

While I harbor no illusions that such changes in our Criminal Code will root out all official evil, Mr. President, I would hope that such legislation will serve as a vehicle for consideration of this subject.

The tough fact is that it is as difficult to eliminate corruption in Congress as it is in society generally. Perhaps the bottom line of all this is realizing that Congress is truly a reflection of the American people. Congress is made up of men and women from all walks of life and many nationalities and religious origins. There is corruption in every field of work. There should not be but there is. I do not believe we should accept this situation, however, without a fight. We must expose corruption wherever it is and do our best every day to combat it.

In reality, the overwhelming majority of the men and women in Congress are extremely hard working and honest.

Many sacrifice lucrative careers in the private sector and frequently are deprived of time from their families because of devotion to public affairs. In recent years with the workload ever increasing and public esteem ever decreasing, a number of those dedicated officials have decided not to seek reelection. The loss of these experienced people will be felt by the Nation.

This being said, the public is entitled to see quick action taken against wrongdoers. Members of Congress must not be allowed to get away with bribery. Already evidence is being presented to grand juries by law enforcement authorities regarding the ABSCAM matter.

The public also rightfully demands that Congress itself take measures to police itself. The Constitution gives Congress alone the power to expel Members. The present criminal investigation by the Department of Justice, however, places Congressional Ethics Committees in a difficult position. Unless they wish to jeopardize the evidence gathered against Congressmen by the law enforcement authorities in the executive branch, the committees must wait to receive this material after possible grand jury action and/or trials have been completed. This could take 6 months to a year.

The difficulty is that most reforms seem to go to the symptoms of crime; they do not touch on the cause. Others have suggested that terms of office be limited, for example six terms for the House and two terms for the Senate. However, in looking at some of the scandals of recent years, including ABSCAM, many of those mentioned have only been in Congress a relatively short time. It is not necessarily the case that seniority corrupts. The last round of anticorruption legislation following Watergate has not been the answer. The reforms on reporting and disclosure have in many cases only added to costs, burdens, and paperwork of being a Member of Congress. And perversely, these regulations have discouraged some able people from running for Congress.

The present situation is further muddled, however, by the emergence of several separate but not unrelated difficult issues.

Inquiry is already centering on the methods used by law enforcement agencies. Simply because the techniques employed are similar to those used against hoods and petty thieves does not mean they are inappropriate to snare Congressmen. In previous undercover sting operations, however, agents investigated crimes which had already occurred, rather than creating the circumstances under which they might occur. Several legal experts have suggested that the latter technique may be in violation of constitutional guarantees, thus possibly barring a criminal conviction.

The politicians involved in the ABSCAM sting have not yet been indicted, let alone tried. Like other citizens they are to be presumed innocent until proven otherwise. It should be noted, however, that elected officials suffer greater damage to their careers than other individuals, by mere implication in illegal activities, even should they be acquitted. This leads to the next point.

The wholesale leaks from the Government are unprecedented. Evidence gathered during criminal investigations is normally closely guarded and not disclosed before trial. In this present situation, great detail was somehow released before grand jury action and received wide media attention. Inquiry should be made as to how this came about and why.

After the facts of the present investigation have been sifted, Congress must renew its determination to set its houses in order.

Whether or not criminal convictions result, Congress has the power to discipline its Members and to revise the criminal statutes. Examples of penalties for wrongdoing imposed in other democracies should be studied for possible application in our country. Japan, for example, requires the automatic loss of membership for a member of the Diet convicted of certain offenses. The Netherlands provides that penalties for offenses be increased by one-third if committed by members of parliament.

After appropriate judicial action is taken in the immediate crisis, Congress must address itself again to strengthening its standards of rectitude and improving its internal institutions and processes chiefly through actions of its Ethics Committees and possible revisions of present statutes. We must restore the public's faith that the Nation's business is being conducted honestly.●

By Mr. GARN:

S. 2606. A bill to establish an Office of Strategic Trade, to transfer the functions of the Secretary of Commerce under the Export Administration Act of 1979 to the Office of Strategic Trade, and for other purposes; to the Committee on Governmental Affairs.

OFFICE OF STRATEGIC TRADE ACT OF 1980

● Mr. GARN. Mr. President, I am today introducing legislation to reorganize and consolidate export control responsibilities in Government. As the ranking minority member of the Banking Committee, which has jurisdiction over the Export Administration Act, I have become increasingly concerned with the failure of the executive branch to prevent the flow of strategic technology to adversary countries. Congress has heard repeated testimony from expert witnesses, both from within and outside of Government, that the fragile technological lead which we enjoy over the Soviet Union is shrinking.

What remains of our once vaunted military superiority, on which our national security increasingly depends, is in part being whittled away through a wide variety of technology transfer mechanisms. It is well documented that technology which the Soviet Union cannot develop, will be bought from the West, and technology which the Soviets cannot buy will be stolen.

Furthermore, considerable amounts of dual-use technology sold to the Soviet Union and its satellites for peaceful purposes have been systematically diverted to the Soviet military. Vehicles built at the United States designed and financed Kama River truck plant in the Soviet Union are continuing to be used to support the brutal subjugation of Afghanistan. Missile launchers and armored personnel carriers from the Soviet Union's ZIL truck complex—which has also received U.S. computers and machine tools—are not only utilized by the Soviet military, but are sent to their allies throughout the world, including Cuba, South Yemen, and Syria.

Various agencies of the Federal Government are charged with the responsibility of regulating the flow of strategic trade with adversary nations to insure that equipment and know-how is not improperly used once it has been sold to them. The practices and procedures by which such trade is regulated have been repeatedly criticized by the General Accounting Office, and even by some of the agencies which participate in the export licensing system, such as the Department of Defense.

The fact of the matter is that in recent years, the Commerce Department, which has the lead responsibility in export licensing, has failed to protect adequately the national security of the United States—frequently allowing its strong export promotion bias to overwhelm its national security responsibilities. Even today the Commerce Department is unclear, with respect to DOD's recommendations to revoke licenses for the shipment of spare parts of the ZIL complex and other Soviet facilities known to produce military equipment.

Mr. President, the present export licensing system does not serve anyone well. The business community is frustrated by a lack of clear policy guidance and confused by a licensing system which involves several agencies, each with its own priorities. All to often a simple request to export becomes trapped in interagency rivalry and bureaucratic procedures that take months to resolve.

The taxpayer is frustrated because he is paying the price for a cumbersome bureaucracy which does not give him his money's worth. In addition, to the extent that the Commerce Department, in its desire to increase U.S. exports, fails to weigh adequately the national security implications of any particular sale, then our own defense costs must increase in future years as we strive to overcome such licensing errors.

A striking example of the costs all of us will have to pay can be seen in the sale of the Centalign-B miniature ball bearing grinder machines to the Soviet Union. The sale of these machines was denied to the Soviets for approximately 11 years, on the grounds that ball bearings produced by the Centalign-B would have a vast military potential. However, during the early seventies, the sale of 164 of these machines was approved.

According to the Defense Department, the ball bearings produced by the Centalign-B machines may be used by the Soviets in many military applications where precision inertial guidance is crucial, such as MIRV technology, antiballistic missile defense, cruise missiles, air-to-air missiles and ship navigation system.

The heart of the problem is the fact

that responsibility for regulating strategic trade is dispersed throughout the executive branch. Although the Commerce Department's Office of Export Administration (OEA) has primary authority, other agencies, among them the Department of Defense, Department of State, the Department of Energy, have overlapping and sometimes conflicting responsibilities. In addition, the OEA has been treated as an unwanted stepchild by the Commerce Department. Over the past few years, the OEA has been deprived of the resources to do its job, and its dedicated staff have been subjected to bureaucratic harassment from above, as noted in a recent report by the Office of the Special Counsel, of the Merit Systems Protection Board.

The GAO has recommended consolidation of export licensing functions within a single agency. My legislation would accomplish this by establishing an independent Office of Strategic Trade, which would maintain the commodity control list (CCL), now administered by the Commerce Department. Other agencies in Government, however, would still be part of this streamlined decisionmaking process. The Office of Strategic Trade or OST would receive the initial application for the license to export, and distribute that request to other agencies for their consideration and review. The other agencies would continue to have full participation in the review process.

As provided in the 1979 amendments to the Export Administration Act, however, the Department of Defense could not be overridden in the review process. Were the OST to approve a license application over the objection of the Secretary of Defense, the question would then go to the President for resolution.

The OST would also receive explicit statutory authority to participate in the deliberations of the coordinating committee for multilateral export controls (CoCom), which consists of the NATO countries (minus Iceland, plus Japan). Presently these negotiations are handled by the State Department, but OST representation is also essential if American businessmen are not to be disadvantaged by our efforts to obtain the cooperation of our allies in the control process. This would be essential if the sanctions recently announced by President Carter, against the Soviet Union, are to be implemented effectively.

The OST would also assume responsibility for enforcement of the munitions list, currently administered by the State Department, which regulates the flow of purely military technology to other nations. The OST would therefore administer the full range of technologies contained on the munitions list, as well as the commodity control list, so that duplication between the lists could be gradually eliminated.

Finally, the establishment of the OST will allow the U.S. Government to upgrade its compliance efforts, which was strongly recommended by the GAO. Once a decision has been made on the basis of national security, human rights or other grounds not to sell a particular technology to a particular country, all U.S. companies and their overseas subsidiaries must abide by that decision. Otherwise both our allies and adversaries will continue to doubt our resolve in these matters. The OST would therefore assume responsibility for the physical inspection of cargoes—now performed by the Commerce Department, and in some instances by the Treasury Department's U.S. Customs Service.

Mr. President, let me say that I recognize the fact that last year Congress allowed a reorganization plan to take effect, which established a new Department of Commerce and Trade. Congress also passed the new Export Administration Act of 1979. But I must emphasize that these were only preliminary steps in the right direction. My legislation does not affect the streamlining of licensing procedures contained in the Export Administration Act of 1979. What it does, is to remove the Office of Export Administration from the Commerce Department and establish it as an independent entity within the executive branch, and thereby ease the implementation of the Export Administration Act of 1979.

There have been suggestions that OEA be placed in the Department of Defense, if national security concerns need to be emphasized. I considered this approach, but rejected it for the simple reason that the OEA could become too heavily influenced by the specific focus of the DOD, as today it is by that of the Commerce Department, with its export promotion bias. International trade is a high stakes game for the United States, and one which we cannot afford to lose. For this reason, the OST must remain independent, and capable of implementing export control policy as intended by Congress and the President, so that this policy can not be undermined, as it has been in the past.

In conclusion, Mr. President, let me say that I have always been committed to the principle of free trade. In addition, I have always believed that when it comes to government, "less is better" and that overextended and overlapping bureaucracies are only a hindrance to effective, efficient government. I believe the legislation I have introduced today will bring order out of the chaos that now characterizes the efforts of the executive branch to protect U.S. interests in matters of strategic trade.

In a recent article appearing in the Wall Street Journal, entitled "Russian Know-How," it was stated that:

> As competition overshadows cooperation (between the U.S. and the Soviet Union) one battleground emerges as critical. It is technology. How the U.S. and the Soviet Union fare in economics, defense and even world prestige in the future will depend increasingly on their scientific and industrial innovation.

Now as a result of the blatant Soviet invasion of Afghanistan, President Carter has announced the completion of a review, whose guidelines will govern the nature of our trading relationship with the Soviet Union and its satellites.

Mr. President, I am not satisfied that the new set of guidelines will be that much more effective than the old guidelines were in controlling the flow of national security sensitive technology and commodities to the Soviet Union—nor am I satisfied that the Commerce Department can be relied upon to administer the new guidelines properly, if only because their track record in these matters is so deficient. One need only to look at the expert testimony before Congress, of the past years on the subject of strategic trade, to see that U.S. national security interests have been persistently disregarded by the Commerce Department, in the name of export promotion.

Legislation has been introduced which would place a total trade embargo on the Soviet Union, until their combat troops and support units are withdrawn from Afghanistan. This is strong medicine, but perhaps necessary.

I do wish to emphasize, however, that over the past 10 years, various administrations have attempted to use trade policy to lure the Soviet Union into new cooperation in international relations, and that during the period of détente, this country came too close to throwing caution to the winds, in the area of strategic East-West trade. It is time to stop and take a look at where we have been and where we are going. The legislation I have introduced will establish a mechanism by which normal and peaceful trade with all countries of the world can be conducted, and through which the security of this country will be in no way diminished.

Mr. President, I ask unanimous consent that the text of the bill and the section-by-section analysis be printed in the Record, as well as a recent article appearing in Newsweek, which provides an excellent analysis on how the Western Nations "are funding two defense budgets—their own and the Kremlin's."

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2606

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

Section 1. This Act may be cited as the "Office of Strategic Trade Act of 1980".

STATEMENT OF PURPOSE

Sec. 2. The Congress finds and declares that:

(1) The failure to control the transfer of national security sensitive technology and commodities to the Soviet Union and other countries which are subject to export controls for reasons of national security or foreign policy, has led to the significant improvement of Soviet bloc military capabilities, thereby enabling it to pose a greater threat to the security of the United States, its allies and other friendly nations.

(2) Transfers of this kind have been responsible for increases in the defense budget of the United States.

(3) This failure to control the export of national security sensitive technology and commodities is attributed to the diffusion of decisionmaking responsibilities regarding strategic trade matters throughout several Federal agencies.

(4) It has been established that because of the overlapping and frequently confusing responsibilities of the many Federal agencies that administer controls over strategic trade, the United States export control system serves neither national security nor export interests well.

(5) Therefore, in order to maintain both an efficient and equitable system for the

control of national security sensitive technology and commodities, it is necessary to consolidate the functions and decisionmaking authorities to be found throughout the executive branch, into an independent Office of Strategic Trade.

ESTABLISHMENT

SEC. 3. (a) There is established as an independent executive agency an Office of Strategic Trade (hereinafter referred to as the "Office"). The Office shall be headed by a Director of Strategic Trade (hereinafter referred to as the "Director") who shall be appointed by the President by and with the advice and consent of the Senate, and who shall serve for a term of two years. The Office of Strategic Trade shall be administered, in accordance with the provisions of this Act, under the supervision and direction of the Director. The Director shall exercise all of the executive and administrative functions and authorities transferred to the Office of Strategic Trade by this Act. The Director or his designee shall act as Chairman of the Interagency Operating Committee, which shall consist of representatives from the Department of Commerce, the Department of State, the Department of Defense, the Department of Energy, the Department of the Treasury, the Central Intelligence Agency, and the National Aeronautics and Space Administration.

(b) There shall be in the Office of the Director of the Office of Strategic Trade an Exporter Services Facility which shall act as liaison with the business community and shall receive and respond to inquiries from the public or interested persons.

OTHER PRINCIPAL OFFICERS

SEC. 4. (a) There shall be in the Office an Operations Division which shall be headed by a Deputy Director for Operations. It shall be the function of the Deputy Director for Operations to process incoming applications for export licenses, to disseminate such applications to the licensing division for evaluation, and to forward approved licenses to the applicant. In addition, the Operations Division shall monitor conformity of export applications and licenses with the terms and conditions applicable to them. The Operations Division shall perform such other functions as the Director may determine to be appropriate which were carried out prior to the effective date of this Act by the Office of Export Administration's Operating Division.

(b) There shall be in the Office a Compliance Division which shall be headed by a Deputy Director for Compliance and which shall carry out the functions performed prior to the effective date of this Act by the Office of Export Administrations Compliance Division. The Compliance Division shall also conduct all physical inspections for all controlled items, and shall monitor overseas compliance with the Export Administration Act of 1979, and terms and conditions applicable to individual export licenses.

(c) There shall be in the Office a CoCom Division which shall be headed by a Deputy Director for CoCom Affairs and which shall carry out functions relating to the representation of technical positions (including those of military and strategic significance) in connection with the Coordinating Committee for Multilateral Export Controls (CoCom). The CoCom Division shall also provide representatives to the Department of State to assist in negotiations with other members of the Coordinating Committee.

(d) There shall be in the Office a Licensing Division which shall be headed by a Deputy Director for Licensing and which shall be responsible to the Director for the evaluation of criteria and establishment of policy relating to the commodity control list, munitions control list, foreign policy controls, and short supply controls. The Licensing Division shall prepare draft documents and license criteria for license applications and submit such documents to the Interagency Operating Committee for review. In addition, there shall be within the Licensing Division—

(1) an Office of the Operating Committee, which shall disseminate license documents from the licensing officers to the interagency committee members, specify deadlines, collect responses and recommendations from the respective agencies, summarize each agency position for the Office of the Director, and prepare cases for review by the Export Administration Review Board;

(2) an Office of Computer Licensing, which shall prepare draft documents analyzing criteria for licensing with respect to computers in accordance with the commodity control list;

(3) an Office of Capital Goods Licensing which shall prepare draft documents analyzing criteria for licensing with respect to capital goods in accordance with the commodity control list;

(4) an Office of Electronics, which shall prepare draft documents analyzing criteria for licensing with respect to the field of electronics in accordance with the commodity control list;

(5) an Office of Short Supply Licensing which shall prepare draft documents analyzing criteria for licensing with respect to the field of short supplies;

(6) an Office of Munitions Control which shall carry out the functions formerly carried out by the Department of State's Office of Munitions Control in maintaining the munitions control list;

(7) an Office of Technological Data which shall monitor and review the transfer of unembodied technology and knowledge through cultural exchange, educational, or other programs or means;

(8) an Office of Technology Assessment which shall monitor and review exports under general licenses to determine whether items should be added to or deleted from commodity control lists, to assess foreign availability and comparability, and to make periodic (not less often than quarterly) specific recommendations, regarding additions or deletions from the commodity control list to the Deputy Director for Licensing; and

(9) an Office of Foreign Policy Controls which shall formulate and maintain the list of foreign policy controls, in consultation with the Export Administration Review Board.

(e) There shall be in the Office a General Counsel.

TRANSFER OF FUNCTIONS

SEC. 5. There are transferred to the Office of Strategic Trade the following functions and authorities:

(1) those of the Secretary of Commerce pursuant to the Export Administration Act of 1979;

(2) those of the Office of East-West Trade of the Department of State with respect to the munitions list pursuant to the Arms Export Control Act;

(3) those of the United States Customs Service relating to the physical inspection of exports not covered by the commodity control list; and

(4) such other functions and authorities, not specifically or otherwise vested or delegated by statute, as the Director, in consultation with the Director of the Office of Management and Budget, determine to be appropriate.

INCIDENTAL TRANSFERS

SEC. 6. The Director of the Office of Management and Budget, in consultation with the Director, is authorized and directed to make such determinations as may be necessary with regard to the transfer of functions which relate to or are utilized by an agency, commission or other body, or component thereof affected by this Act, to make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, arising from, available to or to be made available in connection with the functions transferred by this Act, as he may deem necessary to accomplish the purposes of this Act.

AUTHORITY OF THE DEPARTMENT OF DEFENSE

SEC. 7. The Department of Defense shall retain all review and veto authorities authorized under the Export Administration Act of 1979.

CONFORMING AMENDMENTS

SEC. 8. (a) Section 5313 of title 5, United States Code, is amended by adding at the end thereof the following item: "Director of Strategic Trade.".

(b) Section 5315 of such title is amended by adding at the end thereof the following: "Deputy Directors, Office of Strategic Trade (4).".

EFFECTIVE DATE

SEC. 9. This Act takes effect upon the expiration of 60 days after enactment.

SECTION-BY-SECTION ANALYSIS

Section 1 provides that the legislation may be cited as "Office of Strategic Trade Act of 1980."

Section 2 contains the Statement of Purpose, which states that our failure to control the transfer of national security sensitive technology to the Soviet Union and other controlled countries has led to a significant improvement in Soviet Bloc military capabilities. In addition, because of the overlapping and frequently confusing responsibilities of the many federal agencies that administer controls over strategic trade, the U.S. export control system serves neither national security nor export interests well. Therefore, in order to maintain an efficient and equitable export control system, it is necessary to consolidate the functions and decision making authorities to be found throughout the executive branch, into an independent Office of Strategic Trade.

Section 3 provides for the establishment of an Office of Strategic Trade.

Section 3 Subsection (a) states that the Office of Strategic Trade shall be an independent executive agency, to be headed by a Director, who shall be appointed by the President and confirmed by the Senate for a two year term of office.

Subsection (b) provides for an Exporter Services Facility, within the Office of the Director, to act as a liaison with the business community and other interested parties.

Section 4 provides for the various functional Divisions within the Office of Strategic Trade, as well as for their principal officers.

Subsection 4(a) provides for an Operations Division, to be headed by a Deputy Director for Operations. The Operations Division will process incoming export license applications to be disseminated to the Licensing Division for evaluation. In addition. the Operations Division shall monitor conformity of export applications and licenses with U.S. law.

Subsection (b) provides for a Compliance Division, to be headed by a Deputy Director for Compliance. The Compliance Division shall carry out all functions that were formerly performed by the Office of Export Administration's Compliance Division. The Compliance Division shall also conduct all physical inspections for controlled items, and shall monitor overseas compliance of the Export Administration Act of 1979.

Subsection (c) provides for a CoCom Division, to be headed by a Deputy Director for CoCom Affairs. The CoCom Division shall assist the Department of State, in representation of technical positions (including those of military and strategic significance) at CoCom.

Subsection (d) provides for a Licensing Division, to be headed by a Deputy Director for Licensing. The Licensing Division shall be responsible to the Director for the evaluation of criteria and establishment of policy relating to the Commodity Control List, Munitions Control List, Foreign Policy Controls, and Short Supply Controls. The Licensing Division shall also prepare draft documents and license criteria for license applications, to be submitted to the interagency Operating Committee for review.

Subsection (d)(1) provides for an Office of the Operating Committee, within the Licensing Division, which shall disseminate license documents from the licensing officers to the interagency committee members, specify deadlines, collect responses and recommendations from the respective agencies, summarize each agency position for the Office of the Director, and prepare cases for review by the Export Administration Review board.

Subsection (d)(2) provides an Office of Computer Licensing, which shall prepare draft documents analyzing criteria for licensing with respect to computers in accordance with the Commodity Control List.

Subsection (d)(3) provides for an Office of Capital Goods Licensing which shall prepare draft documents analyzing criteria for licensing with respect to capital goods in accordance with the Commodity Control List.

Subsection (d)(4) provides for an Office of Electronics, which shall prepare draft documents analyzing criteria for licensing with respect to the field of electronics in accordance with the Commodity Control List.

Subsection (d) (5) provides for an Office of Short Supply Licensing which shall prepare draft documents analyzing criteria for licensing with respect to the field of short supplies.

Subsection (d) (6) provides for an Office of Munitions Control which shall carry out the functions formerly carried out by the Department of State's Office of Munitions Control in maintaining the munitions control list.

Subsection (d) (7) provides for an Office of Technological Data which shall monitor and review the transfer of unembodied technology and knowledge through cultural exchange, educational, or other programs or means.

Subsection (d) (8) provides for an Office of Technology Assessment which shall monitor and review exports under general licenses to determine whether items should be added to or deleted from Commodity Control Lists, to assess foreign availability and comparability, and to make periodic (not less often than quarterly) specific recommendations, regarding additions or deletions from the commodity control list to the Deputy Director for Licensing.

Subsection (d) (9) provides for an Office of Foreign Policy Controls which shall formulate and maintain the list of foreign policy controls, in consultation with the Export Administration Review Board.

Subsection (e) states that the Office of Strategic Trade shall have a General Counsel.

Section 5 provides for the transfer of the following and authorities from other agencies to the Office of Strategic Trade: (1) those of the Secretary of Commerce pursuant to the Export Administration Act of 1979; (2) those of the Office of East-West Trade of the Department of State with respect to the Munitions List pursuant to the Arms Export Control Act; (3) those of the U.S. Customs Service relating to the physical inspection of exports not controlled by the Commodity Control List; and (4) other such functions and authorities, not specifically or otherwise vested or delegated by statute, as the Director, in consultation with the Director of the OMB, determines to be appropriate.

Section 6 provides for incidental transfers to be made to the Office of Strategic Trade, as authorized by the Director of the OMB, in consultation with the Director of the Office of Strategic Trade. Determinations are to be made regarding the transfer of functions which relate to or are utilized by an agency, commission or body, or component thereof affected by this Act, to make such additional incidental dispositions of personnel, assets, liabilities, contracts, property, records, and unexpended balances of appropriations, authorizations, allocations, and other funds held, used, available or to be made available in connection with the functions transferred by this Act.

Section 7 states that the Department of Defense shall retain all review and veto authorities, and its mandate to develop a list of militarily critical technologies, as authorized in Sections 5 and 10 of the Export Administration Act of 1979.

Section 8 amends the U.S. Code where necessary.

Section 8 subsection (a) states that Section 5313 of title 5, U.S. Code, is amended by adding at the end thereof the following item: "Director of Strategic Trade," and provides the Director with a Position II salary (e.g. Deputy Secretary of Defense).

Subsection (b) states that Section 5315 of such title is amended by adding at the end thereof the following: "Deputy Directors, Office of Strategic Trade (4)," and provides each Deputy Director with a Position IV salary (e.g. Assistant Secretaries of Defense).

Section 9 states that this Act will take effect 60 days after its enactment.

THE EMBARGO IS FAILING

(By Arnaud de Borchgrave)

Soon after the invasion of Afghanistan, a Belgian industrialist asked his country's Foreign Minister, Henri Simonet, whether his firm should slow down its construction of a huge chemical complex in the Soviet Union. Replied Simonet: "No, keep going." In Paris two weeks ago, Dzhermen Gvishiana, a top Soviet trade negotiator and the son-in-law of Prime Minister Aleksei Kosygin, held three days of talks with French economic officials. Their decision: full speed ahead toward the goal of trebling Franco-Soviet trade by 1985.

The U.S. continutes to hope that Western Europe will follow its lead in imposing economic sanctions on the Soviet Union as punishment for the invasion of Afghanistan. But the embargo on high-technology trade isn't holding. Recently, Lawrence Brady, a former U.S. Commerce Department export official, warned a Senate subcommittee that Western trade with the Soviet bloc would be back to normal within months. He is rapidly being proven right. Apart from a few token gestures—such as a modest increase in the interest rate on Soviet loans—the allies have done little to hurt their commercial ties to Moscow. For France, among others, this business-as-usual approach is paying off handsomely. French companies are suddenly getting the Kremlin's nod on projects worth hundreds of millions of dollars. They may even land a $500 million deal for an aluminum smelter in Siberia that Alcoa froze because of Afghanistan.

To maintain the commercial connection with Western Europe, Soviet diplomats are courting politicians, labor leaders, and journalists. Their message is that "a minor police action in Afghanistan must not be allowed to interfere with regional detente in Europe." The Soviets constantly play down the significance of Afghanistan, hinting that their occupation forces may withdraw if the country can be protected from "outside interference." That message was played again last week when Soviet President Leonid Brezhnev met with Armand Hammer, chairman of Occidental Petroleum, a U.S. company that stands to lose from a cut in East-West trade.

Proselytizing: With the exception of Britain's Margaret Thatcher, West European leaders are reluctant to do anything that would offend the men in the Kremlin. The Soviets are constantly proselytizing about the growing relevance of Soviet military power to Europe's future—and, by implication, about the growing irrelevance of American power. And trade with the Soviet bloc—a two-way flow that amounted to nearly $80 billion last year—is much more important to the economies of Western Europe than it is to U.S. business.

Soviet exports to West Germany, Russia's biggest Western trade partner, soared to $4.5 billion in 1979, up 28 per cent. West Germany gets 17 per cent of its natural gas from the U.S.S.R.., along with 38 per cent of its enriched uranium for nuclear power. Negotiations are under way between the Russians and a German consortium for a $12 billion natural-gas pipeline deal.

In addition to their economic stake in good relations with Moscow, West German leaders know that the Soviets might respond to an embargo by subjecting West Berlin to another squeeze play. "Berlin," said a high-ranking Common Market official, "is tailor-made for financial and trade blackmail." As a result, there are continuing talks on accords to improve West Berlin's physical links with West Germany—a package that will bring East Germany hundreds of millions of additional Deutsche marks. Plans call for widening and dredging East German canals leading into West Berlin to accommodate bigger barges, building an autobahn to connect Eisenach in the East with Bad Hersfeld in the West and improving rail service.

Since 1967, Western countries and Japan have signed about 2,500 industrial agreements with Soviet-bloc countries, including hundreds of "turnkey" plants. In the last seven years alone the U.S.S.R. has bought $18 billion in capital goods—mostly for its chemical, power and automotive industries, which depend heavily on high technology. Western equipment is now producing 80 percent of the Soviet Union's polyethylene, 75 percent of its chemical fertilizer and 40 percent of its cement.

Trucks and Engines: The Fiat-built plant at Togliatti turns out about half of Russia's automobile production. At the Kama River truck plant—erected with 130 U.S. licenses—the Soviets manufacture 150,000 trucks a year and 100,000 spare engines. Trucks and engines built in that factory are being used in Afghanistan.

All the policy planners and experts I talked to in recent weeks in European capitals concede that the West has contributed directly or indirectly to Russia's huge military build-up over the last ten to fifteen years. "There is no way the Soviet Union could continue to spend from 13 to 15 percent of its GNP on the military without Western assistance," one Common Market high commissioner said privately. Where Western technology does not make a direct contribution to Soviet defense, Western trade and credits (now nearing $70 billion for all Eastern countries) have eased the burden on Russia's civilian sector and allowed Soviet leaders the latitude to allocate even larger resources to the military. To a man, Europe's intelligence directors have reported this to their political superiors. So why isn't anyone listening? Replies the Common Market high commissioner: "It is such an explosive subject that it has almost become taboo to talk about it."

Samuel Pisar, a prominent consultant on and advocate of East-West trade, concedes that Western technology is routinely examined by special KGB analytical groups to determine potential military usage. Pisar's disclaimer: "I simply don't believe that the Soviet military gets that much out of it." Other experts take a grimmer view. Yves Laulen, NATO's former director for economic affairs and an expert on East-West trade, argues that Western countries now are funding two defense budgets—their own and the Kremlin's.●

By Mr. BAYH:

S. 2607. A bill to provide, in addition to any other remedies available under the laws of the United States, a judicial remedy and procedure for domestic businesses injured by unfair competition from foreign competitors in sales of merchandise within the United States; to the Committee on the Judiciary.

PROTECTION OF UNITED STATES JOBS FROM UNFAIR FOREIGN COMPETITION ACT

● Mr. BAYH. Mr. President, today I am introducing a bill which will provide an additional avenue of relief to workers and firms adversely impacted by unfairly priced imports to those already available through the Department of Commerce, the U.S. International Trade Commission, and the U.S. Special Trade Representative's Office.

Mr. President, the failure to enforce the antidumping and other fair trade statutes of this country in a timely manner is inflationary. It is inflationary because the result of predatory pricing policies and other unfair trade practices by foreign competitors cost Federal, State, and local governments billions of dollars in lost revenue and increased unemployment compensation without buying us any enduring consumer benefit. A loss of a productive job due to foreign trade means a loss of tax revenue and a necessary expenditure in trade adjustment assistance payments. A plant closing means a loss of tax revenues because there are no profits to tax and because a loss will be calculated against future profits if the firm is more than a one-company operation. A growing dependence on products from foreign sources results in U.S. dollars going overseas, increasing the balance of trade deficit and making our fight against inflation that much tougher.

A reciprocal lowering of tariff and nontariff barriers to facilitate the free flow of fair trade is a goal which we in Congress have steadfastly supported. I voted for the Trade Agreements Act of 1979 which sought to lower trade barriers to all countries. But when trade between countries is neither free nor fair, when pricing practices are undertaken specifically to eliminate or injure an American company or entire industry by the exporting country, then we have to move swiftly and augment the existing statutes so a firm does not disappear before import relief can be obtained.

MUST RECOGNIZE INTERNATIONAL REALITIES

The American marketplace is the most open and the most prized in the world. Compared to other countries of the world, we have a tradition of open borders, both in terms of political tradition and economic policies. But we must understand the changing realities of the international marketplace and be prepared to utilize legally recognized remedies to provide relief to workers and firms threatened by unfair trade practice because these practices threaten the future economic well-being of our country as well.

In order to accomplish this, the Protection of U.S. Jobs From Unfair Competition Act would prohibit any person from either importing, assisting in importing, or causing the importation or sale of articles from a foreign country at a price substantially less than the market value or wholesale price of such articles in the principal markets of the country of their production or other foreign countries to which they are commonly exported if first, the sale of these articles would necessarily and directly injure an industry or labor in any line of commerce; second, the sale would prevent, in whole or in part, the establishment of an industry in the United States or, third, restrain or monopolize any part of trade.

In order to obtain this result, my legislation will permit suit to be filed by any person for any violation of, or combination or conspiracy to violate this section in the district court of the United States or any other appropriate court. The result of such action would be an injunction against importation of articles which are resulting in the injury described above because of their sales at less than fair market value. To expedite this process, the district court judge would have a 120-day deadline after the filing of a complaint to make a final judgment.

Another section of this bill also seeks to retain Federal contractor dollars in this country by prohibiting contractors from entering into private reciprocal trade agreements with any foreign nation in exchange for which contracts or subcontracts will be granted to that country. This is meant to prevent "sweetheart" contracts which have been a result of certain contractor practices in recent years and have resulted in a denial of business to smaller U.S. firms. This will help insure that Federal procurement dollars remain in the United States in such sectors as the Department of Defense. The penalty here would be treble damages as well as debarment of the contractor and voiding of the contract.

Even though the Trade Agreements Act of 1979 provided changes and improvements in the procedures and administration of countervailing duty and antidumping laws, we are still looking at a "speedy" 280-day investigation between the time which an antidumping petition is filed with the Department of Commerce and a final determination is made by the U.S. International Trade Commission to permit the imposition of antidumping duties. So, I think this legislation as it has been described does make an improvement in terms of timeliness.

We must recognize, Mr. President, that in a number of nations governments act in concert with their national companies to formulate and carry out policies calculated to penetrate foreign markets while keeping their domestic markets closed. We see this in an announcement from Japan where the major computer companies of Japan have combined in a program under government sponsorship to penetrate and dominate the world computer market. American steel companies have for a long time recognized that they were suffering from unfair foreign competition from products which were either dumped or priced because of foreign government subsidies in a manner to permit capture of U.S. markets. These are but two examples of the situation which I am talking about.

The effect of such unfair competition in American markets is not felt solely by the shareholders and owners of American business. It is also felt by workers, who are often the first victims of unfair competition—victims, because the loss of an order to a foreign competitor means the immediate loss of a job in the United States.

The United States was singly responsible for the rejuvenation of the industries of Western Europe and of Japan. This was done by American foreign aid, by American loans, and by the export of American technology. It was done by permitting those foreign countries to have restrictive import laws while permitting our markets to remain open. The development of the Japanese automobile industry is a stunning example of this.

Because of America's generosity those nations are now better equipped in some areas than the United States to engage in free and fair competition. But so often, this foreign success in our marketplace was due to an unfair trade practice. The time has come to assure that when an import sale is made in the United States, which results in the loss of an American job, it is a sale which the importer has earned because of superior technology or superior production techniques. The sale cannot and must not be one which is engineered as a result of foreign government subsidies and unfair competition.

The Antidumping Act has been on the statute books for years, but as testified to by the experiences of the steel companies the remedies within Treasury were inadequate. Antidumping is now administered by the Department of Commerce but the remedies remain inadequate, especially in light of the suspension of the trigger price mechanism to monitor steel imports.

A right, if it is to be enforced, must be enforced in a timely and economic manner. The executive branch cannot provide an adequate remedy against foreign predatory trade practices because the State and Treasury Departments combined with the Office of the President, weigh their actions in predatory trade practices enforcement against the monetary and often illusory needs of international diplomacy.

An injured American worker or businessman must be given direct access to the courts, a timely hearing, a timely resolution and an economic proceeding with respect to a complaint. The purpose of this bill is not to restrain trade; it is to protect American jobs by assuring that any American faced with the loss of his job or his business sales to a foreign competitor, has an expeditious, economic and real remedy which will provide immediate relief against predatory foreign competition. A remedy which comes 6 months, a year, 2 years, after the injury, is no remedy at all. The worker affected has been laid off, has moved elsewhere, and has suffered deprivation as has his family. This bill provides direct access to the courts or anyone injured by predatory foreign trade practice and provides for an expeditious and economically efficient hearing and judgment.

COSTS OF IMPORT RELATED UNEMPLOYMENT IS CLIMBING

Mr. President, to return a moment to the point that unfairly priced imports unchecked by aggressive enforcement of antidumping statutes, or because of the nature of the laws themselves, are a cause of inflation, we need only to look at the history of the trade readjustment allowance program. As my colleagues know, this program was established to compensate workers through a supplemental unemployment benefit for their displacement due to imports. While it is not possible to say that all import related unemployment was due to "dumping" or other unfair trade practice, it is clear that those industries most vulnerable to predatory trade practices did show high levels of unemployment.

For instance, steelworkers designated eligible for unemployment compensation have received over $228 million under the TRA program for the period between April 1975 and September 1979. Electrical workers, and here we are talking about color television imports, collected over $10 million in benefits. For this period, total payments were over $815 million. And this does not count the $1.1 billion extra which is going to be needed this year to keep this entitlement program on track.

While the trade adjustment assistance program is one which I fully support because of the principle that no single worker or group of workers should be singled out to bear the burden sometimes caused by free trade as a national policy, we must also face some basic facts. Workers would prefer to work. While special allowances are due them, we all understand and should appreciate that when a man or woman is unemployed, there is a loss for which we cannot compensate. So, on this count alone, I think we just have to do a better job in seeing that workers and firms can obtain timely protection. And the bill I am introducing today does that by adding our court system to the process of remedy to halt the consequences of unfair trade practices.

Mr. President, I hope that the Judiciary Committee can soon take up this important legislation so we can establish this new source of protection for American jobs and American business. While I anticipate that those involved with this Nation's trade policy will not rush to support this bill, it is important that we act. If anything, this legislation ought to provide an incentive to those administering our fair trade laws to prove that we do not need better and swifter performance than has been the case to date.

For too long, this Senator has heard from small firms in his State asking for speedy relief from unfairly priced imports and Heaven and Earth had to be moved before some relief occurred. For too long we have witnessed situations where import relief was coming only when the firm requesting it was a sole surviving company of the entire industry and was about to disappear. For too long we have been reluctant to insist that other nations—who sometimes seem to be waging a trade war against us with the bullets and bombs of government subsidized goods and artificially low-priced imports—play by the rules of the game. In short, the time has come to say to U.S. firms and workers that your Government is behind you. Your Government is not a public relations firm for "Japan, Incorporated" or "France, Inc." We will enforce the law. And we will not delay and in the process deny justice.

Mr. President, I know it sounds odd to call this particular cadence with respect to the admittedly complex problems of international trade policy. But if we have learned anything through our experience with OPEC and our growing awareness of the vulnerability of our economy to external economic factors, we will pass the bill I am introducing today. I urge my colleagues to join me in this effort.

At this point, I ask unanimous consent that a section-by-section summary of this legislation be printed in the RECORD, along with the text of the legislation.

There being no objection, the bill and summary were ordered to be printed in the RECORD, as follows:

S. 2607

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. SHORT TITLE.

This Act may be cited as the "Protection of United States Jobs From Unfair Foreign Competition Act".

SEC. 2. CAUSE OF ACTION.

(a) SALES OF FOREIGN MERCHANDISE AT LESS THAN FAIR VALUE.—Whenever a United States importer of foreign merchandise, or the foreign manufacturer thereof, sells or offers for sale such merchandise at less than its fair value, and such sales or offers for sale—

(1) injure an industry or labor in any line of commerce in any section of the United States,

(2) prevent, in whole or in part, the establishment of an industry in the United States, or

(3) restrain or monopolize any part of trade or commerce in such merchandise, or similar merchandise, in the United States,

then any person injured in his trade or business by such injury, prevention, or restraint or monopoly may, in addition to any other remedy available to him under the laws of the United States, bring an action under this Act for damages, or equitable relief, or both.

(b) Private Reciprocal Trade Agreements by United States Contractors.—Whenever a United States person—

(1) is injured in his trade or business by reason of a private reciprocal trade agreement entered into between a United States person who has entered into a contract to provide goods and services to the United States, or

(2) is aggrieved by the violation of an agreement entered into under section 3(b), he may, in addition to any other remedy available to him under the laws of the United States, or bring an action under this Act for damages or equitable relief, or both.

SEC. 3. PRIVATE RECIPROCAL TRADE AGREEMENTS BY UNITED STATES CONTRACTORS PROHIBITED.

(a) IN GENERAL.—It shall be unlawful for any person who has entered into a contract with the United States to enter into private reciprocal trade agreements during the term of that contract (including any extensions of renewals thereof) with any foreign nation or any foreign or domestic person pursuant to which—

(1) contracts or subcontracts will be granted or awarded to the contractor, or

(2) favored treatment or other valuable inducements will be granted to the contractor

in exchange for subcontracts or purchases made in connection with the performance of any United States contract or purchase.

(b) CONTRACT WARRANTY REQUIRED.—No officer or employee of the United States charged with responsibility for entering into contracts for the purchase or lease of goods, the furnishing of supplies or power, or the furnishing of services to any agency or instrumentality of the United States may enter into such a contract with any person unless that person agrees in writing, as a material condition of such contract, that, during the term of such contract (including any extensions or renewals thereof)—

(1) he will not enter into a private reciprocal trade agreement, and

(2) he will not comply with the terms of any such agreement to which he became a party before entering into such contract.

(c) CONSEQUENCES OF BREACH OF WARRANTY.—If a person violates an agreement entered into under subsection (b), then—

(1) that person shall be ineligible to enter into any contract with the United States after the date on which the violation occurs,

(2) any existing contracts entered into between that person and the United States shall be voidable at the election of the United States, and

(3) that person shall be liable to the United States for damages in an amount equal to three times the consideration payable under the contract in connection with which the violation occurred.

(d) RECOVERY OF DAMAGES FOR UNITED STATES BY PRIVATE LAWSUIT.—Any person aggrieved by the violation of such an agreement shall have standing to bring an action on behalf of the United States to recover such damages for the benefit of the United States.

SEC. 4. JURISDICTION; VENUE; ETC.

(a) JURISDICTION.—The district courts of the United States shall have exclusive jurisdiction of actions brought under this Act without regard to the amount in controversy.

(b) VENUE.—

(1) IN GENERAL.—An action brought under this Act may be brought in any district—

(A) in which the defendant resides, is found, or has an agent, or

(B) in any district in which the plaintiff resides, does business, or has an agent.

(2) CHANGE OF VENUE.—No change of venue requested by the defendant shall be granted without the consent of the plaintiff.

SEC. 5. PROCEDURE.

(a) SUBPENA.—A subpena issued by a court in an action brought under this Act may be enforced in any judicial district of the United States.

(b) COMPLIANCE WITH ORDERS AND DECREES.—If a United States importer against whom a discovery order, or other order or decree, has been entered by a court in a proeeeding brought under this Act fails to comply with such order or decree within the time established by the court for compliance, then the court shall issue an injunction prohibiting that importer from entry, or removal from warehouse, for consumption of merchandise which is the subject of the proceeding or which is similar to such merchandise, and from distribution or sales of such articles, until such time as the court is satisfied that the party has complied with the order or decree.

(c) UNITED STATES NOT TO TAKE POSITION CONTRARY TO PLAINTIFF.—The United States shall not take a position contrary or antagonistic to that taken by the plaintiff in any action brought under this Act to which the United States is a party or in any other action brought under this Act in an amicus curiae brief or any other pleading.

SEC. 6. PERIOD FOR ADJUDICATION; SPECIAL MASTER.

(a) IN GENERAL.—Whenever an action is brought under this Act, it shall be the responsibility of the judge to whom the case is assigned to reach a final judgment within 120 days after the date on which the complaint is filed. A judge to whom such a case is assigned may appoint a special master to hear the case and make findings of fact.

(b) POWERS OF SPECIAL MASTER.—A special master appointed to hear such a case shall have the power to issue subpenas and to take evidence.

(c) REPORT OF SPECIAL MASTER.—After a hearing, but not more than 20 days after the date on which he is assigned to hear the case, the special master shall prepare and submit to the court a report in writing setting forth his findings of fact. The 20-day period may be extended by the judge to whom the case is assigned upon the request of either party and, if the extension is requested by the defendant, then—

(1) only with the consent of the plaintiff, or

(2) upon a showing by the defendant of extreme hardship, impossibility, or other extraordinary good cause.

SEC. 7. ESTABLISHMENT OF PRIMA FACIE CASE IN COMPLAINT.

(a) EFFECT OF PRIMA FACIE SHOWING BY PLAINTIFF.—If the complaint filed by the plaintiff, in an action brought under this Act, sets forth facts upon the basis of which, if true, relief could be granted under this Act, then the plaintiff shall be considered to have established a prima facie case that he is entitled to damages or equitable relief under section 2, and the court shall—

(1) issue immediately a restraining order or injunction prohibiting the defendant from further sale, distribution, or entry, or removal from warehouse, for consumption of the foreign merchandise which is the subject of the action, or

(2) require the defendant to post bond, or other security, in an amount equal to 3 times the amount of damages alleged by the plaintiff to be attributable directly to imports of such merchandise.

(b) CONCLUSIVENESS OF SHOWING.—Whenever a plaintiff in such an action establishes such a prima facie case, the facts so pled shall be treated as conclusive unless the defendant demonstrates that they are not true or that the plaintiff is not entitled to damages or relief under this Act.

(c) SHIFT OF BURDENS IN ACTIONS BROUGHT BY FOREIGN MANUFACTURER OR UNITED STATES IMPORTER.—If the plaintiff in an action brought under this Act is a foreign manufacturer or a United States importer of the foreign merchandise which is the subject of the action, subsections (a) and (b) shall not apply with respect to that action.

SEC. 8. DAMAGES; COSTS; FEES.

(a) DAMAGES.—If the plaintiff in an action brought under this Act establishes that he is entitled to damages under section 2, then—

(1) he shall be entitled to recover 3 times the amount of damages shown to have been suffered, and

(2) any award of damages shall not preclude the granting of such equitable relief as may be appropriate under the circumstances.

(b) COSTS AND FEES.—The court may award court costs and reasonable attorneys' fees to the prevailing party in any action brought under this Act upon request made therefor and when, in the judgment of the court, such award is appropriate.

(c) DAMAGES TO THE UNITED STATES.—Wherever, in an action brought by a plaintiff (other than a foreign manufacturer or a United States importer) under section 2 (b) of this Act, the plaintiff prevails, the court may, upon request made by the plaintiff, award to the United States damages in an amount equal to 3 times the consideration under the contract or contracts between the United States and the defendant which are subject to the private reciprocal trade agreement which was the subject of the action.

SEC. 9. DEFINITIONS.

For purposes of this Act—

(1) SALES AT LESS THAN FAIR VALUE.—Foreign merchandise shall be treated as sold or offered for sale at less than its fair value if the United States price (as defined in section 772 of the Tariff Act of 1930 (19 U.S.C. 1677a)) of such merchandise is lower than—

(A) its foreign market value (within the meaning of section 773 of such Act (19 U.S.C. 1677b)) or,

(B) if the foreign market value cannot be determined, its constructed value (within the meaning of section 773(e) of such Act (19 U.S.C. 1677b(e)).

(2) PRIVATE RECIPROCAL TRADE AGREEMENT.—The term "private reciprocal trade agreement" means an agreement between a United States person and a foreign government or person under which contracts or subcontracts will be awarded to the United States person, or favored treatment or other valuable inducements will be granted to the United States person, by or on behalf of such foreign government or person in exchange for contracts or subcontracts awarded to, or payments made to, such foreign government or person in connection with the performance of any contract with that or any other United States person.

(3) UNITED STATES PERSON.—The term "United States person" means a citizen or resident of the United States, or a corporation, joint venture, partnership, association or other business organization organized under the laws of the United States, or any State thereof, or the District of Columbia.

SEC. 10. ENFORCEMENT AS PART OF THE ANTITRUST LAWS; CRIMINAL PENALTY.

(a) AMENDMENT OF CLAYTON ACT.—Subsection (a) of the first section of the Clayton Act (15 U.S.C. 12) is amended by inserting after "nineteen hundred and thirteen;" the following: "the Protection of United States Jobs From Unfair Foreign Competition Act;"

(b) CRIMINAL PENALTY.—In addition to any liability for damages under section 2, any person who commits any act for which a cause of action for damages is provided by section 2 shall be guilty of a misdemeanor and shall be fined not more than $100,000.

SECTION-BY-SECTION SUMMARY OF THE "PROTECTION OF U.S. JOBS FROM UNFAIR FOREIGN COMPETITION ACT"

Section 1 provides a short title of the Act.

Section 2 provides for two new causes of action for unfair competition and predatory trade practices related to imports of articles of commerce into the United States. The first cause of action is for injunction and legal damages and judgments against any importer who offers to sell or sells merchandise in the U.S. at less than its fair value, where such an act would injure trade of business in the U.S. or create a monopoly.

The second cause of action arises from making unlawful private reciprocal trade agreements pursuant to which contractors to the U.S. Government enter into agreements to sub-contract in exchange for foreign favors.

Section 3 prohibits private reciprocal trade agreements by contractors doing business with the U.S. and contains the requirement that a warranty be provided by any contractor doing business with the U.S. The warranty provides that no private reciprocal trade agreements have been or will be entered into. This section also states the consequences arising from a breach of the warranty; those consequences provide for the debarment for any person entering into a private reciprocal trade agreement and to make voidable at the election of the U.S., any contracts that any person who has breached such warranty may have with the U.S. The section further provides for damages to the U.S. in the amount of 3 times the consideration payable by the contract in connection with which the violation occurred, and also provides that if the U.S. will not act, any person aggrieved by the violation can bring an action on behalf of the U.S. as well as himself.

Section 4 sets out the jurisdiction and revenue where actions may be brought and provides substantially for national jurisdiction and venue. The Section also protects the Plaintiff from a change of venue to which he does not consent.

Section 5 deals with the sanctions to be imposed against any importer who refuses to comply wtih any subpoena or order issued by a Court under this act. The sanction provides that the failure to comply will result in a judicial prohibition against the importation which is being challenged.

Section 5 also states that the United States may take no position adverse to the Plaintiff in any action.

Section 6 requires that a final judgment be rendered within 120 days of filing of the complaint and empowers the District Court Judge hearing the matter to appoint a special master to expedite the hearing and decisions.

Section 7 provides for an expeditious joining of the issue by establishing that when a *prima facie* case exists in the pleadings in an action brought under this act, that the burden of proof switches to the Defendant who must prove that allegations made by the Plaintiff are not well founded.

Section 8 of the act provides for damages, litigation costs and fees including legal fees, and permits the recovery of treble damages and other equitable relief. This section further provides that if the private reciprocal trade agreement warranty is breached, that the U.S. can recover an amount equal to three times a consideration under the prohibited agreement or contracts which were the subject of the private reciprocal trade agreement.

Section 9 provides definitions for the act.

Section 10 provides a legislative history, providing that this act amends the Clayton Act, and also provides for misdemeanor penalties for any violations under this act and a fine not to exceed $100,000.●

By Mr. BAYH:

S. 2608. A bill to improve economy and reduce inefficiency in Government and to alleviate the paperwork burdens of individuals, small businesses, and small organizations; to the Committee on Governmental Affairs.

PAPERWORK REDUCTION ACT

● Mr. BAYH. Mr. President, Americans are splashing around and drowning in an endless sea of paper, and are tangled in webs of redtape. At the present time we spend 786 million hours per year filling out forms and giving all sorts of information to the Federal Government. About 73 percent of all Federal reporting is associated with the assessment and collection of Federal taxes. How many hours does every American spend poring over tax forms? Facing the language intricacies of tax forms is sometimes like trying to figure out the secret code of some foreign power.

Regulatory and financial reporting make up 13 percent of the total reporting time; applications for Federal benefits and Government jobs and services are 9 percent; program evaluation and research reporting is 4 percent; and general statistical reporting makes up the final 1 percent.

Granted our world is becoming more and more complex. But that is no excuse for showering us with more paper. At the worst, Federal paperwork requirements in themselves make our lives many times more complicated. New methods must be developed to obtain only necessary and directly relevant information to be used only for specific tasks.

All agencies should be subject to the discipline of coordination and reduction of paperwork. Coordination between agencies on information collection forms must be enhanced so that the information we do collect is not duplicated, and is used as efficiently as possible.

The administration has made great strides in dealing with the paperwork problem. Since 1977, the paperwork burden has been reduced across the board by 15 percent. But because they have acted, administratively, there is no guarantee that the progress made will continue.

It is with this concern in mind I am introducing the Paperwork Reduction Act of 1980. This bill creates a policy framework within which the Federal Government must work. No new bureaucracy would be needed to effectuate the goals of this bill. The bill codifies the best of the paperwork coordination and reduction practices that are proving successful today administratively, and which provide a framework for further improvement.

My bill would:

First. Require that all Federal agencies—including the so-called independent agencies—submit their information requests through the Federal Office of Management and Budget. OMB would be the central coordinating agency for all paperwork in the executive branch. GAO's coordinating authority in this area will be repealed. OMB already has a division, the Office of Regulatory and Information Policy, which would appropriately take the lead in such coordination.

Second. Require that each agency designate an existing official to be responsible for minimizing both the agency's use of forms and the resulting paperwork burden relating to proposed regulations and legislation.

Third. Require that agencies will pay particular attention to the special burdens faced by individuals and small organizations in responding to requests for information. To minimize these burdens agencies shall, whenever possible forego uniform or universal reporting requirements and rely instead on sampling, reduced frequency of reporting, differing compliance standards, or exemptions.

Fourth. Require that each agency prepare an annual paperwork budget, which will be an estimate of the total number of hours required to comply with requests for information. The budget will itemize each form used, describe its purpose and identify those affected by it. The Director of the Office of Management and Budget shall review and may modify each agency's proposed budget.

Fifth. Require that forms or similar requests for information be reviewed within 2 years after their initial issuance by OMB and then at least once every 5 years. Following review, they shall be revised or abandoned to the extent they are not required to meet an agency's basic information needs. These reviews will be conducted by the agencies, and reports of the reviews will be submitted to the Director of OMB.

Sixth. Require that the Director audit compliance with this act and may issue rules necessary to implement it. The Director may issue exemptions for agencies whose use of forms is limited. The Director also shall:

Seek to eliminate duplication in requests for information by establishing a Federal information locator system, which will list all the types of information collected by Federal agencies and will be available for us by all agencies. This or similar systems shall not contain any information obtained from the public and will be subject to the Privacy Act and the Freedom of Information Act. The Director shall take any other steps needed to prevent duplication, including the assignment to a particular agency of lead responsibility for the collection of certain types of information.

Seek to inform the public and broaden public and agency comment by preparing and publishing in the Federal Register on annual paperwork calendar of significant requests for information. This calendar will be based on the information contained in the agencies' paperwork budgets.

Report annually to the President and the Congress on implementation of this act and control of the paperwork burden generally.

Seventh. Set up a procedure whereby the independent agencies may override the Director of OMB's decision if a majority of the members so vote.

It is my feeling that we need strong and definitive action to deal with the blizzard of paper. I urge my colleagues in the Senate and the House to join with me in battling the paperwork burden.

Mr. President, I ask unanimous consent that this bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2608

Be it enacted by the Senate and House of Representatives of the the United States of America in Congress assembled, That this Act may be cited as the "Paperwork Reduction Act of 1980."

INFORMATION FOR FEDERAL AGENCIES

Sec. 2. (a) Section 3501 of title 44, United States Code, is amended—

(1) by inserting after the first sentence the following: "A Federal agency shall only collect information which is necessary and directly relevant to carrying out the functions of the agency,"; and

(2) by inserting before the last sentence the following new sentence: "Any report form, application form, schedule, questionnaire, or other document used by an agency to collect information shall be as short as possible and shall elicit information in a simple and understandable manner.".

CENTRAL CLEARANCE OF INFORMATION COLLECTION

Sec. 3. (a) Section 3512 of title 44, United States Code, is repealed.

(b) (1) The first paragraph of section 3502 of title 44, United States Code, is amended to read as follows:

" 'Federal agency' means an executive department, commission, independent establishment, corporation owned or controlled by the United States, board, bureau, division, service, office, authority, or administration in the executive branch of the Government or an independent regulatory agency; but does not include the General Accounting Office nor the governments of the District of Columbia and of the territories and possessions of the United States, and their various subdivisions;".

(2) The third paragraph of such section is amended by striking out the period and inserting a semicolon and "and".

(3) Such section is amended by adding at the end thereof the following new paragraph:

" 'Independent regulatory agency' means the Board of Governors of the Federal Reserve System, the Civil Aeronautics Board, the Commodity Futures Trading Commission, the Consumer Product Safety Commission, the Federal Communications Commission, the Federal Deposit Insurance Corporation, the Federal Election Commission, the Federal Energy Regulatory Commission, the Federal Home Loan Bank Board, the Federal Maritime Commission, the Federal Trade Commission, the Interstate Commerce Commission, the Mine Enforcement Safety and Health Review Commission, the National Labor Relations Board, the Nuclear Regulatory Commission, the Occupational Safety and Health Review Commission, the Postal Rate Commission, and the Securities and Exchange Commission.".

(c) Section 708 (f) of the Public Health Service Act (42 U.S.C. 292h(f)) is repealed.

(d) Section 400A of the General Education Provisions Act (20 U.S.C. 1221–3) is repealed.

(e) Section 201(e) of the Surface Mining Control and Reclamation Act of 1977 (30 U.S.C. 1211(e)) is repealed.

INFORMATION SHARING

Sec. 4. The second paragraph of section 3507 of title 44, United States Code, is repealed.

CLEARANCE PROCEDURES

Sec. 5. (a) Section 3509 of title 44, United States Code, is amended by striking out "A" and inserting in lieu thereof "(a) (1) Except as provided in paragraph (2), a".

(b) Such section is further amended by adding at the end thereof the following:

"(2) An independent regulatory agency may conduct or sponsor the collection of information which has been disapproved by the Director under paragraph (1) if a majority of the members of the agency vote to disapprove the disapproval of the Director.

"(b) (1) In carrying out the provisions of subsection (a), the Director shall take such action as he determines necessary to eliminate the collection of duplicative information, including the establishment of the Federal information locator system pursuant to paragraph (2).

"(2) The Director of the Office of Management and Budget shall develop and establish a Federal information locator system. The system shall list and classify all types of information collected by Federal agencies, but shall not contain any information obtained from the public. The system shall be subject to the provisions of sections 552 and 552a of title 5 and of the Privacy Act of 1974. The Director shall make the system available for use by all Federal agencies.

"(c) The Director of the Office of Management and Budget shall prepare and publish in the Federal Register an annual Federal information collection calendar. The calendar shall contain a list of significant requests by Federal agencies under subsection (a) for approval of the collection of information and shall invite public comments with respect to any such request.".

ADDITIONAL AGENCY PROCEDURES

SEC. 6. (a) Chapter 35 of title 44, United States Code, is amended by adding at the end thereof the following new section:

"§ 3513. Federal agency information collection procedures

"(a) Each Federal agency shall designate an officer or employee of the agency to be responsible for—

"(1) minimizing the use by the agency of report forms, application forms, schedules, questionnaires, or other documents used to collect information;

"(2) reducing the burden imposed upon persons as a result of compliance with such forms, schedules, questionnaires, and documents; and

"(3) carrying out the provisions of subsection (b).

"(b) Each Federal agency shall examine and monitor the burdens imposed upon individuals, small businesses, and small organizations as a result of compliance with report forms, application forms, schedules, questionnaires, or other documents used by the agency to collect information and shall take such action as may be necessary to minimize such burdens, including—

"(1) the use of sampling techniques to obtain information from such individuals, businesses, or organizations;

"(2) the establishment of timetables which reduce the frequency of compliance by such individuals, businesses, and organizations with any such form, schedule, questionnaire, or document;

"(3) the establishment for such individuals, businesses, or organizations of differing compliance requirements with any such form, schedule, questionnaire, or document; or

"(4) the establishment of an exemption for such individuals, businesses, or organizations from compliance with any such form, schedule, questionnaire, or document.

"(c) (1) Each Federal agency shall prepare and transmit to the Director of the Office of Management and Budget an annual information collection budget. The budget shall—

"(A) estimate the total number of hours required to comply with all report forms, application forms, schedules, questionnaires, or other documents used by the agency to collect information;

"(B) contain, for each such form, schedule, questionnaire, or document—

"(i) a description of the purpose of and the persons affected by the form, schedule, questionnaire, or document; and

"(ii) an estimate of the number of hours required to comply with the form, schedule, questionnaire, or document.

"(2) The Director shall review each information collection budget received pursuant to paragraph (1) and may make such modifications in the budget as he finds appropriate. After making any such modifications, the Director shall approve and transmit the information collection budget to the Federal agency.

"(3) Except as provided in paragraphs (3) and (4), a Federal agency may not issue to any person in any year a report form, application form, schedule, questionnaire, or other document used by the agency for the collection of information if the number of hours required for compliance by all persons to which such form, schedule, questionnaire, or document is issued causes the total number of hours required for compliance in such year with all report forms, application forms, schedules, questionnaires, or other documents used by the agency to collect information to exceed the total number of such hours established for the agency for such year in the information collection budget approved by the Director pursuant to paragraph (2).

"(4) An independent regulatory agency may issue a report form, application form, schedule, questionnaire, or document which causes the agency to exceed the limitation established by paragraph (3) if a majority of the members of the agency vote to approve the collection of information pursuant to such form, schedule, questionnaire, or document.

"(5) Upon good cause shown by a Federal agency, the Director may waive the limitation established by paragraph (4).

"(d) Within two years after the issuance of a report form, application form, schedule, questionnaire, or other document used by a Federal agency to collect information, and at least every five years thereafter, each Federal agency shall review each such form, schedule, questionnaire, or document to determine if the form should be revised or discontinued. The agency shall prepare and transmit to the Director of the Office of Management and Budget a report concerning each review made under this section.".

(b) The table of sections for such chapter is amended by adding at the end thereof the following:

"3513. Federal agency information collection procedures.".

TECHNICAL AMENDMENT

SEC. 7. Section 3510 of title 44, United States Code, is amended by striking out "sections 3501–3511 of".

ANNUAL REPORT

SEC. 8. The Director of the Office of Management and Budget shall monitor compliance by Federal agencies with the provisions of the amendments made by this Act and shall prepare and transmit to the President and the Congress an annual report which describes the efforts of Federal agencies to implement such provisions and to reduce the burdens imposed upon persons outside the Federal Government by Federal information collection activities.

EFFECT ON OTHER LAW

SEC. 9. The provisions ef chapter 35 title 44, United States Code, as amended by the preceding sections of this Act, shall supersede any statute enacted before the date of the enactment of this Act which grants authority to a Federal agency to conduct or sponsor the collection of information without the prior approval of the Director of the Office of Management and Budget.

DEFINITION

SEC. 10. For the purposes of this Act the term "Federal agency" has the same meaning as in section 3502 of title 44, United States Code.●

By Mr. HEINZ:

S. 2609. A bill to amend the Solid Waste Disposal Act (Public Law 94–480), as amended; to the Committee on Environment and Public Works.

VIOLATORS OF HAZARDOUS WASTE LAWS SHOULD BE SUBJECT TO STIFF CRIMINAL PENALTIES

● Mr. HEINZ. Mr. President, I rise today to offer legislation designed to fill a major gap in the hazardous wastes control legislation already on the books—the Resource Conservation and Recovery Act—RCRA—of 1976, which if EPA ever fully implements the intent of Congress, will provide safe cradle-to-grave handling of hazardous wastes—and legislation which we need to pass as quickly as possible—S. 1480, the Environmental Emergency Response Act, otherwise known as Superfund, of which I am a cosponsor.

The legislation which I am introducing today would make violators of RCRA regulations governing the production, storage, treatment, transportation, and disposal of hazardous chemical wastes subject to criminal penalties, and would make certain violations a felony.

So that my distinguished colleagues can have the opportunity to review the specifics of this legislation, I ask unanimous consent that the text of my bill be printed in the RECORD.

Mr. President, criminal penalties for violators are necessary to serve as an added deterrent to those unscrupulous few who fail to take the proper safeguards in producing, storing, transporting, and disposing of hazardous chemical wastes and thus endanger the health and safety of us all. If violation of certain RCRA regulations is made punishable by criminal penalties, prosecution can be pursued by the State—regardless of whether the victims of improper handling of hazardous wastes have the inclination and the financial resources to file suit.

In addition, my bill would make it a felony to knowingly transport, treat, store, or dispose of hazardous wastes in violation of RCRA. It would also be a felony to transport, treat, store, or dispose of hazardous wastes "in reckless disregard of the fact that * * * [such action] thereby causes or creates a substantial danger or risk to human life or health." By making these violations a felony, it would be possible to enlist the investigative resources of the Federal Bureau of Investigation in tracking down violators.

In fact, this provision has been recommended by the hazardous wastes unit within the Justice Department to aid in the investigation and prosecution of suspected violators of Federal hazardous wastes laws. A similar provision was adopted on the floor of the House as an amendment to the Resource Conservation and Recovery Act Amendments of 1979, which is now in conference with the Senate. It is my hope that the Senate conferees on this bill, S. 1156, will agree to incorporate the provisions of my bill in the conference agreement.

The environmental health threat posed by hazardous wastes is one to which I have devoted a great deal of attention because Pennsylvania is at the epicenter of this "chemical time bomb." As evidence of the growing concern about this problem, I have received over 700 letters from constituents expressing their outrage over improper and illegal chemical dumping and asking for legislative action.

Although the problem of hazardous wastes is a nationwide one, the problem in Pennsylvania is particularly acute. My State now produces 10 times as much hazardous waste as can be safely disposed of within its boundaries. Even more distressing are the following facts:

Pennsylvania has not one legal site for disposal of the most toxic chemical wastes;

Pennsylvania has no requirement for permits for haulers of hazardous wastes;

Pennsylvania levies a fine of only $300 for illegal dumping.

Compounding the problem are tough new hazardous waste disposal laws passed by the State of New Jersey. As a result, Pennsylvania now receives illicit hazardous wastes cargo estimated at 15,000 truckloads per year.

Of the many toxic waste dumps in Pennsylvania, two such environmental hazards which I have visited on several occasions dramatize the urgent need for Federal action: Full implementation of RCRA, passage of Superfund, and imposition of criminal penalties for violators. One is the Melvin Wade dump in Chester, Pa., where over a period of 1½ years truckloads of drums containing sodium copper cyanide, phenol, benzene, and other toxics still to be identified were illegally dumped.

Following visits to the Wade site and meetings with concerned citizens, I have been successful in securing public health testing for the residents by the Center for Disease Control. In addition, the Pennsylvania Department of Environmental Resources has signed a $350,000 contract for the removal of 15,000 drums from the Wade site. However, the ultimate cost of cleaning up the ground and water contamination at the Wade site could cost as much as $3 million—well beyond the resources of existing State and Federal programs.

Also dramatizing the need for stricter enforcement of existing laws, passage of Superfund, and imposition of criminal penalties for violators is another environmental health threat at the Pittston mine tunnels on the Susquehanna River in Luzerne County. Into these mine tunnels over which Pittston Township lies, several companies dumped millions of gallons of oil and poisonous industrial wastes over a 32-month period; one company alone dumped over 300,000 gallons per month. Back in October, when hydrogen cyanide gas was discovered to be forming in the tunnels, I donned a gas mask and toured the site. More recently, in February, I was back in Pittston to announce the beginning of a $300,000 investigation to determine the most appropriate means of cleaning up the mine tunnels. Already, EPA has spent over $800,000 on cleanup and containment efforts at Pittston, stretching the legal and financial constraints of section 311 of the Clean Water Act to their limits. The total cost of cleaning up Pittston—of processing the noxious wastes in the mine tunnels—is estimated to be over $10 million. This estimate, probably on the conservative side, represents almost one-third of funding under section 311 for all such cleanups nationwide.

In short, Mr. President, I cannot impress upon my distinguished colleagues too strongly the need for swift Federal action to mitigate the environmental health threat posed by hazardous wastes. Passage of my bill, enactment of Superfund and full implementation of RCRA would go a long way toward meeting this goal.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2609

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That the Solid Waste Disposal Act (P.L. 94-480), as amended, is hereby further amended by—

Section 3008(d) of such Act is amended by—

(1) striking out the period following the word "subtitle" at the end of paragraph (3) and by inserting a comma and the following at the end of such paragraph (3):

"(4) knowingly generates, stores, treats transports, disposes of, or otherwise handles any hazardous waste (whether such activity took place before or takes place after the date of the enactment of this paragraph) and who destroys, alters, or conceals any record maintained with respect to the generation, storing, treatment, transportation, disposal, or other handling of hazardous waste, or

"(5) transports, treats, stores, or disposes of any hazardous waste identified or listed under this subtitle in reckless disregard of the fact that he thereby causes or creates a substantial danger or risk to human life or health";

(2) striking out "knowingly" in so much of such section 3008(d) as precedes paragraph (1) thereof;

(3) inserting "knowingly" after "(1)", "(2)", and "(3)";

(4) inserting after "$25,000" the following "($50,000 in the case of a violation of paragraph (1), (2), or (5))";

(5) inserting after "one year" the following "(two years in the case of a violation of paragraph (1), (2), or (5))"; and

(6) by striking out the last sentence thereof.

(3) by adding the following new subsection at the end thereof:

(e) RECKLESS.—For purposes of subsection (d)(5), a person's state of mind is reckless with respect to—

"(1) an existing circumstance if he is aware of a substantial risk that the circumstance exists but disregards the risk; or

"(2) a result of his conduct if he is aware of a substantial risk that the result will occur but disregards the risk. For purposes of this subsection, a substantial risk is a risk that is of such a nature and degree that to disregard it constitutes a gross deviation from the standard of care that a reasonable person would exercise in such a situation.".●

By Mr. DURENBERGER:

S. 2610. A bill to amend the Internal Revenue Code of 1954 to increase the investment tax credit for commuter highway vehicles to 20 percent, and for other purposes; to the Committee on Finance.

S. 2611. A bill to amend the Internal Revenue Code of 1954 to exclude from gross income certain amounts received in connection with the provisions of alternative commuter transportation, and for other purposes; to the Committee on Finance.

NEW INCENTIVES FOR VANPOOLING AND EMPLOYEE TRANSPORTATION PROGRAMS

● Mr. DURENBERGER. Mr. President, today I am introducing two bills which provide new incentives for vanpooling and employee transportation programs. The importance of this legislation can be seen by examining the statistics which define our Nation's energy problem.

The energy crisis is a crisis of liquid fuels. Crude oil and petroleum products account for one-half of the energy we use each day. And one-half of our petroleum is imported. It is this dependence on foreign oil that makes energy policy one of the most important problems facing our Nation.

We use one-half of our oil for transportation—to move people and goods by auto, truck, plane, water, train, rail and bus. One-half of our transportation energy, one-quarter of the oil we consume, is used as gasoline in the automobile and one-third of all automobile travel is recorded as daily commuter trips to and from the workplace. Each day American automobiles consume 1.6 million barrels of oil moving passengers to work and home again. Seventy-five percent of these automobiles carry only one person.

In 1979 the average American automobile had an efficiency of 13.7 miles per gallon. This means that the one-person commuter trip required 9,125 Btu's per passenger mile. A 1977 study by the Congressional Budget Office found that the average carpool required only 3,670 Btu's per passenger and the average vanpool only 1,560 Btu's. Mr. President the energy efficiency achievable by ridesharing programs is truly remarkable. Our prodigious use of petroleum for commuting, our dependence on imported oil and the possibility of significant energy savings through alternative commuting modes suggests that ridesharing should be an important part of our energy policy.

The legislation I am introducing today would make small changes in current law to provide additional incentives for ridesharing. The first bill adds vanpool vehicles to the list of energy properties qualifying for the business energy tax credit and sets the energy percentage at 10 percent. It also removes the term "taxpayer" from the current definition of vanpool vehicles, so that leased vans will be eligible for the credit. Finally, this bill excludes driver incentive mileage from the 80/20 rule which is also a part of the vanpool definition.

The second bill is designed to remove some of the ambiguity in current law regarding employer programs to support and encourage ridesharing and mass transit utilization by employees. This bill would exclude from personal income any payment by the employer to the employee made as a subsidy for the cost of mass transportation. If the employer provides bus fare or transportation to and from work in a vanpool, the cost of that transportation would not be included as income for tax purposes. Any administrative cost borne by the employer for ridesharing programs would also be excluded. Finally a driver in a ridesharing vehicle who collected fees from his or her riders would not be required to report the fees as personal income.

Mr. President, these two bills are not going to change the pattern of commuter transportation overnight, but they do offer important incentives to improve the energy efficiency of the work trip.

I ask unanimous consent that the text of these bills be printed in the RECORD.

There being no objection, the bills were ordered to be printed in the RECORD, as follows:

S. 2610

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subparagraph (A) of section 48(1)(2) of the Internal Revenue Code of 1954 (defining energy property) is amended—

(1) by striking out "or" at the end of clause (viii),

(2) by inserting "or" at the end of clause (ix), and

(3) by adding at the end thereof the following new clause:

"(x) commuter highway vehicles (as defined in section 46(c)(6)(B)),".

(b) The table contained in clause (i) of section 46(a)(2)(C) of such Code (relating to energy percentage) is amended by adding at the end thereof the following new subclause:

"VII. Commuter Highway Vehicles.—Property described in section 48(1)(2)(A)(x), 10 percent, Jan. 1, 1981, Dec. 31, 1985".

SEC. 2. (a) Paragraph (6) of section 46(c) of the Internal Revenue Code of 1954 (relating to special rule for commuter highway vehicle) is amended—

(1) by striking out "the taxpayer's" in subparagraph (B)(ii)(I) thereof, and

(2) by adding at the end thereof the following new subparagraph:

"(C) Driver incentive mileage.—If an individual other than the taxpayer is the regularly scheduled driver of a highway vehicle, the taxpayer shall not take into account, for purposes of determining if such vehicle meets the requirements of subparagraph (B)(ii), the number of miles which the driver uses such vehicle for personal purposes.".

(b) The amendment made by this section shall apply to property acquired after December 31, 1980.

S. 2611

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) subsection (b) of section 124 of the Internal Revenue Code of 1954 is amended to read as follows:

"(b) Qualified Transportation.—For purposes of this section, the term 'qualified transportation' means transporation—

"(1) by a commuter highway vehicle (as defined in section 46(c)(6)(B) but without regard to clause (iii) or (iv) thereof), or

"(2) which is scheduled land or water transportation which is—

"(A) in a vehicle or vessel with seating capacity of 8 or more adults (not including the operator),

"(B) along regular routes, and

"(C) available to the general public.".

(b) Paragraph (1) of section 124(d) of such Code (defining provided by the employer) is amended to read as follows:

"(1) Provided by the employer.—Transportation shall be considered to be provided by an employer if—

"(A) the transportation is furnished in a commuter highway vehicle (described in subsection (b)(1)) operated by or for the employer; or

"(B) the employer pays for qualified transportation (described in subsection (b)) or reimburses the employee for the cost to the employee of such qualified transportation.".

(c) Section 124 of such Code (relating to qualified transportation provided by employer) is amended by redesignating subsection (e) as (f) and by inserting after subsection (d) the following new subsection:

"(e) Special Rule for Ride-Sharing Programs.—

"(1) In general.—For purposes of subsection (a), any services provided by an employer in connection with a ride-sharing program shall be treated as qualified transportation provided by the employer.

"(2) Definitions.—For purposes of this subsection—

"(A) Ride-sharing program.—The term 'ride-sharing program' means any program to assist employees in locating other employees to share transportation between the employees' residences and places of employment.

"(B) Services provided by employer.—The term 'services provided by the employer' includes, but is not limited to—

"(i) any amounts contributed by the employer,

"(ii) any compensation paid to any employee operating or assisting in a ride-sharing program, and

"(iii) any computer services provided by the employer.".

(d) The amendments made by this section shall apply to taxable years beginning after December 31, 1979.

SEC. 2. (a) Part III of subchapter P of chapter 1 of the Internal Revenue Code of 1954 (relating to items specifically excluded from gross income) is amended by redesignating section 128 as section 129 and by inserting after section 127 the following new section:

"SEC. 128. INCOME FROM OPERATION OF TRANSPORTATION POOLS.

"In the case of an individual who—

"(1) owns a motor vehicle the seating capacity of which is not more than 15 adults;

"(2) transports individuals between their places of residence and places of employment or other places of gathering;

"(3) would otherwise travel to one such place of employment or gathering even if he did not transport any other individual; and

"(4) does not make such vehicle generally available to the public,

gross income does not include amounts received as compensation for the providing of transportation to such individuals.".

(b) The table of sections for such subpart is amended by striking out the item relating to section 128 and inserting in lieu thereof the following:

"128. Income from operation of transportation pools.
"129. Cross references to other Acts.".

(c) The amendments made by this section shall apply to taxable years beginning after December 31, 1979.●

By Mr. PERCY (for himself, Mr. McGOVERN, Mr. BOSCHWITZ, and Mr. CULVER):

S. 2612. A bill to regulate the feeding of garbage to swine; to the Committee on Agriculture, Nutrition, and Forestry.

SWINE HEALTH PROTECTION ACT

Mr. PERCY. Mr. President, today I am introducing a bill, the Swine Health Protection Act, on behalf of myself, Senator McGOVERN, Senator BOSCHWITZ, and Senator CULVER. I pay tribute to Senator McGOVERN for his initiative in this regard and his deep concern, as well as that of my distinguished colleagues, Senator BOSCHWITZ and Senator CULVER.

This bill is designed specifically to address the real possibility of the introduction into the United States of a deadly infectious disease of pigs, African swine fever.

I have a primary interest in this matter because Illinois happens to be the second largest hog-producing State in the country. Nationally, pork production is a billion dollar industry. The pork industry, and pork producers in Illinois, are very concerned about the possible introduction of African swine fever in the United States. The acute form kills almost all the hogs that become infected. There is no known cure.

African swine fever had never been found in the Western Hemipshere until an outbreak occurred in Cuba in 1971. Since then, the disease has been discovered in the Dominican Republic, Haiti, and Brazil.

In January, the National Pork Producers Council sent a study team to Puerto Rico, the Dominican Republic, and Spain to study the effects of African swine fever. The team reported on the efforts being made either to eliminate or to prevent the further spreading of this disastrous disease. The Agency for International Development is assisting the Government of the Dominican Republic at this very moment to eradicate African swine fever. Unfortunately, a severe problem still exists in Haiti. Only when African swine fever is totally eradicated from the Western Hemisphere will the mainland U.S.A. be free from the potential problem.

African swine fever seems to be communicated through meat from infected or carrier pigs. Scraps of such meat in garbage fed to swine is the conduit by which the disease gains entrance into countries free of the disease. This fact alone emphasizes the importance of avoiding the feeding of garbage to swine without some kind of regulation or control.

The proposed legislation would regulate the processing of garbage to be fed to swine in those States where such regulations are not already effective and provide that garbage may be fed to swine only if treated to kill disease organisms in accordance with directives issued by the Secretary of Agriculture.

This legislation is identical to H.R. 6593, introduced in the House of Representatives on February 25, by Congressmen FINDLEY and MADIGAN of Illinois. I commend them for their leadership in this important matter.

The most logical way to keep African swine fever out of the United States is to control the feeding of garbage to swine. The prospect of its spreading quickly throughout the country, should an outbreak ever occur, is very real indeed.

This is a matter of great consequence to the pork industry and consumers of America. I look forward to working with my Senate colleagues for the passage of this bill.

Mr. President, the November 1979, edition of the Farm Journal carried an excellent article discussing the African swine fever problem. I ask unanimous consent that it be printed in the RECORD, along with the text of the bill.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

S. 2612

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Swine Health Protection Act".

FINDINGS

SEC. 2. The Congress hereby finds and declares that—

(1) raw garbage is one of the primary media through which numerous infectious or communicable diseases of swine are transmitted;

(2) if certain foreign diseases, such as foot-and-mouth disease or African swine fever, gain entrance into the United States, such diseases may be spread through the medium of raw or improperly treated garbage which is fed to swine;

(3) African swine fever, which is potentially the most dangerous and destructive of all communicable swine diseases, has been confirmed in several countries of the Western Hemisphere, including the Dominican Republic and, most recently, in Cuba;

(4) swine in the United States have no resistance to African swine fever and there are no effective vaccines to this deadily disease;

(5) the interstate and foreign commerce in swine and swine products and producers and consumers of pork products could be severely injured economically if African swine fever enters this country;

(6) it is impossible to assure that all garbage fed to swine is properly treated to kill disease organisms unless such treatment is closely regulated and conducted only where no swine are located;

(7) therefore, in order to protect the commerce of the United States and the welfare of the citizens of this country, it is necessary to regulate the treatment of garbage to be fed to swine, and to prohibit the feeding of garbage to swine, except garbage treated in accordance with the requirements of this Act and regulations promulgated hereunder.

DEFINITIONS

SEC. 3. For purposes of this Act—

(1) the term "Secretary" means the Secretary of Agriculture;

(2) the term "garbage" means all waste material derived in whole or in part from meats or other animal (including fish and poultry) material, and other refuse of any character whatsoever that has been associated with any such material, resulting from the handling, preparation, cooking, or consumption of food, except that such term shall not include waste from ordinary household operations which is fed directly to swine on the same premises where such household is located;

(3) the term "person" means any individual, corporation, company, association, firm, partnership, society, or joint stock company or other legal entity;

(4) the term "State" means the fifty States, the District of Columbia, Guam, Puerto Rico, the Virgin Islands of the United States, American Samoa, the Commonwealth of the Northern Mariana Islands, and the territories and possessions of the United States.

PROHIBITION OF CERTAIN GARBAGE FEEDING

SEC. 4. (a) No person shall feed or permit the feeding of garbage to swine except in accordance with subsection (b) of this section.

(b) Except when prohibited by State law, garbage may be fed to swine only if treated to kill disease organisms, in accordance with regulations issued by the Secretary, at a facility holding a valid permit issued by the Secretary, or the chief agricultural or animal health official of the State where located if such State has entered into an agreement with the Secretary pursuant to section 9 of this Act. No person shall operate a facility for the treatment of garbage knowing it is to be fed to swine unless such person holds a valid permit issued pursuant to this Act.

ISSUANCE, SUSPENSION, AND REVOCATION OF PERMITS

SEC. 5. (a) Any person desiring to obtain a permit to operate a facility to treat garbage that is to be fed to swine shall apply therefor to the Secretary, or to the chief agricultural or animal health official of the State where the facility is located if such State has entered into an agreement with the Secretary pursuant to section 9 of this Act, and provide such information as the Secretary shall by regulation prescribe. No permit shall be issued unless the facility—

(1) meets such requirements as the Secretary shall prescribe to prevent the introduction or dissemination of any infectious or communicable disease of animals or poultry, and

(2) is so constructed that swine are unable to enter the premises on which the facility is located and are unable to have access to untreated garbage of such facility, or material coming in contact with such untreated garbage.

(b) Whenever the Secretary has reason to believe that any person holding a permit to operate a facility to treat garbage in any State has violated this Act or any regulation of the Secretary issued hereunder, the Secretary may, after notice and opportunity for a hearing on the record in accordance with sections 554 and 556 of title 5, United States Code, suspend or revoke such permit. Any person aggrieved by an order of the Secretary issued pursuant to this subsection may, within sixty days after entry of such order, seek review of such order in the appropriate United States court of appeals in accordance with the provisions of sections 2341, 2343 through 2350 of title 28, United States Code, and such court shall have jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the Secretary's order. Judicial review of any such order shall be upon the record upon which the determination and order are based.

(c) The permit of any person to operate a facility to treat garbage in any State shall be automatically revoked, without action of the Secretary, upon the final effective date of the second conviction of such person pursuant to section 7 of this Act of a violation of this Act or the regulations of the Secretary issued hereunder.

CIVIL PENALTIES

SEC. 6. (a) Any person who violates any provision of this Act or any regulation of the Secretary issued hereunder, other than a violation for which a criminal penalty has been imposed under this Act, may be assessed a civil penalty by the Secretary of not more than $10,000 for each such violation. Each offense shall be a separate violation. No penalty shall be assessed unless such person is given notice and opportunity for a hearing on the record before the Secretary in accordance with sections 554 and 556 of title 5, United States Code. The amount of such civil penalty shall be assessed by the Secretary by written order, taking into account the gravity of the violation, degree of culpability, and history of prior offenses; and may be reviewed only as provided in subsection (b) of this section.

(b) The determination and order of the Secretary with respect thereto imposing a civil penalty under this section shall be final and conclusive unless the person against whom such an order is issued files application for judicial review within sixty days after entry of such order in the appropriate United States court of appeals in accordance with the provisions of sections 2341, 2343 through 2350 of title 28, United States Code, and such court shall have jurisdiction to enjoin, set aside, suspend (in whole or in part), or to determine the validity of the Secretary's order. Judicial review of any such order shall be upon the record upon which the determination and order are based.

(c) If any person fails to pay an assessment of a civil penalty after it has become a final and unappealable order, or after the appropriate court of appeals has entered final judgment in favor of the Secretary, the Secretary shall refer the matter to the Attorney General, who shall institute a civil action to recover the amount assessed in any appropriate district court of the United States. In such collection action, the validity and appropriateness of the Secretary's order imposing the civil penalty shall not be subject to review.

(d) All penalties collected under authority of this section shall be paid into the Treasury of the United States.

(e) The Secretary may, in his discretion, compromise, modify, or remit, with or without conditions, any civil penalty assessed under this Act.

CRIMINAL PENALTIES

SEC. 7. Whoever willfully violates any provision of this Act or the regulations of the Secretary issued hereunder shall be guilty of a misdemeanor and shall be fined not more than $5,000, or imprisoned not more than one year, or both.

GENERAL ENFORCEMENT PROVISIONS

SEC. 8. (a) The Attorney General, upon the request of the Secretary, shall bring an action to enjoin the violation of, or to compel compliance with, any provision of this Act or any regulation issued by the Secretary hereunder by any person. Such action shall be brought in the appropriate United States district court for the judicial district in which such person resides or transacts business or in which the violation or omission has occurred or is about to occur. Process in such cases may be served in any judicial district wherein the defendant resides or transacts business or wherever the defendant may be found.

(b) The Secretary is authorized, and shall have access at reasonable times, to inspect the books, records, and premises of any person subject to this Act.

COOPERATION WITH STATES

SEC. 9. In order to avoid duplication of functions, facilities, and personnel, and to attain closer coordination and greater effectiveness and economy in administration of this Act and State laws and regulations relating to the feeding of garbage to swine, the Secretary is authorized to enter into cooperative agreements with State departments of agriculture and other State agencies charged with the administration and enforcement of such State laws and regulations and to provide that any such State agency which has adequate authorities, facilities, personnel, and procedures, as determined by the Secretary, may assist the Secretary in the administration and enforcement of this Act and regulations hereunder to the extent and in the manner the Secretary deems appropriate in the public interest. The Secretary is further authorized to coordinate the administration of this Act and regulations with such State laws and regulations wherever feasible: *Provided,* That nothing herein shall affect the jurisdiction of the Secretary under any other Federal law, or any authority to cooperate with State agencies or other agencies or persons under existing provisions of law, or affect any restrictions upon such cooperation. To the maximum extent feasible, the Secretary shall allow any State agency with which there is a valid agreement pursuant to this section to assume the primary responsibility for issuing permits pursuant to section 5 of this Act to operate a facility to treat garbage that is to be fed to swine.

REGULATIONS

SEC. 10. The Secretary is authorized to issue such regulations and to require the maintenance of such records as he deems necessary to carry out the provisions of this Act.

AUTHORITY IN ADDITION TO OTHER LAWS; EFFECT ON STATE LAWS

SEC. 11. The authority conferred by this Act shall be in addition to authority conferred by other statutes. Nothing in this Act shall be construed to repeal or supersede any State law prohibiting the feeding of garbage to swine.

AUTHORIZATION OF APPROPRIATIONS

SEC. 12. There are hereby authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.

[From Farm Journal, November 1979]

AFRICAN SWINE FEVER: YOU BETTER HOPE YOU NEVER GET IT

African swine fever could turn your barnyard into a graveyard. It's a highly contagious, usually fatal virus with symptoms almost identical to hog cholera. There's no cure and no hope for an effective vaccine.

Does that sound scary? It should. The virus has killed or caused the destruction of millions of hogs throughout the world.

Hogs infected with acute ASF experience a sharp rise in body temperature and usually die four to seven days later. A day or two before death, body temperature drops and hogs exhibit these signs: depression; weakness in the hind legs; discolorations (redness or bluish-to-reddish blotches) on ears, snout, tail, fetlocks and flanks; labored breathing; bloody feces; incoordination; coughing; and sticky discharge from the eyes.

Acute ASF has a mortality rate of more than 90%. A milder form of the virus has a much lower mortality rate, and hogs that survive remain carriers that can transmit the disease. Important economically, pigs that survive the subacute virus maintain their appetite but gain weight slowly. Another problem: The subacute ASF is much more difficult to diagnose than the highly virulent strains.

U.S. concern about the disease has been growing since ASF resulted in the death of more than 12,000 hogs in Cuba, just 90 miles from the U.S., in 1971. More than 400,000 hogs were killed to ensure successful elimination of the disease.

Until the Cuban outbreak, ASF had never been in the Western Hemisphere. Wild hogs have probably had the disease in Africa for centuries. It was first recognized in domestic hogs in Kenya 70 years ago. After emerging from Africa in 1957, it killed more than 4 million hogs in Europe. In the past year severe outbreaks have been confirmed in Brazil, Haiti and the Dominican Republic.

USDA officials working in the Dominican Republic to help eradicate ASF have returned with grisly stories of the disease's destructive power. H. A. (Mac) McDaniel, a senior USDA veterinarian who has spent much of the last year there studying ASF says, "Of course, a disease break is traumatic for any producer. One that I'll never forget was in a herd owned by a veterinarian, Alfonzo Gomez. It was one of the best, most productive herds I've seen anywhere. His foundation stock was from some of the best herds in the U.S. Sanitation and nutrition were outstanding. Gomez was weaning 20 pigs per sow per year. When ASF hit he had about 2,500 sows and boars and 1,000 suckling pigs.

"As soon as we learned that he had ASF I visited the herd and posted everything that died—100 to 150 head in five or six days. Pregnant sows that didn't die were aborting litters.

"Within four months after ASF hit there wasn't a living hog on the place. Those that hadn't died had been killed. All that remained of his swine operation was a sunken hole where hogs were buried."

When ASF first broke in the southeast region of the Dominican Republic, officials mistakenly diagnosed it as hog cholera. But, when massive doses of hog cholera vaccine failed to stem hog deaths. ASF was suspected. Those suspicions were confirmed at USDA's Plum Island Animal Disease Center in July.

The Dominican government then launched an all-out eradication program including:

Slaughter and burial of all diseased and exposed hogs at outbreak sites and surrounding areas.

Establishment of a national diagnostic laboratory to confirm suspected positive cases.

Compensation of producers for animal losses.

Despite those efforts, the disease continued to spread rapidly until it covered most of the country. The government then shifted to this drastic program:

Gradually slaughter all hogs in the entire eastern region to remove possible sources of infection.

Ban all movement of animals and animal products from this region.

Encourage hog producers to convert to other animal production during a three-month period after hogs are eliminated.

A checking period using government donated hogs to test farms. If the new hogs contract the disease, more cleaning, disinfection and waiting is necessary. If the hogs remain healthy, indicating the disease has been eradicated, repopulation can start.

The eradication program, currently underway, should take about nine months to complete.

Adding insult to injury, ASF struck the Dominican Republic when the industry was expanding rapidly. Government estimates indicate that hog numbers grew from 500,000 in 1971 to 1,500,000 in 1977. Large commercial units constructed in the early 1970s account for most of the expansion.

Prior to the ASF outbreak, a few American firms had merged with local companies and were preparing to process pork for export. Those plans are set back at least five years, according to the most optimistic estimates. Perhaps longer. In fact, some pork imports may be necessary this year.

U S. farmers can anticipate similar destruction to the hog industry and export markets if ASF reaches this country. Currently, countries which buy our grain require certification that the country is free of Foot and Mouth Disease, rinderpest and contagious pleuro-pneumonia. Also, states must furnish affidavits that they are free of a variety of other diseases such as anthrax and bluetongue.

An ASF break would certainly tighten restrictions and perhaps result in the loss of a big part of the hard-won pork product market. That market totaled $4.5 million in live animals last year year and $22.71 million in meat. Pork also contributed a good share of the $22.2 million processed meats export total.

A good idea of the economic impact of an ASF break comes from a study by veterinarian-economist E. H. McCauley and W. B. Sundquist. One of the practical problems with the diease, they explain, is that ASF and hog cholera are easily confused in the early stages of an outbreak. If positive identification is not made early, a disastrous epidemic could result.

Heavy travel between the U.S. and Carribbean countries that have ASF represents a serious threat. U.S. Customs records show that 415,922 people returned to American airports from the Dominican Republic in 1978, more than 100,000 from Brazil.

Ship traffic between the islands and the U.S. provides another possible source of entry for ASF into this country. International garbage from ships has been identified as the cause of many serious animal disease outbreaks, including the several Foot and Mouth Disease outbreaks in the U.S.

The only pratical way to get rid of ASF, should it reach this country, would be an immediate eradication program. It would call for slaughter and disposal (burial or burning) of all hogs on infected or exposed premises and quarantine. This would be followed by thorough on-going surveillance.

On the bright side, the USDA probably has the toughest inspection procedures in the world—aimed at keeping ASF and foreign diseases out of the country. A detailed plan of operation has been developed by the USDA that could go into effect within a few hours after an outbreak was identified. And, nearly 200 USDA veterinarians are trained to identify and eradicate foreign animal diseases such as ASF.

To get more information on ASF send a postcard to APHIS Information Service. USDA, Room 1140-S, Washington, D.C. 20250 and ask for a copy of Leaflet No. PA817. It's titled simply "African Swine Fever." It describes the disease and tells specifically what you can do to prevent entry and spread of the deadly virus. Also, a 16 mm movie, "African Swine Fever-hog cholera," is available from regional APHIS offices.

This final word of caution: Don't count on winning a battle against ASF with a bottle and syringe. In spite of a 50-year effort by some of the best scientists in the world, no effective vaccine or treatment has yet been developed. Nor is there any immediate hope that one can be developed. The ASF virus doesn't develop protective antibodies necessary for immunization.

● Mr. McGOVERN. Mr. President, I am today the principal cosponsor of a bill which will regulate the feeding of garbage to swine. A similar bill has been introduced in the other House.

This legislation is currently important, and the need for its adoption is particularly urgent at this time because of the presence of African swine fever (ASF) in the Dominican Republic, Haiti, Brazil, and, possibly, in Cuba. ASF is one of the, if not the most, devastating diseases of hogs. Originating, as the name indicates, in Africa, it began to spread to the rest of the world about 20 years ago; namely, to Spain and Portugal.

It has spread from those countries to several nearby islands and to France on two occasions, and remains firmly established in the Iberian Peninsula. In the late seventies, it spread to Brazil, the Dominican Republic, and Haiti, where it continues to exist. In the Dominican Republic, there is an eradication program, there is no effort to eliminate the disease in Haiti. Therefore, the exodus of Haitians to the United States, and especially to Florida, makes this an especially dangerous time for the disease to spread to the U.S. mainland or Puerto Rico.

The reason why the regulation of garbage feeding in the United States is so important is that this swine disease always seems to spread through the feeding of garbage. In each country where it has appeared, there seems to be solid evidence that the feeding of leftover food, that contained pork, to swine has been the vehicle by which virus of the disease reached susceptible pigs. In addition, garbage feeding can be a major source of spreading other animal diseases, such as foot and mouth disease and hog cholera.

African swine fever occurs in two forms—the acute disease which kills all the pigs that are infected, and the chronic form of the disease. The chronic form of the disease, while not killing as many infected pigs, does have after effects that make it unprofitable to feed and fatten the survivors. Furthermore, the chronically affected pigs, also remain carriers of the disease and spread it to other pigs with which they come in contact.

Recently, the National Pork Producers Council had a study team visit Puerto Rico, the Dominican Republic, and Spain. One of their major conclusions was that increased inspection and regulation of garbage feeding in high risk areas where there are large numbers of international travelers has their strongest support. This bill has their full support, because of the danger of garbage feeding as a means of spreading ASF and other foreign animal diseases.

There is no treatment or vaccine for this disease. Therefore, if it does gain entrance into the United States, the only course open is to eradicate it by slaughtering the infected and exposed swine. Estimates have been made of the cost of eradicating the disease from the United States. A special study of the economic consequences of having ASF in the United States, bringing it under control, and eradicating the disease from the United States, has been made by scientists at the University of Minnesota. They estimate the cost of eliminating the disease, even from a small area, to be $7.3 million. The cost of eradicating the disease from an area like the State of Minnesota would be $151,615,000, according to their study. If the disease would become widespread and if it would take as long as 10 years to eradicate it, the total cost would approximate $5 billion. Part of this cost would be reflected in the increased cost of pork and beef, so that the consumer prices for meat would increase $2 billion for the first year of the disease occurrence.

Export markets would also be adversely affected by the presence of ASF in the United States. The losses in exports of pork would be $1.5 billion if the disease was eradicated in 5 years, but would be $3 billion if it persisted in the United States for 10 years. Some countries are likely to place partial or complete embargoes on other agricultural imports from the United States for fear that these products might carry the disease to their swine.

Fortunately, ASF does not affect human beings, but the economic impact of this disease—as stated in the study made at the University of Minnesota and published in April 1979—on swine producers, meat packers, and consumers, makes it important that Congress consider this proposed legislation at the earliest possible time.

The control of garbage feeding, as specified in this bill, is the best available way of preventing ASF from coming into the United States at this time. The virus causing this disease can live in pork from infected pigs for a long time. Thus, garbage containing scraps of pork from hogs having the disease must be heated to kill the virus before it is fed to hogs. If this is not done ASF is likely to spread. The proposed legislation prohibits the feeding of garbage unless it is treated to kill the virus in accordance with regulations issued by the Secretary of Agriculture. If State law prohibits the feeding of garbage, the State law would prevail. It also provides for the State and Federal Governments to cooperate and coordinate in the enforcement of the State laws and regulations under cooperative agreements.

Therefore, it is not anticipated that there will be a burden of additional Federal regulation and enforcement. The role of the Department shall be to aid and assist the States and allow the State agencies to assume primary responsibility for issuing permits and enforcing this act.

Therefore, Mr. President, I am introducing this extremely important legislation. I am hopeful that we can soon have this bill subject to hearings before the appropriate committee and expeditiously move forward to enactment. To delay is to subject our swine and meat industries to unwarranted risk and devastation. Delay can also subject our consumers to a shortage of one of the most nutritious foods available and concurrent higher prices.●

By Mr. PERCY:

S. 2613. A bill to insure the development and implementation of policies and procedures to encourage interagency cooperation in the efficient and effective use of Federal medical resources, and for other purposes; to the Committee on Governmental Affairs.

FEDERAL INTERAGENCY MEDICAL RESOURCES SHARING AND COORDINATION ACT OF 1980

Mr. FERCY. Mr. President, if Congress is going to succeed in balancing the budget in fiscal year 1981 and beyond without jeopardizing essential services to American citizens, every effort must be made to eliminate waste and inefficiency in Government. For this reason, I am today introducing legislation enabling Federal agencies to share some of the billions of dollars spent on medical facilities, hospitals, equipment, and other resources on an interagency basis. The General Accounting Office estimates that the Federal Government could save hundreds of millions of dollars from this approach.

In a 1978 report, GAO discovered numerous opportunities for increased interagency sharing which were not being implemented for a variety of reasons. For instance, the Federal Government's Public Health Service hospital in Seattle has a spinal chord injury center just 2 miles from a VA hospital that lacks such facilities. In 1 year, the VA transported 19 spinal cord injury patients to California because regulations required patients to be treated within the same agency. At the time of GAO's study, the Seattle VA was planning to construct its own spinal chord injury center just 2 miles from the other facility.

This is not an isolated example. In other studies GAO found that:

Twenty-one million dollars worth of "CAT" scanner equipment was being proposed for Federal purchase without a coordinated Federal approach to planning and use of the equipment.

Federal agencies planned to modernize or establish new cancer treatment capabilities costing about $16 million without coordinating the 23 locations where radiation therapy could be provided more efficiently through interagency sharing.

Local Air Force and VA officials in Tampa agreed to an arrangement where they could share needed radiology services at an annual savings of $120,000. VA officials in Washington rejected the arrangement.

Although the GAO and the executive agencies have found that numerous opportunities for sharing exist, local agency officials are either unaware of such opportunities or are unable to do anything about them because of restrictive agency regulations and policies, conflicting administrative rules, and the lack of a specific legislative mandate for interagency sharing. There are several laws that allow sharing, but none of them require it. And while the agencies have made some progress, all parties agree that there is a need for legislative action.

The bill is not designed to dictate sharing arrangements to the agencies providing direct health care. This would be an ineffective approach. Instead, the bill expesses a legislative mandate for removing the obstacles to sharing and directs the agencies to implement sharing arrangements which they design.

The Secretaries of Defense and Health and Human Resources and the Administrator of the Veterans' Administration—whose agencies provide the bulk of Federal direct health care—would be directed to identify where sharing opportunities exist, prescribe policies and procedures for implementing arrangements, and oversee progress in implementing these arrangements. Much of the discretion for making arrangements, setting reimbursement rates, and insuring that arrangements do not adversely affect the care of primary beneficiaries is left with local agency officials.

The bill also requires agencies to report to Congress periodically on their progress in developing sharing guidelines and their implementation.

Over the years, increasing concern has been expressed in Congress about the rapidly rising costs of medical care for Federal agency beneficiaries. If Congress intends to hold these costs down without adversely affecting the quality of care, we must act to insure that Federal agencies operate in the most efficient and effective manner possible. We can no longer afford to waste millions of dollars because of Federal inability to coordinate resources.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2613

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Federal Interagency Medical Resources Sharing and Coordination Act of 1980".

FINDINGS AND PURPOSES

SEC. 2. (a) The Congress finds that—

(1) Federal agencies often do not coordinate their activities in order to minimize duplication and underutilization of Federal direct health care facilities;

(2) greater interagency sharing of medical resources may be achieved without a detrimental effect on a providing agency's primary beneficiaries;

(3) currently there are not adequate incentives in the various Federal direct health care delivery systems to encourage maximum interagency use of Federal medical resources; and

(4) Federal agencies should share medical resources and increase coordination to the maximum extent feasible.

(b) It is the purpose of this Act to clarify and expand the authority of Federal direct health care providers in order to facilitate interagency sharing of medical resources.

DEFINITIONS

SEC. 3. As used in this Act, the term—

(1) "direct health care" means any health care provided to an eligible Federal beneficiary in a facility operated by the United States Government, including inpatient care and any type of outpatient treatment, testing, or examination;

(2) "beneficiary" means any individual who is entitled by law to direct health care furnished by the United States Government;

(3) "providing agency" means any Federal executive or military department or establishment having statutory responsibility for the provision of direct health care;

(4) "primary beneficiary" means an individual who is specifically entitled by law to direct health care in the facilities of a particular providing agency; and

(5) "negotiated cost" means the cost determined on a medical service-by-service, hospital-by-hospital basis to be an equitable and consistent charge for the services provided.

INTERAGENCY FEDERAL MEDICAL CARE COORDINATION

SEC. 4. (a) There is hereby established a Federal Interagency Health Resources Committee (hereinafter referred to as the "Committee"). The Committee shall be composed of the Secretary of Defense, the Secretary of Health and Human Services, and the Administrator of Veterans' Affairs. In order to establish a Government-wide policy applicable to Federal direct health care providers with regard to interagency sharing of medical resources, the Committee shall, notwithstanding any other Federal law relating to interagency sharing of medical resources, undertake the following:

(1) Assess the opportunities for interagency sharing of existing health resources by Federal direct health care providers.

(2) Monitor the planning of any additional Federal medical facilities, including the location of new facilities and the acquisition of major new medical equipment, with regard to the impact of such plans on opportunities for interagency sharing.

(3) Review existing Federal direct health care capabilities, including support and administrative services, to identify sharing opportunities that will not adversely affect the quality of care provided.

(4) Prescribe policies and procedures designed to maximize the interagency sharing of Federal medical facilities and services.

(5) Coordinate the establishment of uniform interagency health care policies and procedures for providing agencies and monitor the implementation of such policies and procedures, including policies and procedures for coordinated interagency planning for future development of the Federal direct health care delivery system.

(6) Prescribe guidelines, within 120 days of the date of the enactment of this Act, to directors or commanding officers of health care facilities within the jurisdiction of such Secretaries and such Administrator, to provide for the interagency sharing of medical resources by such health care facilities. Such guidelines shall provide, consistent with the policies and procedures developed under this Act, for the following:

(A) The director or commanding officer of each health care facility within the jurisdiction of the Department of Defense, the Department of Health and Human Services, and the Veterans' Administration shall, whenever possible, enter into interagency cooperative sharing arrangements with other health care facilities of such providing agencies in the same geographic area. Under such arrangements, a primary beneficiary eligible for direct health care in a Federal facility and a Federal beneficiary being provided care under contractual arrangements may receive medical care at a facility of a providing agency.

(B) Services to be shared among Federal health care facilities shall not be limited to specialized medical resources.

(C) Medical resources to be shared shall be negotiated by the directors or commanding officers of the Federal health care facilities entering into an arrangement.

(D) The availability of hospital or medical care to beneficiaries of an agency other than the providing agency shall be on a referral basis, and shall not, as determined by the directors or commanding officers participating in such arrangements, adversely affect care of the providing agency's primary beneficiaries.

(E) The providing agency shall be reimbursed by the agency for whose beneficiary a medical service is provided based on negotiated costs as agreed by the directors or commanding officers of the participating health care facilities.

(F) Reimbursement shall be credited when received by the providing agency to the appropriation from which the medical service was funded, and the reimbursement shall be subsequently allocated to the specific facility that provided the medical service.

(G) Sharing arrangements shall be operative upon agreement of the directors or commanding officers entering into an arrangement unless and until such arrangement has been submitted to each agency headquarters, reviewed, and disapproved. A sharing arrangement shall be disapproved if it is contrary to the best interest of the Federal Government.

(b) (1) In developing policies and procedures, the Committee shall consult with all affected agencies and interested parties.

(2) The joint responsibilities of the Secretary of Defense, the Secretary of Health and Human Services, and the Administrator of Veterans' Affairs under this subsection with regard to uniform direct health care shall not be construed to alter an individual agency's responsibilities with regard to the provision of medical services provided by law.

(c) Providing agencies may request funds from the Congress to acquire the resources necessary to treat beneficiaries of other providing agencies.

(d) Each providing agency shall report to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives on the date 180 days after the date of the enactment of this Act, and annually thereafter, and to the Committees on Appropriations of the Senate and the House of Representatives upon the presentation of such agency's appropriations request each fiscal year, with regard to—

(1) the guidelines prescribed pursuant to subsection (a) (6);

(2) the interagency sharing arrangements entered into by health care facilities of such providing agency;

(3) each providing agency's activities pursuant to cooperative interagency sharing arrangements;

(4) other interagency activities directed toward maximizing the efficient use of Federal health resources during the preceding fiscal year;

(5) the progress of Federal interagency medical resource sharing;

(6) the interagency coordination of Federal health resources planning; and

(7) other major Federal activities to increase interagency sharing of Federal medical resources.

Legislative recommendations may be included in such reports.

MONITORING

SEC. 5. The General Accounting Office shall monitor the progress of the Department of Defense, the Department of Health and Human Services, and the Veterans' Administration with regard to the implementation of this Act, and shall report annually to the Committee on Governmental Affairs of the Senate and the Committee on Government Operations of the House of Representatives with respect to such progress beginning on the date one year after the date of the enactment of this Act.

By Mr. PRYOR:

S.J. Res. 167. A joint resolution designating May 15, 1980 as "National Nursing Home Residents Day"; to the Committee on the Judiciary.

Mr. PRYOR. Mr. President, today I am introducing a joint resolution which proclaims and authorizes the President to designate May 15, 1980 as "National Nursing Home Residents Day."

The month of May has been officially declared "Older Americans Month" by the President; May 8 has also been set aside as "Senior Citizens Day." Therefore, the joint resolution I am introducing today will follow these actions honoring senior citizens of our States by setting aside another day in May to honor nursing home residents across the country.

Mr. President, there are over 17,000 nursing homes in the country and the elderly make up 86 percent of the nursing home population. That represents over 1 million older Americans. Since it has been estimated that one in five older Americans likely will reside in nursing homes at some time, it is important to acknowledge these citizens who are often isolated from the community. This resolution is a step in the direction to include these nursing home residents in society and to continue to have their expertise utilized in America's community life. We must not continue to shelve away this valuable resource—the older American.

I feel it is time, as we begin the 1980's, to pause and examine the problems of the aging population. We must acknowledge that we have come to a period in time where the "graying" of America is having a significant effect on our economy and culture and life style as a whole. We need to be aware that as we enter the decade of the eighties, adjustments must be made in programs and in our personal attitudes toward the elderly. The sooner we acknowledge the elderly as a resource instead of a burden, the better this country will fare. It is our responsibility to foster reintegration of these citizens into their community—it is our responsibility to join in support of nursing home residents.

Therefore, Mr. President, I am proud to introduce this joint resolution in the Senate in honor of all nursing home residents with a special day set aside in their behalf. I hope my colleagues in the Senate will support this resolution to establish May 15, 1980, as "National Nursing Home Residents Day."

It is my understanding that the distinguished chairman of the House Select Committee on Aging, Congressman CLAUDE PEPPER, is also introducing this resolution in the House today. I believe it is a most appropriate declaration of our respect and concern for these citizens across the country, and I can think of no better way to help increase the public's awareness of this all too often forgotten segment of our population.

Mr. President, I ask unanimous consent that the joint resolution be printed in the RECORD.

There being no objection, the joint resolution was ordered to be printed in the RECORD, as follows:

S.J. RES. 167

Whereas, the month of May of each year is proclaimed Older Americans Month and May 8, 1980, has been designated by the President as Senior Citizens Day;

Whereas, over 1 million older Americans reside in nursing homes and one in five older Americans likely will reside in nursing homes at some time;

Whereas, nursing home residents have contributed to the growth, development, and progress of this Nation and, as elders, offer a wealth of knowledge and experience;

Whereas, Congress recognizes the importance of the continued participation of these institutionalized senior citizens in the life of our Nation;

Whereas, in an effort to foster reintegration of these citizens into their communities Congress encourages community recognition of and involvement in the lives of nursing home residents and

Whereas, it is appropriate for the American people to join in support of nursing home residents to demonstrate their concern and respect for these citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

That May 15, 1980, is designated as "National Nursing Home Residents Day", a time of renewed recognition, concern, and respect for the Nation's nursing home residents. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities.

ADDITIONAL COSPONSORS

S. 625

At the request of Mr. WALLOP, the Senator from Nebraska (Mr. EXON) was added as a cosponsor of S. 625, a bill to amend the Federal Mine Safety and Health Amendments Act of 1977 to provide that the provisions of such act shall not apply to stone mining operations or to sand and gravel mining operations.

S. 1843

At the request of Mr. CRANSTON, the Senator from Minnesota (Mr. DURENBERGER) was added as a cosponsor of S. 1843, a bill to provide for Federal support and stimulation of State, local, and community activities to prevent domestic violence and provide immediate shelter and other assistance for victims of domestic violence, for coordination of Federal programs and activities pertaining to domestic violence, and for other purposes.

S. 2283

At the request of Mr. CHAFEE, the Senator from Hawaii (Mr. MATSUNAGA), and the Senator from Wyoming (Mr. SIMPSON) were added as cosponsors of S. 2283, a bill to amend the Internal Revenue Code of 1954 with respect to the income tax treatment of earned income of citizens or residents of the United States earned abroad.

S. 2415

At the request of Mr. PACKWOOD, the Senator from New York (Mr. MOYNIHAN) was added as a cosponsor of S. 2415, a bill to amend the Internal Revenue Code of 1954 to provide for the application of the investment tax credit to property purchased by a person who is engaged in the trade or business of furniture rental or leasing to others.

S. 2417

At the request of Mr. BENTSEN, the Senator from Connecticut (Mr. RIBICOFF), and the Senator from New York (Mr. JAVITS) were added as cosponsors of S. 2417, a bill entitled the "Productivity Improvement Act of 1980."

S. 2521

At the request of Mr. DOLE, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of S. 2521, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

SENATE JOINT RESOLUTION 119

At the request of Mr. BUMPERS, his name was added as a cosponsor of Senate Joint Resolution 119, a joint resolution to authorize the Vietnam Veterans Memorial Fund, Inc. to erect a memorial.

At the request of Mr. MATHIAS, the Senator from Ohio (Mr. METZENBAUM), and the Senator from Maine (Mr. MUSKIE) were added as cosponsors to Senate Joint Resolution 119, supra.

SENATE JOINT RESOLUTION 153

At the request of Mr. BUMPERS, the Senator from Missouri (Mr. EAGLETON) was added as a cosponsor of Senate Joint Resolution 153, joint resolution to freeze Senators' salaries for 3 years.

SENATE JOINT RESOLUTION 159

At the request of Mr. DOLE, the Senator from Colorado (Mr. ARMSTRONG) was added as a cosponsor of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE JOINT RESOLUTION 407

At the request of Mr. STEVENS, the Senator from Colorado (Mr. HART), and the Senator from Washington (Mr. MAGNUSON) were added as cosponsors of Senate Joint Resolution 407, a resolution to express the sense of the Senate that it offer its congratulations to Americans who participated in the 2d Olympic winter games for the physically handicapped in Geilo, Norway.

AMENDMENTS SUBMITTED FOR PRINTING

DEPARTMENT OF JUSTICE AUTHORIZATIONS, 1981—S. 2377

AMENDMENT NO. 1722

(Ordered to be printed and referred to the Committee on the Judiciary.)

Mr. BAUCUS (for himself, Mr. COCHRAN, and Mr. KENNEDY) submitted an amendment intended to be proposed by them to S. 2377, a bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes.

A STATUTORY CHARTER TO ADDRESS EMPLOYEE MISCONDUCT AT THE DEPARTMENT OF JUSTICE

● Mr. BAUCUS. Mr. President, the proper investigation and handling of misconduct by Government employees should be a high priority of every Federal agency. As the law enforcement arm of Government, the Department of Justice must be particularly committed to pursuing such issues. In my view, however, the existing structure at the Department of Justice does not place enough emphasis on this important area.

In order to handle properly the sensitive issues involved in internal Justice Department investigations, the Department needs a permanent, independent, and respected investigative office. Such an office must be able to demonstrate to the public and to the Congress that it is in control of its own investigations.

The Office of Professional Responsibility (OPR) is currently the office responsible for investigating allegations of Justice Department employee misconduct. Many of the allegations handled by OPR are sensitive and complex and may involve complaints against the highest officials in the Department, such as the Attorney General, the U.S. attorneys, or the FBI. The question is whether OPR is structured to investigate these complaints.

In my view, the Attorney General's recent appointment of a special investigator to oversee the ABSCAM news leaks underscores the Justice Department's failure to make OPR a mechanism to handle problems of employee misconduct. If the Attorney General had a high enough regard for OPR's ability to effectively investigate a sensitive issue of public concern, he would have assigned the ABSCAM leaks investigation to OPR directly, instead of creating a special investigator who reports to OPR. How can the public possibly have confidence in the internal investigations of Justice Department employees if the Attorney General does not respect the office charged with the responsibility for conducting these investigations.

The ABSCAM leaks investigation not only raises questions of the adequacy and stature of OPR, but it also highlights problems inherent in the OPR Counsel's ability to control investigations conducted by Attorney General designees or other special task forces. The OPR Counsel claims that OPR is responsible for the ABSCAM leaks investigation conducted by the special investigator. Yet the OPR Counsel has been unable to control the special investigator's active pursuit of publicity even though such exposure is a violation of OPR policy of maintaining a low and discrete public profile. If the Counsel does not have control over the conduct of the special investigator, how can he maintain OPR control over the intricacies of the ABSCAM leaks investigation?

In response to these concerns, Senators COCHRAN, KENNEDY, and I have submitted an amendment which is intended to give the Office and the Department a structure that would insure confidence in the integrity of the Department. Our proposed amendment to S. 2377, the Department of Justice authorization bill for fiscal 1981 creates a statutory charter for OPR.

Congressman PREYER, who has followed very closely the development of OPR since its creation in 1975, has introduced H.R. 2141. Our amendment is analogous to Congressman PREYER's bill.

On March 13, I chaired a Senate Judiciary Committee hearing on OPR. Testimony at that hearing supported the view that the lack of statutory protection for the Office is a major weakness. Because OPR is established only by Federal regulations, its continued existence cannot be guaranteed. In fact, the Office could easily be abolished or have its powers curtailed simply by changing the regulations. Such changes in the regulations could be initiated by Department officials who are subject to investigation by OPR. How can the public have confidence in the integrity of any investigation performed under such circumstances?

Our amendment creates a permanent OPR statutory charter which protects and increases the powers of the office. Such a charter can only be altered by Congress. Thus, the office would be protected from intervention, the threat of intervention, or the appearance of intervention from Justice Department officials. Under a statutory charter, OPR will become a permanent fixture at the Department of Justice until Congress, not the officials who are subject to investigation, determines changes in the structure are appropriate.

Our hearing highlighted another flaw in the current structure of OPR. The OPR Counsel is appointed by the Attorney General rather than by the President. He is in the position of being appointed by the Attorney General, reporting to the Attorney General, and investigating allegations involving the Attorney General. An additional problem occurs because the Counsel does not have the status of the numerous Presidential appointees within the Department. In fact, the Counsel is in the position of investigating Presidential appointees when his status is inferior to those who are being investigated. Even if investigations of the Attorney General and other Presidential appointees are conducted with independence, questions of integrity and deference will always be raised about such investigations.

Our amendment makes the OPR Counsel a Presidential appointee to be confirmed by the Senate. The Counsel would continue to report directly to the Attorney General, but as a Presidential appointee, the Counsel would be more independent and have the appearance of independence so necessary for public trust in OPR operations. As a Presidential appointee, the OPR Counsel will have the highest possible status.

Another issue discussed at our hearing was the conflict of interest caused by an OPR investigation involving the Attorney General. This conflict surfaced in the OPR investigation of the Attorney General and other Department officials concerning their connection with the "Marston affair" which the OPR Counsel readily admits was "the lousiest incident that OPR has ever gotten involved with." In order to protect the need for independence and to insure a thorough investigation of allegations involving the Attorney General, our amendment provides for the direct reporting to the Congress of any such investigation.

Testimony at our hearing revealed that the Department of Justice has never established adequate standards of discipline which can be uniformly applied throughout the Department. According to the OPR Counsel, there is "a disparate arrangement now, a disparate system, and inequitable application of sanctions or corrective behavior." For example, employees found guilty of comparable violations may be given widely disparate discipline if they are employed in different divisions of the Department. Because of the lack of standards, discipline is even haphazard within the six internal investigation units that report regularly to OPR.

Our amendment charges OPR with the responsibility of formulating disciplinary standards for the Department and it also gives the office the power to monitor the imposition of these standards. Under the amendment, OPR also has the power to recommend both administrative sanctions and prosecution to the appropriate officials. If an OPR disciplinary recommendation is not followed, then the OPR Counsel has the right of appeal to the Attorney General.

OPR must be an independent, strong, active, and highly visible office in order to both properly conduct its investigations and to give the appearance of properly conducting investigations into sensitive Justice Department issues. It must be structured to command the respect of the Department's employees, the Attorney General, the Congress, and most importantly, the public.

Our amendment answers these concerns by providing a statutory charter for OPR which will protect and increase its independence, improve its stature, and preserve the uniqueness of its investigative powers. Our amendment also protects OPR's ability to rely on personnel from other components of the Department such as the FBI, thus enabling the office to remain small, cost effective, and focused on investigation rather than administration.

Mr. President, I ask unanimous consent that the text of the amendment be printed in the RECORD.

There being no objection, the amendment was ordered to be printed in the RECORD, as follows:

AMENDMENT NO. 1722

At the end of the bill, add the following:

TITLE II—DEPARTMENT OF JUSTICE PROFESSIONAL RESPONSIBILITY ACT

SHORT TITLE

SEC. 201. This title may be cited as the "Department of Justice Professional Responsibility Act".

ESTABLISHMENT OF OFFICE OF PROFESSIONAL RESPONSIBILITY

SEC. 202. (a) There is established within the Department of Justice, under the general authority of the Attorney General, an Office of Professional Responsibility (hereinafter referred to as the "Office").

(b) The Office shall be headed by a Counsel appointed by the President, by and with the advice and consent of the Senate. The Counsel shall be subject to the general supervision and direction of the Attorney General, or when appropriate, of the Deputy Attorney General, the Associate Attorney General, or the Solicitor General.

(c) The Attorney General may delegate to the Counsel the functions of any other bureau, office, board, division, commission, or subdivision thereof within the Department of Justice (hereinafter referred to as the "Department") as the Attorney General determines are properly related to the functions of the Office and would, if so delegated, further the purposes of this title.

DUTIES AND FUNCTIONS OF THE OFFICE

SEC. 203. (a) The Counsel shall—

(1) initiate or order, as he deems appropriate, an investigation of any information or allegation relating to the conduct of an employee of the Department that is or may be in violation of a law, a regulation or order of the Department, or any applicable standard of ethics or conduct;

(2) establish a mechanism for receiving and processing requests for investigations made by persons employed by the Department as well as persons outside the Department, and insure the confidentiality of the source and nature of any such request;

(3) prepare or review, as the case may be, any findings and reports filed as the result of an investigation under paragraph (1), and make recommendations to the Attorney General, or when appropriate, to the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, concerning such findings and reports;

(4) in addition to any investigation initiated or ordered under paragraph (1), under-

take any relevant investigation assigned by the Attorney General, or when appropriate, the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, and cooperate as directed with any other organization, task force, or individual that may be assigned by the Attorney General to undertake such an investigation;

(5) establish uniform standards for the conduct of investigations by internal inspection units with such responsibilities;

(6) monitor and evaluate the performance and procedures for investigations conducted by the internal inspection units within the Department;

(7) establish procedures and format guidelines for reporting to the Office by internal inspection units in accordance with section 206(c);

(8) in consultation with the Attorney General and the head of the unit, require procedural changes in the operation of any internal inspection unit;

(9) not later than two years from the date of enactment of this title, establish uniform standards for the administration of disciplinary sanctions for each bureau, office, board, division, commission, or subdivision thereof;

(10) monitor and evaluate the implementation of the standards established under paragraph (9) for the administration of disciplinary sanctions;

(11) undertake any other appropriate responsibilities assigned by the Attorney General, including responsibilities relating to the improvement of the ethics and conduct of Department personnel;

(12) submit recommendations to the Attorney General, or when appropriate, to the Deputy Attorney General, the Associate Attorney General, or the Solicitor General, on the need for changes in the standards and procedures that become evident during the course of implementing responsibilities under this title; and

(13) report annually to Congress in accordance with section 207.

(b) The Counsel shall establish such rules as may be necessary to carry out the provisions of this title.

SANCTIONS

SEC. 204. (a) The Counsel may, on the basis of any findings reported to him, or an investigation conducted by him—

(1) recommend to the Attorney General or any appropriate supervising official within the Department that administrative sanctions be taken against a Department employee; and

(2) recommend the prosecution of a Department employee to the appropriate Assistant Attorney General of a division or the appropriate United States Attorney.

(b) If the Counsel makes a recommendation under subsection (a) to any Department official other than the Attorney General, and that official declines to implement the recommendation, the declining official shall report in writing to the Counsel within 30 days of the receipt of the recommendation, the reason for declining to prosecute or administer such sanctions. If the Council disagrees with the position of the declining official, the Counsel may appeal to the Attorney General for implementation.

(c) (1) If the Counsel makes a recommendation under subsection (a) to the Attorney General, the Attorney General shall report in writing to the Counsel within 30 days of the receipt of the recommendation, his proposed action on the recommendation.

(2) Any recommendation by the Counsel to the Attorney General or to a declining official which is not followed by the Attorney General shall be identified in the annual report to Congress under section 207.

ADMINISTRATION PROVISIONS

SEC. 205. (a) The Counsel shall be compensated at a rate equal to the rate of basic pay for ES–5 of the Senior Executive Schedule established by the President under section 5382 of title 5, United States Code.

(b) The Counsel is authorized to appoint such additional staff personnel as he deems necessary, at rates not in excess of the maximum rate for GS–18 of the General Schedule under section 5332 of title 5, United States Code, and may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

(c) Under request of the Counsel and in consultation with the Attorney General and the head of the unit to which the employee is regularly assigned, an employee of the Department may be assigned to the Office on a case-by-case basis to perform such duties as are designated by the Counsel. Employees assigned to the Office shall work under the direction of the Counsel.

RESPONSIBILITIES WITHIN THE DEPARTMENT

SEC. 206. (a) The internal inspection units within each bureau, office, board, division, commission, or subdivision thereof, of the Department of Justice shall retain the primary responsibility for receiving information on allegations concerning employees within their respective entities, and for conducting investigations, subject to the reporting requirements of subsection (c) of this section.

(b) The heads of each bureau, office, board, division, commission, or subdivision thereof shall provide information and assistance requested by the Counsel in connection with any investigation conducted by the Office or an internal inspection unit, and by any other person assigned to conduct an investigation.

(c) The head of each internal inspection unit shall report monthly to the Counsel. Each report shall include notification of initiation of any investigation, and shall conform with the procedures and format guidelines established by the Counsel under section 203(a).

REPORT TO CONGRESS

SEC. 207. (a) On or before September 30th of each year, the Counsel shall report to the Congress on the number and a brief description of each allegation of employee misconduct received by the Office, a description of the manner in which such allegation was handled, and the final disposition of each such allegation. The information required under the preceding sentence shall include an identification with respect to the unit or Office which received the allegation and performed the investigation, if any.

(b) In addition, the Counsel shall include in such report—

(1) a description of any significant problems, abuses, and deficiencies in the policies and procedures which have become evident during the course of any investigation;

(2) a recommendation for action that may be taken by the Office or by a bureau, office, board, division, commission, or subdivision thereof to correct such problems, abuses, or deficiencies;

(3) a summary of the recommendations submitted in any previous annual report under this section upon which corrective action has not been completed, with an explanation of the reasons action has not been completed; and

(4) a description of any recommendation for administrative sanctions or prosecution made under section 204(c) by the Counsel to the Attorney General or a declining official which is not followed.

(c) If the Counsel conducts, or orders to be conducted, an investigation of information or an allegation that the Attorney General may be in violation of a law, a regulation or order of the Department, or of any applicable standard of ethics or conduct, he shall report the findings of his investigation to the Committees on the Judiciary of the House of Representatives and the Senate upon the completion of the investigation.

(d) No later than three years from the date of enactment of this title, the Counsel shall submit to the Committees on the Judiciary of the House of Representatives and the Senate—

(1) an evaluation of the procedures and standards for administrative sanctions and prosecution established under sections 203 (a) (9) and 204;

(2) a comprehensive evaluation of the implementation of the provisions of this title; and

(3) specific legislative recommendations designed to remedy any problems or deficiencies in the implementation of the provisions of this title.

APPROPRIATIONS

SEC. 208. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this title.●

NOTICES OF HEARINGS

SUBCOMMITTEE ON SECURITIES

● Mr. SARBANES. Mr. President, the Subcommittee on Securities, of the Committee on Banking, Housing and Urban Affairs will hold a hearing on April 29, 1980, in room 5302, beginning at 10 a.m. to receive testimony on general issues and specific legislation involving the Federal securities laws and capital formation by small business. The specific measures currently pending before the subcommittee are S. 1940 and S. 1533, although witnesses are encouraged and expected to comment on other legislative possibilities involving the securities laws.

This will be the first day in a series of hearings which will be continued next month. Anyone requiring additional information concerning these hearings should contact Howard Menell of the committee staff at 224–7391.●

COMMITTEE ON ENERGY AND NATURAL RESOURCES

● Mr. JACKSON. Mr. President, I would like to announce that the Committee on Energy and Natural Resources will begin its second phase of hearings on the geopolitics of oil on Tuesday, April 29, with a hearing on U.S. defense policies as they relate to our energy security. Prof. Henry Rowen, of Stanford University, and Prof. Geoffrey Kemp, of the Fletcher School of Law and Diplomacy, will be the witnesses. The hearing will begin at 9:30 a.m., in room 3110, Dirksen Senate Office Building.

On May 1, the committee will examine U.S. policy toward energy development in the People's Republic of China. The committee will examine the prospects for expanding Chinese oil production and alternative policies for encouraging exploration and development of China's hydrocarbon resources. Prof. Dwight Perkins, of Harvard, and James Lilley will be the witnesses. The hearing will begin at 9:30 a.m., in room 3110, Dirksen Senate Office Building.

For further information concerning

the committee's hearings on the geopolitics of oil, contact James Pugash, staff counsel, at (202) 224–0611.●

SUBCOMMITTEE ON ANTITRUST, MONOPOLY, AND BUSINESS RIGHTS

● **Mr. METZENBAUM.** Mr. President, the Judiciary Subcommittee on Antitrust, Monopoly, and Business Rights will hold a hearing on S. 2477, the Nondiscrimination in Insurance Act, on April 30, 1980. The hearing will begin at 10 a.m., in room 6226, of the Dirksen Senate Office Building.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON ENERGY AND NATURAL RESOURCES

Mr. BAYH. Mr. President, on behalf of the majority leader, I ask unanimous consent that the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today, to hold a markup session on legislation to establish competitive oil and gas leasing in favorable areas within producing geologic provinces.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. BAYH. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate today, beginning at 10, to hear Government and non-Government witnesses on the fiscal year 1981 foreign assistance request.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

SUBCOMMITTEE ON PARKS, RECREATION AND RENEWABLE RESOURCES

Mr. BAYH. Mr. President, I ask unanimous consent that the Parks, Recreation and Renewable Resources Subcommittee of the Committee on Energy and Natural Resources be authorized to meet during the session of the Senate today, beginning at 2 p.m., to hold a hearing on S. 2551, legislation to establish the Big Sur Coast National Scenic Area.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

COMMITTEE ON ENVIRONMENT AND PUBLIC WORKS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Environment and Public Works be authorized to meet during the session of the Senate today beginning at 2 p.m., to hold an oversight hearing on the animal damage control program of the Fish and Wildlife Service.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

ADDITIONAL STATEMENTS

ANNIVERSARY OF THE ESTABLISHMENT OF THE REPUBLIC OF LITHUANIA

● **Mr. DECONCINI.** Mr. President, I am proud today to join with Americans of Lithuanian descent in commemorating the 62d anniversary of the establishment of the Republic of Lithuania and the 729th anniversary of the formation of the Lithuanian State in 1251.

Despite the annual celebration of the establishment of the Lithuanian State, Lithuanians today are not free and independent. They now daily risk, and often sacrifice, their lives in defiance of the Soviet regime that was imposed upon them in June 1940 when the Soviet Union invaded, occupied, and subsequently annexed the Lithuanian nation. In this era of cries for human rights, the Lithuanian people and their struggle must not be ignored.

The desire of the citizens of the Baltic States for national independence remains strong despite efforts by the Soviet Union to destroy the Baltic peoples as distinct cultural, geographical, ethnic, and political entities through dispersions and deportations to Siberia, replacing them with ethnic Russians.

All the peoples of the Baltic States are entitled to equal rights and self-determination as set forth in principle VIII of the Helsinki Final Act and should be allowed to hold free elections conducted under the auspices of the United Nations after the withdrawal of all Soviet military forces and political, administrative, and police personnel from the Baltic States.

In an attempt to reach this end the United States has consistently refused to recognize and must continue to refuse to recognize the unlawful Soviet occupation of the Baltic States. In addition, the United States as it has in the past must continue to maintain diplomatic relations with representatives of the independent Republics of Lithuania, Latvia, and Estonia.

Mr. President, at this time I ask that the resolution drafted by the American Lithuanian community in Phoenix, Ariz., be printed in the RECORD.

The resolution follows:

RESOLUTION

We, Lithuanian-Americans of Phoenix, Arizona, at a meeting held on February 24th, 1980 to commemorate the 62nd anniversary of the establishment of the independent state of Lithuania on February 16, 1980 and the 729th anniversary of the formation of the Lithuanian Kingdom in the year 1251, send our warmest greetings to the people of Soviet-occupied Lithuania, pledge our unwavering support for the restoration of Lithuania's sovereignty and unanimously adopt the following resolution:

Whereas, in 1918, the independent state of Lithuania was reestablished by the free exercise of the right of self-determination of the Lithuanian people; and

Whereas, by the Peace Treaty of July 12, 1920, Soviet Russia officially recognized the sovereignty and independence of Lithuania and voluntarily renounced forever all claims to Lithuanian soil and her people; and

Whereas, until 1940, Lithuania was a sovereign nation, a member of the League of Nations and a signatory of numerous international treaties with the Soviet Union; and

Whereas, the Soviet Union, during the period of June 15, to June 17, 1940, invaded and occupied Lithuania and subsequent to that invasion forcibly annexed the Lithuanian nation into the Soviet Union; and

Whereas, the Soviet Union continues to conduct a policy of colonization, forced Russification, ethnic dilution, and religious and political persecution; and

Whereas, the people of Lithuania to this day are risking and sacrificing their lives in defiance of the Soviet regime, as recently made evident by the numerous arrests of the members of Lithuanian Helsinki Monitoring Group, signers of the August 23, 1979 petition to the Secretary General of the United Nations and publishers of "The Chronicle of the Catholic Church in Lithuania" and other dissident publications; and

Whereas, the United States government maintains diplomatic relations with the government of the Free Republic of Lithuania and consistently has refused to recognize the unlawful occupation and forced incorporation of this freedom-loving country into the Soviet Union; and

Whereas, the 89th Congress of the United States unanimously passed House Concurrent Resolution 416 urging the President to raise the question of the Baltic nations' status at the United Nations and at other international forums; and

Whereas, the 96th Congress of the United States unanimously passed House Concurrent Resolution 200 and Senate Concurrent Resolution 54 expressing the sense of the Congress with respect to the independence of the Baltic States and with respect to Soviet claims of citizenship over certain United States citizens; now, therefore

Be it resolved, that we, Lithuanian-Americans, will urge our representatives in Congress to sponsor and adopt H.R. 5407, recently introduced into the 96th Congress, authorizing continuing appropriations for the Lithuanian Legation in the United States and providing for continued diplomatic representatives; and, further,

Be it resolved, that copies of this resolution be forwarded to the President of the United States, the Secretary of State, the United States Ambassador to the United Nations, the United States Senators, members of the U.S. House of Representatives, the Lithuanian Minister in Washington, D.C., the Lithuanian Consuls in New York City, Chicago and Los Angeles, and to all appropriate representatives of the press.●

GEORGIA O'KEEFFE—PORTRAIT OF AN ARTIST

● **Mr. DOMENICI.** Mr. President, Rocky Mountain magazine recently carried a portion of the first biography of Georgia O'Keeffe entitled "Georgia O'Keeffe: Portrait of an Artist" written by Laurie Lisle. I ask that this short preface be included in the RECORD as a morsel to encourage the reading of the article and the book. It also emphasizes the relationship of New Mexico to her work which New Mexico intends to preserve through enactment of S. 2363, authorizing the establishment of the Georgia O'Keeffe National Historic Site.

The article follows:

PUBLIC NOTES ON A PRIVATE LIFE

This excerpt is part of a book that had its genesis in 1970 when I went to a retrospective of Georgia O'Keeffe's paintings at the Whitney Museum of American Art in New York. There, four floors above the cacophony of the city, her images of skulls floating in spacious, serene desert skies, of blossoms of mysterious depth in brilliant hues, spoke to me of a world larger and more beautiful than the one I knew.

My curiosity was aroused: who was the creator of these powerful paintings? When I tried to find out, I was astonished to discover that no book existed to answer my questions. My curiosity took me to the Beinecke Rare Book and Manuscript Library at Yale University, which has many of O'Keeffe's letters. As I pored over her words, written in a script composed of distinctive culicues and wavy flourishes, their intensity seemed to vibrate off the paper and transmit a vigorous jolt, the way her paintings did. I realized that her story was not only one of a gifted artist, but also one of a forceful woman with extraordinary qualities of intellect and character—and it was a story that I wanted to tell.

I set off on an odyssey that eventually took me to 24 states, dozens of libraries and museums and resulted in more than 100 interviews with O'Keeffe's family and friends. In San Francisco, for example, I interviewed Blanche Matthias, born the same year as O'Keeffe, and her friend since the early Twenties. Many others who graciously and freely shared their memories and insights asked that I not reveal their names.

I learned that O'Keeffe's marriage to the famous photographer, Alfred Stieglitz, was of central importance to her. It was he who first exhibited her work in his gallery in 1916 and continued to do so until his death 30 years later. I discovered that their relationship took many turns from their first passionate attraction through intense struggles to a mutual commitment to art.

To learn about the region that has played so visible a role in her paintings, I stayed at the Presbyterian conference center near O'Keeffe's Ghost Ranch home in her isolated corner of northern New Mexico. I hiked up mesas she had climbed many times to view the majestic valley she calls her own. When I drove the 16 miles to the village of Abiquiu, where she has another home, I parked my car where the road provides an overview of the muddy, pink Chama River that greens her dramatic dry landscape. I danced to Latin music with her Spanish-American neighbors in a gym that was her gift to the village.

My portrait of the artist—the evolution of a Wisconsin farmer's daughter nicknamed Georgie into the matriarch of modern art known as O'Keeffe—was written with the hope that others might be moved by the example of her courageous, independent and successful life.●

AIRLINE DEREGULATION

● Mr. CANNON. Mr. President, I submit for the Record two editorials which appeared in the Washington Post and the San Francisco Chronicle. They are recent tributes to airline deregulation from both the east coast and the west coast.

The articles follow:

[From the Washington Post, Apr. 23, 1980]

Deregulation in the Sky

Remember the horror stories that were trotted out when airline deregulation was proposed? There would be higher fares, skimpier service and a rash of accidents as well as bankruptcies—or so opponents of the idea warned. Now, a year after deregulation, what do we have? None of the above. What we have are game cards.

Those cards are this spring's version of the airlines' effort to adjust to a world of competition. If you get the right card, the symbols underneath the horrid stuff that has to be scraped off will reward you with anything from a free drink to a free trip. On one airline, even the losing cards can be entered in a drawing for the super prize—a free round trip for two, once a year for the rest of the winner's life, to any place the airline flies.

The airlines, as this kind of competition suggests, are alive and well. They are battling hard for customers, just as the grocery stores are with their current coupon war. The warnings have not come true. Eighteen months after President Carter signed the deregulation bill, the biggest economic danger to the airlines comes from the rising cost of fuel, not from reckless and predatory competition. Average fares have risen considerably less than the cost of living, service is up on some routes although down on others, the safety record remains good, and no one has gone bankrupt.

The answers aren't all in, of course, and won't be for several years. But the early evidence suggests that deregulation is going to work out well. There will be more changes in the transportation network—the big airlines may be replaced by smaller, commuter lines in more small cities and there may be more mergers. But the chances of a return to a fully regulated industry are almost nil.

The importance of this is that Congress is now trying to decide whether to deregulate two more industries—the trucks and the railroads. The three industries are not fully comparable—the airlines, alone among them, transport primarily people—but the principles are quite similar. That's why some of the trucking companies have been trying to convince Congress that airline deregulation has been a disaster.

They were unsuccessful in the Senate, where a strong trucking deregulation bill was passed despite predictions—like those made five years ago about the airlines—that it will mean higher rates and lower service. They should also be unsuccessful in the House. Those game cards and the current cut-rate air fares to Florida and the West Coast are not evidence of a collapsing industry—but rather of a vigorously competitive market.

[From the San Francisco (Calif.) Chronicle, Mar. 31, 1980]

The Sky Could Be the Limit

If you remember the fight which preceded the deregulation of the airline industry, then you remember that the opponents of deregulation insisted that the process would strip small communities of service.

Sure, said deregulation opponents, lifting the regulatory burden from commercial carriers might mean cheaper, more frequent flights—from one city to another. But the little guys would be hurt. The little towns would be shut out. And a smaller city, like California's Bakersfield, would be isolated from the rest of the state, as it would no longer be profitable (not to mention *mandatory*) for carriers to service a community of that size.

It seemed a compelling argument at the time.

But the fact is that when the Airline Deregulation Act became law in 1978, Bakersfield was served by four daily flights to L.A., three to San Francisco and one to Las Vegas. Now, two years after deregulation, Bakersfield has no fewer than 12 daily flights to Los Angeles, eight to San Francisco, three to Las Vegas—and new commuter flights have been initiated to Sacramento and Oakland.

Simultaneously, deregulation has given commercial carriers the scheduling flexibility needed to cut costs. As a result, the average number of hours that aircraft are in flight has risen sharply since deregulation, as has the percentage of seats filled per flight. What that means is that ticket prices increased only 16 percent last year, in spite of 100 percent increases in fuel cost and overall industry cost increases of 29 percent.

So if you're wondering what deregulation has done for the commercial airline industry, the answer is simple. While it's not without its problems, deregulation has surely helped the industry survive crippling cost increases, while offering the public cheaper and more comprehensive service.

And practically all the government had to do was get out of the way, stand way back . . . and watch the take-off!●

U.S. ALLIES' CONTRIBUTION TO WORLD SECURITY

● Mr. PRESSLER. Mr. President, I recently offered two amendments to the first concurrent budget resolution to reduce the international affairs, amendment No. 1701, and the national defense, amendment No. 1702, functions. My intention in offering these amendments is to drive home the point that our allies must carry a larger share of the burdens of world security and development.

The purpose of amendment No. 1702 is, specifically, to decrease the U.S. share of U.S. base operating support costs in Japan and the European NATO nations. Our prosperous NATO and Japanese allies should assume more of our base operating support costs in their countries. The amendment would have these nations absorb more of these costs.

Mr. President, I noted strong allied support for higher defense efforts by U.S. allies while attending the 80-nation Interparliamentary Union meeting in Oslo, Norway, and the Ditchley Foundation's annual legislators' conference on NATO's future held at Ditchley Park, England, during the Senate's Easter recess. Administration bilateral consultations with the allies should be able to produce revised status-of-forces agreements on this change for the following reasons:

First. The allies have not been as supportive of U.S. policy toward the Soviet Union and Iran as we would like. Yet there are indications that they are seeking ways to support us through other suitable actions, and not mere rhetoric, which do not compromise their respective definitions of their own national interests. This amendment would make available to them an affordable and significantly useful demonstration of allied unity and resolve vis-a-vis Soviet imperialism, the Iranian violation of international law, and the clear need to strengthen allied defense efforts.

Second. U.S. defense spending as a percentage of GNP is now about 5 percent, greatly exceeding Japan (0.9 percent) and the NATO average of 3.5 percent of GNP. Yet GNP per capita of several of these countries approximates or even exceeds U.S. GNP per capita. Thus, they can afford to commit larger amounts to mutual defense efforts which protect their interests as much as our own.

Third. The Budget Committee recommendation provides for an increase in national defense of $38 billion over actual fiscal year 1979 spending and $21.7 billion over estimated fiscal year 1980 spending. The increase from fiscal year 1980 to the fiscal year 1981 recommended level is 5.7 percent in real growth terms, exceeding the 5-percent real growth target commitment made last year by many Senators, including me. It also far exceeds the now unrealistically low 1977 NATO alliance commitment to a 3-percent real growth. Thus, my proposed reduction of $200 million would still leave a defense outlay of $155.5 billion, real growth of over 5 percent, and nominal growth of over 16 percent.

Fourth. Adoption of the amendment would establish a specific U.S. target for the allies which could make it easier for their national leaders to persuade their respective publics that the 3 percent NATO defense real growth commitment must be met or exceeded.

My preference would be to transfer the $200 million from Japan and NATO base operating support costs to other operations and maintenance needs within the defense budget, rather than reduce the functional total by that amount. However, Senate floor procedure on the budget resolution will not permit such an intrafunctional transfer. I would prefer to see even more than an additional $200 million go into the reduction of the huge backlog of base maintenance and repair needs at U.S. Air Force and other military installations within the United States.

The condition of many of our bases here at home will reach slipshod proportions if a significant infusion of maintenance and repair funds is not made during the next fiscal year and following years. Our allies can afford to absorb $200 million more in base operating support costs in fiscal year 1981, and progressively more in future years.

Mr. President, a recent article in the April 28 issue of U.S. News & World Report presents a fine analysis of this subject. For the benefit of those Members who wish to further study this issue, I ask that this article, together with accompanying figures signifying who bears the defense burden, be printed in the RECORD.

The material follows:

SHOWDOWN TIME FOR WESTERN ALLIANCE

Embedded in the current controversy between the U.S. and its European and Japanese allies are the seeds of a major crisis in the Western Alliance.

At stake is more than the question of how the allies respond to President Carter's call for support for economic sanctions against Iran and a boycott of the Moscow Olympics.

At the heart of the crisis, as veteran diplomats see it, are fundamental disagreements among the U.S. and its allies, compounded by a loss of confidence in Carter's leadership.

No one is predicting the imminent breakup of the alliance, but a top administration policymaker warns of two dangers if the present slide into crisis continues unchecked. One is a possible isolationist backlash in the U.S. The other is the "Finlandization" of Western Europe, a growing tendency by allied governments to defer to Moscow.

The basic issue between Washington and its allies: A U.S. attempt to reshape the alliance by mobilizing key members of the North Atlantic Treaty Organization and Japan in the defense of Persian Gulf oil. In the past, NATO members have resisted efforts to extend collective-security responsibilities beyond Western Europe.

A showdown is shaping up as the U.S. presses the European allies to make a bigger contribution toward the defense of the Persian Gulf region—indirectly by relieving the U.S. of some of the NATO defense burden and directly by providing greater aid and military involvement in the area as well as taking a firmer stand against Russia.

Almost by accident, this coincides with what Washington considers a test of alliance solidarity posed by the hostage crisis with Iran.

The Carter administration, on its side, has complained that the allies were loath to join the U.S. in a concerted response to the Soviet move into Afghanistan, which Washington views as a serious threat to Persian Gulf oil.

White House officials also privately have grumbled about allied reluctance to demonstrate unity by supporting the U.S. in the confrontation with Iran.

The undercurrent of resentment toward allies that is apparent in the White House was reflected in this comment by the President himself: "Nations ask us for leadership, but at the same time they demand their own independence of action. . . . Some ask for protection, but are wary of the obligations of alliance."

ALLIES' VIEW

The European and Japanese allies, on their side, complain that Carter is following the wrong strategy in dealing with Russia and that he is exaggerating the threat to Persian Gulf oil posed by the Soviet invasion of Afghanistan. Too, they maintain that, in the face-off with Iran, the President is pursuing a potentially disastrous policy that is inspired mainly by domestic political considerations.

In the end, most if not all the allies may join Washington—reluctantly—in applying economic and diplomatic sanctions against Iran. Not, they stress, because they consider these moves effective but rather to forestall what they regard as dangerous U.S. military measures threatened by the White House.

Who Bears The Defense Burden: Military spending by U.S. and its allies, as a share of national output

	Percent
U.S.	5.0
Great Britain	4.7
Turkey	4.5
Belgium	3.5
West Germany	3.4
France	3.3
Netherlands	3.3
Norway	3.2
Portugal	2.8
Denmark	2.4
Italy	2.4
Canada	1.8
Japan	0.9

APPLYING A BRAKE

In the words of the prestigious London *Times:* "If the alliance does not support a tougher policy, his [Carter's] own policy will become tougher still. It is therefore obvious that the alliance will have to go some way with him if only to hang onto his coattails."

What the allies fear is a U.S. naval blockade of Iran, which Carter has hinted could come soon if other sanctions fail to secure the release of the captive Americans.

Says a British diplomat who specializes in strategic policy: "An American military move in an area as combustible as the Persian Gulf could set off a chain of events like those that led to two world wars in this century."

The widely publicized strains caused by the hostage crisis are overshadowing more basic differences in the alliance stemming from the Soviet invasion of Afghanistan. Despite its remoteness from Europe and Japan, the Russian move is seen by U.S. officials as a grave potential threat to the Western Alliance.

For one thing, it marks the first use of Soviet military forces outside of Moscow's Communist empire since World War II.

Further: American officials believe there is now a greater danger to Persian Gulf oil, which is vital to Western security. The danger is compounded by evidence that Russia by the mid-1980s may be transformed from a major oil exporter into an importer.

Although worried by the Soviet takeover of Afghanistan, this country's allies, with few exceptions, are unwilling to join the U.S. in imposing economic or other sanctions against the Soviet Union—beyond a possible boycott of the Moscow Olympics.

Most of the allies seem torn between a desire to preserve the benefits of détente and at the same time maintain close defense ties with the U.S.

Their ambivalence is reflected most dramatically in the behavior of West German Chancellor Helmut Schmidt, who has frequently criticized Carter for vacillation in foreign policy.

Immediately after endorsing an Olympic boycott, Schmidt in mid-April made an extraordinary gesture of conciliation toward Russia. He offered in effect, to repudiate a German-backed NATO agreement to deploy long-range nuclear missiles in Europe as a counter to the Soviet missile buildup in Eastern Europe. He also expressed a desire to go to Moscow to meet with Soviet President Leonid Brezhnev.

WHAT SURVEY SHOWED

Another sign of Europe's ambivalence toward the U.S. in the wake of Russia's invasion of Afghanistan: A recent Gallup Poll that shows a substantial majority of Britons and Germans consider U.S. military support as essential to their security and way of life but oppose stronger support for America against the Soviet Union.

The danger that this free-ride mentality poses for the alliance is summed up by former Secretary of State Henry Kissinger: "The Western Alliance will surely be jeopardized by the new theory of 'division of labor' by which the Europeans seek to retain the benefits of a relaxation of tensions while we assume all the burdens and risks of resisting Soviet expansionism." ●

TEWA INDIAN POTTER MARIA MARTINEZ

● Mr. DOMENICI. Mr. President, Tewa Indian potter Maria Martinez is world renowned as a native American potter. Kathleen Hinton-Braaten of the Christian Science Monitor recently visited the San Ildefonso Pueblo, N. Mex., and filed the following story which I ask be printed in the RECORD.

The article follows:

SAN ILDEFONSO PUEBLO, N.M.—The plaza of northern Mexico's San Ildefonso Pueblo is surrounded by low adobe structures. In this tiny village a Tewa Indian potter, Maria Martinez, easily the most famous of all native American potters, lives here with her son Adam and his wife, Santana.

Maria Martinez, whose career spans most of this century, is frail yet vibrant, her trembling voice sometimes lilting upward with startling joy. With graying hair knotted behind with purple yarn, strands of red and white beads contrasting with her dress's turquoise print, she is handsome still, her artist's sense of color and design still as apparent as in her younger days.

Mrs. Martinez is a legend, the recipient of numerous medals, awards, and honorary degrees. She has been the subject of films, a guest at the White House, and hostess to First ladies.

Early in this century, Mrs. Martinez, with her late husband, Julian, achieved a lasting fame by developing a striking "black on black" pottery. Gradually swept up by an impressed Anglo art world, she became known for "the magnificence of the shape and technical execution of her work—her wonderful eye for form and symmetry." Black-on-black pottery featured dull, dusky designs against a fiercely glowing background. Mr. Martinez painted the designs.

Their accomplishment was not negligible. Its success has enabled San Ildefonso to survive, not only reviving pottery as a craft, but resurrecting a pueblo community that was almost dying from economic problems, disease, and persistent difficulties with an Anglo government.

Today San Ildefonso's population has quadrupled and the market for pottery so expanded that a splendid storage jar by Mr. Martinez—once traded for a shawl worth $21.50—is now valued at more than $10,000.

The Maria and Julian Martinez style of pottery—widely duplicated throughout the pueblo and now considered as typical of San Ildefonso ware—is an amalgamation of tradition and innovation. Glossy from polishing and not from glazes, painted with yucca brushes as well as Japanese brushes; fired in the open (the blaze fed by cow chips and cedar), this pottery reflects habits of centuries of Indian craftsmen.

In essence, however, it is pottery for Anglos. The technique of smothering the fire to achieve the rich black color has meant temperatures too low for watertightness—no problem for "art," but certainly a problem for use. And usefulness was once a standard for an Indian potter.

The exquisite designs, though Indian in origin, are used as decoration and not as symbol. Pottery used for sacred purposes is kept hidden from the non-Indian eye. The pottery is no less beautiful because of these concessions to the marketplace, and without these concessions it would not be sold.

As Mrs. Martinez greets visitors today, she successfully belies her complex and difficult past, a past that has included the loss of her husband (in 1943) and three of her sons, as well as family and pueblo conflicts. Proud and serene, she has an honest dignity. Her legacy is the founding of an artistic dynasty.

The home Maria shares with son Adam and Santana is a center of creativity. Though Adam, a kindly man with features reminiscent of his handsome father, Julian, is not a potter, he is intimately involved in securing and preparing special clays and in the delicate process of firing the pots. His wife is a superb craftsman in her own right, only a natural shyness making her less a public figure than Maria.

There are five generations of potters in the family, and though Maria's son Popovi Da—Adam's brother—passed on in 1971, he was Maria's collaborator for 15 years, and his son, Tony Dá, is both a gifted potter and painter. Adam and Santana's daughter Anita is a potter as well, as is her daughter Barbara Pinto Gonzales. Mrs. Gonzales is an inventive artist who teaches the "Maria Martinez Method" in workshops throughout the country; her young sons, Cavan and Aaron, have begun to work with clay as well.

Maria Martinez's dynasty actually goes far beyond her family and includes an entire pueblo, with many potters who have learned their skills at her side. There are perhaps other potters whose gifts have equaled hers but who have not gained international recognition. Mrs. Martinez earned celebrity by adding personal grace and strength to her artistic attributes.

Generous, joyous, and only mildly vain, she has been an inspiration to both Anglos and Indians. Peggy Pond Church, who grew up near San Ildefonso Pueblo, once wrote in a journal of "Maria of Ildefonso": "Her home was the first Indian house I ever entered. Cool and immaculate, fragrant with the sweet smell of burning pinon and frying tortillas, warm with welcome to whoever came, whether friends or curious strangers. She is a truly great artist whose work has become the standard of excellence throughout the Pueblos." ●

FRAUD IN SOCIAL SECURITY DATA

● Mr. GOLDWATER. Mr. President, in what has become an annual ritual, the media has published lies about the bill I and other Senators have introduced to repeal the earnings test of social security for older persons beginning in 1983.

What happens is this: The Social Security Administration issues two sets of costs estimates on repeal of the earnings test. One is a figure for the bill I actually introduced. The other is a very high figure for a bill no one in the Senate has proposed. The media invariably pounces on the higher figure.

Sure enough the same thing happened again this year. On Monday, Senators DeConcini, Pressler, Jepsen, and I presented joint testimony before the Senate Subcommittee on Social Security regarding legislation we have introduced to eliminate the earnings test at age 65. Our bill, S. 1287, is sponsored by 20 Senators.

The bill protects the investment made by older persons during their working careers. It guarantees that when they reach age 65, the normal age for entitlement to full benefits, they will get a return, without penalty, on the social security payroll taxes they and their employers have paid into the system.

The Chief Actuary of Social Security gave me a written report estimating that the maximum cost of the proposal in 1983 would be $2.1 billion. Mr. Foster of his office today reconfirmed that figure in a telephone conversation with my staff.

Other Social Security Administration researchers have projected that my proposal would return almost $1.7 billion in new tax revenues generated by the increased work of older persons.

Yet when I read the Associated Press story discussing my bill the day after the hearing, I could not recognize it as the one I had introduced. There was the usual, inflated cost estimate. The news article charged that repeal of the test would cost $7 billion.

Mr. William Driver, Commissioner of Social Security, reportedly gave the press the larger figure when he was asked how much total repeal of all earnings ceilings in the Social Security Act would cost. What the news story fails to mention, however, is that this question is irrelevant to my bill.

My bill repeals the earnings test for older persons. The proposal the Commissioner was asked about repeals the earnings test for young people, millions of children of deceased workers, college age survivors, surviving spouses, and other persons below the age of 65. The legislation I have introduced does not cover this group of younger persons.

The cost estimate in the Associated Press report is unrealistic. It is disclaimed by the Social Security Administration itself as not bearing on my bill.

It is a lie for anyone to infer that my bill would cost the amount reported in the AP article, and I ask that such use of fraudulent data be stopped.

Mr. President, so that my colleagues may have the facts before them, I ask that the actual cost estimate furnished by the Social Security Administration, and an excerpt from a recent article in the Social Security Bulletin, which estimates increased tax revenues generated by elimination of the earnings test, be printed in the Record.

The material follows:

Memorandum

To Mr. Dwight K. Bartlett, III.
From Harry C. Ballantyne.
Subject Proposal to eliminate the retirement test for workers aged 65 and over—Information.

Under the subject proposal, the retirement test would be eliminated for workers aged 65 and over, beginning January 1983. The resulting additional amount of OASDI benefit payments for months in calendar year 1983, over and above benefit payments under present law, is estimated to be $2.1 billion. After 1983, the additional amount of benefit payments would increase gradually, but at a slower rate than total OASDI benefit payments.

This estimate reflects the effect of the reduction in the age at which the retirement test ceases to apply under present law, from age 72 to age 70, beginning in 1982. The increases in the annual amount of earnings exempted from the test, which are scheduled under present law for workers aged 65 and over, are also reflected in the estimate. The exempt amount for workers aged 65 and over is scheduled to increase to $6,000 in 1982. Under the intermediate assumptions in the 1979 Trustees Report, upon which the estimate in this memorandum is based, the exempt amount for workers aged 65 and over is assumed to increase to $6,600 in 1983.

Harry C. Ballantyne,
Acting Deputy Chief Actuary.

[From the Social Security Bulletin, September 1979, volume 42]

Tax Impact From Elimination of the Retirement Test

This article estimates the initial-year net changes in social security (OASDHI) tax receipts and Federal individual income-tax receipts if the social security retirement (or earnings) test were eliminated for individuals aged 65–69. Individuals under age 65 are not considered. The expenditure and tax estimates shown are for 1978 but with the 1982 earnings ceiling adjusted to 1978. Persons aged 70 and 71 will not be subject to an earnings test in 1982 and are therefore excluded from the study. Thus, in 1978 levels, the budget impact of changing the 1982 retirement test for persons aged 65 and over is estimated.

Under the present provisions of the Social Security Act, elderly workers insured to receive OASI benefits at age 65 who earn income above an allowable amount will forfeit their current benefits at a rate of $1 for each $2 of excess earned income. Workers aged 62–64 who retire early and forfeit OASI benefits are compensated by actuarially adjusted future benefit increases equivalent to current benefits forgone, but the adjustments to workers aged 65 and over represent only a fraction of benefits forgone because of the retirement test.

The tax impact estimates shown here are based on a 1978 sample population but incorporate known 1982 tax provisions. Current individual income-tax statutes are assumed to remain in effect in 1982, and the $6,000 allowable earnings ceiling in 1982, adjusted to 1978, is used. The 1982 social security tax rates are used. The simulated net changes in the budget are therefore designed to reflect two 1982 provisions of social security law: (a) A liberalization of the retirement test under the 1977 amendments between now and 1982 that reduces benefit costs in eliminating the test and (b) higher OASDHI tax rates that increase the tax revenue per dollar of additional taxable earnings generated by removing the earnings test.

The social security actuaries estimate that the additional benefit payout cost to the OASI trust fund, if the retirement test were eliminated for workers aged 65–69, is approximately $2.1 billion for the 1982 earnings ceiling adjusted to 1978. It is estimated here that the net changes in work effort by elderly workers still actively employed (part time and full time), if the test were eliminated, will generate $139 million in OASDHI tax receipts and $191 million in individual income-tax receipts or about 16 percent of the $2.1 billion increase in outlays. If 10 percent of workers aged 65–69—either fully retired or contemplating retirement—were to be fully employed in the labor force in 1978, these workers would generate an additional estimated $540 million in social security taxes and $786 million in individual income taxes. With these elderly current workers and continuing or returning fully retired workers considered together, the estimated net increase in social security tax receipts represents about 32 percent of additional benefit payouts, and individual income taxes generate about 47 percent of additional benefits. The projected increases represent about 79 percent of estimated increased OASI benefits.●

COMPETITION, THE NEW MODEL OF HEALTH CARE FINANCING PLANS

● Mr. DURENBERGER. Mr. President, the Washington Report on Medicine and Health in its March 17 edition included a special report titled "Competition, the New Model of Health Care Financing Plans." This weekly health newsletter is generally considered the premier health newsletter, and I recommend the special report.

Some aspects of the reasoning behind the "pro-competitive" approach are discussed. The support of the provider community is mentioned, as is the support of the administration for many of the features of competition.

I would add that my own pro-competitive bill, the Health Incentives Reform Act, S. 1968, was the subject of hearings before the Health Subcommittee of the Senate Finance Committee on March 18 and 19. At these hearings, the issues were fully aired. My cosponsors, Senators Boren and Heinz, and I were happy to hear of the support of such organizations as the American Hospital Association, the Federation of American Hospitals, and the Washington Business Group on Health. Senator Bellmon of the Budget Committee offered literate and informed support, entered by me into the Congressional Record. Prof. Alain Enthoven, Dr. William B. Schwartz, Mr. Karl Bays, Dr. Gary Appel, Dr. Richard Frey, and Mr. Paul Parker were all similarly enthusiastic. For the administration, Alfred Kahn, Emil Sunley, and Karen Davis gave most positive and constructive testimony.

This special report appearing in the Washington Report on Medicine and Health summarizes the major procompetitive bills before Congress. It is apparent that our approach has much in common with those taken by Chairman Ullman in the House (H.R. 5740), and Senator Schweiker (S. 1590).

The editor of Washington Report on Medicine and Health, Mr. Jerome F. Brazda, has once again lived up to his own high standards of health reporting. I commend his special report to all readers of the Congressional Record and would be happy to provide them with reprints if they will contact my office.

The report follows:

Competition, the New Model of Health Care Financing Plans

The burden of health care costs, as old as the practice of medicine itself, has for decades produced a series of plans to help Americans pay the many bills that can result. Medicare and Medicaid in 1965 were a turning point in this history. The federal government guaranteed two large classes, the aged and the poor, the right to care. Then, early in the 1970s, the Nixon Administration seized on health maintenance organizations—a fancy new name for prepaid group practices—as an answer to the problem of rising costs that had put a powerful new squeeze on the national budget through Medicare and Medicaid. The concept, in its simplest terms, caught on because of its attractiveness, and hardly a politician discussed the cost of medical care without calling for development of more HMOs as a means of doing something about it.

Talk of "competition" began to surface at about that time, at first appearing essentially to mean HMOs, which were cited as applying the spirit of good old American economic competition to health care economics. But now, advocates of "competition model" plans, as they are called, are tending to shy away from promoting HMOs as anything more than one of the financing options in the competition.

With mention of "competition" turning up so frequently, Medicine & Health takes a look at the competition movement and the various legislative proposals it has spawned in this special report.

The rise of competition as the new palliative for health care inflation appears directly related to proposals for national health insurance and regulatory plans as remedies for inflation resulting from more sophisticated health care techniques and the increased conviction that medical care is a right to be guaranteed by the federal government. Competition tends to be most enthusiastically favored by health care providers who want no part of new regulations and by political conservatives who oppose adding any federal health financing programs to the national budget.

Several pro-competition bills have been introduced in Congress, and hearings have been held for purposes of discussing the issues. Appearing before the House Ways & Means Committee, Carter Administration witnesses said the President's own National Health Plan for an insurance system "includes competitive elements as part of a comprehensive strategy for reforming the health system." But the Administration position has been, essentially, "don't get your hopes up." Nathan Stark, HEW Under Secretary, speaking to a seminar on competition at the Federation of American Hospitals meeting earlier this year, questioned whether competition can be "a goal in itself."

Competition proposals now before Congress for the most part seek to stimulate competition between various prepaid health care payment plans, HMOs included, as they are offered to insured, employed persons. Various uses of the tax laws are proposed by most of the plans, including both business and personal exemptions and credits.

The modern popularity of "competition" appears to have its genesis in a proposal for a "Consumer Choice Health Plan" advanced during the past several years by Alain Enthoven, a Stanford University professor and consultant whose clients have included the Department of HEW and the Kaiser Foundation, grandfather of HMOs.

Enthoven has worked on development of the plan with Dr. Paul Ellwood, who sold the HMO concept to the Nixon Administration, and other associates of Ellwood's Minneapolis, Minn., consulting firm, InterStudy. Enthoven's plan, not yet introduced in toto as a legislative bill, would provide the employed with a subsidy in the form of a tax credit for them to purchase what they see as the best deal in health insurance, hence the "competition" between plans to enlist customers. Low income Medicaid beneficiaries and Medicare recipients would get direct subsidies in the form of vouchers to do their health insurance shopping. This is a feature that tends to get lost as versions of competition model bills, designed largely for the employed, find their way to the House and Senate hoppers.

As the popularity of the competition idea grows, hard legislative proposals are appearing in a dynamic process that is producing varying versions. Sen. David Durenberger (R–Minn.) introduced a bill (S. 1485) last July that emphasized HMOs as alternatives that would have to be offered to employees in order for the employers to qualify for tax advantages. But in November, Durenberger introduced another bill (S. 1968) which substantially revises the earlier measure by removing the HMO mandate, among other things, and which has become more or less the definitive competition bill along with one (S. 1590) by Sen. Richard Schweiker (R–Pa.). The two Republicans have been talking about a possible merger with a joint bill but seem to be in no hurry.

Following are summaries of some of the leading competition bills now before Congress:

—The Health Incentive Reform Act (S. 1968) by Sen. Durenberger: This bill would use tax incentives to encourage employers of more than 100 persons to offer at least three plans to their employees. Those selecting a less costly plan would get a rebate from the employer of the difference between the premium of the plan he chooses and the contribution amount selected by the employer—this is seen as an incentive to the employee to shop around for the best deal. A staff member familiar with the legislation estimated the difference could be as much as $20, or perhaps even $40 a month. The bill introduced by Durenberger last November carefully eliminated a reference to HMOs that had been an important part of a bill (S. 1485) with a similar title that he put in last July. Earlier, Durenberger would have required employers to offer at least three health benefit plans, two of these HMOs where possible, The original bill would have allowed employers to deduct as a business expense only that portion of the health insurance premium they pay for employees that does not exceed the average premium cost of an HMO. The employer is not required to offer a health plan but must meet the bill's standards if he does so. All employers offering a health plan would be required, to qualify for tax advantages, to include in their plans a catastrophic medical expense benefit for costs higher than $3,500.

The Comprehensive Health Care Reform Act (S. 1590) by Sen. Schweiker: This bill would use the tax laws and employer-employee health insurance in order to bring about health care system reforms. Schweiker sees it as an alternative approach to the issues of hospital cost containment, catastrophic health insurance, and preventive health care. Employers would have to meet the plan's requirements in order to qualify for business expense income tax deductions. Each employer would be required to offer a "low option" plan with a 25 percent copayment on all services. A high option plan could be offered if a low option was too. Employers would be required to contribute equally to each insurance plan and employees who chose the low option plan would get a rebate of the difference between the high option premium and the low option premium. This is regarded as an incentive to choose less expensive coverage.

The Health Cost Restraint Act (H.R. 5740) by Rep. Al Ullman (D-Oreg.): This bill was the subject of hearings recently held by the Ways & Means Committee, which Ullman chairs. It would establish standards that employee health insurance plans would have to meet, specifically including HMOs as an alternative that must be offered. The proposal would establish a maximum employer contribution to an employee's health insurance plan that could be used as a tax deduction, viewed as a means of fostering awareness of the cost of health care. The proposal does not suggest expansion of coverage either for the low income population or for the better paid working class. The bill does not mandate insurance coverage but rather imposes eligibility standards as a means of qualifying for favorable tax treatment. In order to meet the tax requirements, employers would have to contribute within 10 percent of the amount the employee pays for health insurance. In testifying at Ullman's hearing, Karen Davis, deputy assistant secretary of HEW for planning and evaluation and one of the Administration's top health economists, cautioned against establishing minimum standards without mandating coverage by employers. It could, she said, result in some employers completely discontinuing their coverage or becoming reluctant to initiate it, something that happened to private pension plans after enactment of federal legislation. Alice Rivlin, director of the Congressional Budget Office, said the Ullman bill is a "cost containment proposal rather than a national health insurance proposal." She estimated it could lower medical spending by $5 to $8 billion and would increase tax revenues.

Much of the energy behind the competition movement comes from Enthoven, Ellwood, and the InterStudy group. Enthoven and some associates have their sights aimed squarely at Sen. Edward Kennedy (D-Mass.) and his organized labor backers who have been, with limited success, promoting a national health insurance plan for years. The Enthoven group also is zeroing in on the Carter Administration for its advocacy of a National Health Plan rival to but also similar to the Kennedy-labor plan and of an ill-fated hospital cost containment bill the President continues to push as a budget-cutting device.

Enthoven recently has been appearing on the lecture circuit with Professor Cotton Lindsay of Emory University and a group of other essentially conservative health thinkers who have collaborated on a book that knocks Kennedy's and Carter's plans and promotes competition. The book, "New Directions in Public Health Care: A Prescription for the 1980s," is published by the Institute for Contemporary Studies of San Francisco, a nonprofit organization with a strong conservative bias.

One of the book's contributors, Jack Meyer of the conservative think tank American Enterprise Institute, writes that the Kennedy and Carter NHI bills fail to provide incentives for competition.

Writing in the "New England Journal of Medicine" (Oct. 11, 1979), Dr. Walter McClure of InterStudy said the alternative to increased regulation of the medical care system is "the introduction of effective market incentives in the delivery of medical care through the establishment of competing 'health-care plans' in communities."

As an example of a "competitive system in practice," McClure cited the Minneapolis-St. Paul area where seven HMOs are operating. He acknowledged, however, that they serve only 12.4 percent of the population and that, except for one, they are not federally qualified, precluding Medicare beneficiaries from joining.

In a statement prepared for Senate Finance Committee hearings on competition bills, Durenberger said his proposal "reforms the system" by working through employers to make them cost conscious. "Once the concepts of competition and consumer choice become part of our health care system," he said, "then we can expand and improve coverage." This statement underscores what critics of the plan, largely those who support Kennedy and Carter-type national health insurance proposals, have been saying about competition—it has no immediate vision of expanded coverage for the poor and the aged.

Under Secretary Stark, in his Federation of American Hospitals speech, asked "competition to what end?" One of the factors that has limited competition in the health care industry up to now, he said, is "the extent to which health providers themselves control the market." It is now estimated, he said, that "about 70 percent of all health care expenditures are generated by physician decisions."

Viewed as a cost control measure, competition has interested such people as CBO director Rivlin, who told the Ways & Means Committee that limiting tax-free employer contributions, or mandating that employers offer a choice of plans, are ways to reduce the use of insurance and contain costs. A qualified Capitol Hill staffer told M&H he felt competition plans could have a long-range effect on medical costs, but noted that the concept lacks high-powered backing in Congress. In sum, competition seems to be essentially what it isn't—it is not national health insurance nor cost containment regulations.●

CONGRESSIONAL ACTION ON FOOD STAMP FUNDING FOR FISCAL YEAR 1980

● Mr. DOLE. Mr. President, I take the floor at this time to emphasize the points made in my earlier statement this week, and to express my concern that we take action by May 15 on the supplemental appropriations for the food stamp program in fiscal year 1980. I and many of my colleagues on this side of the aisle, as well as Senators McGOVERN and TALMADGE, have expressed their concern over the current funding problem. We are now waiting for the Senate to take up the third concurrent budget resolution which is tied to the first, and for the House to act on S. 1309, which the Senate passed on July 23, 1979, and the House reported from Committee on February 27 of this year.

Unless this additional funding is provided, there is an imminent danger that food stamp benefits will have to be discontinued as of June 1, 1980. This is not a situation that the States are looking forward to dealing with, and we should do everything in our power to assure that they are not forced into a position of having to cope with the problems such a suspension of benefits would cause.

LEGISLATING IN CRISIS

It is because of the condition of our economy in general that original estimates for food stamp expenditures were inaccurate in projecting necessary funding levels for fiscal year 1980. The President has consistently delayed taking those strong measures needed to strengthen the economy and chose not to let the Congress know the extent of its specific budget revision proposals until late March. The administration really must bear the burden of their own miscalculations and delays rather than using the Congress as the scapegoat.

Because the Congress was awaiting specific direction from the administration on how to balance the Federal budget, and because the President failed to submit his revised budget until 2 months after his initial budget request, the administration has placed Congress in the awkward position of legislating in crisis. It would be nice to have had some time to consider food stamp reforms along the way, but now we are forced to concern ourselves primarily with merely pushing through the needed legislation in time to prevent a crisis from occurring.

BROADER ECONOMIC ISSUES INVOLVED

It is because of the condition of the economy in general that original estimates for food stamp expenditures have proven inaccurate in projecting funding levels for fiscal year 1980. As economic indicators change on almost a daily basis because of a failure by the Carter administration to act responsibly to control inflation, it is virtually impossible to project what our country's needs will be in the coming months. However, it is our responsibility and our duty to act in a timely manner to insure that no additional hardships are brought to bear on our citizens. While unemployment and food prices may have stabilized somewhat, nonfood items have escalated in cost and eroded the purchasing power of everyone. Because they must spend more on nonfood, cost-of-living expenses, lower middle-income groups are being pushed over the edge into food stamp eligibility.

This fact alone is due cause for concern, but what happens when even the purchasing power of our middle-income citizens becomes so limited that there is barely enough for food items? If our economy continues along the crash course that is outlined for us, such a Federal program as food stamps will reel out of control along with it. While we are drawing more and more people into the program, the benefits result in a direct income transfer and not a supplemental feeding program, as it was originally designed to be. Lower income groups, now finding it hard to make ends meet, are being forced to exist in a constant financial crunch and unless our economy is brought under control, we can only anticipate that increased funding levels for this program, as well as other social programs, will become necessary.

RECENT CBO PROJECTION ON FOOD STAMP PROGRAM

In its April 22, 1980, memorandum to the Senate Budget Committee, the Congressional Budget Office makes the following statement:

> Inflation. Grocery store food prices declined 0.2 percent in January, declined 0.4 percent in February, and were up 1.0 percent in March. Food prices increased at an annual rate of only 2.0 percent for the 3 months ending in March. While food prices have clearly stabilized during this period, other basic necessities have experienced unprecedented increases—housing increasing at a 19.5 percent rate, fuel oil at a 62.6 percent, gasoline at 95.4 percent, transportation costs at a 33.6 percent, public transportation at a 26.3 percent, and medical care at a 16.9 percent.
>
> I hypothesize that these rapid price increases have resulted in low and lower-middle income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and there-

by continue to maintain their real purchasing power in the non-subsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for nonfood purchases. Hence the propensity to participate in the program increases with relatively high rates of inflation in nonfood, but still basic items.

This statement in itself summarizes well CBO's analysis of the impact of the entire economic forecast on the food stamp program.

CALL TO ACTION

We in the Congress cannot let our needy citizens down by dragging our heels on this important legislation. We cannot allow a suspension of food stamp benefits to occur in these difficult economic times. As all are aware, the legislative machinery of the Congress is controlled by the majority party and it is the hope of the Senator from Kansas that the majority leadership in both the House and Senate will see the urgency of this legislation and hurry it to the floor as soon as possible. We are dealing with an issue that most certainly will receive bi-partisan support because of its implications for all of our States, and I again urge my colleagues to promote action in both the House and Senate that would expedite the passage of S. 1309 and the third concurrent budget resolution to prevent an imminent crisis in food stamp funding.●

ARMENIAN MARTYRS DAY

● Mr. LEVIN. Mr. President, today we honor the memory of the 1,500,000 Armenians massacred between 1915 and 1918 by the Turkish Ottoman Empire. This day, the 65th anniversary of Armenian Martyrs Day, is not only a day to commemorate the memory of these victims of man's inhumanity to man. This day also serves as an unfortunate reminder that this first genocide of the 20th century became the precedent of the holocaust of World War II. These genocides are historical realities which can never, and should never be blotted from the conscience of mankind.

It is for this reason that we honor the memory of those who perished. But we should also remember the accomplishments of a scattered people once they found a new home in the United States where their communities flourished.

Today, the children and grandchildren of these early immigrants have contributed to every part of American society. Their works and contributions to business, the arts, the professions, academia, government and philanthropic endeavors is a record of which all America and all Armenian-Americans can be proud.

Mr. President, this is a day that Armenians world-wide remember their ancestors who died so that those living today could be proud of a rich culture and heritage that has contributed so much to the world community. This is also a day that each of us should pause and remember the martyrs of this century's first genocide.●

REMEMBERING ARMENIAN MARTYRS DAY AND THE HOLOCAUST

● Mr. DOLE. Mr. President, on April 24, 1915, the killing of 200 Armenian leaders marked the prelude to the slaughter of about 1,500,000 Armenians. It is estimated that hundreds more dropped to a certain death in the desert areas of the eastern Turkish provinces. The brutal slaying of this courageous people can never be forgotten.

The unprecedented act of violence and cruelty that took place undoubtedly prepared the psychological terrain that made possible the mass murder of people whose crime was to belong to ethnic, national or religious affiliations deemed undesirable or "inferior." It is therefore fitting that we link in a common remembrance the victims of the Armenian tragedy and those of the holocaust of World War II. Both stand as infamous monuments to human barbarism. It was as if, in the words of the philosopher Martin Buber, "God had hidden his face" from the world and permitted the unthinkable to take place.

The horrors that were perpetrated during the Armenian episode as well as during the Nazi regime must serve as a reminder to the free world of its responsibility to insure that such a scourge is never repeated.

Millions of men, women and children were murdered. The uniqueness of each human life makes our loss irreversible. We will never know how many writers, thinkers, scientists, and musicians might have enriched the universe with their ideas, their discoveries, and their talents.

Has the world learned from the tragic experiences of the past? The recent holocaust in Cambodia, the killing of Christians in Lebanon, that of Arab and Jews in the Middle East, are but a partial answer to this question. Yet, a lesson has been reaped. The world has demonstrated a greater willingness to assume responsibility over collective tragedies. Efforts are being undertaken by nations to try and devise peaceful solutions to conflicts, and ways to bring better understanding in the community of men.

But the road is arduous, and the history of mankind has proven that we are engaged in a constant struggle between the forces of darkness and those of enlightenment. It is therefore essential that we use occasions such as this to pledge our continuing efforts to try and achieve the establishment of a world where tolerance and understanding replace bigotry and hatred, a world where freedom replaces slavery.●

OCEAN SHIPPING ACT OF 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Order No. 702, S. 2585.

Mr. BAKER. Mr. President, reserving the right to object, and I shall not object, the purpose of the reservation is to advise the majority leader that this item, together with a technical amendment that is to be offered to the measure, is cleared on our calendar, and we have no objection to its consideration and passage.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

A bill (S. 2585) to revise and codify the Shipping Act, 1916, and related laws.

There being no objection, the Senate proceeded to consider the bill.

UP AMENDMENT NO. 1050

(Purpose: To correct a technical error in S. 2585

Mr. ROBERT C. BYRD. Mr. President, on behalf of Mr. Cannon I send to the desk an amendment and ask that it be stated by the clerk. This amendment has been approved by the Committee on Commerce, Science, and Transportation.

The PRESIDING OFFICER. The amendment will be stated.

The legislative clerk proceeded to read the amendment.

Mr. ROBERT C. BYRD. Mr President, I ask unanimous consent that further reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 64, strike lines 5 through 10, and substitute:

(a) Section 1 of the Shipping Act, 1916 (39 Stat. 728; 46 U.S.C. 801) is amended to read as follows:

On page 66, between lines 13 and 14, insert the following new subsection:

(c) The title of the Shipping Act, 1916 (39 Stat. 728) is amended to read as follows:

"An Act to regulate the domestic offshore commerce of the United States".

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Nevada.

The amendment was agreed to.

● Mr. INOUYE. Mr. President, S. 2585, the Ocean Shipping Act of 1980, is intended to create effective, unified, current, and consistent policies and laws to regulate our international liner trades. It proposes badly needed and long-overdue revision and updating of a law which was enacted 65 years ago.

Mr. President, the United States is committed to the establishment and maintenance of a strong merchant fleet built and owned by American citizens, operated by American crews, and fully capable of meeting our international economic, military, and political needs and commitments under all foreseeable circumstances. This commitment reflects our awareness that even in times of peace, economic and political tensions may seriously disrupt traditional patterns of commercial interaction on international trade routes. It serves notice that, as the greatest international power of the free world, the United States cannot be dependent upon foreign vessels owing allegiance to foreign flags, foreign policies, and foreign interests for its survival.

The U.S. commercial liner fleet serves as a logical focal point of national shipping policy because our international commerce is substantially dependent on regularized service at stable rates and because we have placed heavy reliance on our general cargo fleet for national defense purposes. Despite the national importance of the U.S. liner fleet, its history has been marked by a decline so pronounced that the June 16, 1978, edition of the British publication Marine Week stated:

> The U.S., as the world's largest trading nation, not only lacks a merchant fleet commensurate with [its] true requirements but will shortly lack the means to achieve it.

In 1970, 19 U.S.-flag liner companies were active in the U.S. ocean commerce; only 10 are competing today. Within the last year, two companies—Pacific Far East Lines and States Steamship Co.—have gone into bankruptcy. Today, U.S.-flag carriers are outnumbered by foreign competitors on every trade route in the U.S. foreign commerce.

In his letter of July 20, 1979, to the Senate Commerce Committee, President Carter warned that "our merchant marine faces an increasingly uncertain future." Our ships, he noted, now carry only 5 percent of our foreign trade. President Carter characterized "as intolerable" the present situation where "the U.S.-flag share of our liner trade is less than 30 percent, when developing countries have set goals of 40 percent for themselves."

Most significantly, the President recognized that the laws by which we regulate our liner trades were largely responsible for this "intolerable" situation. Regulation of liner conferences has become increasingly complex, uncertain and time-consuming, he observed. His letter further noted that delays in the Federal Maritime Commission's approval process sometimes stretch on for years. Conflicting views expressed by various executive branch agencies concerning acceptable conference practices, as well as shifting decisions by the FMC and the courts have created confusion over the responsibilities of the conferences and the Government's regulation of conference activities. In order to end the uncertainty and delay that surround government regulation of ocean shipping, he said it was necessary to revise substantially our laws governing liner conferences.

The committee had anticipated the President's analysis of the state of our liner fleet and his recommendation for remedial legislation 2 years earlier.

In March 1977, my Merchant Marine Subcommittee began addressing itself to the specific problems facing the liner segment of our maritime industry.

A number of hearings were held during that year and the following one, and two major pieces of legislation were enacted as a result.

Public Law 95-843, strengthened certain provisions of the Shipping Act, 1916, in order to regulate the rate-cutting practices of state-controlled carriers operating as "cross-traders" in our international liner trades. Predatory rate practices by certain state-controlled carriers threatened the stability of our trades and the viability of the U.S. liner fleet.

The second piece of legislation, Public Law 96-25, strengthened the provisions of the 1916 act which prohibit illegal rebating. Illegal rebating had been widespread in our liner trades for many years, and had been characterized by many experts as the most serious threat to the stability of those trades.

Mr. President, while Public Law 95-483 and Public Law 96-25 dealt with two of the most immediate threats to our liner trades, my subcommittee recognized that these two laws were directed at symptoms rather than the fundamental problems underlying the U.S. ocean commerce and that substantially more was needed to be done to remedy the uncertainty, delay, and chaos which characterized Federal regulation of ocean liner shipping. At the request of the administration, however, the subcommittee delayed considering additional measures pending the report of the administration's Interagency Maritime Task Force, which we did not receive until July 20, 1979.

In September of last year the committee began extensive hearings on a series of proposals intended to serve as a catalyst for legislation that might be necessary to produce a well-conceived, effective, modern, unified, and consistent regulatory policy which is responsive to the realities of international ocean shipping.

During its deliberations, the committee received testimony from over 70 witnesses on the issues involved in the review and revision of maritime laws regulating international ocean shipping, principally the Shipping Act, 1916.

S. 2585, which is unanimously supported by the Commerce Committee, is the result of these extensive deliberations as well as those which began 3 years ago.

Mr. President, the Commerce Committee believes that the legislation it is reporting will enable the U.S. liner fleet to compete in the real world of international ocean shipping and harmonize our laws with those of our trading partners to the fullest practicable extent within the framework of our own national policies.

Among the major regulatory problems responsible for the chaos in our liner trades which S. 2585 is intended to remedy are:

Delay in the FMC's approval process for section 15 agreements;

Dilution of clear standards of approvability for section 15 agreements and subsequent loss of predictability in regulatory decisionmaking:

Confusion over rates and responsibilities of conferences and conflicting views expressed by various executive branch agencies concerning acceptable conference practices;

Dumping of excess cross-trader vessel tonnage in our foreign trades; and

The "chilling effect" on the efforts of carriers to cooperatively arrive at rational commercial arrangements to improve U.S.-flag participation in our liner trades, increase operational efficiency, and promote comity with our trading partners. These efforts not only face constant risk of opposition from the Antitrust Division of the Department of Justice, but have exposed all parties to prosecution or the threat of prosecution under the U.S. antitrust laws.

Mr. President, I urge enactment of S. 2585.●

● Mr. WARNER. Mr. President, I rise in support of S. 2585, the Ocean Shipping Act of 1980. This legislation represents the first major step toward the restoration of America's commercial oceangoing fleet to its rightful position of world maritime leadership.

It is, indeed, imperative for the United States to have a strong, well-balanced merchant fleet. A sound U.S. liner industry maintains stability in America's international trade routes by providing shippers with regularized ocean transportation service. Moreover, our maritime fleet plays a major part in national defense posture by providing support for the Nation's military operations.

During the last decade, however, it has become painfully obvious that the maritime policy of the United States—to the extent we have a maritime policy—has been a failure. At the end of 1960, for example, the U.S. privately owned fleet was the 4th largest in the world, and today we have fallen into 10th place. American-flag ships now carry a mere 5 percent of the total U.S. ocean commerce. This compares with Russia's 50 percent of their own trade, Japan's 40 percent, Greece's 45 percent, and Norway's 37 percent. Today the U.S.-flag fleet consists of 725 vessels compared to the U.S.S.R.'s 2.456, Greece's 2,379, the United Kingdom's 1,377, and Japan's 1,846. With respect to liner operation, in 1970 there were 19 U.S.-flag companies whereas today there are 10. This represents a loss of about one company per year.

In the face of these sobering statistics, the Senate Merchant Marine and Tourism Subcommittee attempted to identify more precisely the causes which precipitated the current deplorable condition of the U.S. fleet. Several problems emerged.

First, it is clear that the regulation of liner conferences has become increasingly complex, uncertain and time consuming. Delays in the Federal Maritime Commission (FMC) approval process sometimes stretch on for years. Second, conflicting stands on issues of maritime importance are held by various Federal agencies, and the U.S. Government seems unable to speak with a single voice on maritime policy questions. Overtonnaging, rate cutting, rebating and the proliferation of Government-owned carriers in our liner trades have created an instability which jeopardizes the huge capital investment of U.S. shipping companies. Moreover, U.S. regulatory policies are inconsistent with traditional trading practices of the international maritime community which has resulted in a constant feeling of resentment on the part of our foreign trading partners toward the United States' unilateral actions.

S. 2585 is a fundamental revision of U.S. maritime regulatory policies embodied in the Shipping Act of 1916 and attempts to resolve these most difficult issues. I recognize that in order to complete our revitalization effort, we must also have an in-depth review of our maritime promotion programs. It is my expectation that the Senate Commerce Committee's Merchant Marine and Tourism Subcommittee will begin this analysis in the near future, and I look forward to participating in that effort.

S. 2585 would first establish a new statement of maritime policy objectives that will set the tone for the Federal Maritime Commission's regulatory activity. Second, the implementation of conference agreements is facilitated by providing a new standard of approval whereby conference agreements may be implemented if they are found consistent with the act's declaration of policy. This new approval standard will be in lieu of the current antitrust standard which has evolved from a series of administrative and judicial interpretations. Moreover, the FMC must reach a final decision on conference agreement approval within 1 year to insure that conferences do not encounter unnecessary regulatory delays.

In its unanimous approval of S. 2585, the Commerce Committee has recognized the conference system as an acceptable method of commercial operation in international ocean shipping. However, the Ocean Shipping Act retains the present open conference system whereby all of the world's carriers may join conferences serving the U.S. foreign trades.

Complete antitrust immunity is granted to conference activities. This is not only consistent with international shipping practice but also would remove a source of constant irritation between the United States and our foreign trading partners. Furthermore, conferences are granted antitrust immunity to enter into intermodal transportation arrangements with air carriers, motor carriers and rail carriers for the transportation of cargo under through routes or joint rates. U.S. carriers are most competitive in high technology services that facilitate intermodal transportation, and this provision will help to provide a regulatory environment which will encourage the development of intermodal services.

S. 2585 also provides antitrust immunity for the formation of shippers' councils. This new concept in the U.S. ocean trades will allow U.S. exporters and importers to join together and negotiate collectively with carrier conferences. It is fully expected that this authority will result in improved service to shippers as a result of their ability to use collective bargaining power to counterbalance the collective power of ocean carrier conferences.

Mr. President, America simply must turn its maritime industry around and begin the redevelopment of a strong ocean shipping industry. Clearly, other nations of the world recognize the importance of a merchant fleet for economic stability, for independence from trade interruptions by antagonistic governments, and for direct military support in time of war or national emergency.

This difficult and complex task has already been neglected for too long. The Ocean Shipping Act of 1980 would begin the corrective process toward this vital national objective.

This legislation makes a very positive contribution to the regulatory environment of both United States and foreign-flag ships serving U.S. ocean trade routes. S. 2585 was unanimously reported from the Committee on Commerce, Science and Transportation and, likewise, is deserving of full Senate support.●

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment and third reading of the bill.

The bill was ordered to be engrossed for a third reading and was read the third time.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

So the bill (S. 2585), as amended, was passed as follows:

S. 2585

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Ocean Shipping Act of 1980".

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TITLE I—GENERAL PROVISIONS

SEC. 101. DECLARATION OF POLICY.

(a) The objectives of United States ocean transportation regulation are:

(1) development and maintenance of an efficient, innovative, and economically sound ocean transportation system to meet the current and future needs of United States foreign commerce;

(2) carriage by vessels of United States registry of a substantial portion of the waterborne export and import foreign commerce of the United States in order to further both the economic and national defense goals of the Nation;

(3) protection of the rights of shippers, ports, and consumers by the prevention of discriminatory, prejudicial, unfair or deceptive practices proscribed by this Act;

(4) encouragement of the lowest possible stable freight rates which are commercially feasible and the highest quality service to shippers and consignees consistent with other objectives of this Act;

(5) encouragement of exports from the United States to achieve and maintain a favorable international balance of payments;

(6) comity with nations engaged in trade with the United States;

(7) development and maintenance of a regulatory environment responsive to the needs of the public in which decisions are reached promptly and fairly;

(8) assuring the maintenance of a dependable common carrier service responsive to the needs of exporters and importers in the waterborne foreign commerce of the United States; and

(9) encouragement and support of a regulatory environment which furthers the national objective of the efficient use of fuel for energy conservation through cooperation among carriers, rationalization and similar arrangements.

SEC. 102. DEFINITIONS.

As used in this Act—

(1) "agreement" means understandings, arrangements and associations, written or oral, and any modification or cancellation thereof;

(2) "Commission" means the Federal Maritime Commission established by section 101 of Reorganization Plan Numbered 7 of 1961 (75 Sta. 840);

(3) "common carrier by water" means a person, whether or not actually operating a vessel, who holds himself out to engage in water transportation for hire as a public employment and undertakes to carry for shippers indifferently, but does not include one who holds himself out to engage in transportation by ferryboat or ocean tramp;

(4) "common carrier by water in foreign commerce" means a common carrier by water between the United States or any of its territories or possessions and a foreign country, whether engaged in the import or export trade, and whether or not its service operates through or originates or terminates at ports of the United States or its territories, or possessions;

(5) "conference" means an association of two or more vessel operating common carriers by water which provides ocean transportation for the carriage of cargo on a particular route or routes within specified geographic limits and which operate within the framework of an agreement establishing freight rates and any other conditions or service;

(6) "consignee" means a person to whom cargo is shipped or to whom cargo is to be delivered pursuant to the terms of the bill of lading;

(7) "contract shipper" means a shipper or consignee who is a party to a patronage contract as defined in this section;

(8) "controlled carrier" means a common carrier by water in foreign commerce which is or whose operating assets are directly or indirectly owned or controlled by a government. Ownership or control by a government shall be deemed to exist if a majority of the interest in the carrier is owned or controlled in any manner by such government, by any agency of the government or by any person, corporation, or entity controlled by such government. Ownership or control shall also be deemed to exist if a government has the right to appoint or disapprove the appointment of a majority of the directors or the chief operating or executive officer of the carrier;

(9) "deferred rebate" means a return of any freight payments by any common carrier by water in foreign commerce to any shipper as a consideration for the giving of all or any portion of his shipments to the same or any other carrier, or for any other purposes, the payment of which is deferred beyond the completion of the service for which it is paid, and is made only if, during both the period for which computed and the period of deferment, the shipper has complied with the terms of the rebate agreement or arrangement;

(10) "freight forwarding" means the dispatching of shipments by any person on behalf of others, via common carrier(s) by water in commerce from the United States or its territories or possessions to foreign countries, and processing the documentation or performing related activities incident to such shipments;

(11) "independent ocean freight forwarder" means a person carrying on the business of freight forwarding for a consideration who is not a shipper or consignee or a seller or purchaser of property to foreign countries;

(12) "intergovernmental maritime agreement" means an agreement between the United States and a foreign government which relates to the carriage of ocean commerce between or among the signatories;

(13) "intermodalism" or "intermodal transportation" means the utilization of two or more different modes of transportation from origin to destination, at least one of which is ocean transportation subject to this Act;

(14) "non-vessel-operating common carrier" means a common carrier by water that does not operate the vessels by which its ocean transportation service is provided. A non-vessel-operating common carrier is a shipper in his relationship with vessel-operating common carriers by water;

(15) "other person subject to this Act" includes conferences, shippers' councils or any person carrying on the business of freight forwarding or furnishing wharf, dock, warehouse, or other terminal facilities in connection with a common carrier by water;

(16) "patronage contract" means an agreement with a common carrier by water in foreign commerce or conference of such carriers by which a contract shipper obtains a lower rate by committing all or a fixed portion of its cargo to such carrier or conference;

(17) "person" includes individuals, corporations, companies, associations, firms, partnerships, societies, joint stock companies, and the Government or any governmental agency of the United States, State, territory or possession thereof, or of any foreign country. Person also includes a trustee, receiver, assignee, or personal representative of a person;

(18) "reciprocal carrier" means a common carrier by water in foreign commerce recognized as a national carrier by the government of the reciprocal nation that contains the ocean port of origin or destination of the cargo that is subject to an intergovernmental maritime agreement;

(19) "reciprocal nation" means the foreign nation (or organization of foreign nations which have agreed among themselves to act for purposes of administration of their respective cargo preference laws as a single entity) which is the signatory to an intergovernmental maritime agreement;

(20) "shipper" means an owner or person for whose account the ocean transportation of goods is provided;

(21) "shippers' council" means an association of shippers or their agents, other than independent ocean freight forwarders and non-vessel-operating common carriers, established for the purpose of (A) mutual consultation and exchange of information or views in regard to general level of rates, rules, practices, patronage contracts or services, and (B) agreement upon common positions for the purpose of consultation and negotiation with common carriers by water in foreign commerce, conferences of such carriers, or the parties to intermodal agreements in regard to general levels of rates, rules, practices, or services;

(22) "tariff" means any schedule of rates, charges, classifications, rules, and regulations pertaining to ocean transportation or intermodal transportation and includes any supplement, amendment, or reissue;

(23) "territory or possession" includes the Commonwealth of the Northern Marianas, the Commonwealth of Puerto Rico, American Samoa, Guam, the United States Virgin Islands, and any other territory or possession of the United States; and

(24) "United States" or "State" includes the District of Columbia.

TITLE II—FEDERAL MARITIME COMMISSION; REPORTS TO CONGRESS; AUTHORIZATION OF APPROPRIATIONS; CONDITIONS UNFAVORABLE TO FOREIGN COMMERCE; GENERAL RULEMAKING AUTHORITY

SEC. 201. ANNUAL REPORTS TO CONGRESS; LEGISLATIVE PROPOSALS.

(a) No later than April 1 of each year, the Commission shall report to Congress a summary of its activities, expenditures, and receipts under this Act.

(b) Whenever it is of the opinion that a change in the laws administered by it is necessary, the Commission shall submit its legislative recommendations to Congress and simultaneously transmit them to the Executive Office of the President. No officer or agency of the United States shall have the authority to require the Commission to submit its legislative recommendations, testimony, or comments on legislation, or requests for appropriations, to any officer or agency of the United States prior to the submission of such recommendations, testimony, comments, or requests for appropriations to the Congress.

SEC. 202. AUTHORIZATION OF APPROPRIATIONS.

(a) Commencing with fiscal year 1982 appropriation of funds required to carry out the provisions of this Act and other laws administered by the Commission shall be subject to annual authorization.

(b) Authorization of appropriations to the Commission shall reflect the need for efficient and timely regulation of the various aspects of ocean commerce in relation to the growth of that commerce and international developments which may affect such need and the national defense goals of the Nation.

SEC. 203. RULES TO COUNTER CONDITIONS UNFAVORABLE TO FOREIGN COMMERCE.

(a) The Commission is authorized and directed in aid of the accomplishment of the objectives of this Act to make rules and regulations affecting shipping in the foreign commerce of the United States not in conflict with United States law in order to adjust or meet general or special conditions unfavorable to such shipping whether in any particular trade or upon any particular route or in foreign commerce generally, and which arise out of or result from foreign laws, rules, or regulations or from competitive methods or practices employed by owners, operators, agents, or masters of vessels of a foreign country.

(b) If, after preliminary investigation, the Commission has reasonable cause to believe that foreign laws, rules, or regulations or competitive methods or practices employed by owners, operators, agents or masters of vessels of a foreign country have resulted or will result in general or special conditions unfavorable to ocean shipping in foreign commerce whether in any particular trade or upon any particular route or in foreign commerce generally, the Commission may petition the United States district court of any district affected by such rules, regulations, methods, or practices or of any district in which the defendant transacts business, for appropriate injunctive relief pending the outcome of a proceeding pursuant to subsection (a) of this section with respect to such matter. Upon a showing that the Commission has reasonable cause to believe that such conditions do or will exist, a temporary or permanent injunction or restraining order which the court deems just and proper shall be granted without bond, notwithstanding any other provision of law.

SEC. 204. GENERAL RULEMAKING AUTHORITY.

The Commission may promulgate such rules and regulations as may be necessary to carry out the provisions of this Act and other laws administered by the Commission.

TITLE III—AGREEMENTS AND CONTRACTS

SEC. 301. AGREEMENTS REQUIRED TO BE FILED.

(a) Every common carrier by water in foreign commerce, conference of such carriers, or other person subject to this Act, shall file immediately with the Commission a copy, or, if oral, a complete memorandum, of every agreement with another such carrier or other person subject to this Act to which it may be a party or conform in whole or in part which involves transportation by water or related services in the foreign commerce of the United States, and which provides for—

(1) discussing, negotiating, fixing, or regulating transportation rates or fares;

(2) giving or receiving special rates, accommodations, or other special privileges or advantages;

(3) controlling, regulating, or preventing or destroying competition;

(4) pooling or apportioning earnings, losses, or traffic;

(5) allotting ports or restricting or otherwise regulating the number and character of sailings between ports;

(6) limiting or regulating in any way the volume or character of cargo to be carried; or

(7) any manner of exclusive, preferential, or cooperative working arrangement.

(b) Every common carrier by water in foreign commerce, or conference of such carriers, shall file immediately with the Commission a copy, or, if oral, a complete memorandum, of every agreement with any air carrier, rail carrier, motor carrier, or other common carrier by water which povides for—

(1) the establishment of through routes for the movement of cargo; or

(2) the fixing of through or joint rates, or concurrence in tariffs.

(c) A copy of every agreement among or between shippers or consignees concerning the establishment or operation of a shippers' council in the United States, or a complete memorandum of any such oral agreement, shall be filed immediately with the Commission.

(d) Every agreement submitted for approval pursuant to this section shall be accompanied by a statement setting forth the objectives of the parties and how the anticipated economic and transportation benefits of such agreement further the objectives of the declaration of policy set forth in section 101 of this Act.

(e) The Commission shall publish in the Federal Register a notice of every agreement submitted for approval pursuant to this section within 15 days of the submission of such agreement.

SEC. 302. AGREEMENTS NOT REQUIRED TO BE FILED.

(a) The provisions of section 301, sections 303 through 310, and section 316 of this title do not apply to—

(1) agreements to provide or furnish wharf, dock, warehouse, or other terminal facilities to the extent that such services or facilities are to be provided outside the United States, its territories or possessions;

(2) agreements which relate solely to transportation services between foreign countries; and

(3) agreements which relate to shippers' councils operating exclusively outside the United States.

(b) The provisions of section 301, and sections 303 through 310 of this title do not apply to patronage contracts as defined in section 102(16) of this Act.

SEC. 303. FORM OF AGREEMENT; REJECTION.

The Commission may by regulation prescribe the form and manner in which agreements shall be filed; and the Commission is authorized to reject any agreement which is not filed in conformity with such regulations

SEC. 304. ACTION ON AGREEMENTS.

The Commission shall, after notice and hearing, disapprove, cancel, or modify any agreement filed pursuant to section 301 of this title if the Commission finds such agreement to be inconsistent with the declaration of policy or other provisions of this Act. The Commission shall approve all other agreements.

SEC. 305. PRESUMPTION IN FAVOR OF CERTAIN AGREEMENTS.

The following agreements shall be presumed to be consistent with the declaration of policy and other provisions of this Act:

(1) agreements implementing intergovernmental maritime agreements;

(2) conference agreements which contain a right of independent action on reasonable notice;

(3) agreements which are endorsed favorably by all of the shippers' councils of the trades to which the agreement applies, except for agreements between or among shippers; and

(4) agreements relating to equipment interchange, terminal sharing, equipment standardization, or other technical matters.

SEC. 306. TEMPORARY APPROVAL.

(a) Notwithstanding any other provision of law, the Commission may, in its discretion, upon notice but without hearing or other proceeding, grant temporary approval for up to 1 year to any agreement filed pursuant to section 301 of this title pending the Commission's final disposition of the agreement under this title.

(b) In determining whether to grant temporary approval to an agreement pursuant to this section, the Commission shall consider whether:

(1) the parties to the agreement would be substantially harmed if the agreement were not immediately approved and implemented;

(2) any other persons would be substantially harmed, if temporary approval were granted; and

(3) it appears from all the information available to the Commission that temporary approval is necessary to meet an emergency or to fulfill an important public need.

(c) Actions to implement an agreement during a period of temporary approval granted pursuant to this section shall not be construed to be violations of this Act even if the agreement is subsequently disapproved, canceled or modified by the Commission pursuant to section 304 of this title.

SEC. 307. TIME LIMITS ON COMMISSION ACTION.

(a) Within 8 months of the date of filing of any agreement submitted to the Commission pursuant to section 301 of this title, the Commission shall approve, disapprove, or modify such agreement; however, the Commission may in its discretion and for good cause, extend this time period for an additional 4 months. Failure of the Commission to approve, disapprove, or modify any agreement within the time limits set forth in this subsection shall cause an agreement to be deemed approved.

(b) The Commission shall, within 45 days of the date of filing, grant or deny any request for temporary approval to any agreement pursuant to the authority contained in section 306 of this title. The Commission may withdraw such temporary approval at any time.

(c) The Commission may, at any time, after notice and hearing disapprove, cancel, or modify any agreement previously approved by it or deemed approved pursuant to subsection (a) of this section upon a finding that the agreement is inconsistent with the declaration of policy or other provisions of this Act.

SEC. 308. REQUIREMENT FOR INDEPENDENT ACTION.

The Commission shall not approve any agreement filed pursuant to section 301(a) or (b) nor shall continued approval be permitted for:

(1) any agreement between carriers not members of the same conference or between conferences of carriers serving different trades that would otherwise be naturally competitive, unless in the case of agreements between carriers, each carrier, or in the case of agreements between conferences, each conference, retains the right of independent action;

(2) any agreement which fails to provide that a member carrier of a conference or other rate fixing agreement has a right of independent action to serve any United States port designed for the accommodation of oceangoing vessels at the same ocean freight rates charged by the conference or rate-fixing body at the nearest port within the geographic scope of such conference or rate-fixing agreement; or

(3) any intermodal agreement which fails to provide for the right of independent action by air carriers, rail carriers, motor carriers or common carriers by water not subject to this Act to establish their portion of rates or changes or to establish rules and regulations which apply exclusively to the services performed by such carriers: *Provided*, That the requirements of this paragraph (3) shall not apply to agreements with any such carriers operating exclusively

within a foreign country or countries in implementing the agreement.

Sec. 309. Admission to and Withdrawal From Conferences and Shippers' Councils.

(a) The Commission shall, after notice and hearing, disapprove or modify any conference agreement filed pursuant to section 301(a) or (b) of this title which, by operation or effect, fails to provide reasonable and equal terms and conditions for admission or readmission to conference membership in the trade covered by the conference agreement or fails to provide that any member may withdraw from membership upon reasonable notice without penalty for such withdrawal. In any hearing under this subsection, the burden of proof shall be upon the persons whose agreement or practice is in question.

(b) The Commission shall, after notice and hearing, disapprove or modify any agreement relating to the establishment or operation of a shippers' council filed pursuant to section 301(c) of this title which, by operation or effect, fails to provide reasonable and equal terms and conditions for admission or readmission to council membership for any shipper whose commercial interests coincide with those of the council or which fails to provide that any member may withdraw from membership upon reasonable notice without penalty for such withdrawal. In any hearing under this subsection, the burden of proof shall be upon the persons whose agreement or practice is in question.

Sec. 310. Policing Obligations of Conferences and Carriers; Shippers' Requests and Complaints.

(a) The members of each conference agreement and every ocean common carrier in a trade that is not a party to a conference agreement relating to such trade shall engage the services of an independent neutral body to police the obligations of such conference, conference members, and nonmember carriers under this Act and the approved conference agreement, except that such policing by an independent neutral body shall not be required in any trade for which the Commission finds that the cost of such policing would be unreasonably large in comparison to the size of the trade. The Commission may disapprove any such conference agreement or may suspend for up to 12 months the tariff or tariffs of any such conference, conference member, or nonmember carrier, whenever it finds, after notice and hearing, inadequate policing of such obligations of such conference, conference member, or nonmember carrier.

(b) The Commission shall disapprove, cancel or modify any conference agreement or other rate-fixing agreement filed pursuant to section 301(a) or (b) of this title, after notice and hearing, upon a finding of failure or refusal to adopt or maintain reasonable procedures for promptly and fairly hearing and considering shippers' requests and complaints.

Sec. 311. Patronage Contracts.

Any common carrier by water in foreign commerce or conference that proposes to enter into a patronage contract shall submit such contract to the Commission in such form and manner as regulations of the Commission may provide. The Commission shall permit the use of any such patronage contract that meets the requirements of section 312 of this title and which is available to all shippers and consignees on equal terms and conditions, unless the Commission finds, after notice and hearing, that the contract will be inconsistent with the declaration of policy or other provisions of this Act. Agreements between shippers and carriers or conferences in implementation of any permission granted by the Commission pursuant to this section are exempted from the requirements of sections 301, 303, and 304 of this title.

Sec. 312. Requirements in Patronage Contracts.

The Commission shall not permit the use of any patronage contract unless it expressly—

(a) permits prompt release of the contract shipper from the contract with respect to any shipment or shipments for which the contracting carrier or conference of carriers cannot provide space requested on reasonable notice by the shipper;

(b) provides that whenever a tariff rate for the carriage of goods under the contract becomes effective, it shall not be increased on less than 60 days' notice unless specifically authorized by the Commission. A rate subject to the contract may be increased on not less than 30 days' notice if the increase is to a level no higher than that from which the particular rate was reduced within 180 days immediately preceding the filing of the increase;

(c) covers only those goods of the contract shipper for of which the contract shipper has the legal right at the time of shipment to select the carrier. It shall be deemed a breach of the contract if, before the time of shipment and with the intent to avoid its obligation under the contract, the contract shipper divests itself, or with the same intent permits itself to be divested, of the legal right to select the carrier and the shipment is carried by a carrier which is not a party to the contract;

(d) does not require the contract shipper to divert shipments of goods from natural routings not served by the carrier or conference of carriers where direct carriage is available;

(e) limits damages recoverable for breach by either party to actual damages to be determined after breach in accordance with the principles of contract law. The contract may specify, however, that in the case of a breach by a contract shipper the damages may be an amount not exceeding the freight charges computed at the contract rate on the particular shipment, less the cost of handling;

(f) permits the contract shipper to terminate the contract without penalty on 90 days' notice;

(g) permits the carrier or conference on 90 days' notice to terminate the contract rate system in whole or with respect to any commodity without penalty;

(h) provides for a spread between ordinary rates and rates charged contract shippers that is not greater than 18 percent of the ordinary rates if both shipper and consignee are parties to the contract, or that is not greater than 13 percent of the ordinary rates if only the shipper or the consignee is a party to the contract; and

(i) contains such other provisions as the Commission shall require.

Sec. 313. Withdrawal of Permission To Use Patronage Contracts.

The Commission shall withdraw permission for the use of any patronage contract if it finds, after notice and hearing, that the use of such contract is inconsistent with the declaration of policy or other provisions of this Act.

Sec. 314. Reinstatement of Patronage Contracts.

After termination of a patronage contract by the carrier or conference, or withdrawal of permission for the use of a patronage contract by the Commission, the carrier or conference shall not reinstate such contract or part thereof without prior permission by the Commission in accordance with the provisions of section 311 and 312 of this title.

Sec. 315. Exemptions From Antitrust Laws.

(a) The antitrust laws of the United States shall not apply to:

(1) an agreement described in section 301 or 302 of this title or any activity described in section 301 or 302 of this title; and

(2) a patronage contract, as defined in section 102(16) of this Act, or any activity pursuant to a patronage contract.

(b) For the purposes of this Act, the antitrust laws of the United States shall include: the Act of July 2, 1890 (ch. 647, 26 Stat. 209), as amended; the Act of October 15, 1914 (ch. 323, 38 Stat. 730), as amended; the Federal Trade Commission Act (38 Stat. 717), as amended; sections 73 and 74 of the Act of August 27, 1894 (28 Stat. 570), as amended; the Act of June 19, 1936 (ch. 592, 49 Stat. 1526), as amended; the Antitrust Civil Process Act (76 Stat. 548), as amended; and amendments and Acts supplementary thereto.

Sec. 316. Unlawful Agreements and Patronage Contracts.

(a) It shall be unlawful for any agreement or patronage contract subject to this title to be implemented without prior Commission approval or permission.

(b) Whoever violates subsection (a) of this section shall be subject to a civil penalty of not more than $25,000 for each day that the agreement or patronage contract is in effect without Commission approval or permission.

TITLE IV—TARIFFS AND RATES

Sec. 401. Requirements for Filing and Content of Tariffs.

(a) Every common carrier by water in foreign commerce and every conference of such carriers shall file with the Commission, and keep open to public inspection, tariffs showing all the rates and charges of such carrier or conference between all points on its own route and on any through route which has been established in the foreign commerce of the United States. Such tariffs shall plainly indicate the places between cargo will be carried, shall list each classification of cargo in use, and shall also state separately each additional charge, privilege, or facility under the control of the carrier or conference which is granted or allowed, and any rules or regulations which in any way change, affect, or determine any part or the aggregate of such rates or charges, and shall include sample copies of any bill of lading, contract of affreightment, or other document evidencing the transportation agreement.

(b) The Commission shall by regulation prescribe the form and manner in which the tariffs required by this title shall be published and filed and is authorized to reject any tariff which is not in conformity with this title and with such regulations. Upon rejection by the Commission, a tariff shall be void and its use unlawful.

Sec. 402. Exception to Filing Requirements.

The requirements of this title shall not be applicable to cargo loaded and carried in bulk without mark or count or to cargo which is softwood lumber. As used in this section, the term "softwood lumber" means softwood lumber not further manufactured than passing lengthwise through a standard planing machine and crosscut to length, logs, poles, piling, and ties, including such articles preservatively treated, or bored, or framed, but not including plywood or finished articles knocked down or set up.

Sec. 403. Public Availability of Tariffs.

Copies of such tariffs shall be made available to any person and a reasonable charge may be assessed for them.

Sec. 404. Rates for Barging and Affreighting of Containers.

(a) Notwithstanding chapter 107 of subtitle IV of title 49, United States Code, or any other provision of law, rates and charges for the barging and affreighting of containers and containerized cargo by barge between points in the United States, shall be filed solely with the Commission, in accordance with rules and regulations promulgated by the Commission, if:

(1) the cargo is moving between a point in a foreign country and a point in the United States, or a territory or possession of the United States;

(2) the transportation by barge between points in the United States is furnished by a terminal operator as a service substitute in lieu of a direct vessel call by the common carrier by water in foreign commerce transporting the containers or containerized cargo under a through bill of lading;

(3) such terminal operator is a municipality, or other public body or agency subject to the jurisdiction of the Commission, and the only one furnishing the particular circumscribed barge service in question as of the date of enactment of this section; and

(4) such terminal operator is in compliance with the rules and regulations of the Commission for the operation of such barge service.

A terminal operator providing services described in this subsection shall be subject to the provisions of this Act.

(b) The Commission shall promulgate rules and regulations for the barge operations described in subsection (a) of this section. Such rules shall provide that the rates charged shall be based upon factors normally considered by a regular commerical operator in the same service.

SEC. 405. Rate Changes.

(a) No change shall be made in rates, charges, classifications, rules, or regulations, nor shall any new or initial rate be instituted, except by the publication and filing of a new tariff or tariffs with the Commission. Each such new tariff or tariffs shall plainly show the changes proposed to be made in the tariff or tariffs then in force and the date when the rates, charges, classifications, rules, or regulations as changed are to become effective.

(b) Except as provided in section 406 of this title, no new tariff or tariffs published and filed with the Commission pursuant to subsection (a) of this section may become effective earlier than:

(1) Fifteen days after the date of such publication and filing in the case of a proposed reduction in rates or charges; or

(2) Thirty days after the date of such publication and filing in the case of any other proposed change in rates, charges, classifications, rules, or regulations.

SEC. 406. Commission Discretion in Rate Changes.

The Commission, in its discretion and for good cause, may allow changes and new or initial rates to become effective upon less than the period specified in section 405 of this title.

SEC. 407. Adherence to Published Rates by Carriers.

(a) No common carrier by water in foreign commerce or other person subject to this Act shall charge, demand, or receive a greater, less, or different compensation for the transportation of cargo or for any related service than the rates or charges specified in its applicable tariffs in effect at that time.

(b) No common carrier by water in foreign commerce, nor any officer, employee or agent thereof, shall—

(1) rebate, refund or remit in any manner or by any device any portion of the rates or charges specified in the applicable tariffs in effect at that time;

(2) extend or deny to any person any privilege, concession, equipment, or facility, except in accordance with any such tariffs; or

(3) allow any person to obtain transportation of cargo at less than the rates or charges specified in such tariffs by any other means.

SEC. 408. Adherence to Published Rates by Shippers and Other Persons Subject to the Act.

Except as permitted by the Commission under section 409 of this title and except with respect to negotiations relating to future shipments, no shipper, consignee, forwarder, other persons subject to this Act, nor any officer, employee, or agent thereof, shall receive, demand, obtain or attempt to obtain by any device or means, transportation of cargo by a common carrier by water in foreign commerce or conference of such carriers, or any service related thereto, at less than the rates and charges specified in applicable tariffs of that carrier or conference on file with the Commission and in effect at that time. However, neither the penalty prescribed by section 420 of this title nor any other penalty shall be imposed upon any shipper or other person subject to this Act for a violation of this section that occurs because of clerical or administrative error or inadvertence on the part of the shipper or other person subject to this Act.

SEC. 109. Permission to Depart From Tariffs.

Upon application of a common carrier by water in foreign commerce, a conference of such carriers, or a shipper, the Commission may, in its discretion and for good cause shown, permit such a carrier or conference to refund a portion of freight charges collected from a shipper where it appears that there is an error in a tariff of a clerical or administrative nature or an error due to inadvertence in failing to file a new tariff and that such refund will not result in discrimination among shippers, ports, or carriers. This permission may not be granted unless the carrier or conference has, prior to applying for authority to make refund, or in the case of an application filed by a shipper, within 20 days after the application, filed a new tariff with the Commission setting forth the rate on which the refund would be based, and the carrier or conference agrees that if permission is granted by the Commission, an appropriate notice will be published in the tariff, or such other steps taken as the Commission may require which give notice of the rate on which the refund would be based, and additional refunds as appropriate shall be made with respect to other shipments in the manner prescribed by the Commission in its order approving the application. Any application for refund pursuant to this section must be filed with the Commission within 180 days from the date of shipment.

SEC. 410. Disapproval of Rates in Foreign Commerce.

The Commission shall disapprove any rate or charge filed by a common carrier by water in foreign commerce or conference of such carriers which, after notice and hearing, it finds to be so unreasonably high or low as to be detrimental to the commerce of the United States or in violation of any of the prohibitions contained in title V of this Act.

SEC. 411. Rate Disparities.

Upon the complaint of an exporter from the United States or an association representing such exporters, the Commission may disapprove any rate or charge of a common carrier by water in foreign commerce or conference of such carriers for the carriage of cargo from the United States to any foreign country if, allowing for differences in cost due to variances in relevant transportation factors, such rate or charge is higher than the rate or charge of that carrier or conference for the carriage of cargo which moves under the same commodity description from:

(a) that foreign country to the United States; or

(b) a third country to that foreign country.

SEC. 412. Rates of Controlled Carriers.

No controlled carrier shall maintain rates or charges in its tariffs filed with the Commission that are below a level which is just and reasonable, nor shall any such carrier establish or maintain unjust or unreasonable classifications, rules, or regulations in such tariffs. An unjust or unreasonable classification, rule, or regulation means one which results or is likely to result in the transportation or handling of cargo at rates or charges which are below a level which is just and reasonable.

SEC. 413. Criteria for Determining Just and Reasonable Rates of Controlled Carriers.

In determining whether rates, charges, classifications, rules, or regulations of a controlled carrier are just and reasonable, the Commission may take into account transportation factors, including but not limited to, whether (a) the rates or charges which have been filed or which would result from the pertinent classifications, rules, or regulations are below a level which is fully compensatory to the controlled carrier based upon that carrier's actual costs or, at the Commission's discretion, upon constructive costs, which are defined as the costs of a carrier, other than a controlled carrier, operating similar vessels and equipment in the same or a similar trade; (b) the rates, charges, classifications, rules, or regulations are the same as or similar to those filed or assessed by other carriers in the same trade; (c) the rates, charges, classifications, rules, or regulations are required to assure movement of particular cargo in the trade; or (d) the rates, charges, classifications, rules, or regulations are required to maintain acceptable continuity, level, or quality of common carrier service to or from affected ports.

SEC. 414. Burden of Proof and Disapproval of Unjust and Unreasonable Controlled Carrier Rates.

The Commission may at any time, after notice and hearing, disapprove any rates, charges, classifications, rules, or regulations which a controlled carrier has failed to demonstrate to be just and reasonable. In any proceeding under sections 412 or 413 of this title, the burden of proof shall be on the controlled carrier to demonstrate that its rates, charges, classifications, rules, or regulations are just and reasonable.

SEC. 415. Justification of Controlled Carrier Rates.

Within 20 days of a request by the Commission, a controlled carrier shall file a statement of justification which details the need and purpose for its existing or proposed rates, charges, classifications, rules, or regulations.

SEC. 416. Suspension of Rates and Issuance of Show Cause Orders to Controlled Carriers.

(a) Whenever the Commission is of the opinion that the rates, charges, classifications, rules, or regulations filed by a controlled carrier may be unjust and unreasonable, the Commission may issue an order to that carrier to show cause why such rates, charges, classifications, rules, or regulations should not be disapproved.

(b) Pending a determination as to their lawfulness in such a proceeding, the Commission may suspend such rates, charges, classifications, rules, or regulations:

(i) at any time prior to their effective date, or

(ii) on not less than 60 days' notice in the case of rates, charges, classifications, rules, or regulations which have already become effective.

(c) In no event may the total period or periods of suspension pursuant to this section exceed 180 days.

(d) Whenever the Commission has suspended any rates, charges, classifications, rules, or regulations pursuant to this section, the affected carrier may file new rates, charges, classifications, rules, or regulations to take effect immediately during the suspension period. The Commission may reject such new rates, charges, classifications, rules, or regulations if it is of the opinion that they are unjust and unreasonable.

SEC. 417. EFFECT OF REJECTION, SUSPENSION, OR DISAPPROVAL.

Rates, charges, classifications, rules, or regulations of a controlled carrier which have been rejected, suspended, or disapproved by the Commission are void and their use is unlawful.

SEC. 418. PRESIDENTIAL REVIEW OF ORDERS AFFECTING CONTROLLED CARRIERS.

The Commission shall transmit to the President, concurrently with its service, any order of suspension or final order of disapproval of rates, charges, classifications, rules, or regulations of a controlled carrier. Within 20 days after the receipt of such Commission order, the President may request the Commission in writing to stay the effect of its order for reasons of national defense or foreign policy, which reasons shall be specified in the request. Notwithstanding any other provision of law, the Commission shall comply with such request.

SEC. 419. CONTROLLED CARRIERS EXEMPT FROM REGULATION.

The provisions of sections 412 through 418 of this title shall not apply to:

(a) rates, charges, classifications, rules, or regulations of a controlled carrier in any particular trade which are established pursuant to a conference or other rate fixing agreement approved under title III of this Act, other than an agreement in which all of the members are controlled carriers not otherwise excluded from the provisions of this title;

(b) rates, charges, classifications, rules, or regulations governing the transportation of cargo by a controlled carrier between the country by whose government it is owned or controlled, as defined in section 102(8) of this title, and the United States, or any of its territories or possessions;

(c) a trade served exclusively by controlled carriers;

(d) any controlled carrier of a nation whose vessels are entitled by a treaty of the United States to receive national or most-favored-nation treatment; or

(e) any controlled carrier of a nation which, on or before November 17, 1978, had subscribed to the statement of shipping policy contained in note 1 to annex A of the Code of Liberalization of Current Invisible Operations, adopted by the Council of the Organization for Economic Cooperation and Development.

SEC. 420. PENALTIES.

(a) Whoever violates sections 407(b) or 408 of this title shall be subject to a civil penalty of not less than $10,000 nor more than $25,000 for each such violation.

(b) In addition to the penalty set forth in subsection (a) of this section, the Commission may suspend, for a period not exceeding 12 months, any or all tariffs of a common carrier by water in foreign commerce if such carrier or an officer, employee, or agent of such carrier is found to have violated section 407(b), or may suspend the carrier's right to use any or all conference tariffs to which it may subscribe.

(c) For the purposes of fixing penalties for violations of section 407, 408, or 417 of this title, each shipment on which a rebate or concession was made, or in connection with which an unlawful rate or charge was collected or received, shall constitute a separate violation. A shipment means all of that cargo the carriage of which is evidenced by a single bill of lading.

(d) Whoever violates section 417 shall be subject to a civil penalty of not less than $5,000 nor more than $10,000 for each shipment accepted in violation thereof.

(e) Whoever violates any other provision of this title shall be subject to a civil penalty of not more than $5,000 for each such violation.

TITLE V—DISCRIMINATION, PREFERENCE, PREJUDICE, AND OTHER PROHIBITED ACTS

SEC. 501. DEFERRED REBATES.

No common carrier by water in foreign commerce shall pay or allow, or enter into any combination, agreement, or understanding, express or implied, to pay or allow a deferred rebate to any shipper.

SEC. 502 PROHIBITED PREDATORY PRACTICES.

Except as authorized by the Commission pursuant to title III of this Act, no common carrier by water in foreign commerce, nor shipper, nor other person subject to this Act nor any group of such carriers or other persons shall engage in any practice or activity for the purpose of excluding, preventing, reducing or destroying competition.

SEC. 503. PROHIBITED TREATMENT OF SHIPPERS.

Except as permitted by the terms of its tariff, no common carrier by water in foreign commerce shall refuse or threaten to refuse space accommodations or other transportation services or equipment to any shipper when such are available; nor shall any common carrier by water in foreign commerce discriminate against or unfairly treat a shipper because it has patronized any other carrier, has filed a complaint charging unfair treatment, or for any similar reason.

SEC. 504. UNREASONABLE PREFERENCE OR PREJUDICE.

(a) It shall be unlawful for any common carrier by water in foreign commerce, shipper or other person subject to this Act, either alone or in conjunction with any other person, directly or indirectly, to make or give any undue or unreasonable preference or advantage to any particular person, port, locality, or description of traffic in any respect whatsoever, or to subject any particular person, port, locality, or description of traffic to any undue or unreasonable prejudice or disadvantage in any respect whatsoever.

(b) Within 30 days after the effective date or the filing with the Commission, whichever is later, of any conference rate, rule, or regulation in the foreign commerce of the United States, the Governor of any State, territory or possession of the United States may file a protest with the Commission upon the ground that the rate, rule, or regulation subjects that State, territory or possession to undue or unreasonable prejudice or disadvantage or results in undue or unreasonable preference or advantage to some other State, territory or possession, in which case the Commission shall issue an order to the conference to show cause why the rate, rule, or regulation should not be canceled. Within 180 days from the date of issuance of such order, the Commission shall determine whether or not such rate, rule, or regulation results in undue or unreasonable prejudice or disadvantage and shall issue a final order either dismissing the protest or cancelling the rate, rule, or regulation.

SEC. 505. UNJUST DISCRIMINATION.

No common carrier by water in foreign commerce shall demand or collect any rate or charge or engage in any practice whether by tariff publication or otherwise which is unjustly discriminatory between shippers or between ports or unjustly prejudicial to exporters of the United States as compared with their foreign competitors. Whenever the Commission finds, after notice or hearing, that such a carrier has demanded or collected any such rate or charge, or engaged in any such practice, it may alter the same to the extent necessary to correct such unjust discrimination and shall order the carrier to discontinue demanding or collecting any such rate or charge or engaging in any such practice. Upon a finding of unjust discrimination in a complaint proceeding pursuant to section 801 of this Act, the commission may award reparation to a complainant on the basis of the damages sustained.

SEC. 506. UNJUST REGULATIONS AND PRACTICES.

No common carrier by water in foreign commerce nor any other person subject to this Act shall establish, observe, or enforce unjust or unreasonable regulations or practices relating to or connected with the receiving, handling, storing, or delivering of property. Whenever the Commission finds that any such regulation or practice is unjust or unreasonable it may determine, prescribe, and order enforcement of a just and reasonable regulation or practice.

SEC. 507. DISCONTINUANCE OF PROHIBITED PRACTICES.

Upon a finding of a violation of any provision of this title, the Commission shall order the common carrier by water in foreign commerce, shipper or other person subject to this Act to discontinue such unlawful activity.

SEC. 508. PENALTIES.

Whoever violates any provision of this title shall be subject to a civil penalty of not less than $5,000 nor more than $25,000 for each such violation.

TITLE VI—LICENSING AND BONDING

PART A—FREIGHT FORWARDING LICENSES

SEC. 601. PROHIBITION AGAINST FREIGHT FORWARDING WITHOUT A LICENSE.

No person shall engage in freight forwarding as defined in this Act in connection with any shipment unless the person has been issued a license by the Commission, except that a person whose primary business is the sale of merchandise may forward shipments of such merchandise for his own account without a license.

SEC. 602. LICENSING.

An independent ocean freight forwarder's license shall be issued to any person who is not a shipper or consignee or a seller or purchaser of property to foreign countries and who the Commission determines is otherwise qualified. All licenses issued prior to the effective date of this Act, shall be deemed to have been issued under this Act: *Provided*, That a bond or other security required by the Commission under section 603 is filed within 90 days after the effective date of this Act.

SEC. 603. BOND REQUIREMENT.

No independent ocean freight forwarder's license shall be issued or remain in force unless the license applicant or holder shall have furnished a bond in an amount to be determined by the Commission, but in no event less than $50,000. Bonds shall be issued only by surety companies found acceptable by the United States Department of the Treasury.

SEC. 604. REVOCATION OF LICENSES.

(a) Licenses of independent ocean freight forwarders shall be effective from the date of issue and until suspended or revoked. Any such license may, upon application of the holder, be amended or revoked, in whole or in part, or may, upon complaint, or on the Commission's own initiative, after notice and hearing, be suspended or revoked for willful failure to comply with any provision of this Act or with any lawful order, rule, or regulation of the Commission.

(b) Any person whose license has been revoked with prejudice upon a finding of a violation of this Act, or the rules and regulations of the Commission, or any responsible officer, manager, or employee of such person whose actions have been found, after notice and hearing, to have contributed directly to such violation, may not be licensed nor associated with a licensee in an ownership or management capacity, for a period of 5 years after such finding. Subsequent to this 5-year period applications for licenses by such persons shall not be approved unless the Commission is satisfied that the person will refrain from any further activity in violation of this Act, or of the rules and regulations of the Commission.

SEC. 605. COMPENSATION OF FORWARDERS BY CARRIERS.

(a) Except as otherwise provided in subsection (c) of this section a common carrier by water in foreign commerce shall compensate an independent ocean freight forwarder in connection with any cargo shipment dispatched on behalf of others only when the independent ocean freight forwarder is licensed and has performed all of the following services:

(1) engaged, booked, secured, reserved, or contracted directly with the carrier or its agent for space aboard a vessel or confirmed the availability of such space;

(2) prepared and processed the ocean bill of lading with respect to such cargo; and

(3) prepared and processed the dock receipt or other documents which are normally the responsibility of the carrier.

(b) A common carrier by water in foreign commerce shall not pay compensation for services described in subsection (a) of this section more than once on the same cargo shipment.

(c) No compensation for freight forwarding services shall be paid to or received by any person until there is written certification by that person to the common carrier by water in foreign commerce that such person:

(1) is licensed by the Commission as an independent ocean freight forwarder; and

(2) performed the services specified in subsection (a) of this section with respect to such shipment.

(d) A common carrier by water in foreign commerce shall not pay compensation for freight forwarding services as provided in this section to its agents or any other common carrier by water or its agents.

(e) Every tariff of a common carrier by water in foreign commerce filed pursuant to section 401 of this Act shall specify the rate of compensation to be paid licensed independent ocean freight forwarders who have provided the certification required under subsection (c) of this section and no such compensation shall be paid except in accordance with such tariff provisions.

(f) An independent ocean freight forwarder shall not be entitled to receive compensation from a common carrier with respect to any shipment in which such freight forwarder has a beneficial interest or with respect to any shipment in which any holding company, subsidiary, affiliate or associate of such freight forwarder or any officer, director, agent or executive of such freight forwarder directly or indirectly has a beneficial or pecuniary interest.

PART B—NON-VESSEL-OPERATING COMMON CARRIERS

SEC. 606. BONDING REQUIREMENTS.

Every non-vessel-operating common carrier located in the United States, or a territory or possession of the United States, shall file with the Commission, simultaneously with the filing of its tariffs, a bond in the amount of $100,000 to ensure its financial responsibility to the users of its services. Such bonds shall be issued only by a surety company found acceptable by the United States Department of the Treasury. Such common carriers maintaining effective tariffs on file with the Commission on the date of enactment of this Act shall file the required bonds within 90 days after the date of enactment of this Act.

TITLE VII—EXEMPTIONS

SEC. 701. EXEMPTIONS FROM REGULATION.

The Commission may, by order or rule, exempt any class of agreements subject to this Act or any specified activity subject to this Act from any requirement of this Act if the provisions of this title are met.

SEC. 702. CRITERIA FOR GRANTING EXEMPTIONS.

A rule or order of exemption may be issued only after notice and opportunity for hearing and only if the Commission determines that the exemption will not (1) substantially impair effective regulation by the Commission, (2) be unjustly discriminatory, or (3) be inconsistent with the declaration of policy or other provisions of this Act.

SEC. 703. CONDITIONS; REVOCATION OF EXEMPTIONS.

The Commission may attach any conditions to exemptions granted under this title, and may revoke any such exemption after notice and opportunity for hearing.

TITLE VIII—COMMISSION PROCEEDINGS: SUBPENAS AND DISCOVERY; ENFORCEMENT OF COMMISSION ORDERS; PENALTIES

SEC. 801. FILING OF COMPLAINTS.

Any person may file with the Commission a sworn complaint alleging a violation of this Act by a common carrier by water in foreign commerce, shipper, or other person subject to this Act, and may seek reparation for any injury caused by that violation.

SEC. 802. SATISFACTION OR INVESTIGATION OF COMPLAINTS.

The Commission shall furnish a copy of a complaint filed pursuant to section 801 of this title to the carrier, shipper, or other person named therein, who shall, within a reasonable time specified by the Commission, satisfy the complaint or answer it in writing. If the complaint is not satisfied, the Commission shall investigate it in such manner and by such means, and make such order as it deems proper.

SEC. 803. REPARATION UPON COMPLAINT.

If the complaint is filed pursuant to section 801 of this title within 1 year after the cause of action accrued, the Commission may direct the payment of reparation to the complainant.

SEC. 804. COMMISSION INVESTIGATIONS AND SUBPENAS.

The Commission may, upon its own motion, investigate any suspected violation of this Act in the manner and by the means it deems proper. In any such investigation the Commission may, by subpena, compel the attendance of witnesses and the production of books, papers, documents, and other evidence, in accordance with its rules and regulations. Attendance of witnesses and the production of books, papers, documents, and other evidence in response to subpena may be required at any designated place. Witnesses shall, unless otherwise prohibited by law, be entitled to the same fees and mileage as provided by courts of the United States.

SEC. 805. DISCOVERY AND SUBPENAS IN COMMISSION PROCEEDINGS.

(a) In adjudicatory proceedings under this title, and in any other proceeding in which the Commission deems it necessary and proper, depositions, written interrogatories, and discovery procedure may be utilized by any party under rules and regulations issued by the Commission. Such rules and regulations shall, to the extent practicable, be in conformity with the rules applicable in civil proceedings in the district courts of the United States. The subpena powers vested in the Commission in section 804 shall be applicable to all adjudicatory proceedings under this title.

(b) Failure or refusal by any common carrier by water in foreign commerce or other person subject to this Act to comply fully with any subpena or duly issued order compelling an answer to interrogatories or to designate questions propounded by deposition or compelling production of documents in connection with any adjudicatory proceeding conducted pursuant to this title, shall authorize the Commission, in addition to any other authority granted to it by section 812 of this title or other provisions of this Act, to suspend after appropriate notice and opportunity for hearing, any or all tariffs filed with the Commission by or on behalf of such common carrier or such other person, or, in the case of conference tariffs, any or all rights of such common carrier to utilize such tariffs until a full response has been given to the pertinent deposition, interrogatory, production request or motion, or subpena. During any period of suspension ordered pursuant to this subsection, the Commission may reject any new tariff matter which is filed to replace in whole or part that which has been suspended. Any tariff suspension order issued pursuant to this subsection shall be immediately submitted to the President who may, within 10 days after receiving it, disapprove such order if the President finds that disapproval is required for reasons of the national defense or the foreign policy of the United States. Any common carrier by water in foreign commerce or other person whose tariffs or rights of use thereof have been suspended pursuant to this subsection and who accepts or handles cargo for transportation during the suspension period, which cargo otherwise would have been governed by the provisions of the suspended tariffs, shall be subject to a civil penalty of not less than $5,000 nor more than $50,000 for each shipment so accepted or handled.

(c) If, in failing or refusing to comply with a subpena or discovery order issued under subsection (a) of this section, a common carrier by water in foreign commerce or other person alleges documents or information are located in a foreign country and cannot be produced because of the laws of that country, the Commission, upon ordering the suspension of tariffs or use thereof by such common carrier or other person, shall also notify the Secretary of State of such failure to comply and of the allegation relating to foreign laws. Upon receiving such notification, the Secretary of State shall promptly consult with the government of the nation within which the documents or information are alleged to be located for the purpose of assisting the Commission in obtaining the documents or information sought.

SEC. 806. FILING OF PERIODIC OR SPECIAL REPORTS.

(a) The Commission may, by order, require any common carrier by water in foreign commerce, shipper, consignee, or other person subject to this Act, or any officer, receiver, trustee, lessee, agent, or employee thereof, to file with it any periodic or special report, or any account, record, rate, or charge, or any memorandum of any facts and transactions pertaining to the business of such carrier or other person subject to this Act. The Commission may prescribe the form and manner in which such reports shall be made and may require specific and complete answers to questions upon which it may deem information to be necessary, or the creation of memorandums or reports concerning transactions, facts, or practices in connection with which documents may not already exist.

(b) The Commission shall require the chief executive officer of every vessel operating common carrier by water in foreign commerce and, to the extent it deems feasible, may require any shipper, consignor, consignee, forwarder, broker, other carrier or other person subject to this Act, to file a periodic, written certification under oath with the Commission attesting to—

(1) a policy prohibiting the payment, solicitation, or receipt of any rebate which is unlawful under the provisions of this Act;

(2) the fact that such policy has been promulgated recently to each owner, officer, employee, and agent thereof;

(3) the details of the efforts made, within the company or otherwise, to prevent or correct illegal rebating; and

(4) a policy of providing full cooperation to the Commission in its investigation of illegal rebating or refunds in United States foreign trades; and in its efforts to end such illegal practices.

(c) Whoever fails to file any report, account, record, rate, charge, or memorandum required pursuant to this section shall be subject to a civil penalty of not more than $5,000 for each day of default.

(d) In addition to the civil penalty provided in subsection (c) of this section, whoever fails to file any report, account, record, rate, charge, or memorandum required pursuant to this section shall be subject to the same sanctions as provided by subsection 805 (b) of this Act for failure to comply with subpenas or discovery orders.

(e) Whoever willfully falsifies, destroys, mutilates, or alters any report, account, record, rate, charge, or memorandum required pursuant to this section, or willfully files a false report, account, record, rate, charge, or memorandum required pursuant to this section, shall be subject to a civil penalty of not less than $5,000, nor more than $25,000.

Sec. 807. Issuance of Orders.

Orders of the Commission relating to any violation of this Act or of any Commission rule or regulation issued pursuant to it shall be made only after opportunity for hearing, and upon a sworn complaint or in proceedings instituted on the Commission's own motion.

Sec. 808. Report of Commission Investigations.

The Commission shall issue and furnish to all parties a written report of every investigation made under this Act in which a hearing has been held. Such report shall state its conclusions, decision, and order, and, if reparation is awarded, the findings of fact on which the award is made.

Sec. 809. Evidentiary Competence of Commission Reports.

The Commission may publish reports of Commission investigations in the form best adapted for public information and use, and such publications shall, without further proof or authentication, be competent evidence of such reports in all courts of the United States and the States, territories, and possessions thereof.

Sec. 810. Reversal or Modification of Commission Orders.

The Commission may reverse, suspend, or modify any of its orders in any manner that it deems proper. Upon application of any party to a proceeding, the Commission may reconsider its decision, order, or any matter determined therein, but no such application for or granting of reconsideration shall, except by special order of the Commission, operate as a stay of such order.

Sec. 811. Effective Period of Commission Orders.

All orders of the Commission made under this Act shall continue in force for the period of time specified in the order, or until suspended, modified, or set aside by the Commission or by a court of competent jurisdiction

Sec. 812. Enforcement of Orders.

In the case of violation of any order of the Commission, other than for the payment of reparation, or in case of a failure by a person to comply fully with any subpena issued by the Commission, the Commission, any party injured by the violation, or the Attorney General of the United States, may seek enforcement in any United States district court having jurisdiction over the parties, and if, after hearing, the court determines that the order was properly made and duly issued, it shall enforce the order by an appropriate injunction or other process, mandatory or otherwise.

Sec. 813. Enforcement of Orders for the Payment of Reparation.

(a) In the case of violation of any order of the Commission for the payment of reparation, the person to whom such award was made may seek enforcement of such order in any United States district court having jurisdiction over the parties.

(b) In any United States district court, the findings and order of the Commission shall be prima facie evidence of the facts stated, and the petitioner shall not be liable for costs, nor for the costs of any subsequent stage of the proceedings unless they accrue upon the petitioner's appeal. A petitioner in a United States district court who prevails, shall be allowed a reasonable attorney's fee, to be assessed and collected as part of the costs of the suit.

(c) All parties in whose favor the Commission has made an award of reparation by a single order my be joined as plaintiffs, and all parties against whom such award has been made by a single order may be joined as defendants, in a single unit in any district in which any one such plaintiff could maintain a suit against any one such defendant. Service of process against any such defendant not found in that district may be made in any district in which is located any office of, or point of call on a regular route operated by, such defendant. Judgment may be entered in favor of any plaintiff against defendant liable to that plaintiff.

(d) No action seeking enforcement of any order for the payment of reparation may be filed later than 1 year from the date of the order.

Sec. 814. Authority to Seek Injunction.

Whenever in the judgment of the Commission any person has engaged or is about to engage in any acts or practices which (1) constitute or will constitute a violation of any provision of this Act or any regulation or order issued thereunder, and (2) would result in substantial detriment to the foreign ocean commerce of the United States or would irreparably injure a common carrier by water or other person subject to this Act, the Commission may make application to an appropriate district court of the United States for an order enjoining such acts or practices, or for an order enforcing compliance with such provision or regulation. Upon a showing that the Commission has reasonable cause to believe that such a violation has been or is about to be committed, a temporary or permanent injunction or restraining order which the court deems just and proper shall be granted without bond, notwithstanding any other provision of law.

Sec. 815. Resident Agent.

Each common carrier by water and other person subject to this Act shall maintain a resident agent in the United States for purpose of service of process.

Sec. 816. General Penalty.

Whoever violates any provision of this Act, except where a different penalty is provided, shall be subject to a civil penalty of not less than $5,000 nor more than $25,000 for each such violation.

Sec. 817. Penalty for Violation of Rule or Order.

Whoever violates any order, rule, or regulation of the Commission shall, except where a different penalty is provided, be subject to a civil penalty of not less than $1,000 nor more than $5,000 for each day such violation exists.

Sec. 818. Criminal Conspiracy Limitations.

Notwithstanding any other provision of law, no fine or other punishment shall be imposed on any person for criminal conspiracy to violate any provision of this Act or to defraud the Commission by concealment of any such violation.

Sec. 819. Authority To Assess or Compromise Civil Penalties.

(a) Notwithstanding any other provision of law, the Commission shall have authority to assess or compromise all civil penalties provided in this Act.

(b) Any civil penalty provided in this Act shall be assessed only after a formal proceeding under section 804 of this title. No such proceeding shall be commenced later than 5 years from the date when the violation occurred. In determining whether to commence a proceeding to assess penalties under this Act and in adjudicating the level of such penalties, the Commission shall not be influenced by the nationality of the person nor the flag of the vessel involved in the violations.

TITLE IX—INTERGOVERNMENTAL MARITIME AGREEMENTS

Sec. 901. Criteria for Agreements.

(a) No intergovernmental maritime agreement which provides or limits access to cargo in the foreign commerce or foreign trade of the United States shall be entered into by the United States Government, unless such agreement satisfies the following criteria:

(1) membership and participation are open at all times, and without unreasonable delays, to all United States-flag carriers applying to serve the trade;

(2) membership and participation are open at all times, and without unreasonable delays, to all reciprocal carriers applying to serve the trade, unless the reciprocal nation elects to limit the participation of its national carriers;

(3) the collective share of the United States-flag carriers is not less than the collective share of the reciprocal carriers;

(4) there is full and free competition among United States-flag carrier members of the agreement for liner cargo within the United States share if the United States-flag carrier members, including any newly admitted member, are not in unanimous commercial agreement as to negotiated subshares;

(5) all common carriers by water in foreign commerce participating in the trade shall be subject to effective neutral body policing;

(6) there are no provisions in the agreement and no requirements of the reciprocal nation, which discriminate against, or limit entry by, or unreasonably inhibit or restrict operations of, any United States-flag carrier beyond limitations permitted under subsections (a) through (e) of this section; and

(7) there are no provisions in the agreement and no requirements of the reciprocal nation that are unjustly discriminatory to United States shippers, exporters, importers, or ports or between exporters from the United States and their foreign competitors.

(b) The provisions of paragraphs (a)(4) through (a)(7) of this section shall not apply to intergovernmental maritime agreements which cover the trades between the United States and Western Hemisphere nations with which the United States had in force on May 1, 1979, a Memorandum of Understanding or a Memorandum of Consultation concerning the maritime trades between that nation and the United States.

SEC. 902. MARITIME INDUSTRY ADVISORY COMMITTEE.

(a) The Secretary of Commerce shall establish a Maritime Industry Advisory Committee (hereinafter referred to as the "Committee") to advise the United States Government on the negotiation and implementation of intergovernmental maritime agreements. The Committee shall consist of at least nine members as follows: five members who have been nominated by United States-flag carriers; one member from an organization that represents United States shipboard labor; one member who is a United States importer; one member who is a United States exporter; and one member who represents a United States port. The Committee shall designate one of its members as Chairman.

(b) The Secretary of Commerce shall seek and give appropriate consideration to the recommendations and views of the Committee throughout the process of negotiating any intergovernmental maritime agreement.

(c) The Committee shall meet, at least quarterly, at the call of the Chairman, and shall submit, at least annually a report to the Secretary of Commerce containing its recommendations and views on intergovernmental maritime agreements in force or which may be under consideration.

(d) The Committee may designate at least one representative to be a fully accredited member of each delegation of the United States Government to any international conference or meeting at which an intergovernmental maritime agreement is to be negotiated or considered.

(e) No funds may be expended to carry out the provisions of this section other than funds appropriated for fiscal years commencing after September 30, 1980.

SEC. 903. NEGOTIATION OF INTERGOVERNMENTAL MARITIME AGREEMENTS.

(a) Whenever national policies of other nations might operate to exclude or otherwise discriminate against United States-flag operators in reciprocal trades with the United States, intergovernmental maritime agreements shall be presumed to be in furtherance of the declaration of policy set forth in section 101 of this Act. The United States Government shall, therefore, undertake to negotiate and conclude such agreements where circumstances warrant. The Secretary of Commerce, as head of the lead agency, in consultation with the Secretary of State, shall be responsible for negotiating and concluding such agreements.

(b) Negotiation and conclusion of intergovernmental maritime agreements shall to the extent practicable, further the opportunity of United States-flag carriers to participate in the reciprocal nation's trades with countries other than the United States. The Secretary of Commerce, in consultation with the Secretary of State, shall be authorized to restrict or ban participation of national carriers of nations which fail to assure United States-flag carriers equivalent participation in that nation's trades with countries other than the United States.

SEC. 904. RELATIONSHIP TO OTHER LAWS.

Nothing in this title shall supersede the provisions of section 901 of the Merchant Marine Act, 1936 (46 U.S.C. 1241); the Military Ocean Transportation Act (10 U.S.C. 2631); of Public Resolution Numbered 17, Seventy-third Congress (48 Stat. 500), as amended.

TITLE X—CONFORMING AMENDMENTS; REPEALS

SEC. 1001. CONFORMING AMENDMENTS TO THE SHIPPING ACT, 1916.

(a) Section 1 of the Shipping Act, 1916 (39 Stat. 728; 46 U.S.C. 801) is amended to read as follows:

"That when used in this Act:

"The term 'board or Commission' means the Federal Maritime Commission as established by Reorganization Plan No. 7 of 1961.

"The term 'carrying on the business of forwarding' means the dispatching of shipments by any person on behalf of others, by oceangoing common carriers in commerce from the United States, its territories, or possessions to foreign countries, or between such territories and possessions, and handling the formalities incident to such shipments.

"The term 'common carrier by water' means a person, whether or not actually operating a vessel, who holds himself out to engage in water transportation for hire as a public employment and undertakes to carry for shippers indifferently, but does not include one who holds himself out to engage in transportation by ferryboat or oceantramp.

"The term 'domestic offshore commerce' means ocean commerce between the contiguous United States and any of the following places or between or among any of the following places:

"(1) Alaska;

"(2) Hawaii;

"(3) Commonwealth of the Northern Marianas;

"(4) Commonwealth of Puerto Rico;

"(5) American Samoa;

"(6) Guam;

"(7) United States Virgin Islands; and

"(8) Other United States territories and possessions.

"The term 'independent ocean freight forwarder' means a person carrying on the business of forwarding for a consideration who is not a shipper or consignee or a seller or purchaser of shipments to foreign countries, nor has any beneficial interest therein, nor directly or indirectly controls or is controlled by a shipper or consignee or by any person having such beneficial interest.

"The term 'other person subject to this Act' means any person carrying on the business of freight forwarding or furnishing wharf, dock, warehouse, or other terminal facilities in connection with a common carrier by water in domestic offshore commerce.

"The term 'person' includes individuals, corporations, companies, associations, firms, partnerships, societies, joint stock companies, and the Government or any governmental agency of the United States, a State, territory, or possession thereof or of any foreign country.

"The term 'United States' includes the District of Columbia.".

(b) Sections 18(a), 19, and 20 of the Shipping Act, 1916 (46 U.S.C. 817(a), 818, and 819), are amended by striking the word "interstate" each time it appears and substituting the words "domestic offshore".

(c) The title of the Shipping Act, 1916, (39 Stat. 728) is amended to read as follows: "An Act to regulate the domestic offshore commerce of the United States.".

SEC. 1002. TABLE OF REPEALED SECTIONS.

(a) The laws specified in the following table are repealed:

Shipping Act, 1916:	
14a	46 U.S.C. 813
14b	46 U.S.C. 813a
18(b)	46 U.S.C. 817(b)
26	46 U.S.C. 825
43	46 U.S.C. 841a
Merchant Marine Act, 1920:	
19	46 U.S.C. 867
20	46 U.S.C. 812
Merchant Marine Act, 1936:	
208	46 U.S.C. 1118
212(e)	46 U.S.C. 1122(e)
214	46 U.S.C. 1124

(b) Repeal of the laws set forth in subsection (a) of this section shall not affect any rights and duties that matured, penalties that were incurred or proceedings that were commenced before the date of enactment of this Act.

SEC. 1003. LAWS RELATING TO THE DOMESTIC OFFSHORE COMMERCE OF THE UNITED STATES.

(a) The Shipping Act, 1916, is amended by redesignating section 3, and all references thereto, as section 4 and inserting the following new section after section 2:

"SEC. 3. Commencing with the date of enactment of this section, the provisions of sections, 4, 14, 15, 16, 17, 18, 20, 21, 22, 23, 24, 25, 27, 29, 30, 31, 32, 33, 34, 35, and 44 of this Act shall be deemed to apply only to the domestic offshore commerce of the United States as defined in section 1 of this Act. Nothing in this section shall be construed to affect any rights or duties that matured, penalties that were incurred, or proceedings that were commenced prior to the date of enactment of this section.".

(b) Section 8 of the Merchant Marine Act, 1920 (46 U.S.C. 867) is amended by designating the existing language as subsection (a) and adding at the end thereof the following new subsection:

"(b) Commencing with the date of enactment of this subection, the provisions of this section shall be deemed to apply only to the domestic offshore commerce of the United States as defined in section 1 of the Shipping Act, 1916 (46 U.S.C. 801). Nothing in this subsection shall be construed to affect any rights or duties that matured, penalties that were incurred, or proceedings that were commenced prior to the date of enactment of this subsection.".

(c) Section 205 of the Merchant Marine Act, 1936 (46 U.S.C. 1115) is amended by designating the existing language as subsection (a) and adding at the end thereof the following new subsection:

"(b) Commencing with the date of enactment of this subsection, the provisions of this section shall be deemed to apply only to the domestic offshore commerce of the United States as defined in section 1 of the Shipping Act, 1916, (46 U.S.C. 801). Nothing in this subsection shall be construed to affect any rights or duties that matured, penalties that were incurred, or proceedings that were commenced prior to the date of enactment of this subsection.".

(d) Section 18(c) of the Shipping Act, 1916 (46 U.S.C. 817(c)), and all references thereto, is redesignated as section 18(b).

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to executive session for the purpose only of considering the nomination of Mr. Gary Blakeley.

Mr. BAKER. Mr. President, reserving

the right to object, and I shall not object, this reservation is to advise the majority leader that the nominee identified by him is cleared on our calendar and we have no objection to its consideration and confirmation.

There being no objection, the Senate proceeded to the consideration of executive business.

The PRESIDING OFFICER. The nomination will be stated.

FOUR CORNERS REGIONAL COMMISSION

The assistant legislative clerk read the nomination of Gary Blakeley, of New Mexico, to be a Federal cochairman of the Four Corners Regional Commission.

● Mr. DOMENICI. Mr. President, I am extremely pleased that the full Senate is considering the nomination of Gary Blakeley as Federal Cochairman of the Four Corners Regional Commission.

Mr. Blakeley's professional service coupled with his numerous civic responsibilities make him well-suited for this position. He is the former director of the State of New Mexico Department of Energy and Minerals, was the New Mexico Public Service Commissioner from 1975 to 1979, and was the director of governmental affairs for the Albuquerque Chamber of Commerce from 1972 to 1975.

I have talked at some length with Mr. Blakeley about the role of the regional commissions, and I think we can expect some very exciting activities within Four Corners. Mr. Blakeley has carefully examined past activities of the Commission and is up-to-snuff on actions taken by the Congress in reauthorizing the regional commissions.

But, Mr. President, perhaps the best qualification of Mr. Blakeley is that he was born, raised, and educated in that great State of New Mexico. I am sure that you recognize the importance of his background that allows him to be particularly responsive to the concerns of the Four Corner States.

I appreciate the opportunity to address Mr. Blakeley's nomination.●

The PRESIDING OFFICER. Without objection, the nomination is considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed.

Mr. BAKER. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be notified of the confirmation of the nomination.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate return to the consideration of legislative business.

The PRESIDING OFFICER. Without objection, it is so ordered.

SEQUENTIAL REFERRAL OF INTELLIGENCE BILL

Mr. ROBERT C. BYRD. Mr. President, the Intelligence Committee has reported to the Senate S. 2597, a bill authorizing appropriations for the Central Intelligence Agency and other intelligence activities for fiscal year 1981.

Section 3(b) of Senate Resolution 400, which established the Senate Select Committee on Intelligence, provides that if that committee reports legislation containing any matter otherwise within the jurisdiction of any standing committee, that bill may, at the request of the chairman of that standing committee, be referred to it for consideration for a period not to exceed 30 days.

Mr. President, since this bill contains authorization of appropriations for intelligence activities of the Department of Defense, it falls within the longstanding jurisdiction of the Committee on Armed Services. On behalf of Senator STENNIS, I therefore request that the bill be referred to the Armed Services Committee for 30 days.

The PRESIDING OFFICER. Without objection, it is so ordered.

ENERGY MOBILIZATION BOARD

Mr. ROBERT C. BYRD. Mr. President, yesterday, conferees on the Energy Mobilization Board bill broke the deadlock which had tied up the conference and agreed to a compromise which will speed the legislation to rapid final passage. I congratulate the conferees on this breakthrough. Creation of the Energy Mobilization Board is one of the three pillars on which our national drive to achieve energy security rests. This legislation will allow the construction of priority energy projects, such as refineries, pipelines, synfuels plants and coal-burning powerplants, to be expedited. It is critical that we begin to untangle the regulatory maze if we are to make better use of our own plentiful energy resources.

This legislation presented highly complex and controversial legal issues. In particular, the difference between the Senate and the House on whether or not to waive substantive provisions of Federal law was most difficult to resolve. Each position had merit and the balance between this Nation's energy needs and environmental protection had to be carefully measured. The conferees have agreed on a bill which will give the Energy Mobilization Board broad powers to speed key energy projects, while retaining, under most circumstances, environmental safeguards. This is the type of compromise which is in the best interests of our Nation's future.

It is my understanding that the conference report will be completed within a short period of time, allowing this measure to come before the Senate for final approval within the next few days. I hope my colleagues will act expeditiously on this matter. They will take a great step toward energy security by final passage of this legislation.

ORDER FOR RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until the hour of 11 o'clock tomorrow morning.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS FROM FRIDAY UNTIL 10 A.M. MONDAY, APRIL 28, 1980

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business on tomorrow it stand in recess until the hour of 10 a.m. on Monday.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 11 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate I move, in accordance with the previous order, that the Senate stand in recess until tomorrow morning at 11 o'clock.

The motion was agreed to; and at 6:52 p.m., the Senate recessed until Friday, April 25, 1980, at 11 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate April 24, 1980:

FOUR CORNERS REGIONAL COMMISSION

Gary Blakeley, of New Mexico, to be Federal Cochairman of the Four Corners Regional Commission.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Thursday, April 24, 1980*

The House met at 10 a.m.

Bishop Mesrob Ashjian, prelate of the Armenian Apostolic Church of America, New York, N.Y., offered the following prayer:

Heavenly Father reveal Thy infinite and loving spirit to this august body that they may be ennobled in their constant quest for peace, freedom, and justice for all mankind.

In Thy unbounded kindness, remember the souls of the 1,500,000 Armenians who perished in the holocaust of April 24, 1915. Today, we offer to Thee our Armenian martyrs as an act of redemption for all mankind.

Grant, Almighty God, courage and forbearance to this great Nation that it may forever remain a shining beacon of justice and freedom.

Grant us wisdom, that we may, at all times, think, speak, and do before Thee that which is good in Thy sight and walk together on the path of peace amidst all the glories of Thy creation. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed without amendment a bill of the House of the following title:

H.R. 4197. An act to amend the Wool Products Labeling Act of 1939 with respect to recycled wool.

The message also announced that the Senate had passed a bill of the following title, in which the concurrence of the House is requested:

S. 414. An act to amend title 35 of the United States Code; to establish a uniform Federal patent procedure for small businesses and nonprofit organizations; to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance; and for other related purposes.

REMARKS OF MR. DANIELSON, OF CALIFORNIA, REGARDING HIS GRACE, BISHOP MESROB ASHJIAN, GUEST CHAPLAIN OF THE U.S. HOUSE OF REPRESENTATIVES, THURSDAY, APRIL 24, 1980

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANIELSON. Mr. Speaker, it is a distinct honor and personal privilege for me today to be the congressional sponsor of our guest chaplain, His Grace, Bishop Mesrob Ashjian, prelate of the eastern prelacy of the Armenian Apostolic Church of America. Rarely has such a young man been given such high responsibilities in the ministry of a great church.

Born in Beirut, Lebanon, in 1941, Bishop Ashjian received his primary education at St. Nishan School after which he entered the Armenian Theological Seminary at Antelias. He was ordained priest in 1961, and served as assistant to the vice dean of the seminary for 1 year.

After attending courses at the Ecumenical Institute at Bossey, Switzerland, and the International Study Fellowship on the University Ministry at Princeton Theological Seminary, Princeton, N.J., Bishop Ashjian was assigned the duties of teacher at Karen Jeppe College, and preacher at St. Gregory the Illuminator Church, both in Aleppo, Syria. In 1966–68 His Grace served as principal of the Mardikian School in Antelias, Lebanon. During 1968–70 he served as dean of the Antelias Theological Seminary. During this span of years he was a member of various local and international committees and attended ecumenical and youth conferences in Ratwick, Sweden; Paris, Grenoble, France; Geneva, Nyon, Switzerland; Accra, Ghana.

In 1970 he came to the United States for more advanced theological studies, and in 1971 received the master of theology (Th. M.) degree from Princeton Theological Seminary. His thesis on St. Nerses of Lambron, includes the English translation of the celebrated Synodal Discourse of the highly ecumenically minded Armenian Church of the 12th century.

While a doctoral candidate at the Princeton Seminary, His Grace was elected prelate of the Diocese of the Armenians in Iran and India, and served in this capacity for almost 4 years. In addition to his duties as head of this historical and widespread diocese, he published several albums and books, encouraged the cultural life of the community, and rendered valuable services to the social needs of the diocese.

While prelate in Iran, he personally acquainted many international leaders who visited the American Cathedral and Museum with the Armenian Church and nation.

Recently he published an extensive volume on the 19th-century Armenian historian and poet, Mesrob Taliatine, receiving wide acclaim in the Armenian press in the United States and abroad.

On December 10, 1977, His Grace was elected prelate of the eastern prelacy of the Eastern United States and Canada. Bishop Ashjian arrived here on January 3, 1978, to assume full responsibilities as prelate, a position for which he is eminently well prepared. His dedication to the church and his experience with various Armenian communities in all corners of the world, have helped him to successfully meet this challenge of leadership.

Recognizing the importance of contact with the modern world, His Grace has participated in such significant world events as the SALT II at the White House; the Conference on Nuclear War; and the National Conference of Religious and Lay Leaders on the Impact of Alcohol and Other Drugs on Contemporary Life.

Affirming his position as a Christian leader, he has strongly voiced support of the plight of the Southeast Asian refugees from the halls of the U.N. to the Armenian community radio and press.

We thank His Grace for his prayer and guidance today.

Mr. BOLAND. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from Massachusetts.

Mr. BOLAND. Mr. Speaker, I want to commend the gentleman from California for his statement and associate myself with his remarks.

ARMENIAN BISHOP MESROB ASHJIAN

(Mr. ANNUNZIO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. ANNUNZIO. Mr. Speaker, it gives me great pleasure to join my distinguished colleague, GEORGE DANIELSON, of California, in welcoming Bishop Mesrob Ashjian today. On behalf of my constituents from the 11th Congressional District of Illinois, many of whom are of Armenian descent, I know how happy they are that Bishop Ashjian, prelate of the eastern prelacy of the Armenian Church in the United States and Canada, delivered the invocation today.

It is especially fitting that Bishop Ashjian offered the opening prayer on this date in the House of Representatives, for today marks the 65th anniversary of the genocide in 1915 by the Turks of almost 2 million Armenians. Bishop Ashjian's parents were born in the city of Havav, in the State of Palou, in the heart of the area where the worst of the massacres took place. The distinguished bishop, like almost every Armenian surviving today, has not been left untouched by this 1st genocide of the 20th century.

Prior to assuming his present responsibility as prelate of the eastern prelacy, Bishop Ashjian had established a dis-

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

tinguished reputation as a theologian, administrator, author, scholar, and teacher. He has held numerous positions of great responsibility within the Armenian Church, as well as in worldwide ecumenical movements.

The Armenian Church has been instrumental in holding the Armenian people together and in preserving their national identity despite centuries of invasion by more powerful neighboring countries. In that inspired tradition, Bishop Ashjian is ably carrying out his responsibilities as a spiritual leader of the Armenian people.

Mr. Speaker, I want to thank Bishop Ashjian for being with us and for delivering the invocation today. I also want to add that the sad fate of those innocent victims of the Armenian holocaust are very much in mind today as we pay tribute to their blessed memory and martyrdom.

ARMENIAN BISHOP MESROB ASHJIAN

(Mr. GREEN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GREEN. Mr. Speaker, I am delighted today to join my colleagues in welcoming to the House a distinguished religious leader from New York, his grace, Bishop Mesrob Ashjian. His Grace is prelate of the eastern prelacy of the Armenian Apostolic Church of America. We are honored to have him this morning as our guest chaplain. I might add that this evening I expect to join his grace and members of the New York Armenian community in a solemn commemoration in New York City of the 65th anniversary of those tragic events in which three-quarters of the Armenian nation was martyred because of its nationality and its faith.

I think it is very appropriate that his grace is our guest chaplain for today, and I think that the events of that tragic past should be on our consciousness as we proceed about the business of the House today.

BISHOP MESROB ASHJIAN, GUEST CHAPLAIN OF THE U.S. HOUSE OF REPRESENTATIVES

(Mr. O'NEILL asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. O'NEILL. Mr. Speaker, it is a great privilege for me to join George Danielson in welcoming to the U.S. House of Representatives as our quest chaplain for today. His Grace, Bishop Ashjian, prelate of the eastern prelacy of the Armenian Apostolic Church of America.

His Grace, the prelate is known widely throughout the world as a medieval scholar and educator, a church theologian, and Christian leader. As prelate, His Grace has many humanitarian concerns and interests including the plight of world refugees, alcohol and drug addiction, and nuclear proliferation. He is the spiritual and cultural leader of nearly 200,000 Armenian Americans in the eastern prelacy.

This Chamber is greatly honored by the prelate's presence today, April 24, 1980, the day which marks the 65th anniversary of man's inhumanity to man; it was on this date that the genocide of the Armenian people was promulgated and begun by the Ottoman Turkish Empire. A mass program in which nearly 2 million old men, women, and children were massacred, it was the first and cruelest genocide of the 20th century. Unnoticed and uncondemned by the world, the Ottoman success in attempting to wipe out the Armenian people from the Turkish Empire was a terrible precedent that gave a future demented leader, Adolph Hitler, the courage to orchestrate the Nazi holocaust of 6 million Jews and the murders of millions of other non-Aryan ethnic minorities.

Numerous Armenians, tough and resilient, who survived the genocide came to this country. The pain of the memories of 1915 have hardly diminished over the years. I represent the largest Armenian-American community in the United States, and I am well acquainted with the sufferings, the anguish and the atrocities that were committed against the grandparents and parents of my constituents. It is fitting and appropriate for the Members of the House to pause to commemorate this day of infamy.

The Commonwealth of Massachusetts has taken cognizance of the significance of this day in which atrocities against defenseless people, contrary to the most fundamental principles of human dignity and individual rights occurred. In Massachusetts April 24 is dedicated as Armenian Martyrs' Day, and citizens throughout the State participate fittingly in its observance.●

PERMISSION FOR SELECT COMMITTEE ON INTELLIGENCE TO MEET TODAY DURING 5-MINUTE RULE

Mr. BOLAND. Mr. Speaker, I ask unanimous consent that the Permanent Select Committee on Intelligence be permitted to meet today while the House is proceeding under the 5-minute rule.

This request has been cleared with the minority.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

There was no objection.

WINDFALL PROFITS

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks).

Mr. GONZALEZ. Mr. Speaker, reports of unprecedented increases in big oil company profits compel me to point out that the so-called windfall profit tax was misnamed, misdirected, and misbegotten.

The tax is a tax upon producers, an excise tax. It is not a tax against excessive corporate profits. It is not applied to corporate profits, but to production.

The windfall profit tax is directed not against the monoliths, but against independent producers. The giants of the industry emerge stronger and bigger than ever.

That is why I asked the President to veto it. I offer for the Record my message to the President, with that request.

April 1, 1980.

Hon. James E. Carter,
The President of the United States,
The White House, Washington, D.C.

I understand that your intention is to sign the so-called windfall profits tax bill tomorrow morning at 9:30 a.m. I urge that you reconsider because as you and I both know this is not at all a tax on excess oil company profits but instead a severance tax that will reduce potential domestic production by not less than five hundred thousand barrels of oil per day. Additionally, this tax will greatly impair the competitive position of independent producers.

I urge that in order to assure maximum production, preserve independent oil operators and to bring about truth in taxation, you return this bill to Congress without your approval, and insist upon a true tax on excess profits rather than what you have been presented which is an unproductive, misnamed and unjustified tax.

Respectfully yours,
Henry B. Gonzalez,
Member of Congress.

□ 1010

HIGHER PRICES ARE NOT THE ANSWER

(Mr. RATCHFORD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RATCHFORD. Mr. Speaker, I rise today to voice my strong opposition to the oil import fee recently announced by the administration.

The burden of this new fee on consumers, particularly in the Northeast, will be extremely heavy. The price of gasoline has already doubled since 1977, a mere 3 years. The oil import fee will lift the skyrocketing price of gasoline another 10 cents per gallon, at a cost to consumers of at least $11 billion annually.

The threat posed by the import fee does not stop with gasoline prices. More disturbingly, recent reports suggest that it may not be possible for the administration to insure that the impact of the import fee is restricted to gasoline. The prospect that this fee will trigger higher home heating costs, at the very time when we are spending millions of dollars for emergency fuel assistance to needy homeowners, is both tragic and absurd.

Mr. Speaker, higher prices are not the answer—they will only penalize American commuters and homeowners who are already trying so hard to conserve energy. We can and must do more to conserve energy, but a 10-cent-per-gallon increase in gasoline prices will not bring those results. I urge my colleagues to move to reverse this misguided policy, which can only add to our inflation problem.

IN REMEMBRANCE OF THE MASSACRE OF ARMENIANS

(Mrs. FENWICK asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. FENWICK. Mr. Speaker, I, too, would like to speak on this anniversary of the death of so many of our brothers and sisters, the Armenians who died so many years ago.

This century has been more savage perhaps than any other. Or is it perhaps only that we know more about it? Our communications are better now, and our people are advised as to what is happening. How many pogroms went unnoticed perhaps in the 19th century?

But from what we know now about the 20th century, it has been more savage, more destructive, than any which has been recorded so far.

Sometimes I wonder, as a member of the Committee on Foreign Affairs, looking at what is happening in so many parts of the world, why this savagery of human beings against human beings continues so unabated. I think it is a reflection on all of us, on some part of our human nature that we do not yet quite understand.

But, Mr. Speaker, certainly it becomes us in this country, where we are so blessed and so free and so able to say what we want, to speak up from time to time and remember those who have died so uselessly at the hands of their fellowmen.

VOTE "RED" FOR BUDGET RESOLUTION, VOTE "GREEN" FOR LATTA SUBSTITUTE

(Mr. DEVINE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DEVINE. Mr. Speaker, I wear this beautiful red jacket today to remind the House of the deficit financing that has been going on in this body for two decades.

We are talking about balancing the budget. The Democrat approach is to raise taxes and balance the budget; the Republican approach is to reduce spending and balance the budget. We have been in the last quarter of a century under Democrat control in the Congress. We have had deficits and balance-the-budget talk, and big spending is going on.

Mr. Speaker, when the resolution of the gentleman from Connecticut (Mr. GIAIMO) comes to a vote, I would suggest all the Members get out their red cards and vote "no." When the substitute offered by my colleague, the gentleman from Ohio (Mr. LATTA) is offered to reduce Government spending to achieve a balanced budget, that is when the Members will have a chance to vote "green."

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The SPEAKER pro tempore (Mr. RATCHFORD). The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The motion was agreed to.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307), with Mr. BOLLING in the chair.

The Clerk read the title of the concurrent resolution.

The CHAIRMAN. When the Committee of the Whole rose on Wednesday, April 23, 1980, the gentleman from California (Mr. HAWKINS) had 3 minutes of general debate remaining and the gentleman from Ohio (Mr. LATTA) had 28 minutes of general debate remaining on economic goals and policies; and the gentleman from Connecticut (Mr. GIAIMO) had 4 hours and 41 minutes of general debate remaining, and the gentleman from Ohio (Mr. LATTA) had 4 hours and 15 minutes of general debate remaining.

The Chair recognizes the gentleman from Ohio (Mr. LATTA).

Mr. LATTA. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. DANNEMEYER).

Mr. DANNEMEYER. Mr. Chairman, from time to time in this Chamber, and also in various accounts we read in the news media, questions arise as to what really is the basic cause of inflation, because in the judgment of this Member, until we agree on what that cause is, we cannot begin to deal with the solution.

One of the great bankers of our time, Arthur Burns, gave a speech last September at Belgrade, Yugoslavia, in which he talked about this problem of inflation, its cause, and what we can do about it. I think it is important that I read just a very small portion of that speech to the Members at this time to put the matter in perspective:

> Viewed in the abstract, the Federal Reserve System had the power to abort the inflation at its incipient stage 15 years ago or at any later point, and it has the power to end it today. At any time within that period, it could have restricted the money supply and created sufficient strains in financial and industrial markets to terminate inflation with little delay. It did not do so because the Federal Reserve was itself caught up in the philosophic and political currents that were transforming American life and culture.
>
> The Employment Act prescribes that "it is the continuing policy and responsibility of the Federal Government to . . . utilize all its plans, functions, and resources . . . to promote maximum employment." The Federal Reserve is subject to this provision of law, and that has limited its practical scope for restrictive actions—quite apart from the fact that some members of the Federal Reserve family had themselves been touched by the allurements of the New Economics. Every time the government moved to enlarge the flow of benefits to the population at large, or to this or that group, the assumption was implicit that monetary policy would somehow accommodate the action.

In other words, when this body, the Congress of the United States, voted the appropriation to advance some interest for this or that cause, there was an implicit understanding that the Federal Reserve System would accommodate the money supply to finance it, and that is precisely what has happened.

"We have met the enemy, and it is us"—this institution. The deficits that this institution has created have been financed through the expansion of the money supply, and it is the basic cause of inflation. The cumulative total deficit of the era 1977–81 is $214.8 billion.

During the time that President Carter has been President this Congress has been controlled by the Democrats, and not only in the last 3½ years, but in the last 25 years as well. During this interval spending by this Congress has increased by 55 percent. Taxes during that same span, from 1977 to 1981, have increased by 78 percent, and the inflation rate during that same span of 1977 to 1981 has been 42 percent.

Some people try to say that President Ford also had deficit budgets and therefore deficit budgets are bipartisan. Nothing is further from reality. A President can only spend what a Congress appropriates. The Democrats have controlled the Congress continuously for the past 25 years and they therefore must accept the responsibility for their irresponsible spending and taxing policies. Taxes are at the highest level in relation to GNP in the history of our Republic, except for World War II year 1944.

Just by way of comparison, if we would spend in fiscal year 1981 to reflect the amount of inflation since 1977 when Mr. Carter first took office, we would have a budget for fiscal year 1981 of $571 billion. That is to be contrasted with what the Democrats have proposed, $613.8 billion for fiscal year 1981, an increase of some $42.8 billion over what the inflation rate itself would authorize or require us to do.

The Republican alternative is a modest step reflecting the composite nature of this body in providing for spending in fiscal year 1981 of $599 billion, and this also contains a tax cut of some $32 billion.

Mr. Chairman, this Member represents a district in southern California where people in my home State 2 years ago (1978) rose up in righteous indignation—and that is the best way to describe it—and passed an historic proposal, by the initiative method, called proposition 13.

□ 1020

It resulted in a reduction of real property taxes of some $7 billion. It has done some very interesting and positive things to the economy in California. For instance, California's rate of economic growth was 13.9 percent in 1978 versus 11.8 percent in 1977, and an even faster 14.2 percent in the first quarter of 1979. In the latest fiscal year ending June 30, 1979, business spent a record $3.7 billion on new plant and commercial buldings and more than $500 million on expansion of existing facilities. Employers created more than 525,000 new jobs, the biggest gain since the Korean war.

The message, I think, is clear to all of us. If we have the courage to reduce the taxes on the American people, we can expand the private sector of our economy in a very positive way so as to provide job opportunities and economic opportunities for all of our people.

The insidious impact of inflation on the progressive income tax structure has produced for fiscal year 1981 the situation where the Federal Government will get $47.6 billion of income from what is called bracket creep, that is, people being forced into higher tax brackets just because they get more gross dollars. What they end up getting in their pay envelope does not buy any more. And the constructive way in this Congress that we can deal with this is to reduce the taxes, as is proposed in the Latta substitute, by some $32 billion. If we reduce the taxes in this manner by some $32 billion, as is proposed in the Latta substitute, we have the realistic opportunity to represent to the American people that in doing so we could lay the foundation for realizing at the Federal level, the national level, what we in California received at the local level through the positive impact of the adoption of proposition 13.

Mr. NELSON. Mr. Chairman, I yield such time as he may consume to the gentleman from Georgia (Mr. LEVITAS).

Mr. LEVITAS. Mr. Chairman, it is gratifying to see the Budget Committee at last present us with a balanced budget for fiscal year 1981. I am especially gratified since I have been fighting for a balanced budget ever since I came to Congress over 5 years ago.

At first, calling for a balanced budget was like a voice in the wilderness. Now, that voice crying in the wilderness has become a roar because it has become the collective voice of the American people, the administration, and, I believe, a majority of our colleagues.

In August of 1976, I voted against a Labor/HEW appropriations conference report because it added $412.9 million over the House-passed bill and exceeded the budget authority by $150 million. I was not against all the programs in that bill, but I could not in good conscience vote for a "budget-busting, budget-wrecking bill." I said at that time:

> No matter how attractive or appealing, we simply cannot vote for spending levels that exceed responsible limits. This may not be politically appealing, but it is fiscally sound. We must draw the line and stick to it, or we will surely continue on the road to economic chaos.
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> We must stay within the targets we set for ourselves in the budget resolution and not juggle figures with arguments that we will make up this increase in later measures. We must not always spend, spend, spend, and then tax, tax, tax, or borrow, borrow, borrow.
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> The cruel hoax of trying to benefit people by spending money we do not have must be stopped. The inflation due to increased government spending and growing Federal deficits will be picking the pockets of those Americans which these programs are supposed to help. We must come to our senses and reduce government spending, not constantly approve increases. We must exercise fiscal restraint and live within our budget and our means, even if it means voting against a politically attractive bill.

To show you how bad things had gotten around here, last week one of the congressional study groups which analyzes bills for Members of Congress had to send out a correction to its initial review of the new budget legislation with the following words: "The chart should have indicated that there is a $2 billion surplus, not deficit. Our only explanation for this error is force of habit."

I commend the Budget Committee for their responsible action in bringing us a balanced budget for the coming fiscal year. It has taken much hard work and political courage on their part to devise this budget. Spending cuts are never popular, but they are an important first step in fighting the inflation that threatens to ruin us all.

What makes inflation such an intractable problem is that there are a number of causes, and we must deal with each of them—Federal deficit spending (which we are now attacking); excessive Federal regulation of the private sector that drives up costs and prices; price increases which do not reflect production costs; wage increases without increased productivity; price increases for basic and vital commodities such as oil, over which we have no control; and the inability to increase our productivity which may well be the most important factor in our inflation rate.

A balanced budget alone will not solve the problems of inflation. As our colleague, Congressman KEMP pointed out earlier in this debate, "As a percent of GNP, today's deficit cannot explain 18 percent inflation." Balancing the budget itself may not have a dramatic effect on the rate of inflation. But what this balanced budget will do is to create a psychological climate which repudiates the past irresponsible spending habits of our Government and sets the stage for dealing with the other causes of inflation over which we have some control.

The balanced budget will begin to reduce the national debt and eliminate Government deficits which means less Government borrowing in the private money markets. That, in turn, will mean more money will be available to private lenders and borrowers, and that translates into more housing starts, more capital expansion, more credit for farmers. Here we begin to boost productivity and attack one of the root causes of inflation. If we are going to stimulate productivity in the private sector, we have got to put an end to Government competition for the limited funds available for private sector investment.

The Federal Government is also in competition with the private sector for goods and services. If the standard definition of inflation is "too many dollars chasing too few goods," then the excessive Federal spending of the past years has contributed to that inflation. It is time to put an end to inflationary programs which increase the amount of money in circulation, but do nothing to stimulate the investment cycles which improve productivity in the business sector and result in jobs and greater balance between prices and costs of production. A balanced budget will mean a cut in real spending by the Federal Government and a decrease in these nonproductive programs.

Further to stimulate investment and productivity, a balanced budget with reduced spending and reduced deficits can and should be tied to tax cuts. A tax cut, tied to a balanced budget, means that people will have more money to spend and invest—again, another boost for productivity.

This balanced budget is an important breakthrough. This is the first time that we have had a balanced budget since 1969, during the last Democratic administration of President Lyndon B. Johnson. Since that time, the Government has spent like a drunken sailor, money that we did not have to spend. We were, in effect, charging fur coats to our grandchildren. We are paying the price for our recklessness now in astronomical interest rates, double-digit inflation, swollen governments at all levels, and a regulatory morass created to administer the spending of the money we did not have.

Some people have said that Congress alone is the cause of increasing Federal spending. Congress certainly has played a role in the sad history and now that is being changed this year. But I think it important to point out that each and every year since 1970, the Congress has appropriated fewer of the taxpayers' dollars than the Presidents have requested. I repeat, in each year Congress spent less than the President requested and that goes for President Nixon and President Ford, as well as President Carter.

A balanced budget means that we are finally putting a stop to the spending spree. We are creating a psychological climate which repudiates the past and says to ourselves, to the stock and bond markets, to our trading partners, to the rest of the world, that we will put our fiscal house in order, that we will restore faith in the value of the dollar, that we will increase productivity, that we will decrease our national debt, that we will begin to act in a fiscally, monetarily, economically sound way. We will begin to set a climate of careful management of our income, careful husbanding of our resources, careful planning and tighter control of our budget.

The American people know that you cannot continue to outspend your income year after year without at some point reaching the day of reckoning. We have reached that point, and we have the support of the public to balance the budget this year, even though it will hurt in the short run.

Let us remember who inflation hurts the most when we come to the hard choice about making spending cuts. Sure, it inconveniences the wealthy because they have to spend more for goods and services. But it strikes harder at the middle class who are struggling to make ends meet. And it is the poor and the elderly, those on fixed incomes, who are devastated by inflation. The very poorest people rarely even benefit from the social programs we have to cut. The poor have no elasticity in their budgets. They cannot make the "sacrifice" of a second car or a third television set. When food prices go up, they eat less. When transportation costs go up, they stay at home. When heating fuel prices jump, they are cold.

Remember those people and remember the hard-working, unsubsidized middle-income people, who pay most of the taxes, when you are confronted with the hard choice of voting for spending cuts called for by a balanced budget.

However, we must also remember that all the best intentioned social programs in the country are irrelevant if we are unable to preserve the common defense, the first obligation of government; and I am afraid that this resolution does not go far enough in providing for our defense needs.

The Soviet Union and the Warsaw Pact nations have been building their military forces for the past 15 years at a rate with which we have not kept up. Now they are surpassing us, even in areas in which we previously held unquestioned superiority.

In 1978, President Carter committed to our NATO allies that we would provide a 3-percent increase in real spending for defense. This budget resolution does not provide that increase, nor does it take into account the effect on NATO of our military buildup in the Middle East, the Persian Gulf, and the Indian Ocean. The forces for that buildup will have to come from our forces currently with NATO in Europe, and this resolution provides no compensation for that redeployment.

I am convinced of the necessity of fulfilling that 3-percent commitment because of my own study of our NATO preparedness, and because our NATO allies (and others) are backing us up in our sanctions against the Soviet Union and Iran, even though retaliation by Iran of cutting off their oil is far more detrimental to our allies than it is to us who have some domestic reserves.

I do not, however, wish to upset the balanced budget attained in this resolution. That is why the Gramm-Holt substitute resolution makes sense. It puts the funds into defense where they are so desperately needed without unbalancing the budget.

Few people like to say no. Few people want to cut off the largess. But there is no largess this year—not for anyone or any program.

We will balance the budget. We will assert some national self-discipline.

In the last Congress, I voted against the third budget resolution because, after voting on two earlier budget resolutions which had made a stab at gaining control over Federal spending, the third budget resolution added funds which went far beyond what we had agreed to earlier. I said at that time:

> I still feel that the new budget process and the limit it put on spending in the second budget resolution, is essential to get a grip on Federal spending, save the taxpayers' dollars, fight inflation, and move toward the fiscal responsibility of a balanced budget. This must be our goal. One way to achieve the goal of a balanced budget is a bill I introduced . . . proposing an amendment to the Constitution of the United States requiring that the budget be balanced. Considering this country's recent history of deficit financing, it would appear that only by constitutional amendment will we get back on track and live within our means.
>
> What good is it to set budget limits—necessary, important, justifiable limits—if we are not willing to stand by those limits, as hard as it may be to do so?

We are making a good start with this balanced budget resolution. Let us not stop here. It is time to make the balanced budget an annual event, and it still seems to me now, as it did in 1977, that the only way we are going to continue on this path of fiscal responsibility is to pass my bill, House Joint Resolution 8, which provides for a constitutional amendment requiring a balanced Federal budget for every fiscal year.

While much remains to be done, we, nevertheless, are taking that essential first step by passing a balanced budget this year.

Mr. NELSON. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. MILLER).

Mr. MILLER of California. Mr. Chairman, balancing the Federal budget for the fiscal year 1981 has become the overriding objective of both the Congress and the White House. Most Federal spending, with the notable but unjustified exclusion of military expenditures, have been carefully scrutinized in order to identify and eliminate wasteful spending.

As important as a balanced budget is, we cannot insist on arbitrary reductions in needed and established programs without taking a long-range view of the impact of these cuts. In many cases, the decision to save a dollar in 1981 may set in motion events which will require the spending of many dollars in the not too distant future.

Nowhere are these short-term savings more evident than in policies affecting our Nation's children. Over the course of the last two decades, we have created many worthwhile programs which are essential to the well-being of millions of young children and families across this country. We must be very cautious about retreating from those commitments, because the price which will be paid in both human and fiscal terms will be very high.

We have seen these kinds of efforts before, to cut spending by mercilessly undermining critical programs. And we have been warned about the impacts in the past.

Four years ago, in the midst of another Presidential campaign, a leading figure of the Democratic Party, and the foremost spokesman for the interests of children in Congress, condemned the indifference of the administration to these same human needs:

> There's a fundamental change in policy . . . the President has called for "common sense". And so he has just sent up to the Senate and the House a "common sense budget." Among other things, he proposes in that budget to substitute common sense for the fifth and the sixth grades.
>
> In a real sense we couldn't be meeting at a better time. If you look carefully the central issue that seems to be surfacing in the 1976 campaign, the 200th year of our nation, seems to be basically whether we should continue our widely shared bi-partisan national effort towards social justice. Or whether we should abandon it and the federal government should somehow become a neutral and a non-participating party in that great objective of social justice. I don't know how else you can read the pending budget before the Congress. It is nothing less than a disaster for families and for children . . .
>
> A couple years ago . . . I said, "right now, it's easier to vote against children than it is Lockheed Aircraft." And it's still the case, apparently, if this budget represents smart politics in American life. The budget talks about "holding the line" and "being realistic" but, of course, they apply that logic only to human programs . . .
>
> The budget proposals strangely strike almost unerringly—and it had to be a conscious policy—at the working poor . . .
>
> The Administration would cut out food stamps, especially for the working poor. It would cut our school lunches for the children of the working poor. And so that everything that you look at here—someone saw to it that they didn't make any mistakes—everything says that if you are a moderate or a low income worker in this country, by all means, stop working and go on welfare and let the government take care of you. And if that makes sense, I don't know anything about what's good in this country. So I think that budget is the challenge and we must work on it.

The man who spoke those powerful words, who threw out that challenge to children's advocates in 1976, was Walter Mondale.

His charges are no less true today because there is a Democrat in the White House. And our response should be no different because Walter Mondale is Vice President of this country. The future health and well-being of tens of millions of American children cannot hinge on the changing views of politicians. We must remain committed to these sound goals and workable policies.

Last year was the International Year of the Child. This year we will have the White House Conference on the Family. If we are to really improve the quality of life of our children, it will take more than rhetoric and receptions, and I am concerned that despite our lofty commitments, we are abandoning the poorest and the weakest groups in our population in this current budget.

Human programs appear to have been singled out in recent years as indicators of the worst type of Government waste. I would remind you that the cuts in these programs which I find so shortsighted and counterproductive do not amount to more than the cost of a few ships. The impact of the loss of these programs can affect millions of Americans today, and millions to come.

STATE OF THE CHILD

We have looked at the state of the child in 1980, and we know that it is not very good:

One million children are the subject of child abuse and neglect.

Ten million children—14 percent of our youth—have no regular source of medical care; one third of our 20 million children under the age of 17 have never seen a dentist.

And yet we are asked to virtually eliminate the long-delayed child health assistance program (CHAP).

Thirteen percent of all 17-year-olds are functionally illiterate.

And yet we are asked to cut back elementary and secondary education programs.

Unemployment among black teenagers is over 40 percent.

Yet we are told to cut back vocational training, cut back CETA, cut back the Young Adult Conservation Corps.

We know that increasing numbers of single parents are being compelled to find work.

Yet we are told to hold down spending on Head Start and day care to unreasonably low levels, making it impossible for many single parents to seek work and requiring them to remain on welfare.

Study after study finds direct correlations between the adequacy of diet and mental and physical development.

Yet we are told to make great cuts in basic school nutrition programs and to hold down the proven women, infants and children's feeding program (WIC).

Individually these cuts are difficult to understand and impossible to justify.

Cumulatively, they amount to a cold indifference to millions of Americans, mainly young children, who need these programs as basic necessities of life. Their inability to develop in a healthy, educated and secure fashion ultimately will be paid for by us in the form of medical costs, unemployment and welfare costs, and compulsory services. And the costs will be many times greater than the "savings" we might achieve this year.

NUTRITION PROGRAMS

Some of the most serious cuts in programs affecting children are in the area of nutrition. These are the very programs which have led to the reduction of widespread hunger and malnutrition in our country. Both the Senate and House Budget Committees have recommended $430 million reductions in the food stamp program. A proposal which has won the bipartisan opposition of Senators McGOVERN and DOLE.

About $300 million of this would be cut by shifting to an annual recalculation of reimbursement rates rather than the longstanding semiannual revision.

An additional $600 million would be cut in stamps for those households where children are also receiving free or reduced price school meals. This cut was justified on the theory that the family was "double-dipping" on its food benefits from the Government.

But as the Secretary of Agriculture pointed out, the duplication argument just does not hold up. During Senate consideration of this provision, Secretary Bergland noted:

> Food stamps and school lunch benefits are *not* duplicative benefits . . . studies have consistently found that few families spending at [the food stamp] level get a nutritionally adequate diet . . . major nutrition studies have consistently found poor children to be an especially vulnerable group. School lunches supplement, rather than duplicate, the food stamp program for these children.

At the same time that the budget committees advocate a reduction in food stamps because of a reliance by some participants on school feeding programs, the Senate committees have recommended a reduction in the school nutrition programs.

The Senate Agriculture Committee has advocated a $456 million cut in child nutrition programs. Almost $200 million of that amount would result from reductions in free and reduced price meal eligibility.

There is no justification for this radical change in the program. Moreover, given the worsening economy and the administration's chilly support for policies designed to prevent growing unemployment, I fear that more people may become dependent on nutrition programs for essential meals.

WIC PROGRAM

Nowhere do the proposed cuts seem less justified than in the women, infants, and children (WIC) supplemental feeding program. The Senate unwisely has recommended a $50 million cut in funding for WIC and the administration favors an amount $46 million below the House figure of $946 million.

This is very shortsighted. We have just heard of yet another comprehensive medical review of the effectiveness of the WIC program, this time by the Harvard University School of Public Health, which concluded that every dollar spent on WIC saves $3 in future health care costs.

If we applied that standard as a minimum benefit-cost ratio to a lot of other programs that this Congress likes to fund, we would have a lot more food for the hungry and a lot less pork-barrel legislation.

A similar study at Yale University has just concluded that WIC achieves "substantial reductions in infant mortality."

These recent university reports support the earlier, congressionally mandated study of the effectiveness of the WIC program. In reviewing the study, "medical evaluation of the special supplemental food program for women, infants and children," Senators McGOVERN and PERCY summarized the success of the WIC program:

> The study, conducted over a 2½ year period, shows that a Federal program of diet supplementation can dramatically improve birth weights, height, head circumference, and reduce anemia among low-income infants and children.
>
> Given what we know about the connection between the mother's diet and the infant's birth weight, and the irrefutable linkage between low birth weight and infant mortality, birth defects, and mental retardation, these results are especially gratifying. This program is, at this moment, dramatically improving the health of hundreds of thousands of the most vulnerable among us.
>
> We believe that with the release of this detailed medical evaluation, the WIC program has come of age. Its effectiveness cannot now be doubted. It must no longer be considered a pilot program.

Keep in mind that the only beneficiaries of the WIC program are at-risk pregnant women, low birth weight infants, and nursing mothers. How much sacrifiice can we demand from them? How much sense does it make to puff ourselves up for saving $1, knowing full well, as we do, that we are costing ourselves three times that amount in future costs?

HEALTH OF CHILDREN

Before we say that health care for our vulnerable children can wait another year, let us look at a record which is aleady too long and too dismal to justify in this country:

[From the American Family Report, "Family Health in an Era of Stress" (1979)]

> The biggest health problem for children is poverty.
>
> Not only are poor families less able to find and pay for health care, but poverty itself creates conditions that lead to a cycle of ill health and continuing poverty.
>
> The effects of poverty on the child begin before birth. Ten to fifteen percent of babies born to lowest income families have low birth weight; for all families this figure is only 8 percent. Physically and mentally crippling birth defects are three times as likely among low weight babies.
>
> A major cause of low birth weight babies is malnutrition of the mother starting in her own youth. One-half (urban white) to two-thirds (urban black, rural white) of pregnant women in poverty are malnourished.
>
> Pregnant women on food stamps get less than 2/3 of the calories and protein needed for normal fetal development.
>
> Most disabling physical and mental conditions that do not begin before birth originate in infancy and pre-school years. Lack of health care can cause permanent damage. In 1970, 50 percent of low income children under 18 saw a physician; the figure for high income children was 73 percent.
>
> The environment in which poor children live, frequently in conditions of bad sanitation and substandard housing, makes them much more likely to suffer rat bites, lead paint poisoning, and worms.
>
> Malnutrition among children in poverty leads to low school achievement, and eventually to low earning potential.
>
> The average health expenditure for children who had some treatment in 1970 was $86 for poor children and $161 for well-off children.
>
> Infant mortality rates have been substantially reduced in places where pregnant low-income women have had access to the services of a Maternity and Infant Care Project.
>
> Counties inhabited by people who tend to be low income, have relatively little education and a relatively high infant mortality rate and have, on the average, 30 percent fewer physicians than other counties.

Are these really the people whom we will insist must bear the brunt of the balanced Federal budget?

We can see similar impacts in the decision to minimally fund the child health assistance program (CHAP). The House Budget Committee has included a miniscule amount for this program, and the Senate committee virtually ignored it.

There are about 15 million children who need the health screening and treatment services which CHAP offers. Studies indicate that when in place, CHAP could save $1 billion in health care and related costs, and that overall health care costs for the affected population will drop by 40 percent.

Can we continue to ignore preventive health care in this country? In the name of austerity, can we turn our backs on the 10 million children with no regular source of medical care?

TEENAGE PREGNANCY

We have learned in recent testimony before the Education and Labor Committee that the only age group for which the birth rate is increasing is among girls aged 15 and younger. We know that both these adolescent mothers and their children tend to be at risk. The children are far more likely to be low birth weight and to have birth defects. Many of these young mothers are poor, and are therefore affected by a multitude of programs which are themselves in jeopardy in this budget—

These are the women and infants who rely on WIC;

These are the children in need of CHAP;

These are the young parents in need of specialized education and job training;

These are the families who rely on food stamps for their essential nutritional intake.

And not only do we hear that each of these programs is to be trimmed or restrained, but the very program which can help to halt this cycle is targeted. The President's revised budget recommends a reduction of $15 million in the family planning program under title X of the Public Health Act. Currently, there are about 5.5 million teenage and adult women who are unable to receive services because of inadequate funding. Under the Carter recommendations, another quarter of a million will lose access to this program. So we will perpetuate the cycle when we have the chance to slow it down.

HEAD START

Despite the fact that unemployment looms as one of the critical issues facing our country, the administration and the Congress are not sufficiently committed to those policies which support jobs creation and supplement employment. Even though both Budget Committees have recommended modest increases in the Head Start program (although still below the inflation rate), less than one-quarter of the eligible children will be served next year.

Moreover, this modest increase does not even begin to make up for the 14,000 children who were cut from the program in 1979. The failure to adequately fund Head Start means that many potential workers will be precluded from seeking employment because they have young children. This creates a greater drain on unemployment compensation, on welfare, on food stamps, and on a number of other programs which the administration or the Congress, or both, insist on cutting. According to the Congressional Budget Office, enactment of the administration's Head Start appropriation would lead to the further reduction of 50,000 children from an already crippled program.

JOBS PROGRAMS

If we follow the administration's recommendations, our biggest problem may, in fact, now be those workers who cannot find a Head Start or day care center. It will be those who will have problems in finding a job at all. The administration has recommended no real increase in CETA, which, for all its problems, does provide work to hundreds of thousands of people.

I want to remind Members of the House that when you undermine CETA, you simultaneously undercut many of the critical programs which depend on CETA workers to function. They are some of the same programs which are being targeted for reductions elsewhere in the budget, including social services, day care and Head Start.

So, once again, the accumulated effect of these cuts must be appreciated.

But the attack on jobs and training programs does not end with CETA. Major cuts are proposed for vocational education; the adult conservation corps would be eliminated; and the programs which these soon to be unemployed rely on are themselves targeted for major cuts.

EDUCATION

Just at the point that significant gains have been realized in the ESEA title I program for our neediest elementary schoolchildren, the administration and the Congress have proposed cutting back on that program. And where do they propose the reduction be made? From the very piece of the program targeted on the most needy students and the most needy schools. And this reduction has been proposed despite the fact that title I programs still fall far short of serving all the eligible students in the country.

As one noted researcher Dr. Joan Scheff Lipsitz of the University of North Carolina testified recently at our hearings on American secondary education:

> It is at the very least cost-ineffective to spend considerable amounts of money on the very young in the early grades of schooling without following through to make good on our investment. Likewise, it is an inefficient use of our public moneys to concentrate on remediation and re-education at the time of transition into the labor market, while failing to support necessary programs in the middle grades that could reduce the need for later widespread remediation.

So, we have yet another example of false economy in this budget proposal, and we can see how the costs will catch up with us in subsequent reeducation and retraining requirements. But, at the same time that we are cutting remedial education and probably producing more candidates for job training programs, we are being asked to cut back those programs, too.

CHILD WELFARE SERVICES

One area in which we finally seem to have won some consensus is child welfare reform as represented by H.R. 3434. Fortunately, the House, Senate, and administration appear to agree that immediate funding and support for this program, which has been 5 years in the making, must proceed in 1981.

But we ought to learn a lesson from child welfare reform.

Numerous studies, many of them funded by the Federal Government, indicated severe shortcomings in the Nation's foster care and adoption program for many years. In the case of every study, we found that two-thirds of the children in the system—amounting to hundreds of thousands at any one time—were inappropriately placed, often in excessively restrictive settings which cost millions of dollars.

One of the best known studies was conducted in 1977 by the New York City comptroller's office. This study found that, in the Nation's largest city, 65 percent of the foster children had spent an average of 5½ years in excessive foster care. The cost of this inappropriate placement totaled $233 million.

As the recent report of the National Commission for Children in Need of Parents noted, we are already spending enormous amounts of money for out-of-home care for our children:

> Taxpayers and contributors to charity are not getting dollar value for foster care spending in this country. Federal-state expenditures for foster care are presently estimated to be at least $1.2 billion to $1.5 billion, and the grand total nationwide, including private charity spending, is estimated at $2 billion. This substantial investment is producing a dismal return on the principal objective: providing permanent homes for uprooted children and quality care while they are in foster care.

We are fortunately going to be able to begin to correct many of these abuses with the impending enactment of H.R. 3434, and I urgently call upon the Appropriations Committee to fulfill the congressional mandate to fund adequately title IV–B child welfare services so that we can initiate the preventive service programs and the accountability protections which are essential to upgrading this program.

PREVENTION IS COST EFFECTIVE

We ought to learn a very important lesson from the 4-year history of H.R. 3434. Four years ago we proved that there were enormous flaws in the foster care system. We proved that prevention and protections could cut deeply into the caseload and lead to better services for those who really needed placement. We proved that the Government is wasting billions of dollars already and has only failure to show for it.

Despite the proven failure and waste of the current system, it took us 4 years to achieve these reforms.

Now we can point to the same indifference, the same blindness to cost effectiveness, the same false economy arguments concerning education, and job training, and health care, and social services, and nutrition.

We are wondering: Is the Congress, and is the administration going to ignore the fiscal arguments for prevention and training, for diagnosis and nutrition in order to achieve a false economy for 1981? The evidence is very clear that, whatever we save in the coming fiscal year, we will ultimately spend far more to make up for our shortsightedness. Of that we can be certain.

Now we appear ready to begin that cycle again with nutrition, WIC, CETA, CHAP, education, and jobs. The combined effect of these reductions will be devastating, and they will strike at the very weakest, the very poorest, the most vulnerable members of our society. We are being pennywise and mortgaging the futures of millions of children with this kind of budget action.

Mr. Chairman, I will conclude by again noting that the programs are not fanciful dreams. They have taken years to develop; they address great problems which threaten to undermine our entire society and cause chaos in the not distant future; they are fiscally responsible, and they will save more money than they will cost.

ONLY $13.3 MILLION

I look at the speed with which we decided to spend nearly $13.5 million on Tuesday to set up a draft registration program which military experts doubt will add one scintilla to the real security or preparedness of this Nation. Thirteen million dollars is a very tiny amount of money. But that kind of cavalier spending on boondoggle programs is approved here with a wink at the facts and a wave of the flag.

I do not ask that we restore these programs to meaningful funding levels only out of sympathy or compassion, although I would like to think those emotions would stir as many here as less humane issues.

I am asking for your support because these programs work, and because they are critical to the maintenance of a decent life for millions of our fellow citizens who, far more than we or the people at the White House or we, ourselves, are facing very difficult times, and who have long known the meaning of sacrifice.

Mr. Chairman, in its final report to the President last month, the National Commission on the International Year of the Child asked:

> Can we afford to neglect the needs of children? The answer is no.

I am terribly fearful, Mr. Chairman, that this budget has the effect, whether intentional or not, of neglecting our children, and of sowing the seeds for many years of costly problems which this Congress and the people of our country will be facing as a result.

This makes no sense, either on humane or fiscal grounds. I urge my colleagues in the House to reject the notion that the budget must be balanced on the backs of the working people, on the backs of the poor, and on the backs of the children. We will have so little to be proud of if we achieve a balanced budget in so shortsighted and callous a way.

My point, Mr. Chairman, of my remarks before this committee, is simply that many of the cuts that are being proposed to this Congress as cuts in social programs that demonstrate waste, are not that at all. Rather, they are cuts in investments. They are investments in our children. They are investments in pregnant women. They are investments in health that will be returned to this Congress many times, as has already been demonstrated in these programs.

We know the linkage between hungry children and disruptive children that rob other children of their educational opportunities in the classroom.

We know the linkage between hunger and birth defects. Do we want to spend $60,000 a year to keep a child in an institution when we could have prevented the birth defect, the crippling diseases, by spending $21 a month during the pregnancy of that low-income mother? What would you rather do?

I suggest it is wasteful to deny the $21 a month and go ahead and spend the $60,000 a year for the rest of that child's life.

I would hope that this committee as we consider substitutes that are going to be offered by the gentleman from Maryland (Mr. Mitchell), the gentleman from New York (Mr. Ottinger), and the gentleman from Wisconsin (Mr. Obey), that we would see that not all waste is in human programs, as many people would like us to believe, because we have not even had the opportunity to determine if there is waste in the military side of the budget. We do not get to scrutinize the commissary program, where there is alleged multimillion dollar scandals.

We do not get to scrutinize weapons systems that do not work, cost-overruns that run into the billions of dollars; yet we scrutinize with all our effort in this Congress $21 a month for a low-income mother who is carrying a child, who is a nutritional risk and has five times the chance of delivering a child subject to birth defects, to mental retardation, and, by God, could we scrutinize that spending and could we cut that program.

I would hope that Members of this Congress would discover that this is a very wasteful way to try to achieve a balanced budget.

Mr. LATTA. Mr. Chairman, we have no further requests for time on this side on the Humphrey-Hawkins portion.

Mr. Chairman, I yield back the balance of my time under Humphrey-Hawkins.

Mr. Chairman, I yield 10 minutes to the gentleman from New York (Mr. Conable).

Mr. CONABLE. I thank the small, but hardy band of budgeteers who have turned out his morning.

Mr. Chairman, I think we are well aware that this cumbersome and elaborate procedure, this protracted and somewhat desultory rhetoric, doubtless masks one of the most significant acts of this Congress. There is reason for optimism about the budget process. This procedure has been in place for some time; but it has not been used as a fiscal tool. It has, instead, been used as an arithmetic process for adding up the potential expenditures and the potential revenues and concluding that the budget was a certain amount in deficit year after year. There is an urgency, I think we all sense, about balancing the budget this year. There is a hope, given the bubble of inflation, and the concerns the American people have about the state of our economy, that if we do that, somehow the economic picture will be improved, that some degree of confidence in Government will be recaptured through the discipline of our budgetary labors.

☐ 1040

It is easy to overstate the probable effect of a balanced budget. As originally submitted, the President's budget was $16 billion in deficit. The difference between borrowing or not borrowing an additional $16 billion by itself probably does not have a great deal of impact on inflation, in a $2.5 trillion economy.

But if we balance the budget in a way that gives people some hope for the future, some hope of a new discipline, a new course of fiscal policy, we can do a great deal to reduce the inflationary expectations that lead our people now always to think that next year things are going to be more expensive than they are this year and, therefore, they must use their full credit and their full incomes to acquire goods and services that otherwise might be deferred in the interest of investment, savings, and increased productivity.

I hope we can focus on the manner in which the budget is balanced. I suspect we are going to have a technically balanced budget when the dust is settled and this elaborate and cumbersome procedure has been completed.

But the manner of balancing the budget can be more important than the fact of a balanced budget.

I asked my colleagues to consider seriously the Latta resolution, because I feel that does carry with it more potential growth control in the out years and, therefore, represents a new course of action and not an isloated gesture in budget balancing. It also represents a serious effort through additional cuts in expenditure to make room for a tax cut. The level of the Federal tax burden is the highest in history (21.9 percent of GNP) if the 1981 budget is implemented as President Carter would have it. In this way it confirms the Carter strategy of placing the whole burden of fiscal policy on the taxpayers. That degree of tax burden, while it is not by itself disastrous, nonetheless can become a serious drag on an economy that has already lost its momentum. I hope we will, for that reason, seriously consider the Latta amendment.

The necessity for further budgetary reform I think is also spelled out by some of the definitional frauds that are involved in the budget. We do not, for instance, include in the budget the borrowing done by the Federal Financing Bank. We continue to deal with a unified budget in a way which permits trust fund runups to offset true deficits in the General Treasury and permit, despite substantial General Treasury deficits, a technically balanced budget. It would be wise for us, if we are to enlist the confidence of the American people, to get about the business of redefining budget in ways that will make a technically balanced budget a truly balenced budget. I hope we will see some progress in this during the coming years.

Having said that, let me say I do not think a technically balanced budget is a bad thing, because some of these definitional frauds exist; clearly the budget submitted by the Budget Committee represents a substantial improvement over the past practice and a substantial move toward improved fiscal policy.

I would like now, Mr. Chairman, to spend some time discussing an amendment which is to be made in order relating to revenue sharing. This is a program with which Members are very much familiar, and I do not wish to belabor the details of the amendment except to say that it adds nothing to the budget in additional expenditures but simply gives additional flexibility to the States in the way in which they will take their reductions. Some degree of history is necessary to get some perspective on this amendment.

The States and localities receive in categorical grants roughly $92 billion from the Federal Treasury. They receive in revenue sharing moneys roughly $7 billion.

Revenue sharing was enacted early in the 1970's to provide a flexible type of grant for States and localities which could be expended at local discretion, which would skew the total tax system away from regressive State and local taxation and toward the progressive tax sources of the Federal Government. The revenue-sharing proposal was intended to be a harbinger of increased block granting called "special revenue sharing" that would reduce the impact and the control of the central bureaucracy. Unfortunately, it has not proved to be a harbinger but an isolated step toward the support of local and State government.

Last year a serious effort was made to eliminate the States' share of revenue sharing. There was a certain punitive motivation back of this because many of the States had petitioned for a constitutional convention for consideration of the requirement of a balanced budget by constitutional amendment. The reaction among some members of the Budget Committee was "If they want us to balance the budget we will balance it by eliminating the States' share of revenue sharing."

This year I have found nowhere near the degree of punitive motivation back of the elimination of the State share of revenue sharing in the budget. There is a sense generally that States and localities must expect some reduction in the amount of Federal aid they get if we are to in fact balance the Federal budget. So I have not moved to put the revenue sharing back but, rather, to cut a selected number of categorical grants (those grants which in aggregate totaled $92 billion) by a fixed percentage rather than to eliminate the more valuable and more flexibily used general revenue-sharing money.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, in all of the materials put out on this amendment I have yet to see a list of those cuts.

Mr. CONABLE. I will proceed to that immediately, and thank the gentleman for his interest.

I would like, however, to point out that in all probability eliminating the States' share of revenue sharing will affect our localities directly. Secretary of the Treasury Miller estimated that of the $1.7 billion that could be eliminated in fiscal 1981, were States' share of revenue sharing to be eliminated, $1.4 billion probably flows through to local governments nationwide. That money goes primarily, according to nationwide statistics, to education and social welfare.

The probability is that the States, in short, if they do not receive their State share of revenue sharing, will not cut back on State services.

The CHAIRMAN. The time of the gentleman from New York has expired.

Mr. LATTA. Mr. Chairman, I yield 5 additional minutes to the gentleman.

Mr. CONABLE. The States will simply flow-through the reduction in reduced per capita aid to the localities. The intention originally and the amendment offered in the Budget Committee, in order to try to provide flexibility for the States, was to give the States the option of how they would take their reduction—in categorical grants or in revenue sharing.

□ 1050

It proved to be a very difficult amendment to prepare and to draft and was difficult administratively. So instead we are offering under the rule an amendment which would require cutbacks to a limited number of categorical grants, totaling up to the amount of revenue sharing, the States to receive the revenue-sharing money. It adds nothing to the budget.

Let me go over, at the request of the gentleman from New York (Mr. OTTINGER), the grants that would not be cut, because they are not the sort of grants that should be cut as an alternative to revenue sharing. First of all, there is a large number of grants going to the States and to the localities which are grants in aid to individuals and not actually to the States and localities though channeled through them, such as medicaid, child nutrition, AFDC, subsidized housing, unemployment trust fund, low-income energy assistance, and other types of programs, including alcohol, drug abuse, mental health programs, rural housing, special milk, and so forth. Many of these have been cut elsewhere in the budget. There is a total here not to be cut out of the $92 billion, grants to States and localities, of $36.9 billion. There are some other programs not appropriate to be cut as an alternative to the cut in State revenue sharing which are aid to localities only. Those include CETA, including the youth initiative, community development block grants, UDAG, and economic development assistance. There are other aids to States which we have not chosen to cut, including the title XX social services program and the Urban Mass Transit Administration. Adding up all of these three, grants in aid to individuals, aid to localities only, and other aid to States and/or localities, including title XX and mass transit, we get a number of grants totaling $59.2 billion that will not be touched as an alternative to revenue sharing. The total grants in aid to States and localities is $92.9 billion. Taking $59.2 billion from that, the total grants subject to reduction amount to $33.7 billion, and the amount of reduction necessary to achieve a savings of $1.7 billion comes out technically to 5.04 percent. Quite frankly, I think there is some opposition to this measure on the ground that the grants to States, because they are rifle-shot into specific areas of public concern under rigid standards should remain within the control of the Federal Government and are not an appropriate alternative to the discretionary spending involved in State revenue sharing.

I am a decentralist. I believe many of my colleagues are as well and would like to see as much discretion left at the lower levels of Government as possible. The categorical grants, because they are passed out according to Federal standards, have been the major instrumentality of centralization in this country.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman for yielding. I am concerned that all of the materials that have been put out on the gentleman's amendment, and I might want to support it, have dealt only with what is not to be cut, as the gentleman has just listed here. I am still in the dark, and I think it is important the House understand what it is that can be cut under the gentleman's amendment. The House should be adequately informed on the effect of its action. What is in that $33.7 billion that would be subject to cut?

Mr. CONABLE. I will try to get such a list and make it available. Quite frankly, the bulk of the programs included in the $92.9 billion of categorical grants are not subject to cut, and it was mainly the concern over these programs that led me to set up the list as it was set up.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield the gentleman 2 additional minutes.

Mr. CONABLE. I thank the gentleman. I will try to get to the gentleman from New York a list of the programs subject to cut. I think he will find that if he matches it against the expenditure of the States' share of revenue sharing, which, as I say, on the average and across the country goes more for education and public welfare than anything else, he will find very favorable comparison.

Mr. OTTINGER. I thank the gentleman. I tend to favor that discretionary kind of grant represented by revenue sharing that he proposes to restore, but I would like to know, because I think it is important in making that decision that we be knowledgeable, what is likely to actually be cut in terms of categorical programs.

Mr. CONABLE. I ask the gentleman, pending the delivery of such a list, to consider that the Budget Committee is cutting out the entire States' share of revenue sharing. We are cutting out only 5.04 percent of the roughly $33 billion of categorical grants that are subject to cut. It is my feeling that there is considerably more hardship in the elimination of a major grant program like the States' share of revenue sharing, than in a 5-percent cut from the other types of grants. I will see that the gentleman gets that information.

Mr. Chairman, there is one other thing I would like to say. I hope my colleagues will participate in the tough expenditure cutting that is involved in the Republican proposal, because I think it will give the American people some confidence for the future. One cannot make an omelet without breaking eggs. It is a tough procedure that we are going through, and yet our failure to do this has resulted in absolutely the worst possible result for the American people.

We have an inflation rate based on overspending and a cumulative deficit which is destructive of our social fabric and hardest on the poor, the very people for whom these Government programs are designed to provide benefits. If the Members feel that only Government programs can benefit the poor, they are going to resist cutting, but I want to tell the Members the net result can be even more disastrous—the erosion of what purchasing power remains with the poor through continued inflation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. Mr. Chairman, I want to discuss in general terms the budget that is before this committee right now. Most people know the good news about the budget. It does represent a balanced budget resolution for the first time in the history of the Budget Act and the budget process.

Undeniably, that is good news; unfortunately, however, there is accompanying bad news. The bad news is that the budget has been balanced over the dead bodies of the taxpayers rather than with any significant cuts in Government spending.

By my computation the new taxes that are in the budget amount to over $70 billion. Principally they consist of: (1) windfall profit taxes of somewhere around $15 billion that will be paid by the consumers in this country exactly as if it were an excise tax levied by the Government; (2) $15 billion worth of bracket creep, or that awful inflation tax that plagues every individual taxpayer in this country; (3) new social security taxes of about $15 billion, which become effective on January 1 of next year; (4) the excise tax on petroleum, about $11 billion, which the President put into effect under his authority in March; (5) withholding of taxes on dividends and interest which the President has recommended.

In addition, there are a number of other lesser taxes which I will not even bother to categorize here today because they only amount to a few billions of dollars. But the total runs over $70 billion. They are brand new taxes.

They are levied on the American taxpayers for the first time, and they do provide a budget which gives us the highest percentage ever, as near as I can compute, of taxes to GNP in the more than 200-year history of our country. Obviously, this does not represent any kind of fiscal sobriety, or any kind of budget-cutting exercise. It represents a budget that is balanced on the backs of the taxpayers.

□ 1100

While we do consider a balanced budget a good idea, an important development and a great improvement over what this Congress has been able to do in the past, about all we can say for it is that it is balanced at much too high a level. It produces that level of taxation unmatched in our country's history.

Mr. Chairman, in order to improve this budget Republicans have developed a responsible substitute. It will be introduced by the distinguished ranking minority member of the House Committee on the Budget, the gentleman from Ohio (Mr. LATTA). It will provide for a budget balanced at a spending level $14 billion less, $598 billion as against $612 billion, from the committee's budget.

That budget will be balanced not only at a $14 billion lower spending rate but with a larger tax cut for the taxpayers and with the same small surplus that is now in the committee's budget.

Mr. Chairman, the Latta substitute, in my judgment, deserves the support of every Member of this body who is pledged to fiscal responsibility. To develop a balanced budget and to present it to this body is a good thing. To develop it at a high spending level, it seems to me, confers very little merit upon those who vote for such a budget.

The Latta substitute, in my judgment, begins to make good on the pledge we have given to the taxpayers of this country that we are going to try to control spending, and that we are going to try to give the processes of government back to the people of this country. I think the Latta substitute begins that process. It is by no means a radical cut. It is only the beginning of reducing the unreasonable spending that this body has carried on for the last 40 years.

The CHAIRMAN. The time of the gentleman has expired.

Mr. LATTA. Mr. Chairman, I yield 5 additional minutes to the gentleman from Minnesota (Mr. FRENZEL).

Mr. FRENZEL. In addition to the Latta amendment I commend to the members of this committee the Conable amendment which would restore to the States of this great Union the unrestricted funds they now receive under the general revenue-sharing program. The restored funds, $1.7 billion would be cut from other more specific programs that now require cumbersome administration, stifling regulation, and expensive grantmanship.

Mr. Chairman, if the Members of this body really believe in federalism and if they believe the States amount to anything in our Federal system, they will support the Conable amendment. It gives the States the opportunity to decide how they will best use the funds that we give them. If the Conable substitute becomes law, which I hope it does, we will probably find that the cuts in a number of programs which we thought were pretty good will be not missed at all.

One of the greatest criticisms, and a legitimate criticism, of our spending down here is that we spend money for things we think are important. We devote very little resources to the things that the people at home believe are important. A vote for the Conable amendment is a vote for those people back home and for their ability to solve local problems locally.

Mr. Chairman, because I believe in this kind of decisionmaking I think the Conable amendment deserves the approval of this House. The substitute to the Conable amendment to be offered by the gentleman from Tennessee is better than nothing but certainly less meritorious than the Conable substitute.

Mr. Chairman, having said that the committee budget is too high, I would like to expand on that thought a little bit more. I invite the Members' attention to the fast that the first budget resolution last year called for spending of about $532 billion. This budget resolution the first for fiscal year 1981, calls for $612 billion. That is an increase of 15 percent. Yet we hear much weeping and gnashing of teeth by those who are complaining about cuts.

We are cutting nothing. We are raising our expenditures by 15 percent by $80 billion over the first budget resolution last year.

If you feel smug about a balanced budget, remember that between the first and third resolutions for fiscal year 1980—the third budget resolution which is accompanying this resolution, today—we increased 7 percent. We went from $532 billion on the first budget resolution to $547 billion on the second budget resolution, and the third takes it up to about $567 billion. That is a 7-percent increase.

If this wonderful balanced budget resolution, which is a 15-percent increase over our last year's first budget resolution, is expanded the same way last year's was expanded, by the end of the fiscal year we will have a deficit occasioned by increased spending of $43 billion. And remember it is not only on the spending side where we can get into deficit trouble. The recession could mean lower revenues as well. What we proudly look upon as a balanced budget today could be a multi-billion-dollar deficit by the time the fiscal year runs its course.

Mr. Chairman, despite my criticism of the budget and my enthusiasm for amending the budget to improve it by adopting the Latta and the Conable substitutes, I do want to compliment the chairman of the Committee on the Budget and the members of the Committee on the Budget for having made such an enormous improvement in at least coming to the realization that we do need a balanced budget.

I also want to compliment the committee for having put into the budget the feature of reconciliation which was an important matter when the first budget law was adopted.

Reconciliation will also force hard decisions in many committees of this Congress. They will be difficult for the Members to make. They will be difficult for my own committee. Nevertheless, I think reconciliation is in some ways among the most important features of the pending budget resolution.

We have come a long way, Mr. Chairman. But, we have come not far enough. Congratulations to the Committee on the Budget for having taken us that tiny step forward. It is my hope that we will be able to complete the initial steps by the adoption of the Latta amendment.

Mr. PANETTA. Mr. Chairman, I yield 1 minute to the gentleman from Texas (Mr. Brooks).

Mr. BROOKS. Mr. Chairman, this Congress—in this year 1980, the opening of a new decade—must be willing to exercise the self-discipline necessary to return us to fiscal responsibility. It is my firm conviction that a balanced Federal budget based upon restraint in spending is a mandatory first step in that direction. Therefore, I strongly endorse the budget resolution reported by the Budget Committee as a constructive and workable plan based upon fiscal integrity and equity.

We all know what the basic problem is. Inflation is at unprecedented levels. Inflation hurts the wage earner, the businessman, State and local governments, and our own Federal Government as well. But the cruelest blow that inflation deals is to the elderly and the poor who live on fixed or limited incomes. They cannot survive if we do not act and act promptly to reverse these current inflationary trends.

It has been pointed out many times on the floor today that a balanced Federal budget must be taken in conjunction with other anti-inflationary actions, including those proposed by the President, the Federal Reserve, State and local governments, and the private sector of our economy. If we fail to do our part, if we fail to show the necessary resolve and dedication to our responsibilities, then the resolve and effectiveness of others diminish. We cannot ask the American people to regard us as their representatives and leaders if we are not prepared to act and act now. We are being watched and monitored closely, not just by the conventional political organizations and the special interest groups, but by the people as a whole. We must meet the challenge.

This leads me to another point that is not mentioned too often. We are a nation of diversity, a pluralistic society in which there are regional differences, demographic differences, political differences, and economic differences. There is no way to formulate a set of budget proposals that can accommodate all of these differences. But we are also a nation that knows the meaning of unity, a nation that knows the meaning of sacrifice, a nation that is willing to share the burden collectively.

I do not support everything in the budget resolution that is before us today, but for the first time since the inception of the budget process, I believe it represents a unified approach in which the entire Nation shares equitably in the responsibility for the decisions that have been reached. I hope my colleagues will join me in support of this resolution as our contribution toward the protection of the basic structure and vitality of our Nation's economy.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. BROOKS. I am delighted to yield to my friend, the gentleman from Florida.

Mr. NELSON. Mr. Chairman, I just want to say it has been a pure joy for this gentleman to associate with the gentleman who is the chairman of the Committee on Government Operations. I appreciate his leadership and his personal restraint that he has shown as chairman of that committee in trying to help us with this budgetary effort.

Mr. BROOKS. I appreciate the remarks of the gentleman from Florida.

Mr. PANETTA. Mr. Chairman, the gentleman from California yields 10 minutes to the gentlewoman from New York (Ms. Holtzman).

Ms. HOLTZMAN. Mr. Chairman, I rise in opposition to the budget resolution (H. Con. Res. 307). My objection to the resolution is not that it presents a balanced budget, because I think we need a balanced budget. I have been deeply concerned about the size of the deficits in our budgets. I have also been apprehensive about the rising cost of the interest on the national debt, which is now the third largest item in our budget. No. What concerns me about this resolution is that it balances the budget in the wrong way. It accepts unemployment as a necessary evil and it cuts expenditures for essential human services. It fails to demand that the Government function effectively and efficiently, and tolerates continued waste in Government expenditures.

□ 1110

In addition, this resolution balances the budget at the expense of the Northeastern and Midwestern regions of this country. This budget enshrines the notion of economic inequality between different geographic regions of the country, and its effect will be to reduce revenues to my State by over $700 million, and to New York City by over $200 million. Finally, if adopted, this budget will fail to address the serious urban problems that affect this society. It will reduce funding for the programs which are essential for our older cities and for the people who live in those cities. For all of these reasons, I will oppose this resolution.

With respect to the issue of priorities, it is important to understand that if this budget is adopted it will reduce programs to rebuild communities by $900 million. Programs for education, training, employment, and social services, including CETA and the youth employment initiative, will be cut by $1.7 billion. Health programs for research, education, and training, will be reduced by $700 million. Income security programs such as low-income energy assistance, welfare reform, food stamps, and child nutrition, will be cut by $2 billion. And the only Federal program to assist State and local governments in the improvement of our criminal justice system and to deal with the serious problem of juvenile crime, the Law Enforcement Assistance Administration, will be entirely eliminated.

At the same time, the budget resolution neglects to make reforms on the revenue side of the budget, and continues to permit special subsidies for the oil industry that are ultimately paid for by taxpayers and which are completely unnecessary. The budget resolution fails to call for the repeal of the foreign oil tax credit even though that provision of the Tax Code costs the taxpayers $700 million per year and even though it encourages the oil companies to explore for oil abroad rather than in the United States.

Last year, my amendment to the first concurrent resolution on the fiscal year 1980 budget, which called for the abolition of the foreign oil tax credit was adopted by an overwhelming majority. If that reform had been acted on and approved by the House Committee on Ways and Means and the Committee on Finance of the other body, we would have had an additional $700 million in revenue in fiscal year 1981, and some of the cuts in vital human services now called for in the budget resolution could be restored and funded.

To make my point clear—that revenue reforms would preclude the need to make reductions in programs that are vitally important to the survival and welfare of human beings, I offer one additional example.

Owners of private planes currently pay only 14 percent of their share of the costs of operating and maintaining our airports. This failure to increase user charges to cover their full costs results in a tax giveaway of $200 million. There are similar subsidies and giveaways throughout the tax code, in the form of oil depletion allowances and the provision that allows oil companies to expense oil and gas intangible drilling costs.

But, it is relatively easy to take programs away from the people who are poor and vulnerable. It is impossible, if one is to judge from this resolution to touch tax giveaways to the powerful and to the entrenched special interests of this country.

I am also concerned about the fact that this budget resolution accepts the notion that higher unemployment is a requirement for reducing inflation. That notion, I think, is bankrupt and wrong. That notion will not work, and I think it is distressing that the U.S. Government and the U.S. Congress are even considering the adoption of a fiscal policy that condones and allows high unemployment. Yes, we can balance our budget, maybe, by putting people out of work, although ultimately the cost of that unemployment will be borne by the Federal Government. But, if we do that we will actually be shifting the cost to States and local governments. This is no way of solving a fiscal problem for the Nation. It is just the Federal Government saying, "We will not pay the costs."

But, State and local governments will

begin to pay the extra costs associated with welfare, with medicaid, and other kinds of programs that deal with unemployment. I reject the notion that we have to increase unemployment to solve the Nation's economic problems.

I want to say that this budget ignores one of the major causes of inflation, which is the escalation of oil prices. It is inconceivable to me, at a time that we are vulnerable and dependent on the OPEC nations—on unstable, despotic governments—that we would cut back on programs designed to increase energy conservation and energy research and development. Given the dependence of this Nation on foreign oil, how can we fail to make the major investment that has to be made in mass transit? How can we solve the problems of inflation if we continue our dependence on the OPEC nations, as this budget does? I think this is the most penny-wise pound-foolish part of the entire budget. We cut back on the program to insulate schools and hospitals; we refuse to finance mass transit at the levels authorized by law, in order to save millions, but at the same time we lock ourselves into acceptance of billions in future, arbitrary price increases in one of our most essential commodities.

I also want to talk about the issues of geographical inequity that this budget resolution enshrines. As a result of the decontrol of oil prices and the special treatment of State royalties and severance taxes under the windfall profit tax, the residents of the oil consuming States will be providing a $1.1 billion subsidy to the oil-producing States.

This benefit will accrue primarily to four States: Alaska, California, Louisiana, and Texas. The only restriction on the expenditure of those funds is that they be used for "general purposes"—the same restriction that exists on all general revenue sharing funds. At the very time that we are "giving" $1.1 billion to the oil-producing States to use for revenue sharing in those States, we are cutting out revenue sharing programs for the other States of the Union. I think this is unconscionable, and that is exactly what this budget resolution suggests.

I want to talk further about the serious problems confronting our cities. The fact of the matter is that our cities are decaying, that the infrastructure of cities, including their water supply systems, bridges, sewers, and housing, even mass transit are deteriorating, and are deteriorating rapidly. We are confronting serious problems of unemployment in our cities, and the fact of the matter is that most of the poor people in this country live in the cities. And yet, at the same time this budget fails to adopt any program for poor people in this country who live in the cities.

And yet, the Federal budget fails to adopt any program to deal with the problems of our cities. There is no urban program in this budget. Instead, we slash programs designed to help minority teenagers. We slash programs designed to help States and local governments fight crime, although most of the serious crime in this country occurs in our large cities. We reduce programs for the weatherization of schools and hospitals, we eliminate the State share of the revenue sharing programs even though a large proportion of these funds are turned over to cities and localities so that local officials can address the problems of education and of the need for social services. Even more incredibly, the budget calls for the elimination of the countercyclical and targeted fiscal assistance programs when we are about to enter a recession.

Finally, the resolution does not deal with the serious problems of mismanagement and waste in the Federal Government, even though this is supposedly a fiscally responsible and austere budget. The report of the Budget Committee notes that the President's January budget included about $30 billion for personnel compensation benefits and overhead costs. From that figure, the committee cut a grand total of $954 million, or 3 percent. This budget does not touch the problem of unnecessary printing and publications by the executive branch. This budget does not touch the fact that various Federal agencies engage in movie production, and the Department of Defense itself has a $600 million operation to produce movies.

The CHAIRMAN. The time of the gentlewoman from New York has expired.

Mr. PANETTA. Mr. Chairman, I yield 3 additional minutes to the gentlewoman from New York.

Ms. HOLTZMAN. Even though the General Accounting Office has uncovered numerous examples of how program costs have climbed because of unsound procurement practices, because of the lack of competitive bidding, we do not begin to address those problems. There is waste in Federal programs. I myself have uncovered a major scandal in New York City, which resulted in the indictment and conviction of 17 people on Federal charges. We brought down the cost of that program. We improved the quality of the services it provided.

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But there is reluctance to take on the hard work and the tough work on a Government or agencywide basis that the elimination of mismanagement and to eliminate the kind of illegal and unfair practices requires. Elimination of the unnecessary costs that ultimately plague the taxpayer and hurt our economy is a low priority for this budget.

Mr. Chairman, I say to you and to my colleagues, that this is the wrong kind of budget at this very serious time in the history of our Nation. This is a time, I believe, when Congress could have provided leadership and rejected the notion that unemployment is the way to solve inflation.

This is a time when Congress could have said, "We will get at the issues of waste and corruption in the Federal Government in a serious way, in a thoroughgoing way, and in a systematic way."

This is a time when the U.S. Congress could have said to the American people, "We will not solve our Nation's economic problems at the expense of any one region, and particularly at the expense of the Northeast sector of this country," which will suffer even more than the rest of the Nation during the coming recession.

This is a time when the U.S. Congress could have said to the American people, "We will not solve the Nation's economic problems at the expense of any one social group, and particularly at the expense of groups that are most vulnerable and most helpless and most in need of the Federal Government's assistance."

Mr. Chairman, I think Congress could have said these things but it has not done so. The problems are serious, yet we are prohibited from offering amendments that would address the failure of the budget to apply necessary reductions in funding to all groups and geographic areas, to confront the problem of reducing unemployment, to end waste and inefficiency in Government programs, and to develop a workable urban strategy. My amendments, which we are not even allowed to discuss under the rule for this resolution, have been included for the RECORD, so that the Members of Congress and the people can see for themselves that there were other alternatives for balancing the budget.

FIRST AMENDMENT TO H. CON. RES. 307, FIRST RESOLUTION ON THE FISCAL YEAR 1981 BUDGET

[In millions of dollars]

	Budget authority	Outlays
Reductions from the report of the House Budget Committee:		
10-percent reduction in funding for communications, utilities and rents: printing and publications (function 920: Allowances)	751.2	683
10-percent reduction in funding for travel expenses (persons and things—excluding the Defense and international affairs functions) (function 920: Allowances)	210.0	210
25-percent reduction in funding for consultants and contract fees (function 920: Allowances)	160.0	150
Total	1,121.0	1,043
Items to be restored/added:		
Law Enforcement Assistance Administration (function 750: Administration of justice): Restores 50 percent of President's original request	260.5	45
Mass transit operating assistance (sec. 5 UMTA formula grants) (function 400: Transportation)	95.0	95
Elementary and Secondary Education Act (function 500: Education, training, employment and social services)	100.0	80
Energy conservation grants to schools and hospitals (function 270: Energy)	120.0	100
Antirecession fiscal assistance (function 850: General purpose fiscal assistance)	55.0	500
Food stamps (function 500: Income security)	130.0	130
Nutrition assistance for senior citizens	25.0	25
Total	785.5	975

Note: Balance of funds available as a result of the adoption of this amendment to be used to reduce the size of the public debt.

SECOND AMENDMENT TO H. CON. RES. 307, FIRST RESOLUTION ON THE FISCAL YEAR 1981 BUDGET

[In millions of dollars]

	Amount
Additional revenues:	
Repeal of the foreign oil tax credit	700
Removal of the exemption in the windfall profit tax on oil produced from State and locally owned land	1,100
Total	1,800

	Budget authority	Outlays
Items to be restored/added:		
CETA public service jobs (function 500: Education, training, employment and social services)	769	700
Restore the State share of revenue sharing (Function 850: General purpose fiscal assistance)	1,500	1,100
Total	2,269	1,800

Mr. LATTA. Mr. Chairman, I yield 30 minutes to the gentleman from Arizona (Mr. RUDD).

Mr. DERRICK. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from South Carolina.

Mr. DERRICK. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I rise in support of House Concurrent Resolution 307, the first concurrent resolution on the fiscal year 1981 budget. This budget has been developed not just in the past few months, but more correctly over a period of 5 years. Since the creation of the congressional budget process in 1974, we have been working towards a balanced budget and fiscal constraint. Today we have under consideration a budget that for the first time in over 10 years is in balance, and further, contains a $2 billion surplus. This budget signifies that our Government is willing to live within its financial means and will serve as a signal to all Americans that we are capable of putting our own house in order.

I recognize that by itself, balancing the budget will have a small effect on reducing the inflation rate. However, the psychological impact of this means of demonstrating we are determined to do our part to stem the rising tide of inflation. Mr. Chairman, the American people cannot endure the high rate of inflation. Our constituents are discovering they cannot afford to purchase homes, take vacations, send their children to college or save money. This situation calls for tough decisions to be made now.

The House Budget Committee, and in particular, its chairman, BOB GIAIMO, should be commended for the dedicated and hard work they have contributed toward the development of this budget resolution. While it is easy to be supportive of a balanced budget in concept, it is far more difficult to determine how to best accomplish that goal. The budget before the House today recognizes that a budget cannot be balanced by cutting someone else's programs. It also exemplifies the fact that the best way to balance the budget is not to increase revenues, but rather, to decrease spending.

Earlier this year I proposed a list of 58 areas where budget reductions could occur. I am pleased that the budget resolution we are considering contains many of these reductions. We all can acknowledge that many of the legislative savings contained in the budget will not be popular back home with our constituents. It is always far more difficult to say "no" than to grant the wishes of those who are asking us not to hold the line. This budget resolution however, does say "no" and it is one which should be adopted by this Congress.

I am hopeful that my colleagues will join me in supporting this resolution and will continue to stand firm in the upcoming months, as individual spending bills are under consideration. We must realize that the road to fiscal restraint does not end with the passage of this resolution—this is just a beginning. If we are successful on this budget, we will be paving the way for improved economic actions in the future. There can be no waivering from this course of action.

Mr. Chairman, we have before the House an equitable budget, a fair budget. The spending reductions are shared by all segments of society. We can, by adopting this budget resolution, rise to the challenge that confronts our economy today. We should adopt this resolution and I would urge my colleagues to vote against any and all amendments that would destroy the intent of this resolution.

Mr. RUDD. Mr. Chairman, I thank the distinguished ranking minority member of the Committee on the Budget for yielding me this time, and I wish to say to the distinguished chairman of the Committee on the Budget and to the distinguished chairman of the Committee on Rules that I understand the difficult jobs they have and respect their very responsible efforts in executing the duties with which they are charged as they perceive these duties. Whether or not I agree with them is not the point, but I do respect them for their efforts.

As a member of the Committee on the Budget, I would like to discuss both in general terms and in specific terms this budget, which very possibly will be adopted but not with my vote.

Mr. Chairman, it is difficult to conceive of a worse time in our country's history for Congress to be considering a Federal budget that would set a record high for Government spending, while increasing the tax burden on our citizens $148 billion higher than last year's level of taxation.

Does the leadership of this Congress recognize the realities facing the American people outside this U.S. Capitol?

The American people—our great Nation—are wracked by soaring 18-percent inflation which pushes wage earners into higher tax brackets while reducing their purchasing power.

At the current rate of inflation, the purchasing power of every American's dollars will lose half its value every 30 months—assuming, of course, that the economy does not suffer a super-heated inflationary blowout that other nations have experienced.

Has Congress not learned that irresponsible Federal deficit spending and oppressive taxation is what got us into this economic mess?

This is not the time to be jacking up spending even higher, and increasing every American's tax burden.

This is the time to reduce Federal spending, and to cut taxes, to relieve the oppressive burden of soaring inflation and to allow our productive enterprise system the breathing room it needs to get us back on the road to economic good times again.

Mr. Chairman, the House Budget Committee's Task Force on Inflation, on which I serve as ranking Republican, conducted several weeks of hearings last year on the problem of inflation and how to stop it.

We heard from many learned experts—many of them business men and women schooled in the world of work and productivity.

One such citizen who provided testimony was Gerald H. Trautman, chairman of the board and chief executive officer of the Greyhound Corp., which has its headquarters in Phoenix.

Mr. Trautman is known as a man who understands well the Federal Government's contribution to the economic problems that have now reached almost a crisis stage in our country.

He told our committee—

> The single overriding cause of inflation in this country is government spending that will not stop, long after resources have been exhausted. This, in turn, is followed by the Federal Government running its printing presses overtime to cover its fiscal nakedness with debased dollars.
>
> Concurrent with this is government's penchant for regulating, over-regulating, duplicate regulating and counter-regulating. Even consumer advocates admit that this regualtory morass has not resulted in significant benefit to consumers, but only a massive diversion of production capital, energy, time and resources into nonproductive paperwork whose only impact has been to cause the price of goods and services to soar.
>
> And finally the third element in the inflationary mix is the headlong race by the Federal Government to rush down the British road to enhance and promote the concept of "entitlement" to every citizen who wants to believe there really is such a thing as a free lunch.
>
> If your Committee genuinely seeks the causes of inflation, it need seek no further. Inflation is not an economic problem. It is a political problem. Thanks to its profligate spending habits, the Congress has drained the Nation and the economy of its vitality and has finally succeeded in "institutionalizing" inflation in America.

Mr. Chairman, the pessimism expressed by Mr. Trautman is warranted when one looks at this budget resolution.

A glance through this budget's social welfare programs—many of them so-called "entitlement" programs which are indexed by law so that their benefits automatically increase to keep up with inflation—explains why Federal spending and taxes have increased so substantially over the past 25 years that Democrats have controlled Congress.

Such programs as food stamps, aid to families with dependent children (AFDC), school lunch and other nutrition programs, subsidies and other welfare benefits are increased more than 15 percent over 1980 levels by the President's proposals and this budget resolution.

Neither the President nor liberals in Congress have been willing to limit benefits to only the truly needy and deserving, but are in effect "buying votes" with Government handouts.

The time has come to stop this practice of using taxpayer-supported benefits to buy the votes of a growing recipient class.

When the majority bravely talks about cuts they mean slight fallbacks from bloated increased in taxes and spending.

The time has come to sharply reduce spending and to sharply reduce taxes—not to boast about balancing the budget with record high spending and tax levels. That is a fictitiously balanced budget on the backs of working Americans.

FOOD STAMPS

Take food stamps as an example. This program started out in 1965 at a level of $34 million and 435,000 recipients. Today, the food stamp program has skyrocketed to $8.6 billion, and in March served 21.7 million, or 1 out of every 10 Americans. By next year, the food stamp program is expected to top $10 billion, unless it is reformed to cut the number of participants and costs.

As a member of the Budget Committee, I personally offered numerous reforms that could reduce food stamp costs alone as much as $4.4 billion a year—without denying benefits to a single needy person.

No one can convince me that 1 out of every 10 people in America is unable to care for himself.

I know that there is widespread sentiment in this body, and Congress as a whole, to cut food stamp costs through meaningful and reasonable reforms. But under the rule for consideration of this budget resolution, only one opportunity exists through the Latta substitute to achieve an estimated $630 million of the $4.4 billion in reasonable food stamp cost savings that legislative reform would bring.

The Holt substitute offsets a similar food stamp savings with a worthwhile increase in defense.

I was personally disappointed by the lack of any positive response by the Budget Committee and the Rules Committee to the amendments which were offered to reform overlenient eligibility requirements for food stamps, to set a ceiling on gross income and personal assets for participation, and to help eliminate fraud, waste and abuse in the food stamp program.

It is estimated that the food stamp program will reach an annual cost of $10.7 billion by 1981, unless some effort is made to restrict benefits to only the truly needy and deserving. Does anyone really believe that 1 out of every 10 Americans should be getting benefits under this program—that this many recipients are unable to provide their own food without taxpayers paying the bill?

Further evidence of the need for significant reform was provided yesterday in updated estimates calculated by the Congressional Budget Office.

In a memorandum prepared for the Senate Budget Committee, the CBO indicated that program participation is far exceeding the administration's estimated annual rate of 20.4 million, on which basis program costs were estimated. The CBO revealed that participation in March totaled 21.7 million, thereby increasing dramatically the estimated costs for fiscal year 1980.

The fiscal year 1980 level of spending for the food stamp program approved by the Congress last year was $6.2 billion. The Carter administration has already requested as additional $2.5 billion for fiscal year 1980 earlier this year. In its March revisions, the administration conceded that an additional $100 million—above the $2.5 billion—would be needed to complete the fiscal year.

However, the Congressional Budget Office's newest estimate is that it will require an additional $497 million—above the $2.5 billion already requested—to finance the food stamp program through September 1980. These additional costs represent a 50-percent increase over what the administration told Congress would be needed.

For fiscal year 1981, the Congressional Budget Office now estimates a figure of $10.7 billion, $1 billion above the administration's budget request—and therefore $1 billion more than the amount assumed in this resolution.

The CBO document also dismisses the argument that higher food prices or higher unemployment are responsible for these dramatic participation increases, noting that both have remained stable during the first quarter of 1980 when participation skyrocketed.

Obviously, major reforms are needed within this program to limit participation to those most truly in need of supplemental food assistance.

I know that this program is full of abuse and waste. Only last week a citizen informed my office that he had lined up behind a man and his children at a supermarket as they attempted to use food stamps to purchase dog food for their pet. The checkout clerk informed the man that food stamps could not be used to buy dog food. "Well, I guess he'll have to eat hamburger, then," the man exclaimed as he sent his child to make the exchange. Just imagine the tens of thousands of similar abuses of food stamps which are part of the horrendous $8.6 billion cost of this program to taxpayers.

An Arizona rancher recently advised me he attempted to hire a Caterpillar driver to work on his ranch. The driver required $10 an hour in cash—cash so that he would not have to report his earnings and thus continue receiving food stamps. Needless to say my rancher friend refused to participate in this fraud against the Government.

Last week I was informed of a young lady in Arizona who is a well salaried employee. She decided to give a party for a number of people—you, my colleagues, I am sure will not be surprised to learn that she paid for the food in food stamps.

The answer to this problem is to sharply reform eligibility requirements so that only the truly poverty stricken people can receive food stamps. The only effort to achieve any cost reductions in this program by the Budget Committee was a cut of $400 million to accommodate annual rather than twice-yearly indexing of the food stamp allotment and standard deduction.

The Latta substitute would achieve an additional $630 million of food stamp savings by eliminating the overlap of food stamps with the school lunch program. This was one of the reforms included in my $4.5 billion food stamp cost reduction package, which was rejected by the Budget Committee and which the Rules Committee saw fit not to allow for consideration under this rule by the full House.

Members of this body and the Senate should certainly have the opportunity to reduce this budget through cost reductions in food stamp and other welfare programs, with a view to sharply reducing the number of participants so that only the truly needy and deserving are able to receive benefits.

These legislative savings could all be accommodated through amendments to S. 1309, which has been reported by the House Agriculture Committee to amend the Food Stamp Act of 1977 and is due for consideration by the House at some time in the near future.

The legislative savings which I recommend for the food stamp program are as follows:

FOOD STAMP PROGRAM LEGISLATIVE SAVINGS

[In millions]

	Amount of savings	
	Budget authority	Outlay
1. Restore purchase requirement eliminated in 1977	−$800	−$800
2. Eligibility revisions	−700	−700
(a) Limit eligibility to those with gross income at the poverty line, plus a 15 percent allowance for work-related activities		
(b) Establish purchase requirements at percentage of gross income expended for food by average household of same size and income range, with regional variations as established by the most recent Bureau of Labor Statistics Consumer Expenditure Survey, or 30 percent, whichever is less		
(c) Use the Thrifty Diet Plan, with family size, age, and sex of family members taken into account		
3. Assets test: Use the assets initially established for Supplemental Security Income (SSI), with a $1,200 limit on a motor vehicle; a $15,000 limit on property used in a trade or business essential to self-support of a household; an overall limit on liquid and non-liquid resources (with the above exceptions) of $1,500 for the household, or $2,250 for households of two or more persons with a member or members age 65 or over	−$522	−$522
4. Fraud control: Mandate a photo-identification card, countersigned warrants, a national application crosschecked, and an earnings clearance system	−138	−138
5. Count as income for eligibility determination:		
(a) Income tax rebates	−29	−29
(b) Federal energy assistance	−300	−300
(c) Any in-kind income which provides food assistance	−174	−174

FOOD STAMP PROGRAM LEGISLATIVE SAVINGS—Continued

[In millions]

	Amount of savings	
	Budget authority	Outlay
6. Income exclusions: Eliminate student loans and grants (all of which "cannot reasonably and properly be computed") and housing subsidies as exclusions from income	−$38	−$38
7. Work registration:		
(a) Restore to age 6 (not age 12) the age of a child which exempts an individual from work registration	−20	−20
(b) Strengthen the work registration requirement by permitting States to establish community work experience programs as a condition of eligibility	−14	−14
8. Overlap: Eliminate overlap of food stamps with the school lunch program	−630	−630
9. Expense deductions:		
(a) Retain $90 per month child care deduction. (No increase as proposed by House Agriculture Committee amendment to S. 1309)	−52	−52
(b) Retain $35 per month medical expense deductible. (No decrease to $10 deductible as proposed by House Agriculture Committee amendment to S. 1309)	−$70	−$70
10. Standard deduction: Reduce standard deduction from $75 to $50	−600	−600
11. Error rate: Correct with 12 percent error rate estimated by GAO in the food stamp program	−360	−360
12. Eliminate from eligibility:		
(a) Strikers	−18	−18
(b) College students	−11	−11
Total savings	−4,476	−4,476

REINSTATE THE FOOD STAMP PURCHASE REQUIREMENT

This option would require that all but the very poor be required to contribute at least minimal amounts to the purchase of food. Proponents of the purchase requirement warned when it was repealed in 1977 that failure to retain this requirement would result in substantial increases in the food stamp rolls. Precisely that has occurred. The caseload for food stamps has increased by 3,500,000 persons. This tremendous increase suggests that many are now using food stamps who would not otherwise need them.

Pilot studies have indicated, not surprisingly, that in this and other programs, when recipients are required to put up "front money," participation goes down—not for those truly dependent upon food stamps, but rather by those on the margin who really are going along for the free ride. If the ride costs them a little, they leave the food stamp rolls.

This would seem to be a basic reform to achieve legislative savings in order to prevent the food stamp program from reaching an annual cost of $10 billion. Savings: $800 million.

TIGHTEN FOOD STAMP ELIGIBILITY REQUIREMENTS

One of the most flagrant causes for the increased food stamp caseload is that the Government excludes almost all of the applicant's available income for one reason or another. Eligibility is based upon net rather than gross income. In other words, a family with a gross income substantially above the poverty line could conceivably qualify for food stamps by subtracting off enough exemptions and deductions which do not currently qualify as income.

At the present time, the Government is bending over backward to allow and encourage people to qualify for food stamps, regardless of real need to meet nutritional requirements. Not surprisingly, more and more people are doing just that as the rolls swell to ever larger numbers. The preliminary figures for March 1980 indicate that 21,700,000 people—1 out of 10—are on food stamps.

This option assumes a savings based upon limiting income eligibility to gross income at the poverty line, plus a straight 15-percent allowance for work-related activities, rather than the current complex arrangement of itemized deductions which allows families above the poverty line to participate in the program. This reform will not harm those—the overwhelming majority—who are truly in need with gross incomes below the poverty line. It will put a ceiling on the gross income which families can receive more in line with a measure of true need—the poverty level which is currently $7,152 for a family of four.

This option also assumes legislative savings by requiring that family size, age, and sex of family members be taken into account in determining the food stamp allotment. This proposal has been recommended by the General Accounting Office as a means of more efficiently targeting food stamps according to the measurable nutritional needs of the recipients, rather than continuing standard allotment which tends to overcompensate certain categories and undercompensate others. Savings: $700 million.

TIGHTEN FOOD STAMPS ASSETS TEST

Related to eligibility factors are considerations of what possessions should be counted as assets, and which should not, in determining who can participate in the food stamp program. Currently, the practice is to exempt almost every possession from consideration as a resource. Examples of possessions that do not count as assets for purposes of the food stamp program at this time include a home and lot "normal to the community," one licensed automobile regardless of value, personal effects including clothing and jewelry, household goods including furniture and appliances, life insurance policies, pension funds, trust funds, and so forth.

Here again, higher income families whose wealth is tied up in possessions can easily qualify for food stamps. A more stringent assets test is needed in order to reduce the number of nonneedy families who are eligible for food stamps.

This option assumes the same property limitations assets test for food stamp applicants that was originally applied to applicants for supplemental security income when that program was established in 1974. While the more stringent 1974 assets test would be preferred, even the current SSI requirements would provide vast improvement over the liberal food stamp guidelines. Savings: $522 million.

IMPLEMENT FOOD STAMP FRAUD CONTROL

The elements of an effective fraud control program are simple: Requirements for a standard photo-identification, countersigned warrants, a national application crosschecked for duplicate benefits, and a standardized earnings clearance system. These provisions are included in S. 2376, introduced by Senator S. I. HAYAKAWA and others. Savings: $138 million.

COUNT SPECIFIED INCOME IN DETERMINING FOOD STAMP ELIGIBILITY

This option would count income tax rebates, Federal energy assistance, and in-kind income providing food assistance in determining an applicant's income. There is no good reason why food stamp recipients should be permitted to exclude these financial resources from their income.

New Federal energy assistance to the poor has improved the income situation of many lower income families, but should be included as income for purposes of food stamp eligibility. This is a legislative savings assumption which was wisely recommended by the Senate Budget Committee in its version of the first resolution on the 1981 Federal budget.

The continued failure to define in-kind income as legitimate income for purposes of determining food stamp eligibility only serves to effectively raise the eligibility ceiling and expand participation in the program. This situation includes potential overlap among numerous food nutrition programs, participation in one of which does not limit participation in another.

This option also assumes the elimination of student loans and grants and housing subsidies as exclusions from income. Again, such loans, grants, and subsidies improve the immediate income situation of lower income citizens, and should be considered as part of total income in determining whether food stamp applicants truly need additional taxpayer support to satisfy their nutritional needs. Savings: $541 million.

STRENGTHEN WORK REQUIREMENTS

By strengthening work requirements associated with the food stamp program, a major needed incentive will be added to foster self-reliance and eventual termination of food stamp participation. An effort should be made to restore to age 6, rather than age 12, the age of a child which exempts a food stamp recipient from work registration. This would parallel the age requirement of the aid to families with dependent children (AFDC) program.

Most public school systems accept children for preschool by age 6, and there is no reason why a parent receiving food stamps should not register for even part-time work until a child is 12 years old, as is now the case.

A second aspect of this option would strengthen the work registration requirement by permitting States to establish community work experience programs as a condition of food stamp eligibility. Savings: $34 million.

ELIMINATE OVERLAP BETWEEN FOOD STAMPS AND THE SCHOOL LUNCH PROGRAM

Under current law, the value of the Federal subsidy for school lunches is not taken into account in determining food stamp benefits. Food stamp families presently receive an allotment of food stamps based upon three meals per day for each family member, including school-age children. However, the children of many low-income families may also qualify for free or reduced-price school lunches as well.

The result is that many families are subsidized for four rather than three meals per day. The obvious reform, also noted by both the General Accounting Office and the Congressional Budget Office, is to reduce the food stamp allotment accordingly to eliminate the overlap between the food stamp and the school lunch programs.

The Senate Budget Committee has recommended this legislative savings in its first concurrent budget resolution for fiscal year 1981, and this savings is also assumed in the Latta substitute to House Concurrent Resolution 307 which will be considered by the House. Savings: $630 million.

RETAIN CURRENT FOOD STAMP EXPENSE DEDUCTIONS

This option would retain both the $90-per-month child care deduction and the $35-per-month medical expense deductible for food stamp recipients, as proposed under S. 1309 as it passed the Senate. The House Agriculture Committee amended this bill to raise the $90-per-month child care deduction to $160, and to lower the $35 medical expense deductible to only $10.

In a year when we are desperately trying to find legislative savings to hold down the budget, Congress should certainly avoid liberalizing elements of the food stamp program that are already most favorable to low-income families. Under this option, the current child care deduction and medical expense deductible would be applied as an alternative to the gross income limitation at the poverty level cited earlier. Savings: $122 million.

REDUCE STANDARD INCOME DEDUCTION FOR FOOD STAMP ELIGIBILITY

This option would reduce the monthly standard deduction for family members of food stamp recipients from $75, or $900 per year, to $50, or $600 per year. The standard deduction is only one of several specialized deductions enabling households to reduce their net income for purposes of determining food stamp eligibility and allotment.

Many specialized exemptions and deductions have been added in recent years without reducing the standard deduction. The result has been that higher income families with a decent gross income are now able to combine these deductions in order to qualify for food stamps, greatly expanding the rolls of this program.

A $600 standard deduction on an annual basis is quite adequate for determining food stamp eligibility. No needy family requiring nutritional assistance under this program would be denied benefits if the standard deduction was set at this level, rather than the present $900 level at $75 per month. Again, this savings option would be a reasonable alternative to the poverty level gross income cut off. Savings: $600 million.

CORRECT FOOD STAMP ERROR RATE

The estimated 12-percent error rate in the food stamp program has proven such an embarrassment to the Department of Agriculture's Food and Nutrition Service—and rightly so—that the Department has "temporarily" stopped calculating the error rate. The General Accounting Office reported in 1977 that the Federal Government was losing over half a billion dollars annually because food stamps were being overissued as a result of errors, misrepresentations, and suspected fraud by recipients.

The latest error rates, before measurements were discontinued, were 10 to 12 percent. Obviously the Department of Agriculture should be made to correct this error rate. Savings: $360 million.

ELIMINATE STRIKERS AND COLLEGE STUDENTS FROM FOOD STAMP ELIGIBILITY

Terminating one's full-time income in order to participate in a labor union strike, or to go to college, are voluntary actions which should not be subsidized by taxpayers through the food stamp program. It is estimated that participation by strikers in the food stamp program adds $18 million annually to program costs, and participation by college students adds $11 million a year to the program. Savings: $29 million.

Mr. Chairman, the failure of the Budget Committee to adopt these legislative savings totaling $4.4 billion through food stamp reform in a year when we so desperately need to cut billions of dollars in unnecessary spending from the Federal budget—and the fact that we will not have the opportunity to rectify that error under the rule governing consideration of this resolution—are reason enough to defeat House Concurrent Resolution 307.

But another reason to defeat this budget is its failure to include sufficient funds for national defense to fulfill the President's solemn commitment for real growth in defense spending.

NATIONAL DEFENSE

In light of the President's solemn commitment to mtaintain real growth in defense spending, while meeting current force objectives, there is no way that Congress can justify a cut in defense spending below the President's January budget request.

In fact, the President's own request was an estimated $7 billion below required funding in order to meet current force objectives with no new or expanded programs.

The proposed amounts under this resolution of $160.8 billion in budget authority and $147.9 billion in outlays are $2 billion below the President's budget reestimate in budget authority, and a cut of $1.4 billion in outlays below the reestimate.

I believe that Congress should add $12.6 billion in budget authority and $8.8 billion in outlays to the national defense function. Such an increase is entirely reasonable and absolutely necessary in order to maintain the President's solemn commitment to increase our worldwide military capabilities by providing 5.6 percent real growth in fiscal year 1981 defense expenditures.

The following summary spells out the need for this increase in terms of both underfunding of current operations and needed program improvements:

NATIONAL DEFENSE

Additional funding required to maintain 5.6 percent real growth in defense spending while meeting current force objectives in a realistic manner—

	Budget authority	Outlays
1. Correct underfunding for current operations:		
(a) Fuel price increases	+$4, 500	+$4, 500
(b) Maintenance of current naval operations	+250	+250
(c) Meeting higher than expected inflation in procurement	+1, 500	+1, 500
(d) Excessive pay absorption	+600	+600
(e) Personnel compensation improvements	+200	+200
Subtotal: Funds required to maintain President's commitment to 5.6 percent real growth with no new programs	+7, 050	+7, 050
2. Program improvements:		
(a) Strategic forces	+$250	+$100
(b) Naval forces	+1, 500	+500
(c) Aircraft procurement	+2, 500	+500
(d) Theater facilities	+250	+125
(e) War reserve material	+500	+250
(f) Operations and maintenance	+600	+300
Subtotal: Funds required to meet current force objectives	+5, 600	+1, 775
Total: Required additional funds to maintain 5.6 percent real growth while meeting force objectives in a realistic manner	+12, 650	+8, 825

UNDERFUNDING OF CURRENT OPERATIONS

Fuel Prices.—In the area of underfunding, former Defense Comptroller Fred Wacker told the Committee this year before he left office that fuel price increases will drain an additional $4.5 billion from the Operations and Maintenance account.

At present, the Department of Defense is charging Unified Commanders a price which will drain $3.4 billion beyond what was planned for FY 1980 out of the O&M account.

Naval Operations.—The Navy has stated that it will need $250 million in additional funds in order to send two carrier task forces to the Persian Gulf, to carry out the President's stated objectives in that region.

Higher Inflation.—The Congressional Budget Office has estimated that inflation is 2 percent higher than its previous inflation estimate. That inflation increase is assumed for military procurement. This means that an additional $1.5 billion is needed to keep procurement at its current pace, using a 10.9 percent rather than 8.8 percent inflation rate in line with the CBO re-estimate.

Pay Absorption.—The Committee's "Recommendations for the First Concurrent Resolution on the fiscal year 1981 Budget" (March 19, 1980) states that the military's historical pay absorption rate has been 20 percent. The President has included the equivalent of 40 percent absorption of the cost of the pay raise in his fiscal year budget—twice the historical amount.

This cuts back on real growth. The defense budget should include an additional $600 million to reflect the historical 20 percent pay absorption rate.

Personnel Pay.—The Committee's proposed defense budget adds $500 million to the President's request for the Nunn-Warner military pay improvement amendment for pilots, submariners, and other critical military personnel.

The Budget Committee's staff's earlier stated estimate was $700 million to accommodate the Nunn-Warner amendment in fiscal year 1981. I believe this to be a more accurate estimate, requiring the addition of $200 million in order to provide this incentive pay increase for special skill military personnel.

They are all necessary increases just to maintain the President's commitment to real growth with no new or expanded programs to meet current force objectives.

NEEDED PROGRAM IMPROVEMENTS

In order to meet current force objectives in a realistic manner, program improvements are needed in at least six major areas, requiring an additional $5.6 billion in budget authority and $1.7 billion in outlays in fiscal year 1981.

Strategic Forces.—An additional $250 million in budget authority and $100 million in outlays is needed for strategic forces. This will bring strategic forces to the level cited by the Joint Chiefs of Staff in their program submission to the Secretary of Defense, in order to implement the President's requested program.

Naval Forces.—If we are to maintain the President's stated commitment to prevent Soviet domination of the Indian Ocean and Persian Gulf region, the fiscal year 1981 budget needs an additional $1.5 billion in budget authority and $500 million in outlays for long-lead funding for a separate task force for this region.

There are no added funds in the President's fiscal year 1981 budget to conduct naval operations in the Indian Ocean and Persian Gulf, as recently announced.

Responsible sources indicate it would be ideal to have a separate Naval task force for this purpose, which would take five years to build. Pending this, current U.S. forces, which the Administration has acknowledged are already insufficient, will have to carry out the President's objectives.

Aircraft Procurement.—The President's 1981 budget plan submitted in January, 1979 called for procurement of 639 military aircraft. However, the President's fiscal year 1981 budget has reduced that number by 173 aircraft (a 27 percent cut), bringing his aircraft procurement program 144 aircraft (24 percent) lower than the current 1980 program as approved by Congress.

Aircraft procurement is one of the most critical deficiencies of our current defense program. This is no time to impose further substantial decline in this area.

The Congressional Budget Office analysis of the fiscal year 1981 budget reports that the President's request for aircraft procurement reflects a real dollar decline of $878 million (10.3 percent), compared to the fiscal year 1980 approved program, and a real dollar decline of $296 million (3.7 percent), compared to the 1981 plan presented last year with the 1980 budget. The difference in percentage decline of numbers of aircraft, compared to real dollars, is partly attributed to higher unit prices brought on by a lower level of production over the years.

It makes little sense for our Nation to be purchasing less and less combat aircraft—especially since replacement is not keeping pace with the number of aircraft going out of service—at a time when improving and strengthening our overall defense capabilities is being given such great priority.

An addition of $2.5 billion in budget authority and $500 million in outlays would restore aircraft procurement to the level of 639 aircraft requested by the President in his original 1981 plan, submitted to Congress 14 months ago.

Theater Facilities.—U.S. theater facilities are in great need of expansion and modernization, particularly at Diego Garcia, Oman, and elsewhere. An additional $250 million in budget authority and $125 million in outlays is needed for this purpose.

War Reserve Material.—The Navy has told us that it alone has a 35 percent deficiency in war reserve material—munitions. The fiscal year 1981 defense budget needs an additional $500 million in budget authority and $250 million in outlays to start correcting this deficiency. This amount is only a very small portion of the real need, but it is a vitally needed addition to build munitions reserves.

Operations and Maintenance.—Presently there is a serious backlog of needed aircraft and ship overhauls that must be caught up. An additional $600 million in budget authority and $300 million in outlays in the O&M account is needed for this purpose.

The backlog of overhauls has recently been increased, because they are being deferred even further so that the current Persian Gulf operations can be funded out of the O&M account.

Again, these are vitally needed funds to repair and modernize ships and aircraft, which are useless to our defense forces in their current state.

The needed additional fiscal year 1981 defense funds outlined here comprise a reasonable, urgent amount in order to start addressing some of our serious military deficiencies. The credibility of our commitment to strengthened U.S. military capabilities rests upon our willingness to back up that commitment with necessary funds.

Mr. Chairman, without the reductions I have outlined in the food stamp program, as well as reductions in other nondefense areas—and unless the cited deficiencies in the defense budget are corrected by adoption of the Holt amendment or the Latta substitute—I believe that this 1981 budget will be seriously flawed.

I strongly oppose the proposed budget resolution as it now stands and would urge its defeat.

☐ 1150

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I thank my colleague for yielding. I have sat and listened very carefully to the gentleman's statement. In the course of the gentleman's remarks he has dealt very specifically with almost microscopic intensity on the food stamp program to the point where the gentleman was capable of enunciating ways of reducing $18 million here, $17 million there in food stamp programs or school lunch programs.

Next the gentleman comes to the second aspect of his presentation, making the very broad statement that we must increase the military budget by 5.6 percent over and above the inflation rate, which translates into several billions of dollars.

My question is this: How can the gentleman reconcile these two apparent disparities in the gentleman's presentation where he is willing to be microscopic in terms of domestic programs?

The CHAIRMAN pro tempore (Mr. DERRICK). The time of the gentleman from Arizona has again expired.

Mr. CONABLE. Mr. Chairman, I yield 7 additional minutes to the gentleman.

Mr. RUDD. Mr. Chairman, I would like to answer my friend and colleague from California this way: This Nation is faced with many crises, but especially two very grave crises, and those are the inflation—economy and defense. No one wants to talk about defense. They push it off in the corner somewhere because they are afraid to face up to it. They know that we are desperately in need of a strong defense posture if we are to survive.

Mr. DELLUMS. That is the big corner, a $158 million corner.

Mr. RUDD. The administration has not paid attention to our defense posture for several years and most especially the last 3 years. In order to pay for these defense programs we have to find funding to do this. One of the areas to seek defense funding, without injury to any of the people in our Nation, by various proposals I have made by reducing needless and fraudulent spending in just the one program that I have mentioned, the food stamp program, this is one way in which we can pay for defense. That is why I am talking about increases in defense and, at the same time, decreases in other areas.

I thank the gentleman for raising the question.

Mr. DELLUMS. Would the gentleman yield to me?

Mr. RUDD. I would like to continue, if the gentleman will permit. I thank the gentleman for his question.

Mr. DELLUMS. I thank my colleague.

□ 1200

The CHAIRMAN. The time of the gentleman has expired.

Mr. CONABLE. I yield 7 additional minutes to the gentleman.

Mr. KAZEN. Mr. Chairman, will the distinguished gentleman yield?

Mr. RUDD. I will be glad to yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding. I have listened to the gentleman's statement, particularly on food stamps. I would like to have the gentleman know that I guess I represent one of the poorest districts in the country, and that the food stamp expenditures in my district are approximately $30 million a year. In my own home county I have got over 28,000 recipients, and it is a county of less than 100,000. Does the gentleman propose, in view of all of the foreign aid funds that we send to other countries to feed their people, that we should not feed our people, the less fortunate?

Mr. RUDD. If the gentleman has listened to my remarks, I have no proposal to withdraw funds from the truly needy, from those who are incapable of taking care of themselves. What I have done in the series of proposals which were outlined here is an elimination of fraud wherever possible and an elimination of duplication. To sum it all up in a general way, when we have 22 million people 1 in 10 Americans as recipients of food stamps alone, it indicates that reduction is in order.

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. RUDD. I yield to the gentleman.

Mr. KAZEN. I think the gentleman has yielded to the gentleman from Texas. Has the gentleman from Arizona yielded to me?

Mr. RUDD. Did I answer the question of the gentleman from Texas?

Mr. KAZEN. No.

Mr. BAUMAN. Mr. Chairman, will the gentleman from Arizona yield to the gentleman from Maryland?

Mr. RUDD. I yield to the gentleman from Maryland.

Mr. BAUMAN. I thank the gentleman for yielding. I want to compliment the gentleman from Arizona on the statement that he has made and particularly on the quite obvious research and scholarship that has gone into his addressing the food stamp problems that face this country.

The gentleman is a very distinguished member of the Committee on the Budget. He has made one of his areas of interest that of the food stamp program, yet he was denied the right by the majority on the Committee on Rules to offer his substitute, although many other Members' substitutes were made in order. I suspect that the reason that he was denied that right was because the leadership of this House does not want to vote on the issue of food stamp reform. They want to avoid it, as they have avoided it in the past.

The gentleman from Arizona (Mr. RUDD) should have had that right to offer his amendment. One of the reasons I opposed the rule is because he was denied that right. At least the people in Arizona know their Representative is trying to do what I think a majority of the American people would like to do, and that is assure that those truly in need and in hunger receive aid and those who do not are taken off the rolls. The gentleman's amendment would have done that. We have been denied in this House the right to that. I compliment the gentleman for his stand he has taken.

Mr. RUDD. I thank the distinguished gentleman from Maryland for his statement.

In further response to the question that was put to me, let me say that the newspapers are advertising by the people who control food stamps—perhaps not in the gentleman's district, but in Virginia, for example—indicating that they must implement the program and find additional people to enlarge the food stamp rolls. This is wrong. All I want to do and all that should be done is to assure that the program is properly handled.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. PANETTA).

Mr. KAZEN. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I will be pleased to yield to the gentleman from Texas.

Mr. KAZEN. I thank the gentleman for yielding. Let me just tell the gentleman from Arizona that I am in agreement with putting the cheats and the frauds, and everyone else who is not supposed to be on the rolls to receive food stamps, off of the rolls, because everyone who is on there who does not belong there is taking food away from the needy. I agree with that. My problem is I do not know how the Federal Government can both supply the money for the program and supply oversight of the program. The States are supposed to administer this program. In various States the Governors are cutting back on State employees. The more they cut back, the less supervision there is going to be of this food stamp program and the more dire the need is going to be that will be placed on the Congress of the United States. All I am saying is that we should not overlook our people, our needy people, while we are looking after the people of the entire world. I certainly think that the gentleman ought to go along with us and see to it that there is enough money right now in there. There is an emergency, as the gentleman knows. The money is going to give out by June 1, and I think this Congress owes it to our needy people to continue that program during this fiscal year, and let us argue about 1981 as that occasion rises.

Mr. RUDD. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from Arizona.

Mr. RUDD. I thank the gentleman for yielding. I could not agree more with the overall premise, in response to the gentleman from Texas. However, the proposals I made are to eliminate the cheats and fraud. When the food stamp program started in 1965 with 435,000 recipients, and last year there were 15.2 million recipients, and this year there are nearly 22 million recipients, going up by leaps and bounds from $6.2 billion to $8.7 billion when we took the cap off in the Committee on the Budget, and next year are going up to $10 billion, a very short period of time. There needs to be real purpose in mind by this Congress to eliminate that kind of explosive growth.

□ 1210

I am in full agreement that we should take care of our own. I have always voted that way as a matter of fact.

I thank the gentleman for yielding.

Mr. PANETTA. Mr. Chairman, the test of the budget process that we go through here, is to respond via the budget to the economic conditions in the country, to priorities within the Congress and within the country, and to try, as best possible, to meet those priorities once a budget is established. In other words, to achieve the goals that are laid out through the budget process.

We have, as the Chairman has pointed out, a number of firsts in the budget resolution which is presented to the House. This is the first time that the Committee on the Budget has reported a balanced budget to the House. It is the first time that the leadership of the Congress and members of the Committee on the Budget and members of the administration sat down 8 solid days to discuss priorities and to discuss areas of consideration in developing a budget.

Mr. Chairman, it is the first time that we had a bipartisan coalition on the Committee on the Budget reporting a budget to this floor, the first time we were able to work with Republican Members in trying to develop a proposal that would be acceptable on both sides of the aisle.

It is the first time that we have included reconciliation to achieve savings and recommended reconciliation to the House. Not just reconciliation in terms of the second budget resolution, which is what the Budget Act provides for, but we have taken reconciliation and built it into the first budget resolution which means that committees have to respond to the targets that have been laid out here by June 15 so that there is a 30-day period in which the committees can consider the targets that are set by this resolution. That is a first.

Mr. Chairman, I recognize that there is a number of differences relating to each of these areas; approaches on inflation, approaches with regard to priorities, approaches with regard to enforcement of those targets.

Mr. Chairman, let me discuss each of those briefly. On the inflation issue, there is no question but that inflation is a complex issue and every Member has his own particular answer to the problems of inflation, but inflation is complex, it is made up of energy problems in this country and problems of oil increases. It is made up of the problem of growing interest rates and how those rates are passed on to consumers in the marketplace. It is made up in part of wage and price increases. It is in part made up of the lack of productivity with the economy. It is in part made up of the problem we are having with trade imbalances and how that feeds into increasing inflation within the economy and it is in part made up of Government spending.

All of those elements contribute to the inflation problem that we face.

Mr. Chairman, there is no question that in dealing with the deficit and in dealing with Government spending we are not going to solve the problems of inflation. We are not going to solve the problems of inflation by dealing simply with gas rationing, or through wage price controls or the problems of a tax incentive for productivity. All of these things in and of themselves are not going to respond to the problems of inflation. It takes a broad strategy to try to deal with what is a very complex problem.

Mr. Chairman, I think what is at the heart of our problems in our economy is not just a consideration of all these complex items, it is the lack of confidence of the American people in the fact that this Congress is going to do anything about the problems of our economy. That is really what is at the heart and soul of the problem of our economy, the lack of confidence of the American people. That we have the will or the courage or the guts to do anything about the problems of inflation.

Mr. Chairman, what has been proposed here, in this budget resolution, is an effort to try to deal with the small pieces of the inflation problem which is fiscal policy, which is Government spending.

In addition to that, let me make clear for those of you who support other approaches to the inflation problem, be it gas rationing or wage and price controls or productivity or tax decrease or whatever, that unless we have a balanced budget we will never have the political base to be able to deal with other strategies without putting our own house in order. That is why a balanced budget is important. Not just for the effort in dealing with inflation or with Government spending but putting our own house in order so that we can begin to deal with other strategies.

If we go flying off and dealing with other efforts and other strategies without in the very least having controlled Federal spending, without in the very least having established some discipline within our own process, then we will never be able to deal with these other strategies.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield briefly.

Mr. PANETTA. I will be pleased to yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I would like to enter into a colloquy with my colleague on this latter comment with respect to the issue of balancing the budget. As the gentleman knows on a number of occasions, most recently in January, the Congressional Budget Office did an updated study on the question of balancing the budget, cutting the budget as a way of balancing it. They came to the conclusion that if we cut the Federal budget by $20 billion, we would only affect the inflation rate by between one-tenth and two-tenths of 1 percent over a 2-year period, which means that by cutting $16 or $20 billion from the budget that we would reduce the present rate of inflation from 18 percent way down to 17.8 percent.

Mr. Chairman, the practical reality is that balancing the budget as the gentleman knows, and I think the gentleman stated, will not affect the inflation rate.

The CHAIRMAN. The time of the gentleman from California (Mr. DELLUMS) has expired.

Mr. GIAIMO. Mr Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. DELLUMS. Will the gentleman yield further?

Mr. PANETTA. I yield to the gentleman from California.

Mr. DELLUMS. Is it not your responsibility as representatives in a representative form of government to state clearly and unequivocally to the American people what indeed will not work as a way of solving problems and then once we are able to remove from the agenda what clearly and objectively and empirically will not work, we then can create a climate that will allow us to move toward a consensus around those approaches to the problem that will work? My question is, why pursue this process if it will not work? Why do we not just say that and educate our constituents?

Mr. PANETTA. Because I think the reality is that nobody knows that it will not work. You have economists who can predict a certain percentage impact on the inflation. I think the gentleman is very familiar with those who present statistics to the Committee on Armed Services in one way or another. The question is whether we ought to be entirely dependent on their econometric models.

Mr. Chairman, I am talking of the confidence of the American people in our ability to start setting priorities within this institution and beginning to put our own house in order, beginning to look at a budget that is rational, beginning to set some priorities within that budget.

Mr. Chairman, the gentleman knows if we do not begin to set those ceilings on the budget, if we do not begin to have that discipline process then, yes, we are going to give defense whatever it wants; we are going to give others whatever they want and the people are going to say there simply is no sense of adjusting priorities, of dealing with the issues, of beginning to try to get some handle on where we want to go in this country.

I think that is why the balanced budget issue is important because it conveys and hopefully will institute within this Congress a sense of dealing with the priorities.

We have never had a better discussion on priorities that I can recall, on the budget, since we presented a balanced budget to this House. We are going to continue to have that because we are now fighting within a certain level for resources and where those resources ought to be targeted.

Mr. Chairman, I think if we do not balance the budget then we will fall into the old lapse of simply pumping money where the pressures are coming and I do not think we ought to do that.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield briefly for 1 additional comment?

Mr. PANETTA. I will yield to the gentleman from California.

Mr. DELLUMS. With respect to the figures that I gave the gentleman; that is, that balancing the budget would reduce the inflation rate by between one-tenth and two-tenths of 1 percent, that is a figure with which the President of the United States will not quarrel.

□ 1220

Indeed, I asked the President this question a couple of weeks ago when we had the briefing session, and the President in his own words said:

> I agree with you that cutting the budget will only reduce the inflation rate by between 0.1 and 0.2 percent.

Then, we present the bill and say that the American people must believe it. When we ask the American people how to fight inflation, one of their three answers is, balance the budget.

Therefore, we ought to do it. My thought is that in some way that statement says that we are exploiting the ignorance of the American people. With respect to the inequities of the economic system, I think our responsibility is to remove the ignorance. It is to say to the American people that we have a responsibility to rationally arrive at priorities. but certainly putting a foot in their faces will not work.

Even the most ardent proponent of balancing the budget will not say that it will reduce the inflation rate by more than 0.3 of 1 percent. That is unanimity in this country.

Mr. PANETTA. I think what the gentleman is looking at is a two-pronged tool. Obviously, he is looking at the sheer economics of how much in fact it will impact on inflation. There is disagreement on the part of economists, but I think, considering the economy and the full range of issues, that there is a confidence factor that goes beyond the simple statistics to determine what impact it will have. That is why I am focusing not only on the issue of confidence of the American people in getting our house in order, but secondly, about the fact that this institution will begin to focus on priorities within committees, within the various functions we have in this Congress.

Unless we have a balanced budget, I do not think it will happen. It is not able to work today, I think the gentleman will agree, but I think a balanced budget may very well offer the kind of debate on realities we ought to be having.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, I think the gentleman is making an important point. We have had cumulative deficit year after year, in 19 over the past 20 years. That cumulative deficit has robbed the monetary authorities of the independence they would normally have relative to the money supply. They have had to finance the gap, to monetize the gap, and we have been pumping additional money beyond the growth of the economy into the economy every year as a result of this. It quite clearly illustrates what the gentleman from California is talking about saying one isolated balancing of the budget——

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. GIAIMO. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. CONABLE (continuing). Will not, as a matter of static economic figures, change the rate of inflation, and thus it becomes terribly important the manner in which we balance the budget; if we balance the budget by letting taxes go up only instead of restraining growth, or if we balance the budget by using cash management initiatives that amount to really one-shot benefits of one sort or another.

The people will not have any confidence that we have embarked on a policy of growth and fiscal discipline, and they will think that the flight from currency continues to be an appropriate way to handle inflation. The result will be inflation being self-fulfilling profusely. We are talking about psychological factors to some extent, but we are also talking about the need to show, year in and year out, the kind of fiscal discipline that can give people some confidence in the future value of the dollar.

Mr. DELLUMS. Mr. Chairman, if the gentleman will yield briefly, I would like to make just two comments to my colleague. First of all, as a practical matter in this body, if not in the budget, in terms of the issue of balancing the budget, we all know there is one aspect that has been sacrosanct, the military budget. Indeed, we have increased the military budget rather than decreased it, so when we begin to talk about balancing the budget there is one major item of budget authority, $164.5 billion, which is an astronomical amount of money, that we have not attempted to reduce.

In the course of my remarks I want to expand upon that, but secondly, in answer to the gentleman from New York's comment, I think that balancing the budget the way we are doing it now, even though we agree that it will not fight inflation, it shows the true mentality of the bond market. Over time, I am sure, the interest rates will probably reduce.

The question I think my colleague from California and I must address to our constituencies is whether or not balancing the budget has any justice, has any equity, has any fairness in it. It would seem to me that balancing the budget the way we are doing it now benefits the bond market mentality in this country, and not the millions of people who are our constituents, who desperately need the Government to address their problems. That is the point I make.

The philosophy we have embodied here makes it different for corporations who make billions of dollars, like last year, $145 billion worth of profits. This approach will only expand that, but what will it do to the millions of poor people in the country? It is going to harm them.

The gentleman from Florida, who spoke a moment ago, with microscopic intensity, addressed the food stamp program, and then in rather global terms said that an increase of the military of just 5.6 percent, which means billions of dollars, that is the mentality in this body.

I am suggesting that they are, as a practical matter, balancing the budget on the backs of the people least able to handle it.

Mr. PANETTA. Let me say to my friend that I think what balancing the budget does for the first time is really handing to committees the responsibility to propose those changes, which is something they have never really done, and to undertake oversight, review of ongoing programs, review of uncontrollables within the budget. We are talking about a budget that is 76.6 uncontrollable, 25 percent discretionary funding, of which I think defense may be 60 percent of that.

It is almost impossible to try to deal in those areas, but we ought to be looking at the uncontrollables, how those expenditures are being made. We ought to be forcing committees for the first time to be looking at those programs that serve human needs and see whether they are working or not, see whether they are delivering what is supposed to be delivered in terms of the people that are out there. That is why, as I approach the debate on the budget——

Mr. DELLUMS. I appreciate my colleague yielding to me. He has been very eloquent and very patient.

Mr. PANETTA. I thank the gentleman. That is the reason I think it is important for this body to consider the issue of balancing the budget. The process that the committee went through was not a shotgun process. We carefully tried to consider areas where reductions could be made. CBO presented a report earlier in the year that laid out some $50 billion in savings that could be achieved.

The CHAIRMAN. The time of the gentleman from California has again expired.

Mr. NELSON. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. PANETTA. They laid out some $50 billion in savings that could be achieved through tax reforms, through reductions, through basic reform programs—$50 billion. The members of the committee considered the CBO report. Indeed, we held hearings on it.

In addition to that, there were the discussions by the leadership and by the administration, considering all these areas of reductions that have been proposed and trying to arrive at a figure that would target at those areas where indeed legitimate reductions could be made.

The approach was multi-pronged. The first set of priorities was to try to propose elimination of programs where they could be eliminated. Secondly, the delay of new initiatives. Thirdly, programs slowed down where that would be helpful. Fourthly, better targeting of programs so that these programs would be aiding the people we seek to aid. Fifth, analysis of inflation adjustment and belt-tightening in areas where we could remove waste. Those were one priority group of areas we focused on.

Then, we proceed to look at specific programs and specific reductions. Let me make clear that out of the $16 billion of reductions that are contained in this budget, 71 percent are in nonhuman resources areas—71 percent. We are talking about 49 percent of the budget that is reduced in areas such as defense, energy, natural resources, waterways, water projects, postal services. Twenty-two percent comes out of State and local assistance.

□ 1230

Mr. MITCHELL of Maryland. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I will be glad to yield to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, I have asked the gentleman to yield because evidently I am a bit confused on the figures. Altogther the gentleman has made a $16.3 billion cut in the budget; is that correct?

Mr. PANETTA. The gentleman is correct.

Mr. MITCHELL of Maryland. It is my

understanding that out of that $16.3 billion something like $7.4 billion came out of the human resources program?

Mr. PANETTA. Mr. Chairman, the figures that I am working with are the figures we had in the committee which include the following: The 49-percent figure is $8.1 billion. That comes out of these nonhuman resource areas. After that, 22 percent or $3.7 billion is in State or local assistance.

That gives us a total of roughly or close to $12 billion of the $16 billion that comes out of nonhuman resource figures.

Mr. MITCHELL of Maryland. Mr. Chairman, the difference between us is that I would include State and local assistance as part of the human resources.

Mr. PANETTA. I understand that, but in the basic sense in this area we are talking essentially about nonhuman resource areas.

Twenty-nine percent came out of the human resource areas from delaying effective dates, reforming existing programs, and making reductions where they could be made.

Let me make the point that none of the entitlement programs, which is 50 percent of the Federal budget—none of those entitlement programs which serve the poor and serve the disadvantaged—were touched in any significant way by the Committee on the Budget or by those who dealt with proposals that are recommended as part of the budget.

Let me say that I recognize the differences as to priorities. Some Members would prefer more money for defense, some Members would prefer more money for domestic spending, and others would prefer greater decreases. But what we tried to do is to establish a balance within this budget.

This is not a shotgun approach. It was considered by the committee, it was considered by the leadership, and it was considered by the full committee itself as it reported this budget to the House. It is a balanced effort. It is a balanced effort which I hope the Congress will support.

There is no question that a balanced budget is going to happen. I repeat, there is no question that a balanced budget is going to happen. Regardless of the substitutes that are enacted during the course of this debate, we will have a balanced budget.

The test is going to be the implementation of that balanced budget in the end and whether the committees will use that opportunity to consider these reductions and to make proposals that fit their particular priorities. If this budget is adopted, the real test will come in making it happen, and the only way it is going to happen is through the reconciliation process, which is not only important to enforcement but important to committees looking at priorities.

Why is that the case? If we simply pass a balanced budget and do not provide for reconciliation, literally nothing is going to happen between now and the time we move to the second budget resolution. We could build in reconciliation in the second budget resolution, but what that means is that the committees will have 10 days from September 15 to consider $9 billion in legislative savings, and it will not happen. That will not happen. That is why we built in reconciliation.

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

Mr. GIAIMO. Mr. Chairman, I yield 6 additional minutes to the gentleman from California (Mr. PANETTA).

Mr. Chairman, will the gentleman yield to me?

Mr. PANETTA. I am pleased to yield to the committee chairman.

Mr. GIAIMO. Mr. Chairman, the gentleman from California (Mr. PANETTA) is making an extremely important point, and I hope the Members give it their attention because it is essential to understand the nature of this reconciliation problem.

I do want to compliment the gentleman from California (Mr. PANETTA) because he, above all, has been working on this problem of legislative reform and reconciliation for well over a year and a half. He is cognizant of the problem, and he has studied all aspects of it. The gentleman has made a tremendous contribution to this body in his efforts to bring about true reform and some real savings, and I want to commend him for it.

Mr. PANETTA. Mr. Chairman, I thank the chairman of the committee for those words.

Mr. OTTINGER. Mr. Chairman, I wonder if the gentleman will yield briefly to me?

Mr. PANETTA. I am pleased to yield to the gentleman from New York.

Mr. OTTINGER. Mr. Chairman, the thing that bothers me about this reconciliation process is that we are building in rigidities that will literally not enable us to meet new circumstances should they arise.

Should the administration's policies be successful in causing a sharp collapse of the economy, for example, and we have millions of people out of work and massive bankruptcies, the committees of the House would then still be frozen in by this process and unable to get enacted quickly the measures which are necessary to meet those new conditions.

Mr. Chairman, I wonder if the gentleman would address that in his remarks on this subject?

Mr. PANETTA. Mr. Chairman, I thank the gentleman from New York (Mr. OTTINGER) for that question.

The problem of developing the first budget resolution as essentially a target resolution is the problem of weighing economic circumstances as they presently exist and not looking as far as we can as to what the possible exigencies may be that impact the economy.

Obviously, if there is the kind of pressure the gentleman mentioned, if indeed we do crash or go into a severe recession, if indeed there is high unemployment, I think the budget is going to have to be reanalyzed and I think the priorities within the budget are going to have to be reanalyzed.

But I think our present position is that we ought to move toward a balanced budget and we ought to be serious about it. We ought not enact a balanced budget and throw it up in the air and say in effect to committees, "You don't have to respond."

The purpose of reconciliation is to say to the committees, "Here are your target figures. Develop within those target figures the priorities you feel are necessary to meet your needs. We have suggested some areas for reduction, but this is a target resolution."

We think the committees, whether it is the Committee on Labor and Education, whether it is the Committee on Veterans' Affairs, whether it is the Committee on Armed Services, ought to weigh those priorities within those targets and then try to develop what savings they feel can be achieved. But if we do not include reconciliation, then we do not have the discipline to make the process work, and that is the point.

That is why we built reconciliation into the second budget resolution, using section 301 of the Budget Act, which says that any procedure which is considered appropriate to carry out the purposes of this act can be included. That is the basis on which we included reconciliation. We established the June 15 target, which gives us 30 days after the passage of the budget resolution to try to achieve these savings.

Let me say, Mr. Chairman, that this summer is going to be crazy around here. We are not going to be in session that much. This is an election year, and we are just going to have to take time for Members to go back to their districts, and we do not have that much time left. If we wait until the second budget resolution to have reconciliation, there will be chaos. We need to have that time now for the committees to look at these targets and recommend the savings that will have to be presented to the floor to meet the targets within the budget resolution.

So the job has just begun with this budget resolution in trying to balance the budget. The real job will be done within the committees which have to decide how to meet those targets.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I am pleased to yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, I want to commend the gentleman from California (Mr. PANETTA) for the constructive and conscientious work he has done in the budget process this year, and especially for the efforts he has made to further the notion of some kind of reconciliation discipline in the process.

I would just like to ask the gentleman this question: Would we be in the shape we are in today with the fiscal year 1980 budget, which is a catastrophe in terms of the kinds of overruns we have had and the impact that is having today on the deficit and the credit market, and in terms of the pinch we are putting on the entire economy, if we would have had this process last May? Might we be in far better shape today if we had done that?

When I saw that first resolution last year at the $532 billion level, and later in January at the $557 billion level, and today we are looking at $571 billion, does that not say something, more than any other kind of argument could, about the need for this process we are proposing here?

Mr. PANETTA. Mr. Chairman, if I might say this to the gentleman, looking at it from this point, there is not very much question but what, if we had had reconciliation in that first budget, it would have been beneficial, because we would have been looking at these issues in the 1980 budget.

At that point we were looking at the committees' efforts and we hoped the committees on their own would respond on a voluntary basis. But out of the $2.7 billion we recommended, we have been able to save about $200 million in terms of trying to reach the targets in the first budget resolution.

The point is that regardless of what our particular approach is to inflation—and I understand the differences that exist within this body as to those approaches—the fact is that the issue of government spending and the issue of the deficit is a piece of that problem. How big a piece it is is subject to a lot of different viewpoints, but it is a piece of that problem and we can do something about it.

Second, this is an opportunity—and I stress that—to not just simply eradicate a deficit, it is also an opportunity for this body for the first time to begin to talk about priorities within the committees instead of simply rubberstamping things, instead of simply responding to special interest groups. We can for the first time look at these programs and indeed decide where we need to target funds, what problems are working, and which ones are not working. So this is our opportunity to do that.

□ 1240

This is a test of the budget process. It is a test whether it can work; not just simply the issue of balancing the budget, but the more important issue of determining what the future priorities of this country will be as we deal with our economy.

The CHAIRMAN. The Chair would like to announce that the gentleman from Ohio (Mr. LATTA) has 3 hours and 4 minutes remaining, and the gentleman from Connecticut (Mr. GIAIMO) has 3 hours and 44 minutes remaining.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from Maryland (Mr. MITCHELL).

Mr. MITCHELL of Maryland. Mr. Chairman, during the debate on fiscal and economic policy yesterday we tore apart, I had hoped, the whole idea that a balanced budget would be of some significance. We addressed the issue of the relative unimportance of a deficit in the budget for fiscal year 1981. It is relatively unimportant when we lay that deficit alongside a $2½ trillion economy We talked about the matter of symbolism, and I agree with my colleague, the gentleman from California, it is symbolism only for the bond markets.

One thing we have not addressed is the political motivation behind a balanced budget. I know that some Members are absolutely committed to the idea of a balanced budget. But I have heard far too much talk in the cloakrooms and in the dining rooms, saying, "I know that the balanced budget does not make any sense, but I want to get reelected." If that is an overwhelming motivation in this House, that we balance the budget merely to get reelected, I think it is a pretty sad commentary on the state of affairs in this House and in this country. Here is one Member who does not feel that this seat was made to be held by me in perpetuity, and I do not think any Member should feel that way. Therefore, those who are advocating a balanced budget, hoping that it will enhance their chances of being reelected, I think do a real disservice to this country.

The credibility of the Congress, the credibility of the Congress, and indeed the credibility of almost all of our institutions in America, is at a very low ebb. There is a loss of credibility in the office of the Presidency. Recent publications about the Supreme Court have caused a loss of credibility in the Supreme Court. Certainly the ongoing assaults in the press against the Congress have resulted in a loss of credibility in this Congress in which we all hope to serve with honor. So we have lost credibility in the institution of the Presidency, and in the Supreme Court and in the Congress.

My major and overriding concern is, that if we go ahead and balance the budget, all that we are ultimately going to do is to further erode credibility in the Congress and to further erode credibility in this House of Representatives. If we balance the budget, which the gentleman from California (Mr. PANETTA) has indicated we are going to do, it is going to further erode credibility in this Congress.

Why do I say that? I say it for a very simple reason. The recession has caught up with the budget-making process. Those who are putting the budget together assumed that the impact of the recession would not come until some time after we do the second budget resolution, but they guessed wrong, and the recession has caught up with the process of making the budget. I think many of the members of the Committee on the Budget are caught in the situation where they know if they go ahead with this process they are bound to come back and unbalance the budget that will be balanced when we vote next week.

Why do I say that? In the first budget resolution we are talking about asking jobs and job-training programs, and so forth. These jobs cuts were proposed before the recession caught up with us. We are talking about cutting jobs and job-training programs at a time when a quarter of a million autoworkers of America are on indefinite layoffs. The recession has caught up with the budget process.

I submit to the Members that the recession is going to be a lot deeper and longer than most of the Members of this House suspect.

One of the programs that we are cutting in this resolution is the direct loan money to small businesses. The small businesses in America are in such bad shape right now that even the Federal Reserve Board last week had to address the problems of small business. Mr. Volcker instituted a new policy to try to save small business. My own prediction is that within 2 years you are going to see 20 percent of minority businesses simply close down their doors if we pursue the policies that we are pursuing. I would suggest that at least 12 or 10 percent of nonminority businesses are going out of business if we pursue the same policies. This is not to denigrate the effort of the chairman of the Budget Committee and his friends. It really is a happenstance that recession moved faster than the budget process and, therefore, we are caught in the squeeze.

I would suggest to the Members that if we balance the budget, in 4 months, in 6 months, in 8 months, this House is going to have to come back and stimulate the economy. All of the economic indicators are down, way, way down, therefore, we are going to have to come back in 4 months or 6 months and stimulate the economy. This is why I say that the credibility of this institution will be further eroded, because the American people are going to say, "My God, they do not know what they are doing; they have no idea what they are doing. They just balanced the budget and now they are going to come back and unbalance the balanced budget just a few months after having taken that action."

Mr. REGULA. Mr. Chairman, will the gentleman yield?

Mr. MITCHELL of Maryland. I yield to the gentleman from Ohio.

Mr. REGULA. I thank the gentleman for yielding.

Mr. Chairman, I am interested in the gentleman's comment about stimulating the economy, because if we have the unbalanced budget that the gentleman is alluding to, either we have to pull that money out of the economy in the form of Treasury borrowing or we have to print it, which has the same impact. Why not leave it in the economy, let the people who earned it spend it? They are going to stimulate the economy whether they spend the $15 billion or so that we are trying to reduce in spending or whether the Government spends it. The impact on the economy has to be the same.

I am interested in what the gentleman's response would be.

Mr. MITCHELL of Maryland. My response would be, by way of illustration, that the capability of a quarter of a million autoworkers on indefinite layoff to stimulate the economy is nil. So for a while, at least, it is going to have to come back into the Government's court.

Let me finish my statement, and then I will come back to the gentleman.

I do not like a balanced budget. I think it is a hoax. But if that is what we want, then I have prepared a substitute. My substitute balances the budget. All that it does is to attempt to stimulate productivity. All that it does is preserve our human needs programs. All that it does is ask the Committee on Ways and Means to look at not the whole array of tax expenditures, not all of them, but only nine out of the whole array.

The Congressional Budget Office has indicated that there are 70 areas where we could increase revenues through tax expenditure examination, by simply closing up some loopholes. The Mitchell amendment does not say, "Look at all 70 of them." I do not think the Committee on Ways and Means has the capability of looking at all 70 of them.

So we select out maybe 10 percent, just 9, and say, "Examine those, close the tax loopholes, and you can have a balanced budget without in any way further jeopardizing the people who are already in jeopardy because of the stage at which we now find ourselves with regard to recession."

I would call the Members' attention to the Congressional Record of yesterday on page 8913. Each day I am trying to put something in the Record to further spell out what my substitute amendment will do.

□ 1250

I am not going into this blindly. I realize that you just cannot stimulate, you cannot just use Government spending. You have got to do something for the private sector.

Indeed, in yesterday's Congressional Record, I addressed the private sector in terms of productivity, what we need to do to spur productivity, what incentives we need to provide; but there has got to be that marriage between Government spending and the private sector incentives if, indeed, we are going to weather this next 18 months or so without destroying, really, many of the human resource programs that are so vital.

The CHAIRMAN. The time of the gentleman from Maryland (Mr. Mitchell) has expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman from Maryland.

Mr. MITCHELL of Maryland. Mr. Chairman, every once in a while when I address the House, which is not too often, it becomes a kind of confessional for me. Without any shame, I confess a love for the institutions of government. I do. With all of our mistakes, with all of our crazy thinking, the basic institutions of America, if they work properly, are, indeed, marvelous instrumentalities. Yet it hurts me to see the long-range impact of precipitous action taken by this House, which over a period of time, the next 6 months maybe, is really going to reduce respect for the House. It is going to happen.

I do not know where we are going to end up in this country if we continue to erode confidence in our institutions; but I say, we have a chance to avoid that on this budget resolution. We have a chance to avoid it. We have a chance to look at my substitute or any of the other substitutes which anticipate the present impact of the present recession in which we find ourselves, so that we do not look like idiots a few months later, coming back to unbalance a budget that we balanced.

I do not ask you necessarily to vote for the Mitchell substitute. I ask you to just examine it with objectivity. I do not ask you to vote for any of the other substitutes. I merely ask you to examine them with objectivity and when you make that objective examination, consider the overriding, overarching factor that I am talking about, credibility in the institutions of government. If you do that, I think you will make a wise decision.

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from Texas (Mr. Gramm).

Mr. GRAMM. Mr. Chairman, I sometimes wonder why we do not give each other kidney problems by patting each other on the back so often. Having seen the distinguished chairman of the Budget Committee patted on the back so much yesterday, I am loath to do it again today; but I would like to begin by saying that I believe that with the makeup of the Budget Committee of this Congress, the chairman, the gentleman from Connecticut (Mr. Giaimo) did as good a job as could have been done on this budget.

I certainly want to commend the distinguished majority leader from my State for the work that he did in bringing to the floor a budget, with all of its problems and with all of its shortfalls which is technically in balance and which represents in my mind the best document that could have come out of the Budget Committee.

The chairman of the Budget Committee tells us this is the best compromise that could be gotten, do not breach this compromise. Stay with it. It represents the best thing we could work out. There is nothing wrong with that logic.

If the Budget Committee were itself representative of the thinking of this body and the thinking of the American people, then the logical vote would be against every amendment, to stay with the Budget Committee. But I would like to say that I do not think the Budget Committee is representative of this Congress. I think if we look at the makeup of the committee and the philosophy that is represented, on average, we will find it is quite different from the philosophy of the House of Representatives and the philosophy of the American people. It is for that reason that I can simultaneously praise the committee's work and yet urge you to make a substantial change in that work on the floor to give us a better product to take to the American people.

Now, what is wrong with the Budget Committee's proposal? I think the first thing that is wrong is defense. If we look at the latest CBO estimates of what it will cost to buy the President's budget that he presented to the American people on January 15 and we take into account CBO projections of likely revisions, including legislative savings, we find that the latest CBO projection of the cost of that budget, that hardware, those guns, those ships, those tanks, is $156.5 billion. That is what it would cost today to buy the President's budget.

The House Budget Committee has reported a budget that has $147.9 billion in defense spending, $8.6 billion less than would be required, according to CBO projections, to buy the President's January 15 budget with the projected changes, including legislative savings.

I will offer, with the distinguished gentlewoman from Maryland (Mrs. Holt), an amendment which will raise outlays for defense by $5.1 billion, raising total defense spending to $153 billion, which will not buy the CBO projection, but will put us within striking range, through a compromise with the Senate, of a defense budget that will enable us to meet our commitment to NATO.

Using a 12-percent deflator, which I think most Members of this body will think is an understatement when the inflation rate is 18.4 percent today, the real increase in defense spending under the Budget Committee's proposal is minus 2 percent.

Using a 10.4 percent deflator, a totally unrealistic assessment of inflation, the Budget Committee has given us a −0.2-percent growth in real defense, violating our commitment to NATO, violating the commitment the President has made to the American people.

Under any realistic assumption of inflation, the Budget Committee's proposal would not meet the barebones commitment that we have to our NATO allies, will breach our treaty commitment and will, I think, damage the confidence that people have in American integrity and American promises and will endanger the defense of our country.

If we do not make changes in defense and cut other programs, only two things can happen and both of them are bad. First, we can stick with this budget and we can violate our commitments to NATO. We can jeopardize our credibility and we can jeopardize American security; or second, we can pass this budget with a totally fraudulent defense figure in it today and come back in October and admit to the American people that we could not deliver it, that we promised them a balanced budget, but that we are not going to give it to them and we are going to meet our commitment to NATO by running a deficit. Both of those things are bad and I think they must be avoided.

The gentlewoman from Maryland and I will offer an amendment to put $5.1 billion back into defense and meet our commitment to NATO, splitting the difference between our total and the total that the Senate will come up with if it does not revise its figure.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield briefly?

Mr. GRAMM. I will be happy to yield, but I would like to get through my presentation and I would be very delighted to yield to the distinguished gentleman from California.

Mr. Chairman, in order to offset this $5.1 billion increase in defense spending to meet our commitment to NATO, we propose an across-the-board cut in the operating expenses of Federal Government, excluding national defense, agriculture, income security, administration of justice, and veterans' benefits and services; a 20-percent cut in travel and transportation, printing and reproduction; excluding those same categories, and we propose a 15-percent cut in new equipment purchases.

Excluding aid to Egypt and Israel and military aid, we propose a $600 million cut in foreign aid.

We propose a 20-percent across-the-board reduction in the regulatory budgets of 17 major regulatory agencies.

We propose a cut in CETA of $1.7 billion, but that cut exclusion private sponsored jobs, all training functions of CETA, and locally sponsored CETA programs.

Finally, like the Senate, we propose elimination of some of the duplication between the food stamp program and the free lunch program in the schools.

We propose that for those meals that are consumed by members of poverty families, that they do not pay for and that are duplicated by the school lunch program, that we only give them half the food stamps, rather than the full stamp entitlement. That to me seems reasonable.

Finally, I would like to conclude by simply talking about what my objectives are in this amendment. When I started on this amendment, I believed that we were going to spend the money on defense, that basically we were saying we were not going to do it to come in with a balanced budget, and what I was trying to do was be honest with the American people, to put the money in and make other cuts so that we would have a balance, not just in April, but a balance in October as well. But as I have gotten deeper into our defense problems, as I have worked with Members of the other body on this substitute, I have become deeply concerned about America's defense posture. I would like to share some of those concerns with you, again reading from the February 7 CBO figures.

□ 1300

As all of my colleagues know, we had massive cost overruns on fuel that messed up our defense projections and forced us to cut back on weapons. We were carrying crude petroleum last year in our budget at $24.36 a barrel, and in response to those cost overruns we upped that estimate to $26.50 a barrel. The only problem is we are today paying $46 a barrel for oil, and this oil figure we are carrying in the budget is totally fraudulent, off by $20 a barrel.

Now, there is going to be an overrun, and I know it as well as my colleagues.

In terms of aircraft procurement, the CBO figures for the aircraft procurement program in fiscal 1980 reflects a substantial decline. This table shows that the fiscal year 1981 program is 144 aircraft, 24 percent lower than the President's current 1980 budget. We talk about procurement inflation rates of 8.5 percent in the budget. But listen to these costs of weapons. The A-10, which is the basic combat support aircraft, is up 41.5 percent in procurement and down 43.4 percent in this budget. The F-15 is up 36.3 percent in cost and procurement is down 50 percent. Tracked vehicles are up 25 percent in cost, missiles up on an average of 35 percent. Ammunition is up, on the average, almost 80 percent from last year.

I quote:

> The dollar impact of the price changes of aircraft, missiles, and the selected land force equipment discussed above totals $2.1 billion. Since there is only $1.8 billion in real growth of procurement accounts, the data suggests that there must be a real decline in the amount of equipment being purchased.

Shipbuilding for 1981, the Navy shipbuilding program, shows a real decline of 16 percent.

The other body is waiting to see what we are going to do in the House. I no longer believe it is a case of being honest up front, putting money in that we know we are going to spend, and cutting other programs to give us a balanced budget.

The CHAIRMAN pro tempore. Time of the gentleman from Texas has expired.

Mr. GIAIMO. Mr. Chairman, I yield 4 additional minutes to the gentleman.

Mr. GRAMM. Mr. Chairman, I know we believe that the Gramm-Holt substitute, as the Coalition for Peace Through Strength has said, is going to be the key defense vote of the 96th Congress, and I hope when this amendment is offered that my colleagues will look at the hard facts. They are not facts I like. I do not like cutting these programs. I do not have any dislike for continuation of food stamps. I have constituents that get food stamps.

I do not have any great hardness in my heart for CETA or foreign aid, or cuts in regulatory agencies. But I think we have to be honest with the facts as they exist. Those are the facts I have outlined here. Those are the facts I hope people will look at.

Mr. LELAND. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I am happy to yield to my colleague from Texas.

Mr. LELAND. I would say to my dear colleague from Texas: Shame, shame, shame on you. I rest my case.

Mr. GRAMM. Reclaiming my time, it is very difficult to respond to that comment.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield?

Mr. GRAMM. I am happy to yield to my colleague from California.

Mr. DELLUMS. I thank my colleague for yielding.

The gentleman suggested the rationale in support for the Holt amendment is unmet NATO commitments. Before I engage the gentleman in a colloquy I would like very much if the gentleman would lay out for the body what commitments the gentleman is talking about.

Mr. GRAMM. I am talking about a commitment to NATO that we would increase our real defense expenditures by 3 percent a year. That commitment was met by a countercommitment from other NATO members to beef up the alliance and give us security against the Warsaw Pact.

Mr. DELLUMS. Will the gentleman yield further?

Mr. GRAMM. I am happy to yield.

Mr. DELLUMS. First of all, I would like to state to my distinguished colleague, if we exclude figuring in strategic weaponry committed to NATO we are presently spending well in excess of $50 billion per annum for our commitment in NATO.

Second, if the gentleman will include our air strategic weaponry along with the tactical, nuclear and convention commitments, we are spending in excess of $60 billion a year for our participation in NATO.

The second point I would like to make, the real growth increase in this military budget as presented by the President was 5.6 percent. The gentleman indicated the commitment that the President had made was 3 percent to NATO. Yet when the Pentagon presented the military budget to us it was very interesting. Upon careful analysis, the overwhelming majority of the increase in the military budget did not go specifically to the NATO function but went far beyond that for shipbuilding and other items totally unrelated to NATO. So I would summarize by simply suggesting that we, including the American taxpayers, are presently paying literally through the nose for a mechanism that is rapidly becoming antiquated and archaic; namely, our NATO function of over $60 billion.

Finally, our increase is well over 3 percent. So what commitments are we not living up to?

Mr. GRAMM. Reclaiming my time, our commitment was to a total defense increase, a commitment that is not met here. The President made that commitment I think lightly, like the President made the commitment to support the budget that came out of the Budget Committee, which he does not now support and, in fact, is opposing by supporting the Obey amendment.

So the fact that the President throws commitments around does not really change the facts. The basic commitment is 3 percent real growth because NATO is concerned about our general deterrents, not just what we are putting in Europe, but about our overall military might. That is how the agreement was made. I did not write the agreement. I am just simply trying to live up to it. Our President, it seems to me, is very loath to live up to his own commitments. I do not really understand that. I am committed to it because our Nation is, and I intend to try and live up to it.

Mr. DELLUMS. If the gentleman would yield further, I am trying to understand the gentleman's argument and arithmetic. He stated that the President made that commitment of a real growth increase of 3 percent over and above inflation.

Mr. GRAMM. That commitment was to NATO and 5 percent to the American people.

Mr. DELLUMS. Let us accept the 3 percent to NATO, but the budget that was presented in fiscal year 1981 was an increase of over 5.5 percent real growth increase. So he has already asked for well more than what the commitment was to NATO. I do not understand the gentleman on the mathematics of his argument.

Mr. REGULA. Mr. Chairman, I yield 5 minutes to the gentleman from Nebraska (Mr. BEREUTER).

Mr. BEREUTER. Mr. Chairman, yesterday, today, and during the next few days the House of Representatives is conducting one of the most important debates of the year, and quite possibly, one of the most important we have had in many years.

The decisions that we will be making on the first concurrent resolution on the budget for fiscal year 1981 (H. Con. Res. 307) will show the American people where, at a critical time, Congress really stands on the crucial issues of inflation, Federal spending, and balancing the budget. In place of rhetoric finally will be the public record of votes cast by each and every Member of this body.

The budget resolution presented to us by the majority on the House Budget Committee would authorize the expenditure of $694.6 billion and actual outlays during the next fiscal year of $611.8 billion. Projected revenues would be $613.8 billion, supposedly allowing the Government to balance the budget for the first time in 12 years. I doubt whether that optimistic forecast will be a reality even 6 months from now; hopefully, I will be proven wrong in that pessimistic view.

Although I applaud the concept of a balanced budget, I strenuously object to the method by which some of the leaders of Congress, and the administration, seek to achieve it. Rather than holding expenditures to a realistic level, this resolution would, given our economic problems, provide an unbelievable $45 billion spending increase over fiscal year 1980. We are being asked to vote for a budget that will be balanced at the expense of the American taxpayer.

Despite the hue and cry from every segment of the country for Federal budgetary restraint and tax relief, the President and congressional leadership are prepared to tell the American people that they have finally balanced the budget without mentioning the fact that this effort will be accomplished in large part through higher taxes.

Let's look at the list:

Higher social security taxes;

A new "windfall profits" consumer excise tax;

The President's $4.62 per barrel crude oil import fee;

Tax increases that result from "bracket creep" whereby wage increases are eaten away by the effects of our progressive tax structures.

These massive tax increases in large part will enable the Federal Government to increase its revenue collections by a shocking $85 billion in just a brief 12-month period. This will inflict upon the average American family the highest tax burden since 1944.

I object to and will oppose the committee's budget resolution because it is inappropriate—it moves toward a purported balanced budget primarily by increased taxes.

As an alternative, I will support the substitute offered by my colleague, Congressman LATTA, as a reasonable, equitable alternative to that offered by the Budget Committee. The Latta substitute would authorize fiscal year 1981 expenditures of $681.36 billion and outlays of $597.8 billion, an overall increase of approximately 5.4 percent from fiscal year 1980. This proposal strikes a careful balance between the needs and the financial resources of this country. It demonstrates a measure of the restraint and fiscal responsibility sorely needed by our Nation's leadership. Moreover, such an approach would remove the need for increasingly high tax rates, and would enable us to provide at least a small amount of the tax relief so desperately needed by our citizens.

Under the Latta substitute, most programs would not be funded at the level many special interests might prefer. I must remind you, however, that the Latta substitute would still allow an overall 5.4 percent growth in Federal spending. Clearly, the Latta substitute is not a "skinflint's" plan for the financing of Federal programs.

My constituents support a balanced budget. They are willing to make sacrifices to achieve that goal as long as they know that the burden they are being asked to bear is to be equitably shared throughout the country. I do *not* believe, however, they want that budget balanced at the price of paying higher taxes. Such irresponsible taxation and spending policies, if adopted, will leave my constituents, and the American people, demoralized and on the brink of economic disaster.

Therefore, I call on my colleagues to, at the appropriate point, reject the Budget Committee's proposal and join in supporting Congressman LATTA's substitute.

□ 1310

Mr. GIAIMO. Mr. Chairman, I yield 10 minutes to the gentleman from Ohio (Mr. STOKES).

Mr. STOKES. Mr. Chairman, at the outset, since this is the first opportunity I have had to do so since the announcement of the distinguished chairman of the Committee on the Budget, the gentleman from Connecticut (Mr. GIAIMO), that he will retire at the end of this session of Congress, I want to take just a moment as a member of the Committee on the Budget and say that I have certainly enjoyed the very fine relationship I have had with this distinguished chairman of our Committee on the Budget. He has distinguished himself both as a Member of the House and as chairman of this committee. Whatever differences he and I have relative to the budget resolution now on this floor certainly has nothing to do with the very high esteem and admiration and respect that I have for him. I have enjoyed my personal friendship with him and it has been an honor to serve in Congress with him.

Mr. Chairman, I rise in opposition to the Budget Committee's recommended first concurrent resolution on the budget for fiscal year 1981.

The tax revolt that began with California's proposition 13 and led to strong pressures for constitutional amendments requiring balanced budgets is the product of an anti-inflation backlash that has pervaded the Nation and has now invaded this Congress. Last year, proponents of proposition 13 and other individuals dedicated to cutting back Government spending, advocated cuts in public sector jobs and services for the purpose of limiting taxes and slowing growth in Government.

Responding to these and other pressures, including a drastic slowing in the growth of labor productivity and an election year, the House Budget Committee has recommended a balanced budget for fiscal year 1981. Together with the blessings of the administration and the Democratic leadership in the Congress, the House Budget Committee cut over $16.5 billion from the President's January budget, to balance the budget, a budget which I might add, was already inadequate and austere. Collectively, these budget cuts will have the effect of rendering those Federal domestic programs enacted to improve the plight of our Nation's cities, poor and socially disadvantaged, totally inadequate and ineffective. Last year's proposition 13 as well as the recommended balanced Federal budget for fiscal year 1981 point to the dramatic shift toward conservative attitudes and priorities on the part of this Congress. This balanced budget also points to the use of ineffective symbols by the leaders of this Nation to please certain segments of the population at the expense of other segments of the population, namely the poor, minorities, and others who have little or no political clout. Many of my colleagues have seemingly decided that those programs which are primarily aimed at assisting our Nation's cities, poor, and minorities are expendable, and must be sacrificed in the hope of reducing runaway inflation.

I am personally dismayed by this mood of conservatism which permeates this Congress. A mood which lets millions of poor and disadvantaged Americans—both black and white, young and old—be the scapegoats for a hastily developed and politically expedient fiscal policy.

Mr. Chairman, as we all know, the congressional budget process was established some 6 years ago, to give the Congress more control over receipts and spending, and thereby putting in place a mechanism for setting national fiscal policy and national budget priorities. Underlying the implementations of the congressional budget process is the belief that responsible Federal fiscal policy must be in tune with existing political and economic realities.

But when viewed in the context of the present economic situation, the first concurrent budget resolution for fiscal year 1981, as recommended by the House Budget Committee, represents a totally unresponsive, callous and insensitive approach toward providing for the needs of our Nation's cities and citizens. To approve this resolution as recommended is to renege on our responsibility as Members of the U.S. Congress, of setting national priorities, as they relate to the needs of all Americans. During the House Budget Committee hearings held in preparation for this resolution, economist after economist testified that a balanced Federal budget will have minimal or no direct impact on reducing the rate of inflation, which presently is upward of 20 percent. These same economists have predicted unemployment rates between 7.5 percent and 8.2 percent nationally, with very little or modest growth in productivity in fiscal year 1981. Yet, a majority of the Budget Committee members choose to ignore the grim economic realities of rising unemployment and declining labor productivity, in lieu of the popular short-term political solution, a balanced budget.

This year's budget will do little to restrain rising oil prices and housing costs, which combined act as the major cause of acceleration in the rate of inflation. Nor will this balanced budget improve our Nation's productivity, which has been relatively stagnant and is projected to decline in 1980. This balanced budget will do little to curb the rising unemployment rate, which as most of you know, traditionally amounts to twice the national average among black males over 20 years of age, and presently stands at 37.9 percent among black youth. More importantly, this balanced budget will do little to improve the plight of those constituents of ours whose fixed incomes are solely dependant on the resources provided by the Federal Government. Inflation has always hit the poor the hardest, and given the proposed budget cuts, on top of rampant inflation, the effect will surely be devastating.

I, too, recognize the need for fiscal restraint and responsibility on the part of the Congress, but the fiscal year 1981 budget should not be balanced on the backs of the poor, the unemployed and socially disadvantaged in the name of fiscal restraint. If we are to balance the budget, let it be balanced through a fiscal policy which encourages and improves labor productivity and not through spending cuts for those who can least afford it.

The trade-off that has been made this year between defense and social programs by the Budget Committee to balance the budget is appalling. The Budget Committee has recommended budget authority of $694.6 billion, outlays of $611.8 billion, revenues of $613.8 and a surplus of approximately $2.0 billion. Only $30.7 billion or 5 percent of total budget outlays has been allocated for the function which includes education, training, employment and social services, while the health function will receive $61.8 billion or 10 percent of total budget outlays. Yet, spending for defense represents $147.9 billion or 24 percent of total budget outlays allocated for fiscal year 1981. The pattern of real defense spending increases, which began in 1976, reflects again, a major shift in national priorities and attitudes. Given the perceived need to limit the Federal budget, which is inspired by the proposition 13 mentality, increases in defense spending in recent years have come largely at the expense of other programs, primarily in the human needs area.

Although defense budget increases provide a means of stating a serious national commitment, by themselves they do not necessarily produce increases in real military capability. The effectiveness of defense spending and ultimately U.S. defense policy, depends on how resources are allocated in the defense budget, and not arbitrary and capricious percentage increases or decreases. What justification is there for massive spending increases for antiquated, cost-inefficient weapon systems and military hardware, costing the American taxpayer billions upon billions of dollars, when it is far from clear that our national defense system is inadequate?

Conversely, the need for the Federal Government to subsidize and provide resources which insure that every American is provided adequate health care; the need for the Federal Government to provide adequate resources which insure that every child is afforded equal educational opportunities; and the need for the Federal Government to subsidize and provide jobs for the disadvantaged, is very clear to me.

The budget cuts proposed in the human needs programs, if implemented, will have an impact far beyond fiscal year 1981. Human progress, and the struggle for economic parity is a continuing process, where one stage of development depends on the completion of the one preceding it. By interrupting the flow of resources to our Nation's less advantaged for even 1 year, we are denying them a critical building block. Foregone income means that economic and educational opportunities for millions of families will be lost. Foregone nutrition means greater health maintenance costs and unrealized mental and physical capacities. Collectively, these cuts will result in the wasting of our most precious resource, our people, our human capital.

While much to my dismay I feel certain that given the present mood, a majority of the Members in Congress are bound to the objective of balancing the fiscal year 1981 budget. I am concerned, though, that the Budget Committee's recommendations do not spread the burden and sacrifice of balancing the Federal budget equitably.

This year's budget committee debate focused primarily on the spending side of the process, and in the end gave only lip-service to the revenue side.

No search for Federal belt tightening should be complete without a consideration of the revenue side. You do not have to believe every dollar earned in this country belongs to the Federal Government to grasp the fact that every dollar foregone on the revenue side, is an additional dollar of deficit; that program or policy objectives can be pursued on the revenue side as well as on the spending side of the budget; and that relief and incentives on the revenue side are always worth more to the upper brackets of the income scale in this country by the very nature of our progressive tax system. Thus, what we do on the revenue side is just as integral a part of the budget as what we are doing on the spending side.

Yet, to have followed the deliberations on the budget to date this year, you would have thought that all the problems with this Government were spending problems; all the sacrifices had to be made by those receiving Federal assistance through spending; and the tax code which provides tax relief for the wealthy was perfect and immutable. Let the cost-cutters around here who are intent on reducing the human resource programs on the spending side, start to focus on one of the bigger, albeit cozier and clubbier transfer programs going on in this town. I refer, of course, to the tax code, with its built-in bias in favor of the upper rungs of the income ladder.

One of the most disturbing performances of the recent budget markup by the Budget Committee was the decision made, after the fact, to eliminate what little equity remained in their resolution. I am, of course, referring to the vote to eliminate $3.5 billion of tax reform from their recommendations and reconciliation. There was just no room, apparently, in the new coalition's scheme of things for even a token gesture of spreading the sacrifice to combat inflation around. In fact, quite the opposite. This is the occasion for a massive push to expand one of the biggest tax expenditures in the budget—accelerated depreciation provisions.

However, I remain convinced that there has to be at least $4.5 billion of tax reform when you are dealing with a tax expenditure budget of $207.9 billion. There has to be at least that much duplication, irrelevancy, noncompliance, fraud, and cheating; when you are dealing not only with that amount of money, but $613.8 billion of revenue. While I appreciate the inclusion of the withholding of interest and divided proposal in the resolution, it really is more enforcement oriented than reform oriented. It certainly does not come close to the rigors of the belt-tightening research on the spending side.

Mr. Chairman, in conclusion, most disturbing to me, as a Democratic representative from Cleveland, Ohio, is that the recommended budget resolution for fiscal year 1981 is not at all reflective of the kinds of priorities a democratically controlled Congress should have. In my tenure as a member of the Budget Committee, I witnessed continual erosion of those Federal resources devoted to providing greater economic parity for all Americans. But this year, to watch my fellow colleagues totally abandon the programs and causes that have been the heart and foundation of our party's philosophies, as I know them, is most distressing.

The massive reductions recommended by the Budget Committee and sanctioned by the House leadership were seemingly agreed to with very little or no regard to our party's commitments to this Nation's poor and disadvantaged; who if I might add, have traditionally supported the Democratic Party wholeheartly through the years. I see no rationale nor symbolism in providing a budget surplus of $2 billion, while we as a Democratic Party have not lived up to our promises and commitments to reduce unemployment, to improve health care for our senior citizens, to provide standard housing for all Americans and to provide greater economic parity for our Nation's poor and disadvantaged.

I, as well as the rest of the members of the Congressional Black Caucus would hope that this budget resolution is not an indication of what American citizens are to expect from the Democratic Party in the next decade. If so, more than symbolism is involved here. What is involved here is the abandonment of those who have been the heart of the Democratic Party.

□ 1320

Mr. HAWKINS. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I will be delighted to yield to the distinguished gentleman from California.

Mr. HAWKINS. Mr. Chairman, may I address this question to the gentleman as a member of the Budget Committee?

During the consideration of this budget, and I am sure many economists and others were heard from, was the inflation impact on domestic needs, that is in housing, in health and elsewhere, consider, as well as the impact of inflation on the defense expenditures.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. I yield 2 additional minutes to the gentleman from Ohio.

Mr. HAWKINS. Will the gentleman yield further?

Mr. STOKES. I yield further to the gentleman from California.

Mr. Chairman, I would say to the gentleman that, while there were some of us on the committee who attempted to have this come out during the course of the overall hearings, both through our task forces and through discussions on the committee, that the result of the committee's action did not reflect that the impact upon the human needs section of our society——

Mr. HAWKINS. Was the same consideration given to the poor people, the unemployed people, the schools and so forth who are also affected by inflation just as much as is the defense complex of this Nation?

Mr. STOKES. The gentleman is correct.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I yield the gentleman from Ohio 2 additional minutes.

Mr. HAWKINS. Will the gentleman yield further?

Mr. STOKES. I yield to the gentleman from California.

Mr. HAWKINS. My second question would be this: We have heard much from some of the previous speakers about the defense posture of the Nation and why it should be increased. As one who has, on many occasions, also voted for some of those expenditures, while I am not really opposed to the idea of a very capable defense posture and really do agree with it, was any consideration given, however, to funding or financing this great defense capability out of additional revenues—Exxon made $2 billion in the first quarter of this year which we seem to be ignoring, and the corporate entities made somewhere between 25 and 35 percent in 1979, while the rest of America's income was actually going down, but was any consideration given to financing this great defense capability out of revenues rather than taking it out of the hides of the poor, the minorities, the elderly and the young peoples?

Mr. STOKES. I would say that was one of the concerns that many of us had on the committee, that in terms of the sacrifices that Americans are being asked to make, we were not making the corporate giants share the kind of sacrifice that those who are dependent upon the $16.4 billion are being asked to make. It was not an equitable sharing of the sacrifices that have to be made at this time in our history.

Mr. HAWKINS. Mr. Chairman, would the gentleman from Ohio agree with me that Exxon needs as much defense of its properties as the rest of us need of our lives?

Mr. STOKES. I think the gentleman has spoken quite eloquently in posing the question.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I will be delighted to yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate my colleague yielding.

I was interested in many of the comments about who shares the greater sacrifice as it relates to this budget.

The CHAIRMAN. The time of the gentleman has again expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman from Ohio.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield further?

Mr. STOKES. I yield to the gentleman from California.

Mr. ROUSSELOT. When the gentleman was discussing where the greater sacrifice was being made in this budget, or as it relates to this budget and from which segment of our society, he mentioned the mentality, I think it was, of the proposition 13. As the gentleman knows, that occurred in my State, and the State of the gentleman from California (Mr. HAWKINS).

We have not seen all the great disasters that were predicted. As a matter of fact, our own Governor has said that it really has produced very productive and constructive results for everybody: More jobs, greater interest in people coming into the State to be part of our economy; unemployment is lower, employment is higher, all since proposition 13.

□ 1330

So, I was fascinated by the gentleman's comment on connecting the mentality of proposition 13 to the other items he was mentioning. Could he explain to us what he meant by that?

Mr. STOKES. I would be delighted to. I think the gentleman would agree with me that my statement with reference to that, this budget-cutting process or exercise, really began with proposition 13 in California, and spread throughout the country. I referred to it as the proposition 13 mentality because I consider the whole concept an exercise of cutting services and cutting governmental spending on behalf of those who are dependent upon governmental services, as being a part of the process of that mentality.

Mr. ROUSSELOT. I see. Well, if the gentleman will yield further, is the gentleman saying to us that tax cutting—in this case, it was cutting property taxes which, as the gentleman knows, our legislature had promised for over 12 years—that that would do something to modify property taxes? Is the gentleman suggesting to us that the modification of a tremendous increase in taxes that has occurred either at State or Federal level is undesirable?

The CHAIRMAN. The time of the gentleman from Ohio has again expired.

Mr. LATTA. Mr. Chairman, I yield 1 additional minute to the gentleman from Ohio.

Mr. STOKES. No, I am saying to the gentleman that my understanding is that the effect or result of proposition 13 was to also cut effective or essential services, and when I speak in terms of the whole exercise or process, I am talking about that mentality which says that Government ought not be performing services for those who are least able to afford those services.

Mr. ROUSSELOT. I appreciate my colleague's colloquy.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. STOKES. I yield to the gentleman from New York.

Mr. PEYSER. Mr Chairman, my understanding is that the surplus California accumulated is rapidly disappearing. Now, we will find out the impact of proposition 13 in the years ahead

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Illinois (Mr. McCLORY).

Mr. McCLORY. Mr. Chairman, it is well known among the Members of this body that I am deeply disappointed in the decision of the Budget Committee effectively to eliminate from the 1981 budget all funds for grants to regions and communities under the law enforcement assistance program. It is as if to say that the problem of crime in America is nonexistent. Certainly, if we are to consider in this body that subjects such as health, education, national security, or other Government functions are appropriate subjects with which our national Congress should deal, we must recognize that the subject of crime in America is perhaps second only to national defense insofar as our national survival is concerned and that street crime—an overwhelming national problem—was recognized in 1968, when we enacted the omnibus crime and safe streets bill.

This comprehensive measure established that, while law enforcement must remain a prime responsibility for local and State officials, the overall subject of crime was a national problem which required action on the part of the Nation as a whole, as well as at the State and community levels. The program, being new in 1968, was not without its defects. There was an initial emphasis on the part of communities to acquire so-called hardware, that is, police vehicles, armaments, communications systems, computers, and so forth; but the decisions as to the best use to which the funds were to be put were made by local and State officials—those with the greatest knowledge as to what the needs were at those levels of government. The overhead for administering the program at the Federal level was extremely low—something like 2 percent, with most of the funds going directly to the communities to develop local anti-crime programs.

Mr. Chairman, I must acknowledge that the LEAA program appears not to have been successfully administered in the State of Georgia. It is my understanding that, during the time of President Carter's administration as Governor of Georgia, the LEAA program was reported to have various defects. I believe this accounts for the President's attacks against LEAA, at a time when he was a candidate for President, when asked about Federal programs that he would abolish if elected to the Presidency.

Mr. Chairman, let me hasten to add that the LEAA program in Illinois is quite the contrary to that reported to have been experienced in Georgia. I have personal knowledge of the success of programs such as crime prevention, rehabilitation, diversions from criminal prosecution, reduction of domestic violence, police training, advanced communications, and a variety of other crime prevention and anticrime programs which have been successfully initiated and carried out through the mechanism of LEAA.

Now, I would like to stand here and say that crime in America has been reduced, just as I would like to stand here and say that our national security posture has been enhanced. I would even like to say that the incidence of Federal crime has gone down; however, such is not the case. Crime is up. Crime, including street crime, is more serious today than in 1968, when we first undertook to fight it. Likewise, today LEAA is a far more capable agency for dealing with street crime. Since it was first established, the law enforcement planning groups established and funded at the community and regional levels have planned and developed programs to help neighborhoods fight crime, to coordinate anticrime programs between communities, and to monitor and evaluate successful community programs which can be utilized by literally thousands of other communities throughout the Nation.

Now, I ask you, can this national need be served without a Federal agency to coordinate the multiple initiatives that are being undertaken at the community levels if we abolish this agency itself? If we listen to those who are primarily charged with the investigation and enforcement of our criminal laws, we will realize that the support for LEAA is nationwide. The International Association of Chiefs of Police, representing the largest organization of local law enforcement agencies; the American Bar Association; and virtually every organization in the country which is concerned with this subject is urging a continuation of LEAA.

Mr. Chairman, in protesting the action taken by the Budget Committee and by the Rules Committee, I hope, indeed, my protest will be heard sufficiently so that the ultimate result will be—in the final budget resolution or in the conference report which follows reconciliation of the House budget with that of the Senate—a provision for funds for LEAA at an annual level not less than $500 million will be restored.

Let me observe finally that in the restructuring and reenactment of this legislation just last year, we reduced funds for LEAA by almost $500 million. That cut was, and is, enough. Law enforcement has already shouldered more than its share in the process of budget cutting. Let us preserve a measure of interest in fighting crime in America. Let us assure funds for LEAA. Let us not abandon the fight against crime. Instead, let us demonstrate that the system can and does work.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. McCLORY. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I just wanted to support the gentleman's stand on the LEAA funding, because I do find it has certainly served a crucial purpose throughout this country, and I think it is a shame that it was cut the way it was.

Mr. McCLORY. I thank the gentleman. It is particularly important, especially in our communities, metropolitan areas of our country.

Mr. LATTA. Mr. Chairman, I yield 7 minutes to the gentleman from California (Mr. SHUMWAY).

Mr. SHUMWAY. Mr. Chairman, most Members of Congress are now committed to what in my view, as well as that of millions of our constituents, is a long overdue process; balancing the Federal budget. While some argue that the short-term effects of a fiscal year 1981 balanced budget would be minimal, I would like to paraphrase Federal Reserve Chairman Paul Volcker in saying that not only will a balanced budget have an immediate and positive psychological effect on our economy, it will, particularly if repeated in coming years and derived by spending reductions, significantly reduce inflation. The fact that, because of massive deficit spending, the Federal Government now utilizes about 25 percent of the total available credit in the country, is sufficient evidence that continued Federal borrowing is, in and of itself, inflationary.

As one of our colleagues has stated, Mr. Chairman, the issue is not whether we balance the budget, but how we balance the budget. I am well aware of the often intense political pressures involved in this process, and I recognize that a number of worthy programs will have to make do with less money than expected. I would, therefore, like to commend the members of the Budget Committee for their courage and steadfastness in the face of strong and competing pressures.

There can, however, be no question that the Federal budget must be balanced; the American people expect no less, and are prepared to make whatever sacrifices may be necessary in order to achieve this common objective. In this regard, it is instructive to consider the size of the total Federal debt: the current debt limit is $896.7 billion; the Budget Committee has recommended an increase to $926.8 billion. If the recognition that our public debt, which represents a claim on the assets of our Nation and is nearing $1 trillion, is not sufficient to engender spending restraint, it should be pointed out that the size of our debt is equivalent to fully one-third of the estimated GNP for fiscal year 1980. Interests on the debt will come to almost $85 billion.

In view of these figures, the concept of continued deficit spending is, quite frankly, absurd. I, for one, would be delighted with an annual Federal surplus so that we could begin retiring the public debt.

Yet, Mr. Chairman, while I am in complete agreement with the intent of the resolution before us, I have a number of serious and substantial reservations with regard to the means by which the Budget Committee proposes to balance the budget. Simply stated, balance is achieved not through the significant spending reductions that our constituents have come to expect but, rather, primarily through a tremendous increase in revenues.

While the committee, in House Concurrent Resolution 307, is recommending a spending increase for fiscal year 1981 totaling $64.2 billion over the expenditure level provided in the supposedly binding fiscal year 1980 second budget resolution—an 11.7-percent increase, it estimates a revenue increase of $96 billion—an 18.5-percent increase over fiscal year 1980. The percentage increases are, of course, somewhat diluted if the figures contained in the proposed fiscal year 1980 third budget resolution are utilized—but the impact on the American economy and the American taxpayer is the same. The only difference is that more revenues are expected to accrue to, and more money is expected to be spent by, the Federal Government this year than had earlier been anticipated.

In short, Mr. Chairman, the only reason we have a resolution providing for a balanced budget before us today is that the massive spending increase proposed is actually exceeded by an unprecedented rise in the taxes imposed on the American people. Among the most prominent are: First, the increase in social security taxes due to take effect in 1981 ($28.7 billion); second, the windfall profit tax ($18 billion); third, the increase in personal income taxes due to "bracket creep" caused by inflation ($15 billion); and fourth, the oil import fee recently proposed by the President ($10.3 billion).

Since 1977, when President Carter took office, Federal tax receipts have increased from slightly more than 18 percent of the total GNP to almost 22 percent in the proposed budget. This confiscatory level of taxation, unprecedented since World War II, means an increase in the average annual tax burden of $1,000 per each productive worker in our society: The implications are clear: A balanced budget based on dramatically higher taxes is unacceptable. If the tax burden now borne by all Americans is to be eased, and if the kind of savings and investment necessary for increasing productivity and economic stability is to be enhanced, taxes must be reduced substantially. Federal spending must therefore be further reduced as well.

Mr. Chairman, I intend to strongly support the substitute to be offered by the distinguished ranking minority member of the Budget Committee, Mr. LATTA, and I urge my colleagues to do likewise. The Latta substitute contemplates a fiscal year 1981 outlay level of $597.8 billion, a $14 billion reduction in comparison with the resolution now before us. This relatively minimal 2.3 percent spending reduction would allow for a $32 billion tax cut—a tax cut which, while desperately needed, can only partially offset the inevitable revenue increases mentioned above.

A number of Members on the other side of the aisle have argued, and no doubt will continue to argue, that such spending cuts would be devastating. In response, I would merely like to point out that the outlay level suggested by Mr. LATTA's substitute is $30 billion greater than that in the proposed third budget resolution, and that it is a full $50 billion greater than the outlay level agreed to by this body just last fall when the second fiscal year 1980 budget resolution was adopted. Quite frankly, it is the specter of an outlay level greater than that offered by Mr. LATTA which concerns me with regard to the kind of economic dislocations and, yes, even devastation which we have experienced over the past months.

The Latta substitute also provides for an essential adjustment to the Budget Committee's target level of expenditures for national defense. There can be no question that we in the United States are confronted with an increasingly hostile world; the foremost responsibility of the Federal Government is to insure our national security in the face of severe challenges and pressures. Unfortunately, over the past few years our military posture, in comparison to that of our adversaries, has deteriorated. In conjunction with what might be termed the "post-Vietnam syndrome," our inordinate inflation has, during this period, contributed to levels of defense spending which in real terms have been insufficient to preserve our ability to achieve our security objectives, and to convince our allies of our resolve to continue to do so.

The national defense outlays provided by the Latta substitute and the Holt-Gramm substitute, which I also support, are reflective of a significant step in the right direction. Given the relative size of our defense budget, it is inevitable that substantial savings could be achieved through the eradication of waste and inefficiency. The Pentagon is not immune, and certainly should not consider itself to be so, from careful scrutiny of its spending habits. In fact, given the crucial nature of defense expenditures, when coupled with budget stringency, it is perhaps more important to guard against wasteful practices in this area than in any other. Yet, an increase in outlays is necessary as well.

In the final analysis, however, defense spending cannot be equated with other programs. To quote the minority views on House Concurrent Resolution 307:

> We cannot claim that we desire to maintain our independence, our economic standard of living, and our position as the ultimate guarantee of the freedom of the world's democratic nations if we make our commitment contingent upon this country's level of unemployment on the level of its consumer price index or the amount of funding allocated for social welfare programs. The use of any methodology which primarily ties the level of spending for national defense to domestic considerations is naive and dangerous.

Finally, I would like to commend the Budget Committee for its provision of reconciliation instructions. If we in the Congress are serious about balancing the budget and, more fundamentally, about the formal budget process, it is essential that the targets set out in the adopted budget resolution be met. For far too long we have paid only lip service to the concepts embodied in the Budget Act. The need for a third fiscal year 1980 budget resolution, a phenomenon that is occurring for the third time in the last 5 years, is the most compelling example of our inability to restrain ourselves when our favorite programs come before their respective authorizing committees.

Reconciliation is painful, but our condition warrants strong medicine. Sacrifices must be made across the board; reconciliation insures that the burdens of fiscal restraint are borne equitably.

Mr. Chairman, both the challenge with which we are confronted and the opportunity with which we are presented are great. If we meet the challenge of balancing the Federal budget, and truly restraining Federal spending to a level below the $600 billion mark, we have every opportunity of coming to grips with our unprecedented economic problems, and restoring our economy to health. I trust that we in Congress are up to the task.

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Mr. GIAIMO. Mr. Chairman, I yield 45 minutes to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. EDGAR. Mr. Chairman, a group of Members of Congress here in the House at this moment would like to spend the next few moments looking at the process by which we make priorities within the budget as well as the priorities that we would like to set for the Nation over the next 10 years.

We have seen in the number of debates and discussions a whole series of Members talking about their particular priorities within the process of balancing the budget. What we would like to do is focus on the priorities within that budget from a broader concept.

Mr. Chairman, I wish to insert for the RECORD a briefing paper on some of the Federal investment patterns which have disadvantaged at least one region of the Nation:

Federal Investment Patterns

This fiscal year, the federal government will spend approximately $150 billion to provide for the nation's defense, purchase goods and services, and address a variety of water supply and water quality problems. This enormous sum of money could have substantial effects—direct and indirect—on the local, state, and regional economies where it is spent. This briefing paper discusses how to encourage the targeting of these federal monies for wise and productive investments, particularly in regions where such investments are lagging, and reviews federal spending for defense, water policy, hazardous waste disposal, and government procurement.

DEFENSE

Should the Defense Department consider the economic impact on localities when deciding on base closings and cutbacks?

Should the strategic deployment of military troops be considered when base realignment and location decisions are made?

The Defense Department, with well over three million employees in 1980, is by far the nation's largest employer, and its decisions about facility locations, payroll, and construction have a marked impact on regional economic growth. Because certain types of defense expenditures attract private industry (research and development facilities, for example), these decisions have a major impact on local employment and tax revenues. With the major increase for defense-related spending contained in the president's fiscal 1981 budget, the Pentagon's actions become even more important.

In August 1977, the Northeast-Midwest Institute and the Coalition of Northeastern Governors published "A Case of Inequity," which concluded that the Northeast-Midwest region was receiving a smaller share of defense spending than any other region. Since then, these trends have continued. In 1980, the Northeast-Midwest region is expected to receive only 18 percent of the military payroll budget and only 20 percent of funds for military construction. Moreover, although the Defense Department's procurement budget represents more than 70 percent of all federal procurement, the region's share of these funds has been declining steadily since the mid-1950s, from 54 percent in 1955 to 37 percent in 1976.

This decline can be attributed in large part to the Maybank amendment. Routinely added by Congress each year to the defense appropriations bill, this amendment exempts the Pentagon from the provisions of Defense Manpower Policy Number Four (DMP–4). It requires the Pentagon to purchase its goods and services at the lowest possible price, effectively preventing it from restricting bidding on some contracts to firms in high-unemployment areas. Repeal of the Maybank amendment and vigorous implementation of DMP–4 would result in a substantial increase in federal procurement dollars for the Northeast-Midwest region.

Although these trends indicate the direct impact of defense policies on local and regional economies, it is evident that the indirect—or secondary—effects are far greater. As documented in another study by the Institute and CONEG, total spending in the region was estimated to be three times the value of direct spending. Thus, the $21 billion of direct defense spending in 1976 ultimately resulted in more than $65 billion of output, highly dispersed throughout the region. In short, it is clear that the regional inequities in defense expenditures are a major gap in national investment policy.

Finally, it is evident that proposed base closings and reductions have major implications for the nation's military capabilities and preparedness. To maintain the military's ability to fight effectively in diverse climates and terrains, the Defense Department must avoid concentrating military bases and training facilities in a few parts of the nation. Despite this need, only 13 percent of the nation's 1.4 million uniformed military personnel are stationed at bases within the Northeast-Midwest region, where they could train in cold, rugged conditions. California alone has more troops than all Northeastern and Midwestern states combined. It is imperative that the issues surrounding the strategic deployment of military troops play a greater role in any future decisions about the location of these facilities.

WATER POLICY

Has federal policy adequately addressed the water needs of the Northeast-Midwest region?

What effect will the condition of water-related infrastructural systems have on industrial location decisions?

Because of the structure of existing federal water resource programs, the Northeast and Midwest traditionally have been excluded from the debate over national water policy. The Water Power and Resources Service, for example, which represents 20 percent of the entire fiscal 1981 water resources budget, can legally operate only in certain Western states. Many problems in the Northeast and Midwest also are neglected by the Corps of Engineers, including the repair and maintenance of urban water-supply systems—one of the greatest water resource problems in the region. Buffalo may need to invest almost $500 million to fully upgrade its water supply distribution system, while Boston continues to lose almost one-half of its water supply each day through leaky pipes. Yet because the Corps refuses to get involved in "single-purpose" projects, such as the repair of these systems, virtually no federal assistance is available to help communities deal with these problems.

The result of these policies is particularly evident in the regional spending pattern of the Army Corps of Engineers. Since 1824, less than 25 percent of its funds have been directed to the Northeast-Midwest region (which currently has nearly 47 percent of the nation's population). When combined with the Bureau of Reclamation, this funding disparity is even greater. Between fiscal 1970 and fiscal 1979, the national average for federal water resource appropriations by these two agencies was $7.49 per person. Yet during that period, the Northeast averaged only $1.89 per capita, and the Midwest averaged $2.73. These policies must be revised if water needs in the Northeast-Midwest region are to be adequately addressed.

The federal government already recognizes the need to help certain communities maintain their water delivery systems. The Farmers Home Administration's rural water and waste disposal programs, funded at $284 million for fiscal 1981, provide exactly this kind of assistance for localities with populations under 10,000. These communities have significant water and waste disposal needs, and it is essential that larger cities, many of which face severe financial problems, be given equal treatment.

The Water Resources Development Act, H.R. 4788, contains several provisions which begin to remedy this mismatch between current federal assistance and the region's repair needs. As it passed the House of Representatives, the bill declares there is a national interest "in the repair and improvement of existing water delivery systems" and that the Corps of Engineers has the authority to get involved in "single-purpose" projects. The bill also authorizes the Corps to conduct studies of water-supply systems in Buffalo, Boston, and New York City, and provides up to $25 million to prevent the further deterioration of New York City's Third Water Tunnel. Although these projects only begin to examine the region's overall needs, they will serve as important precedents to direct greater federal attention to the unique needs of the region.

HAZARDOUS WASTE

How will the management and disposal of hazardous wastes affect the economic development of the Northeast-Midwest region?

What proposals need to be considered to deal effectively with the clean-up of abandoned sites and the management of future wastes?

As one of the most heavily industrialized sections of the nation, the Northeast-Midwest region is particularly sensitive to the problem of hazardous waste disposal. It is estimated that Northeastern and Midwestern states will generate approximately 54 percent of the nation's hazardous wastes in 1980. Because of a long history of industrialization, the problem of abandoned sites is projected to be particularly acute in this region. But only limited federal assistance now is available to pay for emergency clean-up, damages, and subsequent solutions to the problem.

Several initiatives now before Congress will help the Northeast-Midwest region deal with these problems. In addition to the president's "superfund" proposal, which would create a $1.6 billion fund to clean up abandoned hazardous waste sites and toxic substances spills. Representative James J. Florio has introduced legislation to deal only with hazardous wastes (H.R. 5790). Senators Edmund S. Muskie and John C. Culver have sponsored S. 1480, which would cover both hazardous waste sites and spills of toxic substances. While the funding and liability questions surrounding these issues may remain difficult to resolve, it is clearly in the region's interest to develop a comprehensive solution to the problem of clean-up of abandoned sites.

In addition to dealing with abandoned sites, the region faces a considerable challenge managing future production of hazardous wastes. Many states simply lack disposal sites. New England, for example, has no approved hazardous waste disposal site, and few acceptable sites exist in other parts of the region. Although this situation can be attributed in part to public opposition to proposed sites, another critical factor is that federal matching funds are available only for planning activities, not for actual construction of disposal facilities. Several organizations, including the Great Lakes Basin Commission and the New England Regional Commission, have begun to fill this void by exploring the practicality of regional disposal networks.

In addition to health and safety considerations, there are economic reasons for advocating development of more disposal sites. This spring, the Environmental Protection Agency is scheduled to issue regulations under the 1976 Resource Conservation and Recovery Act (RCRA) to establish standards, criteria, and procedures to regulate hazardous wastes. These regulations, which will make generators of those materials fully responsible for safe disposal, will cause an even greater need for additional sites and raise serious economic questions about the extent to which the availability of waste management facilities will be a significant locational factor for industry. Noting these factors, EPA Administrator Douglas Costle has said:

"For the last few decades, industry has taken more and more variables into account when deciding to locate a new plant. Early on, those variables included proximity to rail and truck transportation, to raw materials, to abundant water supplies, and to cheap power. Today, more and more, such environmental factors as quality of air and water have begun to figure in the corporate calculus. From now on, because of legal liabilities connected with hazardous waste disasters, industry will look for states that provide management sites that meet federal standards. The availability of an approved site may become not just one more variable, but the dominant variable, in a corporate decision to locate, expand, or even close down a facility."

PROCUREMENT

How do federal procurement policies affect economic development in different parts of the nation?

Should the Defense Department be exempted from the requirements of the Labor Surplus Area program?

The federal government is the world's largest consumer, buying tremendous quantities of goods and services. For fiscal 1981 alone, the president has recommended spending $127 billion for procurement, representing an 8.6 percent gain in real dollars over the previous year. Although the federal government creates new business and jobs whenever it buys goods and services, the majority of these purchases have been from firms in economically growing areas of the country, not in the Northeast and Midwest.

A number of federal programs use the federal government's procurement process to promote various social and economic purposes. The Small Business Set-Aside Program, for example, is intended to insure that small firms receive an appropriate share of federal contract awards. The effective use of this program is particularly important to the Northeast-Midwest region. Recent studies have shown that while small businesses generate about two-thirds of the nation's new jobs, they provide three-quarters of all new jobs in the Northeast and Midwest. Under the 8(a) Program, small firms owned by socially or economically disadvantaged individuals are eligible for preference in bidding on certain contracts.

The Labor Surplus Area Program also holds tremendous potential for generating economic growth in the Northeast-Midwest region. This program is designed to encourage departments and agencies of the federal government to restrict the bidding on appropriate contracts to firms in areas of excessive unemployment, with the goal of stimulating private-sector activity in these areas. Although the policy—known as Defense Manpower Policy Number Four—has existed since 1952, it has until recently been largely ignored. Even though 45 percent of the nation's high unemployment areas are located in the Northeast-Midwest region, the labor surplus area program has had a minimal impact on redistributing the government's procurement dollars. A major contributing factor has been the Defense Department's exemption from the program for total set-asides.

The Defense Department is prohibited by the Maybank amendment from setting aside contracts for goods and services under the labor surplus area program. This restrictive provision, routinely added each year to the defense appropriations bill, requires the Defense Department to purchase its goods and services at the lowest possible price, thus prohibiting it from restricting the bidding on its contracts to firms in high-unemployment areas. All civilian agencies are required to comply with the provisions of this program.

Since the Defense Department will spend about 75 percent of the federal government's procurement dollars in fiscal 1981, the Maybank amendment is a major obstacle to relieving high unemployment. Although much of its procurement budget is spent on items directly related to the nation's security and military preparedness, a substantial amount also is used to buy such common items as nuts, bolts, office furniture, and so forth. Repeal of the Maybank amendment would allow the Defense Department to set aside some of these contracts for firms in high-unemployment areas, and could result in a substantial increase in federal procurement awards within the Northeast-Midwest region, the creation of many new jobs, and a reduction in the need for such income maintenance spending as food stamps, unemployment compensation, and housing subsidies.

Let me begin by sharing with the Members an illustration which perhaps some of the other Members have used, and that is the story about the ant and eagle. The ant has the opportunity to work very diligently on those small projects that it can move from one place to the other. Those who go on picnics recognize that an ant can move a fairly large crumb across a picnic table very rapidly. But its vision is focused on that individual task.

There is also the opportunity to look up and see the eagle eye view which, unlike the ant's perception of being just a narrow, narrow focus, is in fact a much broader focus of looking down from above and seeing things in some perspective.

Mr. Chairman, what we would like to do in the next few moments is to look from that eagle eye view over our world, over our Nation, and over the priorities that we see must be set in areas of national defense, in areas of energy, and in areas of natural resources, agriculture, commerce, transportation, community and regional development, education, health care, veterans affairs, and general Government services.

Those of us who speak will speak from the perspective of looking with the eagle eye view, looking beyond the 2- and 6-year mentalities that Congress so often gets caught up in and focusing on a process that makes much more sense out of the confusion of our Government than simply the piece-by-piece legislative process that we are about.

Thus in the next few moments we hope to trigger a national debate on setting some national priorities, and we hope that those Members of Congress who want to join that debate will also do so at this time.

Mr. Chairman, I would now like to yield to my colleague and coparticipant in this process, the gentleman from Connecticut (Mr. MOFFETT).

Mr. MOFFETT. Mr. Chairman, I thank the gentleman from Pennsylvania for yielding.

Mr. Chairman, I want to extend my appreciation to the gentleman from Connecticut (Mr. GIAIMO) for yielding this time.

I think it is really important, as we embark on the next half hour or whatever time we have, as different Members in different issue areas talk about what might be the big picture and not just this budget this year but for the next 10 or 20 years, that we take a hard look at what is happening in this body.

In Toffler's new book, "The Third Wave," he says that this body and others like it have become obsolete. I think that is a very, very serious accusation, one that we should all look at very seriously in considering whether we are capable of dealing with the kinds of problems we confront in the budget debate.

We are no longer a deliberative body in any sense of the word. Whether we are on the Republican side or the Democratic side, whether we come from the North or the South, whether we view ourselves as conservative, liberal, or in between, our lives are such as Members of Congress that we are trivialized to death. We are interrupted constantly. We do not have the ability to focus.

The 2-year term, I believe, is more counterproductive than productive. We have Members in marginal districts on both sides of the aisle who spend all too much time—much more time than they would like to spend—on politics, campaigning, raising money, and political survival.

We are still going by the old civics textbook definition of what a good Congress is. The seventh- and eighth-grade civics textbooks told us that a good Congress is one which passes laws, and we are still trapped into that definition.

I think we really need to stop in a debate such as this—and this budget debate is a good place to do it—and ask ourselves what is becoming of this institution. What is becoming of this Congress? Without regard to political ties, or our respective ideologies or affiliations, are we capable of dealing with this Nation's problems?

I do not envy the Committee on the Budget, the chairman and all those members, our colleagues and friends on both sides, who have had to work on this budget, with the pressures and with the interruptions they have. But the fact is that they are looking at a year's view. They are trying to look longer ahead, but they have to be much more myopic than we would like.

Mr. Chairman, the fact is that we have come to the point where at least this Member believes we are incapable of making decisions as to what is a wise social investment, and what is not a wise social investment.

Those on the other side of the aisle, those conservative Members who make criticisms that we throw money at problems, are absolutely correct in some instances, and I think we ought to agree with that and we ought to start from that assumption. The President's new youth employment program, for example, really needs to be looked at in that respect because it may well be just throwing money at another problem.

We do that in energy all the time. We throw money into it, and we go home and say, "We are subsidizing the synthetic fuels industry, and isn't it wonderful that we have an energy program for you?"

I hope we will be talking about these issues, where we need to go and about the need to try to get this institution to the point where it can recognize a wise social investment and recognize one that is not. I think we have to address ourselves to these issues in the Democratic Caucus and in the new Congress next year; we have to consider what kinds of institutional changes need to be made to make this a deliberative body again.

I think we have to address ourselves to some of those proposals. It is apparent that we should discuss whether we should continue with a 2-year term or whether we should have a 4-year term. I think we have to address ourselves to the ridiculous procedure of running over here to vote on motions to approve yesterday's Journal.

I think the good news is that when Members of Congress, regardless of their political persuasion, sit down across from each other in a proper forum and begin to discuss issues and are not interrupted, a deliberative process can go on, and then we can make wise and visionary decisions.

Mr. Chairman, that does not happen now because we are not given the opportunity; but we all have an interest in trying to change that.

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Mr. EDGAR. Mr. Chairman, the gentleman makes a critical point about the need to discuss and focus on issues. We have before us 10 different possibilities for a balanced-budget approach. But looking beyond those particular numbers, there are critical issues that have to be addressed, and I think we can do that.

The first area to address is the area of national defense, and I think that many of us have a concern that we have a strong, practical defense system but not overkill. I think there are a number of Members who can focus more articulately on that issue than I, and I would like to yield to the gentleman from New York (Mr. DOWNEY).

Mr. DOWNEY. Mr. Chairman, I thank the gentleman for yielding.

Probably one of the most important things to consider when you think about national defense is: What are your national goals, priorities and treaty commitments?

One thing that you will find very quickly is that the two superpowers have an over-abundance of weapons. We have, for instance, 9,000 nuclear warheads, and the Soviets have 5,000. By 1985 we will probably have 16,000 and they will have 9,000.

Rational human beings—and I certainly consider people in the United States and, probably, even in the Soviet Union to be rational—must understand that additional expenditures on nuclear weapons will not increase their security. I think that is a truism.

We see now, with the SALT debate having ended, that the people who are concerned about the growth of Soviet military power in the area of strategic weapons understand that the Soviets can add nuclear warheads to their SS–18's and SS–19's faster than we can build hardened bomb shelters for the MX missile.

So it becomes apparent that more money for defense does not mean either additional security, or additional strength. Clearly that is something we need to focus on.

Another point about military policy is the whole question of manpower. About 53 percent of the defense budget goes for manpower costs. One does not have to do a whole lot of analysis to realize that we are short pilots, we are short sailors. As a matter of fact, in the Pacific, it is possible that within the next few months we may have to stop sending ships out to sea because we do not have qualified personnel to man them.

So rather than talking about just more money—although I think that certainly in some aspects of defense we need to provide more money—we have to think a little bit more creatively about how to make the people in the military appreciate the fact that we are concerned about them. We must solve some of the day-to-day manpower problems that we have never seriously addressed in order to get our defense house in order.

Let me cite an example of one more manpower concern. In 1945, at the end of World War II, we had 11 million men in uniform. Today we have as many admirals, colonels and flag officers as we did back in 1945. But we only have 2.1 million men in uniform. It is possible for a B-52 crew to have two captains in command of the airplane and have a colonel or a major commanding the electronic countermeasures or doing the navigation. And we have allowed in our defense community, particularly in the Army and in the Air Force, grade creep and a whole host of archaic management programs that cost us a lot of money.

We have never focused seriously on the need for pension reform. Why should it be that the most valuable soldier to our military, the sergeant major gets 20 years in service, they decide to leave. The average age of retirement for an enlisted person is 39. They enter when they are 19 and they leave when they are 39. Now, I ask any of you, if you are going to go into battle, it might be nice to go into battle with someone who has been around 20 years, has some experience, and has some maturity of judgment. Well, our retirement system, aside from costing us $14 billion a year, encourages our very best and qualified people to leave. And that is just in the enlisted ranks.

If you take a look at the officer corps, you realize that the average retiree is 41 years old. He gets in when he is 20 or 21 and decides to leave when he is 41. So we have a retirement system that is not only tremendously expensive, but it discourages the very people we need to stay in the force to leave. So that is clearly an area that needs to be focused on.

Mr. DELLUMS. Mr. Chairman, will the gentleman yield to me before he leaves that area?

Mr. EDGAR. I yield to the gentleman from California.

Mr. DELLUMS. Mr. Chairman, I would like very much for the gentleman to comment on this: I notice that we just recently printed a report that indicated that an increasing percentage of our GI's are now welfare recipients and food stamp recipients. Would the gentleman comment on that within the framework of his statement?

Mr. DOWNEY. That is also true, and the frightening thing about that is that we treat a lot of the new recruits, the E-1's and the E-2's of which the gentleman is referring, in a way that almost discourages them from reenlisting, which is also a part of the same problem.

Let me just leave the area of manpower, which is really vital and which is really noncontroversial, because I think if you can get reasonable men and women to sit down and focus some management attention on the problem you would be able to solve it. Let me enter a little more political and controversial area: weapons. I come from a community that builds an airplane, the F-14, so I am, perforce, an advocate of it. But I think if I were to take a national view of the problems of the military with respect to weapons, I would notice a number of things that are apparent on their face.

First of all, the Air Force has two airplanes: the F-15 and F-16. Both planes are tremendously capable. But they do not need an F-15 and an F-16. They can use just one for a whole host of missions. Even if you spent the same amount of money that you do for the F-15 and the F-16, on one of them, you would be able to solve the numbers problem that we are always confronted with by the Soviets. You would be able to build a whole host of F-16's, more than enough to counter the Soviets.

Second, the Navy uses the same sky and faces the same enemy, but for some reason the Navy has to have two different airplanes: the F-14 and the F-18.

This sort of needless and mindless duplication costs us money and does not make us strong. The last general analysis, with respect to the Soviet Union, is that all you need do is take a look at the globe to understand that the defense priorities of the Soviet Union must be different than those of the United States. They have a billion hostile Chinese on one border, and on another border they have a traditional invasion route. Of course, they need a land army that is larger than ours because of their own historic paranoia and what is clearly a necessity for their own national security.

We engage week after week in the mindless comparisons of how much the Soviet Union has and how much we have. It is a sort of chopped-liver analysis of who is first, by weighing the number of our weapons against the number of their weapons. That should not be the strategy. The strategy with respect to the Soviets, I would posit, should be twofold. One, to recognize the areas of competition and be prepared to compete, and that simply means that you counter the Soviet Union. If they have a lot of tanks, you will have some tanks and a lot of antitank weapons and precision-guided munitions that will kill tanks. And there are advances we are making on the battlefield that will make the tank as obsolete as the cavalry was in the First World War.

Second, when you recognize that you do not want to match them, that you want to counter them, you then have to realize that in certain areas, particularly in the strategic area, you will enhance your security and enhance your strength by sitting down with the Soviet Union and negotiating the reduction of nuclear weapons.

The Office of Technology Assessment has indicated to us that if we were to have a full-scale thermonuclear exchange with the Soviet Union tomorrow, the Northern Hemisphere of our planet would probably be turned into a desert because of the effect on the atmosphere and the introduction of additional ultraviolet rays.

Now, that clearly is not something that we want to talk about, but it is something that we have to recognize. And if we have learned anything in this budget process with respect to national defense, a lot of decisions we lived with and embraced are costing us money and making us weak. It seems to me that that whole notion needs a fresh, new look, and it is one that we just have not addressed here today.

Mr. Chairman, I thank the gentleman for the opportunity to talk on the subject.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for his comments about national defense. I think his comments about targeting, focusing and looking at some real quality judgments within the defense priorities is very important.

Mr. Chairman, I yield to the gentleman from California (Mr. DELLUMS) on this same subject of national defense.

Mr. DELLUMS. I thank the gentleman for yielding.

Mr. Chairman, the way in which the Federal Government spends our money is a matter of concern to all Americans. Today, in the face of taxpayer revolts and "balanced budget" legislation, every politician must face difficult choices about where the scarce tax dollars should go. The budget is a political document, the single most important Federal document published each year. It is the most significant and comprehensive collection of policy decisions that the Government makes each year.

Simple, accurate statistics which show how the budget is to be spent could provide a basis on which to evaluate alternatives for the future. Unfortunately, the statistics and statements of the 1981 budget give misleading impressions about the real content of that budget.

Carter talks about the "real" increase in defense spending, but the full extent of that increase is hidden between the budget lines. Carter talks about maintaining domestic spending at current levels in "real" terms, but the implications of his domestic budget are barely touched on.

Let us look at just some of the real content of this budget.

DEFENSE (THAT IS, MILITARY)

The present proposals would commit the Nation to a massive military buildup; a buildup reaching $1 trillion spending over the next 5 years. But note, these amounts were set before the Soviet intervention in Afghanistan. Secretary Brown, and other members of the military establishment, have already indicated that to respond to the new Soviet "aggression" would require additional appropriations; thus, the military budget will grow through supplemental requests. Also, the budget proposals were based on the presumed passage of SALT II: And now with SALT's demise the administration is preparing the public and the Congress for additional requests for "substantial expansions" of strategic weaponry. And, where will the extra hundreds of billions of dollars come from?

Clearly, most will come from pinching domestic programs. The Carter budget is more dangerous than just a massive military budget. The Carter budget is a planned unemployment program—a program calculated to increase unemployment from the 5.9 percent of last quarter (or the 6.2 percent announced a few weeks ago) to between 7½ and 8 percent for 1981. This represents up to 2 million new unemployed—raising the total unemployed to almost 8 million persons. And, once again, the increased unemployment will hit hardest on blacks and other minorities.

Moreover, the rise in unemployment represents a significant retreat from the principles of the Full Employment and Balanced Growth Act (Humphrey-Hawkins) which was supported by the Carter administration and set the goal of 4 percent unemployment to be attained by the Federal Government in 1981.

Administration officials have stated that their primary fiscal objective in the budget is to fight inflation—a goal which takes precedence over all other economic goals. The fiscal year 1981 budget makes clear that for the sake of small gains on the inflation front, the administration is willing to tolerate a large increase in unemployment. Administration officials acknowledge that their economic priorities are due to a belief that it is better to run the risk of rising unemployment than the risk of over-stimulating the economy and possibly adding to inflationary pressures.

Many economists believe that spending restraint will do little to reduce inflation rates. This is because current inflation is more the result of problems in specific areas of the economy—such as housing, energy, food, health care, and declining productivity in the service sector—rather than the result of Federal spending.

As important as what is included in the budget is what is not included. Much of the rhetoric surrounding the budget argues that domestic spending will continue at approximately the same levels as at present. What this means is that there will be no new programs, no new initiatives to address the major problems which are still facing our country through the budget.

Carter is saying that it is fine to simply keep doing business as usual on the domestic front. This means no new moneys to address the problems of our Nation's cities, no new moneys to address the problems of our Nation's health, no new moneys to address the problems of our unemployment, of our housing. But, the situation is really much worse. We in the Congress are really almost impotent—impotent to seriously affect the budget process.

About three-fourths of the outlays in the budget are already mandatory under existing law—that is, they are "relatively uncontrollable." The discretionary portion of the budget (that part over which we have any say) has been shrinking over the last decade: In fiscal year 1971, the discretionary portion was 35 percent; in fiscal year 1981, it is about 25 percent.

The nondiscretionary part of the budget—that is, the "mandatory portion" of the budget—consists of three parts: First, permanents; second, mandatory appropriations; and third, outlays from prior-year discretionary appropriations. Permanent authorities account for some 44 percent of the budget and require no congressional action this session. Most permanents are benefit programs like social security or the railroad trust fund, which are unchangeable except that they tend to increase with the cost of living, though note, these funds also have their own revenue sources. Mandatory appropriations, which account for some 14 percent do require appropriation action this session, but, the level of appropriations has been already predetermined—these are the "entitlement" programs. Another 17 percent is for outlays from prior-year discretionary appropriations. Congress can exercise discretionary power over these types of programs, but, only for future years—outlays for this fiscal year have already been appropriated in prior-year appropriations.

The remaining outlays amount to about 25 percent of the budget—or about $150 billion. These outlays are discretionary; their level will be determined by appropriations actions this session. Our potence is really limited to these amounts.

The relevant question then is what is the distribution of these funds?—Where do they go? The discussion about military versus domestic programs—or "guns or butter" arguments is relevant not vis-a-vis the entire budget, but only with regard to this $150 billion.

Of this $150 billion—over 60 percent is for "national defense." Any defense increases—whether increases are requested by the administration or insisted on by our colleagues in the Congress, would raise this percentage.

Moreover, these numbers understate the defense portion; much of what is considered "civilian" actually is simply a disguised allocation to the military. Much of the science, energy, foreign assistance (arms sales), and agriculture (price supports and Russian embargoed grain) budgets are actually closely tied to defense concerns.

Not only are there massive increases in the defense budget, but there are significant cuts in health care, education, school lunch programs, and public assistance.

The frightening thing is that a few years ago, such large across-the-board increases in military spending as proposed for fiscal year 1981 would have been unthinkable. But, the international and domestic political climate has changed so fundamentally that the only debate this year is likely to be whether the military budget should be increased still more.

Yet, too few of us are speaking out about the planned unemployment, the planned retreat from Humphrey-Hawkins, the planned neglect of confronting the basic issues confronting our society. And this must be done.

BUDGET OUTLAYS BY FUNCTION

[In billions of dollars]

	1980	1981	1982
National defense	130.4	146.2	165.5
Human resources:			
Income security	190.9	220.0	241.7
Health	36.6	62.4	70.8
Education, training, employment and social services	30.7	32.0	35.0
Veterans benefits and services	20.8	21.7	23.2
Subtotal, human resources	298.9	336.2	370.7
Net interest	51.8	54.2	53.9
All others:			
International affairs	10.4	9.6	10.2
General science, space and technology	5.9	6.4	6.9
Energy	7.2	8.1	11.0
Natural resources and environment	12.8	12.8	13.7
Agriculture	4.6	2.8	3.0
Commerce and housing credit	5.5	.7	3.2
Transportation	19.6	20.2	21.6
Community and regional development	3.5	8.8	9.4
Administration of justice	4.5	4.7	4.9
General government	4.9	4.9	5.1
General purpose fiscal assistance	3.7	9.6	9.7
Allowances	.1	2.6	9.8
Undistributed offsetting receipts (except interest)	−10.7	−12.2	−12.4
Total budget outlays	563.6	615.8	686.3

SPECIAL ANALYSIS A

TABLE A-11. DIFFERENCES BETWEEN ADMINISTRATION 1981 BUDGET REQUEST AND CURRENT SERVICES LEVELS

[In billions of dollars]

	Budget authority	Outlays
Current services estimates for 1981	677.6	612.0
Decreases:		
Defense—Military, pay raise	−1.7	−1.7
Civilian agencies, pay raise	−1.1	−1.0
Medicare and medicaid—hospital cost containment	−.1	−.8
Other medicare and medicaid reforms	−.1	−.6
Net interest	−1.2	−1.2
Higher education programs	−.5	−.8
School lunch and other child nutrition programs	−.5	−.5
Federal impact aid to education	−.4	−.3
Agricultural export credit sales		−.8
Public assistance program reform	−.2	−.2
Rail subsidies	−.2	−.3
Highway construction	—[1]	−.2
Social security and railroad retirement	.5	−.2
Other	−1.6	−1.1
Subtotal, decreases	−7.2	−9.7
Increases:		
Defense—Military, program increases	9.1	5.4
Allowance for contingencies and welfare reform	2.0	1.5
Countercyclical fiscal assistance	1.0	1.0
Strategic petroleum reserve	2.3	—[1]
Other energy programs	1.0	1.0
Heating bill assistance for low-income families	.8	.8
Transportation energy conservation program	1.5	.6
Social services	.5	.5
Economic development initiative	.7	.3
Atomic energy defense activities	.2	.2
Environmental programs	.3	.1
Housing assistance	2.9	.1
International programs	.7	[1]
Science and space programs	.1	.1
Crop insurance and food security reserve	.1	.5
Child health assurance program (medicaid)	.4	.4
Youth initiative:		
Education	.9	(1)
Employment and training	.3	.1
Other	.9	.7
Subtotal, increases	25.7	13.5
President's request for 1981	696.1	615.8

[1] $150,000,000 million or less.

TABLE 17.—CONTROLLABILITY OF BUDGET OUTLAYS, 1971–81

[Dollars in billions]

	Actual										Estimate	
	1971	1972	1973	1974	1975	1976	TQ	1977	1978	1979	1980	1981
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals:												
Social security and railroad retirement	37.1	41.4	50.6	57.5	68.3	76.0	20.7	87.5	96.1	106.7	122.5	142.1
Federal employees' retirement and insurance	10.2	11.4	13.0	15.0	18.4	21.2	5.7	24.0	26.7	30.0	34.6	38.9
(Military retired pay)	(3.4)	(3.9)	(4.4)	(5.1)	(6.2)	(7.3)	(1.9)	(8.2)	(9.2)	(10.3)	(11.9)	(13.7)
(Other)	(6.8)	(7.5)	(8.6)	(9.9)	(12.1)	(13.9)	(3.7)	(15.8)	(17.5)	(19.7)	(22.6)	(25.2)
Unemployment assistance	6.2	7.1	5.4	6.1	13.5	19.5	4.0	15.3	11.8	10.7	15.5	18.7
Medical care	11.2	13.4	14.1	17.2	21.6	26.3	7.0	31.4	35.9	41.6	47.7	53.9
Assistance to students	1.7	2.0	2.8	3.2	4.6	5.5	.8	3.7	3.4	2.8	2.3	1.9
Housing assistance	.7	1.1	1.6	1.8	2.1	2.5	.6	2.9	3.6	4.2	5.1	6.3
Food and nutrition assistance	1.6	1.9	2.2	2.8	6.2	7.5	1.7	8.2	8.2	9.8	21.1	13.3
Public assistance and related programs	7.8	9.1	8.5	10.2	12.6	14.6	3.7	15.7	16.6	16.4	18.9	20.2
All other relatively uncontrollable payments for individuals	1.1	1.3	1.6	1.8	2.0	1.9	.5	2.0	2.0	2.7	3.1	3.2
Subtotal, payments for individuals	77.8	88.7	99.8	115.7	149.2	174.9	44.6	190.7	204.2	224.9	261.9	298.5
Net interest	14.8	15.5	17.3	21.4	23.2	26.7	6.9	29.9	35.4	42.6	51.8	54.8
General revenue sharing			6.6	6.1	6.1	6.2	1.6	6.8	6.8	6.8	6.9	6.9
Farm price supports (CCC)	2.8	4.0	3.6	1.0	.6	.6	.7	2.5	5.5	3.7	3.1	1.7
Other open-ended programs and fixed costs	4.9	6.1	6.1	6.6	7.8	8.4	2.6	8.3	9.6	8.0	10.6	8.3
Total, open-ended programs and fixed costs	100.2	114.3	133.4	150.8	186.9	216.9	56.5	239.1	261.6	286.1	334.2	370.2
(National defense)	(3.4)	(3.9)	(4.4)	(5.2)	(6.3)	(7.4)	(2.0)	(8.2)	(9.2)	(10.4)	(12.1)	(13.8)
(Civilian programs)	(96.7)	(110.3)	(129.0)	(145.6)	(180.6)	(209.6)	(54.6)	(230.9)	(252.4)	(275.7)	(322.1)	(356.4)
Outlays from prior-year contracts and obligations:												
National defense	21.1	19.4	17.7	20.4	22.3	17.9	7.7	18.5	28.2	30.9	36.9	40.6
Civilian programs	19.1	19.9	21.9	23.4	28.4	33.0	12.3	36.8	44.1	49.1	57.6	60.8
Total, outlays from prior-year contracts and obligations	40.2	39.2	39.6	43.8	50.7	50.9	20.0	55.3	72.3	80.0	94.5	101.4
Total, relatively uncontrollable outlays	140.4	153.5	173.1	194.5	237.6	267.8	76.5	294.4	333.9	366.1	428.7	471.6
Relatively controllable outlays:												
National defense	51.3	53.2	52.5	52.2	57.0	64.2	12.7	70.8	67.8	76.4	81.4	91.8
Civilian programs	22.4	28.0	24.5	26.2	35.6	38.7	6.5	42.1	54.1	56.5	59.4	58.5
(Under current law)	(73.7)	(81.3)	(76.9)	(78.4)	(92.6)	(102.8)	(19.2)	(112.9)	(121.9)	(132.8)	(140.2)	(144.5)
Under proposed legislation in:												
(Open-ended programs and fixed costs)											(.4)	(−.2)
(Relatively controllable and new programs)											(.2)	(6.0)
Total, relatively controllable outlays	73.7	81.3	76.9	78.4	92.6	102.8	19.2	112.9	121.9	132.8	140.8	150.3
Undistributed employer share, employee retirement	−2.6	−2.8	−2.9	−3.3	−4.0	−4.2	−1.0	−4.5	−5.0	−5.3	−5.9	−6.2
Total budget outlays	211.4	232.0	247.1	269.6	326.2	366.4	94.7	402.7	450.8	493.7	563.6	615.8
MEMORANDUM (Percent of total outlays)												
Relatively uncontrollable under present law:												
Open-ended programs and fixed costs:												
Payments for individuals	36.7	38.2	40.4	42.9	45.7	47.7	47.1	47.3	45.3	45.6	46.5	48.5
Other	10.7	11.0	13.6	13.0	11.6	11.5	12.5	12.0	12.7	12.4	12.8	11.6
Total open-ended programs and fixed costs	47.4	49.3	54.0	55.9	57.3	59.2	59.7	59.4	58.0	58.0	59.3	60.1
Outlays from prior-year contracts and obligations	19.0	16.9	16.0	16.2	15.5	13.9	21.1	13.7	16.0	16.2	16.8	16.5
Total relatively uncontrollable outlays	66.4	66.2	70.0	72.2	72.8	73.1	80.8	73.1	74.1	74.2	76.1	76.6
Relatively controllable outlays	34.8	35.0	31.2	29.1	28.4	28.1	20.3	28.0	27.0	26.9	25.0	24.4
Undistributed employer share, employee retirement	−1.2	−1.2	−1.2	−1.2	−1.2	−1.1	−1.0	−1.1	−1.1	−1.1	−1.0	−1.0
Total budget outlays	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0	100.0

THE MILITARY BUDGET/PERCEPTION OF THE WORLD AND POWER POLITICS

Since 1945, the basic foundations of American foreign and defense policies have been constructed upon a series of hypotheses all revolving around the basic theme of preserving the "national security interests of the United States." Seven successive Presidents have contended that the cornerstone of this policy is a strong response at all levels to the ongoing confrontation between the Communist desire for world hegemony and the maintenance of the "free world" as defined by Washington at periodic intervals. As a result, the alleged vital national security interests of the United States have assumed, over the years, global dimensions. Thus, any crisis, anywhere, however remote in time, distance or political significance, is considered part of a gigantic Communist conspiracy against U.S. security interests.

All too often, the U.S. response has been one of political overreaction and alliance with corrupt dictatorships of both the right and left, so long as they profess the proper amount of anti-Communist sentiments—and military intervention in Third World countries. As conventional weapons give way to the primacy of a more lethal era of nuclear weapons, the Government has begun to conceptualize, and plan for, all-out nuclear war, including a first-strike capability against both the Soviet Union and the People's Republic of China. In the process we have extended a nuclear umbrella around the world. But, instead of making allies such as those in Western Europe and Japan more secure, we have increased their vulnerability—and very survival—by making them nuclear hostages to a superpower nuclear showdown.

The facts of history are at variance with the assumptions on which the present policy is predicated. The world of the 1980's is, and will be, radically different from what it was in 1945, when the United States emerged supreme from the crusade against Fascism. It must be remembered that the United States was a reluctant and late participant in the struggle against German and Japanese imperialism. In the process of defeating them, we became, by default, the defenders of, and profiteers from, a decadent European colonial system which should have expired in the wake of World War I. As a result of its attempt to preserve western European democracies against the Fascist invasion and a subsequent Communist political challenge in the postwar period, the United States, by default and too often by design, became the inheritor of colonial wars in which the nonwhite peoples of the Third World were struggling for national independence. A series of successive interventions in the Third World, from Korea to Iran to Guatemala to Indochina to Chile and Angola—among others—have all been rationalized on the grounds of responding in kind to Communist aggression of one sort or another.

In addition, military alliances were conceived, maintained and subsidized around the world by the United States. From NATO to SEATO to CENTO to ANZUS and beyond, the common denominator has been the containment of Communist expansionism. The consequence of this expansionist militarism has been the evolution and perpetuation of a national security/warfare state, and the institutionalization of illegal covert operations around the world—activities which have included blackmail, bribes, coups d'état, and even political assassination. Worst of all, it has resulted in an international arms race that makes us unworthy to be called rational human beings.

Despite the insanity of the adventurism in Indochina, and despite the threat of global annihilation during the Cuban missile crisis of 1962, this administration is still asking the American people to accept the proposition that the current world situation as exemplified by recent events in Iran and Afghanistan, is the gravest threat to world peace since World War II. Mr. Brzezinski professes to see the "arc of crisis" in Southwest Asia as the Balkan tinderbox of world war III. The only arc of crisis currently extant is that which runs between the basement of the West Wing at the White House and the War Room at the Pentagon.

The authors of the so-called Carter doctrine take great pride in demonstrating the analogy between this policy response and that enunciated in the Truman doctrine in 1947. The analogy is valid—but not for the reasons they claim.

In 1947, Harry S. Truman's standing in the public opinion polls was at an all-time low for any President, and he was facing a prospective intraparty challenge for the Presidency from the left in the person of Henry A. Wallace. He had already been advised in a lengthy memo from Clark Clifford, the previous November, that the most certain means of negating that challenge was to heighten tensions with the Soviet Union by provoking a crisis whenever the opportunity presented itself. If Wallace were to challenge such a move, he was to be branded an appeaser—or worse.

Fate and opportunity merged on February 21, 1947, when the British Foreign Office informed then Secretary of State George C. Marshall that they could no longer maintain their imperial burdens in Greece, Turkey, Iran, and the Middle East. The rest, as they say, is history. Within 3 weeks the Truman doctrine was proclaimed. This became the cornerstone of the cold war orthodoxy subsequently enunciated in the Marshall plan, the NATO Treaty and NSC Memorandum No. 68, a principal author of which was Paul Nitze.

The current scenario is strikingly—and frighteningly analogous. An incumbent President was trailing badly in the polls and facing an intraparty challenge from the left. Having failed to secure a solid electoral base among any sizable constituency, he then decided to campaign for reelection as a born-again cold warrier in search of a crisis.

Fate and opportunity then intervened again, in the form of the chaotic events unfolding in Iran and Afghanistan. But, the hard questions must be asked. Do these events really affect the vital security interests of the United States? If so, are there constructive alternatives to be pursued, rather than the mindless, Pavlovian recourse to gigantic increases in the defense budget and increased arms sales to despots totally at odds with our professed ideals of political democracy and human rights?

Neither the situation in Iran or Afghanistan can be examined in a historical vacuum. If analyzed in this context it can be demonstrated that neither warrants the type or degree of overreaction presently contemplated by this administration.

Throughout the 20th century, Iran has been, for the most part, the pawn of three global powers—Great Britain, the United States—and the multinational oil companies. When the combination of Islamic religious fervor and true nationalist sentiment surfaced in the rise of Mohammed Mossadegh to power in 1951, the CIA and the multinationals staged a coup in August of 1953, a coup which put Mohammed Reza Pahlevi back in power again as the puppet Shah.

For 25 years the Shah was at their beck and call—and vice versa. With the aid of the CIA and Israeli intelligence his secret police, the Savak, became an infamous legend in the annals of police state brutality. In return for acting as an arms conduit to Israel during the Yom Kippur war in 1973, he was allowed to realize his most megalomaniac militaristic fantasies, through an incredible increase in weapons acquisition, supplied at super-discount prices by the United States. More important, with the tacit consent of the Rockefellers, Henry Kissinger, Nixon and two CIA Ambassadors, Richard Helms and William Sullivan, he was allowed to quadruple crude oil prices in 1 year. This is what triggered the cycle of sky-rocketing inflation and synthetic shortages of oil and other byproducts. The result has been increasing economic hardship for the West—and virtual disaster for the struggling economies of Third World countries striving to get out from under an oppressive balance-of-payments arrangement with the bankers of the free world.

The overthrow of the Shah in January of 1979, presented this government with a promising opportunity to redress previous wrongs. But, instead of cooperating with the national mood in Iran for religious freedom and self-determination, we continued to support the Shah, repeatedly making excuses and finding new havens for him. We were warned on August 2—3 months and 2 days before the hostages were taken in Tehran—that such a situation would develop if we brought the Shah to the United States under any pretext. That the hostages are still in Tehran is due solely to the Carter administration's repeated refusals to deal with the revolutionary government in Iran as a legitimate expression of Iran's national will.

In the "official" Government version of what has happened in Afghanistan, there has been a similar denial of past history and current reality. As a nation directly adjacent to Russia, the status of Afghanistan has always been of concern to Russia's rulers, be they czars or commissars. In the 19th century Afghanistan was a pawn in the imperial rivalry between Great Britain and Russia. In the years since World War II, it has been viewed as a peripheral buffer by the U.S.S.R., the People's Republic of China, India and Pakistan, with each exerting a degree of influence among the various warring tribal factions.

The Afghan monarchy had sought to make military arrangements with the United States during the Eisenhower administration, but had been rebuffed by John Foster Dulles' dislike of neutralist regimes. So, in 1956, they had made a voluntary accommodation with the U.S.S.R., one which prevailed until the overthrow of the monarchy by Mohammed Daud in 1973.

Taking advantage of this change in rulers, the United States then sought to use the Shah of Iran as a surrogate in weaning Daud away from the Soviet fiscal trough. This was followed by an increase in Savak and CIA activity which focused on an attempt to eliminate all Communist political activity in that country. Daud initially agreed with the plan, thereby sowing the seeds of his own destruction. April 17, 1978, the popular Communist trade union leader, Mir Akbar Khaiber, was assassinated (by a Savak/CIA assassination team?).

An arrest roundup of other leading Communists was ordered, but the scheme backfired and Daud was himself murdered on April 28.

Daud's successor was Hafizullah Amin, a pliable puppet at first, but one whom the Soviets came to distrust because he might have become an Afghan Tito. Given Amin's firm control over the military, a coup from within appeared unlikely, so the hardliners in the Kremlin apparently decided that the only way to secure his removal, while suppressing any insurgency against his handpicked successor Babrak Karmal, was to send in a full-scale occupation army.

What the Soviets have done is morally wrong and politically stupid, from both a short- and long-term perspective.

One must ask why the Russians chose to move into Afghanistan at this time? Surely they must have known—and understood—that, in a presidential election year, it meant an inevitable swing further to the right in American politics—in both political parties. The hardliners on both sides have now been reinforced in their myopic beliefs that a SALT treaty is unfeasible, and that the only recourse left is a further escalation in military budgets and weapons escalation.

But, in my judgment, the Russians have lost more than they have gained by utilizing this course of action. They have allowed Brzezinski to play his China card, thus, further intensifying the prospects for direct confrontation between the superpowers. They have provided Carter and Brzezinski with an excuse for intervening in the internal affairs of Pakistan on the pretext of aiding the Afghan rebels. Such a move will benefit no one in the long term, because American arms assistance to Pakistan will be more likely to be used against India or the Baluch or Punstun independence movements than against any Russian invasion force. Moreover, it will also help to keep in power another corrupt dictator, General Mohammed Zia ul-Haq, a despot who totally lacks the support of his own people.

Also, it is ludicrous to think that the Soviet invasion of Afghanistan presages a similar move into Iran. The invasion route to Iran runs southward from the plains of Georgia and not west from the mountains of Afghanistan.

If such are the actual realities in Afghanistan and Iran, then why has this administration responded in this manner, at this time? Election politics aside, where is its sense of proper priorities in assessing what truly constitutes the vital national security interests of the United States?

There are now at least 165 nations in the world, counting Zimbabwe and Taiwan. If we were to rank-order them in context of how vital they are to our national survival and self-interest, then how far down the list would Afghanistan rank? Viewed in this light, how much more will the stakes of escalation be raised when a nation rank-ordered above Afghanistan might be similarly threatened from within or without? At what level, other than total war with the Soviet Union, will the concept of the employment of nuclear first-strike weapons be considered an integral part of American diplomacy? In a nuclear war, variations in the numbers of weapons and "throw-weight" will be meaningless. The global holocaust created in the first 30 minutes will see to that.

Finally, these questions must be asked: Is oil the bottom line in this entire scenario? Are we willing to go to the brink of nuclear war to preserve our excessive consumption of energy, rather than practice as well as preach energy conservation? Will the militarization of the Middle East bring stability to an area which has seen four major wars between the Arabs and Israelis in the past 32 years? These are hard questions, to which there are no easy answers—in an election year or any other year. But, of this I am certain—the solutions proposed by the Carter administration are ill-conceived, overreactive and a definite danger to the peace of the entire world. It is our responsibility to begin offering an alternative to the madness which we see evolving before our very eyes.

MILITARY BUDGET/FISCAL YEAR 1981

Insistence on higher military expenditures has increased with the recent Soviet actions in Afghanistan. But, it is important to remember that the proposed Pentagon budget for fiscal year 1981 was developed before Afghanistan. Accordingly, Secretary Brown promises supplements even beyond the astonishing figure of $158.7 billion.

What is the military challenge of the Soviet Union that prompts this stupendous sum? Even given Afghanistan, there is nothing in the last 34 years of Soviet history that supports any interpretation that they are inclined to an all-out nuclear war or to any adventure that could cause U.S. nuclear retaliation. In fact, no one, including those who point with alarm to Soviet increases, really gives much credence to the possibility of a Soviet attack against the United States, our allies, or areas of U.S. strategic interests, including the Middle East oil fields.

The alarmists raise instead the increase in numbers of Soviet arms and the notion of "perceptions" and possible political consequences.

Many point with anxiety to the military balances—the so-called bean counts. I believe that when analyzing military balances, we must go beyond simplistic tables. As Secretary Brown has said, such comparisons can be "extraordinarily misleading." Our strength and capacity should be measured as to the needs and foreign policy objectives of America. Given an understanding of the importance of balancing our needs and our forces, we can understand a certain fatuousness in balancing Soviet and American Forces. The needs are different. Nevertheless, the increases in the military budget are based in part on the faulty premise that we are dangerously challenged by superior Soviet military strength. Many see trends in Soviet military spending and capability that demonstrate Soviet superiority. But, this premise must be carefully analyzed and challenged.

MILITARY SPENDING

It is reported by the CIA that the Soviets spend more for defense than the United States, actually and as a higher percentage of their gross national product. These CIA estimates have been challenged by experts, including the Stockholm International Peace Research Institute (SIPRI). SIPRI holds the expenditures of both nations to be about even. Further, it holds that NATO is outspending the Warsaw Pact.

The CIA holds that Soviet military expenditures are 50 percent higher in dollars and 30 percent higher in rubles. These calculations figure Soviet manpower costs at American military pay costs. This is obviously nonsense. Further, there is an underlying assumption that the Soviets can achieve the same high technical result for the same dollar investment. This is a serious overestimation of their industrial and technological capacity. The CIA methodology is questionable.

But even the CIA figures, if analyzed, do not show a rationale for panic.

With regard to yearly increases, a review of the figures from 1968 to 1977 show fluctuation and an average of less than 3 percent yearly increase. Further, a review of the figures for the same period show a budget allocation directing 45–50 percent of the defense expenditure against the Chinese and for the machinations of the KGB. Less than one-half of their budget outlay is directed against the United States and its allies.

MISSILE NUMBERS

The Soviets have more missile launchers. They have 1,477 ICBM's to our 1,054 ICBM's. The Soviets have 828 sea-based launch missiles to our 656. But, in the important category of deliverable strategic warheads, we have over 9,000 deployed strategic nuclear warheads, while the Soviets have about 5,000.

HEAVY MISSILES

Some feel that new Soviet heavy missiles will soon be able to destroy a high proportion of the American ICBM's. However, because of many technical factors, it is questionable when—and if—the Soviets could accomplish this destruction of our land-based missile force. Certainly they cannot do so in the immediate future. But, even supposing they could, what advantage would they gain? Despite a totally effective Soviet nuclear first strike against the U.S. land-based missiles, our submarines at sea—largely undetectable, and virtually invulnerable for decades to come—could thoroughly destroy a broad variety of military targets and all major Russian cities several times over.

NATO VS. WARSAW PACT

The USSR/Warsaw Pact nations lead NATO in the quantity of tanks. The Warsaw Pact leads NATO 1.1–1 in tactical aircraft. The Warsaw Pact leads NATO in numbers of troops. But, as Secretary of Defense Harold Brown told me in writing: "The odds that the USSR/Warsaw Pact would risk either a conventional or nuclear attack on Western Europe are small." Furthermore, "the probability of Soviet military initiatives in Europe is low. A Soviet limited nuclear attack is even lower."

We must understand that there is a significant Chinese threat at Moscow's back, and that there are questions as to the dependability of the Warsaw Pact allies in Eastern Europe. Furthermore, in the aggregate, our tanks exceed the U.S.S.R.'s in quality—range, speed, amount of ammunition, accuracy, maneuverability and armor. NATO also enjoys a qualitative lead in the very important area of antitank weapons. In addition, our aircraft quality capacity exceeds that of the Warsaw Pact.

THE U.S. STRATEGIC CAPACITY

The United States has in excess of 9,000 strategic nuclear weapons—in addition to some 22,000 tactical nuclear weapons. Of these 9,000 strategic nuclear weapons, the United States has approximately 6,000 based on submarines which can be launched from submerged depths so deep that they are virtually invulnerable to surface or missile counterattack. About half, or 2,500 of the sea-launched ballistic weapons are always at sea, ready for use. Whatever the Soviets do in the near future, this U.S. submarine capacity for annihilation will still exist. Some other ICBM's and manned bombers will also survive any Soviet first strike. Thus the question poses itself: "Why do we need more?" The destructive capacity of these invulnerable submarines alone is shuddering to contemplate. Approximately 30 percent of the Soviet population and 75 percent of Soviet industry are located in the 200 largest Russian cities. The capacity to destroy all these cities exists in 11 Poseidon subs alone. Currently there are 31 such subs. Think of it—11 subs have the capacity to destroy the Soviet Union as a functioning industrialized society.

This capacity is obviously and openly tied to our defense of the United States, NATO, Japan, and the other areas of U.S. strategic interest, such as the Middle East.

Despite this awesome capacity, we are pushing for a new generation of weapons—weapons that are unnecessary and dangerous—particularly the MX, the Pershing II, the groundlaunched cruise missile and the Trident II missile. We are also seeking to intervene actively in the Third World. These initiatives are wasteful and dangerous.

THE MX ($1.55 BILLION)

It is sometimes assumed that if some answer for the vulnerable Minuteman is needed, then the MX must be the answer. The MX will do more than just replace the Mimuteman. It will be a vastly different weapon with dangerous implications.

With 10 Mark 12A warheads, with accuracy 50 percent better than the Minuteman missile, the MX would be first of all a Soviet missile silo killer. Such a missile is intended to serve strategies of fighting and winning nuclear war. (The current Air Force definition of victory in nuclear war is that our country takes fewer years to recover its economic capacity than the other side.) Air Force planners want to make it credible that the United States would, under some circumstances, initiate a strategic nuclear exchange.

A second purpose of the MX would be to destroy Soviet missiles remaining in silos after a Soviet first strike. The supposed need to do this is based on bizarre scenarios of limited nuclear war which even the Secretary of Defense finds implausible. Although he favors some of MX, Secretary Brown has questioned the degree to which missiles silos need to be covered completely in U.S. target list.

The reason Secretary Brown hesitates to endorse a large-scale, ICBM-launched silo-attacking capability is as follows:

> As the growing Soviet threat to our ICBM force indicates, this kind of targeting, by forcing the other side to respond with redesigned capabilities, is bound to affect long-term stability, in what could be (but need not be) a negative way.

Let us try to translate that into English. While about 20 percent of U.S. strategic nuclear warheads are on ICBM's, about 70 percent of Soviet warheads are on ICBM's (and their other forces are on lower day-to-day alert status). If some in the United States feel a need to do something about Minuteman vulnerability, what do we suppose the Soviets will do about the emergence of a major threat to the largest part of their nuclear forces? They will certainly take countervailing measures.

First, they may institute a launch-on-warning policy. According to those who worry about Minuteman vulnerability, this is a destabilizing and dangerous policy. Next, the Soviets will probably move to a land-mobile ICBM system. When they do so, we will most likely no longer have confidence in our ability to count Soviet missile launchers. There will then be great pressures in the U.S. to react to worst-case estimates of Soviet missile numbers by building more missiles of our own.

Even if mobile missile deployments remained within SALT II limits, both sides would fear the possibility of a rapid "break-out" of many additional missiles. As Dr. Sidney Drell pointed out to the House Armed Services Committee:

> In the absence of direct verification of missile production, there is always the possibility of some clandestine production and employment of missiles in warehouses or other soft structures from which they could be readily launched.

Let us go so far as to suppose that instead of going to land-mobile missiles the Soviets were to take the more stabilizing course of sending their nuclear deterrent to sea. Whatever steps the Soviets take to make their ICBM's mobile, they remove the major set of targets of the MX. The MX will force some reaction from the Soviets. When they react (and they will have 6 to 11 years in which to do so), the whole point of the MX will have been obviated. As soon as the MX is on the line, the Soviets will be able to nullify its major military function. Fifty to seventy billion dollars will have been spent on a weapon without a mission.

Let us look at vulnerability.

The Director of the Conservative U.S. Strategic Institute wrote in 1978 that—

> It is fruitless to argue that the U.S. land-based inventory will become vulnerable in the 1980's to a Soviet first strike, a highly questionable idea sold to the military by civilian manipulators of 'damage probability' plastic computer wheels.

Last year Secretary of Defense Brown explained in greater detail why the Minuteman vulnerability problem

> Would not be synonymous with the vulnerability of the United States, or even of the strategic deterrent.

He wrote:

> The Soviets would face great uncertainties in assessing whether they would have the capability we fear—and still greater uncertainties as to its military or political utility. On all the technical judgments—how accurate the missiles are, how reliable, how well the system would work in actual practice, whether they could explode two reentry vehicles on each silo without excessive fraticide, or only one—we, quite properly are conservative, from our point of view. Similarly, the Soviets must make cautious assumptions from their perspective. In particular, they must recognize the formidable task of actually executing (as planned) a highly complex attack in a single cosmic throw of the dice.
>
> Even if such an attack worked exactly as predicted, the Soviets would face great risks and uncertainties. First, they would necessarily have to consider whether the U.S. missiles would still be in their silos when the attack arrived, or whether, given our capability to have unambiguous confirmation of a massive attack, we would launch from under the attack. Second, and more important, an attack intended to destroy U.S. silos could kill at least several million Americans and would leave untouched at least the alert bombers and at-sea SSBM's with thousands of warheads. The Soviets might—and should—fear that, in response, we would retaliate with a massive attack on Soviet cities and industry. The alleged "irrationality" of such a response from a detached perspective would be no consolation in retro-

> spect and would not necessarily be in advance an absolute guarantee that we would not so respond.

Secretary Brown thus presents a cogent case why abstract mathematical calculations of the impending vulnerability of the Minuteman missile force should not be taken very seriously. All the same, this year the prediction of Minuteman vulnerability is being offered as a compelling reason to proceed with the MX. Some calculations make the Minuteman vulnerable to Soviet attack by the early 1980's. If this were a truly urgent problem, the "shell-game" version of MX mobility favored by the Air Force would not be an answer, for the shelter system cannot be fully operational before 1990.

The problem, however, is unreal. If the United States would retain upward of 7,000 strategic nuclear weapons even after a successful attack on the Minuteman force, what is there to worry about? Some strategists, as Secretary Brown noted, fear that the United States would hesitate to respond to a Soviet attack limited to our ICBM's because our only response could be to start the mutual destruction of cities. Secretary Brown has also refuted this simplistic scenario:

> In any event, any Soviet planner considering U.S. options would know that, besides massive retaliation, the surviving U.S. forces would also be capable of a broad variety of controlled responses aimed at military and civilian targets and proportioned to the scale and significance of the provocation. Indeed, with ALCM's deployed on the surviving alert strategic bombers, we would still have a very substantial capability to destroy remaining Soviet silos, though with some hours of delay.

In sum, there is much less to the Minuteman vulnerability "problem" than meets the eye. The best reason Secretary Brown can offer for the MX is that new bugaboo "perception". This is the idea that the Soviets should not appear to have some capability that we do not match. The concern is with psychological, not military issues. Fifty-six billion dollars is a lot of money to spend on image. An ad campaign might be cheaper.

Of course, the fact is that without the SALT II restraints, the MX, as presently planned, is also vulnerable. Six thousand "hard kill" warheads could saturate and destroy the presently conceived MX race track system.

There are alternatives.

The MX, as advocated by the Air Force, would not cure the ' Minuteman vulnerability problem" for many years to come. If there is no SALT II, the MX could also be vulnerable. Given the hypothetical nature of the problem and the unlikelihood of the Soviets gambling all on "one cosmic throw of the dice" (Secretary Brown), it might well be asked whether the "problem" really requires a "solution."

One alternative to the MX would be simply to leave our ICBM's as they are. In the unlikely event of a limited tit-for-tat nuclear war, they would still be available for accuracy and precise command and control. In the event that the majority of them were destroyed in a large nuclear attack, the United States would retain thousands of retaliatory weapons in submarines and on aircraft. In fact, even with MX, in the coming years nuclear weapons on ICBM's will constitute a declining percentage of U.S. nuclear forces.

If we really fear a Soviet gamble on an attack on our ICBM's alone, then another alternative is to remove the ICBM's altogether, thus eliminating the "counterforce" limited nuclear war option from Soviet capabilities.

Another alternative would be to leave only about 200 or so Minuteman III missiles in place. Those who believe in the possibility of limited tit-for-tat nuclear war would still have ICBM's available for that purpose. At the same time, the missile force would be too small to tempt a Soviet "counterforce only" strike.

On the other hand, if it is decided that the United States must have a guaranteed survivable ICBM, other possibilities have been suggested. For example, we could deploy a missile in numbers large enough to match present Minuteman capabilities but still small enough not to threaten the Soviet ICBM force and thereby escalate the arms race. Both to insure survivability and to allow the number deployed to be easily monitored by the Soviet Union, this missile could be placed on small, cheap submarines based in the waters of the U.S. continental shelves. Dr. Sidney Drell and Dr. Richard Garwin have commended this option to the House Armed Services Committee.

TRIDENT II ($36.4 MILLION)

The projected Trident II missile will also be a "hard kill" weapon.

A single Trident submarine equipped with 24 Trident II missiles could carry from 7 to 14 times urgent hard kill warheads on each missile. Thirty Tridents could carry in approximately 11,000 missiles.

THEATER NUCLEAR WEAPONS

The United States has obtained begrudgingly NATO agreement to deploy in Europe, 108 Pershing II missiles, and 464 ground-launched cruise missiles. Both are nuclear tipped. The Pershing II has a range of 1,600 miles. The GLCM has a range of 2,400 miles. Both missiles can reach the Soviet Union from NATO. The GLMC's have a hard-kill capacity. These theater nuclear weapons are to counter the capacities of the Soviet SS-20's—and Backfire bombers. The theory is that theater nuclear weapons answer allied concerns so that we would not respond to a Soviet nuclear attack on Europe with strategic weapons.

NATO of course already has theater nuclear weapons to answer the Backfire and the SS-20. Four hundred SLBM warheads are assigned to NATO. There are approximately 1,000 nuclear bombs on U.S. aircraft in Europe. The British and French both have SLBM's and strategic bombers with nuclear weapons. The new TNW are redundant and unnecessary.

Worse, the TNW will increase tensions and make disarmament more difficult. The Soviets must view weapons that can hit their territory as strategic in capacity.

Several NATO allies have urged that we attempt to negotiate before we deploy. Our continued pressure for deployment has endangered several governments by creating political strife. This makes cooperation in another project more difficult.

Further, actual use of TNW insures a Soviet strategic reaction against the United States since the U.S.S.R. strategic assets would be jeopardized.

RAPID STRIKE FORCE ($1.186 BILLION)

This is the newest initiative to counter the Soviets in the Third World and to preserve our vested economic interests. The arrival of Cuban troops in Ethiopia and Angola and the success of the Soviet Union in Afghanistan have led many people in this country to believe that the Soviets have the capacity to take any small country anywhere in the world. But, in fact, the ability of these forces to fight overseas for any length of time is highly questionable.

Beyond that it is not reasonable to anticipate a limited conventional conflict between the United States and the U.S.S.R. anywhere in the Third World. Any such conflict could not be contained.

To meet this nonthreat or reassume a posture of policeman of the world, this budget calls for a rapid deployment force. This force will take the form of prepositioning heavy equipment on positioned maritime ships at various locations around the oceans where we do not already have naval or land bases. Little mention is made of the trouble we would have in protecting these prepositioned supplies and ships against energy attack and/or terrorism.

There are two rapid deployment joint task forces composed of representatives of all the services. One is directed at the Caribbean as a response to the Soviet troop presence in Cuba and is seen as a possible threat to other Caribbean nations and Latin American nations if any foreign action is seen in that region. A return to the Monroe Doctrine—1980 style. The other force is directed against any other part of the world where we have either prepositioned equipment on the ground or have the maritime fleet waiting. This force seems to have been composed to provide a mission for the Marine Corps and the 82d Airborne. Naturally one of the problems will be to transport both the soldiers and the heavy equipment that cannot be prepositioned. In order to accomplish this a new fleet of large cargo aircraft is proposed to transport this equipment, some of the equipment presently built is too heavy for conventional aircraft such as the SM tank. However, these planes will not be ready until 1983 at the earliest.

The purpose of these forces can only be to intervene in areas of the world where we do not have the support of the host government. They cannot be used to fight a conventional land war since we are not able to supply them with the equipment and supplies that will be needed. It therefore appears that their only use is to seize control of the strategic oil supplies in the Middle East or critical materials in other Third World countries.

NAVAL FORCES ($6.1 BILLION)

The mission of the Navy is described as twofold by the Secretary of Defense: First, sea control; and second, power projection. However, the Chief of Naval Operations adds still a third: Protection of U.S. interests in the Third World.

The design and structure of the Navy is wrong. It must wean itself away from the large supercarriers. U.S. naval policy is based on yesterday's wars. It is not rational to expect widespread and extended conventional surface warfare with the Soviet Navy. The cutting edge in any future global conflict will be submarines.

If we eliminate our outmoded carrier orientation, the Navy would have more than enough capacity for the most significant mission—maintaining the sea lanes to Europe. The administration and the Navy leadership must hammer out a new policy of naval air. New warships must be designed to cope with the long-term changes occurring in naval weaponry, particularly the development of long-range antiship cruise missiles.

As this budget shows, the carrier is only the beginning of expenditures for ship construction. Once the carrier is built, the various support ships must be constructed. This budget is built around the carrier task force. In fiscal year 1981, the request is $6.1 billion in procurement funds for 17 new ship construction programs and two ship conversions. Most are to service and protect the carrier.

The new ships are:

Ninth Trident ballistic missile submarine.

Another SSN–688 Los Angeles attack submarine.

Third and fourth CG–47 class Aegis cruisers and four more FFG–7 patrol frigates.

First two of a new class of maritime prepositioned ships designated T–AKX.

Five Tagos Surtass new antisubmarine warfare ships.

Lead LSD–41 class amphibious ships.

One new rescue and salvage ship.

The SS *Saratoga* will enter the service life extension program.

This program led us into supporting a policy of intervention in the Third World to support regimes that cannot be saved through military power. Carriers cannot save regimes that are unstable or protect critical supplies from sabotage.

APPENDIX I

SHIPBUILDING PLAN, FYS 1981–85 FYP

	1980	1981	1982	1983	1984	1985	1981–85
CVN/CVV	1						
SSBN	1	1	1	1	1	2	6
SSN–688	2	1	1	1	2		5
FA–SSN				1	1	4	6
DDGX						1	1
CG–47	1	2	3	3	4	4	16
FFG–7	6	4	4	3	4	0	15
FFX				1		4	5
LSD–41		1		1		1	3
MCM			1		4	4	9
T–AO				2	2		4
T–AGOS	1	5	4				9
ARS		1	2	1			4
T–AKX		2	3	3	3	3	14
Total, new ships	12	17	19	17	21	23	97
Modernization and conversions:							
CV (SLEP)[1]	0	1	0	1	0	1	3
T–AK	0	1	0	0	0	0	1
DD–963 upgrade	0	0	0	0	1	0	1
Total, mod/conv	0	2	0	1	1	1	5

[1] SLEP—Service life extension program.

APPENDIX II

AIRCRAFT PROCUREMENT, FYS 1981–85 FYP

	1980	1981	1982	1983	1984	1985	1981–85
A–6E	6						
EA–6B	6	3	3				6
KX				6	18	32	56
F–14A	30	24	24	12	6		66
F/A–18	25	48	96	147	174	191	656
CH–53E	15	14					14
AH–1T					22	22	44
SH–60B			18	58	60	68	204
SH–2F			18	18	10		46
P–3C	12	8	12	12	12	12	56
E–2C	6	6	6	6	6	6	30
UC–12B	22						
VCX				8	8	8	24
C–9B	2						
EC–130Q	3	1	2	2	2	3	10
Total, new aircraft	127	104	179	269	318	342	1, 212

TABLE IV–I.—SHIPBUILDING AND CONVERSION, NAVY (SCN)

	Number	Net funding requirements (millions)
Trident (SSBN)	1	$1, 087. 2
Attack submarine (SSN–688)	1	461. 9
Attack submarine (FA–SSN)		14. 4
Carrier SLEP (CV SLEP)	1	515. 4
Aegis guided missile cruiser (CG–47)	2	1, 626. 9
Guided missile frigate (FFG)	4	1, 019. 8
Landing ship dock (LSD–41)	1	340. 3
Ocean surveillance ship (TAGOS)	5	179. 9
FBM resupply ship (TAK)	1	45. 3
Maritime prepositioning ship (T–AKX)	2	207. 0
Salvage ship (ARS)	1	93. 0
Craft		48. 8
Outfitting/post delivery		223. 8
Escalation		254. 7
Total	19	6, 118. 4

Note: 7 additional ships of the class are expected to be delivered in calendar year 1980. With the fiscal year 1981 request, the Navy will have 109 frigates in being or authorized. This will fulfill our minimum frigate requirement.

□ 1410

Mr. EDGAR. I thank the gentleman for his vision.

At this time I yield to the gentleman from Michigan (Mr. CARR) to close out the discussion of the issue of national defense.

Mr. CARR. Mr. Chairman, I thank the gentleman for yielding. I have just a couple of observations.

The thing that bothers me so greatly about our level of military spending in this budget resolution, and as will be authorized by the House Armed Services Committee and, indeed, probably appropriated by the Appropriations Committee, the thing that grieves me is that within the money that we are devoting to the military function we are not spending that money well. To add increases of 3 percent, 5 percent, whatever it is, is merely a license to misprioritize further—even from a military standpoint.

Let me tell my colleagues what I mean. First, an absolute percentage really does not buy any military capability. That is a political percentage. It may be 5 percent to get some votes for SALT; it may be 3 percent to get some agreement from the NATO allies. But we must go behind that. If all the NATO allies had the same level of GNP going to the military we do, then maybe a 3-percent across-the-board increase in all countries might be fair.

If all of the countries in NATO had the global military that we have, perhaps a 3-percent increase on their global capability might be fair.

But the agreement that was hammered out in London is not fair, and it is not reasonable. While it is a commitment that our President may have made, it is not a commitment that we ought to just wink at and go on.

Simply speaking, the NATO allies are not contributing a percent of GNP equal to ours. They have not for some time.

Strictly speaking, the NATO allies do not have the global military structure. We are being asked to increase 3 percent, not only in strategic, not only in NATO, but we are being asked to increase 3 percent wherever our forces are, be it Antarctica, the Pacific, Alaska, here at home, on some tenuous thread that ultimately all of our military forces are somehow or other NATO-responsible. It is not fair.

☐ 1420

Let me quickly run down just a couple of other items. First, in this budget is military retirement. If we are going to be honest with ourselves, we ought to say that we should not include that when we talk about absolute figures. That is a debt that our forefathers have put on us because military retirement in this context is more in the nature of a deferred income for past services. Those are bills that are due. Those are bills that must be paid. What is not being addressed in this military budget or in the authorization committees is the fact that we have gone from a system of low pay and high fringe benefits, including retirement, to a system of comparability, and yet there is no one on these committees—locked in the attention of the interests of the people who receive these checks every month—who wants to address the fundamental issue of military retirement reform. It simply has to be done. We have not been doing our jobs; the administration has not been doing its job; and we are wasting money.

Secondly, with regard to military personnel, the same thing can be said. We should have a comparability statute in this country which calculates not only wages but fringe benefits, and then I think we will see that our military people are probably deserving of an increase. This is an area in the budget where the All-Volunteer Force deserves to have an increase. We did not keep faith—none of us, whether liberals or conservatives—with the all-volunteer concept. One of the reasons we did not was because we did not sort out the comparability very well, and that ought to be done.

But the thing that grieves me the most is the imbalance between hardware and operation and maintenance funding. The fact of the matter is that we have been pennywise and pound-foolish. The Pentagon and the Congress have a procurement bias.

We are in a society that is highly material in its way of thinking, so we think about things we can look at and see and feel, and tires that we can kick, but we do not pay attention to the nonsexy items of how many flight training hours those pilots are going to get, or how much maintenance that equipment is going to need. As a result, we have continually seen procurement budgets increase in a Christmas-tree, pork-barrel fashion. Where does it come out of? It comes out of O&M, and so as a result we are buying all of these wonderful F-15's, the best fighter in the world. We see the ads all through the newspapers about the F-15 and what a great airplane it is, and yet we are not funding the operation and maintenance to keep more than 50 percent of those planes fully-mission-capable. I could go on, Mr. Chairman, but I think I have made the point that we have been penny-wise and pound-foolish. If we are going to be true to ourselves and not waste money, even within the military budget, we have got to reorder the priorities within the budget so that we can guarantee that any add-on we might make will not be wasted.

Mr. EDGAR. I thank the gentleman for his comments. The gentleman from New York (Mr. Downey) and our friend, the gentleman from California, and other Members have focused on the priorities of the defense budget. The House Committee on the Budget recognizes a commitment of $147.9 billion for defense, while we are only spending in areas of energy $7.1 billion on some of the other priority areas.

Mr. Chairman, I wish to insert for the Record the few budget alternatives before the House.

AMENDMENTS TO THE HOUSE FIRST CONCURRENT BUDGET RESOLUTION (H. CON. RES. 307) FISCAL 1981

[In billions of dollars]

Function	H. Con. Res. 307	Conable	Quillen	Obey	Mitchell	Solarz	Ottinger	Holt	Latta	Rousselot
050 National defense:										
Budget authority	160.8	160.8	160.8	160.9	155.0	160.85	162.8	166.6	174.2	174.2
Outlays	147.9	147.9	147.9	148.0	144.8	147.95	149.3	153.0	152.4	151.2
150 International affairs:										
Budget authority	4.0	24.0	20.4	14.0	24.0	24.2	25.6	23.2	22.8	22.8
Outlays	9.6	9.6	8.4	9.6	9.6	9.8	9.8	9.0	8.8	8.8
250 General science, space and technology:										
Budget authority	6.7	6.7	6.6	6.7	6.7	6.7	6.9	6.7	6.0	6.3
Outlays	6.3	6.3	5.8	6.3	6.3	6.3	6.4	6.3	5.8	6.1
2 70 Energy:										
Budget authority	7.5	7.5	7.5	7.5	7.3	7.7	8.0	7.4	6.2	6.6
Outlays	7.1	7.1	7.1	7.1	6.9	7.2	8.7	7.0	6.2	6.5
300 Natural resources and environment:										
Budget authority	12.0	12.0	12.0	12.3	12.0	12.15	13.3	11.8	11.7	11.8
Outlays	12.4	12.4	12.4	12.5	12.4	12.5	13.1	12.2	12.2	12.2
350 Agriculture:										
Budget authority	5.4	5.4	5.4	5.4	5.4	5.4	5.5	5.4	5.1	5.4
Outlays	2.3	2.3	2.3	2.3	2.3	2.3	2.4	2.3	2.0	2.2
370 Commerce and housing credit:										
Budget authority	5.1	5.1	5.1	5.2	5.3	5.7	6.1	5.1	4.7	5.1
Outlays	−0.1	−.1	−.1	−.1	.1	.55	.9	−.1	−.4	−.1
400 Transportation:										
Budget authority	22.8	22.8	22.8	22.9	22.8	23.05	23.6	22.8	20.4	20.2
Outlays	19.5	19.5	19.5	19.5	19.5	19.75	20.5	19.5	18.3	18.2
450 Community and regional development:										
Budget authority	9.0	9.0	9.0	9.0	9.2	9.15	9.9	9.0	7.5	9.0
Outlays	9.4	9.4	9.4	9.4	9.6	9.5	9.9	9.4	9.1	9.0
500 Education, training, employment and social services:										
Budget authority	33.3	33.3	33.3	33.6	35.0	34.65	35.0	31.3	29.5	29.5
Outlays	30.7	30.7	30.7	31.0	32.6	32.0	32.4	29.0	27.0	27.2
550 Health:										
Budget authority	71.5	71.5	71.5	71.5	71.5	71.9	72.2	71.3	70.6	70.6
Outlays	61.8	61.8	61.8	61.8	61.8	62.2	62.4	61.6	60.9	61.0
600 Income security:										
Budget authority	252.1	252.1	252.1	252.1	246.0	253.85	254.1	251.5	241.6	243.5
Outlays	220.1	220.1	220.1	220.1	222.2	221.85	222.8	219.5	214.1	214.9

AMENDMENTS TO THE HOUSE FIRST CONCURRENT BUDGET RESOLUTION (H. CON. RES. 307) FISCAL 1981—Continued

[In billions of dollars]

Function	H. Con. Res. 307	Conable	Quillen	Obey	Mitchell	Solarz	Ottinger	Holt	Latta	Rousselot
700 Veterans benefits and services:										
Budget authority	21.7	21.7	21.7	21.8	21.7	21.7	22.1	21.7	21.8	21.8
Outlays	21.2	21.2	21.2	21.3	21.2	21.2	21.4	21.2	21.3	21.3
750 Administration of justice:										
Budget authority	4.2	4.2	4.2	4.2	4.7	4.2	4.7	4.2	3.9	3.9
Outlays	4.6	4.6	4.6	4.6	4.7	4.6	4.7	4.6	4.3	4.3
800 General government:										
Budget authority	4.7	4.7	4.7	4.7	4.7	4.7	4.8	4.7	4.5	4.5
Outlays	4.8	4.8	4.8	4.6	4.6	4.6	4.7	4.6	4.4	4.4
850 General purpose fiscal assistance:										
Budget authority	6.2	8.5	8.5	6.7	6.3	6.7	9.6	6.2	8.5	6.3
Outlays	6.8	8.5	8.5	7.3	7.7	7.3	9.6	6.8	8.6	6.8
900 Interest:										
Budget authority	72.2	72.2	72.2	72.2	72.2	72.2	72.2	72.2	71.8	72.0
Outlays	72.2	72.2	72.2	72.2	72.2	72.2	72.2	72.2	71.8	72.0
920 Allowances:										
Budget authority	0	−2.3	−.45	−.4	0	0	2.2	−1.7	4.1	0
Outlays	0	−1.7	−.45	−.4	0	0	1.7	−1.7	3.6	0
950 Undistributed offsetting receipts:										
Budget authority	−24.6	−24.6	−24.6	−24.6	−24.6	−24.6	−24.6	−24.6	−25.4	−24.6
Outlays	−24.6	−24.6	−24.6	−24.6	−24.6	−24.6	−24.6	−24.6	−25.4	−24.6
Total:										
Budget authority	694.6	694.6	692.75	695.7	698.0	700.2	713.0	694.8	681.3	689.0
Outlays	611.8	612.0	611.55	612.5	613.6	617.2	628.3	611.8	597.8	601.4
Revenues	613.8	613.8	613.8	614.6	613.9	619.2	630.3	613.8	599.9	603.5

I would like now to have us focus on the important priorities in areas of international relations. I think this is an area of importance for our Nation in terms of its international relationship with the rest of the nations, and I would like to yield some time to the gentleman from Illinois, (Mr. SIMON).

Mr. SIMON. I thank my colleague, the gentleman from Pennsylvania, for yielding.

Let me say, first of all, by way of general background that I recognize that every budget document has to be a compromise. Let me also applaud the chairman of the committee, the gentleman from Connecticut (Mr. GIAIMO), who has worked extremely hard and has rendered invaluable service to this body and to the Nation.

I want to touch on two areas very, very briefly, and I shall be brief. One is function 150, international affairs. This ties directly with what has been said in the defense area. I think we make a great mistake. We must understand the nature of the Soviet threat if we put all our eggs in this military basket and do not pay attention to what is happening in the area of foreign economic assistance. I am concerned both from a humanitarian point of view and also, frankly, from a strategic point of view. Let us remember, in response to Afghanistan, the Soviets moved in there not when they moved in with their troops, but they moved in, April of 1978, the same way they are moving into many, many other countries. Where there is poverty and misery and chaos, we can be sure the Soviets will do everything they can to take advantage of the situation.

In fiscal year 1980 we spent in outlays 10.1, and assuming this budget resolution is passed, we add another $150 million to that. For fiscal year 1981 it will be $9.6 billion. I simply suggest that is not an adequate response either to human need as it exists on this planet nor to our international security, and I think we have to take a good, hard look at that.

Second, I may touch on one other area very briefly, and that is function 500. Let me illustrate it simply by comparing. In function 050 we are increasing budget authority 13.9 percent, outlays 13.8 percent. In function 500, Education Manpower Training, we are decreasing 1.7 percent in budget authority, decreasing in outlays 0.9 percent. Let me get even more specific. In the area of handicapped education, here is an area where we are increasing. We are increasing 4.8 percent, but that is way below inflation, and I simply suggest are these the kinds of priorities we want to have? Obviously, we have to have an adequate defense. I think that some of the remarks that have been made about putting more money in personnel and operation and maintenance and conventional forces rather than big, dramatic things that satisfy our ego but also escalate the arms conflict, I think we have to take a look at that. I am very much concerned about what we are doing both in function 150 and in function 500.

Mr. EDGAR. I thank the gentleman for his comments, and also thank the gentleman for his leadership in helping us to understand the needs in the area of world food and hunger. Some of the food crisis we have had over the last several years have given us the vision, an eagle-eye vision of world hunger.

I would now like to focus on energy. I think this is a priority part of our budget that gets overlooked, not just in throwing dollars at someone's new energy alternative, but to focus those dollars so that we have your energy independence in this Nation and our energy needs.

I yield such time as he may consume to the gentleman from New York (Mr. OTTINGER) on energy.

Mr. OTTINGER. I thank the gentleman from Pennsylvania (Mr. EDGAR) for yielding and would like to express my congratulations to him for taking this time and giving us an opportunity to talk about some of the challenges of this country for the future and some of the misplaced priorities within the various categories of the budget.

It was very interesting to hear my colleagues speak on the problems of defense and the misplaced priorities in international affairs, with all of which I strongly agree, but not have them mention our dependence on foreign oil.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

Mr. GIAIMO. Mr. Chairman, I yield 30 minutes additionally to the gentleman from Pennsylvania (Mr. EDGAR).

Mr. OTTINGER. If the gentleman will yield further, there is no question in my mind, regardless of what kind of weapons systems or military personnel that we have, our dependence for half of our energy resources on imported oil is the most critical national security problem that we have. We could not fight a war today with which the OPEC countries did not concur. If we had another embargo, we could not run our society, to say nothing of running our military equipment.

Incredibly, the budget before us at the present time does not seriously address the energy dependence problem which underlies our entire inflation—in fact it cuts $1.6 billion from the energy budget and eliminates funding for our oil safety net, the strategic petroleum reserve.

The fact that we are going to have to spend $90 billion for imported oil this year underlies the tremendous inflation we have experienced in every sector of our society and is behind the erosion of the dollar in international markets, which in turn translates itself into inflation. The budget should call for a tremendous investment in energy independence if we are to have a chance for a secure, prosperous economic future.

The fact of the matter is that there are things that can be done and are not being addressed meaningfully within our energy budget. The one thing that can be done quickly is conservation, yet that gets primarily lip service in the budget.

We have got to take a look at where our oil is actually being used. Half of our oil is being used in the transportation sector, about 20 percent in buildings, about 20 percent in the industrial area. Only 9 percent of our oil is used for generating electricity, yet the largest item in our energy budget is still promotion of nuclear energy. Nuclear power is just used for electricity, and that again accounts for only 9 percent of our oil use, yet that predominates our energy effort while we are doing virtually nothing about the energy areas which account for 91 percent of our oil use.

To address the real problems of our oil use, our No. 1 priority should be reducing our oil used in vehicles. We are trying to push through legislation that would encourage the turnover of our automobile fleet. Very few people know that if we just increased the miles per gallon of our automobile fleet by 10 miles per gallon, we would cut our imported oil dependence in half—4 million barrels of oil per day.

☐ 1430

We have been trying to push a program that would give an incentive for people to turn in their existing cars for American cars that get 10 miles or better per gallon, and that would have the most enormous effect not only on getting us off imported oil, but also reviving our American automobile industry.

Next, buildings which account for 20 percent of our oil use. We have been trying to get some program whereby we could lend the people the money to insulate and install solar in their buildings. It could be returned at no cost to the Government out of the savings that people achieve from resulting fuel bill savings. It is not being done today. We have a tax credit program which does not reach the people because they cannot get the money up front.

Industrial conservation should be our next priority, where we use 20 percent of our aid. We have been trying to get real incentives for industry to become more efficient and at the same time become more productive. It is not being done.

The whole field of renewable energy resources has fantastic potential. It is receiving a miniscule portion of our budget. I recently took my subcommittee to Brazil. The Brazilians are going to be off gasoline altogether for their cars by 1990, substituting alcohol fuels for gasoline. They are planting thousands of acres of sugar cane and building distilleries to accomplish this and already have their entire automobile fleet on 20 percent gasohol. We have done nothing.

Again here we have a misplaced priority. The preponderance of our energy budget is going to nuclear development that has marginal impact on our oil import dependence, and no comparable effort is going to the conservation and the renewable energy resources that could really solve our problem.

Mr. EDGAR. The gentleman reminds us of what the book "Energy Futures" by Dan Yergin, says about energy. It states that the first bottom line is that the only short-term energy alternative we have is conservation. Second, it reminds us that the long term energy pie is going to be made up of a variety of energy sources and more importantly those sources are going to be renewable energy sources like solar and others, and it is important for us to move toward those renewable sources.

I thank the gentleman for his leadership in this area.

Mr. Chairman, I wish to insert for the RECORD a briefing paper on "Energy and the Northeast-Midwest Region," prepared by the Northeast-Midwest Institute for a Conference on Regional Priorities, called "Issues for the Eighties," recently held here in Washington:

ENERGY AND THE NORTHEAST-MIDWEST REGION

(Prepared by the Northeast-Midwest Institute)

The Northeast-Midwest region's energy consumption is more highly concentrated in the residential and commercial sectors. In addition, the region faces high per-unit costs of energy. The following chart shows basic energy consumption patterns for the three regions of the nation by sector for 1977.

SHARE OF NATION'S ENERGY CONSUMPTION BY REGION, 1977

[In percent]

	Residential	Commercial	Industrial	Transportation
Northeast-Midwest	56.0	52.0	35.9	38.2
South	24.3	25.3	47.4	35.3
West	19.6	22.7	16.7	26.4
United States	100.0	100.0	100.0	100.0

The 18 states of the Northeast-Midwest region contain nearly 47 percent of the nation's population, but consume 56 percent of the nation's residential energy and 52 percent of the commercial energy.

RESIDENTIAL SECTOR

The Northeast-Midwest region has a combination of longer winters, colder temperatures, concentrated population, and older housing stock. Of the estimated 16 million households heating with fuel oil nationwide, 12 million are in this region, compared with one million in the West and three million in the South. Average residential energy costs for the Midwest are from 20 to 50 percent higher than in the South and West. In the Northeast, residential energy costs 50 to 100 percent more than in Southern and Western states.

COMMERCIAL SECTOR

Proportionately the second highest sector of energy consumption in the Northeast-Midwest region, commercial establishments face the same factors of longer winters, colder temperatures, and older building stock.

INDUSTRIAL SECTOR

The Northeast-Midwest region's average energy costs in 1977 for the manufacturing sector also were higher than those of other regions:

[Per trillion Btu]

Northeast-Midwest	$2,901
South	2,226
West	2,497

But because of increased conservation, lower dependence on energy-intensive industries, and other factors, the region's industrial sector used a substantially lower portion of the nation's "energy budget" than its proportion of population.

TRANSPORTATION SECTOR

Because of the concentration of population in large urban centers in the Northeast and Midwest, the potential for reduction in gasoline usage through mass transportation and public transit is greater in this region than elsewhere. Mass transit also can help revitalize distressed urban areas.

AGRICULTURAL SECTOR

The region's agricultural areas produce vast amounts of the resources readily available for biomass production: 53 percent of the nation's agricultural residues, 61 percent of the grains, 27 percent of the wood, 43 percent of food wastes, and 26 percent of the sugars. In addition, 52 percent of the nation's municipal wastes are produced in the region. Yet these areas face a variety of problems, including the loss of prime agricultural land, rapidly increasing costs for pesticides, herbicides, fertilizers, and fuels, as well as problems associated with increased reliance on wood and wood products for fuel. The region's rural areas stand to benefit from solar technologies which would help make them more self-sufficient.

SUMMARY

Given the overall slower growth rate of employment and other indicators of economic distress in the Northeast-Midwest region, these patterns of dependence on petroleum and petroleum-based products contribute to a serious and growing regional imbalance in energy expenditures.

ALTERNATIVES

Conservation is the nation's best alternative source of energy in the near-term. Given overall high residential and commercial consumption of energy and higher energy prices, conservation must be accorded high priority within the region. In addition, conservation:

Is relatively labor intensive and may create substantial employment opportunities for semiskilled workers;

Probably is the cheapest, safest, most productive energy alternative available in large amounts, and is technically proven and environmentally sound;

Could save the federal government billions of dollars in low-income energy assistance; and

Has the potential of saving 30 to 40 percent of total U.S. energy consumption (the current level of oil imports).

Solar and other renewable resources, particularly on the small scale, have substantial potential for increasing energy production in the Northeast and Midwest. In addition, these technologies:

Stimulate small business, innovation, and employment;

Are largely proven and existing technologies which tend to be environmentally sound and commercially feasible; and

Could provide 20 percent of the nation's energy needs by the year 2000.

ISSUES FOR DISCUSSION

Although there are similar issues facing the region, there also are intra-regional differences, such as the higher reliance on natural gas in the Midwest as opposed to greater reliance on fuel oil in New England.

What issues can best be addressed from a regional perspective?

What are the most effective ways of reducing regional dependence on petroleum and petroleum-based products in the short run and long run?

How can the energy production potential of the region best be realized?

Utilities in the Northeast-Midwest region have led the nation in conversion to nuclear power during the 1970s. At least 40 of the nation's operating nuclear power plants are in the region, with 37 more under construction. In addition, one of the nation's four storage sites for high-level nuclear defense wastes is located at West Valley, New York. The most serious accident in the history of the nation's nuclear power industry occurred March 28, 1979, in Pennsylvania. A chain of what was thought to be highly improbable events involving both mechanical failure and human error led to a release of radioactive material, evacuation of preschool children, and pregnant women within five miles of the plants, and serious damage to the billion-dollar facility. How can the Northeast-Midwest region, with its heavy dependence on nuclear power for electricity, insure that acceptable safety, siting, and disposal standards are enforced?

I would like to step back for a moment to the issue of international affairs. One of the outstanding leaders of our country who focuses on this issue is here and has a word to say about setting the eagle-eye view priority in the area of international affairs.

Mr. Chairman, I yield to the gentleman from Washington (Mr. BONKER).

Mr. BONKER. I thank the gentleman and commend him and the others who have made available this time so that we can express our own concerns and views on the budget that is being presented to this body.

Mr. Chairman, the strength of our will and influence in world affairs depends in part on our ability to contribute to those countries that are attempting to develop their own economic and social institutions.

The international affairs function 150 of the budget encompasses a diverse set of military and economic programs on which vital U.S. interests depend. Since total U.S. foreign aid programs amount to little over 1 percent of the Federal budget, major cuts in these programs are unlikely to have an appreciable impact in reducing the Federal budget. At the same time these cuts threaten American jobs, American exports, American balance of trade, American security, and American commitments to developing countries.

In the crucial area of budget outlays, the President's request for fiscal year 1981 already would result in a $1 billion reduction. On top of this, the House Budget Committee recommendation would further reduce outlays for fiscal year 1981 by $500 million below the President's request. If this further reduction is approved, it is not just the development and humanitarian programs which are affected but it is our whole range of strategic interests that are inherent in our entire foreign aid program.

Mr. Chairman, we can also look at something like the Eximbank which is aimed at promoting exports in the world markets. Interestingly, the protests I am receiving to these budget cuts are not coming necessarily from the range of social interest and public agencies, but they are coming from some of the private interests.

Boeing Co., for instance, is very concerned about any reductions in our contribution to the Export-Import Bank. If they are going to compete effectively on the world market in the airplane business they have to extend credit, a credit that can only be available through the Eximbank. Right now, Air Bus is providing competition because they allow attractive interest rates. If we are going to undercut our contributions to Eximbank, then we are undercutting a very important segment of the business community, thereby reducing our balance of trade position in the world.

According to figures supplied to me, 63 percent of the fiscal year 1981 outlays in function 150 results from legislation already enacted and in any solemn international commitments which already have been made. Only 4 percent of what is left will result from new outlays from all U.S. development assistance combined. Now, as a result of Congress basic commitment to new directions in 1973, most of our developing programs are aimed at helping the poorest of the poor. Programs which are essential to helping needy people improve their welfare and nutrition, health, food production. All of these things will be severely damaged if they are prematurely cut off. The message we will be sending to poor countries is that they should simply not count on the United States to see a program through once it has been initiated.

Mr. Chairman, I just cannot accept this meat-ax approach to the budget, at least as it relates to our commitment on the international scene. We are going to lose jobs, we are going to put our balance of trade position into a deficit, we are going to lose export potential, we are going to not fulfill our basic commitments to Third World countries.

Much of what the United States contributes in so-called foreign aid is used to purchase American goods and services. In fact, over 75 percent of U.S. bilateral aid is spend here at home. For every dollar we contribute to development banks, at least $2.50 comes back to purchase U.S. goods and services.

The same is true for U.S. contributions to the U.N. development program where we get a return of over 112 percent on our investment.

A recent poll showed that almost 80 percent of Americans favor either keeping U.S. programs to alleviate world hunger at the present level or at an increase level. Furthermore, our basic commitment to Cambodia and other countries through disaster relief is now in peril because there is no money in that particular fund.

Finally, let me say that East-West confrontations today have shifted to Third World continents. It is in Southeast Asia, it is in the Persian Gulf and it is in Africa where we are in competition with the Soviet Union to win favor and influence with Third World leaders. There is no way we can compete effectively with the Soviet Union if we cut back these basic aid programs.

Mr. Chairman, I have been personally familiar with programs to various countries in Africa. In Sudan, we have a country that strongly supports the United States, even to the point of endorsing the Middle East peace accords. It does so much to its own peril because the Saudi Arabian Government cut off $300 million in financial support to Sudan because that country chose to support the United States.

Mr. Chairman, when it comes to providing some kind of basic assistance to Sudan, we come up short.

If one looks further to the South we see the country of Uganda and how abhorred we were over the regime of Idi Amin and the atrocities that took place in that country. However, we sat here idly, without any kind of help to bring about the end of that regime. Now, that Idi Amin has been removed from the scene, there is a new government in place that is moderate, that is pro-West and badly needs U.S. support.

But where are we? We are not even appointing a U.S. Ambassador to Uganda. While they need the basic necessities to survive in trying to build that country, we are not there to support Uganda because we are not providing here in the Congress the basic appropriations to do the job.

Finally, Mr. Chairman, a balanced budget may be desirable during difficult economic times. That is a political and economic imperative and one that I can truly appreciate. But this budget is not a visionary budget, it is not a progressive budget. It is a budget that will reduce our involvement in a complex and volatile world. It is a budget that will reduce our commitments to basic humanitarian concerns in helping these developing countries. It is a budget that will reduce our strategic and political influence in world affairs.

Mr. EDGAR. Mr. Chairman, I thank the gentleman for his comments. I appreciate the gentleman's leadership in international affairs, helping us to set some priorities.

We have a number of other speakers and a very short period of time. We want to address some of the other priority issues.

The next issue, function 300, talks about natural resources. In the early part of this year I led the fight to focus on a water policy based on merit. We saw within that discussion that there were wasteful water projects that could be eliminated, thereby saving money and focusing that money on very needed resources.

Mr. Chairman, I wish to insert in the RECORD three documents relating to my efforts to focus attention on wasteful water projects:

HOUSE OF REPRESENTATIVES,
Washington, D.C., March 24, 1980.

Hon. JIMMY CARTER,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I am concerned that in your effort to examine potential areas for budget cutting, you are neglecting the dramatic savings which are possible by cutting water projects. In reviewing the budget cuts proposed by the Interior Department in response to your directive, I was shocked that out of a departmental cut of $292 million, only $5 million was proposed to be cut from water projects of the Water and Power Resources Service (Bureau of Reclamation). Some of these projects are very questionable from an economic standpoint and some contribute to the salinity problem in the Lower Colorado that concerns Mexico. Over $200 million is budgeted for the Central Arizona (CAP) and Central Arizona Projects (CUP) which your own review found highly questionable. Cuts could and should be made here, and as a supporter of your water policy, I am disappointed that Secretary Andrus could not find more than simply $5 million to recommend in water project cuts.

The Sunday, March 8th, Washington Post noted that you were considering increasing waterway fees to bring in more revenues. You have my support for this effort; however, legislation in this area will only succeed if you get tough and cut funding for big canal projects like the Tennessee-Tombigbee Waterway and Red River Waterway. I find it incredible that over $300 million is budgeted for these two projects alone. Projects like these should proceed only if their cost is paid by user fees and this is precisely what you noted in your comments on them in April, 1977. If you allow these dubious canals to proceed with your support, there is little hope of getting Congress to increase waterway user fees.

There is widespread opposition to big spending on water projects from such diverse groups as the National Taxpayers Union, Common Cause, the League of Women Voters, Americans for Democratic Action, conservation groups, etc. This opposition can help to counter the push from project proponents if you are willing to provide the leadership.

Cordially,

Bob Edgar.

P.S.—I hope I can help you focus on really bad water projects!

The White House,
Washington, D.C., February 26, 1980.

Hon. Robert W. Edgar,
U.S. House of Representatives,
Washington, D.C.

Dear Bob: Thank you for your efforts to move the House toward the development of a water resources policy during consideration of H.R. 4788. Your fight to institute the authorization of projects on the basis of merit has been a service to the American public.

I will continue to work with you and your colleagues toward the goal of a comprehensive and sound water policy.

Sincerely,

Jimmy Carter.

P.S. Bob, I'm glad we're in this together. Your good work will pay off.

[From the Congressional Record, Feb. 11, 1980]

Presidential Intention Regarding the Water Projects Bill

Mr. Edgar. Mr. Speaker, on February 7, the President gave a speech before the Consumer Federation of America in which he addressed a number of complex issues and conflicts facing Americans. Of particular interest to me were his remarks on the water projects bill which the House recently passed. President Carter discussed the water projects plan that he has submitted to Congress and stated that:

"The House bill is part of no rational plan. Some $2.5 billion, more than half the total amount authorized by this bill, would be almost pure waste."

The President concluded:

"I do not intend to allow that bill to become law."

The entire speech follows:

Remarks of the President to the Annual Conference of the Consumer Federation of America

The President: Someone told me earlier that you were going to have roses, so I feel at home. (Laughter.) Distinguished consumer leaders of our greater country, once again, I am pleased to meet with you. This federation has a proud history—as a voice for consumers and also as an incubator of great ideas. As a matter of fact, the concept for a co-op bank originated right here with you, and now as you know, the co-op bank is about ready to open for business. That is just the most recent of many examples of what you have achieved in practical terms. From the very beginning, you have fought for the common good of the American people. And within our system of government, that is also the responsibility of the President, who alone has as his constituency all the people of our country and also, who alone must assess the complex issues and the conflicts that exist in the resolution of differences, both on the national scene and in the international world.

I take that responsibility very seriously, and especially now. Mutual trust among Americans based on fairness and equity is never more needed than in a time of crisis when national solidarity is so important. As you know, we are faced now with extremely difficult and complex problems both here and around the world. Our domestic and our foreign concerns are more closely interrelated now, perhaps than ever before in history. And the hard truth is that there are no easy or simple answers to any of these problems, or any of these questions, but as you well know, there are answers.

The Soviet military aggression in Afghanistan is a serious threat to peace, and has drawn the condemnation of the entire world. We must be sure that the Soviet Union understands the depth of universal concern and universal outrage.

In my State of the Union speech, I described the consequences of a threat to our own vital interests in the Persian Gulf region. As long as Soviet invading forces are in Afghanistan, we will continue our own forceful actions. Normal commerce has been interrupted, there will be no high-technology equipment sold to the Soviet Union, I will not issue permits to Soviet fisherman in U.S. waters, and neither the American people, nor I, will support the sending of our athletes to the Olympic games in Moscow as long as the invading forces stay in Afghanistan.

Americans want peace. And when we act calmly, firmly, and with strength, and when we describe clearly the advantages of peace and the absence of aggression, then we reduce the risk of war.

The holding of our hostages has shocked and outraged every American, and now we are doing everything through private diplomacy, through every avenue, to protect America's interest, to uphold the principles of our nation and to secure the safety and the release of our people with the opportunity of bringing them home where they are loved and where they are not forgotten.

In Iran, in Asia and elsewhere throughout the world, the United States is meeting its international challenges with restraint and with resolve, and Americans have exhibited a remarkable degree of national unity and common purpose.

As President, I need your help, and I need your understanding, and I need your support. We must defend our interests at home as well as abroad. Above all, that means cutting out our excessive dependence on foreign oil, which makes our nation so vulnerable now and in the future. There are only two things that we can do. One is to conserve energy, and the other one is to produce more American energy. These two are also closely interrelated, one with another.

We must face facts. We have no choice but to make a painful adjustment to rapidly increasing worldwide energy prices. We cannot afford to mislead ourselves. Subsidizing oil prices to keep them artificially low can only harm both the efforts that I just described, conservation, because people are inclined to use too much oil when the price is held below what it ought to be and it obstructs the production of American energy if artificially cheap oil is available in preference to solar energy or other competitive energies which give us opportunities for the future.

After three years of some of the toughest legislative battles ever seen on Capitol Hill, we are on the verge of enacting a comprehensive energy policy for our country that will improve the way we conserve energy and preserve and improve the way that we produce energy.

Congressional leaders have acted responsibly under very difficult circumstances in getting this program through the House and through the Senate. But the conference committees, particularly those on the Energy Security Corporation and Energy Mobilization Board, are another story. We expected them to act last year. Now it is February, and the conferees are still bogged down in bickering and delay. Apparently they do not share the sense of urgency that is felt by the American people on this crucial question of an energy policy. Our national security, the quality of our lives, national unity, common understanding, fairness and equity depend upon the rapid completion of this energy policy without further delay in the Congress. And then we will have an energy program that will help us to cut down waste, produce American coal, crude oil, natural gas, synthetics, will help us to shift to solar and other replenishable forms of energy and will also help us at the same time to protect the quality of our environment.

We must never forget that conservation is the cheapest and the cleanest source of energy. When we insulate a home, when we ride in an efficient vehicle, when we share a ride with a fellow worker, we not only spend less for fuel, we also breathe cleaner air, and we do something concrete for the future of our country. It does require some sacrifice, but it is actually a better way to live.

Throughout the world these days, there are and must be in the future, sacrifices. But in our country, you and I, must see that sacrifices are shared again with equity, and with fairness. That is why we have fought to get more than $10 billion set aside in the next five years to help low-income consumers pay the inevitably increasing prices of energy, then to weatherize their homes and now have a chance to benefit from the improved ways of addressing the energy problem. That is why I will be fighting for the passage of a standby gasoline rationing plan to be imposed in our country if we should have a severe energy shortage. And that is why I fought so hard for a strong windfall profits tax, so that oil companies can share their portion of these burdens. Yesterday, the windfall profits tax conference committee made good progress, after a long delay and I am convinced that very soon now the Congress will act favorably upon this major proposal.

You also know that the skyrocketing prices of energy, everywhere on earth, is the biggest cause of inflation. And inflation continues to be the number one threat to consumers.

As President, I must tell the truth about inflation. The inflation we face now took 15 years to build up. It is a worldwide problem. In the nations, some of whom are our close allies, the inflation rate is now above 100 percent, per year. The battle to reduce inflation will be long and hard and there will be no easy victories.

Inflation cannot be vanquished without effort and sacrifice. It cannot be abolished by decree or by law or by creating a gigantic new federal bureaucracy. There are no simple solutions, no magic wands that we can wave and expect inflation to go away.

In the short term, our most urgent task is to prevent the OPEC price increases from being embedded permanently in the wage-price structure of our nation's economy. We also share a deep moral obligation and commitment to see that the burdens of inflation do not fall disproportionately on the poor and the weak and the inarticulate. Beyond that, we must face the fundamental causes of inflation. This means more savings, more investments, more basic research, more competition, more technological innovation to give us a more productive America. It also means budget restraint, always with a sensitivity to human needs. It means that we cannot do everything we would like to do. It means hard choices, and those of us who are leaders must be ready and able and have the courage to make those hard choices.

If we are to control inflation, we simply cannot afford a wanton waste of the taxpayers' money. The water projects bill which just passed the House is shot through with textbook examples of that wanton waste of American taxpayers' money.

I'd like to quote for you from what a great American once said:

"The days of 'pork-barrel' legislation are over. Every dollar of our expenditures for port facilities, for inland waterways, for flood control, for the reclamation of swamp and arid lands, for highways, for public buildings, shall be expended only by trained men in accordance with a continuing plan."

The author of that statement was Franklin Delano Roosevelt. It was made in 1920, when he made an acceptance of the nomination as a Democratic candidate for Vice President. I am sure he was bitterly disappointed when he got to the White House and began to deal with the American Congress, because here we are 60 years later, and the pork-barrel express is still rolling along. Unless we derail it, it will roll right over our budget and it will flatten our anti-inflation efforts.

I have been fighting this battle with the help of many of you for three years. I have vetoed a similar bill already. I believe in a sound water projects program, and I have submitted such a program to Congress. It would spend precious tax dollars, in FDR's words, "in accordance with a continuing plan", but the House bill is part of no rational plan. Some $2.5 billion, more than half the total amount authorized by this bill, would be almost pure waste * * *.

I think that fight that took part in early February was symbolic of the fight that we are taking now. Let us take limited dollars, limited Federal funds and use them as wisely as we can in national defense, in international affairs, in general science, in energy and natural resources and other particular categories.

□ 1440

Let us focus, let us target, let us get the funds into those areas of growth that need them. I would like us now to focus on the issue of agriculture, and knowing that we have a limited amount of time to talk a little bit about agriculture, let me close off this debate by saying, let us set national priorities.

Mr. Chairman, I would like to yield to the gentleman from Minnesota (Mr. **Nolan**), who will speak on the issue of agriculture.

The world is spending in excess of $500 billion on arms in each year. The Food and Agriculture Organization tells us that with a $10 billion investment over a 10-year period we can for all practical purposes eradicate hunger and malnutrition from the face of the earth. So, here we sit in a world where 500 million people suffer seriously from hunger and malnutrition, and hundreds of millions more go to bed hungry every night, and we are cutting back on the programs to aid and help them at a time when those programs have been given importance so that the programs would aid the poorest of the poor and the neediest of the needy.

Mr. NOLAN. Mr. Chairman, I thank the gentleman for yielding. Knowing that we only have 5 to 10 minutes left and numerous discussions to go, I will be brief.

Let me say about agriculture as it relates to the budget, we live in a desperately hungry world, and that in my judgment and in the judgment of many people who have studied the subject of hunger, it represents the greatest threat to the peace and security of the world that exists anywhere in the world. It is far greater than threats facing us now in Iran, Afghanistan, or other parts of the world. Given that fact to consider, it is tragic that we find ourselves faced with a budget that places greater emphasis on developing more arms systems and shipping more arms around the world, while at the same time we are cutting back on our own domestic food and agriculture, child nutrition, education programs, as well as cutting back on similar kinds of programs for aid to other hungry and desperate people around the world.

What are we doing cutting back on those programs while at the same time we are shipping more arms around the world, more than at any other time in the peacetime history of this country? We are doing the same thing at home. While farmers are desperately struggling to improve their production capacity, struggling to survive, faced with 40-percent increase in production cost at the same time income has declined by 25 percent, and they are simply going out of business and being replaced by ever-increasingly larger scale corporate entities; energy inefficient, high cost production processes that are inefficient in terms of the amount of energy required for a unit of production and inefficient in terms of the amount of production, and to the extent we allow our domestic agricultural programs to continue to encourage development in that way, we diminish our ability to provide food and fiber for ourselves, and diminish our ability to provide food and fiber for the rest of the world.

I would like to say just one final thing. Let me say that it is time we come to grips with the myth that we have been living with in this country. That is the myth that we are a very, very generous Nation. When it comes down to spending money overseas to aid poor people, the fact is that of the 16 most developed nations in the world, the United States ranks 12th in what we give as a percentage of our gross national product to help hungry, needy, and desperate people around the world. In other words, there are 12 countries in the developed world which do a better job than we do. Nobody does a better job of shipping arms around the world than we do. Nobody comes close, but when it comes to human development we rank last.

Until we develop a budget that addresses those kinds of priorities this country is going to be in economic trouble, and the peace and security of this world is going to be seriously threatened, and hundreds of millions of people will suffer.

Mr. EDGAR. I would like to thank the gentleman for his comments and indicate to the gentleman that this Congress, after January of next year, is going to miss his observations, visions, and leadership in these areas.

Mr. Chairman, I would like to yield 2 minutes to the gentleman from Iowa, who is also a spokesman for agriculture, Mr. **Bedell**.

Mr. BEDELL. Mr. Chairman, I thank the gentleman for yielding. First of all, I believe that it probably is a good thing that as we address the problems of our budget, maybe it will enable us to look at the basic problems we face in our whole society, and particularly in regard to our agricultural problems.

I would caution us that if we really are sincere about trying to balance our budget, then we should look at the budget and realize that a balanced budget depends upon two things. It depends upon how much we spend, and it depends upon how much we take in. If we are going to restrict ourselves so severely that we say we cannot do the things which need to be done for any segment of our society that is in trouble, help that segement of society enough so that it can make a profit and pay taxes, I hope we realize the result may be that is where we find ourselves today with regard to agricultural policy.

My area faces a severe economic problem. It would not take a great deal of spending to help bring us out of our current economic difficulty, but we are having extreme difficulty in trying to get any direct amount of help to us.

So, I hope we will look at the areas where that is faced. I am here to tell the Members that there are some in agriculture. When we make low interest loans to wealthy individuals when they do not need the money, we do not need to spend it. There are several other areas.

Mr. Chairman, I commend the gentleman and I support him very much.

Mr. EDGAR. I thank the gentleman. I think we have demonstrated in a number of areas how we are focused on some of the wrong priorities and where we can find waste in the Federal programs. We ought to cut it out. But, there are some valuable programs which we must focus upon which are going to be critical for us.

Mr. Chairman, I yield to the gentleman from Iowa (Mr. **Harkin**).

Mr. HARKIN. Mr. Chairman, I thank the gentleman. I just want to associate myself with what has been said in this dialog, and especially what my colleague from Iowa (Mr. **Bedell**) and the gentleman from Minnesota (Mr. **Nolan**) have said about agriculture. I too want to talk just for a couple of minutes about agriculture, especially within the context of what we are talking about, limited resources and a balanced budget. It seems we have got to open up this dialog on agriculture. I know that debates on agriculture take place in the Agriculture Committee where it ought to be, but it seems to me that agriculture affects all of us in this country, and perhaps we ought to broaden that discussion within the context of the budget debate and talk about where we are going. I would point out something that is pointed out very often by a lot of people. Our farms are dwindling. In 1950 we had 5.6 million farms. Today, we have 2.7 million farms. Six percent of those farms account for 53 percent of all the receipts, so we have had this philosophy in the past that bigger is better. "If you have got a problem on your farm, your machinery is not big enough; keep getting bigger."

Our young people cannot get into agriculture. The average age of farmers is 50. Basically, we need a graduated farm program which says that the larger you get, the less Government help you are going to get, and there is going to come a point in time where you are so big that you do not get Government help at all.

If we are going to have limited resources, then we have to target those funds we have for agriculture to help those that really need it.

I would like to make one last point, and this affects everybody in this country. That has to do with conservation. In 200 years of farming in this country we have lost over one-third of our topsoil. Over 4 billion tons of soil a year are lost. When I came to this body in 1976, we were producing 5 billion bushels of corn a year. We are now producing 7.5 billion bushels of corn a year.

☐ 1450

For every bushel of corn that we produce we are losing about 2 bushels of topsoil. We have got to address this problem, and we have got to do it in the larger context of our budget to determine how we are going to get the funds that are needed to the rural areas of this country to stop the loss of that topsoil so that our children and our grandchildren will have the food and fiber, just as we have had these items during our lifetimes in this country.

Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. EDGAR) for taking this time, and I thank the gentleman from Connecticut (Mr. GIAIMO) for yielding us this time and affording us this opportunity to participate in this debate.

Mr. EDGAR. Mr. Chairman, I thank the gentleman from Iowa (Mr. HARKIN) for his comments.

Mr. Chairman, we have focused on agriculture, on international affairs, and on national defense. I would like for a few moments to focus on urban policy. We have several categories of the budget relating to commerce, housing, transportation, and community and regional development, and while they have both a rural and an urban focus, I think it is especially important for us to recognize some of the urban needs we face as we move into the 1980's.

Actions that we take in this budget will determine whether or not we defer maintenance, repair, upgrading, and rehabilitation of our basic public transportation systems.

Our bridges, our roads, and other facilities, many of which are in the Northern Tier States, in the Northeast, and in the Midwest but are also in our older cities and our industrial cities throughout the country, and are greatly deteriorating over time. They were put in place at the turn of the century. They need basic commitments of many, many millions of dollars in order to renovate and reconstruct those basic infrastructures.

My fear, particularly as a specialist in the area of public transit and economic development, is that the Federal Government, while making some constructive progress in balancing its budget, may in fact unbalance the priorities of our Nation, unbalance the urban centers in many areas, and fail to meet the basic commitments of rebuilding the society in which we live. Many of these systems have been put in place 80 years ago, and we are now finding it very difficult to hold them together.

I would hope that as we move into the next 5 to 10 years of public policy, we would not fail to address the bridge problem, the road problem, the water and sewer problem, and the basic public transit system problem in our Nation so that our focus can be on modernizing or rehabilitating, and on rebuilding some of the basic infrastructures of our communities.

It is going to cost dollars. We should remember that our Nation, while young in years, only 200 years or more, is a nation whose industrial revolution only began in the last 60 to 70 years. And yet the pressure on those systems that were put in place early is evident, and they are a mess.

I know that there is an impact in this budget on people. I would suggest that people who use the basic infrastructure of our society will have a greater impact if we meet the basic needs of rehabilitation and reconstruction of some of these systems.

Mr. Chairman, I wish to share with my colleagues a memorandum I presented to President Carter on March 27 of this year, as well as a briefing paper on transportation policy prepared for the "Issues for the Eighties" conference:

NORTHEAST-MIDWEST CONGRESSIONAL COALITION, U.S. HOUSE OF REPRESENTATIVES,

March 27, 1980.

MEMORANDUM

To: The President.

From Robert W. Edgar, Member of Congress.

In my capacity as Chairman of the 213 member Northeast-Midwest Congressional Coalition I have maintained an intense interest in the impact of the proposed budget cuts on the economies of the states represented by our Coalition.

While being supportive of the Administration's goal to begin to attack inflation by reducing government spending, I do not believe the proposed program cuts will result in an equal and shared burden among the states and regions of the nation. To appreciate the vast economic differences between regions, consider that:

Of the nation's 16.8 million population growth during the 1980's, 15 million were added in the South or West. The Northeast has fewer people in 1980 than it did in 1970, the first time in the history of the census that an entire region lost population. During this period, 3.4 million people left the Northeast-Midwest region for the South and West.

Our region lost 830,000 factory jobs between 1970–1979, while the South and West gained 1,860,000.

Income grew 2-3 times faster in the South and West than in the North.

Taxes at the state and local level in many of the states of our region rose 2-4 times the national average, as a result of the loss of taxpayers.

The Northern states have only 179,000 of the nation's 1.4 million uniformed military personnel, equal to 13 percent of the total. The state of California has more troops than our entire 18 state region.

Northern military pay was only $9.2 billion in 1978, compared to $32.5 billion in the South and West.

Clearly, older distressed areas such as Philadelphia and Chester in my state of Pennsylvania, Newark, Cleveland, New York City, and Detroit are going to be hurt much more severely by the loss of counter-cyclical revenue sharing funds and their shares of the states' portion of general sharing funds than economically growing areas of the country.

Rather than completely eliminating such programs, I believe that a fairer solution would be to more carefully target the funds for these and other crucial programs. By so doing, cuts in these programs can continue to be made by restricting eligibility to only those areas in most need of this type of assistance.

Mr. President, our region stands ready to sacrifice to achieve a desired national goal but we fear that we are being asked to pay the highest price at a time when our shaken economies can least afford—or survive—that price. It is our hope that you and your Administration will recognize the varying impacts your proposed budget cuts will have on local, state and regional economies nationwide and forgo the complete termination of key programs in favor of more carefully and creatively targeting limited funds to the most distressed communities. Our Coalition is ready and willing to support you in this effort.

TRANSPORTATION

A well-conceived transportation policy for the Northeast and Midwest can support the redevelopment of the region and increase energy efficiency. To develop such a policy, it is necessary to take into account the unique nature of transportation structures and services within the region.

1. What are the region's mass transportation needs?

Most major cities in the Northeast and Midwest have heavily utilized mass transit systems already in place. The presence of this energy-efficient form of transportation has led to dense development patterns which further increase energy savings. If this trend is to continue, however, high priority must be given to modernizing and improving the region's mass transportation facilities and rolling stock. Increased attention also must be given to the construction of new rail projects. Cities such as Baltimore, Buffalo, and Detroit need mass transit systems not only to provide an energy-efficient mode of transportation, but also to aid in the revitalization of intercity areas.

In small urban and rural communities, continued growth in ride-sharing and vanpooling programs is essential.

2. Should additional funds be authorized for completion of the Northeast Corridor Improvement Project?

Rehabilitation of the Northeast rail corridor, which stretches between Washington, New York, and Boston, is a long-term investment for the entire nation. With rising transportation costs and shortages of fuel, successful competition of this project is essential for the economic vitality of the region. Transportation Secretary Neil Goldschmidt has said that "the additional federal investment of time and money in the Northeast Corridor Rail System would enable Amtrak to attract enough riders so that, within five years after the completion of the corridor, its annual revenues from operations over the Washington-Boston mainline should cover its annual costs for that service."

The Northeast Corridor Improvement Project also has the potential to directly benefit the rest of the nation. Serving as a pilot project, it could set the pace for much-needed repairs in other rail corridors.

3. What are the region's rail-freight needs?

Efficient and reliable railroad freight service is a regional imperative. The movement of vital energy supplies, grains, and other bulk commodities can best be accomplished by rail. But in recent years, the Northeast-Midwest region has been plagued by such disasters as the bankruptcy of the Penn Central, Milwaukee, and Rock Island railroads. Overregulation and unprofitability have impaired the railroad system. In the short term, federal assistance will be required to provide a minimal level of adequate rail service throughout the region. The long-term picture for regional rail services may be brighter. Improvements will require greater system rationalization, as well as building upon the inherent energy advantages of railroads over other forms of surface transportation. In addition, a regional rail renaissance will require greater pricing freedom to enable the railroads to generate sufficient revenues to cover needed capital improvements.

4. What effect will deregulation of the trucking industry have on the Northeast-Midwest region?

Trucks are the largest carrier of freight within the region and will continue to be for the next decade. The New England Regional Commission, for example, estimates that Con-Rail provides only 15 percent of the inbound freight and 5 percent of outbound freight in its New England territories. Many expect increased trucking deregulation to result in a broader variety of truck services at lower overall costs. But there is much concern that truck services to rural areas and certain cities may decline where such operations already are only marginally profitable. Increasing the amount of payload each truck can carry—by raising the truck size and weights allowed on interstate highways to federally permissable levels—will enhance operational efficiencies and lower trucking costs. But this change may have negative effects on safety, the environment, and railroad revenues.

Mr. Chairman, I would like now to yield 2 minutes to the gentleman from New York (Mr. Weiss) to comment on this subject, and then we are going to focus on some of the general revenue sharing issues.

The CHAIRMAN. The Chair will inform the gentleman that the gentleman from Pennsylvania (Mr. Edgar) has 5 minutes remaining.

Mr. WEISS. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. Edgar) for yielding this time to me.

Mr. Chairman, I want to commend the gentleman and also the gentleman from Connecticut (Mr. Giaimo) for undertaking to develop this colloquy.

Mr. Chairman, the situation faced by the city of New York, is representative of a great many cities across this country. Indeed the Conference of Mayors in the United States has recently said that over 60 percent of our cities are faced with operating deficits, and that the percentage is expected to rise next year. We are talking not only about New York and a few large cities, but we are talking about cities generally across the country.

The mayor of the city of New York's staff has analyzed the current budget proposal we are discussing. According to their analysis, it will have a negative impact and will mean a loss to the city of New York alone of some $321 million.

If we are talking about a budget that is supposed to be in balance, we must take into consideration the economic projection of unemployment in this budget, and if we do, it is impossible for this budget to be balanced.

The Congressional Budget Office has told us that for every 1 percent increase in unemployment, the increased cost to the Federal Government will be $25 billion. Conservatively, the unemployment levels are going to rise 2 percent over the course of this next year—that translates to $50 billion.

This additional cost will not mean a balanced budget. Instead of the Congress taking the unemployment figures into consideration, Congress is cutting back on the very programs in the cities that will serve as a safety net including the countercyclical programs, general revenue sharing, and the CETA programs.

Mr. Chairman, it seems to me that we are not looking reality in the face.

Mr. EDGAR. Mr. Chairman, I thank the gentleman from New York (Mr. Weiss) for his comments.

Mr. Chairman, I think that the urban centers have to be looked at, and I would hope, as we move into the next 5 years of planning, that we do not neglect the basic infrastructures of those urban centers.

Mr. Chairman, at this time I will yield to the gentleman from Massachusetts (Mr. Shannon), who will talk to us about tax policy.

Mr. SHANNON. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. Edgar).

Mr. Chairman, my statement is going to be brief, but it is not going to be brief because I think the tax policy should not be discussed at this time in consideration of the budget resolution.

I feel very strongly that when we are considering how we are going to balance the budget and we are considering how we are going to distribute the burdens of balancing the budget equitably, we should look very closely at what we do through tax laws to expand public funds.

It is not an easy process trying to cut the budget. It is not an easy process trying to determine who is going to get the benefit of Government spending. But somehow, when we begin consideration of this subject and the subject of Government spending, we do not look at what we do on taxes. We had close consideration last year when we considered tax policies, and we talked a little bit about the foreign tax credit. At that time we had an overwhelming mandate from the House of Representatives to change the laws, the foreign tax credit laws, as they affect oil companies developing oil in other parts of the world.

I think we should look at that again this year, and I think we should look at the whole gamut of tax expenditures and see, when we are trying to balance the budget, whether or not we can look at those expenditures and at special privilege groups, since so many were affected so quietly with very little notice, and see whether or not we can share that burden of balancing the budget and see whether we need to effect new tax policies at the same time.

Mr. EDGAR. Mr. Chairman, I thank the gentleman from Massachusetts (Mr. Shannon) for his comments.

Mr. Chairman, I think it is fair to say that we are all trying to get new approaches on new ways to look at things. Liberals, conservatives, and moderates have all been challenged by the issue of balancing the budget, and hopefully this debate has helped us to focus on balancing the priorities within that budget.

There are some Members who have not had the opportunity to speak and some Members who would have liked to have had the opportunity.

Our attempt here today is simply to say, "Let us take an eagle eye view toward the 1980's and the 1990's. Let us look at the broader picture of what these issues are as they impact on senior citizens, as they impact on our youth, as they impact on people living on fixed incomes, as they impact on older cities and their infrastructures, and as they impact on the society in which we live."

It is our hope that this dialog and discussion will be expanded over the next few years, and that as we move to balance the budget, we shall also move to balance the priorities within that budget and put our focus on the real needs.

Mr. RITTER. Mr Chairman, will the gentleman yield?

Mr. EDGAR. I yield to the gentleman from Pennsylvania.

Mr. RITTER. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, I could not help but notice, when the gentleman from New York (Mr. Weiss) got up to speak about Mayor Koch's recent pronouncements on the needs of New York City, that Mayor Koch also was recognized in the national media for comments not too long ago relating to the ability of Congress to create and develop and fund massive programs which somehow really were ending up in an unworkable state, and that had he been back on the floor of this House, knowing what he knows now as a big city Mayor, he might have just done things a little bit differently.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. Edgar) has expired.

Mr. GIAIMO. Mr. Chairman, I yield 5 additional minutes to the gentleman from Pennsylvania (Mr. Edgar).

Mr. RITTER. Mr. Chairman, if the gentleman will yield further, that was basically my comment, and I felt it was relative to the discussion.

Mr. EDGAR. Mr. Chairman, I thank the gentleman from Pennsylvania (Mr. Ritter) for his comment and for focusing on that particular article which I also read about Mayor Koch's views.

Mr. Chairman, I think that those of us who took the last hour and a half of time did so because some of us want to do some new thinking. It is our hope that conservatives, moderates, and liberals in this Congress will do some new thinking not only about balancing the budget but also about looking within that budget to see that new programs that are enacted work, that they are efficient, and that programs which are wasteful are terminated. I think all of us have that same interest and commitment. We may differ on which programs should in fact be cut, or which should be added to, but we think it is important to get this dialog established because the needs of the 1980's and 1990's are not simply going to disappear by mechanically balancing the budget.

Mr. Chairman, they must be addressed as each of us take the time and the energy to look beyond the rhetoric and focus on the real issues of need.

Mr. WEISS. Mr. Chairman, will the gentleman yield 30 seconds to me?

Mr. EDGAR. I yield 30 seconds to the gentleman from New York (Mr. WEISS).

Mr. WEISS. Mr. Chairman, I appreciate the gentleman's yielding.

Mr. Chairman, there is something I want to comment on, and I would say that the gentleman from Pennsylvania (Mr. RITTER) really should quote the mayor of the city of New York accurately.

What the mayor was speaking to was the habit of the Federal Government, particularly Congress, of mandating programs in the localities and in the States and then not funding them. That is what he said he used to participate in, and now he knows better.

Mr. EDGAR. Mr. Chairman, I would like to close the debate by thanking our leader, the chairman of the Committee on the Budget. I think the gentleman from Connecticut (Mr. GIAIMO) has done an excellent job in helping all of us address a very difficult task. As we pull the belt tight in balancing the budget, we are simply asking that all of us pull that belt tight to the same notch.

Mr. Chairman, I yield back the balance of my time.

The CHAIRMAN pro tempore (Mr. MURTHA). The gentleman from Pennsylvania (Mr. MURTHA) yields back 2 minutes.

The Chair will state that the gentleman from Pennsylvania (Mr. SHUSTER) has 2 hours and 44 minutes remaining, and the gentleman from Connecticut (Mr. GIAIMO) has 1 hour and 45 minutes remaining.

□ 1500

Mr. SHUSTER. Mr. Chairman, I yield 10 minutes to the gentleman from Oklahoma (Mr. EDWARDS).

Mr. EDWARDS of Oklahoma. Mr. Chairman, we are at a very critical point in our Nation's history. We are faced with what may become the worst recession to hit this country since World War II. Interest rates are nearly 20 percent, and people in the homebuilding, auto and related industries are being laid off by the tens of thousands. Americans, I have found, as I have gone back to my district—and I know my colleagues have found as they have gone back to theirs—are confused, and they are very angry. Americans are confused because they cannot understand why, when they work so hard every day of their lives, they still cannot buy the things that they need, a home, education for their children, and a chance to provide a secure and prosperous future for themselves and their children. They are angry because they see a Government that is not responding to their needs and appears totally unable to deal with problems that are, to a very large degree, the result of this Government's policies.

Mr. Chairman, this body has a chance with this budget today to turn away from the road of economic stagnation and to put our economic system on a firm footing once again. And I must say that I am rather amused and amazed that, after so many years of continued deficit spending year after year after year, that when there is finally a possibility that one year we may have a balanced budget in this country, those people who believe in the Government as the solution of all problems of mankind find that they cannot survive the thought that they may have to show a little bit of the kind of restraint that people all over this country are having to show every day of their lives.

We can put this economic system on a firm foundation again, but only by first putting the Federal Government on a sound, fiscally responsible program. The first step in that procedure has to be to produce a balanced budget, a budget balanced not only on paper, but in practice as well.

As most families know, there are two ways to balance a budget. You can earn more money or you can spend less. The Federal Government has at least four methods for balancing its budget. The first, of course, is to cut spending. That seems to be one that nobody around here seems to ever want to do. The second is to raise more money by raising taxes. That is what the President proposes. More and more taxes, $96 billion in additional taxes, $990 a year per worker of additional taxes. That is one way to balance the budget. A third way is to print more money, and a fourth way is to borrow money to meet the Government's needs. And all four of those methods, used separately or in combination, can work effectively to balance the budget on paper. But they fail to take into account what we are dealing with in Federal programs is not paper but people.

When economists and budget analysts talk about the economy, they tend to forget that the economy is made up of people and that these various methods that are employed in constructing our national policies to affect this economy often have very serious and injurious effects on the people of this society.

Each one of the policies that the Government employs to meet its fiscal responsibilities hurts people either directly or indirectly when we operate at a deficit. If the Government raises taxes to balance the budget, where does that money come from? It does not drop out of this ceiling. It comes out of the pockets of each and every hardworking American. And that is money that they could use otherwise if they were not sending it to us to take care of our insatiable appetite for their money. It is money they could use to buy food or to save for a house or to save for a college education for their children.

If the Government prints money to meet its obligations, who does that hurt? It hurts every American by creating an inflationary environment in which consumers and producers alike are unable to retain adequate purchasing power from their incomes, and it curbs savings, and that in turn curbs investment, and that in turn curbs employment.

My good friend, the gentleman from California (Mr. DELLUMS), was talking about this budget and how terrible it is that this budget addresses itself to increasing profits for corporations, corporations which made billions of dollars in profits last year, we might have more profits, and what does that do to the poor people?

Well, what it does for the poor people is, it creates jobs.

What happens when the Government borrows to meet its fiscal obligations? When it borrows, it goes into the private marketplace, it crowds the private investor out of the marketplace, and it causes the producers to curb their expansion, and that slows growth, and that means shutting off a potential supply of jobs. That is why people in places like Youngstown, Ohio, find that the jobs they had are no longer there.

But the most serious and devastating consequence of fiscal mismanagement is the destruction of hope, the destruction or elimination of potential achievement, eliminating the streets of gold, eliminating the opportunity, the American dream that is to get from where you are today to where you can be tomorrow by hard work.

That is what happens when you have a time when this Nation is entering its most serious economic crisis in years and we are told to expect a 10-cent-per-gallon gasoline tax, which is something we had better get out of this budget, a withholding tax on our savings income, an additional tax burden of over $400 for every man and woman, due simply to inflation creep, inflation that is caused by the same Government that wants to take the taxes.

Mr. Chairman, what are we supposed to think? What are the American people supposed to think when they get up in the morning to go to work and all that faces them all day long, when they get up and they go to the job and they work 8 or 10 or more hours a day, and all they have to face them is the prospect of higher taxes, higher inflation, more unemployment, higher interest rates, unable to buy a house, unable to sell a house?

A fiscal program like the one that was outlined by the Budget Committee's resolution balances the budget on paper, but it ignores those very real concerns of very real people, and it strives to achieve a hoax, a paper-balanced budget that utilizes all of these tricks of fiscal management that have put us where we are today.

I have grave concerns about a Congress that seems willing to respond to the problems that face our country by raising taxes without making any effort to unleash and encourage the abundance of productive energy that lies stagnant in our private sector.

Mr. Chairman, I also have a few grave concerns about a Congress that ignores the very hard economic facts of life for every individual citizen and delivers not relief to the overburdened taxpayer but a Federal budget that is balanced in some way on paper and amounts to no more than that, because, Mr. Chairman, I fear very much the consequences of destroying the hopes and the aspirations of millions of Americans who have looked to this body to provide leadership in returning this country to economic prosperity.

Mr. Chairman, I have certainly supported a balanced budget for a long time, and if the Latta substitute is adopted, a real balanced budget, then I will support it. But I cannot support the committee's resolution, because that is a resolution that does indeed balance the budget on the backs of those very people, the working-class Americans who cannot afford to balance budgets with higher and higher taxes.

Mr. SHUSTER. Mr. Chairman, I yield 10 minutes to the gentleman from California (Mr. GOLDWATER).

□ 1510

Mr. GOLDWATER. Mr. Chairman, this debate that we have been listening to for the past 2 days reminds me of when I was a little boy and I took a big stick and hit a beehive and all the mad bees came pouring out of there, trying to find out who was trying to knock down their hole. Certainly when we start to take a meat ax approach to the budgetary process it becomes clear whose ox has been gored and who certainly is mad over this process.

In my opinion, this did not need to happen. If, in fact, we had realized that we had taken the wrong course several years ago, and if we had not proceeded with the policies adopted back during FDR. You know, in October 1929, the longest cruelest recession in history began. Fifteen million people, nearly one-fourth of the work force, was unemployed. One million had lost their homes and some 18 million were on relief.

In 1932 Franklin Delano Roosevelt won the Presidency and the New Deal came into being. Now, there was no particular theory behind F.D.R.'s economics. It was mostly a hunch that the economy was in trouble, that it was producing more than people could afford to buy.

The cure, F.D.R. said, is not to produce so much, so we adopted public policies in those days to encourage consumption at all costs and production was discouraged. The New Deal in those days paid farmers not to farm crops and encouraged them to kill their livestock. We went off the gold standard in those days and an unprecedented array of human support programs were initiated; direct relief, public works employment, unemployment insurance, old age pension programs. It became a mistaken belief that these New Deal economics cured the recession. In fact, the economy was as limp in 1936 as it had been in 1930. The end of the depression when it came was not a victory for economy policy, but the result of preparing for World War II.

In September of 1939 there were still 9½ million people unemployed, 17 percent of the total work force.

By 1944, the rate had fallen to only 1.2 percent of the population.

In December of 1940, 1,239,000 Americans were on welfare, but in the 30 months that followed, the welfare rolls fell 72 percent, to only 354,000 Americans.

After the war, Government spending dropped from $95 billion in 1944 to $39 billion in 1947: however, depression memories were still harsh and old anxieties reemerged and the alarms went out that the economy could be tuned. That there was some fixed, knowable relationship between spending and unemployment had been now refined into a widely accepted belief. This belief became known as the new economics and under fine tuning they could somehow keep the economy stable. Spending levels became an instrument of economic policy. That prosperity could be fiscally contrived was central to the Employment Act of 1946, which built many of the unexamined premises of the depression period solidly into the law of the land.

Fine tuning the economy became a way of life here in Washington—a mentality that Government and not free market economics knew best what was for the American people.

Today, Mr. Chairman, we are paying for the mistakes in those early years. The mistakes that can only be emphasized and dramatized by the statistics that we all well know, that in 1976 inflation was only 5 percent and certainly unacceptable, but now, what is it—18 percent.

Unemployment at 4.5 percent just 4 years ago is now at 6.2 and predicted to climb anywhere from 7 to 8 percent by the end of April.

Interest rates in those days were about 8 or 9 percent. Now they are at 19 or 20 percent, if you can even get a loan.

Productivity was progressing at 3 percent in 1976, and last year it was reported to be at zero.

Treasury bills were yielding in 1970 about 6 percent and today you can get a yield of 14 or 15 percent.

Well, Mr. Chairman, if this is progress, it seems to me that we are all headed for a new stone age. No doubt about it, for the third time in 10 years, this country is heading for another recession. For the third time in this decade, using in essence, new economic policies—the theory of fine tuning—using monetary and fiscal policies to somehow regulate and control our economy is at the heart of this failure that we face today here in the House of Representatives; a policy that called for tight money, a policy that puts us in a position of having to in essence balance the budget through crisis times.

In fact, we find ourselves today reacting after the fact. We had an opportunity some 3 years ago under the Holt amendment to begin a gradual process of going back to a balanced budget; but where was the President? Where was the leadership on the majority side of the aisle for a balanced budget 3 years ago that would have gradually taken us back to a balanced budget that we are trying to achieve today in a crisis type of attitude?

Mr. Chairman, because we failed to recognize that you cannot continue to live beyond your means without paying a penalty, we have forged ahead with our heads in the sands and today we are paying that penalty of tremendous economic dislocation.

I agree with my friend, the gentleman from California (Mr. DELLUMS), when he says that these kinds of policies, what we are doing here today does hurt those who can least afford it, who are least able to handle this kind of situation; but I would point out to my friend that it is just not the poor, it is just not minorities, it is just not the elderly or the disabled or the handicapped, it is all Americans who are suffering because we failed to get back to a commonsense economic policy many years ago.

I have individuals in my district, Mom and Pop stores, medium-sized businesses, construction firms, all going bankrupt or hurting drastically. Of course, what happens under those situations is unemployment grows and grows.

Those some 200,000 production line workers in the automobile plants who are unemployed, they are not the deprived, they are not the handicapped, they are not the elderly. They are able-bodied Americans who want to work and who are being laid off because of the folly of adopting New Deal economic policies and holding to them for so long.

The recession now gathering force will result in a serious drop in the standard of living for all Americans.

For the 2 million who will lose their jobs and join the some 6 percent already unemployed means that this coming year will be one of privation.

In listening to my colleagues of the Black Caucus, the gentleman from Ohio (Mr. STOKES), the gentleman from California (Mr. HAWKINS), the gentlewoman from New York (Mrs. CHISHOLM), the gentleman from California (Mr. DELLUMS), and others, they have certainly brought to the attention of this House the problems that the poor and disadvantaged will have under these kinds of policies.

The CHAIRMAN pro tempore (Mr. MURTHA). The time of the gentleman from California (Mr. GOLDWATER), has expired.

Mr. SHUSTER. Mr. Chairman, I yield 5 additional minutes to the gentleman from California.

Mr. GOLDWATER. Mr. Chairman, these Members, our colleagues who have brought this to our attention, the problems that will be felt by those who are poor or disadvantaged, are certainly correct. As I have pointed out, it is unnecessary. It is tragic that it is going to happen.

I would suggest to my friends, however, that tight money and having to slash away at a budget as we are doing, can also hurt these people.

□ 1520

What is needed, I think, is not to drastically cut the social programs as we are attempting to do, but nor should we desperately try to expand them as we have insisted in the past; what we need is a very careful review of social programs, design them to meet truly the needs of the needy. We need proper management of these programs, managers and programs that will be accountable for the taxpayers. Certainly we need to consolidate those programs and make them more simple.

But, in addition, we more importantly, need a healthy, expanding economy to help pay for those social programs that we desperately need to preserve.

You know, Americans like to consider themselves a kind of an extended family. We are repelled by the thought of ignoring genuine suffering. The long-term solution, I would suggest, therefore, to the growing burden of social spending and our concern for those who are in need, is not to raise the net, the safety net that we have built by slicing social programs, but to draw people out of this net by expanding employment opportunities in the private sector.

Anyone who is truly and seriously concerned about the disadvantaged in this country will realize that with economic growth there is room for everyone to get ahead.

This debate should not be centered or pitting defense expenditures against social programs, but this debate should be centered on how to invigorate and expand our economy to pay for both desperately needed items.

What I am really saying is we as a Nation must begin to commit ourselves boldly and relentlessly to real economic growth and progress for all of our citizens. Without it we tear ourselves apart competing for a smaller and smaller piece of that economic pie. We, after all, are the most free, the most educated, creative, talented, energetic people in the world, and we are now operating at less than one-half of our potential.

Mr. Chairman, it seems to me we should be discussing, debating the policies that will get our economy rolling again, that will invigorate our economy, that will create opportunities for those that we are trying to help by expanding social programs. At the same time, Mr. Chairman, we must recognize that opportunity, the chance to make it and improve one's life is what the American dream was and is all about.

Our Government fostered a climate conducive to economic growth. Now it is doing the exact opposite, building barrier after barrier to growth that stifles initiative and takes away our will to produce, obstacles such as taxes on capital, on labor, bureaucratic regulation, and inflation. These are the things that stand between an individual's effort and his reward, and a nation's ultimate prosperity.

If we agree that inflation is basically too much money chasing too few goods, it obviously is not going to help to have fewer goods. I believe we can increase economic growth and prosperity by restoring incentives to work, to save and to invest, and produce through a major reduction in the tax rates. That is why, Mr. Chairman, I stand here in support of the Republican substitute that will be offered during this debate, because that particular substitute does give us an opportunity to give the American people a desperately needed tax reduction in the tax rate.

The CHAIRMAN pro tempore (Mr. MURTHA). The time of the gentleman from California has expired.

Mr. SHUSTER. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. GOLDWATER. Mr. Chairman, the Republican alternative to this budget resolution is one that will give the American people a tax cut to restore incentive and rewards for their efforts. The time has come to cut taxes for two very simple reasons. Greater after tax wages translates into greater incentives to work, and greater after tax profits translates into greater incentive to invest in one's company or corporation.

In closing, let me remind my colleagues that there is no telling what we can accomplish if only the Government would get out of the way and let prosperity and growth in.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. Mr. Chairman, I thank the gentleman for yielding.

I have been here through almost the entire debate on the budget. I think it is the most important topic before the Congress and deserves the kind of attention it is receiving, exhausting though it may be for all of us who have been here. It has been a good debate.

I would like primarily to explain my own amendment to the budget, but first, earlier in the day I asked my colleague from New York (Mr. CONABLE) if he could supply to me the areas of the budget which would be subject to cuts under his amendment, because in all of the materials I have seen so far on it he lists only those areas of the budget which would not be subject to cuts; therefore, it seems quite benign.

I have now received from Mr. CONABLE the list of programs that would be subject to cuts under his amendment and will include the full list in the RECORD. I would like to point out quite forcefully that his list is not benign. It includes very substantial cuts from many important programs that I think will cause grave concern to many Members. It is important that this information is now available.

The list follows:

PROGRAMS TO BE CUT BY 5 PERCENT UNDER CONABLE/WYDLER AMENDMENT

[In millions of dollars]

	Outlays	
	Fiscal year 1980	Fiscal year 1981 administration
A. Department of Agriculture:		
1. Agricultural Marketing Service	3	
2. Animal and Plant Health Inspection Service	30	32
3. Commodity Credit Corporation	133	117
4. Cooperative State Research Service	111	119
5. Extension Service	262	278
6. Rural community fire protection	4	2
7. Rural water and waste disposal	301	303
8. National forests and school funds	279	320
9. Rural development planning	7	7
10. Watershed and flood prevention operations, and resource conservation and development	57	55
B. Department of Commerce:		
1. Drought assistance program	2	2
2. Minority business enterprise	3	2
3. National Oceanic and Atmospheric Administration	112	117
4. National Telecommunications and Information Administration	21	23
5. Regional Action Planning Commissions	68	69
C. Community Action programs: 1. Community Action Programs	523	511
D. Department of Defense:		
1. Corps of Engineers, Flood Control Act of 1954	5	5
2. National Guard centers construction	38	20
E. Department of Energy		
F. Environmental Protection Agency:		
1. Abatement and control	198	222
2. Construction of wastewater treatment facilities	3, 950	3, 950
G. Equal Employment Opportunity Commission	15	19
H. Federal Emergency Management Agency:		
1. Civil preparedness	39	37
2. Disaster relief	203	197
I. Funds appropriated to the President: 1. Appalachian Regional Development Programs	296	326
J. Department of Health, Education, and Welfare:		
1. American Printing House for the Blind	4	5
2. Center for Disease Control-Preventative Health Services	110	123
3. Office of Education:		
(a) Educational development		
(b) Education for the handicapped	641	819
(c) Elementary and secondary education	3, 387	3, 658
(d) Emergency school aid	296	317
(e) Higher education	21	13
(f) Indian education	66	79
(g) Library resources	273	249
(h) Occupational, vocational, and adult education	850	900
(i) School assistance in federally affected areas	437	453
(j) Special projects and training	34	
4. Health Resources Administration	309	281
5. Human Development	1, 859	1, 581
6. Work Incentives	352	371
K. Department of Housing and Urban Development:		
1. Basic water and sewer facilities		
2. Comprehensive planning assistance	56	45
L. Department of the Interior:		
1. Special funds		
2. Fish and wildlife restoration management	97	98
3. Bureau of Indian Affairs	18	19
4. Land and water conservation	222	235
5. Payments in lieu of taxes	108	111
6. Preservation of historic properties	39	33
7. Receipts under Mineral Leasing Act		
8. Surface mining reclamation and enforcement	33	71
9. Water resources research		
M. Department of Justice:		
1. Law enforcement assistance	446	452
2. Federal Prison System-National Institute of Corrections	8	8
N. Department of Labor:		
1. Community service employment for older Americans	53	61
2. Employment services	728	793
3. Temporary employment assistance	1, 926	1, 978
4. Mine Safety and Health Administration	6	6
5. Occupational Safety and Health Administration	40	41

PROGRAMS TO BE CUT BY 5 PERCENT UNDER CONABLE/WYDLER AMENDMENT—Continued

[In millions of dollars]

	Outlays	
	Fiscal year 1980	Fiscal year 1981 administration
O. National Commission on Libraries and Information Science		
P. National Foundation on the Arts and Humanities	20	22
Q. Office of Personnel Management	18	20
R. Tennessee Valley Authority	114	134
S. Department of Transportation:		
1. Coast Guard—Boating safety assistance	2	
2. Federal Aviation Administration	620	665
3. Federal Highway Administration:		
(a) Bikeway demonstration programs		
(b) Highway beautification	24	21
(c) Highway trust fund	7,568	7,675
(d) National scenic and recreational highways		
(e) Off-system railway highway crossing	21	16
(f) Off-system roads	133	128
(g) Rail and highway crossings demonstration projects[1]		
(h) Rural highway public transportation demonstration program		
(i) Safer off-system roads[2]		
(j) Traffic control signalization demonstration projects		
4. Federal Railroad Administration	86	72
5. Highway safety programs	172	193
6. Natural gas pipeline safety		
T. Department of the Treasury:		
1. Antirecession fiscal assistance fund	2	
2. Corporation for Public Broadcasting	152	162
3. Social service claims		
4. State share of revenue sharing	2,328	2,328
U. Veterans' Administration	40	26
V. Water Resources Council	16	23
W. Others		

[1] See off-system railway highway crossing program for funds.
[2] See off-system roads programs for funds.

Sources: Staff compilations from: 1. Department of Treasury, "Federal Aid to States," fiscal year 1979. 2. OHB, Special Analysis H, "Federal Aid to State and Local Government," January 1980.

The Conable amendment provides for cuts to the Department of Agriculture budget, including the Extension Service, the Commodity Credit Corporation, the National Forest Service and school funds, in the $1 billion more or less that would be subject to agriculture budget cuts. The Department of Commerce budget is subject to cuts in the drought assistance program, and even the small, minority business enterprise program would be cut. The Community Action program budget of $500,000 would be subject to cut. The Environmental Protection Agency budget would be subject to cuts in the construction of waste water treatment facilities, which has already been severely cut. The Department of Health, Education, and Welfare budget there would be subject to cuts in such critical areas as education for the handicapped, elementary and secondary education, higher education, and many other of the categories of educational items which will have to be financed by higher local property taxes or deterioration of education. In the Department of the Interior budget, the Fish and Wildlife Service and the land and water conservation fund, which many of us feel has already been cut too far, would be subject to further cuts.

Now, with respect to my own amendment, what my amendment does is adopt President Carter's budget exactly as he submitted it in January with updated figures. Many of us thought it was a very austere budget at that point. My amendment balances that budget primarily by making tax reforms, subjecting tax expenditures to their share of the public burden. Most of these tax reforms have long been advocated by a great many tax experts. My revenue measures merely put a share of the burden of balancing the budget on the special interests which, through the years, have gotten special tax treatment under our tax laws.

I feel very strongly that rather than putting the burden of balancing the budget on the backs of working people, or the poor, the elderly, our school systems where local property taxes will have to make up the difference or we will see our schools deteriorate—that the people who have gotten breaks under the tax laws, which are mostly big and powerful interests, ought to bear their share of the burden.

The greatest share of the revenue burden under my amendment will be placed on the oil industry which is making astronomical profits off of OPEC price increases as announced today in the newspapers. Exxon just made the largest profit increase of any corporation in the history of this country. Of just the four major oil companies that announced their first quarter profits today, Exxon, for the first quarter, profits were $1.925 billion; translated annually, if they keep up at that rate, Exxon's annual profit will be $7.6 billion; Standard of Indiana would be $2.4 billion.

□ 1530

On an annualized basis, Texaco, some $4 billion; on an annualized basis, Shell, $1.5 billion. On an annualized basis, just for those four companies we are talking about, there would be $15.6 billion in anticipated profits. I am all for their making profits on their business, but it seems to me highly inequitable they at the present time have an average effective corporate tax rate of 20 percent, while the rest of corporate America has an average tax rate of 40 percent. We ought to take this step to assure that if they are going to profit to this extent from our free enterprise system, that they bear their fair share of the tax burden.

My amendment leaves the same $2 billion surplus the Budget Committee recommends. The Budget Committee does not deal with the $10.3 billion in revenues from the oil import fee, which I feel very strongly ought to be blocked by Congress. If indeed it is blocked by Congress, I would recommend that an amount of similar proportions should be made available from my list of tax returns so that we can make provision for what I think really will address the real inflation problems of America, which is increasing our productivity and particularly our industrial capacity, to be able to compete with Japan and Europe; and making the energy efficiencies that are necessary for us to become energy independent.

The CHAIRMAN. The time of the gentleman has expired.

Mr. GIAIMO. I yield 5 additional minutes to the gentleman from New York (Mr. OTTINGER).

Mr. OTTINGER. I thank the gentleman. The complete list of the tax loopholes that I would close, included in a Dear Colleague letter to all Members today, to be selected from the proposed list as follows:

Sample proposals to close tax loopholes

[In billion of dollars]

User fees for Coast Guard activities	0.600
User fees for airports	.910
Increased cigarette excise tax	3.000
Adjusting windfall profit tax to President's original proposal	6.300
President's cash management proposals	4.500
Increased funding for IRS tax law enforcement	.700
Food product inspection fees	.310
15% withholding on interest and dividend income	3.400
Oil and hazardous substance cleanup fund	.100
Revenue gains by reforming tax expenditure losses:	
Percentage depletion allowance	2.600
Expending of intangible drilling costs	2.600
Tax deferral and foreign tax credit for oil companies	3.100
Capital gains treatment for royalties on coal	.100
Capital gains treatment of certain timber income	.605
Capital gains treatment of iron ore	.020
Change in treatment of capital gains through inheritance	.036
Excess bad debt reserves of financial institutions	.965
Repeal of foreign tax deferral for non-oil companies	.480
Reform of foreign tax credit for non-oil companies	2.000
Tax exclusion on bonds for private hospital construction	.100
Total	32.426
Revenues needed to reach proposed surplus	23.700

What are people saying about this amendment? It is kind of interesting.

In the words of the person who put this budget together, he said, and I quote:

> This is a "prudent and responsible" budget . . . This budget recognizes that equitable budget restraint is essential in our efforts to control inflation; that the unemployed should not bear the cost of our anti-inflation efforts; and most importantly, that we continue to pursue the goals of full employment, price stability, and balanced growth.

Those are the words of our President, Jimmy Carter, in January 1980.

All of a sudden in panic over the increased inflation rates, he has abandoned that budget. Unfortunately, the Congressional Budget Committee has followed suit. I think that his original description of his own budget is reasonably accurate—it is a minimally adequate budget to meet the needs that he describes.

The United Auto Workers, in a letter of April 21 from its legislative director, Howard Fastor, to all members said,

> The Ottinger amendment is the bare minimum of what should be available for a wide variety of domestic programs in fiscal year 1981.

The amendment also enjoys the support of the AFL-CIO and some 50 public-interest organizations.

I think it is tremendously important that this budget be adopted because I am just absolutely convinced that inflation will not be significantly affected by the kind of cuts that are being proposed by the Budget Committee and that it will wreak havoc with our economy. It will send a great many of our cities that already are on the verge of going into bankruptcy over that tilt and create for us the risk of an economic disaster of the kind we saw in the 1930's. Equally serious, it will not permit us to make the investments that are absolutely necessary to really attack the root causes of inflation, because it does not provide the emphasis that is needed for us to become energy-independent and avoid the $90 billion that we contemplate paying this year for imported oil. The Budget Committee proposal also does not permit us to make the investments that are necessary in order to modernize our plant and equipment in order to become competitive.

I would like to point out that my amendment is unique in several respects. It is the only amendment approved by the Rules Committee that restores the full amount of the President's January budget for jobs, education, urban aid, mass transit, health care, veterans, the postal service, the elderly, and the poor. It is also the only amendment which strikes section 4 of the Budget Committee resolution prohibiting enrollment of appropriation and authorization bills which exceed the first budget resolution figures.

I strongly urge that my colleagues seriously consider this amendment, give it their support when it is reached in the budget amendment process.

I thank the chairman for giving me this time.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. OTTINGER. I yield to the gentleman from Maryland.

Mr. BAUMAN. I have listened to the gentleman speaking yesterday and today and describing this substitute as being based on the original Carter budget. The gentleman knows there was subsequently a second Carter budget that balanced the budget with no deficit. I understand there is as yet now a third Carter budget, and he has endorsed the Obey substitute. Has the gentleman made an attempt to reconcile all of these three Carter budgets?

Mr. OTTINGER. I share the gentleman's concern. I do not think this administration, the Carter administration, knows what it is doing. That concerns me as much as it does the gentleman from Maryland. I do not think they have any commitment to a course of action for a future for this country. I do not think that they are pursuing any consistent policy to get us off of our energy dependence, to restore our economy or any program to see to it that our children have a decent future.

I do not know whether the gentleman was here or not, but one of the really most brilliant and exciting expositions that I have heard in a long time about the needs of our economy came from a colleague on the gentleman's side of the aisle, the gentleman from New York (Mr. Kemp), yesterday in which he made it very clear that we are never going to get out of the economic doldrums that we are in by providing for an economic recession, by throwing people out of jobs or bankrupting businesses—that only in an expanding economy can we resolve our social and economic problems. He also confirmed the fact that only in fast-growth economies, as in Japan and Europe, is there low inflation—that it is stagnating economies like ours and England's that have high inflation rates.

Where I differ from Mr. Kemp is how we achieve that growth. He, unfortunately, is supporting the Latta and Holt substitutes that could impair our economy, relying for growth solely on huge tax cuts that I doubt would achieve the growth he predicts and would contribute mightily to inflation.

The CHAIRMAN. The time of the gentleman has expired.

Mr. OTTINGER. Could I have 2 additional minutes? No? Then may I have a couple of minutes on the Republican side?

Mr. SHUSTER. I yield 3 minutes to the gentleman from Maryland (Mr. Bauman).

Mr. BAUMAN. I yield to the gentleman from New York in recognition of the fact that he has made the only statement in 2 days that has received spontaneous applause. I yield to the gentleman from New York.

Mr. OTTINGER. I thank the gentleman.

Mr. Kemp's point, however, with which I fully agree, is that we have to make a commitment in investment and expansion of our economy in order to meet the needs of this country in the future. His ways of arriving at that are somewhat different from mine, but I think that is really the essential fact. Whether his way would work or my ideas of how it ought to be would work, that kind of commitment ought to be made. What bothers me is he is adopting the cuts in assistance to the cities, to our education, and to energy that I think would aggravate the problems about doing something for our future. I cannot adopt his solution, but I think his analysis is absolutely correct.

Certain it is, however, that the administration's and the Budget Committee's proposals will shrink the economy and provide inadequate resources for us to meet the challenges of the future.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. BAUMAN. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I was fascinated with my colleague's comment just now, as pointed out by my colleague (Mr. Bauman), that the gentleman from New York (Mr. Ottinger) will offer "one of three Carter budgets." The gentleman is offering one of three Carter budgets—we are not quite sure which one, but one of them. The gentleman from New York stated that he did not think that President Carter had an adequate concern for the future in his budget proposals. Was that his statement?

Mr. BAUMAN. No. He said the President did not know what he was doing.

Mr. ROUSSELOT. I heard that part of my colleague's statement; but I was also interested in his statement about Mr. Carter's lack of concern about the future.

Mr. OTTINGER. If the gentleman will yield, I did say, and I believe very strongly, that he has no conception of what this country ought to be in the future or how to get there. He has not pursued any consistent line to improve our society, to see to it whether it is by one theory or another theory how we should go. He seems to waver all over the place, depending upon what the particular crisis seems to be at the particular moment in both foreign policy and domestic policy.

Mr. ROUSSELOT. I could not have said it any better myself.

Mr. BAUMAN. Nor I. That is why I yielded to the gentleman from New York (Mr. Ottinger) to continue his comments.

Mr. ROUSSELOT. I appreciate the gentleman being so candid. I think many of us are concerned, too, about the future of this country. And the gentleman from New York sincerely believes that the President has no plan for the future even in the budget he is presenting?

Mr. OTTINGER. I sincerely do not. All I have done in this budget is the minimum that I thought I could do, and that is take the budget that the President originally endorsed just 2 months ago, restore cuts that I think would be very harmful to our economy, and leave some room in there to make the kind of productivity advances that many on your side are proposing, something along the lines of the Conable-Jones bill, for example, that would provide for additional capital investment, though I think it should be more narrowly targeted to industrial modernization and energy efficiency improvements.

☐ 1540

Mr. SHUSTER. Mr. Chairman, I yield such time as he may consume to the gentleman from Illinois (Mr. DERWINSKI).

Mr. DERWINSKI. Mr. Chairman, while our Budget Committee is to be commended for its effort in cutting back on Federal spending, it is obvious some of its recommendations were made with little or no thought for the consequences. Unfortunately, the restrictive parliamentary procedure which was dictated for processing the first budget resolution makes it difficult, if not impossible, to fine-tune and redirect some of the well-meaning, but misguided efforts of the Budget Committee.

The budget before us is balanced, but I seriously question whether it is the type of budget which is in the best interests of the taxpaying public. There is a national constituency for sharp cuts in Federal spending and a balanced budget, but the taxpayers also are counting on us to achieve those goals through responsible action which will not impair our Nation's defense or interfere with the performance of vital functions and services. Those goals would be clearly reachable, if we were operating under a procedure which would permit the necessary perfecting amendments to be offered.

Since we will have only limited opportunity to alter the recommendations of the Budget Committee, we can keep faith with our States and localities and their citizens by supporting the Conable revenue-sharing amendment. Basically, this amendment will preserve the revenue-sharing program without benefit of a budget increase.

For Illinois, Gov. James Thompson has advised me the range of cuts proposed by the administration and the Budget Committee would mean a direct loss of as much as $300 million in funds anticipated for State programs during the next 2 fiscal years.

For the economy of Illinois as a whole, the cuts in existing programs and in anticipiated new programs could add up to nearly $1 billion over the next 27 months, according to Governor Thompson. Governor Thompson's gubernatorial colleagues have similar concerns about the recommendations of the Budget Committee.

Elimination of the revenue sharing program is a false economy since almost all of nearly 500 categorical grant programs will be left in place. In Governor Thompson's words that, in effect, "will make Illinois and all other States even more dependent on Federal grant programs, forcing us to maintain and even expand the bureaucratic machinery we need to track, apply for and account for Federal funds."

Governor Thompson is convinced, and I share his views, that the adoption of the Conable approach would immediately ease State problems in adjusting to massive cuts in Federal aid next year, and, even more importantly, make a start on constructive changes in the Federal-State-local relationship.

I also favor the Republican substitute budget amendment since it provides for deeper cuts, eliminates $7 million in new taxes which are assumed in the committee recommendations, and provides for a $32 billion tax cut. The Republican substitute, however, is deficient with its recommendations on cuts in postal appropriations.

Like the Budget Committee, it calls for the elimination of $736 million for the public service subsidy. A reduction of that magnitude will force the Postal Service to eliminate 6-day delivery of mail, and certainly will not result in any immediate offsetting savings. The Postal Service has estimated the first-year savings at $250 million. Furthermore, a reduction in mail service will accelerate rather than dampen inflation since the obvious result will be higher postal rates. Just this week, the Postal Service filed a request with the Postal Rate Commission seeking a 5-cent increase in first-class postage, and rate increases for other categories of mail.

It would be much more logical and meaningful to the taxpayers to consider the elimination of 6-day mail delivery at a future date when it could be used to offset the impact of higher postal rates. Such a move would save at least 1 cent in first-class rates.

Some of the additional tinkering that has been done with postal appropriations will result in higher postal rates for charitable, educational and religious organizations and institutions. Congress mandated these lower rates for worthwhile organizations that rely heavily on the mails for financial support. Now, we are telling these same organizations we are not going to keep that commitment.

I am sure there is a clear consensus in this body for fiscal restraint, but it should be the kind of restraint which results in fiscal responsibility.

Mr. SHUSTER. Mr. Chairman, I yield 5 minutes to the gentleman from Iowa (Mr. GRASSLEY).

Mr. GRASSLEY. Mr. Chairman, as I have been listening to this debate, the one thing that has permeated this debate is that there is never a right time to balance the budget. Constantly, people who generally have believed in deficit spending have been telling us that now is not the time to balance the budget. It seems that there never is a right time to balance the budget. It seems like every time that we have debated a budget resolution—I think this is the 6th year—the same position has constantly come up: Now is not the time to balance the budget.

It seems like each time, Mr. Chairman, you can have people list all the various reasons for not balancing the budget; that it is going to hurt a geographical area or it is going to hurt a class of people. You have those people argue that now is not the time to balance the budget when social welfare programs have to be adjusted accordingly. You also have people saying now is not the time to balance the budget because of the military needs of our Nation.

Mr. Chairman, sometime has to be the right time to balance the budget. We cannot continue down this road we have been going down for so long that has presented us with 20-percent inflation and nearly 20-percent interest rates. In January of 1977, when this administration took office, we had 4½-percent inflation and a 6-percent prime rate. Today we have 20-percent inflation and nearly 20-percent interest.

Mr. Chairman, the policies of the past cannot be continued. There has to be a right time and I think that right time is right now before the 20-percent interest and the 20-percent inflation gets worse. There is a legal time for doing it. Just 2 years ago this House went on record with 290 of us in support of an amendment offered by Senator BYRD in the Senate which required a balanced budget by fiscal year 1981. I offered a motion to instruct the House conferees for the bill to go along with the Senate language.

The purpose at that particular time of offering that amendment was so there would be an orderly transition from an unbalanced Federal budget to a balanced budget in fiscal year 1981. Yet no downward adjustments in Federal spending have been made in the last 2 years. It is only now when the requirement of the law has to be met that the administration, whether for economic reasons or legal reasons, decides to submit a balanced budget to this Congress.

Mr. Chairman, how long can we continue to go down the course of taxflation that we have for the last 12 years? Four tax cuts have been made during that period of time. But Federal taxes have jumped from 16 percent of the gross national product to 22.3 percent of the GNP this year. Should we continue down that road until the Federal Government is taking a third of the workers' income through taxes, excluding the State and local governments' share? Moreover, at this time the proposed budget will be balanced by the increase of taxes as well as limiting spending to some degree.

Mr. Chairman, now is the right time. Let us not wait to balance the budget until we have 25-percent inflation, a 25-percent interest rate, and Federal taxes take 30 percent of the income of the average American. We cannot continue down the road of having more of the resources of this Nation run through the Federal Treasury to be doled out in the form of Government programs and subsidies.

The CHAIRMAN. The time of the gentleman has expired.

Mr. SHUSTER. Mr. Chairman, I yield 2 additional minutes to the gentleman from Iowa.

Mr. GRASSLEY. In conclusion, Mr. Chairman, the time has come. The time has long passed in the sense that, if there had been efforts made in previous years to reduce Federal spending when there were lower rates of inflation and if the stringent budgetary decisions that are being made now would have been made then, we would not be in the economic condition that this Nation is in with 20-percent interest and 20-percent inflation. Putting it off for any greater length of time is saying that what we have learned from the past is not to be considered and, in a sense, not believing that decisions we make here have any impact on inflation.

Mr. Chairman, the right time has come.

I yield back the balance of my time.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Virginia (Mr. FISHER).

Mr. FISHER. I thank you, Mr. Chairman. All of us here in the Congress can rejoice that a balance, even slight surplus in the budget, is in sight at last. This has to be good news. There should have been far less deficits for the past several years when economic conditions were more favorable. Economic assumptions underlying 1981 budget are optimistic, not outrageously so, but still optimistic. Therefore, we must be prepared to see our 1981 budget, as proposed by the Budget Committee, altered in the second resolution next September. But, at the present time, I think an optimistic view is more useful than a self-fulfilling pessimistic view.

A balanced budget is an anti-inflationary budget; it will reduce net Federal spending to zero (and actually yield a surplus of $2 billion). This will clearly signal our determination to remove the part of inflation that is directly and obviously within our control and responsibility.

Furthermore, a balanced budget will provide some scope for relaxing monetary policy slightly and will permit some reduction in the excruciatingly high interest rates that are forcing the construction industry to the wall and making it impossible for so many young and needy people to afford housing.

The proposed budget restrains spending by cuts, deferments, and insistence on efficiency. Compared with the President's 1981 budget proposal last January, some $18 billion in budget reductions have been made in the committee's budget. At the same time it resists the siren call of slashing taxes which surely would add to inflation in the next year or so.

This makes economic sense. Several amendments to be considered propose greater spending for various purposes matched by greater revenues, leaving the budget in balance. Some change along these lines would be acceptable. A shift of $1 billion or so of this kind would make very little difference in a budget of over $600 billion. The Conable and Obey amendments, among those being offered, might prove useful.

As with other Members, a few of the committee's proposed reductions will hurt my constituents. All of us will have political problems to deal with. In my opinion we should try to cope with these problems when the relevant authorizing and appropriative bills are before the House, and to cope within the overall budget ceilings. If Members vote against a balanced budget resolution now because of disagreement over one or two specific items, the Government will never have that balanced budget and the country will never get rid of inflation.

The reconciliation part of the proposed 1981 budget resolution has much logic to it. It says to some eight authorizing committees: Cut back by these amounts for 1981, otherwise the budget for that year is not going to be balanced. I have always argued that the Congress would have to restrain the so-called entitlement and ongoing programs, as well as the discretionary programs, if the budget is ever to be balanced. This mandated, or at least strongly urged, reconciliation of broad program categories with overall spending figures will raise some hackles and, in a sense, diminish the prerogatives of authorizing committees as already is done for appropriating committees. Short of the authorizing committees voluntarily submitting to general fiscal discipline to achieve a balanced budget, I see no better way immediately at hand to assure balance in 1981. We had better take the medicine and come back another day to see if there is a more palatable way to cure the disease.

The need for revising the second budget resolution for 1980 is apparent. The effects of the higher-than-expected inflation of recent months plus our failure to reduce spending earlier, have forced us now to revise the 1980 deficit upward. I would recommend resisting anything more than a bare minimum upward revision under the circumstances. The charge that we will be balancing the budget next year while increasing the deficit this year is a serious and embarrassing charge.

On the whole, I believe the Budget Committee has served us well this time and I will not be offering my usual, last resort, Fisher amendment to reduce the deficit by cutting spending across-the-board. I reserve the option to try to do so in the second resolution next September if circumstances then require it, but I hope I will not have to exercise that option.

□ 1550

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Ohio (Mr. REGULA).

Mr. REGULA. Mr. Chairman, we have repeatedly heard that a balanced budget will have little impact on reducing inflation. I totally disagree with this thesis. First of all, it will be a great positive psychological impact if Government demonstrates the will and the discipline required to begin putting its fiscal house in order. Second, and pursuant to yesterday's discussion on the inflationary effects of budget deficits, I have put together some information which might be useful.

Deficits have their maximum inflationary impact when they are financed by the Federal Reserve System going into the market and buying up Government debt. When the Fed does this, it increases bank reserves The banks in turn convert these new reserves into spendable money. The money supply is increased just as if the Fed had printed up new dollar bills to purchase new Government debt issues.

When the Government runs deficits and has to market new debts, it drives up interest rates, particularly when private demand for credit is large. It is this upward pressure on interest rates which has gradually brought the Fed into the Government securities market to purchase debt. What the data show is that during periods of economic expansion, the Fed tends to increase the portion of the deficit it finances by inducing an increase in the money supply.

During the height of the Great Society period, from 1965 to 1968, the Fed increased its share of deficit financing from 12.6 percent in 1965 up to 68.2 percent in 1968. This was an example of financing the war in Vietnam by running the printing presses. It was during this period that inflation that is plaguing us today first got started.

Likewise, in the period of economic recovery from 1976 to 1979, the Fed's financing of the deficits rose from 11.3 percent to 90.6 percent in 1979. During this period we have experienced the worst inflation in peacetime history.

Although the economy is moving into a slack period, inflation insures that private credit demands will remain high, so that running a big deficit in 1981 is potentially very inflationary, if the Fed's resolve not to monetize the deficit breaks down.

The reason that the econometric models never show that deficits are inflationary or that balanced budgets will reduce inflation is because they generally assume that monetary policy will not be completely accommodating. I think the facts and the statistics make it so clear that it is vitally important in this year that we adopt a balanced budget.

Mr. GIAIMO. Mr. Chairman, I yield 2 mintues to the gentleman from Florida (Mr. NELSON).

Mr. NELSON. Mr. Chairman, our committee chairman, BOB GIAIMO, deserves the love and thanks of his colleagues, and he has that. He has furthermore the profound respect of all Members, and the list of his admirers is long. I eagerly include my name on that list.

He is a fair chairman, and has been courageous in the midst of the relentless pressures of the budget process. So, I thank you, my chairman, for your leadership and your friendship. You will be missed on the occasion of your retirement.

Now, the budget itself. The cynics and the skeptics said that we could not do it, and I remember a press conference when Chairman GIAIMO announced his intent, where we had several members of the press corps who said that it could not be done in the committee. But, I believe the committee has shown the budgetary process will work, and it can work in a responsible fashion; for it was at midnight on March 20 that an important moment arrived in the history of this Congress, because it was the first time in the 6-year history of the congressional budget process that a coalition of Democrats and Republicans came together in the committee to approve a balanced budget.

This was the result of long months of

hard work and preparation. Seven months ago the gentleman from Colorado, Tim Wirth; the gentleman from California, Leon Panetta; the gentleman from Missouri, Dick Gephardt, and I began research and discussions with other Members on possible and likely spending cuts. We realized that the time was right to achieve a balanced budget, and that it should be balanced by cutting spending. So, we began to informally pull together the coalition of Democrats and Republicans by talking to other members of the Budget Committee, all with a variety of interests. We spoke to the gentleman from Oklahoma (Mr. Jones), likewise, to the gentleman from California (Mr. Mineta), the gentleman from Illinois (Mr. Simon), the gentleman from New York (Mr. Conable), the gentleman from Ohio (Mr. Regula), and the gentleman from Minnesota (Mr. Frenzel).

☐ 1600

We knew that "knowledge is power," so we started to arm ourselves with the tedious detail to support our budget reduction proposals. Our perceptive chairman, the gentleman from Connecticut (Mr. Giaimo), gave his blessing to our effort, and the members of the Committee on the Budget last December requested of Alice Rivlin and the CBO a "shopping list" of possible cuts.

With this extraordinary, unprecedented event, when the leadership group started to meet, the leadership of the Senate and the House, including the members of the Committee on the Budget, along with the respective committee chairmen of both bodies, those meetings were held in the Lyndon Johnson room of the Capitol, and we had our particular group in part represented through informal discussions by the gentleman from Colorado (Mr. Wirth).

Through a unanimity of purpose, a consensus on spending cuts was achieved in that leadership meeting, and those meetings resulted in about $13 billion in suggested cuts from the administration's January request.

Then, as the House Committee on the Budget began to hammer out its resolution, it took into account that leadership consensus, plus adding several more cuts, and came up with a total of $16.5 billion over the President's January request. When we consider that his January request had accounted for $5.5 billion in cuts, we are talking about a total of $22 billion in spending cuts. That is what came into focus as the committee product at midnight on that March 20.

This balanced budget approach by the Committee on the Budget is the first ever to be supported by the Republicans as well as Democrats in the committee.

We did not make these cuts by percentage chops across the board. We tried to take a reasonable approach and look at the multitude of specific programs and tried to establish guidelines to aid us in the setting of our priorities. We deferred new initiatives. We slowed down several programs. We attempted to better target existing programs, and we knew that we had to make the best use of the limited resources that we had. And over and over again we asked ourselves: Can we afford this?

Mr. Chairman, we have set these priorities in the resolution. There are significant similarities to those proposed in the Senate Budget Committee's resolution that will be debated soon, and certainly also to those proposed recently in the President's revised March budget.

We also felt that our national defense needed strengthening in this time of fragile international tensions.

The Committee on the Budget of the House, the Budget Committee of the other body, and the President independently agreed on cuts on major programs. For example, all three agreed that cuts should be made in the following programs: LEAA, Strategic Petroleum Reserve, the Postal Service subsidy, highway funding, higher education, CETA, low-income energy assistance, administrative and operating expenses of the executive and legislative branches, revenue sharing for the States, and countercyclical fiscal assistance.

The amounts of the funding levels are not always the same in each of those three proposals, but the priorities are headed in the same direction.

We all realize the adoption of this resolution before this body will not end our inflationary woes, but it is a major step that must be taken in conjunction with the actions of the other body, the administration, the Federal Reserve, the State and local governments, and the absolute actions of individual Americans. All of those actions together will ultimately lead us to a solution of our inflationary problems.

The first step must be taken right now in this body. Achieving a goal of a balanced budget after 12 years of deficit spending poses a real challenge to this Congress. There are many ways to balance the budget, but this Committee on the Budget has proceeded in a way that we felt would achieve the maximum results in restraining inflation and in a way that would be most fair and equitable to all interests.

There is no doubt that numerous special interest groups will feel the pinch of these decisions, and they will understandably oppose these proposed cuts and will try to apply pressure on all the Members. We must hold the line because none of the proposed cuts in this resolution will hurt as deeply as the continuation of rampant inflation.

This year I am able to enthusiastically support our committee's recommendation. In the past I believed that the budget process was the key to guiding the Congress on the path of fiscal responsibility and restraint. Now we are on the brink of achieving one of the goals that I was personally aiming for when I came to Washington over a year ago, and that is to try to attack inflation through balancing the Federal budget in a way that would restrain inflation.

This is a balanced budget, not just in an accounting sense but also from the standpoint of policy. This is a fair and equitable resolution. We are offering a moderately conservative budget today before the House, one that is in balance, one that will send a message to the financial markets of the world that the Congress is in fact serious about getting the Nation's fiscal house in order.

Mr. Chairman, if we pass this resolution, in my judgment America will be the winner.

Mr. DASCHLE. Mr. Chairman, will the gentleman yield?

Mr. NELSON. Certainly, I yield to my distinguished friend, the gentleman from South Dakota.

Mr. DASCHLE. Mr. Chairman, the budget resolution for fiscal year 1981 will soon be considered. I support a balanced budget and believe a balanced budget is an important step in economic revitalization.

More important than my personal belief in the importance of a balanced Federal budget is the consensus opinion of the people I am privileged to represent in Congress. That consensus is clear. A balanced budget is necessary.

An unbalanced Federal budget is, of course, not the only cause of our economic problems. Our national energy policy is certainly a major cause. The cornerstone of this policy has become higher energy prices and the higher prices for energy now being extracted from the American people are eroding the foundation of our economic system. Using higher energy prices to "cure" our economic ills is like letting blood to treat the flu. If the patient survives, it is in spite of the treatment.

Economists of all persuasions disagree on the precise degree of importance of a balanced Federal budget, although all recognize a balanced Federal budget demonstrates to friend and foe alike our national resolve to solve our economic problems. A balanced Federal budget is essential.

Though supporting a balanced Federal budget, I strongly disagree with specific recommendations of the House Budget Committee as to how it should be achieved. I particularly oppose the recommended elimination of 6-day mail delivery.

Six-day mail delivery is not a luxury, especially in South Dakota. Men and women from all walks of life depend on 6-day delivery and it is vitally important to our rurally based economy.

Since the Budget Committee first recommended elimination of 6-day delivery I have received many calls and letters from my constituents opposing this reduction in service. I am very glad so many South Dakotans have taken the time to give me the benefit of their opinions on this proposal.

As many of my constituents have correctly noted, 6-day mail delivery is not the cause of near 20-percent inflation and interest rates. Six-day mail delivery existed long before our present economic difficulties. Just as 6-day mail delivery is not the cause of our economic problems, elimination of 6-day delivery is not essential to curing our economic woes. I am certain if South Dakotans could be convinced eliminating 6-day delivery was absolutely essential to the national interest, they would perhaps begrudgingly, accept it. But the people I represent cannot be convinced elimination of 6-day mail delivery is absolutely necessary because, in fact, it is not necessary.

Eliminating 6-day mail delivery has been recommended by the Budget Committee because it is an "easy" reduction. But an "easy" reduction is not always a good reduction or sound public policy. Elimination of 6-day mail delivery is a case in point. Willy-nilly elimination of 6-day mail delivery is clearly unsound public policy.

I know the chairman and other members of the Post Office and Civil Service Committee are vitaly concerned about the future of our mail service and the implications of eliminating 6-day delivery. I sincerely hope the Post Office and Civil Service Committee will be able to continue 6-day delivery and maintain our rural post offices and I pledge to work with the committee to this end. Without 6-day mail delivery and post offices throughout rural America, the consequences are indeed grave.

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from Mississippi (Mr. LOTT).

Mr. LOTT. Mr. Chairman, there have been so many statistics thrown around here in speeches in the last hour or so as I have listened to the debate that it is really sort of dizzying. It sort of reminds me of a friend to whom I was talking the other day who was celebrating over the success of his diet.

When I asked him how much he had lost, he informed me that he had not lost anything; he just had not gained as much this year as he did last year.

I would like to point out the similarity between this "diet" and the so-called balanced budget resolution that we have before us now. The truth is that this resolution calls for an increase over the current year's spending of several billion dollars, at least $44.8 billion, depending on which statistic one is checking or to whom one is talking.

It has certainly been interesting lately to listen to some of those who have contributed so much over the years to increasing spending and deficit spending and who are suddenly calling for a balanced budget. I hope the American people will not be deceived by this belated "balanced budget" charade and will remember my friend and his "diet."

This is a small step forward, and I commend the chairman of the committee and the ranking minority Member, the gentleman from Ohio (Mr. LATTA), for what they have tried to do here. It is not enough.

When we passed the Congressional Budget Act of 1974, I had high hopes that it would give us a process to at least set a target for us, because it is something we really did not have before, and that it would give us an opportunity to have some fiscal responsibility in this body. Well, it has been a disappointment. It has obviously not worked.

Maybe we are getting there, because at least now we are talking about a balanced budget, and maybe in the years to come we will have a truly balanced budget without tax increases.

So I am taking my brief time here just to urge my colleagues to support the Republican substitute that will be offered by the gentleman from Ohio (Mr. LATTA). That substitute will do the things that really need to be done for the good of this country. It is $14 billion below the committee resolution. It provides $4.5 billion more for defense, and there is a tax cut in this calendar year of some $32 billion.

The country is united in the belief that we must do something about the runaway inflation we are experiencing. I think the people of this great country of ours firmly believe that our Federal budget should be balanced to slow down this high rate of inflation. Everyone agrees that there must be sacrifice. We all know that there must be belt-tightening to achieve a balanced budget.

We cannot tighten the belt on the bloated budget the Democrats are offering. They are fattening up their budget with more and more taxes.

If we really want to do something to stop inflation we need a lean budget and the Republican substitute to be offered by Mr. LATTA will do just that.

The Republican substitute is a lot like the Scarsdale Diet. You may have to be chewing on something that you aren't particularly crazy about—but no one will starve, and you will just love the results. Our diet is the only economic menu that can cure what ails this country.

Mr. Chairman, this is the way to really get America back on the right economic track.

☐ 1610

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Texas (Mr. STENHOLM).

Mr. STENHOLM. Mr. Chairman, I would like to take just a couple of minutes to address some of the issues I have heard discussed and debated here this afternoon. I would say at this point that I will be enthusiastically supporting the Gramm-Holt amendment to this bill because of two main factors.

First, it more adequately addresses the defense capabilities and the defense needs of our country than anything we have before us and, secondly, the 20-percent cut that is requested in the regulatory agencies throughout the United States, all 17, will do more for inflation than any one thing that we will be doing, in my opinion, this year in the U.S. Congress.

I am a little bit intrigued by the somewhat frivolous attitude of many of my colleagues about the debt of the United States, $896 billion in debt that we now owe that our children and grandchildren are going to have to pay. The only way to get that in true perspective, to me, has been when you look at the facts and figures and you see that if you add up all of the value of the farm and ranch land of the United States, all of the tractors, the plows, the cows, the pigs, the chickens, the ducks, everything of material value on the food production factory in America and sold at fair market value, it would come to a little over $700 billion.

So I think that we ought to express a little more concern about this debt and to be a little more meaningful in our efforts to balance the budget and to begin reducing that debt.

Let us put something else in perspective when we talk about agriculture, because those who have contended for hour upon hour on this floor that we cannot cut food stamps, that we cannot cut those social programs that have grown so enormously, let us keep it in proper perspective.

The 1979 fiscal budget had $6.2 billion in food stamps. The 1981 budget that we have before us is $9.7 billion. That is an increase in food stamps of $3.5 billion.

Now, to keep this in perspective, what we are talking about, the agricultural budget of America for fiscal year 1981, is proposed to be $2.3 billion. In other words, the increase in food stamps alone is 150 percent of the total productive agricultural budget, and that includes soil conservation, water conservation, all of the needy productive programs of agriculture. The increase in food stamps is 150 percent of that amount.

We talk about revenue sharing for States. In 1971 we had $500 million in the Federal budget. In 1981 we are talking about $9.6 billion. And folks are saying that it is irresponsible to cut in that area. An 1,800-percent increase in 10 years, and we are being told it is irresponsible for us to make cuts in that area.

I hope that when we get into the debate, into the final debate on the amendments, we will consider this, and I for one am apparently a minority on my side of the aisle, but I believe very strongly in the need for a balanced budget and I believe very strongly that we can do this by more adequately addressing the need for a cut in expenditures than what has been proposed thus far in many of the areas, particularly those that lead to a decline in productivity for America.

Mr. GIAIMO. Mr. Chairman, I yield such time as he may consume to the gentleman from Mississippi (Mr. WHITTEN).

Mr. WHITTEN. Mr. Chairman, as you know, I have served on the Appropriations Committee for many years and now am chairman of that committee. Our Committee on Appropriations has held appropriation bills below the President's budget recommendations for 36 out of the last 37 years. According to calculations of the Joint Study Committee, over a 5-year period preceding the enactment of the Congressional Budget Act, Congress, on our recommendations, has trimmed $30 billion from the President's appropriation proposals but has added $30 billion through the back door by legislation. In a situation where back doors consistently are more favorably treated than programs provided for by annual appropriations, there will be a strong temptation within Congress to provide more and more by "entitlement."

Due to this fact, I help to sponsor the Congressional Budget Act. In fact, I was the senior cochairman of the study group which recommended such act, including provision first for setting up a "target"—then later a firm ceiling—and further that such limits be made in functional categories rather than appropriation line items, for it was apparent that such Budget Committee would not be able time-wise to hold hearings on items as does the Committee on Appropriations. I served on the Budget Committee for the first year.

Time and experience have now shown to many of us that some changes in the Congressional Budget Control Act would be in order to make it more effective. My hope is that these changes may be made. I shall discuss these needed changes later.

Mr. Chairman, I rise in support of the budget resolution though I do have individual views. The distinguished gentleman from Connecticut (Mr. GIAIMO) and his Committee have spent weeks of deliberation in the development of this resolution. My friend has demonstrated determined resolve to bring forward a balanced budget for the forthcoming fiscal year. He and his Committee in the overall have done a yeoman job.

While I support the objective of a balanced budget, I caution that we must not delude ourselves that this alone is the answer to our economic problems and the rampant double digit inflation prevalent in the country today.

We must also promote the productive capacity of our Nation. We cannot continue to tolerate the unreasonably high interest rates which exist today. American businesses and industry and American agriculture cannot afford to make the investment in productive plant and equipment that is necessary to butress and sustain our economic viability. On this count, Mr. Chairman, I have recently shared my views with the President, Secretary Miller, and Federal Reserve Chairman Volcker. Many others have similar views.

We must also take the required steps to remove unnecessary regulation from the backs of American industry and agriculture. I have introduced legislation giving the President such authority. We have gone overboard in imposing stifling regulations on many sectors of our economy. We have undertaken to prohibit those things which may be merely undesirable as against those things which are downright dangerous. The resulting expense to our economy in terms of dollars and in terms of the lack of development and modernization of our productive capacity has been severe, especially to our efforts to secure alternative sources of energy.

And, Mr. Chairman, as we strive to achieve a balanced budget we must be careful not to cripple those programs which contribute to our national wealth. We must focus our attention on those areas of the Federal budget which have in recent years proved to be the reason the budget has become uncontrollable to such an extent. I speak of the use of so-called entitlements and the provisions known as escalator clauses which have the effect of adding inflation to meet inflation.

I wish to stress to Members and others interested in and concerned with the dynamics of the Federal budget that it is not the appropriation bills which have been responsible for the heavy deficit spending of recent years. As I pointed out earlier, in 36 of the last 37 years, appropriations approved by Congress in appropriations bills have been under the President's budget. In the year the budget was exceeded, it was by a very small amount. The budget busting has occurred in legislation which has circumvented the disciplines of the regular annual review process.

This phenomena—represented principally by the growing use of contract authority flowing from legislative bills and not appropriation bills—constituted the main reason for the Congressional Budget Act of 1974. Again, I served as the senior cochairman of the Study Committee on Budget Control which did the research spadework leading to the initial recommendations which proved to be the cornerstone of the budget control legislation. Throughout these studies, the utility of the regular appropriation process to the Congress became abundantly evident. This was recognized in the 1974 report of the Rules Committee on the final legislation which supported the findings of the Joint Study Committee.

The budget control legislation, Mr. Chairman, has been largely successful in controlling budget busting in the form of contract authority. But the contract authority problem has been replaced by uncontrollable growth in entitlement programs with built-in escalator clauses which are more costly than contract authority.

When it became apparent that my distinguished predecessor of the Appropriations Committee, George Mahon, was going to retire, I requested that a study be made of the budget problems confronting us. This report showed that some 75 percent of budget outlays in the budget year were uncontrollable under existing law. In 1967, the figure was 59 percent. The study showed that from the standpoint of budget authority over 60 percent of the budget was uncontrollable. When the budget legislation was being drafted, the figure was 54 percent.

The really shocking situation the study revealed was that 58 percent of the budget is composed of entitlement programs which are directly or indirectly indexed to inflation. Some 42 percent of the budget is entitlement programs. The balance of the 58 percent is indirectly hinged to inflation. Worse still is the fact that inflation is recognized through the device known as the Consumer Price Index and I submit that the CPI was never designed as an automatic trigger to additional Federal spending for the entitlement programs.

Mr. Chairman, the Congress will never be able to get an adequate handle on Federal spending and balance the budget if control efforts continue to be directed at that shrinking portion of the budget classified as controllable. Most of our programs which contribute to our national wealth are in this category. In the report on the resolution now before us, the Budget Committee recognizes the problem and I quote the following:

> The large proportion of automatic outlays has significant implications for control of the budget. Without changes to existing laws to reduce the growth in relatively uncontrollable programs, congressional efforts to control total outlays concentrates on a small portion of the budget. Consequently, these relatively controllable programs often bear a disproportionate burden from efforts to restrain overall spending in the short run.

This is an encouraging statement to some extent but unfortunately, the resolution before us does not come to grips with this very real problem. I am certain that we cannot afford to continue focus only on the controllable portions of the budget which includes the programs which contribute to national wealth and productivity and ignore the majority of the budget including programs constructed so as to add inflation to inflation, thus compounding our problems.

Now, Mr. Chairman, there are some other matters before us at this time which require attention. I have always supported congressional budget control, but I have always insisted that an adequate and workable congressional system must contain two essential ingredients—timeliness and flexibility. The case in point is the budget ceilings for the current fiscal year—fiscal year 1980.

Since early last fall it has been apparent to at least some of us that the ceilings on budget authority and outlays in the second concurrent resolution on the budget for fiscal year 1980 would not be adequate to accommodate even our known requirements resulting largely from higher interest on the Government debt. I do not say this critically since the most obvious and significant problem was beyond the control of anyone. Let me briefly trace the developments which underscore the need for flexibility.

When the drafting of the second budget resolution was underway late last summer the interest rate assumption for 91-day Treasury bills was based on the rate existing in July. That rate was 8.2 percent. As legislative progress on the budget resolution continued through the months of September and October, it became apparent that interest rates were in rapid ascent and that if there was not a precipitous reversal, the allowance in the budget resolution for interest on the debt would not be adequate and hence the aggregate ceilings on total budget authority and total outlays for the year would not be adequate. By the time the second budget resolution was finally agreed to in November this rate had climbed to about 12 percent and the estimated cost of debt financing was increasing accordingly. The rate continued up during the winter to the 15-percent range. The cumulative effect of skyrocketing interest rates has been that the cost of financing the Federal debt is now about $7.5 billion more than what was assumed initially last year.

Before the end of last session, we knew that there would be a critical problem in providing for known additional requirements for the balance of the fiscal year. The only question was how bad the problem would be. When the Congress reconvened in January, it was evident that for all practical purposes all headroom in the budget resolution had evaporated. This was not the fault of the Budget Committee and it certainly is not the fault of the Appropriations Committee. The interest rates to which I have referred; the effects of sustained inflation on Federal programs, especially the entitlement programs; and other factors such as the Presidential cancelation of grain sales to Russia which cost about $4 billion had contributed to a situation whereby the budget ceilings would be exceeded by a considerable margin.

This situation gave me a great deal of concern particularly due to the nature of certain requests for additional funds pending before the Congress. In the interest of the orderly conduct of certain Federal programs we asked that the possibility of early action on a separate revised budget resolution for this fiscal year be explored. For a variety of valid reasons, it was decided that the revised 1980 ceiling would be coupled with the regular resolution for 1981. This is the measure before us now but its final approval may be several weeks away.

In the meantime, since January or February we have not had the flexibility to provide for some urgent requirements. For instance the disaster loan program of the Federal Emergency Management Administration and the Small Business Administration have been exhausted and their effectiveness and responsiveness have been impaired. The Appropriations Committee and the Congress have been unable to respond in a timely fashion. Further, the unavailability of revised budget ceilings has forced the committee to resort to the undesirable practice of providing additional financing by means of transfer of funds from other accounts. Last month we were compelled to transfer funds to the Federal Trade Commission to keep this organization alive for a 45-day period. The funds were derived from the International Communication Agency and the practice was criticized in this House. Yesterday, we had a transfer of funds to the Selective Service System for the personnel account of the Air Force and again the practice was criticized. I agree that the practice is not desirable but we have had no better alternative available under the circumstances.

What we need in my judgment, Mr. Chairman, is some degree of flexibility which will allow the Appropriations Committee and Congress to proceed in an orderly manner when we are confronted with the situation I have described which was largely propelled by uncontrollable interest rates. This is especially true when the problem has been associated with budget accounts which are not under the jurisdiction of the Committee on Appropriations. The Appropriations Committee has traditionally been under the President's budget and within the congressional budget resolutions. I have brought this matter to the attention of the Rules Committee and I urge that the problems be explored further.

The other chronic problem which I wish to address today is the need for advance availability of authorizing legislation.

For several years the committee has called attention in its March 15 report to the Budget Committee to the need for more timely enactment of bills providing authorizations for regular appropriations bills. Earlier this year I testified before the Budget Committee and highlighted the problem. The Rules Committee is well aware of the situation and I believe receptive to recommending appropriate changes.

The budget control legislation mandates that a well-ordered sequence of events occurs so that the objectives of the Budget Act may be met. This sequence requires that authorizations be in place before the appropriations are marked up each year and certainly before the appropriation bills are before the House. Delay in action has occurred for many key authorizations and continues to threaten the successful operation of the Budget Act. It is clear that a permanent solution must be found to this problem. Most people who have studied the situation have come to the conclusion that advance authorizations may be required. I continue to urge that the problem of late authorizations be corrected at first opportunity.

We need a congressional budget control system and plan to continue to support a system that is timely and has the adequate flexibility to accommodate a financial machine with the magnitude, complexity and variable characteristics of the Federal budget. If our system proves not to be workable, it will be circumvented and it will fall into disuse. We know this from our other experiences. If we fail to have a viable system, we will have done a disservice to the objective of responsible fiscal management and hence to the American taxpayer.

Mr. Chairman, in closing, let me again compliment our distinguished Chairman (Mr. GIAIMO) and his committee. They have labored long and hard. No Member can be completely in favor of all aspects of this resolution but the package on balance, certainly deserves our support.

Mr. GIAIMO. Mr. Chairman, I yield 3 minutes to the gentleman from Missouri (Mr. VOLKMER).

Mr. VOLKMER. Mr. Chairman, I, as many others who have spoken yesterday and today, also wish to commend the gentleman from Connecticut and the rest of the members of the Committee on the Budget for bringing before this body a balanced budget.

As one who has also, as others who have spoken, worked and hoped for a balanced budget since the time I have been here, it is very pleasing that I can stand on the floor today and see this action.

However, as one who has also been here through this process all the way through, through the fiscal year, through the appropriations process, it is good to follow the gentleman from Mississippi, the head of the Committee on Appropriations, and hope and pray that, after the balanced-budget resolution itself is finally passed on the first round, and then the second round in September, in the appropriations process we are able to hold the line and really balance the budget.

And also I wish to say that I had just hoped that the gentleman from Connecticut would have changed his mind and decided to stay through the whole process so that when we are standing here maybe next year that we are not asking to add increases on this same budget in order to put it right back out of balance. I know it is going to be a continued fight. I know the gentleman has fought the fight well.

I would like to say to the gentleman and to the rest of the Members that I hope that they will not support the substitute of the gentlewoman from Maryland or any other substitute, and stick with the Committee on the Budget on this resolution. I personally plan to do so. I feel that it is the best that can be done by this body at this time.

Mr. Chairman, I yield back the balance of my time.

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Minnesota (Mr. VENTO).

Mr. VENTO. Mr. Chairman, this year, aside from the political arena, no single domestic issue has grabbed more headlines or generated more discussion than a balanced budget for fiscal year 1981.

The question is not whether we will have a balanced budget in 1981, but rather how we will balance that budget as one of many efforts we need to beat inflation. It is but one of several initiatives that must be taken at a time when sky-rocketing costs and high interest rates continue to eat away at the productive elements in our society. There is no doubt that inflation is diminishing our standard of living. Therefore—

We will act now, and we hopefully will act with equity.

Most important, we hopefully will act wisely and compassionately.

Since elected to Congress in 1977, the budget deficit has been reduced by over $32 billion. I have joined many of my colleagues in supporting fiscal restraint by reducing spending in areas and programs that have proven wasteful or have outlived their usefulness. I have strongly endorsed both oversight and sunset legislation to better guarantee that those Federal dollars committed to programs, are dollars well-spent. We are far from reaching that goal, but we have made progress and we must continue in that vein.

Today, as we begin work on a budget resolution that will set targets for appropriations and authorizations in 1981, we must be cognizant of basic commitments we have made in the past. We must not—in a mad rush to balance the budget—act blindly or in a vacuum. A balanced-budget figure will be meaningless if we choose to ignore the ramifications of our actions on the people of our great country.

The judgments we make in the weeks and months ahead must be judgments not only for the future, but based on our actions of the past. Many have been right, some have been wrong; some we should no longer justify. But if we lack perspective or if we lack compassion, no balanced budget will justify the means to that end.

Once we adopt a spending cut discipline the real test, of course, will be to establish spending priorities within that directive and to make the difficult choices about what programs should be cut and to what degree they should be cut.

The dilemmas Congress will face in this task cannot be better expressed than by the results of a Harris Poll taken early last year. Even though 69 percent of the respondents opted for a balanced-budget amendment and "major cutbacks" in Federal spending 78 percent opposed cuts for the elderly, handicapped and poor; 73 percent opposed cuts for education; 62 percent defense; 57 percent environmental problems; and 58 percent opposed cuts for help for the unemployed.

The obvious conclusion is that people realize that one component in our fight against inflation is to reduce Federal spending. But they also realize that slashing huge chunks from programs that help people in our society to meet basic needs is untennable.

I think the people are right.

I do not rise today to criticize the diligent efforts of the House Budget Committee to hammer out an acceptable budget resolution. Indeed, our colleagues on the Budget Committee have worked painstakingly and with a sense of fairness. They have commented on the pain involved in reducing target spending levels, and their recommendations reflect hours of work and compromises that surely merit our serious attention.

At the same time, we must give every consideration to the proposed amendments to this resolution, all of which balance the budget, but which differ dramatically in the way that it is accomplished.

I am specifically concerned that the budget resolution we approved this week broaden the consensus among House Members that increase the likelihood that our authorizing and appropriations committees can meet the goals we establish with a minimum of conflict and controversy.

If there are inadequacies in the House budget resolution now before us, we must define them. We should not preclude the notion that a balanced budget can only be realized by spending cuts without tax reforms. By far the most important consideration, however, is that we approve a budget that is as equitable and as fair for all segments of our society. It would be wrong to slash away at programs that benefit those who are already hardest hit by inflation while leaving other stones unturned.

My personal commitment to a fiscally responsible Federal budget remains as strong today as when I came to Congress in 1977. I have voted against well over 100 spending measures during my 3 years in Washington because they were either unnecessary or wasteful; I have consistently supported our successful efforts to substantially reduce the deficit each year since 1977.

I am ready and willing to work for further cuts, but I am not prepared to support any budget proposal that closes the door to millions of Americans who look to Congress for leadership in maintaining viable programs that we need today as much as we did in years past.

I urge my fellow colleagues to reaffirm our commitment to meet people's needs. I am confident that this body will meet that challenge.

□ 1620

Mr. LATTA. Mr. Chairman, I yield 5 minutes to the gentleman from California (Mr. Dornan).

Mr. DORNAN. Mr. Chairman, when President Carter ran for office 4 years ago, the theme of his campaign was that America had to return to a government as good as its people. Four years later, we might want to be more specific: America deserves a Congress as good as its people, a Congress that will play it up front, out in the open, and straight. A Congress that will not hesitate to come to grips with high rates of inflation by paring spending and digging out waste whenever and wherever it can.

I cannot believe that this Congress, with a rate of inflation, hovering around 20 percent, with massive economic problems that threaten the welfare and prosperity of our people, indeed that threaten their very financial survival, will belly up to the same old fiscal bar, uncork the deficit, and take another deep draught of what ails us.

This Congress has been drunk on deficits for 18 out of the last 19 years. And now we are reeling under the effects of runaway inflation, and like other sots who withdraw into their woozy private world, we are abdicating responsibility. We abdicate responsibility to regulatory agencies that are financially murdering small businessmen. We abdicate responsibility to the IRS, that goes blithely about usurping congressional authority to make tax policy. The majority in both Houses simply refuses to tame an arrogant, incompetent bureaucracy. And this June or thereabouts, the U.S. Supreme Court may abrogate the provisions of article I, section 9, taking away our spending power and relieving us, in principle, of the budget process. The shackles of the Constitution can be released. The bureaucracy can spend, the Supreme Court can spend, everybody can spend.

The American people are once again being deceived. We are trumpeting a balanced budget, and many Americans believe that the Federal deficit will not increase this year. Why? Because the so-called budget is dishonest: It does not reflect the real world. In fact, as everyone in this House knows, the Federal Government will be spending $18.7 billion in off-budget items in fiscal year 1981. But that spending does not show up in this budget resolution. Another $18.7 billion will be spent without any debate, without any question, or challenge from the floor. How can we continue to talk about a budget surplus when the Federal debt ceiling will increase another $16.1 billion this year?

This policy of governing in the sunshine and budgeting in the shadows becomes more pronounced this year than ever. The Federal debt ceiling is now no longer a separate issue. We will no longer take a stand on whether this country will sink deeper and deeper into the netherworld or outstanding obligation. By a new, improved majority packaged process. The Federal debt ceiling will be raised automatically with the approval of the budget. That is so convenient, so politically safe, no muss, no fuss. The majority of this body determined last September that what is important is not what should we spend, but what will we spend.

Those who argue that separate debt ceiling was unnecessary, that the size of the debt was always predetermined by spending decisions of the budget, typify the attitude that has gotten us into this mess. The Congress sets a budget, spends first and asks questions later.

The separate debt ceiling vote was not symbolic. It was embarrassing. It made Members uncomfortable, the same way the third budget resolution would make Members uncomfortable. That is why both items are now hidden in this resolution. Three times in the last 5 years, the majority party has found it necessary to adjust upward the second and supposedly final budget resolution. Inflation boosted spending exceeded even the generous limits set by the leadership of this body. A third budget resolution would only attract the voters' attention to the fact that spending is out of control. Responsibility might actually be laid at the feet of those who wield power in this legislature. Obviously, this is no time to be obvious.

The majority's answer to political problems with the budget is to hide them. Keep certain items off-budget, raise the debt ceiling without a vote, increase last year's spending while working on this year's spending. Congressional slight-of-hand may fool some of the public. But Honest Abe Lincoln was right—it will not work all of the time.

If Government in the sunshine is more than a slogan or a line to get votes, this House must give the American people a fighting chance to balance their own personal budgets. I ask all Members who truly feel for their constituents to support the sensible alternative offered by the distinguished gentleman from Ohio (Mr. Latta).

Mr. GIAIMO. Mr. Chairman, I yield 5 minutes to the gentleman from Missouri (Mr. Gephardt).

Mr. GEPHARDT. Mr. Chairman, I want to address my remarks today by saying that I think we should commend the work of the committee and the House and the many Members in the House who have spent so many hours trying to put this budget together.

I think especially commendatory is the work of the chairman of the Budget Committee and the work that he and his staff have expended in putting the pieces of this project together.

Also, I think we have to laud Members like the gentleman from Texas (Mr. Gramm) and the gentleman from Michigan (Mr. Stockman) and many others who have worked so hard to address the need to cut programs in order to balance this budget.

I reject the position that this is a paper balance or that this is a game or that we really do not have a balanced budget.

I strongly believe that the budget that the Budget Committee came out with is in balance and it was achieved overwhelmingly by cuts in expenditures. I think if you have been home and talked to your constituents and your interest groups, you are well aware that we have made deep cuts in many parts of this budget.

I think we also realize that the first budget resolution is really a press release. It really does not achieve a balanced budget. It is the first step toward a balanced budget. We will not know if this budget is really balanced or near balanced until we see how we address our appropriations or how we deal with reconciliation or what the second budget resolution looks like.

I think we are all well aware that we have made one tiny step toward a balanced budget and that the real litmus test whether it is balanced or not, whether it is restrained or not, will come this summer and this fall when we actually appropriate money and make cuts in programs and try to reconcile ourselves with the targets that are in this budget.

But I think it is important to balance the budget. I want to spend just a moment talking about that and why I think it is important. It has been said many times here today that balancing the budget is not going to have a big impact on inflation. I think that most economists' projections are probably right, that it will have a minimal impact on fighting inflation.

But I think we have to look at some other facts as well. I think we have to understand that the fight against inflation, out of which this balanced budget was born, is a process, and it is a process that has many, many pieces.

□ 1630

All the pieces have to be put together in order to achieve an ultimate victory. Those pieces have to be held together over a long period of time. We have to have an energy policy that really works. We have to have fiscal and monetary restraint over a long period of time. We have to improve productivity in our country.

It seems to me we have to find a way for the Government more efficiently than it has in the past to interfere with the inflationary psychology that has grown up in this country over a long period of time. None of those things is easy to do, and certainly fiscal restraint is difficult to do. But let me just cite some quick facts that indicate that balancing the budget is important beyond the obvious economic impacts.

We have been concerned in the last few days about interest rates and what interest rates mean to our economy. Let me just cite some quick simple facts. In the last 6 months of 1979 the total intermediate- and short-term borrowing in the private and public sector came at the rate of about $1.6 billion per week on average. The rate of total borrowing for the first quarter of this year was at about $4 billion per week. So we have almost a tripling of the rate of borrowing in the intermediate- and short-term markets and, as my colleagues know, that is what sets the prime interest rate.

It is also interesting to note in the last 6 months of 1979 the Federal Government constituted about 25 percent of that intermediate- and short-term borrowing, but in the first 3 months of this year the Federal Government constituted 50 percent or $2 billion per week of the borrowing that went on.

Is it any wonder that we have short and intermediate interest rates and a prime interest rate of 20 percent?

If we had balanced the budget, if we had been able to do that a year ago, we would have had, I think, much less impact on the credit market, lower interest rates, less inflation because of that one factor. So I think that no matter how we cut it, no matter how we look at the facts, we have to conclude that fiscal restraint, balancing the budget, or coming close to doing it, is a very important element in addressing the problem of inflation.

The CHAIRMAN. The time of the gentleman from Missouri has expired.

Mr. GIAIMO. Mr. Chairman, I yield 2 additional minutes to the gentleman.

Mr. GEPHARDT. Mr. Chairman, I would simply conclude by saying I hope we also understand today that that effort will require a commitment on the part of the Members of this body to do three basic things, in my view.

First, we have to have a commitment to reconciliation, a commitment on the part of every Member to live with the numbers that are in this budget, both in terms of revenues and expenditures over the next year, a commitment that will play out in actions, hundreds of actions we will all take in our committees and on the floor through the next year.

Second, to me it means a commitment to oversight an evaluation of programs. We have gone through a lot of upset in the last few weeks in putting together this budget. Part of the difficulty of doing it was the fact we did not possess enough facts, enough knowledge about the programs that we have voted on for years in the Federal Government. The only way we are going to possess that knowledge in the future, the only way we are going to live with reconciliation is to do a much better job of evaluation and oversight.

Lastly, in my view, we are not going to do that job until we change the schedule of this body. Somehow, some way, we have to dedicate the time in our daily lives in this body so that we can achieve oversight and evaluation, whether it is done during the week, so many days that are dedicated to oversight, or whether it is done for a month of oversight and a month of new legislation. Some way we have to order ourselves here so that we can do the hard work of overseeing what we have done so in the future we can make easier this business of fiscal restraint.

Mr. LATTA. Mr. Chairman, I yield 35 minutes to the gentleman from California (Mr. ROUSSELOT).

Mr. ROUSSELOT. Mr. Chairman, I find it extremely difficult to support this budget resolution (H. Con. Res. 307) which admittedly is balanced. I am delighted to see all of the new converts to this new policy. I think it is very rewarding to see so many climb over the fence and get on the right side of the budget issue.

My great concern is that if we accept this resolution (H. Con. Res. 307) as it came from the committee, the American taxpayers would carry an additional burden far beyond what they are already unfairly being asked to bear—that is, $96 billion of new taxes. I just do not think that is justifiably right, nor fair. So I will support the Latta substitute (H. Con. Res. 314) which I think is far more rational, far more sound, and a far better indication to the American people that the Congress has finally accepted its responsibility to not only balance the budget, but also to reduce the tremendous tax burden that the Federal Government is now asking the working taxpayer to carry. The Latta substitutes also reduces to some degree the additional tax burden that they will be asked to carry in 1981 if Congress does nothing to adjust tax rates downward.

Further, I believe the Latta substitute is more responsible in restraining increases in expenditures and for that reason I intend to support House Concurrent Resolution 314.

May I take this time to discuss another issue that was raised by several of our colleagues. I was impressed by the discussion by my colleague from California (Mr. DELLUMS) who repeated what I consider to be an "overused" fairytale. That is that 75 percent of the budget that is presented to Congress twice each year, is "uncontrollable." We are told over and over that so much of the expenditures are in concrete and that we can do nothing about it. That is just false. I think that part of the record should be made here that we do not have to accept the absolute conclusion that 75 percent of the expenditure portion of this budget is uncontrollable or untouchable, and we, as a Congress, can do nothing about it.

I think my colleague from California (Mr. DELLUMS) was correct when he said that 10 years ago, just as short a time ago as 10 years, we were told that 66 percent of the budget was "uncontrollable." I wish to discuss briefly why I do not accept this argument that the expenditure portion of this budget is uncontrollable.

THE DEFINITION OF BUDGET CONTROLLABILITY

Like the term "tax burden," budget controllability has two general meanings. First, there is the most common usage, which is political or nontechnical. "Controllability" is one of those terms—useful yet unclear when used in this context; like other "catch words," the meaning is left to the listener.

The second usage is more precise and this more technical definition is the topic of this discussion. The term "controllability"—as it pertains to budgeting—stems from the Budget Act of 1974 which requires a distinction between those budget items which are classified as controllable and those which are not. "Controllability" really means "relatively controllable by Congress under existing law in the budget year."

The key phrase here is "under existing law." To illustrate, many programs are funded automatically under spending authority that is permanent and which does not require annual, or even periodic, appropriations.[1] The best example of a permanent appropriation is the payment of interest on the public debt, an outlay that need hardly be subject to annual appropriation since the holders of Government bonds have an unquestioned claim on the principal and interest guaranteed on the face of the bonds. Most of the permanent appropriations are the trust funds which are funded primarily from earmarked or special taxes, the best example being social security funding.

"Under existing law" really means that, if Congress takes no action, the spending will take place, and this is the crux of "budet controllability." Obviously, the notion is a misnomer; Congress can control expenditures in any program—by changing existing law in the case of "uncontrollables" or changing the appropriation in the case of "controllable" (discretionary) items.

Furthermore, the term "uncontrollable" often connotes the wrong impression as to "changeability." Programs classified as uncontrollable are not necessarily more difficult to change than programs classified as controllable. Again, the technical interpretation only pertains to whether or not congressional action is required to alter spending in the budget year. If spending would take place in lieu of such action, the program is, by definition, uncontrollable, which says little or nothing about the political feasibility of changing a program. In fact, changes are often made to many programs classified as uncontrollable.

CONTROLLABILITY AND THE FEDERAL BUDGET—THE NUMBERS

The budget may be divided into controllable and uncontrollable portions using the unfortunate but legally imposed definition stated above. For 1981, about 75 percent of the Federal budget will be classified as uncontrollable. Therefore, only 25 percent of the budget is considered controllable. A listing of major controllable and uncontrollable budget accounts is attached at the end of this issue paper. Thus, for a budget in excess of $600 billion, more than $450 billion would be classified as "uncontrollable" and therefore would be spent in the budget year unless existing laws affecting these programs are changed.

The uncontrollable portion of the budget may be divided into three main types of spending authority: First, permanent appropriations; second, mandatory appropriations;[2] and third, any other spending resulting from previously available budget authority. As noted below, spending resulting from the third category is termed prior-year outlays. Here is how these three types of uncontrollable spending authorities translate into expenditures:

First. Spending resulting from permanently appropriated budget authority constitutes approximately 56 percent of all uncontrollables, or about 42 percent of the entire budget. Social security is an example.

Second. Spending resulting from mandatory appropriations constitute about 20 percent of all uncontrollables, or about 15 percent of the total budget. Medicaid funding is an example.

Third. Any other spending (that is, other than from mandatory or permanent appropriations) resulting from previously available spending authority constitutes about 24 percent of the uncontrollable portion of the budget, or about 18 percent of the total budget. This spending is termed "prior-year outlays" and is classified as uncontrollable because, without further congressional action, the spending would occur. Examples are fully funded military projects (such as an aircraft carrier) and "forward-funded" education programs.[3]

THE ISSUE: REGAINING CONTROL OVER THE FEDERAL BUDGET

The budget has become three-quarters uncontrollable as a result of deliberate actions. Regaining control over the Federal budget can only occur as a result of deliberate actions.

First. Regaining control over the Federal budget must rest on a base of strong leadership because making changes in specific Federal programs will be vigorously opposed by the well-focused interest groups associated with each and every Federal program. While some would argue that the institutional organization of the Congress is to blame and that unless changed, increasingly less control over the budget is inevitable, probably a stronger case can be made that the present arrangement simply needs a big push in the form of Congressional leadership. For example, such leadership might take the form of enacting a meaningful sunset law that would automatically terminate Federal programs unless specifically reenacted. Likewise, leadership from the White House could take the form of mustering public support for budget restraint and reform.

Second. The budget must be recognized as dynamic instead of static. Despite the fact that most Federal spending results from prior actions and that other budget actions generally affect future years—called out-years—the Congress and the Executive still operate a 1-year budget process. A 1-year budget process is simply incompatible with the reality of how the Federal Government and its budget actually operate. Congress can bind future Congresses; the uncontrollable portion of the budget is proof. A meaningful multiyear budget process is a prerequisite to regaining control over the budget.

Third. The country, the Congress, and the President must recognize that there is no end to the need for more Federal programs. No matter how big a program, no matter what good it may bring, there will always be demands for more. These needs should be viewed in the broader context of affordability, of living within one's means. Failure to do so leads to greater social problems—in both human and dollar terms—and more needs which lead to more programs, and this cycle goes on and on and becomes harder and harder to break. We must learn to say "no" to worthwhile programs because we cannot afford all worthwhile projects.

Fourth. Although the lion's share of the problem of the budget controllability has not been with new programs enacted each year, all programs were once new. Thus, any and all new programs should be carefully crafted with clear spending limits spelled out so they do not become the uncontrollable monsters of the next decade.

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Mr. HOPKINS. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes, I will be glad to yield to the gentleman from Kentucky.

Mr. HOPKINS. I thank the gentleman for yielding. I regret that I did not hear all of the comments of my colleague, the gentleman from California, in their entirety. I only caught the last part as I came in. The gentleman was speaking about the area of controllables.

Mr. ROUSSELOT. Controllable and uncontrollable portions of this budget.

Mr. HOPKINS. How much do they claim is uncontrollable in that budget?

Mr. ROUSSELOT. The current claim is that 75 percent is uncontrollable, and that the gentleman and I, as Members of this body, can do nothing about it. It is all in concrete.

Mr. HOPKINS. Who wrote those uncontrollables in?

Mr. ROUSSELOT. It was all done by the Congress of the United States. That is my point. It is established by existing law. We can change existing law. We do change existing law, sometimes with appropriations.

Mr. HOPKINS. In other words, what my colleague is saying is that Congress wrote those uncontrollables in and Congress can write them out.

Mr. ROUSSELOT. Absolutely.

Mr. HOPKINS. I thank the gentleman very much.

Mr. ROUSSELOT. It is wrong to keep talking about so much of this budget as being uncontrollable. That is false.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. ROUSSELOT. Yes: I will be glad to yield to my distinguished colleague, the gentleman from New York, who I was surprised to hear say that the Carter budget was fraudulent in many ways.

Mr. BAUMAN. If the gentleman will

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[1] Not all permanent appropriations run indefinitely. The authorizing legislation for many programs which may provide for permanent appropriations may not be permanent, that is, the program's authorization may actually expire, at a date certain.

[2] As the name implies, mandatory appropriations must be enacted. Failure to do so leaves the government liable to civil judgements which would be won by qualified participants in any one of a number of so-called entitlement programs. Unlike Social Security, many entitlement programs are not funded (at all or in part) by specially earmarked taxes or by any permanent appropriation, and thus require appropriations. Beneficiaries have a legal claim to the benefits established by law. Failure to appropriate sufficient budget authority to pay these benefits could result in a judgement against the United States which would be paid in lieu of appropriations.

[3] As they are always presented, Federal budgets show spending authority in the form of "new" budget authority. Budget authority, which comes in many different varieties, is the legal authority to spend Federal funds. "New" budget authority is spending authority made available for the first time in any particular budget year. For fiscal year 1981 (which begins October 1, 1980) about 32 percent (around $200 billion) of the total spending will result from "old" budget authority, i.e., spending authority previously available.

yield, no; he did not say that; he said he did not know what he was doing.

Mr. ROUSSELOT. He did not know what he was doing—the President.

Mr. OTTINGER. I am concerned a little bit because what the gentleman says is technically true. What we can do, we can theoretically undo.

Mr. ROUSSELOT. It is not theoretical. It is by law.

Mr. OTTINGER. It is by law, but the gentleman, as I take it in his comments, for example, is not suggesting we should default on the public debt.

Mr. ROUSSELOT. It is very firm, because the Treasury has issued bonds to cover that debt, and it is an obligation between the Treasury and the people who buy those debt securities.

Mr. OTTINGER. The next item the gentleman suggested was social security, which really involves a compact between us and the employers and employees of the country.

Mr. ROUSSELOT. And the recipients of the social security benefits, yes.

Mr. OTTINGER. And they pay in for that. While we have the power to change that—and there have even been suggestions by the President that we make very severe changes in the levels of this—is that in the area in which the gentleman is recommending we make changes?

Mr. ROUSSELOT. I have not suggested any particular area. I will make some suggestions when we get to the Latta substitute. My point is that any authorizing committee in this House or the Senate, or the Committee on Appropriations, can in fact modify—and many times we do modify—existing law. So I believe it is wrong to keep telling the public that 75 percent of the Federal budget is uncontrollable. I say that is false. The expenditures are established by law, and we can change those laws anytime we so desire, and sometimes we do it. We do it in appropriation bills by amendment.

Mr. OTTINGER. My point, if the gentleman would yield just briefly further, is that while we can do it, it is very difficult to do it because commitments have been made.

Mr. ROUSSELOT. I understand.

Mr. OTTINGER. And people have acted in reliance upon our commitments and, therefore, we are going to cause very grave disruptions if we in fact change those commitments which we have made for automatic or entitlement expenditures.

Mr. ROUSSELOT. I am not concerned that grave distress would be caused in many cases. Nobody foresaw 20 years ago when we were writing much of this legislation that inflation would accelerate the cost of these programs to the degree that it has. And I do not even agree with my colleague, who has just stated that the President is proposing drastic changes in social security payments. He is talking about future payments in most cases. But I am merely trying to establish the fact that this Congress wrote the law, and it has the right to amend it anytime it so desires.

To address the point that my colleague is making, it may be difficult to change existing programs because there are constituencies out there that come bouncing into Washington, as our chairman has said many times, when they perceive that they are "threatened." They become concerned that the increases are not going to go on forever at 15 or 20 percent every year, like, say, the Department of Education, which got a 30-percent increase over the original funding proposed. I say that is a healthy increase.

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The National Education Association goes bananas when you tell them they are not going to get that kind of an increase every year. I say that sooner or later we have to start telling those people we do not have an endless supply of money. The printing press cannot run forever. These expenditures are coming out of the taxpayers' pockets. The taxpayers are the ones who have to pay for this very expensive Federal Government. Sooner or later the Congress is going to have to accept the responsibility for modifying these increases and to limit them to reasonable, affordable levels. It is wrong to say that Congress has no control over 75 percent of these expenditures. We can change them, we can reduce them and I think we ought to start doing it.

Mr. OTTINGER. Will the gentleman yield?

Mr. ROUSSELOT. Of course, I will yield.

Mr. OTTINGER. The education portion that the gentleman referred to, you may or may not agree to it.

Mr. ROUSSELOT. No, I certainly do not.

Mr. OTTINGER. They are classified as uncontrollable. Indeed, it is one of the areas that you and your colleagues are proposing to cut.

Mr. ROUSSELOT. I will say to my colleague that I have studied the functional categories of this budget, and I have done it very carefully. I find there are an awful lot of constituencies out there that just automatically expect those 10- and 20-percent increases. If you do not give them to them they predict extremely dire results. You and I know that in the majority of cases, the programs and their constituencies will survive comfortably without these huge increases.

Mr. OTTINGER. I do not think that is largely so regarding what we classify as uncontrollable. Generally I agree with the gentleman, they are particularly subject to our control, but they do have very substantial commitments. I think they have to be treated with that degree of seriousness.

Mr. ROUSSELOT. I am sure the gentleman would not want to state that one Congress can commit funds forever. Every 2 years we have a change of Congress, a new Congress—that Congress having the ability and the obligation to review all programs and give a little oversight to them. Would the gentleman agree that would be perfectly normal?

Mr. OTTINGER. I agree with the gentleman and I think that is far easier to do, I suppose. It is the way you get down to the bottom line with respect to the discretionary expenditures that it is with those programs like social security where we have asked people to pay in out of their salaries, we have asked companies——

Mr. ROUSSELOT. We have taxed them. We have not asked them to pay in, we have taxed them. We have hit them with a real social security tax. It is going up, as the gentleman knows, for both employers and employees in January.

Mr. OTTINGER. I hope not.

Mr. ROUSSELOT. Well, your Democratic caucus voted against the increase, but that view is not part of the committee's budget resolution, is it?

Mr. OTTINGER. It is not.

Mr. ROUSSELOT. Let me say to my colleague that I do believe a substantial portion of the so-called 75-percent uncontrollable spending is far more controllable than a lot of the Members of Congress would be willing to acknowledge. Could the gentleman agree with that?

Mr. OTTINGER. I think we probably could.

Mr. ROUSSELOT. Fantastic. We have arrived at an agreement. With that, I probably should give up my 20 minutes. I yield back the balance of my time, Mr. Chairman.

● Mr. RANGEL. Mr. Chairman, in contrast to the current drive to hold down Federal spending and to balance the fiscal year 1981 budget, certain congressional committees are beefing up the 1981 military budget at an accelerated rate. It appears that events in Iran and Afghanistan have created a hysteria in this election year to vastly increase defense spending. Actions taken to date by certain subcommittees of the House Armed Services Committee have made it appear likely that the Carter administration's original $158.7 billion military budget could be increased by as much as $10 billion by the time the budget process is completed this summer. Examples of these actions include the House Armed Services Research and Development Subcommittee voting to add $400 million for the B-1 bomber, which Congress has rejected on several occasions in the past, in the guise of a cruise missile carrier.

Similarly, the House Armed Services Subcommittee on Seapower and Strategic and Critical Materials voted to add $2.2 billion to the administration $6.1 billion request for Navy shipbuilding in fiscal year 1981. Included in this $2.2 billion are funds to add two attack submarines, two frigates, an amphibious ship as well as funds to refit and recommission the mothballed battleship *New Jersey* and the aircraft carrier *Oriskany*. The military justifications for recommissioning these two ships are dubious to say the least. This is just a part of the $3 billion Armed Services subcommittees have added to the administration's defense budget which already represented a 5-percent increase, after inflation, over the fiscal year 1980 budget.

I am in full agreement with the concept that the United States needs to maintain a strong national defense, but the DOD must be required to examine its priorities and budget accordingly. As other governmental agencies have been asked to examine their budgets and eliminate waste, DOD must also be held accountable for their prolific spending. Exorbitant DOD spending results in the waste of valuable tax dollars at a time when we need to make every dollar count. We can no longer allow the DOD or any Government agency to spend huge sums of money without first being convinced that we are getting the most for our tax dollars.

In a time of budget austerity and calls for holding down Federal spending levels, it seems to be the height of hypocrisy and fiscal irresponsibility to propose military spending increases of 5 percent and better while at the same time advocating massive cuts in social programs. I urge my colleagues to join me in resisting the current move to balance the fiscal year 1981 budget on the backs of the poor and disadvantaged of this country while at the same time pushing for huge increases in military spending. If the fiscal year 1981 budget is to be balanced, it must be done in such a fashion that no one segment bears a disproportionate share of the burden.●

● Mr. HARRIS. Mr. Chairman, the country's economic problems demand forceful action on many fronts. A critical first step that must be taken—and one which Congress has the most control and responsibility—is balancing the Federal budget. This will not be a cure all for the record-high inflation rates we are experiencing, but without a balanced budget, any anti-inflation program will be seriously undermined.

Balancing the budget will have an important psychological impact by saying to American people that the Federal Government can and will limit Federal spending so that we can break the inflationary spiral. The Federal Government must be the leader in making the kind of sacrifice that is needed from all sectors of the economy if inflation is to be brought under control.

I am disturbed though, with how the House Budget Committee eliminated the projected deficit for fiscal year 1981. While the Budget Committee dramatically slashed the funding for valuable Federal programs like impact aid and LEAA. The resolution ignores a huge area of uncontrolled Federal spending—wasteful Federal contracting and yearend spending abuses.

As chairman of the House Civil Service Subcommittee on Human Resources, I have been conducting a major investigation into wasteful Federal contracting and yearend spending sprees. The subcommittee's probe has revealed that funds appropriated for specific programs are not being rationally obligated to achieve the congressionally mandated objectives. Rather, the funds are being pushed out in the final weeks of the fiscal year on questionable contracts and grants.

GAO investigations, done at my request, document the fact that funds are being diverted from the purposes laid out by Congress, causing millions, perhaps billions, of dollars to be wasted on unnecessary projects and purchases during the last 2 months of the fiscal year. Federal agencies operate under a "use it or lose it" policy which reflects a fear that their budget will be cut the following year unless all funds are expended. Former Treasury Secretary Blumenthal testified that yearend spending amounts to agencies "literally pushing money out the door with a wheelbarrow."

In fiscal year 1979, seven major Federal agencies spent more than 20 percent of their single year appropriations in the last 2 months of the fiscal year: 47.2 percent at HUD ($16 billion), 41.7 percent at EPA ($2.2 billion), 22.9 percent at HEW ($14.3 billion), 30.3 percent at Commerce ($907 million), 23.1 percent at Interior ($1.3 billion), 22.1 percent at Postal Service ($3.2 billion), and 22.8 percent at DOT ($1.4 billion). If these seven agencies had limited spending to 20 percent in the last 2 months of the fiscal year, they could have saved $13 billion.

A substantial portion of this amount could have been returned to the Treasury with minimal adverse effect on congressionally mandated programs. I feel strongly that this money should not be pushed out at the end of the fiscal year. This is where the budget cuts can be made. This is where budgetary controls should be exercised. That is why I proposed an amendment to the budget resolution which would plug this loophole. A 20-percent spending limitation in the budget resolution would send a clear message to OMB and to every Federal agency that Congress will no longer tolerate wasteful yearend spending.

The House Rules Committee, in an effort to insure prompt and orderly consideration of the fiscal year 1981 budget resolution, granted a modified closed rule, making in order only a few major substitutes to the resolution. I am very disappointed that this rule is so restrictive that the full House will not even get the opportunity to discuss my savings proposal. This wasteful expenditure of Federal money at the end of the fiscal year could be cut without affecting many of the valuable Federal programs jeopardized in this budget resolution.

I wish to put the House of Representatives on notice that I intend to continue my fight to eliminate wasteful yearend spending when the House considers the fiscal year 1981 appropriation bills of agencies which have had excessive yearend spending in previous years. I have also introduced legislation, (H.R. 4717), to eliminate yearend spending sprees and wasteful Federal contracting which I estimate could save over $10 billion. This legislation, with 55 cosponsors, was reported out of the Post Office and Civil Service Committee in December 1979, and is now being considered by the House Government Operations Committee. I am hopeful it will be considered by the full House this summer.

I think it is time for the Government to be a smart manager by enforcing its avowed policy of cost-effective contracting and by establishing firm controls over yearend spending sprees. I believe it is our responsibility to institute controls which eliminate this waste. However, what this budget resolution does is to cut the easily identifiable programs which are politically visible rather than emphasizing the more difficult task of actually squeezing out the waste and saving the program.

BALANCING THE FEDERAL BUDGET IS ONLY THE FIRST STEP

While balancing the budget is a critical step, we must develop a comprehensive Federal policy to curb inflation. Corrective action must be taken in the specific problem sectors—energy, housing and food. Budget deficits cannot be used as scapegoat for the real problems.

Skyrocketing energy costs are at the heart of high prices today. The rise in energy prices is clearly rippling through the economy and fueling the inflationary spiral. What we need is an energy policy that will help contain inflation rather than spurring it to even higher levels.

Unfortunately, the administration has instead adopted policies that guarantee higher prices. President Carter's decision to decontrol domestic crude oil prices has allowed big oil to reap billions of dolllars of unearned profits at the expense of the American consumer. I feel strongly that Congress must reimpose controls on energy costs. Allowing oil prices to rise to the so-called market level when that level is dictated by OPEC nations is an open invitation for price gouging by the oil companies. Tough, effective inflation fighting begins with the reimposition of oil price controls.

Congress should also enact legislation which I have cosponsored to establish an independent oil import purchase authority. At the present time, oil companies import petroleum at the price OPEC demands and neither the oil companies nor OPEC nations want the system changed. But by requiring sealed, competitive bids for oil import licenses, we can break the OPEC-big oil alliance which profits from hardships imposed on the average citizen.

Other policies, such as increasing interest rates, should be reversed. Record interest rates could well throw the entire economy into a serious recession by forcing plant closing and layoffs, discouraging investment, and slowing needed technological improvements in the manufacturing sector.

High interest rates are also blowing the bottom off the construction industry and placing the price of homes well beyond the reach of young families who must abandon all hopes of raising a family in a home of their own. Like the decontrol of domestic oil prices, high interest rates are victimizing working Americans for the sake of textbook solutions that just will not work.

We cannot cure inflation overnight. The problem we face today is the product of ill-advised policies by successive administrations and successive Congresses. Decisive action must be taken and unpopular decisions made. Above all, we must face head on the special interests who profit from unrestrained oil prices and high inflation.

We must pass a balanced budget in fiscal year 1981 and break the inflationary spiral. But our anti-inflation package must also include energy price ceilings, competitive bidding for oil import licenses, and elimination of wasteful Federal contracting and yearend spending sprees.●

● Mr. WAMPLER. Mr. Chairman, I rise in support of what we are trying to begin here today. It will not be easy, but it is a necessary first step to bringing some order out of the chaos into which our national economy has been thrust. We all recognize and understand that there is no immediate magic in balancing the budget. The Budget Committee, in its report on this resolution, says, "The committee is fully aware that its target of a budget in balance will not in and of itself result in an immediate and dramatic reversal of the current inflationary trends."

There will be no fast relief, and there will be some additional sharp pain. But postponing this action can only make our current problem worse. It is mind boggling that we have arrived at a point where both the inflation rate and interest rates are pushing 20 percent. The effects have been devastating to some sectors of our economy. People on low or fixed incomes are suffering. Agriculture and small businesses are feeling the pinch. The economic policies of the Carter administration have been largely responsible for moving us into this situation.

When President Ford left office in 1976, the annual inflation rate was below 5 percent. By 1977, the rate had increased to 6.6 percent, and by 1978 it was 9 percent. In 1979, the annual rate was over 12.7 percent. In January, we were told that if the inflation rate were to continue for the rest of the year at that level, we would have an annual rate of 18 percent for 1980. President Carter would have us believe that this inflation rate is solely attributable to OPEC oil prices. However, we know that this is not true. At most, about one quarter of the inflation rate may be attributable to the cost of oil from overseas.

Budget outlays in the last Ford budget amounted to $366.4 billion. The fiscal year 1981 budget proposes outlays of $611.5 billion, an increase of 68 percent in 3½ years. Budget receipts stood at $300 billion when President Ford left office. Receipts for the latest Carter budget (fiscal year 1981) are estimated at $628 billion. This means that the tax burden will have more than doubled in the 3½ years Mr. Carter has been in office. The total outstanding gross Federal debt was $631.9 billion in 1976. It is estimated to rise to $939.4 billion by the end of 1981.

This has resulted in a major imbalance that has developed during the tenure of the Carter administration. Real incomes are falling because of inflation and higher taxes. Taxes are at their highest level in peacetime. Both the ability and the incentive to save are lost to many, and as the pool of lendable funds for capital investment declines, so does productivity and the creation of new jobs.

Taxpayers who are seeing their economic position steadily eroding away are at the same time seeing Federal spending increase and the recipients of benefits from Federal programs grow in number.

The agriculture budget is a good illustration of this.

U.S. farmers and producers are in trouble. They are the most productive in the world. Their productivity continues upward while our industrial productivity continues to decline.

One would think that the Federal Government would tend to nourish that which is productive, that which aids this country mightily in its balance of payments problems, and that which makes available the most nutritious diet at the lowest price of any country. However, that is not the case.

The budget which President Carter has forwarded to the Congress for the U.S. Department of Agriculture (USDA) is not a "farm" budget. It is a nonfarm budget. President Carter's total budget for USDA is $23.3 billion, and of that amount $12.9 billion is for domestic food programs—mainly the food stamp program. Roughly 60 percent of the USDA budget is devoted to domestic food programs.

And, of the remaining 40 percent budgeted by President Carter for farm programs, much of that is devoted to funding such things as consumer affairs offices and public participation decisionmaking, whereby groups in many cases have their costs paid to urge the imposition of stringent or oppressive regulations on farm operations.

The General Accounting Office in its recent February 29, 1980, report entitled "U.S. Income Security System Needs Leadership, Policy and Effective Management" states:

> The costs of income security programs have soared by 250 percent over the past 10 years, making them the largest part of the Federal budget. These programs come under constant criticism for being too profuse, inequitable, inefficient, difficult to manage, and discouraging individuals from working. Taken together, these multibillion-dollar tax and transfer programs affect every American's present and future well-being. . . .
>
> The income security system lacks overall leadership. Because of the system's far-reaching social impacts, deeply rooted difficulties, and projected future cost growth, the time has come to fill the leadership void and bring about changes in its policymaking, management, and evaluation.

Back in 1977, the Congress at the urging of the Carter administration and the advocacy community, changed the focus of the food stamp program from one of nutritional assistance to one of straight income transfer. With that change has come unprecedented growth in the program, both in terms of numbers and in terms of dollars. Participation in the program in January 1979, when the new program became effective, was 17.4 million participants—and every indication is that this figure will continue to grow. Program cost is growing so dramatically that the administration has changed its 1981 budget projections three times this year.

The Congress seems to address the food stamp issue in some way at least every 6 months, but we always do so from a "crisis" perspective. That is, we have a crisis that we are about to run out of money, so we have to vote a funding increase but never have time for any true reforms.

I am concerned that more and more the Congress is making the food stamp program a non-food stamp program. It is losing its food and nutritional thrust. During the January–March, 1980, period—which reflected stable food prices and unemployment well within earlier predicted ranges, but unprecedented increases in other basic necessities—there was reflected dramatic food stamp caseload increases and the necessity for upward funding estimates. This would indicate that food prices and unemployment figures, the traditional scapegoats for food stamp growth, are not the real scapegoats at all. Rather, the real culprit is the design of the program itself, which the administration delivered and sold to the Congress.

No longer can we tell the taxpayer that higher food prices and rising unemployment are the reasons food stamp costs increase; we must tell them the truth—namely, that the program is not a true food assistance program.

S. 1309, the food stamp authorization measure for fiscal 1980 and 1981, will come to the floor shortly following the passage of House Concurrent Resolution 307. It is unfortunate that the on-again, off-again budget balancing of the administration has resulted in threatening a cutoff of the food stamp program unless the House passes S. 1309, goes to conference, and comes back with a conference report acting as we must in a "crisis" atmosphere.

Finally, Mr. Chairman, I fully agree with the minority members of the Budget Committee that the budget must not be balanced on the backs of the taxpayer—the wage earner, the small businessman, the farmer.

Budgets can be balanced by reducing expenditures or increasing receipts. Higher tax revenues are not the answer. This can only compound the problem. Inflation is pushing many taxpayers into higher and higher brackets. As the minority views in the budget report accompanying House Concurrent Resolution 307 point out, between 1980 and 1981 alone, both the aggregate and personal tax burdens are scheduled to rise between 4 and 5 percent to balance the budget through increased tax burdens on working people. This is no solution at all and can only be destructive in the long run.

I regret that the House has rejected a motion to allow unlimited amendments to the budget proposal, including one by my colleague, Mr. MICHEL of Illinois, to put a $565.6 billion ceiling on 1980 spending. By operating with a closed rule on the third resolution on 1980 spending, we are in effect sending a clear signal to taxpayers and the electorate that we may change and increase it after the election next fall or when we come back next January.

In other words, what I am suggesting is everyone is aware that unless we mean what we say and stand by our commitments to limit and balance the budget—in fact, if that is what we are about here—then we should consider it in effect a contract with all U.S. citizens that we are going to abide by it and not come back here next January and lift the lid for one or the other reason and totally unbalance our budget for fiscal year 1981.

The American electorate should be aware that in adopting the first budget resolution for fiscal year 1981 we merely set a target that is nonbinding. But it can be binding if there is will in the Congress to make it so. I suggest we should make that kind of commitment or our credibility with the American electorate will diminish even further.●

Mr. LATTA. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

Mr. GIAIMO. Mr. Chairman, I have no further requests for time, and I yield back the balance of my time.

The CHAIRMAN. Pursuant to clause 8 of rule XXIII, the concurrent resolution is considered as having been read for amendment.

Pursuant to House Resolution 642, no amendments are in order except the following amendments printed in the Congressional Record of April 21 by, and if offered by, each of the Members named below, which shall be considered only in the following order, and which shall not be subject to amendment except pro forma amendments for the purpose of debate and except as provided below:

First. An amendment by Representative Giaimo of Connecticut.

Second. An amendment by Representative Conable of New York, of which shall be subject to amendment by a substitute by Representative Quillen of Tennessee, and said substitute shall not be subject to amendment except pro forma amendments for the purpose of debate.

Third. An amendment in the nature of a substitute by Representative Obey of Wisconsin, which shall be subject to amendment by the following substitutes which shall be considered only in the following order and shall not be subject to amendment except pro forma amendments for the purpose of debate: (a) A substitute by Representative Mitchell of Maryland, and (b) a substitute by Representative Solarz of New York.

Fourth. An amendment in the nature of a substitute by Representative Ottinger of New York.

Fifth. An amendment in the nature of a substitute by Representative Holt of Maryland.

Sixth. An amendment in the nature of a substitute by Representative Latta of Ohio.

Seventh. An amendment in the nature of a substitute by Representative Rousselot of California.

Eighth. A motion to strike section 3 of the concurrent resolution, or the corresponding section of the concurrent resolution as amended, relating to reconciliation.

Ninth. An amendment or amendments necessary to achieve mathematical consistency.

The concurrent resolution reads as follows:

H. Con. Res. 307

Resolved by the House of Representatives (the Senate concurring), That the Congress hereby determines and declares, pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $613,800,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $22,300,000,000;

(2) the appropriate level of total budget authority is $694,600,000,000;

(3) the appropriate level of total budget outlays is $611,800,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,000,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301(a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget outlays for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $160,800,000,000;

(B) Outlays, $147,900,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,000,000,000;

(B) Outlays, $9,600,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,300,000,000.

(4) Energy (270):

(A) New budget authority, $7,500,000,000;

(B) Outlays, $7,100,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,000,000,000;

(B) Outlays, $12,400,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,100,000,000;

(B) Outlays, −$100,000,000.

(8) Transportation (400):

(A) New budget authority, $22,800,000,000;

(B) Outlays, $19,500,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,000,000,000;

(B) Outlays, $9,400,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $33,300,000,000;

(B) Outlays, $30,700,000,000.

(11) Health (550):

(A) New budget authority, $71,500,000,000;

(B) Outlays, $61,800,000,000.

(12) Income Security (600):

(A) New budget authority, $252,100,000,000;

(B) Outlays, $220,100,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,700,000,000;

(B) Outlays, $21,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,200,000,000;

(B) Outlays, $6,800,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000;

(B) Outlays, $72,200,000,000.

(19) Allowances (920):

(A) New budget authority, $000,000,000;

(B) Outlays, $000,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$24,600,000,000.

(B) Outlays, −$24,600,000,000.

Sec. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $520,000,000 in budget authority and $520,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $533,000,000 in budget authority, and $507,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b) the House Committee on Armed Services and the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $839,000,000 in budget authority and $786,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,639,000,000 in budget authority and $4,204,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f)(1) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committees;

(2) the House Committee on Public Works and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommended program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $717,000,000 in budget authority and $1,869,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Commerce, Science, and Transportation shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $150,000,000 in budget authority and $150,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $917,000,000 in budget authority and $2,069,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection.

(k) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(l) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $22,200,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $694,800,000,000;

Fiscal year 1983: $804, 100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300.000,000;

Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982: $767.300.000.000;

Fiscal year 1983: $864.500.000.000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $683.100.000.000;

Fiscal year 1983: $775.400.000.000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $11.700.000.000;

Fiscal year 1983: $28.700.000.000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954.200.000.000;

Fiscal year 1983: $970.600.000.000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):
Fiscal year 1982:
(A) New budget authority, $182,100,000,000;
(B) Outlays, $166,500,000,000.
Fiscal year 1983:
(A) New budget authority, $203,900,000,000;
(B) Outlays, $185,600,000,000.

(2) International Affairs (150):
Fiscal year 1982:
(A) New budget authority, $16,200,000,000;
(B) Outlays, $10,000,000,000.
Fiscal year 1983:
(A) New budget authority, $15,900,000,000;
(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):
Fiscal year 1982:
(A) New budget authority, $6,900,000,000;
(B) Outlays, $6,700,000,000.
Fiscal year 1983:
(A) New budget authority, $7,000,000,000;
(B) Outlays, $6,900,000,000.

(4) Energy (270):
Fiscal year 1982:
(A) New budget authority, $8,600,000,000;
(B) Outlays, $10,500,000,000.
Fiscal year 1983:
(A) New budget authority, $10,200,000,000;
(B) Outlays, $11,700,000,000.

(5) Natural Resources and Enivronment (300):
Fiscal year 1982:
(A) New budget authority, $13,400,000,000;
(B) Outlays, $13,200,000,000.
Fiscal year 1983:
(A) New budget authority, $13,900,000,000;
(B) Outlays, $13,600,000,000.

(6) Agriculture (350):
Fiscal year 1982:
(A) New budget authority, $6,300,000,000;
(B) Outlays, $4,200,000,000.
Fiscal year 1983:
(A) New budget authority, $4,300,000,000;
(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):
Fiscal year 1982:
(A) New budget authority, $5,500,000,000;
(B) Outlays, $2,300,000,000.
Fiscal year 1983:
(A) New budget authority, $5,700,000,000;
(B) Outlays, $2,300,000,000.

(8) Transportation (400):
Fiscal year 1982:
(A) New budget authority, $22,300,000,000;
(B) Outlays, $20,500,000,000.
Fiscal year 1983:
(A) New budget authority, $24,500,000,000;
(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):
Fiscal year 1982:
(A) New budget authority, $9,200,000,000;
(B) Outlays, $9,000,000,000.
Fiscal year 1983:
(A) New budget authority, $9,500,000,000;
(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):
Fiscal year 1982:
(A) New budget authority, $36,500,000,000;
(B) Outlays, $33,900,000,000.
Fiscal year 1983:
(A) New budget authority, $41,000,000,000;
(B) Outlays, $39,300,000,000.

(11) Health (550):
Fiscal year 1982:
(A) New budget authority, $83,100,000,000;
(B) Outlays, $70,100,000,000.
Fiscal year 1983:
(A) New budget authority, $119,000,000,000;
(B) Outlays, $103,300,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $289,900,000,000;

(B) Outlays, $249,600,000,000.

Fiscal year 1983:

(A) New budget authority, $318,400,000,000;

(B) Outlays, $274,600,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,500,000,000.

Fiscal year 1983:

(A) New budget authority, $4,400,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76.500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3.600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$27,300,000,000:

(B) Outlays −$27,300,000,000.

Fiscal year 1983:

(A) New budget authority, −$29,700,000,000;

(B) Outlays, −$29,700,000,000.

SEC. 6. Section 1 of S. Con. Res. 53 is revised as follows:

(a)(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $4,300,000,000;

(2) the appropriate level of total new budget authority is $657.200,000,000;

(3) the appropriate level of total budget outlays is $567.000,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $38.200.000,000; and

(5) the appropriate level of the public debt is $896.700,000,000, and the amount by which which the statutory limit on such debt should accordingly be increased is $17.700,000,000.

(b)(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $132,700,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,100,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,700,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $12,900,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $10,100,000,000;

(B) Outlays, $5,400,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $19,400,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,400,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,900,000,000;

(B) Outlays, $30,300,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $223,000,000,000;

(B) Outlays, $190,000,000,000.

(13) Veterans Benefits and Services (700);

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,600,000,000.

(B) Outlays, $8,600,000,000.

(17) Interest (900):

(A) New budget authority, $65,500,000,000;

(B) Outlays, $65,500,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000.

(B) Outlays, −$22,300,000,000.

SEC. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent that it shall be in order for Representative MITCHELL of Maryland, Representative LATTA, and Representative ROUSSELOT to offer the amendments to House Concurrent Resolution 307, or amendments thereto, which were printed in the CONGRESSIONAL RECORD of April 23, 1980, in lieu of their amendments printed in the CONGRESSIONAL RECORD of April 21, 1980, and for Representative SOLARZ to offer the substitute amendment which will be printed in the CONGRESSIONAL RECORD of April 24, 1980, in lieu of his amendment printed in the CONGRESSIONAL RECORD of April 21, 1980.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. BAUMAN. Mr. Chairman, reserving the right to object, could the gentleman from Connecticut tell us why it is necessary to obtain this unanimous consent for the four gentlemen mentioned?

Mr. GIAIMO. As I understand it some of the amendments are not mathematically consistent.

In the case of the Solarz amendment, for example, as I understand it, instead of writing the numbers in the billions, they left off three zeros and they are in the millions and obviously those are matters that had to be corrected.

In the case of the amendment to be offered by the gentleman from Maryland (Mr. MITCHELL) there is also a question of mathematical consistency. There are errors, apparently, in the numbers and in addition.

In the case of the Rousselot amendment and the Latta amendment they would be subject to a point of order because they change the public debt figure which is in the budget resolution and is one of the aggregates and which under the Budget Act can only be changed by committee amendment, and since they do not make provision for the debt, I believe inadvertently or for some other unintentional reason, as I understand it, they would be changing the aggregate number other than as prescribed by the act and, therefore, would be subject to a point of order.

In order for us to abide by the essential purposes of what the rule provided for making these amendments in order, and to abide by the spirit of the rule, it seems to me it would only be fair that we grant this unanimous-consent request which would make all of these amendments in order as was intended without the necessity of having to go back to the Committee on Rules and asking them to make the amendments in order once again.

Mr. BAUMAN. I thank the gentleman from Connecticut for his explanation and, further reserving the right to object, certainly I want to be fair. The gentleman from Connecticut knows that in effect he is asking, that several amendments that the rule did not make in order now be permitted.

Mr. GIAIMO. I did not understand the gentleman.

Mr. BAUMAN. In effect, what the gentleman is asking is that the several amendments be made in order which the rule did not originally make in order.

Mr. GIAIMO. That is not my understanding at all.

Mr. BAUMAN. If the gentleman's request is allowed there will be substantial changes made to four different substitutes that already have been made in order. Those are what we call under the rules of the House, amendments.

Mr. GIAIMO. Mr. Chairman, I understand that there are technical changes and not changes in essence. I understand, for example, that in the case of the Latta amendment and the Rousselot amendment they would have to provide the public debt number which they did not do.

Mr. BAUMAN. One man's technicality is another man's substantive amendment. I would say to the gentleman that I had suggested to him that he might wish to make in order the right for any of the Members who offer substitutes to make technical changes to those substitutes based on any other substitutes that might have been previously adopted.

□ 1700

Mr. GIAIMO. Well, I understand what the gentleman's intention is and what he wishes to do, and I cannot change my unanimous-consent request. I do not want to change what was agreed upon in the Rules Committee; what was agreed upon in the Rules Committee, that these various amendments which I have named and requested to be made in order, because of certain inactions or failures to act and errors, some of these amendments would be subject to a point of order. We are just trying equitably to correct that. We certainly do not want to change or broaden the rule.

Mr. BAUMAN. Further reserving the right to object, the gentleman from Maryland does wish to broaden the rule, and he does think that it would be equitable to allow the change the gentleman from Maryland has suggested to be allowed. But, the gentleman does not wish to do that, and under those circumstances, is a spirit of equity, I would have to object.

The CHAIRMAN. Objection is heard.

AMENDMENT OFFERED BY MR. GIAIMO

Mr. GIAIMO. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Giaimo: Section 1, page 2, line 8, is amended by striking out $22,300,000,000 and inserting in lieu thereof $4,300,000,000;

Section 3, page 12, line 7, is amended by striking out $22,200,000,000 and inserting in lieu thereof $4,200,000,000; and

Section 6, pages 20–23, is amended by striking the entire text and inserting the following in lieu thereof:

"Sec. 6. Sections 1 and 2 of Senate Concurrent Resolution 53 are revised to read as follows:

Section 1. That the Congress hereby determines and declares, pursuant to section 310(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1979—

(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $100,000,000;

(2) the appropriate level of total new budget authority is $660,300,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in the light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

Sec. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 310(a) of the Congressional Budget Act of 1974 that, for the fiscal year beginning on October 1, 1979 the appropriate level of new budget authority and the estimated budget outlays for each functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,700,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $29,900,000,000;

(B) Outlays, $30,100,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,800,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000.

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950).

(A) New budget authority, −$22,300,000,000;

(B) Outlays, −$22,300,000,000."

Mr. GIAIMO (during the reading). Mr. Chairman, I ask unanimous consent that further reading of the amendment be dispensed with and that it be printed in the Record. The amendment has been printed in the Record and is available for Members, and will be debated fully on Tuesday next.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. Bolling, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980, had come to no resolution thereon.

SELECTION OF MEMBERS TO BE ACCREDITED AS OFFICIAL ADVISERS TO U.S. DELEGATIONS TO INTERNATIONAL CONFERENCES, MEETINGS, AND NEGOTIATION SESSIONS RELATING TO TRADE AGREEMENTS DURING 2D SESSION OF THE 96TH CONGRESS

The SPEAKER. Pursuant to the provisions of section 161(a), title I, Public Law 93-618, and upon recommendation of the chairman of the Committee on Ways and Means, the Speaker has selected the following members of that committee to be accredited by the President, as official advisers to the U.S. delegations to international conferences, meetings, and negotiation sessions relating to trade agreements during the 2d session of the 96th Congress:

Mr. Vanik of Ohio;
Mr. Gibbons of Florida;
Mr. Jones of Oklahoma;
Mr. Vander Jagt of Michigan; and
Mr. Frenzel of Minnesota.

LEGISLATIVE PROGRAM

(Mr. RHODES asked and was given permission to address the House for 1 minute.)

Mr. RHODES. Mr. Speaker, I take this time to inquire of the distinguished acting majority leader as to the program for the balance of the week and for next week.

Mr. DANIELSON. Mr. Speaker, would the distinguished minority leader yield?

Mr. RHODES. I would be happy to yield.

Mr. DANIELSON. Mr. Speaker, the work for this week, if the gentleman please, will be completed on the conclusion of the day's agenda. The program for the House of Representatives for the week of April 28 is as follows:

Monday, April 28, the House meets at noon. On the District Calendar there are no bills.

All recorded votes will be postponed until Tuesday, April 29.

On the Suspension Calendar there are three bills:

H.R. 4049, Clayton Act amendments;

H.R. 4050, expedite antitrust litigation;

H.R. 5949, Antitrust Civil Process Act amendments.

A conference report on H.R. 10, civil

rights of institutionalized persons, will follow.

On Tuesday and the balance of the week, the House will meet at noon on Tuesday, 3 p.m. on Wednesday, and at 11 a.m. on Thursday and Friday. Recorded votes will be held on bills debated on Monday, April 28.

We will complete consideration of House Concurrent Resolution 307, the first budget resolution for fiscal year 1981.

Following that, we will consider H.R. 6081, special Central American assistance, motion to request a conference;

H. Res. 515, Congressional Child Care Center;

H.R. 4046, Antitrust Collateral Estoppel Act, subject to a rule being granted;

H.R. 4048, awards of prejudgment interest in antitrust litigation, subject to a rule being granted.

The House will adjourn by 3 o'clock p.m. on Friday and by 5:30 p.m. on all other days except Wednesday.

Conference reports may be brought up at any time, and any further program will be announced later.

Mr. RHODES. I thank the gentleman. Would the gentleman inform me as to the probability that there will actually be a session on next Friday, assuming that we are able to complete our work on House Concurrent Resolution 307 by Thursday night? Does the gentleman think it might be possible for the House to adjourn over until the following Monday?

Mr. DANIELSON. I am informed and believe that that will be the case if we conclude our work by Thursday evening; that there will be no session on Friday.

Mr. RHODES. The question concerned completing the work on House Concurrent Resolution 307. Is the gentleman saying that we must also complete work on the other matters scheduled before there would be an adjournment over until Monday?

Mr. DANIELSON. That is the present plan of the leadership.

Mr. RHODES. I see. I thank the gentleman.

ADJOURNMENT TO MONDAY, APRIL 28, 1980

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that when the House adjourns today, it adjourn to meet on Monday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

REQUEST TO MEET AT 10 A.M. ON WEDNESDAY NEXT

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that when the House convenes on Wednesday next, it convene at 10 a.m.

The SPEAKER. Is there objection to the request of the gentleman from California?

Mr. BAUMAN. Reserving the right to object, Mr. Speaker, could the gentleman tell us whether or not the Central American assistance bill, which is put on and put off the calendar every week for the last month or so, is a definite matter that must be brought up and considered next week?

The SPEAKER. The present schedule is that it will not be brought up, and nothing will be brought up until the budget is disposed of.

Mr. BAUMAN. Then I do object to the request.

The SPEAKER. Except for Monday's suspensions.

Mr. BAUMAN. I thank the Speaker, and I object.

The SPEAKER. Objection is heard.

Mr. DANIELSON. The pending request, Mr. Speaker, was that the House meet on Wednesday next and convene at 10 a.m.

Mr. BAUMAN. I object.

The SPEAKER. The gentleman objects.

DISPENSING WITH CALENDAR WEDNESDAY BUSINESS ON WEDNESDAY NEXT

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the business in order under the Calendar Wednesday rule be dispensed with on Wednesday next.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION FOR COMMITTEE ON WAYS AND MEANS TO HAVE UNTIL MIDNIGHT, FRIDAY, APRIL 25, 1980, TO FILE REPORT ON H.R. 6783

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that the Committee on Ways and Means may have until midnight, Friday, April 25, to file a report on the bill (H.R. 6783) to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1981, and for other purposes.

The SPEAKER. Is there objection to the request of the gentleman from California?

There was no objection.

PERMISSION TO INSERT EXTRANEOUS MATERIAL IN BODY OF RECORD, NOTWITHSTANDING ESTIMATED COST

Mr. BARNES. Mr. Speaker, I ask unanimous consent to revise and extend my remarks and to include extraneous material in the body of the RECORD, notwithstanding the fact that it exceeds two RECORD pages and is estimated by the Public Printer to cost $2,063.25.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, what is the cost?

Mr. BARNES. The cost is $2,063.25.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Maryland?

There was no objection.

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PERMISSION FOR DELETION OF NAME OF MEMBER AS COSPONSOR OF H.R. 6539

Mr. OBERSTAR. Mr. Speaker, yesterday, my name was submitted as an additional cosponsor of H.R. 6539. In the few minutes since I learned that fact, I have not yet determined exactly how my name came to be added as a cosponsor.

My position on H.R. 6539, and similar legislation in the Senate, S. 2153, is well-known. I hope that neither bill ever comes to the floor of either House.

Mr. Speaker, I ask unanimous consent that my name be stricken as a cosponsor of H.R. 6539.

The SPEAKER pro tempore (Mr. WOLPE). Is there objection to the request of the gentleman from Minnesota?

There was no objection.

THE 65TH ANNIVERSARY OF THE ARMENIAN GENOCIDE OF 1915

The SPEAKER. Under a previous order of the House the gentleman from California (Mr. DANIELSON) is recognized for 60 minutes.

GENERAL LEAVE

Mr. DANIELSON. Mr. Speaker, I ask unanimous consent that I may be permitted to revise and extend my remarks, and that all Members may have 5 legislative days in which to revise and extend their remarks, and include extraneous matter, on the subject of my special order today.

The SPEAKER pro tempore (Mr. WOLPE). Is there objection to the request of the gentleman from California?

There was no objection.

Mr. DANIELSON. Mr. Speaker, today is April 24, 1980. It is a day much like any other day. A day filled with all of the everyday activities of life, with work and with play, with joy and with sorrow, with the signs of spring and the sounds of industry and commerce. Yet to millions of people throughout the world it is also the day of remembrance of the first genocide, the first holocaust of this 20th century. I speak of the genocide, the planned and systematic massacre of 1,500,000 of the Armenian people which began on April 24, 1915, just 65 years ago today.

For it was in the early hours of April 24, 1915, that agents of the Ottoman Turkish Empire rounded up, arrested, and then exterminated 200 leaders of the Armenian community in Constantinople. There followed many months of the most savage, most ruthless, most deliberate, and most systematic destruction of an ethnic group that the world to that time had ever known.

As has been my practice for now 10 years, I have taken this special order today in order to speak and give my colleagues an opportunity to speak of the

Armenian genocide, the Armenian holocaust, which began 65 years ago today. There are still among us many who survived that massacre; and there are few Armenians alive throughout the world who did not have one or more members of their family who perished in that awful time.

But there were those who survived, and one of the proudest yet saddest boasts of those who did is simply that—"We survived." And those survivors and their progeny are today spread throughout the entire world where they insure that that first holocaust will never be forgotten and that their nationality, their religion, their culture, their history, and their future will live on.

Mr. BENJAMIN. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I will be glad to yield to the gentleman from Indiana (Mr. BENJAMIN).

Mr. BENJAMIN. Mr. Speaker, I thank the distinguished gentleman from California for yielding on this special order.

Mr. Speaker, I want to thank my friend, the gentleman from California, GEORGE DANIELSON, for taking this special order to commemorate the Armenian genocide. I know that my colleagues share my appreciation for his efforts on behalf of the Armenian people over the years. The gentleman has demonstrated his belief in peace, understanding, and good will, and he has demonstrated his long love for the Armenian people wherever they may be.

Mr. Speaker, today, Armenians the world over are observing a solemn and tragic moment in their history—the 65th anniversary of the Armenian genocide of 1915.

In the infancy of the world's entry into the modern era, nearly 2 million Armenians were either massacred or deported from their provinces by the Ottoman Turkish Government seeking an eternal answer to the "Armenian question." The end of a race of people was contemplated carefully and implemented with perverse determination.

There are few Armenian families that did not lose at least one of their loved ones in the genocidal campaign of 1915. This memorial day captures the unimaginable horror permeating the minds of those who only wanted freedom and identity and lost both at the whim of the Ottomans. The concept of the near-annihilation of an entire race is incomprehensive to most of us. Unfortunately, it is not to the Armenians.

The Armenians rose from the ashes of the 1915 holocaust to create a free but short lived republic in 1918. Two years later, while the U.S. Senate labored over President Wilson's American mandate for Armenia, the free republic dissolved under attack.

Over one-half of today's 6 million Armenians live in the U.S.S.R. while nearly 500,000 enjoy the liberties and freedoms of the United States. Many other Armenians have found homes in parts of Europe and South America as well as the Middle East and eastern Mediterranean region. The 80,000 Armenians of historic Armenia are still held as part of the Turkish nation.

The Armenian question continues and a solution is far from sight. The Ottoman Turk genocide cannot be filed away as a regrettable incident in the annals of world history. The continued attempts by present-day Turkey to deny the Armenians their cultural heritage and identity is not acceptable.

America must provide the moral leadership to defend the national rights of the Armenian people by persuading a cooperative settlement of the issues. A champion of human rights throughout the world, the United States must vigorously urge justice under international law and global recognition of the Armenian rights to self-determination.

Lasting solutions can only come from peaceful deliberations. Those who have recently raised their hands in violence as retribution for crimes against Armenians must realize that blood for blood can never amend the past or pave a permanent solution for the future. On this day, when we mourn the senseless loss of lives, I urge an end to the tragic killings of Turkish diplomats and others who were not involved with the original holocaust of this century. These assassinations do not help Armenians or their cause and must be considered as barbaric and reprehensible as the events of 65 years ago.

As the President's Commission on the Holocaust recommends tribute to our Jewish brethren who were genocidal victims of World War II, I urge the President to provide comparable tribute to the Armenian genocide victims of World War I. Previous oblivion of the Armenian plight undoubtedly sanctioned and contributed to the holocaust of World War II.

I urge my colleagues to join me in commemoration of this solemn occasion with a new understanding of the lessons of history which may assure a permanent end of atrocities and denial of self-determination. Hopefully, the blood of the Armenian martyr has not been lost in vain.

I want to thank my friend, Congressman GEORGE DANIELSON, for taking this special order to commemorate the Armenian genocide. I know my colleagues share my appreciation for his efforts on behalf of the Armenian people over the years. He has demonstrated his belief in peace, understanding and good will—and his love for the Armenian people—wherever they may be.

Mr. ANNUNZIO. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield, with pleasure, to the gentleman from Illinois, Mr. FRANK ANNUNZIO.

Mr. ANNUNZIO. Mr. Speaker, I deeply appreciate the gentleman from California's yielding.

Mr. Speaker, today marks the 65th anniversary of the ruthless Turkish massacres of the Armenian people. I join my distinguished colleague from the 30th District of California, Hon. GEORGE E. DANIELSON, who has taken this special order, and my other colleagues in marking this sad event.

In the spring of 1915, the Turks set out to exterminate the whole Armenian Christian population within the Ottoman borders. Systematically, and with cold callousness, the Turks first killed the writers, teachers, clergymen, and leaders of the Armenian people. Then the ablebodied men were brutally murdered and the young women enslaved. The remaining women, children, and old people were forced to march barefooted under the blazing Sun, without food or water, toward their ultimate destruction in the remote desert of Der-el-Zor.

Along the way these helpless people were subjected to inhuman tortures and mutilation, to rape and massacre, and those who survived these initial brutalities, died one by one from exhaustion, disease, and starvation. The roads where these human caravans passed were piled high with the corpses of innocent victims of the Turks, and the nearby rivers ran red with their blood.

When the carnage was over, nearly 2 million martyrs had been slain. Not only had the Turks attempted to annihilate the Armenian nation, but at the same time they had tried to obliterate every trace of the 3,000-year-old Armenian civilization. Universities, libraries, churches, and monasteries were burned, and with them irreplaceable antiques, paintings, books, and relics were destroyed.

Not an Armenian alive today has been left untouched by these massacres. Grandparents, mothers, and fathers, children and even newborn infants were ruthlessly tortured and murdered. Whole families were wiped out with a single blow, and a new word, genocide, was coined to describe the Turkish effort to destroy an entire people.

The Armenians are perhaps the oldest of the civilized races in Western Asia and were the first nation in the world, in 301 A.D. to accept Christianity as their state religion. From time immemorial, the Armenian has worked peacefully and industriously in the high mountains which are his home between the Black Sea and the Caspian Sea. Here, church and people have maintained with amazing vitality their tradition and culture against wave after wave of alien conquests.

The Armenian genocide is the oldest unresolved grievance on the agenda of world business. A just solution for the Armenian grievance must be achieved, for to ignore the injustice done to them will only encourage others in such lawless and inhuman crimes. Adolph Hitler was one of those who was thus encouraged. In ordering his army commanders in 1939 to murder the defenseless Jewish and Polish people, he cited the Armenian genocide by saying, "Who still talks nowadays of the extermination of the Armenians? The world believes in success only."

Mr. Speaker, it is the hope of Armenians everywhere that the United Nations will take decisive action to provide a peaceful redress for their legitimate grievances.

It is also their hope that the U.S.

Holocaust Memorial Council will enlarge its scope to that of a U.S. Genocide Council in order to develop a memorial museum and educational foundation devoted to all victims of 20th-century genocide—Armenians, Jews, and many others who have suffered the unspeakable atrocity of deliberate and systematic destruction of their race.

To this end, I have written to the Chairman of the U.S. Holocaust Memorial Council, urging that positive action be taken to enlarge the scope of the Council to include all other victims of genocide in the 20th century. The text of my letter follows:

WASHINGTON, D.C.,
April 23, 1980.

Mr. ELIE WIESEL,
Chairman, U.S. Holocaust Memorial Council, Washington, D.C.

DEAR MR. WIESEL: Numerous Armenian-Americans, who reside in the 11th Congressional District of Illinois which I have the privilege to represent, have contacted me in order to express their strong objection to the September 27, 1979 report issued by the President's Commission on the Holocaust. Specifically, my constituents have objected to statements in this report which:

(1) Claim the "unique" and "unprecedented" nature of the Nazi Holocaust, which ignored the historical precedent of the Armenian Genocide.

(2) The failure of the Commission to voluntarily broaden its scope in order to include the Armenian Genocide in some form.

Armenian-Americans throughout the United States have joined in expressing their bitter disappointment with the Commission's report and have urged that the officials on the U.S. Holocaust Memorial Council take positive action to include in their program and projects recognition of the Armenian Genocide. They suggest enlarging the scope of the U.S. Holocaust Memorial Council to that of a Genocide Council which, in turn, would develop a memorial museum and educational foundation devoted to all victims of 20th century genocide—not just Jews, but the Armenians (who were the first victims of genocide in this century) and many, many others who came after them.

Tomorrow marks the 65th anniversary of the planned and systematic annihilation of almost two million Armenians, documented in horrifying detail by none other than our own Ambassador to Turkey, the late Honorable Henry Morgenthau, who served in that capacity from 1913 to 1916 when the Armenian Genocide was taking place. It is indeed appropriate, therefore, to remind at this time the members of the Council that limiting the Council's activities to commemoration only of the victims of the World War II Holocaust, instead of all victims of the 20th century genocide, is indeed discrimination against those whose martyrdom is being denied and belittled. I urge, therefore, that the policy of the Council be reviewed and revised to the end that all victims of the 20th century genocide may be included in developing future memorials and programs. I await hearing from you regarding this matter.

Sincerely,

FRANK ANNUNZIO,
Member of Congress.

Mr. Speaker, as Members of Congress, let each of us examine our conscience and let us do our utmost to alleviate the memory of this unjustified crime against the Armenian people, the scars of which are carried in the hearts and minds of every surviving Armenian.

Mr. PASHAYAN. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I am pleased to yield to the gentleman from California (Mr. PASHAYAN).

Mr. PASHAYAN. Mr. Speaker, I thank my distinguished colleague, the gentleman from California (Mr. DANIELSON), who has been so kind as to help commemorate this event that is so important to the Armenian people.

Mr. Speaker, each year on April 24 the Armenian people commemorate Armenian Martyrs Day, an event which strikes a deep chord in all those who cherish the dignity and rights of every human being.

In particular we remember today the genocide of a million and a half Armenians between 1915 and 1918 that took place in the region contained by the Mediterranean and Black Seas and encompassing the Tigris and Euphrates Rivers. History has recorded that through these murders the Ottoman Government of World War I had planned to eliminate the Armenian people, then numbering 2,300,000, from the face of the Earth. Today, however, the Armenian people continue to thrive and prosper as a proud people who cling to their hard fought traditions and past struggles and Christian religion.

The world would have hoped that the horror of the Armenian massacre would have stood as a lesson to future generations everywhere, but we now accept it as the ominous precursor of other heinous crimes to come in the 20th century—Hitler's Germany, Stalin's Soviet Union, Amin's Uganda, Pol Pot's Cambodia, and more.

Monuments have now been erected around the world to honor the Armenian dead of 1915 to 1918. They stand, in the same way that Armenian Martyrs Day stands, as a constant reminder of our past and a commitment for today's and tomorrow's generations that such a deed must not be allowed to rise again. Never, never again.

☐ 1720

Mr. COELHO. Mr. Speaker, will the gentleman yield?

Mr. DANIELSON. I yield to the gentleman from California.

Mr. COELHO. I thank the gentleman for yielding.

Mr. Speaker, as Representative of California's 15th Congressional District which has a large Armenian constituency, I join my colleague GEORGE DANIELSON in paying tribute to the 1½ million Armenians who were massacred at the hands of the Turkish Government 65 years ago and to those Armenians who live today. Before we can understand the meaning of this commemorative day, we must acknowldge the past.

The first genocide of this century began in 1915 when prominent Armenians, scholars, and artists were arrested and eliminated. Men were assembled and shot in cold blood. Those that remained were deported on foot from their historical homeland without provisions and left helpless to die of starvation, exposure and mental fatigue. Families were destroyed and scattered all over the world. By 1918 the Turks succeeded in killing half of the Armenian race. To this day, Turkey has not acknowledged this catastrophic genocide, nor have those responsible been brought to trial and justice served.

Today, Armenians are scattered all over the world. Still, in some countries they are persecuted. In Lebanon a subtle extermination of the Armenian settlement is occurring. And in Turkey, they are discriminated against to the extent that they are not able to build new churches or schools or even renovate dilapidated structures. This forced assimilation is a form of silent genocide.

I am happy to say that in this country and in others, Armenians have prospered. In my district alone, Armenians are prominent business and civic leaders who are grateful to this country for allowing them to immigrate here and to carry on their heritage without oppression.

To say "what is done is done" and that the past must be forgotten is wrong. For the Armenians this vivid, painful, and unforgettable memory still lives. For the rest of the world, we must remember that such barbaric acts exists in modern times and will continue to do so until we bring such inhumanities to justice. Hitler, in reference to his own massacre of the Jews, stated that "after all, who remembers today the Armenians." We must not let such injustices continue.

Mr. DANIELSON. Mr. Speaker, each year during the week of time which surrounds April 24, the Armenian people throughout the world remember and commemorate April 24. In my own community in California, a huge demonstration was held on last Sunday, April 20, in the city of Montebello, where the world known Armenian martyrs' monument is located. About 10,000 people showed up to commemorate that particular occasion.

Throughout the world today, church services are being held wherever there is an Armenian parish. Demonstrations are being held in many cities, mass meetings and rallies, all for the purpose of being certain that the world shall never forget the Armenian massacres.

Today here in the House of Representatives we were honored by having as our guest chaplain, His Grace, Bishop Mesrob Ashjian, prelate of the Armenian Apostolic Church for the Eastern Prelacy of America.

Mr. Speaker, it is most fitting and proper that we remember and observe this day. For if we fail to do so, there is danger that the world may soon forget —and forget we must not—for those who forget the past are doomed to relive it.

Some historians tell us that the second genocide, the second holocaust of this century, the extermination of Jews during World War II, could have been prevented if the major powers had condemned and levied sanctions against Ottoman Turkey earlier in the century. For Adolf Hitler, as he called for the extermination of the Jews, is quoted as having said:

> After all, who today remembers the extermination of the Armenians?

Too often the world has been disgraced by genocide. Too often the peoples of the world have turned their backs upon the horrible fact of genocide, of ethnic murder. Perhaps this is because it is too horrible to witness and to acknowledge, too sickening to recognize as a fact of human events, too far away, and happening only to an unknown "them."

Well, Mr. Speaker, it does not happen far away, it happens here, for we are all of this world; it does not happen to some vague and unidentified "them," it happens to "us," because we all are a part of "them," we all are of one people, all of the same mankind, all children of the same God.

And yet genocide goes on today. In the short span of the present century the world has been sickened to see the genocide of the Armenians during World War I, the Jews of Europe, and the massacres in Yugoslavia and the Balkans during World War II, the series of genocides in Eastern Europe, in Uganda, in Cyprus, and even today in Cambodia. Scarce a time has gone by without this sinful sickness raging somewhere on our Earth. We must not let it happen again.

And so, Mr. Speaker, I take this occasion to call upon our Government, and all of the governments of the world, firmly to resolve and proclaim that genocide must be banned forever. I call upon our own administration to ratify the genocide treaty which has been languishing these many years.

And I call upon all nations to enter into another treaty binding upon all nations, to condemn recourse to genocide and to renounce it as an instrument of national policy.

We must make genocide an international crime, subject to the jurisdiction of whatever state the perpetrators may be found in, so that they can have no refuge, no place to hide, after their deeds. And I ask our own administration to commence work toward that end without delay.

Further, I note that we now have a report from our recent Holocaust Commission and that a Holocaust Council has been created by our Government to study and recommend a suitable memorial to commemorate the victims of genocide and holocaust so that the world can never forget, and may thereby prevent, another genocide at another time. I call upon our administration to direct the Holocaust Council to make its efforts whole and universal, to memoralize all of the genocides of modern history, and to make it clear that to all that genocide and holocaust can otherwise happen to any people, any where, and any time. Yes, even to us. Unless we take that approach and reach that goal the world will be condemned to suffer genocide again.

An excellent article on the significance of April 24 to Armenians everywhere was recently prepared by Richard G. Hovannisian, professor of history and associate director, von Grunebaum Center for Near Eastern Studies, University of California at Los Angeles. It reads substantially as follows:

APRIL 24—A DAY OF COMMEMORATION

April 24 is observed by Armenian communities the world over in remembrance of the fateful day in 1915 that marked the beginning of what the Ottoman Turkish Empire thought would be the "final solution" of the Armenian question. The result of that solution was the genocide of 1,500,000 innocent men, women and children—nearly one-half of all Armenians then alive in our world—the expulsion of an entire people from its ancestral lands of three thousand years and the scattering of the survivors into a dispersion extending over six continents. Ironically, the twentieth century, despite all of its achievements, has provided the means for the pervertors of power to take bold, aggressive measures to eliminate racial, religious, and ethnic peoples who they deem to be undesirable.

The first step of the "final solution" in the Armenian case began on the night of April 23/24, 1915, with the mass arrest of national religious, political, and intellectual leaders of the Armenian people, and their ultimate exile to and murder in desolate places in Anatolia.

Then, in every Armenian province and community, the carefully prepared plan unfolded: the arrest of prominent individuals who might lead the population or inspire efforts at self-defense; the disarmament of the public under threat of severe punishment; the segregation of Armenian military recruits into special labor battalions and their subsequent execution; and finally, the deportation and massacre of the entire Ottoman-Armenian population, starting in the border districts and seacoasts and working inland to the most remote hamlets.

In most instances, during the death marches, the adult male population was quickly separated and killed with rifle fire, bayonets, and axes. The worst torment, however, was fated for the women and children, who were driven for weeks under blistering heat toward the deserts. All along the way, they were degraded and dehumanized. Girls and young brides were carried off or sold, losing all contact with their families, nation, and religion. Without food, without water, and often without clothing, the very young and the old dropped first. Of the sturdy women who managed to survive the torture, most had to live the rest of their days with the haunting memory of the cries of small children whom they could carry no more.

Not until months after the deportations and massacres had been set in motion did they attract sufficient foreign attention to become the subject of diplomatic correspondence. With the world then at war, the Allied and Associated Powers made numerous declarations that, once they had defeated the "inhuman force" that had authored the massacres, the Armenians would be freed and restored to their ancestral lands, whereas the criminals would be held personally responsible for the outrage against humanity. Yet, the politics of expedience soon reasserted itself, and the Armenian survivors were denied fulfillment of any of the highly-principled pledges. An embarrassment in international relations, the Armenian genocide was relegated by governments to a dark closet of history. No admission of wrongdoing, no punishment, no recompense, no restitution was forthcoming. The "forgotten genocide" had in fact opened the way for other similar experiments in the twentieth century.

Unlike the Armenian case, the atrocities in World War II did not pass unrequited, nor have they been allowed to blur in public awareness and international relations. Historians and sociologists who have explored the field of victimology have nonetheless drawn startling parallels between the decimation of the Armenian people and the annihilation of millions of Jews and other peoples in Central and Eastern Europe during the Nazi regime a quarter of a century later. The similarities include the perpetration of genocide under the cover of a major international conflict, thus minimizing the possibility of external intervention; conception of the plan by a monolithic and megalomanic clique; espousal of an ideology giving purpose and justification to intolerance, chauvinism, and racism; imposition of strict party discipline and secrecy during the period of preparation; formation of extralegal special armed forces to ensure the rigorous execution of the operation; provocation of public hostility toward the victim group and ascribing to it the very excesses to which it would be subjected; certainly of the vulnerability of the intended prey (demonstrated in the Armenian case in the previous massacres of 1894–1896 and 1909); exploitation of advances in mechanization and communication (the telegraph) to achieve unprecedented means for control, coordination, and thoroughness; and use of incentives and sanctions, such as promotions and permission to plunder and vent passions without restraint or, conversely, the dismissal and punishment of reluctant officials and the intimidation of persons who might consider harboring members of the victim group.

In observing April 24 as a reminder of man's inhumanity to man, most Armenians also approach the day as an occasion for renewal and rededication and as a subdued celebration of survival. Although the genocide changed irreversibly the course of Armenian history and dispersed the survivors, a new generation has managed to become productive, contributing citizens in their various adopted countries while clinging to a cherished common heritage. For the Armenians, therefore, April 24 has both universal and particular meaning. As in the Jewish experience, it is a date that offers many lessons and demands a response. The universal and the particular are inseparable.

● Mr. BRADEMAS. Mr. Speaker, 65 years ago today, on April 24, 1915, there began what was to become one of the major massacres in recorded history. I refer, of course, to the systematic murder of an estimated 1,500,000 Armenians by the Ottoman Turkish Government.

What was to become the massacre of one-half the Armenian nation began with the roundup by the Ottoman Government of Armenian leaders who were jailed and then slaughtered.

Modern history notes the attempt to destroy the Armenian people as the first of the genocidal crimes that have afflicted our world.

Few voices were raised in 1915 in protest of the massacre of Armenian men, women, and children, a fact which influenced Adolf Hitler 20 years later when he began the systematic extinction of persons of the Jewish faith. More recently, we have seen similar genocide practices in Cambodia.

Mr. Speaker, it is important for all Americans to recognize the heinous crime committed 65 years ago, because only if we remember injustices can we seek to eliminate them.●

● Mr. BOLAND. Mr. Speaker, in 1936, as Adolf Hitler was setting in motion the plans and schemes that would result in the deaths of millions of Jews, he was asked how the world would respond to a policy of extermination and mass murder. In response, Hitler said, "Who remembers the Armenians?"

We, Mr. Speaker, remember the Armenians. Each year we pause to reflect on the tragic and brutal events that began on April 24, 1915, in historic Armenia and other parts of the Ottoman Empire. I am sure that most of my colleagues are familiar with the sequence of those events. We know that 65 years ago tonight the intellectual and spiritual leaders of the Armenian community were arrested and later sent to an exile that many of them did not survive.

As soon as the leaders had been removed, a massive program for uprooting and deporting nearly all of the 2 million Armenians in Turkey was begun. Over the next year more than 1 million of these Armenians lost their lives, either at the hands of the Turks and Kurds, or through famine in the Syrian desert to which they were exiled. Several hundred thousand Armenian women and children were sold into slavery. Only a fraction of the Armenian population managed to save their lives by making their way to other countries. The result of the first planned genocide in the 20th century was that in the space of 1 year the Armenian population of Turkey quite literally ceased to exist.

By any standards the systematic annihilation of a people, simply because of their ethnic background or religion is a despicable horror. What makes the Armenian experience especially tragic is that, to this date, the Government of Turkey continues to refuse to acknowledge the responsibility of its predecessor, the Ottoman Turkish Government, for this act of genocide. This refusal has not, and will not, prevent the facts from becoming known. It has not, and will not, prevent people from remembering what happened in Turkey in 1915. Above all, it will not deter the efforts of those who believe that in the active denouncing of past acts of genocide lies the best insurance that similar acts will not occur in the future.

Mr. Speaker, in communities throughout the United States, Armenian people will gather this week to commemorate the sacrifices of the Armenian martyrs. In my native city of Springfield, Mass., members of the large and active Armenian community will participate in an observance sponsored by the Armenian National Committee. It is a tribute to the strong faith of the Armenian people that religious services will be the focal point of this year's observance, just as they have been in years past. Deeply held religious beliefs, strength in the face of adversity, perseverance, loyalty—these are all characteristic of the Armenian people.

Although they have been scattered throughout the world, they have brought both a pride in their heritage, and a desire to participate fully in the life of their new nation, to the cities, towns, and villages in which they have settled. While we share in their sorrow at the remembrance of the events that drove them from their homeland, we also acknowledge with gratitude the many contributions they have made to the United States.●

● Mr. ADDABBO. Mr. Speaker. I would like to take this time to say a few words on what many historians have called the first genocide of the 20th century, the systematic annihilation of almost 2 million Armenians by the Turkish Government 65 years ago.

This week marks the anniversary of this atrocity, one of the most brutal on record. It was in 1915, that the Armenian people became victims of a planned extermination, combined with the forcible and illegal seizure of their land by the Turkish Government. Fridtjof Nansen, High Commissioner for Refugees under the League of Nations, wrote in 1926:

> Then, in June 1915, the horrors began to which we know no parallel in history. From all the villages and towns of Cilica, Anatolia, and Mesopotamia the Armenian Christians were driven forth on their death march; the work was done systematically, clearing out one district after another, whether the population happened to be near the scene of war or hundreds of kilometers away from it. There was to be a clean sweep of all Armenians.

Too often when we think of genocide we think of the millions of Polish and Jewish people who were exterminated by the Nazi regime in World War II. But history, and international law has overlooked the fate of those Armenians who died at the beginning of this century. Though there are provisions in international law against genocide and illegal seizure of property, the Armenian people have yet to have their case heard in court. When justice is denied to anyone, everyone suffers. To ignore a crime merely serves to insure that it will occur again. Adolf Hitler was to recognize this during his reign. In a speech in 1939 to his army commanders ordering the murder of the Polish people. Hilter said:

> Who still talks nowadays of the extermination of the Armenians.

If swift and punitive action had been taken after the facts of the mass murder had been brought to light, then perhaps the atrocities of World War II could have been prevented. For too many years the Armenian people have demanded that Turkey acknowledge its guilt and take positive steps to making territorial, political, and material restitution. The time has come for justice to be served. Failure to do so will only insure that many more atrocities will occur in the future, rather than guaranteeing they are a thing of the past.●

● Mr. DRINAN. Mr. Speaker, I join with my colleagues today in commemorating Armenian Memorial Day, marking the 65th anniversary of the genocide of the Armenian population. In 1915, almost 2 million Armenians were killed in the systematic deportation and slaughter in the declining Ottoman Empire. Today, we mourn the murder of these innocent people, and the destruction of their communities which had existed for over 3,000 years.

After a long struggle, Armenian independence was finally won in 1918. Armenians began to build a country where they would be safe and free; but in 1920, the infant Armenian State was crushed by Soviet and Turkish forces.

Since then, Armenians have been a people in exile, scattered throughout the world. They have contributed much to their adopted homelands, yet have not forsaken their national goals. We cannot forsake them either.

For too long, the enormity of the brutality done to the Armenians in 1915 and 1920 went unnoticed. Those who were not killed were robbed of their ancestral lands and saw their cultural heritage threatened. Today, Armenians flourish, yet their national goals have gone unnoticed. It is our duty to understand their problem and aid them in their fight to gain recognition for their cause.

Armenian Memorial Day provides us with an occasion to deplore man's inhumanity to man, as well as the opportunity to praise the strength and courage of the Armenian people who have surmounted innumerable odds to preserve their identity. For this, they deserve our admiration, our recognition, and our attention to their human rights which have been overlooked for too many years.●

● Mr. DERWINSKI. Mr. Speaker, on April 8, 1975, the House passed a resolution designating April 24, as a "National Day of Remembrance of Man's Inhumanity to Man." This resolution would have served as a proper tribute to the memories of the millions of men, women, and children who have been mercilessly massacred by ruthless and tyrannical governments at various times in history. Unfortunately, the Senate did not vote on this important resolution.

Therefore, today I would like to draw special recognition to the 65th anniversary of the first deliberate genocide in the 20th century—the savage slaughter of the Armenian people by the Ottoman Turkish Empire in 1915. By recalling this tragic event, we may affirm anew our resolve to prevent such brutalities from occurring in the future. We should also recognize the commitment of the Armenian people throughout the world to the cause of justice and human rights and the terrible price they have paid in pursuit of these principles.

This instance remains one of the most shocking and deplorable acts ever perpetrated by one people against another. However, this historic event not only threatened the Armenian people with extinction which was the goal of the tyrants of the Ottoman Government; but also produced an unfortunate precedent, that of world inaction.

Traditionally, Armenian Americans and their kin throughout the world have observed April 24 as a day of mourning. It was on the night of that day 65 years ago that 200 intellectuals, community leaders, and prominent citizens of the Armenian community were herded into the desert and executed. This event marked the beginning of the Ottoman Empire's systematic plan to exterminate the whole Armenian Christian population within its borders.

Over the next 3 years, 1915–18, some 2 million Armenians were massacred. The entire population was uprooted from their ancestral homeland in what is now the eastern region of Turkey. The able-bodied men were murdered, and the remaining women, children, and elderly were forced to leave their belongings and march to the remote deserts of Der-el-Zor. Along the way, these helpless people were subjected to torture, rape, and slaughter by roving bands of Ottoman soldiers. Any survivors of these brutalities died from exhaustion, starvation, and disease.

Beyond the brutal deportations and heinous murders, the Ottoman Government attempted to obliterate all traces of the 3,000-year-old Armenian civilization. Libraries, churches, and schools were destroyed. Books, paintings, and irreplaceable historical treasures were burned. Every possible attempt was made to wipe out any trace of the Armenian people who are perhaps the oldest of the civilized races in Western Asia and were the first nation in the world to accept Christianity as its state religion.

Nevertheless, despite the odious crimes of the Ottoman Government, the Armenian people survived. In 1918, through the efforts of President Woodrow Wilson, the boundaries for a free and independent Armenia were established. The little republic was formally recognized by the United States. However, weakened and demoralized by the genocide, the Republic of Armenia fell 2 years later—this time to the Soviet Union. Today, the historic Armenian area, in what is now Turkey, is totally devoid of Armenian people, while the Soviet Union holds the Armenian people captive in the area known as Soviet Armenia.

Today, there are tens of thousands of Americans of Armenian descent living in the United States, upholding the principles of liberty and justice we all cherish so dearly. But the scars of the crimes committed against their ancestors still remain.

The Armenian people have demonstrated throughout history, their fortitude, stamina, and tenacity in maintaining their church, culture, and language. The existence today of this Armenian spirit is the foundation that will lead to the ultimate restoration of a free Armenian nation.

In remembering the severe injustices suffered by the Armenian people, we remind ourselves that crimes of this kind must not be repeated, and pledge to remain vigilant in opposing all such atrocities.●

● Mr. EARLY. Mr. Speaker, today the opening prayer here in the House of Representatives was delivered by Bishop Mesrop Ashjian, prelate of the Armenian Apostolic Church of America. It was an honor for me, on behalf of my constituents in the Third Congressional District of Massachusetts, many of whom are of Armenian descent, to join with my colleagues in welcoming Bishop Mesrop Ashjian to this Chamber and to our Capital City.

Bishop Mesrop Ashjian came to visit us here in Washington, D.C., in connection with the national observance of Armenian Memorial Day commemorating the 65th anniversary of the deliberately planned and brutally executed annihilation of nearly 2 million innocent Armenian men, women, and children by the Turks in 1915. This uncivilized atrocity is generally regarded as "the first genocide of the 20th century."

From that dark time to this day, Armenia has continued, through many centuries, to be afflicted with excruciating persecution, injustice, and suffering. A lesser people would long since have given up all hope and, in accord with the intention of their oppressors, just disappeared from the face of the Earth as a nation. However, the Armenians did not do this. Through all their terrible suffering and deprivation these heroic people have consistently retained their historical identity, Christian faith, their great courage, their renowned culture, and their honorable traditions.

Those of us who have lived among American Armenians know very well why they and the native people of Armenia will never permit the memory of their martyred forebears in 1915 to be forgotten nor will they ever abandon their fight for national freedom and independence.

In private life the American Armenian is an honest, industrious, cooperative, good neighbor and citizen in his community.

When our Nation has been attacked by an enemy the Americans of Armenian origin have distinguished themselves in all ranks of our armed services and may be justly proud of their military record here.

In the fields of business and professional life in America the Armenian descendant has always demonstrated the highest qualities of character and degree of competence.

Knowing the Armenian Americans from personal association I am proud to express my own conviction that the spirit of the homeland, as evidenced by the descendants, will never be defeated by any kind of barbaric persecution or attempted extermination. As a fellow American I take heart and courage from their example and the example of the valiant people in their native land.

That is why I am happy to join with all American Armenians in this observance of their Memorial Day and in promoting worldwide remembrance of the historical precedent of the Armenian genocide in 1915. By our action here let us hope that we will give encouragement to Armenians in their homeland to forever persevere in their just efforts to regain their national liberty and independence. Let us hope that we will give motivation to Turkish authorities to make proper restitution to the Armenian people for the extreme wrongs that were visited upon them. Let us hope we will inspire ourselves and all other free nations with the practical wisdom to stand together for the attainment of world peace and the protection of each other from the tragic fate of annihilation or subjugation at the hands of an uncivilized enemy.●

● Mr. MOORHEAD of California. Mr. Speaker, I thank the gentleman for yielding. I also thank the gentleman for asking me to participate in this special order.

For many reasons, this is not a happy task for any of us. It is certainly unpleasant to remember that beginning on this day in 1915, the Ottoman Turks began the systematic slaughter of 1½ million Armenian children, women, and men.

It is not pleasant to recall that the Armenian massacre still carries a legacy of hate and suffering, and that the scars created by those days of agony have not entirely healed.

In this grand Chamber, 65 years later, it is not easy for us to imagine the enormous horror and evil the Armenian genocide represents. It is not pleasant for us to realize anew that mankind has such a hideous potential for evil and that, despite the well-intentioned rhetoric of well-intentioned men, we still have not learned from past horrors such as the Armenian massacre.

Rather than becoming less tolerant of mass murder, it tragically seems we have become more indulgent of it. We promised after the Armenian desolation that there would be no more genocide.

Then came the extermination of 6 million Jews by Hitler and again we vowed that such evil would not reoccur. Since the Holocaust, millions of persons have been murdered in Russia and China. More recently, we have heard chilling accounts of mass death in Uganda and at this moment, thousands of Cambodians are dying of starvation and neglect as the direct result of man's inhumanity to man.

After each atrocity, our cries of outrage arise, yet the outrages continue. Despite the vast commonality of man, we continue to slaughter each other for what are essentially trivial reasons.

Despite the fact that we share an endless number of common traits, common desires and common needs, we continue to kill and hate for reasons so small that the acts they engender become even more perverse.

The words we utter here today as a memorial to the victims and survivors of the Armenian massacre will be hollow if we ourselves do not determine to become more tolerant of those small differences that make each of us unique.

If we do not demonstrate concern for our fellow man, we condone brutality and hate however far we are removed from hateful acts.

Today, we recall the results of evil so we can renew our commitment and dedication to good. This, I believe, is the lesson of the 65th anniversary of the Armenian massacre.●

● Mr. HOWARD. Mr. Speaker, on April 24 each year, Armenians in the United States and throughout the world gather at ceremonies to commemorate the memory of those Armenians, 1.5 million strong, who perished at the hands of the Ottoman Turks in 1915. On that infamous day, Turkey began its systematic elimination of the Armenian nation—men, women, children, the aged. The Turks spared no one. Why was this horrendous task undertaken? The Armenian people, the first in the world to adopt Christianity as a nation, refused to give up their God-given rights to practice their faith and the right to rule their own homeland, where they lived for over 2,000 years before the Turkish invasion. This planned genocide continued after World War I and by 1922 the figure of lives lost was over 2.5 million. This was truly a holocaust of tremendous proportions.

Mr. Speaker, I ask my colleagues to join me in honoring and praying for the souls of these martyrs, who suffered torture and death. Let us assure their survivors and descendants that this heinous act by the Ottoman Turks will always be remembered as "man's inhumanity to man," and urge the present Turkish nation to acknowledge this despicable act and make just reparations.●

● Mr. FLORIO. Mr. Speaker, this week marks the 65th anniversary of the beginning of the Armenian massacres. In 1915 the Turks set out to exterminate the whole Armenian Christian population within the Ottoman borders. During the next 4 years 1,500,000 Armenian men, women, and children perished. The remaining Armenian people, about 1 million, were scattered around the world. Many came to the United States. Today, the historic Armenian nation in what is now Turkey, is totally devoid of Armenian people, while the Soviet Union holds the Armenian people captive in an area known as Soviet Armenia.

The Armenians of America, who number about 500,000, are the descendants of some of those who survived this tragedy. There is scarcely an Armenian-American family today who did not have a member of their family die from the Ottoman-led massacres.

The events of the 1915–18 period will never be forgotten by the Armenian people. However, Armenians have risen above this immeasurable crime perpetrated against them, and have become leaders of the communities in which they reside. Armenians of American descent have withstood years of discrimination to achieve prominence in their chosen fields. I would like to acknowledge the large contributions this industrious people have made to our country and my own State of New Jersey.

History tells us that the Ottoman Government not only attempted to destroy the Armenian people, but sought to erase every trace of the 3,000-year-old Armenian civilization. Countless Armenian paintings, books, and relics were destroyed when universities and monasteries burned according to government orders. Americans of Armenian descent have attempted to recover some of this loss by carrying forward the rich traditions of their Armenian heritage.

Sadly, history also informs us that every successor Government of Turkey since the Armenian genocide, have failed to make any retribution to the Armenian people. No Turkish Government since 1915 has even acknowledged the wrongs of the Government which was then in power.

Mr. Speaker, I urge my colleagues in the Congress to continue to impress upon the Government of Turkey the importance of this issue. In order that such hideous crimes may be prevented in the future, the tragedy of the Armenian massacres must forever be remembered by every government on Earth.

Renewed efforts are also needed to justly alleviate the continued suffering of the Armenian people. I urge my colleagues to affirm their support for the Turkish Government to meet this challenge. The Government of Turkey must not be allowed to evade their just responsibilities to the Armenian people.●

● Mr. BLANCHARD. Mr. Speaker, April 24 marks 65 years since the genocide of the Armenian people by the Turkish Ottoman Government in 1915. It is well-documented that at least 1.2 million Armenians were massacred or deported from their homes and forced on death marches in the months following April of 1915. It is also well-documented that this horrifying event arose not as one of the tragic side effects of World War I, but, in the words of historian Arnold Toynbee, as a "deliberate, systematic attempt to eradicate the Armenian population throughout the Ottoman Empire."

Early in 1915, the Turks decreed that all Armenians should be disarmed. Armenians in the Turkish Army were regrouped into unarmed labor battalions, and civilians were required to turn in arms to local authorities, whether they actually possessed them or not. The inquisition for arms brought with it open violence against the Armenians. Then, beginning in early April, all Armenian men were required to report to the government. What followed was genocide. Historian Toynbee's description:

> The men presented themselves in their working clothes, leaving their shops and work-rooms open, their ploughs in the field, their cattle on the mountain side. When they arrived, they were thrown without explanation into prison, kept there a day or two, and then marched out of the town in batches, roped man to man, along some southerly or south-easterly road. They were starting, they were told, on a long journey—to Mosul or perhaps to Baghdad. It was a dreadful prospect to men unequipped for travel, who had neither scrip nor staff, food nor clothes nor bedding. They had bidden no farewell to their families, they had not wound up their affairs. But they had not long to ponder over their plight, for they were halted and massacred at the first lonely place on the road.

Yet there was more. After the men were taken away, the remaining Armenians, mostly women, children, and old or sick men, were ordered deported. They had only a few days at most to prepare. They were forbidden to sell their houses or livestock, under the pretense that their absence was temporary, and many saw their possessions turned over by the government to Moslem immigrants before they even began their march.

The trip was by foot through harsh, dry country in the hot season. Many died of hunger and thirst, or the sheer physical hardship. However, many more died through atrocities committed upon them—by their guards, by the local peasants, and by brigands and Kurds stirred up to such actions by the Turkish Government. The details of the death marches are awful to contemplate, but they must be known if we are to comprehend what really happened.

One eyewitness account:

> Very many women and girls were carried off to the mountains, among them my sister, whose one-year-old baby they threw away. A Turk picked it up and carried it off. I know not where. My mother walked till she could walk no further and dropped by the roadside, on a mountain top. We found on the road many who had been in the previous batches; some women were among the killed, with their husbands and sons. We also came across some old people and infants still alive, but in a pitiful condition. . . .
>
> We were not allowed to sleep at night in the villages, but lay down outside. Under cover of the night indescribable deeds were committed by the gendarmes, brigands and villagers. Many of us [the company] died from hunger and strokes of apoplexy. Others were left by the roadside too feeble to go on.
>
> The worst and most unimaginable horrors were reserved for us at the banks of the (Western) Euphrates and the Erzindjan plain. The mutilated bodies of women, girls and little children made everybody shudder. The brigands were doing all sorts of awful deeds to the women and girls who were with us, whose cries went up to heaven. At the Euphrates, the brigands and gendarmes threw into the river all the remaining children under fifteen years old. Those who could swim were shot down as they struggled in the water.

The deportation marches began in early April 1915 and continued through the end of the year. April 24, the date now used to commemorate this tragedy, marks the day in 1915 on which the Turks arrested all the Armenian secular, religious, and intellectual leaders in Constantinople for deportation.

As a member of the President's Commission on the Holocaust, I feel very strongly that the only way to prevent tragedies like the Armenian genocide and the Nazi holocaust from occurring again is to keep vivid our memories of what has happened. We must make sure that the historical record remains accurate and that the truth is not blurred.

The facts are so repugnant that it is painful to face them directly—yet, like all pain, it serves to protect us if we heed its warning. If we remember that the unthinkable has indeed happened, we can understand that it could happen again.

The world allowed the memory of the Armenian genocide to fade and, 20 years later, could not comprehend that another genocide was in the making. There could be no clearer lesson. We must not forget; we must not let time smooth out the rough edges of history. We must use our memories to remain vigilant and alert—in so doing, we may protect our future from the awful stains of the past.●

□ 1730

THE FARM AND THE CITY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Vermont (Mr. JEFFORDS) is recognized for 5 minutes.

● Mr. JEFFORDS. Mr. Speaker, for three decades the American Assembly of Columbia University has been in the forefront of American public affairs organizations. Conceived by Dwight Eisenhower when was president of Columbia, the assembly has, over the years, brought together participants for the purpose of making recommendations for public and private policy.

On April 10, 1980, a group of 63 persons from the Government, business, farm organizations, urban planning groups, real estate development, foundations, and the communications media met at Arden House in Harriman, N.Y.

for the 58th American Assembly, on "The Farm and the City." For 3 days they discussed problems which have resulted from the loss of prime farmland from rural areas as suburban and exurban develoment have grown during the years following World War II. At the conclusion of the assembly, the group made the following recommendations for Federal, State, and local policies dealing with the farm and the city.

Recommendations of the 58th American Assembly:

1. The federal government should declare clearly that it is in the national interest to:

a. Preserve farmland.

b. Restore cities to their role as the principal places people come together to live and work.

2. The federal government should:

a. Coordinate federal actions, locating its own jobs and services, and investing funds for highways and sewer and water lines (urban infrastructure) to assure that they contribute to strengthening of cities. This coordination already has begun under the National Urban Policy.

b. Add to that coordination process the goal of preserving prime and important farmland. Frequently, infrastructure leads private development to prime and important farmland rather than to less valuable acreage.

c. Provide technical assistance to encourage the states to improve their processes for state and local land use decision making, within which county and/or municipal governments specify land use requirements, leading toward farmland preservation and urban revitalization.

3. State government programs should include:

a. Comprehensive plans which:

(1) Clearly identify land use objectives and land use mechanisms which require local governments to make provision for the protection and preservation of productive farmland,

(2) Limit the spread of urban development,

(3) Require that density permitted within developed urban areas be adequate for expected population growth,

(4) Explicitly recognize the public and private costs and its distribution.

b. A real estate tax structure that reflects the changed rights and value of land resulting from any use reservation, such as reservation for agriculture.

c. Coordination of state investments, tax structure, location of state jobs and services, and state regulations toward these same goals.

4. States should study:

a. Examples of state planning, such as Oregon's, which have passed some critical tests.

b. States and localities which have tried transfer of development rights and/or purchase of development easements.

c. Other state actions to locate public investment and guide private development into compact urban settlements and away from farmland.

d. Excessive or onerous laws or regulations, which interfere with the farmer's right to farm (i.e., applying manure, use of fertilizers, agricultural chemicals, irrigation, use of tractors and other mechanized equipment, etc.).

5. The participants were divided on specific proposals to enhance farm profitability, such as making credit sources available to young people to enter farming, informing farmers of ways in which they can bequeath their farm without excessive taxation, and encouraging farmers' markets and other innovative marketing techniques.

6. To meet expected demand for food:

a. More effort should be devoted to soil conservation, including:

(1) More research, extension, and education work on conservation of soil,

(2) Requiring farmers participating in federal price support or cost sharing programs to follow soil conservation programs worked out with their local farmers' committees and/or local conservation districts.

b. State programs of water management should be initiated to control use of ground and surface water (e.g., The Florida Water Resource Act of 1972).

c. More emphasis should be placed on transferring basic research into the technology of food production.

7. In order to revitalize cities and to make better use of underutilized and vacant land and structures in our urban areas, certain steps are recommended based on successful redevelopment models. To make better use of city land and make cities more attractive to business as well as residents, local public-private-civic partnerships should be established.

a. These partnerships should be initiated by a group of firms which have investments or are willing to make investments in the city. They should be ready to specify the conditions under which such investment would be reasonable.

b. The firms should go to city officials and, if the city is interested, invite participation of federal, state, and county officials and, if appropriate, school officials and civic organizations.

c. Each participating group should offer to contribute in ways that meet the needs of the other participants on such city problems as crime, school quality, housing finance and rehabilitation, transportation, local government efficiency, and taxes.

8. In many parts of the country, rural and urban, the political climate must be changed to achieve the goals listed. Political and business leaders should act to prevent future problems caused by urban sprawl and city decline. We know these long-range goals are difficult for political and business leaders, who are subject to frequent scrutiny by voters and stockholders. America's civic organizations, the traditional sounders of alarm and formulators of programs for change, should put these issues high on their agendas to make a strong farmland protection-city revival movement politically profitable.

I recommend, Mr. Speaker, that my colleagues consider these recommendations. As stated in the American Assembly's report on "The Farm and the City":

> Those who are working to insure the future of America's food supply and those who are working to revitalize our cities have recently come to realize that they are allies in a common cause. That cause is to make the cities attractive as dwelling places and work places for future generations of Americans and to halt sprawling encroachment on important farmlands. We would thus help assure that we will be both well housed and well fed.●

NEW INFORMATION ON SOVIET ARMY DEPLOYMENT IN AFGHANISTAN

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. KEMP) is recognized for 10 minutes.

● Mr. KEMP. Mr. Speaker, when the Soviet Union invaded Afghanistan in large numbers in December 1979, their deployment appeared to be directed toward supporting the counterinsurgency effort of the armed forces of the servile regime it had installed in Kabul. An initial force of three motorized rifle divisions and one airborne division have subsequently been engaged in suppressing the rebellion in the northeastern sector of Afghanistan.

Since the initial airlift of forces into Afghanistan, five additional divisions have been deployed in Afghanistan, but not to cope with the rebellion. These forces have been deployed along the Iran-Afghanistan border. The details of this deployment merit serious consideration.

The 357th Motorized Rifle Division deployed in the northwestern part of Afghanistan near Herat and Islam Qila. Two other divisions, the 66th Motorized Rifle Division and the 105th Airborne Division—which spearheaded the invasion of Afghanistan in December—have been deployed in the vicinity of Shindand in Farah Province.

Until the Soviet deployment in Afghanistan emphasized the Iran border area location, the military airfield at Begram near the capital (Kabul) was the primary military airbase for Soviet forces. Today, the primary airbase is located in Shindand—formerly a secondary facility used by the Afghan Air Force. Today, Shindand airbase is host to two Fitter fighter-bomber squadrons, one Mig–23 Flogger and one Mig–21 Fishbed interceptor squadron. The Shindand airbase has been improved by the Soviets to support an active tactical air power deployment. The flying time to the Straits of Hormuz is less than 100 minutes.

Two additional motorized rifle divisions, the 54th and 5th divisions are deployed in the southwestern part of the country near Zarnj. The total deployment along the Iran border now numbers over 55,000 troops, 800 tanks, and 1,600 armored personnel carriers—the equivalent of a full scale Soviet Army group.

To this deployment must be added the readiness of 12 motorized rifle divisions deployed in the Caucasus region of the Soviet Union along Iran's northern frontier. The meaning of these deployments for western security should now be clear. The Soviet Union does not intend to sustain a brief stay in Afghanistan. Rather the Soviets have extended their defense perimeter outward in a manner that poses a more direct threat to the Persian Gulf than ever before.

The Soviets are at a high state of readiness from the perspective of responding to an opportunity to exploit unrest or civil disturbance in Iran. Moreover, the nature of the Soviet deployment indicates that there is no intention of allowing the United States to swiftly deploy its forces into the region. Should the Soviets decide to move into Iran or the Persian Gulf area, they are prepared to do so within a matter of a few days. The nature of the Soviet deployment is reinforced by noting that the deployment of all but one battalion of the 105th Airborne Division (left behind at the Begrum Airbase), plus 60 Mi–6 transport helicopters assure a capability to deploy advanced elements into the Persian Gulf area in support of a larger overland invasion.

The invitation the weakened posture of the United States in the region has provided to Soviet opportunism poses a grave danger to long-term American security. In an environment of such manifest danger, there is little justification for the significant cuts in defense programs proposed by the administration in its fiscal year 1980 proposals to modify a previously approved defense budget. Similarly, reductions proposed for fiscal year 1981 in programs offered less than 90 days ago are unwise from both the perspective of military performance and the perception such reductions convey to our Soviet adversary.

The Soviet deployments in south-central Asia have clearly changed the military balance in the region to our serious disadvantage. The circumstances we face justify not reductions in our defense capability being proposed by the administration, but a renewed effort. I hope the administration will make a concerted effort to review its defense budget proposals in the light of these events.●

DAYLIGHT SAVING TIME SHOULD BE EXTENDED

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. PORTER) is recognized for 5 minutes.

● Mr. PORTER. Mr. Speaker, next Sunday, the Nation will turn the clock ahead 1 hour in compliance with daylight saving time as mandated in the Uniform Time Act of 1966.

Under present law, the United States goes on daylight saving time the last Sunday in April for a period of 6 months, then reverts to standard time on the last Sunday in October.

I am introducing legislation to begin daylight saving time 1 month earlier and extend it 1 month later. Thus, I propose that the period of d.s.t. should begin the last Sunday in March and terminate on the last Sunday in November.

Mr. Speaker, the Arab Oil Embargo of 1973 made the Nation painfully aware of the dire need to conserve energy. In response to the embargo, the Congress passed the Emergency Daylight Saving Time Energy Conservation Act of 1973 to provide a 2-year trial period to test the results of placing the Nation on d.s.t. for 8 months out of the year. The "8–4 month plan" as compared to the present "6-6 month plan" offers numerous advantages making it worthy of the House's consideration.

The Department of Transportation analyzed electric load data from 14 electric utilities across the Nation. The DOT study concluded that extended d.s.t. results in probable electric savings of 1 percent in March and April. As for savings in home heating, the DOT study indicated a projected savings of 3,000 barrels of oil and the equivalent 5,000 units of natural gas per day in the South and Southwestern States alone. While these savings may not seem large, any energy savings should be pursued, particularly, where, as here, there are other obvious advantages to the people as a whole and no actual measurable disadvantages.

Some have objected to extended d.s.t. on the basis that it poses a possible threat to the safety of children traveling to and from school, and its overall impact upon traffic safety. Yet, the facts do not lend creditability to those suspicions. There was no significant increase in motor fatalities that could be attributed to d.s.t. during the 2-year trial period. Morning schoolage children fatal accidents were not significantly different from fatal accidents in total population either during the January–April 1974 d.s.t. or during the d.s.t. periods at the fall and spring transition in 1973.

Extended daylight saving time also results in a decline in crime. In the District of Columbia, for example, periods of d.s.t. had consistently less crime than comparable periods of standard time. For violent crime, there were decreases of 10 to 13 percent and decreases of roughly 2 to 9 percent for incidents of property crime.

I believe that these advantages warrant the permanent adoption of daylight saving time on an extended 8–4 basis. I encourage my colleagues in the Congress to join me in this effort.●

DOWNEY "AGENT ORANGE" BILL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from New York (Mr. DOWNEY) is recognized for 5 minutes.

● Mr. DOWNEY. Mr. Speaker, this morning I took my oath as a member of the Committee on Veterans' Affairs. This afternoon, to express my very real concern for Vietnam veterans, I am introducing a bill to help those exposed to the herbicide "agent orange."

In 1977, when agent orange began creeping into our vocabulary, veterans started looking around for information. Almost 4 years later, few answers have surfaced and little progress has been made by this administration to help these men and their families.

Vietnam was an unpopular war. The anti-Vietnam war movement not only condemned this country's action in Vietnam, it also attached a stigma to the returning soldiers. This attitude has prevented Vietnam veterans from getting jobs, and has even filtered down to the Government agencies empowered to keep them healthy. Most of us now realize what needs to be done and public opinion has turned around. The time is right to make up for the appalling lack of action by the Veterans' Administration and the Defense Department.

Under current law, the VA can award service-connected disability benefits to veterans for a chronic disease which manifests itself within 1 year of a veteran's discharge. The VA has already denied over 1,200 claims submitted for service-connected benefits by Vietnam vets exposed to agent orange.

Contact with herbicides such as agent orange may produce all kinds of conditions and diseases so far only suspected by the medical community. Genetic disorders are high on this list. By the very nature of these long-term problems and, as indicated by the latest GAO report on agent orange, intensive investigation is absolutely warranted. Like multiple sclerosis, on the spot diagnosis is not possible. Symptoms surface over years, making it ludicrous for the VA to ask the veteran to prove service-connection within that first year after separation from the service. Now more than 10 years later, the incidence of birth defects in the children of and testicular cancer among these veterans is alarmingly high.

For all these reasons I am introducing a bill to waive the 1-year time limitation on claims for service-connected disability benefits for diseases and conditions resulting from exposure to agent orange and other herbicides sprayed in Vietnam.

We have an obligation to Vietnam veterans and to their families. Those that are certain they were exposed to this herbicide are equally uncertain about their futures. For the veterans just trying to find out if they had contact with agent orange the answers are more difficult—so far, their records are unavailable. Until now, every action taken by these veterans to get help has been largely ignored. So-called herbicide clinics are ineffective and some VA hospitals are paying no attention to veterans looking for testing. Those that know they have a medical problem are being turned down or turned away.

If we do not take corrective action and steer our efforts in the right direction, this could turn into one of the biggest Government scandals in history. As the wife of an agent orange victim said to me:

> In the '70's we had Watergate, and in the '80's we'll have Orangegate.

It is time for public awareness; it is time for action; it is time the Vietnam veteran is finally awarded his just due—the truth.

The text of the bill follows:

H.R. 7157

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 312 of title 38, United States Code, relating to presumptions relating to certain diseases and disabilities, is amended by adding at the end thereof the following new subsection:

"(d) For the purposes of section 310 of this title and subject to the provisions of section 313 of this title, in the case of any veteran who served in the active military, naval, or air service in Southeast Asia during the Vietnam era, any disability or disease of such veteran attributable to or caused by exposure to a phenoxy herbicide shall be considered to have been incurred in or aggravated by such service, notwithstanding that there is no record of such disability or disease during the period of service of such veteran or that such disability or disease did not become manifest until more than one year after such veteran was discharged or otherwise released from service.".

SEC. 2. The amendment made by the first section of this Act shall apply to compensation paid under chapter 11 of title 38, United States Code, after September 30, 1980.●

COMMEMORATING GENOCIDE OF ARMENIAN PEOPLE BY TURKISH GOVERNMENT DURING WORLD WAR I

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Massachusetts (Mr. MOAKLEY) is recognized for 5 minutes.

● Mr. MOAKLEY. Mr. Speaker, my colleagues and I have joined today in commemorating the genocide of the Armenian people by the Turkish Government during the First World War. Almost 2 million Armenians were systematically and brutally annihilated in the first genocide of the 20th century.

The Turkish Government carried out its planned "Turkification," a purging of all non-Turks, without regard to law, morality, or conscience. First hiding behind the facade of war, and then proceeding overly despite every protest and plea, the Turks persisted in their racial extermination until only an estimated 19 percent of the Armenian population remained alive. The atrocities of massacre and persecution had never before in all of history been executed so ruthlessly and efficiently.

The tragic suffering of the Armenian people continues to stand unmitigated by international justice and widely ignored as a dangerous precedent for future genocide. We ask that the grievances of the Armenians be brought before the General Assembly of the United Nations for Action must be taken to preserve the national identity and unique culture of Armenians and to unite the 2 million scattered expatriates presently living in foreign lands. It must be shown that the human race as a whole will not tolerate any attempt to exterminate one of its subdivisions.●

HIGHEST OIL COMPANY PROFITS IN HISTORY

The SPEAKER pro tempore (Mr. DANIELSON). Under a previous order of the House, the gentleman from Michigan (Mr. WOLPE), is recognized for 15 minutes.

Mr. WOLPE. Mr. Speaker, today this headline appeared in the Washington Post: "Exxon Corp. Profits Double to Record $1.9 Billion."

The article indicates:

> Exxon Corp. announced yesterday it had first-quarter earnings of $1.925 billion, more than twice what it earned in the same quarter last year and by far the highest quarterly profit any corporation ever has reported. Exxon is the nation's largest industrial corporation as ranked by 1979 sales.

The article goes on to detail similar increases in the profits and earnings of the largest oil companies of this country. That report that appeared in the Washington Post comes after an extraordinary year for the oil industry. Indeed, U.S. oil company profits in 1979 were not only the highest in history, they also represented the largest 1-year increase on record, regardless of whether profits are measured in terms of the actual dollar increase over the previous year, the percentage increase, or the increase in return on equity. Overall, the 20 largest oil companies reported profits in excess of $22 billion, which represents an increase of 64 percent and a return on equity of 23 percent, or nearly double that of the previous 3 years.

The significance of 1979's record-breaking oil profits is underscored by the fact that President Carter's plan to decontrol domestic oil prices has barely begun. To date, only heating oil and diesel fuel have been decontrolled, and refinery profit margins for these two fuels increased 806 percent and 706 percent respectively in the past year. Thus, oil company profits are expected to increase even more over the next few years as the Carter decontrol program is fully implemented.

Mr. Speaker, when will we be willing, when will this Congress be willing to say, "Enough is enough."

We are asking every sector of our economy to exercise restraint. We are asking workers to hold the line on wages. We are asking every business and industry in America to hold the line on price increases. We are telling our farmers who are facing bankruptcy and forced land sales that they should be patient and accept farm prices that do not even come close to their cost of production. Only the oil and gas industry apparently is exempt from these appeals for restraint. Yet it is that same oil and gas industry that is thriving in the current economic climate and is doing so at the expense of the rest of the economy.

During the recent Easter recess, I met with over 20 groups of constituents in my district over a 6-day period. During the decade that I have been in public office, I do not think I have ever encountered the degree of frustration, of despair, of cynicism, and of hopelessness, that I encountered in that week.

Michigan, like the rest of the country, is today confronted by an inflation rate in excess of 18 percent. The largest single factor in that rate of inflation is the rising cost of energy. In the first quarter of this year, energy costs rose at an annual rate of 64 percent. Energy prices last month increased at an even higher annual rate.

But Michigan, unlike the rest of the country, is today also faced with a statewide unemployment rate of 11.2 percent, and this rate is projected to rise to 13 to 15 percent in the days ahead. There are parts of my State and of my district that have unemployment rates in excess of that number already. Again it is the rising costs of energy that underlies the sharp rise in unemployment, for the recent energy cost increases have had a devastating impact upon America's automobile industry and all of our communities that are so dependent upon that industry.

We are told that the recently enacted windfall profit tax will set everything right; but the fact remains that there would be no need for a windfall profit tax if there were no windfall. That tax is not going to roll back the massive price increases that have already occurred—or prevent the increases in store for us in the months ahead.

Amazingly, oil and gas production price increases are not even subject to review within the President's voluntary anti-inflation program. The oil and gas producers have, to this point, been totally exempt from the President's wage and price guidelines.

Is it really unreasonable that we ask of the oil and gas producers the same degree of self-restraint we are asking of everyone else?

Is it really unreasonable that we would require that the oil and gas industry in its entirety be required to comply with the President's anti-inflation guidelines as administered by the President's Council on Wage and Price Stability?

I plan to introduce a sense of Congress resolution that would indicate the congressional determination to see to it that the oil and gas industry is, in fact, brought within the guidelines of the Wage and Price Council and that the Wage and Price Council will for the first time determine the extent to which the oil and gas producers of this country are in compliance with those guidelines.

I invite my colleagues to join me as cosponsors. I will be including a copy of the sense of Congress resolution in the CONGRESSIONAL RECORD at the conclusion of this statement.

H. CON. RES. —

Concurrent resolution expressing the sense of the Congress that anti-inflation guidelines under the Council on Wage and Price Stability Act should be made applicable to producers of oil and natural gas

Whereas Exxon, the largest industrial corporation in the United States, has announced that first quarter profits for 1980 have increased in excess of 100 percent over the first quarter of 1979 to a level of $1.9 billion, the largest quarterly profit any corporation has ever reported;

Whereas similar profit increases are being reported by the oil and natural gas industry as a whole;

Whereas these recently announced profit increases come on top of last year's record profits and appear to be part of a long-term trend;

Whereas the rate of return on equity of the twenty largest oil and natural gas companies in the United States jumped from 13 percent in 1978 to 23 percent in 1979, far in excess of any other industrial sector;

Whereas energy costs to the American consumer soared at a 64 percent annual rate for the first quarter of 1980;

Whereas energy prices are the largest single contributing factor to the 18 percent annual inflation rate the Nation is experiencing;

Whereas soaring energy costs are contributing to a decline in American industrial productivity, resulting in major increases in unemployment and serious economic disruptions throughout the United States;

Whereas the burden of our struggle against inflation must be shared equitably by all sectors of the American economy, including the oil and natural gas industries; and

Whereas the mandatory controls administered by the Department of Energy are being phased out: Now, therefore, be it

Resolved by the House of Representatives (the Senate concurring), That it is the sense of Congress that anti-inflation guidelines prescribed under the Council of Wage and Price Stability Act, which are applicable to refiners and retailers of oil and natural gas, should also be made applicable to producers of oil and natural gas.

A TRIBUTE TO KAREN GOTTOVI

The SPEAKER, pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. ROSE) is recognized for 5 minutes.

● Mr. ROSE. Mr. Speaker, it is my pleasure today to call to the attention of the Congress and the Nation, Ms. Karen Gottovi, a resident and well respected county commissioner from my district.

Ms. Gottovi has served and continues to serve New Hanover County, N.C., well. Her dedication to her job and the people she represents is well known, and her achievements are many.

Recently, Ms. Gottovi appeared before the Subcommittee on Oceanography of the House Committee on Merchant Marine and Fisheries to testify on behalf of the National Association of Counties concerning the Coastal Zone Management Act Amendments. I think that many of my colleagues who did not have a chance to hear Ms. Gottovi speak would find her testimony useful.

Therefore, for the RECORD, I would like to share Ms. Gottovi's statement, and thank her for her continued interest in the welfare of North Carolina and the Nation:

STATEMENT OF THE HONORABLE KAREN E. GOTTOVI

Good afternoon, Mr. Chairman and members of the Sub-Committee. I am Karen Gottovi, a county commissioner in New Hanover County, on the coast of North Carolina. I also serve as the chairman of the Coastal Zone Management subcommittee of the National Association of Counties.* On behalf of NACo, I thank you for this opportunity to testify on amendments to the Coastal Zone Management Act.

The National Association of Counties has long been a supporter of coastal zone management and its objective of providing for community growth, while protecting vital coastal ecosystems and otherwise reducing the hazards associated with development in a fragile natural area. Coastal counties have played, and will continue to play, a key role in the management of coastal resources. It is at the local level of government that the most difficult decisions often must be made, and in local communities where the consequences of decisions affecting natural resources are most immediately felt. And, therefore, coastal counties appreciate the assistance provided by the Coastal Zone Management Act.

But county support of coastal zone management is subject to one important qualification. Because much of the responsibility for sound resource management rests on the shoulders of local government officials, we must have the discretion to exercise our common sense and, hopefully, our good judgment toward the end of balanced growth and environmental protection. Although there has been a lot of talk about "balance," some of it in defense of special interests that wish to exploit coastal resources, there are those of us in county government who believe that the term still has real meaning. We do not view the question of balance cynically. We do not want to mortgage the future of our communities by sanctioning reckless exploitation, nor do we wish to sell short the present needs of our constituents and neighbors. It is, thus, important to local officials that their opinions and perspectives on coastal resource management be adequately considered by the federal and state governments.

On the whole, we are pleased at the way that coastal zone management has worked out for local government. The delegation of planning and regulatory authority to counties, with broad guidance and assistance from federal and state agencies, has generally enabled us to meet present and future community needs for the prudent use and protection of coastal resources. The coastal counties are gratified that both the Administration and the Chairman of this subcommittee, Congressman Studds, have sponsored legislation to continue the coastal management program. I would like to take a few minutes to address the two bills before the subcommittee.

Although the two pieces of legislation appear to share the basic objective of improving coastal management, H.R. 6979, introduced by Mr. Studds, seems to be the product of more careful thought about how this improvement should be encouraged. The new concept of "coastal resources of national significance" focuses meaningful attention on the most vital components of the coastal ecosystem. The proposed changes in Section 306—including a carrot-and-stick approach to encouraging specific and enforceable state standards for governing permissible uses of these significant resources—stand in welcome contrast to the vague language of the Administration bill. And the provision for new "Resource Management Improvement Grants" in the Studds bill is a bold recognition of a principle with which county officials heartily agree—namely, that, if the federal government wants the states and local governments to undertake new projects, it should be willing to help pay the cost.

Our support of the improvement mechanisms of H.R. 6979 is, however, not without reservations. Foremost among these is that, consistently with the objective of encouraging the participation and cooperation of local governments in coastal management (contained in Section 303(3) of the Act, as it would be amended by H.R. 6979), counties should be accorded a central role in the designation of "coastal resources of national significance" and in the establishment of specific state standards for reviewing the uses of coastal resources of national significance. We would further hope that the legislative history of this bill will make it clear that Congress intends that OCZM and the states make a genuine effort to solicit the views of local governments in amending coastal management plans to include specific standards.

We also have a reservation about the limitation of the Section 306A Resource Management Improvement Grants to states which are participating in the coastal zone management program and receiving 306 funds. While we recognize the desire to encourage additional states to participate by providing another incentive, we are dismayed that this limitation eliminates the possibility that counties within non-participating states may receive funds to carry out their own coastal management improvements. NACo believes that a case can be made for awarding improvement grants to individual counties and municipalities within non-participating states—and this includes the entire Gulf Coast at present—where resource management questions have been sharpened by continuing controversy, and the national stake in protecting a critical local resource is so great that it warrants federal assistance regardless of state action or inaction. We would welcome the opportunity to work with this subcommittee to develop a suitable means for opening up this possibility for improved coastal management by conscientious local governments.

I would like to turn briefly to the issue of barrier island preservation, and then conclude with some remarks about the budget authorization provisions of the two bills before you. As you are probably aware, island preservation is a sticky subject in North Carolina, where so much of the coast is in a federal preserve. There is concern among my constituents that the federal government is going to buy up the rest of the islands, and this feeling is especially strong in the case of islands that are already partially developed.

I would encourage this subcommittee and the Congress as a whole to give low priority to the acquisition of barrier islands that are already developed, and concentrate on islands that are in a wilderness state or which provide habitat for rare and endangered species. Attention should also be paid to achieving fair geographic distribution of island acquisition, so as to spread out both the benefits and what are considered by some to be detriments of preservation. Where the character of the island warrants it, a diversity of uses should be permitted on federally acquired islands—including passive and active recreation, and in the latter case, the development necessary to support recreational uses.

Since local governments derive a significant portion of their revenues from property taxes, and federal acquisition removes land from the tax rolls, the principle of payments-in-lieu of taxes should be incorporated into the Section 315 island acquisition scheme in recognition of the public benefits that will accrue at the expense of local revenue. And finally, perhaps most importantly, I would ask this subcommittee to examine the relationship between the island acquisition approach of H.R. 6979 and that of the bill introduced by Congressman Burton, H.R. 5981. Somehow, I get the feeling that two different federal proposals are being advanced, without much thought about how they can be reconciled. Going back to my general remarks about North Carolina, the Burton bill has caused some concern that the entire coast will be pre-empted by federal ownership and exclusive private development, leaving nothing to provide recreational opportunities for the average citizen.

In conclusion, I would like to offer an observation on the funding levels for coastal management reflected in the two pieces of legislation before this subcommittee. As government officials, my colleagues and I are deeply aware of the need to exercise fiscal restraint and to make the most efficient use of limited funding from whatever source. Hard financial times force some tough economic decisions that affect the social welfare and the quality of life. The Administration bill would appear to force upon the coastal states and their local governments a more difficult, and perhaps unnecessary, choice than would H.R. 6979. Its phase-out of Section 306 funding casts doubt upon the federal commitment to coastal resource protection at a time when many state and local officials are themselves asking whether it is worth the price to continue with coastal zone management. Speaking for my fellow county officials, I think it is safe to say that phasing-out our own coastal management efforts is a choice we would prefer not to have to make.

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* The National Association of Counties (NACo) was founded in 1935 as the national spokesman for county government in the United States. It serves as a liaison between counties and other levels of government and works toward a better understanding of the role of counties within the federal system.

Again, I thank you for this opportunity to present our views on the coastal zone management amendments. I will be happy to try to answer any questions you may have.●

EXPRESSIONS OF OPPOSITION TO H.R. 6841, TO ABOLISH THE FEDERAL COMMODITY DISTRIBUTION PROGRAM FOR SCHOOLS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, for the past several weeks, the Subcommittee on Elementary, Secondary, and Vocational Education has been considering H.R. 6841, a bill that would abolish the Federal commodity distribution program for the schools and replace it with a "letter of credit" system. The subcommittee conducted 2 days of hearings on H.R. 6841 during March and a subcommittee mark-up is now scheduled for next week.

In its analysis of H.R. 6841, the Office of Inspector General of the U.S. Department of Agriculture determined that the proposed system would create "massive amounts of paperwork." More significantly, the Inspector General concluded that—

> Opportunities to circumvent the system and the subsequent potential for fraud and abuse would be far greater under the proposed letter of credit system than under the present commodity distribution program.

For the information of the Members, I would like to insert in the RECORD two of the many letters I have received in opposition to this bill:

APRIL 3, 1980.

Hon. CARL D. PERKINS,
Rayburn House Office Building,
Washington, D.C.

DEAR CONGRESSMAN PERKINS: Enclosed is a copy of my testimony before the House Education and Labor Committee March 27, 1980 in strong opposition to HR 6841.

My major objections are the following:

Local option to remove USDA commodities from the school lunch program will seriously affect USDA bidding power and subsequently the cost of commodities for programs such as Focus: HOPE's.

The quality of USDA commodity foods under the supervision of Secretary Bob Bergland, Carol Tucker Foreman and Bob Greenstein is equal or superior to the best foods available in supermarkets.

Huge amounts of money from the frozen food industry lobby are the major support of Schnittker and Associates, whose arguments go back to the Butz, Hekman efforts to remove all commodities. Food advocates of long standing are united in their opposition to HR 6841, i.e., F.R.A.C., The Children's Foundation, and the National Association of State Agencies for Food Distribution, Indian Nations, and the Red Cross.

Frozen and expensively processed foods add excessive tax burden for meeting the cost of feeding school children. The result will be fewer poor children fed.

Finally, USDA commodities chosen through Food and Nutrition Services not only provide the most nutritious basic foods for children, but additionally support the farm economy without the inflationary profits of middlemen.

This week in Detroit we comparatively priced in local stores all of the USDA commodity foods distributed by Focus: HOPE. The mark-up averaged well over 100 percent. For example, Similac Infant Formula cost between 69 cents and $1.05 a can. The same Similac cost USDA 35 cents a can delivered to our warehouses. Evaporated milk from Pet cost an average 69 cents a can. By the same producer it cost USDA 31 cents.

There are no longer surplus foods as in the old days, but carefully inspected and highly qualified foods. For instance, the USDA iron fortified formula for babies produced by Ross Laboratories carries the label: "This formula is the same as commercially available Similac With Iron Infant Formula." The USDA evaporated milk is higher quality in protein content than the Pet label produced by the same company for retail sale.

I urge you Congressman Perkins to continue to support us in the struggle to feed all poor Americans by keeping the price down, the high quality controlled, and the enterprising brokers out of the process. I also urge your support of the healthy coalition with our farmers. Please do not support HR 6841.

Sincerely,
WILLIAM T. CUNNINGHAM,
Director.

SHERIFF COLD STORAGE CO.,
Cleveland, Ohio, April 14, 1980.

Hon. CARL D. PERKINS,
Chairman Sub-Committee on Elementary, Secondary and Vocational Education, Rayburn House Office Building, Washington, D.C.

DEAR MR. PERKINS: I am writing you concerning H.R. 6841, an effort by the National Frozen Food Association to have cash replace government donated commodities in the school lunch program.

It is apparent the members of the National Frozen Food Association believe they're not getting their share of the pie, and in fact, will fabricate numbers before your committee in an effort to "get their share." The N.F.F.A. has made some gross errors, as I point out:

1. Using 17 states randomly selected as a reflection of all 50 states is ludicrous.
2. N.F.F.A. intra-state cost is actually 93.7% higher than U.S.D.A. cost for those 17 states "randomly" selected.
3. N.F.F.A. understated the total number of units handled by 13.7%.
4. Intra-state distribution cost at state and local levels show U.S.D.A. to be less than half of N.F.F.A.—$1.79 per case versus $3.85 per case.
5. The projected intra-state logistical cost based on U.S.D.A. data would be $73.6 million. This would be 52.3% less than that projected by N.F.F.A. or a difference of $77.1 million.

Mr. Perkins, I urge you to closely question N.F.F.A. representatives at your hearings. I believe you will find some gross errors by N.F.F.A. and those errors could and would make a significant difference in the future of H.R. 6841.

Very truly yours,
JACK A. BOWLAND,
Executive Vice President.

NOTE.—Exhibit 2 U.S.D.A. donated commodities school year 1979 versus commodities letter of credit shows Ohio's total state and local warehouse storage, handling charges paid to be $5,601,795 when in reality cost was less than 20 percent of that number.

COMMODITY COST STUDY, APRIL 1980

Commodity	Purchase price per case	Transportation cost per case	Warehouse handling and storage per case	State charge to school per case	Total cost per case
American cheese	$39.09	$0.84		$0.90	$41.08
Frozen ground beef	74.97	1.58		.90	78.03
Rice	10.63	2.53		.90	14.41
Frozen ground pork	63.53	.75		.90	65.76
Frozen whole chicken	15.07	1.56		.90	18.18
Frozen french fries	7.61	.84		.90	9.84
Dried milk	40.00	.46		.90	41.84

Sources: Mr. Tom McQuade, State Director, Commodities Distribution Program, State of Ohio. Mr. Chet Jessie, Midwest Emery Freight Lines, Mogadore, Ohio. Monthly commodity releases. Unnamed U.S.D.A. manager. Mr. Jim Baker, TJL Enterprises, Cleveland, Ohio. ●

A TRIBUTE TO THE LATE HONORABLE GEORGE H. FALLON

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. PERKINS. Mr. Speaker, all of us who knew and served with George H. Fallon of Baltimore were saddened by his death on March 21, 1980, at the age of 77.

George Fallon was already an institution in this House when I arrived in 1949 and we soon became friends. George was essentially an urban American while I came from a district which was largely rural but I always felt as chairman of the Committee on Public Works George had a natural understanding of the problems of my people with respect to water resources projects. He was of great help to me during his service on the Public Works Committee and my people in eastern Kentucky owe this son of Baltimore a great debt of gratitude.

George was a good man and a friendly man and I never heard ill spoken of him in this House or anywhere else. Almost a decade has passed since he retired, but his friends still remember him fondly.●

TRIBUTE TO HELEN MILLER

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. PERKINS. Mr. Speaker, it is with great regret that I call to the attention of my fellow Members of the House the recent retirement of Miss Helen Miller, Chief of the Education Section of the Congressional Research Service's Education and Public Welfare Division. We will surely miss the diligence and high sense of duty with which Miss Miller consistently applied herself, and directed the efforts of those under her supervision, toward the service of Congress in the development of Federal education legislation.

Helen Miller's career with CRS spanned more than three decades, beginning after World War II service with the Red Cross in Australia. Her service thus covered the entire period of development of the current, extensive structure of Federal education legislation, as well as the parallel period of rapid growth in size and variety of services to Congress by the Congressional Research Service, formerly the Legislative Reference Service, of the Library of Congress.

This period is also parallel to my years of service in the Congress, during which I came to know and respect Helen Miller, to appreciate her work, and rely on the efforts of the staff under her direction. Always self-effacing, Miss Miller never wished to take credit for her efforts, always choosing to have the work in which she was intimately involved attributed to those whom she supervised. Yet her keen intellect and extraordinary diligence were applied to every product prepared by her team—she was always the "silent partner" in the preparation of every form of assistance to the Congress on education legislation from the impact aid laws of 1950 (Public Law 815 and 874, 81st Congress), the National Defense Education Act of 1958, the great expansion of Federal education assistance efforts beginning in 1965, through the omnibus education amendments of 1972, 1974, 1976, and 1978. And the positive effects of Helen Miller's work will continue through the work of the staff who have had the privilege of working directly for her, who have learned from her and have been influenced by her energy and eagerness to serve. She has been an inspiration to all who have known and worked with her.

Helen Miller's career exemplified the highest qualities which the Congressional Research Service strives to achieve. She deserves our thanks, and our best wishes for a retirement that is blessed by the sense of satisfaction that should come from having served so many others, and done so very well.●

THE VALUE OF "UNPAID" OCCUPATIONS TO OUR NATION

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, the recent April 11, 1980, lead letter to the editor in the Washington Post focuses public attention on the much maligned value of "unpaid" occupations to our Nation, including the occupation of a homemaker. While considerable social and economic stresses are adversely affecting American families, we must continue to offer strong support for in-place consumer and homemaking education programs that prepare boys and girls and men and women for their multiple roles as homemakers, consumers, and wage earners. An investment in consumer and homemaking education programs is essential to reflect the continuing commitment of Congress and President Carter to implement those public policies that support and strengthen American families.

The letter follows:

What Is Work?

Just as Kenneth A. Stevens [Letters, April 2] objects to what he feels is a mentality of ethnic categorization implicit in the census form, I object to the Census Bureau's exclusionary definition of work. People who work full time (with pay, it is assumed) or part-time—including paper delivery, volunteer work at a family business or farm and active duty in the armed forces—are all considered workers, while those who do other volunteer work or "only" their own housework or who are students are considered non-workers.

It is ironic that a society that claims so elaborately to support the maintenance of home and family relationships and the care of children as primary concerns does not even consider housework a valid occupation. A person who puts time and energy into such activities contributes at least as much to the quality of life in this country as someone who participates more visibly in the money/exchange economy. And the same can be said of the person who volunteers his or her time to the support of public service organizations or other causes that often have limited funds but need the support of concerned workers. Such people should not be discouraged and insulted by the Census Bureau, which asks them to report that they do not work.

It is interesting that a family with a (money-making) business or farm is apparently considered worthy of the volunteer time of a family member, who is, in these cases, defined as a member of the labor force, while people who work without pay in the service of a simple family unit are defined to exist somewhere outside of the labor force. And a person who does not meet the Census Bureau's standard of the legitimate worker is not even asked to describe what he or she does do, whereas those deemed legitimate are asked to further elaborate their titles, positions and duties.

The message here seems to be that people whose work earns money, for themselves and/or a money-making organization, are engaged in activities more worthy of consideration than those whose work earns no money—no matter how basic to human well-being that work may be. Even though I realize that this feeling is widely held, it is unfortunate that the Census Bureau has chosen to imply that certain activities are worth enumerating and that others are not. In fact any kind of work, paid or not, has an impact socially and economically, and it seems important to recognize this fact and strive to obtain a realistic picture of what is really happening in this country.

Louise Greene.●

CONGRESSMAN BRADEMAS SPEAKS TO ASSEMBLY OF STATE LIBRARIANS

(Mr. PERKINS asked and was given permission to extend his remarks at this point in the Record and to include extraneous matter.)

● Mr. PERKINS. Mr. Speaker, our distinguished colleague, John Brademas of Indiana, on April 17 addressed the Fifth Assembly of State Librarians in the Great Hall of the Library of Congress.

I have had the distinction of serving with Mr. Brademas on the Education and Labor Committee since he first came to this body.

Few Members have contributed as much to the development and enactment of programs to assist our libraries as has Mr. Brademas during his service on the Education and Labor Committee and on the Joint Committee on the Library.

In his speech, Mr. Brademas touched on some of the pressing issues facing our libraries today, and I commend it to the attention of my colleagues in the House.

The text of the speech follows:

Address by Congressman John Brademas

I am honored to have been invited by Dr. Boorstin to speak in this magnificent hall to participants in the Fifth Assembly of State Librarians.

We meet at an auspicious time in the life of the Library of Congress, for, as you know, one week from today there will be dedicated just across the way the newest part of the remarkable institution which is the Library of Congress, the James Madison Memorial Building.

As a member, since 1969, of the Joint (House-Senate) Committee on the Library, I should like here to take a moment to pay tribute to the outstanding leadership that Dan Boorstin has given in his five years as head of the world's greatest library.

While the Madison Building is a tangible symbol of the Library's continued growth, I think of three initiatives by Dr. Boorstin, admittedly less costly but all indicative of his deep commitment to the world of knowledge and the life of the mind.

One is the Center for the Book. Created by an Act of Congress three years ago, the Center was established to celebrate and encourage reading. In Dr. Boorstin's words the Center will "use old and find new ways to keep the book flourishing, to keep people reading books, and to enlist other media to promote reading."

The Center for the Book represents, in the words of the 1977 statute, a "reaffirmation of the importance of the written word and the book" and a recognition of "the continued study and development of written record as central to our understanding of ourselves and our world."

A second innovation of Dr. Boorstin's is appropriate for one who is himself a distinguished historian—the Council of Scholars.

The Council will be composed of twenty-five distinguished thinkers whose charge it will be to unearth "areas of ignorance" in the Library and propose ways of overcoming them. The Council will hold its first meeting in the fall and, I predict, will prove to be one of the most intellectually stimulating activities associated with the Library.

I should mention here as well Dan Boorstin's intention of transforming the quarterly journal of the Library into a more easily available and more widely read magazine, to be called LC.

AN ENGINE OF LEARNING

All these enterprises reflect what I believe to be two central commitments in Dan Boorstin's stewardship of this institution: first, that the Library of Congress must be more than a repository of materials, that it must serve as an engine of learning; and second, that the resources of the library must be made as broadly accessible to people as our inventiveness and intelligence can devise.

I should tell all of you that from my office in the Capitol, I can look out the window and see the building in which we now meet; it gives me immense satisfaction to be able to do so.

For like many of you, I grew up in libraries.

It was, indeed, in the James Madison Elementary School Library in South Bend, Indiana, that I came upon a book about the culture of the Mayas which sparked my interest not only in archeology but also the Hispanic world, an interest that led me years later to write a graduate dissertation on a Spanish revolutionary movement.

As a child I used to spend summers at the home of my grandfather in the small central Indiana town of Swayzee, and I practically lived in his library of some 5,000 volumes—

mostly ancient, medieval and American history; English and American literature; and a heavy dose of biblical concordances.

And for me, one of the great joys of being a university student was the opportunity to work in some of the great libraries of the world—the Widener at Harvard, the Bodleian at Oxford, the British Museum, the Historical Archives of the City in Barcelona, and the International Institute of Social History in Amsterdam.

INDISPENSABLE ROLE

All these experiences not only enriched my own life but impressed upon me the indispensable role of libraries in the development of mankind.

As a result of this background, when I was first elected to Congress, almost 22 years ago, I determined to remain involved in the world of learning and of libraries.

As those of you who follow these matters will appreciate, one of the most important of all decisions to a newly elected Congressman is his committee assignment. Having first won election to the House of Representatives in 1958, the year the National Defense Education Act became law, I felt strongly that the time had come for the Federal government to provide greater support for education in the United States. This, you will recall, was the year after the Soviets launched the first Sputnik and thereby shocked Americans into a re-evaluation of the state of education in our country.

So it seemed to me that the best way to play a part in what I had concluded would be a burgeoning Federal role in education was to become a member of the Education and Labor Committee of the House.

As a consequence, I have had the privilege over the past two decades of helping write nearly every major piece of legislation aimed at helping schools, colleges, universities, libraries and other institutions of learning and culture in our country.

If I may be forgiven for citing some examples, I was the chief sponsor of the law creating the National Institute of Education, the principal Federal agency supporting educational research in our country; and author as well of the Education for all Handicapped Children Act; of the legislation that continued the National Arts and Humanities Endowments; of the Museum Services Act and of several acts to provide financial aid to college students.

And for ten years, as you know, I was chairman of the Education and Labor Subcommittee with jurisdiction over services to libraries and so helped draft most of the legislation enacted in recent years of particular importance to them—the Elementary and Secondary Education Act, Higher Education Act, Library Services and Construction Act, and the law creating the National Commission on Libraries and Information Science.

PROGRESS OF 15 YEARS

Think back for a moment, if you will, to see how far we have come in the last fifteen years in terms of Federal support for libraries.

It was in 1965, you will recall, that, under the leadership of President Lyndon Johnson, Congress passed the Elementary and Secondary Educational Act which for the first time provided significant Federal funds to help grade schools and high schools in our country. Title IV–B of ESEA continues to bring help to local school systems for library and media center resources and teaching equipment.

In fiscal 1980, such aid for school libraries totaled $171 million.

The Higher Education Act includes three different programs to help libraries. Title II–A provides grants to university libraries for the purchase of books, periodicals, and other library materials.

Under this program, so-called "basic, supplemental, and special purpose" grants have been made available—nearly $5 million this fiscal year for assistance to college and university libraries.

This money has been used not only for books and periodicals, but also for magnetic tapes, phonograph records, and audiovisual materials.

Title II–B of the Higher Education Act **is a recognition by Congress that a success**ful library needs more than books and materials, it also requires people. The law provides funds for training librarians as well as for research and demonstration projects to develop new techniques and equipment for handling information. In fiscal 1980, $1 million was available under this program.

Title II–C of the Higher Education Act focuses on the needs of major research libraries in the United States, an area crucial to scholarship. This program received $6 million this fiscal year.

LIBRARY SERVICES ACT

Let me now say a word about a Federal measure which has provided indispensable help to American Libraries—The Library **Services and Construction Act.**

This law, which Congress two years ago ex**tended through fiscal year 1982, provides major assistance—nearly $63 million in fiscal year 1980 alone—to libraries across the nation.**

Funds under LSCA, as you know, help your states extend and improve public library services; provide library services for the physically handicapped, institutionalized, disadvantaged, bilingual and elderly; aid in the construction of public libraries; and promote interlibrary cooperation.

And, of major and direct importance to you, funds under LSCA strengthen state library administrative agencies and assist you in developing effective library services.

Like you, I have been disappointed that still more Federal funds have not been made available for libraries, but that Congress has written such programs into law represents our recognition at the Federal level of the importance of libraries in our national life.

Although I hope that we shall be able to do even more for libraries in the future, I should be less than candid if I suggested that I see any significant increase in money forthcoming soon.

WHITE HOUSE CONFERENCE

Before I comment on the reasons for this situation, I want briefly to discuss another library project dear to my heart. I refer to the White House Conference on Library and Information Services. As you know, the final report of the White House Conference, which was ably directed by Charles Benton of Illinois, was published only last month.

As sponsor of the legislation that called for the conference, I found among its most gratifying aspects the fifty-eight meetings in the states and territories in preparation for the sessions in Washington. The state-wide conferences brought the participation of thousands of people, adoption of some 3,000 resolutions at the state level and a solid foundation for the national conference.

I am sure that most of you here played an active part in the conferences in your own states.

The White House Conference in Washington was attended by more than 800 persons, the largest number, I understand, who have ever taken part in any White House Conference.

Now I have read with keen interest the report and resolutions finally adopted by the White House Conference.

Because the theme of the conference was "Bringing Information to the People," it was not surprising that the conference recognized that libraries are becoming much more than reading rooms and circulators of books. The recommendations in the final report include a variety of proposals aimed at encouraging the expansion of the library's roles as a community information center and independent learning center.

POWERFUL ROLE EXPANDING LITERACY

For example, you and I know the powerful role that libraries have played in American life in expanding literacy, educating the poor, succoring the lonely, and awakening genius. The public libraries in our great cities, for example, were the schools and universities for hundreds of thousands of immigrants, preparing them for a full place in our society. And libraries must continue to bear this responsibility in helping our new immigrants to the cities, whether they come from the diverse cultures of Latin America, Asia and Africa, or from other sections of the United States.

So I was pleased that this aspect of library service received prominent attention in the report of the White House Conference.

In fact, the final report touches on a wide spectrum of issues that must concern anyone interested in meeting the library and information needs of the American people.

I have not time here to discuss all the recommendations of the White House Conference, but I list only several of the objectives the final report sets forth: strengthening networks for sharing resources, developing programs for special users, eliminating international barriers to the exchange of library materials and information, providing more support for training both professional personnel and library trustees, encouraging cooperation among institutions for better delivery of information technology and software.

As I say, these are only a few of the subjects which the delegates discussed and on which they took positions.

PARTICULARLY IMPORTANT RECOMMENDATIONS

Clearly of special importance to you as leaders of state library systems are the recommendations of the White House Conference that most directly affect your responsibilities.

In this respect, the resolutions call for:

1. strengthening state library agency leadership and development;

2. building and improving state, multistate, regional and national networks for improved resource sharing; and

3. supporting research, development and application of new technologies for better library and information resources.

Let me here strongly urge that all of you study with care the final report of the White House Conference and that you then let those of us in the House and Senate who sit on the committees handling legislation that affects libraries have your views and your reactions to the recommendations of the delegates.

The expiration of the Library Services and Construction Act in 1982 will provide us in the next Congress the opportunity thoroughly to examine that law and to consider the specific ideas proposed by the White House Conference.

PROBLEM OF INFLATION

Earlier in my remarks I alluded to the potential difficulties, as we enter the 1980s of generating increased Federal funds for library programs. The problem, as each of you is painfully aware, is inflation.

In the House of Representatives and the Senate, we are now debating the First Budget Resolution for fiscal year 1981. In my judgment, that budget will be balanced. To achieve this objective, however, there must be major reductions in Federal spending. Although I hope it will be possible to keep library programs intact and funded at least at current levels, no one can be certain that this will be the case until the actual appropriation bills are passed later this year.

The process of balancing the Federal budget is not easy. Indeed, it is painful because to those of us who are strong champions of education in general and libraries in particular, we may once again be reducing expenditures for programs that we believe are already underfunded.

To reiterate, however, it is my own judgment that the 1981 budget will be balanced because the American people clearly want it balanced and because, accurately or not, people believe that a balanced budget will lessen inflation.

OTHER PRESSURES

Beyond the drive to balance the budget as part of the effort to slow inflation are other pressures of a more fundamental nature that may well affect library programs.

I speak here of what seems to be a spreading belief in the country that the Federal government is too large, involved in too many programs, that there is too much Federal presence in our states and communities.

Many of you, no doubt, share that view while at the same time you want the Federal government to continue to support programs that directly aid your particular area of interest or line of work.

So let me say very frankly that you can't have it both ways any more than anyone else can. You can't for instance, seek help from Washington for libraries and simultaneously oppose Federal expenditures for, as an example, our crumbling cities and the people who live in them, for child health or for youth employment programs.

The several educational programs that I have sponsored and that, I assume, you support could not have been enacted without the help of citizens backing other Federal programs for other purposes. Ours is a government of coalitions, of people getting together to assist each other for the common good whether or not they have a direct interest in a specific program.

DIMINUTION OF COALITIONS

In recent years we have seen the dimunition—if not the shattering—of many of those coalitions. Instead of outwardly diverse groups joining in behalf of a common goal, we have seen more and more groups exerting their pressure in behalf of a more narrowly focused, self-serving purpose. To a large extent, these special interest efforts have been successful.

So as you seek support for libraries and allied programs about which you care deeply, I urge that you recognize the interest you share with, for instance, the educational community, the arts and humanities, consumers, blacks and other minority and disadvantaged groups and organized labor. And you should recognize, too, that many of the special interests that currently seek to curtail Federal programs in areas that affect the groups I have just listed are the same interests that balk at providing funds to libraries.

Each of us then, instead of looking solely at the needs of his own particular group, should be aware of the community interest that exists among many groups and should seek to assist one another. We must recognize the interrelationship of our concerns and neither ignore the legitimate aspirations of others nor insist that our needs are greater than those of others.

In inviting me to be with you tonight, Dan Boorstin said he hoped that I would be able to bring cheer and exhilaration to you. I am not sure that I have done that!

But despite what may sound like a relatively bleak report, I must tell you that I am not pessimistic about the prospects for continuing support from the Federal government for libraries.

MARATHON BUDGET MEETINGS

One reason I say this derives from the marathon, eight-day series of informal meetings on the budget that were held on Capitol Hill last month. Given our separation of powers Constitution, these meetings were unique in American history, for they involved, sitting around the same table, the Democratic leaders of the House and Senate, the chairmen of key committees—Budget, Finance, Ways and Means, Appropriations, Rules—and the top economic advisers of the President—the Secretary of the Treasury, the Director of the Office of Management and Budget, the Chairman of the Council of Economic Advisers.

Day after day, with sheets of suggested cuts in front of us, motivated by a common commitment to balance the Federal budget for the next fiscal year, we agreed to cut millions here and billions there.

But—and this is my point—when someone suggested a reduction below the President's January budget for the item marked, "libraries," there was a chorus of "noes"!

For we in Congress believe in libraries and what they mean to the life of our country. I invite you to recall that in the law creating the White House Conference on Libraries and Information Services, Congress spelled out that conviction in these words:

"Access to information and ideas is indispensable to the development of human potential, the advancement of civilization, and the continuance of enlightened self-government."

We meet at a time when the very ideas of self-government and free political institutions are under attack in much of the world. So let me conclude these remarks by taking the liberty of repeating what I have said elsewhere: that the friends of libraries are the friends of freedom.

I believe that, and I know you do, too.●

TAX LAWS FORCE LANDLORDS TO CONVERT TO CONDOMINIUMS

(**Mr. BARNES** asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

Mr. BARNES. Mr. Speaker, the Congressional Research Service at the Library of Congress recently completed a report which addresses the impact of the U.S. tax code on the trend to condominium conversions, and which offers some possible approaches to changing the tax laws to protect the Nation's dwindling supply of rental housing. The report was prepared in response to questions which I posed to CRS last year, and in view of the numerous requests that have been placed with my office, I would like to submit it for publication in the CONGRESSIONAL RECORD.

A major theme of the study is that the Federal tax laws are serving as an impetus away from renter status, and have helped create the strong demand for condominium conversions. It is becoming increasingly apparent that rental housing in this country is in serious trouble, as more units are converted to condominiums, with little or no construction of new apartment buildings underway in many areas.

Last November, for example, the U.S. General Accounting Office released a report entitled "Rental Housing: A National Problem That Needs Immediate Attention," which noted that millions of Americans are unable to find affordable rental housing. GAO undertook the study because of "increasing indications that the health of the Nation's rental housing market, an important source of shelter for a large segment of the American population, is rapidly deteriorating."

The Congress has a long-standing policy of encouraging homeownership by providing various tax benefits to the homeowner—a policy that I support, especially in light of the effect of today's economic conditions on the housing industry. But in view of that commitment to homeowners, and in light of the growing difficulties facing renters and landlords, it seems in order for a review of our past assumptions in tax policy toward rental housing.

The Federal tax structure is a contributing factor in the decline of rental housing in this country, and Congress needs to take steps to redress the imbalance which weighs in so heavily against the renter and the landlord. It could start by providing tax incentives to stimulate construction of new rental housing, and by providing more favorable tax treatment for renters and landlords alike—especially measures designed to encourage landlords to "stay in the business" and not sell out to converters. I have written to the distinguished chairman of the House Ways and Means Committee, the gentleman from Oregon (Mr. ULLMAN), urging that the committee take a leadership role in addressing this pressing national issue.

If we fail to make rental housing an attractive private investment today, displacement of senior citizens and lower- and moderate-income persons will continue, and the ultimate social and financial costs to the American people could be enormous.

I also include for the RECORD a recent New York Times article on the Congressional Research Service report:

FEDERAL TAX LAWS AND CONDOMINIUM CONVERSION; POSSIBLE CHANGES TO DISCOURAGE CONVERSIONS AND ASSIST RENTAL HOUSING

(By E. Richard Bourdon, analyst in housing, Economics Division, March 18, 1980)

INTRODUCTION

In a 1979 U.S. Senate Hearing, condominiums were described as "the housing phenomenon of the decade." One aspect of this phenomenon in particular, the conversion, is attracting increasing attention because of the impact its sudden appearance and rapid growth are having on an already short supply of moderate-priced rental units. While there are said to be a number of social benefits associated with this process, it has become a politically sensitive matter, since the interests and needs of low and moderate income tenants are often set against middle income households looking to buy an affordable first home.

Almost in mirror image of the economic successes of conversions have been the financial difficulties of the rental industry. Since tax laws are such an integral part of real estate activity, it is natural that those seeking to understand conversion and rental housing development should turn their attention to the Federal tax code. This report thus examines the role Federal tax laws play in encouraging condominium conversions and concurrently, how they are related to the difficulties in rental housing. It also discusses some possible changes in the laws that would address the above concerns.

It is stressed that the discussion here is exploratory in nature; the selection and discussion of options to discourage conversion do not constitute advocacy of either the purpose or the devices of conversion disincentive.

I. ARE FEDERAL TAX POLICIES ENCOURAGING THE TREND TOWARDS CONDOMINIUM CONVERSION? IF SO, WHICH POLICIES?

It has long been Federal policy to encourage homeownership and the current tax laws reflect this objective. The tax laws now provide strong financial incentives for middle and upper-income households to purchase all types of housing, including condominium conversions. There is a particular incentive to purchase in inflationary times since mortgages are repaid in "cheaper dollars." More and more people are buying as much housing as financially possible, not so much for shelter purposes, but for the tax savings and as an inflation hedge.

Relative to the generous tax benefit package offered to homeowners, renters do not fare well. There are no housing-related tax deductions for tenants and the capital gains advantages are not applicable. While some investor-oriented tax benefits are available to owners of apartment buildings, and these presumably work their way through to tenants, they are overwhelmed by those available to households in owner-occupied housing. This imbalance in tax benefits is a major impetus to homeownership (and away from renter status) and has helped to create a strong demand for condo conversions.

A. Tax provisions available to the homeowner

The most important of the tax provisions encouraging homeownership are as follows:

1. The deductibility of all mortgage interest and property tax payments from income (and where applicable, from the State and local income tax base). The Treasury has estimated that these deductions will cost the Federal government about $19 billion in fiscal year 1980.[1]

TABLE 1.—ESTIMATED REVENUE LOSS TO FEDERAL GOVERNMENT

[In millions of dollars]

	Fiscal years—		
	1979	1980	1981
Deductibility of mortgage interest on owner-occupied homes	10,745	12,505	14,760
Deductibility of property tax on owner-occupied homes	6,760	7,740	8,975
Deferral of capital gains on home sales	1,125	1,010	1,111
Exclusion of capital gains at death	NA	NA	NA
Exclusion of capital gains on home sales for persons aged 55 and over	225	535	590

NA—not available.

Source: Special Analyses, Budget of the United States Government, Fiscal Year 1981, Office of the President.

2. The tax-free imputed income from owner-occupied housing. Owners in effect, rent to themselves but are not required to report or pay tax on this derived value, even though they are allowed to deduct the "offsetting expenses" of interest and taxes listed above.

3. The relatively low capital gains rate (see details below).[2]

4. The deferral of capital gains on the sale of a residence if another, more expensive house is purchased within 18 months (or in tax language, if the gain is "rolled over" into another house).

5. The one-time exclusion from tax of up to $100,000 of capital gains from the sale of a principal residence by a taxpayer aged 55 or older, or the total exclusion of all gain if the house is held until the death of the owner.

These tax provisions are available to all owners of housing, not just to owners of conversions. For example, the amount of property taxes paid to local governments is deductible from federally taxable income whether the property taxes are paid on a single-family detached residence, an inner-city row house, or a high-rise condominium.

B. Inflation, progressive tax rates and the increasing incentive to purchase housing

The tax deductions that the government offers to homeowners become more valuable as both inflation and real increases in income push people into higher tax brackets.[3]

For example, in the absence of tax deductions,[4] the family which earned $21,000 in 1979 and will earn $23,800 in 1980, will move from paying 34% of the top part of their income to 39%, even though the increase in income only reflects 1979 inflation. Thus, the ability to deduct expenses from gross income becomes more important as incomes rise, even when they do not rise in real terms. Of course, the greater the income increase, the greater the potential tax savings. For example, if one's taxable income is $24,000, a $1,000 deduction would reduce the amount of tax otherwise due by about $280. If the income were $34,000, the $1,000 deduction would cut taxes by about $370.

TABLE 2.—FEDERAL INCOME TAX RATES, EFFECTIVE JAN. 1, 1979

Taxable income	Tax on col. 1	Excess over col. 1 (percent)
Unmarried individuals:		
0 to $2,300	No tax	
$2,300		14
$3,400	$154	16
$4,400	314	18
$6,500	692	19
$8,500	1,072	21
$10,800	1,555	24
$12,900	2,059	26
$15,000	2,605	30
$18,200	3,565	34
$23,500	5,367	39
$28,800	7,434	44
$34,100	9,766	49
$41,500	13,392	55
$55,300	20,982	63
$81,800	37,677	68
$108,300	55,697	70
Married individuals filing joint returns:		
0 to $3,400	No tax	
$3,400		14
$5,500	$294	16
$7,600	630	18
$11,900	1,404	21
$16,000	2,265	24
$20,200	3,273	28
$24,600	4,505	32
$29,900	6,201	37
$35,200	8,162	43
$45,800	12,720	49
$60,000	19,678	54
$85,600	33,502	59
$109,400	47,544	64
$162,400	81,464	68
$215,400	117,504	70

Another way to look at the effects of a progressive rate income tax (Table 2) is to consider the taxpayer in the 28% marginal tax bracket. In this case the Federal Government forgives taxes owed equal to about 28% of the annual mortgage interest. A 12% interest rate on a mortgage thus becomes an 8.64% loan when tax-savings are considered. If, as a result of either inflation or real income gains over the years, this taxpayer is elevated to the 40% tax bracket, the fixed 12% mortgage rate would then be reduced to an effective 7.2%.

C. Capital gains provision and the incentive to purchase housing

Certainly one of the major benefits to homeowners in recent years has been the increase in the value of their homes. A recent paper by the National Bureau of Economic Research states, "While inflation may be public enemy one for many Americans, most homeowners have reaped enormous benefits from inflation during the past decade and a half and will likely continue to do so in the future." [5]

The capital gains tax provisions have been very advantageous to homeowners and were made even more so in 1978. Many homeowners are able to postpone or completely avoid paying capital gains taxes by rolling over the gains until age 55 or holding the house until death. However, even where capital gains taxes must be paid, the rates are relatively low. Before 1978, 50% of capital gains were exempted from taxation and the other 50% was taxed as ordinary income. In 1978, the amount exempted was increased to 60%. Consider a person who bought a house for $40,000 and sold it for $70,000 five years later. Assuming he did not buy another more expensive house, 60% of the $30,000 gain was tax-exempt and the remaining 40% or $12,000 was taxed as ordinary income. For the taxpayer in the 40% tax bracket, the tax comes to $4,800 or about 16% of the $30,000 gain.

The $100,000 exclusion is a new provision added in 1978 to help and encourage older homeowners, particularly those whose children no longer live with them, to sell their larger homes and move into smaller and less expensive homes or apartments. Previous to the exclusion, many elderly homeowners, for whom home equity was the major source of wealth, chose to remain in overlarge homes rather than sacrifice their "retirement income" to taxes. Early reports are that large numbers of homeowners are taking advantage of this new law.[6] In fact, this may be encouraging a large number of condominium conversion purchases by middle and upper income elderly.

Finally, in late 1979, the Congress took action to block a 1976 Tax Reform Act provision that was about to go into effect. Implementation of the "carryover" provision would have increased the capital gains taxes paid by many heirs. For example, consider the homeowner who originally bought a $20,000 house and over the years traded up to a $90,000 house. The accrued capital gains had not been taxed over these years. Before 1976, a person who inherited this $90,000 house did so at the $90,000 "stepped-up" value, and if he later sold the house for, say $100,000, there would only be $10,000 of capital gains subject to tax. The 1976 reform would have captured the postponed capital gains tax by requiring that this house be inherited at its $20,000 basis value. If the inheritor sold it for $100,000, there would be a tax due on $80,000 of capital gains. As noted, in late 1979, both houses of Congress agreed by large margins to add a carryover repeal amendment to H.R. 3919, the Windfall Profits Tax Bill (which is expected to be passed by the Congress in April and become law shortly thereafter).

D. Tax laws encourage the purchase of all housing: Then why the rush to condominium conversions?

The principal concern of this paper is whether Federal tax laws encourage conversions. Clearly, the tax laws encourage *all* homeownership, but the tax laws are only part of the reason for the conversion phenomenon.[7] Other factors can be separated into two parts. The first group—demographics, price, and location—has little to do with taxes. The second has to do with the financial problems affecting a growing part of the rental housing industry.

1. The Buyer's Perspective

a. Favorable Demographics. Partly because of the "baby boom" of the 1950's, more new households are forming each year than there are new housing units being built, and this phenomenon is expected to continue into the late 1980's. Because of the rapid increase in

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Footnotes at end of article.

the number of households made up of young singles, childless couples, divorced individuals or elderly, much of the current demand is for relatively small, low maintenance housing. Were it not for the generous homeownership tax incentives, many of these households might be renters.

b. Relatively Low Price. Young people, divorced individuals, one-income households, and other groups often can't afford or don't want a $100,000 detached house. For them, condominium conversions are a new supply of often well-constructed, moderate priced housing; and, of course, these "apartment" homes come with the valuable tax-benefits.

c. Location. Rising gasoline costs have tended to increase the desirability of "downtown" relative to suburban and exurban locations because they are usually more convenient to job and cultural centers, shopping and public transportation. As always, there is a desire for prestigious neighborhoods, views, ocean, lake or river frontage, high ceilings, exposed brick, and other qualities sometimes found in older, convertible buildings. Thus, homebuyers are often willing to pay more than they would as renters and do with less space than they might find in the suburbs in order to acquire these desirable features.

2. The Landlord's Perspective

Landlords are increasingly willing to sell their buildings because their buildings are worth more as owner-occupied units than as rentals. The imbalance in the tax benefits going to homeowners compared to tenants goes a long way in explaining the increasing financial plight of the rental housing industry.[8] Homeowner tax-benefits in effect lure away the best part of the landlord's market: the tenants who could afford to pay the higher rents needed to cover increased operating costs. As soon as most renters reach a certain financial threshold, the tax savings and appreciation potential make ownership less expensive than continued renting. While the Federal Government provides direct housing assistance to some low and moderate income households through its public housing and Section 8 programs, the private sector rental industry is largely left with serving the remaining low and middle-income households. The median income of renters inside SMSA's in 1977 was $9,200, while for those in owner-occupied housing, it was $17,800.

In recent years the operating cost of rental housing, like all other housing, has increased rapidly. Whether there has been rent control or not, rent levels have lagged behind increases in the general inflation rate (Table 4). Landlords must draw upon the low incomes of those remaining in the renter pool for their operating costs and a reasonable return on their invested capital. As a result, no matter how low the rental vacancy rate becomes, landlords are limited in what they can reasonably expect to receive in rents.

TABLE 3.—INCOMES OF OWNERS AND RENTERS INSIDE STANDARD METROPOLITAN STATISTICAL AREAS

	1973	1977	Percent change 1973–77
Owner-occupied units	$12, 700	$17, 800	40
Renter-occupied units	7, 700	9, 200	19
Median rent	141	193	37

Source: Annual Housing Surveys, 1973 and 1977, U.S. Department of Commerce.

Footnotes at end of article.

TABLE 4.—PRICE INDEXES FOR SELECTED ITEMS

[1967=100]

	Residential rents	All items	Fuel and oil	Gas and electricity
1970	110. 1	116. 3	110. 1	107. 3
1973	124. 3	133. 1	136. 0	126. 4
1977	153. 5	181. 5	283. 4	213. 4
1978	164. 0	195. 4	298. 3	232. 6
1979	179. 0	223. 4	461. 6	270. 1

Source: U.S. Bureau of Labor Statistics.

While ownership housing is valued on the basis of comparable sales, rental housing is largely based on its earnings capacity. As noted, this capacity is severely limited by the relatively low incomes of tenants. Thus, much of the rental housing values remain depressed, particularly when compared to the upward pressures on ownership housing.[9]

This is where condominium conversions enter the picture. Since there is such a demand for moderate-priced ownership housing, some rental buildings with especially desirable qualities have now acquired an alternative future. For example, a landlord's rental building may be assessed at $25,000 per unit. Yet, with modest upgrading, such as a new kitchen, carpets, and interior paint, or even "as is," an individual buyer may pay $50,000 to $60,000 for this unit as a condominium. It is this large gap between the value of units as rentals and as ownership housing that has created the conversion phenomenon. The landlord is pushed by inadequate rent levels and pulled by the demand for ownership housing towards the conversion option.

There are some tax provisions, particularly accelerated depreciation allowances, that are of value to the landlord or to those considering building new rental units. For used residential rental property, the most common depreciation rate used is equivalent to about 125 percent of the rate allowed under the straight-line method.[10] For new residential rental property, a rate approximately equal to 200 percent of straight-line is allowed. While these allowances along with other provisions, such as subsidized interest rates, may be a deciding factor in the building of some rental units today, the tax benefits available to current landlords are generally inconsequential when compared to the gain to be made from converting.

TABLE 5.—ESTIMATED REVENUE LOSS TO FEDERAL GOVERNMENT FROM DEPRECIATION OF RENTAL HOUSING

[In millions of dollars]

	Fiscal year—		
	1979	1980	1981
Depreciation on rental housing in excess of straightline	290	285	290

Source: See table 1.

E. Summary

The interaction of inflation and generous Federal tax benefits to homeowners has created a strong demand for all housing and encouraged most tenants who can afford it to buy. The relatively low price, good location, and small size of the units has directed many homebuyers toward condominium conversions. The limited earnings capacity of many rental buildings and the high prices homebuyers are willing to pay for some former rental units has induced many landlords to go the conversion route.

II. DO FEDERAL TAX LAWS MAKE IT MORE ATTRACTIVE FOR AN OUTSIDE DEVELOPER TO PURCHASE AND CONVERT A RENTAL UNIT, AS OPPOSED TO THE EXISTING OWNER OF THE RENTAL BUILDING?

There may be certain circumstances, under which the landlord can do the conversion: In general, however, tax laws make it more attractive for the owner of a rental building to sell to a developer than to convert the units himself. One recent article explained the landlord's option this way:

"He wants to continue to utilize the tax benefits remaining in the property as long as possible for the greatest possible net return while retaining long-term capital gains treatment. The availability of capital gains treatment depends on the owner's status at the time of the conversion. If he remains an "investor," the status he enjoyed as a property owner, he will receive capital gains treatment; but if his involvement in selling the condominium has made him a "dealer", then he will be required to recognize his profits as ordinary income . . . The general consensus is that to maximize the probability of capital gains treatment the owner should divest himself of the property before the conversion plans are more than a glimmer in his eye.[11]

In other words, if the landlord himself gets too involved in the business of converting (renovating, marketing, and financing for resale), his profits, especially his capital gains, will probably be taxed as ordinary income, just as any other business. If he is merely disposing of a capital asset, taxes would be lower through the special treatment of capital gains.

Thus, firms specializing in condo conversions have emerged to act as middlemen. These developers buy the building "wholesale" and sell units "retail", with various economies of scale leading to a reduction of costs for legal services, title searches, and other settlement procedures. Real estate commissions paid by these firms, for example, are often 1½% instead of the more common 6-7% for other types of housing sales. While developers do not qualify for the special gains treatment on their sales, there are many examples of large profits made from the purchase of a rental building and the rapid resale of the individual units.[12] In fact, this field has become sufficiently lucrative to give rise to a number of national firms, such as the giant Invesco Corporation of Chicago, that are purchasing prime apartment complexes in major cities for future conversion. Similarly, many of the new apartments being built today are being designed with a view towards future conversion, generally as soon as the benefits of accelerated depreciation have been maximized.

III. WHAT CHANGES IN THE TAX CODE WOULD MAKE OWNERSHIP OF RENTAL PROPERTY MORE PROFITABLE?

There is general agreement that with the exception of luxury rentals, most new apartment buildings will not be sufficiently profitable to be worthwhole to developers unless they receive government assistance. In some cases, subsidized mortgage interest rates are sufficient inducement to build, but often government commitments to provide rent support to tenants are also necessary. In effect, the future profitability of rental housing depends on strengthening the middle-income segment of the market.

Changes in the tax code could make rental property more profitable if they eased the current imbalance in tax assistance provided to owners and renters. There are basically two ways to ease this imbalance: increase the benefits for renters and landlords, and/or decrease the benefits to homeowners.

A. Increasing benefits for renters

The Federal Government could offer a tax credit or tax rebate to tenants. (A deduction would be less appropriate since most renters either take the standard deduction or have relatively low marginal tax rates.) At some level, this tax credit would make a person financially indifferent or neutral towards renting or owning. Such a parity-level credit would have to reduce a renter's housing costs as much proportionately as that of a homeowner with a similar income. To determine the parity-level of this tax credit would, in practice, be very difficult, requiring consideration of the average homeowner's marginal tax rate, the proportion of housing costs consisting of deductible mortgage interest and property taxes, and the average annual value of the various housing-related capital gains provisions. To further complicate matters, many existing homeowners are like most renters in that they take the standard deduction instead of itemizing their deductions.

A long standing suggestion of much less magnitude than full parity has been to allow renters a deduction or credit equivalent to the amount of property tax included in their rent payment.[13]

A renter tax credit could be structured in any number of ways: it could be based on the size of the rental unit. Credits could be limited to certain tenants, based on some measure of need. However, in the absence of corresponding limits for homeowners, income related limits on renters would not alter the current imbalance.

B. Increasing benefits for landlords

While direct assistance to tenants would improve the profitability of rental operations, assistance to landlords could do the same thing. Either way, improved profitability might lessen the incentive to convert to condominiums and might increase the number of new rental units being constructed.

Landlords could be treated in the same manner as owner-occupiers: allow deductions from "other income" for mortgage interest and property taxes while not counting rent receipts as taxable income.[14] This would grant a major tax benefit to landlords as opposed to other businessmen, thus creating a different tax imbalance. The imbalance within housing markets would tend to be corrected, however.

Of lesser magnitude, the income tax on the net profit from residential rental operations could be lowered or eliminated either for all landlords or perhaps only for those whose average rents were below a specified level. Alternatively, there could be a tax credit or rebate to the landlord based on the number of occupied rental units with average rents below a specified level. As long as there is any limit on assistance based on the rents charged, or the profitability allowed, however, the income-related tax "tilt" toward homeownership would continue.

To further stimulate rental construction, more rapid depreciation schedules could be adopted for new apartment construction.[15]

The above approaches—assistance provided directly to the landlord—might raise questions as to how much of these benefits would be passed on to the tenants. It must be remembered however, that the general thrust is to increase the profitability of rental operations. This should encourage construction, which in turn should result in more rent-level competition. Some would make the case that if the current tax bias against rental housing were removed, competitive market forces would eventually produce favorable results for both tenants and landlords.

C. Decreasing benefits for homeowners

As the tax laws now operate, there are no limits on the amount of mortgage interest and property taxes that can be deducted from taxable income. An obvious option to lessen the imbalance between owners and renters would be to limit either or both of these annual deductions on owner-occupied housing. For example, a $10,000 annual limit would support the interest and property taxes on a home valued up to about $100,000, assuming a 25 percent equity and a 30 year mortgage at 12 percent. Alternatively, one could change the current deductions to tax credits (say 25 percent).[16] Both of these changes would reduce the relatively greater benefits given to upper-income homeowners and would tend to lessen demand for and the building of relatively high-priced housing.

One could break with present incentives by adopting a tax credit schedule for mortgage interest that provided declining assistance to those with larger mortgages and/or interest charges. Consider the following table.

TABLE 6.—HOMEOWNERS MORTGAGE ASSISTANCE PLAN

[Maximum tax credit per house]

	Tax credit (percent)	Maximum tax savings	Percent[1]
Annual interest paid:			
0 to 4,000	40	1,600	7.2
Next $3,000	30	2,500	7.7
Next $3,000	20	3,100	8.3
Over $10,000	0		

[1] Minimum effective after-tax interest rate on a 12 percent mortgage.

Under this approach, the maximum savings per house from mortgage interest deductions would be $3,100. It would bring the effective mortgage interest rate down to 7.2% on the part of the principal which accounts for the first $4,000 of annual mortgage interest paid. In the short run, such a mortgage assistance plan might increase the demand for moderate priced housing, including condominium conversions. Alternatively, it could create an incentive to make larger down payments on the more expensive houses, thus lessening demand for large mortgages and relieving some capital market pressures. In the longer run, the increased relative assistance provided for the purchase of moderate priced housing would stimulate the supply and provide more options for those now buying conversions.

D. Changes in the capital gains provisions?

Some housing analysts would argue that any meaningful effort to lessen the inequality in the tax treatment of owners and renters must include a higher capital gains tax on housing. The ability to amass large amounts of lightly taxed or untaxed capital gains is a major reason why many people are purposely buying the most housing they can. Indeed, the expectation of large gains adds a speculative component to housing demand that fuels price increases thus creating larger gains for sellers. Such a process could continue so long as housing appreciates at a more rapid rate than inflation. Thus, changing capital gains laws could help reduce the speculative demand for ownership and perhaps increase the market for rentals.

Capital gains tax changes that would lessen the current incentives to "over-consume" housing and which might thus help rental markets are listed below.

1. Limit the tax-free capital gains rollover on the sale of a home. For example, make 20% of these gains subject to tax as ordinary income, perhaps spreading the taxable gains over several years (and increasing the basis value accordingly).

2. Retain the carryover basis value for inheritors, or tax housing capital gains at death (a partial recapture of lifetime benefits).

IV. WHAT CHANGES IN THE TAX CODE WOULD DISCOURAGE CONVERSION OF RENTAL PROPERTY TO CONDOMINIUMS?

Clearly, any income support or housing assistance provided to tenants, no matter what form it took, what it was called, or what rationale was given, would increase the landlord's ability to earn a return on their capital sufficient to induce him to stay in business as a landlord. Higher earnings would increase the rental value of their buildings and to some extent close the gap between the apartment values as rentals and as condos. This might save some rental buildings from deferred maintenance, abandonment, and arson. It might even save some buildings at the margin from converting. However, it is doubtful that such income support to tenants would prevent the most desirable rental buildings from converting without something approaching tax parity with homeowners. The combination of rapid appreciation and tax deductions to homeowners would require very large rent supplements to be offset.

A. Selective denial of tax deductions

This leads to the questions of whether some of the important tax deductions available to homebuyers could be selectively denied to those purchasing converted rental units. Selective tax benefits such as depreciation allowances for landlords are now given, depending on whether the housing is new or existing, or whether or not it serves low income tenants. Removing long-standing tax benefits for a particular type of housing could pose legal problems. However, several tax specialists are of the opinion that the selective denials would stand up as long as they were not "arbitrary" and did not involve a "taking of property."[17]

There are a variety of ways in which mortgage interest deductions on loans having to do with the purchase of a converted unit could be limited or removed. The deduction might be eliminated only on those buildings where the average unit sales price was below a specified level or only a converted unit whose tenant was over 65, disabled, or who had a low or moderate income. This would tend to lower the salability of units converted from lower-rent buildings. (See below for comments on providing offsetting assistance to landlords).

Conditional Approval

A more comprehensive approach might be either to approve or deny mortgage interest deductions (at the time a rental building applies to convert) on a building by building basis depending upon whether certain conditions are met by the developer (certified perhaps by the local government). Some combination of these provisions might include:

1. Elderly, handicapped, and low and moderate income tenants are allowed to remain in their units, as renters for some number of years.

2. Alternative housing within a certain distance is located for other specified tenants, moving expenses are provided, and adequate time is given for the move.

At the same time, however, one might want to provide some offsetting assistance to the landlord/developer such as a guaranteed Section 8 program for those units where protected tenants remain. One might allow investors to purchase these units with an agreement that the tenants would be allowed

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Footnotes at end of article.

to stay in the unit for a specified period during which the government would provide Section 8 funds.

Requirements for tenant protection could thus be combined with the use of Section 8 rental assistance, Community Development Block Grant funds, and other State or Federal programs, and could form the basis of a "plan" for addressing conversion-related problems. Such plans could be individually tailored to meet local conditions. Depending on the various requirements or aid funds used, approval could be required from the local government, HUD, and the U.S. Treasury. In the event a particular conversion is not approved, the developer or sales agent selling the units in this building could be required to have the purchasers sign an acknowledgement that no Federal deductions for mortgage interest would be allowed, perhaps as part of the disclosures required under the Real Estate Settlement Procedures Act. For enforcement purposes, it would be necessary for the developer to send a copy to the necessary taxing authorities.

B. Sales or transfer taxes on converted units

Some local and State governments have considered a sales, transfer, or "excess profits" tax (on rental-to-condominium sales but not on condominium resales) to both discourage sales and raise revenue for housing assistance programs. The Federal Government could encourage or impose such a tax or require it wherever federally-related financial institutions are involved in the sales. Clearly, at some level, such a tax would discourage sales. If assessed at the local or State level, it would in effect be recapturing some of the expected Federal income tax benefits.

C. Alternatives to conversion displacement other than through the tax laws

There are a number of other approaches to conversion displacement that do not involve changes in the tax laws. Although these will not be discussed in this paper, several are briefly mentioned below so that they might be compared and contrasted with the tax change options presented.

Tenant Association Conversion

HUD is now working on technical assistance and "how to" guidebooks for tenants associations and non-profit sponsors who are interested in buying a building and converting it to condomiums or cooperatives. Tenant association conversions might result in lower costs than developer conversion, and have the potential for reducing displacement. HUD is also studying possible changes in housing laws, programs, and regulations that would facilitate these types of conversions.

Purchase Assistance for Individual Tenants

HUD, several Congressional committees, and housing groups are considering ways in which the Federal Government could assist certain tenants facing conversion to purchase their unit. One of these approaches is a "shared equity" concept in which the government would pay a part of the tenant's monthly purchase cost and would in return be entitled to a share of the future equity in the home when it was sold or the owner died. Assuming continuing high rates of housing appreciation the government's share would presumably recapture most, all, or even more than all of the past subsidy.

A currently available program assisting tenants is the Section 235 program. The Housing and Community Development Amendments of 1979 (P.L. 96–153) changed the Section 235 low- and moderate-income homeownership assistance program to the effect that:

"The Secretary shall give preference to low-income families who, without such assistance, would be likely to be involuntarily displaced (including those who would be likely to be displaced from rental units which are to be converted into a condominium project or a cooperative project). Such assistance may include the acquisition of a condominium or a membership in a cooperative association."

HUD's FY 1981 Budget recommends mortgage interest subsidies for 5,000 low-income families affected by condominium conversions.

Along these lines, HUD recently announced an experimental program with Montgomery County, Md. in which HUD will:

First, subsidize interest rates on condominium mortgages for moderate-income tenants whose apartments are being converted. Tenants will have to pay principal and interest as if the loan were written at 4% and HUD will pay the difference between that rate and the market rate. At current rates, the savings for a typical family would be about $2,800 a year.

Second, subsidize, with some help from the county, a part of the tenant's monthly condominium payments.

Third, insure condominium mortgages jointly with Montgomery County to make it easier for low- and moderate-income tenants to secure loans.

FOOTNOTES

[1] The $19 billion is less than the $12.5 and $7.7 billion figures in Table 1 because if both were deleted fewer taxpayers would itemize deductions.

[2] Generally, capital gains is the "profit" made on the sale or the difference between the sale price, and the owner's cost plus any excess depreciation deductions taken over the years.

[3] It is assumed throughout this report that new or recent homeowners itemized their deductions. While this is a reasonable assumption, many longtime owners with small interest charges take the standard deduction.

[4] In the past there have been periodic tax cuts that have largely offset the effect of a mild inflation. While additional tax cuts can be expected, they may lag considerably behind a rapid inflation rate.

[5] Patric H. Hendershott and Sheng Cheng Hu, "Inflation and the Benefits from Owner-occupied Housing", National Bureau of Economic Research, August, 1979.

[6] A Tax-Exempt Bonanza, Older Homeowners cash in on that $100,000 Exclusion, Washington Post, February 7, 1980.

[7] Estimates are that there were no more than a few thousand conversions in 1976; 45,000 in 1977; 85,000 in 1978; and 145,000 in 1979. "Undocumented Boom Revisited: Conversion Growth Exceeded Expectations", U.S. Housing Markets, February 1, 1980.

[8] See GAO Report to the Congress, Rental Housing: A National Problem That Needs Immediate Attention, November 8, 1979.

[9] One could conclude, in general, that housing values follow the incomes of those who occupy them.

[10] The annual depreciation deduction for an asset is computed on the basis of its cost (less any land value) and estimated useful life. For example, if a building has an estimated useful life of 25 years, its annual rate of depreciation under the straight-line method is 100 (which represents 100% depreciation) divided by 25 years, or 4%.

[11] The Creative Art of Condominium Conversions, by Dennis M. Richardson, Real Estate Review, Summer, 1979, p. 55–6.

[12] A typical example is a 275 unit garden rental complex in Houston bought for $7.5 million. $2.5 million of renovation was done and within 2 years, the sale of these units had brought in $14 million. A one-bedroom/den unit of 950 sq. ft. had brought in $290 of rent (the owner paid utilities). This unit was bought for $20 per sq. ft. ($19 000) and sold for $41 (or $39,500). See Builder Magazine, May 21, 1979, p. 42–49.

[13] For example, H.R. 6202, introduced December 20, 1979, would allow individuals renting their principal residences a deduction equal to 10 percent of the rent, not to exceed $200 ($300 for a joint return). H.R. 2053, introduced February 8, 1979, would provide substantially more assistance. It would allow a deduction to tenants for their proportionate share of the taxes and interest paid by their landlords.

[14] Under this approach, landlords would not be allowed a depreciation allowance or a deduction for operating costs (electricity, cleaning, painting, etc.) since these are not allowed homeowners.

[15] H.R. 6494, the "Rental Construction Incentive Tax Act of 1980", would amend the Internal Revenue Code of 1954 to exempt low-income housing and certain other rental housing from the requirement to amortize construction period interest and taxes, to reduce from 10 to 3 years the amortization period for other residential rental housing, to allow straight line depreciation over 10 years for certain new residential rental housing, and for other purposes.

[16] An Urban Institute paper that studied the substitution of a 25 percent tax credit for the present owner-occupant deductions concluded that this could increase the equity of the tax system, provide a boost to the construction industry, and improve the quality of housing for lower-to-middle income households. Homeowner Income Tax Provisions and Metropolitan Housing Markets, an Urban Institute Paper by Michael W. Andreassi and C. Duncan MacRae, will be published in the spring of 1980. The Urban Institute Policy and Research Report, Vol. 9 No. 2, Winter 1979.

See also a new Congressional Budget Office report, Reducing the Federal Budget: Strategies and Examples, February, 1980, for comments and revenue estimates for a $5,000 mortgage interest deduction limit and a 25 percent credit instead of the current deduction, pp. 97–99.

[17] Congressional Research Service Tax Analysts Robert Ujevich and Marie Morris.

[From the New York Times, Apr. 6, 1980]

TAX LAWS FOUND FORCING LANDLORDS TO CONVERT TO CONDOMINIUMS

(By Ben A. Franklin)

WASHINGTON, April 5.—A new Congressional study of the nation's dwindling supply of rental units concludes that Federal tax laws are helping to drive landlords to convert apartments into more profitable condominiums.

The report, by the Congressional Research Service of the Library of Congress, says that the long-standing tax policy that rewards individual home ownership with income tax deductions is forcing landlords out of a money-losing rental market. At the same time, it says, Federal tax policy offers advantages to both buyers and sellers of condominium conversions.

The report was prepared at the request of Representative Michael D. Barnes, a freshman Democrat from the Maryland suburbs of Washington. There, an estimated 10 to 12 percent of the rental housing stock has been converted to condominiums in five years, driving rents up and taking adequate housing beyond the reach of many people. Both the District of Columbia and Montgomery County, Md., Mr. Barnes's constituency, have put temporary "condo" conversion freezes into effect.

But nationally, according to the report, 145,000 rental units were converted to ownership status in 1979. The Department of Housing and Urban Development has reported that 10 years ago, more than 90 percent of the nation's present two million condominium units were rentals or were not yet built.

Representative Barnes is now urging tax changes that, he said today, would "protect the nation's sagging supply of rental housing." Similar proposals by, among others, Representative Benjamin S. Rosenthal, Democrat of Queens, have failed.

To deter what it calls "the overconsumption" of owned housing as a tax shelter, the report recommends tax credits for tenants, increased tax incentives for landlords and sharply decreased tax breaks for middle- and upper-income homeowners.

The last two proposals are so politically unpopular in Congress that the notion that property tax reform can be a controlling factor in housing policy is regarded as hopeless by many here. But so is the alternative, of greatly increased Federal subsidies to low- and middle-income renters.

Last November a report by the General Accounting Office, another Congressional research arm, said rental housing was at the "crisis stage" but concluded that the need for Federal assistance to renters far outstripped the Government's ability to provide it.

E. Richard Bourdon, the research service's housing analyst who prepared the tax policy study for Mr. Barnes, says that although soaring interest rates for home mortgages have generally slowed home sales, condominium sales have held up. About one-half of all housing units sold here last year were condominiums.

Mr. Bourdon's report asserts that, under the national tax policy designed to encourage home ownership, "renters do not fare well." It is a policy, the report says, that rewards owners with deductions that amount to $19 billion a year in nominal tax liabilities—money kept by home-owning taxpayers, but not by renters.

"The imbalance in tax benefits," the report says, "is a major impetus to home ownership—and away from renter status—and has helped create the strong demand for condo conversions."

MARKET, THE POOR, THE LANDLORD

Inflationary pressures, tax incentives and then tax disincentives, the report says, are having this threefold effect on the situation:

The condominium market—The gift of deducting a portion of home ownership costs from income taxes becomes more and more valuable as increases in both inflation and real income push more and more people into higher income brackets. So there are more home buyers—defensive buyers.

More new households are formed each year than new housing units are built. More than ever, new families—today often childless—have a two-salary affluence that seeks tax relief and an inflation hedge in home ownership, often with a preference for an apartment. Many middle- and upper-income individuals and couples abhor, or cannot afford, the suburbs in which they grew up.

Elderly, retired homeowners now receive a capital-gains tax exclusion on sales of homes that may have tripled in inflated value in their lifetimes, creating another tax incentive for a condominium purchase in later, childless years.

The displaced poor—Inflation in costs has reduced the supply of moderate-income renters capable of paying today's high rents. The more affluent have become owners of houses or condominiums, or they can afford luxury rentals. (The median income of urban renters in 1977 was $9,200, and $17,800 for urban homeowners). Yet renters do not directly receive any of the tax relief granted property owners, including condominium owners.

The landlord's dilemma—Because of these anomalies, apartment buildings are worth more as owner-occupied than as rented housing. The Congressional Research Service report cites as an example a 275-unit garden apartment complex in Houston, bought for $7.5 million and given $2.5 million in "renovation." Within two years, the units were sold for a total of $14 million.

"A landlord's rental building may be assessed at $25,000 per unit", the report says. "Yet, with modest upgrading, such as a new kitchen, carpets and paint—or even as is—an individual buyer may pay $50,000 or $60,000 for this unit as a condominium." Further, the report terms the tax benefits available to rental landlords "generally inconsequential when compared to the gain to be made in converting."

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted as follows to:

Mr. Ford of Tennessee (at the request of Mr. Wright), for today, on account of a death in the family.

Mr. Russo (at the request of Mr. Wright), for today, on account of illness.

Mr. White (at the request of Mr. Wright), for today, on account of illness.

Mr. Charles H. Wilson of California (at the request of Mr. Wright), after 11 a.m. today, on account of official business.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Ritter) to revise and extend their remarks and include extraneous material:)

Mr. Jeffords, for 5 minutes, today.

Mr. Kemp, for 10 minutes, today.

Mr. Porter, for 5 minutes, today.

(The following Members (at the request of Mr. Wolpe) to revise and extend their remarks and include extraneous material:)

Mr. Downey, for 5 minutes, today.

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Moakley, for 5 minutes, today.

Mr. Wolpe, for 15 minutes, today.

Mr. Rose, for 5 minutes, today.

Mr. Stack, for 60 minutes, April 29, 1980.

Mr. Barnes, for 60 minutes, May 8, 1980.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Ritter) and to include extraneous matter:)

Mr. Cheney.
Mr. Gilman.
Mr. Michel in two instances.
Mr. Sawyer.
Mr. Derwinski in two instances.
Mr. Grassley.
Mr. Edwards of Oklahoma.
Mr. Young of Alaska.
Mr. Lagomarsino.
Mr. McClory.
Mr. Sensenbrenner.
Mr. Paul.
Mr. Roth.
Mr. Dornan.
Mr. Dannemeyer.
Mr. Moore.
Mr. Brown of Ohio.
Mr. Broyhill.
Mr. Lent.
Mr. Quayle.
Mr. Clausen.
Mr. Bereuter.
Mr. Hyde in four instances.
Mr. Coughlin.
Mr. Frenzel.
Mr. Abdnor in two instances.

(The following Members (at the request of Mr. Wolpe) and to include extraneous matter:)

Mr. Leland.
Mr. Boner of Tennessee.
Mr. Waxman.
Mr. Aspin.
Mr. Wolff.
Mrs. Spellman.
Mr. Charles H. Wilson of California.
Mr. Edgar.
Mr. Murtha.
Mr. Harris in two instances.
Mr. Scheuer in two instances.
Mr. Phillip Burton.
Mr. Jenkins.
Mr. Addabbo.
Mr. Rangel.
Mr. Bedell.
Mr. Conyers in two instances.
Mr. Alexander.
Ms. Ferraro.
Mr. Bowen.
Mr. Stark.
Mr. Solarz.
Mr. Pepper.
Mr. Skelton.
Mr. Downey.

SENATE BILL REFERRED

A bill of the Senate of the following title was taken from the Speaker's table and, under the rule, referred as follows:

S. 414. An act to amend title 35 of the United States Code; to establish a uniform Federal patent procedure for small businesses and nonprofit organizations; to create a consistent policy and procedure concerning patentability of inventions made with Federal assistance; and for other related purposes; to the Committee on the Judiciary.

ENROLLED BILL SIGNED

Mr. THOMPSON, from the Committee on House Administration, reported that that committee had examined and found truly enrolled a bill of the House of the following title, which was thereupon signed by the Speaker:

H.R. 4197. An act to amend the Wool Products Labeling Act of 1939 with respect to recycled wool.

A BILL AND A JOINT RESOLUTION PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on April 23, 1980, present to the President, for his approval, a bill and a joint resolution of the House of the following titles:

H.R. 6464. An act to authorize the Secretary of the Army to convey to the Michigan Job

Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Mich., in return for two new office buildings at the Detroit Arsenal, Warren, Mich., and

H.J. Res. 474. To authorize and request the President to issue a proclamation designating April 21 through April 28, 1980, as "Jewish Heritage Week."

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ADJOURNMENT

Mr. WOLPE. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to: accordingly (at 5 o'clock and 40 minutes p.m.), under its previous order, the House adjourned until Monday, April 28, at 12 o'clock noon.

EXECUTIVE COMMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4193. A letter from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide grants to States for the purpose of assisting the colleges eligible to receive funds under the act of August 30, 1980, including Tuskeegee Institute, in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity for food and agricultural research; to the Committtee on Agriculture.

4194. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction with the Israel Electric Corp., Ltd., Haifa, Israel, exceeding $60 million, pursuant to section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4195. A letter from the Administrator of General Services, transmitting the first biennial report on excess and surplus personal property programs, pursuant to section 10 of Public Law 94-519; to the Committee on Government Operations.

4196. A letter from the Chairman, National Endowment for the Humanities, transmitting a revised report on the Endowment's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4197. A letter from the Deputy Assistant Secretary of the Interior, transmitting notice of the receipt of an application from the Shoshone Irrigation District, Powell Wyo., for a loan under the Small Reclamation Projects Act of 1956, pursuant to section 10 of the act; to the Committee on Interior and Insular Affairs.

4198. A letter from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend chapter 41 of title 18, United States Code, to make threats against certain other U.S. Secret Service protectees a criminal offense; to the Committee on the Judiciary.

4199. A letter from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting reports concerning visa petitions approved according certain beneficiaries third and sixth preference classification, pursuant to section 204(d) of the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6511. A bill to designate the building known as the Federal Building in Morgantown, W. Va., as the "Harley O. Staggers Federal Building" (Rept. No. 96-901). Referred to the House Calendar.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6674. A bill to amend the National Visitor Center Facilities Act of 1968 to authorize additional funds, and for other purposes; with amendment (Rept. No. 96-902). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6331. A bill to amend the act of July 31, 1946, as amended, relating to the U.S. Capitol Grounds, and for other purposes; with amendment (Rept. No. 96-903). Referred to the Committee of the Whole House on the State of the Union.

Mr. NICHOLS: Committee on Armed Services. H.R. 6982. A bill to amend chapter 5 of title 37, United States Code, to revise the special pay provisions for medical officers in the Armed Forces and to make permanent the existing special pay provisions for other health professionals in the uniformed services. (Rept. No. 96-904). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. BOLAND:

H.R. 7152. A bill to authorize appropriations for fiscal year 1981 for the intelligence and intelligence-related activities of the U.S. Government, for the Intelligence Community Staff, and for the Central Intelligence Agency retirement and disability system, and for other purposes; to the Permanent Select Committee on Intelligence.

By Mr. FORD of Michigan (for himself, Mr. Perkins, Mr. Brademas, Mr. Thompson, Mr. Biaggi, Mr. Simon, Mr. Peyser, Mr. Gaydos, Mr. Murphy of Pennsylvania, Mr. Weiss, Mr. Ratchford, Mr. Bailey, Mr. Buchanan, Mr. Jeffords, and Mr. Tauke):

H.R. 7153. A bill to amend the National Foundation on the Arts and the Humanities Act of 1965 and the Museum Services Act to extend the authorizations of appropriations contained in such acts, to amend the Arts and Artifacts Indemnity Act to make certain changes in the coverage provisions of such act, and for other purposes; to the Committee on Education and Labor.

By Mr. ASPIN:

H.R. 7154. A bill to provide that, if the American hostages in Iran are not released, certain amounts of the blocked Iranian assets will be vested in the U.S. Government, to provide for the payment of claims against the Iranian Government from those assets, and for other purposes; to the Committee on Foreign Affairs.

By Mr. BROYHILL (for himself, Mr. Andrews of North Carolina, Mr. Fountain, Mr. Gudger, Mr. Hefner, Mr. Jones of North Carolina, Mr. Martin, Mr. Neal, Mr. Preyer, Mr. Rose, Mr. Whitley, Mr. Butler, Mr. Robinson, Mr. Whitehurst, Mr. Holland, and Mr. Quillen):

H.R. 7155. A bill to designate the Overmountain Victory Trail as a national historic trail; to the Committee on Interior and Insular Affairs.

By Mr. CARR:

H.R. 7156. A bill to designate certain public lands in the State of Michigan as wilderness, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. DOWNEY:

H.R. 7157. A bill to amend title 38, United States Code, to waive the 1-year limitation on claims for compensation from the Veterans' Administration for disabilities and diseases incurred in or aggravated by military service in the case of claims by veterans who served in Southeast Asia during the Vietnam era for compensation for disabilities resulting from exposure to the phenoxy herbicides known as "Agent Orange" or other phenoxy herbicides; to the Committee on Veterans' Affairs.

By Mr. GIAIMO:

H.R. 7158. A bill to rescind certain budget authority contained in the message of the President of April 16, 1980 (H. Doc. 96-299) transmitted pursuant to the Impoundment Control Act of 1974; to the Committee on Appropriations.

By Mr. HANLEY:

H.R. 7159. A bill to amend title 10 of the United States Code to provide a more equitable standard for awarding the Gold Star Lapel Button; to the Committee on Armed Services.

By Mr. HARRIS:

H.R. 7160. A bill to provide for the issuance of a commemorative postage stamp honoring George Mason; to the Committee on Post Office and Civil Service.

By Mr. HARSHA:

H.R. 7161. A bill to provide that no person may charge interest at a rate which is greater than 10 percent per annum on loans exceeding $300, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. JENKINS (for himself and Mr. Conable):

H.R. 7162. A bill to amend the Congressional Budget Act of 1974 to limit the levels of total budget outlays under the congressional budget process; jointly, to the Committees on Rules and Government Operations.

By Mr. KAZEN:

H.R. 7163. A bill to amend the Powerplant and Industrial Fuel Use Act of 1978 to further the objectives of national energy policy of conserving oil and natural resources through removing excessive burdens on production of coal; to the Committee on Interstate and Foreign Commerce.

H.R. 7164. A bill to amend title 49 of the United States Code to require a rail carrier having market dominance to demonstrate that its proposed rates do not exceed a reasonable maximum, and to prohibit the Interstate Commerce Commission from allowing a rail carrier to impose subsidy burdens on certain shippers in order to achieve adequate overall revenue levels; to the Committee on Interstate and Foreign Commerce.

By Mr. LUNGREN (for himself and Mr. Mazzoli):

H.R. 7165. A bill to amend title 28 of the United States Code to provide for reassignment of certain Federal cases upon request of a party; to the Committee on the Judiciary.

By Mr. MATHIS:

H.R. 7166. A bill to establish the eligibility of aviation fuel storage facilities for airport development grants; to the Committee on Public Works and Transportation.

By Mr. NOWAK (for himself and Mr. LAFALCE (by request)):

H.R. 7167. A bill to amend the Tariff Schedules of the United States to permit the entry of certain valuable wastes resulting from the processing of merchandise admitted into the United States under bond; to the Committee on Ways and Means.

By Mr. PAUL:

H.R. 7168. A bill to repeal the International Emergency Economic Powers Act; to the Committee on Foreign Affairs.

By Mr. PORTER:

H.R. 7169. A bill to amend the Uniform Time Act of 1966 to provide that the period of observance of daylight saving time each year shall begin on the last Sunday in March, rather than the last Sunday in April, and shall end on the last Sunday in November, rather than the last Sunday in October; to the Committee on Interstate and Foreign Commerce.

By Mr. WHITTEN:

H.R. 7170. A bill to amend the Internal Revenue Code of 1954 to allow estates required to file estate tax returns before July 13, 1978, to elect the valuation of certain farm, etc., real property under section 2032A of such code within 90 days after final regulations are adopted under such section; to the Committee on Ways and Means.

By Mr. ROSTENKOWSKI (for himself, Mr. LEDERER, Mr. HOLLAND, Mr. FISHER, Mr. COELHO, and Mr. DUNCAN of Tennessee):

H.R. 7171. A bill to make certain miscellaneous changes in the tax laws; to the Committee on Ways and Means.

By Mr. ROUSSELOT:

H.R. 7172. A bill to amend the Internal Revenue Code of 1954 to provide for a definition of the term "artificial bait"; to the Committee on Ways and Means.

By Mr. SCHULZE:

H.R. 7173. A bill to extend for an additional temporary period the existing suspension of duties on certain classifications of yarns of silk; to the Committee on Ways and Means.

By Mr. PEPPER:

H.J. Res. 536. Joint resolution designating May 15, 1980, as "National Nursing Home Residents Day"; to the Committee on Post Office and Civil Service.

By Mr. PERKINS (for himself and Mr. GOODLING):

H. Con. Res. 318. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the Education Appeal Board authorized under section 451 of the General Education Provisions Act; to the Committee on Education and Labor.

H. Con. Res. 319. Concurrent resolution disapproving certain regulations submitted to the Congress on April 3, 1980, with respect to the arts in education program authorized under sections 321, 322, and 323 of the Elementary and Secondary Education Act of 1965; to the Committee on Education and Labor.

By Mr. HARRIS (for himself and Mrs. SPELLMAN):

H. Res. 646. Resolution to express the sense of the House of Representatives that the Federal Reserve Board should take immediate actions to facilitate prompt economic recovery; to the Committee on Banking, Finance and Urban Affairs.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 7174. A bill for the relief of Romeo Sanchez Vita (also known as Romeo Sanchez Perez); to the Committee on the Judiciary.

By Mr. McCLORY:

H.R. 7175. A bill for the relief of the Woodstock Daily Sentinel; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. LEACH of Iowa.

H.R. 1962: Mr. FRENZEL.

H.R. 2139: Mr. HYDE and Mr. LUKEN.

H.R. 5606: Mr. GUARINI, Mr. WHITEHURST, and Mr. WEAVER.

H.R. 5649: Mr. COELHO.

H.R. 6154: Mr. HUTTO, Mr. FORSYTHE, and Mr. DORNAN.

H.R. 6228: Mr. GRAMM.

H.R. 6468: Mr. TAUKE.

H.R. 6473: Mr. GINGRICH and Mr. COLLINS of Texas.

H.R. 6579: Mr. COUGHLIN and Mr. QUAYLE.

H.R. 6664: Mr. WHITTAKER, Mr. ABDNOR, Mr. HINSON, Mr. FLIPPO, Mr. GINN, Mr. JOHNSON of California, Mr. STUMP, Mr. AKAKA, Mr. DUNCAN of Tennessee, Mr. HALL of Texas, Mr. HANLEY, Mr. HORTON, Mr. MITCHELL of New York, Mr. PERKINS, Mr. PREYER, Mr. WILLIAMS of Montana, Mr. ANDREWS of North Carolina, Mr. FUQUA, Mr. LOTT, Mr. ANDREWS of North Dakota, Mr. HOLLAND, Mr. CARTER, Mr. MURPHY of Pennsylvania, Mr. LAFALCE, Mr. HAMMERSCHMIDT, Mr. EVANS of the Virgin Islands, Mr. BROWN of Ohio, Mr. JENRETTE, Mr. McDADE, Mr. WHITLEY, Mr. EVANS of Georgia, Mr. ERDAHL, Mr. HUGHES, Mr. HARKIN, and Mr. NICHOLS.

H.R. 6718: Mr. ALBOSTA, Mr. HOLLENBECK, and Mr. KILDEE.

H.R. 6936: Mr. YATRON and Mr. ROE.

H.R. 6941: Mr. ROBERT W. DANIEL, JR.

H.R. 6979: Mr. LOWRY, Mr. AUCOIN, Mr. FORSYTHE, and Mr. HUGHES.

H.R. 7080: Mr. LAFALCE.

H.R. 7126: Mr. RINALDO.

H.J. Res. 196: Mr. KRAMER.

H.J. Res. 417: Mr. BEARD of Tennessee, Mr. HORTON, Mr. ROE, Mr. YATRON, Mr. SIMON, Mr. CHAPPELL, and Mr. CORCORAN.

H.J. Res. 437: ROBERT W. DANIEL, JR.

H. Con. Res. 225: Mr. DUNCAN of Oregon, Mr. DORNAN, Mr. CAVANAUGH, and Mr. BROOKS.

DELETION OF SPONSORS

Under clause 4 of rule XXII, sponsors were deleted from public bills and resolutions as follows:

H.R. 6539: Mr. OBERSTAR.

PETITIONS, ETC.

Under clause 1 of rule XXII,

337. The SPEAKER presented a petition of the Council of the City of New York, N.Y., relative to Ireland, which was referred to the Committee on Foreign Affairs.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 307

By Mr. SOLARZ:

(Substitute for an amendment offered by Mr. OBEY.)

—Strike all after the resolving clause and insert in lieu thereof the following:

That the Congress hereby determines and declares pursuant to section 301(a) of the Congressional Budget Act of 1974, that for the fiscal year beginning on October 1, 1980—

(1) the recommended level of Federal revenues is $619,200,000,000, and the amount by which the aggregate level of Federal revenues should be decreased is $10,300,000,000 and the amount by which the aggregate level of Federal revenues should be increased is $27,700,000,000;

(2) the appropriate level of total budget authority is $700,200,000,000;

(3) the appropriate level of total budget outlays is $617,200,000,000;

(4) the amount of the surplus in the budget which is appropriate in the light of economic conditions and all other relevant factors is $2,000,000,000;

(5) the appropriate level of the public debt is $926,800,000,000 and the amount by which the statutory limit on such debt should accordingly be increased is $30,100,000,000; and

(6) the appropriate level of total gross obligations for the principal amount of direct loans is $60,600,000,000 and the appropriate level of total commitments to guarantee loan principal is $79,600,000,000.

SEC. 2. Based on allocations of the appropriate level of total new budget authority and of total budget outlays as set forth in paragraphs (2) and (3) of the first section of this resolution, the Congress hereby determines and declares pursuant to section 301 (a)(2) of the Congressional Budget Act of 1974 that for the fiscal year beginning on October 1, 1980, the appropriate level of new budget outlays authority and the estimated budget for each major functional category are as follows:

(1) National Defense (050):

(A) New budget authority, $160,850,000,000;

(B) Outlays, $147,950,000,000.

(2) International Affairs (150):

(A) New budget authority, $24,200,000,000;

(B) Outlays, $9,800,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $6,300,000,000.

(4) Energy (270):

(A) New budget authority, $7,700,000,000;

(B) Outlays, $7,200,000,000.

(5) Natural Resource and Environment (300):

(A) New budget authority, $12,150,000,000;

(B) Outlays, $12,500,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,400,000,000;

(B) Outlays, $2,300,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $5,700,000,000;

(B) Outlays, $550,000,000.

(8) Transportation (400):

(A) New budget authority, $23,050,000,000;

(B) Outlays, $19,750,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $9,150,000,000;

(B) Outlays, $9,500,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $34,650,000,000.

(B) Outlays, $32,000,000,000.

(11) Health (550):

(A) New budget authority, $71,900,000,000;

(B) Outlays, $62,200,000,000.

(12) Income Security (600):

(A) New budget authority, $253,850,000,000;

(B) Outlays, $221,850,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,700,000,000;

(B) Outlays, $21,200,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,200,000,000;

(B) Outlays, $4,600,000,000.

(15) General Government (800):

(A) New budget authority, $4,700,000,000;

(B) Outlays, $4,600,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $6,700,000,000;

(B) Outlays, $7,300,000,000.

(17) Interest (900):

(A) New budget authority, $72,200,000,000.

(B) Outlays, $72,200,000,000.

(18) Allowances (920):

(A) New budget authority, $0,000,000;

(B) Outlays, $0,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, —$24,600,000,000;

(B) Outlays, —$24,600,000,000.

SEC. 3. Pursuant to sections 301(b)(2) and 310 of the Budget Act:

(a)(1) the House Committee on Agriculture and the Senate Committee on Agriculture, Nutrition, and Forestry shall recommend program reductions for fiscal year 1981 in reported or enacted laws, bills, and resolutions that reduce spending by $120,000,000 in budget authority and $120,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority for programs within the jurisdiction of those committees;

(2) the Senate Committee on Agriculture, Nutrition, and Forestry shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $233,000,000 in budget authority, and $200,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b)(1) the House Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $3,263,000,000 in budget authority and $3,188,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(b)(2) the Senate Committee on Armed Services shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $460,000,000 in budget authority and $460,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(c) the House Committee on Education and Labor shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $301,000,000 in budget authority and $274,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(d) the House Committee on Interstate and Foreign Commerce shall reduce spending for fiscal 1981 in reported or enacted laws, bills, and resolutions by $200,000,000 in budget authority and $270,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(e) the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $2,803,000,000 in budget authority and $3,368,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the reduction required by this subsection;

(f) the House Committee on Public Works and Transportation and the Senate Committee on Environment and Public Works shall recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions that reduce spending by $400,000,000 in outlays and are instructed to report on or before June 15, 1980, such recommendations to effectuate reductions in corresponding outlays for programs within the jurisdiction of those committes;

(g) the House Committee on Veterans' Affairs and the Senate Committee on Veterans' Affairs shall reduce spending or recommend program reductions for fiscal year 1981 in enacted laws, bills, and resolutions by $400,000,000 in budget authority and $400,000,000 in outlays and are instructed to report on or before June 15, 1980, their recommendations to reduce spending, or to effectuate reductions, in new or corresponding budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdictions of those committees, or for programs within the jurisdictions of those committees, sufficient to accomplish the reduction required by this subsection;

(h) the House Committee on Ways and Means shall reduce spending for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $267,000,000 in budget authority and $1,419,000,000 in outlays, and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in reported or enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(i) the Senate Committee on Finance shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $467,000,000 in budget authority and $1,619,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection;

(j) the Senate Committee on Labor and Human Resources shall reduce spending for fiscal year 1981 in enacted laws, bills, and resolutions by $306,000,000 in budget authority and $349,000,000 in outlays and is instructed to report on or before June 15, 1980, its recommendations for changes in new budget authority for fiscal year 1981, budget authority initially provided for prior fiscal years, and new or existing spending authority contained in enacted laws, bills, and resolutions within the jurisdiction of this committee sufficient to accomplish the reduction required by this subsection; and

(k) the House Committee on Ways and Means and the Senate Committee on Finance shall increase revenues for fiscal year 1981 in reported or enacted laws, bills, and resolutions by $27,600,000,000 and are instructed to report on or before June 15, 1980, their recommendations for changes in revenues for fiscal year 1981 contained in reported or enacted laws, bills, and resolutions within the jurisdictions of those committees sufficient to accomplish the increase required by this subsection.

SEC. 4. In accordance with section 301(b)(1) of the Budget Act, no bill or resolution providing new budget authority for fiscal year 1981 or providing new or existing spending authority described in section 401(c)(2)(C) of the Budget Act in excess of the allocation of the appropriate levels of total budget outlays and total new budget authority submitted pursuant to section 302(b) of the Budget Act, shall be enrolled until Congress has completed action on the second budget resolution for that fiscal year as required to be reported under section 310 of the Budget Act; and, if a reconciliation bill or reconciliation resolution, or both, are required to be reported under section 310(c), until Congress has completed action on that bill or resolution, or both.

SEC. 5. The Congress sets forth the following budgetary levels for fiscal years 1982 through 1983—

(1) the recommended level of Federal revenues is as follows:

Fiscal year 1982: $694,800,000,000;

Fiscal year 1983: $804,100,000,000;

and the amount by which the aggregate levels of Federal revenues should be increased or decreased is as follows:

Fiscal year 1982: +$300,000,000;

Fiscal year 1983: $000,000,000;

(2) the appropriate level of total new budget authority is as follows:

Fiscal year 1982; $767,300,000,000;

Fiscal year 1983: $864,500,000,000;

(3) the appropriate level of total budget outlays is as follows:

Fiscal year 1982: $683,100,000,000;

Fiscal year 1983: $775,400,000,000;

(4) the amount of the surplus in the budget which is appropriate in light of economic conditions and all other relevant factors is as follows:

Fiscal year 1982: $11,700,000,000;

Fiscal year 1983: $28,700,000,000;

(5) the appropriate level of the public debt is as follows:

Fiscal year 1982: $954,200,000,000;

Fiscal year 1983: $970,600,000,000.

(b) Based on allocations of the appropriate level of total new budget authority and of total budget outlays for fiscal years 1982 and 1983 as set forth above, the appropriate level of new budget authority and the estimated budget outlays for each major functional category are respectively as follows:

(1) National Defense (050):

Fiscal year 1982:

(A) New budget authority, $182,100,000,000;

(B) Outlays, $166,500,000,000.

Fiscal year 1983:

(A) New budget authority, $203,900,000,000.

(B) Outlays, $185,600,000,000.

(2) International Affairs (150):

Fiscal year 1982:

(A) New budget authority, $16,200,000,000;

(B) Outlays, $10,000,000,000.

Fiscal year 1983:

(A) New budget authority, $15,900,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

Fiscal year 1982:

(A) New budget authority, $6,900,000,000;

(B) Outlays, $6,700,000,000.

Fiscal year 1983:

(A) New budget authority, $7,000,000,000;

(B) Outlays, $6,900,000,000.

(4) Energy (270):

Fiscal year 1982:

(A) New budget authority, $8,600,000,000;

(B) Outlays, $10,500,000,000.

Fiscal year 1983:

(A) New budget authority, $10,200,000,000;

(B) Outlays, $11,700,000,000.

(5) Natural Resources and Environment (300):

Fiscal year 1982:

(A) New budget authority, $13,400,000,000;

(B) Outlays, $13,200,000,000.

Fiscal year 1983:

(A) New budget authority, $13,900,000,000;

(B) Outlays, $13,600,000,000.

(6) Agriculture (350):

Fiscal year 1982:

(A) New budget authority, $6,300,000,000;

(B) Outlays, $4,200,000,000.

Fiscal year 1983:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $5,200,000,000.

(7) Commerce and Housing Credit (370):

Fiscal year 1982:

(A) New budget authority, $6,050,000,000;

(B) Outlays, $2,850,000,000.

Fiscal year 1983:

(A) New budget authority, $6,250,000,000;

(B) Outlays, $2,850,000,000.

(8) Transportation (400):

Fiscal year 1982:

(A) New budget authority, $22,300,000,000;

(B) Outlays, $20,500,000,000.

Fiscal year 1983:

(A) New budget authority, $24,500,000,000;

(B) Outlays, $22,200,000,000.

(9) Community and Regional Development (450):

Fiscal year 1982:

(A) New budget authority, $9,200,000,000;

(B) Outlays, $9,000,000,000.

Fiscal year 1983:

(A) New budget authority, $9,500,000,000;

(B) Outlays, $9,300,000,000.

(10) Education, Training, Employment, and Social Services (500):

Fiscal year 1982:

(A) New budget authority, $36,500,000,000;

(B) Outlays, $33,900,000,000.

Fiscal year 1983:

(A) New budget authority, $41,000,000,000;

(B) Outlays, $39,300,000,000.

(11) Health (550):

Fiscal year 1982:

(A) New budget authority, $83,100,000,000;

(B) Outlays, $70,100,000,000.

Fiscal year 1983:

(A) New budget authority, $119,000,000,000;

(B) Outlays, $103,300,000,000.

(12) Income Security (600):

Fiscal year 1982:

(A) New budget authority, $289,900,000,000;

(B) Outlays, $249,600,000,000.

Fiscal year 1983:

(A) New budget authority, $318,400,000,000;

(B) Outlays, $274,600,000,000.

(13) Veterans Benefits and Services (700):

Fiscal year 1982:

(A) New budget authority, $23,400,000,000;

(B) Outlays, $22,800,000,000.

Fiscal year 1983:

(A) New budget authority, $25,000,000,000;

(B) Outlays, $24,400,000,000.

(14) Administration of Justice (750):

Fiscal year 1982:

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,500,000,000.

(15) General Government (800):

Fiscal year 1982:

(A) New budget authority, $5,000,000,000;

(B) Outlays, $4,700,000,000.

Fiscal year 1983:

(A) New budget authority, $4,900,000,000;

(B) Outlays, $4,800,000,000.

(16) General Purpose Fiscal Assistance (850):

Fiscal year 1982:

(A) New budget authority, $6,400,000,000;

(B) Outlays, $6,400,000,000.

Fiscal year 1983:

(A) New budget authority, $6,500,000,000;

(B) Outlays, $6,500,000,000.

(17) Interest (900):

Fiscal year 1982:

(A) New budget authority, $73,600,000,000;

(B) Outlays, $73,600,000,000.

Fiscal year 1983:

(A) New budget authority, $76,500,000,000;

(B) Outlays, $76,500,000,000.

(18) Allowances (920):

Fiscal year 1982:

(A) New budget authority, $1,900,000,000;

(B) Outlays, $1,900,000,000.

Fiscal year 1983:

(A) New budget authority, $3,600,000,000;

(B) Outlays, $3,600,000,000.

(19) Undistributed Offsetting Receipts (950):

Fiscal year 1982:

(A) New budget authority, −$27,300,000,000.

(B) Outlays, −$29,700,000,000.

Fiscal year 1983:

(A) New budget authority, −$29,700,000,000;

(B) Outlays, −$29,700,000,000.

SEC. 6. Section 1 of S. Con. Res. 53 is revised as follows:

(a)(1) the recommended level of Federal revenues is $528,800,000,000, and the amount by which the aggregate level of Federal revenues should be increased is $100,000,000;

(2) the appropriate level of total new budget authority is $660,500,000,000;

(3) the appropriate level of total budget outlays is $571,600,000,000;

(4) the amount of the deficit in the budget which is appropriate in light of economic conditions and all other relevant factors is $42,800,000,000; and

(5) the appropriate level of the public debt is $896,700,000,000, and the amount by which the statutory limit on such debt should accordingly be increased is $17,700,000,000.

(b)(1) National Defense (050):

(A) New budget authority, $142,500,000,000;

(B) Outlays, $134,200,000,000.

(2) International Affairs (150):

(A) New budget authority, $15,800,000,000;

(B) Outlays, $10,700,000,000.

(3) General Science, Space, and Technology (250):

(A) New budget authority, $6,100,000,000;

(B) Outlays, $5,900,000,000.

(4) Energy (270):

(A) New budget authority, $40,300,000,000;

(B) Outlays, $6,400,000,000.

(5) Natural Resources and Environment (300):

(A) New budget authority, $12,300,000,000;

(B) Outlays, $13,200,000,000.

(6) Agriculture (350):

(A) New budget authority, $5,000,000,000;

(B) Outlays, $5,900,000,000.

(7) Commerce and Housing Credit (370):

(A) New budget authority, $11,600,000,000;

(B) Outlays, $6,100,000,000.

(8) Transportation (400):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,100,000,000.

(9) Community and Regional Development (450):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $9,200,000,000.

(10) Education, Training, Employment and Social Services (500):

(A) New budget authority, $30,000,000,000;

(B) Outlays, $30,100,000,000.

(11) Health (550):

(A) New budget authority, $59,900,000,000;

(B) Outlays, $56,500,000,000.

(12) Income Security (600):

(A) New budget authority, $224,800,000,000;

(B) Outlays, $191,700,000,000.

(13) Veterans Benefits and Services (700):

(A) New budget authority, $21,000,000,000;

(B) Outlays, $20,300,000,000.

(14) Administration of Justice (750):

(A) New budget authority, $4,300,000,000;

(B) Outlays, $4,400,000,000.

(15) General Government (800):

(A) New budget authority, $4,500,000,000;

(B) Outlays, $4,400,000,000.

(16) General Purpose Fiscal Assistance (850):

(A) New budget authority, $8,800,000,000;

(B) Outlays, $8,800,000,000.

(17) Interest (900):

(A) New budget authority, $65,100,000,000;

(B) Outlays, $65,100,000,000.

(18) Allowances (920):

(A) New budget authority, $1,000,000,000;

(B) Outlays, $900,000,000.

(19) Undistributed Offsetting Receipts (950):

(A) New budget authority, −$22,300,000,000;

(B) Outlays −$22,300,000,000.

SEC. 7. The Congress urges the President to study and review the current inflation measure for indexing Federal programs, and to submit his findings and recommendations for the most appropriate cost-of-living measure within sixty days after passage of this budget resolution.

EXTENSIONS OF REMARKS

OIL IMPORT FEE

HON. TOBY ROTH

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. ROTH. Mr. Speaker, there appears to be a united bipartisan effort to repeal the estimated $12 billion tax burden that President Carter has imposed through his oil import fee proclamation. In my view, the American people have about reached the limit they can go with inflation raging over 18 percent and a recession underway. This proposed oil import fee resulting in an immediate 10 cent per gallon increase in the price of gasoline would only add to the unbearable energy costs consumers are already suffering.

This proposal is inflationary, and will have little effect on consumption. Moreover, stripped of all its trimmings it is really a revenue measure—a tax increase—at a time when Americans need a tax cut not a tax increase. Finally, it will serve as a drag on the U.S. economy at a time when a growing economy is in order to balance the budget and lick inflation.

Because this matter is of such importance I would like to submit for the RECORD testimony I presented to the House Ways and Means Committee on this matter.

The testimony follows:

OIL IMPORT FEE

Mr. Chairman, I am very grateful for the opportunity to join with you and my other colleagues at this hearing. It is a pleasure to present my views in strong opposition to the President's proposed oil import fee. The Committee should be commended for studying this matter, your hearing is particularly timely.

In presenting my statement today, I would like to emphasize 4 key points:

I. One of the most significant characteristics of this proposal is its inflationary impact.—For only marginal savings in energy there will be an immediate ten cent per gallon increase in the price of gasoline. This added to the cost of doing business which will be passed along to the consumer will actually add ¾ of a percent to the current oppressive rate of inflation even by the Administration's own estimates. Consumers are already suffering from unbearable energy costs. A price increase is inconsistent with the anti-inflation program. The price of gasoline alone has increased about 105 percent since April 1979. We should be working to decrease not increase, energy prices. The average driver will pay $75 more a year for gasoline as a result of the import fee. In rural areas like my own district, the cost will be appreciable greater for each driver. In short, there will be an upsurge in inflation for consumers who are already staggering from recent price increases.

II. This proposal is really a wolf in sheeps clothing.—Stripped of all its trimmings it is really a revenue measure—a tax increase—rather than a conservation device. The President described this $10-12 billion increase as a margin of safety against the 1981 budget deficit. He wants to balance the budget by raising this special tax, in addition to increasing the income tax. This tax—a regressive one—is the worst kind. It will be especially harmful for low income persons. Imposing a new tax, I believe, is not the way to fight inflation or conserve energy. Such a measure will push wage and material costs higher and trigger more price increases. The energy saving which the Administration estimates at 100,000 barrels a day, will mean the taxpayer is paying about $345 in new taxes for every barrel saved. Americans need a tax cut not a tax increase. Reduction of government spending is the way to balance the budget.

III. The proposal will have little effect on gasoline consumption.—The cure will be worse than the ailment. Even the administration expects gasoline consumption to be reduced about 100,000 barrels daily, which is ½ of 1 percent of total U.S. consumption. This is an enormous price to pay for so little savings of gasoline. Conservation is already taking place based on soaring energy prices. Americans used 5.3 percent less gasoline in 1979 than in 1978. And nearly 8 percent less the first quarter of 1980 compared to the same period in 1979. There is a realistic limit to conservation in the shortrun because of the nature of U.S. society and its economy. Forty percent of all U.S. driving is work-related. This proposal would unfairly discriminate against those who must drive long distances for work.

IV. Apart from the inflationary aspects there are some seriously adverse impacts on the nation's general economy.—People will have less to spend on other items. The inflationary and tax effects will serve as a drag on the U.S. economy. Increases are likely in unemployment and industries/activities that are heavily dependent on gasoline, e.g. tourism. The cost to farmers and ranchers alone will be about $350 million a year, which will further increase the high price of food. America needs a growing economy in order to balance the budget and lick inflation.

In summary, this proposal would also provide a strong signal to OPEC that the American consumer is willing to tolerate further price increases on top of the gouging that already exists. Furthermore, there is a strong consensus that administration of this proposal would be a regulatory nightmare. There is no way to assure that the import fee would be passed along to consumers only on gasoline and not added to the price of other refined products. Moreover, this proposal adds more government control, interference, and redtape, all of which is costly and unnecessary. For these reasons, I hope the Committee will act to insure that this most recent ill-advised scheme of the Carter Administration is stopped.

Thank you.●

CHINESE NEWCOMERS SERVICE CENTER

HON. PHILLIP BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. PHILLIP BURTON. Mr. Speaker, on Thursday and Friday, May 8-9, 1980, the Chinese Newcomers Service Center of San Francisco will convene a national workshop of agencies serving Chinese immigrants and refugees.

This 2-day workshop will be an in-depth review of existing services, a sharing of the experiences of the agencies involved and a discussion of future directions in the field.

The San Francisco Newcomers Service is a nonprofit agency with a 10-year record of impressive service to the Chinese-American community. Their goal is to assist monolingual Chinese-speaking residents, both oldtimers and newcomers, in their adjustment process to become contributing and participating members of our society.

Aware of the special problems that face the newcomer immigrant or refugee and the ongoing problems of the oldtimer with limited exposure to the American lifestyle, Chinese Newcomer Service extends a helping hand and provides such services as: Information and referral, translation and interpretation, emergency contact and acculturation programs.

It is my pleasure to call this most worthwhile service and workshop to the attention of my colleagues.●

WHAT THE ARMY REALLY NEEDS

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. MICHEL. Mr. Speaker, when the House was debating the resumption of draft registration April 22, I pointed out that such a symbolic gesture would have far less impact on the Soviet Union than would a concerted effort on our part to make concrete improvements in the readiness of our Armed Forces.

The Soviets read newspapers. They know our Reserves are undermanned and ill-equipped. They also know that there are serious shortages of skilled manpower among our regular forces and that we are having a very difficult time holding on to military personnel who have the education and experience to run a modern day army.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

We are not fooling the Russians when we refuse to address these critical problems. We are only fooling ourselves.

There are a good many steps we can take to revive the strength and integrity of our Armed Forces and the other day the Army Chief of Staff, Gen. Edward C. Meyer enunciated some of them. He also offered some very frank opinions on what impact a resumption of the draft would have on the Army.

I am inserting for the Record, the Washington Post interview with General Meyer entitled "Top General Offers a Plan To Retain GI's."

The article follows:

Top General Offers a Plan To Retain GI's

(By George C. Wilson)

Paying for the college educations of soldiers or their children would do a lot more for today's Army than bringing back the draft, Gen. Edward C. Meyer, Army chief of staff, said yesterday.

Meyer, in an interview with the Washington Post, said the draft would drive young people into the other services, not the Army, and leave his biggest personnel problem uncorrected.

That problem is attracting and holding quality people, especially those trained in the complexities of modern warfare, like running the communications and electronics controlling of today's weaponry.

Under Meyer's plan, anyone who joined the Army would get a more generous GI bill. If he or she stayed in for 15 years, the Army would pay for the education of the careerist's children at whatever colleges they could get into.

Although Meyer stressed that he was not taking a pro or con position on resuming conscription, his views on the impact of that step on the Army add a new dimension to the congressional debate on the issue.

"The country has to make that decision," said Meyer on the draft, saying that there would be advantages and disadvantages.

"What troubles me," said Meyer, in speaking as head of the Army, "is that a draft would help the Air Force, the Navy, the Marine Corps. Their recruiting problems will be gone." If tradition is borne out, he said, those branches will fill their personnel needs with high school graduates.

"We will be the ones, the Army, who will get the draftees. And that will be a cross-section . . . The draft would not change the mental categories of the people you have in the Army" today.

With an Army of draftees rather than volunteers, Meyer said, "what you have out in the field for these sergeants and these junior officers are people who don't want to be there.

"Unless the draft were highly discriminatory" by inducting only top-quality people, an unlikely prospect, "I don't believe we would make out any better, except that we would be full all the time. But we would be full of people who don't necessarily want to be there."

He said this situation would require the Army to scrap its present program of discharging without prejudice, those in basic training who cannot adjust to military life.

"We couldn't do that with the draft. Everbody who was drafted and didn't want to be there would be trying to get out."

Army recruiting is going much better this year than last, prompting Meyer to concentrate on attracting and holding on to quality volunteers rather than on filling the ranks.

In this effort, Meyer said he has concluded that reviving the GI bill, under which the government would pay a year of college or other education for every year the volunteer served in the military, would lure more high school graduates into the Army.

Besides using education to attract first-timers, Meyer said, the Army could keep more of its sergeants and young officers by taking over the financial burden of educating their children.

"Most people who serve in the military know they are not going to be millionaires," Meyer said. "But they have a few demands.

"One, they have to be able to eat. And they have to be able to put enough money away to provide for the education of their children. In my judgment, that's the biggest single problem they see facing them ahead: 'How am I going to educate my children?' "

Under his plan, Meyer said, the government would pay the entire cost of education for the children of any soldier who stayed in the Army at least 15 years.

"I'm trying to solve the problem of middle-grade management," said Meyer, referring to the current exodus of sergeants and junior officers. The Army is 12,000 short in non-commissioned officers and is losing young officers at an alarming rate.

The Army's personnel office is refining Meyer's plan into a detailed proposal, which will go to Defense Secretary Harold Brown and then, if approved, to President Carter.

Meyer conceded that the cost of the educational benefits, which would have to be extended by the other services if the Army offered them, would be high.

"My response to that," he said, is that the Department of Health, Education and Welfare guarantees billions in bank loans and grants scholarships to students who often do not have to repay the government through service for the help.

"All I'm asking is that there be a repayment through service to country," Meyer said.●

BEDELL DRAWS ATTENTION TO U.S. INTERNATIONAL TRADE COMMISSION DECISION AFFECTING DOMESTIC COLOR TELEVISION INDUSTRY

HON. BERKLEY BEDELL

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. BEDELL. Mr. Speaker, during the coming month the U.S. International Trade Commission is expected to make a recommendation to the President on extending import relief for the domestic color television industry. The jobs of 65,000 American workers will depend upon that recommendation and the President's ultimate decision.

If the import relief, which has actually been effective for only 1 year out of the 3 granted by the President and the 5 years originally recommended by the ITC, is terminated, industry experts predict that the color television manufacturing industry will follow the black-and-white TV industry into oblivion.

The impact upon workers and whole communities is incalculable. But the recent testimony of a Machinists Union official, Dick Sturgeon, from Sioux City, Iowa, who saw 1,600 of his fellow machinists thrown out of work by a plant closedown in that city, is well worth pondering. I offer a condensation of this testimony from the machinists' publication "Report" and insert it in today's Record.

Thank you.

ITC Hears Real Cost of Imports

The U.S. International Trade Commission (ITC) got an earful about the effects of plant closings on the workers from District 162 Directing Business Rep Dick Sturgeon, of Sioux City, IA.

He told the ITC—the agency that considers import quotas on such things as foreign-made color television sets—that about 40% of the 1,600 IAM members furloughed when the Zenith plant closed almost two years ago are still out of work.

Sturgeon laid it on the line about the hardships that our members endured when the jobs they held for as long as 30 years went overseas to increase the profits of Corporate America.

The IAM supports COMPACT (Committee for the Preservation of American Color Television), the organization that petitioned the ITC for the quotas. More than one million jobs have been lost because of industries fleeing overseas during the past ten years.

Thanks to Sturgeon's testimony, the ITC got to hear something more important than the economic statistics and the legal maneuvering—the economic and physical and mental cost to the American worker.●

AUTO SAFETY

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. SCHEUER. Mr. Speaker, for the second time in as many years, the Nation's highway traffic death toll has passed the 50,000 mark. A troubling high number of these deaths are teenagers and infant children, as well as motorcyclists who are riding their bikes—senselessly in my opinion—without their helmets.

The Washington Post has recently spotlighted this problem in a number of excellent articles dealing with the climbing traffic death toll. As the chairman of the Commerce Committee's Consumer Protection and Finance Subcommittee, which has a special legislative interest in auto safety issues, I am introducing these articles in the Record for the benefit of all my colleagues.

Despite Infant Death Toll, Use of Car Seats Lags

(By Susan Okie)

Automobile accidents are the leading cause of death in children under 14—and now a new study shows that the children at greatest risk are those under three months old.

Yet only 7 percent of American children wear seat belts or ride in protective cars seats.

"Our priorities are hugely and tragically out of whack." Dr. William Haddon, of the Insurance Institute for Highway Safety, told the D.C. chapter of the American Academy of Pediatrics recently.

In 1977—the most recent year for which statistics by age are available—4,614 children 14 or younger died in motor vehicle accidents, according to the National Center for Health Statistics. Although adults have a higher death rate from car accidents, the chances of a child being killed in a car accident—9 deaths per 100,000 children—were almost twice that of dying of cancer, the number two cause of death in that age group.

In very young children, the risk was even greater. The death rate for babies between one and three months of age is 12 per 100,000, according to an analysis of the 1977 statistics by Susan P. Baker, an associate professor at the Johns Hopkins School of Public Health.

Baker and others believe that the major reason for the high death rate is that infants are usually held on a parent's lap while riding. During a crash, a baby's body becomes "a flying missile," and the adult's body being propelled against it "guarantees that the child will be crushed," said Joan Claybrook, administrator of the National Highway Traffic Safety Administration (NHTSA).

Crashes filmed by the NHTSA, using child-sized mannequins riding in real cars, provide horrifying proof of what happens to an unrestrained child during an accident at 30 miles per hour. In one film shown pediatricians, a toddler-sized mannequin sails from the front seat into the windshield, shattering the glass with its forehead and snapping its neck far enough back to break the spine.

In another, two mannequins the size of a three-year old and a six-year old shoot back and forth over the floor of a van during impact bouncing off sidewalls and seatbacks.

In a third film, two mannequins riding in the back of a station wagon fly out the rear window during the crash, with the three-year-old-sized one landing on its head in the road.

A study by Baker of all auto accident deaths of Maryland children over a five-year period showed that 80 percent had severe head injuries, including skull fractures and lacerations of the brain.

Claybrook said the proper use of a seat belt or restraining car seat could have eliminated or reduced more than half of the head injuries.

There are a number of car seats for babies and toddlers on the market, and the NHTSA tests their safety and attempts to promote their use through pediatricians, hospital obstetrics departments and other groups. Studies have shown the seats protect children better than seat belts, which are designed for adults and do not always restrain children adequately, even though the belts are much better than using no restraint at all.

Yet educational campaigns to increase the number of drivers restraining their children have had little success, according to Allan Williams, a behavorial scientist at the Insurance Institute. Laws work somewhat better in Tennessee, after passage of a 1977 law requiring that children under four be restrained while riding. The proportion of children riding restrained rose from 9 percent to 22 percent, Claybrook said.

Automobile manufacturers have not cooperated so far with safety campaigns. A NHTSA study of 25 1980 model cars found that 16 had seat belts too short to accommodate one or more of the most popular car seats. Many cars also lacked locking devices on seat belts, which are necessary to keep the car seat in place during a crash.

Claybrook also criticized manufacturers for designing dashboards with protruding knobs and hard surfaces that could injure a child's face during a collision. She pointed out that most areas of car dashboards are not regulated by safety standards.

"Manufacturers are not using the human engineering technology and talent that is so readily available," she said.

But statistics show that the greatest reduction in accident deaths of children could be achieved simply by parents strapping them in.

"At the minimum, you should have your child sitting in the back seat with the belt pulled tight," said Williams.

Echoes of a Fatal Crash—Fairfax Student a Victim of Annual Carnage

(By Sandra G. Boodman)

Armando deMoya left Charlie's Restaurant near Fairfax City about 1:15 a.m. on Jan. 27 after drinking with friends, got into his fiance's green 1969 Chevrolet Impala and headed west on Lee Highway. A mile from his Centreville home, deMoya, a 19-year-old part-time student and construction worker, either passed out or fell asleep.

His car, traveling at 70 to 80 miles an hour, swerved across three lanes, slammed into a drainage ditch and skidded 300 yards, shearing off a telephone pole. There were no witnesses. DeMoya, who was alone and not wearing a seat belt, was killed instantly.

DeMoya died in a manner that claimed the lives of more than 140 Americans yesterday and more than 50,000 last year alone.

Were those deaths and the accompanying $48 billion in damage the result of an airline crash or a nuclear accident, there probably would be a torrent of publicity, Congressional investigations and an outpouring of national grief and outrage.

By contrast the annual carnage on the highways and the 2 million injured each year evoke little reaction from a public numbed by body counts routinely computed over holiday weekends.

But those accidents devastate the friends and families of victims. "I can't begin to describe the pain," said Bonnie Kitzmiller, deMoya's 20-year-old fiance. "I was so angry at first, I kept thinking, 'Of all those stupid fools on the road, why did it have to be him?'"

Despite the millions of dollars spent on government safety campaigns and enforcement efforts, traffic accidents remain the leading cause of death for Americans up to age 34. One in 60 babies born today will die in a crash and two out of three will be injured.

"The public is indifferent and ambivalent about traffic deaths," said Brian O'Neill, research vice-president of the Insurance Institute for Highway Safety, a nonprofit scientific organization funded by insurance industry, which studies accidents.

"A lot of people are fatalistic," O'Neill said. "They think you put a St. Christopher on the dashboard and if your number's up, your number's up."

A 1979 study by a McLean consulting firm showed that one third of young drivers believe that their chances of being in an accident during the next year are 1 in 1,000. The actual ration is 1 in 7.

But public overconfidence and ambivalence are only partly responsible for the rising death toll, says Joan Claybrook, administrator of the National Highway Traffic Safety Administration. The other factors: drivers are flouting the 55-mile-per-hour speed limit and are driving smaller, lighter gas-saving cars that frequently crumple in crashes, especially with larger cars and trucks.

"Manufacturers simply are not making cars as crashworthy as they could be," said Claybrook, who adds that Detroit has consistently fought federally-mandated safety standards like seat belts and collapsible steering columns, features she says have saved an estimated 30,000 lives in the last decade.

The auto safety effort has shifted radically in the past decade. Safety campaigns in the 1960s were predicated on what Claybrook calls "the nut behind the wheel" theory—that only misfits are involved in or cause accidents.

The fact is that everyone is vulnerable. Most people drink and drive, speed, take risks, don't use seat belts and believe accidents are caused by someone else's driving error, safety experts say.

Although he was driving a heavy, full-sized car, Armando deMoya was in many ways a typical accident victim, according to federal studies.

The person most likely to die in a crash is a 17- to 24-year-old male who has been drinking, is driving (too fast) an older, smaller, less well-maintained car on a two-lane road between the hours of 10 p.m. and 2 a.m. on a July weekend. Most fatalities, the studies show, are the result of front-end collisions; drivers crash into barriers, trees, utility poles or other cars.

Head injuries are the most common cause of death, because, federal officials say, less than 12 percent of Americans wear seat belts. Many die as a result of being thrown from the car or hurled against the windshield or dashboard.

DeMoya, whose body remained in the car and whose only visible injury was a small bruise on his cheek, died of a head injury. Doctors say the force of the crash crushed the part of his brain that controls breathing.

"What you have in many teen-age crashes is a young person learning to drink and learning to drive who doesn't handle either very well," said Charles Livingston, an associate administrator at the Federal Highway Safety Agency.

Alcohol is involved in at least half of all fatalities, particularly those involving young people. "The vast majority of the American public does drink and drive," said Livingston.

DeMoya had done precisely that, say his father, fiance and the friend who last saw him alive. "His friend swears they only had a couple of beers but Armando probably had more than that," said his father, Armando deMoya, a Washington obstetrician.

Whether deMoya was legally intoxicated is not known, because Fairfax County officials refuse to disclose the results of laboratory tests, claiming the information is private.

"If only I'd gone with him that night," said Kitzmiller, deMoya's fiance. "I'd never have let him drink more than two beers and I'd have made him slow down."

"Armando begged me to go with him that night," said Kitzmiller, in an interview in the neatly and inexpensively furnished townhouse the couple shared. "I was really tired from cleaning the kitchen and stuff so I said, 'No babe, you go have fun I'm going to bed.'"

DeMoya and another friend left the house at 11 p.m. in Kitzmiller's car and headed for Charlie's, a Fairfax restaurant frequented by deMoya, who unlike Kitzmiller, enjoyed going out drinking with friends.

Kitzmiller, who began dating deMoya when the two were juniors at Fairfax High School, said she plans to move from her Centreville townhouse to an apartment in Oakton. She recently got a part-time night job cleaning offices to supplement her full-time job at a nearby Roy Rogers Restaurant.

"I've just got to keep busy now," said Kitzmiller who said that her weight dropped from 110 to 89 lbs. shortly after deMoya's death. "I had my whole future planned with Armando," said Kitzmiller, who had dated him since she was 16. "I just wanted to be a housewife and have children."

Her biggest regret, she said fighting back the tears, was the abortion she had last year.

"Armando and I went and talked with his father who said we were too young to take care of a baby," she recalled in a quavering voice. "Now I wish I'd never agreed because I'd have something that was his."

The last time he saw his son alive was at Christmas, said deMoya, a Cuban refugee who was divorced from Armando's mother when the boy was six. "I kept thinking, if only I'd asked him for dinner that night," said deMoya who lives in Friendship Heights. "If only he was with me that night, if only I had spent more time with him, if only I were not divorced.

"Sometimes at night, when everyone else has gone upstairs to bed, I sit in the living room and smoke my pipe and look at a photograph of Armandito for a long time. That's when I think, if only . . ."

"Logically you expect to die before your children," said deMoya. "My attitude to my three children who are left is very different—I have a keen awareness that, who knows, I might lose all three tomorrow."

Both Kitzmiller and deMoya say there were previous intimations of mortality; several months before his death deMoya confided to Kitzmiller's twin sister that he did not think he'd live to be 20 because he sensed he would die in a car crash.

Soon after he was 16 and had gotten his driver's license, his father recalled, deMoya wrecked his mother's Volkswagen one Saturday night on the George Washington Parkway while coming home from a Georgetown bar. "The car flipped over three times but he walked away without a scratch," said deMoya. "I said, 'For crying out loud, if you drive, don't drink. If you drink, don't drive' and he said, 'Sure Dad.' But you know how kids are."

DeMoya said his son never wore a seat belt, a factor which, deMoya said police told him, would probably have saved his life. "I don't wear one either," said deMoya, shrugging his shoulders. "As a physician I know I should, but I can't be bothered."

DeMoya's refusal to wear a seat belt even after his son's accident is not unusual, federal officials say. A recent study of post-crash victims showed that even those who suffered painful and in some cases crippling injuries often do not wear seat belts when they resume driving.

"There's a whole psychology of seat belt use," said O'Neill of the Insurance Institute. "Using them is an admission of vulnerability and people want to deny they are vulnerable."

Livingston of the federal safety agency agrees. "In the past people viewed highway safety as an entity separate and apart from normal human behavior. In reality the motor vehicle is just an extension of what society does."

Beginning in 1982 and phased in over a three-year period new cars must be equipped with passive restraint systems, among them airbags which inflate in the event of an accident.

"That's why I like airbags," said Claybrook who estimates they could have saved 9,000 of the more than 30,000 killed last year in passenger cars. "They don't distinguish between a good driver and a bad driver. They just do their job."

Other potentially life-saving measures for young drivers include the law passed last week by the Maryland General Assembly that will automatically suspend drivers' licenses of 16- and 17-year-olds who violate state drinking laws.

Next month a team from Claybrook's agency will spend six months studying the effects of fatal accidents on the families of victims, an area long ignored by previous safety research. "I think if people, including those in Congress, better understand the devastation these accidents cause, then they'll be much more likely to make auto safety a priority," said Claybrook.

"Armando's accident is the worst thing I've ever gone through in my life," Kitzmiller said. "If I have to go through anything like that again, I think I'd die."

Motorcycle Deaths Jump After Helmet Law Repeal

(By Jerry Knight)

Motorcycle accident deaths jumped 46 percent after states began repealing laws requiring cyclists to wear helmets, the National Highway Traffic Safety Administration reported yesterday.

Head injuries caused by motorcycle accidents doubled and tripled in the 27 states that took off their helmet laws, a study by the traffic safety agency said.

The states began repealing the laws after Congress in 1976 backed down on federal threats to force states to require helmet use. The lawmakers repealed a provision that let the Department of Transportation cut federal highway construction funds by 10 percent to states that did not have a helmet law.

The federal threat had led every state but California to require motorcyclists to use helmets. When the helmet laws went into effect in the late sixties, motorcycle death rates dropped 40 percent.

"Many states have interpreted the repeal of our authority to impose sanctions as a signal to revoke their helmet laws," said NHTSA administrator Joan Claybrook.

Congress ordered a full-scale study of motorcycle accidents after deaths appeared to take a dramatic jump in states that dropped their helmet laws.

The report by NHTSA said motorcycle fatalities increased from 3,312 in 1976 to 4,850 in 1979. The study reported a two- to three-fold increase in the frequency of head injury for states which have repealed their helmet laws and almost a four-fold increase in the severity of head injuries.

The safety study also challenged the claims of motorcyclists that helmets cause accidents and make neck injuries worse.

"It was found that helmets do not cause neck injuries," the NHTSA concluded. "Documentation of whether helmets cause accidents by impairing vision was studied and found not to support the claim that helmets harm vision."

Federal researchers found at least 95 percent of motorcyclists use helmets in states that make them mandatory, but only 50 to 60 percent wear them where use is voluntary.

The District of Columbia and Virginia are among the 22 jurisdictions that still require helmets. Maryland makes helmets mandatory only for riders under 18.●

NOMINATING PRESIDENTS: IDEAS FOR REFORM

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HAMILTON. Mr. Speaker, I would like to insert my Washington report for Wednesday, April 23, 1980, into the Congressional Record:

Nominating Presidents: Ideas for Reform

As I see the Presidential nomination process unfold, I have a growing impression that there must be a better way for us to select candidates for our most important office.

There are several things wrong with the helter-skelter manner in which we nominate presidential candidates today. For one, the process takes too long and is too complex. The caucuses, conventions, and primary elections seem to stretch on endlessly. The extended time gives a disproportionate significance to the media, which should not have the power they enjoy today in screening out and boosting candidates. Moreover, 38 presidential primaries are certainly too many, taking up as they do a good part of the year. For another, the process follows no logical pattern. Why should the Iowa caucuses or the New Hampshire primary, with a voter turnout smaller than that of a general election in the Ninth District, come first and be so crucial? The process magnifies the influence of a handful of voters and a few small states by permitting them to dominate presidential politics early on in the year; the rest of America just sits by and watches. For yet another, the process costs too much money. By the time the first primary of 1980 ended, the Democratic candidates had already spent $11.7 million and the Republican candidates about $46.2 million. Sums of such size make the process the instrument of those most able to pay.

There is more to be said against the process as it now exists. A further problem is the advantage the process gives to the politically unemployed candidate (Jimmy Carter in 1976 and Ronald Reagan in 1980), one who has plenty of time on his hands. The candidate whose time is consumed by full-time office has a large handicap to overcome. A final problem with the process is its adverse effect on the political "lay of the land." Campaign pressures tend to push a Democrat to the left and a Republican to the right as each tries to attract his party's attention. Voters in the center are left grumbling about the choices offered to them.

Beyond all these obvious difficulties, I have a nagging feeling that the process is designed to exclude our best candidates. I am not sure why I have such a feeling, but other writers have suggested that the qualities which enable a candidate to win the nomination are not the qualities which enable him to govern the nation. I am inclined to think that these writers are not merely speculating. The frenzied activity of a candidate zigzagging across the country in his jet airplane does not assure him an understanding of the regions he visits. It does not really allow him to learn from the people he addresses, nor they from him. The candidate may fall into the habit of asking his pollster what is on the minds of the people, and then become accustomed to telling the people what the pollster says the people want to hear.

If the process is defective, then steps should be taken to improve it. Most proposals for reform involve consideration of the process in one way or another. A national primary election has been endorsed, as has a series of regional primary elections. Although a national primary would provide candidates and voters with a uniform, short-lived campaign, I have my doubts about it. It could give too great an advantage to the well-known, well-financed candidate, especially an incumbent President. The proposals for regional primaries vary. The suggested options range from six primaries at two-week intervals during the spring of the year, to four primaries a month apart, to a series of primaries grouped roughly by time zone. Any of these proposals would consolidate the process, but excepting the time zone option they could encourage sectionalism and increase the chances of strong regional candidates who lacked a broad base of national support.

I myself believe that the process should be changed. Perhaps a national commission should be selected to redesign it. To assure neutrality, changes could be delayed until a date in the future beyond which there would be no benefit to any current contender for the Presidency. It is surely in the interest of all Americans to make the process work better. The most helpful change of all could be a shortening of the process within some scheme of regional primaries. As things are done today, the voter cannot sustain his attention and the candidate cannot sustain his vitality through the long, hard months of the campaign.

I personally favor the presidential primary because it is one way for the general public to participate in the selection of the person who will fill the most important job in America. With today's strong suspicions about politicians, I see a basic need for the participation of the general public in the choosing of nominees. We have taken decisions out of the "smoke-filled room," and while many people choose not to participate in the primaries, more participate in the primaries than in the caucuses or conventions. I also favor a "mixed" process which would permit the states to pick national convention delegates without holding primaries. Short of abolishing the primaries, it is possible and, in my view, desirable to give seasoned political leaders more say in the process than they have today, perhaps by allotting them a pre-determined number of delegates. It is wise to inject an element of "peer review" into the process—that is, a judgment by the people who know the candidates well. For example, a state party could advance a certain number of delegates from its own ranks. These delegates would be officially uncommitted.

I am sympathetic to reform, but I acknowledge that the process alone will not give us good or bad Presidents. In the final analysis, just about everything depends on the prudence of the American voter.●

TIME FOR COALITION

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. GINGRICH. Mr. Speaker, as we prepare to consider budget alternatives in this time of economic crisis for our very way of life, I hope those Members of Congress who believe as I do that this Nation's economic health can be restored will study the following report from the Free Congress Foundation. The alternative presented, if acted upon in this House, would enable us to consider legislation presently not available to us for consideration. It would enable us to make decisions upon clear ideological lines in accordance with our views of how we perceive this House's role in the policies of our country.

As a first step we should form a coalition now to pass a budget that will start this Nation on the road to recovery.

[Free Congress Foundation—The Political Report, Mar. 21, 1980]

CONSERVATIVE ELECTED LOUISIANA HOUSE SPEAKER WITH COALITION SUPPORT

After a campaign of almost a year in duration, Louisiana House members unanimously approved the election of state Rep. John Hainkel, a conservative Democrat, as House Speaker this week. Hainkel has been the head of the New Orleans delegation. Although at one point he had three opponents for the Speakership, one of whom had the endorsement of labor and the support of former Gov. Edwin Edwards, all of them resigned from the race following Gov. David Treen's (R) endorsement of Hainkel at the end of February. Clearly one of the more interesting aspects of the race is the fact that Hainkel's candidacy was given its original base through the support of a bi-partisan, informal organization in the House known as the Conservative Coalition. State Sen. Dan Richey (D), a leader of the group until his election to the Senate in December, 1979, told the Report, "The election of Hainkel represents a dramatic shift toward fiscal responsibility and conservative government." State Rep. Woody Jenkins (D), also a leader of the group, told the Report, "The conservatives in the House managed to elect, by hook and by crook, a conservative Seaker. We are a definite minority, but now at least we are in control of the House structure." The coalition consists of 7 Republicans and 8 Democrats, but occasionally works with another 10–15 members. Speaker Hainkel, commenting on the role of the conservative group in his election, said, "They stuck with me throughout and didn't budge. I counseled with them. Also, they have members from different parts of the state who could approach fellow members on a regional basis to support me." He continued, "We had a coalition of conservatives, southwest Louisiana people, people from Acadiana, New Orleans, and rural areas."

Although the election actually took place this Tuesday, observers agree that it was the Governor's endorsement which made the difference in the campaign. By the end of February, Treen put an end to the nearly stalemated four-way campaign, and endorsed Hainkel. Among the other candidates were state Rep. Kenneth Leithman, the former Speaker Pro Tem who had labor's support; state Rep. Jesse J. Guidry; and state Rep. Frank Simoneaux, who is the new Speaker Pro Tem. State Rep. Leithman told the Report, "John is extremely conservative." Leithman agreed with the assessment that the election represents a coalition effort. "I would characterize it as a coalition. He had the support of the Republicans. There was no chance I could get that support." Leithman made it clear that he objects to the involvement of Gov. Treen in the Speaker's race. "Treen exercised a power that belongs to the House. I think the state constitution is clear on the subject." In response to Leithman's comments, Hainkel said, "In the history of this state, Governors have always gotten involved in the election of the House Speaker." At this point, Hainkel has appointed two Republican committee chairmen and several Republicans to be committee vice chairmen. Asked how much of a role party distinctions played in his selection, Hainkel said, "I don't even think in that terminology."●

CONGRATULATIONS TO BUSS SYSTEMS

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. DORNAN. Mr. Speaker, I would like to take this opportunity to praise Buss Systems, Inc., of El Segundo, Calif., for their achievement as the Regional Small Business Subcontractor of the Year in the Southwestern United States.

Buss Systems, Inc., a firm that deals primarily in the design and manufacturing of electronic interconnecting devices, will be awarded with this honor on May 7 by the U.S. Small Business Administration.

Hughes Aircraft, the company that originally nominated Buss Systems for this award, praised the winning firm for "its excellent quality control, its maintaining of critical delivery schedules and the firm's continuing program of research, innovation, and development of product."

I am proud to recognize the fine achievements of this quality corporation, and sincerely hope that they will maintain and even further develop their standard of excellence in the years to come. For the RECORD I submit the SBA announcement:

EL SEGUNDO FIRM NAMED ONE OF NATION'S TOP 10 SMALL BUSINESS CONTRACTORS

Buss Systems Incorporated, a small El Segundo, California, designer and manufacturer of electronic interconnect devices, today was named the U.S. Small Business Administration's 1980 Regional Small Business Subcontractor of the Year representing the Southwestern United States.

Marx L. Cazenave, Small Business Administration Regional Administrator from San Francisco, said that by virtue of the award, Buss Systems is now one of the ten outstanding small business subcontractors in the United States.

Selection of the outstanding Small Business Subcontractor in the United States will be announced during a banquet in Washington, DC, during National Small Business Week, set for May 11 through 17.

Buss Systems, which is located at 240 Center Street, El Segundo, was selected for the honor from more than 50 nominees from California, Nevada, Arizona, and Hawaii by a group of independent judges assembled in San Francisco.

Founded by three men in 1974 in a single rented room, Buss Systems just this winter moved into its new 14,000 square foot, two story, El Segundo facility.

Buss Systems has a payroll of 56 employees. President of the firm, and one of the founders, is Joseph A. Kueneman. Kueneman will accept the SBA Regional Award during a special in-plant ceremony early in May.

He is also scheduled to represent the firm at the National Awards Banquet in Washington, DC, later the same month.

Buss Systems was nominated for the award by Hughes Aircraft Company's Radar Systems Group of El Segundo. In its nomination Hughes praised Buss Systems for its excellent quality control, its maintaining of critical delivery schedules and the firms continuing program of research, innovation and development of product.●

AGENT ORANGE

HON. JOHN P. MURTHA

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. MURTHA. Mr. Speaker, as a Vietnam veteran myself, I share the concern of thousands of men and women throughout the country about the impact of agent orange on the military personnel who served in Vietnam.

Of course, I am not a medical or scientific expert myself, and I leave the final determination of this chemical's affects to the experts, but I make these comments to stress that it is essential to the Vietnam veterans that the Government move quickly, compassionately, and completely to determine the affects of this chemical and what, if any, medical care is needed for the veterans exposed to it.

I have spoken many times of the debt America owes the Vietnam veteran. In too many instances, these vets have been the forgotten Americans who served their country in an unpopular war and did not receive the aid and support of their country when they returned to civilian life. We cannot allow the lack of attention to extend to the agent orange issue.

In conclusion, first, let me congratulate Congressman Bonior and Congressman Gore of the Vietnam veterans caucus who have done such an excellent job of dramatizing this issue. Second, I insert into the Record some articles written by Bill Jones of the Johnstown Tribune-Democrat on the agent orange issue.

The articles follow:

CHANGE IN VETERAN TRACED TO ARSENIC

(By Bill Jones)

Joe Rosella was a changed man when he came back from South Vietnam in March 1970. Everybody around him seemed to realize it except Joe.

He was nervous, jumpy, hypersensitive, often depressed and increasingly irritable. And there were the headaches that pounded furiously, lingered long and returned with increasing frequency.

ARSENIC FOUND IN SYSTEM

It wasn't until about a year ago that things started coming to a head—and it wasn't until last August that Joe was diagnosed as having toxic amounts of arsenic in his bloodstream. Joe and his wife, Gay, feel sure he got arsenic in Vietnam.

There was public uproar and indignation over the massacre of some 400 Vietnamese civilians at My Lai in March 1968, and furor over disclosure that American artillery shells had fallen on our own forces.

But for years there was a virtual shroud of silence over what may prove so deadly as to pale those incidents by comparison—as silent as the "killer" itself.

Herbicide.

There were four types used in Vietnam to defoliate jungles and vast fields of elephant grass that served as prime cover for Viet Cong ambushers. At least two of those contained highly toxic chemicals.

DIOXIN IN DEFOLIANT

Agent Orange, the most widely used defoliant in Vietnam, contained dioxin, a substance so poisonous that its toxicity is measured in parts per trillion. Agent Blue contained high concentrations of arsenic.

It is only in the past 15 months that much has been heard about the possible effects Agent Orange may have had on servicemen and civilians in Vietnam. There has been a class-action suit filed in New York on behalf of veterans, and the Veterans Administration has started a program to identify former servicemen who may have been exposed to toxic chemicals during the war.

"I was killed in Vietnam 10 years ago but I didn't know it until now," one New York State veteran commented from his deathbed last fall. He died of cancer he believed resulted from his exposure to herbicides.

Joe Rosella may be the first reported case of arsenic poisoning from Agent Blue, however. The possibility that he may have unknowingly suffered chronic symptoms of arsenic poisoning for nine years before they became acute has aroused interest in St. Louis, Washington and New York as well as locally.

HEARD OF NO OTHER CASES

An aide to U.S. Rep. Albert Gore of Tennessee, who is a member of a congressional task force pushing for an investigation into effects of Agent Orange on veterans, said he had heard of no other cases of possible Agent Blue poisoning. Barry Commoner of the Center for the Biology of Natural Systems in St. Louis said the same.

Both expressed the same concern mentioned by Joe and Gay Rosella as they sat in the kitchen of their Schrader Avenue home in Oakland: what if there are thousands of vets running around with arsenic in them because nobody thought to look for it?

"None of the men apparently has been tested for arsenic," Gay said. "It was a fluke that Joey was tested for arsenic."

The "fluke" came about when friends of the Rosellas saw an ABC-TV network show about Agent Orange and the Rosellas asked a friend in the National Guard to find out what was in Agent Orange. He came up with dimethyl arsenic acid, which turned out to be a case of misinformation but a fortunate mistake. Joe was tested for arsenic and it was found.

Joe arrived in Vietnam Feb. 13, 1969, with a cavalry unit attached to the 5th Infantry Division and by April 14 had come to the conclusion that "Vietnam isn't worth one American life," as he wrote home in a letter. In mid-May he was moved into the demilitarized zone (DMZ) and for a couple months served at two firebases designated Bastone and Blaze.

RECALLS SPRAYING

It was during this period that he recalls being sprayed with a chemical from helicopters on at least two occasions, possibly three. Helicopters with 196-gallon rubber tanks or bladders hung underneath were used for spraying areas where the large Air Force spray planes were not practical.

"I was on a personnel carrier," Joe said. "We went through the woods on recon. The helicopter, I can remember, sprayed it twice right on us. There were a lot of places it was just like fall. There were no leaves or anything. But they told us it was insecticide and who can say for sure now. It sure didn't get rid of the bugs."

One of the areas where the Department of Defense has said Agent Blue was used was in northern South Vietnam, near the DMZ, to clear trails and extend killing areas around firebases. Agent Orange also was used, however.

Joe Rosella doesn't recall any specific symptoms he can blame on the spraying and his letters written at the time aren't conclusive. There were mentions of numerous ailments—skin rashes, headaches, anxiety, nausea and cramps—but most of them were common to GIs in Vietnam who suffered from everything from jungle rot and fungus to dysentery, "GI Trots" and even cholera.

Many of his letters contained complaints about the discomfort of "heat rash—small pimples around my waist, buttocks and chest and when I sweat they jag like fiberglass." He said he had his shirt off every chance he got to reduce perspiration.

LIVED IN FIELD

During an extended period he lived in the field in areas that could have been contaminated by the herbicides. He bathed in streams that may have contained traces of dioxin or arsenic (or both) and spent nights in foxholes half filled with water that also could have been contaminated.

He brought back with him headaches, nervousness and depression—not uncommon attributes of veterans of Nam. He said he might have had headaches at times before Vietnam, but his mother says they were much more frequent afterward—and that Joe was lethargic and depressed. There also have been periodic skin irritations but so far they have not been diagnosed as chloracne, a primary symptom of dioxin poisoning.

Joe's family and friends noticed the progressiveness of his symptoms, particularly his undue irritability, more than he did. It was a gradual thing with him.

"I'd get into arguments, but to me that was normal," Joe said. "I'd been that way for a long time. There were times I would get so mad and it would scare me because I would sit down and not really understand myself what I was so mad about."

His family life was approaching a crisis about a year ago because he was becoming unbearable. Gay said it was hard to say just how long his personality change was happening, but it became very noticeable last June and on into July and August.

"It had gotten to the point where my friends weren't comfortable coming here because they didn't know if it was just Joe's mood or if he didn't like them," Gay said. "He even got very radical one day about the bread bag not being closed right."

The network TV show included cases that sounded just like Joe to friends who saw it—headaches, uncontrollable irritability, depression. That started Joe and Gay, especially Gay, on a search for information on Agent Orange.

Dr. Sam Wint, their family physician, admitted he wasn't really up on dioxin poisoning, but ordered the tests for arsenic. Blood was taken at Lee Hospital and analyzed at a lab in Pittsburgh.

The Lee Hospital lab report was a shock. It showed Joe had a blood level for arsenic of 1.2 milligrams. For comparison, the report listed 0 to 0.002 mg. as the therapeutic range for arsenic and 1.5 as lethal.

"With a reading of 1.2 nine years later, we had to wonder how high it might have been after exposure," Gay said.

Joe went to the Veterans Administration Medical Center in Altoona last September and still is bitter about that experience. He told the outpatient physician he thought he had been exposed to herbicide in Vietnam and that doctor got excited, Joe said, and ordered him admitted. But the doctor on the floor didn't appear familiar with dioxin and on the fourth day Joe was discharged. Results from a blood test for heavy metals didn't come back for five weeks and Joe was told it was negative.

"They really didn't know what it was," Joe said. "the doctors themselves were a brushoff type of thing. They said I didn't have arsenic even though I'd had tests that showed it. They ran a test for heavy metals and said I didn't have anything. They fixed my teeth and sent me home."

DOCTOR NOT SATISFIED

Dr. Wint wasn't satisfied and ordered another blood test for arsenic. It came back the same as the first and treatments were started with BAL, an unpleasant, smelly but effective medication that is suspended in peanut oil and is injected painfully into the hip.

Joe's arsenic level apparently has dropped to normal, but the headaches haven't entirely left him. Neither has some of the anxiety, hypersensitivity and general nervousness. But there has been a marked improvement in his disposition and other things as well.

The Rosellas have two big questions they feel must be answered. The first is whether the presence of arsenic in his system for almost a decade caused damage to any of Joe's organs or nervous system. The second is whether he could have gotten dioxin contamination as well as arsenic.

EX-MARINE: VIETNAM VETS GOT NO GLORY

(By Bill Jones)

"Whatever happened to that movement to do something for the Vietnam veteran?" Mike Sullivan asked as he sipped coffee in his Johnstown R. D. 7 kitchen. "That sure died out in a hurry."

Mike spent 20 months as a Marine in South Vietnam, serving as a crew chief and gunner on a helicopter gunship. Today he's experiencing symptoms that might be attributed to defoliants used in Vietnam—and bitterness over the feeling that his buddies have been pulling the dirty end of the string.

DIFFERENT PROBLEMS

He believes that Vietnam veterans have confronted problems not experienced by servicemen returning from other wars and that the biggest problems were brought on by the public's attitude toward the war. The men came back to scorn and derision, not to accolades as others had before.

"It was a matter of coping for the serviceman returning to civilian life," Mike said. "But this time it wasn't the hero returning from World War II, it was the (expletive) returning from Vietnam.

KOREA NOT POPULAR

"Korea wasn't that popular, but you didn't have the public rejection, either. It was a period in our country's history when they were rebelling against the bra and everything else. It was a bad time to have a war, and it dragged on with nothing being done.

"I felt when I went over it was for a purpose and I still do today. I just think they went about it wrong. It was a political thing from the start. It was controlled entirely by politics. You couldn't be the aggressor; you could only react to what they (Communists) did. Think how many lives could have been saved on both sides if we had just gone in and done the job right."

Mike had an older brother who was killed while serving with the Marines in Vietnam in 1965, when Mike was a senior in high school. Mike entered the corps in December 1966 and went to Vietnam in August 1967. He was there until May 11, 1969, except for a 30-day leave at home part way through his tour.

BAKER AT FIRST

He was a baker when he shipped over, but quickly got tired of getting shelled at night without having a chance to fight back. He transferred to the First Marine Air Wing, even though it meant extending his Vietnam duty six months.

He was stationed at Phu Bai, about 20 miles south of the Demilitarized Zone (DMZ). His gunship escorted rescue missions to take out downed fighter pilots, took fire teams in and out and escorted just anybody who had to go anywhere. He feels he was more fortunate than many others, especially the ground troops.

NEVER WAVERED

Mike's belief in America's right to have been in Vietnam has never wavered, but the attitude of the American people toward veterans of that war both baffles and concerns him. He feels that if there were another war, it would be hard to get anybody to fight it—and he added that if the time came, he probably would put his sons on a plane to anywhere to keep them from going to fight.

"You went over for something you believed in and came back in shame—not because of what you did there but because of what people at home thought of you," Mike said. "The consensus of the people is, 'You didn't fight in a war, clown; you were doing something we didn't approve of, anyway.'

"I've talked to guys who won't even admit they were there. And I can't handle it when people say, 'Those guys died for nothing,' I didn't feel that way and neither did my brother."

Mike feels the psychological upheaval of the Vietnam veteran started in Southeast Asia, before the serviceman shipped home, but it was triggered by conditions in the States. He thinks this accounts for why so many fighting men in Vietnam turned to alcohol and drugs.

"The worst part was guys just coming over and telling you about how things were going here—the demonstrations and everything, and that Fonda woman's mouth. It's got to get to you. It does mess you up. Then the guys out there sleeping in water, in rice paddies and that—I guess they did need something to keep going."

And then there are the symptoms, the indication that apparently there is medical damage that might match or surpass the emotional and psychological damage done to young Americans in Southeast Asia. The herbicide Agent Orange was sprayed over wide areas to defoliate the jungles and fields of tall elephant grass, and Agent Orange contained a toxic substance called dioxin.

HARD TO DETECT

Almost impossible to detect, dioxin apparently remains dormant in the body for years before taking its toll in cancer, birth defects, digestive problems, deterioration of the nervous system, skin rashes and other ailments. There is no known cure, and little hope that dioxin will ever leave the system.

"Who the heck would have figured that 10 years later you would begin having problems?" Mike Sullivan asked. "I just thought I was aging."

He isn't saying he has dioxin poisoning, only that he has a number of unexplained symptoms. In Vietnam, he was in areas that had been defoliated. He recently had a blood test taken to determine whether he had arsenic poisoning possible contracted from another herbicide, Agent Blue, but the test was negative.

TROUBLES BEGAN

About three or four years ago, Mike began having trouble with his stomach and whole abdominal area—pains that would double him over. He no longer can eat certain foods or drink certain beverages. Tests and X rays have failed to reveal an ulcer or other likely cause of the pains.

Then there are the headaches, almost blinding in their severity, that pain-killers do not affect. He started getting them while in Vietnam, probably, he believes, from the glare of the sun. They have left him very sensitive to strong light.

He has had numbness and tingling in arms and fingers, occasionally even in legs and toes. At times he has experienced a loss of strength in his arms. These symptoms have been with him for several years, but were worsened by a fall while at work at Johnstown Plant, Bethlehem Steel Corp. Damp weather and cold temperatures bring additional suffering.

GETS UPSET EASILY

There are times when he gets upset about very insignificant things and becomes almost unbearable to his wife, Sandy, and others around him. It's reached the point that Sandy's friends won't come around if they know Mike is at home.

"A lot of times, especially if somebody is here or we're out with somebody, I'll say or do something that hurts her (Sandy), but I don't realize I'm hurting her," Mike said. "A lot of times I'll think later, 'What's this all about?' "

All these symptoms and others Mike has are common to dioxin poisoning, but they are common to other ailments as well. Mike isn't saying definitely that he was poisoned by the defoliant, but he does ask why these things are happening.

GREATER PROBLEMS

In his concern for Vietnam veterans, Mike has come across a number of them with problems he feels are greater than his own. He tells of one local veteran who sought a job at a company in northern Somerset County that would not accept the vet's application. About two weeks later, he said, the company hired two Vietnamese refugees.

He talked to a woman in a housing project who has twin sons. One son went back to the Marine Corps and is on Okinawa now, because he could not find a civilian job. The other son has been unable to get work and has had to apply for welfare. The mother, he says, invites out-of-work Vietnam vets into her home for meals even though she can't afford a decent pair of shoes for herself.

"Employers don't want to hire you because they think you're a looney or an addict or something," Mike said. "Family problems are the major thing for the veteran—keeping a family together when your head's all messed up and you can't get a job.

"I feel I'm pretty lucky. I have some symptoms and I've had some problems, but I count myself in the top group. I have a family and I was able to get a job."●

CARTER'S SPENDING GAMES

HON. ROBERT H. MICHEL

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. MICHEL. Mr. Speaker, Tom Wicker of the New York Times has written a scathing analysis of the Jimmy Carter approach to balancing the budget. As Wicker points out, what you see is not necessarily what you get when Jimmy Carter talks about the budget. The much publicized increase in defense spending for fiscal year 1981 is actually done with mirrors. It comes about because a decrease in such spending for fiscal year 1980 was ordered by the President. Thus, the defense budget for fiscal year 1981 is not actually getting the increase we have been told about.

Mr. Wicker also points out the erroneous estimations made by the Carter administration for the fiscal year 1981 budget.

Jimmy Carter promised he would never lie to us. I believe he was sincere when he said that. But one does get the feeling that he keeps on telling us things that just are not so.

At this point, I include in the RECORD "Carter's Spending Games" by Tom Wicker, from the New York Times, April 22, 1980:

CARTER'S SPENDING GAMES

(By Tom Wicker)

As more than one observer has noted, a "mean streak" lies just beneath President Carter's soft-spoken manner, and occasionally breaks through to the surface. But like most meannesses, his tend to damage their author more than their targets.

The other day, for example, a sharp Carter poke at Senator Edward Kennedy opened a door the President would have done well to leave closed. He not only called Mr. Kennedy "the largest spender perhaps in the history of the United States Senate"—which hyperbole in these tax-revolting times is epithet enough; he also said the only spending cuts Mr. Kennedy had advocated had been in the defense budget.

"This is exactly the wrong time to cut our nation's ability to defend itself," Mr. Carter then added, with that adept touch of the smear-brush he wields with such indirect Southern effectiveness.

To advocate defense budget cuts, of course, is not necessarily at all "to cut our nation's ability to defend itself." In fact, if memory serves, Jimmy Carter came to office pledging to cut the defense budget; and while in the White House he managed to kill off the B-1 bomber, a new nuclear-powered carrier and the neutron bomb—whatever else, these were defense budget cuts of the first importance—without confessing that he was cutting "our nation's ability to defend itself."

Mr. Carter, moreover, has just presided over a defense-budget shell game that would bring a blush to the cheeks of a riverboat sharpster. He has long been on record as pledging a 3 percent increase in defense spending in the 1981 budget after inflation; but to make good that pledge, Richard Burt of The New York Times has reported, the Carter Administration has *reduced* defense spending in fiscal 1980.

What Mr. Carter wanted to spend on defense for 1981 didn't work out to a 3 percent increase over 1980; but rather than increase the amount to be spent, so that the pledge could be honestly kept, $82 million was ordered *deleted* from the 1980 total, so that the amount ordained to be spent for 1981 would come out to 3 percent after all. For that kind of arithmetic, a sixth-grade student would be accused of cheating.

But according to Mr. Burt, the Administration actually wants to top itself with a 3.1 percent defense spending increase after inflation—perhaps because, in the heat of the battle for SALT II last year, Mr. Carter incautiously agreed—or appeared to agree—to promise a 4 to 5 percent increase for fiscal 1981.

But with this greased-pig Administration, what you see is seldom what you get; and another $83 million may be cut from 1980 spending so that a 3.1 percent increase can be registered for 1981, without any increase at all in the actual dollar outlay Mr. Carter is prepared to make. That's $165 million to be cut out of the 1980 defense budget so he can appear to keep his pledge, while castigating Senator Kennedy for advocating defense budget cuts.

Aside from defense, moreover, the spending issue generally is one this President would have been wise not to stir up. On March 14, for example, four days before the important Illinois primary, Mr. Carter commandeered the television networks twice, once for a speech in the afternoon, again for a news conference that night, to announce with tantalizing lack of detail that he had balanced the budget for 1981 (the American Broadcasting Company, to its credit, at least delayed its telecast of the news conference to a late-evening time slot).

Now the Congressional Budget Office, a staff organization with no political hay to make, tells us that in "balancing" the 1981 budget, the Administration underestimated military spending by $2.6 billion, Federal interest payments by $3.4 billion, health spending by $1 billion and income security by $1 billion. These errors, if that's what they were, convert what Mr. Carter had claimed as a $3.9 billion surplus for 1981 into a $4.9 billion deficit.

If that year's budget is to be balanced as claimed, therefore, the C.B.O. believes it can be done only by feeding into it some of the revenues from Mr. Carter's recently imposed oil import fee, which will translate into a 10-cent-per-gallon gasoline tax. The House and Senate budget committees had earmarked these new revenues for a possible tax cut; and in any case, those who have advocated a balanced budget as a weapon against inflation had in mind doing it by cutting expenditures—not by raising taxes.

The Administration's figures were not necessarily deliberate underestimates and there is no hard evidence that the oil import fee was intended all along to help balance the budget. The White House and the C.B.O. often disagree, moreover, on spending and revenue estimates. Yet, in an election year, on an issue so politically important as a balanced budget—which the President and others declare to be economically vital—Mr. Carter ought to hold and be held to a higher-than-usual standard of accuracy and integrity.

And the heat of battle is no excuse for a President who promised never to tell us a lie.●

REPRESENTATIVE LELAND COMMENDS HOUSTON'S CHANNEL 26

HON. MICKEY LELAND

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. LELAND. Mr. Speaker, Metromedia, Inc., has operated channel 26 in Houston for the last 2 years. Metromedia's involvement in our community has been highly successful.

Channel 26's community service and minority hiring practices have been especially significant and I am pleased to commend Metromedia on the second anniversary of their operation in Houston.

Ann Hodges, the TV-Radio editor of the Houston Chronicle, wrote an excellent column titled "Metromedia's Presence Biggest Change in TV Scene" which appeared in the Chronicle April 7 and gives a detailed report on Metromedia's activities in Houston.

Mr. Speaker, I insert the article at this point in the RECORD:

METROMEDIA'S PRESENCE BIGGEST CHANGE IN TV SCENE

(By Ann Hodges)

The biggest change in Houston's TV picture this 1980 season of broadcast license renewal is the new owner in town.

Since the last licensing go-round of three years ago, Metromedia Inc. has moved into the market, and its presence is definitely making waves in heightened competition in all sectors of this local TV spectrum. Metromedia has money to spend on its Houston station, and it is laying that cash on the line.

"This market has been good to us," says Ch. 26 vice president and general manager Jerry Marcus, "and it has always been the philosophy of our company to put back when we take out."

The investment is paying off.

The Federal Communications Commission approved sale of Ch. 26's license by the locally-owned Crest Broadcasting to Metromedia one of the major group owners in the country, almost exactly two years ago—April 6, 1978. And, as Metromedia proudly reported in its petition for renewal, Ch. 26's share of local audience has increased by a whopping 400 percent since that date.

That dramatic upswing, Marcus says, is the result of a commitment that began with a $15 million investment to upgrade programming across the board, plus another $4 million to launch its pivotal sports buy, the Houston Astros road game schedule.

"There's no question that the Astros helped us last year," Marcus said. "They brought people to this channel who'd never tuned us in before. They had a winning team, and that luck rubbed off on us. But when we made our investment, we didn't know that would happen, yet we decided at the outset we'd do whatever necessary to make it as professional as possible.

"We used four cameras; we spent a lot of money to promote the games, and we sent to California for new computer animation openings. We were expecting to lose money on the Astros, but both of us were winners. There winning team gave us a lot of visibility."

This season, there are 83 Astro away games in the schedule, and Ch. 26 has already supplemented the new sports emphasis with Spartacade, the syndicated pre-Olympics event from Moscow: The Olympiad series, and 11 Southwest Conference basketball games.

Entertainment programming—some provided by Metromedia itself—has included some impressive firsts: "Against the Wind," the 13-week Australian miniseries; "The Royal Ballet Salutes the USA," The Royal Ballet's "Sleeping Beauty"; David Wolper specials; the Oscar-winning documentary "Scared Straight," and "Angel Dust."

Recent acquisitions include five syndicated rerun series—"Starsky and Hutch," which just started running; "Barney Miller" and "Welcome Back, Kotter," Due to start in September, and "Three's Company" and "The Jeffersons," for 1981. Plus a powerhouse documentary on a chilling Boston child abuse case, "Denise." That film was made in Boston and got a 60 percent share of the audience when it ran here.

Marcus' next priority is in local programs. He's aiming for a Saturday night or daytime hour long talk show "with enough money behind it to really do the job." Right now he leans to the idea of 10 p.m. to midnight Saturday, "live and topical, with good conversation and provocative host."

He's also planning a daily hour-long public affairs show, possible an extension of Harold Gunn's "Access," with a pair of hosts to handle it.

News has been upped from the former management's one headline broadcast a day to nine headline reports daily, plus Saturday newscast and election coverage specials, and a much increased schedule of public service and minority programs through such regular shows as "Access," "Black Voice," and "Herencia."

Ch. 26 is also the only station in town that donates time each year for three telethons—Easter Seals, Leukemia, and Cerebral Palsy.

But good programming doesn't mean much if the viewer doesn't get a good picture. Marcus says. So Metromedia has already invested $1 million in technical and on-air improvements and studio renovations, and is projecting another $5 milion for a new transmitter and 2,000-foot tower to make Ch. 26 the strongest UHF station in the country.

The transmitter would double kilowatt power from 2.5 million to 5 million, and it's to be located near Missouri City—when the FCC approves construction. Ch. 8 will be allowed use of that facility at no cost.

There will be two towers, since Ch. 26 will share that site with Ch. 13, which is also planning to build. "We'd planned to share, but we both wanted to be on top," Marcus explained. The 10 FM stations currently sharing the present tower at One Shell Plaza will also make the move to Missouri City, since the new Texas Commerce Tower will block their signal when construction is completed.

Ch. 26 has also just bought an earth station, to be used down the road for sports and news. It is one of four Metromedia stations—the others in Los Angeles, Washington, and Minneapolis—being equipped to pick up satellite transmissions.

The FCC keeps an eagle eye on minority employment, and Metromedia is proud of that Houston record, too. It has increased payroll more than $200,000, with employment of all minority groups up 100 percent, and women by 40 percent.

To determine how the public feels about what's been happening, Ch. 26 commissioned a special survey by Trendex, and the result was better than just good news. By a margin of eight to one, the 500 persons pooled approved Metromedia's changes, and preference for present programming among black and Hispanic groups was even higher.

As Marcus' report sums up, "Our case is pretty dramatic, I think, that Metromedia's acquisition has served the best interest of the residents of Houston." And in Metromedia's special interest, as the company underlines in its official license report, it also proves that "in contrast to the FCC's 'diversity of ownership' preference for local single owners, a responsible group owner such as Metromedia has been able to do more for the viewers, both in terms of money and professionalism."●

UNITED STATES-JORDANIAN MILITARY RELATIONS

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HAMILTON. Mr. Speaker, I would like to bring to the attention of my colleagues a letter I received April 22, 1980, from the Department of State regarding U.S. military relations with Jordan. This letter follows a lengthy colloquy on the subject during fiscal year 1981 foreign assistance hearings before the Subcommittee on Europe and the Middle East of the Committee on Foreign Affairs.

The letter which seeks to explain the reasons for the large projected FMS sales to Jordan during fiscal year 1980 of $280 million follows:

DEPARTMENT OF STATE,
Washington, D.C., April 22, 1980.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, Committee on Foreign Affairs, House of Representatives.

DEAR MR. CHAIRMAN: At the hearing before your Subcommittee on February 12, you asked for clarification about our projection that Jordan would buy an estimated $280 million of U.S. military supplies in fiscal year 1980 and how the purchases are related to the Administration's request for $50 million in FMS credits for fiscal year 1981. This letter responds to your request.

The $50 million in FMS credits proposed for fiscal year 1981 is designed to respond to legitimate Jordanian defense needs and to support important, in fact essential, U.S. political objectives in Jordan and the region. Jordan is critical to the ultimate achievement of a comprehensive Middle East peace; it maintains peace on Israel's longest border; and its policy of working actively in promoting the security of the states of the Peninsula is complementary to our own policy goals. Although we differ on the outcome which can be produced by the Camp David process, Jordan fully shares our goal of a comprehensive peace. For all these reasons, the maintenance of friendly relations with Jordan is in the national interest.

Our military relationship with Jordan is a critical element of the over-all relationship. Jordan's army is pro-Western and utterly loyal to King Hussein. Over the years, we have built close professional relationships with the army. At times, we were their only source of supply. We have advised on the size and structure of its armed forces. That cooperation is helpful to our wider goals in the region. These considerations are, in and of themselves, a sufficient justification, in our view, for a military assistance request which, due to budget stringencies, is already reduced by more than 50 percent from previous years.

Concerning the $280 million dollar estimate of purchases in fiscal year 1980, I want to note first of all that such estimates are of necessity speculative and uncertain. Such projections are based on analyses of interests expressed by potential purchasers, judgments as to which requests will materialize and be approved by US, and judgments as to which offers may actually be accepted.

Each phase of the request-offer-acceptance process has many variables which make it difficult to be precise about the timing of a particular sale. For instance, sales agreements totalling $70 million which we anticipated for fiscal year 1979 acceptance (F-5s, I-HAWK PIPs and an armor rebuild facility) were actually signed early in fiscal year 1980. This change of a few weeks resulted in a significant decrease in the actual sales figure for fiscal year 1979 and a corresponding increase for fiscal year 1980.

In a longer perspective, this type of slippage has affected the program for several years and largely accounts for the bulge we now project for fiscal year 1980 and 1981. We have been cooperating for several years in the modernization of Jordan's forces on the basis of a plan which we helped the Jordanians to design. The implementation of the plan in the past three years was delayed by administrative problems and funding constraints on their side and ours. These problems have now been largely resolved but, as the figures below show, in fiscal year 1977-79 there was a significant gap between what Jordan received in FMS credits and what it was able to spend. (See lines one and two of following table.) The figures also show that during fiscal year 1977-79 Jordan's military modernization proceeded largely on the basis of U.S. grant assistance, Jordan's own resources and direct Saudi Arabian funding. (See lines three and four of table.)

The resolution of these problems, and the additional funds available from Arab sources, now permit Jordan to regain the lost time, albeit at somewhat higher costs given inflation over the preceding three years. The long lead times for many major items, from two years for tanks to as much as four years for some items of artillery, make it imperative that Jordan maintain the pace of its modernization program if it is to meet its legitimate defense needs. The fact that Jordan is now able to complete programs—in which we had agreed to cooperate in preceding years—should not become a reason for a decrease in our current level of assistance beyond that already imposed by our budgetary constraints.

UNITED STATES-JORDAN MILITARY AID

[Dollars in million]

	Fiscal year—				
	1977	1978	1979	1980[1]	1981[1]
FMS credit authorized	$75.0	$71.0	$67.0	$60.0	$50.0
FMS credit purchases	8.7	13.5	45.1	150.0	50.00
FMS cash purchases[2]	98.5	64.2	44.5	130.0	150.00
Total	107.2	77.7	89.6	280.0	200.00
Grant aid program	54.9	55.4	41.0	28.3	0

[1] Estimated (Note: $18.5 million of fiscal year 1977 and fiscal year 1978 credit financing has been used to finance direct commercial procurements not reflected above).

[2] FMS cash purchases include direct Saudi Arabian funding of I-Hawk/Vulcan system and commitment of Jordan's own resources.

The major items which we are projecting for Jordanian purchase in fiscal year 1980 include armed Helicopters, 155mm and 8-inch howitzers, tank recovery vehicles and M60 tanks. These are items entirely in line with the military modernization program and which have been projected for several years. There is also an estimated $68 million in spares and support equipment. Overall, we are projecting that $150 million of the total $280 million will involve FMS credits and the remaining purchases, including the majority of spare parts and ammunition, will be financed directly by Jordan.

The bulge, in summary, represents a rectification of sales which had been delayed in previous years plus a normal continuation of a program meeting Jordan's legitimate defense requirements and our political objectives. Now that we are getting the program back on track, I hope you would agree that we should seek to keep it there. The $50 million requested for fiscal year 1981, plus the resources which are projected to be available to Jordan from Arab sources, will accomplish this while maintaining our important political relationship.

Sincerely,

J. BRIAN ATWOOD,
Assistant Secretary for Congressional Relations.●

WOMEN AND THE DRAFT

HON. BOB EDGAR

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. EDGAR. Mr. Speaker, I submit for the RECORD a recent New Yorker article focusing on some of the emotional issues involved in the consideration of drafting women into the military. The author follows an interesting line of argument—that the traditions of war itself have changed so drastically over the centuries that women's traditional exclusion from the battlefield no longer makes sense.

I believe the following article is timely to our current discussion of draft issues:

THE TALK OF THE TOWN

NOTES AND COMMENT

President Carter's proposal to register women as well as men for the draft, being opposed alike by many feminists, who are against any draft, and by many supporters of the draft, who believe that wars should be fought by men, has clouded the policy that inspired the revival of registration in the first place. Intending to demonstrate the country's unity and resolve to the Soviet Union in response to its invasion of Afghanistan, the Administration has instead become embroiled in a murky altercation about the influence of women on men in trench warfare and about ratification of the Equal Rights Amendment, all of it superimposed on a renewed protest movement against any draft and a swelling debate, greatly amplified by an exceptionally crowded and busy Presidential campaign, about just what the potential draftees, whether men or women, might have to do under the Carter policy. In the spreading confusion, a sombre declaration of national purpose to the world has degenerated into a highly visible domestic quarrel, with every member of the family loudly putting in his or her word.

So far, the argument about women and the draft has centered on reasonable-sounding questions like whether or not women are physically strong enough for combat, but intense passions, undoubtedly fed by apprehensions of a more primeval sort, are churning just beneath the surface. War, of course, got its foothold in human affairs long before women launched their drive, now in full swing in most parts of the globe, for equality with men in the public realm. In the traditional order, as feminist thinkers have often pointed out, the assignment of men to the battlefield and that of women to the domestic household were closely related. The presence of a protected, even hidden, domestic sphere, presided over by women, in which new life was brought into the world and the community was sustained, was felt to give war an elemental justification. As the bearers of children, women were the symbols and substance of peace and life, and were to be spared the destruction and death of war—except in defeat. The exclusion of women from war held intact a part of life *for which* wars could be fought by men. In the logic of this scheme, just as the migration of women from home to office, if it were to be unaccompanied by any rush of men in the opposite direction, would leave the home deserted, and thus would undercut one of the original aims of work—namely, the support of life—so the dispatch of women to war would, in a manner of speaking, empty out the heart of the community and undercut any justification for fighting.

But even to describe these traditional arrangements for domesticity and war, whether one looks on them fondly or with anger, is to reveal that they have broken down irreparably across the board. The most thorough transformation has taken place in war itself. Insofar as any nation's military forces ever had the ability to protect its people, they have lost it now. The invasion of the civilian realm by modern war began with universal male conscription and the bombing of cities, and was brought to completion with the advent of nuclear weapons, which assail life at its genetic foundations. War has now penetrated to the core of the domestic sphere—its capacity for the renewal of life. Nuclear weapons have overmatched the procreativity of nature, and it is now they that, in an appropriation of life's characteristics, monstrously "proliferate," and bring forth one "generation" after another, as though death itself had gained the power to give birth and multiply. In the new military strategy, the role of the civilian population, including its heretofore undrafted female half, is to be held hostage by the rival nuclear power. Indeed, it is now an essential element of global stability that each superpower in effect bare the breast of its people to a nuclear attack or counterattack by its adversary; otherwise, deterrence, which depends on the vulnerability of each side to a reprisal by the other, would break down. Our nation, in a proper display of reverence for life, has exerted itself as one man to secure the release of some fifty hostages in Iran, but, in the same period, when nuclear war over Middle Eastern oil has been under discussion we have somehow managed to pass lightly over the fates of the tens of millions of hostages which are at stake in such a conflict. Once, military forces were deployed to protect the civilian population, but now the civilian population is deployed to protect the military forces. Across the oceans two vast victim-armies face one another. No one was ever registered to serve in this force, but we have all been conscripted into it anyway. Women, who are certainly strong enough to push the button—should any of them aspire to that doubtful honor—just as they are weak enough to die in a holocaust, don't have to be sent to the front lines; they are already there.●

IKE REVISITED

HON. RICHARD BRUCE CHENEY

OF WYOMING

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● **Mr. CHENEY. Mr. Speaker, in this day of troubled Presidential leadership, scholars are reexamining the Presidency of Dwight D. Eisenhower. Information from newly released archives shows that President Eisenhower was a hard-working, skilled leader, whose conduct of the Presidency offers lessons for the Presidents of the future.**

The following account of President Eisenhower's leadership, by Fred I. Greenstein, Henry Luce Professor of Politics, Law and Society, Princeton University, is condensed from his "Eisenhower as an Activist President," Political Science Quarterly, Winter 1979–80 and I submit it for the benefit of my colleagues and the public:

EISENHOWER AS AN ACTIVIST PRESIDENT

The administration of Dwight D. Eisenhower is commonly regarded as having little to offer those who seek insight into how a President can effectively manage the vastly enlarged responsibilities and demands of that office in the era which began with Franklin D. Roosevelt. Most of the scholarly and serious journalistic commentators on Eisenhower's Presidency have characterized him as an aging hero who reigned more than he ruled and who lacked the energy, motivation, and political skill to have a significant impact on events. If he was an exemplar, to their minds, it was in the negative sense of showing how one ought not to be President.

In recent years, however, there has been a slowly but steadily rising tide of Eisenhower revisionism. Some of the new interest in his Presidency stems from nostalgia for the allegedly placid, uncomplicated nature of the 1950s. Some derives from "post-liberal" attraction to the kinds of policies he espoused—for example, curbs on defense spending, mildly incremental approaches to expanding welfare policies, and efforts to hold down inflation. A third category of revisionism arises from reassessments of his performance as a political practitioner. In view of the debacles of his successors, the conduct in office of the only post-22nd-Amendment President to serve two full terms (and with continuingly high levels of public support, too) has seemed worthy of reconsideration on that ground alone.

Until now, this reassessment of Eisenhower's performance has been largely deductive, relying heavily on the published record and reconstructing the apparent logic of his actions in various widely publicized events. It has also drawn on passages from writings of his contemporaries, such as the comment by Richard Nixon in his 1962 memoir that Eisenhower "was a far more complex and devious man than most people realized, and in the best sense of these words. Not shackled to a one-track mind, he always applied two, three or four lines of reasoning to a single problem and he usually preferred the indirect approach where it would serve him better than the direct attack on a problem."

In contrast, the observations about Eisenhower's Presidential style in this article are based mainly on a study of the several thousand documents collected in the Whitman File at the Eisenhower Library. This archival trove, named after the President's personal secretary, Ann Whitman, was opened for scholarly perusal in the mid-1970s. It provides far more thorough documentation of Eisenhower's day-to-day activities than has been preserved for other Presidencies. Among its contents are daily lists of his appointments; detailed minutes of formal meetings such as those of the Cabinet, National Security Council (NSC), and legislative leaders; extensive notes and numerous transcripts of informal meetings between the President and other political figures; transcripts or summaries of his face-to-face and telephone conversations; texts of pre-press-conference briefings; and many observations by Mrs. Whitman of comings and goings in the White House, of offhand remarks by the President, and even of fluctuations in his mood.

An extensive reading of these archival materials confirms the revisionist inferences that (1) Eisenhower was politically astute and informed; (2) he actively engaged in putting his personal stamp on public policy; and (3) he applied a carefully thought-out conception of leadership to the conduct of his Presidency.

The term "activism" is commonly used to refer to three Presidential attributes which in fact may vary independently of one another: sheer extent of activity; commitment to use the office so as to have an impact on public policy; and actual success in affecting policy. Despite the widespread belief that Eisenhower was not an "activist President" in any of these respects, he worked hard and both intended to and did have an impact on policy. It was the "low profile" nature of his leadership style that led many observers mistakenly to portray him as being more attentive to golf than to government.

The extent of Eisenhower's activity can be assessed by examining the lists of his appointments and meetings for each official day as well as the prodigious amount of correspondence he dictated and other paper work he engaged in (along with his numerous telephone conversations). In addition, oral histories and interviews with people who worked with him provide information on his activities between appointments and before and after his official day.

The appointment list for October 13, 1960—a more or less average day—is quite instructive, not only in demonstrating the sheer extent of his activity, but also in suggesting the distinctive nature and style of certain aspects of his activism. He arrived at his office at 8:12 a.m., but his work had begun much earlier. Before leaving the White House residential quarters, he often held 7:30 meetings over breakfast. On many days, moreover, he chatted with his closest confidant, his brother Milton, who regularly spend three-day weekends in Washington, using an office in the Executive Office Building. And by the time Milton, Press Secretary James Hagerty, and the staff members who each morning briefed the President on intelligence matters saw him, he had closely read several newspapers. (The ones to which he paid particular attention were the *New York Times, New York Herald-Tribune,* and the *Christian Science Monitor.*)

The October 13 log lists 17 meetings during the morning and afternoon, ranging from brief exchanges with his appointments secretary to the weekly session of the NSC. The first part of the log continues from 8:12 a.m. to 5:13 p.m., with a 45-minute pre-luncheon break for the rest and exercise prescribed by Eisenhower's doctors. Ordinarily, his work day would have continued for perhaps another hour, and there probably would have been a pre-dinner-hour session of informal business conducted over cocktails in the official residence. This was when he met with his major friendly adversaries, House Speaker Sam Rayburn and Senate Majority Leader Lyndon Johnson, and it often was an occasion for reflective discussion with John Foster Dulles or Milton Eisenhower.

On this evening, however, Head of State ceremonies were scheduled. President and Mrs. Eisenhower attended a dinner given for them by King Frederick and Queen Ingrid of Denmark at the Danish Embassy, along with a performance of the Danish Royal Ballet (with reception of guests during the intermission). The Eisenhowers dropped off the King and Queen at Blair House at 11:32 p.m. and returned to the Executive Mansion at 11:37.

If Eisenhower typically was as busy as the log of activities on October 13, 1960, suggests, how did the misimpression of his lassitude arise? For one thing, the Administration did not release to the press full lists of his meetings. For another, it was not deemed appropriate that some of the sessions be announced—indeed, this was the case with three of those held on October 13, which were listed as officially "off-the-record." The nature of these meetings helps to alter the impression of Eisenhower as a passive, apolitical President who "delegated away" authority to make decisions on major issues.

The first of these three off-the-record sessions was with business leaders working with a group called "Vote Getters for Nixon and Lodge." (The 1960 Presidential campaign, of course, was well under way.) The second and considerably longer meeting also pertained to the election: it was an hour-and-a-half luncheon attended by 48 dignitaries of the Republican Finance Group. Among those present were the current and immediately preceding GOP chairmen and a panoply of major figures in industry and finance—men with such names as Harvey S. Firestone Jr., Laurance S. Rockefeller, Lamont du Pont Copeland, and Paul Mellon.

These GOP fund-raising activities were part of a continual stream of Eisenhower's efforts to broaden, unify, strengthen, and modify the Republican Party, notwithstanding his simultaneous efforts to convey the impression of nonpartisanship. But even when his party-related labors were not so conspicuously open to polemical assertions about GOP business ties and wealthy fat cats as were these two gatherings, he avoided publicizing the extent of his participation in party leadership.

Moreover, there was a deliberate method in his practice of not publicizing these endeavors. First, visible partisanship was eschewed, for it would interfere with his attempts to muster the bipartisan congressional coalitions necessary to pass his program. Second, he was trying to strengthen the support of centrist groups in the party; these efforts, if widely publicized, would tend to provoke factional conflict between the right wing and center of the GOP. Third, he comported himself in a manner consistent with his view that the Presidency as an institution and hence he personally should be perceived as representing the entire American population, not just one party. This hidden rationale for not publicizing an important array of his goals and actions was a distinguishing mark of Eisenhower's style of Presidential activism. It is not difficult to see why it was misinterpreted as Presidential passivism.

Whether Eisenhower "delegated away" powers he himself should have exercised is a question which gatherings like the third off-the-record meeting of October 13 shed light on. This was a 55-minute session with a variety of high national security and foreign policy officials (e.g., the secretaries of state and defense and the director of the CIA) which immediately preceded the official meeting of the NSC. The NSC meetings and administrative machinery were at that time being criticized by Washington insiders such as Senators Henry Jackson and John F. Kennedy for being an unimaginative bureaucratic setting in which routine presentation of turgid position papers occurred.

Recent scholarship has shown, however, that the preliminary sessions were occasions for genuine policy debate and policy-making. Indeed, these sessions had a give-and-take quality quite like that recommended by scholars who call for the avoidance of "group-think" in policy deliberations. (The official NSC meetings also were occasions for discussion, but their main function was that of "spreading the work," that is, promulgating Administration policy to those who were to execute it.) Not only in pre-NSC conferences and Cabinet meetings but also in general, Eisenhower favored discussions that were preceded by careful staff work, but in which contending advocates were brought together and asked to argue vigorously for their policy options. The President usually reserved comment until the other participants had spoken. Then he—not his subordinates—made the final choices, which were followed by systematic attention by staff aides to ensure implementation.

Decision-making by the President after vigorous debate among advisers was not a product of the so-called "new Eisenhower" of 1959-60; rather, this procedure was followed throughout his first six years in office as well. During those years, he still had in his employ Sherman Adams and John Foster Dulles, to each of whom Eisenhower is commonly believed to have abdicated fundamental policy-making powers. He did strongly hold that the ability to delegate power and to utilize staff support was a necessary condition for effective leadership of large, complex organizations.

As far back as 1942, immediately on assuming command of Allied forces in the European theater of World War II, he stressed in a briefing to his aides that they "[were] free to solve their own problems wherever possible and not to get in the habit of passing the buck up." But his delegation practices were informed by a well-developed sense of whom he could entrust with what amount of decision-making power and of the need to be vigilant about possible failures by line and staff officials to adhere to their chief's policies.

Eisenhower did entrust important responsibilities to Adams and Dulles. He prized the service of both men, but he was not awed by them. In his view, they shared the weaknesses of gruffness and insensitivity to their abrasive effect on others, but these shortcomings were more than compensated for by the high quality and prodigious quantity of their work. In numerous private diary entries he made from time to time (much like the performance evaluations of military associates he made in World War II and as Chief of Staff), he registered judgments on their deficiencies as well as on their strengths.

For example, in a note Eisenhower dictated to himself summing up accomplishments and disappointments in his first year as President, he said of Adams: "Honesty, directness, and efficiency have begun to win friends among people who initially were prone to curse him because he had no time for flattery or cajolery, or even pleasantries over the telephone." With respect to Dulles, Eisenhower wrote this "personnel assessment": "He is well informed and [on matters of foreign affairs] at least is deserving, I think, of his reputation as a 'wise' man. . . . But he is not particularly persuasive in presentation and, at times, seems to have a curious lack of understanding as to how his words and manner may affect another personality."

The evidence required for close, if not definitive analysis of the Eisenhower-Dulles and Eisenhower-Adams relationships is now accessible. It overwhelmingly indicates that their relationship was collaborative. The two men agreed in their basic policy goals as well as their assessements of the political realities of the time and the strategies appropriate to deal with them, although they did differ from time to time on matters of tactics. Their common beliefs and perceptions were reinforced by daily contact—direct meetings when Dulles was in Washington, electronic communication when he was traveling.

Eisenhower and Dulles practiced a division of labor resembling that of a client with his attorney—a client who has firm overall purposes and an attorney who is expected to help him devise ways to accomplish those purposes and to argue his case. The public impression that emanated from the quite different personal styles of these men—Dulles the austere cold warrior, Eisenhower the warm champion of peace—contributed to a further division of labor. Dulles was assigned the "get tough" side of foreign policy enunciation and carried this out so as to placate the fervently anti-Communist wing of the Republican Party. Meanwhile, amiable Ike made gestures toward peace and international humanitarianism—for example, Atoms for Peace, Open Skies, and summitry at Geneva.

Despite Adams's popular image as an all-powerful gatekeeper who controlled the flow of information to Eisenhower and who presented him with briefly worded consensus policy recommendations for his ratification, the evidence is decidedly to the contrary. All Cabinet members could see the President individually, if they considered it necessary, and they were encouraged to speak freely at Cabinet meetings. The weekly meetings with legislative leaders were another source of information to the President.

Eisenhower had many other ways of seeking and receiving information. He read an extraordinary volume of official documents, and maintained a voluminous "personal and confidential" correspondence with his extensive network of friends in the business and military communities and in other walks of life. His periodic stag dinners with carefully selected national figures were still another source of knowledge. Finally, it is instructive to note that although Adams had the impression that Eisenhower rarely used the telephone, the logs for some days contain as many as a dozen calls in which he sought information, gave instructions, rallied support, and made policy decisions.

Adams was an expediter of the President's policies and a likeminded agent, not a policy mover, except on recommendations for minor patronage positions. Apart from being time consuming, such decisions are a notorious source of recrimination. It was much to Eisenhower's advantage that Adams take the blame for the bulk of them. More broadly, Adams's reputation as "abominable no man," like Dulles's as grim cold warrior, preserved Eisenhower's ability to appear as a benevolent national and international leader.

Political scientist Stephen Hess has described Eisenhower's general approach to delegation as one that "artfully constructed . . . an elaborate maze of buffer zones." Hess adds that "Eisenhower gave himself considerable freedom of action by giving his subordinates considerable latitude to act." It should be emphasized that Eisenhower's buffering practices did not consist exclusively of allowing subordinates to carry out the more controversial components of Administration policy. But the division of labor in which the subordinate protected the President's ability to be perceived as being above the fray was in some instances a conscious strategy. For example, Press Secretary James Hagerty (one of the staff members who had regular, direct access to the President) once reminisced:

> President Eisenhower would say, "Do it this way." I would say, "If I go to that press conference and say what you want me to say, I would get hell." With that, he would smile, get up and walk around the desk, pat me on the back and say, "My boy, better you than me."

The occasion on which Eisenhower and a subordinate practiced division of labor are better described as acts of "pseudo-delegation" than of true delegation. In these cases the policy was the President's, but in its promulgation his hand was hidden. There is much further evidence of a variety of ways in which he practiced what I shall designate as "hidden-hand leadership." Eisenhower was quite prepared to sacrifice his professional reputation among other politicians when it enabled him to enhance his prestige with the general public. Further, he preferred informal to formal means of influence. Besides working through intermediaries, he skillfully exploited his putative lack of political skill.

Perhaps the most striking example of hidden-hand leadership, at least in domestic politics, was Eisenhower's extensive behind-the-scenes participation in the sequence of events that culminated in the Senate's censure of Joseph McCarthy in December 1954. Working most closely with Press Secretary Hagerty, Eisenhower conducted a virtual day-to-day campaign via the media and Congressional allies to end McCarthy's political effectiveness. The overall strategy was to avoid direct mention of McCarthy in the President's public statements, lest McCarthy win sympathy as a spunky David battling against Presidential Goliath. Instead, Eisenhower systematically condemned the types of actions in which McCarthy engaged.

Hagerty arranged with sympathetic newspaper reporters, publishers, and broadcasters for coverage that underscored the President's implicit condemnation of McCarthy. In addition, an arrangement was made whereby an Administration spokesman rather than McCarthy received network airtime on an occasion when Adlai E. Stevenson castigated the Republican Party for McCarthyism. Finally, much attention was given to persuading Congressional leaders to conduct the hearings evaluating McCarthy's conduct in a fashion that would vitiate his usual means of defending himself against counterattack. Eisenhower's orchestration of the covert aspects of the events that led to the censure even now have not been documented in the published literature on the period.

Eisenhower's published discourse was a principal source of the many deprecations of his fitness for Presidential leadership. His unpublished discourse—both writings and transcripts of discussions—lead to an impression quite different from that conveyed by the published record. His critics derided his apparent inability to think and express himself clearly along with his seeming lack of knowledge. The evidence that gave rise to their view was the fuzzy and tangled prose in his answers at press conferences; his frequent professions of ignorance in response to reporters' questions about issues one would expect any self-respecting President to discuss knowledgeably; and the middle-brow, middle-American rhetoric of a large portion of his speeches.

The evidence in the Whitman File, however, necessitates a reevaluation of Eisenhower's level of knowledge and his rhetorical and cognitive styles. Among the transcripts are minutes of pre-press-conference briefings which belie Eisenhower's frequent statements in press conferences that he was unfamiliar with an issue. Often he made such claims when he preferred not to discuss a matter. For example, in the July 31, 1957, briefing, he was reminded that Egyptian President Nasser had made a series of speeches criticizing the United States and that the "Egyptians are trying to say [these] have disturbed us." Eisenhower replied that if asked about Nasser's speeches he would state that he had not read them, whereas in fact hypothetical questions and answers on the topic were among that session's briefing papers.

Numerous similar assertions of Eisenhower's intention to deny knowledge of a sticky issue about which he was informed, or to say that he had not kept up with the technicalities of a matter, can be found in the pre-press-conference transcripts. These assertions are borne out by abundant examples of follow-through: virtually all of his press conferences include remarks such as "Well, this is the first I have heard about that"; "You cannot expect me to know the legal complexities of that issue"; and so on. No doubt all Presidents have feigned ignorance or "stonewalled" occasionally, but out-and-out denials of knowledge are far more common in Eisenhower's press conferences than in those of the other modern Presidents.

Not only Eisenhower's claims of ignorance and use of ambiguous language, but also his fractured syntax led 1950s observers to depreciate his professional skills and, for that matter, his intelligence. Prudential calculation and personal style conspired to produce the garbled phrases quoted in so many writings drawing on his press conference utterances. The element of calculation is portrayed by Eisenhower in his memoirs, where he discusses the intra-Administration objection to his decisions to release transcripts and later tapes on the ground that "an inadvertent misstatement in public would be a calamity": "By consistently focusing on ideas rather than on phrasing, I was able to avoid causing the nation a serious setback through anything I said in many hours, over eight years, of intensive questioning."

The element of style involved a personal trait Eisenhower was well aware of, namely his tendency in spontaneous discourse to ramble and to stop and start. This trait derived from his tendency to have more ideas than he could readily convert into orderly sentences. Interestingly, in the absence of an audience waiting to seize upon controversial misstatements, he could dictate lengthy letters of noteworthy clarity. In press conferences, wary of misstatement and prone to a conversational mode of sputtering, stopping and starting, he continually edited his discourse while talking. Overall, both the calculated and unintentional aspects of his press-conference style had the same effect as his approach to delegation of authority: they damaged his reputation among the political cognoscenti, but protected his options as a decision-maker and insulated him from blame by the wider public for controversial or potentially controversial utterances and actions.

Speech writing and editing were hardly novel experiences to Eisenhower when he entered partisan politics. For a number of the interwar years he had been speech writer for none other than Douglas MacArthur. His post-V-E Day Guild Hall speech in London had received wide acclaim for its eloquence. In view of this background, it should come as no surprise that as President, he devoted great attention to his speeches. Mrs. Whitman estimates that 20-30 hours of his time, with much intervening response by speech writers, was spent on any address of consequence.

The President's comments on the first draft of his 1954 State of the Union Message, of which 38 were specific and four overarching, will serve to demonstrate his markups and insertions. The specific comments included two kinds of word changes and instructions to insert new paragraphs (which he dictated). The first kind of word changes sought to simplify language and make the speeches more persuasive to the segment of the population to which he thought the Republican Party ought to extend its appeal (members of normally Democratic population groups, such as white collar workers and people who had completed high school but had not gone to college). To this end, Eisenhower eliminated such phrases as "substantial reductions in size and cost of Federal government" and "attacks on deficit financing," on the ground that the "man we are trying to reach" understands usages like "purchasing power of the dollar" and stability "in the size of his market basket." Hence it was neither an accident nor an indicator of his verbal limitations that his utterances seemed banal when contrasted with the high-culture rhetoric of Stevenson, the principal Democratic spokesman of the time.

The second kind of changes, editing with a view to perfecting diction and step-by-step progression of the exposition, probably was not necessary for rhetorical effectiveness with the general public. It was consistent with an enduring aspect of Eisenhower's cognitive style, namely intellectual precision. His demand for logical, carefully organized presentations is exemplified in the overarching recommendations concerning his 1954 message that he made to speech writer Bryce Harlow. They are the sort of recommendations one expects from experienced teachers of English composition: "Use blue pencil"; re-examine the structure of presentation by thinking through the sequence in which the paragraphs are put; "sections need to be more distinctly marked. Do not be afraid to say 'I come now to so-and-so.'. . . you cannot take the human mind from subject to subject . . . as quickly [as the present draft of this speech has attempted to do]." An illustration of the many suggestions for more precise diction is the instruction, accompanied by its rationale, to change a statement from "confidence has developed" to "constantly increasing confidence" in order to make clear that a "continuing action" is being described. (Eisenhower ranked 10th in his West Point class in English composition.)

Eisenhower's personal correspondence ranges from "personal and confidential" letters, many of which are quite long, to brief memoranda to aides and Administration officials. In the long, confidential communications, the prose is crisp and the reasoning is geometric in its tightness and clarity. It is remarkable that these highly focused letters were usually dictated in one draft that required little editing. The memos tended to be much shorter, conveying suggestions or information rather than elaborate arguments. For instance, his comments on and proposed changes in drafts of his aides' letters and speeches were often phrased as polite suggestions or ideas he wanted his colleagues to consider, rather than as commands. Nonetheless, they appear to have been understood as directions, not suggestions.

A provisional sketch of certain of Eisenhower's personal qualities, notably his manner of expressing feelings and convictions, will help to provide interpretive "glue" for connecting the traits and patterns of action described thus far. I say "provisional" because his psychological makeup is difficult to analyze, let alone to pigeon-hole: he did not reveal as consistently patterned a set of traits as some other Presidents.

One thing is clear from the Whitman File: Eisenhower was neither personally nor politically a two-dimensional man, notwithstanding the joke of the 1950s that under him the bland led the bland. The public portrayals of his beaming, homey manner and the impression to be gathered from the unpublished record differ markedly. The former suggests blandness; the latter, vitality and spirit. A striking demonstration of Eisenhower's spark is afforded by another personal and confidential letter—a nominally amiable but actually caustic response to a testy letter from his brother Edgar, an outspoken old guard conservative. Ike's letter provides a glimpse of his fiery temper, the strength of his convictions, and his ability to write vivid as well as clear prose.

Edgar had asserted in his letter that he saw little difference between his brother's policies and those of Truman. Dwight's reply, in which he emphatically denied that the Fair Deal and his own policies were virtually indistinguishable but insisted on the need for moderate conservativism, abounds with passages like the following:

> Should any political party attempt to abolish social security and eliminate labor laws and farm programs, you would not hear of that party again in our political history. There is a tiny splinter group, of course, that believes that you can do these things. Among them are H. L. Hunt . . ., a few other Texas oil millionaires, and an occasional politician and businessman from other areas. Their number is negligible and they are stupid.

Referring to a contention by Edgar that the two administrations seemed not to differ in their approaches to economic controls, Dwight comments: "Nothing in your letter shows such complete ignorance." Noting that his Administration had removed wage and price controls in the face of "the most dire predictions of disaster, runaway inflation, and so on and so on," he continued: "I must say that if the people of the United States do not even remember what took place, one is almost tempted to regret the agony of study, analysis, and decision that was then our daily ration."

Dwight went on to assure Edgar, "I am delighted to get your own honest criticism, particularly if you will only take the trouble to lay down the facts on which you reach what seem to me to be some remarkable conclusions. But the mere repetition of aphorisms and political slogans and newspaper headlines leaves me cold." Finally, he expressed regret that Edgar would not be at a planned family reunion in Abilene, where they could talk, but suggested that there was some advantage to a written exchange, since "by this method I hope to make you do a little thinking rather than devote yourself just to the winning of a noisy argument."

The emphatic yet controlled tenor of these passages and the remainder of this letter bring me to a consideration of Eisenhower's temper. Lyndon Johnson shared Eisenhower's propensity to fly into towering, red-faced rages, but whereas Johnson's ire turned to bullying his subordinates and he seemed to luxuriate in his grudges, Eisenhower's blowups came on like summer thunderstorms and as rapidly were followed by balmy good humor.

Eisenhower felt his temper was a special curse. His desire to restrain his combative impulses probably contributed to his well-known team approach to leadership and to his preference for "hidden-hand" over confrontational leadership.

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On re-examination, then, Eisenhower's approach to Presidential leadership emerges as distinctive and consciously thought-out, rather than an unfortunate example of artless drift and unthinking application of military organizational principles to civilian leadership. In the 1950s, of course, there was no lack of public confidence in and respect for the Presidency. The literature of the time, in fact, undoubtedly took as perennial a support for the Presidency that Eisenhower helped mold and that since has become seriously eroded. His status as a long-time public hero is not transferable to future Presidents. But there may be lessons to be learned from the means through which he avoided the potential erosion of support that even a national icon would have experienced if his performance in office had seemed disastrous to the general public. Presumably such an approach would involve a greater emphasis on confidential efforts to accomplish practical results and resistance to the temptation to flaunt one's political virtuosity.

Presidents also may find it profitable not to put their prestige on the line as readily as most of those succeeding Eisenhower have. This is not a counsel for lowering expectations about what can and should be achieved by public policy; it is, however, a possible (if not easily executed) approach for avoiding raising expectations about what the President as an individual actor can ever accomplish in this centrifugal political system.

Other Presidents will not be able to imitate Eisenhower slavishly, even if they wish to. Not only do few men become Chief Executive with so great a reservoir of public esteem, but also many will consider it necessary to seek more substantial and hence more controversial policy innovations than he deemed desirable. Whether one likes what Ike liked or not, aspects of the distinctive approach to conducting the Presidency he devised will bear examination as future options.●

LOCK UP ALASKA'S LANDS

HON. DON YOUNG

OF ALASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. YOUNG of Alaska. Mr. Speaker, the reaction by my colleague from Arizona regarding the abolition of the Alaska State income tax typified the myopic policies espoused by those who desire to "lock up" Alaska's lands.

Alaskans will benefit in the short run from our oil and gas revenues, but anyone familiar with the pattern of land ownership in our State would consider Mr. UDALL's constituents the lucky ones. Mr. UDALL's people know where they can build, mine, hunt, and establish their homes. Alaskans live in a state of uncertainty because of Federal policies. Alaskans want to develop a stable, long-term economy but to the chagrin of Alaskans, it is virtually impossible to invest in Alaska's economy due to the uncertainty of the Alaska lands situation.

In previous remarks printed in the CONGRESSIONAL RECORD on April 22, 1980, there was a sardonic allusion made by Mr. UDALL that Alaska is a downtrodden State. Alaska is a downtrodden State. In comparing Alaska where it is today with where it could be if rational policies were adopted, there is more truth than humor in Mr. UDALL's label of Alaska. Alaska's people are being told that they cannot have all the land entitled to them under a contract with the Federal Government. I submit to you that my State is far from reaching its potential due to tremendous constraints placed upon it by bureaucrats in Washington, D.C.

The revenues accruing to the State from the oil at Prudhoe Bay will not last forever. Alaska has the potential to benefit many Americans by providing them with oil, gas, coal, uranium, as well as renewable resources such as fish and timber. Without a rational land policy, this contribution to the United States will not be possible. Instead of reacting with jealousy and malice toward Alaskans, I urge my colleagues to listen to Alaskans and join with me in prompting the wise and prudent use of Alaska's resources.●

COMMUNICATIONS WEEK 1980—CALIFORNIA STATE UNIVERSITY, FULLERTON

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. DANNEMEYER. Mr. Speaker, in order to allow an extensive study of the field of communications, the students and faculty of the California

State University, Fullerton, are holding Communications Week 1980, running April 21-25.

The week's activities will focus on bringing the various desciplines of communications—advertising, public relations, television, radio, film, photography, business writing, and journalism—together, so these groups witness their accomplishments.

Despite cutbacks which have forced many schools to eliminate programs of this nature, students and faculty have volunteered their time and talents to plan, research, followthrough, and evaluate this week devoted to communications.

Financial assistance has been provided through various local businesses and professional communications organizations have volunteered their help.

Two featured speakers will be James B. Lindheim, senior vice president of Yankelovich, Skelly and White and Jess Marlow, anchorman of the NBC nightly news.

Also present will be six national presidents from well-known communication organizations. These speakers include Pat Jackson of the Public Relations Society of America, Lou Williams of the International Association of Business Communicators, Barbara Haas of Women in Communication, Inc., Bob Brush of the National Press Photographers Association, Jean Otto of Sigma Delta Chi, the Society of Professional Journalists, and Alan Jacobs, National Chairpersons Elect of the American Advertising Federation. Following their presentations, a special reception honoring the presidents will be held at the Museum of North Orange County in Fullerton.

Other professionals include Earl Paige, special issues editor of Billboard magazine; John Dotson, senior editor of Newsweek; Ray Mills, an editorial writer for the Los Angeles Times; and Greg Schneider, an award-winning photographer for the San Bernardino Sun.

Gladwin Hill of the New York Times; Dave Rosenberger, an ITT Cannon representative; David Shaw, media critic for the Los Angeles Times; Nina Blanchard, fashion editor; and Dave Hall, program director and disc jockey for KNX-FM radio station, will also be available to talk with students and faculty.

Scott Culip, author of the book, "Effective Public Relations"; James Foy, editorial director of KNBC News; Janine Tartaglia, a reporter for KNBC News; and Dick Lyneis, an investigative reporter for the Riverside Press Enterprise, will also be present.

Arther Barron, an independent producer; Jack Graham, vice president of Crain Communications; and Jack Haskins, a communications research professor will give presentations, and a discussion will be held by the Adolph Coors labor relations panel.

Other panels to be held include: Responsible Reporting: Do The Courts Care? Communications in the Political Arena, Audiovisual Communications for Public Relations and Advertising, the Making of a Film and the annual California State University of Fullerton student film festival.

Getting Your First Job in Advertising, is the topic of a presentation given by Bill Breslin, display advertising manager of the Los Angeles Times; there will also be a presentation by a member of the public relations division of RSO Records.

Local businesses that are involved in Communications Week, 1980, include the Fluor Corp., which will host an awards dinner at the conclusion of Communications Week, 1980; Rockwell International which has donated unrestricted department use; and the Irvine Co. which has donated money for graduate research assistant funding; and Adolph Coors which has donated funds designated for scholarships.

Pacific Mutual, Atlantic Richfield Co., and Hill and Knowlton, Inc., are donating funds to provide for a student edited/product magazine that will chronicle the activities of Communications Week 1980.

Hughes Aircraft is providing the printing of registration materials; J. C. Penney, Allstate Insurance, Disneyland, Air California, Beckman Instruments, ITT Cannon Electric, and Hunt-Wesson are additional donors.

Sears, Roebuck and Co.; Teleprompter and Storer Cable TV have also been contributors.

Others who have made donations include the Irvine Co., BASE Video Corp., Coors Distributing Co., and the Russell Knott Independence Institute.

Other local businesses and organizations have contributed to Communications Week 1980, although on a smaller scale.

In addition, credit is due to a number of sponsoring professional organizations that include: American Advertising Federation; California Press Women; International Association of Business Communicators; National Press Photographers Association; Orange County Press Club; Public Relations Society of America; Sigma Delta Chi; the Society of Professional Journalists; and Women in Communications, Inc.

Also, various student organizations have been extremely valuable in helping to bring about this week devoted to communications. These groups include: Advertising Club; Communications Students Advisory Council; International Association of Business Communicators; Photo Communicators Club; Public Relations Student Society of America; Radio, Television, Film Society; Sigma Delta Chi; the Society of Professional Journalists; and Women in Communications, Inc.

Additionally, the departmental associations council has been exceptionally supportive of the activities of Communications Week 1980.

Because of the high caliber of this event, I would therefore like to recognize and express support for those involved in Communications Week 1980 at the California State University of Fullerton.●

UKRAINIAN ATHLETES BARRED FROM WINTER GAMES

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. DERWINSKI. Mr. Speaker, the Soviets are charging that we are injecting politics into the Olympic games. Actually, the Soviets have blatantly banned amateur athletes from participating on their sports' teams for political and propaganda purposes. A practical example of Soviet political activities is found in an editorial which appeared in the spring edition of Smoloskyp, a Ukrainian American publication. I insert it for the Members' attention:

UKRAINIAN ATHLETES BARRED FROM WINTER GAMES

On January 29, 1980, the Presidium of the Supreme Soviet of the Ukrainian S.S.R. met to discuss the preparation of Soviet Ukraine for the XXII Summer Olympics. A report on the ideological, political, and organizational preparation for the Olympics was made by the chairman of the Olympiad-80 Committee (for Soviet Ukraine), P. E. Yesypenko, a member of the Communist Party and Deputy Prime Minister of Soviet Ukraine. Also present at the meeting were the Procurator General of the Ukrainian S.S.R., F. K. Hlukh, the Chief Justice of the Ukrainian Supreme Court, O. N. Yakimenko, and the head of the Ukrainian KGB, Fedorchuk. Among the subjects discussed was the idealogical and political trustworthiness of Ukrainian athletes who were included in the Soviet team for the XIII Winter Olympics.

On December 17, 1979, the composition of the Soviet team was confirmed by the USSR Olympic Committee. The roster of Soviet athletes was turned over to the KGB of the various national republics for approval. Among others, the case of two Ukrainian athletes, the brothers Mykola and Valentyn Papirovy, has come to Smoloskyp's attention.

Both took up luging in 1974 under coach K. Hatker. Mykola has been on the Soviet international team since 1976, and was joined there by his brother in 1977. They were champions of the USSR in luge doubles in 1977, 1978 and 1979. Mykola also won third place in singles, while his brother Valentyn took the singles title in 1979. (The above information is quoted from The USSR Olympic Team: The XIII Winter Olympic Games, Lake Placid '80, Moscow, 1980). According to information received by Smoloskyp, both were accused by the KGB of nationalistic tendencies and of being politically untrustworthy. Although they had already been included on the Soviet team roster, and their names were published in the above-named Soviet publication, they were nonetheless barred from joining the team for the Olympics at Lake Placid. According to this same source (a member of the official Soviet delegation at Lake Placid), the Papirovy brothers were arrested, but Smoloskyp could not obtain independent confirmation of this claim.

Smoloskyp's group in Lake Placid called on the International Olympic Committee to investigate the fate of the two Ukrainian athletes and to ask the U.S.S.R. Olympic

Committee to provide a satisfactory explanation of their exclusion from the XIII Winter Olympiad.●

PROMISES, PROMISES—BALANCED BUDGET—PART 2

HON. HAROLD S. SAWYER

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. SAWYER. Mr. Speaker, less than 1 year ago this House, by the slimmest of margins, 202 to 196, approved the conference agreement on the first 1980 budget resolution. That budget provided for a 1980 spending total of $532 billion, up $2.1 billion from the austere House version adopted just 1 month earlier.

Now, as the House is preparing to consider the 1981 budget, we are quietly being asked to also approve a third budget resolution for fiscal year 1980, calling for a revised spending level of $567 billion. This means the 1980 budget has swollen $37.1 billion over the original House proposal.

FISCAL YEAR 1980

Original House resolution (April 1979), $529.9 billion.

First conference agreement (May 1979), $532.0 billion.

Proposed third budget resolution (April 1980), $567.0 billion.

I cite these figures to point out that in our rush to provide a 1981 balanced budget in this election year, the American people should not be fooled into believing we have finally adopted a balanced budget until the close of the books on the last day of the fiscal year.

The budget which we will take up for 1981 is only valid for 1 month and 4 days until election day. After that, beware.

For the benefit of my colleagues, I include the sobering comments made in part 2 of a recent editorial by WZZM-TV, Grand Rapids, Mich.

The editorial follows:

THE BALANCED BUDGET: PART 2

Promises to cut federal spending sound pretty hollow when one considers the fact that the newly revised and streamlined 1981 budget contains a proposal to spend more than 60 billion dollars over what the feds are spending this year. The budget calls for expenditures in excess of 610 billion dollars. Back in 1976, total revenues were only 300 billion dollars.

Sound shocking? Well, the administration points out that expenditures in the revised budget are almost five billion dollars less than initially proposed in January. That was possible because of projects which have been deferred one or two years from a federal hiring freeze and a freezing of top executive salaries. There is, however, no break for the beleagured taxpayer. The government wants to collect 28 billion dollars more than it proposed in January in order to balance the budget.

We already explained that 12 billion of those revenues will come from the so-called windfall profits tax, which isn't a tax on profits at all, and was supposed to be used to discover new energy resources and give taxpayers and the poor a break.

Another 10.5 billion will be dumped into federal coffers from the tax on imported oil. We were told that tax would go to reduce social security taxes. So much for pipe dreams.

The rest of the additional 28 billion would come from a law which hasn't even passed congress yet. The bill would require income tax withholding on interest and dividends; more bureaucracy * * * more paper work.

To be feared most about this budget, however, is that it doesn't take effect until October, and after election day, it will be back to business as usual.●

LEUZINGER HIGH SCHOOL CELEBRATES 50TH ANNIVERSARY

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. CHARLES H. WILSON of California. Mr. Speaker, it is with great pleasure that I bring to the attention of my colleagues the 50th anniversary of Adolph Leuzinger High School, located in Lawndale, Calif. The festivities for this celebration are being held tomorrow and Saturday.

I would like to share with you a few highlights of the rich history of the school. Of course, these are but the landmarks along the road of history and do not reflect the real history of this school which lies in the human element. As Count Leo Tolstoy stated so eloquently in his famous novel, "War and Peace," "The subject of history is life of peoples and of humanity." Clearly, the history of any school is to be found in the lives of the countless students and teachers who have passed through its halls, and this is no exception. Unfortunately, this aspect of history is often lost, and rarely recorded in the history books. It is locked in the minds and memories of the alumni and former teachers. For this reason alone, such a celebration is valuable. It helps to keep alive the tradition that makes life complete.

On February 1, 1905, an application was made to have Wiseburn, Inglewood, Hyde Park, and La Dow Districts made into one union high school district. The petition was accepted and on February 21, 1905, an election was held to authorize the Inglewood Union High School District. September 1905 marked the opening of the first high school in one-half of the Inglewood Grammar School. There were approximately 15 students in attendance.

The actual building housing Leuzinger High School was not built until 24 years later—in 1929. Ground was broken on May 15, 1929, and the cornerstone placed on October 3, 1929. The Leuzinger High School we know first opened its doors on January 27, 1930. It was opened as a branch high school, with 9B, 9A, 10B, and 10A students from Lawndale, Hawthorne, and the Wiseburn Districts in attendance. Enrollment on this first day was 268.

Before construction of the school began, a motion was made to name the school in honor of Adolph Leuzinger. The motion was made at a regular meeting of the board of trustees on April 23, 1928. The motion was seconded and carried unanimously. There was no question in anyone's mind as to the appropriateness of this motion. Adolph Leuzinger had been appointed to the first board of trustees when the Inglewood Union High School District was formed. He had been reelected without opposition every third year since that time. His devotion to the school district and untold hours of work on its behalf were well known. Clearly, the school district would not have prospered as it did without the guidance of Adolph Leuzinger.

To celebrate the 50th anniversary of Leuzinger High, the principal, James C. Crase, and the 50th anniversary committee, chaired by Chris Gardinier, have put together what will undoubtedly be a series of unforgetable events. There will be an open house with guided tours of the facilities; an Americana Day with student booths, food, crafts, and so forth; a rededication program; a baseball game between Leuzinger High School and Inglewood High School; a buffet dinner; and, a dance with two bands at the Hawthorne Memorial Center. To commemorate the anniversary, the alumni, PTA, and Booster Club have established a fund to purchase bleachers for the field.

The students, alumni, PTA, Booster Club, anniversary committee, teachers, and principal have been hard at work for months planning this event. I have no doubt but that their work will be rewarded. Education of our children is of utmost importance to any community. Education affects eternity, and there is no telling where its influence will stop. The 50th anniversary of Leuzinger High School is an event that deserves recognition, and I wish all involved a successful celebration and another 50 years of progress and innovation in helping to educate future generations of young Americans.●

INTERNATIONAL EMERGENCY POWERS ACT

HON. RON PAUL

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. PAUL. Mr. Speaker, today I am introducing a bill to repeal the International Emergency Powers Act passed in 1977. The recent conflict between the President and the U.S. Olympic Committee has raised some very serious issues, issues which make one wonder whether this Nation is not rapidly becoming the sort of totalitarian state that the Soviet Union already is.

We have all heard the implied threat of the administration that if the Olympic Committee did not accede to the administration's position on the boycott of the Moscow Olympics, the tax-exempt status of the committee would be terminated. Our colleague from Illinois, Mr. Hyde, has already demanded an investigation of this totalitarian threat, and I join him in that request. If the tax-exempt status of any organization is to depend on its obsequiousness before a bullying government, then we are very close to losing the freedom that has been ours for 300 years.

But there are more serious implications of this whole controversy. In his remarks before the American Society of Newspaper Editors, Attorney General Benjamin Civiletti disclosed that the administration believes that it has the power to prohibit the travel of American citizens anywhere outside the United States. This power, so the Attorney General claims, has been granted to the President by the International Emergency Powers Act, and he may use it to prevent the participation in the Olympics by U.S. athletes. My staff has contacted the Justice Department to verify this report, and the Justice Department has confirmed what the Attorney General stated on April 9. Moreover, the administration feels that the Soviet invasion of Afghanistan is sufficient cause for the President to declare a national emergency under the International Emergency Powers Act and then to use any of the vast powers given him under that act.

Perhaps, like me, you thought we lived in a free country. To disabuse my colleagues of this quaint notion, I ask that the remarks of the Attorney General and the text of the International Emergency Powers Act appear in the Record at this point.

Some of the Questions and Answers of the Attorney General Before the American Society of Newspaper Editors

Question. Does the President have legal authority to issue an order barring American athletes from going to the Olympics? Is such an order contemplated? Has Justice been asked to prepare the legal groundwork for such an action?

Answer. The President does have the authority, and would have the authority if he determined to exercise it, to prohibit any team or organized collective acitivity to participate in the Olympics, clearly and simply without difficulty. And of course that is an option which is not subject to a great deal of legal research or review and analysis. It's fairly clear under the law and it was reviewed long ago, prior to recent developments over the last two months or so. We have not considered or contemplated, to my knowledge, prohibitions on individual athletes and their conduct or travel or things of that kind. And, as I have stated—because of both the responsibility of the USOC and their membership and their opportunity to evaluate the consequences in the needs of this country with regard to the boycott and taking a firm position in opposition to the conduct of the Soviet Union—I trust we won't have to reach the question. If we did not have to reach it, then I think that the law provides clear authority for prohibitions against group activity, or collective activity of two or more persons in any way. And the combination of the two are such that the third part would not have to be reached.

Q. What law are you referring to?

A. The Emergency Powers Act.

Q. Are you looking at the tax-exempt status of the USOC?

A. I'm not taking a look at it, I can tell you that. But, if we were to pursue the legislative effort and the Congress were disposed to consider legislative means for authorities which do not exist now for carrying out this foreign policy objective, then tax exemptions, tax deductions, charitable status would be ones that Congress or the Executive could consider.

Q. What do you intend to do to prevent American athletes from going to Moscow?

A. You left out the qualifier. What I said was that the National Emergency Powers Act, provides the means and legal authority by which the Executive can exercise restrictions on any collective activity by two or more individuals or entities or institutions which would be acting against the interest of that national emergency. One of those circumstances would be if teams decided that, despite the vote of the USOC or despite the actions already taken by the President with regard to sanctions against the invasion of Afghanistan, they intended to send the team and participate in the Olympics. Yes, that could be stopped.

Q. Would you rule out the use of those powers?

A. Wouldn't speculate on that. I trust that it will not happen, so I don't consider it worthwhile to speculate.

CHAPTER 35—INTERNATIONAL EMERGENCY ECONOMIC POWERS [NEW]

Sec.
1701. Unusual and extraordinary threat; declaration of national emergency; exercise of Presidential authorities.
1702. Presidential authorities.
1703. Consultation and reports.
  (a) Consultation with Congress.
  (b) Report to Congress upon exercise of Presidential authorities.
  (c) Periodic follow-up reports.
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1704. Authority to issue regulations.
1705. Penalties.
1706. Savings provisions.
  (a) Termination of national emergencies pursuant to National Emergencies Act.
  (b) Congressional termination of national emergencies by concurrent resolution.
  (c) Supplemental savings provision; supersedure of inconsistent provisions.
  (d) Periodic reports to Congress.

§1701. Unusual and extraordinary threat; declaration of national emergency; exercise of Presidential authorities

(a) Any authority granted to the President by section 1702 of this title may be exercised to deal with any unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States, if the President declares a national emergency with respect to such threat.

(b) The authorities granted to the President by section 1702 of this title may only be exercised to deal with an unusual and extraordinary threat with respect to which a national emergency has been declared for purposes of this chapter and may not be exercised for any other purpose. Any exercise of such authorities to deal with any new threat shall be based on a new declaration of national emergency which must be with respect to such threat. Pub. L. 95-223, Title II, §202, Dec. 28, 1977, 91 Stat. 1626.

Short Title. Section 201 of Pub. L. 95-223 provided that: "This title [enacting this chapter and notes set out under this section] may be cited as the 'International Emergency Economic Powers Act'."

Separability of Provisions. Section 208 of Pub. L. 95-223 provided that: "If any provision of this act [this chapter] is held invalid, the remainder of the Act [this chapter] shall not be affected thereby."

Legislative History. For legislative history and purpose of Pub. L. 95-223, see 1977 U.S. Code Cong. and Adm. News, p. 4540.

§1702. Presidential authorities

(a)(1) At the times and to the extent specified in section 1701 of this title, the President may, under such regulations as he may prescribe, by means of instructions, licenses, or otherwise—

(A) investigate, regulate, or prohibit—

(i) any transactions in foreign exchange,

(ii) transfers of credit or payments between, by, through, or to any banking institution, to the extent that such transfers or payments involve any interest of any foreign country or a national thereof.

(iii) the importing or exporting of currency or securities; and

(B) investigate, regulate, direct and compel, nullify, void, prevent or prohibit, any acquisition, holding, withholding, use, transfer, withdrawal, transportation, importation or exportation of, or dealing in, or exercising any right, power, or privilege with respect to, or transactions involving, any property in which any foreign country or a national thereof has any interest;

by any person, or with respect to any property, subject to the jurisdiction of the United States.

(2) In exercising the authorities granted by paragraph (1), the President may require any person to keep a full record of, and to furnish under oath, in the form of reports or otherwise, complete information relative to any act or transaction referred to in paragraph (1) either before, during, or after the completion thereof, or relative to any interest in foreign property, or relative to any property in which any foreign country or any national thereof has or has had any interest, or as may be otherwise necessary to enforce the provisions of such paragraph. In any case in which a report by a person could be required under this paragraph, the President may require the production of any books of account, records, contracts, letters, memoranda, or other papers, in the custody or control of such person.

(3) Compliance with any regulation, instruction, or direction issued under this chapter shall to the extent thereof be a full acquittance and discharge for all purposes of the obligation of the person making the same. No person shall be held liable in any court for or with respect to anything done or omitted in good faith in connection with the administration of, or pursuant to and in reliance on, this chapter, or any regulation, instruction, or direction issued under this chapter.

(b) The authority granted to the President by this section does not include the authority to regulate or prohibit, directly or indirectly—

(1) any postal, telegraphic, telephonic, or other personal communication, which does not involve a transfer of anything of value; or

(2) donations, by persons subject to the jurisdiction of the United States, of articles, such as food, clothing, and medicine, intended to be used to relieve human suffering, except to the extent that the President determines that such donations (A) would seriously impair his ability to deal with any national emergency declared under section 1701 of this title, (B) are in response to coercion against the proposed recipient or donor, or (C) would endanger Armed Forces

of the United States which are engaged in hostilities or are in a situation where imminent involvement in hostilities is clearly indicated by the circumstances. Pub.L. 95-223, Title II, § 203, Dec. 28, 1977, 91 Stat. 1626.

Legislative History. For legislative 1977 U.S. Code Cong. and Adm. News, p. history and purpose of Pub.L. 95-223, see 4540.

§ 1708. Consultation and reports—Consultation with Congress

(a) The President, in every possible instance, shall consult with the Congress before exercising any of the authorities granted by this chapter and shall consult regularly with the Congress so long as such authorities are exercised.

REPORT TO CONGRESS UPON EXERCISE OF PRESIDENTIAL AUTHORITIES

(b) Whenever the President exercises any of the authorities granted by this chapter, he shall immediately transmit to the Congress a report specifying—

(1) the circumstances which necessitate such exercise of authority;

(2) why the President believes those circumstances constitute an unusual and extraordinary threat, which has its source in whole or substantial part outside the United States, to the national security, foreign policy, or economy of the United States;

(3) the authorities to be exercised and the actions to be taken in the exercise of those authorities to deal with those circumstances;

(4) why the President believes such actions are necessary to deal with those circumstances; and

(5) any foreign countries with respect to which such actions are to be taken and why such actions are to be taken with respect to those countries.

PERIODIC FOLLOW-UP REPORTS

(c) At least once during each succeeding six-month period after transmitting a report pursuant to subsection (b) of this section with respect to an exercise of authorities under this chapter, the President shall report to the Congress with respect to the actions taken, since the last such report, in the exercise of such authorities, and with respect to any changes which have occurred concerning any information previously furnished pursuant to paragraphs (1) through (5) of subsection (b) of this section.

SUPPLEMENTAL REQUIREMENTS

(d) The requirements of this section are supplemental to those contained in title IV of the National Emergencies Act. Pub. L. 95-223, Title II, § 204, Dec. 28, 1977, 91 Stat. 1627.

References in Text, Title IV of the National Emergencies Act, referred to in subsec. (d), is classified to section 1041 of this title.

Legislative History. For legislative history and purpose of Pub. L. 95-223, sec. 1977 U.S. Code Cong. and Adm. News, p. 4540.

§ 1704. Authority to issue regulatons

The President may issue such regulations, including regulations prescribing definitions, as may be necessary for the exercise of the authorities granted by this chapter. Pub. L. 95-223, Title II, § 205. Dec. 28, 1977, 91 Stat. 1628.

Legislative History. For legislative history and purpose of Pub. L. 95-223, see 1977 U.S. Code Cong. and Adm. News, p. 4540.

§ 1705. Penalties

(a) A civil penalty of not to exceed $10,000 may be imposed on any person who violates any license, order, or regulation issued under this chapter.

(b) Whoever willfully violates any license, order, or regulation issued under this chapter shall, upon conviction, be fined not more than $50,000, or, if a natural person, may be imprisoned for not more than ten years, or both; and any officer, director, or agent of any corporation who knowingly participates in such violation may be punished by a like fine, imprisonment, or both. Pub. L. 95-223, Title II, § 206, Dec. 28, 1977, 91 Stat. 1628.

Legislative History. For legislative history and purpose of Pub. L. 95-223, see 1977 U.S. Code Cong. and Adm. News, p. 4540.

§ 1706. Savings provisions—Termination of national emergencies pursuant to National Emergencies Act

(a)(1) Except as provided in subsection (b) of this section, notwithstanding the termination pursuant to the National Emergencies Act of a national emergency declared for purposes of this chapter, any authorities granted by this chapter, which are exercised on the date of such termination on the basis of such national emergency to prohibit transactions involving property in which a foreign country or national thereof has any interest, may continue to be so exercised to prohibit transactions involving that property if the President determines that the continuation of such prohibition with respect to that property is necessary on account of claims involving such country or its nationals.

(2) Notwithstanding the termination of the authorities described in section 101(b) of this act, any such authorities, which are exercised with respect to a country on the date of such termination to prohibit transactions involving any property in which such country or any national thereof has any interest, may continue to be exercised to prohibit transactions involving that property if the President determines that the continuation of such prohibition with respect to that property is necessary on account of claims involving such country or its nationals.

CONGRESSIONAL TERMINATION OF NATIONAL EMERGENCIES BY CONCURRENT RESOLUTION

(b) The authorities described in subsection (a)(1) of this section may not continue to be exercised under this section if the national emergency is terminated by the Congress by concurrent resolution pursuant to section 202 of the National Emergencies Act and if the Congress specifies in such concurrent resolution that such authorities may not continue to be exercised under this section.

SUPPLEMENTAL SAVINGS PROVISIONS; SUPERSEDURE OF INCONSISTENT PROVISIONS

(c)(1) The provision of this section are supplemental to the savings provisions of paragraphs (1), (2), and (3) of section 101(a) and of paragraphs (A), (B), and (C) of section 202(a) of the National Emergencies Act.

(2) The provisions of this section supersede the termination provisions of section 101(a) and of title II of the National Emergencies Act to the extent that the provisions of this section are inconsistent with these provisions.

PERIODIC REPORTS TO CONGRESS

(d) If the President uses the authority of this section to continue prohibitions on transactions involving foreign property interests, he shall report to the Congress every six months on the use of such authority. Pub. L. 95-223, Title II, § 207, Dec. 28, 1977, 91 Stat. 1628.

References in Text. The National Emergencies Act, referred to in text, is Pub. L. 94-412, Sept. 14, 1976, 90 Stat. 1255, which is classified principally to section 1601 et seq. of this title. For additional classifications of that Act see Short Title note under section 1601 of this title.

Section 101(b) of this Act, referred to in subsec. (a)(2), is section 101(b) of Pub. L 95-223, which is set out as a note under section 5 of the Appendix to this title.

Section 202 of the National Emergencies Act, referred to in subsec. (b), is classified to section 1622 of this title.

Pars. (1), (2), and (3) of section 101(a) and pars. (A), (B), and (C) of secion 202(a) of the National Emergencies Act, referred to in subsec. (c)(1), are classified, respectively, to sections 1601(a)(1), (2), and (3) and 1622(a) (A), (B), and (C) of this title.

Section 101(a) and title II of the National Emergencies Act, referred to in subsec. (c)(2), are classified, respectively to sections 1601(a) and 1621 et seq. of this title.

Legislative History. For legislative history and purpose of Pub. L. 95-223, see 1977 U.S. Code Cong., and Adm. News, p. 4510.

Mr. Speaker, it would be well to notice how the Justice Department arrives at the view that the President has the right to proscribe travel by American citizens, since that power is nowhere stated explicitly in the act itself. The Department infers that because the President has the power under this act of prohibiting financial transactions between American citizens and foreign governments and nationals, and because he also has the power to prohibit the export of currency or securities, that he can prohibit foreign travel by prohibiting actions that are necessary to foreign travel.

I think the powers given to the President are bad enough without the Justice Department attempting to draw out their implications, but since that Department has now been kind enough to furnish us with one of the implications of the act, it is our immediate responsiblity to repeal this act before a desperate President attempts to seal our borders with it. Should President Carter decide to use the power that his Justice Department says he has, then we will need amendments allowing emigration from America, not from the Soviet Union or Red China. We have gone far down the road toward serfdom, but we can take a step backward toward freedom if we act now and repeal this emergency powers legislation.●

DRAFT REGISTRATION APPROPRIATIONS

HON. WILLIAM HILL BONER

OF TENNESSEE

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. BONER. Mr. Speaker, on April 22, 1980, I voted for House Joint Resolution 521, which provided for a transfer of $13.3 million of already appropriated fiscal year 1980 funds from a U.S. Air Force military personnel account, to the Selective Service System to begin peacetime registration of 19- and 20-year-old males within the next few months. The joint resolution provided that none of the funds made available shall be used to institute the draft. I believe that this particular legislation has received adequate debate and presentation before the Congress so as to permit both Houses to consider its implication on U.S. national security and adequate defense manpower needs.

I voted for this peacetime registration in order to maintain a sound military posture for the United States, and to meet any worldwide threat, especially in the present Iranian and Afghanistan crisis. I do not believe that the present all-volunteer system has met our manpower defense needs, nor will it be successful in a national emergency. Reports indicate that the rank of both standing and backup Armed Forces have been seriously thinned. U.S. ground forces may now be as much as 50,000 below authorized strength and the Reserve has 500,000 fewer persons on its rolls than it should. The National Guard is understrength and so is the Army Reserve. In short, we are in a dangerous situation.

I believe that the final passage of this bill by Congress will send a clear signal to the Soviets and our allies that the United States is willing and able to counter Soviet aggression in Asia and Africa. This action would speed the revitalization of the Selective Service System and allow it to work out registration problems in peacetime and create a registration data base to give the United States a headstart in the event of a military mobilization manpower. The President has said that as many as 90 to 100 precious days could be saved in a mobilization utilizing this registration effort.

Mr. Speaker, in World War I registration took place 2 months after the declaration of war by the United States and over 3 years after the war had begun. In 1940, registration followed enacting legislation by a full month. A future conflict in the Middle East or in Europe is not likely to provide this luxury of preparation of time.

In the final analysis the question is: Do we want to rely on a tested system for mobilization, or do we want to hope that we can put off an unpleasant task until after a crisis has occurred? I am strongly convinced that the American people want a powerful defense deterrent to potential aggressors and premobilization registration is a necessary step in providing that capability.●

NATION'S HANDICAPPED NEGLECTED

HON. CHARLES E. GRASSLEY

OF IOWA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. GRASSLEY. Mr. Speaker, in the past few years we have all been made aware of the needs of a long-neglected segment of our society—the handicapped. Congress has passed a number of laws in recent years aimed at more effectively meeting the needs of this Nation's handicapped citizens. If there is one thing that all of us here in Congress understand about the problems of the handicapped in our society, I hope it is that our efforts to improve their quality of life have only begun.

Recently, I received a letter from Mr. Archie Brooks, a member of the Des Moines, Iowa, City Council. In reading Mr. Brooks' letter, I was impressed by two things. First, Mr. Brooks is, above all, sensitive to the needs of the handicapped citizens he represents. Second, the city of Des Moines seems to have come up with a plan to meet the transportation needs of its handicapped which is both sensitive to their needs and cost effective.

It has often seemed to me that we here in Washington display an unnecessarily patronizing attitude toward persons involved in government on the State and local levels. Often, legislation we pass here leaves very little room for any sort of discretion on the part of State and local officials. As a result, solutions mandated in Washington often have little or no relevance to local conditions. In addition to considering Mr. Brooks' specific suggestion, I hope that his letter will make us realize that only by working with, not against, local officials can we solve many of the problems we face.

The letter follows:

DES MOINES, IOWA,
April 2, 1980.

HON. CHARLES E. GRASSLEY,
Longworth Building,
Washington, D.C.

DEAR MR. GRASSLEY: I am writing this letter in regard to the implementation of Section 504 of the Rehabilitation Act of 1973, which requires transit systems to equip buses with lifts for wheel chairs, etc. The estimated cost is to be $6.8 billion over the next thirty years and relatively few handicapped persons will benefit from it. If implemented, more than one million physically disabled, blind, or deaf persons who live within a short walk of transit service cannot physically use it. Those who suffer the most severe problems are the 407,000 wheel chair users whose handicap poses exceptional problems for transit operators attempting to serve them. An additional four million handicapped persons live near transit, but find it difficult to use, and the remainder of the approximately thirty million handicapped persons in the United States are physically able to use public transit without pain or special difficulty.

A great deal has been said about accessibility for the handicapped and the proper method for its achievement. Less has been said about the mobility of the handicapped. Section 504 prohibits excluding handicapped persons with which I have no problem. The concern that I have is that I recognize Congress wishes to offer the handicapped persons transportation and you view this as a Civil Rights issue in which all persons must be furnished equal access to public transportation, instead of providing a service they can and will use.

Putting wheel chair lifts on fixed route transit vehicles at a cost of $6.8 billion will have no effective impact on the transportation needs of handicapped persons compared to other alternatives. It will serve no more than 7 percent of all the severely disabled persons. When the cost of implementation is spread over this limited number of wheelchair users and other severely disabled persons, the cost is approximately $38.00 per trip. In contrast, transit trips by the general public cost on the average about 85¢.

The lift-equipped buses are not usable because physical features in many cities make them inaccessible in many respects, particularly if one looks at the total trip of the handicapped person—from their home to bus stop—and from the bus stop to their destination. The lack of sidewalks and curb cuts, distance, hills, snow and ice, constitute much more significant barriers than do the steps of a bus. True, some of these barriers may be removable given sufficient expenditure of funds. Others are much more problematic because they are directly related to topography and climate. Also, by placing wheelchair lifts on buses, the cost of providing transit service is increased as a result of requiring additional manpower to maintain the equipment, to train all operators in the use of the equipment, to say nothing of the initial capital investment.

In November of 1976, Des Moines began a program to provide transportation to persons confined to wheelchairs, walkers, crutches, legally blind, deaf, low income and elderly by means of public transit, private taxi carriers and chair van carriers. By the end of 1979, this door to door service was averaging 7,600 trips each month at a cost of $3.25 per trip. Recently the Department of Transportation published a report on some alternatives available. One of the alternatives discussed was the option of door to door service. This option would cost about $4.4 billion, some 37 percent less than the retrofitting of buses with lifts. It would also serve 26 percent of all the severely disabled persons nationally compared to the 7 percent that would be served by retrofitting. They projected that door to door service would cost about $7.62 per trip and serve those unable to use mass transit at one-fifth the cost per trip associated with the retrofitting plan, and would also serve three and one-half times as many severely disabled persons as the retrofitting plan.

The comparison of the two transportation programs for the handicapped can lead to only one conclusion—that the door to door concepts meet the mobility needs and service needs of the disabled population in an effective manner, while installation of wheelchair lifts on fixed route transit vehicles has no effective impact on the transportation needs of the handicapped persons.

Whether Des Moines or other communities can afford both programs must be considered extremely questionable. It would be ironic indeed if the requirements of 504 resulted in the retention of a grossly ineffective, expensive program and the discontinuance of what is proven to be a cost-effective, people-effective means of transportation.

In conclusion, Congress is currently considering whether to fund these changes through reduction in other transit programs or through new appropriations, or to enact new legislation to recodify the rules. I request of you serious consideration to enacting new legislation requiring DOT and HEW to modify their rules so that each locale decides and implements the alternative transportation service which is most cost effective and service effective for their users' needs.

Respectfully submitted,

ARCHIE BROOKS,
Councilman, Ward 4.●

SALUTE TO MORRIS "SNOOKS" PERLSTEIN

HON. WILLIAM J. HUGHES

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HUGHES. Mr. Speaker, today I would like to pay tribute to a distinguished resident of New Jersey's Second Congressional District, Morris "Snooks" Perlstein, a man with an international reputation for his expertise as a player of the artful game of pocket billiards.

During Mr. Perlstein's lengthy career, which spans over 60 years, he has played virtually every world and national pocket billiard champion, and has dazzled us all with his skill. His most outstanding achievement undoubtedly occurred in 1949, when he defeated Ralph Greenleaf, one of the great immortals of the sport.

Mr. Perlstein's dedication to proficiency in this game has led to his phenomenal success in tournament and individual play, and has also made Atlantic City a mandatory stop for those who wish to compete on a world-class level, or just like to observe the best in action. I hope that you will join with me today in honoring Morris "Snooks" Perlstein for his outstanding achievement on the green cloth. We in South Jersey are proud to call this exceptional man one of our own.●

FEDERAL RESERVE BOARD SHOULD ABANDON ITS TIGHT MONEY POLICIES

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HARRIS. Mr. Speaker, a short while ago I had the opportunity to meet with a group of homebuilders from my northern Virginia district to discuss the economic state of their industry. I discovered that they are homebuilders in name only, since most of them have completely stopped constructing new homes.

Their problem is not the lack of a market. To the contrary, there are many families that are very eager to become homeowners. The problem is that prospective homeowners are being deliberately precluded from entering the market as a result of the Federal Reserve Board's "tight money" policy. This policy involves taking certain actions that will drive up interest rates to levels where money will become too expensive to borrow. This, in turn, will allegedly cool down the high inflation rate.

Mr. Speaker, this "tight money" policy is not only not working—the inflation rate for the first quarter was perilously close to 20 percent—but if pursued further it will most likely lead the Nation into a deep, economic recession.

I believe that it is time for the Congress to speak up on this important issue. That is why I am introducing a resolution today expressing the sense of the House of Representatives that the "tight money" policy being pursued by the Federal Reserve Board is ineffective and should be reversed immediately.

I do not believe that you can fight inflation by making everything so expensive that people cannot afford it any more. Interest rate manipulation may be an effective tool to regulate the pace of business investment, but its effect on families who want to buy homes, and on basic industries like the construction trades, is devastating. Only unemployment and economic stagnation will result from this ill-advised policy. The best way to attack inflation is to get a lid on the prices of the basic necessities—energy, food, and medical costs. We should also eliminate Government waste and balance the Federal budget.

I urge my colleagues to join me in sending a message to the Federal Reserve Board that it should abandon this ill-advised and potentially catastrophic policy. Below is the text of my resolution:

Whereas article 1, section 8, of the Constitution provides that Congress shall have the power to coin money and regulate the value thereof;

Whereas the Federal Reserve Board was established by Congress with the day-to-day responsibility for managing the Nation's monetary system;

Whereas the Federal Reserve Board's "tight money" policy has driven prime interest rates and mortgage interest rates to exorbitantly high levels; and

Whereas single-family housing starts during 1980 are expected to decline by 58 percent from 1978 levels causing the loss of 1,600,000 jobs, $27,500,000,000 in wages, and $7,500,000,000 in tax revenues: Now, therefore, be it

Resolved, That it is the sense of the House of Representatives that the Federal Reserve Board should take immediate actions to encourage lower long-term interest rates and to expand the money supply in order to facilitate prompt economic recovery.●

STATEMENT OF ROBERT MUGABE

HON. STEPHEN J. SOLARZ

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. SOLARZ. Mr. Speaker, on April 17, Zimbabwe achieved its independence under the leadership of Robert Mugabe. I think that the Congress should be proud of its contribution to the attainment of peace and majority rule in Zimbabwe. The decision of the Congress not to lift economic sanctions against Zimbabwe until the completion of the Lancaster House agreement was a critical element in the achievement of Zimbabwean independence.

On March 4, 1980, Robert Mugabe, who was then Prime Minister-elect, delivered an eloquent address to the people of his nation. Mr. Mugabe's words reflect an earnest and impressive desire to bind up the wounds of a bitter and bloody civil war which claimed more than 20,000 lives. I would like to share Mr. Mugabe's statement with my colleagues:

ADDRESS TO THE NATION BY THE PRIME MINISTER-ELECT MR. ROBERT MUGABE

Greetings in the name of freedom.

May I thank you most heartily for your votes and support.

I feel overwhelmed as at the same time I feel humbled.

I wish to address you tonight, on the significance of the election victory you awarded my party, Zanu (PF). In doing so, I would like to thank all those who, either by their direct vote as our supporters or by their efficient campaigning as our organisers, have contributed to this favourable result. In addition, may I also thank all officials who participated in the mechanical exercise of handling the elections, without whose organisational and administrative efforts the whole election process would have been a failure.

Soon, a new government will come into being and lead our country to independence. In constituting this government my main concern and that of my party is to create an instrument capable of achieving peace and stability as it strives to bring about progress.

Peace and stability can only be achieved if all of us, first as individuals and secondly as part of the whole Zimbabwean national community, feel a definite sense of individual security on the one hand and have an assurance of national peace and security on the other.

It must be realised, however, that a state of peace and security can only be achieved by our determination, all of us, to be bound by the explicit requirements of peace contained in the Lancaster House Agreement, which express the general desire of the people of Zimbabwe.

In this regard, I wish to assure you that there can never be any return to the state of armed conflict which existed before our commitment to peace and the democratic process of election under the Lancaster House Agreement.

Surely, this is now time to beat our swords into ploughshares so we can attend to the problems of developing our economy and our society.

My party recognises the fundamental principle that in constituting a government it is necessary to be guided by the national interest rather than by strictly party considerations. Accordingly, I am holding consultations with the leader of Zapu (PF), comrade Joshua Knomo, so we can enter into a coalition. What I envisage, however, is a coalition which, in the interests of reconciliation, can include, by co-option, members of other communities whom the constitution has denied the right of featuring as our candidates virtue of their being given bloc parliamentary representation. We should certainly work to achieve a national front. Whatever government I succeed in creating will certainly adhere to the letter and spirit of our constitution since that government will itself have been the product of such constitution.

Only a government that subjects itself to the rule of law has any moral right to demand of its citizens obedience to the rule of law.

Our constitution equally circumscribes the powers of the government by declaring certain rights and freedoms as fundamental. We intend to uphold these fundamental rights and freedoms to the full.

Similarly, it is not our intention to interfere with pension rights and other accrued benefits of the civil servants. I may mention here that I have now held discussions with chiefs of joint operations command, as well as with heads of ministeries, and all of them have given me their assurance of their preparedness to work under my government. I, in turn, have assured them of our concern about their position and the position of the civil servants. We have assured them that it is not the intention of our government when it comes into being to deprive the civil servants of their pension rights and accrued benefits. Nor do we want to drive anybody out of this county. Nor do we intend to interfere unconstitutionally with the property rights of individuals. I urge you, whether you are black or white, to join me in a new pledge to forget our grim past, forgive others and forget, join hands in a new amity, and together, as Zimbabweans, trample upon racialism, tribalism and regionalism, and work hard to reconstruct and rehabilitate our society as we reinvigorate our economic machinery.

The need for peace demands that our forces be integrated as soon as possible so we can emerge with a single national army. Accordingly, I shall authorise General Walls, working in conjunction with the zanla and zipra commanders, to preside over the integration process. We shall also happily continue to enjoy the assistance of the british military instructors.

Finally, I wish to assure all the people that my government will strive to bring about meaningful change to their lives. But everyone should exercise patience, for change cannot occur overnight. For now, let us be united in our endeavour to lead the country to independence. Let us constitute a oneness derived from our common objectives and total commitment to build a great Zimbabwe that will be the pride of all Africa.

Let us deepen our sense of belonging and engender a common interest that knows no race, colour or creed. Let us truly become Zimbabweans with a single loyalty.

Long live our freedom.●

DR. WILL HAYES

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues the remarkable career and prominent record of service of my friend and constituent, Dr. Will Hayes.

Will has contributed much of his life to the advancement of education. A graduate of Rutgers, Duke, and Columbia Universities, Will taught in New Jersey, in Hawaii, and at the Universities of Wyoming, Nebraska, Oregon, and Maine. In California, he served for 25 years as dean of men at the University of California, and a teacher in the Hope School District.

At 21 he was the youngest school principal in New Jersey, as well as a member of the board of education. In addition, he earned his five academic degrees, A.B., B.S., M.A., M. Ed., and Ph. D., while holding full time jobs.

Will received the Rutgers University's Distinguished Service Award for outstanding contribution to education—the first Californian ever to earn this honor. He also was given the award for meritorious service from the State College of New Jersey, along with former Attorney General Ramsey Clark.

Over the years, Will has been cited by the National Education Association, the Constitutional Rights Foundation, the Freedom's Foundation at Valley Forge, the Native Daughters of the Golden West, and the Daughters of the American Revolution for his work with young people.

In 1950, he assisted the Department of the Army to assess the educational system in South Korea, and his recommendations were incorporated into the "Financial Support of Korean Education" and became a part of the education code of South Korea.

Will is a prominent author who has written many books. Furthermore, he is one of America's leading balloonists and has earned the highest awards given by the Federal Aviation Administration.

In Santa Barbara, Will has served as foreman of the grand jury, president of the Santa Barbara County Education Association, president of the American Association for the United Nations, president of the city and county library board, and president of the Goleta Rotary Club.

Dr. Will Hayes truly merits the awards he has received for his contribution to education, and his continual efforts to improve the Nation.●

RAOUL WALLENBERG—A SOLDIER OF DIPLOMACY

HON. MATTHEW J. RINALDO

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. RINALDO. Mr. Speaker, times of great tragedy are also times of great men. The holocaust was such an infamous era of human history, a time of depravity within which isolated individuals stood firmly, giving others hope, vindicating their belief in human conscience and reason. Against the collapse of social order and human decency, against inflamed hatreds and brutal totalitarianism, these compassionate and committed men and women reached out to their fellow man.

The young Swedish diplomat, Raoul Wallenberg, was one of these remarkable persons. Born to a life of privilege in Sweden, a country that Nazi Germany left undisturbed as the war raged, Wallenberg, driven only by a sense of moral purpose, joined the ranks of diplomats from neutral countries who risked their lives to rescue European Jews from extermination. During the time he fought for Jewish lives he realized he was not beyond the long and violent reach of the Nazis. As he stood atop the trains in Budapest, Hungary, and handed out Swedish passports to Jews bound for Auschwitz, and there in the station, demanded the immediate release of Swedish protected persons, he knew by how thin a thread his life hung. He heard from Eichmann's own lips that the assassination attempts on his life would continue until successful or until he fled.

The threat of death or harsh imprisonment never deterred Raoul Wallenberg. He considered himself expendable, a soldier in the ranks of diplomacy.

The overwhelming tragedy of what befell Wallenberg was that his efforts to save Jewish lives resulted in his cruel and unlawful abduction by the Soviet Army, an army that so righteously and hypocritically called itself the "Liberators of Eastern Europe." Along with tens of thousands of nationals from the countries the Soviets occupied, Raoul Wallenberg disappeared into Russia. In violation of international law and human rights, Wallenberg like the others, was held without trial or criminal charges.

Mr. Speaker, the Soviet's repeated denial of Sweden's right to investigate the fate of this courageous diplomat must not go unnoticed. Raoul Wallenberg was a man of principles; his contributions to mankind are unparalleled. Individuals and nations of conscience must continue to protest the Soviet Union's unacceptable explanation of this remarkable man's disappearance. We owe no less to a man who gave so much.●

FIRST AMENDMENT RIGHT OF REAL ESTATE APPRAISERS

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HYDE. Mr. Speaker, the Fair Housing Amendments Act (H.R. 5200) will be brought to the House floor within the next week or so. At the appropriate time, I shall offer an amendment which will remedy a very serious problem facing the Nation's real estate appraisers. This amendment will guarantee the first amendment right of real estate appraisers to report all relevant facts which impact on the market value of real property and which can be documented.

In recent years, HUD, the Federal Home Loan Bank Board, and other agencies have issued regulations and policy statements prohibiting appraisers from including in their reports certain words and phrases which, according to the regulators, tend to make race, ethnicity, religion, and national origin factors that adversely affect market value. For example, the FHLBB has prohibited the use of such presumably discriminatory phrases as "church," "synagogue," "prestigious neighborhood," or "poor schools." I believe none of these references necessarily has a discriminatory implication, but I suggest that they are all very relevant in detemining fair market value.

Let me say, Mr. Speaker, that I understand the goals and aims, laudable as they are, of HUD and the financial regulatory agencies to not contribute to the deterioration of any community nor to let inflammatory and subjective notions creep into real estate transactions. On the other hand, we have professional persons, appraisers, who have a responsibility to estimate the fair market value of real property in accordance with a code of ethnics and standard of professional practice. They have a responsibility to tell the truth, and to back up their best judgment with relevant documentable facts.

I believe that all parties to a real estate transaction, the buyer, the seller, and the lending institution, have a right to know all factors which impact the market value of the real property in question. Professional standards require that these factors must be relevant to the estimate of fair market value and that they must be documented. Moreover, the "value prognosis" is important to the lender as this real estate must serve as security for the duration of the loan.

Appraisers have a fiduciary obligation to their employers. The work product produced through that obligation serves as the basis for loans from banks and the Federal Government. In order to protect lenders who depend on accurate appraisals, appraisers must be permitted to rely on all factors which can be documented as relevant. I do not know how they can properly carry out their responsibilities otherwise.

If you deny the right to tell the truth to appraisers, you effectively blindfold them. You are telling them to report on the market value of property without permitting them to discuss factors that are relevant and documentable.

I believe that the Supreme Court of the United States in *Linmark Associates* v. *Township of Willingboro*, 431 U.S. 85 (1977), affirmed the first amendment right of appraisers to report, and the right of their clients to receive truthful and factual commercial information. The Federal departments and agencies, by their regulations and policy statements, are attempting to chip away at that right. The only feasible remedy is for Congress to speak to this issue.

As a result, I am offering this amendment for the purpose of allowing appraisers to consider all factors and to report those that are supportable by documentation and are relevant to market value.

The amendment reads as follows:

It is not a violation of this title for a person engaged in the business of furnishing appraisals for real property to take into consideration or to report to the person for whom the appraisal is being done all factors shown by documentation to be relevant to the appraiser's estimate by the fair market value of the property; *provided*, that such factors are not used by the appraiser to discriminate against any person for the purpose of denying rights guaranteed by this title.

Mr. Speaker, I urge the adoption of this amendment by the full House. It is essential to the ability of appraisers to practice their profession in a responsible manner.●

COMMEMORATIVE STAMP IN HONOR OF GEORGE MASON

HON. HERBERT E. HARRIS II

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HARRIS. Mr. Speaker, I am introducing today a bill to provide for the issuance of a commemorative postage stamp in honor of George Mason.

George Mason was instrumental in the drafting of our Declaration of Independence; he was the author of the Virginia bill of rights, on which the Bill of Rights in our Constitution was based; and he spelled out the doctrine of separation of powers. He was also a drafter of our Constitution, but refused to sign it because it initially did not contain the protection of a bill of rights. His opposition to ratification produced the "gentlemen's agreement" under which the first 10 amendments were introduced and adopted.

June 12, 1976-December 15, 1991, marks the dates of our American constitutional bicentennial era, being the 200th anniversary, respectively, of the adoption of the Virginia declaration of rights and the first 10 amendments of our Constitution. Millions of Americans have never heard of George Mason. We owe him a tremendous debt of gratitude and the Nation would benefit by giving his name and ideas national recognition. The proposed stamp is a fitting way to honor the father of our Bill of Rights during our constitutional bicentennial years.

I hope you will join me in honoring this man of great historical and national importance.●

THE GOTTSCHEER MAENNER CHOR'S 80TH ANNIVERSARY CONCERT

HON. GERALDINE A. FERRARO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Ms. FERRARO. Mr. Speaker, on Sunday, April 27, I will join the Queens community as we celebrate the 80th anniversary concert of the Gottscheer Maenner Chor. This concert occurs at an historic time, as the Gottscheers are celebrating the 650th anniversary of the founding of their homeland.

During the 13th century, a group of Germans and Austrians were forced to leave their homes for political reasons. Exiled to southern Austria, they lived in peace and prosperity, retaining their language and customs. Like many other Europeans, the Gottscheers began emigrating to America in the 1880's. Not surprisingly, many of them chose New York as their new home.

Like many other immigrants in New York, the Gottscheers lived together, clinging to their traditions, and establishing social and fraternal associations to keep their ties to one another and to their homeland intact. The first of these organizations was the Gottscheer Maenner Chor. As the community grew, so did the services provided by community members to assist the new Gottscheer who came to America.

By the first quarter of this century, the Ridgewood area of Queens, which is located in my congressional district, was the largest Gottscheer population in the world. After the Gottscheer homeland was lost during World War II, the community and relief organizations within Queens and Brooklyn continued to prosper. Today, the Gottscheer clubhouse in Ridgewood is the center of the community, and the focal point for the social services and fraternal associations founded 80 years ago.

The Maenner Chor's Anniversary Concert on Sunday will be the culmination of a long planning period. The president of the Maenner Chor, Mr. Karl Stalzer, and Ms. Sophie Moschner, the president of the ladies chorus, are to be congratulated for the work they have done to make this jubilee become a reality. I join the Gottscheer's throughout the world in celebrating the 650th anniversary of the founding of the Gottscheer homeland and the 80th anniversary of the Maenner Chor.●

STEVE SYMMS HONORED FOR OPPOSITION TO GUN CONTROL

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. RUDD. Mr. Speaker, I would like to draw my colleagues' attention to a fine interview with our distinguished colleague, STEVE SYMMS of Idaho, which was included within this month's issue of Point Blank, the newsletter of the Citizens Committee for the Right to Keep and Bear Arms.

STEVE SYMMS was recently honored by the committee for his outstanding individual effort and performance in defending the constitutional right to keep and bear arms and was presented with a certificate of appreciation by that fine organization.

I am proud to have worked with STEVE on a number of legislative issues. I know that my colleagues concur with my view that he is one of the most active and forceful legislators in the Congress today. He has been particularly effective in his consistent support for protecting the second amendment, the right to keep and bear arms, and his strenuous opposition to efforts to restrict gun ownership.

I insert this perceptive interview with our distinguished colleague at this point in the RECORD:

SYMMS GETS CCRKBA AWARD

Rep. Steven D. Symms (R-Idaho) who received a CCRKBA Certificate of Appreciation earlier this year, first won election to Congress in 1972 on the slogan that "Americans should have the right to own guns because traditionally, justice has always come from the ballot box, the jury box . . . but . . . if those failed . . . the cartridge box," and he has maintained that attitude throughout his years of service to his Idaho constituents and to the Nation in Washington, D.C.

Symms has introduced measures to repeal outright the Gun Control Act of 1968 in every Congress in which he has been a Member. In the current, 96th Congress, the bill is H.R. 770. He also is a co-sponsor of H.R. 5225, by Rep. Harold L. Volkmer (D-Mo.), the proposed Federal Firearms Law Reform Act. He says this bill, if passed, "would amend the Gun Control Act of 1968 and restrict the activities of the Bureau of Alcohol, Tobacco and Firearms (BATF) so as to prevent any more BATF efforts at gun control by regulations."

Last year, Symms opposed the confirmation of anti-gun Rep. Abner J. Mikva of Illinois to the U.S. Court of Appeals for the District of Columbia. Mikva was confirmed. As a U.S. Representative, Symms did not have a vote on the matter, since only U.S. Senators actually have a vote on Federal judiciary nominations.

In 1978, when the Carter Administration, through Richard J. Davis, Assistant Secretary of the Treasury of Enforcement and Operations, proposed BATF regulations requiring centralized firearms registration and record keeping through bureaucratic fiat, Symms introduced H.J. Res. 872 and H.J. Res. 902, with cosponsors, condemning and prohibiting the proposal. The Carter Administration was shot down in both Houses of Congress.

In 1975, when the Consumer Product Safety Commission proposed a sales ban on handgun ammunition and components under provisions of the Consumer Product Safety Act and the Hazardous Substances Act, Symms led the congressional effort to prevent this by introducing H.R. 1087, a bill to prohibit CPSC from having any jurisdiction over firearms, ammunition or components thereof. This bill was incorporated into the legislation extending CPSC and signed into law.

Symms is now a candidate for the U.S. Senate.

After Congressman Symms accepted the CCRKBA award, *Point Blank* Editor John M. Snyder interviewed him in his Washington, D.C. office. Following is a transcript of the highlights of that interview.

Snyder: Steve, you have been an outstanding supporter of the right to keep and bear arms ever since you were first elected to the House. As a matter of fact, no one could say that there is a Member who has been more outspoken on this issue than you have been. How do you view the situation in the House at the present time?

Symms: There won't be any major activities at the present time. But on the horizon what I see, as a concern, is the President of the United States being pro-gun control. He is being opposed by Sen. Kennedy, who is even more pro-gun control, if you can be, than President Carter. We do have a problem facing us because they have a lot of influence with it. And so, there is always the threat that there will be an effort made to pass some type of an amendment to further gun control or they'll do it through the back door with an administrative order, as they've tried to do through BATF or through the Consumer Product Safety Commission. That's where we've been able to stop them legislatively. So, the threat is always going to persist as long as you have gun control advocates running the Administration.

Snyder: Steve, you are a co-sponsor of H.R. 5225, the proposed Federal Firearms Law Reform Act, which now has well over 90 co-sponsors. Do you foresee any positive action on this bill in this session of Congress?

Symms: Not in this session because the practical politics of it are that you couldn't get the bill brought before the Judiciary Committee or ever favorably brought to a vote. Now if you could get it to a vote in the Judiciary Committee, it probably might even pass, and, it might most certainly pass on the floor of the House. There again, many of the Democrats in the House are against gun control, but the ones who substantially control the committee structure here, the liberals, who are favorable to gun control, are not going to bring up a bill that would in any way modify or be viewed as less gun control. So, I don't think that there is any hope of passage in this session of Congress. Next year, if we have a favorable outcome in the fall in the elections this year, there is a possibility of passing something like that.

Snyder: You don't see any possibility of it being considered in the House if it is passed as a rider to a Senate bill?

Symms: Well, if we ever could get that to happen, yes. That's going to have to be initiated in the Senate in order to have that happen. That might be possible if over half of the Senators could attach it, but then it would be like a vote up or down on the House yielding to the Senate's position, say, with respect to a conference report on some kind of a Judiciary Committee bill.

Snyder: Steve, in 1975, you and Congressman George Hansen and Senator James A. McClure of Idaho appeared before the Subcommittee on Crime of the House Judiciary Committee in opposition to gun control. At that time, it was evident to all present at that hearing that you and the other Representative and Senator from Idaho really turned around that hearing on gun control. It was obvious that you really carried the day. It was evident to me and to others that Members of that Subcommittee were so impressed with the presentation of the three of you that they actually changed their minds on the issue or at least it so appeared. Do you think that, as a Member of the Senate, you would be able to do more of this or be more effective in this way?

Symms: Well, yes, I do. Then, we would probably have four representatives from our State unified in a bloc testifying like this before the committees and doing more than just voting against gun control but have a unified delegation. I think, in all due respect, Sen. McClure is probably, I could be proud to say, the most articulate and able and outspoken defender of citizens' rights to bear arms in the whole Senate or House. I would be able to be with him.

Snyder: You would take the same kind of leadership role in the Senate as you already have in the House?

Symms: Yes.

Snyder: I see. To get to another related subject, one in which I and a lot of our readers are interested, is the current controversy over the Alaska Lands. This relates, as far as we're concerned, to the availability of hunting lands to hunting in the State. I know you've concerned yourself with this issue.

Symms: Yes.

Snyder: As I recollect, you gave one of the longest speeches supporting the position of Congressman Don Young of Alaska last year. What do you see happening on this? Do you think that this is something that is going to be decided purely by politics or other factors which are involved?

Symms: I believe that what will happen is that the public, once they understand the issues, are going to demand that the Congress legislate a more moderate stance instead of the extreme environmentalists' lockup, which not only denied non-fuel and fuel-mineral access, but it denies hunters and fishermen access to the public lands in the Western states, Alaska included, of course. So, I look forward to the time when there will be more common sense approaching these and a better understanding of how to manage gamelands so that they can be of some benefit to man instead of having the gamelands managed with the Cecil Andrus [Secretary of the Interior] philosophy that they're managed for the benefit of the game instead of for the benefit of mankind. So, I think that time is on our side. I hope they don't wait too long and paralyze the industrial viability of the United States in the process. I think we hunters and sportsmen who like to have outdoor recreation in access to public lands need to be very careful about the acreages set aside in the single use wilderness classification that we have because it isn't often that people think about it. We find we don't have the kind of management that we need even to preserve game herds in some cases. What it amounts to is that it's not managed. It's just set aside and not used and also may become inaccessible to mankind.

Snyder: Is there any issue in particular on which you would like to focus?

Symms: It's just unfortunate that Americans don't understand the freedom that affects them in ways other than the ownership of firearms for self defense and protection, if they could understand that as well with respect to other, economic sanctions which are placed against them by government, such as excessive taxation and so forth, then I think we could restore a great deal of sanity to the kind of legislation which comes out of Washington. If people could get the connection between their personal freedoms, their economic freedoms, as well as they seem to understand the issue with respect to their freedom to own firearms . . .

Snyder: Steve, that's a very important point, I think . . . the integral nature of the gun control issue in connection with other social and economic issues. I'm very glad you mentioned that. I've always thought of it that way and I know a lot of people don't but you tend to see the problems in an integrated way.

Symms: The right of ownership of firearms is a very basic freedom issue. The Founding Fathers realized that if Americans could always have the right to own firearms, then they could always control their government. Once they lose that right, then it will be only the government which will have the firearms and the people will be subject totally to the dictates of the government. I view it as a very fundamental issue that's very constitutional and very proper as far as the protection of people's basic human rights is concerned, so that they can oppose tyranny if it ever comes down to that. It has a tendency to have a moderating influence on our whole society . . . to have people understand that a personal freedom . . . an economic freedom . . . right to own private property . . . right to own firearms . . . right to go to church where you want to . . . is all fundamental to America. I think that often that is overlooked and I think that that really is the fundamental issue we are talking about.

Snyder: That's been highlighted recently I think by the fact that some of the Afghan opponents of the Communist invasion of their country have used, in many cases, ancient rifles, to rebel . . . sometimes quite effectively.

Symms: Sure. As a matter of fact, that's a classic example of it. It bothers me when you find a U.S. Senator or Congressman who gives lip service to the right of individual Americans to own firearms and then turns right around and wants to disarm the country with unilateral defense cuts and weapons systems which the Armed Forces might need to defend the country. It seems to me they have a rather inconsistent position where they want to disarm our viability as a Nation to defend ourselves with unilateral cuts in weapons systems, and then say that they want to keep firearms for sportsmen. The next step is, if that's the only reason, well, then, the sportsmen could keep his gun somewhere other than his home and just use it when he's going hunting. That's what the pattern has been in European countries where they do allow them to own firearms for sporting reasons but not for self-defense reasons. So, they have to keep their gun or their rifle, shotgun or whatever it is, at some armory and then go down and get it whenever they are going hunting. If that's the case, then you never have the opportunity for self defense. The Afghans are now making the Soviets pay a real toll with their marksmanship and so forth. They can snipe at the Soviet aggressors who are in their country without any right to be there. It really is important. That's one of the reasons I think it would be rather difficult for any country actually to take possession of the United States—because of the substantial numbers of firearms which actually do exist here.●

SMALL IS GREAT

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. ABDNOR. Mr. Speaker, the achievements of our small institutions and small towns are frequently overlooked in the serious issues which confront our Nation today.

A small college in South Dakota located at Huron has achieved particular success in national athletic circles this year. South Dakotans are proud of what they have accomplished, not only in their own right, but in answering the question "Where's Huron?" I include herein a brief summary of their record:

WHERE'S HURON

In March of 1980, Huron College, a small (300 students) private four-year church-related college in Huron, South Dakota, placed second in the nation in team wrestling and third in the nation in basketball at NAIA tournaments held in Hays, Kansas, and Kansas City, Missouri, respectively. Both teams earlier had captured South Dakota Intercollegiate Conference (SDIC) championships.

Two Huron College individuals, Jim Morkel and Rudy Glur, earned national wrestling championships, and Huron also had a third place individual and a fourth place individual. Huron earned 76½ points in the tournament, finishing behind Adams State College of Alamosa, Colorado with 86. Coach Vern Tate has now won SDIC Championships 9 of the last 10 years in South Dakota.

The basketball team which finished the year with a 32 and 4 record, had tournament victories over Paul Quinn College of Texas, Franklin of Indiana, Clarion State of Pennsylvania, and Wisconsin of Eau Claire. Their only loss was to Alabama State, the number one tournament seed, in the semifinals. This year's basketball team set school records for most wins, most points scored, most rebounds, most blocked shots, most steals and in fact in almost every offensive category while leading the nation in defense during the regular season.

Terry Dupris, the only senior on the team, set individual career records for most points scored, most field goals, most free throws, best free throw percentage, most assists, most steals and most games played. Terry ended up being named on the NAIA First Team All Tournament, received the Stevenson Hustle Award at the Tourney, and earlier was honored as a Third Team NAIA All-American.

Coach Carrier's three-year record at Huron College is 68 and 23, for an incredible 75 percent winning record.●

AN EDITORIAL NAILS MR. CARTER ON "POLITICKING WITH POWER"

HON. LAWRENCE COUGHLIN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. COUGHLIN. Mr. Speaker, I commend to all my colleagues a close reading of an editorial published in the April 19, 1980, edition of the Philadelphia Inquirer titled "Mr. Carter Is Politicking With Power—Imprudently."

In a well-reasoned and balanced presentation, the editorial skewers Mr. Carter for what many of us—Republicans and Democrats alike—perceive as a growing arrogance of political power. The editorial dissects Mr. Carter's preprimary election statement, his calculated cynicism in raising war threats, and his blatantly political appeals to municipalities and constituencies.

Politics, of course, is the name of the game.

But, the President of the United States—as the highest elected official in the Nation and our Commander in Chief of our Armed Forces—cannot permit himself to descend to the lower levels of political deception, pressure, and manipulation.

Mr. Carter has chosen the Rose Garden strategy which is his prerogative. Thus, he exposes himself the criticisms attendant to this type of Presidential campaign gambit.

For Mr. Carter to rail against those—Democrats and Republicans—who criticize his campaign tactics and, more important, his foreign and domestic policies, is the crassest of base political tactics. He is not fooling the American people just as he is not fooling friends and adversaries abroad.

The following editorial expresses so well the bankruptcy of Mr. Carter's politics and policy ploy:

MR. CARTER IS POLITICKING WITH POWER—IMPRUDENTLY

"If this additional set of sanctions that I've described to you today," President Carter said in his Thursday afternoon press conference, "and the concerted action of our allies, is not successful, then the only next step available that I can see would be some sort of military action which is the prerogative and the right of the United States under these circumstances."

The sanctions of which he spoke, and which he had announced moments before that statement, were, coincidentally and ironically, both mild and awesome.

On their face, those sanctions, further restricting commerce and travel and asking the Congress to extend U.S. control over frozen Iranian assets, went barely a significant step beyond the punitive gestures already imposed. The leaders of Iran, confident of their country's petroleum riches, are presently engaged in a sort of national ecstacy over both the appearance and substance of U.S. gestures to punish it. Thus, the new sanctions rationally could not be expected to influence that government's actions, and certainly not those of the terrorists who hold the American captives in Tehran.

The profoundly ominous implication, however, was in Mr. Carter's unequivocal escalation of the level of threat: "the only next step available . . . military action."

That is a threat of war. Not the first. Not, perhaps, unexpected. Not, possibly, unwelcomed by a substantial number of Americans who are increasingly frustrated, and increasingly susceptible to righteous anger toward Iran.

What had happened to make it necessary or prudent for Mr. Carter, as President, to make a nationally televised and perforce nationally prominent, statement on the Iranian situation Thursday?

Mr. Carter gave no answer. It is necessary and prudent, then, to speculate.

The one certain thing which had happened since Mr. Carter's most recent detailed pronouncement on Iran and the Middle East—just last week—was that the voters of Pennsylvania had come one week closer to next Tuesday's primary election.

In that week, as with increasing intensity had been so for several weeks before, Mr. Carter had sent men, women and promises of federal munificence into Pennsylvania. Family, White House aides, cabinet members and other supporters darkened the skies of the state as they circled Philadelphia, Pittsburgh and points in between.

Fair enough. Everybody else on both the Democratic and Republican tickets was campaigning intensely. Pennsylvania had become a make-or-break primary. It was, and is, being taken seriously.

Asked about the implication of all that, Mr. Carter told the press conference, "I do not make, and have not made, and will not make, decisions nor announcements concerning the lives and safety of our hostages simply to derive some political benefit from them." He insisted that anyone who might think otherwise "look at the calendar since the first of January and find a time that wasn't immediately before or immediately after primaries." And, he asserted, "I have never designed the announcement of an action"—which one must take to include actions apart from the Iran situation, including such things as establishment of a federal shoemaking program in Philadelphia and help for the mushroom-growers of Shamokin—"to try to color or modify the actions of voters in a primary."

President Carter is the same man as the Mr. Jimmy Carter who four years ago was busy working a miracle of political success on the basis of his insistence that "I will never lie to you."

That campaign, and that theme, put Mr. Carter in the White House. Such was the gnawing need of Americans to have a national leader who could exorcise the horrors of hypocrisy and criminality which were, and still are, evoked by two proper nouns: Watergate and Vietnam.

The national need for honesty and integrity at the highest level of government is no less today than it was four years ago. For all the awesome challenges the nation faces now, and which were not present nor as serious in 1976, that need for trust and trustworthiness, may be the most profound.

Has Mr. Carter lied? Did he lie on Thursday in repudiating any connection between the Pennsylvania primary election and his announcements, his highly visible public performance from his White House stockade where he has sequestered himself since last November?

The voters of Pennsylvania, and the nation, must make their own judgments of that. Surely to many, Mr. Carter's categorical disavowal of political intent, and political timing, in his recent actions sound sanctimonious and hypocritical. Just as surely, in giving nourishment to that misgiving about himself, Mr. Carter is playing a game which is perilous to his own political prospects.

Mr. Carter's campaign is his own to wage, and the risks are his. The risks, that is, of convincing voters that he is using, or seeking to use them and the Mideast tensions, for crass, hypocritical purposes.

Underlying that risk, however, is a far more serious one, one on which the lives and futures of thousands—even millions—of people ultimately could depend.

That is the risk, as Mr. Carter put it Thursday, of "some sort of military action," which could very well lead to regional and then global war.

Throughout history, of course, there have been just reasons for war—as well as many unjust and irresponsible ones. It cannot, of course, be said that there are *no* circumstances under which "military action" and all that implies would be appropriate.

There can be no question, however, that those just circumstances do not and cannot responsibly, include the political ambitions or future of one man.●

IRANIAN ASSETS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. ASPIN. Mr. Speaker, I am today introducing legislation to authorize the U.S. Government to confiscate $10 million a day—from the Iranian Government assets frozen in this country—on each day that our hostages continue to be held captive.

The Treasury Department estimates that the blocked funds in this country total $6 billion to $8 billion. These are Iranian Government funds and do not involve the funds of private Iranian citizens or businesses.

The legislation I am introducing is designed to provide a needed lever for inducing the Iranians to free our 50 hostages. Our current policy really provides no such incentives. Let us look at the most recent actions taken by the administration.

First, the administration announced an embargo on trade with Iran. Our trade had already been reduced almost to nil as a result of several factors: the refusal of longshoremen on the east and gulf coasts to load shipments bound for Iran; the blocking of Iranian Government funds; and the refusal of many American businesses to enter into trade with Iran so long as the hostages continue to be held. Our two-way trade with Iran had already fallen from more than $500 million a month before the revolution to $37.8 million in February—and 80 percent of that trade was petroleum that had been loaded in Iran before we ceased buying Iranian oil in November. Thus, the trade embargo turns out to be almost entirely symbolic.

Second, the administration severed diplomatic relations. This came 5 months after Iran had committed an act of war by embracing the takeover of the U.S. Embassy, which is sovereign American territory. The administration's second action is little more than a ratification of reality.

Third, the administration announced that visas would not be issued or renewed for Iranian nationals except in rare cases. No official rationale was given for this action, although there have been reports of fears that Iranian terrorists might try to come to this country on visas issued by those holding the Embassy compound who have access to visa forms and stamps. Since our Embassy was seized, about 14,000 Iranians have entered this country. Most are fleeing the revolutionary regime and half are estimated to be minorities such as Jews, Christians, and Bahais. Refusing to issue visas—and the administration specifically said there would be no exemptions for minority group members—does nothing to increase pressure on the Iranian regime.

Fourth, the administration announced that it was approaching our allies and asking them to step up their pressures on Iran. To date, this effort has gotten a partial response and a promise to do more—maybe. It is, however, the only one of the administration's recent initiatives that holds out any hope of increasing pressures on Iran.

One problem with the administration's fourth initiative is that we have no real control over its outcome. All we can do is appeal to others. What other initiatives are there that we can exercise ourselves? That is the subject of the bill I am introducing today.

My legislation states that:

Iran will have a grace period of 10 days after passage in which to release the hostages without facing any economic penalty.

On the 10th day, all interest earned since the freeze imposed on Iran's assets held in American banks would be confiscated by the U.S. Government and deposited in a special account in the Treasury. This sum is now believed to exceed a quarter billion dollars.

On each succeeding day thereafter, the sum of $10 million would be confiscated from the frozen assets until the day that all—not just some—of the 53 Americans now confined in Iran have been returned to the United States. No pledges of release, no turnovers to third parties would matter. Only the physical presence of all 53 Americans inside the boundaries of the United States would be sufficient to end the daily confiscations, which would also be deposited in the special account I mentioned earlier.

Finally, the bill states that after outstanding claims against the Iranian Government have been settled, the remaining funds in the special account will be distributed in a manner to be determined later to those poorer countries of the world that have been hardest hit by the huge hikes in petroleum prices of recent years. This is to demonstrate that the U.S. Government is not trying to profit by this crisis. Payment for all claims upheld against the Iranian Government would first be drawn from the unconfiscated portion of the frozen funds. Only after all those funds were exhausted would the special account in the Treasury be tapped.

Those are the four points of this legislation.

I would like to point out that the freeze on Iranian assets that was imposed November 14, 1979, has had the effect of saving the Iranian Government from its own incompetent economic policies. Iran was planning to remove all its assets from American banks and convert them to nondollar currencies when the freeze was imposed. In the months since then, the dollar has appreciated by about 15 percent against a package of major foreign currencies. Thus the freeze has had the effect of saving the Iranian Government from a loss on the order of $900 million to $1.2 billion as a result of conversion. The sale of that much currency would probably have depressed the value of the dollar to some extent and delayed its recovery. But the underlying economic factors that have prompted the dollar's recovery are still there and would have driven the dollar back up at some point anyhow.

The Iranian people owe the United States a vote of thanks for saving them from the stupidity of their own government. I would not, however, stand in line waiting for an apology. Rather I would suggest that we, as a nation, take initiatives to bring real pressure on Iran. We have had many symbolic initiatives. What we need now are some real initiatives—ones that smart in Tehran rather than just make headlines in America.

Across the country more and more citizens are calling for military action against Iran. This is a sign of their frustration. An invasion would all too likely lead to the deaths of the hostages. The ever-popular mining of

Iran's harbors would shut off oil exports to our allies but would not end Iran's imports since it has long land borders, rail and road links to Turkey, the Soviet Union and Pakistan, and reduced needs for imports due to the sick economy that has prevailed ever since the revolution.

We should not rule out all military action. For example, an attack on the Abadan refinery, which produces refined petroleum products primarily for domestic Iranian consumption, would have the interesting effect of making Iran dependent on foreign suppliers for its fuel. But before we resort to force, we should use the nonmilitary arrows in our quiver that have gone unused to date. And that is the reason I am proposing today that we move against Iran's frozen assets.

Mr. Speaker, I ask unanimous consent to enter the text of my bill at this point in the Record.

H.R. 7154

A bill to provide that, if the American hostages in Iran are not released, certain amounts of the blocked Iranian assets will be vested in the United States Government, to provide for the payment of claims against the Iranian Government from those assets, and for other purposes.

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That if, within ten days after the date of the enactment of this Act, all those United States citizens held hostage in the United States Embassy in Tehran are not returned to the United States in safety—

(1) all interest which, as of the end of that tenth day, has accrued on those assets of the Iranian Government located in the United States which were blocked by Executive Order Numbered 12170 (November 14, 1979) shall vest in the United States Government and the President shall promptly transfer the amount of that interest to the Secretary of the Treasury;

(2) for each day, after the tenth day after such date of enactment, that those United States citizens are not returned to the United States in safety, $10,000,000 of those blocked assets described in paragraph (1) shall vest in the United States Government and the President shall transfer that sum to the Secretary of the Treasury; and

(3) the President may not release any of those assets described in paragraph (1) until all claims of United States nationals against the Iranian Government that are allowed have been paid.

Sec. 2. The Secretary of the Treasury shall deposit, in a special fund in the Treasury which the Secretary shall establish, those amounts transferred to the Secretary pursuant to the first section of this Act.

Sec. 3. All claims of United States nationals against the Iranian Government that are allowed shall be paid—

(1) from amounts of the blocked assets described in paragraph (1) of the first section of this Act which are not deposited in the special fund in the Treasury pursuant to section 2; or

(2) if all such amounts are expended, from amounts deposited in that special fund pursuant to section 2.

Sec. 4. Not more than 90 days after all claims of United States nationals against the Iranian Government are settled and paid, the President shall submit to the Congress a proposal for the distribution of any amounts remaining in the special fund established pursuant to section 2 to those less developed countries that have experienced the severest economic hardship on account of the increasing costs of importing oil. The President shall distribute such amounts in accordance with that proposal unless the Congress, within 60 days after the proposal is submitted to the Congress, adopts a concurrent resolution stating in substance that it disapproves the proposal.●

OVERMOUNTAIN VICTORY TRAIL

HON. JAMES T. BROYHILL

OF NORTH CAROLINA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. BROYHILL. Mr. Speaker, I am sure that many of my colleagues are familiar with the Overmountain Victory Trail, followed by revolutionary patriots from the Carolinas, Georgia, Tennessee, and Virginia as they successfully defended their lands and ideals against British forces at the Battle of Kings Mountain in October 1780. As you recall, last year that Congress authorized a study of this trail to determine the feasibility of adding it to the National Trails System.

By law, any proposed addition to the National Trails System must first be preceded by a feasibility study; the National Park Service, working against a deadline of the 200th anniversary of the original march in October of this year, issued a draft study in December. That study is now being circulated for comment.

Consequently, I am pleased to announce that I am today introducing a bill to call for the actual designation of the Overmountain Victory Trail. My distinguished colleagues Mr. Andrews, Mr. Fountain, Mr. Gudger, Mr. Hefner, Mr. Jones, Mr. Martin, Mr. Neal, Mr. Preyer, Mr. Rose, and Mr. Whitley, the entire North Carolina delegation, have joined with me in this effort. In addition, my colleagues from Virginia, Mr. Robinson, Mr. Whitehurst, and Mr. Butler, are cosponsoring this legislation. Finally, Mr. Holland of South Carolina and Mr. Quillen of Tennessee have agreed to cosponsor the bill, representing some 15 cosponsors in all.

The approach advocated by the Park Service, an approach with which I concur, calls for initially recognizing only those segments of the trail presently under the control of State and Federal agencies. In other words, such an approach would entail minimal State and Federal involvement.

This legislation, the draft study and the location and marking of trail segments, represent years of hard work by dedicated individuals througout the five-State area. As my colleagues may recall, each fall, these individuals meet and actually recreate the 1780 march. This year is especially important for it marks the 200th anniversary of the march, and we are all especially hopeful that the trail can receive a designation by that time.

At this time, I would like to commend each and every one of those individuals who have devoted so much time and effort to the trail project; in particular, I would like to thank the Park Service for a thorough and exemplary job in completing the draft study and the Overmountain Victory Trail Association for its valuable input in the process.

The support for this legislation and for the trail reflects almost unanimous agreement that it is befitting the nature of the trail and the historic spirit in which the journey of the Overmountain men was undertaken that this trail be nationally recognized. I am hopeful this bill will receive swift and favorable consideration.●

JOINT RESOLUTION DESIGNATING MAY 15, 1980, NATIONAL NURSING HOME RESIDENTS DAY

HON. CLAUDE PEPPER

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. PEPPER. Mr. Speaker, as chairman of the Select Committee on Aging and its Subcommittee on Health and Long-Term Care, I have worked arm in arm with my colleagues to improve the well-being of all older Americans. Older Americans are the foundation of our great country. President Carter has proclaimed May as "Older Americans Month" in order to honor older citizens for their contributions to our society. This is not only to honor older Americans for their past contributions; it is also a time to emphasize the vital roles that older people continue to play in our society and to develop a greater public awareness of these contributions.

Older Americans Month is even more significant this year because May will kick off a series of regional activities which will culminate in the White House Conference on Aging in December of 1981. It is most appropriate that during Older Americans Month we honor over 1 million Americans who reside in nursing homes. These American citizens are often outside the mainstream of society, isolated from their friends and relatives. Mr. Speaker, for these reasons, I am today introducing a joint resolution designating May 15, 1980 as "National Nursing Home Residents Day".

In calling for National Nursing Home Residents Day I would like especially to recognize a few of those residents whose work has been brought to my attention and who, through their active involvement within their homes and with independent citizen advocacy organizations, have been able to contribute significantly to efforts to improve the long-term system.

Janet Tulloch, a resident of the Washington Home in Washington, D.C. has authored the book, "A Home

Is Not a Home." This book, published in 1975, brought important information to the general public. It helps prepare older persons and their families to be knowledgeable about selecting and living in a nursing home. Her educational efforts continued as she worked with nursing home staff to develop a residents' council in the Washington Home. This council has voiced its opinions to the District of Columbia City Council and has submitted testimony to the Department of Health, Education, and Welfare on matters concerning nursing home life.

Joan Knowlton is president of the Nursing Home Residents' Advisory Council, an organization of resident councils throughout the State of Minnesota. Through her work with the council and with affiliated citizen advocates, Ms. Knowlton has been appointed to the Department of Public Welfare's Task Force on Nursing Home Rates. She also serves on the Nursing Home Advisory Council of the Minnesota Department of Health.

Ray Smith successfully brought together a coalition of resident councils in Kings County, Washington. The residents voiced their opinions on issues before the State legislature and became recognized as an important source of information and ideas. Governor Dixy Lee Ray has appointed Ray Smith to the Washington State Nursing Home Advisory Council in order to have the benefit of nursing home residents' opinions in the important decisions about regulations and procedures which the council will be making.

Mrs. Rae Spanover is president of the Coalition for the Institutionalized Aged and Disabled in New York and resides at the Kings Bridge Heights Manor Nursing Home in the Bronx. In March, Mrs. Spanover represented the coalition at a White House briefing on the budget and its effect on the elderly. She leads the coalition in its struggle to obtain improved benefits for New York residents.

My own State of Florida has also recognized that residents are a valuable source of information as we develop our long-term care program. Two of our local nursing home ombudsman committees held a joint training program last June in Palatka, Fla., and asked resident Iris Epps to provide training on quality of care. Ms. Epps, who recently passed away, highlighted the need for well-trained, caring staff and told the committees: "In order to survive you must feel someone cares just about you."

I believe the Congress of the United States wants to tell nursing home residents around the country that we do care about them and acknowledge the work they have done to build this country. I also wish to thank citizen advocates whose work allows residents to continue to contribute, by working now to create a dignified living environment for nursing home residents.

Fran Sutcliffe, an outstanding community senior advocate from St. Petersburg, Fla., is a board member of the National Citizens' Coalition for Nursing Home Reform, which has endorsed this resolution. Ms. Sutcliffe's work in Florida, along with that of all the volunteers serving on Florida's Nursing Home Ombudsman Committees, enhances the possibility of greater resident participation in facility and community life in Florida.

With these thoughts in mind, I offer this resolution, which has been endorsed by concerned citizens in 40 States, and ask unanimous consent that it be printed at this point in the RECORD.

H.J. RES. 536

A Joint Resolution designating May 15, 1980 as "National Nursing Home Residents Day".

Whereas, the month of May of each year is proclaimed Older Americans Month and May 8, 1980, has been designated by the President as Senior Citizens Day;

Whereas, over 1 million older Americans reside in nursing homes and one in five older Americans likely will reside in nursing homes at some time;

Whereas, nursing home residents have contributed to the growth, development, and progress of this Nation and, as elders, offer a wealth of knowledge and experience;

Whereas, Congress recognizes the importance of the continued participation of these institutionalized senior citizens in the life of our Nation;

Whereas, in an effort to foster reintegration of these citizens into their communities Congress encourages community recognition of and involvement in the lives of nursing home residents, and

Whereas, it is appropriate for the American people to join in support of nursing home residents to demonstrate their concern and respect for these citizens: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled, That May 15, 1980, is designated as "National Nursing Home Residents Day", a time of renewed recognition, concern, and respect for the Nation's nursing home residents. The President is authorized and requested to issue a proclamation calling upon the people of the United States to observe this day with appropriate ceremonies and activities.●

IRISH NATIONAL CAUCUS

HON. NORMAN F. LENT

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. LENT. Mr. Speaker, on behalf of all those who are concerned about the human rights of people the world over, I want to share with my colleagues the proposed plank of the Irish National Caucus for the 1980 political platforms. I have already brought my endorsement of this proposed plank to the attention of the 1980 Republican Platform Committee, and I respectfully urge my colleagues in the House to do likewise.

The U.S. Government can and should play a positive role to encourage new initiatives that would lead to peace in Northern Ireland. As a member of the executive committee of the Ad Hoc Congressional Committee for Irish Affairs, I have long been active in congressional efforts to focus national and indeed worldwide attention on the continued violations of basic human rights in Northern Ireland, and the ongoing denial of the right of self-determination in that troubled part of the world.

The time has come to reiterate our national commitment to continue to press for policies which will encourage governments the world over to promote the cause of peace. Toward that end, I commend to my colleagues the proposed plank offered by the Irish National Caucus.

PROPOSED PLANK OF THE IRISH NATIONAL CAUCUS FOR THE 1980 POLITICAL PLATFORMS

Consistent with its traditional concern for international human rights and self-determination of all peoples, the United States should play a positive role in seeking an end to injustices, discrimination and all types of violence in Northern Ireland.

To this end the United States should encourage the British Government to embark upon initiatives that would end all violations of human rights in Northern Ireland and promote self-determination of the whole people of the island of Ireland.

The United States should ensure that no American aid—economic or political—will re-enforce discrimination or any other human rights violation in Northern Ireland.

Further, the United States should make certain that all United States enterprises, operating in Northern Ireland, are in full compliance with U.S. fair employment laws.●

THE EFFORT THAT COUNTS

HON. JAMES ABDNOR

OF SOUTH DAKOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. ABDNOR. Mr. Speaker, the efforts of the individual citizen have been the key to the success of our free enterprise system. Only because people have been willing to work hard and serve others have we been able to preserve freedom and opportunity for our people for over 200 years.

It is the individual citizen who pays the taxes and keeps the system working. It is the individual citizen who is penalized by high prices and inflation with ill-advised government programs.

Too often, we fail to recognize the contributions of these people, not only to our society as a whole but to making one another's lives a little bit easier on a day to day basis.

I commend to the attention of my colleagues, the story of one such citizen in Rapid City, S. Dak. His name is Patrick Bridge.

IT'S NO PHONY, JUST NATURAL

(By Kay Taylor)

Automatic door openers may be faster but Patrick Bridge is better.

For this doorman with the smiling brown eyes does more than open doors at the Alex Johnson Hotel. He greets everyone, coming and going, with such cheer that even the grumpiest find it hard not to smile or speak.

"Hello folks, thanks for coming down, have a nice evening," he told a group arriving Saturday night.

"Hi ladies, how are you? Going upstairs to cut a rug—that's nice, have a good night."

"Good night, sir. Come back again. Have a nice night."

Out-of-towners may be surprised at the friendly reception they receive but Rapid Citians have known Bridge as a part of the downtown scene for years. And they know he's sincere.

His exuberance is natural, and he likes to share it. Even on the street he speaks to everyone; even if they don't return the greeting.

"I try to make everyone feel good. Some think I'm crazy because I'm always happy, and everyone's not jolly all the time. It's no phony, just natural," he rattles in his fast, non-stop way of speaking.

Patrick relishes his role as doorman, bell captain, and security guard. He's an important cog in the operation of the "new" Alex Johnson, recently reopened after a $3 million makeover.

He well remembers the old Alex Johnson, opened in 1928. When the Rapid City Army Air Base (now Ellsworth) was opened in 1942, many officers lived at the hotel and Patrick, as a kid of 9 or 10, used to carry buckets of ice to their room. "We did it after school, just for tips," he remembers.

Bridge began working at the hotel three years ago in general janitorial and security duties. Even then, usually dressed in a bright yellow jump suit and wielding a broom near the entrance, he greeted everyone going in and out of the hotel.

Bridge has worn uniforms of several professions in his 47 years.

Born and raised in Rapid City, he spent six years in the U.S. Marine Corps, most of it in the Far East where he was a firefighter with the 3rd Marine Division.

He proudly tells about an appreciation plaque he received from a civilian fire department on Okinawa for helping fight a fire on his own time.

After leaving the Marines in 1959, Bridge was a firefighter with a 13-man hot-shot crew that worked out of the Oak Park Ranger Station in Pasadena, Calif.

He was on duty in the Los Angelos National Forest where he often had a chance to "shoot the breeze" with tourists.

Coming home in the '60s, Bridge worked in the Wyoming oil fields for three years and then for Commonwealth Theaters. He also joined the Black Hawk Volunteer Fire Department.

For years Bridge has had a dream of getting a children's zoo in Rapid City, especially for crippled children.

He brushes back a wisp of thinning brown hair as he talks about it.

"I thought it would be great if crippled kids had a place to go to see animals they're not familiar with."

After the 1972 flood, Bridge approached the city about putting a zoo on Urban Renewal land. He contacted congressional representatives, the governor, civic groups and Los Angelos zoo officials.

"I had a lot of businessmen say they would help but we just couldn't get enough funding."

Patrick's workday now begins at 5 in the afternoon when he dons his red coat, black trousers with yellow stripe, white shirt and black bowtie, in his temporary "office" off the lobby and steps out to meet the public.

He stays until 6 a.m., carrying luggage to rooms, ordering taxis, providing room service, escorting women to their cars if they wish, and checking security on each floor after midnight.

Guests remember him. "A lot of people comment about how friendly and helpful Patrick is," says Mike Smyth, hotel manager.

Patrick's pride in the new hotel got a little carried away when it first reopened, Smyth said.

"He was asking everyone if they wanted to see the rooms, then he'd get keys and take them up. I'd see these hordes of people on every floor. I had to tell him to quit the tours."

And Patrick seemed a little disappointed, Smyth said, when an advertising agency filming a TV commercial about the hotel's "return to elegance," hired an actor to portray the bell captain, rather than Bridge.

That casting may be the TV viewers' loss. Nobody can play it like Patrick.●

SWALLOWING MORE GOLDFISH

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HYDE. Mr. Speaker, 1 week ago today we were treated to the spectacle of "Big Business Day"—a spectacle which was observed by the media and not many others.

The attention this event deserved is most aptly described in the following column by James J. Kilpatrick which appeared in the Washington Star on April 17, 1980. I wish to share with my colleagues Mr. Kilpatrick's thoughtful commentary on "Big Business Day" in the following column entitled "Swallowing More Goldfish":

SWALLOWING MORE GOLDFISH

Back in April of 1939, if memory serves, one of those silly seasons swept our college campuses. The idea was to swallow goldfish. I was a sophomore then, and swallowed a few myself. At age 18, you do these things. Them were the days.

April is ever and always the goldfish time, and I recall those innocent days by remarking upon today's Big Business Day. This is an observance dreamed up by a motley crew of professional gadflies and ankle-biters, led by Ralph Nader, Jeremy Rifkin, Michael Harrington, and those two ageless sophomores, John Kenneth Galbraith and Arthur Schlesinger Jr. Their aim is to denounce the abuses of Big Business and to demand Reform!

There are impeccable aims, worthy of faint applause. I suggest merely faint applause, because some years of listening to Doctors Nader, Rifkin, Harrington, et al., have convinced me that the remedies they prescribe are worse than the diseases they abhor.

But big business is surely not without flaws; the great corporations do indeed exercise vast powers not easily restrained by the marketplace. They could find a few abuses worth correction.

But I go back to my goldfish days. The sensible people ignored us. After I got my picture in the papers, holding a goldfish in one hand and a stein of beer in the other, my sainted mother wrote me to this effect: "Thank you for sending the clipping. Dear, this too will pass."

I could wish that my friends in big business had the same calm view of sophomores that my mother had. The sponsors of Big Business Day have planned kangaroo trials, mock awards, hangings in effigy and other such goldfish stunts designed to attract the television eye. They intend to honor, after a fashion, a dirty dozen corporations that will be set up as straw men, the better to be toppled fearlessly to earth.

Wherever the suckers of TV news can be tempted to bite, the sponsors will stage demonstrations, deliver themselves of windy speeches and engage in street theater. In a free country, God knows, this is their right. And right on!

The proper response of the business community, in may own view, was simply to grin and bear it. Hunker down. Bite the old bullet. Don't dignify the crazies. Alas, my brothers have taken Big Business Day very seriously. My desk runneth over with press releases and speech texts proclaiming, in the stuffiest possible language, the virtues of industry and the follies of its critics. These handouts sputter and harrumph; they cry balderdash and humbug; they view with alarm the goldfish peril.

Well, as my mother told me, this too will pass. Most of the sponsors publicly identified with this media event are has-beens, never-weres; they are common scolds, bra burners, political hacks and other such second-raters.

Some of the shiny names have lost their luster: Ralph Nader, asked to marshal his truly zealous legions on Capitol Hill, couldn't today get up two tables of bridge. Jane Fonda and Jeremy Rifkin are characters flaked off from "Doonesbury."

My brothers of big business are breathing hard at the loonies' advocacy of a Corporate Democracy Act. The bill—if it is in fact an identifiable bill—is fashioned of moonbeams. It would tend to turn the management of American industry over to zealots who have not contributed one penny in capital investment.

What can be said of the bill? Mainly this: It has no more chance of passage than a bill to cut the salaries of senators by 95 per cent. The energies of my brothers could be more profitably directed.

I would urge that their energies be directed not toward Big Business Day as such. That is sophomore stuff. Let the lampoons go. I would direct them thoughtfully toward what their rational critics are saying. If my brothers would listen, instead of sputter, they might learn something worth their time. The stunts are so many goldfish, but, when the midnight curtain falls, some real concerns will remain.●

TRIBUTE TO EILEEN GLADYS HINRICHS

HON. JOSEPH P. ADDABBO

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. ADDABBO. Mr. Speaker, I would like to pay tribute and call to the attention of my colleagues the accomplishments of an outstanding citizen of Queens, N.Y., Eileen Gladys Hinrichs. On April 26, she is to receive the New York City Health and Hospital Corporations' Woman of the Year Award at Bellevue Hospital in recognition of over a decade of volunteer health-related work in Queens. No one has ever been so deserving of such an honor.

Eileen Hinrichs is a fighter in every sense of the word. Upon being diagnosed as a multiple sclerosis patient 11 years ago she could have been content to sit back and await the inevitable, as most people would have. But Eileen is not most people. She decided to use her firsthand knowledge of a public hospital system in New York City which she depends on for treatment, to portray a highly enlightened picture of what these facilities mean to the thousands of people, young and old, who are dependent upon them for health care. She has devoted much of her time in addressing the need for quality public health care. In 1977, she traveled to Washington, D.C., and appeared before a House Subcommittee on Health, Education, and Welfare, Committee on Appropriations, asking that more concern be shown for the sick, elderly and the disabled who are often the first to suffer when budget cuts are made on an arbitrary basis.

This energetic mother of two has energies that never cease to amaze me. Currently, she is the director of community affairs at City Hospital Center at Elmhurst. Besides her work at the hospital, she has compiled a list of achievements that have earned her the respect of many. She is the founder, and was formerly president, of the Queens chapter of the multiple sclerosis chapter of the Multiple Sclerosis Service Organization of New York Inc., a group of dedicated volunteers providing a score of health and social activities for hundreds of disabled patients and their families. She is a member of the board of directors of the Queensboro Council for Social Welfare and has served on the Queens Health Manpower Consortium. In addition, she has put together a general-information booklet for community dissemination, as well as developing the blood donor recruitment plan.

Eileen Hinrichs has given new meanings to the words "courage and caring." She is an inspiration to us all, and I wish her continued success and many more happy and healthy years.●

FED ALLOWS MAJOR BANKS TO LEND HUNTS $800 MILLION

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. STARK. Mr. Speaker, with apologies to George Orwell, apparently some creditors are more equal than others. My breakfast was rudely disrupted by the front page story in this morning's Washington Post headed "Fed Is Allowing Major Banks To Lend Hunts $800 Million." It went on to relate how:

> Banking officials—including Federal Reserve Board Chairman Paul Volcker and Comptroller of the Currency John Heimann—approved the massive loan even though it violated Carter administration policies aimed at fighting inflation.

Apparently it is OK to fight inflation by tossing Americans out of work, but it is not OK to let large speculators stew in their own juices.

It is a sordid mess and I am pleased to acknowledge that the distinguished chairman of the House Banking, Finance and Urban Affairs Committee is also deeply concerned. Chairman Reuss has sent the following telegram to the Board of Governors of the Federal Reserve System and intends to explore in depth at hearings the Federal Reserve's participation in the meetings that approved the loans to the Hunt brothers.

Our colleague from Wisconsin (Mr. Reuss) deserves our full support on this, and the authors of the Post report—James L. Rowe, Jr. and Jerry Knight—are to be congratulated on their industry and enterprise in turning up the details of the secret meetings involved.

The information follows:

REUSS CHALLENGES FEDERAL RESERVE ALLOCATION OF BANK CREDIT TO BAIL OUT SILVER SPECULATORS

Chairman Henry S. Reuss of the House Committee on Banking, Finance and Urban Affairs today sent the attached telegram to the Federal Reserve Board:

[Telegram]

APRIL 24, 1980.

BOARD OF GOVERNORS,
Federal Reserve System,
Washington, D.C.

1. According to press accounts, the Federal Reserve at a meeting with America's major banks and Nelson Bunker Hunt at Boca Raton, Florida on Saturday, March 29, approved bank loans by major banks of $800 million to the Hunt Brothers to repay brokers' loans made to the Hunts in order to enable them to corner the silver market.

2. The $800 million bank loans appear to be in clear violation of the Federal Reserve's directive of September 1979, repeated as part of the President's credit control measure of March 19, 1980, against bank lending for commodity speculation.

3. On March 20, 1980, I formally requested that the Federal Reserve keep the Congressional Banking Committees currently informed on activities by each of the nation's major banks in financing commodity speculation. The Federal Reserve has so far refused to supply this information.

4. Now the Congressional Banking Committees are informed of what went on at the secret meeting in Boca Raton on March 29, but by enterprising reporters rather than by the monetary authorities of whom the information was requested.

5. I vigorously disapprove of the Federal Reserve's March 29 action in allocating credit to bail out the brokers who participated in the silver speculation scheme. The evidence indicates that major banks had earlier aided the Hunts' attempt to corner silver through loans laundered by the Bache Brokerage. Then after the silver bubble burst on March 27, comes this additional $800 million credit allocation.

6. Such credit allocations—in favor of speculation—are particularly unfair at a time when the nation's homebuilding industry is in a crisis situation through lack of credit. Within the last few days the Administration has given the housing industry a $135 million crumb in the form of unexpended Section 235 appropriations. This compares poorly with the $800 million credit allocation just made to the brokers participating in the Hunt scheme.

7. Those who participated in the Boca Raton meeting are quoted as defending their action on the ground that without the $800 million bank credit, brokerages might have failed. I would like to see the evidence of this. More, wouldn't it be a salutary thing if a broker or two who was involved in betraying the country's anti-inflation program were allowed to fail, as an example to others?

8. The March 14 credit control program has been seriously compromised by the March 29 action. How can a small bank in good conscience be asked to hold its loans within the guidelines on bank lending, and to avoid speculative loans, when the monetary authorities collaborate with the big banks in this kind of proscribed conduct?

9. The House Banking Committee intends to explore in depth at hearings the Federal Reserve's participation in the March 29 meeting. Until then, I request that the Federal Reserve not engage in further Boca Raton-type operations without prior consultation on a bi-partisan basis, with the Congressional Banking Committees.

HENRY S. REUSS,
Chairman, House Committee on
Banking, Finance and Urban Affairs.●

CONGRESSMEN'S DILEMMA

HON. IKE SKELTON

OF MISSOURI

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. SKELTON. Mr. Speaker, I would like to share an editorial from the Warrensburg Daily Star Journal written by Mrs. Avis G. Tucker, the editor and publisher, regarding the demands made on Congress. I commend this article to the Members for their reading:

CONGRESSMEN'S DILEMMA

Two United States congressmen were visitors in Warrensburg last Thursday evening. One was a member of the Senate, the other a member of the House of Representatives—one a Republican, the other a Democrat.

Each was speaking to a group of his constituents who were attending two different events, but Missourians per se in the Senator's case and people of Missouri's Fourth Congressional District as far as the Representative was concerned.

Discernible in what both men said, each at a different location, was a common denominator—their concern over special interest groups of our American society who expect largess from and dependence on the federal government to promote their own individual causes, but at the same time a cutback for the others in the inflation fight they are demanding from Congress.

It boils down to individuals and a matter of whose ox is being gored. Placed in a no-win situation are the members of Congress who must deliver action to counteract what has become an economy too heated to live with as a thriving nation.

We are referring, of course, to Sen. John C. Danforth who addressed a crowd attending the Harry S Truman Lecture Series at Central Missouri State University and Rep. Ike Skelton who was the guest speaker at the Farm Bureau Livestock Marketing Banquet.

Confronting these gentlemen and their colleagues in Washington is a paradox—Americans calling for action which exhibits inexplicable or contradictory aspects, expectations in conflict all over the place. Sen. Tom Eagleton noted this same dilemma when we talked with him in Washington about balancing the budget a couple of weeks ago with a group of Missouri newspaper people.

The critics of Congress are legion in the public sector and we are among them, but irrational demands made of Congress by the public—perhaps blindly selfish demands puts it more accurately—ask the impossible of our congressmen. Furthermore, precluded are reasonable and necessary solutions for the horrendous economic and social problems which have placed this nation and its people in a vise.

We Americans are spoiled and our moral fibre worn thin. Wanted is a quick fix and one that is painless. Unless we can face up to unpopular decisions Congress will be forced to make, be willing to take them in stride, make some sacrifices and stand on our own two feet, we are at a point of no return. That means heading on down the road at an accelerated speed to our demise as a vibrant society. In the final analysis, it is the American people themselves who hold the trump card.●

FARM CONDITIONS

HON. DOUGLAS K. BEREUTER

OF NEBRASKA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● **Mr. BEREUTER. Mr. Speaker, the attached article taken form the April 12, 1980, Lincoln Sunday Journal and Star, highlights what I believe to be the disastrous farm conditions now being experienced in the Midwest. I strongly recommend that my colleagues take a moment and read this article which thoroughly explains the problems many young farmers are currently facing.**

The article follows:

Roca Pair's Farm Revolves Around Pork—High Price or Not

Pork is the hub around which Clyde and Helen Naber's 160-acre farm revolves.

The Nabers bought Rocdale Farm almost five years ago because they wanted to raise SPF (Specific Pathogen Free) or disease-free hogs. They made several changes on the farm, adding two 12-crate farrowing houses and remodeling existing buildings for raising swine. However, most of the farm is too hilly to do more than supply pasture and feed to their 14-cow beef herd and their three horses.

Hogs were Rocdale Farm's mortgage lifter until hog prices started to slide in 1979. The Nabers culled the poorest producing sows from their herd but they kept on raising hogs. They didn't want to get rid of the healthy breeding herd it had taken four years to build.

With current hog prices, the Nabers aren't expecting to break even on swine this year. If prices stay around $30 per hundredweight, they hope to recover cash costs of raising swine—feed, veterinary, medicine, heating and electricity costs, with perhaps a little left over to meet household expenses.

But they won't be paying off any of their debts, and may have to seek extra financing. They say the Production Credit Association that finances them is understanding of their plight and that of other livestock producers.

WILLING TO WAIT

Their lender is willing to wait for payment—for a while at least—hoping that the farm profit picture will brighten. But if hog prices drop any further, the Nabers fear that they won't even meet their out-of-pocket costs on the hogs.

If that happens, or if hog prices stay low throughout 1980, they may have to make drastic cuts in the herd they have been planning and building for years. Although they are at the supply end of the pork production chain, they are as much a victim of low hog prices as producers who sell directly to the packer.

They maintain a sow herd in order to raise SPF Landrace-York crossbred gilts (females) for sale to those who raise porkers for the table. They sell about 600-700 breeding gilts per year.

When the hog market is good, pork producers usually pay the Nabers about three times the going market hog price for breeding gilts. This pays them for maintaining an SPF herd, bloodlines and marketing costs.

Last year, they received $120-$140 for their gilts. This year they have been receiving $100-$105 per head but they aren't selling as many. Buyers are unwilling to pay much for breeding stock when an abundance of pork has lowered their chances of making any money on the sale of the wellfed offspring.

Extra gilts and barrows (castrated males) from the Nabers' herd are sold to farmers who fatten feeder pigs to slaughter weight. But pork producers looking at prices of $28-$30 per hundredweight on 200- to 220-pound hogs aren't eager to pay more than $18-$20 per head for the pigs they plan to feed.

$40 COVERS EXPENSES

The Nabers have figured that it costs them about $40 to break even on each 40-pound barrow they produce. This covers all expenses except a return to them for their time and management.

The Nabers believe their hog operation is more profitable than some because they are able to devote a greater portion of their time to hogs than farmers who divide their time between crops and hogs. The Nabers wean about eight pigs per litter and their sows produce 2.5-2.7 litters per year.

Naber grew up on a diversified farm near Waco. He has a bachelor's degree in animal science and a master's in swine physiology, both from the University of Nebraska-Lincoln. He managed the swine research station in Lincoln for two years, taught at a two-year swine management school in Fort Morgan, Colo., and managed a 700-sow swine confinement unit in Kansas before the Nabers bought their farm near Roca.

Mrs. Naber, daughter of a minister, grew up in Kansas and Minnesota. She helped her husband with the nursery portion of the Kansas swine unit before they were able to realize their dream of a hog farm of their own. She is president of Nebraska Porkettes.

When the Nabers started Rocdale Farm in 1976, market hog prices were in the range of $60 per hundredweight, twice the current level. But more recently, the highest market price they have experienced was $55 per hundredweight early in 1979.

RATIO FIGURED

The Nabers use AgNet, the UNL extension computer system, to figure the least-cost ratio for their hogs. They keep records on all their sows and keep only the best in their herd.

When the hog market dipped, the Nabers changed their production strategy from keeping their farrowing barns full to farrowing fewer sows but trying to increase the number to survive to maturity.

But changing conditions have stymied the Nabers' cost-cutting efforts. Propane, gasoline and diesel fuel are up 50 percent to 60 percent over last year, feed costs and transportation are up 25 percent, interest has risen 35 percent and buildings, equipment, utilities and veterinary services have also risen.

"This year the farm will lose money, there is no other way we can look at it," said Naber. "Our living costs have to come out of the farm. We'll have to live on what we can get. But we won't be buying anything we don't need."

The Nabers believe that the less dedicated and less efficient hog producers will be the first to bow out if prices stay low. "The ones who were in it for the quick dollars will get out first," he said.

The Nabers said they would rather reduce their herd size then get out of the hog business. "You have to believe in the industry," he said. "Farming is a business. You have to ride out the lows along with the highs. Hogs are our main business."●

ANDREI SAKHAROV—HE STILL NEEDS SUPPORT

HON. GEORGE E. BROWN, JR.

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● **Mr. BROWN of California. Mr. Speaker, this week the Science and Technology Committee unanimously approved House Joint Resolution 534, which is the successor to House Joint Resolution 487, which I introduced on January 29, 1980, with my colleague Harold Hollenbeck. This legislation quite simply defines policies with respect to scientific and technical exchanges with the Soviet Union which shall be in effect until the Soviet Union restores "full human rights and fundamental freedoms to Andrei Sakharov and his wife." This resolution is now pending before the Committee on Foreign Affairs.**

Mr. Speaker, while much has been written about Andrei Sakharov, it is useful to consider the human side of this great man. An excellent article, which unfortunately is too long to include in the Congressional Record in full, appeared in the June issue of Quest/80—a new monthly publication that I have recently reviewed. Due to continued interest in Andrei Sakharov, I include excerpts from this article in the Record for my colleagues to review:

The article follows:

Dissenter of the Heart

(By Susan Jacoby)

(Note.—Banished from Moscow for his outspoken criticism of Soviet repression, physicist Andrei Sakharov has become a hostage of conscience. Here, six knowledgeable witnesses attest to the Nobel Prize winner's extraordinary character, conviction, and concern for others—the qualities that to date have enabled Sakharov (and his wife) to persevere.

Andrei Dmitriyevich Sakharov, winner to the 1975 Nobel Peace Prize, a renowned scientist and the most prominent advocate of human rights remaining in the Soviet Union, was driven out of Moscow by the KGB in January of this year and exiled to the "closed" city of Gorky. Sakharov and his wife, Yelena Bonner, a well-known human rights activist herself, have been forced to live in an apartment with a police informer and forbidden to communicate by telephone or mail with foreign countries—not only with representatives of international human rights organizations but with their own children, who live in the United States. The Sakharovs have already been physically beaten at least once by hostile police in Gorky.

Most observers of Soviet affairs believe that the decision to exile Sakharov from

Moscow was triggered by his public opposition to the Russian invasion of Afghanistan. Because the invasion had already provoked sharp international criticism, the Soviet authorities felt they had little more to lose by exiling Sakharov. The secret police had long wanted to move against Sakharov, but had hesitated to do so because of his distinguished international reputation.

The exile of Sakharov—which friends fear is a possible prelude to a trial or forced psychiatric commitment—is, of course, a personal tragedy. But it is also an emblem of growing political repression within the Soviet Union—the most recent step in a comprehensive campaign against dissent that began 14 years ago with the famous trial of the writers Andrei Sinyavsky and Yuli Daniel. That trial gave rise to many of the activities now identified with the "democratic movement" in Soviet society.

In many respects, the fate of Sakharov is a paradigm of the course of dissent since Joseph Stalin's death in 1953: the hopes aroused by Nikita Khrushchev's efforts at de-Stalinization; the resurgence of secret police power after Khrushchev's ouster in 1964; the emergence of a small but morally significant dissident movement in the wake of the Sinyavsky-Daniel trial; the secret police response through more trials, labor camp sentences, and psychiatric commitments; use of the Jewish emigration movement to get rid of troublesome dissenters, both Jews and non-Jews; the forced exile of Nobel Prize-winning writer Aleksandr Solzhenitsyn. As more and more dissenters were forced into labor camps or emigration, Sakharov remained behind as the most famous, consistent, and often lonely voice in defense of his countrymen and women who were still willing to risk their own freedom on behalf of human rights.

Andrei Sakharov was born in 1921 into a family of scientists and teachers. After choosing physics as a specialty, he rose through the ranks of Soviet scientists at an extraordinarily young age. In the late 1940s and early '50s he worked on the scientific team that developed the Soviet hydrogen bomb. In his memoirs, Khrushchev gave Sakharov credit for inventing the bomb. Sakharov himself says he was only one of the scientists who made a major contribution, but it is clear that his role was crucial. At the age of 32 he was installed as a full member of the Soviet Academy of Sciences. Ordinarily, even the most prominent Soviet scientists do not become academicians before they are in their forties.

Sakharov has written that he began to feel a personal responsibility for radioactive contamination from nuclear explosions in the late 1950s. As the youngest member of the Soviet Academy, he began making personal petitions to the Soviet leaders for curtailment of experimental nuclear explosions. Khrushchev once described Sakharov as a "crystal of morality among our scientists." Nevertheless, he rejected Sakharov's petitions.

Sakharov began making protests against human rights violations in 1966, about the time of the Sinyavsky-Daniel trial. He wrote a letter to Leonid Brezhnev protesting the arrests of several other dissidents who were sent to labor camps because they had spoken out against the sentences. In 1968 Sakharov wrote a book called Progress, Coexistence and Intellectual Freedom, which was first circulated in the Soviet Union in samizdat. (Samizdat literally means "self-published"; it refers to the Russian practice of circulating forbidden literature in typed copies from hand to hand). When the book was published in the West—around the time of the Soviet invasion of Czechoslovakia in August 1968—Sakharov was taken off all secret scientific projects. His life at the pinnacle of the Soviet scientific elite ended, and over the past 12 years his status has been that of an increasingly persecuted dissenter.

Sakharov's importance to dissidents in the Soviet Union lies in his using his immense prestige to defend other dissenters. Over the years he has appeared at countless trials of dissidents in an affort to lend moral support and to pass on information about what was happening in the closed courtrooms. He and his wife met at such a trial in the late 1960s.

In the '60s Sakharov was still allowed into the courtrooms because of his prestige and well-known past services to the Soviet government. By the '70s, however, he was denied admission, just as other dissenters were. He and his wife, who worked closely together on human rights activities, were subjected to a growing campaign of harassment, physical threats, searches, interrogrations, and retaliation against other family members. In 1975, when Sakharov received the Nobel Prize, his wife was able to go to Oslo to accept the award for him only because she was in Italy at the time undergoing surgery for a serious eye ailment.

In the following interviews, six of Sakharov's Russian and American friends describe the strength of character that has enabled him to persevere in spite of constant pressure from the secret police. The portrait that emerges from their comments is remarkably consistent—that of a kind and gentle man whose dissent arises not only from intellect but from a deep concern for the sufferings of others. Said one old friend who recently emigrated from Moscow: "Andrei Dmitriyevich is not only a dissident of the mind; he is a dissident of the heart."

Tatyana Yankelevich, 30, is the daughter of Yelena Bonner. Her expulsion from Moscow State University in 1972 was one step in the long-standing official campaign against her stepfather for his human rights activities. Mrs. Yankelevich left the Soviet Union three years ago with her husband, Efrem, their two children, Mathew and Anya, and her brother, Aleksei Semenov. The secret police had prevented them from continuing their education and finding work in their own country.

The Yankeleviches and Semenov now live near Boston. They last saw their mother when she was permitted to go abroad a year ago for more surgery on her eyes. They have not, of course, seen Sakharov since they left the Soviet Union. They have not even been able to talk to their parents on the phone; the Soviet authorities have seen to that. "We live with the daily fear that we may never see our parents again," Tanya Yankelevich says. In our interview, she spoke of the character of her mother and stepfather, of the experiences that marked her parents' generation during the Stalin era, and of what it was like to grow up as the daughter of an outspoken and principled mother and, later, as the stepdaughter of one of the most famous dissenters in the Soviet Union.

I will give you one small example of the kind of person Andrei Dmitriyevich is. In our apartment in Moscow, as in every apartment there, we were afflicted by large and horrible cockroaches. What to do about them was a constant topic of domestic conversation. Andrei would go around the apartment, pick up the cockroaches, and put them in a kitchen pan. Then he would take them outside the door and set them free on the stairs. Of course, it was pointed out to him that the cockroaches would walk right back into the apartment. It didn't matter to him. He just couldn't bring himself to kill them.

Hate is something he is incapable of. I don't mean to suggest that he is a saint, but that he attempts to maintain dignity and control in every situation. For example, when my mother was in Oslo receiving the Nobel Prize for him, he was outside a courtroom in Vilnius [Lithuania], where a close friend of his was on trial. They would not let him into the trial. They pushed him away from the door. It is very difficult to remain calm when the police are insulting you, when they are using obscene words, when they are preventing you from lending moral support to a dear friend. But he would not lose his temper. He always tried to reason with these people.

For Andrei and for my mother, and I would say for many of the people we knew in Russia, dissent arises from a profound inner moral need—not from a narrow ideology or from any desire to lead a political movement. They came to their way of life because they wanted to help others.

My parents, I should emphasize, do not believe it's necessary for people to suffer. That is why Andrei Dmitriyevich never tried to "recruit" anyone for the human rights movement. My mother and Andrei would never, never say to anyone, "It's selfish of you to worry about your children being expelled from the university; you shouldn't worry about the sacrifices you and those you love will have to make."

So he would speak to people very carefully and very seriously about the possible consequences if they openly opposed the system under which we lived. There were many people, especially those from the provinces, who had no real experience of the KGB. In the years before we left the country, Sakharov had become so famous that all sorts of people sought his help. Ordinary people would come to our apartment—for example, a worker who had complained about poor safety conditions or bribery at his factory or institute and was being punished for raising such questions publicly. Many of those people believe Andrei Sakharov could help them. And of course there was nothing practical he could do—only speak up publicly or sign a statement. He couldn't exert any influence, for example, to make the director of an institute treat an honest worker fairly.

Why, then, did they come to Sakharov? I think it's because decent people have a longing for justice. Not justice in a courtroom, but moral justice. And Sakharov had become a symbol of justice in our country. He suffered very much. It was a kind of moral torture for him that he could do so little for these people.

That is why he listened to them, why he signed so many appeals on behalf of others. There was never any question of his choosing the right time for his own advantage, the time to make the most impact, the time when there would be the most attention in the foreign press. When he saw injustice, when he saw someone being persecuted, he simply spoke up.

Tanya Yankelevich frequently speaks of her mother and Sakharov in the same breath; her account of her childhood, long before Yelena Bonner met and married Sakharov, makes it clear that she was prepared for the difficulties of being a member of a family of famous dissenters. She also sheds light on what it was like to grow up in Soviet society as one of a small number of volnomyslyashchie. (This is an old Russian word best translated as "freethinkers"; Sakharov has written that he prefers it to the more commonly used inakomyslyashchie, which means "dissenters" or "dissidents.")

I think my mother is unique; she has the ability to be 100 percent truthful and to speak the truth out loud. My brother's and my relations with her were very special. When we were growing up, she didn't divide the world into children and adults—she didn't distinguish between literature for children and literature for adults.

For example, when I was about 10 or 11, the memoir by Ginzburg about the camps began to circulate in samizdat. [She is referring to a book, published in English under the title Into the Whirlwind, by Yevgenia Ginzburg, a woman who spent 18 years in Stalin's labor camps.]

When I wanted to read this book, my grandmother was opposed—she felt it would spoil my childhood. But my mother's attitude was always that if we were old enough to ask questions, we were old enough to have answers.

My mother was born in 1923, but her passport says that she is a year older. She added a year to her age in 1937, so that she could work and support her family. In that year her father was shot in the purges and her mother was sent to a prison camp. My grandmother was released from the camp in 1947 and sent into exile for another seven years. During that time my mother kept the family together and earned the living.

What kind of a person is my mother? In 1941 she volunteered for the army as a medical nurse. She was working on a train with the wounded. At one point some German prisoners of war were being sent east asked for a piece of soap. She gave it to them, and for that she got into trouble with the Komsomol [Communist Youth League].

After the war she was a student at a famous medical institute in Leningrad. It was in 1953, the time of the Doctors' Plot. [A number of Jewish doctors were accused of a phantasmagorical plot to poison Stalin, which led to a wave of anti-Semitism and trumped-up arrests around the country. Fortunately, Stalin died before there was a full-scale renewal of purges. Many famous Jews, however, had already been executed.] At an open meeting, the students at the institute were called on to demand the death penalty for faculty members who had been arrested. My mother stood up at the meeting and asked, "What are we doing? What nonsense is this? A month ago we were treating our professors with utmost respect. We know they are not criminals. This is insanity."

The next day my mother was expelled from the institute and warned privately to get out of Leningrad because she herself was about to be arrested. She had bought a train ticket to join her mother, who had been released from camp but was in exile in Gorky, when she heard the news that Stalin had died. I was only three years old. She was making kasha [porridge] for me in the kitchen and a neighbor came in crying and said, "What will we all do now? Stalin is dead." My mother turned around and replied, "And what's so terrible about that? To hell with Stalin." As I said, she always spoke the truth. [Ruf Bonner, Tanya's grandmother, is now one of Sakharov's few remaining links to the West. She was recently warned by Soviet authorities for talking to the Western press.]

This is what I mean when I say that for people like my mother and Andrei, dissent arises organically—from character rather than ideology. They simply cannot be silent. I am proud of my mother, proud of Andrei, pround of the honesty with which they live and what they stand for. But my brother and I are also afraid. When we lived together with our parents, we witnessed numerous illegal actions against them—so we are not comforted by official assurances that no further action will be taken against them in Gorky. Also, I feel certain that Andrei Dmitriyevich and my mother will continue to speak out on behalf of others. They already have done this since they were sent away. And this is what makes us afraid we will never see our parents again.

Robert L. Bernstein is president of Random House, whose subsidiary Alfred A. Knopf is Dr. Sakharov's American publisher. Bernstein is chairman of the Helsinki Watch Committee, established in 1978 to monitor international compliance with the Helsinki Accords of 1975—particularly the provisions dealing with human rights and freedom of information. (The Soviet Union signed those accords, together with the U.S. and 33 other countries.) Bernstein has visited the Soviet Union several times during the past 10 years as a member of the Association of American Publishers. Last fall, when he was preparing to leave for the Moscow International Book Fair, Soviet authorities revoked his visa—presumbly because of his Helsinki Watch activities and his blunt criticism of Soviet violations of international agreements concerning human rights.

The last time I saw Sakharov in Moscow, we talked about the future books he might do for us. "Here, let us make a contract right now," he said, and put out his hand and shook mine. "Now we have the most unbreakable contract in the world."

When my wife and I went to the Sakharov's apartment for the first time, they told us it was bugged but we shouldn't have any concern about what we said—that is, we should just speak up and say anything we wanted to say. They were people who had clearly made a decision not to be afraid, to live as normally as possible under the circumstances.

They offered us a child's magic slate in case we had some concern about something we were about to say. When we were worried, we'd write out our message on the slate and invariably they would tell us to go ahead and speak out. They were more brave and more open than we were. Most Americans, you know, have a tendency to become good Soviets in dealing with the Soviets—that is, to play by their rules instead of by what should be our moral convictions about freedom of expression.

The irony is that the Sakharovs are people who love their country deeply. Because they love Russia so much, they want her to do the right thing. When the Soviet officials yanked my visa last fall, the Sakharovs were waiting in Leningrad to show us the city. They had wanted us to see it through Russian eyes, through the eyes of people who really loved the city and were immersed in its history.

I was always impressed by the fact that the Sakharovs were more worried about other people than about themselves—even when they were under the heaviest pressure from the KGB. When Yelena was being treated for her eye problem in the Soviet Union—she eventually had to seek a specialist abroad—she was terribly worried that the Soviet doctor who treated her would get into trouble with the authorities. This was at a time when she herself was very much afraid of going blind.

Sakharov is the barometer. His exile to Gorky means that no free opinion is allowed in the Soviet Union, because all Sakharov ever did as a dissident was speak and write. There should be no cultural exchange as long as Sakharov is a hostage.

Robert G. Kaiser is the author of Russia: The People and the Power (Atheneum, 1975). He was the Moscow bureau chief of the Washington Post between 1971 and 1974, a period when Sakharov granted frequent interviews to foreign correspondents.

Whenever I visited Sakharov's apartment, there was always someone there looking for help. Once it was a young man who'd been sent to jail for political reasons and his wife and child had emigrated to Israel while he was imprisoned. The authorities kept the news from him. When he applied to emigrate after he was released, he was told he wasn't eligible because he'd been imprisoned. A typical Soviet Catch-22. Sakharov would say to me, "Here, here's a piece of news for you." And he would obviously be distressed, because he knew very well that such pieces of news would get lost in the West, wouldn't get the attention that the cases of famous people got.

Among the Russians I knew, Sakharov and his close friend Lev Kopelev were unique in that they had long discussions about the importance of tolerance as a value. [Lev Kopelev, another beloved figure in the dissident community in Moscow, is the author of To Be Preserved Forever, a memoir of the 10 years he spent in Stalin's camps for crimes of "bourgeois humanism." An excerpt from the book appeared in the May/June issue of Quest/77. After Sakharov's exile to Gorky, the Soviet press attacked Kopelev, and Sakharov publicly defended him. Now Kopelev's wife, the writer Raisa Orlova, is in trouble for having protested Sakharov's exile. Expelled from both the Communist party and the Soviet Writer's Union, she is no longer able to work at her profession.]

I've often thought about what a good liberal Sakharov really is, and how extraordinary this evolution must have been in Soviet society. He really is willing to stand up for the rights of people with whom he strongly disagrees. I'd like to read an autobiographical account of how he emerged from the world of a child scientific genius. He was so remarkably brilliant, he rose so quickly in that world, and at some point in the 1950s he took a look around him and became different from the others. A flowering of intellect and morality took place. He could have just kept his comfortable position in the scientific elite, making quiet protests but never stepping far from the beaten path.

Pavel Litvinov served five years in Siberian exile for participating in a brief demonstration in Red Square to protest the Soviet invasion of Czechoslovakia in 1968. After his return to Moscow in 1973, he decided there was no possibility of significant political change and applied to emigrate. He is a grandson of Maksim Litvinov, Stalin's foreign minister during the 1930s. He now lives in Westchester County, New York with his wife, Maya, Lev Kopelev's daughter, and their two children. He teaches physics and mathematics in a private school.

What made Sakharov so special? Well, of course, there is the fact that he is Sakharov, such a famous and distinguished scientist—that can't be discounted. But I would say that the thing that made him unique, and defined his character, was his consistency of purpose and action. He never felt shy or embarrassed about saying the same thing every day, expressing the same principles and values, raising his voice and signing his name in defense of yet another person.

Every day, literally, he defended somebody. Of course he got tired and weary, but you see that even from exile in Gorky, he spoke up immediately in defense of Kopelev after he was attacked. Tomorrow he will defend someone else, in spite of his circumstances. He doesn't ration out his time for only those things the world considers important.

I asked Litvinov what he thought Sakharov's exile meant for the future of the human rights movement in the Soviet Union.

The authorities are trying to finish what they started with Sinyavsky and Daniel—trying to finish the dissident movement for good. But I don't believe they'll be successful. There are too many people willing to take risks for what they believe in. The human rights movement has become a part of life in the Soviet Union. Every time someone says the dissident movement is finished, new people arise to take the place of those who are in prison, or who have emigrated. Of course the KGB could totally destroy the human rights movement if they arrested thousands of people in one day, but I don't think they're willing to do that.

What they are dedicated to is the slow wearing down of dissent, of people like Sakharov. And certainly there is no way to tell what is going to happen to him now—no way to say that reprisals will end here, with exile in Gorky. People have also said in the past that the authorities wouldn't dare do this or that, but they *have* dared. Only a consistent world outcry will prevent them from doing more.●

FEDERAL REVENUE SHARING

HON. THOMAS J. DOWNEY

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. DOWNEY. Mr. Speaker, in recognition of the importance of Federal revenue sharing to the fiscal health of its own budget, the town of Babylon has unanimously passed a resolution calling upon Congress to resist the pressure to reduce or eliminate any of this grant. I agree completely with the Babylon Town Board about the importance of this program and I have every intention of voting to maintain it at its current level.

The text of the resolution follows:

Resolution No. 4, March 18, 1980, opposing action by the President

The following resolution was offered by Councilman Canary and seconded by Councilman Boyle:

Whereas, the President of the United States has proposed certain cuts in the Federal Budget as an inflation fighting measure, and

Whereas certain of the budget cuts would severely impact upon the taxpayers of the Town of Babylon by causing an inflationary increase in Town of Babylon real property taxes because federal revenue sharing (which would be cut) is an integal part of local government budgets: now therefore, be it

Resolved, That this Board opposes the inflation fighting measures proposed by the President of the United States by the virtue of the impact on local government tax rates; and be it further

Resolved, That copies of this Resolution be sent to United States Senators, Javits and Moynihan, Congressman Downey and Ambro, and the President of the United States.●

TARIFF ON IMPORTS OF ANHYDROUS AMMONIA

HON. BILL FRENZEL

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. FRENZEL. Mr. Speaker, last week I introduced H.R. 7087, legislation that would impose a substantial tariff on imports of anhydrous ammonia from the Soviet Union. This high tariff is designed to limit the rapidly expanding share of the American market for anhydrous ammonia that the Soviet Union has been able to capture as a result of marketing and pricing practices that cannot be matched by companies operating in free-market economies. Anhydrous ammonia is a nitrogen-rich chemical essential in the production of fertilizers so vital to American agriculture.

The bill would impose a column 2 duty rate—applicable to products of Communist countries—of 15 percent ad valorem on imports of anhydrous ammonia. Since the Soviet Union is the only Communist country exporting anhydrous ammonia to the United States, their exports will become more expensive and, therefore, less competitive in the American market. It is hoped that the added cost of the tariff will hold the U.S.S.R. share of the market to near current levels. Other major suppliers to the United States such as Canada, Mexico, and Trinidad, would not be effected by the new tariff.

Currently, the Soviet Union is the third largest supplier of anhydrous ammonia to our market. Imports from the U.S.S.R. increased from zero short tons in 1977 to more than 300,000 short tons in 1978, and in 1979 shipments reached 777 million short tons. This accounted for more than one-third of all imports of anhydrous ammonia to the United States. That is neither a dangerous, nor an injurious level, but if not curtailed, imports of this important chemical from the Soviet Union could grow sharply. This bill, then, is designed not to stifle trade, nor to reduce current import volumes. Instead it is designed to present a dangerous level of dependence on a major Communist power, especially for supplies of a principal ingredient in American food production.

My action in introducing this legislation was precipitated by recent investigations by the International Trade Commission (ITC) as to the effect of rapidly increasing imports of anhydrous ammonia from the Soviet Union on U.S. industry. These investigations, of course, were seriously complicated by the Soviet invasion of Afghanistan.

On October 11, 1979, the ITC determined, after conducting an investigation under the provisions of section 406 of the 1974 Trade Act, that imports of anhydrous ammonia from the Soviet Union were causing market disruption in the United States. In a 3 to 2 decision, the Commission recommended to the President that quotas be established for a 3-year period amounting to 1 million short tons in 1980 and rising to 1.3 million short tons in 1982. Under the law, the President need not accept a less than unanimous recommendation by the Commission, but in the alternative can decide to provide no relief or can impose a solution different from the one recommended by the Commission. His decision is subject to a two-House congressional override. On December 11, the President decided that the economic interests of the Nation as a whole would best be served by providing no relief against Soviet imports of anhydrous ammonia.

However, following the invasion of Afghanistan by Soviet troops, the President reassessed his position and, along with various economic sanctions, imposed a quota on anhydrous ammonia in the amounts recommended earlier by the Commission. Because of the importance of anhydrous ammonia used for fertilizer to U.S. agriculture, the purpose of the President was to hold Soviet imports to current levels rather than to stop such imports altogether. Further, it is expected that, with the embargo on American grain shipments to the Soviet Union, demand for anhydrous ammonia will lessen.

At the same time the quotas were announced, the President requested that the ITC again review, under section 406, the impact of Soviet imports of anhydrous ammonia on the domestic industry. Upon completion of the second investigation, the ITC determined, again by a 3-to-2 split, that such imports were not causing market disruption in the United States. A negative determination by the Commission leaves no further options, under the provisions of section 406, to either the President or the Congress. The quota, therefore, was removed automatically upon the negative determination by the ITC.

Without quotas and with a zero rate of duty currently in effect, there is no mechanism outside of emergency action to prevent Soviet imports of anhydrous ammonia from taking a larger and larger share of the American market. The invasion of Afghanistan has made clear the dangers of allowing a Communist-dominated nation to capture an influential share of any product or raw material vital to our economy.

I am introducing this legislation in an effort to halt the expansion of Soviet imports of anhydrous ammonia into the American market. I do not, however, want to create undue shortages that would result in higher prices and other difficulties for American users who have already contracted for Soviet supplies on a long-term basis. Therefore, my bill setting a 15-percent ad valorem duty rate for column 2 entries of anhydrous ammonia is designed to curtail Soviet imports, and thus our dependence on a potentially unreliable supplier, without creating unnecessary disruptions in total amounts available. I hope my colleagues will support this effort.●

AUTO FUEL ECONOMY STANDARDS

HON. JAMES H. SCHEUER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. SCHEUER. Mr. Speaker, a recently released report by the General

Accounting Office (GAO) on automobile fuel economy standards indicates that implementation of the fuel economy standards may have severe effects on the price and supply of certain raw materials. The report further states that the possible effects on supply and price of certain materials were never explicitly evaluated by the Government before it adopted the automobile fuel economy standards.

As the chairman of the Commerce Committee's Consumer Protection and Finance Subcommittee, which has legislative jurisdiction over title V of the Motor Vehicle Information and Cost Savings Act, the fuel economy title, I have asked the National Highway Traffic Safety Administration (NHTSA) for its response to GAO's conclusions. The NHTSA's official comments to the draft of the GAO study were not included in the GAO's final report. Accordingly, I am inserting into the Record the response I requested and received from the Agency for the benefit of all my colleagues.

The information follows:

National Highway Traffic
Safety Administration,
Washington, D.C., April 22, 1980.

Hon. James H. Scheuer,
Chairman, Subcommittee on Consumer Protection and Finance, Interstate and Foreign Commerce Committee, House of Representatives, Washington, D.C.

Dear Mr. Scheuer: Your staff recently asked for our opinion on a recent Government Accounting Office (GAO) report on materials policy. That report, released February 5, 1980, was entitled "Policy Conflict—Energy, Environmental, and Materials: Automotive Fuel-Economy Standards' Implications for Materials." The report states that the possible effects on material supply and price "were never explicitly evaluated by the Government before the automobile fuel efficiency standards were adopted." The report further suggests that the increased value of the material (e.g., aluminum imported to produce lighter cars may exceed the value of the corresponding reduction in oil imports through the greater fuel efficiency of those vehicles. The report also claims that when the Department of Transportation (DOT) established light truck fuel economy standards that "conflicts between the fuel economy standards and stable materials supplies and prices were not evaluated." The report concludes that the Federal Government "lacks an administrative mechanism to balance the tradeoffs among energy, environmental, social, and economic issues implicit in regulatory decisions." GAO does not offer any specific recommendations to resolve the perceived problem.

DOT disagrees with most of the conclusions of the GAO report. The Department has consistently evaluated materials impacts when setting fuel economy standards. Indeed, the body of the GAO report itself contradicts the conclusions enumerated in the Digest. Whereas, the Digest states that these tradeoffs "were never explicitly evaluated" (page i), "were not initially considered" and "were not evaluated" (page iii), the body of the report shows the opposite. On pages 15-17, GAO states:

"Transportation's assessments for cars during 1981-84 and light trucks during 1980-81 showed that material substitution would decrease the normal automotive demands for iron and steel, but demand for aluminum, plastics, and HSLA steel would increase."

"The various Department of Transportation analyses and reports to the Congress on possible use of more aluminum to achieve greater fuel economy in new cars included. . . ."

"In discussing the impact of the fuel-economy standards on the iron and steel industry, the Department of Transportation's 1979 annual report pointed out that the industry did not need to expand capacity to meet the future demands of the auto industry."

Thus, while the Digest states that the Department did not evaluate the impact of its standards on materials supply, the body of the report shows that we did indeed address this import issue.

Second, the Department's public analyses of its regulations have contained separate sections on materials impacts since the inception of the fuel economy program. We have analyzed not only the changes in demand by the auto industry for different materials—e.g., cast iron, steel aluminum, and plastics—but also the energy required to produce them. In addition, the Department explicitly sought the testimony of materials companies—particularly the aluminum producers—for our fuel economy rulemaking dockets and public hearings. Sample sections of our regulatory analyses (Enclosure 1) and comments to our dockets on this issue (Enclosure 2) are enclosed for your further information.

Within the Federal Government, DOT has been a leader in systematically evaluating the impacts of its rules. Materials impacts have been a regular consideration in DOT rulemaking. Materials implication of fuel economy standards have been addressed in all of the following reports (this is a partial listing).

a. Fuels and Materials Resources for Automobiles in the 1980-1990 Decade, Interagency Task Force on Motor Vehicle Goals Beyond 1980, March 1976.

b. Rulemaking Support Paper Concerning the 1981-1984 Passenger Auto Average Fuel Economy Standards, National Highway Traffic Safety Administration (NHTSA), June 1977.

c. Final Environmental Impact Statement, 1981-1984 Passenger Automobile Average Fuel Economy Standards, NHTSA, June 1977.

d. Final Impact Assessment of the Automotive Fuel Economy Standards for Model Years 1981-84 Passenger Cars, NHTSA, June 1977.

e. Rulemaking Support Paper for the 1980 and 1981 Nonpassenger Automobile Fuel Economy Standards, NHTSA, December 1977.

f. Final Impact Assessment of the Light Truck and Van Fuel Economy Standards for Model Years 1980 and 1981, NHTSA, March 1978.

g. Final Environmental Impact Statement for Average Fuel Economy Standards for Light Trucks, Model Years 1980 and 1981, NHTSA, March 1978.

h. Automotive Fuel Economy Program, Third Annual Report to the Congress, NHTSA, January 1979.

i. Rulemaking Support Paper, Light Truck Fuel Economy Standards, Model Year 1981, NHTSA, July 1979.

j. Preliminary Regulatory Analysis of Light Truck Fuel Economy Standards, Model Years 1982-85, NHTSA, December 1979.

k. Draft Environmental Impact Statement for Average Fuel Economy Standards for Light Trucks, Model Years 1982 through 1985, NHTSA, December 1979.

The Department also disagrees with the potential energy, employment, and trade penalties discussed in the GAO report. GAO's analysis of iron and steel industry impacts are extremely misleading. DOT has generally agreed with GAO's statement that ". . . downsizing and materials substitution may actually prevent demand growth." However, GAO then emphasizes losses in job opportunities in the iron and steel companies, as well as multiplier effects due to these job opportunity losses. A casual reader of the report is likely to be misled into believing that these job opportunity losses are losses of existing jobs. GAO compounds the confusion by mentioning "sudden decreases in markets . . ." (page 6) when there is no evidence that overall demand will actually decline. In fact, the recent March 1980 Chase Econometrics Forecast and Analyses states that "whereas advanced countries' steel consumption in 1979 was unchanged from 1972, favorable economic/demographic trends and political development are expected to lead to a 29 percent increase in steel demand by 1990."

Thus, the GAO discussion of the future iron and steel demand focuses only on the automotive sector and neglects the probable overall increase in demand for iron and steel expected in the 1980's wherein the current excess capacity situation will change to a capacity shortage situation.

A second defect is pointed out by the comments of the Ford Motor Company on page 36:

"The iron and steel industries are separate and distinct, and we recommend GAO discuss them separately. Ford projects flat requirements for steel through 1985, with per unit reductions offset by unit volume growth. On the other hand, cast iron usage on the average Ford car is projected to decline 48 percent by 1985. The loss of potential jobs from reduced iron and steel usage should be compared with increased jobs created by increasing demand for plastics and aluminum. It would be contradictory to reduce vehicle size and weight while maintaining yesterday's levels of iron and steel usage. These transitions have happened before without undue disruption when driven by market forces, as when steel replaced wood as a major automotive materials."

In the case of aluminum demand, GAO has overstated the likely growth by the auto industry, especially for light trucks. Page 22 of the report indicates the average 1981 truck will contain 241 more pounds of aluminum than its 1975 counterpart. Our analyses of the 1979-81 light truck rules indicated a maximum increase of 58 pounds for 1981 trucks (over 1978). The increase between 1975 and 1978 was probably negligible. Thus, we believe GAO grossly overstates the effect.

Even present auto industry projections for aluminum usage in the mid-1980's are likely to be high. The shifts in the market during 1979 to small cars and trucks (due to gasoline price increase) will probably be permanent.

Small cars and light trucks will almost certainly be a much greater fraction of new 1985 vehicle sales than manufacturers had previously planned. Since these vehicles use less aluminum than their larger brethren the average 1985 new vehicle will be less aluminum-intensive than GAO estimates. If one makes the more reasonable assumption that aluminum usage per vehicle will double between 1975 and 1985, automotive demand for aluminum would increase from 500,000 tons in 1975 to 1.4 million tons in 1985 (instead of the 2.2 million tons estimated by GAO). This assumes that domestic car and light truck sales increase by about 40 percent over the 10-year period (recall that 1975 was a poor sales year for the industry). Since Ford has stated that half of the aluminum in its 1985 vehicles will come from secondary sources[1] (recycling) the increase in demand for primary aluminum should be no more than 450,000 tons over 1975 levels, rather than the 1.7 million tons estimated by GAO.

In addition, DOT believes the comparison between aluminum import and petroleum savings due to aluminum usage to be totally unsubstantiated. GAO has also neglected to note that aluminum may be used as a replacement for steel. Total steel imports as a proportion of consumption were 19 percent in 1978. The increased use of aluminum and lower per unit steel usage could reduce demand for imported steel.

GAO also neglected to mention that employment would increase in the U.S. primary and secondary aluminum industries as demand grows.

GAO has similarly overstated the energy consumption impacts of increased usage. The aluminum industry is making progress in reducing the energy-intensiveness of its product. New materials for the cathodes used in the smelting process can increase the energy efficiency of this operation by 20 percent. For new facilities, an Alcoa process for smelting aluminum from aluminum chloride (rather than alumina) is getting attention. This approach requires only 60-70 percent of the electrical power used in conventional processes.[2] A phase-in of these improvements could allow increased primary capacity without proportional increases in energy requirements. In addition, the greater use of energy-efficient secondary aluminum would further reduce projected energy needs.

Fourth, although the GAO report did not recommend any changes in DOT procedures—indeed, the report, on page 16, states that "immediate action may not be necessary"—we believe that: (a) the issues GAO raises are being addressed; and (b) existing administrative mechanisms—such as the required coordination with the Department of Energy and the Environmental Protection Agency, the reviews of the Regulatory Analysis Review Group (comprised of the Councils of Economic Advisors and Wage and Price Stability, the Office of Management and Budget, and two Executive Branch agencies on a rotating basis) which has just commented on our proposed 1983-85 light truck standards, and the actions of the Regulatory Council—provide sufficient means to ensure the adequate consideration of materials and other issues in our fuel economy program.

The Department's official comments to the draft of the GAO report brought out these same points. Unfortunately, GAO did not print the Department's entire reply but instead only published our transmittal letter.

I hope the above has been responsive to your request. Please let me know if you desire additional information.

Sincerely,

JOAN CLAYBROOK.●

MICHIGAN LEADERS CALL FOR BUDGET CUT RESTORATION

HON. JOHN CONYERS, JR.

OF MICHIGAN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. CONYERS. Mr. Speaker, the State of Michigan and the city of Detroit are reeling under the twin jolts of staggering inflation and unemployment. Their jobless rate is more than twice the national rate. Local deficits are piling up and public assistance costs have reached record levels, as a result of the standstill in housing construction, the weakness of the auto industry, and the massive general unemployment. Overall, Michigan's economy stands today at roughly the same level as it had during the depth of the 1973-75 recession, and the depth of the current recession has not yet been reached.

Were this not bad enough, Michigan and Detroit confront Federal fiscal and budgetary policies that are likely to make the economic situation even worse. Congress is contemplating major cutbacks in domestic programs that have kept States such as Michigan afloat in the midst of the adverse conditions of the past several years.

The urgency of the situation has led the top officials of the State of Michigan from both political parties to issue the following statement calling for modification of the House budget resolution for fiscal year 1981. I urge my colleagues to read it, for what is happening in Michigan is also happening in other States as well.

STATEMENT

We are writing to strongly urge your support of measures to be considered by the House of Representatives which would restore programs critical to Michigan.

As you know, Michigan has entered a recession. Unemployment is nearly double the national rate. Real personal income of Michigan residents is declining, and the auto industry is slumping. This economic situation has caused a decline in governmental revenues and has created severe pressures on state and local governmental budgets.

In this context, the impact of proposed federal cuts in revenue sharing and social service programs is devastating. We do not have the luxury of budget surpluses or state-owned energy sources to soften this blow.

We urge defeat of an amendment by Representatives Gramm and Holt which would increase federal outlays for defense by $5.1 billion while reducing federal domestic programs. These reductions would worsen an already critical fiscal situation in states like Michigan.

The upcoming consideration by the House of Representatives of the First Budget Resolution provides an excellent forum for Michigan Congressmen to seek to spread the impact of necessary budget cuts more fairly. The Conable amendment, expected to be considered Thursday, would utilize reductions in selected federal categorical grant programs to restore 95 percent of the State's share of General Revenue Sharing. These funds, amounting to over $90 million would increase Michigan's ability to meet the needs of local communities, which already have been sharply affected by state and local cuts.

Representative Obey's amendment would increase General Revenue Sharing funds and restore selected federal categorical grants with reduction in federal government administration and curtailment of foreign tax credits for oil companies.

We request your consideration of these proposals. Accompanied by the defeat of the Gramm-Holt amendment, passage of the Conable and Obey proposals would be an important first step in making the struggle for a balanced budget a partnership.

Current Presidential and Congressional proposals for FY 81 program cuts approximating $15 billion anticipate nearly half those reductions coming from state and local programs, even though such programs make up only about 15 percent of the federal budget.

This is an uneven burden. Your immediate attention to the Conable and Obey measures as the House begins debate will be deeply appreciated.

Lt. and Acting Governor, James H. Brickley; Speaker of the House of Representatives, Bobby D. Crim; Minority Leader, House of Representatives, William R. Bryant, Jr.; Senate Majority Leader, William Faust; Senate Minority Leader, Robert Vanderlaan; Michigan Municipal League; Michigan Association of Counties; Michigan Townships Association; Association of Federal, State, County and Municipal Employees; Mayor, Oak Park, David Shepard; and Mayor, Adrian, Norman Haft.●

NO LOGIC IN MILITARY MOVE

HON. JONATHAN B. BINGHAM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. BINGHAM. Mr. Speaker, Washington Post reporter Don Oberdorfer in the Sunday, April 20, edition of that paper, wrote an insightful analysis of the Carter administration's present tactics in the Iranian hostage crisis. It underlines a point I made on the floor of the House 3 days ago—that the President's threats of military action against Iran are not based on careful consideration of the immense difficulties and dangers inevitably involved. We do not know with any assurance what would be the reaction of the revolutionary council or the ayatollah or the Russians to our use of military force. We can only guess at its effects on Europe and world oil markets. And no one can safely predict that military action such as a blockade or mining Iranian ports would help and not hurt the hostages themselves. I am including the full text of the Post article at this point in my remarks:

LOGIC POINTS TO MILITARY MOVE BY U.S.

(By Don Oberdorfer)

President Carter has embarked on the highest-risk venture of his presidency by tightening the screws on Iran as hard as he can and announcing that the probable next step is United States military action.

The developments and rhetoric of the last two weeks and especially of the last several days, if carried to their logical and seemingly inevitable conclusion, would bring American warships and planes into action to shut off Iranian commerce by mines or blockade in midsummer, if not before.

It would be the first such use of American combat military power in the Carter presidency. If undertaken in the circumstances that are now foreseeable, it is likely to be the most hazardous use of American power in many years, the first steps on a road whose end can not be foreseen.

The president's associates acknowledged in recent days that the risks involved in taking military action are very high. They said, however, that the costs of failing to act, while the holding of the hostages continues, are also high in international as well as domestic terms. "Doing something may not get the hostages out, but doing nothing will not do so," a White House official said.

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[1] American Metal Market/Metalworking News, May 21, 1979.

[2] American Metal Market/Metalworking News, July 23, 1979.

The main line of argument in favor of the military steps, as put forward to the press last Friday, is that Carter believes "no other course" is open following the failure of major efforts at negotiated settlement. At the same time, senior officials acknowledged that if and when the safe release of the hostages is obtained, the mechanism will be a diplomatic one similar to that which was tried unsuccessfully before.

The question still under debate within the administration—though Carter's public statements and White House intimations suggest the issue is all but closed—is whether moving to military action will advance the chances for release of the hostages, or will retard if not destroy those chances.

There are cautionary notes from several sectors of the administration that the military decision has not been taken despite Carter's repeated references to military action and his press conference statement, that, if present U.S. and expected allied sanctions fail, "the only next step available" would seem to be military action.

There is little optimism, however, that the existing U.S. economic and political sanctions, augmented by expected support from Europe and Japan in coming days, will end Iran's political paralysis on the hostage question. Some high officials have spoken of a "shock effect" that might break the Iranian stalemate, but there is no sign of such a shock effect to date, and several signs of continued intransigence combined with growing domestic disintegration.

Given all this, the chances of a change of heart or a decisive shift in political power relationships in Tehran are not considered high in the short run. All four power centers on the hostage issue—Ayatollah Ruhollah Khomeini, President Abol Hassan Bani-Sadr, the Islamic clerical party and the militant student captors at the U.S. Embassy—have agreed that the hostage decisions will be up to the Iranian parliament, which is unlikely to get down to business before June or July.

In this situation, Carter's decision to schedule a U.S. "reassessment" in mid-May is likely to bring matters to a head before the legislature meets. Thus if Carter's recent words about military action are not simply a public bluff—and high officials suggest that this is not the case—a month or so from now Carter may be faced with the choice of ordering strong action, probably of a military nature, or eating the words he has uttered recently. And he will be under pressure to step up to his big decision as Democrats and Republicans are approaching the nominating conventions.

In explaining what has brought the crisis to this pass, senior officials last week spoke of three stages of U.S. policy since the seizure of American diplomatic personnel and the U.S. Embassy in Tehran last Nov. 4.

Stage one began with the seizure and ran through the turn of the year. It featured slowly increasing U.S. economic and political pressures along with unavailing bids for negotiation. U.S. military action was vaguely threatened—but the threats were directed to the possibility that the hostages might be harmed or put on public trial.

Stage two began with the Soviet invasion of Afghanistan, which intensified the importance of the strategic factor in calculations on all sides, especially with the election in late January of Bani-Sadr, who openly sought to resolve the hostage crisis. With the beginning of serious negotiations, U.S. pressures and threats against Iran were deemphasized.

Stage three, the present stage of a return to pressures, originated in the collapse of the negotiations around the United Nations commission in mid-March, and was confirmed by the failure of a last-ditch U.S. attempt in late March to insist on transfer of the hostages to the control of the Iranian government. When this was thwarted in early April, Carter had little choice but to return to a harder line. But he faced crucial choices about the duration and nature of stage three.

One strategy might have been to space out the U.S. and allied sanctions in order to give the appearance of continuing motion over several months, bringing pressures to a head in mid-summer when the Iranian political system reaches its point of likeliest decision. This timing might also have been a way to deal with the growing impatience in the United States.

In fact, Carter chose to play most of his remaining economic and political cards at once, on April 7. A White House meeting April 11 scraped up a few remaining nonmilitary gestures and sanctions, which were announced as a package last Thursday.

The reasoning according to White House officials, was that it was better to get all the sanctions on the table quickly for maximum impact on the Iranians and Europeans. A more dramatic strategy was also more helpful at home to a politically embattled president.

By quickly "using up" his nonmilitary actions, Carter faced the obvious question of the next step. Starting last weekend, he chose to speak with growing explicitness and clarity about military action if the present sanctions do not succeed. The clearly spoken threat of force as a near-term "last resort" is a new element of fundamental importance.

At this point, the greatest and perhaps gravest questions are about the theoretical "stage four"—the military stage of the hostage crisis after the mining of Iranian ports or a naval blockade. Officials report that while contingency papers addressed such matters several months ago, there are few clearcut or satisfactory answers. Among the questions are:

The Soviet reaction. Would the Russians seek to run a U.S. blockade or create a path through a minefield?

Would they seek to thwart U.S. action by providing Iran with its needs across the Soviet-Iranian border or by airlift? And would U.S. military action push Iran into Soviet arms?

The reaction of the Persian Gulf region and Islamic world. The United States has declared the region vital, due to its oil supplies. The reaction to the United States as the outside power in battle with Islamic revolutionaries could be explosive.

The impact on Europe, Japan and world oil markets. Cutoff of Iranian oil would be painful, but the spread of disorder to other oil-producing areas of the Persian Gulf could be catastrophic. A brief decline in Iranian production early last year triggered worldwide jitters and a doubling of world oil prices to levels which many nations—and citizens—can hardly afford to pay.

Finally, the impact on the hostages and the crisis. Some experts believe the use of force will make it almost impossible for revolutionary Iran to back down. And toughest of all the questions—what is the next step up the ladder if mining or a blockade is insufficient, and the next steps after that? ●

WILLIAM SEVERNS: A HALF CENTURY OF SERVICE IN THE ARTS

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. WAXMAN. Mr. Speaker, I am honored to bring to the attention of my colleagues a half century of contribution to strengthening the fine arts in California and across the country made by Mr. William Severns. Because of his commitment, vision, and energy, he has altered the face of our city, and literally brought the cultural world to millions.

William Severns' achievements have been extraordinary. Working with Mrs. Norman Chandler, he made our now-famed music center a reality. For several years he managed the Los Angeles Philharmonic Orchestra, and served as administrator for the Hollywood Bowl. Today, he is the highly respected administrator of the Music Center Operating Co.

William Severns has served the Nation no less than Los Angeles. His expertise was indispensable to the creation of the National Endowment for the Arts and the National Council for the Arts. He helped found the American Symphony Orchestra League, which strengthens symphonic organizations in the United States and Canada. Other cities in California have repeatedly sought his assistance in establishing their own cultural institutions.

After 50 years of service, William Severns is being honored throughout the State of California. I am proud to join in the chorus of praise and gratitude for his service to the public and the arts—and the hope that he will continue for several years to come. ●

JOURNALISTS SUPPORT CIA DIRECTOR

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. McCLORY. Mr. Speaker, much has been mentioned in the press in the past month—especially in Washington—over whether or not the CIA should be able to ask journalists for assistance in situations where vital national interests are at stake. News reports have claimed that the journalistic profession stands in unison in opposing any operational connection with U.S. intelligence agencies. Most recently, such a picture was painted in the Washington Post when it reported on an appearance of the Director of Central Intelligence, Adm. Stansfield Turner, before the American Society of Newspaper Editors. The report seemed to indicate that Admiral Turner was almost heckled off the dais when he suggested that it was quite reasonable that the CIA would call on American journalists to come to the aid of their country. However, as indicated in the following April 22 letter to the editor by Mr. R. H. Rawlings, editor of the Pueblo (Colorado) Star-Journal & Chieftain, such was not the case. As Mr. Rawlings stated:

> I was not alone when I told Admiral Turner after his talk that I would not only agree to serve under the special circumstances which he outlined, but would be proud to do so.

Mr. Speaker, it appears that while the strongest critics of our legitimate intelligence activities are able to exhibit a high profile in the Washington press, there are others who are very supportive of our intelligence agencies who are not in a position to express their beliefs as vociferously. It is unfortunate that the day-to-day reporting in the Washington press does not give more coverage to the many people across this country who are supportive of our foreign intelligence agencies.

Mr. Speaker, I now insert in the Record Mr. Rawlings' letter:

Journalists and the CIA

The Associated Press report in The Post (April 11) of Admiral Stansfield Turner's speech to the American Society of Newspaper Editors disppointed me.

The report was correct when it said that "CIA Director Stansfield Turner yesterday defended the Carter administration's policy of allowing the spy agency to use American foreign correspondents." What the story failed to say in its remaining nine paragraphs was this salient point, emphasized by Mr. Turner: that no foreign correspondent would be approached by the CIA without the personal approval of the director of the CIA.

Later, the story reports that "members of the ASNE strongly disagreed with Turner." That sentence seems to imply that the members who were present (all of them) disagreed with Mr. Turner.

Such was not the case. I was not alone when I told Admiral Turner after his talk that I would not only agree to serve under the special circumstances which he outlined, but would be proud to do so.

The AP story dwelled only on one aspect of Mr. Turner's detailed speech. There was no reference to other points that at least some of us in the audience felt would be considered more important by the general public than the parochial issue that alone was dealt with in the story.

As an editor, I am confronted frequently with criticism that one of our news stories is biased. I've tended to discount these critics. This firsthand experience will make me more understanding of criticisms and more diligent in demands upon my reporters for fairness.●

GOVERNMENT BY JUDICIARY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HYDE. Mr. Speaker, on Monday last, oral arguments were made in the U.S. Supreme Court concerning the constitutionality of the so-called Hyde amendment.

One of the most significant aspects of this controversy concerns the exercise of the "power of the purse".

Two of America's most thoughtful and distinguished columnists, George F. Will and James J. Kilpatrick have written on this subject recently and a reading of their articles is most instructive. I commend them to my colleagues.

[From the Washington Post, Apr. 3, 1980]

Abortion by the Courts

(By George F. Will)

Supreme Court rulings have made abortion the most divisive issue confronting Congress. But now a district court, acting true to the Supreme Court's legislative spirit, has overreached in an abortion ruling, and has caused a remarkable coming-together in Congress.

The controversy concerns Rep. Henry Hyde's amendment to the act appropriating money for Medicaid. The amendment says that Congress is not appropriating money to pay for abortions except in limited, specified situations.

A district court has declared, for many reasons (as is common when a court is surer of the result it wants than it is of a reason justifying the result), that the Hyde Amendment is unconstitutional. And the court has ordered the government to pay for abortions contrary to provisions of the appropriation act.

Now, the Supreme Court, which will review the district court's ruling, has received a "friend of the court" brief from 247 representatives and senators, including a majority of the House of Representatives, which is the originator of appropriations measures. The brief argues that the ruling "in the most fundamental way subverts the Constitution of the United States by making meaningless the reservation to Congress of the right to determine when 'Money shall be drawn from the Treasury.' "

Nothing in the Constitution is clearer than the following as a textual commitment of a particular power to a coequal branch: "No Money shall be drawn from the Treasury, but in Consequence of Appropriations made by Law. . . ." And the first words of the first article of the Constitution are: "All legislative powers herein granted shall be vested in a Congress of the United States. . . ."

Clearly, the district court's order, commanding the government to subsidize abortions in situations where Congress has decided not to subsidize them, is an attempt to draw money from the Treasury. It is an attempt by the judiciary to exercise a power vested exclusively elsewhere. It seems to assume that federal judges have something like a "line-item veto," only even more powerful: they can turn a negative into an affirmative. As the congressional brief says:

"The power which a federal judge can thereby exercise is greater than the veto power of the president. The president can only reject entire acts, and he can never turn a non-appropriation into an appropriation. The district court's theory permits a federal judge to pick a specific provision, invalidate it, and by the very invalidation make appropriated what Congress had declined to appropriate."

The brief warns that such judicial redistributions of federal funds will multiply if tolerated: "In an age marked by an immense increase in constitutional litigation it is remarkably easy to convert any disappointment on policy into a claim that a constitutional right has been infringed." So, "a multitude of fiscal and budgetary questions will be laid at the courthouse door. Every loser in the representative processes will seek a judicial appropriation for his program."

The attempt to overturn the Hyde Amendment is additional evidence that when representative processes do not yield liberal results, some liberals clearly demonstrate that their commitment to those results takes precedence over a commitment to representative processes.

The Hyde Amendment is just one of several recent uses of the words: "None of the funds contained in this act shall be used" for this or that purpose. As the congressional brief notes, "the explicit refusal to appropriate money for a specific purpose is an essential tool of democratic control of the business of bureaucratic government," a tool used recently to end the Vietnam War and to prevent the CIA from undertaking certain kinds of activities.

When President Nixon selectively impounded funds in appropriations acts, he was rightly denounced for usurping power and threatening the separation of powers. Now some of the political forces that opposed Nixon are defending the district court's even more drastic usurpation of congressional power. Liberals worried about the waning moral force of their movement should consider the contrast between their result-oriented behavior and their rhetorical celebrations of democratic due process and other principles.

On both sides of the abortion issue there are strong passions, hot words and some indefensible actions. Some anti-abortion extremists have committed intolerable vandalism against abortionists' facilities. But the most lasting damage is being done by judges and their inciters who want the already inflated notion of judicial review further swollen to encompass the power to superintend fiscal policy and appropriate money.

A double negative, although stylistically awkward, expresses the awkwardly antidemocratic doctrine of the district court and other pro-abortion extremists: Congress cannot not subsidize abortions of all sorts.

That is vandalism against the Constitution.

[From the Washington Star, Apr. 24, 1980]

The Powers of Judges

(By James J. Kilpatrick)

The U.S. Supreme Court heard arguments a few days ago in what could prove to be the most significant case of this term. It presents an unusually sensitive issue for judges to decide—for the case turns upon the power of judges.

On the surface, *Harris vs. McRae* involved only the question of tax-paid abortions for poor women on Medicaid. The underlying question is far more important: Can a federal judge order tax funds appropriated for a particular purpose, despite the explicit command of Congress that tax funds not to be appropriated for that purpose?

I cannot recall a case in which the legislative and judicial branches have been pitted in quite this kind of confrontation. From time to time the high court tells Congress what it may not do. It is a very different matter when the judiciary undertakes to tell Congress what it must do, and this is the case here.

In this regard, the issue of abortion, as such, is almost irrelevant. Back in 1976, after a bitter fight, Congress agreed upon an amendment to the act creating Medicaid. Sponsored by Congressman Henry Hyde of Illinois, the amendment provided in unmistakable terms that "no funds contained in this act shall be used to perform abortions except where the life of the mother would be endangered if the fetus were carried to term."

The Hyde amendment was modified slightly in 1977 and modified again in October of 1979, but the prohibitory language was not changed: "None of the funds contained in this act shall be appropriated for. . . ."

Cora McRae, a New York woman under Medicaid, brought suit in September 1976 to challenge the Hyde amendment. She was in the first trimester of her pregnancy and she wanted an abortion at public expense. Nearly 3½ years of litigation ensued. She and the coplaintiffs who joined her raised a dozen constitutional objections, but this was their main contention—that the Hyde limitation violated the principle of equal protection embodied in the due process clause of the Fifth Amendment.

This past January a U.S. district court agreed: The statutory distinction between medically necessary abortions and other medically necessary services bears no rational relationship to any legitimate governmental interest. The court then ordered federal funds released for Medicaid abortions. This week the case reached the Supreme Court.

The key constitutional provision is as clear as spring water: "No money shall be drawn from the Treasury but in consequence of appropriations made by law." More than 200 members of the House and 15 members of the Senate have intervened in an effort to preserve their power of the purse. They are contending strenuously that only the Congress, and not the judiciary, can direct that money be drawn from the Treasury for a particular purpose. To condone such a judicial power "must inevitably substitute judges for legislators."

The intervenors offer a persuasive analogy. The act appropriating funds for the State Department in 1978 contained language identical to that in the Hyde amendment: "None of the funds appropriated in this title shall be used . . . for the promotion, direct or indirect, of the principle or doctrine of one world government." It scarcely could be seriously contended that a U.S. judge, in an appropriate proceeding, could hold the prohibition in violation of free speech and direct that money be drawn from the Treasury to promote world government instead.

At state and local levels, judges often have effectively compelled appropriations of public funds. Court-ordered busing of school children for purposes of racial balance provides an example. In other instances, courts have ordered public funds spent for better jails or for better courtroom facilities.

But, never, so far as I know, has a federal court ordered a forbidden appropriation converted into a commanded appropriation. This is a new level of judicial usurpation, and it ought to be halted now.●

THE CASE OF YURI DRUZHNIKOV

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. EDWARDS of Oklahoma. Mr. Speaker, I am pleased to participate in "The Spirit of Helsinki: Vigil 1980" sponsored by my colleague, Hon. ANDREW MAGUIRE, to focus attention on the Soviet Union's systematic violation of their international agreements regarding human rights. It should be clear by now that the Soviet leaders respect neither the letter nor the spirit of the Helsinki conventions. That so many Soviet citizens desire to emigrate, and are met by official opposition at every turn, is a telling indictment of the Soviet system.

Today, Mr. Speaker, I want to emphasize the personal dimension of the oppression by reminding my colleagues and the country of the plight of Yuri Druzhnikov, a novelist, playwright, and educator especially interested in the living and learning problems of young people. Since August 1977 Mr. Druzhnikov has attempted to emigrate with his wife and daughter. Although he has never actively participated in political protests or demonstrations, he has been denied a visa to emigrate. Further, Mr. Druzhnikov has been forbidden to work at his profession, leaving his family in a precarious situation in that they are vulnerable to arrest for parasitism or even loss of their Moscow residence permit.

Mr. Speaker, it is both ironic and tragic that the Soviet authorities are harassing a man whose lifelong concern has been the processes by which individuals become ethical, caring, humane persons. It is essential that we in the United States make our voices heard in Mr. Druzhnikov's behalf.

As we continue to call attention to the Soviet Union's pretty dismal record in this area, we would do well to heed the words of Alexander Solzhenitsyn, who once said to an American audience:

> Whenever you help the persons persecuted in the Soviet Union, you not only display magnanimity and nobility, you are not only defending them, but yourselves as well.

So I am glad to join my colleagues in challenging the Soviet authorities to advance the cause of liberty and human rights by living up to the Helsinki conventions.●

INDEPENDENT CANDIDATE

HON. PHILIP M. CRANE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. PHILIP M. CRANE. Mr. Speaker, I congratulate JOHN ANDERSON on his decision to run for the Presidency as an independent candidate.

At the time of the League of Women Voters' debate in Chicago on March 13, 1980, I urged Mr. ANDERSON to consider this option.

His support for his party's positions here in the Congress had slipped to 9 percent in 1979 and he had signed a fundraising letter to help reelect such prominent liberal Democrats as GEORGE MCGOVERN, FRANK CHURCH, JOHN CULVER, and BIRCH BAYH.

I indicated to Mr. ANDERSON on that occasion that his opposition to the principles of the Republican Party and its candidates was a completely legitimate position for him to take—but not while seeking the nomination by the Republican Party for its highest office.

I noted to Mr. ANDERSON that such former Republicans as Senator DON RIEGLE and Representative PETER PEYSER had examined their consciences and concluded that their liberal views were more in harmony with the National Democratic Party than the Republican Party. Because of that, they did the logical thing and crossed the aisle to become Democrats in fact as well as philosophy.

JOHN ANDERSON and I have disagreed philosophically on many issues for years. For all of that, I have respected Mr. ANDERSON for having the courage of his convictions.

What he did today, in formalizing his departure from the Republican Party should not be viewed by Republicans as traitorous on his part. He left the Republican Party years ago in his heart.

His action today was intellectually consistent and morally correct. I'm sure Mr. ANDERSON did not find it easy to think himself through to this conclusion, but I congratulate him for doing it.●

THE PROBLEMS AND ISSUES PRESENTED BY INCREMENTAL PRICING

HON. CLARENCE J. BROWN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. BROWN of Ohio. Mr. Speaker, in a few short weeks the House will consider the Federal Energy Regulatory Commission's rules implementing the second phase of the incremental pricing provisions contained in the Natural Gas Policy Act of 1978.

Under the terms of the act, regulations for the second phase of incremental pricing are required to be promulgated by May 9. The regulations are then required to be sent to Congress for its review. If either House of Congress adopts a resolution of disapproval with respect to such regulations within 30 days after they are sent to Congress, the regulations will not take effect. The decision to approve or disapprove these regulations will be one of the most significant energy issues coming before the Congress this year.

Recently I had the privilege of hearing Charles B. Curtis, Chairman of the Federal Energy Regulatory Commission, address directly the problems FERC has encountered in attempting to establish a workable incremental pricing program. Because Chairman Curtis' remarks contain the clearest and most concise analysis of the problems and issues presented by incremental pricing, I commend them to your attention.

The address follows:

The Federal Energy Regulatory Commission, as you know, is quite a young institution. It came into being on October 1, 1977, under the terms of the Department of Energy Organization Act. As such it is only 30 months old.

But most of the Commission's functions and most of its problems have a long, long history. That is so because the Federal Government has been involved with energy in one way or another since the turn of the century. Thus, for example, the FERC administers a 1906 statute which requires the interstate oil pipeline rates be "just and reasonable." That responsibility, formerly exercised by the Interstate Commerce Commission, presents me and my colleagues with thorny public policy questions that have been hotly debated ever since the days of John D. Rockefeller.

Our other responsibilities, which were inherited from the former Federal Power Commission, do not date back quite so far as the oil pipeline tasks. But they too have been around for a long time. Our hydroelectric power duties stem from the original Federal Power Act of 1920, which grew out of the conservationist movement of Pinchot and Theodore Roosevelt.

Our responsibilities in connection with wholesale electric rates were conferred in 1935 as part of the New Deal's public utility program. This was followed by yet another New Deal initiative which established the Federal energy regulatory presence in natural gas matters.

As you know, the literal text of that statute, the Natural Gas Act of 1938, was not crystal clear with respect to its scope. For many years the Natural Gas Act was generally regarded as a scheme for controlling pipeline rates, indeed, it was thought of as a pipeline statute. In 1954, however, a majority of the Supreme Court held that reading overly restrictive. The Court found that the Natural Gas Act reached the price of the gas itself, and that decision has spawned controversies that have erupted at almost every session of the Congress since 1955.

In 1978, the Congress added the last two ingredients to our stew of statutory responsibilities, the Public Utility Regulatory Policies Act and the Natural Gas Policy Act. Of these, the NGPA is easily the most complex and difficult to administer and of all of the Acts assigned to our stewardship, the NGPA is least loved.

Virtually every section of the Act—if I may be allowed to paraphrase the Harvard Business School's Energy Project—involves an objective conflict of interest among different groups and regions. Very high financial stakes are involved as are correspondingly high passions. Such ingredients make for overwhelmingly difficult political questions. One of these difficult political questions will soon return to the Congress in the form of Congressional review of a proposed rule to broadly extend incremental pricing to industrial facilities which use gas for process and feedstock purposes. Congress has given itself only 30 legislative days to consider the matter—a mercifully short period when one considers the prolonged trauma of the natural gas policy debate of the last Congress. My purpose today to have the temerity to offer some historical and policy context for a discussion of this question.

You will recall that a moment ago I mentioned Theodore Roosevelt. Before I delve into the unpopular subject of incremental pricing, I would ask you to keep in mind one of the old Rough Rider's important admonitions. He said, "We must remember not to judge any public servant by any one act, and especially should we beware of attacking the men who are merely the occasions and not the causes of disaster."

In asking you to extend that indulgence to me and to the agency that I head, I could plead that incremental pricing was not our idea, we are just carrying out orders, that it is something that was handed to us by the Congress.

But I go further than that. I ask you to extend the leniency for which Theodore Roosevelt pleaded not only to the administrators who have to implement the legislative decision but to the Members of the House and the Senate who made that decision.

Three factors lead me to ask for that extension of indulgence. The first is that some of the legislative fathers of incremental pricing are here. The second is that others that are here have a very considerable voice in setting the Commission's appropriations and the third is that I know how difficult their task was.

As you will recall, the Congress was told by many, including most of American industry, that price controls on natural gas had created an awful mess, that those controls on natural gas had discouraged exploration and development, that natural gas is a "commodity" rather than a public utility service, and that at least with respect to newly discovered gas it would be best to leave prices to the market forces on which a private enterprise economy generally relies.

Others told the Congress that there was little reason to believe that sharp price jumps would lead to commensurately sharp increases in supply, that natural gas is a finite, nonrenewable resource, that the only thing that could be said with certainty about deregulation was that it would inevitably shift enormous streams of income from consumers to producers, that the real flaw in the Natural Gas Act of 1938 was its pernicious dichotomy between a tightly regulated interstate market and a wholly unregulated intrastate market, and that the cure for that was not deregulation but the extension of regulation to the intrastate market.

The Congress in 1978 compromised. It extended the regulatory controls to the previously unregulated intrastate market. But only as a transitional measure.

The basic decision was to deregulate in phases. The Natural Gas Policy Act's design for that is intricate, excruciatingly so.

Everybody knew that deregulation (however gradual) would make gas more expensive—both during the transition and after 1985, when most gas would be sold at free market prices. The Congress was concerned about the equitable allocation of those additional gas costs.

It decided that it would be in the public interest to place more than their pro rata share of that burden on industrial users of gas. That would shield the residential consumer from the full impact of higher gas prices. And that, in essence, is what incremental pricing is all about.

Incremental pricing, which is not really "incremental" in the economist's sense since it does not match the cost of incremental supply with incremental use, also has another conceptual basis.

This is the market-ordering idea. That rests on these judgments:

Market forces in a deregulated environment will value domestic natural gas in relation to some alternative energy source. The primary alternative is oil which is priced considerably above the cost based prices previously allowed under the Natural Gas Act and indeed considerably above the price path set out in the Natural Gas Policy Act.

Consequently, gas prices could rise sharply and abruptly in 1985 when significant quantities of gas are to be decontrolled. The potential exists at that time, therefore, for an enormous transfer of wealth from gas consumers to gas producers. Hence, the Congress searched for some sort of a constraint that would act as a brake on prices. It was thought that incremental pricing would serve this purpose because under its terms, price-sensitive industrial customers already would be priced at or quite near their alternative fuel costs. It would not take much to push these industrial users above the line precipitating a switch to other fuels. The threat of industrial load loss, it was reasoned, would cause pipelines to watch their gas costs and discourage aggressive competitive bidding for gas. At least that's the theory behind the market ordering purpose as I understand it.

Thus, we have two quite different foundations to incremental pricing. One views incremental pricing as an equitable program grounded on social judgments that industry should bear a greater share of the burden of increased costs for this the most precious of our fossil fuels. The other views incremental pricing as a force countervailing average cost pricing in order to improve the performance of the markets so as to allow market forces to effectively substitute for a system of government price controls.

With that context in mind, now let's look at what the Commission has done with this assignment and what it proposes to do. Title II of the Natural Gas Policy Act requires incremental pricing to be implemented in two phases.

Under the first phase, we were directed to develop a mechanism to incrementally price large industrial facilities that use natural gas as a boiler fuel. This was to be accomplished within the first year of enactment. The second phase directed the Commission to develop a proposal for incrementally pricing other industrial facilities "as determined by the Commission." The Commission was given until May of 1980 to come up with the proposal, 18 months following enactment. This second phase was not to go into effect until Congress had a chance to look at it and evaluate the effects in light of the then current market circumstances. For this reason, Congress reserved a veto power which may be exercised by adoption of a simple resolution of disapproval in either House.

The Commission was given very little administrative discretion under Phase I. What was left to our discretion related to the alternative fuel price which was to serve as the limit on boiler fuel users' cost responsibility. The Act directed us to surcharge such users until their delivered prices matched the Btu equivalency of No. 2 distillate fuel oil. But we were given latitude in certain circumstances to lower the price to an equivalent of the less costly No. 6 residual fuel oil. We chose this course at least on an interim basis. Thus, we pegged the price to high sulfur No. 6 oil for the first year of the program. We did this primarily out of a concern that a price higher than high sulfur No. 6 oil for boiler fuel users would result in significant industrial switching to the detriment of the gas consumer remaining on the system. We were also concerned with adding to fuel oil demand and deepening the Nation's dependence on imports. We still are so concerned. Accordingly, on May 9, we have determined to submit to the Congress a proposal which would continue to cap the alternative fuel price for another year at the high sulfur No. 6 price.

Our Phase II task, which will come here for Congressional scrutiny, was a much more complicated assignment. Arguably, the Commission had broader discretion in defining the scope and nature of any expansion of incremental pricing to other industrial facilities. Several commentators suggested that we could and should submit no rule. Others suggested that, if we view the statute as requiring a rule submittal—let me be very clear that we do—the scope of the rule should be severely limited, perhaps confined to a single industry. Not surprisingly there was no agreement on which industry should step forward.

Our task was further complicated in that, although the Congressional purposes underlying Phase II were to be the same as for Phase I, our ability to give effect to those purposes proved to be imperfect at best. Indeed, we have tentatively concluded that the so-called market ordering purpose will not be served by extending incremental pricing to process and feedstock users—or others which may be caught within the net of Phase II. There are reasons for this conclusion that I won't plague you with today. On the other hand, we did find that an extension of incremental pricing would further the Congressional purpose in sheltering high priority users from some of the burden of increased gas costs.

Hence, we will send to the Congress a rule which will extend incremental pricing to all industrial facilities that do not have statutory exemptions. We chose a broad scope for the rule because:

(1) This maximizes the sheltering impacts for high priority users, and

(2) We could not find any satisfactory basis for distinguishing one industry group from another. Is the chemical industry more socially valuable to society than the steel or glass industries? How does one make these judgments—on the basis of what record? Once we started down this slippery slope, we were afraid we wouldn't be able to find a rational basis for stopping.

We did worry a good deal, however, about the potential economic dislocations that could result from rapid and significant price increases to industry. We took very seriously the comments presented to us at a series of nationwide regional hearings on incremental pricing. On the basis of our analyses, we have determined to propose to cap the alternative fuel price permanently at the high sulfur No. 6 oil price. Moreover, we will suggest exempting the first 300 Mcf per day of deliveries. This not only lets out small facilities, it will temperize the price impacts for large ones. Also, States are to have some authority to limit the surcharge responsibility in the case of unusually rapid price increases.

The Phase II rule will be submitted in approximately two weeks. Thus, the debate on incremental pricing will soon move to the Congress. When it arrives—assuming we can work out its administrative bugs—the Congress will be confronted by a basic, indeed a singular question. And that is whether the risk of economic dislocation in requiring industry to shoulder a higher burden for increased gas costs is outweighed by the social benefits achieved in sheltering higher priority users. The Commission will attempt to provide the Congress with its best measure of the relative costs and benefits to aid in this evaluation. But the Commission views this judgment as one that the Congress has expressly and properly reserved to itself. The Commission can claim a responsibility for crafting a rule which meets a Congressional purpose within the confines of sound administrative judgment. But the judgment as to whether to put that rule into effect to achieve the social judgments of the Congress to provide the sheltering effect is the one that the Congress, and the Congress alone, should make. However, because the debate has already been joined in the Halls of Congress in advance of the Commission analysis, let me toss out a few items which I believe should be kept in mind in the course of any deliberation on this issue.

On one side of the ledger one might place the following considerations:

Because of its form value, natural gas is considered to be our most valuable fossil fuel. It accounts for roughly 25 percent of our Nation's total energy requirements. It is the primary fuel for residential needs; well over 40 million homes depend upon it for space heating requirements. It is relied on for almost 30 percent of industrial needs.

The high sulfur No. 6 oil price represents the minimum commodity value of this precious fuel. Pricing policies which fail to reflect this minimum commodity value tend to encourage waste and subsidize imports. The very reasons that led the Congress to the decontrol decision apply in this equation. To the extent that industry is burning natural gas at delivered prices which are to any significant extent below No. 6 fuel oil, the cost of manufactured products and services are unlikely to reflect the true commodity value of their energy ingredients. Again, this encourages waste and directly adds to import dependency.

The No. 6 high sulfur residual fuel oil price most recently published for the month of April is less than the marginal supply price for most major interstate pipelines. More than 10 percent of major interstate pipeline supply is acquired at price levels which are equal to or exceed the delivered price of gas to industry. To further illustrate the point, consider, for example, that this Nation is at present acquiring approximately 5 percent of its natural gas requirements from Canada at border prices equal to $4.47 an Mcf. On a Btu equivalency basis, current delivered prices of high sulfur residual fuel oil—which is the alternative fuel price in Phase II—are approximately $3.00, or only two-thirds of the price, at the border, of imported gas.

If industry encounters significant problems of a permanent nature in its ability to remain profitable when natural gas prices are set on a par with the high sulfur resid cost, a defeat of Phase II incremental pricing may simply postpone the problem, not cure it.

On the other hand, to the extent that the problems are merely transitional, and I suspect most are, the question arises whether industry isn't better able to manage the distributive difficulties presented by rapid increases in energy prices than are residential users inasmuch as industry at least has the potential ability to pass these increased fuel costs on in the form of higher prices for its goods and services.

With respect to the concerns over the inflationary impacts of incremental pricing, to the extent that industry is unable to pass through these costs, the result of incremental pricing may be anti-inflationary (albeit perhaps recessionary) in its ultimate impacts.

On the other side of the ledger, one might consider these factors:

Although the purchased gas costs of interstate pipelines increased by almost 50 percent from August 1978 to August 1979, prices to residential customers served by local distribution companies feeding off of interstate pipelines increased only 15 percent, in nominal dollars, running only slightly ahead of the general rate of inflation. Do residential users in such circumstances really have an equitable claim to shelter from these impacts? Don't their needs pale in comparison to their neighbors who are dependent upon oil and electricity for space heating requirements and who have no comparable program to shelter them from the impacts of increased energy costs and indeed isn't this shelter a shelter from reality another refusal of a facing-up of this country facing-up to its responsibilities to appreciate the real costs of energy that it consumes?

If the real significant price impacts under the Natural Gas Policy Act are likely to occur in 1985, shouldn't the program be deferred until a time closer to that date? Inasmuch as the burdens of incremental pricing must be carried by industrial users accounting for only 15 percent of interstate consumption while the benefits are distributed over the other 85 percent of the load, aren't the benefits spread so thin as to be relatively insignificant as compared to the burdens allocated to industrial facilities? Given the prospects of a general downturn in the economy, why risk adding to recessionary pressures for so small an individual benefit?

I am not really prepared to suggest the answers to these questions. Obviously, much of this turns on fundamental questions of judgment and policy. They are political judgments—the grist of the legislative mill. But I would suggest that the answers are not straightforward. It is, to me, a difficult riddle whether to go forward with Phase II or not. That, as I have said before, is clearly a decision which the Congress has reserved for itself. For my part, I think it is well committed to congressional judgment. I guess in my calculus as I examine the problem, I am reminded of an observation that Senator Jackson made during the height of the natural gas policy debate in the last Congress. If I remember it correctly, it went something like this:

"In natural gas matters it is very difficult to have a good strong feeling in your stomach that you know exactly what the hell you are doing."

To that I say Amen.

Thank you.●

QUAYLE OPPOSES ANOTHER WITHHOLDING TAX

HON. DAN QUAYLE

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. QUAYLE. Mr. Speaker, the first concurrent resolution on the budget includes a provision for a withholding tax on interest and dividends. I am strongly opposed to such a withholding tax. With the inflation rate nearing 20 percent we need to discourage spending and encourage savings and investment, however such a withholding tax would provide yet another disincentive for saving. The Latta amendment to the Budget Act eliminates this proposed withholding tax on interest on dividends.

The burden of the withholding tax would fall heavily on the elderly and retired savers. A national survey completed in 1975 disclosed that 48 percent of all savings and loan association savers were over the age of 55 and 25.9 percent were over 65 years of age. Over two-thirds of these savers over 65 years of age were shown to have incomes less than $10,000 per year. As a result, the withholding of taxes against savings account interest could severely affect the living standards of this group which is least able to afford it.

Withholding tax on interest would act as a major disincentive to save by lowering the effective interest return to savers. In addition to this withholding would mean a partial loss of interest-on-interest income for savers. Withholding of taxes on interest income will result in the loss of a portion of the compounding advantage which is a major benefit of a savings account.

Withholding would also sharply reduce funds available for mortgage lending. At an average 1979 mortgage size of $47,315 per home, the withholding of taxes on savings and loan associations alone would result in a loss of funds to finance up to 120,469 single-family homes in 1980. Current credit curbs and record high interest rates already have driven the home building industry into depression—and deprived many families of their dream to own their own homes.

Withholding would also sharply reduce funds available for mortgage lending. At an average 1979 mortgage be passed on to the consumer. Currently, financial institutions carry the reporting burden of supplying the IRS with 1099 forms for each savings account. This reporting and administrative burden would be compounded many times over the increase in reporting to four times per year and the additional cost of payment of withholding to Treasury.

Our income tax system traditionally has been based on an honor system. I see no reason to punish those who practice thrift—especially the elderly Americans who are among the prime victims of inflation today.●

IN SUPPORT OF SPENDING LIMITATION

HON. ED JENKINS

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. JENKINS. Mr. Speaker, today my colleague from New York, Congressman BARBER CONABLE, and I are introducing as a bill the essential text of House Joint Resolution 395, a proposed constitutional amendment which would bring the Government back to the idea of fiscal sanity by means of a spending limitation. Both of us believe that in the long run only a constitutional amendment will solve the problem, but we are confronted today with almost emergency conditions regarding inflation. Therefore, we have decided to introduce the context of House Joint Resolution 395 as a bill so that the Government can start immediately on the course of corrective action by a reasonable system of spending limitation. The necessity for the constitutional amendment is clearly explained in my statement presented to the Rules Committee Task Force on Federal Spending Limitation Proposal on February 13, 1980.

The basic principles of the bill are as follows:

First, Federal outlays, both on and off budget, for a particular fiscal year are limited to the percentage of gross national product (GNP) represented by the Federal level of outlays for the preceding fiscal year.

Second, increases in outlays are commensurate with increases in the GNP.

Third, an anti-inflation incentive is added which provides that the normal spending limits for a particular fiscal year will be modestly lowered if the inflation rate for the preceding calendar year has been above 3 percent (the Humphrey-Hawkins standard).

Fourth, Federal grants to States are protected by: (a) A requirement that the total Federal spending limit be reduced when the proportion of the total Federal outlays constituted by Federal grants to States is reduced, and (b) a provision prohibiting the Federal Government from requiring States to expand their functions or perform new functions without compensation equal to the necessary costs incurred in connection with the new or expanded functions mandated.

Fifth, two provisions for suspending or changing the limitation are provided: (a) Congress may change the maximum amount of total budget outlays otherwise permitted for any fiscal year by a particular dollar amount if such change is adopted in a concurrent resolution adopted by three fourths of the Members of each House, and (b) if the President declares an emergency, Congress may authorize a specified amount of emergency outlays by a concurrent resolution approved by two-thirds of the Members of each House.

Our spending limitation proposal has sometimes been compared to the balanced budget approach. However, the differences in the two approaches are enormous. Of prime importance is that our proposal is countercyclical in operation whereas the balanced budget approach is procyclical. Under a balanced budget approach, when revenues fall off in recessionary times, so must expenditures. However, that is the time when expenditures often need to be increased to stimulate the economy. Likewise, when revenues are up, expenditures must be increased or taxes reduced in order to balance the budget. However, that is often the time when such steps would only fuel existing inflationary pressures. A countercyclical system allows the Government to spend when revenues are down and to save when revenues are up. The countercyclical nature of the spending limitation approach is further enhanced by our proposal which, as mentioned earlier, has a built-in spending reduction in inflationary times.

Another difference in the spending limitation approach and the balanced budget approach is that the balanced budget approach allows the Government to raise taxes rather than cut expenditures in order to balance the budget. Such an approach places little restriction on the increasing proportion of our economy allocated to government.

In short, the spending limitation approach gives the Congress more flexibility in choosing the appropriate solution to our economic problems at a particular time, rather than dictating one, and only one, solution to all economic dislocations.

Finally, this proposal is workable. Its restraint and flexibility permit it to be implemented in our fiscal system without a sudden wrenching of our economy. Furthermore, this approach will greatly enhance the long-term prospects of a stable and prosperous economy in this country.

We respectfully request that our colleagues study this proposal carefully.●

SALUTE TO DR. SANDERS

HON. W. HENSON MOORE

OF LOUISIANA

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. MOORE. Mr. Speaker, yesterday friends of education and agriculture from around the Nation joined Louisiana State University in the observance of the 82d birthday of Dr. H. C. Sanders.

Harry Clayton Sanders served the citizens of Louisiana during a long and distinguished career with the cooperative extension service, but his influence was felt throughout the Nation through the advancement of agricultural education. He is a native of Lincoln Parish, La. He received the bachelor of science degree from Clemson University and the master of science from Louisiana State University. After teaching vocational agriculture for 4 years, he joined the Louisiana Agricultural Extension Service in 1923 as county agent in Bienville Parish. After advancing through the ranks of district agent and State agent, he was named director of the State extension service in 1941.

Dr. Sanders directed the organization during the difficult years of World War II when the extension service was called on to provide educational leadership for the State to rapidly expand its agricultural production while both the extension service and farmers were experiencing severe shortages in personnel and material. Following the war, the organization was called upon to assist Louisiana agriculture in adjusting to rapid changes in agriculture marked by declines in labor supply, increased mechanization and advanced technology along with a continuously unsettled marketing experience.

To better equip the extension service to aid in these adjustments, Dr. Sanders demanded that extension service personnel become fully professional in their qualifications and behavior, and then he struggled for nationwide recognition of their professionalism. He became a nationally recognized leader in educational, agricultural, and government circles. He was a member of the National Extension Committee on Organization and Policy and was Chairman of the Extension and Legislation Committees of the Land Grant College Association. He was chairman of the Southern Extension Directors Regional Group, was a member of the Agricultural Extension Service Advisory Committee on Matters of Policy to the Under Secretary of Agriculture, and was on the Public Relations Advisory Committee to the Administrator of the Federal Extension Service.

He was a member of the U.S. Agricultural Mission to the Philippines in 1946. In 1951 he was designated "Man of the Year" by the Progressive Farmer, a leading Southern farm magazine. In 1954 he served as a consultant on agricultural extension work at the Extension Center, College of the West Indies, in Kingston, Jamaica. During 1955 he was president of the Association of Southern Agricultural Workers, one of the largest associations of agricultural research and education workers in the Nation. He holds the Distinguished Service Ruby of Epsilon Sigma Phi, national honorary agricultural fraternity, and the Superior Service Award of the U.S. Department of Agriculture.

In January of 1963 he was awarded the honorary degree of doctor of laws by his alma mater, Clemson College.

During his 16 years as extension director, Dr. Sanders gave strong impetus to the academic discipline of Extension people by encouraging the development of graduate programs in extension education at Louisiana State University. After his retirement as director in 1961, he served as professor of extension education for several years and was senior editor of a widely used book, "The Cooperative Extension Service," published in 1966 by Prentice Hall, Inc. He donated royalties from the book plus funds from his retirement annuity to the LSU Foundation to support scholarships for students in extension education. He later authored another book, "Instruction in the Cooperative Extension Service," published by the LSU Cooperative Extension Service.

Along with the Friends of the LSU Library, Epsilon Sigma Phi honorary extension fraternity, the LSU Cooperative Extension Service and the Department of Extension and International Education, I salute Harry Clayton Sanders for this distinguished career in service to American agriculture and thank Donald H. Spurlock of Denham Springs, La., for sharing news of this occasion with me.●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. ALEXANDER. Mr. Speaker, I would like to continue with the inserts dealing with American citizens working and living abroad. Again I would like to point out the tax problems which these citizens confront trying to represent and sell American goods and services:

ISSUE No. 44

Short title: Difficulty in Obtaining Tax Forms Abroad.

Summary of the problem: Overseas Americans face so many different tax situations that are covered by obscure regulations of the IRS that they often need to use tax forms that are not very much in use in the United States. Most Americans abroad have a very difficult time ever obtaining such forms. The package of tax materials that are sent to overseas Americans often lack even the most commonly used forms. It is rare that overseas Embassies or Consulates have such forms.

ACA's question: Why is not more care taken to ensure that overseas Americans are provided with all of the tax forms they might need?

The President's reply: The President replied that the IRS is trying as hard as it can to help overseas Americans. "Widely used specialized forms are mailed to all U.S. taxpayers overseas. If a form is little used, it is too costly to mail to all Americans living abroad; however, this year the foreign bank account form and the new foreign moving expense form have been added to the mailed package."

The foreign bank account is one of the items that have caused great inconvenience to overseas Americans for many years. Every overseas American usually has to file such forms but up until 1979 the IRS has refused to place these forms in the standard package. When these and other forms are not available the overseas American is still accountable for making the returns on time and subject to all of the penalties for failure to file, or for late filing.

ACA's renewed question: ACA would like to ask that the President once again take a close look at what the IRS is doing to help overseas Americans comply with U.S. tax regulations. It seems highly inequitable for force overseas Americans to comply with laws and then place great institutional obstacles in their paths for compliance and finally to then go after the overseas Americans who have not been able to so comply.

At the present time, overseas Americans do not have the same ease of access to tax information and tax forms as a citizen at home. We ask the President to consider greatly increasing the budget of the IRS to provide for much more services to Americans abroad.

ISSUE No. 45

Short title: IRS Deficiencies in Adapting to Overseas Tax Environment.

Summary of the problem: Among the typical practices of the IRS that harass, innocently or otherwise, the overseas American are the sending of tax assessment notices by seamail with payment dates that have usually expired before the assessment note has been received.

ACA's question: If the U.S. insists on taxing Americans abroad, why is not more care taken to insure that overseas Americans are not being unduly harassed in their taxation?

The President's reply: "Airmail is used to transmit printed material and correspondence overseas, although, admittedly, there have been occasional instances in which the mailing of IRS material has been unduly delayed. Some Americans abroad have also criticized the short ten-day period allowed to pay income tax assessments. IRS is now reviewing this matter to see whether a longer period is warranted for some or all foreign addresses."

What the President didn't add, however, was that in those instances where the IRS material has been "unduly delayed" it is the overseas American who has to expend considerable extra energy to try to protect himself. There is no automatic extension for payment periods when the IRS makes a mistake.

ACA's renewed question: Why is not more care taken to ensure that overseas Americans are guaranteed an appropriate amount of time to comply with IRS requests for information and tax assessments? Why is there no automatic procedure giving the overseas American an extra amount of time depending upon the date of receipt of the IRS material abroad rather than the date of transmission from the U.S.? For example, letters that have been sent by seamail should give the overseas American an automatic benefit.

Short of changing the U.S. taxation of Americans abroad to conform with the practice of all of the other countries of the world, we would ask that the President consider greatly increasing the budget of the IRS so that more adequate services can be given to overseas Americans.

ISSUE No. 46

Short title: Lack of Adequate IRS Assistance Abroad.

Summary of the problem: There is a very extensive service organization run by the IRS in the United States to help American citizens and resident aliens prepare their U.S. tax returns. There are only a few such offices abroad, located in the capital cities of selected foreign countries.

A very large number of all of the overseas American community does not have any ready access to IRS assistance. While the IRS does also have a traveling assistance program, this usually results in visits abroad to only a selected number of major cities for a very limited period of time. Even when the traveling IRS teams are available, the agents rarely have any knowledge of the special tax problems that American residents in these countries have to face which are generated by incompatibilities in the U.S. and foreign tax practices.

ACA's question: Why does the United States not take more care to ensure that IRS assistance is available to Americans abroad?

The President's reply: "In addition to permanently stationing IRS personnel in key embassies overseas, IRS tax specialists visit a number of principal cities to respond to questions and to provide other assistance. In 1979, there will be more and longer visits due to the change in law in 1978. Complaints of a lack of adequate assistance have probably been due to the uncertain status of the law in the last couple of years; now that new legislation is in place, the tax forms should remain relatively unchanged from year to year."

The problem with inadequate assistance from the IRS for tax problems abroad is far more extensive than the suggestion the President offered as having been "probably due" to the uncertain status of the U.S. tax law in recent years. This is but a small portion of the problem. Every year there are changes to tax practices at home. New tax court rulings are constantly being made that can impact on the tax status of Americans abroad. Even more distressing is the fact that the overseas countries of residence are also constantly changing their tax codes and practices and an overseas American's U.S. tax status may well change due to changes in the foreign country's laws.

ACA's renewed question: Despite the claims that the IRS is giving us adequate service abroad, and perhaps even giving us more than our fair share of their total resources, it is evident to all Americans overseas that IRS assistance abroad is woefully inadequate.

We would like to ask the President to please take another look at the mandate of the IRS for serving Americans abroad. If the U.S. persists in taxing overseas Americans it should assume a parallel obligation of ensuring that the overseas American has the same "quality" of service from the IRS abroad that he would have at home. He also deserves not only the same quantity of service but also its convenient proximate availability.

We ask the President to consider greatly increasing the budget of the IRS to expand the taxpayer services that are offered abroad.

ISSUE NO. 47

Short title: Problems in Taxation of Partnership Income When Abroad.

Summary of the problem: U.S. tax practice concerning partnership income can lead to inequitable situations. A taxpayer living in a foreign country who does not enter the U.S. during an entire tax year, but who is a partner in a U.S. Partnership, has his earnings treated as if they were U.S. source income to the extent that the partnership's total earnings were from U.S. sources. Since this portion of his income is considered as being of U.S. source, even though he worked the entire time abroad, it will be taxed by both the United States and the foreign country and there will be double taxation in many cases.

ACA's question: Short of doing away with the unfortunate practice of taxing overseas Americans, why does the United States not change its source of income rules to allow treatment by a partner in a partnership to have the source of his income determined with regard to this physical location when performing his partnership duties?

The President's reply: The President admitted that cases can occur where there is double taxation of such income. Foreign countries tax income earned in their domains. The U.S. will not give a foreign tax credit for taxes paid on what the U.S. defines as U.S. source income even if this income so defined is entirely earned abroad! The President offered the consolation of the following redress: "Where such problems of double taxation occur, they can be resolved in a tax treaty. When a problem arises under an existing treaty, relief can be provided in a special protocol."

ACA's renewed question: Is there really a need to resort to the negotiation of international treaties or protocols to existing treaties to resolve an arbitrary definitional problem in IRS regulations?

We would urge the President to take another look at this entire question of the taxation of partnership income. In its present form it can lead to substantial tax problems for many overseas Americans, and can lead to international competitive problems for American partnerships competing with those of other nationalities where such unfortunate tax practices have not been introduced.

We urge the President to propose a more appropriate form of redress. ●

FINANCIAL STATEMENT OF F. JAMES SENSENBRENNER, JR.

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. SENSENBRENNER. Mr. Speaker, through the following statement, I am making my financial worth as of April 15, 1980, a matter of public record.

ASSETS

	Value
REAL PROPERTY	
Single family residence at 701 Kings Court, Alexandria, Va., at assessed valuation. (Assessed at $179,300. Ratio of assessed to market value—100%) (Encumbered)	$179,300.00
Two-family residence at 1601 East Lake Bluff Boulevard and 4330 North Newhall Street, in the Village of Shorewood, Milwaukee County, Wis., at equalized assessed valuation. (Assessed at $54,700. Ratio of assessed to equalized value—70.45%.) (Unencumbered)	77,643.72
Total real property	256,843.72
PERSONAL PROPERTY	
Common and preferred stocks:	
Western Bancorporation (450 shares @ $28)	$12,600.00
American Telephone & Telegraph (209.607 shares @ $50)	10,480.35
Idaho Power Co. (100 shares @ $21.50)	2,150.00
Tenneco Corp. (301.566 shares @ $35.25)	10,630.20
Nevada Power Co. (102 shares @ $21.375)	2,180.25
Anchor Hocking Corp. (300 shares @ $14.875)	4,462.60
General Mills, Inc. (360 shares @ $23.625)	8,505.00
Kellogg Corp. (400 shares @ $16.75)	6,700.00
Dunn & Bradstreet (500 shares @ $39.25)	19,625.00
Halliburton Co. (500 shares @ $95.25)	47,625.00
Kimberly-Clark Corp. (1708 shares @ $38.125)	65,117.50
Insilco Corp. (334 shares @ $11)	3,674.00
Minnesota Mining & Manufacturing (100 shares @ $49.875)	4,987.50
Rank Organisation Ltd., ADR (100 shares @ $4.30)	430.00
Exxon Corp. (208 shares @ $57.375)	11,934.00
Standard Oil Co. of Indiana (240 shares @ $101.50)	24,360.00
Dart Industries, Inc. (170 shares @ $37)	6,290.00
Eastman Kodak Co. (380 shares @ $49.375)	18,762.50
General Electric Co. (100 shares @ $47.625)	4,762.50
General Motors Corp. (104 shares @ $43.75)	4,550.00
Merck & Co. (400 shares @ $65.375)	26,150.00
Warner Lambert Co. (200 shares @ $19.50)	3,900.00
Sperry Rand Co. (172.777 shares @ $44.75)	7,731.77
Allied Maintenance Corp. (260 shares @ $11.25)	2,925.00
International Business Machines Co. (335 shares @ $52)	17,420.00
Pasco Corp. Liquidating Trust (53 shares @ $3.52)	185.56
Inland Steel Co. (900 shares @ $29.75)	26,775.00
Monsanto Corp. (168 shares @ $45.875)	7,707.00
Santa Fe International Corp. (400 shares @ $31.625)	12,650.00
Wisconsin Securities Corp. of Delaware (26 shares @ $151)	3,926.00
Benton County Mining Co. (333 shares @ No Value)	([1])
Total common and preferred stocks	379,197.63
Bonds and notes: U.S. Treasury bills due July 3, 1980 (par value $55,000)	47,388.00
Total bonds and notes	47,388.00
Life insurance policies:	
$10,000 Northwestern Mutual No. 4378000	[2] 6,869.98
$25,000 Northwestern Mutual No. 4574061	[2] 16,210.84
$10,000 Massachusetts Mutual No. 4116575	[2] 1,777.20
$100,000 Massachusetts Mutual No. 4228344	[2] 24,320.13
$25,000 Old Line Life No. 515950	[2] 7,054.75
Total life insurance	[2] 56,232.30
Bank and Savings and Loan Accounts:	
Marine National Exchange Bank of Milwaukee checking account 4000-9368	877.11
Marine National Exchange Bank of Milwaukee checking account 0046-2366	98.67
Marine National Exchange Bank of Milwaukee savings account 418-986	3,341.59
Marine National Exchange Bank of Milwaukee savings account 497-525	1,452.01
Citizens North Shore Bank of Shorewood, Wis. savings account 30-068-037	365.98
Mutual Savings and Loan of Wisconsin savings account 033161	7,864.79
North Shore Savings & Loan Association of Milwaukee savings account 338-222-01	1,901.29
Sergeant at Arms, U.S. House of Representatives checking account 748	443.51

ASSETS—Continued

	Value
United Virginia Bank of Alexandria, Va. checking account 150-871-8	1,127.74
Total bank and savings and loan accounts	17,472.39
Miscellaneous:	
Federal income tax refund due	5,687.26
1978 Ford LTD automobile (at Blue Book value)	2,800.00
Office furniture and equipment	1,000.00
Furniture, clothing, and personal property (estimated)	88,500.00
Stamp collection (estimated)	12,000.00
Notes receivable from Sensenbrenner Committee	15,800.00
Interest in Wisconsin Retirement Fund	8,835.89
Interest in Congressional Retirement Fund	5,850.95
Total miscellaneous	140,474.10
Total assets	897,590.89
LIABILITIES	
Mortgage on Alexandria, Va. residence	142,397.25
Miscellaneous 30 day charge accounts (estimated)	1,500.00
Total liabilities	143,897.25
Net Worth	753,692.89

STATEMENT OF TAXES PAID

Federal income tax	$22,008.26
Wisconsin income tax	5,608.28
Shorewood, Wis., property tax	1,660.52
Alexandria, Va., property tax	1,472.24

[1] Nil.

[2] Cash surrender value.

I further declare that I am a direct beneficiary of two trusts and a contingent beneficiary of one trust. I have no control over the assets of any trust of which I am a direct beneficiary. I am a cotrustee of the other trust.

Also, I am neither an officer nor a director of any corporation organized under the laws of the State of Wisconsin or of any other State or foreign country.

F. JAMES SENSENBRENNER, JR.,
Member of Congress. ●

CONTINUE IMPORT RELIEF FOR DOMESTIC COLOR TV INDUSTRY

HON. HENRY J. HYDE

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mr. HYDE. Mr. Speaker, many of my colleagues are aware of what has happened to consumer electronics plants in their districts. Because of a massive invasion of the United States market by electronics products from Japan, Taiwan, Korea, and other countries dozens of American plants no longer exist.

The only significant segment of the consumer electronics industry left in the United States is color television manufacturing. Although imports very nearly knocked off this industry, it was saved by import relief granted by the President 3 years ago.

Unfortunately, the Orderly Marketing Agreement with Japan that cut imports of color TV sets from that country was undermined by a surge in shipments from Taiwan and Korea and separate OMA's with those two countries had to be negotiated last year. Thus, the domestic industry has had only a single year of effective import relief and has now filed for an extension beyond the June 30 cutoff date.

The extension case is now before the U.S. International Trade Commission and will go to the President later this spring. Mr. Speaker, I ask unanimous consent to enter in the RECORD a Reuters' wire service story based on the recent testimony of Stanley Nehmer, president of Economic Consulting Services, Inc., of Washington. Mr. Nehmer testified on behalf of the industry and its workers at the ITC hearings on the color television extension case and his remarks are well worth pondering.

Reuters financial report wire story of March 5, 1980, follows:

TELEVISION INDUSTRY CALLS FOR IMPORT RELIEF

WASHINGTON, March 5.—Imported color television receivers and subassembles will flood the U.S. market if import relief is not extended, said Stanley Nehmer, president of a consulting firm hired by the domestic color TV industry.

Nehmer, of Economic Consulting Services, Inc., said he based his prediction on past trends in the television industry. He was testifying at a U.S. International Trade Commission hearing on an industry petition to extend import relief past June 30.

Nehmer said if relief is not extended, foreign capacity to produce color television receivers, which has increased significantly in recent years, may pose a major threat. Also ominous, he said, is the recent expansion of picture tube facilities in Korea, Taiwan and Singapore.

Another effect of an end to import relief would be the rapid completion or expansion of facilities to produce complete receivers in other supplying countries, such as Singapore and Mexico, which up until now have focused on the manufacture of subassembles, said Nehmer.

"These potential suppliers, when added to Korea, Taiwan and Japan, would easily bring import penetration to levels well above the 33 percent registered in the great import surge of 1976," said Nehmer. "The consequences for U.S. workers could be devastating."

Nehmer said, without import relief, domestic production and employment will decline. The industry may also begin to suffer setbacks in its ability to conduct research and development programs, programs that were expanded in recent years in response to import relief programs, he said.

Nehmer said the U.S. industry strongly urges the continuation of the three separate orderly marketing agreements with Japan, Taiwan and Korea at the current levels of import restraint on the same range of products for a full three years beginning July 1, 1980.

He also urged the President to take immediate action during the extension period against unwarranted increases in imports from countries not controlled by the agreements.

The ITC has authority to make recommendations to the President on international trade matters.●

SENATE—*Friday, April 25, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11 a.m., on the expiration of the recess, and was called to order by Hon. DAVID L. BOREN, a Senator from the State of Oklahoma.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

Let us pray.

O God our help in ages past, our hope for years to come, on this day clouded by crises and fraught with startling perils, help us to be strong and wise and unafraid. Keep us from premature and uninformed judgments, from precipitous or unseemly responses. Bind us together as one people praying together and working together, seeking to know and to do Thy will.

Give Thy higher wisdom to the President and all others who exercise authority over us.

Come near to those held hostage in another country. Imbue them with grace to endure separation, privation, and loneliness. Give their keepers the spirit of compassion and restraint.

And now, O Father, we pause reverently in silence to remember before Thee our fellow citizens who earlier this day, in selfless devotion, gave their lives for others. [Pause.] Comfort those who mourn and heal the pain of our Nation.

We pray in the name of the Great Burden Bearer. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

U.S. SENATE,
PRESIDENT PRO TEMPORE,
Washington, D.C., April 25, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable DAVID L. BOREN, a Senator from the State of Oklahoma, to perform the duties of the Chair.

WARREN G. MAGNUSON,
President pro tempore.

Mr. BOREN thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE ACTING MAJORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting majority leader, the Senator from Arizona (Mr. DECONCINI), is recognized.

Mr. DECONCINI. Mr. President, I yield back the majority leader's time.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. Under the previous order, the acting minority leader, the Senator from Maine (Mr. COHEN), is recognized.

Mr. COHEN. Mr. President, I yield back the remainder of the minority leader's time.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The ACTING PRESIDENT pro tempore. The Senate will now resume consideration of the pending business, which the clerk will report.

The legislative clerk read as follows:

Conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

CLOTURE MOTION

Mr. DECONCINI. Mr. President, I send to the desk a cloture motion.

The ACTING PRESIDENT pro tempore. The cloture motion having been presented under rule XXII, the Chair, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Birch Bayh, Lloyd Bentsen, Charles McC. Mathias, Jr., Bill Bradley, Jennings Randolph, Robert C. Byrd, Dennis DeConcini, Harrison A. Williams, Jr., Max Baucus, Gary Hart, Howard M. Metzenbaum, John Culver, Patrick J. Leahy, William Proxmire, Robert T. Stafford, John Glenn, Frank Church, and Spark M. Matsunaga.

RECESS UNTIL 10 A.M., MONDAY, APRIL 28, 1980

Mr. DECONCINI. Mr. President, I move that the Senate stand in recess until 10 a.m. Monday next.

The motion was agreed to; and, at 11:04 a.m., the Senate recessed until Monday, April 28, 1980, at 10 a.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

HOUSE OF REPRESENTATIVES—*Monday, April 28, 1980*

The House met at 12 o'clock noon.

The Chaplain, Rev. James David Ford, D.D., offered the following prayer:

Gracious Lord, You have given to Your people the promise that You are with them in all the moments of life—in joy and sadness, in danger and adversity. Grant, O Lord, that the fullness of Your spirit may always encourage us to be open to Your truth and ready to serve each other.

This day we pray for those who have suffered and whose need is great, particularly for the men of the Armed Forces who have given their lives. May they receive Your eternal reward. We pray also for the injured and all the families that You will give comfort in their need.

Protect our hostages for whom these men have given their lives. May they sense our unity and support with them as we pray, and may they gain strength from Your abiding presence. Bless our Nation and make us mindful of Your love for all people. Give to all in responsibility the wisdom to seek justice, to love mercy, and ever walk humbly with You. In Your name, we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

SUNDRY MESSAGE FROM THE PRESIDENT

Sundry messages in writing from the President of the United States were communicated to the House by Mr. Saunders, one of his secretaries, who also informed the House that on the following dates the President approved and signed bills and a joint resolution of the House of the following titles:

On April 22, 1980:

H.R. 6029. An act providing for the implementation of the International Sugar Agreement, 1977, and for other purposes.

On April 24, 1980:

H.R. 6464. An act to authorize the Secretary of the Army to convey to the Michigan Job Development Authority the lands and improvements comprising the Michigan Army Missile Plant in Sterling Heights, Macomb County, Mich., in return for two new office buildings at the Detroit Arsenal, Warren, Mich.; and

H.J. Res. 474. Joint resolution to authorize and request the President to issue a proclamation designating April 21 through April 28, 1980, as "Jewish Heritage Week."

ANNOUNCEMENT PERTAINING TO EULOGIES TO THE LATE HONORABLE JOHN M. SLACK, JR., OF WEST VIRGINIA

● Mr. THOMPSON. Mr. Speaker, this announcement is to advise the membership that the closing date for printing the eulogies and encomiums to the late Representative John M. Slack, Jr., of West Virginia, has been set for May 9, 1980. All copy for insertion must be submitted before this cutoff date so as to be included in the compendium of eulogies.●

COMMUNICATION FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-303)

The SPEAKER laid before the House the following communication from the President of the United States, which was read and referred to the Committee on Foreign Affairs and ordered to be printed:

THE WHITE HOUSE,
Washington, April 26, 1980.

The Honorable THOMAS P. O'NEILL, Jr.,
Speaker of the House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Because of my desire that Congress be informed on this matter and consistent with the reporting provisions of the War Powers Resolution of 1973 (Public Law 93-148), I submit this report.

On April 24, 1980, elements of the United States Armed Forces under my direction commenced the positioning stage of a rescue operation which was designed, if the subsequent stages had been executed, to effect the rescue of the American hostages who have been held captive in Iran since November 4, 1979, in clear violation of international law and the norms of civilized conduct among nations. The subsequent phases of the operation were not executed. Instead, for the reasons described below, all these elements were withdrawn from Iran and no hostilities occurred.

The sole objective of the operation that actually occurred was to position the rescue team for the subsequent effort to withdraw the American hostages. The rescue team was under my overall command and control and required my approval before executing the subsequent phases of the operation designed to effect the rescue itself. No such approval was requested or given because, as described below, the mission was aborted.

Beginning approximately 10:30 AM EST on April 24, six U.S. C-130 transport aircraft and eight RH-53 helicopters entered Iran airspace. Their crews were not equipped for combat. Some of the C-130 aircraft carried a force of approximately 90 members of the rescue team equipped for combat, plus various support personnel.

From approximately 2 to 4 PM EST the six transports and six of the eight helicopters landed at a remote desert site in Iran approximately 200 miles from Tehran where they disembarked the rescue team, commenced refueling operations and began to prepare for the subsequent phases.

During the flight to the remote desert site, two of the eight helicopters developed operating difficulties. One was forced to return to the carrier *Nimitz;* the second was forced to land in the desert, but its crew was taken aboard another of the helicopters and proceeded on to the landing site. Of the six helicopters which landed at the remote desert site, one developed a serious hydraulic problem and was unable to continue with the mission. The operational plans called for a minimum of six helicopters in good operational condition able to proceed from the desert site. Eight helicopters had been included in the force to provide sufficient redundancy without imposing excessive strains on the refueling and exit requirements of the operation. When the number of helicopters available to continue dropped to five, it was determined that the operation could not proceed as planned. Therefore, on the recommendation of the force commander and my military advisers, I decided to cancel the mission and ordered the United States Armed Forces involved to return from Iran.

During the process of withdrawal, one of the helicopters accidentally collided with one of the C-130 aircraft, which was preparing to take off, resulting in the death of eight personnel and the injury of several others. At this point, the decision was made to load all surviving personnel aboard the remaining C-130 aircraft and to abandon the remaining helicopters at the landing site. Altogether, the United States Armed Forces remained on the ground for a total of approximately three hours. The five remaining aircraft took off about 5:45 PM EST and departed from Iran airspace without further incident at about 8:00 PM EST on April 24. No United States Armed Forces remain in Iran.

The remote desert area was selected to conceal this phase of the mission from discovery. At no time during the temporary presence of United States Armed Forces in Iran did they encounter Iranian forces of any type. We believe, in fact, that no Iranian military forces were in the desert area, and that the Iranian forces were unaware of the presence of United States Armed Forces until after their departure from Iran. As planned, no hostilities occurred during this phase of the mission—the only phase that was executed.

At one point during the period in which United States Armed Forces elements were on the ground at the desert landing site a bus containing forty-four Iranian civilians happened to pass along a nearby road. The bus was stopped and then disabled. Its occupants were detained by United States Armed Forces until their departure, and then released unharmed. One truck closely followed by a second vehicle also passed by while United States Armed Forces elements were on the ground. These elements stopped the truck by a shot into its headlights. The driver ran to the second vehicle which then escaped across the desert. Neither of these incidents affected the subsequent decision to terminate the mission.

Our rescue team knew, and I knew, that the operation was certain to be dangerous. We were all convinced that if and when the rescue phase of the operation had been commenced, it had an excellent chance of success. They were all volunteers; they were all highly trained. I met with their leaders before they went on this operation. They knew then what hopes of mine and of all Americans they carried with them. I share with the nation the highest respect and appreciation for the ability and bravery of all who participated in the mission.

To the families of those who died and who were injured, I have expressed the admiration I feel for the courage of their loved ones and the sorrow that I feel personally for their sacrifice.

The mission on which they were embarked was a humanitarian mission. It was not directed against Iran. It was not directed against the people of Iran. It caused no Iranian casualties.

This operation was ordered and conducted pursuant to the President's powers under the Constitution as Chief Executive and as Commander-in-Chief of the United States Armed Forces, expressly recognized in Section 8(d)(1) of the War Powers Resolution. In carrying out this operation, the United States was acting wholly within its right in accordance with Article 51 of the United Nations Charter, to protect and rescue its citizens where the government of the territory in which they are located is unable or unwilling to protect them.

Sincerely,

JIMMY CARTER.

□ 1210

CORRUPT AND PERVERTED BEHAVIOR DISPLAYED BY IRANIANS

(Mr. HUBBARD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUBBARD. Mr. Speaker, yesterday the charred remains of eight American servicemen who died in last week's aborted hostage rescue mission in Iran were displayed in the courtyard of the U.S. Embassy in Tehran. Meanwhile, a leading Iranian revolutionary leader denounced the United States and held up a charred limb to show a wristwatch to the crowd of Iranians.

Experts on Iran explain to Americans such as myself who do not understand such corrupt and perverted behavior as displayed by the militant Iranians holding innocent people hostage and celebrating over the charred bodies of Americans that this is not as anti-American as it is traditionally Iranian. We are told the advent of Islam did not change this tradition, but in fact gave it the religious blessing it had lacked.

Is the behavior of the Iranians nowadays a result of or a violation of Islamic principles? Do faithful followers of Islam participate in such international crimes? What type of religion is this?

I am sending a copy of this statement to the Ayatollah Khomeini, President Bani-Sadr, Foreign Minister Ghotbzadeh, and the Revolutionary Guards, headed by Ayatollah Khalkhali.

THE FAILURE OF THE MISSION IN IRAN

(Mr. LLOYD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LLOYD. Mr. Speaker, we have just heard a description of the ill-fated attempt in Iran. I would like to say that the President had acted, in my opinion, in good faith, since there were many of us who had asked him to take a more positive stand than what he had experienced for a period of time.

I wrote him four letters asking for action, and indeed I got some action. I am sorry that it did not turn out the way all of us would like to have had it turn out, and I am not going to stand around and be a Monday morning quarterback. I really do not know what happened there. If indeed the mission were aborted because the equipment failed, then I wish they had gone forward and accepted some of the risks that may or may not have been present as a result of that. If, on the other hand, it failed because of other reasons, so be it. That will eventually be told to us.

But, all in all, I asked the President. He did what I had asked him to do, and in this case certainly I must support him.

NEW AMERICAN HEROES

(Mr. HUTTO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. HUTTO. Mr. Speaker, our Nation has had many heroes, but none greater than those who participated in the effort to rescue our hostages in Iran. Eight of them sacrificed their lives in the cause of freedom. They knew and appreciated the freedoms which we enjoy in America that are unique among nations. In this particular mission, they were seeking to return to freedom those who have lost it in a far-off land where they are being held against their will.

Capt. Harold Lewis, Capt. Charles McMillan, Capt. Richard Bakke, Capt. Lynn McIntosh, and T. Sgt. Joel Mayo, all from Hurlburt Field in my congressional district, as well as Marine Cpl. George Holmes, Jr., Marine Sgt. John D. Harvey, and Marine S. Sgt. Dewey L. Johnson, paid the supreme sacrifice.

I join with Americans everywhere in extending heartfelt sympathy to each of their families. The cause of freedom, for which they gave their lives, must continue.

A SALUTE TO EGYPTIAN COMMUNITY IN DENVER, COLO.

(Mrs. SCHROEDER asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SCHROEDER. Mr. Speaker, a very moving event occurred in my district, Denver, Colo., this weekend. At 7:45 a.m. Sunday morning hundreds of people gathered at the Jewish Community Center to participate in the Walk-a-Thon to celebrate Israel's 32d anniversary. As the opening ceremonies began a well-dressed gentleman came to the platform. His name was Waddi Schenuka. He introduced himself to the crowd as an Egyptian living in Denver and said he had come representing 30 other Egyptian families living in Denver. They wanted to wish Israel a happy 32d anniversary and he gave a beautiful prayer calling for peace and brotherhood. The whole crowd was frozen, silent and very deeply moved. This is the first incident I have seen where the spirit of the Camp David accords permeated the grassroots. I salute the Egyptian community in Denver for taking this beautiful first step. I hope it is the beginning of a new relationship.

THE RISKS OF LEADERSHIP

(Mr. DAN DANIEL asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DAN DANIEL. Mr. Speaker, leadership carries with it a high degree of risk. It has its rewards and its penalties. Had the rescue attempt succeeded, the President would be an instant hero. The mission failed so he has to bear the consequences.

The President should be supported for his courageous effort to rescue American citizens held hostage in Iran. There was no requirement for him to report to the Congress prior to the mission. His decision to withhold his plans from our allies was proper.

The equipment failure came as no surprise to those of us who have the responsibility to provide for the Nation's defense. Our military equipment is in short supply and is rapidly deteriorating.

The failure also brings into sharp focus the inadequacy of our intelligence gathering capabilities.

The lesson to be learned is that we must get on with the business of preparing our Nation for all contingencies.

□ 1220

GLICKMAN PRAISES CONGRESSMAN KEITH SEBELIUS

(Mr. GLICKMAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GLICKMAN. Mr. Speaker, I have recently been made aware that our good friend and colleague from Kansas, KEITH SEBELIUS, has announced that he will not seek reelection for another term. He has served Kansas and this Nation with distinction, being one of the most articulate advocates for agriculture and the interests of rural America in this Congress, and perhaps during any Congress in the history of this great country of ours.

While KEITH and I serve in different political parties, he and I, I believe, are close personal friends, and he has been a helpful instructor to me in agriculture. While Keith has been a proud member of the Republican Party, he has never been a partisan when it comes to the interests of Kansas, and I will personally miss his warmth, friendly and good humor when he leaves the House.

When Will Rogers said, "I never met a man I didn't like," he must have really been referring to a man like Keith Sebelius. I have never met a man or woman in this body who does not truly like Keith Sebelius.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield?

Mr. GLICKMAN. I yield to the gentleman from Kentucky.

Mr. MAZZOLI. Mr. Speaker, I appreciate the gentleman's bringing to the attention of the House the decision of our friend, the gentleman from Kansas (Mr. Sebelius), not to run again.

Keith was my next door neighbor in the Longworth Building for 4 years, and that period spanned the time when the farmers came from the gentleman's State of Kansas and many others seeking relief from the Government's policies. I think the gentleman from Kansas (Mr. Sebelius) should have earned an A for an absolute high degree of service and for having been such a good host at that time.

Mr. Speaker, the gentleman has served his people well, and we will certainly miss him.

RESIGNATION OF SECRETARY OF STATE CYRUS VANCE

(Mr. BINGHAM asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BINGHAM. Mr. Speaker, I rise to express my sorrow at the resignation of Cyrus Vance as Secretary of State.

Back in late 1976 I was among those who recommended to the President-elect that he make Cy Vance his Secretary of State and I was delighted that he did so. Not only in this latest post, but in various earlier assignments as well, Vance has proved himself to be an outstanding public servant, dedicated, tireless, well informed, able.

Cy Vance won the trust and admiration of the Congress on both sides of the aisle to a remarkable degree. He was straight with us. While we did not always agree with him, we knew that he arrived at his judgments on the basis of what he felt was in the national interest, and with no concern for his own aggrandizement.

Secretary Vance also won the respect and trust of our allies and friends, to a degree that his successor will find hard to match.

To the extent that Secretary Vance's resignation was brought about by his disagreement with the administration's threats of military action in the future intended to force Iran to release the hostages, I fully agree with his view. His decision to resign because of important policy differences commands our respect, even while we regret it.

I would like to add that Grace Vance has done an equally outstanding job in her role as the wife of the Secretary of State, bringing not only charm and devotion, but imagination to the task.

Cy and Grace Vance will be sorely missed.

Mr. BUCHANAN. Mr. Speaker, will the gentleman yield?

Mr. BINGHAM. I yield to the gentleman from Alabama.

Mr. BUCHANAN. Mr. Speaker, I would just like to associate myself with the remarks of the gentleman from New York (Mr. Bingham).

Cyrus Vance is a man who has shown statesmanship. He is a man of stature, one who has consistently reflected credit upon himself and upon our country. He will be sorely missed.

A TRIBUTE TO CYRUS VANCE UPON HIS RESIGNATION AS SECRETARY OF STATE

(Mr. BRADEMAS asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. BRADEMAS. Mr. Speaker, I, too, want to take a moment to pay tribute to Cyrus Vance, the distinguished Secretary of State, whose resignation has just been announced.

Like my colleague, the gentleman from New York (Mr. Bingham), I have known Mr. Vance for many years and I have always admired him for his outstanding service to our country in a number of positions of great responsibility.

In every case, Mr. Speaker, Cyrus Vance has served the Nation with intelligence, with integrity, and with deep devotion to the public interest. Moreover, I have never known a Secretary of State who has been so willing to consult with Members of Congress and to listen as well as to speak.

Mr. Speaker, the people of the United States will miss the services of Cyrus Vance, and I join in wishing him and Mrs. Vance every good thing in whatever they now undertake to do.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. BRADEMAS. I yield to the gentleman from Illinois.

Mr. McCLORY. Mr. Speaker, I thank the gentleman for yielding.

Mr. Speaker, in the resignation of Secretary of State Cyrus Vance, the Nation has experienced another tragedy. Some of you may know that, as a young man, I was a teacher in a boys' school in Switzerland. A number of my students later attained a substantial measure of fame, but none rose to the level of Cyrus Vance, who was indeed a good student at the Sillig School in Vevey, Switzerland, where I taught him before he entered the Kent School and Yale University. I can only say about that early experience that Cy Vance had the opportunity to study and live with students from many nations throughout the world and to understand and appreciate the cultures and attitudes of many young people from all of the continents and from a variety of social and political backgrounds.

But Cyrus Vance, as Secretary of State, brought to his office and to this administration, a measure of experience in and out of government, which indeed is in short supply in the Carter administration. Virtually every commentator who is speaking out today on the resignation of Cyrus Vance as Secretary of State is adding that a true professional in the field of diplomacy and international relations is leaving our Government.

Aside from knowing Cy Vance as a student of mine, I recall his able service as Secretary of the Army and Deputy Secretary of Defense before entering upon his more recent service as Secretary of State. May I add that Mrs. Vance—"Gay" as she is known by my wife Doris and many here in Washington—contributed substantially to the high quality of service which characterized the Office of the Secretary of State during Cy Vance's experience in that office.

Perhaps the most important quality represented in the service of Cyrus Vance as Secretary of State is the professional and experienced diplomacy which enabled him individually to encourage and continue support and respect from our allies in Western Europe and elsewhere in the world.

Indeed, it is that important role which he individually has filled that marks the most critical and tragic loss that the Nation is acknowledging today. At a time when there is a pressing need for the highest in quality of service in Government, it is painful for us to concede this loss to the administration and to our Nation of the foremost diplomatic officer in our Government. We can all—Democrats and Republicans alike—share the disappointment which has culminated in Cy Vance's decision that he can no longer "take it" as part of the top-level Jimmy Carter team but instead must depart and leave what must be clear to virtually all Americans: That Jimmy Carter's lack of experience and inadequacy to handle the highest office in the land is again being broadcast to the American people and the world.

Mr. BRADEMAS. Mr. Speaker, I thank the gentleman from Illinois (Mr. McClory) for his contribution.

GENERAL LEAVE

Mr. BRADEMAS. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks on the subject of my 1-minute speech, the resignation of Secretary of State Cyrus Vance.

The SPEAKER. Is there objection to the request of the gentleman from Indiana?

There was no objection.

THE PRESIDENT'S ACTION AND THE WAR POWERS ACT

(Mr. DANIELSON asked and was given permission to address the House for 1 minute and to revise and extend his remarks and to include extraneous matter.)

Mr. DANIELSON. Mr. Speaker, I associate myself with the remarks of my colleagues, the gentleman from Indiana (Mr. Brademas), the gentleman from

New York (Mr. BINGHAM), and the gentleman from Alabama (Mr. BUCHANAN) as to Secretary Vance.

In addition, as to the tragic and ill-fated rescue attempt of last Thursday, April 24, I have heard comment from a number of sources that the President should have complied and implicitly failed to comply with the provisions of the War Powers Act. With that I disagree. I do not believe that the War Powers Act applied.

Mr. Speaker, for the purposes of the RECORD, I wish to include in the RECORD section 1732 of title 22, United States Code, a part of the law of the land which requires the President under exactly these circumstances, to use such means as he may think necessary, short of acts of war, to obtain or effectuate release of American citizens imprisoned by foreign governments.

The section is as follows:

§ 1732. Release of citizens imprisoned by foreign governments

Whenever it is made known to the President that any citizen of the United States has been unjustly deprived of his liberty or by or under the authority of any foreign government, it shall be the duty of the President forthwith to demand of that government the reasons of such imprisonment; and if it appears to be wrongful and in violation of the rights of American citizenship, the President shall forthwith demand the release of such citizen, and if the release so demanded is unreasonably delayed or refused, the President shall use such means, not amounting to acts of war, as he may think necessary and proper to obtain or effectuate the release; and all the facts and proceedings relative thereto shall as soon as practicable be communicated by the President to Congress.

R.S. § 2001.

CARTER'S ROSE GARDEN FOREIGN POLICY REMINISCENT OF NIXON'S FINAL DAYS

(Mr. LEACH of Iowa asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LEACH of Iowa. Mr. Speaker, unfortunately the Vance resignation will be read abroad as evidence of a disintegrating American foreign policy and perhaps a disintegrating administration. More disconcerting than the resignation itself is the hunkering down process at the White House so reminiscent of the last months of the Nixon administration. A rose garden strategy may be appropriate to domestic politics, but it is particularly incumbent for a President inexperienced in foreign affairs to seek the widest possible professional advice. Vance's departure symbolizes not only dissent with the administration's foreign policy but discomfort with the entire national security decisionmaking process—one which elevates Ham Jordan to Ambassador and Zbigniew Brzezinski to an unaccountable combination of Secretary of State and Defense.

What is needed is consistency in foreign policy execution. The abortive rescue operation and departure of the most respected member of the Cabinet leaves all Americans apprehensive about what to expect next from the John Wayne school of diplomacy.

A TRIBUTE TO AIR FORCE CAPTAIN BAKKE, KILLED IN THE IRANIAN RESCUE MISSION ATTEMPT

(Mr. LUNGREN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. LUNGREN. Mr. Speaker, last week we learned of the extraordinary efforts of some of our countrymen as they attempted a rescue mission in a faraway Iranian desert.

We learned, too, of the unfortunate tragedy occasioned by that attempt: the loss of eight lives.

That loss is a heavy one for this country, but it is especially heavy in my hometown. For one of those who died was Air Force Capt. Richard Bakke, a 33-year-old Long Beach native. A quiet and conscientious student, he joined the Air Force after graduating from Long Beach State University. Without fanfare or boasting, he was simply a good man doing a good job.

We join his parents, his wife, and his friends in mourning his passing. And we thank him and his comrades, both living and dead, for once again defining for us the true essence of heroism.

> Greater love hath no man than this, that a man lay down his life for his friends.—John 15: 13.

☐ 1230

THE RESIGNATION OF CYRUS VANCE

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, the news this morning that Cyrus Vance is resigning as Secretary of State in protest over the attempt to rescue our hostages in Tehran is being viewed by many as a matter of principle. I do not doubt Mr. Vance's sincerity in viewing it as such.

However, the timing of his decision raises an interesting question: Why did not the failure to evacuate our diplomatic personnel from Tehran before the Shah was admitted to the United States take on the same significance? A stand on the same principle at that time, and there might never have been a need for a rescue mission.

RETIREMENT OF REPRESENTATIVE KEITH SEBELIUS

(Mr. WHITTAKER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WHITTAKER. Mr. Speaker, it is with a mixture of both joy and sadness that I rise today to acknowledge the announced decision to retire of one of this body's most distinguished Members—KEITH SEBELIUS—from the "Big First" District of Kansas.

KEITH has served this Nation and the people of western Kansas faithfully ever since leaving the Kansas State Legislature to journey to Washington as a Congressman some 12 years ago.

During my 2 years in the Congress, I have constantly looked up to KEITH as not only a good friend, but as a guiding mentor as I began my own career as a Congressman. As a colleague of mine on the Interior Committee and as one of this Nation's agricultural leaders, I have always looked to KEITH for advice and counsel. His presence within our delegation will be sorely missed, and it is with sadness that we learn of his decision to retire at the end of this term.

However, for those of us who know KEITH well, this sadness at losing an outstanding Congressman cannot help but also be mixed with feelings of joy for both KEITH and his lovely wife Bette as they can at last return to the sprawling land of western Kansas that they love. For 24 years KEITH has served the public in one capacity or another, and much of the time he has been forced to be away from the farmland that is his true home.

For all that he has done for Kansas and the Nation over these many years, we owe KEITH a very large thank you. It is with this gratitude that we acknowledge and respect his decision not to run again as a Representative from the "Big First."

REPRESENTATIVE KEITH SEBELIUS RETIRING FROM CONGRESS

(Mr. JEFFRIES asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JEFFRIES. Mr. Speaker, when I heard the news that our colleague, KEITH SEBELIUS, was retiring from Congress this year, I was at first concerned that Congress would lose one of its most able and hard-working Members, and one of the most active spokesmen for Kansas and American agriculture.

I have relied on KEITH for his sound advice many times, and I am proud to count him among my friends.

But KEITH has served Kansas and the American people for 12 years now, and I fully understand his desire to spend more time with his family and to enjoy the company of the people at home whom he has served with such distinction and dedication.

It goes without saying that he will be missed in the Halls of Congress; but I know for certain that Kansans will welcome him home with gratitude and admiration.

So even though we will miss him here, KEITH's service will continue to be an example to me, and others, of the best that Kansas has contributed to our Nation.

Mr. COLEMAN. Mr. Speaker, will the gentleman yield?

Mr. JEFFRIES. I yield to the gentleman from Missouri.

Mr. COLEMAN. I thank the gentleman for yielding.

Mr. Speaker, I want to also extend my thanks to KEITH SEBELIUS for being the type of Congressman he has been.

All of us on the Committee on Agriculture, and myself in particular, are going to miss his wisdom and his understanding of the issues that are confronting American agriculture today. So I hope he will stay around so that we can get his advice in the future, and we wish him well in his future endeavors.

Mr. JEFFRIES. I thank the gentleman for his comments.

A WEEKEND OF BAD NEWS

(Mr. WINN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WINN. Mr. Speaker, this has not been a good weekend for this Member of Congress. First, Friday morning I was awakened with the news that we had an abortive attempt to free our hostages in Iran. Yesterday I was informed that my friend, Cyrus Vance, was resigning as the Secretary of State at a time when this Nation badly needs his leadership. And this morning I was informed that my colleague, the gentleman from Kansas, from western Kansas, had decided to not run for reelection.

Mr. Speaker, I am not going to try to tell the Members assembled this morning all of my feelings toward my colleague from western Kansas, KEITH SEBELIUS. My colleagues have mentioned many of his attributes. But I would like to say that 2 weeks ago KEITH SEBELIUS. spent the evening and the night in my home, and we had a long visit. I want to pay tribute to him. He did not tell me of his announced plans, and now I know why. He wanted to tell the people of the First Congressional District of Kansas first and then the rest of us next.

Mr. Speaker, I intend at the right time to ask for a special order so that all Members can pay tribute to this man for his service to Congress in a special order.

FAILURE OF THE IRANIAN RESCUE MISSION

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, I strongly support the President's decision to obtain the release of our hostages in Iran, although I think it should have been done within the first 24 or 48 hours after the warlike act was made to kidnap the hostages and take over our Embassy in Iran. I do not know whether the failure was because of lack of planning or lack of backup units but I do feel strongly that, once instituted, it should have gone forward. Failure can never be explained, although it will be the subject of an attempt to do so forever, and, of course, success needs no explanation. I am saddened, as I am sure that all Americans are saddened, by the failure of the attempted rescue mission and the death of eight brave American servicemen. We still do not know the complete facts about the mission, although the President has told us it had been in the consideration stages since shortly after the American Embassy was seized.

We are a great Nation, and I believe that it should be within the capability of our leaders to successfully carry out such a rescue effort once initiated. I believe that we must view the failure of this mission in the context of an overall lack of military prepardeness and the weakening of our military and intelligence services over the course of the past several years. So our primary goal must be immediate strengthening of our military and intelligence capabilities. It is my hope that this message has now been received by this Congress.

ANNOUNCEMENT BY THE SPEAKER

The SPEAKER. The Chair desires to announce that he intends to recognize the gentleman from New Jersey (Mr. THOMPSON) to bring up H.R. 7140 by unanimous consent. It is understood that this has been agreed to by the minority.

Pursuant to the provisions of clause 3(b) of rule XXVII and clause 5(b) of rule I, the Chair announces that he will postpone further proceedings today on each motion to suspend the rules and each question of passing bills on which a recorded vote or the yeas and nays are ordered, or on which the vote is objected to under clause 4 of rule XV.

Such rollcalls, if postponed, will be taken on Tuesday, April 29, 1980.

If there is a rollcall vote on H.R. 7140, it will be postponed until tomorrow.

The Chair recognizes the gentleman from New Jersey (Mr. THOMPSON).

AMENDING TITLE IV OF THE EMPLOYEE RETIREMENT INCOME SECURITY ACT OF 1974

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent that the Committee on Education and Labor be discharged from further consideration of the bill (H.R. 7140) to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 1 month the date on which the corporation must pay benefits under terminated multiemployer plans, and ask for its immediate consideration.

The Clerk read the title of the bill.

The SPEAKER pro tempore (Mr. MURTHA). Is there objection to the request of the gentleman from New Jersey?

Mr. ERLENBORN. Mr. Speaker, reserving the right to object—and I do not intend to object—I would like to yield to the gentleman from New Jersey (Mr. THOMPSON) to explain the bill that he is bringing up at this time.

Mr. THOMPSON. Mr. Speaker, passage of H.R. 7140 is essential to avert a disaster.

In 1974 Congress established a program to protect the retirement benefits of workers in pension plans that terminate with insufficient assets to pay benefits. We did not know enough about multiemployer plans to understand how the guarantee program would affect them. Multiemployer plans cover about 8,000,000 workers. We wisely deferred automatic coverage for multiemployer plans but gave the Pension Benefit Guaranty Corporation the discretionary authority to provide coverage for participants in those plans. Automatic coverage goes into effect on May 1—this Thursday—with potential for disaster, if we do not defer.

Since 1974, as a result of the Corporation's experience with discretionary coverage, and its extensive study of the potential impact on the program, the Corporation has concluded that automatic coverage of multiemployer plans under the current statutory rules would create an incentive to plan termination. They estimated the potential financial cost of these terminations to be as high as $4 billion. The social cost in loss of pensions, the disruption of lives and labor relations is unimaginable.

Twice before we have extended the deferral date to allow time for study and development of legislative proposals by the PBGC to structure a sound benefit guarantee program. We needed time to insure adequate consideration of those proposals by the four congressional committees with jurisdiction over these matters. The proposed legislation, H.R. 3904 in the House, and S. 1076 in the Senate, is difficult and complex.

Mr. Speaker, thanks to the cooperation of the Members on both sides of the aisle on the Education and Labor and Ways and Means Committees, we are close to passage of a bill. However, we do not have time to finish floor action and a conference prior to May 1. Our committee reported H.R. 3904, to revise the benefit guarantee program on April 2. The Ways and Means Committee filed its report on H.R. 3904 on April 22. The Senate Labor Committee has marked up the companion bill, S. 1076, and we are informed that the Senate Finance Committee will mark up on Tuesday.

A 30-day extension of discretionary coverage will enable us to complete our work and avert a financial disaster. My distinguished colleague, the minority member from Illinois, who has a keen interest in this area, has cosponsored H.R. 7140. The eminent chairmen of both House committees are in complete agreement. I urge my colleagues' support of this short deferral.

☐ 1240

Mr. ERLENBORN. Mr. Speaker, further reserving the right to object, let me thank the gentleman from New Jersey for his explanation, in which I concur.

Let me emphasize that unless this bill is enacted and sent to the President promptly within the next few days, we will face what is virtually a disaster, the least of which would be the $4 billion cost to the Pension Benefit Guaranty Corporation, which would then have to be borne by the remaining employers continuing to participate in multiemployer plans. The most important thing is the number of employees who would lose pension rights that they have been counting on as a result of allowing the current law to go into effect, thereby precipitating terminations in massive numbers of multiemployer plans under the current law. So I agree with the gentleman.

I hope that this bill will be adopted by unanimous consent, enacted swiftly by the other body and signed by the President.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Illinois?

There was no objection.

The Clerk read the bill as follows:

H.R. 7140

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 4082(c) of title IV of the Employee Retirement Income Security Act of 1974 (relating to effective dates; special rules) as amended by Public Law 95–214 and Public Law 96–214, is further amended—

(1) by striking "May 1, 1980" in paragraphs (1), (2), and (4) and substituting "June 1, 1980", in each such paragraph; and

(2) by striking "April 30, 1980" in paragraphs 2(B) and 4(D) and substituting "May 31, 1980" in each such paragraph.

The bill was ordered to be engrossed and read a third time, was read the third time, and passed, and a motion to reconsider was laid on the table.

THE 1979 AMENDMENTS TO SECTION 7 OF THE CLAYTON ACT

Mr. MAZZOLI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4049) to amend section 7 of the Clayton Act, as amended.

The Clerk read as follows:

H.R. 4049

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "1979 Amendments to Section 7 of the Clayton Act.".

Sec. 2. Section 7 of the Clayton Act (15 U.S.C. 18) is amended—

(1) By striking out "corporation" each time it appears in the first and second paragraphs and inserting in lieu thereof "person";

(2) by striking out "corporations" in the second paragraph and in the first sentence of the third paragraph and inserting in lieu thereof "persons"; and

(3) by inserting "or in any activity affecting commerce" after "commerce" each time it appears in the first three paragraphs.

Sec. 3. The amendments made by this Act shall apply only with respect to acquisitions made after the date of the enactment of this Act.

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kentucky (Mr. Mazzoli) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. McClory) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. Mazzoli).

Mr. MAZZOLI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I urge favorable consideration of H.R. 4049, which makes two amendments to section 7 of the Clayton Act which applies to acquisitions which may substantially lessen competition or tend to create a monopoly.

These amendments will assure equal enforcement of the antitrust laws regardless of the form of business organization chosen by a firm.

They will also improve the efficient allocation of antitrust enforcement resources between the Antitrust Division of the Justice Department and the Federal Trade Commission by making the jurisdictional reach of section 7 of Clayton coextensive with sections 1 and 2 of the Sherman Act and section 5 of the Federal Trade Commission Act.

None of the amendments alters the substantive standard of section 7 by which acquisitions are judged to be legal or illegal. The amendments made by this legislation apply only to acquisitions made after the date of enactment of this bill.

The first part of this legislation relates to the type of business entities whose anticompetitive acquisition may be challenged under section 7.

Section 7 of the Clayton Act now is limited to acquisitions between corporations. Acquisitions by, or of, noncorporate business entities are not subject to section 7, although such acquisitions may substantially lessen competition.

Acquisitions by individuals, partnerships, or certain joint ventures—involving unincorporated entities, for example—are not subject to review under section 7 of the Clayton Act today.

The effect of H.R. 4049 is to assure equal enforcement of the antitrust law for all businesses regardless of the form of business organization of the acquiring, or acquired, firm if the acquisition substantially lessens competition.

The third amendment relates to the "in commerce" requirement of section 7 of the Clayton Act.

Prior to 1975, it was thought that the commerce requirements of section 7 of the Clayton Act were coextensive with those of sections 1 and 2 of the Sherman Act. Thus, acquisitions by firms engaged in commerce as well as acquisition of firms "affecting" commerce were subject to the antitrust laws.

However, in the United States against American Building Maintenance decision, the Supreme Court held that the phrase "engaged in commerce", as used in section 7 of the Clayton Act, did not cover acquisitions of companies whose activities substantially "affected" interstate commerce but were not technically "in" interstate commerce.

This interpretation of section 7 was made despite the fact that section 1 of the Clayton Act, which defines the term "commerce," includes matters which "affect" interstate commerce.

The effect of the American Building Maintenance decision is to make it possible for major firms to acquire virtual nationwide monopolies simply by acquiring one local firm after another, even if each transaction in and of itself would violate the substantive standards of section 7 of the Clayton Act.

In addition, a foreign firm which "affects" U.S. foreign commerce but is not "in" U.S. foreign commerce could acquire a large or dominant U.S. firm and escape challenge under section 7 of the Clayton Act.

H.R. 4049 extends the jurisdictional reach of section 7 to firms affecting commerce, but it still exempts and does not reach purely intrastate firms which do not substantially affect interstate commerce.

It only reaches those firms which are already subject to section 5 of the Federal Trade Commission Act for illegal acquisitions.

Enactment of this amendment will also sharply curtail extraneous litigation over whether an acquiring or acquired firm is "engaged" in commerce or is "affecting" commerce. These jurisdictional nuances are largely irrelevant to antitrust policy and only serve to make antitrust enforcement more complex and difficult.

Mr. Speaker, H.R. 4049 harmonizes the antitrust laws. It does so at no cost to the public. I urge the adoption of this legislation.

Mr. McCLORY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 4049, which amends the jurisdictional reach of section 7 of the Clayton Act, which prohibits anticompetitive mergers, in two respects. Neither change, however, would affect the substantive standards governing the legality of mergers or acquisitions of stock or assets. I would note also that an amendment unanimously adopted in subcommittee made these changes applicable only to acquisitions consummated after the date of enactment.

The bill, by extending the scope of jurisdiction to include firms "affecting" commerce as well as those engaged "in commerce" would reach acquisitions of companies whose activity, while clearly affecting interstate commerce, is largely confined to one State, as well as mergers and acquisitions by foreign companies which are only potential entrants into the U.S. marketplace and therefore not subject to the present "in commerce" standard. In my view, this closes what appears to be a loophole in Congress intent to reach any acquisitions that tend to substantially limit competition.

The bill would make the jurisdictional reach of section 7 coextensive with the Sherman Act, which appears to be quite appropriate inasmuch as the purpose of section 7 is to provide a means to halt anticompetitive situations before they develop into restraints of trade and monopolies prohibited by the Sherman Act. The scope of "commerce" would also be coextensive with section 5 of the Federal Trade Commission Act and the premerger notification title of the Hart-Scott-Rodino Act.

The main thrust of this change is that it would allow the Department of Justice to review certain anticompetitive mergers that only the FTC has authority to review today. Since these mergers will undoubtedly involve small businesses, the additional protection of the Department of Justice should prove salutary.

The second provision of this bill, the substitution of "person" for "corporation", so as to prohibit anticompetitive mergers and acquisitions by or of "any person", proceeds from the belief that there is no valid reason to differentiate the coverage of section 7 from other antitrust statutes which apply to all forms of business entities. In brief, while this extension may be insignificant, it is believed that the form of an enterprise should not shield it in the event of an anticompetitive merger.

● Mr. RODINO. Mr. Speaker, I would like to urge my colleagues to support the three antitrust improvement bills that are under consideration by the House.

These bills have received widespread and bipartisan support. The Subcommittee on Monopolies and Commercial Law unanimously reported each bill to the Judiciary Committee, where they continued to receive universal support. The Senate has already passed a bill containing the provisions of the bills under consideration. The Senate bill, S. 390, is bipartisan antitrust procedural improvements bill cosponsored by Senators METZENBAUM and THURMOND. I am pleased to say that the bills under consideration today have enjoyed similar bipartisan support in the House.

These bills will expedite private and public enforcement of the antitrust laws, reduce their cost, and give the Antitrust Division and private parties the same jurisdictional authority now held by the Federal Trade Commission to challenge anticompetitive mergers.

Furthermore, one of the bills, H.R. 4050, which clarifies the authority of the Antitrust Division to obtain products of discovery, was a procedural recommendation of the President's National Commission for the Review of Antitrust Laws and Procedures. The Commission recommended this and other legislation to provide for various procedural improvements in the law in order to expedite public and private antitrust litigation.

Each bill will make a significant contribution to the enforcement of the antitrust laws.

The first bill, H.R. 5949, amends the Antitrust Civil Process Act to authorize the Antitrust Division to retain independent contractors to examine, organize and evaluate precomplaint antitrust civil discovery material. By making available the services of independent contractors specializing in automated document retrieval and indexing, the Antitrust Division will be able to expedite antitrust investigations and also reduce their costs.

H.R. 4049 removes two jurisdictional anomalies in section 7 of the Clayton Act, the Nation's major merger statute, by extending the jurisdictional reach of that statute to that of the Sherman Act and of the Federal Trade Commission Act. The jurisdiction to challenge anticompetitive acquisition as between the Federal Trade Commission and the Antitrust Division will, with these amendments, be based on considerations of Agency expertise rather than on accidental jurisdictional differences.

The third proposal, H.R. 4050, was a recommendation of the President's National Commission To Review Antitrust Laws and Procedures. It amends the Antitrust Civil Process Act to clarify the authority of the Antitrust Division to obtain products of discovery obtained in litigation. The second circuit court of appeals has recently held that the Antitrust Division does have authority to obtain products of discovery in litigation and these amendments codify that interpretation of the Antitrust Civil Process Act. H.R. 4050 further provides express statutory protections of both the rights of the persons from whom the discovery was taken and the person in possession of the discovery material, and provide confidentiality protection to persons who do not expressly have such protections under existing law. These amendments eliminate unnecessary and duplicative discovery efforts by the Government and should greatly expedite public antitrust enforcement. Past cases demonstrate that Antitrust Division access to products of discovery will save millions of dollars in investigations and significantly reduce the time necessary to conduct an investigation.

I am pleased to support this legislation and I urge my colleagues to join me in enacting these bills.●

□ 1250

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. MAZZOLI) that the House suspend the rules and pass the bill, H.R. 4049, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

USE OF AGENTS BY THE DEPARTMENT OF JUSTICE IN THE ENFORCEMENT OF THE ANTITRUST LAWS

Mr. HARRIS. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 5949) to amend the Antitrust Civil Process Act to authorize the Department of Justice to use agents in connection with the enforcement of the antitrust laws, as amended.

The Clerk read as follows:

H.R. 5949

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) section 2 of the Antitrust Civil Process Act (15 U.S.C. 131) is amended by adding at the end thereof the following new paragraph:

"(i) The term 'agent' includes any person retained by the Department of Justice in connection with the enforcement of the antitrust laws.".

(b) Paragraphs (2) and (3) of section 4(c) of the Antitrust Civil Process Act (15 U.S.C. 1313(c)) are amended by striking out "official or employee" each place it appears and inserting in lieu thereof "official, employee, or agent" in each such place.

SEC. 2. Section 1905 of title 18, United States Code, is amended by inserting after "thereof," the first place it appears the following: "or agent of the Department of Justice as defined in the Antitrust Civil Process Act (15 U.S.C. 1311–1314),".

The SPEAKER pro tempore. Is a second demanded?

Mr. McCLORY. Mr. Speaker, I demand a second.

The SPEAKER pro tempore. Without objection, a second will be considered as ordered.

There was no objection.

The SPEAKER pro tempore. The gentleman from Virginia (Mr. HARRIS) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. MCCLORY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Virginia (Mr. HARRIS).

Mr. HARRIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5949.

The purpose of this bill is to clarify and give express authority to the Antitrust Division of the Department of Justice to retain independent contractors who are not officials or employees of the Department to compile and examine evidence collected in a civil antitrust investigation.

This bill will expedite Antitrust Division civil investigations and litigation, reduce their costs, and enhance enforcement of the antitrust laws.

Specifically, the bill amends the Antitrust Civil Process Act to authorize the Antitrust Division to use "agents" in connection with the enforcement of the antitrust laws.

These amendments will clarify the authority of the Antitrust Division to retain independent contractors for document analysis, indexing and consultant services, just as private litigants and other Government agencies already do today.

Outside firms are frequently employed by private litigants to assist in tasks such as automatic data processing, document indexing and the organizing of the literally thousands of documents that are produced in antitrust investigations or litigation.

The amendments will insure that the Antitrust Division has the best information before it determines whether to prosecute, or not to prosecute, a suspected antitrust violation. The bill expressly authorizes the Antitrust Division to retain an industry expert to examine the precomplaint antitrust discovery material obtained. This will assist the decisionmaking process of the Antitrust Division and minimize any prospect that the Division, because of inadequate information, might file a meritless complaint.

It is undisputed that the Antitrust Division could engage experts after the complaint is filed to assist it in its civil antitrust litigation. There is no reason to deny the Antitrust Division the best information available before it files a complaint and every reason to encourage the division to obtain such information. The assistance of an outside expert may serve to narrow the scope of an investigation or direct its early closing.

This legislation will expedite and reduce the cost of antitrust investigation and litigation. The Antitrust Division will not have to employ additional full-time Government employees to index documents or delay an investigation in order to meet peak demands for these services.

Given the uncertainty concerning the timing and volume of antitrust discovery materials, the bill will give the Antitrust Division greater flexibility to adjust its work schedules of its own employees quickly and efficiently to meet these demands with a minimum delay and without a waste of resources.

This legislation does not vest the Antitrust Division with novel authority to engage other persons to assist it in an investigation. Other Federal agencies have express statutory authority to retain persons who are not Federal officials or employees to assist them in investigations or their duties. The Federal Trade Commission, for example, has express statutory authority to retain "agents." Furthermore, other agencies which analyze and produce top secret or other classified information frequently employ persons who are not Government employees to examine such information.

Finally, this legislation protects the confidentiality of discovery materials disclosed to an agent. The bill provides that "an agent" will be subject to the same criminal penalties for unauthorized disclosure of trade secrets and other confidential information that now apply to officials or employees of the U.S. Government under title 18 of the United States Code, section 1905. This statute subjects Federal officials or employees to criminal penalties and fines, or both, for unauthorized disclosure of information obtained in the course of employment or official duties. Furthermore, the Antitrust Civil Process Act, which this bill amends, also prohibits unauthorized disclosure of material obtained under the authority of that act.

In sum, Mr. Speaker, this bill will serve to expedite Government antitrust investigations and litigation, increase their effectiveness, and reduce their costs. I therefore urge the enactment of this legislation.

Mr. Speaker, I reserve the balance of my time.

Mr. McCLORY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I rise in support of H.R. 5949, which would amend the Antitrust Civil Process Act to clarify the authority of the Antitrust Division to hire independent contractors to organize, process, analyze, and evaluate the thousands of documents and other information which may be collected in a civil antitrust investigation.

The problems of processing this material quickly and efficiently are common to all litigants, and by this legislation we are merely putting the Division on an equal footing with private antitrust litigants who customarily employ outside firms to perform automatic data processing. The same authority also resides in other Federal agencies and, after a complaint is filed, in the Antitrust Division itself.

The enactment of this legislation can only contribute, in my view, to the improved processing of voluminous investigative material and thus to better informed decisionmaking by the Antitrust Division and a consequent conservation of resources not expended needlessly on prosecutions without merit.

Essentially, this bill merely clarifies authority which may already exist in the Antitrust Division, but we are taking advantage of this occasion, wisely, I think, to provide specifically also that outside "agents" are subject to criminal penalties under 18 U.S.C. 1905 for unauthorized disclosure of trade secrets or other confidential information.

The minority on the Monopolies Subcommittee strongly supported this criminal sanction provision. We also supported an amendment in subcommittee which deleted the phrase "or consulted by" from the definition of an "agent", to eliminate any suggestion that the Division might disclose civil investigative demand materials to unpaid consultants.

We are satisfied with the bill as it stands, as is reflected in unanimous voice votes by which this bill was reported both from the Monopolies and Commercial Law Subcommittee and from the full Judiciary Committee.

Mr. Speaker, I have no requests for time. I reserve the balance of my time.

Mr. HARRIS. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, I would like to add one last point here that I think is very relevant and significant, as I stand here asking for authority for the Department of Justice to contract out for that which can be done more efficiently by contracting out.

This Member has spent a good deal of time over the past few years to try to make sure that the contracting out decision is not made: First, to circumvent personnel ceilings; second, simply to help friends that used to be employed at the agency; or third, simply to spend more money at the end of the fiscal year.

It is very important that we keep the proper discipline with respect to contracting out; but I would hope that this bill underscores my basic thesis that contracting out should be performed and should be authorized when it is more efficient and, of course, should be subject to a cost-benefit test.

Mr. McCLORY. Mr. Speaker, will the gentleman yield?

Mr. HARRIS. I am happy to yield to my colleague.

Mr. McCLORY. Mr. Speaker, let me just add this, that the purpose of this legislation is to reduce the cost of administering the antitrust laws and to reduce the need to hire additional personnel to carry out certain investigative functions.

Let me just say this, that I do not want to subscribe to the general statements that I understand through the press the gentleman has made with regard to consultants. I do not hold that view myself. Maybe it is because I am unaware and I do not have information which the gentleman from Virginia has, but my general perception of consultants is that they render important service to our Government and to the agencies of the Government. Without them, we would have to increase the personnel in all of the agencies where consultants presently serve.

Certainly the purpose of this amendment is to eliminate the need for additional personnel in the department and at the same time get the increased services that are so important to a thorough investigation, which requires the searching and analyzing of documents and providing the extensive informational material which is so vital, especially in the large-scale antitrust legislation actions which are undertaken by the Department of Justice.

I thank the gentleman for yielding.

Mr. HARRIS. Mr. Speaker, I was happy to yield.

May I say, too, that my colleague has put his finger exactly on the point. Sometimes consultants are absolutely essential. Sometimes contracting out is absolutely essential to save costs. Sometimes it is done for the other purposes. What we want to make sure is that any decision is made on the basis of the taxpayers' interest; that is what this legislation permits and we hope other contracts for consultants or for other purposes are also geared to this purpose.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Virginia (Mr. HARRIS) that the House suspend the rules and pass the bill, H.R. 5949, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

ANTITRUST CIVIL PROCESS ACT AMENDMENTS OF 1979

Mr. MAZZOLI. Mr. Speaker, I move to suspend the rules and pass the bill (H.R. 4050) to expedite and reduce the cost of antitrust litigation, and for other purposes, as amended.

The Clerk read as follows:

H.R. 4050

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Antitrust Civil Process Act Amendments of 1979".

SEC. 2. Section 2 of the Antitrust Civil Process Act (76 Stat. 548; 15 U.S.C. 1311) is amended—

(1) in subsection (g), by striking out the semicolon and "and" at the end thereof and inserting in lieu thereof a comma and the following: "and any product of discovery;";

(2) in subsection (h), by striking out the period at the end thereof and inserting in lieu thereof "; and"; and

(3) by adding at the end thereof the following new subsection:

"(i) The term 'product of discovery' includes without limitation the original or duplicate of any deposition, interrogatory, document, thing, result of the inspection of land or other property, examination, or admission obtained by any method of discovery in any judicial or administrative litigation; any digest, analysis, selection, compilation, or any derivation thereof; and any index or manner of access thereto.".

SEC. 3. (a) Section 3(a) of the Antitrust Civil Process Act (15 U.S.C. 1312(a)) is amended by adding at the end thereof the following new sentence: "Whenever a civil investigative demand is an express demand for any product of discovery, the Attorney General or the Assistant Attorney General in charge of the Antitrust Division shall cause to be served, in any manner authorized by this section, a copy of such demand upon the person from whom the discovery was obtained and notify the person to whom such demand is issued of the date on which such copy was served.".

(b) Section 3(b) of that Act (15 U.S.C. 1312(b)) is amended by adding at the end thereof the following new sentence:

"Any such demand which is an express demand for any product of discovery shall not be returned or returnable until after twenty days after a copy of such demand has been served upon the person from whom the discovery was obtained.".

(c) Section 3(c) of that Act (15 U.S.C. 1312(c)) is amended—

(1) by inserting "(1)" immediately after "(c)";

(2) by striking out "(1)" and inserting in lieu thereof "(A)";

(3) by striking out "(2)" and inserting in lieu thereof "(B)"; and

(4) by adding at the end thereof the following new paragraph:

"(2) Any such demand which is an express demands for any product of discovery supersedes any inconsistent order, rule, or provision of law (other than this Act) preventing or restraining disclosure of such product of discovery to any person. Disclosure of any product of discovery pursuant to any such express demand does not constitute a waiver of any right or privilege, including without limitation any right or privilege which may be invoked to resist discovery of trial preparation materials, to which the person making such dislosure may be entitled.".

(d) Paragraph (3) of section 4(c) of that Act (15 U.S.C. 1313(c)(3)) is amended by inserting immediately after "transcripts" the second time it appears, a comma and the following: "and, in the case of any product of discovery produced pursuant to an express demand for such material, of the person from whom the discovery was obtained".

(e) Section 5 of that Act (15 U.S.C. 1314) is amended—

(1) by amending subsection (b) to read as follows:

"(b)(1) Within twenty days after the service of any such demand upon any person, or at any time before the return date specified in the demand, whichever period is shorter, or within such period exceeding twenty days after service or in excess of such return date as may be prescribed in writing, subsequent to service, by any antitrust investigator named in the demand, such person may file and serve upon such antitrust investigator, and in the case of an express demand for any product of discovery upon the person from whom such discovery was obtained, a petition for an order modifying or setting aside such demand—

"(A) in the district court of the United States for the judicial district within which such person resides, is found, or transacts business; or

"(B) in the case of a petition addressed to an express demand for any product of discovery, only in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending.

"(2) The time allowed for compliance with the demand in whole or in part as deemed proper and ordered by the court shall not run during the pendency of such petition in the court, except that such person shall comply with any portions of the demand not sought to be modified or set aside. Such petition shall specify each ground upon which the petitioner relies in seeking such relief and may be based upon any failure of such demand to comply with the provisions of this Act, or upon any constitutional or other legal right or privilege of such person.";

(2) by redesignating subsections (c), (d), (e), and (f) as subsections (d), (e), (f), and (g), respectively;

(3) by inserting immediately after subsection (b) the following new subsection:

"(c) Whenever any such demand is an express demand for any product of discovery, the person from whom such discovery was obtained may file, at any time prior to compliance with such express demand, in the district court of the United States for the judicial district in which the proceeding in which such discovery was obtained is or was last pending, and serve upon any antitrust investigator named in the demand and upon the recipient of the demand, a petition for an order of such court modifying or setting aside those portions of the demand requiring production of any such product of discovery. Such petition shall specify each ground upon which the petitioner relies in seeking such relief and may be based upon any failure of such portions of the demand to comply with the provisions of this Act, or upon any constitutional or other legal right or privilege of the petitioner. During the pendency of such petition, the court may stay, as it deems proper, compliance with the demand and the running of the time allowed for compliance with the demand."; and

(4) in subsection (d), as that subsection has been redesignated by paragraph (2) of this subsection, by inserting immediately after "such person" a comma and the following: "and, in the case of an express demand for any product of discovery, the person from whom such discovery was obtained,".

The SPEAKER pro tempore. Pursuant to the rule, a second is not required on this motion.

The gentleman from Kentucky (Mr. MAZZOLI) will be recognized for 20 minutes, and the gentleman from Illinois (Mr. MCCLORY) will be recognized for 20 minutes.

The Chair recognizes the gentleman from Kentucky (Mr. MAZZOLI).

Mr. MAZZOLI. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, H.R. 4050 is a small but significant piece of legislation that will save the Government money and enhance the efficiency of its antitrust investigations.

The bill amends the Antitrust Civil Process Act to clarify the authority of the Antitrust Division to obtain information already gathered or analyzed by others in the course of litigation.

H.R. 4050 promotes efficient use of public resources by eliminating the need for costly and time consuming discovery efforts by the Antitrust Division which duplicate discovery procedures already completed by a litigant.

This legislation was recommended by the President's National Commission to Review Antitrust Laws and Procedures.

The Commission found that—

> An important cause of unreasonable delay and extraordinary expense, particularly in complex antitrust suits brought by the Government, is the denial of access to materials already produced in actions initiated by private parties. . . . Potential defendants have no legitimate interest in wasting the Government's time and taxpayers' money in the interest of gamesmanship. (Commission report at pp. 49–50.)

In recent years, the Government has often found itself confronted with expensive and burdensome discovery tasks that could be largely or wholly avoided if it could obtain access to the discovery and analysis already completed by a litigant.

Soon after the Commission to review antitrust laws and procedures issued its report, the Second Circuit Court of Appeals, in United States against GAF Corp., held that the Antitrust Division has authority under the Antitrust Civil Process Act to issue civil investigative demands (CID) for products of discovery. The Antitrust Division estimates that access to the index to the discovery in GAF case saved the division over $1 million and approximately 9 months of preparation time.

GAF, the plaintiff in an action brought against Kodak for monopolization, wanted to share with the Antitrust Division the products of its discovery, including its analyses and indices to discovered documents. In particular, GAF wanted to disclose to the Antitrust Division 50 documents culled from some 400,000 discovered documents. Kodak objected to GAF's disclosure under the terms of a protective order which had been earlier negotiated between GAF and Kodak.

The district court refused to enforce the civil investigative demand against GAF for products of discovery because it believed the Anitrust Civil Process Act did not reach products of discovery. The court of appeals reversed, holding that the act does authorize the Division to obtain products of discovery.

The court of appeals ordered the district court to modify the protective order under which the discovered materials were turned over and give Kodak the right to object to the disclosure of specific documents as if Kodak had been the person who "produced" the documents within the meaning of the Antitrust Civil Process Act.

H.R. 4050 provides this and other procedural protections both for the party in possession of the discovered materials, and the party from whom the discovery was obtained.

For example, the amendments require that both parties receive a copy of the civil investigative demand and be given the right to raise any objections to production of responsive materials.

The amendments provide that a valid CID supersedes any inconsistent law or prior protective order restraining disclosure of discovered materials to the Antitrust Division. However, it should be noted that both parties will receive notice of, and a full right to object to, the Antitrust Division's document-demand under the procedures of the Antitrust Civil Process Act.

The bill also extends the confidentiality protection of the act to the party from whom discovered documents were obtained.

Moreover, since the party from whom discovery was obtained is a formal recipient of a CID, he may seek a protective order against the Government for subsequent disclosure of the relevant materials to others.

The bill finally provides that disclosure of products of discovery to the Antitrust Division does not constitute a waiver of any right or privilege. (Thus, for example, in the GAF case, if GAF wanted to give analyses of Kodak documents to the Antitrust Division, it may do so without waiving its work-product privilege which would allow such analyses to be withheld from the Government).

The American Bar Association antitrust section also supported the principle of Government access to the products of discovery as enunciated in the second circuit's GAF opinion.

In response to the concerns raised by the ABA section the bill was amended in subcommittee to insure that a CID recipient's right to object is preserved.

The amended bill received strong support in the committee and was reported favorably.

Mr. Speaker, we have an opportunity today to approve procedural reforms that will cost the public absolutely nothing. H.R. 4050 will speed the investigative process for our Antitrust Division and enable it to expend its limited resources in the manner most beneficial to the public interest.

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Mr. Speaker, I urge adoption of the bill and reserve the balance of my time.

Mr. McCLORY. Mr. Speaker, I yield myself such time as I may consume.

Mr. Speaker, as a member of the President's National Commission for the Review of Antitrust Laws and Procedures, I can attest to the fact that antitrust cases are burdened with great delays. Some delay is inherent in any procedure where the stakes are high. But there are several causes of delay that are curable. This bill, H.R. 4050, cures one such cause.

One of the major areas of delay is that of discovery. There are occasions where the Government and a private plaintiff are both contemplating suit against the defendant. This bill would allow the Government to avoid duplicative discovery against the defendant by piggy-backing onto the private plaintiff's discovery efforts in certain limited situations. Moreover, both the private plaintiff and the defendant would be fully protected under the bill; each would be permitted to object to the Government's process by raising any objection either might have under the Constitution, statute, common law, or the Federal rules of procedure.

In 1976, Congress revised the Antitrust Civil Process Act to accord general discovery authority to the Antitrust Division when investigating a violation of the antitrust laws before a complaint has been filed. However, some question arose as to whether the Government could obtain what is called "the produce of discovery," that is the materials obtained through discovery by a litigant against the target of the Government's investigation. The 1976 act was written in terms of a two-party situation and not a three-party situation although the intention seemed clear that the Government should be permitted to issue its demands on any person with information.

The question was brought into focus when GAF sued Kodak and, in the course of discovery, obtained critical documents and developed a time-consuming sophisticated analysis of them. Although GAF was willing to hand over the documents and its analysis, Kodak objected. Kodak was willing to hand over all 400,000 documents it had given GAF but opposed saving the Government time and money by allowing GAF to share its knowledge with the Government.

We believe that the Kodak position is indefensible as a matter of policy as long as Kodak's rights are protected on the same basis that they would if the Government had issued its demand against Kodak rather than GAF. One of the two major purposes of the bill before us to protect fully the rights of a defendant in Kodak's situation. The other major purpose is to clarify the rights of the Government in such three-party situations. Although the Government ultimately won its point in the GAF case, that victory binds only the second circuit. This bill, of course, binds all circuits.

The basic purpose we seek to accomplish is that the Antitrust Division, in determining whether to prosecute anyone civilly, should have full access to the facts regardless of their source, just as it does when making a similar decision to prosecute criminally. No policy is served by making the Government's investigation of antitrust violations more costly and more time consuming than it need be or by forcing its prosecutorial decisions to hinge on incomplete facts.

This commonsense policy is achieved by this bill without causing any resultant disadvantages. Persons in Kodak's position are fully protected: They can object on the same basis that they might if the demand were served directly on them; moreover, the confidentiality of the products of discovery is protected on the same basis as if the demand had been issued directly to them. Likewise, persons in GAF's position are permitted to comply with the Government's demand without waiving any privileges it might later wish to assert.

Since it was a protective order between GAF and Kodak that proved, at least for some time, to be the roadblock to the Division's investigation, the bill provides that a demand for products of discovery does supersede a protective order. If it were otherwise, the bill would be meaningless. However, the bill should not be interpreted as precluding the exercise of judicial power to issue subsequent protective orders which might, in certain limited situations, be thought necessary to protect further the confidentiality of products of discovery.

Mr. Speaker, at this time I yield 5 minutes to the distinguished gentleman from Ohio, a member of the Judiciary Committee (Mr. KINDNESS).

Mr. KINDNESS. Mr. Speaker, I thank my colleague for yielding. I take this occasion to hope to clarify the legislative history of this measure on one small point.

It has been made clear to us by a three-judge Federal district court panel within recent days that the Congress may very well have to start clarifying its legislation in the legislation rather than in the report or the record.

I would like the legislative history that we are making today on H.R. 4050 to reflect that we are introducing a new term into our legislative and regulatory lexicon: "Administrative litigation."

Believe it or not, we have not been able to come across any prior useage of this pair of words in conjunction, as strange as that might seem to some Members of this body.

This bill will permit the Justice Department, for purposes of conducting aintitrust cases brought by the Department, to obtain "products of discovery" which in separate and usually private antitrust litigation were "obtained by any method of discovery in any judicial or administrative litigation."

Because administrative agencies obtain information from private parties through various means, including investigations in which material is voluntarily transmitted to an agency by private parties, it was desirable to spell out the circumstances under which such material could become available to the Justice Department.

Accordingly, I would like to direct the attention of my colleagues to page ten of the committee report, specifically the third and fourth paragraphs of that page in which it is noted that "administrative litigation" refers to "those administrative proceedings which are adversarial in nature and format, and in which the agency obtained the product of discovery by agency or civil discovery process that allowed the discovered party to raise objections";

Thus, as the report language goes on to state, "administrative litigation" does not mean rulemaking or licensing proceedings, nor does it include information gathering programs or purely investigatory proceedings in which information is obtained by the United States or any governmental agency pursuant to laws and regulations providing for the filing of forms or reports. Such information is not obtained in "litigation" by "any method of discovery."

I trust that this effort to give meaning to the new terminology we are using in this legislation will be helpful to the Justice Department which has asked for the authority embodied in this bill, the private parties who will be subject to its provisions, and the courts which may be called upon to interpret it.

The paragraphs I make reference to are as follows:

> Although "administrative litigation" is not a term of art in administrative law and is not otherwise statutorily defined, the Committee intends that this term apply to those administrative proceedings which are adversarial in nature and format, and in which the agency obtained the product of discovery by agency or civil discovery process that allowed the discovered party to raise objections; parties in such proceedings generally are entitled to procedural safeguards such as those governing adjudications, set forth in the Administrative Procedure Act, 5 U.S.C. § 554. Thus, "administrative litigation" would not include rulemaking or licensing proceedings.[6] The term "administrative litigation" would also not cover information gathering programs or purely investigatory proceedings in which information is obtained by the United States or any governmental agency pursuant to laws or regulations providing for the filing of forms or reports. Such information is not obtained in "litigation" by "any method of discovery."
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> Where materials have been obtained by a government agency outside the context of "administrative litigation," the bill neither extends nor limits any existing authority of the Antitrust Division to obtain such mate-

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[6] The Committee received views from the International Trade Commission suggesting that its proceedings are not subject to this amendment because they are non-adjudicatory in nature. The Committee understands that the provisions of H.R. 4050 do not apply to quasi-adjudicative proceedings not embodying procedural safeguards such as provided under 5 U.S.C. § 554.

rials; nor does it alter any rights of an interested party to oppose production to the Antitrust Division. The bill addresses only those situations where the Department of Justice issues a CID to a person who has obtained the product of discovery in judicial or administrative litigation.

Mr. MAZZOLI. Mr. Speaker, will the gentleman yield to me for a moment?

Mr. McCLORY. I am happy to yield to the gentleman from Kentucky.

Mr. MAZZOLI. I thank the gentleman for yielding, and I will return his time if he needs it, but I just want to respond to the gentleman from Ohio (Mr. KINDNESS). He has made a valuable contribution today. The material which appears in the committee report on page 10 does give some guidance, but I think what the gentleman put into the RECORD today gives additional stature to the direct intention of the committee at the subcommittee level where, as the gentleman knows, an amendment was added, striking the term "administrative proceeding" and substitute "administrative litigation." But it was certainly designed to answer the challenge that this was going to allow the Department of Justice to get papers and materials where people were submitting them in rulemaking and licensing procedures without the protection of an adversarial framework. At the subcommittee level we certainly did not want that to happen, and we added an amendment adopted in the full committee. The gentleman's statement today certainly should make it clear that, despite the lack of clear parenthood of administrative litigation, we wanted it to be a matter in which the giver of the documents is clear that this is an adversarial type of proceedings in which they could object and would be given those opportunities to object, and if the material is then turned over, of course, it might be later subject to disclosure.

Mr. McCLORY. The gentleman from Kentucky is entirely correct. I appreciate that the gentleman from Ohio raised an important question with regard to the scope of the phrase "administrative litigation." While it seems quite plausible to me that the Department of Justice should be allowed access to all relevant facts in investigating antitrust violations, the Committee on the Judiciary, in order to quite any possible objection to this legislation, decided to narrow the original phrase "administrative proceeding" to "administrative litigation" which now in the bill. This change eliminates rulemaking and licensing proceedings as well as any regulatory procedure requesting the filing of forms or reports by many corporations so that the regulatory agency might carry out its mandate. Since this bill envisions precomplaint discovery of products of discovery, a demand for such reports falls outside the area of our committee's analysis and thus should also fall outside the bill. Such reports are not themselves submitted in a discovery proceeding and the producer is not thinking of litigation when he submits them but only of the particular agency's promise of confidentiality.

Since some may find it too much to ask of one filing a report to consider that the contents might be the subject of a CID at some later time, we adopted the narrower phrase. The third paragraph of page 10 of the report makes clear our intent to limit CID's for products of discovery to situations where the producer is already in litigation. In situations falling outside this bill, the Department must proceed under the 1976 act directly against the producer. That is the difference and the distinction we are making.

Mr. KINDNESS. Mr. Speaker, will the gentleman yield further?

Mr. McCLORY. I will be happy to yield to the gentleman from Ohio.

Mr. KINDNESS. I thank the gentleman for yielding and for the clarification of the point. I thank the gentleman from Kentucky also for confirming the point, and I would reemphasize that the point is raised for further clarification at this time largely because of the three-judge panel's ruling in the U.S. District Court for the District of Columbia the other day which gives us a big question mark about legislative language and its interpretation for the future.

I thank the gentleman again for yielding.

Mr. McCLORY. Mr. Speaker, I have no further requests for time, and I yield back the remainder of my time.

Mr. MAZZOLI. Mr. Speaker, I yield 5 minutes to the gentleman from Virginia (Mr. HARRIS), a valued member of our subcommittee.

Mr. HARRIS. I thank the gentleman for yielding.

Mr. Speaker, I rise in support of H.R. 4050, a bill that will permit the Antitrust Division to avoid wasteful and duplicative expenditure of public resources in obtaining materials that someone else has already gathered and organized. As the gentleman from Kentucky has already pointed out, this bill should save the Government substantial amounts of money and expedite many antitrust investigations and proceedings in which the Antitrust Division must gather and analyze substantial amounts of material.

There is, however, another aspect of this bill that deserves our attention. H.R. 4050 will also expressly provide rights to the person from whom discovery was obtained. Thus, the party that has gathered and analyzed the discovery material must have obtained it from someone else. H.R. 4050 insures that the person from whom discovery was obtained, as well as the party in possession of it, will have full rights to object to production to the Antitrust Division.

For example, if a plaintiff has obtained discovery from a defendant in private litigation, the bill permits the Government to seek this product of discovery from the plaintiff, but only after serving a copy of its civil investigative demand on both parties, and only after both are accorded the full rights to object to production under the Antitrust Civil Process Act.

Both parties would also be granted the full extent of the confidentiality protection set forth in the Antitrust Civil Process Act. Thus, the bill also extends the confidentiality protections of the Antitrust Civil Process Act, already available to the person in possession of the products of discovery, to the person from whom discovery was obtained.

Mr. Speaker, what we have here is a bill that does not expand the Government's authority. It is undisputed that the Government would have the right under existing law to obtain the very same materials, or generate them at its own expense, even in the absence of this legislation. If we approve H.R. 4050, we permit the Government to save a great deal of time and money in cases in which someone else has already done the work. At the same time, we are spelling out in express terms the rights of all interested parties to make their objections to production to the Government, and to protect the confidentiality of materials once they are turned over to the Government.

I urge that we approve this legislation in furtherance of our efforts to combat inflation and to protect the rights of all persons subject to Government investigations or inquiries.

Mr. MAZZOLI. I thank the gentleman for his forceful statement and would ask him just perhaps to repeat once again, if I understood the gentleman correctly, that this material could be obtained anyway, even in the absence of this legislation. This legislation expedites the gathering of information, and makes the process less expensive and time consuming.

Mr. HARRIS. Yes. I think clearly, if my chairman will yield, the Government has the authority to get this material already. All we are saying in this bill is that if the material is already accumulated, let us prevent duplicative discovery and the waste of taxpayers' money.

Mr. MAZZOLI. And all the parties' rights are protected. I think the gentleman.

Mr. Speaker, I yield 2 minutes to a valuable and productive member of our committee, the gentleman from New Jersey (Mr. HUGHES).

Mr. HUGHES. I thank the chairman for yielding.

Mr. Speaker, I rise in support of H.R. 4050, a bill to amend the Antitrust Civil Process Act to clarify the authority of the Antitrust Division to obtain relevant and nonprivileged information obtained by others in the course of litigation.

Large antitrust defendants, simply by virtue of their size and willingness to impede Government antitrust investigators, may be able to obtain de facto immunity from the antitrust laws unless Congress acts to help reduce the costs and expedite Government antitrust legislation. H.R. 4050, strongly recommended by the President's Commission for the Review of Antitrust Laws and Procedures, will expedite and reduce the costs of antitrust enforcement, thereby assuring that competition will be promptly restored to the marketplace.

The other body has already passed S. 390, the Antirust Procedural Improvements Act, which contains the provisions of this bill.

This bill is a recommendation of the President's National Commission for the Review of Antitrust Laws and Procedures. This Commission, composed of members of all three branches of Government and antitrust practitioners, proposed this legislation to expedite and reduce the costs of antitrust litigation.

I don't need to tell you that the problems associated with complex antitrust litigation may make it ever easier for antitrust violators to escape justice. There are cases today that have been in the courts 10 years or more. This legislation responds to the clear need to expedite antitrust investigations and litigation.

The legislation expressly authorizes the Antitrust Division to issue a precomplaint discovery request for products of discovery produced in litigation.

It does not vest novel or untested authority in the Antitrust Division; nor is the concept of obtaining the benefits of discovery of another party in other litigation foreign to our system of justice. Courts have made judicial or administrative discovery available not only to the Antitrust Division but also to private parties and other governmental agencies.

Indeed, this legislation rests upon a recent interpretation of the Antitrust Civil Process Act given by the Second Circuit Court of Appeals in the GAF case, authorizing the Antitrust Division to obtain products of discovery. This bill clarifies that decision and provides express statutory safeguards to the interested parties.

The potential savings from this legislation are substantial.

In the GAF litigation, for example, the Government estimates that it will save $1 million and 9 months because of the court-approved access to products of discovery and indices in that case.

In the GAF case, the plaintiff, GAF, was eager to share with the Antitrust Division its analyses of over 400,000 documents it received from Kodak, whom it had been suing for monopolization. GAF believed that it had obtained evidence of an antitrust violation and wished to share it with the Government. Ultimately, the court of appeals upheld the authority of the Antitrust Division to obtain the materials under the Antitrust Civil Process Act.

In the ATT monopolization case, the Antitrust Division recently obtained access to the on-line computer-based index of 57,000 documents and depositions in a private treble damage action. The Division estimates that it has saved $900,000 and 9 months of time from its access to these products of discovery. The Government prosecutor in a case against the ATT credited access to products of discovery as largely responsible for an earlier than anticipated trial date in this case.

Access to products of discovery will not only expedite Government antitrust investigations and reduce their costs. In some cases access to products of discovery may be the only source of valuable information. Witnesses in earlier litigation may no longer be available. The recollections witnesses may have faded by the time the Government deposes them. Furthermore, access to products of discovery including a litigant's analysis of his own case, its extremely valuable in focusing an Antitrust Division investigation.

Finally, I might add that this bill provides safeguards for the rights of interested parties, including the right to object to the request for products of discovery.

Furthermore, the person who produced the product of discovery is given confidentiality protection he is not afforded under existing law.

Mr. Speaker, I urge the adoption of this legislation to make our antitrust enforcement efforts more difficult and more effective without cost to the rights of interested parties.

● Mr. SEIBERLING. Mr. Speaker, H.R. 4050 amends the Antitrust Civil Process Act to clarify the authority of the Antitrust Division to issue a civil investigative demand (CID) for information that has been produced in litigation.

The bill eliminates unnecessary and duplicative discovery efforts by the Antitrust Division, since it would not be forced to duplicate the same time consuming, expensive discovery procedures which another litigant has already completed.

H.R. 4050 was recommended by the President's National Commission to Review Antitrust Laws and Procedures. The Commission found that—

> An important cause of unreasonable delay and extraordinary expense, particularly in complex antitrust suits brought by the government, is the denial of access to materials already produced in actions initiated by private parties. Courts have on occasion refused governmental access to such materials because of prior orders protecting such materials from disclosure to nonparties. Such a response forces the government to devote enormous time and resources to duplicate the past discovery of private attorney's general, who are frequently willing but unable to share with the government already discovered materials. Potential defendants have no legitimate interest in wasting the government's time and taxpayers' money in the interest of gamesmanship. (Commission report at pp. 49–50.)

Soon after the Commission issued its report, the Second Circuit Court of Appeals in the *United States* v. *GAF Corp.*, 596 F. 2d 10 (2d Cir. 1979), held that the Antitrust Division has authority under the Antitrust Civil Process Act to issue CIDs (a precomplaint civil discovery device) for products of an earlier discovery.

Since the GAF opinion, the Antitrust Division estimates that in one case access to products of discovery saved the Division $900.000 in 9 months of time to index documents.

The history of the GAF case best illustrates the need for express statutory authority to issue a CID for products of discovery and the need to provide additional procedures which assure fairness to all parties.

Although the Antitrust Civil Process Act provides that the Antitrust Division may issue a CID for any "information" or "documentary materials" in the possession of "any person," the district court in the GAF case denied the enforcement of a CID for products of discovery against GAF. GAF sued Kodak for monopolization and wanted to give the Antitrust Division the products of its discovery and its analyses and indices thereto.

In particular, GAF wanted to disclose to the Antitrust Division 50 documents culled from 400,000. Kodak objected to GAF's disclosure under the terms of a protective order entered into between GAF and Kodak. Kodak was willing to provide the Antitrust Division, in response to a CID, all of the 400,000 documents discovered by GAF but was unwilling to have GAF provide the index or analyses of those documents.

The district court refused to enforce the CID against GAF for products of discovery because it believed the Antitrust Civil Process Act did not reach products of discovery since the act lacked procedures for obtaining such material and for protecting the rights of those involved. For example, a CID must only be issued to the person "in possession" of documentary material (in this case, GAF) yet there is no provision that a CID must be issued to a person who originally produced the material (Kodak).

The court of appeals reversed, holding that products of discovery are within the terms "information" and "documentary material," and remanded, ordering the district court to modify the protective order and giving Kodak the right to object to the disclosure of specific documents as if it had been the person who "produced" the documents within the meaning of the Antitrust Civil Process Act.

H.R. 4050 provides those procedural protections the district court found lacking in the Antitrust Civil Process Act.

The amendments require that the party from whom discovery was originally obtained and the person in possession of the discovery material both be issued a CID and given the right to raise any objection to the CID. Thus, work product, attorney-client, and other privileges which may be asserted against a CID are available to both parties.

Furthermore, the amendments provide that a valid CID supersedes any inconsistent law or prior protective order restraining disclosure to the Antitrust Division, since the parties had notice and a full right to object to the CID.

The bill also extends the confidentiality protection of the Antitrust Civil Process Act to the party who originally produced the documents, with respect to a CID for products of discovery.

Moreover since both parties are formal recipients of a CID they may seek a protective order against the government for subsequent disclosure to others

The bill further provides that disclosure of products of discovery to the Antitrust Division does not constitute the waiver of any right or privilege. Thus, if GAF wants to disclose its legal analyses of Kodak documents to the Antitrust Division, it may do so without waiving work privilege.

SUBCOMMITTEE ACTION

The Antitrust Division, Judges Renfrew and Atkins, and Professors Fox and Gerhart testified in support of H.R. 4050.

The ABA Antitrust Section supported the principle of government access to the products of discovery as enunciated in the Second Circuit's GAF opinion, but preferred case by case adjudication over express statutory authorization. The section strongly recommended that it be made clear that these amendments do not take away the CID recipient's rights to object to a CID.

The bill was amended in subcommittee to meet this objection.

As one might expect the U.S. Chamber of Commerce opposed the legislation, arguing that it would not achieve the objective of expediting government antitrust litigation. The National Association of Manufacturers opposed both the bill and the Second Circuit's GAF decision.

The subcommittee unanimously reported H.R. 4050 with two amendments.

The first amendment made it clear that the amendments did not eliminate any rights to object under the terms of the Antitrust Civil Process Act.

The second amendment removed from the definition of "products of discovery" language which could be construed to include within the definition of "products of discovery" reports and other submissions made to an administrative agency in a nonlitigation context. The term "products of discovery" was confined to materials discovered in litigation.●

□ 1320

Mr. MAZZOLI. Mr. Speaker, I yield back the balance of my time.

The SPEAKER pro tempore. The question is on the motion offered by the gentleman from Kentucky (Mr. MAZZOLI) that the House suspend the rules and pass the bill, H.R. 4050, as amended.

The question was taken; and (two-thirds having voted in favor thereof) the rules were suspended and the bill, as amended, was passed.

A motion to reconsider was laid on the table.

GENERAL LEAVE

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days within which to revise and extend their remarks and to include any extraneous material necessary in the RECORD concerning the bill just passed.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

There was no objection.

REQUEST TO MEET AT 10 O'CLOCK ON WEDNESDAY, APRIL 30, 1980

Mr. MAZZOLI. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, April 29, 1980, that it adjourn to meet at 10 a.m. on Wednesday, April 30, 1980.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Kentucky?

Mr. BAUMAN. Mr. Speaker, I object.

The SPEAKER pro tempore. Objection is heard.

PERMISSION FOR COMMITTEE ON RULES TO FILE CERTAIN PRIVILEGED REPORTS

Mr. BEILENSON. Mr. Speaker, I ask unanimous consent that the Committee on Rules may have until midnight tonight to file certain privileged reports.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

Mr. SENSENBRENNER. Mr. Speaker, reserving the right to object, I am wondering if the gentleman from California can quickly inform the House as to what these privileged reports would relate to.

Mr. BEILENSON. I would be delighted to do so.

Mr. SENSENBRENNER. I yield to the gentleman.

Mr. BEILENSON. These deal with three matters which will be before the Rules Committee this afternoon. The first is one providing for technical corrections in the amendments made in order by House Resolution 642, with reference to the budget resolution.

The second is with regard to H.R. 4046, the Antitrust Collateral Estoppel Act.

The third is with reference to H.R. 4048, awards of prejudgment interest in antitrust litigation under the Clayton Act.

These will be heard starting before the Rules Committee at 2 o'clock this afternoon. Hopefully, if rules are reported, they will be able to be put over the desk this evening.

Mr. SENSENBRENNER. Further reserving the right to object, I have no objection to filing the reports on the rules on the last two bills. The gentleman from California has mentioned, but I would like to ask the gentleman from California, as far as the first matter is concerned, might that relate to the budget resolution? Would not this course be unnecessary if the Rules Committee in the House had adopted the suggestion that some of us made, that the budget resolution be considered under an open rule?

Mr. BEILENSON. I am not sure that that is correct. The first amendment would allow the substitutes proposed by Mr. MITCHELL, Mr. SOLARZ, Mr. LATTA, and Mr. ROUSSELOT, to be corrected technically so that their amendments will be in order tomorrow and will conform with regard to mathematical consistency with the debt limit requirements. I am not sure they would have been able to do that even if we had had an open rule.

Mr. SENSENBRENNER. Further reserving the right to object, I believe that the rule that the House last week adopted in regard to consideration of the budget resolution specifically limited consideration in the House to certain amendments in the nature of a substitute which had been printed in editions of the CONGRESSIONAL RECORD prior to the adoption of the rule. Am I not correct in that?

Mr. BEILENSON. The gentleman is correct.

Mr. SENSENBRENNER. Further reserving the right to object, am I not correct in stating that the gentleman's unanimous-consent request would allow a correction of those amendments that had been printed in the RECORD?

Mr. BEILENSON. That is correct.

Mr. SENSENBRENNER. And further reserving the right to object, if the rule that has been adopted by the House had not restricted the House to considering only those amendments that had been printed in the RECORD prior to the cutoff date that was set forth by the Rules Committee, would that be unnecessary if we had an open rule?

Mr. BEILENSON. In response to the gentleman's last question, it might or might not be correct depending on whether or not the open rule required the publishing in the RECORD of these proposed amendments. If it had, as it often does even under an open rule, then again we would have been required to come back to the Rules Committee to make these corrections.

Mr. SENSENBRENNER. Mr. Speaker, based upon that explanation, I object.

The SPEAKER pro tempore. Objection is heard.

The galleries will please refrain from any disruption. The Doorkeeper will remove the demonstrators.

Mr. BEILENSON. Mr. Speaker, as I understand it, there would be no objection to our request with respect to the rules on H.R. 4046 and H.R. 4048. If that is the case, I would like to make a unanimous-consent request with respect to those two bills.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from California?

There was no objection.

PROTOCOL AMENDING AGREEMENT FOR COOPERATION CONCERNING CIVIL USES OF ATOMIC ENERGY BETWEEN UNITED STATES AND CANADA—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES (H. DOC. NO. 96-304)

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Foreign Affairs and ordered to be printed.

(For message, see proceedings of the Senate of today, April 28, 1980.)

LEGISLATIVE PROGRAM

(Mr. O'NEILL asked and was given permission to address the House for 1 minute.)

Mr. O'NEILL. Mr. Speaker, I would like to announce the program for tomorrow.

Tomorrow, we will meet at noontime, and we will take up the budget. We will take up the Giaimo, Quillen, and Conable amendments.

I would have to presume that that will not take a full day, and so we would take up the two rules, H.R. 4046, Antitrust Collateral Estoppel Act, and H.R. 4048, Awards of prejudgment interest in antitrust litigation to which there was no objection. Those apparently are of not deep concern, so it could very well be, because of the obstruction of the gentleman on the opposite side, that we would take up H.R. 6081, special Central American assistance in order to fill the full schedule for the day.

FOURTEENTH ANNUAL REPORT OF DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Banking, Finance and Urban Affairs.

(For message, see proceedings of the Senate of today, April 28, 1980.)

☐ 1330

ANNUAL REPORT FOR FISCAL YEAR 1979 OF ADMINISTRATION ON AGING OF DEPARTMENT OF HEALTH, EDUCATION, AND WELFARE—MESSAGE FROM THE PRESIDENT OF THE UNITED STATES

The SPEAKER pro tempore laid before the House the following message from the President of the United States; which was read and, together with the accompanying papers, without objection, referred to the Committee on Education and Labor.

(For message, see proceedings of the Senate of today, Monday, April, 28, 1980.)

APPROVAL OF CONSTRUCTION, ALTERATION OR ACQUISITION PROJECTS FOR VARIOUS VETERANS ADMINISTRATION FACILITIES—COMMUNICATION FROM THE COMMITTEE ON VETERANS' AFFAIRS

The SPEAKER pro tempore laid before the House the following communication from the chairman of the Committee on Veterans' Affairs; which was read and, without objection, referred to the Committee on Appropriations:

COMMITTEE ON VETERANS' AFFAIRS,
Washington, D.C., April 24, 1980.

Hon. THOMAS P. O'NEILL,
The Speaker, House of Representatives,
Washington, D.C.

DEAR MR. SPEAKER: Pursuant to the provisions of Public Law 96–22, Section 5004, the Committee on Veterans' Affairs of the House of Representatives today approved the following construction, alteration or acquisition projects for various Veterans Administration medical facilities.

MAJOR CONSTRUCTION

Altoona, PA; Ambulatory Care Addition, $10,400,000.

Amarillo, TX; Central A/C, Patient Privacy & Eliminate Fire & Safety Deficiencies, $6,139,000.

Bath, NY; Ambulatory Care Addn., B. 76, $4,400,000.

Biloxi (BD), MS; Clinical Addition and Outpatient, $20,750,000.

Bronx, NY; 120-Bed Nursing Home Care, $11,700,000.

Chillicothe, OH; Modernize Bldgs. 24, 31, 35 (Phase II), $13,700,000.

Coatesville, PA; 120-Bed Nursing Home Care, $8,500,000.

Dallas, TX; 130-Bed Nursing Home Care, $7,850,000.

Danville, IL; Relocate/Expand Processing & Distribution, $5,600,000.

Fayetteville, AR; Clinical Addition, $4,500,000.

Hampton, VA; Renovate & Expand Spinal Cord Injury Unit, $5,150,000.

Hines, IL; Supply Depot Expansion, B–37, $8,800,000.

Kerrville, TX; 120-Bed Nursing Home Care, $7,750,000.

Memphis, TN; Ambulatory Care Addition, $9,250,000.

Miami, FL; Outpatient Addition, Renovation & Spinal Cord Injury Unit Relocation, $26,650,000.

Minneapolis, MN; Replacement Hospital, $15,000,000.

New Orleans, LA; Expand Clinic, Outpatient Research, $67,650,000.

Palo Alto, CA; Correction of Seismic Deficiencies, $3,015,000.

Palo Alto, CA; Eliminate Fire & Safety Deficiencies, $4,000,000.

Pittsburgh (HD), PA; Eliminate Fire & Safety Deficiencies, $8,400,000.

Reno, NV; 60-Bed Nursing Care Unit, $5,100,000.

Temple, TX; Clinic Expansion & Relocate Support Functions, $27,600,000.

Togus, ME; Renovate Bldg. 207 (Bed Bldg.), $5,100,000.

Tucson, AZ; Clinical Addition, $20,850,000.

Wichita, KS; Modernization, Addition & Alteration, Phase I, $1,432,000.

MINOR CONSTRUCTION

Boston, MA; Secondary Generator & Update Wiring, $2,550,000.

Castle Point, NY; Relocate & Replace Boiler Plant, $2,800,000.

Iowa City, IA; Remedy Fire & Safety Deficiencies, $2,700,000.

Long Beach, CA; Addition & Renovation for Supply Processing & Distribution, $2,550,000.

Martinez, CA; Construction of Education Bldg., $2,300,000.

Reno, NV; Construction of New Laundry, $2,420,000.

LEASING

These Clinics in spaces assigned to the Veterans Administration by the General Services Administration are to be relocated in new buildings in the same cities:

Boston, MA; Annual Rental, $1,200,000.
Los Angeles, CA; Annual Rental, $1,000,000.
Newark, NJ; Annual Rental, $500,000.
Brooklyn, NY; Annual Rental, $750,000.
New York, NY; Annual Rental, $1,500,000.

The original and one copy of the authorizing Resolutions are enclosed.

Sincerely,

RAY ROBERTS,
Chairman.

RESOLUTION OF THE COMMITTEE ON VETERANS' AFFAIRS, HOUSE OF REPRESENTATIVES

Resolved by the House Committee on Veterans' Affairs, That pursuant to the provisions of Public Law 96–22, section 5004, a prospectus providing for construction, alteration or acquisition at various Veterans Administration medical facilities, a description of which is attached hereto and by reference made part of, is approved.

RAY ROBERTS,
Chairman.

APRIL 24, 1980.

POLISH CONSTITUTION DAY

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Illinois (Mr. ANNUNZIO) is recognized for 5 minutes.

● Mr. ANNUNZIO. Mr. Speaker, on May 3 we commemorate the anniversary of the Polish Constitution of 1791, and in so doing, we celebrate and honor the deep ties between our country and the people of Poland.

These ties are rooted in the principles which were enunciated by the Constitution of May 3: Liberty, representation, and protection under law. They originated in the valiant participation of Polish soldiers and patriots in our own revolution and have been nourished by the rich gifts the Polish people have brought to our life and culture.

On Saturday, May 3, the 189th anniversary of Poland's Constitution, the Polish National Alliance will sponsor Chicago's annual Constitution Day Parade in Chicago and it will be my pleasure and honor to participate in this event.

To be broadcast on television by WGN Continental Broadcasting Co., the magnificent parade in Chicago's downtown will consist of some 150 bands, marching units, and floats, and will include thousands of marchers, many of whom will wear beautiful costumes native to the various parts of Poland. Also, many dignitaries representing business, labor, and civic organizations too numerous to mention will also take part in the occasion.

Mr. Speaker, at this point in the RECORD I wish to insert the 2-day program of the events to take place in Chicago in commemoration of Poland's May 3, 1791, Constitution. The program follows:

POLISH CONSTITUTION DAY

Saturday, May 3, 1980:

Program at Reviewing Stand: Clark and Washington Streets—12 Noon.

Welcome: Mrs. Helen M. Szymanowicz, Vice President, Polish National Alliance, General Chairman, Poland's Constitution Day.

National Anthems: Mr. Bogdan Parafinczuk, Accompanied by U.S. 81st Army Band, Fort Sheridan, Illinois.

Parade Narrator: Mrs. Helen M. Szymanowicz and Mrs. Lottie S. Kubiak.

Grand Marshal: Honorable Mathew W. Bieszczat, Commissioner, Cook County.

Parade Coordinator: Larry Rzewski.

Program at Richard J. Daley Center: 1:30 P.M.

Welcome: Mr. Joseph Sikora, Commissioner District 13, Polish National Alliance.

Invocation: Most Reverend Alfred L. Abramowicz, DD, Auxiliary Bishop, Vicar General.

Master of Ceremonies: Hon. Aloysius A. Mazewski, President Polish National Alliance; President Polish American Congress.

Remarks: Honorable James R. Thompson, Governor, State of Illinois.

Remarks: Honorable Jane Byrne, Mayor, City of Chicago.

Greetings: Hon. Joseph A. Drobot, President, Polish Roman Catholic Union of America.

Greetings: Mrs. Helen Zielinski, President, Polish Women's Alliance.

Benediction: The Rt. Rev. Joseph K. Zawistowski, Bishop, Western Diocese, Polish National Catholic Church.

Resolution:

4:00 P.M. (approximate). Launching of sailboat DAL at Monroe Street and Lake Michigan.

Sunday, May 4, 1980:

Assembly for Solemn Mass: 10:00 A.M.—Holy Trinity School Hall, 1123 Cleaver St.

March to Church: 10:15 A.M.—To Holy Trinity Church, 1118 Noble St.

Solemn Mass: 10:30 A.M.—Rev. Casimir Tadla, CR., Pastor, Principal Celebrant and Homilist, Co-Celebrants: Rev. Leonard Prusinski, C.R. Rev. Mitchell Tadla, C.R.

Executive Committee: Helen M. Szymanowicz, Chairman; Roman Kolpacki, Commissioner Dist. 12 PNA; Genevieve Wesolowski, Commissioner Dist. 12, PNA; Joseph I. Sikora, Commissioner Dist. 13, PNA; Kazimiera Pytel, Commissioner Dist. 13, PNA.

The drafting and adoption of the constitution of 1791 by patriotic Polish leaders marked a turning point in the history of that country. By that significant document the Poles effected a peaceful change in the structure of their government without resorting to the bloody and violent measures which characterized the French Revolution. By adopting a progressive and popular constitution, they led their countrymen from the feudal ways of the Middle Ages to the concepts of individual liberty and responsibility which characterized the American Constitution of 1776.

The constitution contained many provisions which still retain their validity today. By these provisions the authority of the monarch was sharply curtailed, and ministerial responsibility was established. The intricate and obstructive features of the old system were eliminated. The upper chamber lost some of its preponderant powers and the second chamber, the elected representative body of the nation, was vested with genuine legislative authority. Economic barriers between the nobility and the middle class were drastically lowered.

The townsmen recovered their judicial autonomy and gained a number of political rights, especially that of admission to many of the higher offices. The peasantry was taken under the protection of the law and religious toleration was established. The constitution abolished the worst abuses from which Poland had been suffering for centuries. Through the abolition of the most pressing political evils of the old regime, and by granting increased freedom to the middle and lower classes, the constitution of 1791 marked a great advance over all previous attempts at reform in Poland.

Unfortunately, before the Poles had any chance to enjoy the benefits of this constitution their homeland was divided among the autocrats of Austria, Prussia, and Russia. Having thus lost their sovereign existence and national independence, Poles became subjects of the alien governments in their homeland, and for more than 120 years they lived under oppressive foreign regimes. Then, toward the end of the First World War, when they witnessed the defeat and disintegration of the governments which seized upon the opportunity and regained their national freedom. The birth of the Republic of Poland in 1918 also signified the resurgence of the spirit embodied in the Polish Constitution of 1791.

On the anniversary observance of Polish Constitution Day it is impossible to omit a reference to today's Poland, which is a far cry from what all patriotic and liberty-loving Poles had hoped it to be. They had dreamed, prayed, and worked for a liberated, free, and independent Poland. We all know that since the treacherous seizure of their country at the end of the last war these Poles have not known freedom there.

Despite all the outrages suffered by the heroic Polish people at the hands of their Communist oppressors, these dauntless souls cling to their noble ideals as outlined in the constitution of 1791. I am proud to join with Americans of Polish heritage, in the 11th District of Illinois and all over the Chicago area, at the parade and commemorative ceremonies on May 3 in expressing support for the strong and unwavering desire of the Polish people that Poland once again may be free to decide its own national destiny.

PERSONAL EXPLANATION AS TO VOTE

(Mr. DANIELSON asked and was given permission to extend his remarks at this point in the RECORD.)

● Mr. DANIELSON. Mr. Speaker, on Thursday, April 17, 1980, I was unable to be present on the floor of the House for rollcall No. 187 when the House passed H.R. 6614, to authorize appropriations to carry out the national sea grant program for fiscal years 1981, 1982, and 1983. Had I been present I would have voted "aye." ●

TRIBUTE TO CYRUS VANCE

(Mr. O'NEILL asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. O'NEILL. Mr. Speaker, I would be greatly remiss if I did not join my colleagues in paying tribute to one of the finest public servants I have had the good fortune to know, Secretary of State Cyrus Vance, on the occasion of his resignation.

I speak with a sense of profound regret to see a man of such high caliber, integrity and principle as Cyrus Vance depart from the service of his Government. Whether one agrees or disagrees with the reasons for which he resigned, it is refreshing to know that we have people like Cyrus Vance serving in positions of immense power and prestige at the pinnacle of American foreign policy decisionmaking. Yet it is because Cyrus Vance is a man of such tremendous personal integrity and moral fiber and a professional of firm dignity and loyalty that he has resigned.

As Secretary of State for 3½ years, Cyrus Vance was a quintessential diplomat. Admired and respected throughout the Carter administration as well as by the influential members of New York and Washington's establishment, Secretary Vance was soft spoken; he was a quietly determined professional whose competence, experience and educational background prepared him magnificently for the vicissitudinous responsibilities of Secretary of State. His negotiating expertise made Cyrus Vance perhaps the most experienced member in diplomatic service within the President's Cabinet.

In triumph and defeat Secretary Vance was a gentleman of imposing dignity and grace. As Secretary of State he knew the joys and jubilations of victory as one of the principle architects who fashioned the Israeli-Egyptian Peace Treaty and who consummated the Panama Canal Treaty; and he knew the agony and disappointment of defeat when his long-suffering efforts to achieve a SALT II treaty with the Soviet Union had to be shelved because of the renewed threat of Soviet aggression and expansionism with the invasion of Afghanistan.

Secretary Vance left an indelible imprint in the annals of America's foreign policy decisionmaking process. He did not seek nor did he advocate confrontational politics; rather, Secretary Vance worked to resolve problems through peaceful, negotiable, and diplomatic means. He was a negotiator, a conciliator, and a compromiser. He worked diligently with a clear sense of purpose, step by agonizing step, through diplomatic channels to achieve a peaceful release of the American hostages held in Iran. For these efforts alone, his country owes Secretary Vance its highest praise and a debt of gratitude and appreciation. Secretary Vance was responsible for obtaining support from the allies for economic and political sanctions against Iran, and throughout his tenure as Secretary of State, he always advocated close working relations with America's allies.

Unfortunately, one concern which Secretary Vance was unable to pursue to completion was his design for the United States to pay more attention and to become more deeply involved with the plight of poor nations.

No one who has served in Government as a close adviser to the President has performed with greater loyalty and dedication than Cyrus Vance. A consummate team player, Secretary Vance served as an indispensable member of President Carter's Cabinet, and he earned quickly the respect, admiration, and trust of Members of the House of Representatives on both sides of the aisle. In his relationship with the congressional leadership, Secretary Vance was, I can truthfully say without reservation, straightforward, candid, and always cooperative.

Secretary Vance was the great conciliator and compromiser, the peacemaker in the President's Cabinet; Cyrus Vance is a man of principle, and it was in defense of his personal code of honor and integrity that brought about the decision to resign. Such is the measure of a great American in whom we are all proud.

In saying farewell to Secretary Vance I extend my sincerest best wishes to him and his wife in their next field of endeavor, and from the bottom of a grateful heart, "Thank you, Mr. Secretary, for a job well done!"

THE ECONOMIC DEVELOPMENT OF THIRD WORLD COUNTRIES: WHAT ROLE DO WOMEN PLAY?

(Mr. SEIBERLING asked and was given permission to extend his remarks at this point in the RECORD and to include extraneous matter.)

● Mr. SEIBERLING. Mr. Speaker, as president of the Peace Through Law Education Fund's Food and Population breakfast series, I take great pleasure in inserting into the Record the remarks of Ms. Arvonne Fraser at our March meeting.

Ms. Fraser, the Coordinator of the Women in Development Office of the Agency for International Development, is a leading activist in women's issues. She has served as president of Women's Equity Action League (WEAL), as an alternate U.S. delegate to the International Women's Year Conference, as the Women's Rights Task Force Chair of the National Leadership Conference on Civil Rights, as an original board member of the National Women's Political Caucus (NWPC), and as an organizer and board member of the Women's Campaign Fund. Ms. Fraser also served as a staff assistant and as campaign manager for Representative Donald M. Fraser of Minnesota.

The remarks follow:

Remarks of Arvonne Fraser

In the Third World massive economic and social changes are in store over the coming decades. African, Asian and Latin American countries will face the difficult challenges of meeting the basic human needs of their people in a period of high inflation rates and growing foreign indebtedness. Devising economic strategies which emphasize growth of their economies and equitable income distribution within their societies will become even more difficult for Third World leaders in the 1980s than it was in the 1970s.

Continued high rates of population growth in the Third World will further compound the twin problems of food shortages and labor surpluses. Despite a recent slowdown in the rate of population growth in the developing world, the present very youthful age structure will ensure that many more men and women will be unable to find jobs. In most Third World countries widespread unemployment and underemployment is already a pervasive problem, and it breeds mass discontent.

The large-scale migration of male workers from poor countries to developed countries and to the middle income developing countries has produced a dramatic growth in the number of female headed households where the mother must also be the family's breadwinner. The oil rich countries of the Middle East have attracted tens of thousands of male Pakistani, Yemeni and Egyptian workers in the same way that the rich European countries have provided work for migrants.

Because of repeated droughts in the Sahel region of Africa, nomadic families have permanently settled near small towns and cities. In Mauritania, the poverty and sheer weight of their numbers in squatter settlements clearly contributed to an increase in health, housing and employment problems.

In the Women in Development Office of AID we face the challenge of devising and implementing development programs for women which take into account their economic and social needs as workers and as family members.

One of the major problems facing our development aid planners is the lack of information on the work women perform in the non-monetary urban and rural economy. In the towns of West Africa women play a key if still undocumented, role, in commerce and the bartering of goods. In most of Asia and Africa men produce a cash crop, but female agricultural workers and farmers frequently receive no credit for producing food for the members of their family. We must devise new economic yardsticks to measure work performed by women outside the monetary economy, and we must recognize that work as part of economic productivity.

In many developing countries there is a large unmet need for family planning services. Millions of women in poor countries want to control the size of their family; yet, they lack the means and the motivation to do so. In many countries men demand large families and women's status depends on the number of sons they produce. Nevertheless, the provision of alternative activities to constant motherhood is frequently accorded a very low priority in the development plans of many countries.

Finally, we have found that indigenous women's organizations provide a good framework in which to implement women in development projects. In most instances these groups need only a modest amount of money and technical assistance in carrying out their work. In rural areas these groups tend to be quite small, and it is difficult for us to work with them. One of my goals in the Women in Development Office is to encourage the development or expansion of intermediary groups—often international women's organizations—which can link large donor organizations to grass roots organizations doing development projects where they make a difference. Thank you.●

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. Seiberling) to revise and extend their remarks and include extraneous material:)

Mr. Gonzalez, for 15 minutes, today.

Mr. Annunzio, for 5 minutes, today.

Mr. Van Deerlin, for 5 minutes, today.

Mr. Stokes, for 5 minutes, today.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

(The following Members (at the request of Mr. Sensenbrenner) and to include extraneous matter:)

Mr. Rousselot.

Mr. Conable.

Mr. Kemp.

Mr. Lagomarsino in two instances.

Mr. Kindness.

Mr. Derwinski.

Mr. Grisham.

Mr. Evans of Delaware.

(The following Members (at the request of Mr. Seiberling) and to include extraneous matter:)

Mr. Matsui.

Mr. Aspin.

Mr. Fascell.

Mr. Waxman.

Mr. Anderson of California in 10 instances.

Mr. Gonzalez in 10 instances.

Mr. Brown of California in 10 instances.

Mr. Annunzio in six instances.

Ms. Holtzman in 10 instances.

Mr. Jones of Tennessee in 10 instances.

Mr. Boner of Tennessee in five instances.

Mr. Fuqua in five instances.

Mr. Stokes.

Mr. Van Deerlin.

Mr. Bonker.

ADJOURNMENT

Mr. SEIBERLING. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 1 o'clock and 36 minutes p.m.) the House adjourned until tomorrow, Tuesday, April 29, 1980, at 12 o'clock noon.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4200. A letter from the Deputy Director, Office of Management and Budget, Executive Office of the President, transmitting notice that the appropriation for the U.S. Coast Guard for "Operating expenses" for fiscal year 1980 has been reapportioned on a basis indicating a need for further supplemental appropriations, pursuant to section 3679(e)(2) of the Revised Statutes, as amended; to the Committee on Appropriations.

4201. A letter from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 673b of title 10, United States Code, to provide for increasing the number of members of the Selected Reserve who may be ordered to active duty other than during war or national emergency; to the Committee on Armed Services.

4202. A letter from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), transmitting notice that a study has been conducted with respect to converting the function of caretaker activities at Frankford Arsenal, Philadelphia, Pa., and that a decision has been made that performance under contract is the most cost-effective method of accomplishing it, pursuant to section 806 of Public Law 96-107; to the Committee on Armed Services.

4203. A letter from the Director of Legislation, Department of the Navy, transmitting notice of the Navy's intention to sell a certain naval vessel to the Coordination Council for North American Affairs, pursuant to 10 U.S.C. 7307; to the Committee on Armed Services.

4204. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Singapore (Transmittal No. 80-58), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

4205. A letter from the Acting Director, Defense Security Assistance Agency, transmitting a report on the impact on U.S. readiness of the Air Force's proposed sale of certain defense equipment to Switzerland (Transmittal No. 80-59), pursuant to section 813 of Public Law 94-106; to the Committee on Armed Services.

4206. A letter from the Secretary of Housing and Urban Development, transmitting a proposed amendment to H.R. 6606, the Housing and Community Development Act of 1980; to the Committee on Banking, Finance and Urban Affairs.

4207. A letter from the Chairman of the Board of Governors, Federal Reserve System, transmitting the 66th annual report of the Board, covering calendar year 1979, pursuant to section 10 of the Federal Reserve Act; to the Committee on Banking, Finance and Urban Affairs.

4208. A letter from the Secretary of Labor, transmitting a report on the Department's study of the justification for the exemption from the overtime provisions of the Fair Labor Standards Act contained in Section 13(b)(1) of the act, pursuant to section 4(d)(2) of the act; to the Committee on Education and Labor.

4209. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations to govern the law-related education programs, pursuant to section 431(d)(1) of the General Education Provisions Act, as amended; to the Committee on Education and Labor.

4210. A letter from the Chairman of the Board, Student Loan Marketing Association, transmitting the annual report of the Corporation for calendar year 1979, pursuant to section 439(n) of the Higher Education Act; to the Committee on Education and Labor.

4211. A letter from the Chairman, National Commission on Libraries and Information Science, transmitting the eighth annual report of the Commission, pursuant to section 5(a)(7) of Public Law 91-345, as amended; to the Committee on Education and Labor.

4212. A letter from the President of the United States, transmitting a report on the use of U.S. Armed Forces in an attempt to rescue the American hostages held in Iran, pursuant to section 4(a) of the War Powers Resolution of 1973 (Public Law 93-148) (H. Doc. No. 96-303); to the Committee on Foreign Affairs and ordered to be printed.

4213. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to the Federal Republic of Germany (Transmittal No. MC-17-80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4214. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice of the proposed issuance of a license for the export of certain defense equipment sold commercially to Saudi Arabia (Transmittal No. MC-20-80), pursuant to section 36(c) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4215. A letter from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting a copy of an international agreement between the United States and Turkey, pursuant to 1 U.S.C. 112b(a); to the Committee on Foreign Affairs.

4216. A letter from the Assistant Secretary of the Treasury for Legislative Affairs, transmitting various project performance audit reports prepared by the International Bank for Reconstruction and Development and project performance or completion reports prepared by the Asian Development Bank, pursuant to section 301(a)(3) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4217. A letter from the Acting Director, International Communication Agency, transmitting a draft of proposed legislation to amend certain administrative provisions of the basic enabling authorities for the International Communication Agency; to the Committee on Foreign Affairs.

4218. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Singapore (Transmittal No. 80-58), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4219. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Air Force's intention to offer to sell certain defense equipment to Switzerland (Transmittal No. 80-59), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4220. A letter from the General Counsel, Legal Services Corporation, transmitting a report on the Corporation's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4221. A letter from the Chairman, Federal Energy Regulatory Commission, transmitting a report on the Commission's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4222. A letter from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting a report on the Corporation's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 552b(j); to the Committee on Government Operations.

4223. A letter from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the act of May 26, 1926 (ch. 401, 44 Stat. 657, 43 U.S.C. 373a) to provide for the appointment of a Commissioner of Water and Power Resources; to the Committee on Interior and Insular Affairs.

4224. A letter from the Director, Administrative Office of the U.S. Courts, transmitting his annual report on applications for court orders made to Federal and State courts to permit the interception of wire or oral communications during calendar year 1979, pursuant to 18 U.S.C. 2519(3); to the Committee on the Judiciary.

4225. A letter from the Secretary of Transportation, transmitting the annual report on the highway bridge replacement and rehabilitation program, covering calendar year 1979, pursuant to 23 U.S.C. 144; to the Committee on Public Works and Transportation.

4226. A letter from the Secretary of Transportation, transmitting the 10th annual report on operations under the Airport and Airway Development Act of 1970, pursuant to section 24 of the act; to the Committee on Public Works and Transportation.

4227. A letter from the Secretary of Transportation, transmitting a report on transportation insurance problems in rural areas, pursuant to section 18(g) of the Urban Mass Transportation Act of 1964, as amended (92 Stat. 2748); to the Committee on Public Works and Transportation.

4228. A letter from the Secretary of Energy, transmitting notice of his determination not to purchase the 200 upgraded electric and hybrid vehicles originally planned for fiscal year 1980, pursuant to section 7(c)(4) of Public Law 94-413, as amended; to the Committee on Science and Technology.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

[*Pursuant to the order of the House on April 24, 1980, the following report was filed*]

Mr. ULLMAN: Committee on Ways and Means. H.R. 6783. a bill to authorize appropriations for the U.S. International Trade Commission, the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1981, and for other purposes; with amendments (Rept. No. 96-905). Referred to the Committee of the Whole House on the State of the Union.

[*Submitted April 28, 1980*]

Mr. BEILENSON: Committee on Rules. House Resolution 647. Resolution providing for the consideration of H.R. 4046. A bill to amend the Clayton Act to promote enforcement of the antitrust laws and conservation of judicial resources by clarifying the application of the common law doctrine of collateral estoppel in antitrust litigation, and for other purposes (Rept. No. 96-906). Referred to the House Calendar.

Mr. BEILENSON: Committee on Rules. House Resolution 648. Resolution providing for the consideration of H.R. 4048. A bill to amend sections 4, 4A, and 4C of the Clayton Act to authorize awards of prejudgment interest in antitrust litigation (Rept. No. 96-907). Referred to the House Calendar.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. PHILLIP BURTON:

H.R. 7176. A bill to amend the Internal Revenue Code of 1954 to make permanent certain rules relating to travel expenses of State legislators; to the Committee on Ways and Means.

By Mr. ERDAHL:

H.R. 7177. A bill to authorize the Secretary of the Army to convey to the city of Wabasha, Minn., certain real property in exchange for other property located in Wabasha, Minn.; to the Committee on Armed Services.

By Mr. FUQUA:

H.R. 7178. A bill to amend the Presidential Science and Technology Advisory Organization Act of 1976 and to amend the National Science Foundation Act of 1950 to provide additional information to the Congress for the purpose of providing a basis for implementing multiyear research and development authorizations; to the Committee on Science and Technology.

By Mr. STENHOLM (for himself and Mr. ANTHONY):

H.R. 7179. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. KINDNESS:

H.J. Res. 537. Joint resolution proposing an amendment to the Constitution of the United States to establish a Court of the States; to the Committee on the Judiciary.

By Ms. HOLTZMAN:

H. Con. Res. 320. Concurrent resolution expressing sorrow over the death of 22 members and officials of the U.S. Amateur Athletic Union boxing team in a plane crash in Poland, and extending condolences to the friends and families of such members and officials; to the Committee on Post Office and Civil Service.

SUBSEQUENT ACTION ON A BILL SEQUENTIALLY REFERRED WITH TIME LIMITATION

Under clause 5 of rule X, the following action was taken by the Speaker:

Referral of H.R. 6846:

A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes; to the Committee on Interstate and Foreign Commerce extended for an additional period ending not later than April 29, 1980.

MEMORIALS

Under clause 4 of rule XXII, memorials were presented and referred as follows:

442. By the SPEAKER: Memorial of the Senate of the State of Hawaii, relative to interest rates; to the Committee on Banking, Finance and Urban Affairs.

443. Also, memorial of the Legislature of

the State of Colorado, relative to oil shale development on Federal lands; to the Committee on Interior and Insular Affairs.

444. Also, memorial of the Legislature of the State of Iowa, relative to rail service to Iowa; to the Committee on Interstate and Foreign Commerce.

445. Also, memorial of the Assembly of the State of New York, relative to the 22 American amateur boxing team members who died March 14, 1980, when the Polish airliner they were aboard crashed at Warsaw, Poland; to the Committee on Post Office and Civil Service.

446. Also, memorial of the Senate of the State of Arkansas, relative to relief for the homebuilding industry; jointly, to the Committees on Ways and Means, and Banking, Finance and Urban Affairs.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 135: Mr. HOWARD and Mr. MOLLOHAN.

H.R. 1290: Mr. PETRI.

H.R. 1504: Mr. ARCHER.

H.R. 5093: Mr. FORSYTHE, Mrs. HECKLER, Mrs. BOGGS, Mr. PAUL, and Mr. CONYERS.

H.R. 5225: Mr. BOWEN.

H.R. 5409: Mr. FLORIO, Mr. FISH, Mr. PORTER, Mr. SAWYER, Mr. PHILIP M. CRANE, Mr. LUKEN, Mr. BRODHEAD, Mr. WILLIAMS of Ohio, Mr. BROWN of Ohio, Mr. WEAVER, Mr. SANTINI, Mr. MCEWEN, Mr. GINN, Mr. MATSUI, Mrs. CHISHOLM, Mrs. SCHROEDER, Ms. FERRARO, Mr. CHENEY, Mr. SNYDER, Mr. RITTER, Mr. WEISS, and Mrs. BOUQUARD.

H.R. 6073: Mr. DORNAN.

H.R. 6635: Mr. MURPHY of New York.

PETITIONS, ETC.

Under clause 1 of rule XXII,

338. The SPEAKER presented a petition of the Borough Council of the Borough of Morris Plains, N.J., relative to designating Morristown, N.J., as the site for the issuance of the commemorative stamp honoring Philip Mazzei, which was referred to the Committee on Post Office and Civil Service.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. CON. RES. 307

By Mr. GUDGER:

—In the first section, for the fiscal year beginning October 1, 1980—

(1) increase the appropriate level of total budget authority by $500,000,000;

(2) increase the appropriate level of total budget outlays by $100,000,000; and

(3) decrease the amount of the surplus by $100,000,000.

In section 2, for the fiscal year beginning October 1, 1980—

(1) increase the amount of new budget authority for the major functional category Administration of Justice (750) by $500,000,000; and

(2) increase the amount of outlays for such major functional category by $100,000,000.

In section 5, for each of fiscal years 1982 and 1983—

(1) increase the appropriate level of total new budget authority by $500,000,000;

(2) increase the appropriate level of total budget outlays by $100,000,000;

(3) decrease the amount in the surplus by $100,000,000;

(4) increase the new budget authority for major functional category Administration of Justice (750) by $500,000,000; and

(5) increase the outlays for such major functional category by $100,000,000.

By Mr. McCLORY:

—In the first section, for the fiscal year beginning October 1, 1980—

(1) increase the appropriate level of total budget authority by $500,000,000;

(2) increase the appropriate level of total budget outlays by $100,000,000; and

(3) decrease the amount of surplus by $100,000,000.

In section 2, for the fiscal year beginning October 1, 1980—

(1) increase the amount of new budget authority for the major functional category Administration of Justice (750) by $500,000,000; and

(2) increase the amount of outlays for such major functional category by $100,000,000.

In section 5, for each of fiscal years 1982 and 1983—

(1) increase the appropriate level of total new budget authority by $500,000,000;

(2) increase the appropriate level of total budget outlays by $100,000,000;

(3) decrease the amount in the surplus by $100,000,000;

(4) increase the new budget authority for major functional category Administration of Justice (750) by $500,000,000; and

(5) increase the outlays for such major functional category by $100,000,000.

By Mr. QUILLEN:

—In the matter relating to function 700: Veterans Benefits and Services, increase the amount for budget authority by $0.5 billion; and increase the amount for outlays by $0.5 billion.

In the matter relating to function 920: Allowances, reduce the amount for budget authority by $0.5 billion; and reduce the amount for outlays by $0.5 billion.

H.R. 4048

By Mr. VOLKMER:

—On page 3, line 21, following the word "consider" insert the word "only".

On page 4, line 17, following the word "consider" insert the word "only".

On page 5, line 15, following the word "consider" insert the word "only".

SENATE—*Monday, April 28, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 10 a.m., on the expiration of the recess, and was called to order by the Honorable Dennis DeConcini, a Senator from the State of Arizona.

PRAYER

Mr. Arthur L. Butler, minister of the College Church of Christ, Montgomery, Ala., offered the following prayer:

Let us pray.

Almighty God of the ages, we laud and magnify Thy glorious name for the manifold blessings which Thou has bestowed upon our great Nation.

We are thankful for the privilege of being citizens of the United States of America.

We are thankful that we are a nation at peace.

We pray that, by Thy great wisdom and power, Thou wilt overrule international circumstances so that peace and justice may prevail throughout the world.

We are thankful for Thy divine guidance of the founders of this great Republic.

We are thankful for the dedicated men and women who have served with honor and patriotic devotion in the Senate in the past, and whose hallowed memories still pervade this Chamber.

We are thankful for these distinguished Americans who serve in the Senate today.

We invoke Thy choice blessings upon them.

Grant them physical, mental, and moral strength sufficient for their tremendous task.

Impart to them wisdom and discernment to cope with the perplexing problems of our day.

When the way is uncertain, give them direction and guided resolution.

Give them a clear and broad vision. Illumine their darkness and displace their doubts with Thy shining assurance.

Give them strength to endure each challenging day.

O God, we beseech Thee to shed the copious dew of Thy grace upon this legislative body, and encompass each Member with Thy loving kindness as with a shield. In the name of our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. Magnuson).

The assistant legislative clerk read the following letter:

U.S. Senate,
President pro tempore,
Washington, D.C., April 28, 1980.

To the Senate:

Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable Dennis DeConcini, a Senator from the State of Arizona, to perform the duties of the Chair.

Warren G. Magnuson,
President pro tempore.

Mr. DeCONCINI thereupon assumed the chair as Acting President pro tempore.

RECOGNITION OF THE MAJORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from West Virginia is recognized.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I yield to the distinguished Senator from Wisconsin such time as he may wish.

The ACTING PRESIDENT pro tempore. The Senator from Wisconsin is recognized.

Mr. PROXMIRE. I thank my good friend from West Virginia.

EXIMBANK PRENOTIFICATION OF TELECOMMUNICATIONS NETWORK TO REPUBLIC OF KOREA

Mr. PROXMIRE. Mr. President, I call to the attention of my colleagues a communication I have received from the Export-Import Bank pursuant to section 2 (b)(3)(i) of the Export-Import Bank Act of 1945, as amended, notifying the Senate of a proposed direct credit of $170,000,000 and a preliminary commitment of $122,400,000 to support the purchase of U.S. goods and services to be used in expansion of the telecommunications network in the Republic of Korea. The Ministry of Communications will be the end user of the U.S. goods and services, and the Government of the Republic of Korea, acting through its economic planning board, will be the direct obligor in this transaction. Section 2(b)(3)(i) of the act requires the bank to notify the Congress of proposed loans and financial guarantees or combinations thereof in an amount of $100,000,000 or more at least 25 days of continuous session of the Congress prior to the date of final approval. Upon expiration of this period, the Bank may give final approval to the transaction unless the Congress adopts legislation to preclude such approval.

In this case, the Bank intends to make a direct credit of $170,000,000 available for stage 1 of phase I of the Korean telecommunications project, which will include the export of $200,000,000 of U.S. goods and services including subscriber switching equipment, toll switching equipment, and tandem switching equipment, training, technical services, ocean freight charges on U.S.-flag vessels, and premiums for transit insurance. The proposed preliminary commitment of $122,400,000 for the second stage of phase I of the project would support exports of $144,000,000 of U.S. goods and services.

Furthermore, Eximbank has an outstanding preliminary commitment to the Republic of Korea for phase II of this project in an amount of $252,450,000 for which an application is expected in September 1980. The Bank also anticipates additional future phases which could bring the United States a total potential procurement of $2,000,000,000.

The Eximbank direct credit and preliminary commitments will cover 85 percent of the cost of U.S. goods and services for phases I and II, bear interest at a rate of 8.375 percent per annum and be repayable in 20 semiannual installments beginning April 5, 1983, for stages 1 and 2 of phase I, and June 30, 1985, for phase II.

Mr. President, I ask unanimous consent that the letter from Eximbank pertaining to this transaction be printed in the Record.

There being no objection, the letter was ordered to be printed in the Record, as follows:

Export-Import Bank
of the United States,
Washington, D.C., April 11, 1980.

Hon. William Proxmire,
Chairman, Committee on Banking, Housing and Urban Affairs, U.S. Senate, Washington, D.C.

Dear Mr. Chairman: In accordance with Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, I have reported to the President of the Senate and the Speaker of the House of Representatives on an application currently pending consideration by the Bank. I am taking the liberty of providing you with a copy of this statement.

Sincerely,

John L. Moore, Jr.

Enclosure.

Export-Import Bank
of the United States,
Washington, D.C., April 11, 1980.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Pursuant to Section 2(b)(3)(i) of the Export-Import Bank Act of 1945, as amended, Eximbank hereby submits a statement to the United States Senate with respect to the following transaction involving U.S. exports to the Republic of Korea (ROK).

A. Description of Transaction.

1. Purpose.

The Government of the ROK is expanding its telecommunications network and has requested Eximbank to provide financing for United States goods and services for the expansion project. The project is divided into several phases and the first phase is divided into two stages. It is estimated that the total cost of the United States goods and services for which the Eximbank financing may support the purchase of is $641,000,000.

Phase I. Eximbank is prepared to make available a direct credit of $170,000,000 to the Government of the ROK for the purchase of the United States goods and services to be used by the Ministry of Communications in the first stage of Phase I of the Korea telecommunications network expansion project (Phase I). The cost of such U.S. goods and services is estimated to be $200,000,000.

Eximbank is also prepared to issue a preliminary commitment to the ROK Government to finance part of the cost of purchasing the United States goods and services for the second stage of Phase I. The total cost of these goods and services is estimated to be $144,000,000 for which Eximbank will offer to provide a direct credit of $122,400,000.

Western Electric International, Inc. will supply nearly all of the U.S. goods and services.

In addition to the estimated aggregate U.S. costs of $344,000,000, there is an estimated $60,000,000 project cost for local goods and services to be financed by ROK Government loans and funds internally generated by the Ministry of Communications.

Phase II. Eximbank has outstanding a preliminary commitment to the Government of ROK to finance part of the cost of United States goods and services for Phase II of the Korea telecommunications network expansion project (Phase II). This cost is estimated to be $297,000,000 and Eximbank has offered to provide a direct credit of $252,450,000. A credit application to finance the procurement for Phase II is expected to be made by the ROK Government in September 1980.

2. Identity of the Parties.

The Government of the Republic of Korea, acting through its Economic Planning Board, will be the direct obligor for the transaction. It has been either the direct obligor or the guarantor in numerous transactions with Eximbank and payments have been made on a timely basis.

The Ministry of Communications of the ROK will be the end user of the United States goods and services as it has been in nine transactions with Eximbank financing. The Ministry has earned high levels of profits from both its telephone and telegraph operations as well as from its postal operations.

3. Nature and Use of Goods and Services.

The goods to be exported are subscriber switching equipment, toll switching equipment, tandem switching equipment and items for installation and training. The United States originated services consist of installation services, training, technical services, ocean freight charges on U.S. flag vessels and premiums for transit insurance underwritten by U.S. insurers.

The goods and services will be used in the supply and installation of 340,000 lines of electronic subscriber switching equipment, and 273,000 lines of digital switching equipment for toll and tandem exchanges, all needed in the expansion of ROK's telecommunications network.

B. Explanation of Eximbank Financing

1. Reasons.

The Eximbank direct credit of $170,000,000 will facilitate the export of $200,000,000 of United States goods and services required for the first stage of Phase I. The preliminary commitment offer of a direct credit of $122,400,000 will facilitate the export of $144,000,000 of United States goods and services required for the second stage of Phase I.

This transaction will have a favorable impact on employment for substantial numbers of United States workers, as well as on the United States balance of trade. None of the goods to be exported is in short supply in the United States, and Eximbank perceives no adverse impact on the United States economy from the export of these goods and services.

Western Electric, the U.S. supplier, has informed us that the goods and services it is supplying will require approximately 8,553 man years of employment, both direct and indirect labor. Listed below are the states involved and their unemployment rate as of September 1979:

State	Man-years	Unemployment rate (in percent)
Oklahoma	2,152	3.1
Texas	1,361	4.0
Illinois	1,204	5.7
Pennsylvania	1,086	6.7
Missouri	1,086	4.4
New Jersey	671	6.2
Virginia	394	4.5
New York	100	7.5
Maryland	92	5.5
North Carolina	59	4.6
Ohio	23	5.5
Indiana	14	6.2
Other	311	----------
	8,553	

Manufacturers from Japan and West Germany, actively supported by the official export credit agencies in these countries, vigorously competed to obtain the contracts of supply for the project. Interest rates reported to be offered on the financing were lower than the rate Eximbank could offer. All offered 10 year repayment terms commencing after project completion. The technology was nearly the same. The final competition was between Western Electric and Siemens of West Germany. Important factors instrumental in Western Electric winning the contract are the terms, conditions and schedule for technology transfer; the scope and content of the transfer; and the Eximbank support.

In addition U.S. suppliers were involved in previous telecommunications projects in the ROK and their work was well received. Also the ROK Government envisions several additional phases over the next six years with a total project cost of about $2,300,000,000 and a potential U.S. procurement of nearly $2,000,000,000.

Each phase of the telecommunications expansion will bring positive benefits to the people of the ROK. Because of the accelerating rise in demand for phone service caused by economic growth and rising living standards and the present shortage of communication lines, many businesses and social conversations are accomplished by meetings and through messengers. A better phone service could expedite business, diminish traffic congestion in the larger cities, save fuel and unnecessary travel, and aid people to communicate better with each other. Demand for telephone lines is projected to grow at 17.7 percent during years 1980 to 1982 on an annual basis and about 11 percent annually during years 1983 to 1986. In 1979 the shortfall between the demand and the number of installations was over a million lines.

2. The Financing Plan—Direct Credit: Phase I (First Stage).

The total cost of United States goods and services to be purchased for the first stage of Phase I will be financed as follows:

	Amount	Percentage of U.S. Costs
Cash payment	$30,000,000	15.0
Eximbank credit	170,000,000	85.0
Total	200,000,000	100.0

(a) Eximbank charges.

The Eximbank credit will bear interest at the rate of 8.375 percent per annum payable semiannually. A commitment fee of 0.5 percent per annum will also be charged on the undisbursed portion of the Eximbank direct credit.

(b) Repayment terms.

The Eximbank credit will be repaid by the ROK Government in 20 semiannual installments beginning April 5, 1983.

3. The Financing Plan—Preliminary Commitment: Phase I (Second Stage).

The total cost of United States goods and services that may be purchased for the second stage of Phase I will be financed as follows:

	Amount	Percentage of U.S. Costs
Cash payment	$21,600,000	15.0
Eximbank credit	122,400,000	85.0
Total	144,000,000	100.0

(a) Eximbank charges.

The Eximbank credit will bear interest at the rate of 8.375% per annum, payable semiannually. A commitment fee of 0.5% per annum will also be charged on the undisbursed portion of the Eximbank direct credit.

(b) Repayment terms.

The Eximbank credit will be repaid by the ROK Government in 20 semiannual installments beginning April 5, 1983.

4. The Financing Plan—Preliminary Commitment: Phase II.

The financing plan under the Preliminary Commitment for Phase II is as follows:

	Amount	Percentage of U.S. Costs
Cash payment	$44,550,000	15.0
Eximbank credit	252,450,000	85.0
Total	297,000,000	100.0

(a) Eximbank charges.

This Eximbank credit would bear interest at the rate of 8.375% per annum, payable semi-annually. A commitment fee of 0.5% per annum will also be charged on the undisbursed portion of the Eximbank credit.

(b) Repayment terms.

The Eximbank direct credit would be repaid by the ROK Government in 20 semiannual installments beginning the earlier of the date six months after Phase II completion or June 30, 1985.

Sincerely,

JOHN L. MOORE, Jr.

SENATE RESOLUTION 405 CONCERNING COMPLIANCE OF THE SOVIET UNION WITH THE CONVENTION ON PROHIBITION OF BIOLOGICAL WEAPONS

Mr. PROXMIRE. Mr. President, on April 16 I introduced Senate Resolution 405, expressing the sense of the Senate that the President should urge the Soviet Union to reply to our demarche of March 28 by providing scientific data concerning the outbreak of anthrax which occurred in the Soviet Union in April 1979. The resolution further urges the President to lodge a complaint in an appropriate international forum if the Soviets should fail to respond to our request for such data. This request by the United States is in accordance with the convention on the prohibition of biological weapons, to which both the United States and the Soviet Union are parties.

There can be no question as to our right, and the right of all parties to the convention, to know more about the cause of the deaths resulting from the anthrax outbreak. The Soviet Union should find it in its own interest to act quickly to remove any doubts surrounding this incident. Failure to respond in a timely fashion can only raise questions concerning the value and usefulness of entering into other treaties, conventions, and agreements, such as SALT, with the Soviets.

Mr. President, in the week since I introduced Senate Resolution 405, I have been pleased to see that it has drawn expressions of support from a number of highly respected Members of this body—Members who know that our relations with the Soviet Union must be founded on constant vigilance and alertness, and that we cannot rest on trust and complacency. I am also pleased to note that the Foreign Relations Committee has already discussed this resolution in preliminary fashion and that it will receive further attention in the days ahead. Since the Soviets have yet to respond to our demarche of March 28, I believe we should proceed with all proper speed to demonstrate the interest and concern of the U.S. Senate in this matter.

Mr. President, I ask unanimous consent that the names which I am now submitting be added as cosponsors to Senate Resolution 405: The Senator from South Dakota (Mr. McGOVERN), the Senator from Indiana (Mr. BAYH), the Senator from New Hampshire (Mr. DURKIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Ohio (Mr. GLENN), the Senator from Montana (Mr. MELCHER), the Senator from Delaware (Mr. ROTH), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), the Senator from Montana (Mr. BAUCUS), the Senator from North Dakota (Mr. YOUNG), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Alabama (Mr. STEWART), the Senator from Rhode Island (Mr. CHAFEE), and the Senator from New Jersey (Mr. WILLIAMS).

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

S. 2614—ASSISTED HOUSING AMENDMENTS ACT OF 1980

Mr. PROXMIRE. Mr. President, the Assisted Housing Amendments Act of 1980, which I am introducing today, is designed to address simultaneously three key objectives—to begin to get a handle on the long-term costs of our assisted housing programs, to increase the assistance for lower income families, and to increase the number of rental units built and rehabilitated.

The bill provides legislative language for a proposal I first discussed publicly on March 25, 1980 (CONGRESSIONAL RECORD March 25, 1980, page 6562). There has already been considerable discussion of the proposal during the course of the housing authorization hearings being held by the Housing Subcommittee. In addition, next Tuesday, April 29, the Housing Subcommittee will conduct a futher afternoon of hearings devoted to this proposal.

The key to the proposal is to move toward more of a separation between subsidies for lower income families and subsidies for new multifamily construction. Given the high cost of new multifamily construction, and the low income of people to be assisted under the section 8 program, as a general principle it simply doesn't make sense to emphasize the subsidizing of lower income people by linking the subsidy to a new unit. Generally, given the much higher subsidy cost per unit, reliance on this approach is not an efficient way to assist lower income people. From a cost perspective, if we assume the two objectives of providing housing assistance for lower income people and also increasing the overall supply of rental units, it is much more efficient to rely on existing housing to subsidize lower income people, and to undertake a separate program involving a shallower subsidy to spur multifamily rental production.

Because this approach is so much more efficient, it is possible to achieve very substantial cost savings while, at the same time, very substantially increase the number of units assisted. Specifically, under the proposal I will describe, we can save $3.6 billion in budget authority in fiscal year 1981 compared with the administration's proposal, while at the same time assisting 158,000 units more than the administration's proposal.

Since I released the specifics of the proposal last month, a great deal of interest has been expressed, and a number of comments have been received. Based on these comments, a number of substantive changes have been incorporated in preparing the specific statutory language. Among the changes from the initial proposal is somewhat less emphasis on the regular section 8 existing program and more emphasis on the moderate rehabilitation section 8 existing program and on a new program units; a somewhat deeper subsidy with more flexibility for the new program; and a provision to insure local flexibility in determining the local housing type mix in the section 8 and public housing programs.

There has been some comment that, as originally proposed, too much emphasis is being placed on increasing the section 8 regular existing program, particularly in the early years of the program before the new program units come on line. In responding to this criticism, I think it is important to emphasize my view that there is indeed tremendous potential for greater reliance on the existing housing stock.

Data from the annual housing survey, and analysis of needs in housing assistance plans indicates that there are literally millions of lower income families now living in standard dwellings but who are paying exorbitant percentages of their income for rent, and there are also millions of units which are currently substandard but which could be brought up to standard condition by means of the moderate rehabilitation program and the investment which normally accompanies the section 8 regular existing program to bring units up to the housing quality standard.

In addition, although the national rental vacancy rate is low by historical standards, in many markets there are also significant numbers of currently vacant units which could be utilized for the section 8 existing program. In the context of this overall situation, the increase which I proposed of 111,000 units above the President's level for the section 8 existing program can be viewed as a drop in the bucket compared to this overall potential and need.

In introducing this legislation today, I am, therefore, retaining the basic approach. However, I am incorporating revisions in emphasis in response to some of the comments. While I am retaining the same overall budget authority level in the proposal of $29.340 billion, some shift in allocations and assumptions are being made to achieve these modifications. For example, I am now assuming 55,000 unit reservations under the moderate rehabilitation program, compared to 50,000 units under my original proposal.

As estimated by CBO, the administration's proposal would provide for 38,000 units of moderate rehabilitation. My proposal would provide for an estimated 162,000 units in the regular section 8 existing program, an increase of 87,000 units above the administration's level. I have also increased the proposed resources for the new multifamily program to produce, according to CBO's estimate, 141,000 units.

The legislation I am introducing today would provide for reservations for an estimated 310,000 units for section 8 and public housing. This is a decrease of 10,000 units from the estimate of the earlier proposal. To some extent, this estimate reflects an adjustment in CBO's estimate from the earlier proposal. In addition, this decrease also reflects, to some extent, the shifting in emphasis more toward moderate rehabilitation, and provision for more resources in the new program.

It must still be emphasized, however,

that the 310,000 units for lower income households represents an increase of 27,000 units above the 283,000 units which CBO estimates that the administration's proposal would provide.

As I shall explain in more detail later, I am assuming that, of the 141,000 units produced under the new multifamily rental production program 10,000 will be section 8 units. Subtracting these 10,000 units to avoid double counting, the new program would produce an estimated 131,000 units. This is in addition to the 310,000 unit reservations under section 8 and public housing. Thus the estimated total number of unit reservations for fiscal year 1981 under my bill is 441,000, an increase of 16,000 units over the earlier proposal, and 158,000 units above the administration's proposal.

Mr. President, the following three tables show comparisons between my bill and the administration bill for estimated numbers of units and budget authority, and an estimate of the net effect of my bill on outlays in comparison with the administration bill.

COMPARISON OF ESTIMATED UNITS RESERVED IN FISCAL YEAR 1981

	Administration	Alternative
Sec. 8:		
Existing—Regular	75,000	162,000
Existing—Moderate rehab	38,000	55,000
New/sub rehab	130,000	53,000
Public housing	40,000	40,000
New multifamily rental production	0	[1] 131,000
Total	283,000	441,000
Subtotal for lower income	283,000	310,000
Subtotal for new/sub rehab	170,000	224,000

[1] 10,000 units have been subtracted to avoid double counting of sec. 8 units in new program.

COMPARISON OF BUDGET AUTHORITY FOR FISCAL YEARS 1981 AND 1985

[In millions of dollars]

	Administration		Alternative	
	1981	1985	1981	1985
Assisted housing	32,179	46,752	27,412	38,809
New multifamily rental production	0	0	1,928	2,863
GNMA sec. 8 tandem	783	940	0	0
Total	32,962	47,692	29,340	41,672

NET EFFECT OF PROPOSAL ON OUTLAYS

[In millions of dollars]

	1981	1982	1983	1984	1985
Assisted housing	0	+234	+449	+392	+219
New multifamily rental production	0	0	+64	+200	+351
GNMA sec. 8 tandem	0	0	−300	−601	−656
	0	+234	+213	−9	−86

Mr. President, several points about the proposal should be emphasized. First, the long-term cost savings of the proposal are very substantial. In fiscal year 1981 alone, the total budget authority is $3.6 billion below the administration's proposal. However, assuming continuation of the same program levels, it is estimated that this budget authority savings would increase significantly each year. For fiscal year 1985 alone, the budget authority savings is an estimated $6.0 billion.

Second, considerable attention has been placed on the increase in reliance on the section 8 existing program, which under the revised proposal would increase from an estimated 113,000 units in the administration bill to 217,000 units in my bill. Nevertheless, my proposal as revised would also produce an estimated 224,000 new and sub rehab units, an increase of 54,000 units above the administration level. More significantly the total number of new and sub rehab units actually exceeds the total number of existing units assisted. Indeed, if moderate rehabilitation units are included with the new and sub rehab category, we find that 162,000 units for the section 8 regular existing program make up less than 37 percent of the total of 441,000 units, while units in the new construction, substantial rehabilitation and moderate rehabilitation categories make up more than 63 percent of the total.

Third, as I discussed in my earlier statement, my proposal would involve a short-term increase in outlays which would be felt in fiscal year 1982 and 1983. There would be no increase in outlays in fiscal year 1981. By 1984, there would actually be outlay savings. And as I have discussed, the long-term cost savings are dramatic.

Mr. President, the bill I am introducing today includes the following provisions:

First, additional contract authority of $1,422,239,000 is authorized under section 5(c) of the United States Housing Act of 1937, and the budget authority associated with this contract authority is limited to $28,429,500,000. Adding the $32,500,000 in permanent budget authority to this number yields a total for new budget authority for section 8 and public housing of $28,462,000,000. Subtracting the $1,050,000,000 in planned rescission in budget authority under the rent supplement program results in a total net increase of $27,412,000,000 in new budget authority for fiscal year 1981.

Second, the bill provides for local flexibility for section 8 and public housing by indicating that the Secretary should accommodate the desires of local government regarding the allocation of assistance among new, substantially rehabilitated and existing units. Budget authority would be allocated to local allocation areas based on an assumption of a nationwide average mix of 30 percent for new construction and substantial rehabilitation and 70 percent for existing housing. This is merely a nationwide average assumption for the purpose of allocating budget authority. Some local areas would be assumed to have a higher proportion for new construction, and some a lower proportion.

However, the assumed mix for a locality would in no way be binding on the local government. The essential concept is that if a local government believed that even taking into account the effect of the new program, the assumed mix for section 8 and public housing would not contain enough new construction directly for lower income people, the local government would be free to choose a higher proportion for section 8 new construction. But in doing so, the funds would essentially be allocated based on the fixed budget authority level, so that local government would have to directly face the trade-off that more new construction means a lower total number of units.

Thus, the nationwide percentage could involve a proportion for new construction and substantial rehabilitation substantially higher than 30 percent, if after taking into account the impact of the new program and the costs of the section 8 new construction program, localities determine that they want the higher proportion. However, it should be noted that the nationwide proportion for new construction and substantial rehabilitation would not fall below 30 percent, because of constraints caused by the available contract authority.

Third, the bill provides a specific set aside of $321,343,000 in contract authority for public housing, in order to insure that public housing is held harmless compared with the President's proposal. In addition, a provision is included intended to provide that, even if the number of new construction and substantial rehabilitation units does not exceed 30 percent of the units, section 202 and the Farmers Home Administration will be held harmless as sources of financing. In addition, it is anticipated that State housing agencies would finance about 26,000 units, only about 2,000 units less than under the President's proposal as estimated by CBO.

However, the new program assumes that about 50,000 units under the new program will be financed by State housing agencies, and that 10,000 of these units would come from the 26,000 section 8 new construction and substantial rehabilitation units. Avoiding double counting, the total number of units to be financed by State housing finance agencies would therefore be about 66,000.

Fourth, a new program for multifamily rental production is created to provide interest reduction payments in connection with mortgages on new or substantially rehabilitated rental housing projects involving five or more dwelling units. The mortgage may be insured under the National Housing Act or it may be conventionally financed.

The new program would contain the following provisions:

First, the interest would be subsidized down to a rate determined by the Secretary. In determining this lower rate, the Secretary is to be guided by the objective that the average of all such lower rates shall be 6½ percent. The Secretary would have the flexibility to go lower or higher than 6½ percent depending on factors in the local area or involving the specific project.

This provision is a significant change from the earlier proposal which would have set an interest rate of 7½ percent. The change to a targeted 6½-percent average is intended to enable the Secretary to primarily target this program to households who are below median income, the group at the top end of and immediately above the section 8 income eligible group. Data from the annual housing survey indicates that the median monthly gross rent for households at median income is only about $40 more than the median gross rent for households at 50 percent of median. This suggests that there are significant linkages in the markets for these two groups, and to a significant extent they may be competing for the same overall rental stock. To the extent that the new program can be targeted to a below median income group, the effect of the new program in freeing up existing housing stock for use by lower income households under the section 8 existing program can be magnified and accelerated.

The language in the bill is designed to give the Secretary flexibility to achieve this objective. In some markets it may be necessary to subsidize the interest rate down to as low as 5 percent or even 4 percent, whereas in other markets a rate of 7 percent, 7½ percent or even 8 percent or higher might be adequate.

Second, the subsidy would be held constant during the first 10 years of the mortgage, and then phased out in accordance with a schedule specified in the contract. While it is assumed that the phaseout would probably be completed at approximately the end of the 20th year of the mortgage, the Secretary would be given flexibility to establish a more rapid or slower phaseout schedule. However, the Secretary would be constrained by the overall budget authority ceiling established for the new program.

Third, during the time period when subsidy payments are being made, an income ceiling of 120 percent of area median would be set. This ceiling would only apply to a household at the time of its initial occupancy. There would be no need for recertification.

Fourth, in order to insure reasonable rentals to tenants consistent with a reasonable return to the owner of a project, the initial rent schedule and any increases in rent must be approved by the Secretary. This provision would apply as long as subsidy payments were being made. In my view, this is a necessary provision in order to insure that subsidy benefits are passed on to tenants to the extent feasible. However, there has also been considerable concern that HUD, in implementing similar provisions in its insurance programs, has not acted expeditiously. To address this problem the bill provides that the Secretary shall respond to a properly documented request for a rent increase within 30 days.

Fifth, the bill provides that during the time period when subsidy payments are being made, the mortgage may not be prepaid or refinanced, nor may the project be sold, without the prior approval of the Secretary under such terms and conditions as the Secretary may prescribe.

Sixth, the bill provides that the Secretary shall insure that the selection of sites for projects to be assisted under the new program shall avoid the displacement of lower income persons.

Seventh, State housing agencies would be eligible for the program, as long as at least 20 percent but not more than 30 percent of the units in the project are set aside for section 8. As I have indicated, it is assumed that State agencies will finance about 50,000 units under the new program. The provision for a 20-percent section 8 set-aside would encourage mixed income projects. The bill also provides that a local government agency may be a mortgagee if the Secretary is satisfied that at least 20 percent of the units will be reserved for lower income families, and at least 6 percent for very low income families.

Eighth, the Secretary is directed to give preference in allocating assistance under the new program to tight rental markets and to projects which will assist in promoting urban revitalization.

Finally, the bill would authorize to be appropriated such sums as may be necessary, but would set a budget authority ceiling of $1.928 billion. In addition, a specific linkage is drawn between this authorization and the provisions authorizing additional contract authority in section 5(c) and limiting additional budget authority. In other words, the changes in the lower income assistance program and the authorization for the new multifamily rental production program are tied together in a clear package.

One caveat should be stated with respect to both this bill and also the administration's bill. The CBO estimates I have cited regarding number of units which could be produced at given funding levels are based on CBO economic assumptions as of January 1980, which is when the President submitted his budget. Since that time we have had dramatic changes in our inflationary economy. If the dislocations of the last couple of months prove to be relatively short term, these CBO estimates should continue to be reliable.

However, if the events of the last couple of months result in a fundamental altering of the economic picture over the next 3 or 4 years, these estimates would prove to be overly optimistic. A more pessimistic estimate reflecting the events of the last couple of months would be that the President's proposal would only produce 263,000 units, and that my proposal might produce only 293,000 units under section 8 and public housing, and only 98,000 units under the new program. Hopefully, the more optimistic estimates will prove to still be appropriate.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2614

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Associated Housing Amendments Act of 1980".

SEC. 2. Section 5(c) of the United States Housing Act of 1937 is amended—

(1) by striking out "and" after "October 1, 1978" in the first sentence;

(2) by inserting after "October 1, 1978," in the first sentence the following: "by $1,422,239,000 on October 1, 1980,";

(3) by inserting after "October 1, 1978," in the second sentence the following: "but prior to October 1, 1980,";

(4) by inserting after the second sentence the following: "In utilizing the additional authority provided under this subsection on and after October 1, 1980, the Secretary, to the maximum extent practicable consistent with carrying out the objectives of this Act, shall accommodate desires of local governments regarding the allocation of assistance among new, substantially rehabilitated, and existing housing units. In carrying out the preceding sentence, the Secretary shall, to the maximum extent practicable, limit the budget authority allocated to local allocation areas to the amount of budget authority which would result if, on a nationwide basis, taking into account local variations, 30 per centum of the units to be assisted under this Act for the purpose of public housing development or under section 8 with such additional authority were to be for new construction or substantial rehabilitation. Notwithstanding any other provision of law, in entering into contracts with such additional authority, the Secretary shall seek to ensure that, consistent with available funding limitations, at least 30 per centum of the units shall be either newly constructed or substantially rehabilitated housing units assisted under this Act (other than under section 8 or 14) or newly constructed or substantially rehabilitated housing units under section 8 which are financed pursuant to section 202 of the Housing Act of 1959, pursuant to title V of the Housing Act of 1949, or by a State housing finance or State development agency, as defined in section 802(b)(2)(A) of the Housing and Community Development Act of 1974. The total budget authority associated with such additional authority shall not exceed $28,429,500.000."; and

(5) by adding at the end of the first paragraph the following: "Of the additional authority to enter into contracts provided on October 1, 1980, and approved in appropriation Acts, $321,343,000 shall be available only for units assigned under this Act other than under section 8 or 14.".

SEC. 3. The United States Housing Act of 1937 is amended by adding a new section 14 as follows:

"MULTIFAMILY RENTAL PRODUCTION

"SEC. 14. (a) The Secretary is authorized to provide annual contributions in the form of interest reduction payments pursuant to contracts with owners or prospective owners of new or substantially rehabilitated rental housing projects involving five or more dwelling units in accordance with such terms and conditions as the Secretary may prescribe consistent with the provisions of this section.

"(b) Interest reduction payments may be made under this section with respect to a project which is subject to a mortgage insured under the National Housing Act as long as all requirements of the program under which the mortgage is insured are satisfied.

"(c) Any payments provided under this section shall be made on behalf of the owner directly to a mortgagee (including a subsequent holder or the Secretary, in the case of assignment). During the first ten years for which payments are made with respect to a project, the amount of the annual payment shall be equal to the difference between the annual payment for principal and interest which the owner of the project as a mortgagor is obligated to pay under the mortgage and the annual payment for principal and interest which such owner would be obligated to pay if the mortgage were to bear interest at a lower rate established by the Secretary. In establishing such lower rate in implementing this subsection, the Secretary shall be guided by the objective that the average of all such lower rates pursuant to this subsection shall be 6½ per centum per annum, but the Secretary may establish a rate lower or higher than 6½ per centum per annum depending on factors in the local area or involving the specific project. In the case of a project which is not insured under the National Housing Act, the interest rate differential between the rate the mortgagor is obligated to pay and the lower rate determined by the Secretary shall not exceed the interest rate differential which would be applicable if the mortgage were insured under the National Housing Act.

"(d) Commencing with the eleventh year in which annual payments are made with respect to a project, the amount of such annual payment shall be phased out in accordance with a schedule determined at the time the contract for annual contributions was entered into. Such schedule may be altered at any time if mutually agreed to by the Secretary and the owner.

"(e) During the period when interest reduction payments are being made with respect to a project under this section, the income at the time of initial occupancy of a household occupying a unit in such project may not exceed 120 per centum of the median income of the area, as determined by the Secretary with adjustments for small and larger households, except that the Secretary may establish income ceilings higher or lower than 120 per centum of the medium income for the area on the basis of the Secretary's findings that such variations are necessary because of prevailing levels of construction costs, unusually high or low median household incomes, or other factors.

"(f) In order to ensure reasonable rentals to tenants consistent with a reasonable return to the owner of a project assisted pursuant to this section, the initial rent schedule and any increase in rents during the period when interest reduction payments are made must be approved by the Secretary. The Secretary shall respond to a properly documented request for a rent increase within 30 days.

"(g) During the period when interest reduction payments are being made with respect to a project assisted under this section—

"(1) the mortgage may not be prepaid or refinanced; and

"(2) no sale or other disposition of such project may be made,

without the prior approval of the Secretary under such terms and conditions as the Secretary may determine.

"(h) In order to ensure that projects assisted under this section are preserved as rental projects unless conditions in the particular market indicate that such preservation is not desirable, a project assisted under this section may not be converted to a use other than rental for a period of 30 years following the initial occupancy of the project without prior approval of the Secretary under such terms and conditions as the Secretary may determine.

"(i) The Secretary shall ensure that the selection of sites for projects to be assisted under this section shall avoid the displacement of lower income persons.

"(j) A project financed by a State housing finance or State development agency (as defined in section 802(b)(2)(A) of the Housing and Community Development Act of 1974) may be assisted under this section if at least 20 per centum, but not more than 30 per centum, of the units in the project financed by such an agency are set aside for occupancy by families assisted under section 8. A project financed by a local government agency may be assisted under this section if the Secretary is satisfied that at least 20 per centum of the units in any project being financed by such agency will be reserved for families who are lower income families, within the meaning of section 8, at the time they initially occupy the unit, and that at least 6 per centum of the units in such project will be reserved for families who are very low income families, within the meaning of section 8, at the time they initially occupy the unit.

"(k) In allocating assistance under this section, the Secretary shall give preference to projects located in tight rental markets and to projects which will assist in promoting urban revitalization, as determined by the Secretary. Section 213 of the Housing and Community Development Act of 1974 shall not be applicable to projects assisted under this section, except to the extent that provisions relating to assistance under section 8 would otherwise apply.

"(l) The amount of contracts for annual contributions under this section shall not exceed such amounts as are provided in appropriation Acts. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this section, including such sums as may be necessary to make interest reduction payments under contracts entered into by the Secretary under this section, except that budget authority obligated under such contracts shall not exceed $1,928,000,000, and this subsection shall only apply if the additional authority to enter into contracts for annual contributions provided on October 1, 1980, under section 5(c) for section 8 and public housing does not exceed $1,422,239,000, and if the budget authority associated with such additional authority does not exceed $28,429,500,000.".

The ACTING PRESIDENT pro tempore. Without objection, the bill will be received and appropriately referred.

(The bill was read twice by title and referred to the Committee on Banking, Housing, and Urban Affairs.)

FINANCIAL HOLDINGS AND INCOME TAX RETURN OF SENATOR WILLIAM PROXMIRE

Mr. PROXMIRE. Mr. President, in 1963, 1965, 1967, 1970, 1972, 1973, 1974, 1975, 1976, 1977, 1978, and 1979, I submitted for the RECORD a history of my financial holdings from the time I was first elected to the Senate in August 1957 until May 1979. In order to bring the full record up to date, I submit herewith the history of my financial holdings since May 1979.

The bulk of the securities I hold are in State and municipal bonds totaling $65,000.

My other assets include ownership of my home and furnishings in Washington, D.C. on which I owe a mortgage to the Perpetual Building Association of Washington, D.C.; ownership of a 1972 automobile; ownership of two checking accounts in Washington, D.C. banks, one checking account in a Madison, Wis. bank, and one savings account in a Madison, Wis. bank. The combined balance as of this date in these four accounts is $5,716.92.

I also hold a land contract on a house in Madison, Wis. in the amount of $78,386.97 and a note on my former residence in Washington at 3220 Ordway Street in the amount of $7,503.34.

Trust custody of stock in my children's names has been turned over to them directly, as they are over 21.

I estimate my net worth to be about $410,000. This is an increase of $46,000 from my 1979 net worth. This is due to the $38,000 increase in the assessed value of my home, $1,000 decrease in the amount owed on my home mortgage and an increase of $10,000 in my civil service retirement deposit. Except for these increases in my net worth, there would have been an overall decline of $3,000.

To the best of my knowledge, this is an accurate record of my financial holdings and obligations.

In addition, I herewith submit a balance sheet showing my net worth and how it was arrived at, a copy of my 1979 Federal tax return and a list of all honorariums received during 1979—$24,978.

I paid $45,395 to the Federal Government in taxes on my 1979 income. In addition I paid $7,801 to the State of Wisconsin on 1979 income.

I ask unanimous consent that the balance sheet, copy of 1979 Federal tax return, and list of all honoraria received in 1979 be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

NET WORTH OF SENATOR WILLIAM PROXMIRE AS OF APRIL 1980

Municipal and state bonds	$65,000.00
1972 Vega (blue book trade-in value)	200.00
Three checking and one savings account:	
Wash. NS&T checking	685.39
Wash. Riggs checking	1,170.18
Madison, Wis. savings	1,930.27
Madison, Wis. savings	1,931.08
4613 Buckeye Rd., Madison land contract	78,386.97
Note on 3220 Ordway St., NW., Wash., D.C	7,503.34
3097 Ordway Street, NW., D.C.:	
Assessed value	238,010.00
Mortgage value	(60,439.46)
Furnishings	15,000.00
Cash deposit in Civil Service retirement	61,349.31
Total	410,727.08

HONORARIA RECEIVED IN 1979

Claretian Publications	$40.00
Mid-America Nazarene College, Olathe, Kans	1,000.00
Funk and Wagnalls, Inc	1,000.00
University of Pittsburgh, Pittsburgh, Pa	1,000.00
Freedom Forum, Schenectady, N.Y.	1,000.00
George Washington University, Washington, D.C	500.00
Drake University Law School, Des Moines, Iowa	1,000.00
Brookings Institution, Washington, D.C	300.00
Cato Institute	700.00
Pennsylvania State University, State College, Pa	1,000.00
M.I.T. Lecture Series, Cambridge, Mass.	1,000.00
Greater New Haven Chamber of Commerce, New Haven, Conn	1,000.00
SUNY Oswego, Oswego, New York	1,000.00
Shepherd College, Shepherdstown, W. Va	2,000.00
University of Tulsa, Tulsa, Okla	2,000.00
Kearney State College, Kearney, Nebraska	1,000.00
Chautauqua Institute, Chautauqua, N.Y	1,000.00
American Enterprise Institute, Washington, D.C	500.00
Creighton University, Omaha, Nebraska	1,000.00
The New York Times	850.00
Commonwealth of Virginia Town Meeting on Inflation, Norfolk, Va.	2,000.00

American Association of University Women, Linwood, New Jersey	2,000.00
National Decorating Products Association, Chicago, Illinois	2,000.00
New York Times Syndications Sales Corp.	88.00
	24,978.00

U.S. Individual Income Tax Return for William & Ellen H. Proxmire, 4613 Buckeye Rd., Madison Wis.

EXEMPTIONS

First names of your dependent children who lived with you, Douglas.

INCOME

8. Wages, salaries, tips, etc., $92,331.

9. Interest income (*attach Schedule B if over $400*), $9,338.

13. Business income or (loss) (*attach Schedule C*), $30,079.

14. Capital gain or (loss) (*attach Schedule D*), $4,390.

18. Pensions, annuities, rents, royalties, partnerships, estates of trusts, etc. (*attach Schedule E*), $714.

21. Other income (state nature and source—see page 10 of Instructions), $871.

22. Total income. Add amounts in column for line 8 through 21, $136,295.

ADJUSTMENTS TO INCOME

24. Employee business expenses (*attach Form 2106*), $2,669.

30. Total adjustments. Add lines 23 through 29, $2,669.

ADJUSTED GROSS INCOME

31. Adjusted gross income, $133,626.

TAX COMPUTATION

32. Amount from line 31 (adjusted gross income), $133,626.

33. If you do not itemize deductions, enter zero, $24,585.

34. Subtract line 33 from line 32, $109,041.

35. Tax. Enter tax here and check if from Schedule TC, $43,628.

37. Total. Add lines 35 and 36, $43,628.

38. Credit for contributions to candidates for public office, 88.

CREDITS

46. Total credits. Add lines 38 through 45, 88.

47. Balance. Subtract line 46 from line 37 and enter difference (but not less than zero), $43,540.

OTHER TAXES

48. Self-employment tax (attach Schedule SE), $1.855.

54. Total. Add lines 47 through 53, $45.395.

PAYMENTS

55. Total Federal income tax withheld, $31,131.

56. 1979 estimated tax payments and credit from 1978 return, $8,320.

62. Total. Add lines 55 through 61, $39,451.

REFUND OR BALANCE DUE

66. If line 54 is larger than line 62, enter Balance Due, $5,944.

Itemized Deductions and Interest and Dividend Income

MEDICAL AND DENTAL EXPENSES (NOT PAID OR REIMBURSED BY INSURANCE OR OTHERWISE)

1. One-half (but not more than $150) of insurance premiums you paid for medical care. (Be sure to include in line 10 below.), $150.

5. Balance of insurance premiums for medical care not entered on line 1, $178.

7. Total (add line 4 through 6c), $178.

8. Enter 3% of Form 1040, line 31, $4,009.

10. Total medical and dental expenses (add lines 1 and 9). Enter here and on line 33, $150.

TAXES

11. State and local income, $9,862.

12. Real estate, $3,303.

13. General sales (see sales tax tables), $860.

16. Total taxes (add lines 11 through 15). Enter here and on line 34, $14,025.

INTEREST EXPENSE

17. Home mortgage, $5,059.

18. Credit and charge cards, $553.

19. Other (itemize), automobile loan, $243.

20. Total interest expenses (add lines 17 through 19), enter here and on line 35, $5,855.

CONTRIBUTIONS

21a. Cash contributions for which you have receipts, cancelled checks or other written evidence, $2,321.

22. Other than cash (see page 17 of intsructions for required statement), $2,520.

24. Total contributions (add lines 21a through 23). Enter here and on line 36. $4,841.

MISCELLANEOUS DEDUCTIONS

31. Other (itemize) tax preparation, $1,200
Hodges Estate Ded, $1,633.
Investment expense, $25.
Misc. expenses—USS, $256.

32. Total miscellaneous deductions (add line 30 and 31). Enter here and on line 38, $3,114.

SUMMARY OF ITEMIZED DEDUCTIONS

33. Total medical and dental—from line 10, $150.

34. Total taxes—from line 16, $14,025.

35. Total interest—from line 20, $5,855.

36. Total contributions—from line 24, $4,841.

38. Total miscellaneous—from line 32, $3,114.

39. Add lines 33 through 38, $27,985.

40. If you checked Form 1040, Filing Status box: 2 or 5, enter $3,400, $3,400.

41. Subtract line 40 from line 39. Enter here and on Form 1040, line 33. (If line 40 is more than line 39, see the instructions for line 41 on page 18), $24,585.

PART I INTEREST INCOME

1. If you received more than $400 in interest, complete Part I and Part III. Please see page 9 of the instructions to find out what interest to report. Then answer the questions in Part III, below. If you received interest as a nominee for another, or you received or paid accrued interest on securities transferred between interest payment dates, please see page 18 of the instructions, Lowy Note, (J), 652.
O'Brien, (J), 7,111.
United Bank & Tr, (J), 248.
IRS, (J), 68.
Dreyfus Money Mkt., (W), 507.
Shearson Daily Div., (W), 427.
Shearson Loeb, (W), 325.

2. Total interest income. Enter here and on Form 1040, line 9, $9,338.

Profit on (Loss) From Business or Profession

William Proxmire, main business activity Speaker; product, Services.

PART I INCOME

1 a. Gross receipts or sales, $24,978.

c. Balance (subtract line 1b from line 1a), $24,978.

3. Gross profit (subtract line 2 from line 1c), $24,978.

5. Total income (add lines 3 and 4), $24,978.

PART II DEDUCTIONS

29. Travel and entertainment, $25.

32. Other expenses (specify):
a. Expenses incurred, $2,704.
b. Expenses recovered, 2,704.

33. Total deductions (add amounts in columns for lines 6 through 32s), $25.

34. Net profit or (loss) (subtract line 33 from line 5). If a profit, enter on Form 1040, line 13, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 35, $24,953.

Profit or (Loss) From Business or Profession

William Proxmire, Main business activity, Writer; product, Literature.

PART I, INCOME

1. a. Gross receipts or sales, $7,022.

c. Balance (subtract line 1b from line 1a), $7,022.

3. Gross profit (subtract line 2 from line 1c), $7,022.

5. Total income (add lines 3 and 4), $7,022.

PART I, INCOME

16. Freight (not included on Schedule C–1), $21.

20. Legal and professional services, $375.

32. Other expenses (specify): Secretarial, $1,500.

33. Total deductions (add amounts in columns for lines 6 through 32s), $1,896.

34. Net profit or (loss) (subtract line 33 from line 5). If a profit, enter on Form 1040, line 13, and on Schedule SE, Part II, line 5a (or Form 1041, line 6). If a loss, go on to line 35, $5,126.

Capital Gains and Losses

William and Ellen H. Proxmire.

PART II, LONG-TERM CAPITAL GAINS AND LOSSES—ASSETS HELD MORE THAN ONE YEAR

Install Sale 1979 Collections, January 1, 1977 to December 31, 1979, $489.

10. Enter your share of net long-term gain or (loss) from transactions entered into by partnerships and fiduciaries after 10/31/78, $827.

11. Add lines 9 and 10 in column f and column g, $827, $489.

12. Combine line 11, column f and line 11, column g and enter the net gain or (loss), $338.

14. Enter gain, if applicable, from Form 4797, line 6(a)(1) from transactions entered into after 10/31/78, $11,314.

16. Combine lines 12 through 15, $10,976.

18. Net gain or (loss), combine lines 16 and 17, $10,976.

20. Net long-term gain or (loss), combine lines 18 and 19, $10,976.

PART III. SUMMARY OF PARTS I AND II

21. Combine lines 8 and 20, and enter the net gain or (loss) here, $10,976.

22. If line 21 shows a gain—

a. Enter 60% of line 20 or 60% of line 21, whichever is smaller. Enter zero if there is a loss or no entry on line 20, $6,586.

b. Subtract line 22a from line 21. Enter here and on Form 1040, line 14, $4,390.

Supplemental Income Schedule

Property A, (d) Depreciation (explain in Part VI) or depletion (attach computation), $68; total, $68.

(e) Other expenses (explain in Part VII), $646; total, $646.

(f) Loss, $714; total, $714.

9. Total rent and royalty income or (loss). Combine amounts in columns (f) and (g), line 8. Enter here and include in line 18 below, −$714.

Income Averaging

BASE PERIOD INCOME AND ADJUSTMENTS

1. Enter amount from: Form 1040 (1977 and 1978)—line 34 Form 1040A (1977 and 1978)—line 10, 1978, $89,578; 1977, $76,540.

2. Multiply $750 by the total number of exemptions claimed in 1977 and 1978, 1978, $2,250; 1977, $2,250.

3. Taxable income (subtract line 2 from line 1). If less than zero, enter zero (see instructions), $87,328; 1977, $74,290; 1976, $76,335; 1975, $37,421.

5. On your 1979 Form 1040, if you checked box 2 or 5 enter $3,200, 1976, $3,200; 1975, $3,200.

6. Base period income (add lines 3, 4 and 5), 1978, $87,328; 1977, $74,290; 1976, $79,535; 1975, $40,621.

COMPUTATION OF AVERAGEABLE INCOME

7. Taxable income for 1979 from Schedule TC (Form 1040), Part I, line 3, $106,041.

9. Subtract line 8 from line 7, $106,041.

11. Adjusted taxable income (subtract line 10 from line 9). If less than zero, enter zero, $106,041.

12. Add columns (a) through (d), line C, and enter here, $281,774.

13. Enter 30 percent of line 12, $84,532.

14. Averageable income (subtract line 13 from line 11), $21,509.

COMPUTATION OF TAX

15. Amount from line 13, $84,532.

16. 20 percent of line 14, $4,302.

17. Total (add lines 15 and 16), $88,834.

19. Total (add lines 17 and 18), $88,834.

20. Tax on amount on line 19 (see caution below), $35,410.

21. Tax on amount on line 17 (see caution below), $35,410.

22. Tax on amount on line 15 (see caution below), $32,925.

23. Subtract line 22 from line 21, $2,485.

24. Multiply the amount on line 23 by 4, $9,940.

28. Tax (add lines 20, 24, and 27). Enter here and on Schedule TC (Form 1040), Part I, line 4 and check Schedule G box, $45,350.

COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

PART II—COMPUTATION OF NET EARNING FROM NON-FARM SELF-EMPLOYMENT

Regular method

5. Net profit or (loss) from: a. Schedule C (Form 1040), $30,079.

6. Total (add lines 5a through 5e), $30,079.

8. Adjusted net earnings or (loss) from nonfarm self-employment (line 6, as adjusted by line 7), $30,079.

Nonfarm optional method

9a. Maximum amount reportable under both optional methods combined (farm and nonfarm), $1,600.

PART III—COMPUTATION OF SOCIAL SECURITY SELF-EMPLOYMENT TAX

12. Net earnings or (loss): b. From nonfarm (from line 8, or line 11 if you elect to use the Nonfarm Optional Method), $30,079.

13. Total net earnings or (loss) from self-employment reported on lines 12a and 12b. (If line 13 is less than $400, you are not subject to self-employment tax. Do not fill in rest of schedule), $30,079.

14. The largest amount of combined wages and self-employment earnings subject to social security or railroad retirement taxes for 1979 is $22,900.

16. Balance (subtract line 15c from line 14), $22,900.

17. Self-employment income—line 13 or 16, whichever is smaller, $22,900.

18. Self-employment tax. (If line 17 is $22,900, enter $1,854.90; if less, multiply the amount on line 17 by .081.) Enter here and on Form 1040, line 48, $1,855.

TAX COMPUTATION SCHEDULE

PART I—COMPUTATION OF TAX FOR TAXPAYERS WHO CANNOT USE THE TAX TABLES

1. Enter the amount from Form 1040, line 34, $109,041.

2. Multiply $1,000 by the total number of exemptions claimed on Form 1040, line 7, $3,000.

3. Taxable Income. Subtract line 2 from line 1. (Figure your tax on this amount by using the Tax Rate Schedules or one of the other methods listed on line 4.), $106,041.

4. Income Tax. Form 4726. Also enter on Form 1040, line 35, $43,628.

MAXIMUM TAX ON PERSONAL SERVICE INCOME

PERSONAL SERVICE INCOME

Wages, $92,331.

Business income, $30,079.

Miscellaneous, $871.

DEDUCTIONS AGAINST PERSONAL SERVICE INCOME

Employee business exp., $2,669.

1. Total personal service income, $123,281.

2. Total deductions against personal service income, $2,669.

3. Personal service net income—Subtract total of line 2 from total of line 1, $120,612.

4. Enter your adjusted gross income, $133,626.

5. Divide the amount on line 3 by the amount on line 4. Enter result as a percentage. If more than 100 percent, enter 100 percent. Round to nearest 4 numbers, $9,026.

6. Enter your taxable income, $106,041.

7. Multiply the amount on line 6 by the percentage on line 5, $95,713.

9. Personal service taxable income. Subtract line 8 from line 7, $95,713.

10. If: on Form 1040, you checked box 2 or box 5, enter $60,000, $60,000.

11. Subtract line 10 from line 9. If line 10 is more than line 9, do not complete rest of form, $35,713.

12. Enter 50 percent of line 11, $17,857.

13. Tax on amount on line 6, $45,562.

14. Tax on amount on line 9, $39,469.

15. Subtract line 14 from line 13, $6,093.

16. If the amount on line 10 is: $60,000, enter $19,678, $19,678.

17. Add lines 12, 15, and 16. This is your maximum tax, $43,628.

SUPPLEMENTAL SCHEDULE OF GAINS AND LOSSES

PART I: SALES OR EXCHANGES OF PROPERTY IN TRADE OR BUSINESS, AND INVOLUNTARY CONVERSIONS (SECTION 1231)

5. Gain, if any, from line 25, Part III on back of this form attributable to other than casualty and theft, $11,314.

6. Combine the amounts on lines 4 and 5. Enter here, and on the appropriate line as follows, $11,314.

PART III: GAIN FROM DISPOSITION OF PROPERTY—ASSETS HELD MORE THAN ONE YEAR

(A) Sea Pines Building, Date acquired, July 1, 1972; Date sold, February 1, 1979.

(B) Sea Pines Furnfix, date acquired, July 1, 1972; date sold, February 1, 1979.

13. Gross sales price less expense of sale, Property (A), $22,178; Property (B), $1,319.

14. Cost or other basis, Property (A), $14,150; Property (B), $2,955.

15. Depreciation (or depletion) allowed (or allowable) Property (A), $3,286; Property (B), $1,636.

16. Adjusted basis, subtract line 15 from line 14 Property (A), $10,864; Property (B), $1,319.

17. Total gain, subtract line 16 from line 13, Property (A), $11,314.

18. If section 1245 property:

(a) Depreciation allowed (or allowable) after applicable date, $1,636.

23. Total gains for all properties (add columns (A) through (D), line 17), $11,314.

25. Subtract line 24 from line 23. Enter the portion attributable to casualty and theft on Part I, line 2; enter the portion attributable to other than casualty and theft on Part I, line 5, $11,314.

WILLIAM AND ELLEN H. PROXMIRE, 1979 ([redacted])

	Gross	Fed wt	FICA	St wt	City wt
EARNINGS					
US Senate (H)	58,291	24,035		4,951	
Wash Whirl Around (W)	34,040	7,096	1,404		
Total	92,331	31,131	1,404	4,951	
MISCELLANEOUS INCOME					
Wash Whirl Around (total)	871				

CONTRIBUTIONS	50 percent	30 percent	20 percent
Prevention Blind	2,500		
Chelsea School	20		
By Check	2,321		
Total	4,841		
Allowable	4,841		

RENTS AND ROYALTIES	
Seapines (J)	0
Other expenses:	
Repair and maintenance	225
Taxes	248
Interest	146
Condo fees	27
Total	646

Desc	Date	Basis	Prior	Method	Life	Deprec	Accum
DEPRECIATION							
Seapines—50 percent	7/1/72	12,650	2,244	SL	25/00	42	3,286
Appliances—50 percent	7/1/72	1,300	834	SL	10/00	11	845
Carpeting—50 percent	7/1/72	300	298	SL	5/00		298
Furnishings—50 percent	8/1/77	355	69	SL	7/00	4	73
Furnishing—100 percent	7/1/76	1,000	409	SL	7/00	11	420
Total		15,605	4,854			68	4,922
Net profit or loss						714—	

STATEMENT OF CONGRESSIONAL REIMBURSEMENTS AND EXPENSES

Note: Before preparing this statement, please read the accompanying information. Some reimbursements are not includible in gross income and other reimbursements, in some circumstances, need not be reported on your return. Do not include amounts received from non-Congressional sources. You may use Form 2106 in place of this statement. (Attached)

CONGRESSIONAL REIMBURSEMENTS FOR EXPENSES

1. Reimbursement at the rate of 20 cents a mile for one round trip to the Home District during each regular session, $2,791.

2. Reimbursement for other travel expenses, $331.

3. Reimbursement for other deductible expenses (if any), $6,242.

4. Reimbursement for nondeductible expenses (if any), none.

5. Total reportable reimbursements, $9,364.

EXPENSES DEDUCTIBLE AS ADJUSTMENTS TO INCOME

6. Travel expenses: Living expenses in the Washington, D.C. area. The maximum amount allowable is $3,000, $3,000.

7. Travel expenses: Other (attach detailed statement), $2,791.

8. Other expenses (limited to amount on line 3), $6,242.

9. Total expenses, $12,033.

10. Excess Reimbursement (Excess of line 5 over line 9. Include on Form 1040, line 20), none.

11. Deductible Expenses (Excess of line 9 over line 5. Include on Form 1040, line 23), $2,669.

EXPENSES DEDUCTIBLE AS ITEMIZED DEDUCTIONS

Note: These expenses include deductible Congressional expenses, other than for travel, which were not reimbursed by Congressional allowances. They include those expenses which may have been reimbursed from outside sources, such as contributed funds. Specify the kind of expense and total all expenses of the same kind. If additional space is needed, list the expenses on a separate sheet. Write "See separate sheet attached" on line 12 and enter the total amount on line 13.

12. Photography Fund—USS, $19.

Senate Recording Studio (39) and Mural Photo (198), $237.

13. Total expenses deductible. Include on line 31, Schedule A (Form 1040), $256.

PREVENTION OF BLINDNESS SOCIETY,
Washington, D.C., May 1979.

Received from Mrs. Ellen Proxmire merchandise which donor values at $2,500.

Your generous donation means more services to save sight—more glaucoma tests, more help for children with eye problems, and more sight restoration for people with cataract.

Thank you very much.

Sincerely,
ARNOLD B. SIMONSE, Ph. D.,
Executive Director.

THE CHELSEA SCHOOL,
Bethesda, Md., April 4, 1979.

MRS. WILLIAM PROXMIRE,
3097 Ordway Street, NW.,
Washington, D.C.

DEAR MRS. PROXMIRE: Thank you very much for the wooden easel which was donated in your name to The Chelsea School by Mrs. Faye Purl.

Mrs. Purl, who works in the estate sale business, suggested an evaluation of $20.00 on your gift.

Sincerely,
ELEANOR B. WORTHY,
Chairman, Board of Governors.

SENATOR WILLIAM PROXMIRE, EXPENSE SCHEDULE, 1979

Travel	Office	Phone	Dues+ sub	Per diem	Statutory mileage
39	192	479	176	417	331
80	242	674	131	175	
80	85	44	135	35	
80	52	642	276	25	
78		29		209	
82		483		49	
82				58	
82				106	
82				46	
88				360	
82				74	
164				88	
100				210	
82				36	
212				122	
106				288	
100				304	
86					
102					
86					
86					
102					
100					
111					
104					
90					
73					
56					
96					
2,791	571	2,351	718	2,602	331

Name: William Proxmire and Ellen Proxmire: SSN: (H) [redacted] SSN: (W) [redacted]

Address: 4613 Buckeye Road.

City, State, Zip: Madison, Wis. 53716.

CERTIFICATE

I hereby certify that I was in travel status in the Washington, D.C., area, away from my home in my home state of Wisconsin, in the performance of my official duties as a Member of Congress for 284 days during the year 1979 and that my deductable living expenses while in such travel status amounted to $3,000.00.

NOTE: (If such living expenses exceeded $3,000, the deduction is limited under section 162(2) of the Internal Revenue Code of 1954 to $3,000.)

GENOCIDE: NUMBERS THAT NUMB THE SPIRIT

Mr. PROXMIRE. Mr. President, Swedish diplomat Raoul Wallenberg and Nazi officer Adolf Eichmann give us very disparate but personal glimpses of genocide. One is the high and the other the low point of human aspirations and actions. But what of all the other men, women and children who fall between these two points? What of the victims; what is their story?

Personal accounts continue to filter out of Cambodia of mass executions under the Khmer Rouge. In the book "Murder of a Gentle Land," authors John Barron and Anthony Paul describe British journalist John Swain's observations from the Embassy compound when the Khmer Rouge took the city:

> Communists were tipping out patients like garbage into the streets. Bandaged men and women hobble by the embassy. Wives pushed wounded soldier husbands on hospital beds on wheels. In the five years of the war, this is the greatest caravan of human misery I have ever seen.

Swain was on the scene, but even his observations are from a distance. Real suffering like this can only be comprehended close up.

But even personal accounts, and there are many graphic accounts, cannot begin to capture the immensity of the horror of genocide. How can anyone extrapolate from 1 death to a 1,000? To 10,000? To the hundreds of thousands of untold stories of misery and death? To deaths of people who died in utter and complete obscurity?

Any individual story coming out of Cambodia is repulsive. We have laws to prevent individual killings like these. The crime is murder. But we have no laws to prevent genocide, a crime so much more callous, brutal, and disgusting than is murder.

Joseph Stalin understood the perverse rationale behind this discrepancy when he wrote:

> A single death is a tragedy, a million deaths is a statistic.

Cold statistics tempt us to detach ourselves intellectually from the emotional tragedy of genocide.

We must not let that happen. Genocide is a heinous crime that no amount of intellectualizing can rationalize or justify. We cannot ignore it. Genocide will not go away.

The Senate has an obligation to act to prevent any further occurrence of genocide. We must act to ratify the Genocide Convention.

Nothing stands in our way. Every President since Harry Truman has called for Senate consent to ratification. Our own Foreign Relations Committee has reported the Convention favorably four times. The prestigious American Bar Association has reversed its opposition to the Convention and has voted overwhelmingly to endorse it.

I call on my colleagues to ratify the Genocide Convention.

COMMITTEE MEETING DURING SENATE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Permanent Investigations Subcommittee of the Committee on Governmental Affairs be authorized to meet during the sessions of the Senate on Monday, April 28, 1980, through Monday, May 5, 1980, to hold hearings on organized crime and use of violence.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Does the distinguished acting minority leader need my time? If he does, I yield it to him.

RECOGNITION OF THE ACTING MINORITY LEADER

The ACTING PRESIDENT pro tempore. The Senator from Alaska is recognized.

ARTHUR L. BUTLER, GUEST CHAPLAIN

Mr. STEVENS. Mr. President, the Senate is honored today to have as its guest chaplain Mr. Arthur L. Butler, for almost 40 years a minister of the Church of Christ and a recently retired elder of his church.

Though he now resides in Alabama, the State of Tennessee was proud to claim Arthur Butler's citizenship for almost 20 years, and he was known to our minority leader not only as a prominent churchman but also as an outstanding educator, lecturer, and humorist.

Mr. Butler has preached throughout the Southeastern United States, establishing new congregations of the Church of Christ in Alabama, Florida, Georgia, and Tennessee.

He has been assisted in all these good works by his lovely wife Chris, who graces our gallery today, I am informed.

Mr. Butler received his undergraduate degree from Auburn University and his master's degree in education from the University of Tennessee at Chattanooga. As a student at Gadsden High School in Gadsden, Ala., he was a friend and classmate of James Allen, our late esteemed colleague in the Senate.

Mr. Butler is a faithful and talented servant of God, a wise and trusted counsellor to four decades of young people, a man who has made a quiet but substantial contribution to the spiritual and intellectual enrichment of the Nation.

We are pleased to have him and his family with us today. His son, Pat Butler, is an employee of the Senate.

ORDER OF PROCEDURE

Mr. STEVENS. Mr. President, I have no further use for time.

Mr. ROBERT C. BYRD. Will the Senator yield?

Mr. STEVENS. I do yield.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour under the cloture rule, which has already begun to run, not begin running until 4:30 p.m. today.

Mr. STEVENS. Mr. President, I am compelled to object.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess until 5:30 p.m. today.

Mr. STEVENS. I also object to that.

The ACTING PRESIDENT pro tempore. What was the request? The Chair did not hear the request.

Mr. ROBERT C. BYRD. The Senator here heard it and objected.

The ACTING PRESIDENT pro tempore. The Chair did not hear it.

Mr. ROBERT C. BYRD. I ask unanimous consent that the Senate stand in recess until 5:30 p.m. today.

Mr. STEVENS. I do object to that.

The ACTING PRESIDENT pro tempore. Objection is heard.

RECESS UNTIL 5:30 P.M.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate stand in recess until 5:30 p.m. today.

The motion was agreed to, and at 10:11 a.m., the Senate recessed until 5:30 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. BRADLEY).

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate resumed the consideration of the conference report on H.R. 10.

● Mr. STENNIS. Mr. President, I strongly opposed this bill when it passed the Senate on February 28, 1980. I still vigorously oppose it. Although I concede that the bill reported by the conference may be marginally less objectionable than the original bill as it passed the House of Representatives and the Senate, it still falls far short of meeting the basic and fundamental objections which I have to it.

One of the assumptions on which the bill is based is that State officials are unable and unwilling to protect and defend the constitutional right of their institutionalized citizens. This is not supported by the record made before the Senate Committee on the Judiciary. It is directly contradicted by various State officials who testified to the great strides being made by the States in the area of institutionalized treatment.

The basic proposition involved here is very simple. The Justice Department and other Federal agencies have time and time again misused and abused their existing authority to bring and intervene in lawsuits against States and local governments. Most Americans already feel that the Federal bureaucracy is too powerful, and I do not believe that the Congress should pass this bill and increase the power of the Justice Department to interfere with State efforts in the very sensitive area of the care and treatment of institutionalized persons.

I refuse to concede, as the proponents of this legislation charge, that the States lack concern for and are insensitive to the welfare of institutionalized persons entrusted to their care. I refuse to believe, as the proponents of this legislation assert, that the Justice Department is the best and only hope of the people who would be the alleged beneficiaries of this legislation.

Certainly, it is to be conceded that there are problems in the conditions at certain State institutions. These should be corrected just as promptly as possible. However, this does not justify nor validate the assumption that the Attorney General should serve as the bureaucratic watchdog for all State institutions.

Currently, Federal correctional institutions are under the control of the Attorney General. It is admitted that there are also serious problem conditions at many of these Federal institutions. Before the Congress grants the Justice Department new power over State institutions, it would be a very good idea to insure that the Attorney General has acted effectively to cure the existing problems at Federal institutions. Unfortunately, the record in this case suggests that the Justice Department is not quite as concerned about the welfare of the people it is supposedly seeking to protect as it is with the expansion of its own power.

The report of the Senate Committee on the Judiciary on S. 10 contains the following statement:

> Neither the Attorney General nor the Committee suggests that litigation by the Justice Department is an ideal method for eradicating widespread institutional abuse. It is costly, time consuming, and disruptive of the operations of state the local government.

While I agree with this statement, I would go considerably further. Such litigation is not only not the "ideal method" for coping with this problem, it is not even an appropriate, suitable, or desirable one. This is particularly true since this bill creates no new rights for institutionalized persons but merely confers additional and increased power on the Justice Department.

I would repeat, Mr. President, that the long arm and heavy hand of Federal power, control, and authority already intrude excessively in matters which not too long ago were almost universally considered to be the sole province of the States. However, this was before the doctrine of States' rights was almost obliterated by the decisions of the U.S. Supreme Court. We all receive many, many complaints from our constituents about the misuse and abuse by Federal agencies of existing authority to intervene in and interfere with the affairs of State and local governments. I do not believe that the Congress should reward and increase such abuse and such excesses by granting the Department of Justice the additional authority proposed by H.R. 10.

I am impressed by the fact, Mr. President, that I have been unable to detect any ground swell of support for this legislation. None of my constituents have written me or otherwise approached me with a request that I support it. I am constrained to believe, therefore, that there is little support for it except from the civil libertarians who believe that any problem can be solved simply by the application of Federal power and Federal funds. The fallacy of this philosophy has long since been established.

Mr. President, the Federal courts are already seriously overloaded with numerous matters. I do not believe that the burden placed upon these courts should be increased as is proposed by the conference report before us. This is basically an extraneous field for the courts. Any remedies which are necessary can be supplied by our State agencies and State officials. For these and other reasons, I hope the conference report will be rejected.●

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the automatic quorum call under rule XXII be waived.

The PRESIDING OFFICER. Without objection, it is so ordered.

One hour having passed since the Senate convened, the Chair, pursuant to rule XXII, lays before the Senate the pending cloture motion, which the clerk will state.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Birch Bayh, Lloyd Bentsen, Charles McC. Mathias, Jr., Bill Bradley, Jennings Randolph, John Culver, William Proxmire, John Glenn, Frank Church, Robert C. Byrd, Dennis DeConcini, Harrison A. Williams, Jr., Max Baucus, Gary Hart, Howard M. Metzenbaum, Patrick J. Leahy, Robert T. Stafford, Spark M. Matsunaga.

VOTE

The PRESIDING OFFICER. The quorum call under the rule having been waived, the question is, Is it the sense of the Senate that debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Nevada (Mr. CANNON), the Senator from Idaho (Mr. CHURCH), the Senator from Kentucky (Mr. FORD), the Senator from Alaska (Mr. GRAVEL), the Senator from Colorado (Mr. HART), the Senator from Kentucky (Mr. HUDDLESTON), the Senator from Massachusetts (Mr. KENNEDY), the Senator from North Carolina (Mr. MORGAN), the Senator from New York (Mr. MOYNIHAN), the Senator from Wisconsin (Mr. NELSON) and the Senator from Michigan (Mr. RIEGLE), are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

I further announced that, if present and voting, the Senator from North Carolina (Mr. MORGAN) would vote "nay."

Mr. BAKER. I announce that the Senator from Oregon (Mr. HATFIELD), the Senator from Oregon (Mr. PACKWOOD), the Senator from South Dakota (Mr. PRESSLER), the Senator from Alaska (Mr. STEVENS) and the Senator from South Carolina (Mr. THURMOND) are necessarily absent.

I further announce that, if present and voting, the Senator from Alaska (Mr. STEVENS) would vote "nay."

On this vote, the Senator from Oregon (Mr. HATFIELD) is paired with the Senator from South Carolina (Mr. THURMOND). If present and voting, the Senator from Oregon would vote "yea" and the Senator from South Carolina would vote "nay."

The PRESIDING OFFICER. Are there any other Senators in the Chamber who wish to vote?

The yeas and nays resulted—yeas 44, nays 39, as follows:

[Rollcall Vote No. 85 Leg.]

YEAS—44

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Glenn
Hatch
Heflin
Inouye
Jackson
Javits
Leahy
Levin
Lugar
Magnuson
Mathias
Matsunaga
McGovern
Melcher
Metzenbaum
Pell
Proxmire
Pryor
Randolph
Ribicoff
Sarbanes
Sasser
Schweiker
Stafford
Stone
Tsongas
Weicker
Williams

NAYS—39

Armstrong
Baker
Bellmon
Boren
Byrd, Harry F., Jr.
Chiles
Cochran
Cohen
Danforth
Domenici
Eagleton
Exon
Garn
Goldwater
Hayakawa
Heinz
Helms
Hollings
Humphrey
Jepsen
Johnston
Kassebaum
Laxalt
Long
McClure
Muskie
Nunn
Percy
Roth
Schmitt
Simpson
Stennis
Stevenson
Stewart
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—17

Cannon
Church
Ford
Gravel
Hart
Hatfield
Huddleston
Kennedy
Morgan
Moynihan
Nelson
Packwood
Pressler
Riegle
Stevens
Talmadge
Thurmond

The PRESIDING OFFICER. On this vote, the yeas are 44, the nays are 39. Three-fifths of the Senators present and voting having voted in the negative, the motion is rejected.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chairman, without objection, directs the clerk to read the motion.

The legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Lloyd Bentsen, Abraham Ribicoff, Robert C. Byrd, Claiborne Pell, Bill Bradley, Joseph R. Biden, Jr., Paul E. Tsongas, Harrison A. Williams, Jr., Alan Cranston, Robert T. Stafford, Patrick J. Leahy, William Proxmire, Daniel K. Inouye, Henry M. Jackson, Birch Bayh, Dennis DeConcini, Jennings Randolph, John Glenn.

Mr. ROBERT C. BYRD. Mr. President, no more rollcall votes are expected today.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a period now for the transaction of routine morning business for not to exceed 30 minutes, and that Senators may speak therein up to 5 minutes each.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. MATHIAS addressed the Chair.

The PRESIDING OFFICER. Will Senators please take their seats.

THE RESIGNATION OF SECRETARY OF STATE CYRUS VANCE

Mr. MATHIAS. Mr. President, Cyrus Vance has earned the thanks of the American people for a lifetime of public service. Not least among his contributions is the example of conscientious and independent judgment that marked his resignation as Secretary of State. It is more a matter of personal conviction and integrity in judging what is best for the United States of America and less a question of who was right or who was wrong. When opinion is divided and the stakes are high it is certainly easier to go along. It is reassuring to know that American political life still nourishes men and women of conscience whose ultimate loyalty is to the interests of the country.

When the time comes to tally up the record of the Carter administration in the field of foreign affairs, the role of Cyrus Vance will be fully appreciated. While there have been disappointments, there have also been successes in which his hand has been clearly apparent. The fact that he has felt forced to withdraw his hand will make a difference of very large proportions.

For the past 3 years, I have warned of the dangers of the Carter administration's schizophrenic foreign policy. I have consistently sought and urged the President to devise a strategic framework within which to conduct our relations with other nations.

Today, that goal is farther from our grasp than ever.

George Santayana, the philosopher, reminded us that:

> Those who do not remember the past are condemned to relive it.

Cyrus Vance has a sense of history. He puts his job on the line because he could remember the past.

The resignation of a Secretary of State on a question of principle would cast a special burden of responsibility on the Senate in any period of history. We in the Senate share with the President, the constitutional duty of shaping the foreign policy of the United States and every Senator has an increased responsibility when the machinery with which we make and execute foreign policy breaks down.

The Senate should look to the example of Cyrus Vance at this moment and avoid any action that will further prejudice the interests of the United States or the peace of the world. In the Vance tradition, we should now thoughtfully and discretely assess the facts as they relate to the security interests of the United States and, from our calm and comprehensive review of the situation, chart our course for the future. We need to estimate the effect of recent events on our relationship with our allies, on tensions with the Soviet Union, on developments in Chinese policy and on the state of national disintegration in Iran. We need to consider their effect on national morale.

If the Senate will now do its duty, in this way, then Cyrus Vance's resignation may bring with it a legacy for the Nation that is positive and valuable. Whether we shall do so depends on our clear vision of the dangers of this hour and the even greater disasters that threaten any nation that elevates emotion over reason, or that abandons historic national principles to grab at brass rings.

In Secretary Vance's departure from public life we are, of course, losing more than a single officer of Government, we are losing a family team of remarkable dedication and effectiveness. Gay Vance is much more than a Cabinet wife at her husband's side. In a quiet way she is an active and innovative participant in the larger scene in which diplomacy is conducted. She is intimately aware of the personal and daily problems that affect foreign service officers and their families and she has worked forcefully to make life better for them. Her personal concern in this regard has had the result of making the problems of foreign service life more widely recognized and therefore more likely to be addressed and managed. She has a special following of her own among foreign service families, and this is an important contribution to the morale and spirit of the Department of State.

Two centuries ago, the British moralist Joseph Addison wrote that:

> The sense of honor is of so fine and delicate a nature, that it is only to be met in minds which are naturally noble . . .

Cyrus Vance has such a mind. His absence from our councils of State will be sorely felt.

Mr. JAVITS. Mr. President, will the Senator yield?

Mr. MATHIAS. I am happy to yield.

Mr. JAVITS. Senator MATHIAS, with his customary acumen and historical knowledge, has put in proper focus what our country has lost in losing the services of Cyrus Vance.

As a member of the Committee on Foreign Relations, and its ranking member, I have dealt with him in all the years he has been in office. He is a man of high integrity, high professional skill, great personal honor, and a great son of our country.

I said this morning on television pretty much what Senator MATHIAS has said, that Cyrus Vance's resignation, the resignation of the top officer in the Cabinet, puts our Government in very serious disarray. Mr. President, the way, the only way, in which America's foreign policy can now be properly asserted is in a Senate and a Congress which will have an eye single to the national interest, and I hope very much that we will learn this lesson aright.

If we do not assert the powers under the war powers resolution, which the Senate Committee on Foreign Relations will be considering as to its compliance in respect of the Iran operation, if we do not recognize that a high sense of responsibility in us in foreign policy is urgently required right now when the Secretary has resigned, and we are likely in the midst of a political campaign to get a brand new Secretary, assuming he is worthy of confirmation, then we never will, and we will be unworthy of our trust.

I join with Senator MATHIAS in emphasizing that lesson to the Senate which comes from the Secretary's resignation on a matter of principle, and to join in the tribute to Cyrus Vance, as a citizen and as a very noble public servant for having taken an act, which is very unusual in our history, in response to his own conscience as to what is best for our country.

Mr. CHAFEE. Mr. President, will the Senator yield?

Mr. MATHIAS. I am happy to yield if I have time.

Mr. CHAFEE. Mr. President, I join Senators MATHIAS and JAVITS in their tribute to Secretary of State Cyrus Vance. He is a person of character, ability, tenacity, and courage.

He leaves this office with great credit to his name, above and beyond that of having resigned in what I judge to be a courageous step. He leaves office having made a magnificent effort for the foreign policy of this country. I particularly speak of the Panama Canal Treaty, the Mideast arms sale, the lifting of the Turkish arms embargo, the Camp David accords, and the solid work he did on the SALT II treaty.

I greatly regret, as do others, that his moderating counsel will be gone from the higher echelons of foreign policy decisionmaking in this Nation. It seemed to me, Mr. President, that he kept his eye on the main problems of this country and did not get diverted with tangents.

So I greatly regret that he will be leaving. I wish him well in whatever he undertakes and do hope whoever is chosen as his successor will have the same wisdom and capacity as Cyrus Vance.

Several Senators addressed the Chair.

The PRESIDING OFFICER. The Senator from Rhode Island.

Mr. PELL. Mr. President, I would like to join my colleagues in expressing my own regrets and sadness at the resignation of Secretary Vance.

We have all known many individuals who sought to come into the Government. We have all known individuals who have been pushed out of the Government. But we know very few individuals who have ever resigned purely as a matter of principle. And when they have resigned, they sought to make a big fanfare out of it in order to enlarge their own prestige.

In this case, the resignation was over principle. It was decided upon prior to the event that precipitated the resignation and has been done with as much concern for the national interest as is possible.

I think what we lose in Secretary Vance is a steady hand at the helm; a man of wisdom, a man of very real experience—experience in foreign policy, which does not come easily or quickly. We lose a man of honor, of integrity, and a man who enjoys the respect of not his compatriots but of leaders and people abroad.

When you travel outside of the United States, you find that Secretary Vance is one of the few men in our Government who are admired and looked up to as an example.

I believe if we could get a man in his mold to succeed him, we will be lucky, indeed.

I wish Secretary Vance all the best and Godspeed on his retirement. I only hope our Government and our country may be fortunate enough to enjoy his employment again.

Mr. MATSUNAGA addressed the Chair.

The PRESIDING OFFICER. The Senator from Hawaii.

Mr. MATSUNAGA. Mr. President, I wish to join my colleagues in rising to express my sadness upon the resignation of Secretary of State Cyrus Vance.

More than any man that I have known in public office, Cy Vance has shown that in every word and act he placed uppermost the best interest of his own country. And this is what we will miss upon his departure. He is a public servant in the truest sense of the word.

He leaves vacant a post which will be most difficult to fill. History will record that he is one of the finest statesmen to serve in that post.

Mr. President, Cy Vance will be looked up to as an example for others to emulate. I deeply regret that he is leaving. It is even more significant that he is leaving because he differed with his superior. This, in fact, shows his team spirit. He would not sacrifice his basic principles and beliefs and he departs because he feels that he can no longer be a part of the team and serve with all his complete sincerity and dedication.

The country will certainly miss Cy Vance.

Mr. BAKER. Mr. President, I note this morning's announcement of the resignation of Secretary of State Cyrus Vance with deep and sincere regret.

Although I have frequently disagreed with the administration on matters of foreign policy, I have never doubted the ability or dedication of Secretary Vance, who was charged with the responsibility of implementing those policies. He is a man of simple dignity and integrity. He is a man whose sense of principle and personal responsibility demand our unreserved respect.

Whatever the circumstances involved in his resignation, I have nothing but the highest personal regard for Secretary Vance and I regret that we have lost his services to the Nation at this time in our history. Regardless, I wish Cy Vance every success in future endeavors and I shall continue to value his friendship, trust, and counsel.

Mr. TOWER. Mr. President, the resignation of Secretary of State Vance, premised on 3 years of disagreement over the course of U.S. foreign policy, is but a tardy confirmation of what has long been apparent to America's friends and adversaries alike—U.S. foreign policy is in deep chaos and disarray.

For 3 years the paralysis born of dissension and flawed perceptions within the Carter administration has resulted in policies of conciliation, compromise, and caution instead of firmness and resolve—in vacillation, where decisiveness is required.

The inconstancy that has typified Carter policy, the spasms of advance and retreat have emboldened our adversaries and created an unprecedented degree of confusion and frustration among our allies. The fundamental questions posed in 1977 remain unanswered today. What are our national objectives; what is our strategy; what is our vision of Soviet strategy? The answers have varied over time, with the result that any long-term basis for trust, confidence, and respect has been shattered.

The real losses can be measured in the headlines of the past year. They can be measured in the darkening shadow of Soviet expansion of its influence in areas ever closer to vital U.S. interests. They can be measured in the undermining of U.S. military strength accompanied by an ominous shift in the balance of military power.

Secretary Vance has taken the proper course. Our purpose today must be to look to the future and to the absolute imperative of establishing order and introducing a foundation of firmness and coherence to U.S. foreign policy. We can no longer afford the luxury of consensus politics in the formulation and implementation of foreign policy. It is a time for leadership. The American people are waiting. The world is waiting. Time is running out.

SENATOR HATFIELD OPENS SEMINAR ON PROPOSALS FOR A NATIONAL ACADEMY OF PEACE AND CONFLICT RESOLUTION IN PORTLAND

Mr. MATSUNAGA. Mr. President, as Chairman of the U.S. Commission on Proposals for a National Academy of Peace and Conflict Resolution, I am pleased to report that the nine-member Commission has initiated a series of public seminars throughout the Nation, as provided for under its enabling act, Public Law 95-561. The second of these seminars was held April 7-9, 1980 in Portland, Oreg. On that occasion, our colleague from Oregon, Senator MARK O. HATFIELD, a cosponsor of the legislation which created the Commission, kindly agreed to address members of the press and prospective witnesses who assembled at a reception on the evening of April 7.

I am confident that Senator HATFIELD's insightful remarks about the proposed establishment of a National Academy of Peace will be of interest to all Members of the Senate and I ask unanimous consent that the full text of his remarks be printed in the RECORD.

There being no objection, the remarks were ordered to be printed in the RECORD, as follows:

REMARKS OF SENATOR MARK O. HATFIELD

President Howard, Commissioner Lincoln, and ladies and gentlemen: As we live and observe the life in this turbulent and interdependent world, I think that the quest for peace is more paramount than ever before for our collective survival. We have entered the age of proliferation of weaponry and of tensions between neighbor and nation within the ranks of labor and management, in schools and institutions of learning, and in every other arena wherein exist divergent viewpoints. Some remark that this is perhaps the age of the adversary in defining personal interrelationships. And, therefore, I think we could say from both a national perspective, as well as from an international perspective, that there is a clear need for a comprehensive study of our peace-making capabilities, as well as recognizing this as the best defense against the powers of destruction which can bring ruin, not only to programs and to ideals, but indeed to entire nations and perhaps a holocaust enveloping the entire world.

I believe as we observe the scene today, one would have to at least ask the question whether the United States is secure in the precarious world and if our security depends really so much on how we define our national security as we would like to think. I believe that the most prevalent mistake that we hear reported and acted upon too frequently through legislative and other political implementation is to suppose that national security corresponds to military might. We tend to think that people are secure if a nation has sophisticated war-making tools and only if we have the superiority of such war-making tools. In other words, we are secure if we have the capability to destroy life, not only once, but several times over.

Military power must be recognized as one small component of our nation's complex structure and that kind of complex structure that is going to ultimately gain national security. I think this has to be kept in perspective. We must understand, in other words, that security is more than a military issue and that if one sees it as a military issue it cannot only be reduced to the adequacy of the quantity of military hardware. But security involves far more than just the existence of military defense. I think the psychology of defending our national security, when we take purely a hardware viewpoint, can and has, in effect, actually jeopardized some of our other liberties. For instance, when the United States Congress commits itself to a 5 percent increase above the inflation rate for military spending for each year in the next five years, that means we have committed ourselves to an expenditure of $1 trillion in five years for military purposes. That is supposed to answer our national security question. In effect, we are taking away from other important components of our national security. We are undernourishing the human programs and the unanswered human complexities to which government has a responsibility to address itself, as well as to help provide the resources to solve and resolve such problems. Taking purely a military approach to our national security sets the groundwork, in effect, to force a generation of young Americans into a war with meaningless purpose and without basic constitutional right or moral standard.

I think, therefore, that we must never lose sight of at least one essential truth; that protecting and preserving the life of the citizens of America is directly dependent upon conditions that will preserve and nurture life throughout the entire globe. That is our interdependency. The major threat to our well-being today and to world peace in general, is imposed by the divisions between nations controlling the world's basic resources on the one hand and those struggling to allow their own people to eat and sustain life, on the other hand. In other words, the world is divided between the haves and the have nots and that gap is widening—not narrowing. The greatest threat to the future peace, as well as to the present peace, will stem from wars of redistribution of the world's wealth and resources, not upon the basis of political, ideological differences. The threat will come from the owning, rather than the managing and effectively sharing of the equitable distribution of the world's resources. That will become the target of future wars. Even those nations with so-called high standards of living are not free from participation in a tug of war over the resources of the world or of the power to control them.

A very distinguished former Commissioner of Education for the United States Government, Dr. Earl J. McGrath, has noted that some of the most chaotic and humanly oppressive conditions have been allowed to occur in nations with advanced and highly accessible education. I think we have to understand that technological Utopias do not necessarily correspond to what people really want if they do not suggest, as well, approaches to the problems that must be faced if humankind is to survive. And, therefore, it is clear to me that if education is to be a major instrument of social reconstruction and a means of improving our lot and the lot of the world, then it will have to be of a different character and have different purposes than those that have dominated the learning in the past century in this country.

This brings us, then, to the concept of schooling in ways of peace. It is an idea that has its roots even in the minds of our American founding fathers and certainly has been nurtured in the hearts of enlightened military heroes and others who have personally experienced the ravages of war. Some have become the most eloquent spokesmen for finding ways to avoid war in the future. President Dwight David Eisenhower was such a person, for he cautioned against excessive reliance upon military solutions for international conflicts because of the serious costs. And these were the words with which he warned the nation and the world: "Every gun that is made, every warship launched, every rocket fired signifies in the final sense a theft from those who are hungry and not fed; those who are cold and not clothed, and that is not a way of life at all." Dwight David Eisenhower continued "for under the cloud of threatening war, it is humanity hanging from a cross of iron. World hunger, world hatred are both caused oftentimes by plunder, not merely by scarcity." And this was eloquently described in the thoughts of Mahatma Ghandi when he put it this way, "The earth provides enough for every man's need, but not for every man's greed."

Therefore, we come to not only the thought of schooling for peace, but of the Peace Academy possibility itself. What then is the role of an institution devoted to the academic pursuit of peace. And what is its application in all the spheres of discord and potential eruption within the family of humanity. What form should this entity take? Who should be involved in its design? How should we broaden its appeal to the general population and assure it a rightful place in the body of knowledge? These issues are being addressed, of course, by the Peace Academy Commission as it opens its hearing tomorrow morning here on the campus of Lewis and Clark. And as it takes on its awesome responsibilities, its first major opportunity for action toward a national entity devoted to non-violent conflict resolution on a broad scale will take place here in the great state of Oregon. No one individual can be credited with the fruition of this effort. For two years ago, the concept was as much a pipe dream as it was two hundred years ago. It would have remained so, except for the unwaivering efforts of a small group of dedicated individuals in Peace Academy campaigns around this country who persevered. They helped convince a small, but highly respected constituency—first in academia, then the military, then the government, then the community at large, and then corporate America—that these efforts can make a difference, in fact, all the difference in the world.

It is with a sense of excitement and of hope that we open these hearings officially this evening in our state of Oregon amongst old friends and new friends who share a common mission, an enormous challenge, knowing full well that the human race is the only beneficiary.

EARTH DAY 1980: THE BEGINNING OF A NEW ENERGY AGE

Mr. MATSUNAGA. Mr. President, the 10th annual celebration of Earth Day on Tuesday, April 22, 1980, reflected the major strides made in environmental legislation during the decade of the 1970's and sounded the call for a second decade of environmental progress through conversion to renewable energy alternatives.

Congress, during the past 10 years, has passed the National Environmental Policy Act, the Clean Air Act Amendments of 1970, the Clean Water Amendments of 1972, the Safe Drinking Water Act, the Resource Recovery Act, the Coastal Zone Management Act, and the Surface Mining Control and Reclamation Act. A United Nations Environmental Program has been created.

The significance of these acts lies in the fact that our air is cleaner, our waters are less polluted, and our people are more informed of and more involved in matters pertaining to the environment.

Now is the time for the United States to turn to the Sun and other sources of renewable energy. Although there are a number of economic and institutional barriers still to be overcome, our renewable energy options are becoming more attractive as fossil fuels become more costly and less secure. Our Nation will be importing some $100 billion worth of oil this year and the State of Hawaii alone expects to spend $1 billion on imported oil. Should there be further unrest in the Middle East, we might face another boycott even worse than the one in the early 1970's.

Finally, and of equal importance, is the fact that renewable energy makes good environmental sense. As Earth Day 1970 sparked a national commitment to preservation of the environment, let us hope that Earth Day 1980 will be the dawn of a new energy age—one that runs on renewable energy.

THE 50TH ANNIVERSARY OF THE ORDINATION OF DR. EDWARD L. R. ELSON

Mr. BAKER. Mr. President, yesterday marked a very special anniversary for our friend, the distinguished Chaplain of the Senate, Dr. Edward Elson. In memorable ceremonies at the National Presbyterian Church here in Washington, where he serves as pastor emeritus, Dr. Elson was honored on the 50th anniversary of his ordination as a minister of the gospel.

As my colleagues know, these have been an eventful 50 years for Dr. Elson. He served as a courageous battlefield chaplain during World War II in the European theatre. He baptized President Dwight D. Eisenhower in 1953, the only time in American history a sitting President has been baptized. He has officiated at more state funerals than any other Senate Chaplain in history: those of John F. Kennedy, Douglas MacArthur, J. Edgar Hoover, Lyndon B. Johnson, and Hubert Humphrey.

He has served with great distinction as Chaplain of the Senate for more than a decade. He ministered to a mighty church, the National Presbyterian, for more than a quarter century. His eloquence and his influence have won countless people to Christian service over the last half century.

Of personal significance to my family, Dr. Elson officiated at the funerals of Everett McKinley Dirksen, my wife's father, and the late Republican leader of the Senate, and his wife, Louella. It was also my honor to serve on the board of trustees of the National Presbyterian Church during Dr. Elson's service as pastor.

I know my colleagues will wish to join me in congratulating Dr. Elson on this giant milestone of service to God and his fellow man, and I ask unanimous consent that a tribute to Dr. Elson published in the National Presbyterian Carillon be entered in the Record at this time.

There being no objection, the tribute was ordered to be printed in the Record, as follows:

Pastor Emeritus to Preach on 50th Anniversary, Sunday, April 27

Members of the National Presbyterian Church who have worked with, supported and been led by Dr. Edward L. R. Elson will honor him on the 50th anniversary of his ordination, Sunday, April 27, 1980. They will be joined by family, friends and associates. Following the eleven o'clock service at which Dr. Elson will preach, there will be a reception for all who wish to greet the pastor emeritus and current Chaplain of the United States Senate.

Under Dr. Elson's 26½ years of leadership the legal steps for a National Presbyterian Church were consummated by the General Assembly and with the approval of the Presbytery, the National Presbyterian Church and Center was constructed. During his long pastorate Dr. Elson carried forward the emphasis of his predecessors in dignity in worship, eloquence in preaching and competence in executive leadership.

Dr. Elson was ordained in Santa Monica, California, Sunday, April 27, 1930 in the First Presbyterian Church in which he was serving as Assistant Minister to Dr. Albert Joseph McCartney who in the same year left Santa Monica to become Pastor of the Covenant-First Presbyterian congregation, already designated as the church to become the National Presbyterian Church.

From 1931 to early 1941, Dr. Elson was Pastor of the La Jolla Presbyterian Church. Within a few weeks of his ordination he was commissioned in the Army Corps of Chaplains and immediately began education and training for service which later became his vocation for more than five years.

With this pastoral and military experience he came to the pulpit of this Church, a pulpit to which he added honor. In 1955 he was named Clergy Churchman of the Year and in 1959 he was named by Christian Century one of six "outstanding representatives of the contemporary Protestant pulpit."

In the course of his ministry he has published 9 books, one of which ("America's Spiritual Recovery") was the first book selected by the Evangelical Book Club of America. His sermons have appeared in Best Sermons of the Year and in "Representative American Speeches." According to several Senators more of his sermons have been published in the Congressional Record than those of any other contemporary clergyman. His preaching and writing were acknowledged by 13 Freedom Foundation awards.

Dr. Elson's relationship with 7 Presidents he has known in his 34 years in Washington has often been close. Twice he was emissary abroad for President Eisenhower and once for President Johnson. In 1969 Dr. Elson was elected to his first term as Chaplain of the United States Senate, a position to which he has been re-elected 5 times.

When he became Minister Emeritus in 1973 of the National Presbyterian Church, the building program had been completed without debt, a year of dedicatory events had taken place, the membership numbered more than 2,700 and a Presbyterian Center program flourished under the leadership of Dr. Lowell R. Ditzen. The help of dedicated, imaginative and generous laymen and associates made his tenure outstanding.

Mrs. Elson, the former Helen Chittick of La Jolla, California, was educated at the Bishop's School and the University of California. She has been active in the life of the Church and community throughout her husband's career and in 1966 she was named the District of Columbia Mother of the Year. The Elsons have four children and three grandchildren.

APPOINTMENT BY THE PRESIDENT PRO TEMPORE

The PRESIDING OFFICER (Mr. Bradley). The Chair, on behalf of the President pro tempore, pursuant to Public Law 95-216, reappoints Mr. Russell W. Laxson, of Minnesota, as a member of the National Commission of Social Security until April 1, 1981.

MESSAGES FROM THE PRESIDENT

Messages from the President of the United States were communicated to the Senate by Mr. Chirdon, one of his secretaries.

EXECUTIVE MESSAGES REFERRED

As in executive session, the Presiding Officer laid before the Senate messages from the President of the United States submitting sundry nominations, which were referred to the appropriate committees.

(The nominations received today are printed at the end of the Senate proceedings.)

PROTOCOL AMENDING THE AGREEMENT FOR COOPERATION CONCERNING CIVIL USES OF ATOMIC ENERGY BETWEEN THE UNITED STATES AND CANADA—MESSAGE FROM THE PRESIDENT—PM 201

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with accompanying papers, which was referred to the Committee on Foreign Relations:

To the Congress of the United States:

I am pleased to transmit to the Congress, pursuant to Section 123 d of the Atomic Energy Act of 1954, as amended, (42 U.S.C. 2153(d)), the text of the Protocol Amending the Agreement for Cooperation Concerning Civil Uses of Atomic Energy Between the United States and Canada, along with the accompanying Agreed Minute. The proposed Protocol is accompanied by my written determination, approval and authorization, and by the Nuclear Proliferation Assessment Statement concerning the Protocol. The joint memorandum submitted to me by the Secretaries of State and Energy, which includes a summary of the provisions of the Protocol, and the views of the Director of the Arms Control and Disarmament Agency and of the Nuclear Regulatory Commission are also enclosed.

The purpose of the proposed Protocol is to extend the present agreement (which expires on July 14), to modernize and expand the framework for peaceful nuclear cooperation between the two countries, and to strengthen the provisions for shared non-proliferation policies and the nuclear supply policies of the United States and Canada. On our part, these policies include the requirements set forth in the Nuclear Non-Proliferation Act of 1978. In my judgment the United States-Canada Agreement for Cooperation, as proposed to be amended, meets all statutory requirements.

I am particularly pleased to transmit such an agreement with Canada, one of the strongest supporters of the Non-Proliferation Treaty and of international non-proliferation efforts generally. The proposed Protocol reflects the desire of the Government of the United States and the Government of Canada to update the framework for peaceful nuclear cooperation between our two countries in a manner that recognizes our common non-proliferation goals as well as the singularly close and extensive relationship between the United States and Canada in the peaceful applications of nuclear energy. The proposed Protocol will, in my view, further the non-proliferation and other foreign policy interests of the United States.

I have considered the views and recommendations and statements of the interested agencies in reviewing the proposed Protocol and have determined that its performance will promote, and will not constitute an unreasonable risk to, the common defense and security. Accordingly, I have approved the agreement and have authorized its execution and urge the Congress to give it favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *April 28, 1980.*

REPORT OF THE ADMINISTRATION ON AGING—MESSAGE FROM THE PRESIDENT—PM 202

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Labor and Human Resources:

To the Congress of the United States:

In accordance with Section 208 of the Older Americans Act (42 U.S.C. 3018), I am transmitting to Congress the Annual Report for Fiscal Year 1979 of the Administration on Aging of the Department of Health, Education, and Welfare.

This report has been prepared by the Commissioner on Aging and submitted to me as required by law. The Report describes the activities carried out under the Older Americans Act in 1979, including data on services and activities provided individuals.

JIMMY CARTER.

THE WHITE HOUSE, *April 28, 1980.*

REPORT OF THE DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT—MESSAGE FROM THE PRESIDENT—PM 203

The **PRESIDING OFFICER** laid before the Senate the following message from the President of the United States, together with an accompanying report, which was referred to the Committee on Banking, Housing, and Urban Affairs:

To the Congress of the United States:

I am pleased to transmit to you the 14th Annual Report of the Department of Housing and Urban Development. It contains a narrative record of the major activities under all of the programs administered by HUD during 1978.

JIMMY CARTER.

THE WHITE HOUSE, *April 28, 1980.*

EXECUTIVE AND OTHER COMMUNICATIONS

The following communications were laid before the Senate, together with accompanying papers, reports, and documents, which were referred as indicated:

EC-3645. A communication from the President of the United States, reporting, pursuant to law, on a proposed rescue operation designed to effect the rescue of the American hostages who have been held in Iran since November 4, 1979; to the Committee on Foreign Relations.

EC-3646. A communication from the Secretary of Agriculture, transmitting a draft of proposed legislation to provide grants to States for the purpose of assisting the colleges eligible to receive funds under the Act of August 30, 1890, including Tuskegee Institute, in the purchase of equipment and land, and the planning, construction, alteration, or renovation of buildings to strengthen their capacity for food and agricultural research; to the Committee on Agriculture, Nutrition, and Forestry.

EC-3647. A communication from the Acting Direcotr, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Switzerland for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3648. A communication from the Assistant Secretary of the Army (Installations, Logistics and Financial Management), reporting, pursuant to law, that a study has been conducted with respect to converting the function of caretaker activities at Frankford Arsenal, Philadelphia, Pennsylvania, and a decision has been made that performance under contract is the most cost-effective method of accomplishing it; to the Committee on Armed Services.

EC-3649. A communication from the General Counsel of the Department of Defense, transmitting a draft of proposed legislation to amend section 673b of title 10, United States Code, to provide for increasing the number of members of the Selected Reserves who may be ordered to active duty other than during war or national emergency; to the Committee on Armed Services.

EC-3650. A communication from the Assistant Secretary of the Army (Manpower and Reserve Affairs), transmitting a draft of proposed legislation to provide for the transportation of dependents of members of the uniformed services who are stationed in Alaska and Hawaii and who are in need of medical attention not available in the area where the member is stationed; to the Committee on Armed Services.

EC-3651. A communication from the Acting Director, Defense Security Assistance Agency, reporting, pursuant to law, concerning the Department of the Air Force's proposed Letter of Offer to Singapore for Defense Articles estimated to cost in excess of $25 million; to the Committee on Armed Services.

EC-3652. A communication from the Chairman, Board of Governors, Federal Reserve System, transmitting, pursuant to law, the sixty-sixth annual report of the Board for calendar year 1979; to the Committee on Banking, Housing, and Urban Affairs.

EC-3653. A communication from the Secretary of Housing and Urban Development, transmitting, pursuant to law, the fifth annual report on the Community Development Block Grant Program; to the Committee on Banking, Housing, and Urban Affairs.

EC-3654. A communication from the President, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Spain; to the Committee on Banking, Housing, and Urban Affairs.

EC-3655. A communication from the Secretary of Housing and Urban Development, transmitting a proposed amendment to S. 2383, 96th Congress, "Housing and Community Development Act of 1980"; to the Committee on Banking, Housing, and Urban Affairs.

EC-3656. A communication from the Assistant Secretary for Congressional Relations, Department of State, reporting, pursuant to law, that the President has determined that it is in the national interest for the Export-Import Bank of the United States to support transactions involving the purchase or lease of products or services by, for use in, or for sale or lease to, the People's Republic of China; to the Committe on Banking, Housing, and Urban Affairs.

EC-3657. A communication from the President, Export-Import Bank of the United States, reporting, pursuant to law, with respect to a transaction involving U.S. exports to Israel; to the Committee on Banking, Housing, and Urban Affairs.

EC-3658. A communication from the Secretary of Transportation, transmitting, pursuant to law, the tenth annual report of Operations under the Airport and Airway Development Act of 1970; to the Committee on Commerce, Science, and Transportation.

EC-3659. A communication from the Secretary of Energy, transmitting, pursuant to law, a report on a decision not to purchase 200 upgraded electric and hybrid vehicles during fiscal year 1980; to the Committee on Commerce, Science, and Transportation.

EC-3660. A communication from the Federal Inspector, Alaska Natural Gas Transportation System, transmitting, pursuant to law, the quarterly report on the status of the Alaska natural gas pipeline system for the period January through March 1980; to the Committee on Energy and Natural Resources.

EC-3661. A communication from the Secretary of the Interior, transmitting, pursuant to law, a report on maximum attainable rates of production from significant fields in the Outer Continental Shelf; to the Committee on Energy and Natural Resources.

EC-3662. A communication from the Deputy Assistant Secretary of the Interior, transmitting, pursuant to law, a report on the receipt of a project proposal under the Small Reclamation Projects Act by the Shoshone Irrigation District, Powell, Wyoming; to the Committee on Energy and Natural Resources.

EC-3663. A communication from the Acting Assistant Secretary of the Interior, transmitting a draft of proposed legislation to amend the Act of May 26, 1926, (44 Stat. 657, 43 U.S.C. 373a) to provide for the appointment of a Commissioner of Water and Power Resources; to the Committee on Energy and Natural Resources.

EC-3664. A communication from the Secretary of Transportation, transmitting, pursuant to law, the annual report on the Highway Bridge Replacement and Rehabilitation Program; to the Committee on Environment and Public Works.

EC-3665. A communication from the Secretary of Transportation, transmitting, pursuant to law, a report entitled "An Overview of Transportation Insurance Problems in Rural Areas"; to the Committee on Environment and Public Works.

EC-3666. A communication from the Assistant Legal Adviser for Treaty Affairs, Department of State, transmitting, pursuant to law, a report on an international agreement, other than a treaty, entered into by the United States in the past sixty days; to the Committee on Foreign Relations.

EC-3667. A communication from the Acting Director of the International Communication Agency, transmitting a draft of proposed legislation to amend some of the administrative provisions of the Agency's basic enabling authorities; to the Committee on Foreign Relations.

EC-3668. A communication from the Secretary of State, transmitting, pursuant to law, the twenty-seventh report on the extent and disposition of United States contributions to international organizations; to the Committee on Foreign Relations.

EC-3669. A communication from the Assistant Secretary of the Treasury (Legislative Affairs), transmitting, pursuant to law, project performance reports prepared by the International Bank for Reconstruction and Development, special studies prepared by the External Review and Evaluation Office of the Inter-American Development Bank, and project performance or completion reports prepared by the Asian Development Bank; to the Committee on Foreign Relations.

EC-3670. A communication from the Vice President for Government Affairs, National Railroad Passenger Corporation, transmitting, pursuant to law, the report of the Corporation on compliance with the Government in the Sunshine Act for calendar year 1979; to the Committee on Governmental Affairs.

EC-3671. A communication from the Chairman, Federal Labor Relations Authority, transmitting, pursuant to law, a report relating to administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3672. A communication from the Chairman, Federal Energy Regulatory Commission, transmitting pursuant to law, a report on administration of the Government in the Sunshine Act; to the Committee on Governmental Affairs.

EC-3673. A communication from the Secretary of Health, Education, and Welfare, transmitting, pursuant to law, a report entitled "A Comprehensive Health Plan for American Indian and Alaska Native People for Fiscal Years 1981-1984," December 1979; to the Select Committee on Indian Affairs.

EC-3674. A communication from the Assistant Attorney General for Legislative Affairs, Department of Justice, transmitting, pursuant to law, a report entitled "Speedy Trial Act Impact Study," April 15, 1980; to the Committee on the Judiciary.

EC-3675. A communication from the General Counsel, Legal Services Corporation, transmitting, pursuant to law, a report on administration of the Freedom of Information Act; to the Committee on the Judiciary.

EC-3676. A communication from the Deputy Secretary of the Treasury, transmitting a draft of proposed legislation to amend chapter 41 of title 18, United States Code, to make threats against certain other United States Secret Service protectees a criminal offense; to the Committee on the Judiciary.

EC-3677. A communication from the Acting Commissioner, Immigration and Naturalization Service, Department of Justice, transmitting, pursuant to law, 785 reports concerning visa petitions which the Service has approved according the beneficiaries of such petitions third and sixth preference classification under the Immigration and Nationality Act, as amended; to the Committee on the Judiciary.

EC-3678. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the Biomedical Sciences Program; to the Committee on Labor and Human Resources.

EC-3679. A communication from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting, pursuant to law, final regulations for the Financial Assistance for Construction, Reconstruction, or Renovation of Higher Education Facilities Program; to the Committee on Labor and Human Resources.

EC-3680. A communication from the Administrator of the Veterans Administration, transmitting a draft of proposed legislation to amend title 38, United States Code, to increase the rates of disability compensation for disabled veterans; to increase the rates of dependency and indemnity compensation for their surviving spouses and children; and for other purposes; to the Committee on Veterans' Affairs.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. DOMENICI, from the Committee on Energy and Natural Resources, with an amendment:

H.R. 3928. An act to amend the act of November 8, 1978 (92 Stat. 3095) to designate certain Cibola National Forest lands as additions to the Sandia Mountain Wilderness, New Mexico (Rept. No. 96-666).

By Mr. MAGNUSON, from the Committee on Commerce, Science, and Transportation, with an amendment, and, on behalf of Mr. RANDOLPH, from the Committee on Environment and Public Works, with amendments:

S. 2163. A bill to provide for the conservation and enhancement of the salmon and steelhead resources of Washington State, assistance to the treaty and nontreaty harvesters of those resources, and for other purposes (Rept. No. 96-667).

By Mr. McCLURE, from the Committee on Energy and Natural Resources, with amendments:

S. 924. A bill to provide for protection of the John Sack Cabin, Targhee National Forest in the State of Idaho (Rept. No. 96-668).

By Mr. BUMPERS, from the Committee on Energy and Natural Resources, without amendment:

S. 2398. A bill to extend the provisions of the General Exchange Act, as amended, to certain lands in order that they may become parts of the Umatilla and Wallowa National Forests, and for other purposes (Rept. No. 96-669).

EXECUTIVE REPORT OF A COMMITTEE

The following report of a nomination was submitted:

By Mr. CANNON, Committee on Commerce, Science, and Transportation:

Stephen Berger, of New York, to be Chairman of the Board of Directors of the U.S. Railway Association.

(The above nomination from the Committee on Commerce, Science, and Transportation was reported with the recommendation that it be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

FOREIGN CURRENCY REPORTS

In accordance with the appropriate provisions of law, the Secretary of the Senate herewith submits the following report(s) of standing committees of the Senate, certain joint committees of the Congress, delegations and groups, and select and special committees of the Senate, relating to expenses incurred in the performance of authorized foreign travel:

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE UNITED STATES SENATE COMMITTEE ON AGRICULTURE, NUTRITION, AND FORESTRY, FOR THE PERIOD FROM JANUARY 8, 1980 TO JANUARY 20, 1980, UNDER AUTHORITY OF SECTION 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b)

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Eugene R. Prat:									
Indonesia	Rupiah	119,625	191.40					119,625	191.40
Thailand	Baht	1,434.68	70.25					1,434.68	70.25
Philippines	Peso	1,113	150.00					1,113	150.00
Taiwan	Taiwan dollar	8,095.50	225.00					8,095.50	225.00
Air fare to all of above	Deutsche mark			5,021.75	2,936.70			5,021.75	2,936.70
Total			636.65		2,936.70				3,573.35

March 31, 1980

HERMAN E. TALMADGE, Chairman
Committee on Agriculture, Nutrition, and Forestry

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE UNITED STATES SENATE COMMITTEE ON APPROPRIATIONS (SUPPLEMENTAL), FOR THE PERIOD FROM JUNE 7, 1979 TO JUNE 17, 1979, UNDER AUTHORITY OF SECTION 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b)

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator Ted Stevens:									
France	Franc	1,174.50	270.00					1,174.50	270.00
Transportation: Washington, D.C., to Paris, France, provided by DOD.	Dollar				956.00				956.00
Kristen Keller:									
France	Franc	3,915	900.00					3,915	900.00
Total			1,170.00		956.00				2,126.00

March 17, 1980

WARREN G. MAGNUSON, Chairman
Committee on Appropriations

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE UNITED STATES SENATE COMMITTEE ON ARMED SERVICES FOR THE PERIOD FROM JANUARY 8, 1980 TO FEBRUARY 15, 1980, UNDER AUTHORITY OF SECTION 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b)

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Tower:									
Federal Republic of Germany	DM	709.30	410.00					709.30	410.00
United Kingdom	Pounds	8.05	16.00					8.05	16.00
Appropriated funds					1,019.00				1,019.00
Rhett B. Dawson:									
United Kingdom	Pounds	151.82	302.00					151.82	302.00
Federal Republic of Germany	DM	709.30	410.00					709.30	410.00
Appropriated funds					1,019.00				1,019.00
Senator James J. Exon:									
Federal Republic of Germany	DM	0	0		0			0	0
Senator William S. Cohen:									
United Kingdom	Pounds	140.90	327.95	9.80	16.95			150.70	344.90
Federal Republic of Germany	DM	590.00	341.00	43.40	25.02			633.30	366.02
Appropriated funds					449.00				449.00
Michael M. Hastings:									
Federal Republic of Germany	DM	622.50	359.83	32.80	18.95			655.30	378.78
United Kingdom	Pounds	133.78	311.38	6.45	15.00			140.23	326.38
Appropriated funds					449.00				449.00
Senator Carl Levin:									
Thailand	Baht	1,601	78.40					1,601	78.40
Indonesia	Rupee	31,350	50.16					31,350	50.16
Singapore	Dollar	168.19	78.78					168.19	78.78
Philippines	Peso	556.88	75.00					556.88	75.00
Appropriated funds					2,464.90				2,464.90
David Hansell:									
Thailand	Baht	10,721	402.60					10,721	402.60
Indonesia	Rupee	38,800	59.00					38,800	59.00
Philippines	Peso	556.88	75.00					556.88	75.00
Appropriated funds					2,582.98				2,582.98
James N. Crutchfield:									
Thailand	Baht	13,784.19	675.00					13,784.19	675.00
Philippines	Peso	556.88	75.00					556.88	75.00
Appropriated funds					2,001.00				2,001.00
Total			4,047.10		10,060.80				14,107.90

April 4, 1980

JOHN C. STENNIS, Chairman
Committee on Armed Services

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE UNITED STATES SENATE ARMED SERVICES COMMITTEE, FOR THE PERIOD FROM OCTOBER 1, 1979 TO DECEMBER 31, 1979, UNDER AUTHORITY OF SECTION 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b)

Name and country	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Rhett B. Dawson:									
Canada	Dollar		150.00						150.00
Total			150.00						150.00

April 4, 1980

JOHN C. STENNIS, Chairman
Committee on Armed Services.

CONSOLIDATED REPORT OF EXPENDITURE OF FOREIGN CURRENCIES AND APPROPRIATED FUNDS FOR FOREIGN TRAVEL BY MEMBERS AND EMPLOYEES OF THE UNITED STATES SENATE SELECT COMMITTEE ON INTELLIGENCE, FOR THE PERIOD FROM JANUARY 1, 1980 AND MARCH 31, 1980, UNDER AUTHORITY OF SECTION 22, PUBLIC LAW 95-384—22 U.S.C. 1754(b)

Name and continent	Name of currency	Per diem		Transportation		Miscellaneous		Total	
		Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency	Foreign currency	U.S. dollar equivalent or U.S. currency
Senator John Chafee:									
Asia									3,307.68
Robert Simmons:									
Asia									3,260.49
Dennis P. Sharon:									
North America									681.76
Thomas A. Connolly:									
North America									681.76
Total									7,931.69

March 24, 1980

BIRCH BAYH, Chairman
Select Committee on Intelligence.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. PROXMIRE:

S. 2614. A bill to amend the United States Housing Act of 1937 to control the long-term costs of assisted housing programs, to increase assistance for lower income families, to increase the number of rental units built and rehabilitated, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

By Mr. HATFIELD:

S. 2615. A bill providing for the conveyance of certain amphibious landing craft to the Coos County sheriff's office, Coos County, Oregon; to the Committee on Finance.

S. 2616. A bill to amend the Crooked River Project Act of August 6, 1956, as amended; to the Committee on Energy and Natural Resources.

By Mr. DECONCINI:

S. 2617. A bill to amend section 3006A of title 18 of the United States Code to provide protection against personal liability to the officers and employees of certain defender organizations providing representation under the Criminal Justice Act; to the Committee on the Judiciary.

By Mr. BAUCUS (for himself and Mr. COCHRAN):

S. 2618. A bill to amend title 28 of the United States Code to establish within the Department of Justice an Office of Audit, and for other purposes; to the Committee on Governmental Affairs.

By Mr. LEVIN (for himself and Mr. MOYNIHAN):

S. 2619. A bill to provide for the termination of the Interim Convention on the Conservation of North Pacific Fur Seals of February 9, 1957, to prohibit the taking of seals in the Pribilof Islands, and for other purposes; to the Committee on Foreign Relations, the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works, and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. PROXMIRE:

S. 2614. A bill to amend the U.S. Housing Act of 1937 to control the long-term costs of assisted housing programs, to increase assistance for lower income families, to increase the number of rental units built and rehabilitated, and for other purposes; to the Committee on Banking, Housing, and Urban Affairs.

(The remarks of Mr. PROXMIRE when he introduced the bill appear earlier in today's proceedings.)

By Mr. HATFIELD:

S. 2615. A bill providing for the conveyance of certain amphibious landing craft to the Coos County sheriff's office, Coos County, Oreg.; to the Committee on Finance.

● Mr. HATFIELD. Mr. President, on December 31, 1977, three lighter amphibious resupply cargo vehicles (LARC's) were seized during a drug raid conducted on that date by officers of the Coos Bay, Oreg. Sheriff's Department and the U.S. Customs Service off the Oregon coast.

During the legal prosecution of this case, the U.S. District Court of Oregon ruled that the individuals who were in possession of these vehicles at the time of the raid had no further claim to them. Since the seizure, they have been stored in Coos County, Oreg. Their disposition is under the auspices of the U.S. Customs Service.

The Portland office of the Customs Service is anxious to relieve themselves of the responsibility for these vehicles, and would like to transfer ownership to the Coos County Sheriff's Department for use as rescue craft.

To facilitate that action, I would like to introduce this bill to allow the U.S. Customs Service to do all things necessary to complete this transfer to the Coos County Sheriff's Department, and release any responsibility for the craft to that agency.●

By Mr. DECONCINI:

S. 2617. A bill to amend section 3006A of title 18 of the United States Code to provide protection against personal liability to the officers and employees of certain defender organizations providing representation under the Criminal Justice Act; to the Committee on the Judiciary.

● Mr. DECONCINI. Mr. President, I am today introducing a bill to allow the Director of the Administrative Office of the U.S. Courts, to the extent the Director deems appropriate, to provide representation for and liability insurance for, any person who is an officer or employee of a Federal Public Defender Organization, or a community defender organization which is sued for malpractice or negligence while furnishing services within the scope of such person's office or employment.

The bill is in response to the recent Supreme Court case of *Ferri* v. *Ackerman* (48 U.S.L.W. 4054) that held that public defenders could be personally liable for malpractice. The bill would not grant the defender an immunity from suit, nor would it take away any rights of the plaintiff claiming malpractice. It would insulate the public defender from personal liability and by giving the Director of the Administrative Office the flexibility to be a self-insurer or obtain liability insurance it avoids the potential conflict that could be created by having the Department of Justice represent a defender.

The National Legal Aid and Defender Association has endorsed the bill and they join me in feeling that passage of this legislation is essential to maintaining a strong Federal public and community defender program. I ask unanimous consent that the text of the bill be printed in the Record.

There being no objection, the bill was ordered to be printed in the Record, as follows:

S. 2617

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That section 3006A of title 18 of the United States Code is amended by adding a new paragraph (3) to subsection (h) as follows:

(3) Malpractice and negligence suits.—The Director of the Administrative Office of the United States Courts may, to the extent the Director deems appropriate, provide representation for and hold harmless, or provide liability insurance for, any person who is an officer or employee of a Federal Public Defender Organization, or a Community Defender Organization receiving periodic sustaining grants, established pursuant to this subsection, for money damages for injury, loss of property, or personal injury or death arising from malpractice or negligence of any such officer or employee in furnishing representational services pursuant to this section while acting within the scope of such person's office or employment.●

By Mr. BAUCUS (for himself and Mr. Cochran):

S. 2618. A bill to amend title 28 of the United States Code to establish within the Department of Justice an Office of Audit, and for other purposes; to the Committee on Governmental Affairs.

DEPARTMENT OF JUSTICE AUDIT ACT

● Mr. BAUCUS. Mr. President, at a time when all of us want to reduce Federal spending, efforts to eliminate waste in Federal programs take on even greater significance. One of the most critical tools in this effort is the internal auditing unit of specific agencies.

The audits conducted by agencies on their activities should provide an independent analysis of whether programs are effective and whether they comply with the law. In addition, audits should insure financial integrity in agency operations.

These audits also should provide a starting point for congressional oversight of agency activities. They were crucial in my efforts last year to look into allegations of abuse and mismanagement at the General Services Administration.

Because of their importance, it is essential that Congress insure that agency auditing units are free from any pressure or influence that may be exerted by agency officials. For the past 2 months, I have addressed this question during Senate Judiciary Committee oversight hearings on the Department of Justice.

I am convinced that the Department of Justice has failed to establish a stable, independent and effective internal audit unit.

Today, Senator Cochran and I are introducing legislation that would create a new Office of Audit in the Justice Department. This office would be under the direction of an Assistant Attorney General, who would be accountable directly to the Attorney General.

Currently, the Internal Audit Staff (IAS) is responsible for auditing the work of each component of the Department of Justice. IAS is located within the Justice Management Division which oversees the Department's budget and accounting activities.

Based on a hearing I chaired on March 13, 1980, and on previous work conducted by my staff, I am convinced this is not the most appropriate and effective way to structure internal auditing responsibilities.

Under the present structure, the IAS lacks accessibility and accountability to the Attorney General. The IAS has a history of instability within the Justice Department, being bounced from section to section within the Justice Management Division. Its organizational location within the division, its effectiveness as a coordinator of all auditing activities for the Department, and the current lack of methodical implementation of Department and General Accounting Office audit recommendations are other problems that I identified.

According to guidelines set forth by GAO, any internal audit unit should report directly to the head of an agency or to the highest practical level—in order to insure absolute independence.

The Justice Department's present structure violates those guidelines. As a small unit within the Justice Management Division, IAS currently is two organizational levels removed from the Attorney General. The Attorney General apparently has little input into the activities of the auditing unit. Instead, IAS reports to the Assistant Attorney General for Administration, Kevin Rooney. Mr. Rooney, testifying at the March hearing about the lack of compliance with GAO's guidelines, said "how, admittedly, the very fact that I report on the organization chart to the Associate Attorney General who reports to the Attorney General adds one more layer."

Under this reporting arrangement, questions concerning implementation of audit recommendations are rarely reviewed by the Attorney General who has the ultimate authority and ability to implement such recommendations.

The bill we are introducing today would create a statutory charter for an Office of Audit under the direction of the Assistant Attorney General who would report directly to the Attorney General.

The Assistant Attorney General would be a Presidential appointee confirmed by the Senate. The Assistant Attorney General would be charged with the responsibility of reporting to the Attorney General any unresolved issues of compliance with audit recommendations. The Attorney General would be required to respond within 30 days.

If the Attorney General does not support the audit recommendation, the Assistant Attorney General would have to include an account of such a refusal in the annual audit report to Congress.

These provisions would insure independence for the internal audit unit. And, they would insure direct accessibility and accountability to the Attorney General.

Under the direction of the Justice Management Division, IAS has been unstable and frequently reorganized. Its internal structure and organizational location are defined by department regulations which have been changed repeatedly to accommodate the whims of management.

Just within the last year, IAS was downgraded to a low-level position reporting to the Comptroller within the Justice Management Division, now making it three levels removed from the Attorney General. Recently, the small 57-member auditing staff was drastically reduced by over 40 percent.

Our bill would remove the audit function from this political maelstrom and separate it from the large organizational structure of the Justice Management Division. Our bill would create a separate, highly visible Office of Audit with the protections of a statutory charter.

And, because such a charter could only be altered by Congress, the office will remain intact until Congress—not the officials who are being audited—determines that changes are appropriate. This kind of structure also would make it easier to hire and keep the best available auditors.

This kind of structure would separate the audit unit from those it is supposed to be auditing, thus complying with another GAO recommendation.

The Department of Justice also has been unable to coordinate auditing activities with the department. The FBI, LEAA, and DEA have separate audit units, and all of the other bureaus have some form of audit or inspection or management review groups.

IAS has not had the authority to require that these units report to the IAS Director. According to testimony at the March hearing, IAS has "not had a very strong coordinating function with any of the audit functions in the other bureaus." Under this loose arrangement audit functions may be duplicated, and the failure to share expertise and findings surely results in waste and abuse.

Our bill would require all units with auditing responsibilities to report monthly to the Office of Audits on their activities. The new audit office would also serve as a liaison with GAO. By centralizing these activities, the Department of Justice, GAO, and Congress will have ready access to audit information.

Finally, currently the Attorney General has no way of knowing whether audit recommendations are being implemented. Congress, which ought to be able to find out anytime what specific recommendations are being implemented has no way to follow implementation.

Our bill would correct that by providing the structure to change this. Congress and the Attorney General would be able to monitor directly the progress being made on these recommendations.

The Justice Department's internal

audit unit can be improved—and must be if we are to make the best possible effort to reduce waste in agency operations.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2618

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "Department of Justice Audit Act".

AMENDMENTS TO TITLE 28 ESTABLISHING AN OFFICE OF AUDIT

SEC. 2. (a) Title 28 of the United States Code is amended by adding immediately after chapter 35 the following new chapter.

"Chapter 36—DEPARTMENT OF JUSTICE OFFICE OF AUDIT

"Sec.
"551. Establishment of Office of Audit.
"552. Duties and functions of the Office.
"553. Administrative provisions.
"554. Responsibilities within the Department.
"555. Report to Congress.

"§ 551. Establishment of Office of Audit.

"There is established within the Department of Justice, under the general authority of the Attorney General, an Office of Audit (hereafter in this chapter referred to as the 'Office'). The Office shall be headed by an Assistant Attorney General appointed by the President, by and with the advice and consent of the Senate. The Assistant Attorney General shall be subject to the general supervision and direction of the Attorney General.

"§ 552. Duties and functions of the Office.

"(a) The Assistant Attorney General for the Office shall—

"(1) conduct audits of each bureau, office, board, division, commission, or subdivision thereof, of the Department of Justice (hereafter in this chapter referred to as the 'Department') upon their request or the request of the Attorney General, or as the Assistant Attorney General deems appropriate;

"(2) supervise and coordinate implementation of audit recommendations made by the Office;

"(3) establish procedures and format guidelines for reporting to the Office by internal units with audit responsibilities in accordance with section 554;

"(4) ensure Department compliance with the auditing standards and procedures of the General Accounting Office and the Office of Management and Budget;

"(5) in consultation with the Attorney General and the head of the unit, require procedural changes in the operation of any internal unit with audit responsibilities;

"(6) coordinate activities with the Office of Professional Responsibility to prevent and detect fraud, mismanagement, and abuse of Department programs and operations;

"(7) serve as the Department liaison for the audit functions performed by the General Accounting Office;

"(8) review enacted and proposed legislation and regulations on programs and operations of the Department, and make recommendations to the Attorney General in the annual report required by section 555 on the impact of such legislation or regulations (A) or the economy and efficiency in the administration of such programs and operations, and (B) on the prevention and detection of fraud and abuse in such programs and operations; and

"(9) keep the Attorney General and the Congress fully informed, by means of the annual report required by section 555 and otherwise, concerning fraud and other serious problems, abuses, and deficiencies relating to the administration of programs and operations, recommend corrective action, and report on the progress made in implementing such corrective action.

"(b) The Assistant Attorney General shall establish such rules as may be necessary to carry out the provisions of this chapter.

"§ 553. Administrative provisions

"(a) The Assistant Attorney General for the Office shall be compensated at a rate equal to the rate of basic pay for ES-5 of the Senior Executive Schedule established by the President under section 5382 of title 5, United States Code.

"(b) The Assistant Attorney General is authorized to appoint such additional staff personnel as he deems necessary, at rates not in excess of the maximum rate for GS-18 of the General Schedule under section 5332 of title 5, United States Code, and may procure temporary and intermittent services to the same extent as is authorized by section 3109 of title 5, United States Code.

"§ 554. Responsibilities within the Department

"(a) The heads of each bureau, office, board, division, commission, or subdivision thereof shall provide information and assistance requested by the Assistant Attorney General in connection with audits conducted by the Office or an internal unit with audit responsibilities, and by any other person assigned to conduct audits.

"(b) If the Assistant Attorney General makes a recommendation to any Department official with respect to any audit, and that official declines to implement the recommendation, the declining official shall report in writing to the Assistant Attorney General, within 45 days of the receipt of the recommendation, the reason for declining to implement the recommendation. If the Assistant Attorney General disagrees with the position of the declining official, the Assistant Attorney General may appeal to the Attorney General for implementation of the recommendation.

"(c)(1) If the Assistant Attorney General makes a recommendation under subsection (b) to the Attorney General, the Attorney General shall report in writing to the Assistant Attorney General, within 30 days of the receipt of the recommendation, his proposed action on the recommendation.

"(2) Any recommendation by the Assistant Attorney General to the Attorney General which is not followed by the Attorney General shall be identified in the annual report to Congress under section 555.

"(d) The head of each internal unit with audit responsibilities shall report monthly to the Assistant Attorney General. Each report shall include, at a minimum, identification of ongoing audits and a summary of conclusions and recommendations made for any audit completed within the reporting period. Each report shall conform with the procedures and format guidelines established by the Assistant Attorney General under section 552(a).

"§ 555. Report to Congress

"(a) On or before September 30 of each year, the Assistant Attorney General shall report to the Congress. The report shall include, but need not be limited to—

"(1) a listing of each audit initiated or completed within the reporting period by the Office or any internal unit with audit responsibilities;

"(2) a summary of the recommendations by the Office and the actions taken for each audit;

"(3) a description of any significant problems, abuses, or deficiencies in the policies and procedures which have become evident during the course of any audit;

"(4) a recommendation for any action that may be taken by the Office or by a bureau, office, board, division, commission, or subdivision thereof to correct such problems, abuses, or deficiencies;

"(5) a summary of the recommendations submitted in any previous annual report under this section upon which corrective action has not been completed, with an explanation of the reasons action has not been completed; and

"(6) a description of any recommendation with respect to any audit made by the Assistent Attorney General to the Attorney General under section 554(c) which is not followed by the Attorney General.

"(b) The Congress shall have access to the results of each audit completed by the Office or an internal unit with audit responsibilities.".

(b) The table of chapters for title 28, United States Code, and part II of that title, are amended by adding immediately after the item relating to chapter 35 the following:

"36. Department of Justice Office of Audit. . . . 551.".

TRANSFER OF FUNCTIONS

SEC. 3. The Attorney General shall delegate to the Assistant Attorney General for the Office of Audit all functions administered by the Attorney General, prior to the date of enactment of this Act, through the Director of the Internal Audit Staff.

REPORT TO CONGRESS

SEC. 4. No later than three years from the date of enactment of this Act, the Assistant Attorney General for the Office of Audit shall submit to the Committees on the Judiciary of the House of Representatives and the Senate—

(1) a comprehensive evaluation of the implementation of the provisions of chapter 36 of title 28 of the United States Code, added by section 2 of this Act; and

(2) specific legislation recommendations designed to remedy any problems or deficiencies in the implementation of the provisions of that chapter.

AUTHORIZATION OF APPROPRIATIONS

SEC. 5. There are authorized to be appropriated such sums as may be necessary to carry out the provisions of this Act.●

By Mr. LEVIN (for himself and Mr. MOYNIHAN):

S. 2619. A bill to provide for the termination of the Interim Convention on the Conservation of North Pacific Fur Seals of February 9, 1957, to prohibit the taking of seals in the Pribilof Islands, and for other purposes; to the Committee on Foreign Relations, the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works, and the Committee on Energy and Natural Resources, jointly, by unanimous consent.

NORTH PACIFIC FUR SEAL PROTECTION ACT OF 1980

● Mr. LEVIN. Mr. President, I am today introducing legislation which would terminate U.S. participation in the Interim Convention on the Conservation of North Pacific Fur Seals, an international pact which requires that we conduct an annual "harvest" of tens of thousands of fur seals on the Pribilof Islands in Alaska. Given the controversy which has arisen over the slaughter of marine mammals, and particularly the massive killing of harp seals condoned by the Canadian Government, I believe that we must reexamine our own Government's participation in this seal harvesting program, and work to establish a new international regime which will provide better protection for the Pacific fur seals.

Since 1891, the United States has been party to international agreements governing the slaughter of fur seals in the Northern Pacific region. By 1911, the seal herd was in danger of extinction, and in that year the United States and three other nations concluded a convention for the protection of the seals. The convention requires that the United States and the Soviet Union share a percentage of their seal harvest with Japan and Great Britain, in exchange for an agreement to prohibit pelagic sealing—that is, the killing of seals at sea.

Canada has since replaced Great Britain as a party, but the interim convention now in effect maintains essentially the same arrangement. Circumstances today, however, are not what they were in 1911. Given the present-day threats to the seal herd, and contemporary attitudes toward conservation of marine mammals, I do not believe that we can justify continued participation in an international arrangement which, in effect, requires that we kill seals in order to save them.

The prohibition on pelagic sealing is the primary—if not the sole—justification for our participation in the interim convention, and indeed, pelagic sealing was a threat to the seal herd in 1911. It is not clear that it remains one today, however. There is no reason to assume that termination of the convention would lead to a resumption of commercial pelagic sealing; in fact, the Commerce Department's studies indicate that such sealing would be "unprofitable."

Moreover, because of the recent extension of our territorial boundaries to 200 miles, the United States is much better able to provide unilateral protection for the seal herd than we were when the convention entered into force in 1957. In any case, despite its stated aims, the convention has not put an end to pelagic sealing, as evidenced by the "incidental" taking at sea of approximately 7,000 seals annually by Japanese vessels—and perhaps many more which go unreported.

There is also no evidence to support the argument that the seal harvest is necessary for "management" of the herd on the Pribilof Islands. Harvesting on one of those islands, St. George, has been prohibited since 1973. Despite fears that an unharvested seal herd might grow to exceed the carrying capacity of its environs, the Commerce Department reports that—

> The studies on St. George, though not extensive, show no indications the population is increasing despite a moratorium on commercial harvesting.

The annual seal harvest on the Pribilofs is carried out by members of the Aleut community, who are employed by the Federal Government for the 5- to 6-week harvest. I am certainly sensitive to concerns about the impact which termination of the harvest would have on the Aleut community. I am not convinced, however, that continued dependence on the Federal Government for short-term employment of this type is in the best interests of the Aleut people on the Pribilofs, nor that it is the best way to help them achieve economic independence and pride and autonomy as a people. Alternative management of the seal herd will provide stable, if limited, employment, and other employment opportunities must be developed as well.

Let me briefly summarize the provisions of this legislation. First, it expresses the sense of the Congress that the President should terminate the Interim Convention on the Conservation of North Pacific Fur Seals—which comes up for extension or renegotiation this fall—and should enter into negotiations with the parties to the convention to conclude a new agreement banning all killing of North Pacific fur seals. The bill would establish a wildlife refuge on the Pribilof Islands where seal killing would be prohibited, as well as an off-shore marine sanctuary where the same prohibition would apply—except that Pribilof Islands natives would be permitted to kill seals in both places for subsistence purposes. The bill would also require the Marine Mammal Commission to monitor the seal herd on the Pribilofs, and to make recommendations to Congress on any actions necessary for the protection and conservation of the herd.

Second, if the seal harvest is to end, steps must be taken to develop alternative means of livelihood for those Aleut natives who are now employed by the Government for the harvest. Regardless of the fate of the harvesting program, new full-time job opportunities not dependent upon the Federal Government will have to be created if the Aleuts are to establish a viable social and economic base for the future.

In order to accomplish this, the bill would establish an advisory council to make recommendations to the Congress on alternative means of developing a livelihood for the Aleuts. The council would be specifically directed to consider the advisability of taking those funds which would have been required for the seal harvest, and using them instead to develop new employment opportunities for the Pribilof Islanders. In the interim, the Secretary of the Interior would be charged with assuring that the income level of the natives is maintained after the harvest is terminated. The legislation also requires the Secretary to employ natives to the maximum extent practicable in the administration of the wildlife refuge and the marine sanctuary created for the seals' protection.

We should take action of a similar nature, if necessary, to soften the impact of the passage of this bill on people whose employment is related to products of seal harvest.

In introducing this legislation, I do want to pay tribute to my colleague in the House, Representative LESTER WOLFF, who has played an important leadership role in bringing this issue to the attention of the Congress. The bill I am introducing today is very similar to H.R. 5033 which he introduced in the House, and which is being considered by the Subcommittee on Asian and Pacific Affairs which he chairs, along with other committees. His bill has received broad, bipartisan support and cosponsorship by approximately 60 Members of the House, and I hope my colleagues in the Senate will respond with equal enthusiasm.

In summary, Mr. President, I do not believe that the United States should be part of an international agreement which requires us, in effect, to serve as seal slaughterers for ourselves and for other nations as well. I believe that we should work toward a new policy which will provide better protection for the North Pacific fur seals, a more promising future for the Aleuts of the Pribilof Islands, and a workable means of ending a senseless practice. I believe that this legislation will contribute to those ends.

I ask unanimous consent that the text of the bill be printed in the RECORD.

There being no objection, the bill was ordered to be printed in the RECORD, as follows:

S. 2619

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled,

SHORT TITLE

SECTION 1. This Act may be cited as the "North Pacific Fur Seal Protection Act of 1980".

DEFINITIONS

SEC. 2. For purposes of this Act, the term—

(1) "seals" means North Pacific fur seals (*callorhinus ursinus*);

(2) "person" includes any individual, partnership, corporation, association, or Federal or State agency;

(3) "take", "taking", or "taken" means to harass, pursue, hunt, shoot, dynamite, capture, collect, kill, or attempt to harass, pursue, hunt, shoot, dynamite, capture, collect, or kill;

(4) "import" means to land on or bring into, or attempt to land on or bring into, any place subject to the jurisdiction of the United States;

(5) "export" means to transship from the Pribilof Islands to any place outside thereof;

(6) "Convention" means the Interim Convention or the Conservation of North Pacific Fur Seals, signed in the District of Columbia on February 9, 1957, and any Protocol thereto;

(7) "natives of the Pribilof Islands" means any Indians, Aleuts, or Eskimos who permanently reside on the Pribilof Islands; and

(8) "Pribilof Islands" means the islands of Saint Paul and Saint George, Walrus and Otter Islands, and Sea Lion Rock.

TITLE I—TERMINATION OF CONVENTION

SEC. 101. (a) It is the sense of the Congress that the Convention should not be continued.

(b) In order to carry out the sense of Congress stated in subsection (a), the President should terminate the Convention one year after the date of the enactment of this Act by exercising the option for such termination provided in paragraph 4 of Article XIII of the Convention and in the Protocols to the Convention.

(c) It is further the sense of the Congress that the President should immediately enter into negotiations with the parties to the Convention and any other interested countries for the purpose of concluding an international agreement or agreements to ban all killing of North Pacific fur seals.

TITLE II—PROTECTION OF SEALS

EFFECTIVE DATE

SEC. 201. This title shall take effect on such date as the termination of the Convention becomes effective.

PRIBILOF WILDLIFE REFUGE

SEC. 202. (a) The Secretary of the Interior shall establish the Pribilof Wildlife Refuge which shall consist of the hauling grounds and the rookeries for seals in the Pribilof Islands, as designated by the Secretary. The Secretary shall publish in the Federal Register the metes and bounds of the Pribilof Wildlife Refuge at the time of its establishment.

(b) The Secretary of the Interior shall administer the Pribilof Wildlife Refuge in accordance with the National Wildlife Refuge System Administration Act of 1966 (16 U.S.C. 668dd–ee), subject to section 204 of this Act and to the sanctions set forth in section 206 of this Act.

PROHIBITION ON TAKING OF SEALS

SEC. 203. (a) Except as provided in section 205 of this Act, the taking of seals within the Pribilof Wildlife Refuge established pursuant to section 202 and within that part of the fishery conservation zone (as defined in section 101 of the Fishery Conservation and Management Act of 1976) extending seaward of the Pribilof Islands is prohibited.

(b) During the months of June through September, inclusive, the use of gill nets is prohibited within that part of the fishery conservation zone in which the taking of seals is prohibited.

EXCEPTION TO PROHIBITION

SEC. 204. (a) The provisions of section 203 of this Act shall not apply to the taking of seals by natives of the Pribilof Islands which is done for subsistence purposes, which is not carried out in a wasteful manner, and which does not exceed three hundred and fifty seals per year by all such natives. Notwithstanding the provisions of this subsection, no seal skins or seal parts may be exported.

(b) The Secretary of the Interior, in consultation with the Secretary of Commerce, shall issue regulations to carry out the provisions of subsection (a).

SANCTIONS

SEC. 205. (a) Any person who violates the provisions of this title or any regulation issued pursuant to this title shall be subject to a civil penalty of $50,000.

(b) Every vessel subject to the jurisdiction of the United States that is employed in any manner in connection with a violation of the provisions of this title or any regulation issued pursuant to this title, including its tackle, apparel, furniture, appurtenances, cargo, and stores shall be subject to forfeiture and all seals or parts thereof taken or retained in violation of the provisions of this title or any regulation issued pursuant to this title shall be forfeited.

(c) All provisions of law relating to the seizure, summary and judicial forfeiture, and condemnation of a vessel, including its tackle, apparel, furniture, appurtenances, cargo, and stores, for violation of the customs laws, the disposition of such vessel, including its tackle, apparel, furniture, appurtenances, cargo, and stores or the proceeds from the sale thereof, and the remission or mitigation of such forfeitures shall apply to seizures and forfeitures incurred, or alleged to have been incurred, under the provisions of this title, insofar as such provisions of law are applicable and not inconsistent with the provisions of this title.

(d) The provisions of section 402 of the Fur Seal Act of 1966 shall apply with respect to the enforcement of the provisions of this title, including those provisions contained in such section 402 relating to seizure of vessels and seals.

EMPLOYMENT OF NATIVES OF PRIBILOF ISLANDS

SEC. 206. The Secretary of the Interior, in administering the Pribilof Wildlife Refuge, shall, to the greatest extent practicable, employ as rangers and guides natives of the Pribilof Islands and provide to such natives the training necessary to be so employed.

MONITORING FUR SEAL POPULATION

SEC. 207. In addition to its other duties under the Marine Mammal Protection Act of 1972 (16 U.S.C. 1404), the Marine Mammal Commission shall annually monitor the fur seal population within the Pribilof Wildlife Refuge, and shall include the results thereof, together with its recommendations as to the steps necessary to be taken for the protection and conservation of the fur seals in such refuge, in its annual report required by section 204 of the Marine Mammal Protection Act of 1972.

TITLE III—ADVISORY COUNCIL; SOCIAL SERVICES PROGRAMS

ADVISORY COUNCIL

SEC. 301. (a) On the date on which the President exercises the option to terminate the Convention, as provided in section 101 (b) of this Act, there shall be established an advisory council which shall consist of the following members:

(1) The Secretary of the Interior or his designee.

(2) The Secretary of Commerce or his designee.

(3) The Commissioner of Indian Affairs.

(4) The United States Commissioner to the North Pacific Fur Seal Commission who is appointed pursuant to section 106 of the Fur Seal Act of 1966.

(5) A representative of the village corporation on Saint Paul Island of the Pribilof Islands (the Tanadgusix Corporation) and a representative of the village corporation on Saint George Island of the Pribilof Islands (the Tanaq Corporation) organized under the Alaska Native Claims Settlement Act, such representatives to be selected by the Corporation.

(6) Such natives of the Pribilof Islands as are appointed by the Representative of the corporation described in paragraph (5).

(b) The advisory council shall carry out its functions in consultation with the Governor of the State of Alaska, who may, at his option, serve as a member of the advisory council.

(c) The chairman of the advisory council shall be designated by the Secretary of the Interior.

(d) The advisory council shall study and make legislative and other recommendations with respect to alternative means of developing a livelihood for natives of the Pribilof Islands in lieu of the taking of seals, including the feasibility of developing a commercial fishery on the Pribilof Islands. The advisory council shall complete its study and submit its recommendations to the Congress not more than one year after the establishment of the advisory council.

(e) In making its study and recommendations under subsection (d), the advisory council shall consider the advisability and equity of the Congress making available for use in connection with any such alternative means of developing a livelihood for natives of the Pribilof Islands such funds as would have been required to have been appropriated in connection with the taking of seals if taking of such seals within the Pribilof Wildlife Refuge had not been prohibited by section 203 of this Act.

(f) Members of the advisory council who are Federal officers or employees shall receive no additional compensation by reason of their service on the advisory council. All other members of the advisory council shall serve without pay but shall be entitled to receive travel expenses to the same extent as employees serving intermittently in the Government service under section 5703 of title 5, United States Code.

(g) The advisory council may meet at any place in the United States as the council considers necessary for the conduct of its business.

(h) The Secretary of the Interior shall provide to the advisory council such administrative services as may be necessary for the council to carry out its functions.

(i) The advisory council shall terminate thirty days after it submits its recommendations to the Congress pursuant to subsection (d) of this section.

MAINTENANCE OF SOCIAL SERVICES PROGRAMS

SEC. 302. In administering programs for the benefit of natives of the Pribilof Islands under the Indian Self-Determination Act or any other assistance programs under other provisions of law for the benefit of such natives, the Secretary of the Interior shall assure, through the granting of financial assistance or otherwise, that the income level of those natives of the Pribilof Islands engaged in the taking of seals is maintained after the prohibition on the taking of seals provided in section 203 of this Act takes effect.

TITLE IV—OTHER PROVISIONS OF LAW

REPEAL

SEC. 401. (a) Title I of the Fur Seal Act of 1966 shall be repealed on the effective date of title II of this Act.

(b) The provisions of subsection (a) shall not affect any administrative proceeding, investigation, suit, action, or other judicial proceeding commenced under title I of the Fur Seal Act which is pending on the date on which such title is repealed, but such proceeding, investigation, suit, action, or judicial proceeding shall be continued as if this Act had not been enacted.

INAPPLICABILITY OF MARINE MAMMAL PROTECTION ACT

SEC. 402. The provisions of the Marine Mammal Protection Act of 1972 shall not apply to this Act to the extent that any taking of seals prohibited under this Act would be allowed under the Marine Mammal Protection Act of 1972.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that a bill introduced by Mr. LEVIN, dealing with fur seals in the Pribilof Islands, be referred jointly to the Committee on Foreign Relations, the Committee on Commerce, Science, and Transportation, the Committee on Environment and Public Works, and the Committee on Energy and Natural Resources.

The PRESIDING OFFICER. Without objection, it is so ordered.

ADDITIONAL COSPONSORS

S. 1435

At the request of Mr. CHAFEE, the Senator from Tennessee (Mr. BAKER) was added as a cosponsor of S. 1435, a bill to amend the Internal Revenue Code of 1954 to provide a system of capital recovery for investment in plant and equipment, and to encourage economic growth and modernization through increased capital investment and expanded employment opportunities.

S. 2111

At the request of Mr. TALMADGE, the Senator from Iowa (Mr. CULVER), and the Sènator from Tennessee (Mr. BAKER) were added as cosponsors of S. 2111, a bill to incorporate the National Federation of Music Clubs.

S. 2437

At the request of Mr. HAYAKAWA, the Senator from Louisiana (Mr. LONG) was added as a cosponsor of S. 2437, a bill to amend section 4067 of the Revised Statutes to define further the circumstances under which certain aliens within the

United States may be treated as alien enemies.

S. 2487

At the request of Mr. BELLMON, the Senator from Utah (Mr. HATCH), and the Senator from Indiana (Mr. LUGAR) were added as cosponsors of S. 2487, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of independent oil producers, including royalty owners, under the crude oil windfall profit tax.

S. 2490

At the request of Mr. METZENBAUM, the Senator from South Dakota (Mr. McGOVERN), and the Senator from Kentucky (Mr. HUDDLESTON) were added as cosponsors of S. 2490, a bill to provide certain requirements for infant formula, and for other purposes.

S. 2521

At the request of Mr. DOLE, the Senator from Montana (Mr. MELCHER), and the Senator from Nevada (Mr. LAXALT) were added as cosponsors of S. 2521, a bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax.

S. 2598

At the request of Mr. DOLE, the Senator from Oklahoma (Mr. BOREN) was added as a cosponsor of S. 2598, a bill to require petroleum produced from the Naval Petroleum Reserves to be sold in exchange for crude oil to be deposited in the Strategic Petroleum Reserve.

SENATE JOINT RESOLUTION 152

At the request of Mr. MATHIAS, the Senator from Washington (Mr. MAGNUSON) was added as a cosponsor of Senate Joint Resolution 152, a joint resolution to authorize and request the President to designate the week of September 21 through 27, 1980, as "National Cystic Fibrosis Week".

SENATE JOINT RESOLUTION 160

At the request of Mr. CHAFEE, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Joint Resolution 160, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE RESOLUTION 207

At the request of Mr. DECONCINI, the Senator from New Mexico (Mr. DOMENICI) was added as a cosponsor of Senate Resolution 207, a resolution to create a Select Committee on Narcotics Abuse and Control.

SENATE RESOLUTION 392

At the request of Mr. MAGNUSON, the Senator from Ohio (Mr. METZENBAUM) was added as a cosponsor of Senate Resolution 392, a resolution expressing the sense of the Senate that the Board of Governors of the Federal Reserve System should immediately take steps to reduce interest rates.

SENATE RESOLUTION 403

At the request of Mr. BAUCUS, the Senator from Alabama (Mr. STEWART) was added as a cosponsor of Senate Resolution 403, a resolution expressing the sense of the Senate with respect to senatorial pay raises.

SENATE RESOLUTION 405

At the request of Mr. PROXMIRE, the Senator from Indiana (Mr. BAYH), the Senator from New Hampshire (Mr. DURKIN), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Minnesota (Mr. BOSCHWITZ), the Senator from Ohio (Mr. GLENN), the Senator from Montana (Mr. MELCHER), the Senator from Delaware (Mr. ROTH), the Senator from South Dakota (Mr. PRESSLER), the Senator from Wyoming (Mr. SIMPSON), the Senator from Montana (Mr. BAUCUS) the Senator from North Dakota (Mr. YOUNG), the Senator from Colorado (Mr. ARMSTRONG), the Senator from Ohio (Mr. METZENBAUM), the Senator from Alabama (Mr. STEWART), the Senator from Rhode Island (Mr. CHAFEE), the Senator from New Jersey (Mr. WILLIAMS), and the Senator from South Dakota (Mr. McGOVERN) were added as cosponsors of Senate Resolution 405, a resolution expressing the sense of the Senate with respect to compliance by the Soviet Union with the Convention on the Prohibition of the Development, Production and Stockpiling of Bacteriological (Biological) and Toxin Weapons and on Their Destruction.

SENATE RESOLUTION 407

At the request of Mr. STEVENS, the Senator from Idaho (Mr. McCLURE), the Senator from New York (Mr. MOYNIHAN), the Senator from Alabama (Mr. HEFLIN), and the Senator from South Dakota (Mr. McGOVERN) were added as cosponsors of Senate Resolution 407, a resolution to express the sense of the Senate that it offer its congratulations to Americans who participated in the 2d Olympic Winter Games for the Physically Handicapped in Geilo, Norway.

SENATE RESOLUTION 409

At the request of Mr. HATCH, the Senator from New Hampshire (Mr. HUMPHREY) was added as a cosponsor of Senate Resolution 409, a resolution to direct the Senate Legal Counsel to appear as amicus curiae in the name of the Senate in the case of Harris against McRae.

AMENDMENT NO. 1698

At the request of Mr. WEICKER, the Senator from New Jersey (Mr. BRADLEY) was added as a cosponsor of amendment No. 1698 intended to be proposed to a concurrent resolution setting forth the recommended congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the second concurrent resolution on the budget for fiscal year 1980.

CAPITAL COST RECOVERY ACT

Mr. CHAFEE. Mr. President, I ask unanimous consent that Senator HOWARD BAKER be added as a cosponsor to the Capital Cost Recovery Act, S. 1435.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. CHAFEE. Mr. President, I think it is a very distinctive moment to announce that Senator BAKER has become a cosponsor of this very, very important piece of legislation. Senator BAKER becomes the 51st cosponsor of this act which is so important in the industrial recovery of our Nation and to improve our competitive position, particularly as regards exports and trying to compete with the rest of the world.

SENATE CONCURRENT RESOLUTION 89—SUBMISSION OF A CONCURRENT RESOLUTION WITH RESPECT TO THE OVERTHROW OF THE GOVERNMENT OF THE REPUBLIC OF LIBERIA

Mr. HAYAKAWA submitted the following concurrent resolution, which was referred to the Committee on Foreign Relations:

S. CON. RES. 89

Whereas the Republic of Liberia on April 12, 1980, experienced its first coup d'etat in its 133-year history;

Whereas the President of the Republic of Liberia, William Tolbert, was slain, along with 27 others whose bodies were thrown in a mass grave in ignominious burial; and

Whereas a number of officials of the former government of Liberia have been brought before a military tribunal on unspecific charges and without defense counsel, sentenced to death, and promptly executed, despite the pleas of the United States Ambassador to Liberia and those of the representatives of other nations: Now, therefore, be it

Resolved, That the Congress—

(1) condemns the slaying of the President of the Republic of Liberia, William Tolbert, the summary nature of the military trials being conducted in Liberia, and the number of executions resulting from such trials; and

(2) expresses concern about the extent to which the new government of Liberia intends to adhere in the future to internationally recognized standards of justice.

SEC. 2. It is the sense of the Congress that the President should communicate to the Government of Liberia the condemnation and concern of the Congress expressed in this resolution, specifically indicating that a continued disregard for internationally recognized standards of justice will seriously affect the United States' relations with Liberia.

SEC. 3. The Secretary of the Senate shall transmit a copy of this resolution to the President.

Mr. HAYAKAWA. Mr. President, today I am introducing a Senate concurrent resolution which expresses the deep concern of the Congress about the current situation in Liberia.

On April 12, 1980, the Republic of Liberia experienced its first coup d'etat in its 133-year history. During the violent overthrow of the government, President William Tolbert and 27 others were brutally slain and their bodies dumped in an open pit. The insurgency was led by M. Sgt. Samuel K. Doe, a 28-year-old member of the Liberian Armed Forces. Although some of the officials of the former Tolbert government have been retained, 91 others were immediately arrested.

Despite the pleas of many nations, including the United States, that the trials of these officials be delayed, the new Liberian Government proceeded with military trials of 13 former members of the Tolbert government. The charges against these men were not made clear nor were they permitted to have lawyers. Shortly thereafter they were publicly executed. I understand that there are 80 former officials still being held in the Barclay Training Center in Monrovia, and that some if not all of them have been marked for execution.

We cannot help but feel outraged at these actions. In addition to this, however, I feel a personal sense of loss because San Francisco State University, of which I was president, has had particularly close ties to Liberia. Under the auspices of my university, a special program was initiated in 1963. With the assistance of the Agency for International Development, a cooperative educational venture got underway at that time which resulted in the creation of the Monrovia Consolidated School District. San Francisco State University sent professors of education, experienced teachers, to Monrovia where they served as educational advisers and helped train Liberian teachers. At the same time, Liberian teachers came to San Francisco State where they enrolled in intensive training programs. They were a welcome addition to our campus. AID provided the funds for the Americans and the Government of Liberia for its own nationals. The program was operated from 1962 to 1973. Today, the Monrovia Consolidated School District is Liberia's most respected school system.

During the course of those 10 years, Mr. President, we at San Francisco State, both faculty and students, developed close ties with people in the government and in the educational system and among the people of Liberia.

It is, therefore, with special feelings, Mr. President, that I submit this resolution which expresses our concern about Liberia.

Mr. President, Liberia has been America's oldest and best friend in Africa. The United States is responsible for the foundation of Liberia. Its capital, Monrovia, is named after President Monroe in whose administration all this happened. It was settled early in the last century as a haven for freed slaves from this country, and our historical and cultural ties with Liberia have been reinforced by trade and by the experience of thousands of Liberians who have studied in the United States.

It is my great hope that this special relationship can continue. Nevertheless, we must express to the new Liberian Government our deep concern about these executions and trials, and the fact that further incidents of this type will seriously affect future relations between the United States and Liberia.

Due to the urgency of the situation, I hope that the Senate will act on this measure in a timely fashion.

Mr. President, I ask unanimous consent that a telegram from the European Baptist Federation, addressed to Mr. Samuel Doe, the Chief of State of Monrovia, Liberia, expressing their concern, an editorial from the New York Times of April 24, and an editorial from the Washington Star of April 15, 1980, be printed in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

[Telegram]

EUROPEAN BAPTIST FEDERATION,
Postfach 610, 340, 2000 Hamburg,
West Germany.

Chief of State Mr. SAMUEL K. DOE,
Monrovia, Liberia.

DEAR SIR, the European Baptist Federation as a friend of the Liberian people wishes to express to you its continuing concern for the progress and stability of Liberia. We hope that in these days after the revolution national reconciliation can take place without any further bloodshed. We join you in wishing that Liberia will develop as a model for all of Africa in the field of human rights, social justice and the public welfare of the people.

GERHARD CLAAS,
General Secretary.

[From the New York Times, Apr. 24, 1980]

SERGEANT DOE'S LIBERIA

Not content with the murder of his predecessor, Liberia's new President, Samuel K. Doe, has now proceeded with the execution of, at last count, 13 former ministers and officials of the deposed regime. He seems not old enough at 28 to know that regimes born in blood are usually doomed to rule that way.

Sergeant Doe has risen in the name of indigenous Liberians, who appear to have accumulated a century's worth of grievances against the Liberians who migrated from America. The descendants of freed American slaves settled the country in the early 1800's and, though they now comprise only 3 percent of the population, they ruled it until last week through their True Whig Party. Despite a Constitution patterned after that of the United States, they were hardly democrats. But neither were they the worth of tyrants.

The slain President, William Tolbert, and his predecessor, William Tubman, were not cut from the same cloth as Haiti's "Papa Doc" Duvalier. They did periodically ban opposition parties. Some of their foes were imprisoned and, it is said, tortured. Mounting protests were met with harsh measures. Government troops fired on crowds demonstrating against the price of rice a year ago, killing 40 and wounding 500. After thwarting an alleged coup last month, Mr. Tolbert was said by Amnesty International to have offered a bounty for the return, dead or alive, of his challengers. Not an impressive record but not a justification for endless slaughter.

Whatever insecurity he may still feel, Sergeant Doe has completed his coup. He now has a country to run and that task will not be made easier by the wholesale discrediting, let alone execution, of the Americo-Liberians. The vengeful persecution of the fallen elite seems a sure prescription for economic trouble, and even more political upheaval.

[From the Washington Star, Apr. 15, 1980]

LIBERIA'S SUDDEN CHANGE

The assassination of Liberian President William Tolbert was an act of wanton violence. Mr. Tolbert, the 66-year-old successor of William Tubman, was frequently credited with efforts to extend education and economic opportunity to the country's neglected tribal majority.

And President Tolbert's death, at the hands of troops who broke into the presidential residence last Saturday, was not the only bloodshed linked to the coup, though there were contradictory reports about other victims. Further, the Tolbert assassination could have unpleasant echoes if the coup leaders exact the ultimate penalty in treason trials of some of Mr. Tolbert's associates.

So there were other regrettable aspects of the coup, led by a 28-year-old army sergeant.

The United States and several other governments have urged the fledgling regime to delay the planned show trials of its deposed enemies. The drawbacks of an internationally publicized bloodbath should be impressed on Master Sgt. Samuel K. Doe and his associates, who profess to desire continued good relations for Liberia with the United States.

The uncertainty of Liberia's course following the revolt contrasts with the country's record of stability amid Africa's widespread turbulence. Liberia was founded in 1847 by former slaves from the United States, and is unique in black Africa for having escaped a period of European colonization.

As a product in part of American philanthropy, the West African nation under "Americo-Liberian" leadership has been unfailingly friendly with the United States. Monrovia, the capital, is named for James Monroe. Liberia has been a regular recipient of aid from Washington, and has provided communications and transportation links for the U.S. in that part of the world.

The American connection may have been among the vulnerabilities of the Tolbert government, as well as a support. The descendants of the former slaves (Mr. Tolbert's father had once been a slave in South Carolina) perpetuated themselves as a ruling elite, bringing in few of the "indigenous" people who make up more than 90 per cent of the 1.7 million population. Though technically under a U.S.-style constitution, it was impossible for an opposition to challenge the one-party domination of the True Whig Party, whose nominations amounted to election.

Faced with recent bids for opposition recognition, Mr. Tolbert oscillated between concessions and overreaction to anti-government demonstrations. While the whole story of the coup is not yet known, leaders of the recently banned People's Progressive Party have emerged in the new military regime.

Last week's revolt by an enlisted men's "Army Redemption Council" may, in any case, symbolize the passing of power (permanently or not) from the founding elite to forces claiming to represent the broader population. While the True Whigs can be faulted for having failed to broaden their political base, it remains to be seen whether their successors are more democratic. A turn toward black Africa's pattern of one-party and military government would hardly suggest that they are.

SENATE RESOLUTION 411—SUBMISSION OF A RESOLUTION RELATING TO WITHHOLDING TAX ON CERTAIN INTEREST AND DIVIDENDS

Mr. HAYAKAWA submitted the following resolution, which was referred to the Committee on Finance:

S. RES. 411

Whereas, many individuals living on fixed interest or dividend incomes have little or no Federal income tax liability, and

Whereas, individuals who rely on meager investments to supplement their pensions will find it difficult, if not impossible, to survive while they await a refund of any Federal withholding tax on interest or dividends, and

Whereas, from the fourth quarter of 1978 to the fourth quarter of 1979, the real gross national product advanced by a mere 0.8 per centum, sharply down from 4.8 per centum in 1978 and 5.7 per centum in 1977, and

Whereas, personal savings fell from 4.7 per centum in the fourth quarter of 1978 to 3.3 per centum in the fourth quarter of 1979, the lowest rate in three decades, and

Whereas, savings is good for the economy because it leads to more investment and therefore increases productivity and real growth, and

Whereas, any Federal withholding tax on interest and dividends would be yet another disincentive toward personal savings. Now, therefore, be it

Resolved, That it is the sense of the Senate that no Federal withholding tax be imposed on dividends and interest received by any citizen or resident of the United States.

Mr. HAYAKAWA. Mr. President, I am submitting a resolution today expressing the sense of the Senate that no Federal withholding tax be imposed on dividends and interest received by any citizen or resident of the United States.

In his March statement on inflation, President Carter proposed a 15 percent withholding tax on interest and dividends. This is foolhardy and lacks commonsense. There are two principal arguments against the President's proposal: One, it would reduce the effective date of return on investments, reducing the income of many retired people on fixed incomes; two, that reduced rate of return is going to reduce the incentive to invest and increase our taxes. August 2, 1979, I introduced S. 1645 to provide a tax credit of up to $2,500 on all taxable interest income. In my introductory remarks, I made some comments which I feel are particularly relevant and I would like to quote briefly from them:

> The Consumer Price Index has topped 13 percent and the citizens of this country are hurting. Lower income people in the United States (those earning under $20,000 a year) are particularly hard hit. Many of these persons are retired on fixed incomes and depend on the interest income from their savings to augment their meager pensions. Even if they can afford to invest in Certificates of deposit or other instruments earning high interest, inflation wipes out any gain. However, many of these people, for a variety of reasons, have their money in conventional accounts earning little more than 5 percent. Though these people are losing money on their investments, the Government taxes them as if the accured interest on their accounts amounted to a real dollar increase.

A withholding tax would hurt these people even more by reducing their rate of interest still further as tax was withheld each pay period. Even if a person owed no tax at the end of the year, they would still lose the interest on the amount withheld; 15 percent withheld from a retired person's small interest income could be a substantial burden on that person's ability to cope with inflation.

The human misery this withholding tax would entail is reason enough to oppose it. However, its affect on our Nation's rate of savings could be catastrophic. I supported the Bentsen-Percy amendment to H.R. 3919, the "windfall profit" bill and was quite pleased when it passed Congress and was signed into law by the President. Congress passed this amendment to allow a $200 deduction for interest income ($400 for married couples filing jointly) in the realization that our savings rate had to be improved. Many of my colleagues, I am sure, will agree with me that we could have gone a lot further, but a step in the right direction is better than nothing at all. I was appalled, therefore, when the President proposed a withholding tax on interest and dividends. What small gain we made with Bentsen-Percy will be all but wiped out by the administration proposal. Our personal savings rate fell to 3.3 percent in the fourth quarter of 1979, the lowest rate in three decades. The administration jeopardizes even maintaining that level for a possible revenue gain of $3.4 billion. It hardly seems worth it. I have pointed out before how our savings rate compares to other countries: Canada 11 percent, Japan 25 percent, Germany 15 percent, Italy 23 percent and the United Kingdom with 13 percent. Already our low-savings rate is having its effect as Government borrowing outdistances the growth in available funds and drives interest rates higher and higher.

I feel that a withholding tax on interest and dividends would be disastrous. Withholding would reduce the effective rate of interest on savings accounts; increasing the misery of this Nation's poor. Withholding would reduce the incentive to save and invest; effectively reducing the amount of capital available for increased productivity and real growth. Finally, withholding would increase our Nation's already confiscatory tax burden. I urge my colleagues to join me in cosponsoring this resolution and asked that it be printed in its entirety at the conclusion of my remarks.

SENATE RESOLUTION 412—SUBMISSION OF A RESOLUTION RELATING TO THE ATTEMPTED RESCUE OF THE AMERICAN HOSTAGES HELD IN IRAN

Mr. ROTH submitted the following resolution, which was referred to the Committee on Armed Services:

S. RES. 412

Whereas 53 Americans are held hostage in Iran in violation of all accepted standards of civilized conduct and international law;

Whereas the American people have been extraordinarily patient in supporting their Government's many peaceful initiatives to obtain the release of their fellow countrymen;

Whereas, despite all efforts to obtain the release of the hostages through peaceful means, Iranian authorities have refused to free the Americans in Iran from their illegal detention;

Whereas, in view of the continued intransigence of Iranian authorities in their refusal to negotiate a peaceful settlement, the United States Government is fully justified in attempting to free its citizens from their unlawful confinement;

Whereas the American hostages are held under continuous threat to their lives and have been even further imperiled by recent domestic turmoil and violence in Tehran, Iran;

Whereas a courageous group of volunteers from the Armed Forces of the United States undertook during April 24–25, 1980 the difficult and extremely dangerous mission of rescuing their countrymen in Tehran;

Whereas eight men died and five were wounded in this heroic rescue mission; and

Whereas this is one of those critical moments in the history of the United States when the American people are united in their grief and must be united in their resolve: Now, therefore, be it

Resolved, That the Senate hereby—

(1) acknowledges the debt of gratitude which the United States owes the dedicated men and women of the Armed Forces of the United States who participated in the courageous attempt during April 24–25, 1980 to rescue the Americans held hostage in Tehran, Iran;

(2) commends the members of this rescue mission for their heroic performance in the finest tradition of the Armed Forces of the United States; and

(3) expresses its deepest sympathy for the families of those who sacrificed their lives in so noble a cause.

● Mr. ROTH. Mr. President, I rise to submit a sense of the Senate resolution expressing the gratitude of the American people for the heroic dedication of the men and women who participated in the rescue mission to free our hostages in Tehran. For more than 6 interminable months 53 Americans have been held prisoner in Tehran. They are held in violation of all accepted standards of civilized conduct and the most basic precepts of international law. Their unlawful detention has become one of the most painful and frustrating interludes in the history of the United States. Throughout the brutal purgatory of their fellow countrymen, the American people have been extraordinarily patient in supporting their Government's many peaceful initiatives to obtain the release of the hostages. They have suffered through daily reports in the media dramatizing American impotence in the face of this intolerable outrage. They have watched helplessly while violence raged in the streets of Tehran threatening to spill over into the American Embassy where the hostages are held.

Finally, a group of courageous volunteers drawn from the various branches of the Armed Forces undertook the difficult and extremely dangerous mission of rescuing their countrymen in Tehran. From the beginning, despite the careful planning and arduous training of those involved, it was clear success was far from assured. Nonetheless, in the finest tradition of the Armed Forces of the United States, these volunteers accepted the risk to their lives and set out to do the job. Eight men died on this humanitarian mission. Five were seriously wounded.

At this critical juncture in our history, we are a nation united in our grief, but also united in our resolve to continue exploring every avenue to free the Americans unlawfully and barbarously held hostage in Tehran.●

AMENDMENTS SUBMITTED FOR PRINTING

VENTURE CAPITAL INVESTMENT ACT OF 1979—S. 1940

AMENDMENT NO. 1723

(Ordered to be printed and referred to the Committee on Banking, Housing, and Urban Affairs.)

Mr. TOWER (for himself and Mr. NELSON) submitted an amendment intended to be proposed by them, jointly, to S. 1940, a bill to amend the Securities Act of 1933 to authorize the sale of certain securities to accredited investors without filing a registration statement under such act, to amend the Investment Company Act of 1940 to grant an exemption from such act to certain issuers which engage in the business of furnishing capital or providing financing for business ventures and activities, and for other purposes.

● Mr. TOWER. Mr. President, I am introducing, for Senator NELSON and myself, an amendment to S. 1940, the Venture Capital Investment Act of 1979. Since the introduction of S. 1533, the Venture Capital Company Act and S. 1940, there have been ongoing discussions about the need to address securities law problems encountered in connection with the operations of venture capital companies.

The amendment which I am now offering would do this by amending the Investment Advisers Act to clarify that the manager of a venture capital firm is not, solely by reason of that relationship, an "investment adviser" to each investor in the firm. This provision is an important addition to the provisions of S. 1940, and I look forward to the prompt consideration of the bill by the Banking Committee.●

NOTICES OF HEARINGS

SELECT COMMITTEE ON SMALL BUSINESS

● Mr. STEWART. Mr. President, the Select Committee on Small Business will hold a hearing on the Department of Energy's Research and Development programs for small business. The hearing will be held on April 30 in room 424 of the Russell Senate Office Building.

The hearing will begin at 10:30 a.m., in room 424, of the Russell Senate Office Building. Questions should be directed to the committee staff at 224-5175. ●

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

● Mr. LEVIN. Mr. President, I wish to announce that the Subcommittee on Oversight of Government Management, of which I am chairman, will continue its hearing of last fall on hurry-up spending, on April 30 and May 1, at 9:30 a.m., in room 3302 of the Dirksen Senate Office Building. ●

ADDITIONAL STATEMENTS

THE FAILURE OF THE RESCUE ATTEMPT IN IRAN

● Mr. DOLE. Mr. President, this is a sad morning for all Americans. It is not a time for partisan advantage or carping criticism. It is important that we join together in extending our deepest sympathy to the families of eight heroic men who lost their lives in attempting to rescue the hostages who have been illegally and wantonly imprisoned by Iranian militants for over 6 months.

In the last few weeks, I have not hesitated to raise questions about what I perceived to be a confused and often contradictory approach followed by the Carter White House in dealing with the Iranian crisis. In days to come, there will undoubtedly be new questions raised about the nature of the aborted mission, its genesis and development, and our failure to consult with European allies or the Congress itself.

But this morning, any American who shares my concern about the lives of our hostages, or worries with me about the effect of the prolonged crisis on American prestige and self-respect must yield to the President's honest and understandable desire to bring the crisis to a successful close. He has manfully accepted responsibility for the mission's failure, and he has access to information not yet available to the rest of us about why he chose this particular time to try it.

GET BACK ON TRACK NOW

Until we know more, I for one will not attack a President whose frustration and disappointment are no less than my own. I do hope that we will get back on track in applying sustained economic and political pressure on Iran, and that all Americans can emerge from this terrible morning with a renewed determination to persevere and, if the need arises, to support military force if it can in the future secure the release of our fellow citizens.

COMPLETE THE PROCESS QUICKLY

One thing remains clear: It is now clearly impossible to go back to President Carter's policy of conciliation with any hope of success. If there are further military actions that would be effective, such as an embargo, then we should proceed with them. The lives of the hostages have already been put to the utmost peril. Their continued safety will depend upon the speed with which the United States seizes whatever initiative remains.

It will take some time for the fragmented Government of Iran, with its many competing power centers to coordinate a reaction to the American rescue mission. If we want to institute an embargo, it can be done now with the least immediate danger to the hostages. It may be too late if we hesitate in indecision once more, allowing the militants to plan their blackmail with threats of immediate execution.

THE WAR POWERS ACT

The 1973 War Powers Act requires the President to consult with Congress in cases of military action. That he did not do so should not be surprising, since he has acted unilaterally and in disregard for such laws in the past, such as when he abandoned our ally and cancelled the Mutual Defense Treaty with the Republic of China in order to recognize Peking.

Most of us are sympathetic to the urgent requirements of secrecy and timing that any such attempt like the one Mr. Carter ordered requires. At the time of the *Mayaguez* incident it was made clear that the use of U.S. troops when war has not been declared mandates prior congressional consultation. This mission has obviously been planned for a long time, allowing ample time to consult with leaders of Congress. Surely the wisest course was to share the burden for this decision. Never has there been a breach of security on such matters by Members of the Congress. But I think the American people are rightly more concerned with the safety of the hostages than they are about whether the Congress received prior consultation. Sometimes it is not possible in any case.

HOSTAGES MOST IMPORTANT—CANNOT SECOND-GUESS THE PRESIDENT

We must leave to the future all speculation on these events. Questions remain unanswered. But we cannot second-guess the President. The important thing at this point is to do what we can to get back on track and keep up the pressure on Iran. We must strive to be implacable, consistent and predictable, so that Khomeini and Iran will know that the United States must be reckoned with, and that we will not be satisfied until the hostages are released.

Our hostages are more important than domestic politics. They should take precedence over anything else. If we hope to welcome them back to American soil, we must stand together as one people. We are unified in our grief for those who have died. We must be equally unified in our determination to prevent further loss of life. To those who died in the Iranian desert, as to those who continue to languish in the Iranian Embassy, we owe nothing less.●

DR. SERGIUS O. YAKOBSON

○ Mr. JACKSON. Mr. President, on November 13, 1979, Dr. Sergius Yakobson died at George Washington University Hospital.

A Slavic scholar and specialist on Russia of international renown, Dr. Yakobson had been chief of the Library of Congress' Slavic Division and Senior Specialist in the Congressional Research Service. After his retirement in 1971, he was appointed the Library's Honorary Consultant in Slavic Studies, a post he held until his death.

Dr. Yakobson was a gentle man, morally sensitive, kind and considerate in human relationships, and uniquely attuned to the esthetics of life—music, art and literature.

Dr. Yakobson's career as a scholar and his philosophy of politics and of life were forged in three great cultural traditions of the world: the Slavic, the Germanic, and the Anglo-Saxon. It was in the latter that his profound belief in human liberty, nourished by the loss of his own freedom in two revolutions, the Bolshevik in Russia and the Nazi in Germany, was to achieve full realization.

What I treasure most in my long, professional association with Dr. Yakobson was his unfailing belief in individual freedom and in the promise of America for the oppressed of the world.

Dr. Yakobson had no illusions about the nature of the Soviet system, its purposes and its designs; no illusions about what its power and adventurism portended for our country and for free peoples everywhere; no illusions about the importance of the strength of free nations in dealing with Moscow.

I take this opportunity to bring to the attention of my colleagues a statement on Dr. Yakobson published in the April 1980 issue of the American Historical Review. This tribute was written by Joseph G. Whalen, senior specialist in international affairs, and one of Dr. Yakobson's colleagues in the Congressional Research Service of the Library of Congress.

I submit this tribute to be printed at this point in the RECORD.

The tribute follows:

TRIBUTE TO DR. SERGIUS O. YAKOBSON

(By Joseph G. Whalen)

Sergius O. Yakobson, scholar, author, librarian, specialist in Russian history and Slavic languages, ranking Slavist in the Library of Congress, and foreign policy adviser to the Congress for over 30 years, died on November 13, 1979, at the George Washington University Hospital.

Born in Moscow in 1901, Yakobson received his early academic training at the Lazarev Institute for Oriental Languages in Moscow. Following graduation in 1918, Yakobson fled with his family to Germany in the wake of the Bolshevik Revolution. There, he earned a Dr. Phil. degree at the University of Berlin in 1926 majoring in history and with a minor in Slavic languages, literature, and philosophy. For the next seven years Yakobson was a research associate in the Prussian Privy State Archives, but as a Jew he was forced to leave Germany in 1933 and take up residence in England. With the assistance of Arnold Toynbee, he was appointed Honorary Lecturer in Russian History at the University of London and Chief Librarian at the University's School of Slavonic and East European Studies. During his London years covering the period 1933–1940, Yakobson contributed to publications of the Royal Institute of International Affairs and to British scholarly journals; he lectured at Oxford, Cambridge, Nottingham, and Cardiff; and along with his many scholarly activities he enjoyed a professional association with such notable British scholars as Sir Bernard Pares and Toynbee.

In 1940, Yakobson came to the United States and a year later was appointed a Rockefeller Fellow in Russian History at the Library of Congress. Thus began an association with the Library that was to last for 38 years. During most of that time Yakobson served simultaneously in the Library's Congressional Research Service as Senior Specialist in Russian Affairs and in the Slavic and Central European Division as its Chief. Upon retirement in 1971, he was appointed the Library's Honorary Consultant in Slavic Studies, a post he continued to hold until his death.

As a scholar in Slavic studies recognized internationally, Yakobson combined a professional career of service in the United States government and to the scholarly community. During World War II he was second in command of a confidential White House project on migration and settlement. As Chief of the Slavic Division, he was the primary force in developing and expanding the Library's Slavic collection. As Senior Specialist in Russian Affairs, he contributed enormously to the proceedings of the Congress by his written work and oral consultations with members and staff. And in addition to his official duties he served the scholarly community directly: by lecturing at some of the nation's leading universities; by presenting research papers at national and international meetings on subjects of scholarly concern; by actively serving in such eminent organizations as the Joint Committee on Slavic Studies of the American Council of Learned Societies, the American Historical Association, and the American Association for the Advancement of Slavic Studies—(In 1972, the AAASS presented Yakobson its National Award in recognition for his contribution to Slavic studies); and finally published the results of his extensive research. Listed among Yakobson's many publications both by the government and in the private press is his chapter on "Russia and Africa" included in *Russian Foreign Policy: Essays in Historical Perspective* published by the Yale University Press in 1962. This essay, leavened by years of research and reflections on Africa, has now been recognized as a pioneering effort in tracing Russia's historical interest in Africa.

In his long professional career, Yakobson was thus a working scholar motivated by a high sense of service to his government and to the scholarly community, applying his skills with a dignity, dedication, and integrity that won for him the respect and gratitude of those he served. In a life that had been shaped by training and experience in three great cultural traditions of the world—the Slavic, the Germanic, and the Anglo-Saxon—he was unique as a "scholar-in-government" for he could and did draw upon the best of all three traditions and thus made a distinctive contribution to the vital center of American life.●

THE COUNTERPRODUCTIVE LINKING OF RELIGION AND POLITICS

● Mr. HATFIELD. Mr. President, we anticipate over the next several days many of our constituents gathering for what is called the "Washington for Jesus Rally." As you know, there has been a great deal of controversy over both the originally intended focus of the event and the potential for a shallow and counterproductive linking of religion and politics as it occurs.

As an active Christian layman, I want to say at the outset that I welcome all people of goodwill participating in activities to raise the moral and spiritual climate of our Nation. It is a healthy sign when people of like commitment, although of various denominational backgrounds, gather for the purpose of lifting our Nation and its leaders up in heartfelt prayer. In the initial stages the steering committee of the rally did have the intention of linking their religious concerns with so-called political issues. I want to commend them for seeing the danger in such a strategy and putting aside an organized lobbying effort on issues which people of goodwill have difference of opinion.

Several excellent articles have been written in the last months on the temptation for prominent religious groups to use their power in a manipulative way and to impose simplistic answers on very complex problems. I believe that it will be instructive for all of us to assimilate the wisdom of the following perceptive articles by Dr. Charles V. Bergstrom of the Lutheran Council Office of Government Affairs and Dr. W. Stanley Mooneyham, the president of World Vision International.

I ask that "When the Self-Righteous Rule—Watch Out!" by Dr. Bergstrom, and "United We Fall," by Dr. Mooneyham be printed in their entirety in the Record.

The material follows:

United We Fall

From an early perspective in this election year, it seems that politics stands a good chance of replacing inerrancy as the issue most likely to divide evaneglicals in 1980.

The fact that this is the year we elect a President has something to do with it. But what has more to do with it is that evangelicals, who are growing in numbers and strength to majority status, are sensing their clout. Television and other media have provided loyal and massive audiences for a number of Christian leaders. The names of some have become household words. There appears to be an incerasing feeling that it would be a shame not to use just a little of all that accumulated visibility and influence for political purposes.

The strange thing about this is that less than two decades ago religious conservatives were scathingly critical of religious liberals who were political activists. Public pronouncements by clergymen, denominations and ecumenical committees were regularly denounced and disowned. When the "liberal" National Council of Churches issued a statement with political overtones—as it frequently did—embarrassed conservatives in and out of the Council's constituency rushed to say, "They don't speak for me!"

Now one wonders if evangelicals are little more than liberals-come-lately.

Political power has long been recognized as a seductive secular temptation. It also must be seen as a seductive religious temptation. It requires no biblical language expert to paraphrase into our modern evangelical mood the words of Israel in 1 Samuel 8:19–20: "We will have a king over us, that we also may be like all nations." Simply substitute "President . . . congressman . . . senator . . governor" for "king," and translate "all the nations" into "power blocs."

I sense that is the mood of some of my fellow evangelicals in 1980, and it scares the daylights out of me. The Israelites discovered, after they got what they wanted, that power, even with anointed beginnings, has an unfortunate way of turning in upon and magnifying itself. I see little to convince me that evangelical power—past or present—is less immune to that kind of misuse than any other kind of power.

Failure to adopt a hard-line political position—right or left—and to mobilize behind the appropriate party or candidate seems to have become the evangelical cardinal sin. I know I already have alienated friends on both sides by declining invitations to endorse their respective positions. It is no longer enough, I have learned, to support a candidate who is simply a Christian. He or she must also carry the appropriate modifier of "liberal' or "conservative."

Fragmentation is sure to occur as support of a particular political position or candidate becomes more the litmus test of Christian authenticity than the Apostles' Creed. Surely Jesus' prayer for His disciples and for us that we might all be one did not necessarily mean pulling the same voting machine lever.

There is subtle but real danger in this grasp for Christian power and influence, not only for those of us who are being pushed but for those doing the pushing (and who, presumably earn prestige credits and maybe more if their candidate wins). During Jesus' temptation in the wilderness, the devil, playing kingmaker, offered "all the kingdoms of the world and the glory of them." I used to think this temptation to raw power left Jesus cold. But maybe not. Maybe He was tempted to rationalize a positive answer in the same way that some of His followers today can make it all sound so reasonable and right.

One difference between then and now is that Jesus recognized who the tempter was.

I am as scared of an evangelical power bloc as I am of any other. Worldly power in religious hands—Islamic or Christian—has hardened into more than one inquisition. That God has delivered us from the hands of zealous but misguided saints is all that has saved us at times.

Although it is not impossible to harmonize the two in some situations, there is actually a basic conflict between Christian commitment and political power. The strength of faiths is in its avalanche of powerlessness, its tidal force of love. If politics is the art of achieving the possible, faith is the art of achieving the impossible. Politics says, "Destroy your enemies." Christian faith says, "Love your enemies." Politics says, "The end justifies the means." Christian faith says, "The means validates the end." Politics says, 'The first shall be first." Christian faith says, "The last shall be first."

I plan to vote, and I hope you will. I will vote with care and a sense of responsibility, as I believe you will. That is all that either of us has the right, as Christians, to request of the other.

And when I go to church, I expect to be looking up at the pulpit for pastor, teacher, friend. Not for a ward heeler.

WHEN THE SELF-RIGHTEOUS RULE, WATCH OUT!

(By OGA Executive Director Charles V. Bergstrom)

There was a time when that segment of the religious world known as the fundamentalists was generally called "conservative." That contrasted with the traditional and often larger denominations which were labeled "liberal" because of their involvement in ecumenical and social justice ministries. How strangely we use words to categorize people and religious groups!

A closer examination of the "conservative" and "liberal" labels will indicate they no longer can be attached with any definitive correctness. At least they won't stick in the nation's capital. Certainly right-wing movements in politics and religion are not new. In fact, they seem to follow almost predictable cycles of strength and decline. As we enter the decade of the 1980's we see many groups of evangelical Christians giving a humble and quiet witness for justice in their relations with the U.S. government. Others claim to present God's will and the moral answer to legislative decisions.

Last May the Lutheran Council in the USA stated that "Lutherans in the United States affirm the principle of functional interaction between the government and religious bodies in areas of mutual endeavor, so that such interaction assists in the maintenance of good order, the protection and extension of civil rights, the establishment of social justice and equality of opportunity, the promotion of the general welfare and the advancement of the dignity of all persons. This principle underscores the Lutheran view that God rules both the civil and spiritual dimensions of life, making it appropriate for the government and the churches to relate creatively and responsibly to each other."

God is at work in the world—and that includes the world of politics. The Lutheran church bodies, together with many other denominations, consider their ministry to include participating in the social order and political process. The corporate church seeks to work with the government in service. Theologically and biblically stated there is no need to call this pursuit conservation or liberal.

In complete contrast to that view note the following. NBC Television broadcast a program on Christian education on Sunday, November 21. President Bob Jones 3d of Bob Jones University stated on the program that the Internal Revenue Service and Labor Department have become a "gestapo" and are out to destroy the work of God. "I see them as devils, I see their agencies as scabs and blemishes on our society," he said. That sounds a bit silly, and it must sound even worse to a dedicated church member serving as an IRS commissioner.

Nevertheless, we must be aware of recently formed religious organizations which in varying degrees consider the government as an enemy and who claim to speak for American Christians. Let us look briefly at three well-publicized, right-wing bodies. A helpful reminder in this lineup is that many of the same people are active in more than one organization. Names are repeated as circles enlarge into new coalitions.

The Christian Voice is the humble title of a registered lobbying group with Gary Jarmin as executive director. He was formerly a very active member of the Unification organization—the "Moonies"—and served on the staff of the American Conservative Union. Robert Grant of the American Christian Cause writes much of the Christian Voice literature. Fund-raising is facilitated by Robert A. Viguerie, who has helped to raise millions of dollars for fundamentalist groups and candidates. Several members of Congress serve as an advisory committee, including Sens. Gordon J. Humphrey of New Hampshire and Orrin G. Hatch of Utah.

Responding to a question posed at a press conference launching Christian Voice Sen. Hatch acknowledged similarities in its efforts to the goals of Iran's Ayatollah Khomeini to establish a religious state. "There is the same desire to spread the viewpoint of good people and change some things that are happening," he said. The group claims 40,000 clergy as supporters. It intends to distribute money to political candidates "deemed worthy of support," says Grant, "with whose help we can pass any law or amendment."

Christian Voice joins faith and patriotism and is harshly critical of "un-Christian governmental policies. Members of its congressional advisory committee have supported former Nicaraguan Dictator Anastasio Somoza on the grounds that communism would result if his government fell, and they opposed economic sanctions against Zimbabwe-Rhodesia before the warring parties there had reached agreement. Basically the organization is for capital punishment, prayer in public schools and what are called "family issues." It is against SALT II, welfare legislation and voting rights for the District of Columbia. On October 14 it sponsored a day of prayer for the repentance of homosexuals.

The Moral Majority can be accurately described as an extension of the electronic church as well as a relative of Christian Voice. Jerry Falwell, known for his nationally syndicated television program, "Old Time Gospel Hour," is its founder and president. Located in the basement of the same Northeast Washington townhouse that shelters the Christian Voice, the Moral Majority is developing aggressive contacts with right-wing clergy. It claims 83,000 clergy supporters and expects the number to grow quickly to 100,000.

Falwell is challenging "the moral majority" to fight the decay evidenced by "pornography, homosexuality and godless humanism. Love of God, decency and Bible morality" are needed to overcome these evils. His aim is to organize and mobilize "moral" Americans who believe in "right and wrong and patriotism, the free enterprise system, and saluting the flag when it passes . . . into one clear, loud and effective voice." He wants them to exert specific influence on the spiritual and moral direction of the nation. He has criticized President Carter for his "liberal" appointments and positions and has called for the election of "Christian statesmen." He has expressed the hope of a return to the McCarthy era and the registration of all Communists.

Many other individualistic TV preachers, such as Pat Robertson and Jim Bakker join Jerry Falwell in combining patriotism and "biblical" morality and demanding complete agreement on selected issues. That's a very liberal interpretation of Scripture indeed! According to U.S. News and World Report the operation of each of these TV preachers grosses about twice as much as the two Republican and Democratic candidates spent on the last presidential campaign.

The Religious Roundtable is a coalition of clergy and lay leaders of fundamentalist groups who plan to carry their morality campaign even more directly into the next election. It will "coordinate Christian leaders from around the nation who are willing to fight in the political arena for pro-God, pro-family, pro-America causes" according to the newsletter Group Research Report.

Eddie McAteer, related to many evangelical movements and the Christian Voice, is credited as a founder of this large, strong, right-wing coalition. Participants in its organizational meeting included representatives of Stop-ERA, the Conservative Caucus and the Committee for the Survival of a Free Congress.

What is the picture as we face 1980? Within these three groups some clear patterns are evident. The groups are based on the certainty that this is a Christian nation. They are going to ensure that it is run by Christians. They are moving rapidly and strongly to expand their base. Individual clergy are gathered under many names. Though they take pride in calling themselves "conservative," much of their leadership comes from preachers with "liberal" and individualistic views of church-state relations. They often equate Christian faith with political positions on specific issues. As Lutherans we cannot accept these views.

The word "liberal" as I have used it here means straining Scripture to mandate specific positions on social justice issues. In a recent article Washington Post writer Morton Mintz discussed the shifting definitions of liberals and conservatives as they apply to the Supreme Court. He described Chief Justice Warren Burger and Associate Justice William Rehnquist as liberal because they bend the Bill of Rights to reach some of their judicial opinions. Similarly it is biblically liberal to bend the Word of God to fit your political ideas.

The Lutheran church bodies consider the interaction with the government as part of their ministry. This is a ministry to the world where we believe that God is creatively active. We could ask whether God is for or against SALT II or for or against welfare reform, but there are better questions. From the viewpoint of the church, can morality and advocacy be organized into one voice or a majority gathered around one table? Perhaps joining or supporting the Christian Voice and the Moral Majority is attractive—certainly more attractive than being an earthen pot, odorous yeast or a servant—until you read about a "religious" hit list of candidates who do not vote "right" on a few issues and therefore are not "moral."

Concerned Christians need to consider some of these points in light of right-wing activity which I have labeled bibically liberal. The corporate church and government coexist in healthy tension and service. God works in both. Organized religious groups and even "moral majorities" can do evil things and make errors and thus be in need of correction and learning.

Right-wing fundamentalists cannot dismiss as "wild-eyed liberals" Christians who disagree with them on political decisions or those who refuse to join them, such as respected Sen. Mark Hatfield of Oregon, who is an evangelical. Also they cannot baptize the political and economic views of one religious group. You cannot label a person as Christian or non-Christian solely on the basis of the issues he or she supports or his or her political orientation. The IRS does not become "godless" when it makes a mistake or writes a poor regulation. The same is true of any denomination of believers.

Note carefully that the Office for Government Affairs of the Lutheran Council and other church-government liaison offices in Washington have not been reaching fitfully to the activities of the religious right wing. In fact, officers of the Washington Interreligious Staff Council have visited the Christian Voice and Moral Majority offices. We will work with them as with the government in ways that may better promote social, economic and political justice.

Nevertheless I offer some words of caution based on the literature and news releases descriptive of right-wing activities.

The massive movement of fundamentalists into registered, incorporated organizations lobbying in the interest of a "moral majority" is different from the work of advocacy on behalf of the oppressed. Pushing for total agreement on moral issues is not the same as advocating a piece of legislation which will enhance the common good.

The very close relationship of right-wing lobbyists to the electronic church raises questions. The Rev. Miles O'Brien Riley, director of public relations and information for the Roman Catholic Archdiocese of San Francisco, says: "Televangelists . . . promote a superficial, middle-class American civil religion where sin is crime and virtue is patriotism." He warns against an approach where "there is no suffering, no shared need, no cross, and no sweaty community. In fact, the 'electronic church' is no church at all." I would reiterate that those here who call themselves "the church" are more often individual preachers working for similar political goals.

Even though the religious right-wing political groups often attack "the government," some members of Congress are part of the movement. For example, as already indicated, Sen. Humphrey of New Hampshire is a member of the Christian Voice advisory committee. He recently circulated a letter encouraging the defeat of Senators John C. Culver of Iowa, George McGovern of South Dakota, Frank Church of Idaho, Birch Bayh of Indiana and Alan D. Cranston of California. Humphrey later withdrew his name from the letter.

Some strong words about the new right by former Sen. Thomas McIntyre of New Hampshire were included in the October 16 Congressional Record. Humphrey defeated McIntyre in the last election. McIntyre is convinced that the new right, including the religious fundamentalists poses the greatest threat to this country since the days of Joe McCarthy. He predicts that the media will watch in open-mouthed amazement the new right's strength at the national political conventions next summer.

McIntyre raises many questions about "Christian" politics and voting like a "Christian." He notes that the new right and the Christian Voice work in close cooperation, and this raises many questions. As a Roman Catholic McIntyre is encouraged that the leaders of his own church are recognizing that the social justice goals of their faith suffer a net loss when an office holder who supports those goals but does not vote a rigid line on the single issue of abortion is defeated by a right-to-life candidate who supports none of the other goals.

In a recent sharp editorial in the Des Moines Register Donald Kaul has cautioned against the uncritical blending of religion and politics. He confesses a nervousness about Christians who are unassailed by doubt and who read the Bible without a sense of mystery and ambiguity. These are his words: "Such Christians gave us the Crusades, the Spanish Inquisition and the Salem witchcraft trials. When you're convinced you're doing God's work, it's only a short step to becoming convinced that everything you do is justified. The Christian Voice people are fond of quoting this line in the Bible: . . . when the righteous rule, the people rejoice, when the unrighteous rule they mourn." To which, says Kaul, I can only add: "And when the selfrighteous rule watch out."

That's the bottom line.

COURT UPHOLDS RIGHT TO SUE CHURCH

On November 26 the U.S. Supreme Court let stand a California Court of Appeals ruling in *Barr* v. *The United Methodist Church* which held that guarantees of due process and religious freedom do not prohibit a church from being sued. The lower court opinion also said the question of whether the church is a suable entity is a question of law and not of fact about the nature of the church. The court said that to hold that the church can be sued does not involve a review of its policy in a way which interferes with its internal affairs in violation of the free exercise clause of the First Amendment. The court did not address the question of liability on the part of the church in the case.

The litigation involved a class action complaint brought by 1,950 present and former residents of a group of 14 retirement homes operated as Pacific Homes by the Pacific and Southwest Annual Conference of the United Methodist Church. The complaint alleged that Pacific Homes, which filed for bankruptcy in 1977, violated a "continuing care agreement" with the residents and that the church, its General Council on Finance and Administration and the Pacific and Southwest conference should be held financially responsible.

BILL OFFERS BETTER HELP FOR THE POOR

Passage by the House on November 7 of the Social Welfare amendments of 1979, HR4904, came after the narrow defeat of an amendment to let states design their own work requirements for welfare recipients. Such programs usually require welfare recipients to work off their families' grants in nonsalaried positions without the status or benefits of an employee.

While HR4904 represents only incremental reform of the current cash assistance system, it modestly improves the benefits and rights of welfare recipients. It establishes a nationwide minimum benefit through the Aid for Dependent Children program plus Food Stamps of 65 per cent of the poverty level of $4,654 for a family of four. It also mandates coverage of two-parent families with children when the principal wage earner is unemployed.

The legislation must now be considered by the Senate Financial Committee.

HOUCK TESTIFIES IN SUPPORT OF UN COVENANTS

In testimony presented on November 19 before the Senate Foreign Relations Committee General Secretary John Houck of the Lutheran Council in the USA expressed "wholehearted support" for the United Nations Human Rights Covenants.

Houck spoke on behalf of the American Lutheran Church, Association of Evangelical Lutheran Churches and Lutheran Church in America. He called for Senate ratification of the covenants on economic, social and cultural rights and on civil and political rights. He also said the three church bodies support ratification of other human rights treaties pending before the Senate—on genocide, the elimination of all forms of racial discrimination and the American Convention on Human Rights.

PROSPECTS APPEAR BETTER FOR BLACK MAJORITY GOVERNMENT IN ZIMBABWE-RHODESIA

Prospects for a cease-fire and new election in Zimbabwe-Rhodesia have increased greatly with the recently announced agreement among the Patriotic Front, the British and the government of Abel Muzorewa at the peace conference in London which started in September.

The agreement-in-principle signals the likelihood of an end of the long seven-year war which has divided the country and created close to 750,000 refugees and displaced persons. Details still to be worked out include the repatriation of 250,000 of those refugees, rules for the elections, success in disarming some forces on both sides and the presence of troops of the Republic of South Africa inside Zimbabwean territory.

Word of the agreement came as the Africa Subcommittee of the House Foreign Affairs Committee was considering legislation which would have ended U.S. participation in the economic sanctions which began when Ian Smith's white-minority regime declared unilateral independence from Britain in 1965.

U.S. participation in the sanctions was recognized as one of the forces that kept negotiations alive through the years. Nevertheless, conservatives in Congress tried several times to lift the sanctions in view of the so-called "internal settlement" government of Muzorewa and Smith.

In a recent trip to the United States Bishop Jonas C. Shiri of the Evangelical Lutheran Church in Rhodesia urged members of Congress and President Carter to maintain U.S. sanctions until new elections could be held to replace the Muzorewa government with one representing a true majority and which protects the legitimate rights of the white minority—less than 3 per cent of the Zimbabwean population. The bishop pointed out that none of the black majority had been allowed to vote for or against the consitution that established the Muzorewa government and that the supporters of the Patriotic Front, to whom he referred as "our children," were not allowed to participate in the elections which brought Muzorewa to power.

Under present policy the U.S. will lift the sanctions when the London conference is completed, a British governor arrives in Salisbury to oversee a cease-fire and new elections, and progress toward those elections has begun. The Administration has announced the policy, and the Senate affirmed it by a 91–0 vote.

Opinions in Focus

(By Charles V. Bergstrom)

Most Americans vividly remember the incident at Three Mile Island in Pennsylvania last May. Through extensive media coverage we lived vicariously with the "nuclear refugees" who were forced to evacuate the immediate vicinity of the nuclear facility. However, few of us would be able to recall the serious disruption of an Indian community which occurred when a dam in Church Rock, N.M., broke last July, spewing millions of gallons of radioactive water and waste onto Navajo land—water and waste contaminated with the by-products of uranium mining activities in that area.

President Carter visited Three Mile Island, and since that time scholars, pundits, congressional committees and presidential commissions have all investigated the incident. But beyond a single day of hearings held last month before a House subcommittee, the Church Rock Dam spill has generated little national concern.

The history of uranium mining on Indian reservations is grim, and the Church Rock dam spill is just one of a wide range of serious problems related to this industry in Indian country. According to Frank E. Paul, vice-chairman of the Navajo Tribal Council, many Navajo people directly involved in early mining activities were not advised about potential hazards and were contaminated. Dangerous scrap rock left from the uranium mines was even used to build Navajo homes. Mines abandoned without needed safety precautions, repeated pollution of water sources, and inadequate disposal of the waste products or uranium "tailings" continue to cause serious health and safety problems for the Indian population. Paul maintains that "the Navajo Nation was taken for granted as some kind of proving ground or 'national sacrifice area' in which the defense and energy needs of the United States would be given priority, but the health and safety and long-term economic needs of the Navajo people were ignored."

Recent events relating to the Church Rock dam continue this trend. Cleanup of the spill was neither swift nor efficient. The tribe is still waiting for adequate assurance from the government and the United Nuclear Corporation that their water and livestock, essential to their livelihood and self-sufficiency, are not contaminated. Can you imagine what would have followed if radioactive waste had flooded the Potomac or the Hudson River valleys?

The National Council of Churches and the National Indian Lutheran Board, among others, have expressed strong support for the Navajo community of Church Rock. In addition, many in the religious community will continue to urge that such incidents be reviewed within the broader context of the full range of uranium mining hazards and that the rights of Indian communities to control further exposure to these dangers are safeguarded. In the interest of equity and justice, we can ask no less!●

IRAN

● Mr. BAUCUS. Mr. President, nearly 6 months ago, a handful of Iranian militants stormed the American Embassy in Tehran and seized 50 American citizens as hostages. Those Americans have remained captives of the Iranian militants ever since.

The U.S. Government has patiently and thoroughly explored every peaceful avenue available to it in its effort to obtain the release of the American hostages. We have negotiated in good faith. We have not attempted to threaten Iran with our immense military power. We have not violated international law. In fact, in every possible instance, we have attempted to work with and through international law in our talks and dealings with the Iranian Government. Yet, in every instance, Iran has thwarted our efforts, making unreasonable, even outrageous demands on our Government and our people, or simply reneging on promises or progress made.

And all this time, nearly 6 months, the 50 American citizens remain captive in their own Embassy in direct violation of every international law, and in direct violation of every concept of human decency.

Late last week, our national ordeal took an agonizing twist when eight young Americans lost their lives in the Iranian desert some 200 miles outside of Tehran. These courageous men were part of a rescue mission designed to secure the release of the American hostages.

I am not here today to judge the wisdom of the rescue mission. The reasons behind the President's decision to attempt such a bold and risky operation are not available to me at this time. However, I certainly do not quarrel with the mission's humanitarian objective of freeing our fellow Americans from their intolerable captivity.

Now is the time for the United States to pull together as a strong and free nation. We must pull together not only to mourn the tragic loss of eight brave American servicemen, or to share our profound sorrow at the mission's failure, but also to affirm our commitment to obtaining the safe release of every single American held hostage in Iran.

Our determination in this mission must remain unwavering. We must remain certain of our country's strength, not only our considerable military strength, but the strength of our democracy and the quiet strength that sustains us in the face of the long, grueling hostage crisis.

Certainly, the mechanical failures that plagued the rescue mission raise serious questions about certain aspects of our military capability that must be answered to the satisfaction of the American people. Questions about the wisdom of the rescue operation itself must also be answered. Our democracy provides the forum for obtaining those answers in due time.

But the motive behind the rescue mission—getting our citizens home safely—remains sound and unchallengable.

Our Nation has withstood nearly 6 months of sometimes intolerable frustration, yet we have never buckled to the international blackmail practiced by the Iranian militants, and we have never compromised our position. We must remain firm in our commitment to free the hostages through peaceful means. We must not doubt the rightness of our mission.●

OUR DEFENSE CAPABILITIES

● Mr. DOLE. Mr. President, the Senator from Kansas has, over the past several days, received a great deal of mail concerned over the possible consideration and passage of the SALT II treaty. It seems to me that President Carter's SALT II treaty is unlikely to be considered in the Senate before the November elections. However, we must all surely be conscious of the grim necessity to reach a compromise with the Soviet Union which will limit nuclear weapons and decrease the chances of a nuclear holocaust. But Jimmy Carter seemed to be unaware of the Russian's motto "what's mine is mine, and what's yours is negotiable."

Time and again Jimmy Carter "compromised" with the Russian negotiators by caving in to their hardline positions. A SALT treaty will only be successful, and in our national security interest, if both sides have to give in equally. As an example of Carter's foreign policy techniques it is hard to beat SALT II.

U.S. POLICY—STYLE OVER SUBSTANCE

In a triumph of style over substance, the President was desperate to get a treaty of any kind just for its symbolism. A continuing dialog with Moscow is important, but we cannot allow our eyes to be closed to the simultaneous, massive arms buildup the Russians have been conducting at the same time they have been talking peace with our negotiating team in Geneva.

Mr. Carter's SALT II treaty is not equal. It leaves out the Soviet's Backfire bomber. This has the same effect as if we were allowed to not count our Strategic Air Command. SALT II also leaves out Russia's SS–20 missile—a weapon experts say can easily be converted into an ICBM dangerous to America, yet there will be more SS–20's in the next few years than all of our land-based ICBM's combined (1,200–1,054).

UNITED STATES OUTNUMBERED

All across the board we have allowed the Soviet Union to become militarily superior to the United States. Their Navy outnumbers ours 2 to 1 (594–296), interceptor aircraft 8 to 1 (2,600–309), tanks 5 to 1 (45,000–10,000), armored personnel carriers 2 to 1 (50,000–22,000), artillery 4 to 1 (20,000–5,000). Only in helicopters and aircraft carriers do we have a substantial lead, but the trend is going against us. The Russians, learning from our experience in Vietnam, have been using helicopters heavily in Afghanistan.

A MUSHY-HEADED VIEW OF THE WORLD

President Carter has recommended raising the defense budget because Afghanistan and Iran has alarmed the public and it is an election year. But it is easy to see what his administration's policy really is. In 1962, during our last serious confrontation with Russia during the Cuban missile crisis, the United States enjoyed superiority in all 44 measures of strategic power (warheads, megatonnage, and so forth) used by the Defense Nuclear Agency in its analyses. Today the Russians are superior in 33 (three-fourths) of them and we will soon fall behind in some of the others.

Yet, just last year one of Mr. Carter's top SALT advisors said:

> It is in the U.S. interest to allow the few remaining areas of U.S. strategic advantage to fade away.

If we hold onto our remaining advantages, he argues, the United States might "occasionally use them as a way of throwing our weight around in some very risky ways." Mr. Carter was not even alive to the danger of allowing the Russians to become militarily superior until last January. Can we afford this mushy-headed view of the world, so naive and so unprepared to deal with the challenges of a hostile world?

THE LESSON OF THE RAID

The critical weakness and ultimate cause of failure in last Friday's rescue raid to Iran was the strain in our physical military capability to do the job. In many parts of the world, let alone in Iran still, America is faced with challenges that may possibly lead to the use of military force. Can we still meet the challenge after the administration's disastrous budgets for the past 4 years?

Dr. John Lehman, formerly Deputy Director of the Arms Control and Disarmament Agency, recently evaluated this question in microcosm, using the timely example of our ability to respond to the Iranian crisis. Ironically, his article on the problems we face in mining Iranian harbors appeared Friday morning in the Wall Street Journal, just as the abortive mission to free the hostages became known.

Mr. President, I ask that the text of Dr. Lehman's article be printed in the RECORD.

The article follows:

THE MINING OF IRAN'S HARBORS

(By John Lehman)

Lately the White House has been putting it about that there is very serious consideration being given to the mining of Iranian habors as a military action to bring pressure for release of the hostages.

President Carter ran on a ticket which promised cuts in defense spending, and he lived up to that promise. In his first three years in the White House, Mr. Carter's defense budget request represented a real decline from each previous year taking account of actual inflation. He has reduced defense spending by a total of $38 billion from the five-year defense plan sent to Congress by President Ford in January of 1977. His 1981 budget promise of 3% growth has been revealed on these pages as a blatant cooking of the books.

Now for the first time in his presidency he may be called upon to use the defense establishment for actual hostile action. It is time thus to ask the obvious question. Has the Carter policy of reduced defense effort had any appreciable impact on our military capability to cope with real contingencies? Let us look at that narrow slice of our defense establishment that would actually be used to carry out the mining of Iranian harbors.

NO NEW TECHNOLOGY PURSUED

The only experience we have to go on since World War II is the mining of North Vietnamese harbors in 1972. While there is danger in "planning for the last war," in the case of mining there has been no new technology pursued or added to the U.S. inventory since that time, so that experience should be quite valid. My experience of that effort was as an assistant to Henry Kissinger at the National Security Council, and on the scene with Task Force 77 on Yankee Station.

Mining harbors is far more complex than it appears. The different types of mines, each requiring different delivery techniques, must be positioned precisely in the approaches and channels and must be positioned in the proper mix of types and sufficient quantity. Most difficult of all, mining must be done all at once and done right the first time. It is possible to "reseed" an area only with certain types of mines and then it is very difficult.

There are a number of essential elements to carrying out a successful mining operation. A review of the current state of each of these elements under the Carter administration isn't encouraging.

Mines: It takes at least 30 days to prepare and transport sufficient quantities of mines from the East or West Coast of the United States to the Indian Ocean by ship. The combat-support vessels necessary for such transport have dwindled under the Carter naval reductions by 10. Mr. Carter has cut 17 new combat support vessels from the Navy shipbuilding plan of 1977. As to the mines themselves, stocks are many thousands below planned war reserves. The Navy has a current $9 billion shortfall in its munitions requirements for minimum war reserve stocks.

MINING AIRCRAFT

The Navy A-6 Intruder was in 1972, and remains in its modernized form, the most capable all-weather attack fighter bomber in the world, and the only one capable of leading a precision mining emplacement. It is a two-man, twin engine aircraft that constitutes the principal long-range attack capability on each of our aircraft carriers. The Navy plans to keep it in this mission into the next century, but the Carter administration has for the last two years attempted to cancel the A-6 production program despite the fact that there are not sufficient A6Es in the Navy to provide all 12 carrier squadrons with 12 aircraft, nor to provide the two reserve airwings with A6E Squadrons.

Congress has kept the line open by adding A-6s for the last two years in a row against Mr. Carter's objections. The President's new "growth" budget, in addition to reducing all other Navy carrier aircraft programs, tries once again to cancel the A-6 program. It is the fourth straight year he has requested fewer Navy aircraft than the number lost in training.

AIRCRAFT CARRIERS

The nearest U.S. land base to Iran is Diego Garcia, which is some 3,000 miles away from the Kharg Island oil terminals and therefore not useful. Hence two Navy attack carriers would have to be fully committed for at least 24 hours to nothing else but the mining operations. Two carriers have been in the Indian Ocean during the Iranian crisis, but this has meant that for much of this time there have been no carriers on station west of Pearl Harbor for the first time since the Korean war.

If we are to retain even one carrier in the Indian Ocean in the future, that will mean that our postwar commitment to keep two aircraft carriers in the Mediterranean and two in the Western Pacific cannot be met. President Carter's bitter opposition to any new aircraft carriers, including the extreme action of vetoing the fiscal 1979 defense bill to try to stop its authorization has delayed by three years start on a carrier needed to replace the World War II Midway just to stay even at 12 carriers beyond 1985. Congress nevertheless overwhelmingly passed a new nuclear carrier over the President's continued opposition last year.

SKILLED PERSONNEL

The Carter administration began with an effort to reduce military benefits. It tried to do away with the 20-year retirement, and succeeded in denying retired military the right to receive their full pension if they worked in civil service jobs. Military pay raises have been held to approximately one-half of inflation. A recent study showed that 80 percent of Navy enlisted men had to work at second jobs or have their wives work at second jobs in order to live. Many Navy enlisted personnel are now officially below the federal poverty level; the skilled Ordinance Petty Officer needed to assemble mines working 18 hours a day out in the Indian Ocean, actually qualifies for food stamps, and indeed his family must get them in order not to starve while he is deployed for eight months out of every year and unable to work at his second job.

Small wonder then that the retention of such men in which the taxpayers have invested hundreds of thousands of dollars in training and experience is running currently at only 36 percent, which means quite simply that there are not nearly enough to do the job. As another example, the A-6 squadron on one of our front-line East Coast carriers has only seven maintenance Chief Petty Officers out of 17 required. That squadron recently lost two of its aircraft and two aviators in crashes in one week, one of them directly caused by a maintenance error. Flying proficiency and steaming days have been steadily reduced by budget constraint. As a result, the Navy has lost 74 men and 126 aircraft (average cost $10 million) during the past year in accidents.

As we have all read repeatedly in the press this year, the retention of pilots and bombardier/navigators is terrible. What is remarkable is that we retain any at all after their initial obligation is complete. They are away from their families, deployed at sea for nine months out of the year doing the most dangerous flying in the world as normal routine. Because of budget cuts, that flying is now less of a routine and more of a hazard.

THE LEATHER FLIGHT JACKET

For this, most of them make just over $20,000, about one-third of what they could be making in the airlines, and they have seen their little side benefits disappear to nothing. In the ultimate pettiness, the Carter administration has now denied funding for leather flight jackets, a 70-year-old tradition. If mining is to be done, it will be done by aviators, maintenance ratings and ordnance men who are nearly all on their first tour, by officers and CPOs who cannot qualify for a single-family mortgage, and by enlisted men on welfare.

Despite these problems we still do have a real capability to carry out a complex and demanding military task such as the mining of Iranian harbors, but the difference in capability between the last execution in 1972 and today provides one slice of insight into what three years of neglect and mismanagement can bring about. The thousands of active servicemen on food stamps, the families of deceased aviators, and of course the Russian General Staff must have taken wry note of the Carter administration claim Sept. 14 that there was not sufficient need for a 5 percent increase in defense even if Congress voted it.

Many commentators have warned that the Soviets calculated that they could invade Afghanistan because the U.S. government has demonstrated from Angola through Tehran, a lack of will. Quite apart from will, it now seems clear the Soviets have taken the measure of our reduced capability to do military tasks, from strategic counterforce to conventional mining. It is the accuracy of their perception of us that should chill the most fulsome optimist.●

REGIONAL PRIMARIES

● Mr. PACKWOOD. Mr. President, on the 10th of April 1979, I introduced for myself and Senator HATFIELD S. 964, a bill to provide for a series of regional Presidential primaries. As I stated then, this is not the first time that I have introduced such a measure, and I am certainly not alone in wanting reform to the current system. There are currently two other measures, one in the House and one in the Senate, that call for improvements in the Presidential primary system. In addition, I call the attention of my colleagues to the remarks in the RECORD made by Senator STEVENS on February 27, 1980 in which he said:

> It is to a certain extent, in my opinion, unfortunate that we go through this type of a primary system. I have supported Senator PACKWOOD's concept of regional primaries and hope that one day we will give that proposal very serious consideration so that we will not have to go through these individual primaries and put these candidates through such an exhausting ordeal.

Mr. President, as I have publicly stated since 1968, our system is not only exhausting, but expensive. With each Presidential election it becomes more so. We in America are now witnessing another "marathon" which, in my opinion, is fast developing into a circus-like show. The "marathon" has almost reached its halfway mark. Already several well qualified candidates have not made the final "cut" and it appears that two persons have gained an insurmountable lead. Most have dropped because they could no longer perform in the "circus" due to the exorbitant requirement of time and money. With 21 primaries left the country will be watching to see who survives the ordeal.

Mr. President, as stated many times by myself and others in the past, this is not the way to select a candidate for the highest office in the land. The time and money wasted on candidates rushing to campaign from one State to another—from one coast to another—just to give the citizens a glimpse here and there, somehow smacks of a P. T. Barnum sideshow rather than the serious business of selecting a candidate for the President of the United States.

Mr. President, let us look at the final "lap" in the "marathon." Between the 3d of May and the 3d of June, we will witness candidates racing through 21 primaries from California and Oregon to Maryland and the District of Columbia; from Texas to Rhode Island. This certainly will not give the citizens in those States or regions much of an opportunity to look at any candidate in depth, or for the candidate to address any issue salient to those States or regions. In fact, I submit that the final "lap" will amount to one massive media event and endurance contest—the "winner" being the person with the best press image and the greatest endurance.

Mr. President, since 1976 the number of Democratic and Republican primaries has grown from 31 to 34 for each party. It increases with each Presidential election. We in the Congress have a responsibility to Americans to halt this madness which wastes time and money and almost precludes the electorate from selecting their candidate on qualifications and understanding of salient issues to States or regions.

On March 5, I wrote to Senator Claiborne Pell, chairman, and Senator Mark Hatfield, ranking member, of the Rules Committee asking for hearings on S. 964. A copy of that letter is submitted in the Record. I feel it is imperative that these hearings take place prior to the end of the primary season. This is an issue that must be debated in the public forum and, in my opinion, the debate should start now when the example is clear and fresh in the minds of the public. The country needs a better way to select candidates for the highest office in the land.

On April 18, Chairman Pell replied that my bill offers a possible resolution of the problems of the present primary process and merits consideration by the committee. He has asked the Rules Committee staff to review the current process preparatory to holding public hearings on the issue. I submit for the Record a copy of Chairman Pell's letter to me.

Mr. President, presently I have the pleasure of adding several Members as cosponsors to S. 964. They are: Senators Bellmon, Cohen, Durenberger, Ribicoff, and Schmitt. I urge the remainder of my colleagues to join me in this effort and support S. 964, the Regional Primaries Act. I strongly believe that this approach is an improvement over our current system and will benefit our democratic process.

The letters follow:

Committee on Commerce, Science,
and Transportation,
Washington, D.C., March 5, 1980.

Hon. Claiborne Pell,
Chairman,
Hon. Mark Hatfield,
Rules Committee, U.S. Senate, Washington, D.C.

Dear Claiborne and Mark: To my knowledge, the Presidential primary system has never been the subject of Congressional hearings. I urge you to take this first step to determine if changes are now justified.

As you are well aware, the decision of whether to hold a primary and how to hold one have been left to the individual states. Many agree the states should continue to play a large role in the selection process. However, the combination of all these separate decisions has created a single process which no rational person or decision-making body would have conceived individually. Every four years the mess gets worse. It discriminates against the citizens of those states which have primaries late in the election season. The long duration of this season causes voter and candidate fatigue. Issues are seldom fully developed. The candidates move on to other states in other parts of the country before their positions can be adequately challenged.

I have asked for reform of this process since 1968. My current proposal, the Presidential Regional Primaries Act, S. 964, would maintain state control over whether to, and how to, conduct a primary. It would simply require each state which chooses to hold a primary to do so on the same date as other states within the same region. The sequence of these five regional primaries would be chosen at random so no region would be first, or last, each Presidential election year.

We cannot realistically expect any sitting President to recommend changes to the system by which he was elected. Nor can we expect the States to resolve the problem. We can only look to ourselves for a solution. I suggest we begin by a look into Presidential preference primaries here in the Senate, in the Rules Committee.

Thank you for you attention to this request. I look forward to hearing from you at the earliest convenient time.

Cordially,

Bob Packwood.

Committee on Rules
and Administration,
Washington, D.C., April 18, 1980.

Hon. Bob Packwood,
U.S. Senate, Dirksen Senate Office Building, Washington, D.C.

Dear Senator Packwood: Thank you for your letter requesting hearings on the Presidential primary system. The bill you have introduced providing for regional Presidential primaries certainly offers a possible resolution of the problems of the present primary process, and merits further consideration by the committee.

It would be advantageous for the committee to examine the system for nominating the Presidential candidates this session, so that an appropriate revision may be acted upon in time for the 1984 Presidential election.

I have directed the committee staff to thoroughly review the existing Presidential primary process preparatory to holding public hearings on the subject. Your proposal will be considered at that time, and we would very much appreciate it if you will agree to testify when the hearing is scheduled.

As soon as a date has been selected, I will advise you of the time and place chosen.

Again, my thanks for your letter and sharing your views with me.

Warm regards.

Ever sincerely,

Claiborne Pell,
Chairman.●

A FEW THOUGHTS ON THE NATIONAL HOUSING CONSTRUCTION SLUMP

● Mr. BAUCUS. Mr. President, on Sunday, ABC News aired an excellent special report entitled "Recession—Bitter Medicine for Inflation." The purpose of the program was to define for the average American what a recession is and how it will affect each individual citizen. For the housing and allied industries, this definition and description were unnecessary. These industries have been battling the effects of recession on a daily basis for most of the last year. Although it took the latest, startling, housing starts figures—22 percent drop in March—to finally awaken the American public and the administration to the severity of the problem, housing starts actually have been plummeting for some time now. For the year of 1979, housing starts totaled 1.732 million, down 14 percent from the 2.020 million of 1978. It is estimated that in 1980 housing starts will be down by nearly 1,000,000 units to the lowest level since World War II .

In my own State of Montana, we face a double crisis. Not only are those who construct and rehabilitate homes suffering, but also those in the forest products industry are becoming desperate. Residential construction accounts for about half of all forest products used in the Nation. When homebuilding falls, mills close down and workers are laid off—so rapidly that figures on mill closings and layoffs become dated before the ink dries. The situation is, in fact, approaching depression for 12 of western Montana's most populous counties whose economies depend almost totally on harvesting and processing the materials that would have gone into the homes that are not being built. Latest estimates show that 4,000 workers have been laid off in western Montana with the number rising daily.

It is therefore with a profound sense of relief that I welcome the administration's decision to support the housing initiatives proposed by the Banking, Housing, and Urban Affairs Committee. Broadening the section 235 program to make it available to middle income as well as a low-income people certainly will stimulate some new housing construction with minimal budgetary impact. Amending the FHA program to allow builders to reduce their carrying costs on unsold homes through their obtaining long-term FHA financing will ease the builders' burden somewhat.

But are these measures too little, too late? The National Association of Home Builders notes that the effects of changes in subsidy programs such as those proposed for section 235 usually do not make themselves felt until 6 months after they are on the books. Under this assumption, relief provided by the new section 235 program cannot be expected until the end of the year at best. Given these time considerations, the administration should have been on top of the housing crisis last summer to provide the housing stimulus we need now. Instead the administration was surprised again and must make double time to catch up. Not only are precious months lost in this process, but the confidence of the American people in their Government is undermined. When we all must pull together if we are going to lick inflation, can we afford a crisis in confidence to go along with all of the other crises we are facing?

Mr. President, let me take this opportunity to call into question the general strategy of using high interest rates and therefore the housing industry in the battle against inflation. Everytime we use housing as a club to fight inflation, we unwittingly beat ourselves over the head. When interest rates come down and the housing industry begins to recover, new housing starts never match the pent-up demand created during the slump. Prices climb sharply as supply falls off the fast pace set by prospective purchasers flooding the market for the first time. The new homebuyer, therefore, is forced to jump from the proverbial frying pan into the fire; high interest rates which temporarily delay the home purchase give way to high prices which postpone the purchase decision far longer.

Mr. President, homebuilders want to

build homes, carpenters want to work and the forest products industry wants to make more lumber. Above all many more families would like to afford their own homes. When the administration relies solely on credit-tightening measures to beat inflation, all are disappointed.●

IDA NUDEL

● Mr. DOLE. Mr. President, Ida Nudel was arrested in June 1978 by the Soviet authorities and charged with "malicious hooliganism" for committing the crime of lese-communism: Wanting to emigrate to Israel. She had been applying for permission to leave the Soviet Union since 1971.

Ida Nudel turned 49 on April 27. She has long been suffering from heart and kidney ailments for which she has been denied proper medical attention in Siberia, where she is serving a 4-year sentence of exile. In an open letter to the Jerusalem Post on October 9, 1979, Ida Nudel wrote:

> Stop testing my powers of endurance. Don't experiment on how much I can take. I feel that I am on the verge of a heart attack and I must be allowed to have a proper checkup in Moscow.

Concern among her family and her friends, concern among Members of this Congress is mounting over Ida's capacity to withstand the hardship of another 3 years in Siberia, given her physical condition.

The Senator from Kansas wishes to address once more Chairman Brezhnev in an urgent plea for clemency for Ida, allowing her to join her sister in Israel and to receive the medical care that she needs. The value of our efforts cannot be underestimated. The pressure that was brought to bear upon the Soviet Government last fall resulted in Ida's transfer from the barracks that she had been sharing with 60 male exconvicts to a remote hamlet nearby.

It is therefore essential that we persevere in making our voices heard. It is my hope that our efforts will help in fulfilling Ida's wish, a wish that echoes the prayer repeated by Jews all over the world and through the centuries, each year as part of the celebration of the holiday of Passover: "Next year in Jerusalem."●

APPLICATION OF GATT SUBSIDIES CODE TO PAKISTAN

● Mr. HEINZ. Mr. President, the recent decision by the administration that Pakistan has assumed obligations substantially equivalent to those under the GATT subsidies code and will therefore be eligible for the full benefits of the code under our law, including the application of an injury test to countervailing duty cases involving Pakistan, is a real blow to those of us who have been assuming the administration would live up to commitments made last year and hold out for a meaningful standard of commitments by other nations.

In addition, the rather peculiar circumstances under which this recent decision was made, both with respect to its timing and with respect to what officials were involved, raises serious questions as to the degree of control the U.S. Trade Representative actually exercises over this administration's trade policy and the extent to which trade policy decisions are being made for foreign policy reasons.

In an effort to learn more about this unusual action, Senator MOYNIHAN and I have written Ambassador Askew asking for a detailed response to a series of questions about the decision, the way it was made, and the precedent it may constitute for other countries, such as India, which have significant export subsidies and significant markets here.

At the same time, the Ad Hoc Labor-Industry Trade Coalition, a group deeply involved in the development of the Trade Agreements Act of 1979, has written Mr. Askew detailing its concern about the decision, the implications for other countries, and its recommendations for actions to rectify this error. I ask that both letters be included in the RECORD at the conclusion of my remarks.

Mr. President, by itself Pakistan is not a large importer, and I would not be overly concerned about the implications of this unfortunate decision if I had any confidence that it would not be repeated in other cases. Unfortunately I do not have such confidence right now, but I am ever hopeful that in responding to the letter Senator MOYNIHAN and I wrote, Ambassador Askew will provide some encouragement.

The letters follow:

ST. JOE MINERALS CORP.
New York, N.Y., April 22, 1980.

Hon. REUBIN O'D ASKEW,
U.S. Trade Representative,
Washington, D.C.

DEAR GOVERNOR ASKEW: I am writing to express the serious concern of the Ad Hoc Labor-Industry Coalition about the U.S. Government's recent decision to extend the full benefits of the GATT Subsidies Code to Pakistan.

The Coalition is a group of 33 labor and industrial organizations (listed in Attachment A of the enclosed memorandum) that has been working together for over two years, first, to create an effective Subsidies Code and, second, to bring about its effective implementation under U.S. law. Only certain members of our Coalition are directly involved in the Pakistan case. All of us, however, are deeply troubled by the precedents established by the U.S. Government's decision.

The enclosed memorandum sets forth our concerns in some detail. I shall try to summarize them in this letter.

We recognize the need for giving appropriate special treatment to developing countries under the Subsidies Code. We fear, however, that the "commitments" which Pakistan has made to the United States are so general in nature that Pakistan not only will be able freely to continue its export subsidies but also may be able to increase them.

The terms of Pakistan's accession to the Code, in our judgment, are not in accord with numerous statements which the Administration officials, including those who negotiated the Code, made to representatives of industry and labor during the MTN. Those statements were to the effect that LDC's would have to agree to a phase-out of export subsidies to be eligible for benefits under the Code. For example, on April 27, 1979, before the House Ways and Means Trade Subcommittee, Ambassador Alonzo McDonald said in referring to the Subsidies Code's benefits to the United States: "For the United States overall, the benefits include an obligation by foreign governments to eliminate export subsidies completely on nonprimary products" (House Document 96–13, Pg. 501).

I should add that within the framework of rights and obligations under the international trading system, this precedent-setting case could virtually destroy the "graduation" principle, which was a central objective of U.S. negotiators during the Tokyo Round.

Finally, it seems to us that the procedural handling of this case, including the apparent interjection of extraneous foreign-policy considerations, does not conform to the sense of existing legislation and also jeopardizes the domestic process which is crucial for effective implementation of U.S. trade policy. Negotiations with the LDC's are in fact a continuation of the Tokyo Round, and we believe that they should be discussed before their conclusion with parties at interests, as were the MTN agreements reached among the developed countries.

Pages 5–6 of the enclosed memorandum contain four specific recommendations regarding both the Pakistan case and future cases. Again summarizing, our recommendations are:

REGARDING PAKISTAN

USTR should take prompt action under the Subsidies Code mechanisms in Geneva to secure a standstill agreement and timetable for phasing out all of Pakistan's export subsidies.

Pakistan's designation as a "country under the Agreement" should be rescinded if it does not sign the Code by April 30, or if it does not accept and observe any standstill or phase-out agreements on its export subsidies.

FUTURE CASES

The Administration should give public notice in advance, with a comment period, regarding all of the conditions negotiated with any country when it accedes to the Subsidies Code; and the results of the negotiations should be submitted to the same sort of private-sector advisory process that was used when the MTN results were submitted for approval.

In the near future the U.S. Government should issue a clear policy statement that it will not consider any LDC a party to the Subsidies Code unless it has at least agreed: (a) not to extend its export subsidies to other products; (b) not to raise existing export subsidies; and (c) to eliminate all export subsidies in accordance with mutually agreed timetables.

Because of the seriousness of this decision we are taking the liberty of sending copies to interested members of Congress and others in the Executive Branch.

In closing, I should mentioned that our Coalition has worked closely with STR in the past and that we very much wish to continue that close working relationship. We hope that it will be possible for several of us to meet with you in the near future to discuss this matter further.

With very best wishes,
Yours sincerely,
CHARLES R. CARLISLE.

STATEMENT ON PAKISTAN'S ACCESSION TO THE SUBSIDIES CODE BY THE AD HOC LABOR-INDUSTRY TRADE COALITION [1]

We are seriously concerned about the Administration's recent determination [2] that Pakistan "has assumed obligations with respect to the United States which are substantially equivalent" to obligations under the Subsidies Code, and will henceforth be considered a "country under the Agreement." With this determination, an unfortunate precedent has been established for bestowing the full rights and benefits of a multilateral trade code upon developing countries without requiring them, at the very least, to commit themselves to phase out their existing subsidies over a reasonable period of time.

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[1] A list of members of the Coalition is provided in Attachment A.

[2] Federal Register of March 21, 1980 (45 FR 185417).

Unless this decision is modified, it will help to undermine the framework of international rights and obligations which will govern the conduct of world trade for decades to come. It is directly contrary to what the Congress and the American public were told by spokesmen for the Administration when the MTN agreements negotiated in Geneva were submitted for Congressional approval. The Subsidies Code was to bring about a new regime in world trade, one in which U.S. firms and workers could be assured that they would no longer be unfairly damaged by foreign government subsidies. The action with regard to Pakistan defeats the purpose and is a clear reversal of that assurance.

SPECIFIC CONCERNS

The obligations to be assumed by Pakistan under the Subsidies Code,[3] according to information furnished by USTR, will involve a mere commitment "to ensure that the export incentives that [Pakistan] provides are consistent with its development and competitive needs." (See Attachment B)

Such a commitment is effectively devoid of meaning. Developing countries habitually defend all of their policies as being "consistent with their development and competitive needs." It is doubtful that any country's export subsidy programs could be constrained by a broad assurance of the kind Pakistan has given. Further, by accepting this assurance from Pakistan without requiring the sort of standstill or phase-out agreements that would give it effective meaning, the Administration is sending an unfortunate signal to developing countries: the United States will tolerate LDCs' existing export subsidies if they will merely give vague assurances of the kind Pakistan has just given.

Pakistan has retained the right, moreover, to introduce new or intensified export subsidies at any time, provided only that the "manner in which they are used does not cause serious prejudice" to U.S. production and trade. Judging from past experience in the MTN and within the GATT, LDCs are likely to argue routinely that (a) the "manner" in which they apply subsidies is innocuous and/or incidental to foreign trade interests; (b) while their subsidies may in some way affect trade in other countries, they cannot be shown to "cause" prejudice; and (c) even in cases where the "manner" or subsidization actually "causes" prejudice to trade and production elsewhere in the world, it cannot amount to "serious" prejudice for a country such as the United States. Under the Subsidies Code, the burden of proof on all of these points will lie with the importing country, not with the subsidizing country.

These terms of accession are clearly inconsistent with assurances given by Administration spokesmen to the Congress and to the private-sector advisory committees last year when the MTN Subsidies Code was submitted for review and approval. For example, Ambassador Alonzo L. McDonald explicitly told the House Ways and Means Committee: "For the United States overall, the benefits [of the Subsidies Code] include an obligation by foreign governments to eliminate export subsidies completely on nonprimary products."[4]

This broad assurance was further explained by Administration spokesmen, in the context of LDC accessions to the Code, during the private-sector advisory process: flexibility might be accorded LDCs in adjusting to the Code's requirements over a reasonable period of time, but the fundamental obligation would remain intact and would immediately be embraced. Specifically, it was stressed that developing-country signatories would at the outset be expected to agree (a) not to extend their export subsidies to other products; (b) not to raise export subsidies on any product beyond existing levels; and (c) to eliminate export subsidies across the board—although, for products in which a case could be made for continued subsidization on grounds of "developmental needs," a timetable for phasing out those measures over time might be arranged. (Export subsidies, however, would have to be eliminated immediately on labor-intensive products, or others in which the acceding country is already competitive.) In the case of Pakistan, none of these assurances has been received.

Moreover, the procedural handling of this case has contradicted both the sense of existing legislation and the terms under which the Subsidies Code was presented to the Congress and the American public. The Trade Agreements Act of 1979 set forth detailed domestic procedures to be followed whenever an agreement negotiated with another code signatory requires suspension or termination of ongoing countervailing duty investigations.[5] The domestic parties to the Pakistan case understood that a phaseout and standstill agreement was being negotiated to cover subsidies discovered during such an investigation; however, once Pakistan was persuaded to join the code, the attainment of such an agreement immediately was set aside without prior notice to or consultation with the domestic parties. In fact, the domestic parties only learned of the Administration's action when it was published in the *Federal Register*. It is hard to understand why the Administration did not follow a politically sensitive domestic procedure intended by Congress to ensure that the implementation of U.S. trade policy is seen by all to be both predictable and equitable.

We also are seriously concerned about the apparent intrusion of overriding foreign policy considerations in the Pakistan case. One of the principal factors underlying the widely held view that the Treasury Department should be stripped of its enforcement functions in the area of countervailing and anti-dumping duties was the history of frequent and chronic abuse of foreign-policy arguments in these cases. It clearly was the conclusion of the Congress that an effective international trade policy could not be maintained by the United States if that policy is distorted for extraneous foreign policy considerations—considerations that often prove transitory or ill-founded.

Finally, the terms of Pakistan's accession to the Subsidies Code could deal a severe blow to the principle of LDC "graduation" that was developed during the MTN. U.S. negotiators had been under explicit instructions to obtain agreement by developing countries to this principle, under which special and differential treatment would progressively be phased out over time as individual LDCs become more developed. The constantly-stated U.S. position was that such a transition is essential to the integrity of the trading system and must involve the assumption by LDCs of fuller obligations within the system, not simply the unilateral reduction of benefits accorded them.

It was our understanding that the ambiguous language of the Subsidies Code would at least provide the U.S. flexibility to negotiate mutually-acceptable terms of accession with individual LDCs, including standstill agreements and realistic timetables for phasing out existing subsidies. However, while the outcome of such a negotiation with Pakistan has resulted in extending the full rights and benefits of the code, it contains no meaningful obligations in return. Without any sort of specific obligations to the part of Pakistan, it will be difficult to use the consultation and dispute-settlement mechanisms of the Code to ensure, over time, an appropriate transition to the level of obligations undertaken by more advanced LDCs—and, eventually, to that of the U.S. and other developed countries.

We do not believe, therefore, that the United States has gained on balance from having Pakistan accede to the Subsidies Codes in the way that it did. It is also clear that, unless the decision on Pakistan is modified, a very damaging precedent will have been established for future LDC accessions to the Subsidies Code, and possibly to other codes negotiated in the MTN. For example, it is understood that negotiations are now in progress concerning India's accession to the Subsidies Code; can the Administration realistically expect that India will accept obligations that are significantly more stringent than those undertaken by Pakistan? In the same way, the terms of Pakistan's accession to the Subsidies Code could become the standard against which all LDCs will measure their commitments to the world trading system.

AGREE PAKISTAN SHOULD RECEIVE SPECIAL BENEFITS

It is not our contention that Pakistan should be denied the special benefits available to LDCs under the Subsidies Code, nor that countries at Pakistan's relatively low level of development should not receive more lenient treatment than might be accorded, e.g., Brazil or South Korea. Special treatment for a country like Pakistan, however, should involve longer and more flexible timetables for phasing out subsidies—but not dispensing with standstill and phaseout commitments altogether.

We recognize that special tariff treatment for LDCs, via the GSP scheme, may at any time be withdrawn unilaterally at the discretion of the donor countries; but when nontariff measures such as subsidies are at issue, graduation necessarily means that beneficiary LDCs will progressively be taking on more equal obligations—a process than cannot be imposed, only negotiated. While the U.S. was virtually alone among the developed countries in pressing the graduation issue during the Tokyo Round, a number of side understandings, such as those associated with the MTN Framework Agreements, were established in Geneva so that U.S. negotiators would have a basis for securing meaningful progress over time toward the graduation objectives specified by Congress in the Trade Act of 1974. In this highly visible case, we fail to discern evidence that such points were brought to bear in negotiations with Pakistan, and the consequence may be to devalue the entire range of written and unwritten agreements that were achieved with LDCs in Geneva. Many developing countries in the MTN long regarded the U.S. policy on graduation as rhetorical posturing; it is crucial that the case with Pakistan not be seen to lend credence to such an unfortunate and cynical view.

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[3] Agreement on Interpretation and Application of Articles VI, XVI and XXIII of the GATT.

[4] Statement of Ambassador Alonzo L. McDonald, Deputy STR and head of the U.S. MTN Delegation, before the Subcommittee on Trade, House Ways and Means Committee, April 27, 1979 (House Document 96-13, p. 501) emphasis added.

[5] SEC. 704 of the Tariff Act of 1930, as amended by Sec. 101 of the Trade Agreements Act of 1979.

REMEDIES SOUGHT

(a) *In the Pakistan case:* First, assuming that Pakistan will in fact sign the Subsidies Code by April 30, USTR should take prompt action in Geneva to secure a standstill agreement and timetable for phasing out all of Pakistan's export subsidies. The U.S. should make it clear that, in its view, the Subsidies Code (Article 14, paragraph 3) requires such action by developing-country signatories.

Second, Pakistan's designation as a "country under the Agreement" should be rescinded if it does not sign the Subsidies Code by April 30, or if it does not observe the standstill and phase-out agreements that are negotiated to cover its export subsidies. Any abrogation of these commitments should be handled in the same way as the recent determination to rescind Brazil's designation as "a country under the Agreement" with respect to the Anti-Dumping Code.

(b) In future cases: First, the Administration should give public notice in advance, with a period for comment, of all conditions of accession that may be negotiated with potential signatories to the Subsidies Code and other MTN codes; and submit the results of these negotiations to the same sort of private-sector advisory process that was employed when the MTN results were submitted for approval.

The MTN agreements approved by the Congress in 1979 were essentially agreements among the developed countries; few LDCs had signed at that point. In effect, therefore, the MTN negotiating process is still underway with regard to the accession of LDCs to the various codes. As the Pakistan case demonstrates, the outcome of these continuing negotiations can seriously affect the worth of agreements already in place, with equally serious repercussions for domestic industry. It seems clear that an extension of the negotiations requires an extension of the advisory and review process.

Second, the U.S. Government in the near future should issue a policy statement regarding LDC accessions to the Subsidies Code. Such a statement should include the clear assurance that the United States would not extend the benefits of the Code to a developing country unless it had at least agreed (a) not to extend its export subsidies to other products; (b) not to raise the level of existing export subsidies; and (c) to eliminate all export subsidies in accordance with timetables that also were mutually agreed.

AD HOC LABOR-INDUSTRY TRADE COALITION

Amalgamated Clothing & Textile Workers Union, AFL-CIO.

American Apparel Manufacturers Association.

American Federation of Fishermen.

American Footwear Industries Association.

American Pipe Fittings Association.

American Textile Manufacturers Institute.

American Yarn Spinners Association.

Bicycle Manufacturers Association.

Cast Iron Soil Pipe Institute.

Clothing Manufacturers Association.

Copper and Brass Fabricators Council, Inc.

Industrial Union Department, AFL-CIO.

International Ladies Garment Workers Union, AFL-CIO.

International Leather Goods, Plastics & Novelty Workers Union, AFL-CIO.

Lead-Zinc Producers Committee.

Luggage & Leather Goods Manufacturers of America, Inc.

Man-Made Fiber Producers Association.

Metal Cookware Manufacturers Association.

National Association of Chain Manufacturers.

National Association of Hosiery Manufacturers.

National Cotton Council.

National Handbag Association.

National Knitted Outerwear Association.

National Knitwear Association.

National Outerwear & Sportswear Association.

Northern Textile Association.

Scale Manufacturers Association, Inc.

Synthetic Organic Chemical Manufacturers Association.

Tanners Council of America, Inc.

Textile Distributors Association.

United Food and Commercial Workers International Union, AFL-CIO.

Valve Manufacturers Association.

Work Glove Manufacturers Association.

ATTACHMENT B

1. There follows text of letter adhering to subsidies code signed by Joint Secretary, Ministry of Commerce, Javed Burki on March 18. He was empowered to sign by Commerce Minister Ghulam Ishao Kuan in absence of Secretary Izrahul Haque who is out of the country. Begin text: "Dear Ambassador Askew, I wish to state that the Government of Pakistan intends to sign before the 30th April, 1980 agreement on interpretation and application of Article VI, XVI and XXIII of the general agreement on tariffs and trade ("The Subsidies Code") and, within thirty days thereafter, to submit a declaration under Article 14 (S) in the form attached herewith. In the meantime, the Government of Pakistan will act in line with the subsidies code and the declaration attached.

Similarly, the Government of Pakistan agrees to submit a copy of this proposed declaration promptly to the chairman of the subsidies code committee in Geneva, Switzerland:

"It is the understanding of our government that—government will, as of today, consider Paskistan to be

"A country under the agreement" for purpose of providing to products of Pakistan an injury test under the U.S. countervailing duty law.

"Please accept excellency the assurances of my highest regards.

JAVED BURKI,
Joint Secretary,
Ministry of Commerce."

2. There follows text of commitment attached to letter, also dated March 18 and initialed under same authority by Javed Burki. Begin test: "It is the policy of the Government of Pakistan to ensure that the export incentives that it provides are consistent with it development and competitive needs;

"The present export regime in Pakistan is substantially make up of two progammes which, consistent with its development and competitive needs, are designed to remove disincentives to export. The programs are available for export-oriented industries or designed to make available imported raw material replinishment scheme (RMR) and the compensatory rebate scheme. The former is designer to make available imported raw material for the production of goods for export and the latter mainly to offset indirect taxes and other imposts levied on the physical inputs into the commodity concerned.

"The export regime is kept under continuous review by the GOP to ensure that consistent with the policy described in paragraph 1, it continues to serve its development and competitive needs. Such review may lead to modification of the export regime. However, it is not the intention of the Government that the compensatory rebate scheme should be so modified as will reflect amounts which more than offset the amounts of indirect taxes and similar other levies paid on physical inputs.

"Should subsequent review reveal the existence of subsidy elements in existing programmes or should Pakistan's development and competitive needs require an increase in the existing subsidy element, if any, or the introduction of a new export subsidy, any such subsidy element will, as envisaged by Article 14(3) of the Code, not be used in a manner which causes serious prejudice to the trade or production of another signatory. Moreover, any export subsidy will be reduced or eliminated whenever it ceases to be consistent with such needs.

"GOP will immediate notify the committee of signatories of changes in the export regime and consult under the code if requested by a signatory.

JAVED BURKI."

U.S. SENATE,
Washington, D.C., April 15, 1980.

Hon. REUBIN ASKEW,
U.S. Trade Representative,
Washington, D.C.

DEAR AMBASSADOR ASKEW: We are writing to inquire into your recent determination that Pakistan has assumed obligations essentially equivalent to the Subsidies Code and therefore will be considered a "country under the agreement". This sudden decision was made only two days prior to the date of a final determination in a countervailing duty case against textiles from Pakistan. As yet we have seen no public explanation of either this decision or what commitments Pakistan provided that enabled you to make it.

These questions are of considerable importance because of their implications for future decisions with respect to other nations. While we recognize that the Subsidies Code maintains a somewhat different standard for less developed countries than for industrialized countries, it is our clear understanding based on last year's discussion during the Finance Committee's consideration of the Trade Agreements Act of 1979 that our government would hold all signers of the code to substantive commitments on the elimination or reduction of their subsidy practices. This is particularly important in the case of newly industrializing countries like Brazil, India, Korea, and Taiwan, to mention a few, which must accept the responsibilities as well as the benefits of participation in the international market.

Accordingly, we would appreciate your detailed response to the following questions:

1. What specific commitments did Pakistan make to the United States or to the GATT? Please include in your answer copies of any letters or statements made by the Government or Pakistan.

2. To what extent did national security or foregin policy considerations play a role in the Pakistan decision?

3. At what level was this decision made? Did the White House staff involve itself in the decision?

4. Does your action in the case of Pakistan constitute a precedent for other nations?

5. If you do not regard it as a precedent, what efforts are you making to send that signal to other nations?

6. What specific standards or commitments do you expect other developing nations to adhere to?

7. What distinction do you make between different levels of economic development in the third world? Please cite specific countries as examples.

8. Do you believe the major benefit of becoming a country under the agreement—the applicability of the injury test—should be made broadly available? What constraints have you imposed on this decision?

9. Is it your intention that commitments made by other nations be made public? Why or why not?

10. Did you consult with members of Congress in your decision on Pakistan?

11. What plans do you have for consultation with Congress on subsequent decisions?

With respect to this final question, we believe such consultation is essential to prevent future misunderstandings and to assure Congress that this Administration is adhering to both the letter and the spirit of the Trade Agreements of 1979. We would appreciate your maintaining regular contact with us as negotiations continue with other countries.

Sincerely,

DANIEL P. MOYNIHAN,
JOHN HEINZ. ●

THE SHIP OF STATE

● Mr. DOLE. Mr. President, the ship of State has lost its captain. Disagreeing with President Carter that the rescue attempt in Iran was a sound tactic, Secretary of State Vance submitted his resignation last week—in secret, to avoid compromise of the attack—before the failure became a reality. Mr. Vance chartered a course for this country that the Senator from Kansas rarely agreed with. But he did provide some stability and sameness to an administration foreign policy that was otherwise rudderless. Whatever our past differences, we must all today acknowledge Cy Vance as a man of principles—whose principles ultimately proved more important than mere officeholding.

The Secretary's resignation, was both honest and necessary. On a matter of such magnitude that it has focused and paralyzed the military and diplomatic power of America for 6 months, Cyrus Vance offered to counsel that Mr. Carter did not accept. It was Mr. Carter's right to overrule his Secretary, and Mr. Vance's once overruled to depart.

HOSTAGES IN GREATER PERIL

The Secretary of State sensed that if this military rescue mission failed it could ruin all other efforts to achieve release of the hostages and perhaps even increase their physical peril in the weeks to come. But this tardy resort to action was also a repudiation of the administration's failed policy over the last 6 months, a policy of conciliation bordering on national humiliation. Mr. Vance advocated and presided over that policy.

Perhaps time will bring the details and information we now lack to determine whether President Carter's decision was based on sound planning and acceptable risks. But he had to know that trying to end the crisis after 6 months with one swift stroke would make United States-Iranian relations immeasurably more difficult and uncertain if it failed.

SPECTACLE OF DISGUST

The Ayatollah Khomeini and his fellow Iranians are demonstrating just how far they have receded from civilized values and human decency. The corpses of the brave American servicemen who died in the rescue attempt have been displayed in Tehran, a cruel and depraved act that brings Khomeini's Islamic Republic to a new low in the eyes of the world—and reflects only shame on these pretenders to Islam.

But President Carter's unexpected decision must worry the Ayatollah, Russia too, must recalculate its plans. Jimmy Carter is a desperate man. His fate has been bound up with that of the hostages, and by his own handling of their captivity now that negotiated release is further away than ever, our enemies can expect our foreign policy to be even less predictable than it was before the departure of Secretary Vance.

Mr. Carter and his foreign policy decisions are as unpredictable now as a loose cannon on the captainless ship of state. Unfortunately this will impose new hardships on our allies. They, like the rest of us, remain in the dark. We may find the next few days among the most dangerous in recent years. I only hope that prudence has not departed the Carter administration with Secretary Vance.●

GASOLINE PRICES

● Mr. HAYAKAWA. Mr. President, in view of the widespread dissatisfaction with mounting gasoline prices in the United States, it seems to me that the following data compiled by my staff are very enlightening. They show that not only the costs of oil and the various taxes are of importance, but that equally significant is the earning power of the individual worker. This table that I am holding shows how long an average laborer has to work in different countries to pay for 1 liter of gasoline. I think it is important to note that the German worker has to work more than twice as long, the Dutch three times as long, the French almost five times as long and the Russian 10 times as long as the American to pay for a liter of gasoline. Mr. President, I ask that the table be printed in the RECORD.

The table follows:

Country	Working time in minutes to purchase 1 liter of regular gas	Working time in minutes to purchase 1 liter of super gas	Price of 1 liter of regular gas in U.S. dollars	Price of 1 liter of super gas in U.S. dollars
Philippines	90.4		0.41	
Portugal	30.2	33.2	.83	0.92
Soviet Union	12.2	24.7	.31	.62
Spain	11.2	12.8	.68	.78
Italy	10.0	11.7	.67	.78
France	9.5	10.1	.74	.79
Austria	8.6	9.4	.59	.65
Great Britain	7.9	8.0	.59	.60
Belgium	6.5	6.6	.75	.76
Netherlands	6.0	6.4	.67	.70
Switzerland	5.4	5.5	.69	.70
Federal Republic of Germany	5.3	5.6	.62	.65
Denmark	5.0	5.1	.75	.76
United States	2.3	2.4	.26	.27

●

SWEET DELUSIONS?

Mr. HATCH. Mr. President, no one would dispute that American standards of food purity and nutritional value are better today than when Upton Sinclair described the rat-infested meatpacking plants in "The Jungle." But some Americans are afraid to sit down to the traditional breakfast—they have heard the eggs are unhealthy and the bacon is unsafe. In the Subcommittee on Health and Scientific Research we have held hearings on the nutritive value of various food items. The debate continues outside of Congress as well, and one of the main foods under attack is sugar, certainly a staple item in American diets.

In hopes that Congress will not act imprudently, I will be introducing a number of statements on the importance and safety of common table sugars, especially refined white sugar. The first is an October 1979 report from the Good Housekeeping Institute refuting the myths that carbohydrates—especially sugars—are to blame for everything from obesity to diabetes.

I ask to have printed in the RECORD this report.

The report follows:

EXPLODING THE MYTHS ABOUT SUGAR

Carbohydrates—starches and sugar—play an essential role in a proper diet. Yet carbohydrates, particularly sugar, have become the center of a heated controversy, fueled by myths and half-truths. Here, the myths—and the facts that prove them wrong.

Carbohydrates are fattening. Starches, especially, should be avoided by dieters.

In and of themselves, carbohydrates are no more—and no less—"fattening" than protein or fats when used in a balanced diet. Sugars, starches, and protein contain the same 4 calories per gram; fats contain 9.

Calories are simply units of energy used by the body: As long as the total number you take in is less than the number you require for energy, you will not gain weight, whatever type of food you eat. And the "complex carbohydrates"—foods rich in starch and fiber, such as fruits, vegetables, legumes (peas and beans) and foods made from grains (breads, cereals, pasta)—are important sources of vitamins and minerals needed by everyone, dieters and non-dieters alike.

Refined white sugar is bad for you. Sweeteners such as raw sugar, molasses and brown sugar are more healthful.

There is nothing inherently harmful or "unnatural" about refined white sugar. White sugar, raw sugar, molasses and brown sugar are all made up of one or more of a group of nutritive sweeteners—sucrose, glucose, fructose, lactose (milk sugar) and maltose. They are called "nutritive" because the body is able to use them for energy. All of them have the same number of calories gram-per-gram (calories may vary, however, when measured by *volume*). They differ only in taste; none is preferable to another.

In refining white sugar, the sucrose is physically separated from sugarcane or sugarbeet juice, and the impurities and molasses are removed. The sugar is not chemically altered in any way.

Sugar is not sold in its raw (impure) state. Turbinado, often referred to as "raw sugar," has been purified in the same way as refined white sugar, but not all of the molasses has been removed. It retains a slight molasses taste but has no nutritional advantage.

Molasses, formed during the refining, contains sucrose (50 to 70 percent), B vitamins and iron, so it does have a nutritional plus if eaten in sufficient quantity (but it also contributes 50 calaries per tablespoon). Brown sugar is the least "natural" of all. It does not exist in nature but is actually a "man made" combination of molasses syrup and refined white sugar.

Fructose is better than sucrose.

Fructose, found naturally in fruit, is the sweetest sugar, so less is needed than sucrose. But fructose extracted from fruits is very expensive, so most commercial products are actually processed from sucrose (refined white sugar).

Unlike sucrose, pure fructose may be of benefit to diabetics, since it does not need insulin to carry it to the body's cells. However, fructose is not for unlimited use by diabetics. This is because parts of fructose are converted in the liver to glycogen, which in turn is converted to glucose and secreted into the bloodstream at a slow, even rate, requiring insulin. Since research is still going on, diabetics should not use fructose without a physician's okay.

Corn syrup, fruit juices and honey are more "natural" sweeteners than white sugar.

Corn syrup, fruit juices and honey are no more "natural" than sucrose. Like any nutritive sweetener used commercially, they are valuable for their sweetening power and preservative properties; and like sucrose or any other nutritive sweetener, they will add calories.

Honey is a combination primarily of fructose and glucose with minimal traces of vitamins and minerals, but it would have to be eaten in far greater amounts than normal to contribute any extra nutritional benefit. And a tablespoon of honey contains 65 calories, more than refined white sugar (45 calories) or brown sugar (48 calories). Corn syrup does not occur in nature. It is produced by changing cornstarch chemically or through the use of enzymes. High Fructose Corn Syrup (HFCS) is also made from cornstarch, but the fructose content is increased by an enzymatic process. Because fructose is the sweetest simple sugar, HFCS is sweeter than regular corn syrup and so less is used.

A diet high in sugar causes diabetes, hypoglycemia or heart disease.

There is no proven cause-effect relationship between sugar and these diseases. People who suffer from diabetes or hypoglycemia are carbohydrate-intolerant (they can't metabolize carbohydrates normally), but sugar does not cause the condition. A high-sugar diet can be a high-calorie diet, which contributes to obesity, which in turn does increase the risk of heart disease.

Eating a lot of sugar causes cavities.

Most recent research shows that it is not the amount of sugar we eat that causes cavities, but the frequency and the length of time the sugar is retained on the teeth.

Sweet, sticky foods are equally, if not more, cariogenic (cavity-causing) than sucrose. Mixtures of sugar and starch are also more cariogenic than sucrose. A new finding: chocolate in chocolate candies contains an ingredient that protects teeth against the cariogenic effects of sugar.

A final word about sugar.

Prudent use of carbohydrates is essential to a balanced diet. But too much sugar (or any food) can disturb nutritional balance. If eating too much sugary food is responsible for pushing you over your calorie limit, begin to reduce the amount of sugar you add to food or to recipes, and make sure the majority of the carbohydrates you eat are the "complex" kind. And even if weight isn't a problem, check that high-sugar foods are not displacing other foods in your diet.

Our recipes, beginning below, will show you how to include fiber-rich complex carbohydrates in your diet without giving up "sweet" taste. Fruits add fiber and nutrients and, since they provide sweetness, only minimum amounts of sugar were added. (Using less sugar than called for can spoil the recipe.)

PLANT WATERING

Mr. SASSER. Mr. President, I call the attention of my colleagues to an article in the May 5 issue of the U.S. News & World Report entitled "Just Say They're Watering Down Your Tax Dollars." The article retells our efforts here in the Senate and in the Congress to eliminate nonessential expenditures for plant watering services for Federal employees. I ask that the article be printed in the RECORD at the conclusion of my remarks.

Mr. President, I also ask that a letter from the Acting Comptroller General stating that these latest expenditures are in violation of law, that such contracts shall be canceled immediately, and that the General Accounting Office will be forced to take formal exception to any illegal payments made for plant maintenance services rendered after April 30, 1980.

And that is that.

The article and letter follow:

JUST SAY THEY'RE WATERING DOWN YOUR TAX DOLLARS

Lawmakers are discovering they often are no match for bureaucrats seeking to circumvent the intent of Congress.

Consider the losing battle Senator Jim Sasser (D-Tenn.) has been waging against the use of private contractors to tend ornamental plants in government offices.

During a hearing last year by a Senate Appropriations subcommittee that Sasser heads, he learned that a tiny bureaucracy called the Copyright Royalty Tribunal was paying $1,100 a year to have its plants fed and watered.

Further investigation found that taxpayers had spent $816,700 over four years on plant-care services throughout the government, an amount "equivalent to the taxes paid by 400 hard-working Tennessee families in a year," Sasser pointed out.

Armed with that information, he easily won approval of an amendment outlawing the use of public funds for that purpose.

However, recently a follow-up by congressional investigators showed that seven agencies are still paying $54,400 a year to contractors for plant services.

"Most incredible was the revelation that the Internal Revenue Service is wasting nearly $33,000 to have its plants watered," says Sasser. "I just can't imagine that the nation's tax collector would lead such a waste parade."

COMPTROLLER GENERAL
OF THE UNITED STATES,
Washington, D.C., April 24, 1980.

Hon. JAMES R. SASSER,
Chairman, Subcommittee on Legislative Branch, Committee on Appropriations, U.S. Senate.

DEAR MR. CHAIRMAN: At your request, we recently asked 26 Federal agencies whether they were still contracting with private firms for the maintenance of indoor office plants. In March 1979, we had provided you a listing of the agencies that contracted for these services during fiscal years 1974 through 1977. As you know, the results of our most recent inquiries were provided to you in our appropriations hearings on March 25, 1980. At that time, we agreed with your staff to perform a limited amount of observations in selected agencies to determine if their fiscal year 1980 contracts are in violation of the restriction you placed into section 409 of the Department of Housing and Urban Development—Independent Agencies Appropriations Act, 1980, Pub. L. No. 96–103, 93 Stat. 771, 778.

Enclosed is a copy of our decision "Contracts for maintenance of office plants," B–198242, in which we conclude that section 409 prohibits the use of fiscal year 1980 appropriated funds for contracts to maintain office plants located in areas which are the assigned work spaces of particular Federal employees.

We found that the agencies we observed plants in—the Departments of Transportation and the Treasury and the Veterans' Administration—were making expenditures in violation of the law. We did not observe plants in the Department of Agriculture, the Federal Election Commission, or the Federal Mediation and Conciliation Service. Accordingly, we are informing the Secretaries of Agriculture, Transportation, and the Treasury, the Administrator of Veterans Affairs, the Chairman of the Federal Election Commission, and the Director of the Federal Mediation and Conciliation Service, that their agencies are or may be in violation of section 409. Copies of our letters to these agencies are enclosed. We have recommended that they review their agencies' current indoor plant maintenance contracts and to the extent that they violate section 409 to cancel them immediately. We have further informed them that we would be forced to take formal exception to any illegal payments made for plant maintenance services rendered after April 30, 1980.

Sincerely yours,

MILTON J. SOCOLAR,
Acting Comptroller General
of the United States.●

AN OVERREGULATED ECONOMY

● Mr. HATCH. Mr. President, a few weeks ago Mr. David Rockefeller, chairman of the Chase Manhattan Bank, gave an excellent speech on the overregulation of our economy to the John F. Kennedy School of Government at Harvard University. Mr. Rockefeller points out that the Federal regulatory budget has grown from $1 billion to $6 billion over the past decade, imposing a cost of about $120 billion a year on business. But he goes on to say that the real cost of regulation is the production lost to the disincentives created by the regulations:

> The crucial costs of regulation are essentially unmeasurable. Those costs are the cost of a stagnant and inflated economy in an ever more turbulent and perilous world. These costs grow annually more acute as we move into the 1980s and into what is looming as a kind of climax to the regulatory siege.

As an example of a stagnating industry due to overregulation, Mr. Rockefeller cites commercial banking. "Relatively speaking, American banking is in decline," he says, because "both American nonbanking corporations and foreign commercial banks are taking an increasing share of our commercial banking markets both here and abroad. The main reason is U.S. regulation." He points out that many financial institutions, both foreign and domestic, which compete with U.S. banks are not subject to the same regulations. This is just one example of where our regulations work to the detriment of the domestic industry and to the advantage of their foreign competition.

As we look for solutions to our inflation

problem, we should keep in mind that there are shackles on the productive energies of our economy that can be removed to help us produce our way out of inflation, without throwing people out of work. As Mr. Rockefeller says:

> The future growth of the American economy requires the gradual removal of these shackles on the freedoms of our people. At a time when the needs of defense require a continuing high level of government spending, deregulation may well be our best immediate opportunity to cut back the burdens of government.

Mr. President, I commend Mr. Rockefeller's speech to my colleagues and ask that it be printed in the Record.

The speech follows:

Liberation and Prosperity, Progress and Faith

In January 1936, the year I graduated from Harvard, President Franklin Delano Roosevelt issued a portentous warning. His subject was government regulation. "In 34 months," he said, "we built up new instruments of public power in the hands of the people's government. . . . (But) in the hands of political puppets of an economic autocracy such power," he said, "would provide shackles for the liberties of our people."

It is now nearly 45 years since President Roosevelt issued this warning. During those years, the mass of regulatory powers has mounted steadily. Yet I believe that during the last 34 months or so—(the last three years of the seventies)—the U.S. government has launched a body of new regulatory measures even more portentous than those of the 1930s. Despite all the talk of deregulation, between 1976 and 1979, the number of new rules in the national register rose by more than 50 percent.

The shackles of the 1970s, like the shackles of the 1930s, were created with the best of intentions, and have achieved some good results. But in viewing the scene of our current affairs—the array of public problems and regulatory correctives—it is hard sometimes to tell the solutions from the shackles, the problems from the programs.

In fact, as we contemplate the panorama of government, an old saw comes to mind: When the answer to a problem is too complicated, what we have is not an answer but a new problem. It is worth considering whether our current national predicament does not derive from regulation itself: From a vast complex of powers, programs, and prescriptions that add up to the fundamental new problem of the contemporary age.

Whether it is termed inflation or stagflation, low productivity or high price levels, national malaise or leadership lag, the problem may lie not in our stars or our limits, but in our solutions. The unbelievable tangle of corrective laws, mitigating measures, explanatory codicils, administrative rulings themselves are subverting the nation's trust in the essentially simple authority of the rule of law.

Before this gathering, I do not need to list the new regulations of recent years. If I should try, I would have to stay here reading from now to the year 2000, and by that time, I suspect, many of you would no longer be listening.

Let it merely be said that during the last decade, the register of federal regulations has been growing at a rate of some 7,000 pages a year. The Federal Regulatory Budget has risen some six times, or from less than $1 billion to something more than $6 billion. Reputable economists, admittedly groping for ways to measure the impact, estimate that for every dollar the government spends issuing and enforcing these rules, business spends $20 complying with them. That means a total business expenditure of around $120 billion a year.

Yet I believe that these estimates miss the most important expenses altogther. The crucial costs of regulation are essentially unmeasurable. Those costs are the cost of a stagnant and inflated economy in an ever more turbulent and perilous world. These costs grow annually more acute as we move into the 1980s and into what is looming as a kind of climax to the regulatory siege.

Let me cite a few illustrations of regulations which give me concern. One which has very dangerous implications is the Toxic Substances Control Act—a law that the Environment Protection Agency is to administer but has not yet begun to apply. Industrial progress necessarily means the continual replacement of some chemical substances and processes with new ones, nearly all of them toxic in some degrees and applications. If EPA enforces this bill in the way it enforces other laws—by requiring an average of some seven years of applications and tests of toxicity—the American economy could be gravely damaged by the delays.

Another costly and threatening problem is in prospect in connection with regulations and legislation promulgated to deal with the needs of the handicapped. Surely we can all agree that those with disabilities should be helped to move in the mainstream of society. But because of the way much of the regulation and legislation as been drafted, many extreme measures are called for, and their costs in some instances could be ruinous.

For example, the cost to New York's Metropolitan Transit Authority of federally mandated changes to the existing subway and bus systems to meet the transportation requirements of the handicapped is expected to be about a billion dollars. This is being mandated at a time when the system is already operating at a deficit and is short about $300 million for badly needed maintenance and repairs. The mayor's responsive but far less costly alternative—special vans which pick up the handicapped at the door—has been declared unacceptable by the regulators—though it costs only about 90 cents a ride as compared with about $38 per ride under the Federal plan.

This brute-force and exaggerated approach to meeting the needs of a special segment of the society would impose an unnecessarily severe burden on society as a whole. The results sought can usually be achieved satisfactorily and at far less cost if particular methods are not specified by the government. Clearly, the laws as presently written and administered will impose unacceptable burdens on the American people.

More close to home from my point of view is the fact that the 1980s promise to be a decade of new and expanded regulations in banking. Judging from the old regulations, I do not look forward to new ones.

As an industry, and in absolute terms, U.S. commercial banks have been growing rapidly in recent years. Chase's earning performance has been particularly gratifying. But relatively speaking, American banking is in decline. Both American non-banking corporations and foreign commercial banks are taking an increasing share of our commercial banking markets both here and abroad.

The main reason is U.S. regulation. One might think that if an institution looks like a bank, loans like a bank, takes deposits pretty much like a bank, and administers checking accounts like a bank—one might suppose that such a firm would be a bank—and therefore be subject to the rules of banking. But in point of fact, many financial institutions, both foreign and domestic, which compete with U.S. commercial banks today are not subject to the same regulatory controls.

For example, Federal regulators would never have permitted an American bank to acquire control of the Marine Midland Bank. But they recently authorized the Hong Kong and Shanghai Bank to do so. Moreover, regulators required the Wachovia Bank in North Carolina to divest itself of the American Credit Corporation—allegedly in order to promote competition. But then they allowed Barclays Bank of Great Britain to purchase American Credit. Yet Barclays' U.S. branches and subsidiaries, spread across six American states, command assets about equivalent to Wachovia's—and Barclays' world wide assets are about ten times greater than those of Wachovia.

U.S. banks do not want discriminatory protection from foreign banks any more than we want unfair protection from other U.S. companies. The problem is that present regulations are designed for a fragmented world economy that no longer exists. Existing laws need to be reviewed to take account of existing competitive conditions. It should be stressed, however, that U.S. commercial banks seek equality of treatment, not favoritism.

I have been critical of over-regulation and bad regulation. Obviously, however, some regulation is necessary to every economy. Without contract law, monetary order, and enforceable property rights, for example, people would be unwilling to make the long-term investments necessary for economic growth. Without protection against abuses in areas such as industrial pollution or environmental destruction, the very existence of our society could eventually be threatened. Laws such as the Federal Food and Drug Act, to take an example in another field, when applied in moderation can improve confidence in the marketplace and thus increase demand for new or little understood pharmaceutical products or for foods transported from afar.

The expansion of capitalism, to a large degree, has followed the extension and application of law. To a degree, as the rules increase and enforcement improves, so can production and well-being.

At a certain point, however, the rules become counterproductive. In 1971, Paul Craig Roberts, now an editorial writer for the Wall Street Journal, proposed a kind of Roberts Curve of Regulation. Like the famous Laffer Curve, which shows the diminution of federal revenues which can follow an excessive increase in tax rates, the Roberts curve depicts the decline in real public welfare that results from the expansion of regulation beyond an optimal level.

Up to a certain point, regulation can enhance trust and production. Beyond that point, any increase will tend to destroy confidence and productivity. The rules become so complicated and contradictory that they cannot be followed within the turbulent arena of economic decision making. The economic actors must either ignore the regulation or slow their activity. Either of these alternatives is bad. But there is a golden mean, an optimum level of regulation and organization, that fosters orderly progress.

This is the law of rules. It is evident in any game. For example, without any rules basketball would penalize the best players and turn the game into a mass brawl.

A game with too many rules, however, would be equally frustrating. Beyond a point, proliferating rules of product safety, truth in lending, environmental impact, and all the rest, adversely impact the performance of American businesses which must often make rapid decisions under stress, without full knowledge. This is contrary to the best interest of society as a whole. It is best for all of us that businessmen keep their eye on the ball, rather than on the bureaucracy.

The bureaucratic preoccupation, though, is widely visible in the U.S. economy. These days, doctors feel compelled to drive past automobile accidents rather than expose themselves to possible malpractice suits or excessive medical paperwork. Medicare and Medicaid rulings are so complex that physicians visiting a nursing home often have to spend more time signing papers than visiting patients. Chemical companies are currently neglecting the development of pesticides applicable to any but the most common fruits and vegetables. One reason for the rising costs of rare vegetables is regulation. Only the largest agricultural markets can justify the elaborate testing and testimony required by the Environmental Protection Agency.

Sam Peltzman of the University of Chicago and others have done studies which indicate a similar problem in the introduction of new drugs. It is very doubtful, for example, that a substance like penicillin, which has saved millions of lives, but which probably has also killed a very small number of its users, could be approved by the FDA today. It is also unlikely that aspirin, another "miracle drug" with multiple beneficial applications but which can have unpleasant side effects in some cases, could be proved "effective" in accordance with current FDA standards. In addition, there are many so-called "orphan drugs" that are only effective against various rare diseases or that consist of natural substances which are not patentable. In most such cases, FDA regulations, impose costs far beyond the possible profits from the product and hence discourage their production.

When choosing between the costs of further industrial progress and the promise of future regulation, one fact should always be kept in mind. More than any other single index, it is ongoing industrial progress that correlates best with the well-being and longevity of citizens. Although it is unfashionable these days to say so, it is a fact that the more factories, the more automobiles, the more roads and airports, in short, the more dynamic the economy in general, the longer the lives of the people. The problem is to stimulate growth with a minimum of environmental impact. It is this balance wo must seek in our society today.

Technical progress consists of continuing surprises. Solutions deriving primarily from past knowledge will nearly always result in increased costs and thus will slowly impoverish the economy. Solutions springing from new knowledge—from the creativity of technicians on the frontiers of their field—will usually result in reduced costs. Every worthwhile new technology has produced greater benefits at smaller expense than its predecessor. The state which tolerates excessive regulation proceeds by imposing greater costs on the existing industrial system, rendering it less efficient and less productive. Regrettably, that is the direction we are moving in in the U.S. today.

In order to achieve the acceptable goals of regulation in a constantly changing world, the United States must enlist the cooperation of the the world's most qualified experts in change: The nation's businesses. Private enterprise must adapt to new conditions, or die. You in the Kennedy School have been studying and developing many practical and economic forms of regulation, such as using effluent charges, pollution rights and other market devices to achieve environmental goals at acceptable costs. Such techniques of regulation rely on economic incentives rather than bureaucratic controls to achieve their objectives.

Most of the legitimate goals of the regulatory state—except perhaps its own growth—can be achieved without the "paralysis by analysis" so often associated with the regulatory state. We must enlist the cooperation and the creativity of the private sector in cleaning up our air and water, in expanding opportunities for the disadvantaged, in combating inflation through new productivity. In fact, it is only through a process of continual adaptation and innovation that our country can meet a continually changing array of problems.

As the regulatory state grows, government leaders confront a curious paradox. The more powers they wield, the less powerful they feel. The Secretaries of Cabinet Departments share with secretaries to junior civil servants the same feeling of impotence before the great problems of the day. In fact, it sometimes seems that at the highest pinnacles of federal power, there is the least room to maneuver. The regulatory state has become a petrified forest of federal agencies impossible to prune or cut down—but also very difficult to mobilize or adapt to new challenges.

Professor James Q. Wilson of Harvard has pointed out that government agencies are least successful in regulating other agencies or government departments.

In Europe, governments cannot effectively regulate their own nationalized industries. In American cities, mayors find it far easier to elicit efficiency from private contractors than to impose productivity standards on municipal employees. When government is misapplied, it is like a new fuel or power source that requires more energy to produce and maintain than it yields.

The future growth of the American economy requires the gradual removal of these shackles on the freedoms of our people. At a time when the needs of defense require a continuing high level of government spending, deregulation may well be our best immediate opportunity to cut back the burdens of government.

A good start would be enactment of the Business Roundtable's legislative recommendations for regulatory reform. The proposed bill would establish a clear statutory basis for executive oversight of regulatory bodies. It would mandate a careful continuing analysis of the costs and benefits of all regulations. And it would require that all proposed regulations and interpretive rulings pass an economic review before they are applied.

Amazingly enough, U.S. regulatory agencies now purport to operate on a moral plateau well beyond the claims of economics and politics. All discussion of the economic impact of regulation is treated like a mention of money in a lady's boudoir—or the clanging of a cash register in a church. The benefits of regulation are simply asserted to be beyond the consideration of cost.

Under this assumption, the private sector has been hobbled with thousands on thousands of complex and contradictory rules. To the regulators, the public interest seems an abstraction apprehended and enforced only by the regulators themselves, and by the armies of lawyers and so-called "public interest" lobbies that support and feed on the regulatory process.

Is not the emergence of such a group of unelected rulers, wielding huge powers and exacting huge costs—is not this regulatory autocracy directly analogous to the kind of "political puppets of an economic autocracy" that FDR warned against in 1936?

I think it is, and I believe that this regulatory state has already imposed grave shackles on the liberties of our people.

I believe that these shackles are a major source of the inflationary pressures and counterproductive tendencies in the U.S. economy. I believe also that the glut of rules encourages an atmosphere of lawlessness. Citizens are increasingly likely to resort to deception and subterfuge simply to get their business done. Indeed, reputable economists and social analysts now estimate that the "underground" economy of tax avoidance now comprises as much as one fifth of our GNP.

As government grows larger and more intrusive, citizens increasingly face a hard choice of either joining the government or going underground. Both of these choices can be destructive to the freedom and dignity of private citizens.

As the law of rules would suggest, at a certain point the expansion of regulations leads to lawlessness—to an anarchic society that cannot get its business done or its public policies fulfilled.

Walter Lippmann explained the problem, also in the late 1930s. He wrote: "This is the sickness of an overgoverned society, and at this point the people must seek relief through greater freedom, if they are not to suffer greater disasters. . . . "

The greater disaster before us, I believe, is the loss of faith and trust that is the source of all human progress. There is no way that the future can be mastered without faith in the resourcefulness and creativity of free men. The fatal flaw of the regulatory state—the overgoverned society—is that it remains in the grip of the past. The regulator inevitably depends on knowledge that is always in the process of becoming obsolete. By imposing the results of this obsolescent knowledge, the shackles of outmoded ideas, on the men and women on the frontiers of our economy, we will stifle progress. In attempting to escape the many particular risks and dangers of the past, we will run the terrible and irrevocable risk of remaining static in a dynamic world. We will face the danger of slowing our creative reflexes and dampening our economic growth at a time when the demands on our people and their need to increase their productivity are growing ever greater. This is the fundamental problem of the regulatory state as it exists today, proliferating its rules and rulings to correct the often isolated abuses of yesterday.

The great challenge that faces us, then, is to find new ways of regulating that do not repress growth and change but channel them. Ways of governing that do not drive the economy underground. Ways of preserving the environment that to not prohibit its use in the urgent effort to find new fuels.

This challenge of governance is the counterpart and complement of the ongoing challenge of enterprise on the creative frontiers of our economy. To master these challenges, both business and government will have to fight free of the myriad, accumulated regulations of the past. In this vital effort to break the shackles on the liberties of our people—without losing the benefits of reasoned law—the Kennedy School can play a key role. I look forward to joining with you in this great cause of liberation and prosperity, progress and faith.●

ORDER OF BUSINESS

The PRESIDING OFFICER. What is the will of the Senate?

Mr. MATSUNAGA. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 703 and 704 for not to exceed 2 minutes.

Mr. BAKER. Mr. President, reserving the right object, and I will not object, the purpose of the reservation is to advise the majority leader that these two items are cleared on our calendar as well and we have no objection to their consideration and passage.

The PRESIDING OFFICER. Without objection, it is so ordered.

U.S. EXPORTS OF LOW-ENRICHED URANIUM FUEL

The Senate proceeded to consider the joint resolution (S.J. Res. 89) permitting the supply of additional low-enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes, which had been reported from the Committee on Foreign Relations with an amendment, as follows:

On page 2, line 8, beginning with "That" strike through and including line 11, and insert in lieu thereof the following:

That waiving such limits shall be authorized only with respect to parties to the Treaty on the Non-Proliferation of Nuclear Weapons: *Provided further*, That notification of any proposal to waive such limits in any given agreement for cooperation is submitted to the Congress and referred to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives and that, if within five days of such submission the chairman or ranking minority member of either such committee so notifies the President by letter, a period of sixty additional days shall elapse while Congress is in session, during which such proposed waiver shall not become effective: *Provided further*, That any such proposed waiver shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed action: *And provided further*, That any such proposed waiver shall be considered during such sixty-day period pursuant to the procedures set forth in section 130 of the Atomic Energy Act for the consideration of Presidential submissions.

The amendment was agreed to.

● Mr. CHURCH. Mr. President, the Foreign Relations Committee has ordered favorably reported Senate Joint Resolution 89 with an amendment. The original version of the resolution would have permitted ceilings on U.S. exports of low-enriched uranium fuel to be exceeded by up to 10 percent. The ceiling on exports of low-enriched uranium fuel is of particular concern with respect to Korea, which is near the ceiling now, and potentially to Taiwan.

At the request of the administration, the committee amended the resolution to drop the 10-percent allowance and instead to authorize the administration to propose that a ceiling in a specific agreement be waived altogether for a party to the treaty on the nonproliferation of nuclear weapons. The committee also added language providing for the exercise of congressional review and disapproval of any such proposed waiver of an existing ceiling on a party to the NPT. The committee believed these changes were necessary because a 10-percent allowance would have soon, if not immediately, been insufficient to assure Korea that its nuclear reactor fuel needs could be met from U.S. sources pending renegotiation of the present bilateral nuclear cooperation agreement, and because the change would favor parties to the NPT, which is desirable because these states have accepted the obligations that go with that treaty.

Mr. President, the Foreign Relations Committee believes Senate Joint Resolution 89, in its amended form, will be an important assurance to our trading partners in Korea and Taiwan that the United States will continue to be a reliable source of low-enriched uranium fuel for their nuclear reactors. This will enhance the ability of U.S. nuclear industry to compete for Korean nuclear reactor and fuel needs. At the same time, the amended resolution will be a demonstration that the United States is prepared to remove existing ceilings for NPT parties, subject to Congress right of review and disapproval. Therefore, I urge the Senate to approve Senate Joint Resolution 89 as amended by the Foreign Relations Committee. ●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96–657), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this joint resolution is to permit the United States to export low-enriched uranium fuel for nuclear reactors to states party to the Treaty on the Non-Proliferation of Nuclear Weapons in excess of the ceiling established in bilateral agreements for cooperation.

BACKGROUND

For the last 2 years, the United States has been renegotiating existing agreements for peaceful nuclear cooperation to bring them into conformity with the 1978 Nuclear Nonproliferation Act. Most of these existing nuclear cooperation agreements contain ceilings on the amount of low-enriched uranium which the U.S. can export. These export ceilings were originally placed in nuclear cooperation agreements as a means of helping the United States to plan the size of the enrichment program it would be required to maintain for export purposes. As new and more flexible enrichment technologies have been developed, this type of planning is no longer necessary, and the Administration has intended to eliminate the ceilings in the renegotiated agreements. The negotiations are not yet concluded, however, and in the meantime, some nuclear trading partners are considering the acquisition of additional nuclear reactors, and wish to be assured of adequate fuel supply before purchasing them. The Administration is concerned that U.S. nuclear industry will be at a disadvantage in bidding for new power reactor needs for certain countries pending completion of renegotiation of cooperation agreements with the United States.

This disadvantageous situation for U.S. nuclear industry is of particular concern with respect to South Korea, which is planning to purchase additional nuclear reactors. Renegotiation of the bilateral cooperation agreement has been delayed pending the results of the recently completed International Nuclear Fuel Cycle Evaluation, and discussions are just resuming. The Administration anticipates that renegotiation will take some additional time. There is considerable concern that South Korea may turn to European suppliers in place of U.S. industry because of concern over access to sufficient U.S.-supplied fuel.

When Senate Joint Resolution 89 was originally introduced the Administration believed that allowing the existing ceiling to be exceeded by up to 10 percent would be a sufficient demonstration of U.S. willingness to supply Korean fuel needs while the existing agreement was being renegotiated. However, in the interim, Korean contracts for the U.S.-supplied low-enriched uranium fuel have actually exceeded the ceiling in the current cooperation agreement. Failure to assure Korea that its low-enriched fuel needs for future reactors can be met from U.S. sources could turn the Koreans to non-U.S. sources for both reactors and fuel, thereby producing not only an adverse economic impact upon the U.S., but also reducing U.S. influence over the Korean nuclear program. Therefore, the Administration has concluded that Senate Joint Resolution 89 as introduced—allowing ceilings to be exceeded by 10 percent—is insufficient, and, in a letter of March 28 to Senator Church requested that the Committee consider amending Senate Joint Resolution 89 to allow ceilings in existing cooperation agreements in effect to be set aside in the case of exports to parties to the Non-Proliferation Treaty (NPT).

The joint resolution was ordered to be engrossed for a third reading, was read the third time, and passed.

The preamble was agreed to.

The joint resolution with its preamble, reads as follows:

Whereas the Nuclear Non-Proliferation Act of 1978 urges the United States to provide a reliable supply of nuclear fuel to those nations which adhere to policies designed to prevent the proliferation of nuclear weapons; and

Whereas the United States, in order to achieve the goals of that Act should be able to continue to supply low-enriched uranium fuel to nations that have entered into good faith negotiations as called for in section 404(a) of the Act; and

Whereas pending such negotiations, limitations now contained in certain agreements for cooperation on the amount of low-enriched uranium which may be supplied thereunder are insufficient to permit adequate assurance of supplies: Now, therefore, be it

Resolved by the Senate and House of Representatives of the United States of America in Congress assembled,

SECTION 1. Limits contained in agreements for cooperation on the amount of low-enriched uranium which may be transferred by or exported from the United States pursuant thereto shall not be construed to preclude transfer or export of amounts of low-enriched uranium in excess of such limits: *Provided*, That waiving such limits shall be authorized only with respect to parties to the Treaty on the Non-Proliferation of Nuclear Weapons: *Provided further*, That notification of any proposal to waive such limits in any given agreement for cooperation is submitted to the Congress and referred to the Committee on Foreign Relations of the Senate and the Committee on Foreign Affairs of the House of Representatives and that, if within five days of such submission the chairman or ranking minority member of either such committee so notifies the President by letter, a period of sixty additional days shall elapse while Congress is in session, during which such proposed waiver shall not become effective: *Provided further*, That any such proposed waiver shall not become effective if during such sixty-day period the Congress passes a concurrent resolution stating in substance that it does not favor the proposed action: And *provided further*, That any such proposed waiver shall be considered during such sixty-day period pursuant to the procedures set forth in section 130 of the Atomic Energy

Act for the consideration of Presidential submissions.

SEC. 2. (a) The terms used in this joint resolution shall have the meaning ascribed to them by the Atomic Energy Act of 1954, as amended, and by the Nuclear Non-Proliferation Act of 1978.

(b) The term "low-enriched uranium" means uranium enriched to less than 20 per centum in the isotope 235.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the joint resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

APPROVAL OF PROPOSED AMENDMENT TO THE AGREEMENT FOR COOPERATION BETWEEN THE INTERNATIONAL ATOMIC ENERGY AGENCY AND THE UNITED STATES

The **PRESIDING OFFICER.** The concurrent resolution will be stated by title.

The assistant legislative clerk read as follows:

A concurrent resolution (S. Con. Res. 88) stating that the Congress does favor the submission of the President with respect to the Second Amendment to the Agreement for Co-operation Between the International Atomic Energy Agency and the United States of America of May 11, 1959, done at Vienna, Austria, on January 14, 1980.

The Senate proceeded to consider the concurrent resolution.

● **Mr. CHURCH.** Mr. President, on April 22, the Foreign Relations Committee ordered favorably reported Senate Concurrent Resolution 88. This is a resolution pursuant to section 130 of the 1978 Nuclear Non-Proliferation Act, and it would indicate the Senate's approval of the amendment to the Agreement for Cooperation Between the International Atomic Energy Agency and the United States. I would note that the resolution was incorrectly printed as one of disapproval in the CONGRESSIONAL RECORD of April 21.

The United States-IAEA Cooperation Agreement is the vehicle for advancing two important U.S. interests in the area of international nuclear trade and nonproliferation: It enables the United States to assist the IAEA in improving its ability to carry out international safeguards on peaceful nuclear activities; and it serves as the basis for so-called "supply agreements" between the United States and third parties through the intermediary of the IAEA. These supply agreements permit the United States to export nuclear materials to states which prefer an international arrangement in place of a direct bilateral agreement with the United States. This helps U.S. nuclear industry to share in nuclear exports to such states, while at the same time allowing the United States to exercise influence in the nonproliferation area.

The committee's main concern in considering the amendment to the U.S.-IAEA agreement was that these supply agreements meet all the same basic nonproliferation requirements as direct bilateral nuclear cooperation agreements. The committee is satisfied that this is the case, and that approval of the amended U.S.-IAEA agreement would be in the interests of the United States. I therefore urge the Members of the Senate to approve Senate Concurrent Resolution 88.●

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent to have printed in the RECORD an excerpt from the report (No. 96-658), explaining the purposes of the measure.

There being no objection, the excerpt was ordered to be printed in the RECORD, as follows:

PURPOSE

The purpose of this original concurrent resolution is to approve the President's submission of the Second Amendment to the Agreement for Cooperation Between the International Atomic Energy Agency and the United States of America, signed in Vienna, Austria, on January 14, 1980.

BACKGROUND

This amendment to the basic United States-IAEA cooperation agreement of 1959 brings the agreement into conformity with the requirements of the 1978 Nuclear Non-Proliferation Act. This is the second renegotiated or amended nuclear cooperation agreement to be submitted by the President for congressional review, the first being the agreement with Australia.

In addition to permitting cooperation between the United States and the IAEA, the United States-IAEA cooperation agreement serves as the basis for subsidiary or "supply" agreements between the United States and other countries which do not have direct bilateral nuclear cooperation agreements with the United States. These supply agreements, negotiated under the auspices of the IAEA, permit the United States to export nuclear equipment and materials to such countries as Mexico and Yugoslavia through an international rather than a bilateral arrangement. However, such supply agreements while under the IAEA umbrella are actually negotiated directly between the United States and the country which is seeking U.S. nuclear exports.

The Committee's principal concern in reviewing this Amendment was to ensure that all the criteria for United States nuclear exports in the 1978 Nuclear Non-Proliferation Act would apply to these supply agreements. The Committee received a statement from the administration (appendix A of this report) which made clear that all the criteria of the 1978 Nuclear Non-Proliferation Act will be met in any supply agreement with other countries negotiated under the amended U.S.-IAEA cooperation agreement. In addition, the Committee requested a statement from the Nuclear Regulatory Commission on how it would evaluate safeguards under the Agreement (appendix B), and an assessment from the Arms Control and Disarmament Agency on the nonproliferation aspects of the amended U.S.-IAEA agreement (appendix C).

The concurrent resolution (S. Con. Res. 88) was agreed to as follows:

Resolved by the Senate (the House of Representatives concurring), That the Congress does favor the submission of the President containing the text of the Second Amendment to the Agreement for Co-operation Between the International Atomic Energy Agency and the United States of America of May 11, 1959, done at Vienna, Austria, on January 14, 1980, transmitted to the Congress by the President on February 1, 1980.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the concurrent resolution was agreed to.

Mr. BAKER. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

REMOVAL OF INJUNCTION OF SECRECY

Mr. ROBERT C. BYRD. Mr. President, as in executive session, I ask unanimous consent that the injunction of secrecy be removed from the Consular Convention with the Germany Democratic Republic, signed at Berlin on September 4, 1979 (Executive F, 96th Congress, second session), transmitted to the Senate today by the President of the United States; and ask that the convention be considered as having been read the first time, that it be referred, with accompanying papers, to the Committee on Foreign Relations and ordered to be printed, and that the President's message be printed in the RECORD.

The **PRESIDING OFFICER.** Without objection, it is so ordered.

The message of the President is as follows:

To the Senate of the United States:

I am transmitting, for the Senate's advice and consent to ratification, the Consular Convention between the United States of America and the German Democratic Republic signed at Berlin on September 4, 1979. I am also transmitting, for the information of the Senate, the report of the Department of State with respect to the Convention.

The signing of this Convention is a significant step in the process of improving and broadening the relationship between the United States and the German Democratic Republic. Consular relations between the two countries are not now the subject to a modern formal agreement. This Convention will establish firm obligations on such important matters as free communication between a citizen and his consul, notification of consular officers of the arrest and detention of their nationals, and permission for visits by consuls to nationals who are under detention.

I also transmit for the information of the Senate a separate exchange of letters, signed on September 4, 1979, setting forth the understanding of each side that consular officers of the sending State have the right of access under Article 39 of the Convention to persons who are citizens of the sending State. It is a generally accepted principle of international law that each State has the sovereign right to determine acquisition, maintenance and loss of its citizenship.

I welcome the opportunity through this Consular Convention to improve the relations between the two countries and their nationals. I urge the Senate to give the Convention its prompt and favorable consideration.

JIMMY CARTER.

THE WHITE HOUSE, *April 28, 1980.*

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President. I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 11:10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today it stand in recess until 11:10 a.m. tomorrow.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR 30-MINUTE ROLLCALL VOTE ON MOTION TO INVOKE CLOTURE TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the vote on the motion to invoke cloture tomorrow—and it is an automatic rollcall vote—be a 30-minute rollcall vote, rather than a 15-minute rollcall vote.

Mr. BAKER. Mr. President, reserving the right to object, and I will not object, the majority leader has been kind enough to confer with me on that request prior to his making it, and we find that this 30-minute rollcall, which is mildly unusual, does accommodate certain Members on our side and seems to be the best resolution of the scheduling problems. So I will not object to that request.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I wish to thank Mr. EXON, also who is on the opposing side with respect to the cloture vote, but who very graciously consented to the request that there be a 30-minute rollcall.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, are there any orders for the recognition of Senators on tomorrow?

The PRESIDING OFFICER. There are none.

ORDER FOR DIVISION OF TIME UNDER THE CLOTURE RULE ON TOMORROW

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the 1 hour tomorrow under the cloture rule be equally divided between Mr. BAYH and the minority leader or his designee.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS TO 11:10 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the order previously entered, that the Senate stand in recess until the hour of 10 minutes past 11 a.m. tomorrow.

The motion was agreed to; and at 6:34 p.m., the Senate recessed until tomorrow, Tuesday, April 29, 1980, at 11:10 a.m.

NOMINATIONS

Executive nominations received by the Senate, April 28, 1980:

NATIONAL INSTITUTE OF EDUCATION

P. Michael Timpane, of Virginia, to be Director of the National Institute of Education, vice Patricia Albjerg Graham, resigned.

IN THE AIR FORCE

The following-named officer under the provisions of title 10, United States Code, section 8066, to be assigned to a position of importance and responsibility designated by the President under subsection (a) of section 8066, in grade as follows:

To be general

Lt. Gen. Richard L. Lawson, [redacted], U.S. Air Force.

IN THE ARMY

The following-named officers to be placed on the retired list in grades indicated under the provisions of title 10, United States Code, section 3962:

To be general

Gen. William Allen Knowlton, [redacted] (age 59), Army of the United States (major general, U.S. Army).

To be lieutenant general

Lt. Gen. John Quint Henion [redacted] (age 57), Army of the United States (major general, U.S. Army).

Lt. Gen. Robert Carter McAlister, [redacted] (age 56), Army of the United States (major general, U.S. Army).

Lt. Gen. John Woodland Morris, [redacted] (age 56), Army of the United States (major general, U.S. Army).

EXTENSIONS OF REMARKS

HERITAGE FOUNDATION POLL OF ECONOMISTS SHOWS SOLID SUPPORT FOR GOP ALTERNATIVE BUDGET

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. GINGRICH. Mr. Speaker, the Heritage Foundation recently completed a survey in which 70 U.S. economists gave their views on the state of our economy and related issues. Today the results were released.

What I found particularly interesting was the near unanimous feeling that we need to cut taxes. Many different types of tax cuts were proposed by the participants, and a minority wanted to balance the budget before cutting taxes, but still nearly every one of the economists was on the side of lowering taxes.

And, when given the choice among the fiscal 1981 budgets proposed by President Carter, the House Budget Committee, and House Republicans, the Heritage economists—by a vote of 57 to 6—chose the Republican alternative budget over the other two as the best one for the Nation.

I'd like to share with my colleagues the text of the statement released today by the Heritage Foundation on this very important survey. We should consider these survey results as we move toward voting on what kind of 1981 Federal budget this country will have.

The statement follows:

ECONOMISTS FAVOR TAX CUTS

WASHINGTON, D.C., APRIL 28, 1980.—A cross-section of the nation's university economists think it's more important to cut taxes than it is to balance the budget.

At least that's the opinion of an overwhelming majority of the economic professors contacted recently by The Heritage Foundation.

The survey, part of Heritage's effort to provide the academic community with a public policy sounding-board, elicited over 70 detailed responses—indicating that the economists, by a nearly two-to-one margin (43-26), consider an "investment-directed" tax cut more important than a balanced budget.

Hendrick S. Houthakker, Henry Lee Professor of Economics at Harvard University, said "A tax revision oriented toward the supply side is more important than a balanced budget." He said that he sees "Little magic in a balanced budget by itself." The role of fiscal policy in reducing inflation can easily be exaggerated, he said. "Monetary policy appears to have a greater potential. . ."

When asked to choose the "most appropriate" of three alternative budget proposals, President Carter's, the House Budget Committee's, and the House Republicans', eighty-eight percent of the respondents selected the last.

In their comments, the economists stressed the Republican spending cuts of $35 billion and the sizeable provision for tax cuts to spur investment and economic expansion.

More than half (55 percent) of the respondents also indicated they favor indexing the income tax system and a slightly higher percentage (56 percent) indicated support for the Kemp-Roth tax cut plan, which would provide for a 10 percent reduction in individual tax rates in each of three successive years. A rollback in the scheduled social security tax increase was supported by only 27 percent.

Finally, when asked about the proper direction of fiscal policy, 74 percent of the respondents stressed changing the composition of total demand in favor of the private sector. Many of those polled refused to choose one of the multiple choices because they believed fiscal policy was utterly incapable of altering "aggregate demand." Rather than attempt to "fine-tune" the economy, the dissenters would limit the use of the budget solely to provide the publicly desired goods and services, and not economic manipulations.

The comments, at times, were blunt.

G. C. Wiegand, Professor Emeritus of Economics at the University of Illinois, said, "Both the Carter and the House Budget Committee plans seem to me a completely inadequate farce. We are not talking about 'cutting' expenditures for 1981 to $611 billion. Congress—and the people—have to face the fact that the 'reduced' budget actually represents an increase in three years of more than 35 percent."

"What we need," he said, "is not a fiscal 'reform,' but a fiscal 'revolution'."

Professor Randall G. Holcombe of Auburn University argued strongly in favor of indexation. "The most obvious effect of indexation would be to keep individuals from being placed into higher tax brackets due to progressive income tax rates. . . . But the most devastating problem that indexation could solve would be the elimination of the tax on phantom capital gains. Phantom capital gains," he said, "are created when the dollar value of assets increases due to inflation, even though the real value may decline. The resulting taxable gain is solely a result of inflation." Indexing would provide a solution.

Industrial economist William E. Cage comments, "Fiscal policy is simply an inappropriate (and ineffective) tool for adjusting aggregate demand. The government budget should be determined on the basis of Congress' explicit political objectives and enough taxes should be raised to pay for that budget—regardless of the state of the economy. Only with a constantly balanced budget will monetary policy be freed to pursue its stabilization goals."

Among others participating in the sounding-board were Professors Thomas T. Nagle of the University of Chicago; Alan Rufus Waters of the University of Texas at Dallas; Colin D. Campbell of Dartmouth; William H. Peterson of the University of Tennessee of Chattanooga; Meyer L. Burstein of the State University of New York at Buffalo; David C. Roberts of Delta College; A. James Heins of the University of Illinois; Bernell K. Stone of Georgia Tech; J. A. Dorn of Towson State University in Maryland; Andrzej Brzeski and Thomas Mayer of the University of California at Davis; John H. Beck of Case-Western Reserve University; Richard H. Timberlake; Jr. of the University of Georgia; Howard E. Kershner of Northwood Institute; W. Grierson of the University of Florida; Ray C. Roberts, Jr. of Furman University; and W. H. Hutt of the University of Dallas.

The Heritage Foundation is a Washington-based public policy think tank.●

BISHOP MADERA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I would like to bring to the attention of my colleagues a most distinguished constituent of mine, Bishop Joseph J. Madera, of Our Lady of Guadalupe, in Oxnard, Calif.

Bishop Madera has been priest and pastor of Our Lady of Guadalupe Church for 15 years, where he has become extremely involved with many community activities. Although he has been concerned with all the residents of Oxnard, his main focus has been to serve young people.

Bishop Madera has earned the respect of many of the residents of Oxnard, and I feel as do my constituents, that he has made the city a better place to live.●

DUMBARTON JUNIOR HIGH SCHOOL

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the students, teachers, and parents from the Dumbarton Junior High School in Baltimore who are today visiting the Capitol.

My friends from Dumbarton will have a full day in Washington, touring the Congress, the Supreme Court, and the Bureau of Printing and Engraving. I will meet with the students to discuss the legislative process and the issues of the day.

Mr. Speaker, I invite you and my distinguished colleagues to join me in welcoming:

Mrs. Rebecca Huey; Mr. Paul George; Mrs. Betty Pitman; Mr. Bob Flater; Mrs. Patricia Cole; Rebecca Huey; Elizabeth Huey; Tim Daley; Jamie Janiski; and Jim Ford.

Kim Kelly; Chuck Bonadio; Lindsey Jory; Brian Jones; Shelley Jacobs; Pete Traynor; Bob Mahaney; Alyson Opszentkowski; and Guy Anderson.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Margie Bennett; Patty O'Neill; Terry Brown; Andy Peterson; Sue Haigley; Todd Caplan; Dave Northam; Anne Parks; Suzie McGuigan; and John Fisher.

Jill Levan; Kevin Thomas; Becky Hanson; Rachel Tepper; Tricia Shriver; Peggy Fisher; Dana deVera; Monica Derry; Gary Reeve; and Julie Mitchell.

Bill Burke; Linda Etzel; Kathy Hackett; Kathy Dee; Latonya White; Brian Hudson; Dianna Williams; Fernando Soto; Alison Ferguson; and Jenny Zoll.

Brad Smith; Bandele Moore; Belinda Leftwich; Clancy Taylor; Ray Nash; Peter Spellman; Mary Anne Talucci; Keith Dawson; Kim Smatt; and Rick Bezuine.

Amy Neikirk; Larry Kiser; Meg Connolly; Rob Heaps; Caroline Shindell; Meredith Kelley; Robin Montgomery; Meg Kimmel; Terry Sharun; and Corinne Pardew.

Amy Bryant; Sheree Brady; Alex Jones; Cathy Falk; Kathy Hall; Scott Kuntzman; Karen Stender; Susan O'Brien; Kelly Pensel; Tiffany Lynch; and Kim Parma.●

THE LESSONS OF LATIN AMERICA

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I bring to the attention of my colleagues the following perceptive editorial from the Washington Star:

[From the Washington Star, Apr. 28, 1980]

THE LESSONS OF LATIN AMERICA

The American pattern of what Henry Kissinger calls "starting our own anti-American revolutions" is following its familiar course in Nicaragua. With the departure of the last non-Sandinistas from the junta that took over after the overthrow of Anastasio Somoza, the new government in Managua is settling into a no-compromise Cuban-style overhaul of Nicaraguan society.

Although the country's Roman Catholic clergy has long had the leftward tilt so familiar in Latin America, education, traditionally under church control, is being secularized. Some 1,200 Cubans are in the country designing a school system geared to socialist indoctrination.

Such developments, coupled with the increasingly visible presence of Soviet agents in Managua, have raised predictable qualms among the few genuine moderates who have been collaborating with the junta on the theory that a truly pluralistic society was under construction. Their growing reluctance to associate their names and reputations with the opposite explains the recent defections.

Getting the moderates out, of course, clears the way for the more extreme members of the ruling group to consolidate their leadership and push for increasingly radical measures. And the United States has gained yet another Soviet-leaning collectivist neighbor as its reward for helping to unseat an old-fashioned political strongman.

One of the wonders of it all is that neither local idiosyncrasies nor profound cultural differences appear to matter. The process by which American-aided pre-emptive revolution, called "reform," helps Marxists gain complete power, the better to fight American "imperialism," seems to work the same way in Asia, Africa, the Middle East.

A still greater wonder is that it can go forward in the midst of the most dramatic evidence that it bears bitter fruit. As Nicaragua and El Salvador try to reshape their societies on the Cuban model, Cubans by the tens of thousands—this hemisphere's version of the Southeast Asian boat people—risk their lives to get away from it.

As Huber Matos, the heroic anti-Batista soldier who spent 20 years in Cuban prisons for challenging Fidel Castro's repudiation of free government, has pointed out, the current wave of refugees from Cuba is no exodus of rich or middle-class people with material interests to protect. Nor is it a flight of intellectuals who put extraordinary value on their personal freedom to play with ideas and criticize public authority.

Today's Cuban refugees are chiefly young people, brought up in the Castroite revolution and drilled in its values. Their action is eloquent testimony that their most basic experience of life painfully contradicts what they have been taught.

When will the rest of the developing countries put two and two together? When will we?●

NTU SUPPORTS LATTA BUDGET

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. GINGRICH. Mr. Speaker, 150,000 taxpaying voters have expressed displeasure with House Concurrent Resolution 307, the first concurrent resolution on the fiscal year 1981 budget. In the National Taxpayers Union letter which follows, they urge support of either the Latta amendment or the Rousselot amendment because they cut Federal spending. I hope my colleagues will take note of these sentiments.

The letter follows:

NATIONAL TAXPAYERS UNION,
April 24, 1980.

DEAR REPRESENTATIVE: The National Taxpayers Union, representing 150,000 members and hundreds of state and local affiliated taxpayer groups interested in reducing spending and taxes, urges you to oppose H. Con. Res. 307, the First Concurrent Resolution on the FY 81 Budget. H. Con. Res. 307 proposes to balance the budget on the backs of the taxpayer. The massive tax increases proposed by H. Con. Res. 307 will guarantee continued economic stagnation, with little chance of reducing unemployment or increasing productivity and income.

Tax changes proposed or enacted this year would increase revenues by $35.5 billion. Automatic and unlegislated tax increases caused by inflation bumping taxpayers into higher tax brackets total $15 billion. Scheduled Social Security tax increases will add another $11 billion. The total proposed revenue increase is over $61 billion. Tax increases would still be over $50 billion even if a $10 billion productivity tax "cut" promised in the budget resolution is enacted. The reconciliation instructions require proposed tax increases to be reported, but the proposed $10 billion tax "cut" is simply a statement of intent, to be considered later. Clearly, most of the budget balancing would be achieved through tax increases if H. Con. Res. 307 is approved.

Because we feel spending and taxes are already too high, we oppose all amendments to increase spending. We urge you to oppose any proposal which would increase FY 81 spending and reduce or eliminate the $10 billion tax "cut" promised in H. Con. Res. 307. Specifically, we urge you to oppose the following:

An amendment to delete the reconciliation instructions. If past experience is any guide, deletion of the reconciliation instructions may serve to increase spending as much as $9 billion, and prevent even the modest $10 billion tax "cut" from being considered.

An amendment by Rep. David Obey to increase spending by $1 billion.

An amendment by Rep. Richard Ottinger to adopt President Carter's January Budget proposal—effectively calling for a $16.5 billion spending increase. This amendment would also eliminate the budget resolution targets for Federal credit activity.

An amendment by Rep. Stephen Solarz to increase spending by over $5 billion.

An amendment by Rep. Parren Mitchell to increase spending by almost $2 billion.

Two amendments would balance the budget at a lower level of spending and revenues. We support the amendment by Rep. Delbert Latta, which would reduce proposed spending by almost $12 billion, and the amendment by Rep. John Rousselot which would reduce spending about $10 billion. Both amendments also contain reconciliation instructions requiring tax cuts be reported from committee. Unlike H. Con. Res. 307, these amendments recognize the off-budget deficit is $16 billion.

Although we do not support the levels of spending and taxes proposed in H. Con. Res. 307, we fully support and commend the Budget Committee for including reconciliation instructions setting targets for Federal credit activity, and requiring delay of enrollment for spending bills which exceed their allocation in the budget resolution.

Unfortunately, both the Budget Committee proposal and the two substitute amendments that we support ignore the serious questions about military waste. We believe that substantial savings could be made in this area.

Sincerely,

DAVID KEATING,
Director of Legislative Policy.●

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO PROVIDE MORE ADEQUATE TREATMENT OF ROYALTY OWNERS UNDER THE CRUDE OIL WINDFALL PROFIT TAX

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. STENHOLM. Mr. Speaker, it has been my view all along that the so-called windfall profit tax will be detrimental to the best interest of the United States. Unfortunately, Congress passed this excise tax and the President signed the legislation on April 2. In my view, the failure to provide incentives for independent producers and royalty owners in that legislation can only lead to a further slide in U.S. domestic oil production.

The decision to include landowners was based on the theory that landowners could produce no production response. However, I believe that the reverse is likely to prove true. Unknown millions of acres of land with oil development potential are privately held. Owners of such lands number in the hundreds of thousands. Many have not leased their property for oil exploration and all of them will now be making decisions whether to lease land for production or hold it until such time as they may claim the full value of their mineral rights. These numerous individual decisions will, collectively, determine whether vast areas of land in this country will be made available for exploration and production. It is the landowner who decides if and when his land will be leased and for how much. Should landowners begin to require higher prices for their leases in an effort to offset the adverse effects of the tax, even land now in production could become undesirable to producers. In the past several days, I have received letters and calls from royalty owners advocating either withholding land from exploration and production or simply increasing their lease prices. Their reasoning is understandable when you compare the incentives that a landowner with coal deposits has at this time. But then, we don't have a windfall profit tax on coal, nor should we. The point is that the landowners of our natural resources, whether it be oil, natural gas, or coal, should not be penalized simply for being a landowner.

Mr. Speaker, I ask that this body recognize the need to enact the bill I am introducing today, which would exempt royalty owners from the windfall profit tax, of up to 10 barrels per day of royalty interest. This 10-barrel-per-day exemption should cover the vast majority of the small royalty owners who will be most severely affected by the windfall profit tax.●

AS OTHERS SEE US

HON. LIONEL VAN DEERLIN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. VAN DEERLIN. Mr. Speaker, the Chula Vista (Calif.) Star-News is a leading newspaper serving my congressional district. The paper is known for the thorough coverage it provides for the communities within its circulation area.

While the news focus naturally is on local events in the Star-News, which publishes twice weekly, the able people in charge of the publication share a much broader outlook.

Recently, Johnnie Lou Rosas, the paper's editor, and Lowell Blankfort, columnist and former editor and publisher, visited Washington, on quite different missions.

Mrs. Rosas and Mr. Blankfort wrote, respectively, an editorial and a column based on their Washington experiences. I commend their views to our colleagues, though I do not agree, obviously, with every particular of what they say. In some ways, we are isolated from the rest of the country here in the center of Government, and knowledgeable outsiders such as Mrs. Rosas and Mr. Blankfort can help us to sharpen our perspective.

Both of the writings, which follow as an extension of my own remarks, appeared in the Star-News on April 24.

No More Lincolns?

(By Johnnie Lou Rosas)

Two weeks ago today we had lunch with the President.

More accurately, we were among 650 newspaper editors who heard President Carter when he was lured away from the Rose Garden to address the American Society of Newpaper Editors. (We didn't actually break bread with him, since he arrived after we'd finished our meal.)

The President's speech was the climax of four days of political talks. When editors meet in an election year in the nation's capital, the logical guest speakers are candidates, key administration figures and the movers and shakers of government.

So over a four-day period we heard George Bush, Ronald Reagan, John Anderson and Jimmy Carter, along with an assortment of lesser lights that ranged from the head of the Census Bureau to the president of the AFL-CIO.

Was any light shed on major issues? No.

Was any innovative government program outlined? No.

Was the cause—and thus the cure—for inflation spelled out? No.

But we were given a rare chance to compare those men who hope to lead our nation through the next four perilous years . . . to compare their ability to think on their feet . . . to field questions (since all faced a panel of three editors) . . . to pull from their storehouse of knowledge the necessary facts and statistics to back up their points.

And perhaps from the analysis of those traits and capabilities we were able to draw a better picture of the men who would be President. Surely the abilities needed to answer questions in a forthright and intelligent fashion demonstrate the quickness of a man's mind and even his willingness to make a decision.

So, after mulling over our impressions of the four candidates we heard, we've come to a few conclusions.

George Bush was the surprise. An articulate speaker (but then all good politicians are), Bush was quick on his feet, obviously an intelligent man not afraid to commit himself when asked a direct question. A very impressive candidate.

His thrust, however, was against Carter, not Reagan. Yet he must win the nomination before Carter becomes his opponent. Despite his denial, we came away convinced that Bush is running for the vice-presidency. He devoted more time to detailing how his and Reagan's beliefs are compatible than to telling us why he would be a better president than the ex-actor.

The ex-actor was disappointing as a speaker, stumbling in his reading and not appearing as smooth or as forceful as Bush. But he really lost points when it came to answering questions.

Rather than a direct answer to a direct question, he talked around the subject or gave cliche responses. Questioned about the First Amendment, he came back with a quick "I'm all for it" type response, as though anyone talking to a group of editors would admit being opposed to it. But he left many of us convinced he knew no more about freedom of the press than he does about parity.

The obvious winner of the nomination, Reagan, nonetheless, frightened us with his total lack of knowledge on many subjects . . . his refusal (or inability) to answer a direct question . . . his less than overwhelming intelligence.

Perhaps we were prejudiced beforehand, but John Anderson's speech was the high point. He hasn't a prayer of winning the Republican nomination or of being more than a spoiler as an Independent, but Anderson gave us hope. We were convinced he could come up with innovative programs and would be savvy enough about the ways of Washington to get his ideas approved by Congress.

He alone among the candidates sparked spontaneous applause from among the crowd of somewhat jaded editors. He alone challenged the ability of the candidates of his own party, not just of the incumbent President. He alone seemed to offer real hope for the country. Yet we know he can't win.

And then came Jimmy Carter—a disappointment as a President, an equally large disappointment as a speaker. His own feeling of inadequacy and insecurity seemed to take the form of straining too hard to sound forceful.

Rather than sounding forceful, he succeeded in sounding strident. His normally soft Southern slurs sawed on the nerves. Every sentence came out with equal emphasis, even when the remark was no more earth-shaking than a reiteration of the current status in Iran and Afghanistan.

When questioning began, the President too often seemed to be giving the same answer to the same question he'd heard before. He left us feeling no more confident in his administration than we'd felt before we'd heard him.

When all was said and done, we realized that other writers and commentators have been correct. We'll be left with a Hobson's choice of Carter and Reagan . . . a choice that makes us question our election system.

Why do we fail to nominate the truly qualified candidates such as Anderson? Why do we place on the ballot the Reagans and the Carters with whom few are satisfied? What has happened to our nation that we no longer produce the Roosevelts . . . the Wilsons . . . the Lincolns?

We can't believe that men and women of that caliber aren't out there somewhere. Why aren't they on our election ballots?

Capital: The Small Picture

(By Lowell Blankfort)

Washington.—For the first time on my journeys to our nation's capital, I did not visit Rep. Lionel Van Deerlin. I had other responsibilities. You see, my wife April and I were among a group of courageous adults who volunteered to chaperone 53—yes, 53—fifth and sixth grade school children on an "American heritage" (and also American Airlines) tour of Washington and environs.

The children were from Decatur elementary school in La Jolla, and April and I were drafted—er, volunteered—because we are friends of the teacher who organized the trip.

Accompanying such a group after having done the VIP bit on past trips gives one different impressions of what's really significant and interesting in Washington. So, for the benefit of future tourists, particularly those chaperoning groups of children, following are some capsulized impressions:

(1) Most popular landmark in Washington: Sholl's New Cafeteria, 1433 K St., NW., the official trough for American Airlines' group kiddie tours. On the same flier listing such specials as "Swift's Premium Select Liver with Onions" for $1 is a prayer: "Be praised, my Lord . . ." (presumably for authorizing liver and onions for $1).

(2) Newest tourist attraction in Washington: The Iranian embassy, where the front gate is sealed with a large wooden plank bearing the word: "CLOSED." In the center of the O in "closed" someone has pasted a

decal of an American flag. A police car stands guard in the driveway, lest an overenthusiastic patriot decide to avenge the hostages personally. Here was where the shah's ambassador wined and dined American officials at lavish parties. Now it is desolate. It is an eerie sight.

(3) Loneliest place in Washington: The floor of the U.S. Senate when a colleague is making a speech. Only six of the 100 senators were on hand while we heard a Republican senator droning away against President Carter's appointment of a new National Labor Relations Board chairman. We could stay only five minutes. That was enough to convince us the absent 94 senators hadn't missed anything.

(4) Most significant historical exhibit in Washington: Our nation's heritage at the Smithsonian's Museum of History and Technology—not because it contains such memorabilia as the manacles of our slaves and the benches of the immigrants at Ellis Island (about which students could care less), but because therein are the original jacket of the Fonz and the original chair of Archie Bunker. Wow!

(5) Most pressing need for an affirmative action program: The inspection department of the Bureau of Printing and Engraving, where all the dozen or so employees we saw checking the printing quality of $100 bills were, without exception, female and black. (Said a child: "The employees here must be very well paid because they have so much money to pay them with.")

(6) Biggest change since my last visit: The tour of the FBI building. In the past it was conducted by J. Edgar Hoover's shorthaired, all-male, all-white agents in training; now, since two years ago, it's conducted by tour guides, many of them females and black. In the past, there was much stress on the FBI's role in rooting out U.S. communists. Now this is gone and in a filmed welcome, the current FBI chief, William Webster, instead tells how the FBI investigates civil rights violations and police brutality "without waiting for complaints." Still there: the FBI's bang-bang marksmanship show—except now the shooter has longish hair. But the late Hoover's ghost remains in the name of the new building and a display of his old desk. Asked about Hoover's alleged blackmail of congressmen and violations of people's privacy and civil liberties, the guide replies, "The laws were ambiguous then, so he couldn't be accused of doing anything illegal." It sounded like a lame excuse.

(7) Most dramatic example of the benefits of freedom vs. communism: The Chinese pandas at the Washington Zoo. When I visited their counterpart at the Peking zoo a few years ago, his home was a small and dark indoor cage. But Washington's pandas, a gift of the Chinese to President Nixon, have a large grassy outdoor enclosure all to themselves where they happily munch on bamboo leaves, the fruits of capitalism.

(8) Fastest-growing founding father; Thomas Jefferson. When I first visited Williamsburg, Virginia's restored colonial city, he was described to me as being 5-feet-2. That's why, I was told, the beds there were very short. This trip I was told Jefferson was 6-3, and the beds were short because colonial people, who weren't much shorter than us, thought it was healthy to sleep with their knees curled up. Moral: Don't believe everything tourist guides tell you.

(9) Most interesting tourist question: from a 10-year-old, during the changing of the guard at the Tomb of the Unknown Soldier: "Do they guard the Unknown Soldier's Tomb so that nobody peeks in to see who he is?"●

STATEMENT OF CONGRESSMAN THOMAS N. KINDNESS, UPON INTRODUCTION OF A HOUSE JOINT RESOLUTION PROPOSING A CONSTITUTIONAL AMENDMENT TO ESTABLISH A COURT OF THE STATES

HON. THOMAS N. KINDNESS

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. KINDNESS. Mr. Speaker, it has been said that the 10th amendment to the Constitution was intended to confirm the understanding of the people at the time the Constitution was adopted that powers not granted to the United States were reserved to the States or to the people and that it added nothing to the instrument as originally ratified.

The U.S. Supreme Court has gone so far as to say that, while the 10th amendment has been characterized as a truism, it expressly declares the constitutional policy that Congress may not exercise its powers in a fashion that impairs the States' integrity or their ability to function effectively in a Federal system.

Meanwhile, through the course of this century, the courts have sanctioned the virtually unbridled growth of the Congress power to regulate commerce. Examples abound. Since the creation of the medicare program, the Federal Government has increased its efforts to regulate the minutest details of the operations of health care facilities, including those owned and operated by States and their political subdivisions. And, State governments, which thought they had some discretion in developing plans to implement the Clean Air Act, have found that EPA is spelling out all the details which their plan must contain.

Over the last generation, many States have streamlined their governments and have generated new ideas to deal with local, regional, and national problems. The States must have the assurance that the Federal Government will not continue to interject itself into areas that are more properly reserved to the States.

I am today introducing a House joint resolution proposing a constitutional amendment which provides for the establishment of a Court of the States, composed of one judge from each State, whose method of selection, term, and compensation would be determined by the State. The Court of the States would sit in smaller panels, and would have jurisdiction to hear all cases arising under the 10th amendment appealed from the Supreme Court.

On the surface, this may appear to be a considerable departure from our constitutional tradition; but it is certainly not a departure from the principles of federalism. In establishing the Senate and the electoral college, the Constitution provides for State participation in two of the three branches of the Federal Government. The Court of the States would provide an opportunity for the States to participate in the judicial branch.

I have introduced this proposal in the two previous Congresses and would once again commend it to my colleagues.●

NASA SATELLITE TO AID TIMBER INDUSTRY

HON. DON FUQUA

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. FUQUA. Mr. Speaker, I would like to call to the attention of my colleagues a recent release by NASA depicting a case in cost sharing between a Government agency and private concern. This is another example of the benefits being derived by the technology being developed in our space program.

An Earth resources NASA satellite has found a new use: Gathering data to improve management of America's forest lands. The project reflects a unique relationship between the Government agency and the private sector; one in which the initiating company is sharing the total cost but the technology developed will be available to all other timber companies. The satellite is Landsat-3. The company is the St. Regis Paper Co.

Since 1977, St. Regis has been working with NASA in a test program to see if Landsat data could improve the paper industry's information base on forest lands. St. Regis wants to use the data for planning timber harvests, leasing and buying new timber lands, and to monitor more than 920,000 hectares—2.3 million acres—across the South.

The project has been so successful that the St. Regis Southern Timberland Division, Jacksonville, Fla., recently authorized over $300,000 of new capital investment for a forest resource information system to use Landsat data to supplement conventionally acquired data in its general operations.

The entire forestry industry stands to gain from the venture because technology developed by the St. Regis experiment is in the public domain and available to other companies. The company and NASA plan to conduct a symposium in 1981 to demonstrate Landsat interpretation methods to timber industry managers.

St. Regis was the first private company to act as a user in NASA's resource observation applications test program. The project established a unique relationship between NASA and the private sector for St. Regis initiated the project—rather than NASA—and the company is sharing in the total cost.

St. Regis will use techniques developed in the project at its Dallas computer facility to process the data coming from Landsat which will complement the automated data base at St. Regis divisional remote sensing center in Jacksonville. This combined data will assist the company in estimating timber volume and productivity, as well as changes in the conditions of the forests.

Landsat data will be used to determine distribution of the major types of trees on St. Regis-owned timberland in Texas, Florida, Georgia, Alabama, Mississippi, and Louisiana and other land available through lease or purchase.

The project is being conducted by NASA's Johnson Space Center, Houston; the Laboratory for Applications of Remote Sensing at Purdue University in Lafayette, Ind.; and the St. Regis Paper Co. It is scheduled to end in September of this year.

Landsat-3 orbits the globe 14 times a day at an altitude of 900 kilometers—560 miles. Its electronic multispectral scanner returns data which is processed into film and computer tape format. This resource information may be used to characterize different types of terrain, vegetation, soils, rocks, and other surface features.●

H.R. 7162, THE FEDERAL SPENDING LIMITATION ACT OF 1980

HON. BARBER B. CONABLE, JR.

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. CONABLE. Mr. Speaker, last September I joined my colleague, Mr. JENKINS of Georgia, in introducing House Joint Resolution 395, proposing an amendment to the Constitution which would place a limit on the growth of Federal spending by restricting them to the growth rate of the GNP. I still feel that only a constitutional amendment will provide the long-range solution to restraining Government spending and have not abandoned that effort. However, I feel that our current economic condition is serious enough to warrant the introduction of a bill enabling the Federal Government to implement immediate corrective actions. For this reason, I joined Mr. JENKINS on April 24 in introducing H.R. 7162, the Federal Spending Limitation Act of 1980, which is the same text as our constitutional amendment in bill form. It proposes that total Government outlays would not increase by a percentage greater than the percentage increase in nominal GNP during the last calendar year ending prior to the beginning of each fiscal year. For further explanation of its content, I refer you to my earlier remarks on page 24712 of the September 14, 1979, issue of the CONGRESSIONAL RECORD.●

TRIBUTE TO MARTIN AND RAY SHAPERO

HON. HENRY A. WAXMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. WAXMAN. Mr. Speaker, Martin and Ray Shapero will be honored by the presentation of Israel's Lion of Judah Peace Award on May 18, 1980. The presentation will be made at the Annual Israel Dinner of State which will be held at Temple Ari El in North Hollywood, Calif. These two distinguished citizens of our community have richly earned their award.

Ray Shapero was born in New York and was educated in Los Angeles, attending the University of California and received her master's degree in social work at the University of Southern California. In her 37 years in social work she held a bounty of jobs, from field staff of the youth division of the United Jewish Welfare Fund, the Los Angeles County Bureau of Public Assistance, the El Nido Camp of the National Council of Jewish Women, a case worker at the Jewish Family Service, an instructor on the faculty of the College of Physicians and Surgeons, as well as its director of social services, the director of social services of the San Fernando Valley Home Health Agency, the assistant executive director of the California Home for the Aged at Reseda, and currently the administrator of the Menorah Village. She has been active in the Labor Zionist movement and served as president of the Shalom Group of the Pioneer Women. Ray has been very active at Temple Adat Ari El as a member of its board of directors, as the temple representative to the Valley Inter-Faith Council, and as Social Action Chairman of the Temple Sisterhood.

Martin Shapero is the distinguished Los Angeles attorney, graduate of the University of Michigan and the University of Michigan Law School. He is a founding partner of the law firm of Corinblit, Shapero & Seltzer. Martin and Ray were among the early activists in the movement to secure unrestricted emigration for Soviet Jews. They have been zealous supporters of the economic stability of Israel through the Israel bond program, now in its 29th year of providing urgently needed funds to develop every major aspect of Israel's resources.

I ask the Members to join me in extending our warm commendations to Martin and Ray Shapero on their outstanding record of diligent and devoted service to their community, their professions, and their faith. Their son Steven and their daughters Bella and Miriam are likewise congratulated upon the achievements of their parents, who enrich the world with their presence in it.●

JULIAN A. VIRTUE HONORED

HON. JOHN H. ROUSSELOT

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. ROUSSELOT. Mr. Speaker, Julian A. Virtue, a leader in private enterprise, is being honored in Los Angeles, Calif., on Thursday, May 1. I ask my colleagues to join me in reviewing the activities that have made Julian Virtue outstanding not only in the world of business, but in community service and in contributions to better government.

Julian was born December 6, 1908, in Galesburg, Ill. The family moved to Pasadena, Calif., when he was 2 years old.

In August 1926, Julian and his brother began a custom plating business in their backyard. They switched to furniture manufacturing but this was temporarily interrupted by World War II. During the war years their efforts went to manufacturing Navy bunks and target planes for aircraft practice.

Following World War II, Julian and his brother returned to manufacturing commercial products. Virtue Bros. Manufacturing became a leader in the dinette furniture industry.

In 1950, Julian left Virtue Bros. Manufacturing and struck out on his own, forming a new company, Virco Manufacturing, which at that time manufactured only school furniture. Today Virco Manufacturing has expanded into a national company. It has 1,500 employees, 6 manufacturing facilities throughout the country, warehouses in principal cities and current sales of about $100 million annually.

While building his business, Julian Virtue found time to participate in many civic activities including: the Downtown Optimist Club, serving as president; Merchants & Manufacturers Association, serving as officer and director; and the board of directors of the Salvation Army. Through his involvement at Pepperdine University, Julian Virtue also supported higher education.

In addition to his participation in civic activities, Mr. Virtue has devoted time and effort to the activities of the Republican Party including:

Member and leader of the Los Angeles Lincoln Clubs since 1969; member, Republican Statesmen since 1970; member, Republican Eagles since 1977; chairman of Budget and Expenditures Subcommittee of the United Republican Finance Committee since January 1977.

In addition to serving on the Ronald Reagan for President campaign, Julian Virtue has also assisted in campaigns for Mike Curb for Lieutenant Governor; George Deukmejian for attorney general; Bob Beverly and Ollie Sperau in State senate campaigns; Congressmen BOB DORNAN and WAYNE GRISHAM and candidate Howard

Schaeffer. Assembly campaigns in which he participated include: Phil Wyman, Paul Bannai, John Feliz, and Gerald Felando. He also campaigned for Deane Dana for supervisor.

Julian and his wife, Elvira, currently reside in Rolling Hills and have 3 sons, 1 daughter, and 12 grandchildren.

With all of his accomplishments, Julian Virtue continues to lend his assistance to those who are working to improve life in the community and to those who promote the free market system. Please join me in honoring Julian A. Virtue for his contributions to the people of the United States and, in particular, Los Angeles County, Calif.●

THE SPIRIT OF HELSINKI

HON. DANTE B. FASCELL

OF FLORIDA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. FASCELL. Mr. Speaker, I am pleased to be able to speak out once more in behalf of Soviet Jewry and take part in this year's vigil, "The Spirit of Helsinki," a project organized by my distinguished colleague, Representative MAGUIRE. It is indeed unfortunate that the Soviet Union's consistent disregard for the commitments it made at Helsinki has compelled us—for the fourth consecutive year—to conduct yet another vigil to call attention to the plight of Soviet Jews who have been denied the right to emigrate.

In August of 1975, 35 nations, including the Soviet Union, signed the Helsinki Final Act and pledged to facilitate the reunification of families separated by political boundaries. Moreover, the signatory states agreed to respect the basic human rights and fundamental freedoms of their citizens. As Chairman of the Commission on Security and Cooperation in Europe, I am all too familiar with the Soviet Union's failure to abide by these solemn promises.

Perhaps there has been no more striking example of the Soviet Government's violation of the Helsinki spirit than the tragic fate of the valiant Slepak family. In 1970, Vladimir, a radio and television engineer, and his wife Maria, a physician, first applied to emigrate from the Soviet Union with their two sons. The family was repeatedly denied permission to leave the country. In 1977, the elder son Aleksandr was allowed to join his American wife in Israel, but on the same day that he received permission to go, the younger son, Leonid, received his draft notice and was forced to go into hiding. Out of desperation and frustration, Vladimir and Maria hung a protest banner from the balcony of their Moscow apartment on June 1, 1978, that read: "Let Us Go to Our Son in Israel." The Soviet authorities arrested the couple immediately and charged them with "malicious hooliganism." Maria was given a suspended sentence; Vladimir was sentenced to 5 years in internal exile for his role as a leader of the Soviet Jewish community.

Vladimir Slepak was also a member of the Moscow Helsinki Monitoring Group; 43 monitors are now languishing in Soviet prison camps or living in exile in remote Siberia. As in Vladimir's case, their only crime was to try to exercise the basic civil liberties guaranteed them in the numerous humanitarian covenants that the Soviet Union has signed.

The only bright note during Vladimir's bleak term of exile has been the news in April of last year that Leonid and his family at long last had been permitted to go to Israel. Now, word comes to me from Leonid that his father's health is deteriorating and that the circumstances under which his parents are living are growing more intolerable.

The time has come for the suffering of the Slepaks and of all Soviet Jewish families to end. There have been too many victims of the Kremlin's cruel and arbitrary emigration procedures. It is vitally important—now more than ever—for the West to continue to insist that the Soviet Government conduct its policies in a decent and humane fashion. I devoutly hope that today will mark the last time that my colleagues and I will have to participate in a vigil for Soviet Jews. But, until families like the Slepaks have been reunited and until the true spirit of Helsinki has been realized for all Soviet citizens, we in the West can never be silent.●

CHRISTIAN FAITH AND UNITY IN CONGRESS

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. EVANS of Delaware. Mr. Speaker, tomorrow upward of 1 million people are coming to the Nation's Capital to be heard. But this is no ordinary group and they are not coming here to demonstrate against the Government. They are Christians and they are coming here to pray for the Nation and its people. Some of their material refers to a familiar but favorite passage in II Chronicles 7:14

> If My people who are called by My name humble themselves and pray, and seek My face and turn from their wicked ways, then I will hear from heaven, will forgive their sin, and will heal their land.

We take that admonition very seriously. As Christians and Members of Congress we look to God for guidance and comfort in the awesome duties we have as public leaders. That is why there are several groups on Capitol Hill that meet on a regular basis to read the Bible, share in a personal way our own shortcomings and problems, and pray with one another. I am in such a group with my colleagues DON BONKER, BILL NELSON, and PAUL TRIBLE, and we have been meeting faithfully on this basis for approximately 1 year.

Last week we were asked to address a seminar sponsored by the National Association of Evangelicals here in Washington, D.C. It was impossible for me to attend that morning but the other three were there. I thought it appropriate to include a copy of the transcript in the CONGRESSIONAL RECORD for my colleagues and in recognition of the Washington for Jesus march. It reveals candidly the thoughts and views of how three Members apply their personal faith in carrying out their work as Members of Congress.●

SPEECH OF AMBASSADOR WILLIAM VANDEN HEUVEL

HON. EDWARD J. DERWINSKI

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. DERWINSKI. Mr. Speaker, during the period when Ambassador Andrew Young held forth in the United Nations, he seemed to many of us to represent the interests of the Third World to the United States more often than the reverse. As a result, the position of the United States often suffered in the world forum of the United Nations, as did we who listened to Ambassador Young's misguided discourses.

It is refreshing then to read the recent remarks made to the U.N. Association by Ambassador William Vanden Heuvel, deputy U.S. representative to the United Nations, on the inadequate reaction of the Third World toward the Iranian outrage against American diplomats in Tehran.

The Ambassador especially berates the so-called nonalined movement self-appointed spokesman for the Third World: "When a vassal state of the Soviet Union becomes spokesman for the nonalined movement," Ambassador Vanden Heuvel asks, in an obvious reference to Cuba, "are we still to pretend it is nonalined? Is there not a single member state prepared," he asks, "to publicly demand that the nonalined movement go on record that Iran release the hostages?" "* * * initiatives go on record that Iran release the hostages?" "* * * initiatives should be taken," he goes on, "by countries other than the United States and certainly not at our prodding. These initiatives should be taken by countries otherwise hostile to us, but who understand that the United Nations itself is going to be strengthened or weakened by how this crisis is resolved."

It is encouraging to hear this sensible message from an American U.N. official motivated by the desire to strengthen both the position of the

United States and the future of the United Nations. The text of the Ambassador's remarks before the U.N. Association on April 17, 1980, are printed below:

SPEECH OF AMBASSADOR WILLIAM VANDEN HEUVEL, APRIL 17, 1980—BEFORE THE UNITED NATIONS ASSOCIATION

Because all of us in this room are deeply committed to the United Nations, I hope you will permit me to speak personally as one of you—rather than as "one of them"—and speak as an American regarding one of the major problems that preoccupies us and has had center stage in this institution.

I speak of the American hostages in Tehran.

The holding of the hostages is not a bilateral problem between the United States and Iran. The continued imprisonment of the American diplomatic personnel in Tehran is a breach of the most fundamental tenet of international relations. It violates the Vienna Convention on Diplomatic Relations. It breaks the New York Convention on the Protection of Diplomats. It is an affront to the premise that is basic to the very existence of the United Nations—the communication among countries through authorized representatives.

The United States will protect its national interests in the context of the Iranian crisis. My guess is, that however it is resolved, the United States will come out more unified and determined than ever, and therefore stronger than ever. But the larger question is where are the leaders in the United Nations with the vision to perceive that this institution is being truly tested? And where are the leaders of the countries of the world who must understand that the ultimate hostage of terrorism and the repudiation of international obligations is the survival of civilized values, and ultimately the peace and security of the world itself.

These words are addressed to all Member States, and apply to almost all of them, but I would like to say a special word about the Third World and its role and responsibility regarding the hostages in Iran. Most observers of the United Nations rightly believe that this institution serves the interests of the Third World better than any other group. I do not take exception to that. The United Nations should be the crucible for the peaceful revolution that will bring a sense of justice and equity to the needs of people, that will secure the political and economic independence of all nations, that will put an end to the abuse of power which fills the pages of history where the strong have threatened the weak. I believe that everyone in this room would regard their life well spent if we contributed to the strengthening of a United Nations that served these purposes. The United States has supported and should support the Specialized Agencies like WHO which serve the needs of all mankind, and whose present direct beneficiaries are primarily the Third World countries. The United States has supported and should support the refugee programs of the United Nations, understanding and accepting that the refugees without exception are the result of political and economic turmoil outside of the industrial democracies. The United States has supported and should support global negotiations and the Common Fund and many other aspirations of the Third World in an effort to bring about economic justice. There are countless other initiatives that directly benefit Third World countries, initiatives like UNDP, not to mention the World Bank. So let us agree that the political and economic interests of the Third World are served, yes even well served, in the United Nations system—and I for one believe the world is better for it.

But there is a corollary to this observation and that is that the Third World has obligations and responsibilities to the international system that is institutionalized in the United Nations. I speak personally as I say this but I believe deeply that the Third World has not begun to fulfill that responsibility in the context of the hostage crisis. One of the few levers of influence that might be meaningful to the ruling authorities in Iran is the attitude of the Third World countries. In the months beginning with November 4, I have heard considerable private and some public support expressed for the posture of the United States regarding its hostages, and those expressions have consisted primarily of sympathy rather than suggestions for action. True, the President of the General Assembly on two occasions spoke eloquently and forcefully to Ayatollah Khomeini and to the Government of Iran urging the release of the hostages, but the General Assembly itself has remained silent.

Secretary-General Waldheim and his colleagues in the Secretariat have been extraordinary in the dedication of their time and creative energies to the resolution of the crisis. I want to take this occasion to express my admiration for the intelligence and integrity and the commitment of Kurt Waldheim. His heroic and selfless efforts brought a ray of hope to these darks days—but I dare suggest that his efforts have emanated from his own personal commitment to this organization and not from pressure from its Member States. The Security Council has engaged itself in attempting resolution of the problem and, without exception, its members have deplored the continued holding of the hostages and have urged their release. But when the crucial moment came to cause Iran to understand that there were meaningful consequences to its continued flaunting of the United Nations Charter, the exercise of the veto made the necessary resolution impossible. We are grateful to the nine countries which supported the recommendation for sanctions, but the end result in the Security Council was paralyses, when what we needed was action.

And so, life goes on as usual in this international diplomatic community. We are treated to the spectacle of Iran lobbying to be Rapporteur of the Committee of 24. We are allowed to be aware of a campaign by Iranian representatives around the world to secure its election to the membership of the Security Council next year. There has been no effort that I am aware of by any country in any international conference to exclude Iran from participation. No spokesman from a Third World country or any other Member State in any of the endless meetings that take place in this building has stood up to suggest that the outrage against the American diplomats in Tehran is an insult to every nation that is a member of this organization.

The two acknowledged military superpowers of the world were each confronted by crisis as 1979 ended. One sent its armed forces into an independent member of the Third World, assassinated its governmental authorities and scorned the General Assembly when it condemned its aggression by an overwhelming vote. The other, its diplomatic personnel and sovereignty held hostage by the governmental authorities of a Member State of the United Nations, chose to invoke the peaceful processes of this organization, including the International Court of Justice, to secure their release. Is it too much to hope or expect the overwhelming majority of the members the United Nations would find the ways and means to support that peaceful process and bring to an end the crisis that could clearly threaten world peace? Iran caused the Secretary-General of this organization to be in physical jeopardy. Iran flaunted the United Nations Commission of Inquiry that was deliberately and specifically sent to explore whatever grievances it might have had and to give them a voice and a forum. And now, having pursued to the end every international procedure available to us in the United Nations system to resolve this crisis, do we have to endure the criticisms of our President when he—exhausting the few peaceful procedures left to him—tries to remind Iran through unilateral sanctions that there has to be a price to be paid for the war it has declared against international comity? Instead of questioning the President's decision, the overwhelming majority of nations should be announcing their own steps to force Iran to take the United Nations seriously.

The nonaligned movement, attempting to speak for the majority of Third World countries, cannot even bring itself to place the Iran question on its agenda. That incredible failure is explained by saying that the nonaligned chairman has made such an effort impossible. But if this is Third World politics, how are we to react to it? When a vassal state of the Soviet Union becomes spokesman for the nonaligned movement, are we still to pretend that it is nonaligned? Is there not a single Member State prepared to publicly demand that the nonaligned movement go on record insisting that Iran release our hostages?

Are there not fifty diplomats from fifty different countries in this organization who could organize themselves to say to Khomeini that the principle that he has broken is so profoundly important that they are prepared to exchange themselves for our hostages? I do not believe that international institutions and multilateral discussions can continue to go on as though nothing has happened as long as fifty Americans are imprisoned in Tehran.

It would be one thing if the member states of this organization had—on their own initiative—used the procedures and powers of the United Nations to isolate Iran as long as its willful course of criminality continues; but that is not the case. There are no discussions in the halls, nor in the official receptions, nor in the endless social functions, nor in the conference rooms, by Member States expressing their identification with the cause of the hostages. Initiatives in the United Nations should be taken by countries other than the United States and certainly not at our prodding. These initiatives should be taken by countries that are otherwise hostile toward us, but who understand that the United Nations itself is going to be strengthened or weakened by how this crisis is resolved. These efforts should be led by nations most cordial to the stated objectives of the Iranian revolution, knowing that the continued imprisonment of hostages will ultimately undermine the hopes of that revolution itself. It should not be the President of the United States alone expressing alarm. His voice should be echoed one hundred fold by countries of the Third World which have the largest stake in the future of this organization.

Institutions grow by crisis. Jean Monnet tells in his memoires how he took advantage of every crisis in Western Europe to build the institutional strength of the European Community. The Iranian crisis is such a challenge to the United Nations and those who believe in this institution should not rest until they have explored every possible way to involve the entire United Nations system in securing the release of the men and women who are their colleagues as well as our own. If they do this, the United Nations and the Third World will have added significantly to their own strength insofar as American support and commitment is concerned, because the United States is a government and a people who remember; but if the United Nations and the Third World plead powerless in this time of crisis, the United States will remember that too.

We are here today to honor the 35th anniversary of the founding of the United Nations, an institution which surely is the last best hope for peace on earth. Our country has been steadfast in its commitment to the United Nations. We have made mistakes, there have been omissions, and there have certainly been opportunities lost. The strength of our country's commitment depends on the attitude of our private citizens as well as our elected leaders—and that attitude in large measure depends on the United Nations Association and the people in this room. I congratulate the United Nations for thirty-five years of survival in a tempestuous world. I congratulate the United Nations Association for keeping our country's commitment to the United Nations strong and resolute.●

CITIZEN CONCERN OVER THE BUDGET

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. GINGRICH. Mr. Speaker, as is evident from the following editorials, people from the east coast to the west coast are focusing on the budget debate. The American public has a right to see these debates; we should consider shifting them to prime time when the issue is as vital to the well-being of our country as this is.

The editorials follow:

[From the Fayetteville (N.Y.) Eagle-Bulletin, Apr. 23, 1980]

Vital Need

Congress is on the verge of the single most important vote since it strived to take the country out of the Great Depression. The first budget resolution for fiscal 1981 relies on a one-year tax boost of 18.3 per cent to arrive at a "balance." This is the biggest one-year tax and revenue increase in our country's history.

And what are you able to learn about this? Only brief snatches on the national news broadcasts. What is needed is some full scale coverage of the issues involved.

If Congress could be induced to concentrate budget sessions, then the working men and women who will eventually feel the impact of their decisions could have a chance to evaluate the issues and advise their representatives.

How about a Tuesday, Wednesday, Thursday sequence of evening programs televising the debate and voting, with a half hour or hour summary available each night at 11:30 p.m. That would bring the vital problem within the range of the Americans who have such a stake in the outcome.

Citizens everywhere are becoming more aware of the squeeze between the nation's runaway inflation and harsh recession. The 1981 federal budget is a crucial factor in how this problem is resolved. There are alternatives, and the public should hear the debate and voting. Television could rise to the challenge and give this public issue the attention it deserves.

[From the Oregonian, Apr. 2, 1980]

Everybody's On Budget Bandwagon

Trying to balance the federal budget is the *de rigueur* political exercise this season. The president, both houses of Congress and the Republicans are all offering their versions of budget slicing. But some of the cuts will come in the wrong places at the wrong time, and be done for the wrong reasons in a white-hot political year.

Meanwhile, economists in and out of the administration are hastening to warn "Not to expect any miracles," that a balanced budget will not by itself cure inflation.

But there are valid reasons for cutting the budget, even if it did nothing for inflation. A government that is on the lean and hungry side is simply more efficient than a wasteful one. Only by paring down spending can taxpayers expect substantial relief.

A balanced budget is an abstraction. But the fact that President Carter, faced with gloomy forecasts of continued high-level inflation (12.8 percent in 1980), has come up with an estimated $16.5 billion budget surplus for fiscal 1981 has produced a salutary worldwide ripple effect.

At home there are more skeptics. They point out that whether the budget is ever balanced may have more to do with the jobless rate, which if it bounces up to 7.8 percent, above the predicted 7.3 percent, would wipe out the $15 billion in proposed cuts the administration would make.

Carter's revised budget is $611.5 billion, which is only $4.3 billion below the 1981 budget he sent Congress last January. The surplus is from two new proposed taxes: import fees and new withholdings on dividends and interest. He rightly has refused to allow this money to be used to balance the budget. His $15 billion in proposed cuts is needed to cover inflationary spending rates in programs like Social Security.

We need to be reminded that the Carter administration and the Congress were "born again" a little late in the game. The 1980 budget is being cut only $2.4 billion and will have a deficit of $36.5 billion. Cuts here include reductions in strategic oil reserve purchases, federal job programs and reduced purchases of aircraft.

Over in the Capitol, the Congress is having its own budget-cutting parties, arguing it will take the lead away from the White House budget knives. Republican leaders proposed this week a "people's budget" that would cut more deeply than the Democrats have and also would provide a $32 billion tax cut, an action Carter has argued should be delayed until the budget is actually balanced.

The president's heavier hand on the budget knife was needed much earlier. His administration got off on a bad foot by deciding in 1977 that unemployment was the real problem rather than inflation.

It is now obvious that Carter's economic timing has not improved. While failing to balance the 1980 budget, the administration now risks with its revised 1981 cuts making the long-awaited recession deeper, more costly and protracted, while also needlessly bruising large political constituencies.●

FOUR-WHEEL DRIVE CLUBS

HON. WAYNE GRISHAM

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. GRISHAM. Mr. Speaker, I would like to take this opportunity to honor and commend a vital segment of our community that all too often goes unnoticed. Throughout the despair caused by the recent floods in California, the actions of members of the California Association of Four-Wheel Drive Clubs proved to be an example of dedicated community service. In this time of need, we can all be proud of the association members who were so quick to rush to the aid of the community, and provide countless hours of arduous help. Four-wheel drive vehicles are capable of doing a multitude of jobs that ordinary vehicles cannot do. Chapter members were on hand to perform such services as towing mud-covered cars and assisting in evacuating families who were in danger. Their remarkable contribution to the community during this crisis underscores the very basic philosophy of four-wheel drive clubs—a philosophy based on the idea of citizenship and service. I would particularly like to praise Mr. Don Teller, the Downey representative of the association, for mobilizing his local organization members for the task at hand.

The flood was not the first time that our community has owed so much to the members of this association. In a multitude of ways they assist hospitals and health associations, and are always ready to respond and help their local communities with celebrations, parades, and displays. Their participation is a wholesome, healthful hobby which promotes the type of family unity that so many people strive for today.●

A BALANCED APPROACH TO TELECOMMUNICATIONS REFORM

HON. ROBERT T. MATSUI

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. MATSUI. Mr. Speaker, since enactment of the Communications Act of 1934, there has been a dramatic revolution in the telecommunication industry resulting in the transformation of the desk top voice phone into the computerized gadgetry of the 21st century. It is this advancement in the state of the art that has blurred the distinction between telecommunication and other fields, thereby rendering much of the communications law obsolete.

Mr. Speaker, congressional attempts to revise this law have generated significant public comment on our efforts. I share with my colleagues a recent editorial on this topic, which was published in the Sacramento

Union. Editorial Director Peter Hayes is to be commended for his thoughtful analysis of this complex issue.

The editorial follows:

NEW LAW NEEDED FOR NEW TECHNOLOGY

When the Federal Communications Act was passed in 1934, radio and telegraph were the major forms of communication. Only one in three homes had a telephone, and Congress wanted to make phone service universal. It considered a monopoly as the key to creating a nationwide network.

Now telephones are virtually universal and telephone lines are being used by businesses to transmit high speed computer data along with human conversation. The potential for new technology changing our social fabric is great. For instance, it could enable workers to live hundreds of miles from their offices, working at home and transmitting material by computers.

But increasingly it is felt that full realization of the technology is hampered by antiquated regulations resulting from the 46-year-old Communication Act. It is time for a rewrite of the law so, it is hoped, there will be greater competition to spur technology and reduce costs.

After trying for several years to write a new law, the House of Representatives is making headway on a bill (HR 6121) to begin dealing with telecommunications issues. The measure was approved by the House Commerce Communications Subcommittee and is now before the full committee.

The dominant entity in the pending legislation is the American Telephone & Telegraph Co. (AT&T), which has about 85 percent of the nonbroadcast segment of the domestic telecommunications industry. The House bill would continue to regulate the basic phone service offered by AT&T and other carriers. But it would end regulation in other services, such as the manufacture and sale of telephone receivers and other terminal equipment and some long distance phone services. Companies would be able to enter these unregulated areas with little government interference.

AT&T would be allowed to enter data processing and other lucrative computer markets that have been closed to it since 1956 under a court-sanctioned company agreement resulting from a Justice Department antitrust lawsuit.

Any unregulated activities that AT&T entered would have to be handled by a fully separate subsidiary with separate accounting and management. The idea here is to prevent the world's largest corporation from funneling its resources to the subsidiary so that it can undercut competitors.

But many of these competitors in the data processing field such as Southern Pacific Communications and General Electric don't like the idea of AT&T joining their competitive ranks. They believe the AT&T subsidiary would have an unfair advantage if it had exclusive rights to the inventions of its Bell Telephone Laboratories.

AT&T, on the other hand, contends that its subsidiaries would take a dim view of financing the Bell Labs if its innovations are made available to competitors. However, telephone officials recognize that it also would be unfair to monopolize the inventions of Bell Laboratories, which as a research arm is almost a national resource.

Both arguments have merit and it seems obvious that some compromise must be reached, such as letting the Federal Communications Commission determine what Bell Labs advances should be shared with AT&T competitors.

It is such ambiguities in the pending legislation that must be clarified. Otherwise, says Rep. Robert Matsui, D-Sacramento, a member of the communications subcommittee, there could be years of litigation.

Mr. Matsui is optimistic that the full committee will complete work on its bill in two weeks or so. If it can resolve the competition fears, the committee will have taken a big step toward providing the restructuring of the telecommunications industry necessary for a "wired nation."●

NEW TAX LEGISLATION

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. ASPIN. Mr. Speaker, a few days ago I introduced legislation to index tax rates so that citizens will no longer find themselves paying a tax on pay raises given simply to cover inflation. I would like to explain the rationale for the bill and how it would work.

Our current tax system is a crime. Each time citizens get paid more to cover the effects of inflation, they find themselves paying a larger percentage of their pay to Uncle Sam in taxes. Under my bill, as the cost of living rises, so would the tax brackets.

The tax system is a crime also because inflation will actually help President Carter balance his budget this year. One reason the President anticipates getting the budget in balance is that the higher rate of inflation we are suffering today is expected to generate an "inflation tax" of about $12 billion.

Let me give you a specific example of how the inflation tax can hit taxpayers. Take a couple with no children making $10,000. Under the tax tables, they will pay $707 in taxes for a tax rate of 7.1 percent. If the cost of living rises 10 percent and their pay goes up 10 percent, they don't have any added spending power; they're just standing still. But at their new income level of $11,000, they will be paying out $887 in taxes, which is a tax rate of 8.1 percent.

The worst news is that the tax on the additional $1,000 that covers only inflation, which should be 7.1 percent, is actually 18 percent.

This couple would be paying an extra $109. In reality, they wouldn't be standing still; their buying power would actually be cut by virtue of this inflation tax.

To cure this, my bill, H.R. 7135, would tie the tax brackets directly to the rise in the cost of living. Right now anyone in the bracket from $10,000 to $10,050 pays a tax of 7.1 percent. Under my bill, if the cost of living goes up 10 percent, so would that bracket. In other words, earnings of $11,000 to $11,055 would be taxed at 7.1 percent, not 8.1 percent.

In the past Congress has liked to ratchet brackets every few years before elections; that way, every incumbent, be he Republican or Democrat, can go home and claim to have lowered taxes.

Instead of erratic, catch-as-catch-can adjustments, we should let the people know that taxes will be adjusted each year as a matter of practice. That's the only fair thing to do.

I know that many people were leery of indexing tax brackets because of the concern that the easiest measure to which to gear the changes—the Consumer Price Index—is a defective and inaccurate measure of inflation. To avoid that problem, my bill authorizes the Government to employ a new "Index of the Rate of Inflation," which would be designed to more closely reflect true inflation.

Under my bill the ROI would be used to adjust tax brackets and dependent exemptions each year automatically.

In sum, Mr. Speaker, my bill is a simple matter of equity. Government should not profit from inflation; the taxpaying public should not be pummeled even more by inflation. My bill will eliminate those inequities totally and permanently.●

ADDRESS TO THE NATIONAL ASSOCIATION OF EVANGELICALS FEDERAL SEMINAR

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Monday, April 28, 1980

● Mr. BONKER. Mr. Speaker, under leave to extend my remarks in the RECORD, I include the following:

ADDRESS TO THE NATIONAL ASSOCIATION OF EVANGELICALS FEDERAL SEMINAR

DON BONKER. It's always a pleasure to be with the National Association of Evangelicals and share something about our personal faith, especially as it relates to the very difficult jobs we have as Members of Congress.

We have a group that meets once a week. This is our morning for getting together but we thought it appropriate for our group to come over and share with you instead. There are four in our group—the missing member is Tom Evans, a Republican from Delaware. With me this morning are my two brothers in Christ, Paul Trible, who represents a district in Virginia which includes Williamsburg, where I was this last weekend, and I might add, Paul, it was just lovely. Paul and his wife, Rosemary, have a great love for the Lord. Bill Nelson is from Florida, representing the Orlando area, and is one of the outstanding new Members of Congress.

We thought that each of us would talk for about 5 minutes on certain facets of our faith, our work here in the Congress, and then take some questions. We will begin with Congressman Trible.

PAUL TRIBLE. Thank you, Dean Bonker.

Ladies and gentlemen, it is a great pleasure to be with you this morning and share something of our faith and the activities that are going on in the Congress of the United States.

I was elected to Congress in 1976 at age 29. I was blessed with a beautiful wife and a lovely daughter. And I came here at 29 realizing my life's ambition, to serve in the Congress of the United States. At an early age I had attained the dream of my life—I served in a position of great authority and great responsibility. But I found when I arrived in Washington that there was still something missing in my life. And I came to know that to be an intense and personal relationship with Jesus Christ. My own Christian experience in the Anglican Church was very real and very important. But I thought of the Christian experience as being a code of conduct emulating the wonderful historical Jesus who come into this world to save us from our sins. And that if we were good, if we followed his example faithfuly, we would be rewarded with a stint in heaven. But I realized that there was much more to the Christian experience than that. I realized that there was a living, powerful God with whom I could walk in this life, on whom I could depend, from whom I could derive power, and peace, and purpose in this life. In the halls of Congress, I found that there are similiarly situated men and women who had found the God on whom they could depend. And I found there were many Christian activities going on throughout Washington. Each week, for example, at this very time, Members of the House and Senate gather in prayer breakfasts. This is the same group that sponsors that National Prayer Breakfast each year.

Most every Thursday afternoon I meet with a small group of Congressmen from across the country—different parties, different philosophies. Jerry Rigier meets with us each week. And we read the Bible. And we discuss the message there, both to us as individuals and to our lives and to the life of this great nation that we have been chosen to lead.

Finally, there is a group of four, a core group, composed of the three people you see here as well as Tom Evans. We meet each week, 8 a.m. Wednesday or Thursday morning depending on the schedule. Among us are Republicans, Democrats, Liberals, and Conservatives. All from different parts of the country. And we have found that our shared faith has brought us together as brothers. We found that the differences that exist between us—philosophy, geography, party—don't mean quite as much as in the past. We look to the area of agreement, and the areas of disagreement mean much less, notwithstanding the differences that remain. We are together. We are there to sustain and support and encourage one another. To help each other through the very difficult times in our private lives and our public lives as well. To give some balance as well to this life. We receive great strength from the association. A fellowship, based on the concept Jesus had when he was here on earth. My good friend Don Bonker and I cancel each other out every time we vote. In common political terms I would be viewed as a conservative Republican and he a liberal Democrat. I have come to know and love him as a brother in Christ.

That same phenomenon can take place in the world. I just returned from the South Pacific where I spent about a week meeting with the principal leaders of the 8 or 10 emerging countries in the South Pacific. And I was there with a British and Australian Parliamentarian, and some folks from the fellowship here in Washington, D.C., and we were meeting with those leaders as brothers in Christ. And we found once again that the differences that were between us—in history, in geography, in philosophy—could be transcended by our shared commitment to the great power in this world and above.

So that in brief shares something of our experience. But each of us has come to know in our own way the power and the presence and the purpose and the peace that only can be derived from the living God.

BILL NELSON. In the car coming over to the Quality Inn we briefly discussed what each of us would share. And the task was given to me to share the many pressures that a Congressman has in the Washington scene, particularly the political and congressional pressures on the family.

Every minute of our time could be consumed by choice or default by activities involving our office. And thus, after about the first four months here I was so absorbed and so enjoying the activities of the office that I had neglected my family. I find now that I have been trying to deal with the problem through prayer, through intense discussions with my wife, in discussions within our own group. I find that certainly mine is not a unique experience. It happens in every political family because of the demands on a politician.

After about 6 months, I found that also one of the things that I was lacking was not having the fellowship back home in Florida that I was accustomed to. That was a big void. People who think being a Christian that it's all over and everything is going to be a bed of roses do not realize that it just does not work that way. We are constantly going to fall and we are going to err and we are going to sin and we are going to do it day in and day out.

In order to protect us what I and others needed was a group to fellowship with, that I could receive nourishment and encouragement from and in turn give that to them. So in our little group I have found that kind of fellowship. And the opportunity to reflect with that group as to what was happening with regard to the pressures in my family life. Now there have been no cataclysmic events in my family life. It's just that day in and day out absorption in the work that takes you away from your family. Not necessarily physically away from your family, because many times I have found myself going home to be with my family but when I got there there was nothing left of me. So Grace and I decided that we were going to approach this prayerfully and hopefully intelligently. And as a result I started scheduling time. And you have to do that. You have to reserve the time just as you would for any important constituent from your district. For these are the most important people to you on this earth—your wife and children. Then I had to learn how to be punctual on my appointments with my children. I also found that because of the busy life that we lead, catching a snatch of conversation here and a snatch of conversation there in the car on the way to dinner was not the kind of communication I needed with my wife. So I had to start scheduling private time to be together apart from the children where we could sit down uninterrupted and communicate. All a part of this too was the bringing in and the nourishment of Grace from among the wives of my brothers.

So what I wanted to share with you very frankly and openly today is an experience that happens to every one of us that comes to Washington, when you are leading a dual life between your presence here in Washington and your presence back home, as frequently as two times a week, often as active as it is staying home 4 days over the weekend and then having only 3 days here before having to go back. Compressing all of the activities which you need in that brief time while still preserving the time you need with your wife and children. It is only through God's grace that a family can stay together under those tensions. That's why we find so many families of political nature that split up. Back in 1968, when the Florida Legislature (there was a divorce rate of I think 40 percent), after an extended session that lasted about 7 or 8 months—the pressures are there.

I want to close by saying this. What I have outlined to you about the pressures on our lives is not unique to Congress. Those kinds of pressures are on any family living in this world because of the demands of our businesses and secular relationships. It is only through the grace of God that you can overcome that and keep together the love of that sacred union—marriage.

DON BONKER. Well, since Paul Trible characterized me as a liberal Democrat, I just have to remind him that Christ rode into Jerusalem on a donkey; he also dined with sinners and Republicans. Christ indeed is bipartisan.

As a result of your few days in the District of Columbia, I am sure you are going to return with mixed impressions. Washington represents a lot of things. And we hope to leave one impression, that there are people within the Congress who have personal faith and try to apply that in their own lives despite all the pressures that we face. It is important to realize that Congress is truly a microcosm of the American life as it is. As such, it reflects the vast diversity of this country with the social, economic, political, philosophical, sectional differences—they all come to bear here in the nation's capital and it is extremely difficult for us to achieve consensus on any given issue. Even something like national security. It is hard to find that consensus. I recall a few years ago one of the greatest debates in the U.S. Senate was over the appropriation of funds to develop the neutron bomb. It was so sensitive that for the first time in years they closed the doors to the Senate and had a secret debate. The leader of the forces to appropriate more money for production of the neutron bomb was Sam Nunn, Democrat from Georgia, and a brother in Christ. The leader on the other side, who opposed the use of funds for the development of this weapon, was Mark Hatfield, Republican from Oregon, also a brother in Christ. So here you have two of the great Senators representing different parts of the country, indeed different philosophies, leading the debate on one of the great issues of the day. They are both Christians. And you just cannot conclude that because one takes a particular position that he is less Christian than the other.

God has a purpose for all of us. And that includes both Democrats and Republicans, Liberals and Conservatives. He has a place for all of us in Congress, and while there is great diversity and confrontation, the one thing that brings us together, at least for those of us who have a common faith, is our mutual commitment to Christ. That is what binds us together. That's why it's possible for our group which, as Paul described it, covers both political parties and varying political philosophies and represents different parts of the country, and yet we all come together in this common bond which transcends all the differences we have.

I am going to say a few things about pressures we face since Bill has covered the emphasis on family life. We in the Congress are supposed to be public servants and whether in the true Jeffersonian sense of public service or the servanthood of Christ, it means to serve others. Yet as Members of Congress instead of serving others we are often in a position of being served. I recall a passage where Christ said "The Son of Man has come to serve and not to be served." I think it's really tremendous that Christ, who was teacher, leader, and Lord, yet his whole purpose was to serve others. He has given us such a perfect example.

But what is difficult is that everything about this position is self-serving. As candidates we are the subject of considerable attention and loyal support with campaign paraphernalia promoting the person. Back here, as Congressmen, all the lobbyists play up the ego and make us feel important. Again, the attention is always on self. Yet we realize if we are going to live the life we are supposed to live it cannot be self-centered, it has to be a Christ-centered life. And it means acknowledging that there is a higher authority in our lives, something that is very difficult for politicians these days. You know, as politicians we are elected to solve society's problems, but as Christians we acknowledge that we cannot solve even our own problems without God's help. And so we try to apply our faith in ways that are meaningful, try to share and uphold one another in a way that will keep our priorities straight, and strengthen our own personal commitment. I am always heartened by Scripture and one favorite passage that comes to mind is from Micah. It says that we should love God and our neighbor as Christ loved us, that we should do what is right and what is good, love justice, and finally, walk humbly with Him. I think that if we can do that on a daily basis then we can not only be real good public servants but we can be good servants of Christ.

Thank you.

Question. Do you have any problem with the political process itself in choosing between the lesser of two evils. For example when it comes to voting against a bill if you're against the writer who signed the bill, or if you want somebody to vote for your bill so badly that you're willing to vote for his bill, even though you question whether it is best for the American people?

Paul Trible. First of all, let me make a comment about the men and women of the Congress of the United States. I have been surprised to find that the men and women of the Congress are hard-working, incredibly well-intentioned, and they are doing what they believe is best for this country. This is not to say that I agree with my colleagues on every issue; indeed, often I find myself in the minority, but I am convinced that by and large, the members of our Congress are good people doing the best job they can. Now regrettably, we read from time to time about the aberrations in the system. There are 535 men and women in the Congress of the United States, and inevitably there are going to be some bad apples. But there are no more bad apples here than there are in any profession in this country. If you held up 535 ministers, or 535 doctors, or 535 firemen, you would probably find no more good men in those professions than you find here.

Yes, there is a give and take in the political process, but it's my view that most of us do what we feel is right for our constituents and for our country. I find that I look at the merits of a bill and I'm not troubled by its author, responding specifically to one point which you made. Politics is the art of the possible. Yes there is give and take and compromise, but I don't believe that that's all bad. I think it's life and if you are guided by the right principles putting the interests of your constituents, your nation, and your God first, I think you can play this game and do it in an honorable fashion.

Bill Nelson: I just want to amplify what Paul very articulately stated. That is just the difference between a compromise of principles and a compromise of issues. And it is in compromise of issues in the political cauldron that you find a workable solution. One of the things that strikes me here in Washington is the diversity. Now all the people in the country don't think like the people of central Florida. The people in Watts and the people in Brooklyn certainly have their point of view too. And even though we come here with the title of United States Congressman, we are here to do what we believe is right for the Nation. But we also have a duty to reflect the constituents from which we come. And in that process finding the most workable political solution is through compromise on the issues. This is a natural and proper role for a Congressman. However, one has to add in discussion, the presence of mind and the spirit of God to know when to draw the line. That is the issue and the discretion that each of us has to exercise every day.

Question. Do you experience, and if you do how do you handle the problem of being perceived by your Christian brothers as a one-man lobby for the church in government? This is as opposed to your being a representative for your constituency as a whole. Do you experience that, and if you do, how do you approach that problem of being looked upon by your brethren as being a one-man lobby for the cause of Christ?

Don Bonker. I've never had a question like that before. Let me respond this way. Tuesday morning I was in Baton Rouge where I spoke to the governor's prayer breakfast. One of our former colleagues, Dave Treen, just became the first Republican Governor in Louisiana's history, or at least since the Civil War. I served with him on the Merchant Marine & Fisheries Committee for 5 years. He is a Republican, and I am a Democrat, but it is not the kind of committee where you see a lot of political activity. I had never had a particularly close relationship with Dave in the Congress, other than informal discussions on important issues before the committee. And so when I concluded my remarks at the prayer breakfast the governor was to offer his comments, and he made what became something of a personal statement about his time in Washington. He said, "You know, I watched this young man and it occurred to me that he possessed certain qualities that were unusual or different from what one normally sees on the Democratic side of the aisle." Then he went on to say that only when he discovered that I had a personal faith, did he realize why it was so, and he said he was struck by that. Now that was interesting, because I didn't know at the time Dave gave his speech that he even knew I was a Christian. We do not deny Christ and we proclaim him as Savior, but we don't run around the halls of Congress with a big sign saying, "I am born again."

Governor Treen is a very astute person who was able to make an observation on me based on my commitment of faith, and somehow made the connection between that faith and how I conduct myself as a member of Congress. So we are really ambassadors of Christ, and people in my district all know of my personal faith and have come to accept and respect my commitment.

Just one more example, a short sequel to this. Mark Hatfield is widely recognized as a brother who serves in the Senate. When you talk to members on that side, they really have a profound respect for Hatfield, regardless of where he stands on the various issues. Over the years, several popular democrats could have seriously challenged the Senator, but they have refused to run against him because of their profound respect for him. So I think that we live our faith and demonstrate our commitment to Christ and our love for others. It also pays off politically because of how people respond to you.

Paul Trible. That's really a perfect answer, but I think that you have touched on a very important dilemma of an elected official. How do you state your faith, and yet not cheapen your faith, if you will, through political motives. There are some politicians that profess their faith very loudly, wear it on their shoulder. That's not my style. I feel uneasy about that sort of person. Not that I doubt their faith, but I'm concerned that they are or they appear to be using their faith to advance their own ends. For many of us, this is difficult because we recognize obligations of a Christian leader to state his faith, positively and in strong terms, so each of us has to reconcile those things in our own way. When I came to Washington and was growing in my faith, I found that in the chaos and confusion of the House of Representatives, there were certain people that appeared to be calm, controlled, positive in their dealings with others. People like Bill Armstrong and Al Quie, people that I came to know had a deep, intense personal faith, and that attracted me to them and made it all the more imperative that I learn more about that faith. So I don't think it's absolutely necessary that you get up and say, "I'm a born again Christian" when you serve in the Congress of the United States, but I think you can through your demeanor and through your conduct state your faith in an eloquent fashion. You can inspire others to find out what it is about you that gives you that calm and that peace in this crazy existence. If constituents ask me, I tell them that there is a difference in my life, and it's the faith I have in a living God. So that's how one member of Congress has reconciled this matter of relating his faith. It's tough and it's difficult, but each of us clearly has an obligation to lead by example, to state our faith loudly and clearly in such a fashion that the Word of God can go out throughout the world.

Question. I have a question about you men's relationship among yourselves. My impression was that men holding high office were very isolated from each other and had a great deal of trouble in breaking down barriers. And I was wondering how you handled separating your business relationships as Congressman from your relationships as Christians. If you just kept your fellowship solely on the spiritual plane and didn't mix in your politics, and if when you were talking if politics came up would you embargo that, refuse to discuss that outside of your own little fellowship. How do you cope with the tensions there, of being both a brotherly Christian relationship and a professional, politically-dealing relationship?

Bill Nelson. The point you make is well-taken. This is a lonely life. You're surrounded by competing interests, and clamoring crowds and special interest groups. I'll always remember when I first came to Washington, a senior colleague told me, "You know, one of the tragedies of this office is that you may serve here for years and yet you'll never really come to know the men and women with whom you serve." It's that life, that environment that makes this type of relationship so all-important. We found the need for a personal relationship and through our faith have come to know each other as friends, indeed as brothers. Now you can't separate that life, from the world. When we come together each week, we talk about the world as it is, the issues, as well as what we are doing in our lives, about our wives and our children, about our families, about problems at home, as well as each week one of us is responsible for the reading of a passage and generating a discussion. Again, about how those words affect our lives as well as the life of the nation we have been chosen to lead. So, I hope that I've answered your question. Yes, the pressures are real, it is a lonely and demanding and frustrating existence, but that makes these types of relationships all the more important and we have found that by coming together, united in our faith in Jesus Christ, we've been able to put differences aside and we've been able to emphasize the common ground. We have been able to establish a deep relationship that helps transcend differences, and helps to strengthen us as people and as elected members of the Congress.

DON BONKER. That was so good, we probably should end there. But I think a lot of you are interested in seeing more Christians elected to Congress, thinking that one way to turn things around in this country is to get more believers in office. Well, you're looking at three members who are young and fairly dynamic, and who have come together in the spirit of faith. Now, the question is how do we apply our faith in a way that's meaningful. How are the four of us, when you add Tom Evans, going to combine our extraordinary talents and political offices and Christian faith in a way that's going to make a difference in this country? Now, I am one who feels that the revival has got to take place in the country. That is where the work needs to be done. The Congress is going to reflect the population the way it is, good or bad. I take inspiration from an example of two hundred years ago in the late 18th century in England, when a group of men came together and applied their faith and their humanitarian concern in such a way that it altered the course of history. England was at the apex of her political and economic power, but it was also a time of social and moral decadence. That country, morally speaking, was falling apart, and these men were concerned.

They applied their faith in very significant ways. Their first and greatest effort was to put it into the slave trade, that pitted them against the vested interests of the times. Their social concern was rooted in a new doctrine of responsibility which, incidentally, received its vision from the evangelical value of the human life. What they saw in the slave trade was wrong. Their activity was not limited to the slave trade. There was mass illiteracy in the country, and they felt that young people would never come to know God until they could learn to read, so they set up Bible society classes to teach young people how to read. They were also concerned that England, with its trading companies located in all parts of the globe, was not properly taking the Word of God into remote areas, so their efforts resulted in chaplains being placed in all these trading companies. They promoted Parliamentary reform because there was widespread corruption in government. They were concerned about penal reform, the Chuck Colsons of their day, if you will, and it went on and on.

They were concerned not only about the moral well-being, but the material well-being of the less fortunate. All of the members of this core group, called the Clapam Sect, were individually wealthy, but they gave so generously of their own wealth that by the time they left this earth they were broke, because they had given their own resources to help build God's Kingdom. This group was led by an extraordinary Englishman named William Wilberforce. He and William Pitt were elected to Parliament when they were 21 years of age. Pitt went on to become Prime Minister at age 24, and he was a great leader. But the lasting achievements of that decade came not from Pitt, the political leader, but from Wilberforce, the spiritual voice. I think that says a lot about political power versus God's power at work. Hopefully we'll come to a point where, by our faith, we can bring about change in this country during our own times.●

SENATE COMMITTEE MEETINGS

Title IV of Senate Resolution 4, agreed to by the Senate on February 4, 1977, calls for establishment of a system for a computerized schedule of all meetings and hearings of Senate committees, subcommittees, joint committees, and committees of conference. This title requires all such committees to notify the Office of the Senate Daily Digest—designated by the Rules Committee—of the time, place, and purpose of the meetings, when scheduled, and any cancellations or changes in the meetings as they occur.

As an interim procedure until the computerization of this information becomes operational, the Office of the Senate Daily Digest will prepare this information for printing in the Extensions of Remarks section of the CONGRESSIONAL RECORD on Monday and Wednesday of each week.

Any changes in committee scheduling will be indicated by placement of an asterisk to the left of the name of the unit conducting such meetings.

Meetings scheduled for Tuesday, April 29, 1980, may be found in the Daily Digest of today's RECORD.

MEETINGS SCHEDULED

APRIL 30

8:00 a.m.
Armed Services
Research and Development Subcommittee
To resume closed hearings on S. 2294, authorizing funds for fiscal year 1981 for military procurement programs of the DOD, receiving testimony on the MX Missile Program.
212 Russell Building

9:15 a.m.
Banking, Housing, and Urban Affairs
Business meeting, to consider the nomination of Lyle E. Gramley, of Missouri, to be a Member of the Board of Governors of the Federal Reserve System.
5302 Dirksen Building

*Judiciary
Antitrust, Monopoly and Business Rights Subcommittee
To hold hearings on S. 2477, proposed Nondiscrimination in Insurance Act.
6226 Dirksen Building

9:30 a.m.
Commerce, Science, and Transportation
Science, Technology and Space Subcommittee
To hold hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.
235 Russell Building

Energy and Natural Resources
To hold hearings on the potential for improved automobile fuel economy between 1985 and 1995.
3110 Dirksen Building

Governmental Affairs
*Oversight of Government Management Subcommittee
To resume oversight hearings on Federal agencies spending practices that occur just prior to the end of the fiscal year—"hurry-up spending problem"—focusing on administrative and legislative proposals to remedy this situation.
3302 Dirksen Building

Judiciary
To resume hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.
2228 Dirksen Building

Select on Small Business
To hold hearings on the Department of Energy's small business research and development program.
424 Russell Building

Special on Aging
To hold hearings to examine the effects of aging on learning and working abilities.
5110 Dirksen Building

10:00 a.m.
Appropriations
Energy and Water Development Subcommittee
To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Energy, receiving testimony on energy and environmental research programs.
S-126, Capitol

Appropriations
Interior and Related Agencies Subcommittee
To hold hearings on proposed budget estimates for conservation programs of the Department of Energy.
1224 Dirksen Building

Appropriations
Treasury, Postal Service, and General Government Subcommittee
To hold hearings on proposed budget estimates for fiscal year 1981 for the International buffer stock contribution, Federal Election Commission, Advisory Committee on Federal Pay, Committee for Purchase from the Blind and Other Severely Handicapped, and the Administrative Conference of the United States.
1318 Dirksen Building

Banking, Housing, and Urban Affairs
Consumer Affairs Subcommittee
To resume hearings on title I, proposed Privacy Protection Amendments of 1979, and title II, proposed Fair Credit Information Practices Act, of S. 1928, proposed Fair Financial Information Practices Act.
5302 Dirksen Building

Commerce, Science, and Transportation
To hold hearings on proposed legislation authorizing funds for programs under the Coastal Zone Management Act.
457 Russell Building

Foreign Relations
Business meeting, to markup S. 2271, authorizing an increase in the U.S. quota in the International Monetary Fund; S. 2423, authorizing funds for fiscal year 1981 for foreign development and security assistance programs; S. 2422, authorizing an increase in U.S. contributions to the International Development Association, and provides for U.S. membership in the African Development Bank; and S. 2588, authorizing funds for fiscal years 1981 and 1982 for the Peace Corps.
4221 Dirksen Building

Governmental Affairs
Permanent Subcommittee on Investigations
To continue hearings on the topic "Organized Crime and the Use of Violence."
357 Russell Building

Labor and Human Resources
To hold hearings on the nominations of Steven A. Minter, of Ohio, to be Under Secretary of Education; Thomas K. Minter, of Pennsylvania, to be Assistant Secretary for Elementary and Secondary Education, Department of Education; and F. James Rutherford,

of the District of Columbia, to be Assistant Secretary for Educational Research and Improvement, Department of Education.

4232 Dirksen Building

1:00 p.m.

Select on Indian Affairs

To hold hearings on S. 2508, to provide for the distribution of judgment funds awarded to the Gila River Pima-Maricopa Indian community, Arizona, to be followed by consideration of S. 2508, 341, and 1795, bills authorizing certain Indian tribes to file claims for damages for delay in payment for lands claimed to be taken in violation of U.S. laws, and S. 2066, to convey certain land in Colorado to the Ute Mountain Ute Indian Tribe.

4200 Dirksen Building

1:30 p.m.

Appropriations

Military Construction Subcommittee

To hold closed joint hearings with the Armed Service's Subcommittee on Military Construction and Stockpiles on proposed budget revisions for fiscal year 1981 for military construction programs of the Department of Defense, focusing on construction in Europe.

1223 Dirksen Building

Armed Services

Military Construction and Stockpiles Subcommittee

To hold closed joint hearings with the Appropriation's Subcommittee on Military Construction or proposed budget revisions for fiscal year 1981 for military construction programs of the Department of Defense, focusing on construction in Europe.

1223 Dirksen Building

2:00 p.m.

Banking, Housing, and Urban Affairs

Rural Housing Subcommittee

To hold hearings on proposed legislation authorizing funds for fiscal year 1981 for rural housing programs.

4232 Dirksen Building

Energy and Natural Resources

Business meeting, to consider S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy and other pending calendar business.

3110 Dirksen Building

Foreign Relations

Business meeting, to continue markup of S. 2271, authorizing an increase in the U.S. quota in the International Monetary Fund; S. 2423, authorizing funds for fiscal year 1981 for foreign development and security assistance programs; S. 2422, authorizing an increase in U.S. contributions to the International Development Association, and provides for U.S. membership in the African Development Bank; and S. 2588, authorizing funds for fiscal years 1981 and 1982 for the Peace Corps.

4221 Dirksen Building

MAY 1

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To hold hearings on the price volatility of the silver futures market.

324 Russell Building

Energy and Natural Resources

To resume hearings to assess the political, military, economic, and social factors affecting world oil production and consumption over the next decade focusing on the prospects for expanding Chinese oil production and alternative policies for encouraging exploration and development of China's hydrocarbon resources.

3110 Dirksen Building

9:30 a.m.

*Environment and Public Works

Nuclear Regulation Subcommittee

Business meeting, to consider S. 2358, authorizing funds for fiscal years 1981 and 1982 for the Nuclear Regulatory Commission.

4200 Dirksen Building

*Governmental Affairs

Oversight of Government Management Subcommittee

To continue oversight hearings on Federal agencies' spending practices that occur just prior to the end of the fiscal year—"hurry-up spending problem"—focusing on administrative and legislative proposals to remedy this situation.

3302 Dirksen Building

*Veterans' Affairs

Business meeting, to consider S. 2534, to provide for the recruitment and retention of qualified health-care personnel by the Veterans' Administration, S. 759, to provide for the right of the United States to recover their costs of hospital, nursing home, or outpatient medical care furnished by the Veterans' Administration to veterans for non-service-connected disabilities to the extent that they have health insurance or similar contracts, and S. 1523 and H.R. 4015, proposed Veterans Senior Health Care Act.

412 Russell Building

10:00 a.m.

Appropriations

Energy and Water Development Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Energy, receiving testimony on international affairs, policy and evaluation, and the Offices of the General Counsel, Inspector General, and Controller.

S-126, Capitol

Appropriations

HUD-Independent Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Land and Water Conservation Fund of the Heritage Conservation and Recreation Service.

1224 Dirksen Building

Appropriations

Treasury, Postal Service, and General Government Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the General Services Administration and the General Accounting Office.

1114 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on S. 2492, proposed Ocean Thermal Energy Conversion Act.

235 Russell Building

Foreign Relations

Business meeting, to continue markup of S. 2271, authorizing an increase in the U.S. quota in the International Monetary Fund; S. 2423, authorizing funds for fiscal year 1981 for foreign development and security assistance programs; S. 2422, authorizing an increase in U.S. contributions to the International Development Association, and provides for U.S. membership in the African Development Bank; and S. 2588, authorizing funds for fiscal years 1981 and 1982 for the Peace Corps.

4221 Dirksen Building

Governmental Affairs

Energy, Nuclear Proliferation, and Federal Services Subcommittee

To receive the U.S. Postal Service's annual report from Postmaster General William F. Bolger, and to resume hearings on S. 2558, H.R. 79 and 826, bills to increase the authority of the President and Congress in postal operations and to provide continued financial security for the Postal Service.

357 Russell Building

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on the topic "Organized Crime and the Use of Violence."

1202 Dirksen Building

*Judiciary

To continue hearings on S. 2377, authorizing funds for fiscal year 1981 for programs administered by the Department of Justice.

2228 Dirksen Building

11:00 a.m.

*Labor and Human Resources

Child and Human Development Subcommittee

To hold hearings on issues Congress might consider which would affect youth in the coming dacade.

6226 Dirksen Building

1:00 p.m.

Judiciary

To hold hearings on the nominations of Samuel J. Ervin, III, of North Carolina, to be U.S. Circuit Judge for the Fourth Circuit; W. Earl Britt, to be U.S. District Judge for the Eastern District of North Carolina; Patrick F. Kelly, to be U.S. District Judge for the District of Kansas; Milton I. Shadur, to be U.S. District Judge for the Northern District of Illinois; Frank J. Polozola, to be U.S. District Judge for the Middle District of Louisiana; Clyde S. Cahill, Jr., to be U.S. District Judge for the Eastern District of Missouri; George R. Anderson, Jr., to be U.S. District Judge for the District of South Carolina; Walter H. Rice and S. Arthur Spiegel, each to be a U.S. District Judge for the Southern District of Ohio.

2228 Dirksen Building

2:00 p.m.

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

3:30 p.m.

Foreign Relations

Business meeting, to continue markup of S. 2271, authorizing an increase in the U.S. quota in the International Monetary Fund; S. 2423, authorizing funds for fiscal year 1981 for foreign development and security assistance programs; S. 2422, authorizing an increase in U.S. contributions to the International Development Association, and provides for U.S. membership in the African Development Bank; and S.

2588, authorizing funds for fiscal years 1981 and 1982 for the Peace Corps.

4221 Dirksen Building

MAY 2

9:00 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Research and General Legislation Subcommittee

To continue hearings on the price volatility of the silver futures market.

1202 Dirksen Building

Select on Small Business

To hold hearings on the proposed Small Business Energy Conservation Act.

424 Russell Building

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.

235 Russell Building

10:00 a.m.

Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for programs administered by the Department of Agriculture.

1114 Dirksen Building

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development.

1318 Dirksen Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

To hold hearings on a proposed Federal building construction prospectus in Jamaica, Queens, New York, on a proposed Federal construction prospectus for the Nuclear Regulatory Commission in the Washington, D.C. area, and on a Federal building prospectus for repairs and alterations in Laguna Niguel, California; to be followed by consideration of S. 2134, to provide for the acquisition of certain property in the District of Columbia as an addition to the grounds of the U.S. Supreme Court.

4200 Dirksen Building

Governmental Affairs

To hold hearings on S. 1814, to establish the National Center for Afro-American History and Culture in Wilberforce, Ohio.

3302 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To continue hearings on the topic "Organized Crime and the Use of Violence."

5110 Dirksen Building

Joint Economic

To hold hearings on the employment-unemployment situation for April.

6226 Dirksen Building

MAY 5

10:00 a.m.

Energy and Natural Resources

Energy Regulation Subcommittee

To hold hearings to review the Federal gasoline allocation process.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

Governmental Affairs

Permanent Subcommittee on Investigations

To resume hearings on the topic "Organized Crime and the Use of Violence."

6226 Dirksen Building

2:00 p.m.

Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Coast Guard and National Highway Traffic Safety Administration.

1224 Dirksen Building

Environment and Public Works

To hold hearings on S. 2412, to develop an effective oil recycling program to promote resource recovery and enhance the quality of air, water, and land resources.

4200 Dirksen Building

MAY 6

9:30 a.m.

Agriculture, Nutrition, and Forestry

Agricultural Credit and Rural Electrification Subcommittee

To hold oversight hearings on the activities of the Rural Electrification Administration, focusing on the opportunities for energy conservation by rural electric cooperatives, and the effects of conservation on the ability of those cooperatives to remain financially sound.

324 Russell Building

Appropriations

Agriculture, Rural Development, and Related Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Agriculture.

1318 Dirksen Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of Water Research and Technology, Department of the Interior.

1224 Dirksen Building

Commerce, Science, and Transportation

To hold hearings on the nomination of Thomas G. Allison, of Washington, to be General Counsel of the Department of Transportation.

235 Russell Building

Energy and Natural Resources

Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

2:00 p.m.

Appropriations

Military Construction Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for military construction of the DOD.

1223 Dirksen Building

MAY 7

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the U.S. Geological Survey.

1224 Dirksen Building

*Appropriations

Transportation and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Federal Highway Administration

1318 Dirksen Building

Energy and Natural Resources

Business meeting to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

10:30 a.m.

*Commerce, Science, and Transportation

Merchant Marine and Tourism Subcommittee

To hold hearing on H.R. 6613, to prohibit the regulation of collective bargaining agreements by the Federal Maritime Commission.

235 Russell Building

2:00 p.m.

*Appropriations

Agriculture, Rural Development and Related Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for research and educational programs administered by the Department of Agriculture.

1318 Dirksen Building

MAY 8

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for fossil programs of the Department of Energy.

1224 Dirksen Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Environment and Public Works

Business meeting, to consider pending calendar business.

4200 Dirksen Building

MAY 9

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.

235 Russell Building

MAY 13

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the National Park Service.

1224 Dirksen Building

Energy and Natural Resources

Business meeting, to resume consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

Special on Aging

To resume hearings to explore initiatives to stimulate opportunities for continued work for older persons.

6226 Dirksen Building

MAY 14

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To resume hearings on S. 2015, proposed Transportation Energy Efficiency Act, and on proposed amendments thereto.

235 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Department of the Interior.

1223 Dirksen Building

Energy and Natural Resources

Business meeting, to continue consideration of S. 2332, authorizing funds for fiscal years 1981 and 1982 for civilian programs of the Department of Energy, and other pending calendar business.

3110 Dirksen Building

2:00 p.m.

Appropriations

Transportation Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 15

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To resume hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

Appropriations

Transportation Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Transportation.

1224 Dirksen Building

MAY 16

10:00 a.m.

Appropriations

HUD-Independent Agencies Subcommittee

To continue hearings on proposed budget estimates for fiscal year 1981 for the Department of Housing and Urban Development, and Independent Agencies.

1318 Dirksen Building

MAY 20

9:30 a.m.

Commerce, Science, and Transportation

Science, Technology and Space Subcommittee

To hold hearings for considering the effect of proposed legislation to regulate recombinant DNA research on the freedom of scientific inquiry and the conduct of basic research.

235 Russell Building

10:00 a.m.

Appropriations

Interior and Related Agencies Subcommittee

To hold hearings on proposed budget estimates for fiscal year 1981 for the Office of the Secretary and the Office of the Solicitor, Department of the Interior.

1223 Dirksen Building

MAY 21

9:00 a.m.

*Veterans' Affairs

To resume hearings on the Federal Government's efforts to assist Vietnam-era veterans in readjusting to society, and the use of excepted appointments for disabled veterans.

412 Russell Building

MAY 22

9:30 a.m.

Labor and Human Resources

Child and Human Development Subcommittee

To hold oversight hearings to examine issues affecting infant mortality, and preventable birth defects.

4232 Dirksen Building

MAY 29

9:30 a.m.

*Veterans' Affairs

To hold hearings on proposed legislation to establish a cost-of-living increase for service-connected disability compensation.

412 Russell Building

JUNE 11

9:30 a.m.

*Veterans' Affairs

To hold oversight hearings on the activities of the Inspector General of the Veterans' Administration.

412 Russell Building

SENATE—*Tuesday, April 29, 1980*

(Legislative day of Thursday, January 3, 1980)

The Senate met at 11:10 a.m., on the expiration of the recess, and was called to order by Hon. J. BENNETT JOHNSTON, a Senator from the State of Louisiana.

PRAYER

The Chaplain, the Reverend Edward L. R. Elson, D.D., offered the following prayer:

This is the day which the Lord hath made: we will rejoice and be glad in it.—Psalms 118: 24.

O Thou, Giver of life and liberty, give us also wisdom and courage for the living of these days. Work Thy will in and through the leaders of this Nation. Keep us resolute and strong, firm in the right, wise in the use of power, and always imbued with Thy spirit. When we cannot see clearly the next step, may we have faith in the ultimate fulfillment of Thy purpose for mankind. Heal the brokenness of the nations. Bring peace to the peoples.

O Lord, our God, help us to worship as we work, to pray while we toil, to judge not others that we be not judged. And give us grace to discern the spirits whether they come from Thee or another.

Through Jesus Christ our Lord. Amen.

APPOINTMENT OF ACTING PRESIDENT PRO TEMPORE

The PRESIDING OFFICER. The clerk will please read a communication to the Senate from the President pro tempore (Mr. MAGNUSON).

The legislative clerk read the following letter:

> U.S. SENATE,
> PRESIDENT PRO TEMPORE,
> *Washington, D.C., April 29, 1980.*
>
> *To the Senate:*
>
> Under the provisions of rule I, section 3, of the Standing Rules of the Senate, I hereby appoint the Honorable J. BENNETT JOHNSTON, a Senator from the State of Louisiana, to perform the duties of the Chair.
>
> WARREN G. MAGNUSON,
> *President pro tempore.*

Mr. JOHNSTON thereupon assumed the chair as Acting President pro tempore.

ORDER OF PROCEDURE

The ACTING PRESIDENT pro tempore. Under the previous order, the time between now and the live quorum shall be equally divided and controlled between the Senator from Indiana (Mr. BAYH) and the Senator from Tennessee (Mr. BAKER) or his designee.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that that order be modified as follows: That the usual time allotted for the leaders remain under their control.

The ACTING PRESIDENT pro tempore. Is there objection? The Chair hears none, and it is so ordered.

PUBLIC FINANCIAL DISCLOSURE REPORTS

Mr. ROBERT C. BYRD. Mr. President, Thursday, May 15, is the date on which all Members of the Senate and certain officers and employees must file a public financial disclosure report pursuant to title I of the Ethics in Government Act of 1978, as amended, or as it is more often referred to, Senate Rule 34.

It is important to note that Senate Rule 34 was formerly rule 42. The instructions for completing the public financial disclosure published by the Select Committee on Ethics referred to the old Senate Rule 42, since the instructions were printed before the recent codification of the Senate rules. Each person affected should be familiar with the current Senate Rule 34.

Since last year, when Members filed their financial disclosure report, several changes have taken place. So that all interested persons may be further advised of the new requirements for filing and the basis therefor, I wish to clarify the status of Senate Rule 34 and its impact on Members, officers, and employees of the Senate and related agencies.

The Senate Code of Official Conduct was passed by the Senate on April 1, 1977. Since its initial passage, the code has been amended several times. The code consists of nine separate rules. Of primary concern, at this time, is Senate Rule 34, formerly Senate Rule 42, which is the public financial disclosure rule.

In addition to the original Code of Official Conduct, the Ethics in Government Act of 1978 became law on October 21, 1978, as Public Law 95-521. Title I of that act covered the legislative branch and duplicated many of the Senate's financial disclosure provisions. The first major filing date under both the Senate rule and Public Law 95-521, was May 15, 1979. At that time, Senators, officers, and many Senate employees were required to meet their filing obligations under both the Senate rule and the act.

On August 3, 1979, the Senate passed Senate Resolution 220, which repealed the existing Senate rule on public financial disclosure of the Code of Official Conduct and which provided that title I of Public Law 95-521 would hereafter be considered a rule of the Senate.

New Senate Rule 34 (title I of Public Law 95-521, the Ethics in Government Act, as amended) has significantly changed the financial disclosure requirements for Senators, officers, and employees of the Senate. Prior to 1977, reports were required for all individuals compensated in excess of $15,000. In 1978, individuals compensated at a rate in excess of $25,000 per year, and employed for 90 days or more, were required to file. Currently, those individuals employed on May 15 of any year, at a salary equivalent to a GS-16, and employed in excess of 60 days during the preceding calendar year at a rate equal to or above a GS-16 (from January 1979 through September 30, 1979, $44,756, from October 1 to the present, $47,889) are required to submit public financial reports covering the preceding calendar year.

In past years, Senators, officers, and some employees were required to submit confidential filings of tax returns and other related documents with the General Accounting Office. This is no longer required.

Under old rule 42, a report was required upon termination of employment. The current rule 34 has eliminated that filing requirement. However, a reporting obligation now exists for new employees (if the salary threshold is met). It is the responsibility of each Senator to insure that new employees comply with this provision.

During 1978, the first year for filing reports under the new code, Senators and candidates were responsible for providing copies of their reports to appropriate State officials. This is no longer required. With the passage of the Ethics in Government Act, responsibility for transmittal of such reports to State officials was delegated to the Secretary of the Senate.

Candidates have a reporting obligation within 30 days of attaining candidate status, or on May 15 whichever is later, but in no event later that 7 days prior to an election involving that candidate.

Certain sections of rule 34 may raise interesting questions. For example if a Member is seeking reelection, is that individual required to submit two reports since he or she is both a Senator and a candidate? All Senators are required to submit only one filing which is due on or before May 15 of any given calendar year as long as such individual continues to be a Member. This report will cover, in general, his or her reportable financial activity for the preceding calendar year.

Another area concerns political fund designees and other individuals referenced under rule 41. Such individuals are required to file regardless of the salary and length of service thresholds.

Extensions for filing reports can only be given by the Select Committee on

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● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

Ethics. Such requests must be in writing and must state the reason for such a request.

The appropriate location for filing reports is the Senate's Office of Public Record, 119 D Street N.E., room A-623, Washington, D.C. 20510 (202 224-0322). Acknowledgment of receipt of reports will automatically be provided to Senators. Officers and staff will be given receipts upon request.

Public Law 95-521, as amended, also requires public financial disclosure reports to be submitted to the Senate by certain individuals employed by the following legislative branch agencies: General Accounting Office, Cost Accounts Standards Board, Office of the Attending Physician, Office of Technology Assessment and National Commission on Air Quality. The salary and period of employment thresholds are the same as for officers and employees of the Senate. These reports should also be filed with the Senate's Office of Public Records.

In order to coordinate the release and distribution of Senator's reports, it is important that all filings be received by the close of business on May 15. The Public Records Office staff needs sufficient time to process filings so that all Senators' reports can be released simultaneously to the press, public and State officials. It is currently anticipated that Senators' reports will be made public on Monday, May 19.

Before releasing any public financial disclosure reports to the press or general public, a signed form is required from each person making the request, indicating his or her name, organization represented, (if applicable), occupation, and address. These requests are also available for public inspection.

A small charge will be made for each report provided on request.

Public financial disclosure forms may be obtained from the Select Committee on Ethics, 119 Carroll Arms, Senate Office Building, Washington, D.C. 20510. Questions concerning interpretations of the rule should be addressed to the Ethics Committee (224-2981). For other general information, you may contact the Senate Office of Public Records (224-0322).

RESIGNATION OF SECRETARY OF STATE CYRUS VANCE

Mr. ROBERT C. BYRD. Mr. President, it is with regret that I note the resignation of Secretary of State Vance. He has served his country well over the last 3½ years. We have all benefited from his steady, wise counsel. He will be missed.

It is a matter of pride to my State that Secretary Vance is a native of Clarksburg, W. Va.

Secretary Vance is identified with some of the major themes of the Carter administration's foreign policy—limiting strategic arms, protecting human rights around the world, slowing the proliferation of nuclear weapons, limiting conventional arms sales and elevating the problems of the Third World as a U.S. foreign policy priority, and so forth.

But Secretary Vance will be best remembered for his contributions in three areas—Panama, SALT, and the Middle East.

The Panama Canal negotiations involved economic and strategic interests. The Panama Canal was also a highly emotional issue for both parties. Secretary Vance's unfailing tact and dignity helped to create a climate in which the negotiations could be concluded successfully and the treaties approved by the Senate for ratification.

As the leader of the administration's SALT team, Vance brought to fruition negotiations that stretched back several years and over several administrations. His patience and perseverance are an example to those who yearn for a quick fix to complex foreign policy issues.

In the Middle East, Secretary Vance's tireless and professional mediation paved the way for the Camp David talks and the subsequent Egyptian-Israeli Peace Treaty. Throughout this delicate process, he retained the respect of both parties.

In all of these negotiations, Secretary Vance succeeded in furthering U.S. national interests while at the same time accommodating the interests of other nations. This is the essence of diplomacy.

Throughout his tenure as Secretary of State, Vance made a special effort to retain the confidence of Congress. I am particularly grateful for the frequent briefings that Secretary Vance and his able Deputy, Mr. Warren Christopher, have given the Senate leadership over the last several months on the situations in Iran and Afghanistan.

Consultations between the administration and Congress on important foreign policy issues are imperative. And these consultations are meaningful only if Congress has the kind of information that Secretary Vance has been willing to share with us.

The resignation of a Secretary of State in these circumstances is unusual. But it is consistent with everything I know about Secretary Vance that he has decided to resign on a question of principle.

This is a dangerous, unstable period in international affairs. Secretary Vance will be missed for his cool professionalism and his steady wisdom.

THE JOURNAL

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Journal of the proceedings be approved to date.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ORDER OF BUSINESS

Mr. ROBERT C. BYRD. Mr. President, if the distinguished minority leader needs any of my time, I will be glad to yield it to him.

Mr. BAKER. Mr. President, I thank the majority leader. I have no need for additional time. Indeed, I have no need for my time. I am prepared to yield back my time.

Mr. ROBERT C. BYRD. I yield back the remainder of my time.

The ACTING PRESIDENT pro tempore. All time is yielded back.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 10.

Mr. BAKER. Mr. President, pursuant to the order previously entered, I designate the distinguished Senator from Missouri (Mr. DANFORTH) to control the time on this side on the pending question.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. DANFORTH. Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAYH. Mr. President, I think it is important to take about 4 or 5 minutes, not over 10, here to analyze just exactly where we are in this conference report compared to two benchmarks: One, compared to the bill which the Senate passed, which it was the responsibility of the Senate conferees to defend; and, two, to compare against the law as it presently is.

First, let us look at the bill which is presently before us and compare it to the Senate bill. I have had the privilege of serving on a good number of conferences during the going on 18 years I have been privileged to serve as a Senator from Indiana, and I never have seen a conference report that so clearly approximates the Senate position as this one.

There have been relatively few changes. They are minor in nature, and where changes have been made in the text of the legislation to take out one amendment that was added by the Senator from Nebraska, on a reconsideration motion I should point out, and, two, to take out the words "willful and wanton" which were, parenthetically, added after "egregious and flagrant," in both of these instances language was included in the report which accompanied the conference language which, in essence, expressed the Senate position.

So it is difficult for me to see how anyone could have voted for the Senate bill on its merits and not be impressed with the work of the conferees that the conference report before us is almost identical to the measure which they supported on the merits when it passed the Senate.

I am grateful that the House conferees cooperated in such a way and, very frankly, I think the reason why they did was that the Senate conferees pretty well said to them that the Senate bill is all the traffic will bear in the Senate, and if we change it, if we restore some of the more strenuous provisions of the House bill, this will be impossible to pass when it returns to the Senate.

Let us return to a comparison of the law as it is today without the bill, and the law that will be the case after the passage of this conference report. We have had a number of real life experiences shared with us by our colleagues who were either Governors or attorneys general. In my judgment, there is very little excuse for the kind of rough-handed treatment that State officials have on occasion received in the past.

I must say I think a careful examination of each circumstance or at least some of the circumstances would show that there was another side to the argument in addition to that presented by our colleagues. But there also, I think, has been very clear evidence of abuse on occasion.

If the law remains unchanged, unless this bill passes, the abuse will continue. The Governors will not be notified before a suit is filed. The Governor need not be notified before the FBI knocks at the gates of the institution. A reasonable effort need not be made to try to compromise and resolve it without a court test. In short, all of the abuse we have had articulated very graphically will not be prohibited.

What this conference report does, in essence, is to say the following: If the Attorney General desires to intervene in a case after H.R. 10 is passed, he can only do so if the condition which he is suing to alleviate is egregious or flagrant; if there is a pattern or practice—it cannot be an isolated instance—and the condition must cause grievous harm to the inmates or the patients, the residents of the institutions.

None of these standards is required for intervention under the law today. So what we are doing is establishing a higher standard of proof, a more serious abuse, before the Justice Department can get involved. Before the Justice Department can investigate, they must give the State 7 days' notice. There need be no notice now—knock on the door and they have to be admitted.

The Justice Department, if this bill passes, has to certify to the court that there has been adequate notice, that an attempt has been made to alleviate the situation through informal methods, that they have advised the States of financial, technical, and other current kinds of assistance that are available from the Federal Government, and that reasonable efforts to obtain voluntary compliance with the minimum corrective measures have failed, and that the Attorney General is satisfied that the only way you are going to solve this problem, the only way you are going to stop the abuse of mental inmates, retarded children, elderly citizens, is by bringing a case in the Federal courts.

This is not required today. All the Attorney General has to do is to march in and file a suit. He does not have to try to get cooperative voluntary relief at all.

After all of the above has happened, if this law passes, the Attorney General still has to give the States 49 days' notice of his intention to file a suit, and that notice must include the dates, the times, and the places of all violations, as well as the minimum measures necessary to correct the alleged violations. Again, under the present law, the Attorney General does not need to do that at all.

It seems to me that any reasonable comparison would say that for all of the abuse that has been displayed before us we are protecting the States against this kind of abuse if we pass H.R. 10. We do permit under H.R. 10 for the Attorney General to initiate cases. But before he can initiate these cases he has to provide all of the previous safeguards, and even more, so that the State will have reasonable time, adequate notice; voluntary efforts will have been tried and will have failed and, in the final analysis, the only way to resolve the particular problem is for the Attorney General to bring a suit.

In closing, Mr. President, let me just say I do not think we have a single soul in this body who enjoys or would condone the kind of conditions that the Senator from Indiana and those of us, the Senator from Utah (Mr. HATCH), and others have laid out of what we are trying to prevent.

The question is are you willing to do something about it? H.R. 10, the present form of Senate 10, which passed this body, in essence says:

> Governor, Attorney General, stop the abuse. Stop our elderly people from being abused. Stop abusing our mentally retarded, our children, and our adults who do not have complete control of their capacities, who are not what some of us might categorize as fully functional, stop abusing these people. Stop torturing them. Stop killing them. Stop tying them in their beds for hours at a time, days at a time. Stop keeping them in straitjackets for week after week after week.

That is the kind of thing we are talking about, grievous harm, egregious conduct. We are not talking about inconvenience.

We say the Governor either cleans this up after adequate notice or, it seems to me, that we in Congress have a responsibility to see that those citizens of the United States are protected under the Bill of Rights of the United States.

I do not know how we can avoid our responsibility of doing just that.

This whole business of States' rights has been dramatically exaggerated. Any reasonable interpretation of this bill shows that States' rights are protected more after it is passed than they are under the law today.

Mr. President, I suggest the absence of a quorum.

The ACTING PRESIDENT pro tempore. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. BAYH. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. BAYH. Mr. President, a parliamentary inquiry.

The ACTING PRESIDENT pro tempore. The Senator will state it.

Mr. BAYH. Mr. President, we have had a couple of quorum calls here this morning. I assume that the normal tradition of such occurrence is, while neither side has a speaker, that the time is being taken equally out of each side. Is that not correct?

The ACTING PRESIDENT pro tempore. Only by unanimous consent.

Mr. BAYH. Mr. President, I ask unanimous consent that we have another quorum call and that the quorum call this morning be taken out of each side.

The ACTING PRESIDENT pro tempore. The first quorum call came out of the time of the opposing side.

Mr. BAYH. Mr. President, I ask unanimous consent that we have another quorum call and that all of the quorum calls and the time of the one that was taken out of the opposing side and my side be distributed equally.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

Mr. DANFORTH. Mr. President, reserving the right to object, let me inquire of the Senator from Indiana what his intentions are with respect to objecting or not objecting to a unanimous-consent request to the effect that there not be objections to unanimous-consent requests that the number of speeches on one subject be counted.

Mr. BAYH. Mr. President, I have no intention of objecting.

The ACTING PRESIDENT pro tempore. Is there objection? Without objection, it is so ordered.

The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business to be charged equally to both sides, and that Senators may speak therein up to 1 minute each.

The ACTING PRESIDENT pro tempore. Without objection, it is so ordered.

THE GENOCIDE CONVENTION AND THE WILL TO LIVE

Mr. PROXMIRE. Mr. President, some time ago Bruno Bettleheim, a well-respected Jewish scholar, wrote a piece entitled "The Holocaust: Some Reflections a Generation Later."

In the article, Bettleheim explores the insidious psychological denial that led the Jews to gradually accept their doom under Hitler. He also explores the acquiescence by almost the entire world in the Jewish Holocaust. The anguish of that acquiescence is so obvious in the last message received by the outside world from the Warsaw ghetto:

> The world is silent: the world knows and stays silent; God's vicar in the Vatican is silent; there is silence in London and Washington; the American Jews are silent. This silence is incomprehensible and horrifying.

Those last words from the Jewish ghetto indict the people of the world. Those words charge that the world could have known what was happening; if only it had cared to look.

Bettleheim, however, is not trying to inspire guilt by quoting those words. He is not asking us to atone for past inaction. But he is raising a warning to the world for the future.

The warning is eloquent and searching. I would like to read it.

> Murderers can only kill; they do not have the power to rob us of the wish to live nor of the ability to fight for life. Degradation, exhaustion, and utter debilitation through starvation, sickness and mistreatment—all these seriously weaken our will to live, undermine our life drives and with it open the way for the death drive. But when such conditions—in which the Jews found themselves because of Nazi persecution and degradation—are worsened by the feeling that the rest of the world has forsaken one, then we are totally deprived of the strength needed to fight off the murderer, to refuse to dig our own grave.

Genocide as carried out by the Nazis against the Jews requires the complicity of the rest of the world to succeed. We must repudiate that complicity. Each of us has a duty not only to condemn past genocide, but also to work to prevent further instances of genocide.

The Senate can make this effort by ratifying the Genocide Convention. The Genocide Convention tangibly expresses our support for all people resisting the perpetrators of genocide by outlawing this heinous crime in the international community. It reaffirms the life drive.

Nothing stands in our way. Every President since Harry Truman has realized the benefit of this convention for the entire civilized world. Our own Foreign Relations Committee has reported the treaty favorably four times. Eighty-four nations around the world have ratified this very basic document. A document to reaffirm the most basic right a group can have, the right to live.

I call on my colleagues in the Senate to ratify the Genocide Convention.

I thank my good friend, the majority leader.

CONCLUSION OF ROUTINE MORNING BUSINESS

The ACTING PRESIDENT pro tempore. Is there further morning business? If not, morning business is closed.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 10.

The ACTING PRESIDENT pro tempore. Who yields time?

Mr. HATCH. Mr. President, I am extremely pleased that the Senate conferees are able to report back from conference H.R. 10, civil rights for institutionalized persons. This bill, in my opinion, maintains the balance established in S. 10 between the legitimate rights and prerogatives of the States and the equally legitimate rights of institutionalized persons.

In large measure due to Senator BAYH, we were able to maintain virtually all of the substance of S. 10. Senators DECONCINI, METZENBAUM, HEFLIN, THURMOND, and COCHRAN also made substantial contributions to this effort. On the House side, Representatives KASTENMEIER and RAILSBACK proved to be extremely articulate defenders of House positions and worked in a most cooperative way with our side.

H.R. 10 is landmark legislation that will insure that those individuals in our society who are the least able to defend themselves from denial of their rights are afforded some effective means of having them upheld. While I remain sensitive to the concerns of some of the States that the Attorney General may intrude himself improperly into their affairs, I believe that H.R. 10 is designed to make this extremely unlikely. Most importantly, however, it must be emphasized that no State has the right to infringe upon the constitutional rights or Federal rights of its citizens. Legitimate notions of States rights and federalism simply have no application to State activities that violate these rights.

Let me briefly summarize the product of the conference, with emphasis upon the areas of difference between the two Houses.

Section 1 gives the title of the act: Civil Rights of the Institutionalized Persons Act.

Section 2 outlines the scope of the act: Mental institutions, institutions for disabled, retarded, chronically ill, and handicapped persons, juvenile institutions, skilled nursing and care institutions, and correctional facilities. Very importantly, language was retained from S. 10 that emphasizes that we are talking about genuinely public institutions, not private institutions.

I would like to read from the conference report in this respect:

> H.R. 10 makes it clear that no standing is created by this legislation to pursue purely private conduct, no matter how discriminatory or wrongful . . . section 2(b) states that the existence of certain relationships between an otherwise private institution and the state shall not suffice to bring that institution within the scope of this act as specified in section 2(a)(1). These relationships are stated in sections 2(b)(1), 2(b)(2), and 2(b)(3) . . . these are not intended to establish minimum standards beyond which an institution is automatically within the purview of the act . . . It is the intent of congress that institutions covered by this act partake in some significant respect of the qualities of a state or public institution. It is not the intent of congress that an institution, within which there are a *de minimus* number of institutionalized persons who reside in such facility as a result of state action, shall be covered by this act. There must be a significant relationship with the state.

Clearly, it is the strong intent of the committee that courts and the Department of Justice not resort to highly novel or original or innovative or creative concepts of State action in order to determine what institutions are within the purview of this act.

Section 3 establishes the standards for the Attorney General initiating actions under this act. Senate language has been maintained which specifies that an institution must be subjecting persons within it to "egregious or flagrant" conditions which deprive such persons of either their constitutional rights or Federal legal rights. With respect to persons in correctional institutions, there must be a deprivation of constitutional rights. As the conference report states:

> The adoption of the language "egregious or flagrant" establishes a standard for the Department of Justice's involvement that reflects congressional sensitivity to the fact that a high degree of care must be taken when one level of sovereign government sues another in our Federal system. This is a significantly higher standard than that required of plaintiffs other than the United States.

Parenthetical language following "egregious or flagrant" that defined these terms to mean "willful or wanton" was stricken because of the confusion that it offered. While it is the clear intention that an extremely high standard be satisfied, it is equally clear that the unconstitutional conditions need not be "willfully" imposed upon the institutionalized persons.

Section 3 also emphasizes that the denial of rights by the institution must be pursuant to a "pattern and practice" of denial, and not simply an isolated incident or series of incidents. They must represent more than an accidental or unusual departure from normal practices and procedures; they must, in effect, represent something approximating normal practices and procedures.

Section 4 establishes the certification requirements that the Attorney General must follow prior to initiating an action under section 3. At least 49 days prior to the suit, he must have notified the appropriate State and institution officials of the alleged conditions which constitute the violation, the supporting facts in as specific manner as possible, and the "minimum" measures which he believes may remedy the alleged conditions. The emphasis on the term, "minimum," is for the purpose of clarifying that the Attorney General has no roving commission to pursue the achievement of "ideal" or "comfortable" conditions, but simply those which overcome the constitutional or legal violation. Once this "minimum" condition is sustained, H.R. 10 provides no further authority to the Attorney General. Where, also, there are alternative "minimum" measures that could be effective in eliminating the violation, it is the intention of H.R. 10 that those measures be pursued which are favored by the institution itself.

The Attorney General must also certify that he has made a reasonable good-faith effort to consult with the appropriate officials in an effort to resolve the dispute in an informal manner, through voluntary remedial measures, and that these efforts have not succeeded. State officials must have been accorded a "reasonable" time to take appropriate measures, in light of all the circumstances. The fact, for example, that a State legislature meets only infrequently might, under some circumstances, be a legitimate factor in determining the reasonableness of a time period.

The Attorney General must also certify that he has discussed the costs of proposed remedial measures with State officials as well as possible programs of Federal assistance. He must also certify—personally, as he must with regard to all the certification requirements of section 4—that action by the United States is of "general public importance" and will "materially" further the vindication of constitutional or Federal legal rights.

Section 5 establishes procedures by which the Attorney General may intervene in pending actions to protect the rights of institutionalized persons. It is a section that was not contained in the House which preferred to rely upon the clear, present authority of the Attorney General to file amicus briefs in pending cases. Section 5 would establish the same fundamental standards for intervention that exist for initiation in section 3. The conditions would have to be "egregious or flagrant"; a violation of constitutional or Federal legal rights; pursuant to a "pattern or practice" of resistance to such rights; and causing institutionalized persons to suffer "grievous harm".

(Mr. PROXMIRE assumed the chair).

Mr. HATCH. Mr. President, as with initiated actions, the Attorney General must follow a number of preliminary procedures designed to avoid litigation to this extent, the Attorney General's freedom of action is limited in comparison to present law, where no such restrictions exist. He must certify that he has notified the appropriate State official, at least 15 days earlier, of the alleged unconstitutional or illegal conditions, the supporting facts for such allegations, and the recommended "minimum" corrective measures. He is also prohibited from intervening before 90 days after the commencement of an action unless the court determines that it would be in the "interests of justices" to waive the requirement.

Section 5 carries forth the fundamental preference of H.R. 10 for negotiation, conciliation, and informal discussion as the first and preferred resort, with litigation being the final resort. It is also the implicit premise of section 5 that the Attorney General will not use the slightly facilitated procedures for intervention as a means of circumventing or short-cutting the initiation procedures under section 4.

Section 6 prohibits retaliation against persons who have been responsible for reporting conditions which constitute a violation of this act.

Section 7 would establish specific procedures that would be applicable before the Attorney General could enter into an action in behalf of an imprisoned or incarcerated person. Such person would first have had to fully exhaust all internal grievance mechanisms that existed in the institution in which he was confined. Exhaustion, however, would only be required when an institution was in "substantial compliance" with minimum acceptable standards for administrative remedies to be promulgated by the Attorney General. The adoption of these standards is purely voluntary on the parts of the States; their adoption is relevant only insofar as prisoners must utilize them before the Attorney General brings suit on his behalf under H.R. 10. The failure of a State to adopt these standards is not to be considered evidence of a "deprivation of rights, privileges, or immunities secured or protected by the Constitution" under this act.

Section 8 adopts Senate language with respect to the nature of the annual reports that must be submitted by the Attorney General to Congress. Such reports should allow Congress to effectively perform its oversight functions with respect to H.R. 10.

Section 9 states the sense of the Congress that serious efforts be made, short of litigation, to resolve disputes under this act through voluntary good-faith efforts. It further states that it is not the intent of this act to require massive redirection of Federal moneys, but simply to use available funds to correct unconstitutional or illegal conditions which may exist.

Section 10 is a modified version of the amendment adopted by the Senate and offered by the distinguished Senator from Nebraska (Mr. EXON). It would require effective coordination between the Attorney General and any Federal agencies or departments that may be funding programs or activities at institutions in which allegedly improper conditions exist.

Section 11 states that nothing in the act authorizes the Attorney General or any other Federal agency to promulgate regulations defining standards of institutional care.

Section 12 would add a new section—already implicit in S. 10—that nothing in this act shall be construed to expand or restrict the rights and authorities of private parties to litigate issues concerning rights of institutionalized persons. As I earlier noted, the standards for Justice Department involvement under the "egregious or flagrant" standard contemplate conditions in State institutions that are far worse than those which might serve to justify a private action.

I should also like to emphasize, at this point, that H.R. 10 does nothing to enhance the ability of courts to issue broad and wide-ranging relief orders that impose affirmative burdens upon defendant institutions. I am as much concerned about courts that confuse themselves with legislatures as anyone in this body. H.R. 10 does not address this issue, one way or the other. It is only directed at the scope of authority of the Attorney General to litigate. It is not directed at the scope of the courts to order relief. The bill is explicit in that the Attorney General is to seek only equitable—preferably injunctive—relief.

Mr. President, again I extend my appreciation to my friend and colleague from Indiana (Mr. BAYH), the distinguished chairman of the Constitution Subcommittee, for his efforts on behalf of this legislation. I believe that H.R. 10 has achieved the right measure of balance between the rights of the States and the rights of institutionalized persons. This act is protective of traditional values of federalism, and it is protective against actions of an Attorney General who is not sensitive to these values. It is also, however, protective of a class of persons that have in common a physical isolation from the world around them, an isolation that makes it difficult for them to communicate injustices that they bear, and an isolation that makes it easy for the rest of the world to ignore them.

This is compounded by the fact that many of these people also have in common an isolation extending far beyond mere physical isolation. I urge my colleagues to support this very important, this very balanced, and this very necessary legislation.

(Mr. BOREN assumed the chair.)

Mr. HATCH. Mr. President, I think this is a reasonable legislative effort.

I think that this bill has been written bearing in mind the concerns of everyone in this body that the Federal Government not intrude improperly into States affairs. On the other hand, if the States will not clean up clear and flagrant constitutional violations of civil rights, we have to do something about it to protect those who, literally, cannot protect themselves.

Mr. President, I should like to ask Senator BAYH just a couple of questions on the standard for Attorney General involvement under H.R. 10.

The term egregious or flagrant conditions means, does it not, that the Attorney General must satisfy a significantly higher standard than must be satisfied by private litigants?

Mr. BAYH. The Senator from Utah is exactly correct in his understanding and interpretation of this bill. A higher standard is required because of the sensitivity involved when one level of government sues another.

Mr. HATCH. This standard is confirmed, is it not, by section 12 specifying that the standards in this bill for Attorney General involvement are in no way meant to limit the existing rights of private plaintiffs?

Mr. BAYH. Absolutely. That was one of the concerns which we had and it is treated as the Senator from Utah has specified.

Mr. HATCH. The term, egregious or flagrant, is meant, is it not, to reflect the high standard for Attorney General involvement that is required when one independent and sovereign entity of government sues another?

Mr. BAYH. That is correct.

Mr. HATCH. The parenthetical language stricken from the conference bill "willful and wanton" was stricken, was it not, only to eliminate confusion about the fact that an institution need not have intentionally imposed the unconstitutional conditions upon persons within them?

Mr. BAYH. That is my understanding, I say to my friend from Utah. If he would permit me a word or two, then I should like to ask him a question, if I may.

First, let me say how much the Senator from Indiana appreciates the cooperation and the full-fledged effort of the Senator from Utah in support of this bill and the mission that we are undertaking. I know it has not been easy, but he has been a stalwart supporter with us on this. Let me ask the Senator from Utah a question, because we have had a lot of understandable concern expressed by some of our colleagues, who have been subjected to significant abuse by the Federal Government intervening in their institutions.

Does the Senator from Utah agree with the Senator from Indiana that if this bill passes, there are no restraints imposed on the Department of Justice to keep this abuse from continuing in the future as it has in the past?

Further, does he agree that H.R. 10 does put a whole array of safeguards and limitations on that must be met before the Attorney General can intervene or initiate suits if this bill becomes law?

Mr. HATCH. I agree with both statements made by the distinguished Senator from Indiana, and I thank him for his kind remarks concerning my work on this bill. It has been my privilege to have worked with the Senator on this bill.

It is true that there are very stringent conditions under which the Department of Justice can bring action under this bill. On the other hand, there are adequate tools available in the case of clear-cut violations of constitutional rights, where the Department of Justice can bring actions, but only after giving appropriate notice to State officials and only after affording a reasonable time to pursue the "minimum" relief for the conditions that allegedly exist.

Mr. BAYH. I appreciate the added emphasis placed by the Senator from Utah. As I look at this and try to assess what the practical implication of this would be, it just seems to the Senator from Indiana that we have now put together a combination, or will have when this measure becomes law, which will result in a much higher degree of cooperation and that more of these cases are going to be expedited voluntarily, because we require that, before the Justice Department can get in, the Attorney General must have explored every other option. It is only when the States say, "You fellows go soak your heads," in essence, "we are going to do what we want to with our patients," only then can the Attorney General get involved.

Mr. HATCH. That is right. If this bill is not enacted, there may be extensive violations of constitutional rights that will go unremedied. This is intolerable. It is not federalism, or State's rights. This would be a tragedy, in my opinion, based upon the testimony we have received during committee hearings on this matter.

Mr. BAYH. I thank the Senator.

CLOTURE MOTION

The PRESIDING OFFICER. One hour having passed since the Senate convened, the clerk will now state the motion to invoke cloture.

The assistant legislative clerk read as follows:

CLOTURE MOTION

We, the undersigned Senators, in accordance with the provisions of rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Birch Bayh, Lloyd Bentsen, Charles McC. Mathias, Jr., Bill Bradley, Jennings Randolph, Robert C. Byrd, Dennis DeConcini, Harrison A. Williams, Jr., Max Baucus, Gary Hart, Howard M. Metzenbaum, John Culver, Patrick J. Leahy, William Proxmire, Robert T. Stafford, John Glenn, Frank Church, and Spark M. Matsunaga.

CALL OF THE ROLL

The PRESIDING OFFICER. Pursuant to rule XXII, the Chair now directs the clerk to call the roll to ascertain the presence of a quorum.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the automatic quorum call under rule XXII be waived and that the rollcall vote on the motion to invoke cloture now begin.

The PRESIDING OFFICER. Without objection, it is so ordered.

VOTE

The PRESIDING OFFICER. The quorum call under the rule having been waived, the question is, Is it the sense of the Senate that debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States, shall be brought to a close?

The yeas and nays are mandatory under the rule.

The clerk will call the roll.

The assistant legislative clerk called the roll.

Mr. CRANSTON. I announce that the Senator from Alaska (Mr. GRAVEL), the Senator from Massachusetts (Mr. KENNEDY), the Senator from Hawaii (Mr. MATSUNAGA), the Senator from North Carolina (Mr. MORGAN), and the Senator from Maine (Mr. MUSKIE) are necessarily absent.

I also announce that the Senator from Georgia (Mr. TALMADGE) is absent because of illness.

Mr. STEVENS. I announce that the Senator from Colorado (Mr. ARMSTRONG), the Senator from Oregon (Mr. HATFIELD), the Senator from Iowa (Mr. JEPSEN), and the Senator from Delaware (Mr. ROTH) are necessarily absent.

Mr. EXON. Mr. President, I call for regular order.

The PRESIDING OFFICER. Are there other Senators present desiring to vote?

The clerk will tally the vote.

Are there other Senators present desiring to vote?

Mr. DANFORTH. Regular order, Mr. President.

The yeas and nays resulted—yeas 56, nays 34, as follows:

[Rollcall Vote No. 86 Leg.]

YEAS—56

Baucus
Bayh
Bentsen
Biden
Boschwitz
Bradley
Bumpers
Burdick
Byrd, Robert C.
Chafee
Chiles
Church
Cranston
Culver
DeConcini
Dole
Durenberger
Durkin
Ford
Glenn
Hart
Hatch
Heflin
Heinz
Huddleston
Inouye
Jackson
Javits
Leahy
Levin
Lugar
Magnuson
Mathias
McGovern
Melcher
Metzenbaum
Moynihan
Nelson
Packwood
Pell
Percy
Pressler
Proxmire
Pryor
Randolph
Ribicoff
Riegle
Sarbanes
Sasser
Schweiker
Stafford
Stevenson
Stone
Tsongas
Weicker
Williams

NAYS—34

Baker
Bellmon
Boren
Byrd,
  Harry F., Jr.
Cannon
Cochran
Cohen
Danforth
Domenici
Eagleton
Exon
Garn
Goldwater
Hayakawa
Helms
Hollings
Humphrey
Johnston
Kassebaum
Laxalt
Long
McClure
Nunn
Schmitt
Simpson
Stennis
Stevens
Stewart
Thurmond
Tower
Wallop
Warner
Young
Zorinsky

NOT VOTING—10

Armstrong
Gravel
Hatfield
Jepsen
Kennedy
Matsunaga
Morgan
Muskie
Roth
Talmadge

The PRESIDING OFFICER. On this vote, the yeas are 56 and the nays are 34. Three-fifths of the Senators duly chosen and sworn to not having voted in the affirmative, the motion is rejected.

Mr. BAUCUS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. BAUCUS). Without objection, it is so ordered.

CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I send a cloture motion to the desk.

The PRESIDING OFFICER. The cloture motion having been presented under rule XXII, the Chair directs the clerk to read the motion.

The legislative clerk read as follows:

Cloture Motion

We, the undersigned Senators, in accordance with the provisions of Rule XXII of the Standing Rules of the Senate, hereby move to bring to a close debate on the conference report on H.R. 10, an act to authorize actions for redress in cases involving deprivations of rights of institutionalized persons secured or protected by the Constitution or laws of the United States.

Lloyd Bentsen, Abraham Ribicoff, Robert C. Byrd, Claiborne Pell, Bill Bradley, Joseph R. Biden, Jr., Paul E. Tsongas, Harrison A. Williams, Jr., Alan Cranston, Robert T. Stafford, Patrick J. Leahy, William Proxmire, Daniel K. Inouye, Henry M. Jackson, Birch Bayh, Dennis DeConcini, Jennings Randolph, John Glenn, John A. Durkin.

RECESS UNTIL 2:07 P.M.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 1 hour.

There being no objection, the Senate, at 1:07 p.m., recessed until 2:07 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. HEFLIN).

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ROUTINE MORNING BUSINESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that there be a brief period for the transaction of routine morning business not to extend beyond 10 minutes and that Senators may speak therein.

The PRESIDING OFFICER. Without objection, it is so ordered.

RETIREMENT OF PAUL R. MOORE

Mr. THURMOND. Mr. President, recently Paul R. Moore, of Aiken, S.C., retired after serving 43½ years with the DuPont Co. I have a special interest in Paul Moore because I married his daughter Nancy, and he and his beautiful wife Julie are the grandparents of our four children.

Paul began his career with the Explosives Department at DuPont in Washington State. From there he moved to chemist and supervisor at Repauno Works and Birmingham Works. He was then assigned to Chickasaw Ordnance Works in Memphis, where he became superintendent of the acid plant. He later moved to Louviers, Colo. as powder superintendent.

In 1952 Paul joined the company's Atomic Energy Division in Wilmington, Del., and in 1953 he transferred to Savannah River Plant in Aiken, S.C.

In his 27 years at Savannah River Plant, Paul has made many contributions to the operation of the radiochemical separations plants for the production of special nuclear materials such as plutonium 239, used for nuclear weapons for the defense of the United States. This also included his recent supervision of the very successful plutonium 238 fuel fabrication facility for nuclear energy sources for radioisotopic thermoelectric generators (RTG–S) for the NASA space program. One use of this will be for the upcoming NASA Galileo Mission spacecraft scheduled for launching in March 1984.

Under Paul's capable leadership and due to the special emphasis he placed on safety, the F area of the Savannah River Plant can boast an outstanding safety record of almost 20 years, over 31 million exposure hours, without a lost-time injury.

His accomplishments are many and have played a major role in the success of the Savannah River Plant. I commend him for his distinguished service and dedication to the success of the Savannah River Plant and to those who worked under him and were trained by him.

Another phase of his work involved taking distinguished visitors, including many Members of Congress, on tours throughout F area where he briefed them in detail on the operations of the department which he supervised.

All too often, Mr. President, in the bustle of the business world, some tend to overlook or forget the other equally important aspects of a person's life. The personal contributions by Paul to his community and to many public-spirited actvities should be noted also. It is clear to all who know him that his energy and willingness to serve both his business community, without wanting credit, recognition, or anything in return, are some of Paul's most important gifts. It is these gifts, I feel, that so many of his friends and acquaintances will remember, along with his outstanding achievements in the business world.

Another measure of a man's contribution in life is his family. Paul and his lovely and devoted wife, "Miss Julie," have three exceptional children. In addition to Nancy, their other daughter, Dr. Ardean Moore Lehnus, is a psychiatrist in San Francisco, and their son, Paul R. Moore, Jr., is president of the Lebanon Airport Development Corp., in West Lebanon, N.H.

I extend my best wishes to Paul and "Miss Julie" for a happy, healthful, well-deserved retirement.

Mr. President, in order that I might share an article from the Savannah River Plant News, letters of appreciation from Nick J. Letang, general manager for DuPont's Petrochemical Department; Nat Stetson, manager of DOE Savannah River Operations Office; and B. J. Rock, a division chief of the Department of Energy, I ask unanimous consent that they be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

Paul R. Moore Retires With 43 Years' Service

Assistant superintendent of the Separations Department since 1956, Paul R. Moore is retiring at age 65 with 43 years of Du Pont service. For most of that time he has had responsibility for F Area, but also served in H Area. He earlier served as an area superintendent in both F and H.

Mr. Moore was born in Butte, Mont. He graduated in 1936 from the University of Washington at Seattle, and the same year joined Du Pont.

His first assignment was with the Explosives Department at Du Pont, Wash. He held a succession of assignments as chemist and supervisor at Repauno Works and Birmingham Works and from 1940 to 1945 was assigned at Chickasaw Ordnance Works, Memphis, where he became superintendent of the acid plant. He then moved to Louviers, Colo., as powder superintendent.

He joined the Atomic Energy Division in Wilmington in 1952 and transferred to Savannah River in 1953.

Mr. Moore is married to a hometown girl, the former Julia Nylund of Butte. They have a son, Paul R. Moore Jr., who owns and operates an airport at Lebanon, N.H., and two daughters, Dr. Ardean Moore Lehnus, a psychiatrist in San Francisco, and Mrs. Strom Thurmond, Miss South Carolina of 1966 and wife of the senior U. S. senator from South Carolina. The Moores also have eight grandchildren.

The Moores live at 818 Boardman Rd. in Aiken, where they are members of the First Presbyterian Church. They have vacation homes on Clark Hill and on Montana Lake

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E. I. DU PONT DE NEMOURS & CO.,
Wilmington, Del., March 27, 1980.

DEAR PAUL: Your 44 years of service with Du Pont, principally at Savannah River Plant, has left an indelible mark of accomplishments for which you should be proud.

Foremost of these is the outstanding safety record accomplished in F-Area under your leadership; almost 20 years without a lost-time injury—31 million injury-free hours. F-Area truly is the "World's safest chemical plant." This is especially true when one considers the additional hazard of radiation which F-Area confronts daily. Paul, this is indeed a job well done!

You also played an important role in the training and career development of many young people, some of whom will operate and manage the Savannah River Plant in the years ahead. Our unique facilities and rich human resources and traditions established by the founders such as you, assure Savannah River Plant a continued vital role in our Country's future.

On this occasion of your retirement, I want to express my appreciation for your contributions and wish Julia and you many more years of happiness.

Sincerely,

N. J. LETANG,
General Manager.

Department of Energy,
Savannah River Operations Office,
Aiken, S.C., February 28, 1980.

Mr. Paul R. Moore,
Assistant Superintendent, Separations Department, E. I. du Pont de Nemours and Co., Savannah River Plant, Aiken, S.C.

Dear Paul: When I learned of your impending retirement, I thought immediately of the great contributions you have made to the successful operation of the Savannah River Plant.

I recall particularly your part in the startup of the chemical separations facilities in F and H Areas in the early 1950s. I am sure the Du Pont Company recognizes the importance of having men of your caliber to call upon in that tremendous undertaking.

The continued success of the Savannah River Plant to meet production goals and adjust to changing requirements and conditions is a testimony to your knowledge, skills and talents and those of the people who have worked under your supervision. It is with a great deal of pride that I say we have always met our special nuclear material requirements. You have certainly played a major role in this significant accomplishment.

In more recent years, I have valued the role you have performed in hosting some of the distinguished persons who have visited our production facilities. The care with which you prepared for these "VIP" visits, and the personal attention you provided, afforded them an opportunity to see our operations in the best possible light. This function has paid off in an important way when it came time to get responsible people to focus on the budgetary needs for the Savannah River Plant.

The special concern that you have always given to safety and health protection is indeed appreciated for it has demonstrated that chemical operation in the nuclear field is an accomplished fact. The Savannah River Plant will miss your personal involvement in this area a great deal.

I know that everyone in the Savannah River Operations Office joins me in wishing you and Julie a long and happy life in retirement, and more time to enjoy the grandchildren.

Sincerely,

N. Stetson,
Manager.

U.S. Department of Energy,
February 29, 1980.

M. J. Sires,
Director, Technical and Production Division.

We are pleased to commend Paul R. Moore for his significant contributions to the production of nuclear fuel for radioisotope generators. In his role as Assistant Superintendent of the Separations Department, he was responsible for planning, design, construction, and operation of the Plutonium Fuel Fabrication (PuFF) Facility at the Savannah River Plant.

The PuFF facility is presently the only production plant in the United States designed for fabrication and encapsulation of plutonium-238 fuel forms for space missions and terrestrial applications. The success of this facility must be attributed, to a large extent, to personal dedication and efforts by Mr. Moore and his supporting staff. As a result of these efforts, the PuFF facility has been used to produce and encapsulate the spherical Multi-Hundred Watt fuel form for use in the NASA Galileo mission spacecraft now planned to be launched in March 1984. The PuFF facility is now being phased into production of fueled clad assemblies to be provided by DOE for the International Solar Polar Mission generators, planned to be launched by NASA in February 1983.

Paul R. Moore played a major role in these activities and the successful attainment of mission goals attests to a job well done and greatly appreciated by the Space and Terrestrial Systems Branch of the Department of Energy.

B. J. Rock,
Chief, Space and Terrestrial Systems Branch, Advanced Nuclear Systems and Projects Division.

IDA NUDEL, A TRIBUTE

Mr. WILLIAMS. Mr. President, this is not the first time I have come before my colleagues to speak of Ida Nudel, a Soviet Jew exiled in an isolated village in Siberia. Nor is it the first time I have spoken in this Chamber about the plight of all Soviet dissidents and political prisoners.

But it is with particular concern that I join my colleagues today in reiterating my strong apprehension for the welfare of Ida Nudel. Sentenced to serve 4 years of internal exile, Ida Nudel is suffering from ulcers, kidney, liver, and heart conditions. Her sentence is but half completed.

According to her sister, Elena Fridman, Ida is also being harassed by local residents who have been angered by an article which appeared in a regional newspaper. In a March 2, 1980, telegram from Ms. Nudel to President Leonid Brezhnev which Ms. Fridman has provided, Ida wrote:

> The attitude of the local residents toward me in my place of exile was already hostile and the malicious allegations contained in this article have exacerbated the existing hostility. The townspeople are aroused—absurd suspicions and rumors are circulated about me.

I ask unanimous consent to have printed in the Record a brief portion of the transcript which Elena Fridman has provided. It is a faithful translation of a telephone conversation which took place on March 10, 1980, between Ms. Fridman and her sister, Ida Nudel.

There being no objection, the transcript was ordered to be printed in the Record, as follows:

> Ida. It is a regional Tomsk paper. They sent a reporter. She said she had read about me often in the Israeli papers and decided to come and see me, since she lived so near. Fine, I said. She stayed four hours. I fed and watered her. Stayed up until 11. Walked the dog together.
>
> I explained to her that if you are one of a small people and don't belong to a majority you have different emotions and associations. I told her about the kind of life I led in the hostel, how I was attacked by those men and how they broke my arm, and she seemed to respond; she wasn't without feeling; there were even tears in her eyes when she heard how I lived. Then she went and wrote about how I told her what a lovely community it was.
>
> Thank God I am out of it. There was a grim moment during Sender's visit. One of them stood at the door and one at the window and wanted me to open. I argued all night. It was a good thing they were drunk and didn't go the whole way and break in because it is just a flimsy door. It could easily be forced in. That was what it was like there and I told her about the kind of persecution there was.
>
> They put poison in my food. It was real poison. That man who came into my room and broke my arm, I could hear his voice outside the door. I was terrified. Who can understand it? Do you think I am just obsessed by Kafka, that I am inventing it? It was terrifying.
>
> Every time I talk about it I tremble. Oh well, never mind.
>
> I am going to court even if they give me another sentence. I am going to sue. Maybe it won't be accepted. I don't know how they will react but that is what I intend to do—and the boys will be involved too, because they slandered them as well. They wrote that they only come for my money, that I paid for their travel.
>
> Elena. Out of your 50 rubles? (Ida Nudel works as a bookkeeping trainee for 50 rubles a month.)
>
> Ida. Last year 17 came, from different towns. You can imagine what kind of money I would have to find. There are so many lies, it is terrible.
>
> Elena. Is it intended to be read by idiots?
>
> Ida. The thing is that it is all thought up in Moscow.
>
> Elena. But what do they want?
>
> Ida. Two things. Either they are putting up my price or they just want to break me down.
>
> Elena. I don't see how a price comes into it. Nobody is offering one. So many people in the world know you and all about you . . . I can't hear you . . .

Mr. WILLIAMS. Mr. President, those are the words of the woman the world has come to know as the "Guardian Angel" of Jewish political prisoners in the Soviet Union. For years, she collected information about other dissidents sentenced to exile, sending them letters of encouragement, information about their families, food parcels, and other expressions of concern. In 1971, Ms. Nudel first applied for permission to emigrate to Israel where both her husband and sister now live. That permission was denied. And, as we all know, after placing a banner on her apartment balcony which read "KGB, Give Me My Visa," Ida Nudel was charged and convicted of malicious hooliganism, and sentenced to 4 years of internal exile.

Mr. President, we know that Ms. Nudel's health is poor. And judging from the information provided by her sister, we know that her safety and welfare are endangered by people whose anger and hatred have been generated against her. It is fair to hypothesize, I believe, that the only reason her sister was permitted to talk with her for half an hour last month, was because of the hue and cry which has been raised worldwide on Ms. Nudel's behalf.

Mr. President, our task then is to continue, through efforts such as today's to pierce the veil of silence which has been raised over continued Soviet violations of basic human rights. If we do nothing else, at least our voices crying out in unison for the freedom of those so harshly judged may help ease the conditions of their exile. And, perhaps continued pressure from world leaders and concerned citizens will help convince President Brezhnev to grant clemency to Ms. Nudel so that she may join her family in Israel and receive the medical attention she so badly needs. Let us all hope that we will not see another anniversary of Ida Nudel's imprisonment.

A MODEL CONGRESS SERVES AS GOOD FORUM FOR STUDENTS

Mr. WILLIAMS. Mr. President, it sometimes seems that the agenda of business which needs attention here in the U.S. Senate is endless and the variety of issues overwhelming.

But, in New Jersey, recently, a group of high school students proved that you can address difficult issues, take forthright action, and examine the consequences of decisionmaking in one long weekend.

The 11th Model Congress held at Stockton State College in New Jersey offered nearly 400 gifted high school students an opportunity to gather in a mock session of Congress which closely resembled our own.

Sponsored by the Institute for Political and Legal Education (IPLE), the model Congress gave these students an opportunity to "learn by doing" and the young people gave consideration to over 300 carefully researched and developed bills on a wide variety of vital topics.

I had an opportunity to address the Congress, and I can say, without equivocation, that it was one of the most challenging and rewarding experiences I have had recently. The students were bright, the questions astute and the degree of enthusiasm and quality of debate high.

The IPLE, which sponsors the Model Congress, is a nationally validated project of the former U.S. Office of Education, and its motto is "Turning Students on to Active Citizenship." The Congress, itself, is entirely student run and the student legislators and committee chairmen often showed a shrewdness and political acumen that would be the envy of many of my colleagues here in this Chamber.

Two bills were selected from among the many considered as worthy of special recognition, and I would like to share these with my colleagues. One concerns the Social Security Administration and was authored by Bari Himmel of East Brunswick, N.J., high school. The other concerns the rights of students who take standardized tests, and it was prepared by Carissa Christensen of North Brunswick, N.J., high school. In addition, I would like to share with my colleagues a list of students who received awards for their superior performances as legislators.

I ask unanimous consent that the material referred to be printed at this point in the RECORD.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

A bill to eliminate the current Social Security Administration and to establish a system using selected banks to accept payment of Social Security taxes in individual retirement trust funds

Be it enacted by the Senate and House of Representatives of the United States of America concurring, That:

Sec. 1. Effective January 1, 1981 the Social Security Administration is directed to participate in a study with the banking industry to determine a time table and feasibility study for the discontinuation of the current requirement that employers pay the Internal Revenue Service the withheld Social Security tax. Their study shall reflect a time table for future payment of these funds to individually selected banks belonging to the Federal Deposit Insurance Corporation (F.D.I.C.). They shall report their findings by December 31, 1981. Such proposals shall become affective January 1, 1982.

Sec. 2. Each employer will now be required by law to remit withheld Social Security taxes to a bank, selected by the employee, at which he has established a Social Security Trust bank account. The bank shall be mandated to pay an interest rate established by the Federal Government (Health and Welfare) which will be directly tied to the rate of inflation. Said interest will automatically be deposited into the trust account. The F.D.I.C. shall guarantee the payment of such funds. The funds may be withdrawn only upon death or retirement. The employee, upon retirement, may never withdraw more than ten per cent of his Social Security funds in a one-time lump sums except upon death, all remaining funds and accrued interest will be paid to the heirs. The employee shall receive upon retirement a monthly annuity based on actuarial tables.

Sec. 3. For each calendar year, the Federal Government shall receive a complete annual report including interest, on or before February 1, of the following year.

Sec. 4. This system shall apply only to people requesting Social Security numbers as of January 1, 1982. All people covered by current regulation shall receive an accounting of their funds and may designate their choice of bank by completing form number SSA 14. In the event such form is not received by December 31, 1982 the Federal Government will make the selection and advise the taxpayer. No employer may hire any person after January 1, 1982 if he does not have a Social Security Trust Fund. Current retirees will not receive a monthly payment of less than their current benefit. Between the ages of twenty & fifty all banks must purchase a Life Insurance policy to cover people who have paid in insufficient funds to cover widow's and survivor's benefits.

A bill to protect the rights of students who take standardized tests

Be it enacted by the Senate and House of Representatives of the United States of America concurring, That:

Sec. 1. Students taking standardized tests will receive, with reports of their scores, copies of their corrected answer sheets. They will also be provided with a copy of the test, either at the time of the test, or with their scores.

Sec. 2. Standardized test will be defined, for the purposes of this bill, as a test given by an agency outside of the individual school, whether it is the state education department, a government sponsored corporation, or a private company, which is used to measure a student's skill or preparation in an academic area.

Sec. 3. The provisions of this bill will apply only to students in the seventh through twelfth grades.

Sec. 4. Subjective tests, such as essay tests, will be exempt from the provisions of this bill.

Sec. 5. Both mandatory and non-compulsory tests meeting these criteria will be subject to the provisions of this bill.

Sec. 6. To minimize costs, agencies giving standardized tests may: a) reduce either the number of testing dates per year, or the number of times a student may take a particular test by no more than one-third, b) increase testing fees by no more than twenty percent, or c) give students the option of relinquishing their right to receive copies of their corrected answer sheets.

Sec. 7. This bill will take effect ninety days after passage.

MODEL CONGRESS '80: AWARDS

HOUSE

I. Outstanding delegate—(3 Awards) (House):

1. Linda Eisenstatd of Vineland High School.
2. Steve Goldberg of West Windsor High.
3. Suzanna Elefson of Toms River North.

Most outstanding delegate in the House:
Monica Rocco of Vineland High School.

SENATE

II. Outstanding delegate—(3 Awards) (Senate):

1. Dave Kalb of West Orange High.
2. Pam Grayson of Woodrow Wilson High.
3. Kim Cochran of Toms River North.

Most outstanding delegate in the Senate:
Justice Chase of Woodrow Wilson High.

III. Outstanding party leaders:
Stripes Party—Peter Abdill of Burlington Twp. High.
Stars Party—David Heyman of Lawrence High.

IV. House Committee Chairman:
Kirk Jones of Woodrow Wilson High.
Senate Committee Chairman:
Jeff Smith of Toms River North.

V. Overall Chairman:
Jessica Mayer of East Brunswick.

LAW ENFORCEMENT ASSISTANCE ADMINISTRATION

Mr. HEFLIN. Mr. President, I shall speak for just a few minutes in support of the Law Enforcement Assistance Administration which, as everyone knows, has been targeted for elimination by the administration and by the Budget Committee.

Mr. President, during my short tenure here in the Senate, I have spoken out more times in favor of this beleaguered agency than any other Government agency. The reason that I have done so is because I am convinced that the problem of crime is one of the Nation's most serious problems, and the present LEAA program is effective within the bounds established by Congress.

Mr. President, there is no doubt that there are austere days ahead for every agency of the Federal Government. We are asking every agency to absorb funding cuts and reductions in their activities. It is unquestionably a time for belt tightening. It is not, however, in my judgment, a time for strangling the one agency which has proven to be of enormous benefit to our State and local governments in their efforts to improve the administration of criminal justice at every level. To my knowledge, Mr. President, of the hundreds, perhaps thousands, of Federal agencies which are in existence today, the Law Enforcement Assistance Administration is the only one that has been targeted for extinction. I may be wrong, Mr. President, there may be other minor agencies that no one ever heard of that would be eliminated entirely, but certainly no important agencies, no agencies which have proven their worth, are marked for elimination, and I feel that a great disservice to the people of this country will be done unless we are able to turn this situation around and see our way clear to continue the Law Enforcement Assistance Administration.

Mr. President, I think I can safely say that the LEAA program has been one of the most successful Federal assistance programs ever established by this Congress. In its early years there were mistakes and abuses, but, in my judgment, these have been corrected. Although criminal activity continues to be a major problem for the States and local communities, we must keep in mind that Congress did not design the LEAA program to stop all crime, but it has been an immense help to the States and local governments in their attempts to control it and their efforts to streamline the administration of justice once a criminal has been apprehended.

During my tenure as chief justice of the State of Alabama, I was fortunate enough to travel the length and breadth of this country, and I was able to talk to judges and court administrators from almost every State of the Union. Their voices are in unison in their support of this important program. Several States, including my own home State of Alabama, have undertaken programs to completely revise their court systems and the catalyst for this court reforming modernization was none other than the seed money provided under the auspices of the Law Enforcement Assistance Administration. In Alabama, for example, we were able to pass a completely new judicial article to our State constitution which revamped our State court system and brought our court system out of the 19th century and prepared it for service to the people into the 21st. These results could not have been achieved had it not been for the LEAA. The experience in other States demonstrates that Alabama is not alone in its efforts to widely utilize the funds available under this program.

But, Mr. President, court reform is not the only important program that has gone forward under the LEAA banner. A number of LEAA programs are noteworthy because of the results that these programs have achieved. These programs have clear, definable, tangible impacts on crime reduction or improvement of the criminal justice system and must not be allowed to come to an end. Many of the programs, because of the demonstrated success and cost effectiveness, are being replicated in local communities across the country. I ask unanimous consent to print in the RECORD, at this point, Mr. President, a listing of some of the significant Law Enforcement Assistance Administration programs and a brief description of what the program is and how it has been successful.

There being no objection, the material was ordered to be printed in the RECORD, as follows:

SIGNIFICANT LAW ENFORCEMENT ASSISTANCE ADMINISTRATION PROGRAMS

LEAA has identified a number of efforts which are noteworthy because of the results achieved. These programs have clear, definable, tangible impacts on crime reduction or improvement of the criminal justice system. Many, because of their demonstrated success and cost-effectiveness, are being replicated across the country.

Prosecutor's Management Information System (PROMIS): PROMIS, a computer-based information system for the prosecutor, was designed by LEAA as a response to the common experience in large urban areas that court processes are being overwhelmed by the high volume of criminal cases. PROMIS provides rapid and accurate information processing which prioritizes cases, alerts officials to multiple offenders, develops statistical reports and facilitates case management. The system is either planned or operational in approximately 110 jurisdictions, resulting in cost savings of $20 to $55 per case. In recent years, PROMIS has been expanded for use by courts as well as prosecutors' offices. New and improved software is available and the system can be adjusted to meet the needs of individual jurisdictions.

Career Criminal Program: In 1975, LEAA initiated the Career Program, which enables prosecutors in cities throughout the country to identify and fully prosecute individuals who are called "career" criminals because they repeatedly commit serious and violent crimes. Prosecutors screen all felony charges and identify individuals charged with serious felonies as career criminals by analyzing their criminal records. Cases are thoroughly prepared and expeditiously presented to the court, without resort to plea-bargaining. The full program has been adopted by 39 jurisdictions. State-wide programs modeled after the LEAA initiative have begun in California and New York. As of December 31, 1978, 26 closely monitored career criminal units had convicted 7,988 repeat offenders for 12,881 crimes. The installation of advanced information systems such as PROMIS in prosecutors' offices has greatly contributed to the effective implementation of this program.

Economic Crime Project: Annual losses from nonviolent economic crimes have been estimated to approach $50 billion per year. Through the National District Attorneys' Association Economic Crime Project, LEAA has assisted the creation or expansion of special prosecutorial units in over 60 jurisdictions since 1973. These units have programs to combat embezzlement, bad checks, home improvement and auto repair fraud, welfare and medical fraud and public corruption. Over 6,650 convictions have been obtained and restitution and fines of over $41 million have been ordered. The Economic Crime Project has established five special fraud task forces and publications are being developed for widespread use by prosecutors.

Statewide Court Reform: In the past 10 years, LEAA has provided support for improved state court management, financing, rule-making and organization. Judicial planning committees have been established in 37 states and entire state court systems have been revamped in Alabama, Kentucky, Missouri, Massachusetts, Kansas, North Dakota and Iowa. Technical assistance and training without direct cost is available to almost every court and judge. These efforts to improve state court systems have resulted in decreased costs, reductions in court delay and visible improvement in the administration of justice.

Jury Management: Since 1974, LEAA has been extensively involved in efforts to reform jury practices. For example, the program supported the development of the One Day/One Trial approach to jury service, which utilizes improved management techniques that usually make citizens eligible for jury service for only one day. This approach taps seven times as many citizens for jury duty, but cuts back on time wasted by idle jurors and the performance of routine court administrative tasks. Annual savings of $24,000 to $600,000 per project have been realized, depending on the size of the affected jurisdiction.

Training of Court Professionals: LEAA provides specialized training for over 8,000 court professionals annually, including judges, prosecutors, public defenders, advocates and court administrators. Four continuing programs instruct judges with general, juvenile, appellate and administrative jurisdictions. The profession of court administrators, now well established, owes its genesis and high standing to LEAA training efforts. Court leaders nationwide attest that judicial education has had a major positive impact on court operation.

Uniform Sentencing Guidelines: In an effort to deal with the problem of sentencing disparity, LEAA has sponsored studies resulting in publication of model uniform sentencing guidelines. These guidelines permit judges to maintain flexibility in sentencing, while providing a framework for equitable disposition of similar cases. Massachusetts, Michigan, Minnesota, New Jersey and Pennsylvania are implementing guidelines which draw on LEAA research. At least nine more states are seriously considering adoption of measures based on LEAA criteria. A bill currently before Congress is also based in part on the model LEAA guidelines.

"Sting" Anti-Fencing Projects: LEAA is providing continued support for "Sting" undercover enforcement operations. Federal, state and local officials cooperate on the anti-fencing projects, which establish phony fencing operations in order to purchase stolen property and obtain the evidence necessary to convict thieves, robbers and burglars. Thus far, 93 Stings have closed in 47 cities, resulting in charges against 7,134 persons. The conviction rate overall is better than 90 percent. The value of stolen property recovered and economic loss prevented totals $236,659,521 on an investment of $6,410,533.

Lightweight Bulletproof Garments (Kevlar): Hundreds of American and foreign police officers' lives have been saved and serious injury prevented for many others because they were wearing garments made of Kevlar, a synthetic textile. Use of Kevlar as a bulletproof material was promoted by LEAA through U.S. Army and National Bureau of Standards testing. Today, there are over 500,000 jackets and vests in use. They have become standard equipment for many officers. The program is now financially independent, since public contributions support purchase of Kevlar garments for many police departments.

Integrated Criminal Apprehension Program (ICAP): To deal with the shortcomings of police department management, LEAA has initiated the Integrated Criminal Apprehension Program, which provides a method for integrating and directing police field activities. Police personnel are specially trained in crime prevention and investigative procedures. The establishment of a data analysis center permits better deployment of police patrols, and increases the quality of arrests and prosecutions. ICAP is presently in operation in 40 cities and 22 states, involving more than 25,000 police officers. Evaluations indicate that implementation has resulted in a 40 percent increase in paperwork within participating departments and a 20 percent increase in patrol strength on the street without increases in total personnel. Criminal apprehension rates have increased by as much as 85 percent.

Law Enforcement Training Programs: LEAA offers a number of training programs for enforcement officials. Over 250 top police executives, 580 newly elected sheriffs and 350 sheriffs' deputies have participated in police management training programs. LEAA has improved the sensitivity of police officers to the elderly by offering seminars on the relationship between aging and crime victimization for instructors in 26 police academies. This project produced a training manual which was distributed to 400 police departments and academies and translated into Spanish, French and Italian for international use. In conjunction with the U.S. Armed Forces, LEAA also offers sophisticated programs to train law enforcement personnel in handling hazardous materials. More than 2,000 police bomb technicians, from every major U.S. police agency, have graduated from a U.S. Army program which trains them to conduct searches for explosives, investigate suspicious packages, disarm live bombs and develop physical evidence. Over 100 bomb dogs and handler teams have been trained by the U.S. Air Force for bomb detection duty at airports. These teams have conducted more than 5,000 searches and have located 103 explosive devices, displaying an impressive 97 percent accuracy rate in uncovering hazardous materials.

Health Care in Jails: In 1972, an American Medical Association study uncovered a shocking lack of medical care in nationally surveyed jails. Cooperating closely with the AMA, LEAA has funded a pilot program to improve medical care and health services in correctional institutions. The program resulted in the formation of medical standards, which are implemented through an accreditation program. At least 65 jails have been accredited as meeting all standards and 15 states, as well as the District of Columbia, have recently adopted the program. An increase of 70 percent in available health care services has been documented. Furthermore, because participating jails are able to quickly detect and treat inmate disease, the program has proved to be cost-effective.

Drug and Alcohol Diversion (TASC): Working with courts, LEAA has diverted over 45,000 drug and alcohol dependent offenders from the criminal justice system. Under the Treatment Alternatives to Street Crime Program, initiated in 1972, offenders are screened, diagnosed for particular physiological and psychological problems, referred to a treatment agency for therapy and assistance and monitored to assure continuance in the program. More than 20 jurisdictions have assumed the budget for TASC and continued the project after expiration of the original LEAA grant. According to a recent evaluation by a private firm, a typical TASC program involving 400 persons a year saves the community approximately $450,000 in court and jail costs. TASC is now in operation in almost 50 cities nationwide. Representatives from 7 foreign countries have contacted LEAA to learn about the methodology of the program.

Victim/Witness Assistance: Surveys indicate that actual crime is 2 to 5 times greater than reported crime, in large part because many citizens feel that the criminal justice system is unable to help or protect them. To combat this problem LEAA has provided over $50 million to law enforcement, social service and community-based agencies to serve the needs of victims and enhance the utilization of witnesses. At least 200 projects have received direct assistance with LEAA discretionary funds, providing such services as crisis intervention, supportive counseling and social service referral for victims, as well as transportation, day care, protection and expedited payment of fees for witnesses. Many programs have produced significant cost savings. Putting witnesses on an "on-call" system in New York City, for example, reduced court appearances by police officers by 50 percent, eliminating millions of dollars in overtime payments. Costs for civilian appearances were reduced by 95 percent.

Crime Prevention Through Environmental Design: LEAA-sponsored studies have shown that the design of living, working and teaching environments is correlated to rates of crime. The research also identified environmental and architectural principles which aid in preventing crime. These principles have significantly influenced housing design and refurbishment since 1972 and have been incorporated in part into HUD public housing construction guidelines. The two publications which were produced as a result of the studies are now in standard usage among architects.

Model Procurement Code: Through the American Bar Association, LEAA has developed a Model Procurement Code for state and local governments which is designed to reduce the opportunity for white collar crime and corruption in contracting. The ABA, which approved the Code in February, 1979, is assisting implementation in 8 states and 5 cities designated as pilot jurisdictions. Three jurisdictions have already passed Code-based legislation. Procurement experts believe that widespread adoption of the Code could cut 10 to 20 percent of the $115 billion annual outlay for state and government procurement.

Deinstitutionalization of Status Offenders: The juvenile justice system has customarily responded to truants, runaways, and other youths whose actions wouldn't be crimes if committed by adults, by placing them in jails, detention facilities and training schools. In 1974, with the enactment of the Juvenile Justice and Delinquency Prevention Act, LEAA initiated a national program to remedy this situation. As a condition of receiving assistance under the Act, 52 states and territories have agreed to remove status offenders from detention and correction facilities and to keep adult and juvenile offenders separated.

Mr. HEFLIN. Mr. President, a mere perusal of the above listing of the significant law enforcement programs should be enough to convince every Member of this body of the value of continuing this worthwhile program. However, for those who are still skeptical, I call my colleagues' attention to a pamphlet dated March 1980, entitled "Programs Meeting Effectiveness Criteria of Section 401(a), the Justice Corps System Improvement Act of 1979." As I am sure we all recall, the Justice System Improvement Act of 1979 in section 401(a) required the LEAA to develop a listing of programs that have been determined to be either proven effective or to have a record of proven success. Programs are included in this pamphlet only if there has been external verification either by an evaluator or technical assistance provider of the objective measures of performance. In addition, no program has been included unless sufficient document describing the key features of the program is readily available so that it may be verified. Mr. President, this document lists, in section 1, 30 programs ranging from the juror utilization and management program to antifencing (STING) operations. I do not want to take the time to describe all of these programs, but I ask unanimous consent that the listing of the section 1 programs be printed in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

LEAA Programs of Proven Effectiveness or Having a Record of Proven Success

Community Crime Prevention Program.
Project New Pride.
Project CREST (Clinical Regional Support Teams).
Street Crime Unit.
Integrated Criminal Apprehension Program (ICAP).
Commercial Reduction.
Anti-Fencing (STING).
Economic Crime Units.
Model Procurement Code.
Administrative Adjudication of Traffic Offenses.
Dispute Resolution—Neighborhood Justice Centers.
Community Arbitration Project (Anne Arundel County, MD).
Career Criminal.
Juror Utilization and Management.
One Day/One Trial.
Victim/Witness Assistance.
Witness Information Service.
Community Response to Rape.
The D. C. Public Defender Service (Washington, D.C.).
Treatment Alternatives to Street Crime (TASC).
Work Release/Pre-Release Center.
Grievance Mechanisms in Correctional Institutions.
Corrections Standards.
Legal Services to Prisoners.
Rural Legal Information Center (LIC).
Prosecutor's Management Information System (PROMIS).
Offender Based State Corrections Information System (OBSCIS).
State Criminal Justice Statistical Analysis Centers (SAC).
Free Venture Prison Industries.
Training Programs.

Mr. HEFLIN. Mr. President, in addition to the programs which have been evaluated by outside agencies and proven to be a success, the pamphlet also lists a number of programs which have a high probability of improving the functioning of the criminal and juvenile justice system. This second category of programs was not included in the above list because their performance has not yet been fully validated or documented. As additional evaluation information becomes available and supporting documentation is developed, these programs may also be identified as proven effective or having a record of proven success. Among these programs are a number of important juvenile justice programs, such as the alternative education program, the reduction of school crime and disruption program, and the juvenile restitution program. Mr. President again in the interest of saving time, rather than describing all of these programs, I ask unanimous consent that a copy of this list be printed at the point in the Record.

There being no objection, the material was ordered to be printed in the Record, as follows:

LEAA Programs Having a High Probability of Improving the Functioning of the Criminal and Juvenile Justice System

Alternative Education (Juvenile Justice).
Reduction of School Crime and Disruption (Juvenile Justice).
Managing Criminal Investigations (MCI).
Police Resource Sharing.
Commercial Security for Small Businesses.
Arson Prevention and Control.
Structured Plea Negotiation.
Alternatives to Pretrial Detention.
Juvenile Restitution.
Family Violence.
Indigent Defense Programs.
Treatment and Rehabilitation for Addicted Prisoners (TRAP).
Secure Care Units for Serious/Violent Juvenile Offenders.
Community Services Restitution.
Crime Analysis System Support (CASS).
Police Operations Support System Elementary (POSSE).
Jail Accounting Microcomputer System (JAMS).
State Judicial Information System (SJIS).
Training Programs.

Mr. HEFLIN. Mr. President, there is no doubt that in the earlier years of the LEAA's existence some of the money administered by the program was not wisely spent. Yet, Mr. President, State and local governments learned as they went along and after overcoming some of these initial problems, the investment began to bear fruit. In Alabama and other States our police departments which had been largely underfunded, undermanned, undertrained, and unprofessional, developed into well disciplined and professional organizations. Juvenile justice programs have been established in my State and other States under the auspices of the LEAA. Our corrections systems have been improved and the correction staffs have become better trained, more effective and professional. All of these efforts, in my judgment, have had a significant impact on our overall criminal justice system.

Mr. President, in my judgment, the total abolition of the LEAA would be a serious mistake. It is argued that something on the order of 2 percent of the money that is spent on law enforcement in this country is provided through LEAA resources and, therefore, could be readily absorbed by the State and local governments. I think that this argument is really one that can be turned to the advantage of those who support the LEAA.

For an investment as small as that provided under the auspices of the LEAA, look at the results that have been achieved. What Federal program can compare in terms of effectiveness and in terms of real tangible improvements that have been made in State and local justice administration systems with such a small Federal effort. To cut off these programs in midstream, is, in my judgment, a case of being penny wise and dollar foolish. Mr. President, I urge each Member of this body to very seriously consider the consequences to our State and local law enforcement agencies and our State and local courts if this program is totally abolished. In my judgment, the administration of criminal justice will be set back 10 years or more if this program is terminated.

I know that each Member of this body is deliberating over just where the cuts should be made in Federal spending. I do not think any one is more concerned about fighting inflation and balancing the budget than I am. But, as has been repeatedly stated, we must cut with the surgeon's scalpel and not a meat ax. To completely eliminate the program has been so important to our State and local governments in one fell swoop, is, in my judgment, the epitome of the "meat ax" approach. I hope that each of my colleagues will reexamine the LEAA program and cut where cuts can be made by trimming fat without damaging muscle.

Crime is still a serious problem in this country. Normally programs designed to cure problems are terminated when the problem is solved. Policy and programs to solve problems are a responsibility of the administration and Congress. If there are serious defects in the LEAA program, Congress should adopt the methods and policies necessary to cure these problems. By the meat-ax approach designed to destroy LEAA, without a substitute, Congress and the administration is saying. "We don't have the intelligence or ability to provide a workable and effective program." The abolition of a Federal assistance program to fight crime without providing a substitute is an indictment against the administration and Congress. The war against crime must be won. Unfortunately, the leadership in the administration and Congress is throwing up its hands and surrendering to crime rather than formulating and executing a counterattack.

AWARD-WINNING HUD CHIEF LIKES REASONABLENESS

Mr. HEFLIN. Mr. President, I ask unanimous consent that an article which appeared in the Birmingham News on Wednesday, April 16, 1980, concerning John E. Wilson, who is the Alabama manager of the U.S. Department of Housing and urban Development, be printed in the RECORD.

There being no objection, the article was ordered to be printed in the RECORD, as follows:

AWARD WINNING HUD CHIEF LIKES REASONABLENESS

(By Frances Spotswood)

John E. Wilson doesn't like working with "cold numbers." He likes working with people. He believes government should be reasonable, should "make good sense."

He asked for his job, which he considers challenging and satisfying, and got it almost two years ago over some 200 other applicants.

Wilson is Alabama manager for the U.S. Department of Housing and Urban Development (HUD) with administrative offices in Birmingham.

Last week he went to Washington, D.C., to accept one of the most prestigious awards a federal employee can earn—The Arthur S. Flemming Award for outstanding and meritorious achievements by young (under 40) career employees.

Heads of federal departments and agencies make the nominations for the Flemming Awards which is sponsored annually by the Downtown Jaycees in Washington.

Wilson got into federal government by chance and because of a personal tragedy. The South Carolina native had planned to be a lawyer and had enrolled in law school after his graduation from South Carolina State University.

He never got to law school. His parents died. He was offered a job and took it with the U.S. Department of Health, Education and Welfare (HEW).

"I looked on my work with the U.S. Public Health Service as temporary. I still was planning to go to law school, but I got involved. There are so many people who need the help the government can give," he said.

In 1969, Wilson was sent to Nigeria as operations officer for the Smallpox Eradication Program and later received a special citation from the World Health Organization for this work.

"I see in Alabama some conditions—children playing in sewage from outdoor privies—almost as bad as those I saw in the bush," he said.

He well remembers some of those trips back in the bush country of Nigeria. To reach one remote tribe, he traveled the narrow trails by motorcycle.

"Because I'm black, they wouldn't believe I was an American," Wilson said, adding that he had to use an interpreter.

The tribal chief was interested only in offering the traditional hospitality and didn't want to talk about health problems.

"They didn't think their smallpox was a health problem but a visitation from their angry God and the Witch Doctor was making sacrifices—not human—by cruelly killing small animals," he said.

Wilson finally convinced the chief that he would be THE big man of the tribe, more powerful than the Witch Doctor, by using medicine to make the smallpox go away.

"We made a big ceremony of inoculating the chief and then the other tribe members, over the Witch Doctor's protests," he recalled.

When Wilson returned from Africa he did go back to school, to get his master's degree in Public Administration from Temple University before returning to public administration.

He joined HUD in 1976 and worked briefly in Birmingham as acting deputy director of the area before going on to other assignments. When the position of Alabama director, or area manager, was being filled in 1978, he applied.

"I wanted to come back here. I had seen some of the needs and how they could be met by HUD programs.

"We have some of the poorest counties in the country, some communities where almost any help can improve life. Even in metropolitan areas like Birmingham you can see and feel the results of HUD programs," he said.

Wilson said race isn't a problem in dealing with an almost entirely white group of mayors and county commissioners on many grants and programs.

"We all are concerned about improving the quality of living in their areas," he said.

The major problem is money. "We had about 150 grant applications last year and approved only 18. That took all the money and a lot of deserving programs went unfunded."

Wilson said 44 grants have been approved this year, spreading the available money wider and thinner, by figuring closely just how much money a specific program could spend in a year and allocating that amount instead of tying up money that won't be needed until next year.

One thing the local office tries not to do, according to Wilson, is to come out with a knee-jerk response of "it's against regulations" in a situation that is unusual.

"We try to make the regulations fit the situation—if it's reasonable," he said, adding that it was the policy of former HUD Secretary Patricia Harris and Secretary Moon Landrieu's present policy to be flexible about something that makes good sense.

A complaint that Wilson hears frequently is that HUD programs are so weighted toward poverty level aid that middle-income areas can't get any benefits.

He said it is true that many programs are aimed at low-income areas where the need is greatest, but a big chunk of the HUD budget goes for things like FHA secured loans.

"Many people don't realize that FHA and other guaranteed housing loans are part of HUD and provide homes and apartments for middle and higher income people," Wilson said.

The Flemming Award which he brought back from Washington was for "his exceptional ability to understand human suffering and seek ways in which to improve the quality of life for those in need."

His work in ridding the world of smallpox and his efforts at providing decent, safe housing in a quality environment for thousands of Alabama citizens are testimony to his commitment.

It is difficult to separate Mr. Wilson's vocational achievements from his community involvement. He has tutored students in the art of photography, coached schoolboy football teams and lectured on public health concerns.

Presently, he is an active member of the Birmingham Chapter of the NAACP and campaigns for the United Negro College Fund.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. WILLIAMS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PRIVILEGE OF THE FLOOR—H.R. 7140

Mr. WILLIAMS. Mr. President, I ask unanimous consent that Steven Sacher, Gary Ford, Michael Goldberg, and Peter Turza, all of the staff of the Committee on Labor and Human Resources, be granted the privilege of the floor during the consideration of H.R. 7140, and during all rollcall votes thereon.

The PRESIDING OFFICER. Without objection, it is so ordered.

ALABAMIANS IN WASHINGTON FOR JESUS

Mr. HEFLIN. Mr. President, I wish to share with you and with each Member of the Senate a most moving and uplifting experience I had this week. As all of us are aware, thousands upon thousands of Christian Americans have come to Washington this week to share with their elected representatives their love of God and their faith in him as the answer to our Nation's many problems.

I had the great honor and distinct pleasure of meeting with a large number of these fine Christians from my home State who are participating in this national mission of love and prayer. I was deeply moved by these fine Christian men and women, many of whom had traveled up to a thousand miles to share with me and other members of the Alabama congressional delegation their profound belief in the wonder of God.

Senator Stewart, Congressmen Nichols, Buchanan, and Dickinson, Senate Chaplain Dr. Elson, and I met with these Alabamians on Monday and had the opportunity to share with them a truly stirring religious experience. I believe I can speak for the entire delegation in saying that we were all very impressed by these Alabamians' sincerity and deep fundamental belief in God.

In the manner of an old-time revival, they went around the room individually lifting up their voices in earnest prayer that God grant their elected officials his grace and divine counsel. They prayed that the hand of God should guide us down the path of righteousness as we wrestle with the weighty decisions we must make in Congress.

I was touched by the prayers offered for us by these devout missionaries of the gospel. Each one who spoke expressed his heartfelt desire that God would grant us, in his divine wisdom, the courage and determination to do that which is right and just.

One theme they touched on in their prayers was that this great Nation was founded by God-fearing men who had the insight and enlightenment to guarantee in the Constitution absolute freedom to worship God. These missionaries reminded us of our rich religious heritage when they spoke of "one nation under God" and "in God we trust"—the affirmations of faith which clearly illustrate that this great Nation was indeed founded on the principles of God.

The Reverend Edward Elson, chaplain of the Senate, former pastor of the National Presbyterian Church, and ordained minister for 50 years, told the congregation of Alabamians a little about the Senate's history of prayer and of its longstanding devotion to the principle of religious freedom.

Rev. Elson recounted the historical story of the day in 1774, during a bitter deadlock in the proceedings of the Continental Congress, when Benjamin Franklin asked that all join him in prayer. The Reverend Jacob Ducht, the pastor of the Christ Episcopal Church in Philadelphia, gave the first prayer in Congress on that day, September 7, 1774, thereby establishing a tradition still followed today. For the past 206 years, the Senate has opened its sessions with a prayer seeking strength, wisdom and guidance from the almighty God.

The Senate's tradition of prayer has been expanded over the years to include regular prayer groups and prayer breakfasts. A large number of Senators, like myself, regularly participate in weekly prayer breakfasts and the Annual National Prayer Breakfast. I believe many of those who came to Washington to share their religious beliefs with their representatives were comforted by this fact.

I salute all of those who came from the far corners of this Nation to participate in the Washington for Jesus rally. I believe this movement signifies the growing belief around the Nation that America must return to its basic values and beliefs. Benjamin Franklin turned to prayer to lead this young and emerging Nation through troubled times in 1774. I believe that spirit is needed today and that we must turn to prayer to deliver us from the many serious problems we face today. It is clear that we must seek God's guidance and counsel.

I believe we are standing at a crossroads. We must return to the fundamentals of religion, to the basics of education, and to the basic values of truth, honesty, and integrity on which this great Nation was established.

Yes, I salute those who came to Washington, for they did not come to Washington to protest, they came to pray. I know that each Member of Congress who had the honor to meet with the representatives from his or her State, as I did, benefited greatly from their fellowship and prayers.

I am profoundly grateful I had the chance to hear from these missionaries of God's peace and to benefit from their prayers for a better America blessed by the grace of God.

IDA NUDEL

Mr. TSONGAS. Mr. President, this past Sunday, April 27, was a solemn day in the fight for human rights. It was the 49th birthday of Soviet prisoner of conscience, Ida Nudel.

Ida Nudel, has devoted her life to helping those who have been mistreated and incarcerated by Soviet authorities because of their opposition to the government's repression of basic human rights. This woman has done so much to ease the pain of Soviet prisoners of conscience, that she is affectionately referred to by her many friends as the "Guardian Angel."

As I am sure my colleagues remember, in 1978 Ida Nudel was internally exiled to a small village in Siberia where she is currently serving a 4-year sentence for malicious hooliganism. Mrs. Nudel is a very sick woman. Her heart and kidney ailments require continuous medical treatment, but as we might expect from Soviet authorities, there are no medical facilities in the village in which she has been imprisoned.

Mr. President, in August 1978, I introduced House Concurrent Resolution 675, which called upon the Soviet Government to honor the Final Act of the Helsinki Accords and the Universal Declaration of Human Rights and allow Ida Neudal to emigrate.

The harassment and imprisonment by the Soviet Government of individuals, including Mrs. Nudel. who desire to emigrate, is in direct violation of fundamental human rights and in disregard of the spirit of the Final Act of the Helsinki Accords.

I again implore my colleagues and President Carter to continue their protests and do all that is humanly possible to protect those individuals, especially Ida Nudel, who have so valiantly risked their lives in the name of freedom, justice, and human rights. We must uphold and encourage these rights for all those who aspire to obtain them. The United States must not forget those Soviet individuals who have been denied their right to freely emigrate or who are incarcerated for their political or religious beliefs.

TRIBUTE TO CYRUS VANCE

Mr. SASSER. Mr. President, when I learned yesterday of Cyrus Vance's resignation as Secretary of State, I was distressed and concerned. My personal admiration for Secretary Vance and friendships with members of his family over a period of years heightened those emotions. But had I known him only as a distant public official, I believe my reaction would have been much the same.

It is simply not enough to characterize Secretary Vance as a "professional," although in both his public and private careers he has clearly distinguished himself as such. He is tough minded and decisive; yet sensitive and compassionate. He is scholarly and brilliantly analytical; yet free of arrogance. He is loyal, cooperative, and conciliatory, but, as we have seen, maintains the courage of his convictions. He is ambitious, but not at the expense of his colleagues or his cause.

Too often we have seen people elevated to high posts who have succumbed to the temptation to exploit their position for self-aggrandizement and ego satisfaction. It may well be that this self-discipline identifies the true giants who have served this Nation. If that is the case, Cyrus Vance is among them. In my wide acquaintance, I have encountered precious self-activated people. Clearly, he is one of them.

This is not the time or place for me to illuminate the controversy which led to Secretary Vance's resignation or to take sides about it. But I do believe it is the time for me, for you, and for the Nation to express our thanks and appreciation to Cyrus Vance for his devoted and distinguished service to our Nation.

THE 49TH BIRTHDAY OF IDA NUDEL

● Mr. ZORINSKY. Mr. President, I join my colleagues today in commemorating the April 27 birthdate of Ida Nudel with a mixture of happiness and regret. The birthday of this heroine who has struggled mightily against the repression of the Soviet Union should be a happy occasion. But the world looks on with deep sorrow and regret at the continued imprisonment of this valiant woman by Soviet authorities whose action in this case elevates the shabbiness of religious discrimination to the posture of a governmental policy and lowers the right of free speech to the status of a common crime.

Ida Nudel's only transgression was to express her desire to emigrate to Israel. From the balcony of her apartment she draped a banner which read: "KGB, Give Me My Visa." The Soviet authorities denied her request fearing Ida Nudel and the many others like her, who, if allowed, would vote with their feet in the only honest election that nation has ever known.

Despite her long history of serious heart and kidney problems and the necessity to travel long distances to receive medical care, Ida Nudel continues to live out her sentence of 4 years of internal exile in Siberia. The Soviet Government has evidenced no concern for her worsening health or for the pleas of others that she be given her freedom.

On this 49th anniversary of her birth, I join my colleagues, the American people, and free men and women everywhere in renewing the call for Ida Nudel's release. Her plight tugs at the heart with a force which the Soviet leadership should take no pride in withstanding.●

CONCLUSION OF MORNING BUSINESS

The PRESIDING OFFICER. Is there further morning business? If not, morning business is closed.

ORDER OF BUSINESS

The PRESIDING OFFICER. The pending business at this time is on the conference report on H.R. 10.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

MULTIEMPLOYER PENSION PLANS

Mr. ROBERT C. BYRD. Mr. President, I ask the Chair to lay before the Senate a message from the House of Representatives on H.R. 7140.

The PRESIDING OFFICER. The bill will be stated by title.

The assistant legislative clerk read as follows:

> A bill (H.R. 7140) to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for one month the date on which the corporation must pay benefits under terminated multi-employer plans.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the bill be considered as having been read the first and second times, that the Senate proceed to its immediate consideration, and that a call for the regular order not bring it down this afternoon.

The PRESIDING OFFICER. Without objection, it is so ordered.

The Senate proceeded to consider the bill.

Mr. BENTSEN. H.R. 7140, as passed by the House, defers the time for the mandatory guarantee of employee benefits under multiemployer pension plans by the Pension Benefit Guaranty Corporation for 1 month—from May 1, 1980, until June 1, 1980. The deferral of time for mandatory coverage of multiemployer plans is intended to give Congress time to complete action on legislation which would revise the guarantee program.

The Pension Benefit Guaranty Corporation was established under ERISA, the 1974 Pension Act, to guarantee employee benefits under most terminated pension plans, within limits. In the case of single-employer plans, the guarantee program has been in effect since 1974 on a mandatory basis—that is, the Corporation is required to guarantee benefits under a covered single-employer plan.

In the case of a multiemployer plan, that is, a plan maintained by a union and more than one employer, the Pension Benefit Guaranty Corporation has discretionary authority to guarantee employee benefits under plans which terminate before May 1, 1980. As of May 1, 1980, the guarantee of benefits under covered multiemployer plans will become mandatory for the Corporation.

There is presently great concern that the rules of present law providing for mandatory guarantees after May 1, will tend to encourage the termination of multiemployer plans and will result in liabilities which cannot be satisfied by the Pension Benefit Guaranty Corporation. S. 1076 (jointly referred to the Finance Committee and the Labor and Human Resources Committee) and H.R. 3904 (jointly referred to the House Committee on Ways and Means and the House Committee on Education and Labor) are intended to revise the guarantee program.

H.R. 3904 was approved by the Education and Labor Committee of the House on January 30, 1980, with amendments, and filed on April 2, 1980. The bill was approved by the Ways and Means Committee of the House on March 27, 1980, with amendments and filed on April 23, 1980. H.R. 3904 is presently awaiting action on the House floor.

S. 1076 was approved by the Labor and Human Resources Committee on March 24, 1980, with amendments. Hearings on the legislation were held by my subcommittee—the Subcommittee on Private Pension Plans and Employee Fringe Benefits of the Finance Committee—on March 18, 1980, but the Finance Committee schedule has not permitted time for a markup, as of now. Also, the House has not yet passed its version of the legislation.

UP AMENDMENT 1051

(Purpose: To extend until July 1 the date on which the Pension Benefit Guaranty Corporation must pay benefits under terminated multiemployer plans)

Mr. BENTSEN. Mr. President, with that in mind, today, in the Finance Committee, we passed this particular amendment and are urging its passage. I send the amendment to the desk now and ask that it be stated. The amendment calls for a 2-month extension.

The Finance Committee agrees that additional time is necessary for the Congress to complete action on legislation revising the multiemployer pension benefit guarantee program. Although the committee will make every effort to complete its work on the bill as soon as possible, it is unlikely that the Congress will be able to finish its work on the legislation in 1 month. For this reason, the Committee on Finance believes that H.R. 7140 should be amended to provide for deferral of mandatory guarantees for a 2-month period, until July 1, 1980. The Finance Committee agreed today to make every effort to consider and pass on the legislation as expeditiously as possible.

Mr. President, I urge the adoption of the amendment providing for a 2-month deferral.

The PRESIDING OFFICER (Mr. BURDICK). The clerk will state the amendment.

The assistant legislative clerk read as follows:

> The Senator from Texas (Mr. BENTSEN) proposes an unprinted amendment numbered 1051:
>
> On page 1, line 8, strike out "June 1, 1980" and insert in lieu thereof "July 1, 1980".
>
> On page 2, line 2, strike out "May 31, 1980" and insert in lieu thereof "June 30, 1980".

Mr. BENTSEN. Mr. President, this passed through the Finance Committee unanimously this morning, supported by both Democrats and Republicans on the committee.

I state again that there was some concern that between the dates of May 1 and July 1, 1980, there might be a number of these multiemployer plans where the employers might try to withdraw.

The feeling of the Senate Finance Committee was that this bill should not encourage employers to withdraw from a multiemployer plan between now and July 1, 1980. Any withdrawals after April 28, 1980, will be covered by any withdrawal liability rules that the committee might adopt.

I know of no opposition to this. I urge the passage of the extension with this amendment attached to H.R. 7140.

Mr. SCHMITT. Mr. President, I am happy to yield to the Senator from New Jersey.

Mr. WILLIAMS. Mr. President, as the Senator knows, this subject matter, this legislation, is a matter of joint jurisdiction of the two committees, Labor and Human Resources and Finance.

It is necessary for a measure to come to the floor that deals with mandatory coverage by the Pension Benefit Guaranty Corporation of multiemployer pension plans, and it is a complex matter. The Labor and Human Resources Committee favorably reported a bill on this subject, S. 1076, with amendments, on March 24. That measure, of course, is also being considered by the Finance Committee. It is a measure that the Finance Committee was unable because of its complexity to deal with by May 1, 1980, the effective date under current law for mandatory coverage.

So it is hoped that we can have a realistic period of extension for considering, reporting and conferencing with the House on the basic bill that we will need. The Finance Committee determined that 60 days as an outer limit will be adequate.

We are mindful that the House has passed a 30-day extension, and this 60-day extension as an outer limit is realistic, I am sure. It is my understanding that the chairman of the Finance Committee and all members there are hopeful that they and the Congress will be able to complete action on the basic bill within a shorter period than the 60 days, and are committed to completing action by the end of this extension period.

Mr. BENTSEN. I say to my distinguished friend, the chairman of the Labor and Human Resources Committee, that there were a number of people that felt that, frankly, they would be more comfortable with 90 days.

But, understanding the priority given by the Senator's committee and the House, and all concerned, that it be expedited and resolved, we assured ourselves we would make the commitment, make it a priority, and try to get it out in less than 60 days, as quickly and expeditiously as we can.

But, as the Senator said, it is a very complex bill and it will take some work.

Mr. WILLIAMS. But, at any rate, even with the 60 days, the law will take effect on July 1.

Mr. BENTSEN. That is correct.

Mr. WILLIAMS. We should be here with permanent legislation prior to the congressional break for the first of the conventions.

Mr. BENTSEN. That is right.

Mr. SCHMITT. Mr. President, I am sure there is no objection to moving ahead here, with the exception that Senator JAVITS wanted to have a chance to participate. I understand he is unavoidably detained for a few minutes. If nobody else wishes to speak I could suggest the absence of a quorum and we will get him to the floor as soon as possible.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. JAVITS. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. JAVITS. Mr. President, I shall not oppose the amendment of the Senator from Texas which would extend H.R. 7140's one month delay period to 2 months.

I want to say that the Employee Retirement Income Security Act of 1974 (ERISA) became law only because of the cooperation of the Finance Committee and the Committee on Labor and Public Welfare. The Senator from Texas (Mr. BENTSEN) and the Senator from Wisconsin (Mr. NELSON) played important roles in the enactment of this law.

ERISA is a monumental reform, and the work of our two committees has nullified the idea that because more than one committee is involved in any measure, things are very complicated and generally suffer rather than prosper. This is a case in which this great piece of legislation prospered only because of that cooperation.

Senator BENTSEN has rendered a great service to our people in this matter. I would be the last to say to him that 1 month was adequate and 2 months was too much. If he feels 2 months is what is required, so be it.

Mr. BENTSEN. I thank the distinguished Senator from New York. I assure the distinguished Senator that we will give it high priority. We will be glad if we can finish it within the 30 days; but from the information I have received from the staff, I think it will take the full period of time and may take as long as 60 days. If we can get it out earlier, we certainly will do it.

Mr. JAVITS. I thank my colleague.

I also thank others, such as Senator WALLOP, who made it possible to get quick action by not seeking any strategic advantages by the fact that this bill needed quick action.

I thank Senator LONG, the chairman of the Finance Committee, and Senator DOLE, its ranking minority member, for their cooperation.

Mr. President, I ask unanimous consent that my prepared statement be included in the RECORD at this point.

There being no objection, the statement was ordered to be printed in the RECORD, as follows:

STATEMENT OF SENATOR JAVITS

Mr. President, the bill before the Senate, H.R. 7140, would delay the effective date for the mandatory ERISA guarantee of benefits under multiemployer pension plans from May 1, 1980 to June 1, 1980. This one month delay is necessary to give the Congress additional time to complete its work on S. 1076 (H.R. 3904), which would redesign the termination insurance program for multiemployer plans.

The enactment of H.R. 7140 would represent the third time the Congress has delayed ERISA's original mandatory guarantee date of January 1, 1978. I am certainly not happy about these delays, but I believe they are necessary as long as ERISA's insurance provisions with respect to multiemployer plans remain unchanged. The concern with present law is that if the Pension Benefit Guaranty Corporation must guarantee pension benefits under its provisions, a number of multiemployer plans may elect to terminate, thereby shifting potentially large unfunded liabilities to the insurance system and imposing a very heavy burden on it.

Since August 14, 1977, when I introduced one of the first delay bills, the Administration, the Congress and concerned interest groups have made great headway in developing workable amendments to ERISA's multiemployer termination insurance provisions. As of today, three of the four Congressional committees with jurisdiction—the Senate Labor Committee (on March 24, 1980), the House Education and Labor Committee (on January 30, 1980), and the House Ways and Means Committee (on March 27, 1980)—have approved similar pieces of legislation. The Senate Finance Committee held hearings on March 18, 1980 and is still considering S. 1076, which was introduced by Senators Williams, Long and myself at the request of the Administration on May 3, 1979.

The Finance Committee, on the recommendation of Senator Bentsen, would like to extend the one month delay period to two months. While I prefer the shorter House delay because of the urgent need to end the legal uncertainty facing multi-employer plans, I have decided to accommodate the concern of the Finance Committee that it have sufficient time to complete its deliberations on S. 1076. I, note, however, that in approving the two-month delay amendment this morning, the Finance Committee did so with the understanding that it would expeditiously complete its work on the bill so that the Congress can enact multiemployer plan legislation before the expiration of the two-month period.

I am therefore not opposing the Bentsen amendment to the delay bill, and urge my Senate colleagues and the House to accept this revised version of H.R. 7140. In a letter received this morning, Secretary of Labor Ray Marshall has urged "swift enactment of the deferral bill," stating that "it is critically important that a short deferral bill be enacted" prior to May 1, 1980. Because the President must sign this bill by tomorrow, the last day before the mandatory PBGC guarantee goes into effect, it is essential that the Congress work out any differences on this measure as soon as possible.

Mr. DOLE. Mr. President, I join in the remarks of Senator BENTSEN and Senator JAVITS in support of the extension. I appreciate the quick action taken by the committee, under the leadership of Senator BENTSEN.

Mr. BENTSEN. I thank the distinguished Senator from Kansas.

The PRESIDING OFFICER. The question is on agreeing to the amendment.

The amendment was agreed to.

The PRESIDING OFFICER. The bill is open to further amendment. If there be no further amendment to be proposed, the question is on the engrossment of the amendment and the third reading of the bill.

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

Mr. JAVITS. Mr. President, I would be remiss in this connection if I did not also present my deep appreciation to Senator SCHWEIKER, who is the ranking minority member and who yielded to me for the purpose of handling this bill.

I also pay tribute, as Senator BENTSEN did, to Senator WILLIAMS, the chairman of our committee, who is the main sponsor with me of ERISA and through whose wonderful work we are here today.

The PRESIDING OFFICER. The bill having been read the third time, the question is, Shall it pass?

The bill (H.R. 7140) was passed.

Mr. JAVITS. Mr. President, I move to reconsider the vote by which the bill was passed.

Mr. BENTSEN. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

The title was amended so as to read:

> An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for two months the date on which the Pension Benefit Guaranty Corporation must pay benefits under terminated multiemployer plans.

Mr. WILLIAMS. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

CIVIL RIGHTS OF INSTITUTIONALIZED PERSONS—CONFERENCE REPORT

The Senate continued with the consideration of the conference report on H.R. 10.

Mr. HEFLIN. Mr. President, it is my understanding that there has been some criticism of the conference report on H.R. 10 partly because of changes that were made to section 9 of the bill. Mr. President, since I was the author of the original language which has been distilled down to section 9, I thought I would make a few remarks concerning my understanding of what the original Senate language was intended to accomplish and also what, in my judgment, and as a member of the conference committee, the conference language is intended to accomplish.

First, Mr. President, I do not think that anyone seriously questions the fact that in every State in the Union there are deplorable conditions which exist in either prisons, jails, mental health hospitals, or other State operated facilities which are covered by the provisions of this act.

Mr. President, I feel that if State and local governments act in good faith and in concert with various Federal agencies which provide funds which are designed to improve the conditions and treatment programs at various kinds of custodial facilities, then the provision of this act should seldom be called into play.

But, Mr. President, in some cases funds, both State and Federal, are being expended for nonessential programs at a facility while at the same time other residents of the facility languish under unconstitutional conditions. For example, in one Pennsylvania mental health facility it was discovered that a small group of patients were being given horseback riding lessons while other patients in the same facility were suffering deplorable conditions which deprived them of their basic constitutional rights.

In the course of the trial involving the Pennhurst State School and Hospital, it was pointed out that a program existed whereby six staff attendants were helping and attending six patients undertaking horseback riding lessons, while at the same time at the same institution over 50 patients were awaiting adaptive wheelchairs without which they would suffer permanent muscular damage. These are the types of inconsistencies that the amendment I proposed, which is now section 9 of the conference report, is designed to correct. Where Federal money is being spent, either by the Federal agency directly, or by the States through some sort of grant program, then this money should be used to correct the most serious constitutional problems before other types of programs are upgraded. I think that the language of my amendment is a positive mandate for the various Federal agencies which administer such programs to insure that priority is given to the elimination of these unconstitutional conditions before they approve funding for programs that are requested by State or local governments or before they directly expend funds in institutions for programs which are not so essential.

Mr. President, once litigation begins and a court takes jurisdiction over a given program, whether mental health, prison, jails or what have you, then the court should consider the language of section 9 of the conference report.

It would be appropriate for a court to examine the utilization of Federal funds to insure that, in fact, the various Federal agencies have been giving priority to the correction or elimination of such unconstitutional or illegal conditions, and whether it is possible to redirect the utilization of such funds to obtain the goals of this act. I think my amendment makes it clear that if the Federal agencies themselves do not carefully screen the utilization of Federal funds to make sure that priority is being given to the utilization of these funds to eliminate unconstitutional conditions, then it is certainly the duty of the court to do so.

Mr. President, as the language of the section indicates, there are exceptions to this general rule of priority, one being that it is not the intent of the Congress to require redirection of funds from one program to another. The other exception is that there should be no redirection of funds from one State to another State.

The language of said section 9 does not mean that the Attorney General or other Federal and State agencies or the courts should take money away from one segment of institutionalized persons and redirect it to another group of institutionalized persons who are suffering unconstitutional conditions if the redirection would cause the first group to then begin to suffer unconstitutional conditions.

But where, as in the programs mentioned above, the funds are being spent on programs which are far above the level of those programs mandated by the Constitution, and where the redirection of funds would not cause or create new unconstitutional conditions to come into effect in the immediate future, then the Attorney General, other Federal and State agencies, and the court should, of course, where appropriate, move in to require the redirection of funds so that the maximum of benefit of each dollar available is realized in our struggle to upgrade and improve our confinement and treatment facilities.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER (Mr. STEVENSON). The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. HEFLIN. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

ORDER FOR RECESS UNTIL 8:45 A.M. TOMORROW; VOTE ON CLOTURE MOTION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that when the Senate completes its business today, it stand in recess until 8:45 a.m. tomorrow; provided, that immediately after the prayer and the approval of the Journal—or the disapproval of the request—the automatic quorum under the rule begin; that the 1 hour under the rule be waived; that the time of the two leaders be waived; that upon the establishment of a quorum, when it is established that a quorum is present, the Senate proceed immediately to vote on the motion to invoke cloture.

The PRESIDING OFFICER. Is there objection? The Chair hears none, and it is so ordered.

Mr. ROBERT C. BYRD. This, then, would anticipate that the rollcall vote on the motion to invoke cloture would occur at 9:15 a.m.

I should state that it will be my intention to move to have the Sergeant at Arms request the attendance of absent Senators. I will ask for a yea-and-nay vote on that motion, and that will occur at 9 o'clock. That would be a 15-minute rollcall vote, and it would establish a quorum. That would make the vote on the motion to invoke cloture begin at 9:15, but there would be a rollcall vote at 9 o'clock.

Mr. BAKER. Mr. President, will the Senator yield?

Mr. ROBERT C. BYRD. I yield.

Mr. BAKER. Mr. President, as I understand the situation, as the result of the unanimous-consent request made by the majority leader and now granted by the Chair, we will convene at 8:45 a.m.; that after the prayer and the approval of the Journal, we will——

Mr. ROBERT C. BYRD. I do not need to ask that the Journal be approved. I can forgo that. Let me say that immediately after the prayer——

Mr. BAKER. Immediately after the prayer, we will proceed to establish the presence of a quorum pursuant to the provisions of rule XXII; that it is the intention of the distinguished majority leader to ask for a rollcall vote on a motion to instruct the Sergeant at Arms, to begin at 9 o'clock; that that vote will continue, under our rules, until 9:15; that, assuming a quorum is present at the conclusion of that rollcall, the vote on cloture will begin at 9:15 a.m.

Mr. ROBERT C. BYRD. The Senator is correct.

I would prefer that it not be necessary to have a rollcall vote on a motion to have the Sergeant at Arms instruct, but that would be the one sure way of having the vote occur on cloture at 9:15; because by moving at 9 and allowing the 15 minutes for a rollcall vote which would establish a quorum, that would make certain that the vote on cloture would be at 9:15, which is important to various Senators on both sides.

Mr. BAKER. Of course, if a quorum is established by 9 o'clock, there will be no need, as the majority leader points out, for that motion.

I hope that all Senators on this side will try to be here at 8:45 in the morning or as close to that time as possible, so that we can establish a quorum and proceed to this early vote on cloture.

I also point out—if the majority leader will yield to me further—that we have done our dead level best to clear this arrangement with as many Members on our side as possible. While this certainly does not please every Member on our side, it seems to be the best arrangement that can be made, taking into account the several requests we have had. It appears to be satisfactory with those who are leading the opposition to this measure and are opposed to cloture. I am speaking of the Senator from Missouri and those associated with him. The Senator from Missouri is in the Chamber at this time, and I see from his indication that this is satisfactory.

Mr. DANFORTH. Yes, that is satisfactory.

Mr. BAKER. I thank the majority leader for yielding. I think this is the best arrangement we can make under the circumstances.

Mr. ROBERT C. BYRD. I thank the distinguished minority leader.

I would prefer, of course, if we could establish a live quorum, if we could have an understanding that the vote on the cloture motion would then begin running at 9:15, without a further quorum, I would prefer not to move that the Sergeant at Arms request the attendance of Senators, and thus avoid that rollcall.

I would be perfectly happy to enter into that kind of agreement, if others are so disposed. We could do that in the morning.

Mr. BAKER. I think the better part of discretion would be to leave that until tomorrow and see how we get along with the call for the quorum.

Mr. ROBERT C. BYRD. All right.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

TEN-MINUTE RECESS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate stand in recess for 10 minutes.

There being no objection, the Senate, at 3:56 p.m., recessed until 4:06 p.m.; whereupon, the Senate reassembled when called to order by the Presiding Officer (Mr. Metzenbaum).

The PRESIDING OFFICER. The Chair in his capacity as the Senator from Ohio suggests the absence of a quorum. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. HARRY F. BYRD, JR. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

PROPOSED TAX ON SOCIAL SECURITY BENEFITS

Mr. HARRY F. BYRD, JR. Mr. President, there has been a great deal of talk and many articles have been published concerning the possibility of Congress taxing social security benefits.

I think it would be a great mistake to tax social security benefits. I would oppose such action.

The Senator from Wisconsin (Mr. Nelson) has introduced a resolution which would put the Senate on record in opposition to taxing social security benefits.

The social security program is more important to more people than perhaps any other Government program.

I ask unanimous consent that I may be made a cosponsor of the resolution (S. Con. Res. 67) introduced by the distinguished Senator from Wisconsin (Mr. Nelson), which would put the Senate on record as opposing taxing social security benefits.

The PRESIDING OFFICER. Without objection, it is so ordered.

THE NOMINATION OF SENATOR MUSKIE TO BE SECRETARY OF STATE

Mr. ROBERT C. BYRD. Mr. President, it was announced this afternoon that our friend and colleague, Edmund Muskie, is being nominated for the Office of Secretary of State.

I greet this announcement with genuine mixed feelings. Edmund Muskie's nomination to this important office is a great plus for this country in this time of international crisis. It is a plus for this administration, and it will add stature to this administration, and any administration can stand to have a little stature added to it.

But it comes as a loss for the U.S. Senate. Edmund Muskie has been a stalwart of energetic stewardship. He represents the high watermark of dedication to duty, and he has proved himself to be a statesman during his more than two decades in this body.

I wholeheartedly endorse his nomination as Secretary of State. It will be the Senate's loss. I have more and more come to lean upon Senator Muskie in helping to forge the programs, expedite the legislative process, and carry out the work of the U.S. Senate.

As the chairman of the Senate Budget Committee, Senator Muskie has provided the kind of disciplined leadership that had to be given for that process to succeed. In that leadership he had the close companionship of Henry Bellmon, and those two men provided a team, a bipartisan team, that demonstrated not only the skill that was necessary to steer the budget process successfully, but also the teamwork, the cooperation, and the supreme dedication to duty that were necessary.

Senator Muskie is known for his courage, for his ability, and for his keen foresight, for the capability that he has to cut through the maze of the most difficult problem and come out with a reasonable, rational, workable solution.

He is also known as a man who speaks up for his convictions. Nobody will push him around. He will be a supreme servant as he serves as a member of the President's Cabinet. He will speak his mind. He will give his sincere and conscientious advice, and the Senate can be sure that at last there is a man in this administration who understands the Senate, who understands the legislative process, who understands the importance of the Federal relationship and the State relationship, he having served as Governor of the State of Maine.

If there is a man who understands the importance of a good working relationship between the executive and the legislative branch, it is Ed Muskie. I have heard much talk about personalities who appear to dominate here or there or within the administration.

Mr. President, Senator Muskie is not an individual who will attempt to dominate anyone, but he is not an individual who will be dominated.

He will express his viewpoint clearly, and he will not be reticent in giving advice to the President, in saying what he, Mr. Muskie, thinks.

I am sorry to see him leave the Senate, but in the overall good interests of the Nation in these critical times, I think the Nation will be well served by the nomination and appointment of Ed Muskie.

It is difficult to find enough words of praise for this man who has been a rock of reason as this Senate has undertaken some of the most controversial and perplexing problems in its history.

It was Ed Muskie who helped to bring more than a measure of fiscal responsibility to the way we allocate the taxpayers' money. As chairman of the Budget Committee he took a process that some said could work, some said would not work, and helped to make it operate.

I have already referred to his ability to develop bipartisan support, and it is this same ability that is necessary at the helm of the Department of State. A bipartisan foreign policy gives our Nation a single, unified voice in dealing with those who would be our enemies as well as those who would be our allies.

I know that Ed Muskie will place his individual stamp on foreign policy just as he has on fiscal policy.

He is no stranger to foreign policy. He has served on the Committee on Foreign Relations. He has traveled throughout the world representing his views and those of the Nation to foreign leaders. He has a national constituency. He served on Senator Mansfield's Southeast Asia mission in 1966, and he observed later that our experience in Indochina had been a tragic demonstration that our foreign policy affects us no less than it affects others.

I believe the following words, quoted from Edmund Muskie, serve to demonstrate the strength his leadership will bring to his new job:

> In a world where distrust and hostility still run deep, where the aims of nations continue to differ in fundamental respects, we should be prepared to resist the threat or use of force, but we must also be prepared to exercise the wisdom, moderation, and restraint which are necessary if man is to create the conditions for peace.

Mr. President, I congratulate President Carter on his choice of Ed Muskie to serve as Secretary of State. Indeed, here is a man who is capable, who has the qualifications and the ability to serve as President of the United States. I believe that for the office of Secretary of State Senator Muskie is the right man, for the right job, at the right time.

Mr. BAKER addressed the Chair.

The PRESIDING OFFICER. The Senator from Tennessee.

Mr. BAKER. Mr. President, I rise to express my pleasure at the President's choice of a new Secretary of State.

I have known Ed Muskie for all of the years that I have served in the Senate. He has been more than my colleague here. Our association has been close and cordial—at times, fiery—but it has always been my pleasure to serve with him. My admiration for him has grown with the years. He is a distinguished Senator and a man who will serve President Carter with distinction as the new Secretary of State.

Mr. President, Ed Muskie's appointment will be a loss to the Senate, but I think that it will be a great gain for the country.

In the years that I have known Senator Muskie, I have come to know him as a man of conviction, of energy, of dedication, of candor and honesty, and of great skill.

He understands the Senate. He understands this country and its political process. He will contribute something of real value to the Department of State and to the President in his new position of service.

Mr. President, I take this opportunity to congratulate our colleague and my friend Ed Muskie, to express my gratitude to the President for a wise selection, and to look forward to a favorable relationship between this body and the executive department in matters of foreign policy under the leadership of Secretary of State Ed Muskie.

Mr. HEFLIN. Mr. President, it has come to my attention that a Member of this Senate has just been nominated for the position of Secretary of State by the President of the United States. I am referring to the Honorable Edmund Muskie of the State of Maine.

Senator Muskie is recognized as being one of the most effective Members of this body and has had that reputation for many years. I know that he will do a fine job in this capacity.

He approaches every job he takes with vigor, with a close inspection, and he studies every problem before he reaches a decision on it.

So at this time I congratulate the President on his wise choice of the new Secretary of State.

Mr. RIEGLE. Will the senator yield?

Mr. HEFLIN. I yield to the Senator from Michigan.

Mr. RIEGLE. I thank the Senator for yielding.

I join the Senator in commenting about the news that has just come over the two wire service tickers that indicate that our colleague, Senator Muskie from Maine, is being nominated by the President to be the new Secretary of State. I speak as one who has served here now 3½ years and has had the privilege to be a member of the Senate Budget Committee and to have worked directly with our chairman, Senator Muskie.

As is well known by all of my colleagues, he is a tremendous human being, first, above all other things. His talent and skill in guiding that committee and the approach he brings to all issues—foreign policy and domestic policy—is really second to none in terms of all the Members of the Senate.

I think his appointment is clearly a gain for the Carter administration. I think he brings the kind of seasoned and wise counsel that our country needs at this point and can well use.

I know that I will feel a greater sense of confidence about decisions in the foreign policy area that may be upcoming knowing that Ed Muskie will be in the center of that decision process.

I also think that it is important to note, with respect to Ed Muskie, that one of his most distinguishing characteristics is his independence of mind. Clearly, he is his own man. And I think because of that he is probably the most valuable kind of adviser the President could hope to have.

It is obvious to those of us who know and have worked with Ed Muskie that he will offer judgments exactly as he sees them. He is a person who clearly calls things exactly as they are. And that quality which is so much admired here in the Senate will be something that will, I think prove to be an even greater service to the President and to our Nation. So the gain for the administration is at the same time a loss for this institution.

When I think of this Senate without Ed Muskie as a Member, it is very difficult to contemplate, because I think he is as esteemed and exceptional a human being and public servant as has been my privilege to meet and to know.

The PRESIDING OFFICER. What is the will of the Senate?

Mr. SCHMITT. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. STEVENSON. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Schmitt). Without objection, it is so ordered.

Mr. STEVENSON. Mr. President, I was delighted to hear the news of the President's intention to nominate our friend and colleague, Senator Muskie, for Secretary of State. Senator Muskie is well qualified to be the Nation's Secretary of State at this difficult time in its history. He will be a worthy successor to Cyrus Vance. His very presence in the office will reassure the world about the steadiness of our course, the restraint with which the United States exercises its power in the world, and the humanity of our national purpose. I commend the President for his decision and urge him to give the new Secretary of State the authority with which to conduct American policy with a single voice.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. Stevenson). Without objection it is so ordered.

Mr. MOYNIHAN addressed the Chair.

The PRESIDING OFFICER. The Senator from New York.

Mr. MOYNIHAN. Mr. President, it was just a quarter of a century ago that, as a young aide to the Governor of New York, it fell to me to provide the newly elected Governor of Maine and his wife Jane what was then the highest gift available to a Governor of that State, to a distinguished official visiting, which was two tickets to "My Fair Lady."

Mr. President, I only wish that a quarter of a century later there was some comparable accolade, some substance of reference, of awe and respect that I could, in some way, be part of presenting to our colleague and friend and leader, Edmund Muskie of Maine.

That was the year he was elected Governor of Maine, marking a change in the political climate of the Nation, no less than the Northeast.

For a quarter of a century he has been

a leader of his party and of his region and of the issues which have commanded his extraordinary competence and energy, his unfailing attention to detail, and his massive granite-like integrity.

The Senate loses a great Member. But, at a time when persons have asked what has happened to leadership of this country and wondered whether crisis can, in fact, bring it forth, how quickly we are reminded that there are such people in this land, and not just this land but the Nation is better for it.

I join my colleagues in this tribute and ask only plaintively: How is the first concurrent budget resolution to be passed in his absence?

Mr. RANDOLPH addressed the Chair.

The PRESIDING OFFICER. The Senator from West Virginia.

(Mr. MOYNIHAN assumed the chair.)

Mr. RANDOLPH. Mr. President, perhaps the comment I shall make should incorporate the statement that has been released from our office in reference to the formal announcement to be made by the President of the United States at 5 o'clock of his nomination of Edmund Muskie to be Secretary of State.

> President Carter's selection of Edmund Muskie for Secretary of State will receive deserved approval by his Senate colleagues. He is the ranking majority member of the Environment and Public Works Committee. His constructive leadership is recognized not only at home but abroad. I firmly believe that the choice made by the President for this highly sensitive position, especially at this time, is commendable. Ed Muskie has my complete confidence.

Ed Muskie has other important committee assignments in this body. The Budget Committee is an assignment for which he has assiduously done the spadework which perhaps no other Senator, regardless of political background, could have done as well.

I noted that the able Senator from New York (Mr. Moynihan) referred to "My Fair Lady."

I make reference to Ed Muskie as having been elected first to the U.S. Senate in September of 1958. Maine gets the jump on other States with the election of its Senator in September rather than in November.

I was the Democratic nominee, in 1958, for the short term for the U.S. Senate and the esteemed majority leader, Senator Robert C. Byrd, was the candidate for a full term. We were elected on the same date, but I was sworn in by the Secretary of the Senate in November.

I asked Ed Muskie, former Maine governor and the new Senator, if he could come into West Virginia and campaign for me. I wanted to win that contest; factually, Ed helped me to win it.

I express my thanks to him again, as I have over and over, for his having come in 1958 into the hill country of West Virginia.

It is important for me, in connection with the discussion of his coming to West Virginia in 1958, to emphasize that Senator Muskie came again in 1978 to help me. Ed Muskie was back on the campaign trail in our country of mountains and valleys and among people that are rather decisive in their decisions.

I am, of course, very grateful of that later service to my return to the Senate.

Mr. President, what I stress, however, is from the standpoint of our committee. My responsibility is chairing the Environment and Public Works Committee of eight Democrats and six Republicans. We do not have in that committee a surfacing of politics. This is a known fact. Partisan considerations are not involved. There are the differences which occur. Sometimes they are very deep differences.

Members of the committee have differed with Ed Muskie as he has chaired our Environmental Pollution Subcommittee. But there are times when our differences have later been our strengths.

Why do I say that? Because Ed Muskie never closed the books. He was ready to continue to talk the subject through. For those of differing points of view with his, often it was not a matter of losing a point to them or accommodating himself. He was very anxious to see if some consensus could not be brought into being that would be fruitful for the committee and ultimately in the passage of legislation in the Senate.

Howard Baker, the helpful minority leader, has just spoken, and the Senator is a member of our committee, and what I am saying would be echoed by him and other members of the committee who serve with Ed Muskie.

Ed Muskie will succeed Cyrus Vance, a native West Virginian, in this challenging post. I have known Cy Vance, his mother and father, and family over many years. We come from the same county of Harrison. The hallmark of Cy's service has been his earnest efforts to achieve peace. His convictions on how best to do this have been strong. His public service has been of a high order.

Ed Muskie must now carry on.

It has been a privilege for Mary, my wife, to know Jane and Ed very, very well. We recall the recurring visits he has made to West Virginia, addressing our Democratic conventions, especially of the young people. This service has been of tremendous value. He came not only with winning or helping us to win an election, per se, but he came always as an advocate, to discuss the important issues of that particular time—and as a Vice Presidential candidate.

Certainly in the ensuing days, we will not only be faced with but we will be asked to solve, at least in part, very critical and crucial problems in this country. The commitments we make to our colleague as individual Senators will not be made because, "Well, I respect or I like Ed." That is not enough. Ed would want us to work with him as he worked with us in the Senate, and now with the President of the United States. He will be the strong man but always the man of understanding. This must accompany, as I see it, any truly strong man who, in his own right and joined by others, has the qualities of national leadership.

Ed Muskie is a manly man.

The PRESIDING OFFICER (Mr. Melcher). The Senator from Ohio.

Mr. METZENBAUM. Mr. President, I rise to add my comments to those heretofore made in connection with the appointment of Senator Muskie to be Secretary of State for the administration.

I want to say that it is a superb appointment. It is an appointment that unquestionably will be looked upon with approval not only by all Americans but by those in the international community with whom Senator Muskie will be dealing. Senator Muskie's experience and background qualify him for this position.

As I rise to commend the administration, Mr. President, for making this appointment, I must also point out that the administration's gain is the Senate's loss, and not alone the Senate but the country as a whole.

I believe very strongly, Mr. President, that it will be very difficult to find someone with the character, the quality, the concern, the one-mindedness with respect to balancing the budget which Ed Muskie possessed.

Ed Muskie conducted the Budget Committee, a committee on which I have only served for a short time, in a manner that was fair to all, a very open manner. He never tried to railroad his position through. When he lost, he was always a gentleman about it. And when he lost with respect to a position that he advocated in the committee, he was always prepared to come to the floor of the Senate, and regularly did come to the floor of the Senate, to defend the position of the committee, not the position of Senator Ed Muskie.

He was indeed a rare chairman. He was a man who had a kind of objectivity. He was a man who could be as strong and as powerful and fight as vigorously for his point of view as any other Member of this body. But he always did so with grace, with consideration for the views of others.

He also had another side to him besides that side which provided a sense of vigor and determination for his point of view. That was the side of being willing to listen to the other person's point of view.

I found it to be a privilege to have the opportunity of serving with him on the Budget Committee. His chairmanship will be difficult to replace. His shoes will be large ones to fill.

Although I commend the President for that which I originally described as a superb appointment, I cannot stress loudly enough and strongly enough what a great loss it is to this body, what a great loss it is to those of us who have a concern about balancing the budget, what a great loss it is to be entire Nation. But in one sense, the Nation loses while in another sense it gains. I wish Senator Muskie great and good health and success in his new undertaking. I am confident he will aquit himself well.

The PRESIDING OFFICER. The Senator from Arizona.

Mr. GOLDWATER. Mr. President, I wish to express myself concerning two gentlemen: One, Cyrus Vance, who retired from the office of Secretary of State on yesterday. Although Mr. Vance and

I disagreed occasionally, I do not think I have ever know a more gentle and kinder man. In fact, if he had any weakness at all, he was too much of a gentleman. But I believe that to be an attribute.

We are going to miss him. I wish him well in whatever endeavors he undertakes.

Mr. President, the President has announced that he has appointed Senator Ed Muskie to fill the vacancy created by the retirement of Mr. Vance. I join my other colleagues who have stood on the floor and told of their high regard for the Senator. I have known him for a good many years. I believe his experience on the Foreign Policy Committee, his experience as having run for the President of the United States—but more than those things, Mr. President, his complete honesty, his tremendous strength—will bear him well in a position that has become a rather difficult position.

I hope my remarks are taken in the proper way. For some years now, our Presidents have had serving in the White House with them advisers on foreign policy.

Mr. President, I cannot say that I disapprove of the idea of a President being able to have an adviser on any subject, but I have grave question, Mr. President, when we have Secretaries of our Cabinet, who are supposed to provide the President with precisely that kind of help and information, being outranked, so to speak, by somebody on the National Security Council. I have lived through the days of watching one adviser to a President overcome the ability of a Secretary of State.

I am not suggesting for one moment that we have just witnessed a repetition of that happening, but I do think it is time, Mr. President, that this body decide whether or not a person appointed—not voted on by this body or by the public, but a person appointed by a President to serve as his foreign policy adviser—supersedes the decisions of the Secretary of State. If that is going to be the case, then we had better do away with one or the other.

I hope, with all the hope I have in me, that Senator Muskie is not going to suffer what his predecessors have suffered—namely, being overriden, downgraded, worked around by a man who was appointed by a President without any consultation with the Senate. In the case of Senator Muskie, he is going to have to receive the advice and consent of the Senate before he can become the Secretary of State.

Let me conclude, Mr. President, by saying again that I have tremendous confidence in the willpower, the mental strength, and the physical strength of this man to stand up to any challenges that come his way. Should the challenges be of a nature that might be embarrassing to him, I think the embarrassment might return twofold to the source. As I have told Senator Muskie, I wish him only the best and I have offered my services to him in any way that I can serve him.

In fact, in a jocular way, Mr. President, I reminded him of the presence of this other gentleman in the White House who might give him some trouble. He said, "Senator, I remind you that I am a Pole, also."

I said, "Senator Muskie, I am part Polish myself, so that makes it two to one, and I think the two of us can hack the job."

I thank the Chair.

Mr. TSONGAS. Mr. President, I want to add my voice to those who stood up and commended the President on his choice of Secretary of State. I think it reflects well on all parties.

I was very concerned when Secretary Vance left. I was concerned that a voice for moderation, a voice for a larger perspective, would be lost when Cyrus Vance stepped down, since I consider him one of the most decent, knowledgeable people who has served in this city and in this country. I was concerned that his replacement would be someone who was easily led, someone who would be reticent about providing a perspective that would, perhaps, be different. In the choice of Ed Muskie, the President has shown that he is willing to have a debate in the Cabinet, willing to have someone of outside stature take over that position. I think it says a great deal about the President's capacity to if you will, open up the doors of debate. I commend him for it.

I also wish to say that it is an excellent choice as to the individual. I am a new Member here, relatively speaking, and one of the people that I respect the most and whom I look to for leadership is Senator Muskie. I regret that he will not be here to see that through. Obviously, in this case, what is good for the Senate may not be good for the country and, obviously, the country is the larger perspective.

Mr. President, I commend Senator Goldwater on his comments vis-a-vis the future and the whole question of who really runs foreign policy in this country, whether it is the Secretary of State or the National Security Adviser. I want to associate myself with the remarks made by the distinguished senior Senator from Arizona. That is something that I think we should all follow very carefully. If there is anyone in this body who knows how to fend for himself and speak his mind, it is Ed Muskie. I think we, the President, and the country are better off for the President's decision. I wish them well.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The Clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. RIBICOFF. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, is is to ordered.

Mr. RIBICOFF. Mr. President, President Carter has made an excellent choice to be Secretary of State. The Nation has been downcast with the international news of late. Now comes an event which gives us an upbeat just when we need it. Senator Ed Muskie will be an outstanding Secretary of State.

I have known and respected Ed Muskie for many years. We were both elected Governors of our States in 1954. When I came to the Senate in 1963, my friend Ed Muskie, had already been here for a few years, starting to build a reputation that has made him a leader in our midst and a statesman.

Ed Muskie is a man of both breadth and depth. He understands the United States, both as it is and as it could be at home and abroad. He has been a fighter for a better nation, and every Senator knows that when you have Ed Muskie on your side you stand tall. The United States has a tenacious, intelligent, and respected man with the legislative perspective and executive skill and experience in foreign affairs.

We are reinforced by a strong leader who will represent our national interest all over the globe. Mr. President, what wonderful news for this Nation. I will miss him dearly in this Senate. But I can think of no better American to bring together our foreign policy and serve us in troubled times than Ed Muskie of Maine.

Mr. CRANSTON. Mr. President, I rise to applaud the nomination of Senator Ed Muskie to be Secretary of State. It is a very fine nomination of a great Senator who also has background in an executive capacity, having served as Governor of the great State of Maine. Senator Muskie is also a man with a deep interest in foreign policy, having served on the Senate Foreign Relations Committee. I am sure that Ed Muskie will be as dedicated to the constructive and sound management of foreign policy as anyone who has ever held the post of Secretary of State.

Ed Muskie will afford a tremendous opportunity to each and every one of us for the best possible relations between the State Department and the U.S. Congress—a strong working relationship that will serve our country well at this time of danger and challenge in foreign policy.

Senator Muskie is a man of great personal strength. He will be a Secretary who will support, as he has always supported, a strong America. He is also a man of peace.

I am heartened by the fact that we will have as a successor to a man I have deemed a fine Secretary of State, Secretary Cyrus Vance, a man who will do his utmost to insure we have the best possible relations with all nations. As Secretary of State, Ed Muskie will seek, I am sure, to restore a more stable, working relationship with the Soviet Union, so important in this time of great tension in the world.

Senator Muskie was a member of the informal working group on SALT that I have led here in the Senate.

I am confident that as Secretary of State Ed Muskie will share his predecessor's belief in the vast importance of achieving more effective arms control in a world where a nuclear confrontation would be so utterly catastrophic.

For many, many reasons beyond those I have mentioned, I wish to express my delight that a truly great Member of this body and a great American will be at the helm of our country's foreign policy.

Mr. STENNIS. Mr. President, I learned, maybe an hour ago, about the appointment of our colleague, the Senator from Maine, to this highly important and responsible position of Secretary of State.

I think he will be outstanding in this office, in a highly critical time. It will be hard, though, for him to make a finer contribution in the same length of time than he has made here in another critical situation, particularly since he has been chairman of our Budget Committee, the toughest, hardest job, in many ways, that falls to any of us year after year. But he has taken this very difficult situation and, with his colleagues on that committee, made a real start in a field that is never easy nor popular.

I feel sure that work in which he was such a power has kept us from being in a more difficult position than we are with reference to the financial situation. I certainly am not suggesting that I think that is desperate now, although it is a matter of great concern to me and, I suppose, every Member, coupled with the most far-reaching conditions we have had happen to us in this century, at least, and that is the transition we are going to have to undergo in reference to our energy and energy sources. That, tied to the fact that our financial structure was already under strains, has given us a new kind of very severe test.

I am more and more impressed with the fact that we sailed along all these years with low-priced energy which, in turn, gave us the low-priced food and other essentials that are foundation of any prosperous economy.

With that being true, we attained the highest living standard of any large and populous nation in all history. We must not think it comes that easy any more.

So in these crucial years, Senator MUSKIE's efforts have been very outstanding, very timely. Perhaps due to his personality, and everything else, blended with his experience, he has done the best job any of us could have done, under these circumstances.

I know, too, that as Secretary of State, there is a world of confidence in this body in the man, MUSKIE, and that itself is a long, long way toward the strength to make continued attainments by him, with his fine dedication and his splendid mind.

I commend the President for this selection, but I greatly regret to see Senator MUSKIE lost from the Senate. I look forward to someone else developing the position, and I know that will happen. As a fellow Senator and as a personal friend, I admire Senator MUSKIE for his qualities of character. I will try to say to him in an even better way the attachments I have and my appreciation for what he has done.

I am proud that I can point to him for the benefit of every young lady and young man in the Nation who might be thinking of a public career. I can point to ED MUSKIE as one whom they can safely emulate and safely pattern themselves after, and they can take the substance of his wise counsel most seriously.

Mr. LEAHY. Mr. President, we New Englanders are known sometimes as being both taciturn and reticent to speak about each other. In fact, offtimes we will have the conversation limited to discussions of whether we each and severally survive the winters for which New England is infamous.

I think any type of New England reticence falls immediately, however, with news of the impending appointment of our distinguished colleague and friend from the State of Maine, EDMUND MUSKIE, as Secretary of State.

In Vermont, for many years, we have thought of Senator MUSKIE as sort of a third Senator from the State of Vermont.

I recall, as a young college student, first becoming involved in politics, when then Governor MUSKIE and his lovely and charming wife, Jane, would come to the State of Vermont and help out our fledgling Democratic Party of Vermont, which usually consisted of a half-dozen or so people who would meet the MUSKIES at the airport. It would be the same half-dozen or so who would show up at other places, because that was all the party we had.

He and Mrs. Muskie had a way of generating large crowds of Democrats and Republicans in Vermont during the time he was Governor because of his very real understanding and compassion and true sense of feeling for the people of our State and the people of his State.

When then Governor MUSKIE was elected to the U.S. Senate, I recall the excitement in the State of Vermont and the pleasure we felt because he had been elevated to this body.

Upon being elected, as the first member of my party, to the U.S. Senate from the State of Vermont, I recall the sense of pride I had, knowing that I would be serving in the same body with ED MUSKIE, a man I had grown to know and love and respect throughout all those years before.

My respect for Senator MUSKIE has grown immeasurably every year I have been in the Senate. A year and a half ago, my wife and I were privileged to travel in China with Senator and Mrs. MUSKIE, in a delegation he led. I recall, in one rather ticklish situation after another, how well he represented the United States of America.

This was before normalization of relations with China. He was in truth our Ambassador during that trip. He was in truth our Secretary of State during that trip.

It was a bipartisan delegation led by him, and we constantly heard from Members of Congress, on both sides of the aisle, how proud and how pleased they were that Senator MUSKIE was leading their delegation, because they felt that none among us could so well speak for this country that we love and admire.

I recall another time going with Senator MUSKIE on a trip that resulted in one of my proudest moments as a Member of the Senate, and that was to attend the installation of Pope John Paul II. It was a delegation led by Senator MUSKIE, Zbigniew Brzezinski, and Speaker O'NEILL.

I must admit to just one caveat at this point. I think that most people would realize that the Speaker of the House of Representatives, Mr. O'NEILL, and I, by our names, have a certain Irish ancestry. We were going over for the installation of a Polish Pope. That was the only time I have seen Senator MUSKIE take advantage of people. He and Mr. Brzezinski, with their Polish backgrounds, ganged up on the defenseless Speaker of the House and me on the whole trip over and on the trip back.

There was no question, when the Pope came down, that he knew who was Polish in that delegation and who was not, and who was to be treated with the utmost respect, and who were the bag carriers.

But I will forgive Senator MUSKIE that one transgression. Had it been an Irish Pope, I would have done the same to Senator MUSKIE.

In all seriousness, Mr. President, as the distinguished chairman of the Armed Services Committee said a few minutes ago, we are in a difficult time. I think the United States faces one of the most difficult periods ahead that I have known in my adult life. It is a time when we are losing the steady, calming hands of Cyrus Vance, a man to whom this country owes much, a man I admire greatly.

If there ever was a time that the President of the United States should show the utmost care in who he picks to be the Secretary of State, if there ever was a time when the President needed a person who could bring together bipartisan support and a consensus for the direction of the United States, if there ever was a time that the President of the United States needed somebody who would have the respect of our allies and the respect of the President, the respect of Congress, the respect of the administration, and the respect of the American people, that time is now.

There is no better choice the President could have made than that of EDMUND MUSKIE of Maine. As one who has had a chance to know Senator MUSKIE for a number of years, as one who would hope sometime to have even a fraction of Senator MUSKIE's depth and breadth of knowledge and experience in Government, as a fellow New Englander, as a neighbor, as a friend, as another Senator, I applaud the action of our President in appointing Senator MUSKIE.

I think I echo what is felt by every Member of the Senate, Republican and Democrat, when I say how great we feel our loss will be in the U.S. Senate but how comfortable we can feel because of the gain for the United States of America.

Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER (Mr. McGOVERN). Without objection, it is so ordered.

Mr. DOLE. Mr. President, ED MUSKIE has rendered distinguished service to the people of Maine, to his party and the Nation. It is hardly surprising to me that he should continue that service as

Secretary of State in a time of national peril and uncertainty. In the past, we have had our disagreements. But as I have said many times over the last few days, these are not times that allow for partisan criticism or headline hunting.

I prefer to forget past differences for present unity. And at a time when a weakened President deserves the understanding of all the American people, it is reassuring to see a man of such stature and judgment as Ed Muskie named to the most important position in the Cabinet.

The confirmation hearings to come may well afford an opportunity for a number of significant questions to be directed, not only at Senator Muskie, but at the President whose foreign policy has justifiably raised concern among many of us. I expect to ask a few myself. But I want to reassert that I have the highest respect and regard for the man whom President Carter has designated to be Secretary of State. I wish Ed Muskie the very best in grappling with this important and demanding assignment. In confronting the grave challenges that face America—in this, every one of us is unified. That much Senator Muskie should know.

Mr. LEVIN. Mr. President, the announcement of President Carter's intention to nominate Senator Edmund Muskie to serve as Secretary of State has already elicited a good deal of comment. Like my colleagues, I greet this announcement with mixed emotions. I will miss the guidance and knowledge and leadership of the distinguished Senator from Maine as we embark on this year's attempt to make the budget process work. But given the forces operating this year, I can well understand why Senator Muskie might prefer to deal with the problems of the Middle East and the Persian Gulf rather than with the problems of a balanced budget and unbalanced needs.

Yet he has dealt with these problems in the past. The budget process as both a principle and a reality will stand as testament to Senator Muskie's power and ability in the U.S. Senate. I pray that he will be able now to build another testament in another forum—a testament of peace and harmony in the forum of international affairs.

Mr. President, I believe that Senator Muskie brings to the Department of State the skills that it so badly needs in these troubled times: An understanding of the impact of process on policy, an ability to persevere in long and difficult negotiations, a willingness to compromise, and a recognition that on fundamental principles no compromise is possible. Senator Muskie brings to the Department the skill of an accomplished politician—and those skills which are badly needed in these times.

This is, as I said, a situation which creates mixed emotions. I regret the resignation of Cyrus Vance and I welcome the nomination of Edmund Muskie. I welcome it because I hope that it will bring with it a closer cooperation between the Congress and the executive branch in developing the policies which affect us all. I shall miss Senator Muskie's role in the budget process, but I welcome the role he will play in restoring stability and strength to American foreign policy.

Mr. PELL. Mr. President, I am delighted that my colleague and fellow New Englander, Senator Ed Muskie, has been chosen by the President to succeed Cyrus Vance as Secretary of State. Senator Muskie has the wisdom, experience, and national outlook necessary to be the senior officer in the Cabinet. The fact that Senator Muskie is so highly regarded by his Senate colleagues and has been a successful legislator will make him a valued asset to the President.

Senator Muskie and I have worked together for many years as members of the Foreign Relations Committee, and he was one of my predecessors as chairman of the Arms Control Subcommittee. I have always had the greatest respect for Senator Muskie's ability, integrity, and devotion to furthering our country's interests around the world. From a purely personal point of view, I am pleased that Senator Muskie, with whom I have shared a deep interest in environmental protection, will be our next Secretary of State, because I am convinced that the protection and enhancement of the world's environment will be one of the foremost international issues of the future, and has the experience and commitment to exercise great leadership in that area.

I believe, too, he will have a steady and peaceful hand on the helm of our ship of State.

I was one of many Members of this body who deeply regretted Cyrus Vance's decision to leave the administration. I fully understand and appreciate the position of principle that impelled Secretary Vance to resign. And, I can think of no finer successor than Senator Ed Muskie. All of us will miss him in this Chamber, but my best wishes go with him as he takes up his new and awesome responsibilities.

Mr. CANNON. Mr. President, Ed Muskie and I came to the Senate together in 1958 and since that time have formed a close personal and working relationship. He is one of the Members of this distinguished body whom I most admire and respect, both for his intellect and capabilities as well as for his integrity.

Indeed, Mr. President, my feeling of joy for the Nation which will receive the benefit of his service as Secretary of State is mingled with sorrow for what the Senate will lose with his departure.

Ed has left a permanent mark on our Nation through his pioneering efforts in the area of air pollution control. Yet, he has never turned a cold shoulder to me—and other colleagues undoubtedly feel the same way—when I have come to him with problems in my State concerning this legislation. The little town of Ely, Nev., although it has been beset by additional problems with the Environmental Protection Agency since then, will not forget Senator Muskie's help in passage of an amendment to the air pollution statutes in 1978 which gave its copper smelter new life.

Ed has handled the extremely difficult duties as chairman of the Senate Budget Committee with equal fairness. None of us, I daresay, has escaped the wrath of the chairman over some vital spending measure which threatens damage to the budget ceiling. But whenever such an occasion has arisen, Ed has proved reasonable, willing to listen, and open to compromise. There is no one I can think of who could have brought the new budget process to maturity with the expertise and understanding he has displayed.

These are not easy times for the United States in the foreign arena which Ed is now joining, but I am confident of his ability to represent our country's interests forthrightly and diligently. He is an able advocate and a tough adversary and we desperately need those qualities in foreign affairs today.

I congratulate the President on his excellent choice and wish Ed and his lovely wife, Jane, well in this new endeavor. He will have my prayers and I know those of my colleagues as well.

Mr. STONE. Mr. President, Senator Muskie is an excellent choice for Secretary of State. Certainly, his appointment will enhance the relationship between the Congress and the office of Secretary of State, and especially the relationship between the Senate Foreign Relations Committee and the Secretary.

It is too early to tell what impact Senator Muskie's appointment will have on U.S. foreign policy, but he is a knowledgeable, well-experienced public servant in both domestic policy and foreign affairs. I will support his nomination fully and congratulate the President for making such a superb appointment.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the various statements with reference to Mr. Muskie's nomination to be Secretary of State appear in the Record at an appropriate place without interruption by other matters.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. STEVENS. Mr. President, I have not spoken about the President's designation of our good friend, Senator Muskie, to be the Secretary of State.

I do wish to commend the President on his selection and to commend Senator Muskie for his devotion to our country in taking such an assignment at a time of real crisis.

We all know, have worked with, and learned to respect, Ed Muskie. I think he has the strength of purpose and the determination to do a good job no matter where he is. I really think the country will be well served by Ed Muskie as Secretary of State.

I thank my friend.

AUTHORITY FOR TESTIMONY BY SENATOR PROXMIRE AND REPRESENTATION BY SENATE COUNSEL IN FITZGERALD V. BUTTERFIELD, TERFIELD, ET AL.

Mr. ROBERT C. BYRD. Mr. President, I send a resolution to the desk and ask for its immediate consideration.

The PRESIDING OFFICER. The resolution will be stated by title.

The assistant legislative clerk read as follows:

A resolution (S. Res. 413) authorizing testimony by the Honorable William Proxmire, and representation by the Senate Legal Counsel in the case of *Fitzgerald* v. *Butterfield*, et al.

The PRESIDING OFFICER. Is there objection to the present consideration of the resolution?

There being no objection, the Senate proceeded to consider the resolution.

Mr. ROBERT C. BYRD. Mr. President, this resolution would, under Senate Rule XI, authorize Senator William Proxmire to testify and produce certain documents in the case of *Fitzgerald* v. *Butterfield*, civil action 74–178, pending in the U.S. District Court for the District of Columbia. The resolution also directs the Office of Senate Legal Counsel to represent Senator Proxmire in connection with his testimony in this case.

Senator Proxmire's testimony has been requested by both plaintiff Ernest Fitzgerald and by one of the defendants, Richard M. Nixon. The Senate has previously authorized, by Senate Resolutions 237 and 356, three Senate staff employees to give testimony and produce documents in this case. Their testimony was also sought by both plaintiff Fitzgerald and defendant Nixon and the Senate directed the Office of Senate Legal Counsel to represent those employees.

Senate Legal Counsel will represent Senator Proxmire during his testimony to protect the privileges of the Senate if the need arises.

I ask unanimous consent that this resolution be adopted.

The PRESIDING OFFICER. Without objection, the resolution is agreed to.

The preamble was agreed to.

The resolution, with its preamble, is as follows:

S. Res. 413

Whereas, in the case of A. Ernest Fitzgerald v. Alexander P. Butterfield, et al., (C.A. No. 74–178), pending in the United States District Court for the District of Columbia, counsel for plaintiff Fitzgerald and counsel for defendant Richard M. Nixon have requested the testimony and production of certain documents by Hon. William Proxmire, a Member of the Senate.

Whereas, Title VII of the Ethics in Government Act of 1978, Public Law 95–521 ("the Act"), establishes the Office of Senate Legal Counsel and provides that the Senate may direct its Counsel to represent the Senate, its committees, Members, officers, or employees.

Whereas, by the privileges of the Senate of the United States and Rule XI of the Standing Rules of the Senate, no evidence under the control or in the possession of the Senate can, by the judicial process, be taken from such control or possession but by permission of the Senate;

Whereas, when it appears that testimony of a Member of the Senate is needful for use in any court for the promotion of justice and, further, that such testimony may involve documents, papers and records under the control of or in the possession of the Senate and communications, conversations, and matters related thereto, the Senate will take such action thereon as will promote the ends of justice consistently with the privileges and rights of the Senate: Now, therefore, be it

Resolved, That pursuant to section 704(a) (2) of the Act the Senate Legal Counsel is directed to represent Hon. William Proxmire in connection with his testimony in the case of *A. Ernest Fitzgerald* v. *Alexander P. Butterfield*, et al. (C.A. No. 74–178).

Sec. 2. That Hon. William Proximire is authorized to testify at deposition and at trial in the case of *A. Ernest Fitzgerald* v. *Alexander P. Butterfield*, et al. (C.A. No. 74–178). and to produce documents requested of him, except concerning matters for which he and the Senate Legal Counsel or his representative, determines are privileged from disclosure.

THE CALENDAR

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate proceed to the consideration of Calendar Orders Nos. 603 and 712.

The PRESIDING OFFICER. Without objection, it is so ordered.

OFFICIAL EXPENSES PAYABLE OR REIMBURSABLE FROM A SENATOR'S OFFICIAL OFFICE EXPENSE ACCOUNT

The Senate proceeded to consider the resolution (S. Res. 294) relating to official expenses payable or reimbursable from a Senator's office expense account, which had been reported from the Committee on Rules and Administration with an amendment on page 2, line 17, after "type" insert a comma and "except gifts of flags which have been flown over the United States Capitol and copies of the book 'We, the People,' " so as to make the resolution read:

Resolved, That this resolution applies to payments and reimbursements from the contingent fund of the Senate under paragraphs (5) and (9) of section 506(a) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(a)). For purposes of such paragraphs and this resolution, the terms "official office expenses" and "other official expenses" mean ordinary and necessary business expenses incurred by a Senator and his staff in the discharge of their official duties.

Sec. 2. The following expenses are not considered official office expenses or other official expenses and payment thereof or reimbursement therefor may not be made:

(1) commuting expenses, including parking fees incurred in commuting;

(2) expenses incurred for the purchase of holiday greeting cards, flowers, trophies, awards, and certificates;

(3) donations or gifts of any type, except gifts of flags which have been flown over the United States Capitol and copies of the book "We, the People";

(4) dues or assessments;

(5) expenses incurred for the purchase of radio or television time, or for space in newspaper or other print media (except classified advertising for personnel to be employed in a Senator's office);

(6) expenses incurred by an individual who is not an employee (except as specifically authorized by subsections (e) and (h) of such section 506);

(7) travel expenses incurred by an employee which are not reimbursable under subsection (e) of such section 506;

(8) relocation expenses incurred by an employee in connection with the commencement or termination of employment or a change of duty station; and

(9) compensation paid to an individual for personal services performed in a normal employer-employee relationship.

Sec. 3. Payment of or reimbursement for the following expenses is specifically prohibited by law and may not be made whether or not such expenses constitute official office expenses or other official expenses:

(1) expenses incurred for entertainment or meals (2 U.S.C. 58(a));

(2) payment of additional salary or compensation to an employee (2 U.S.C. 68); and

(3) expenses incurred for maintenance or care of private vehicles (Legislative Branch Appropriation Acts).

Sec. 4. This resolution shall apply with respect to expenses incurred on or after the date on which this resolution is agreed to.

Mr. STEVENS. Mr. President, I have an amendment.

The PRESIDING OFFICER. The Senate will have to act on the committee amendment first before it can consider the amendment of the Senator from Alaska.

Mr. STEVENS. Mr. President, inasmuch as my amendment touches the committee amendment, I ask unanimous consent that the committee amendment be considered as original text for the purpose of amendment.

The PRESIDING OFFICER. Without objection, it is so ordered.

The question is on agreeing to the committee amendment.

The committee amendment was agreed to.

Mr. STEVENS. Mr. President, I send an amendment to the desk and ask for its immediate consideration.

UP AMENDMENT NO. 1052

(Purpose: To clarify the intention of the resolution to limit allowable expenses)

The PRESIDING OFFICER. The amendment will be stated.

The assistant legislative clerk proceeded to read the amendment.

Mr. STEVENS. Mr. President, I ask unanimous consent that the reading of the amendment be dispensed with.

The PRESIDING OFFICER. Without objection, it is so ordered.

The amendment is as follows:

On page 2, line 1, insert "except for section 3" after "That".

On page 2, line 1, insert "only" immediately after "applies".

On page 2, line 5, strike out "and this resolution".

On page 2, beginning with "The" on line 9, strike out all through line 11, and insert in lieu thereof the following: "Reimbursements and payments from the contingent fund of the Senate under paragraphs (5) and (9) of section 506(a) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(a)) shall not be made for:".

On page 3, beginning with the word "may" on line 14, strike out all through line 16 and insert in lieu thereof the following: "reimbursements and payments from the contingent fund of the Senate shall not be made therefor:".

Mr. STEVENS. Mr. President, the amendment that I have worked on for some time which has been presented now to the Senate will make certain that the resolution restricts the two categories of expenses, the 10 percent, the official expense allowance, and the instate office expense allowance and will not affect other allowances available to other individual Senators or to members of the leadership.

Mr. ROBERT C. BYRD. Mr. President, it is my understanding that the amendment proposed by the distinguished Senator from Alaska has been approved by the Rules Committee and has been discussed with the chairman.

Mr. STEVENS. Mr. President, that is my understanding, and I am grateful to the majority and minority of the Rules Committee for their patience in allowing us to work on this to make certain there was no unforeseen misinterpretation of the resolution as reported by the Rules Committee.

The PRESIDING OFFICER. The question is on agreeing to the amendment of the Senator from Alaska.

The amendment was agreed to.

The PRESIDING OFFICER. The question is on agreeing to the resolution as amended.

The resolution, as amended, was agreed to as follows:

S. RES. 294

Resolved, That, except for section 3, this resolution applies only to payments and reimbursements from the contingent fund of the Senate under paragraphs (5) and (9) of section 506(a) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(a)). For purposes of such paragraphs, the terms "official office expenses" and "other official expenses" mean ordinary and necessary business expenses incurred by a Senator and his staff in the discharge of their official duties.

SEC. 2. Reimbursements and payments from the contingent fund of the Senate under paragraphs (5) and (9) of section 506(a) of the Supplemental Appropriations Act, 1973 (2 U.S.C. 58(a)) shall not be made for:

(1) commuting expenses, including parking fees incurred in commuting;

(2) expenses incurred for the purchase of holiday greeting cards, flowers, trophies, awards, and certificates;

(3) donations or gifts of any type, except gifts of flags which have been flown over the United States Capitol and copies of the book "We, the People";

(4) dues or assessments;

(5) expenses incurred for the purchase of radio or television time, or for space in newspaper or other print media (except classified advertising for personnel to be employed in a Senator's office);

(6) expenses incurred by an individual who is not an employee (except as specifically authorized by subsections (e) and (h) of such section 506);

(7) travel expenses incurred by an employee which are not reimbursable under subsection (e) of such section 506;

(8) relocation expenses incurred by an employee in connection with the commencement or termination of employment or a change of duty station; and

(9) compensation paid to an individual for personal services performed in a normal employer-employee relationship.

SEC. 3. Payment of or reimbursement for the following expenses is specifically prohibited by law and reimbursements and payments from the contingent fund of the Senate shall not be made therefor:

(1) expenses incurred for entertainment or meals (2 U.S.C. 58(a));

(2) payment of additional salary or compensation to an employee (2 U.S.C. 68); and

(3) expenses incurred for maintenance or care of private vehicles (Legislative Branch Appropriation Acts).

SEC. 4. This resolution shall apply with respect to expenses incurred on or after the date on which this resolution is agreed to.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. Mr. President, I move to lay that motion on the table.

The motion to lay on the table was agreed to.

OLYMPIC GAMES FOR THE HANDICAPPED

The PRESIDING OFFICER. The clerk will report the next resolution.

The assistant legislative clerk read as follows:

A resolution (S. Res. 407) to express the sense of the Senate that it offer its congratulations to Americans who participated in the second Olympic winter games for the physically handicapped in Geilo, Norway.

The Senate proceeded to consider the resolution.

Mr. STEVENS. Mr. President, last week I introduced Senate Resolution 407, a resolution congratulating the 1980 handicapped Olympic team. This is a very worthwhile group of athletes who, despite their handicaps, were not only able to compete in a host of winter sports but were able to excel in them.

Doug Keil, a young Alaskan, earned two gold medals when these events were recently held in Geilo, Norway. I am very proud to count such a vigorous and able competitor among the citizens of my State.

I hope that I will be joined in strong support on this resolution by my colleagues.

I wish to thank the distinguished majority and minority leaders for their courtesy on this resolution and thank the chairman and ranking minority members of the Commerce Committee for its expeditious consideration of this resolution in committee.

Also at this time, Mr. President, I wish to add as cosponsors to Senate Resolution 407, the Senator from Missouri (Mr. EAGLETON), the Senator from Iowa (Mr. CULVER), the Senator from New Mexico (Mr. SCHMITT), and the Senator from Colorado (Mr. ARMSTRONG).

● Mr. DOLE. Mr. President, it is a pleasure for me to extend my support to Senate Resolution 407, introduced by Senator STEVENS, which extends our congratulations to a well-deserving group of handicapped individuals who participated in the second Olympic winter games for the physically handicapped, held in Geilo, Norway, from January 30 through February 7 of this year. I would especially like to congratulate the 27 Americans who traveled to Norway to represent the United States in the various athletic competitions. These Americans deserve our deepest thanks for their outstanding performance in bringing home six medals: Four gold, one silver, and one bronze.

ATHLETIC ACHIEVEMENTS OF THE DISABLED

I think this kind of athletic competition deserves more attention than it appears to have received at the time. Over 400 blind people, amputees, and paralyzed individuals from 18 countries around the world participated and contributed their various talents to this event. For those of us who find it relatively easy to perform simple, everyday functions and athletic activities, it can be difficult to comprehend all the physical obstacles that have to be overcome in athletic competition. The spirit and motivation required are qualities to be praised above all.

ATTENTION ON OLYMPICS

While worldwide attention was focused on the XIII winter Olympics at Lake Placid, N.Y., the whole world watched in awe the achievements of the international teams, who deserved the recognition they received. These handicapped Olympics richly deserve at least an equal amount of recognition for the kind of Olympics they were and the feats that were achieved by people who must have found them no easy task.

EMPHASIS ON POTENTIAL OF HANDICAPPED INDIVIDUALS

There are, unfortunately, all too few demonstrations of this nature, in which handicapped individuals are allowed to participate and show what they can do. All too often, the emphasis is on the limitations of these individuals, and it is about time that we recognized the potential of such a vast segment of the world's population. The handicapped have a lot to contribute to their world, and, fortunately, there is a growing awareness that we should make every effort to include these individuals in the mainstream of human life.

Their potential is becoming more utilized in the employment sphere, as well as in the education process itself. There is a movement in various communities to integrate handicapped individuals into a regular living pattern through living centers and other kinds of arrangements. We are coming closer to an era of equal opportunities for all our citizens, and, although there is still much work to be done toward thorough integration of disabled people, I look forward to the day when we can say that we have accomplished everything we set out to do in removing the psychological and physical barriers that exist for these talented individuals.

SPECIAL THANKS TO NORWAY

My special thanks to Norway for hosting the winter Olympics for the physically disabled. They have set a great example by their efforts to achieve recognition for the accomplishments of handicapped individuals. I look forward to hearing about more events of this kind, in particular next year, when the international year of disabled persons will take place. The United States might consider what kind of initiatives it might take in this area. The work of the international sports organization for the disabled is also to be commended for its contribution to these special olympics.

ACTUAL SPORTS EVENTS

Even contemplating the tremendous courage required for upper and lower extremity amputees and partially and totally blind people to participate in 5-, 10-, and 20-kilometer cross-country races provides great inspiration. Additionally, there were slalom and giant slalom alpine races for amputees, as well as a special sledge event for those in the lower extremity paralyzed class.

For those of us who are unfamiliar with this last sport, the sledge or "pulk" is a one-man toboggan device, propelled around an ice track with the aid of ice poles or "sticks." It is my understanding that a young man named Peter Axelson of Palo Alto, Calif., who represented the United States at these Olympics, designed an adapted version of the pulk, called an arroyo, which can be used for alpine skiing as well as sledge racing.

SENSE OF NATIONAL PRIDE

For those who won medals for the United States, as well as those who came home without medals, we have a special sense of pride in their accomplishments. Merely to participate in these olympic events deserves our deepest appreciation for the courage displayed and the inspiration given citizens of all nations. Theirs is a victory of spirit and determination.

FINAL CONGRATULATIONS

Again, I would like to congratulate the teams of all the nations represented on their outstanding performance in these winter sports events, and I would like to congratulate the United States team for finishing 6th in a field of 18 in overall medals won. As might be expected, the Norwegian team finished first due to its strong showing in the nordic events, and the Austrians excelled in the alpine races, placing third in overall medals won.

However, the United States had a "first" in one event: It fielded a demonstration team to illustrate the various handicaps that are sanctioned for racing in the national handicap races—the first demonstration of its kind in history. However, the International Sports Organization for the Disabled did not sanction this for the winter Olympic games for the disabled, but, as a result of this demonstration team, the ISOD broadened its classifications and announced that it will allow participants other than amputees in the "tri-track" class as long as there is "loss of use of one leg." It also agreed to consider opening new classes of races such as Alpine racing for the blind (presently, the blind can compete only in cross-country events), and "quad track" events for individuals with multiple lower extremity handicaps.

It is significant that the ISOD is expanding its approach to such winter sports participation, because it is an organization that represents the interests of handicapped individuals. We can take this one step further and hope that the world at large will decide to recognize the potential of disabled individuals as active members of our society, with many talents and skills to contribute in a world that is progressing toward equal opportunities for all our citizens.●

The resolution was agreed to.

The preamble was agreed to.

The resolution (S. Res. 407) together with its preamble reads as follows:

Whereas the second winter Olympics for the physically disabled was held January 30 through February 7 in Geilo, Norway; and

Whereas twenty-seven Americans traveled to Norway to represent the United States in competitions against more than four hundred blind, amputee, and paralyzed athletes from eighteen countries; and

Whereas those Americans did an outstanding job not only by competing but by winning six separate medals: four gold, one silver, and one bronze: Now, therefore, be it

Resolved, That it is the sense of the Senate that it extend its hearty congratulations to all of the members of the 1980 United States Handicapped Olympic Team for a job well done.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the resolution was agreed to.

Mr. STEVENS. I move to lay that motion on the table.

The motion to lay on the table was agreed to.

CENTRAL IDAHO WILDERNESS ACT OF 1980

Mr. ROBERT C. BYRD. Mr. President, I ask that the Chair lay before the Senate a message from the House of Representatives on S. 2009.

The PRESIDING OFFICER laid before the Senate the following message from the House of Representatives:

Resolved, That the bill from the Senate (S. 2009) entitled "An Act to designate certain public lands in central Idaho as the River of No Return Wilderness, to designate a segment of the Salmon River as a component of the National Wild and Scenic Rivers System, and for other purposes", do pass with the following amendment:

Strike out all after the enacting clause, and insert: That this Act may be cited as the "Central Idaho Wilderness Act of 1980".

SEC. 2. In furtherance of the purposes of the Wilderness Act of 1964 (78 Stat. 890; 16 U.S.C. 1131), certain lands in the Boise, Challis, Payette, Salmon, Bitterroot, and Nez Perce National Forests, Idaho, situated north and south of the Salmon River which comprise approximately two million two hundred thirty-four thousand acres, as generally depicted on a map entitled "River of No Return Wilderness, Proposed", dated February 1980, are hereby designated as wilderness and, therefore, as a component of the National Wilderness Preservation System, and shall be known as the River of No Return Wilderness. The previous classifications of the Idaho and Salmon River Breaks Primitive Areas are hereby abolished.

SEC. 3. In furtherance of the purposes of the Wilderness Act, certain lands in the Bitterroot National Forest, Idaho, which comprise approximately one hundred five thousand six hundred acres as generally depicted on a map entitled "Magruder Corridor Proposed Additions, Selway-Bitterroot Wilderness", dated November 1979 are hereby incorporated in, and shall be deemed to be a part of, the Selway-Bitterroot Wilderness as designated by Public Law 88-577, and, therefore a component of the National Wilderness Preservation System.

SEC. 4. (a) (1) Within three years after the date of enactment of this Act, the Secretary of Agriculture (hereinafter referred to as "the Secretary") shall develop and submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives a comprehensive wilderness management plan (hereinafter referred to as "the management plan") for the River of No Return Wilderness which shall consider a broad range of land uses and recreation opportunities.

(2) The management plan shall be prepared in coordination with the relevant national forest plans required by section 6 of the National Forest Management Act of 1976 (Public Law 94-588).

(3) The management plan shall include the cultural resources management plan required by section 7(a) (3) of this Act.

(4) In preparing the management plan, the Secretary shall provide for full public participation as required under section 6 of the National Forest Management Act.

(5) The management plan shall, among other things, address the need for, and alternative means of access to the wilderness; and shall include a report from the Secretary of Defense, after consultation with the Secretaries of the Interior, Agriculture, Commerce, Transportation, and State and the Federal Emergency Management Agency shall report to the Congress on the strategic significance of the materials and minerals found in the area.

(b) In administering the River of No Return Wilderness, the Secretary shall, to the maximum extent practicable, consistent with the management plan required by this section, clear obstructions from all of the national forest trails within or adjacent to the wilderness on at least an annual basis.

(c) Subject to valid existing rights, the River of No Return Wilderness designated by this Act shall be administered by the Secretary in accordance with the provisions of the Wilderness Act: *Provided*, That any reference in such provisions to the effective date of the Wilderness Act shall be deemed to be a reference to the effective date of this Act.

SEC. 5. As soon as practicable after enactment of this Act, a map and legal description of the River of No Return Wilderness and a map and legal description of the Selway-Bitterroot Wilderness additions shall be filed with the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives, and each such map and legal description shall have the same force and effect as if included in this Act: *Provided*, That correction of clerical and typographic errors in each such legal description and map may be made. Each such map and legal description shall be on file and available for public inspection in the Office of the Chief of the Forest Service, Department of Agriculture.

SEC. 6. (a) Within the River of No Return Wilderness and the Selway-Bitterroot Wilderness additions designated by this Act—

(1) the landing of aircraft, where this use has become established prior to the date of enactment of this Act shall be permitted to continue subject to such restrictions as the Secretary deems desirable: *Provided, however*, That the Secretary shall not permanently close or render unserviceable any aircraft landing strip in regular use on national forest lands on the date of enactment of this Act for reasons other than extreme danger to aircraft, and in any case not without the express written concurrence of the agency of the State of Idaho charged with evaluating the safety of back-country airstrips;

(2) as provided in subsection 4(d) (4) of the Wilderness Act, the grazing of livestock, where established prior to the date of enactment of this Act, shall be permitted to continue subject to such reasonable regulations, policies, and practices as the Secretary deems necessary, and as are consistent with the intent of Congress regarding grazing in such areas;

(3) commercial services may be performed to the extent necessary for activities which are proper for realizing the recreational or other wilderness purposes of the areas as provided in paragraph 4(d) (6) of the Wilderness Act; and

(4) the future construction and maintenance of small hydroelectric generators, domestic water facilities, and related facilities shall be permitted in the Threemile and Jer-

sey Creek drainages along the Main Salmon River upstream from Mackay Bar.

(b) As provided in paragraph 4(d)(7) of the Wilderness Act, nothing in this Act shall constitute an express or implied claim or denial on the part of the Federal Government as to exemption from State water laws.

(c) As provided in paragraph 4(d)(8) of the Wilderness Act, nothing in this Act shall be construed as affecting the jurisdiction or responsibilities of the State of Idaho with respect to wildlife and fish in the national forests in Idaho.

SEC. 7. (a)(1) In furtherance of the purposes of the Wilderness Act, the Wild and Scenic Rivers Act, section 6 of the National Forest Management Act, the Archaeological Resources Protection Act, and the Historic Preservation Act, the Secretary shall cooperate with the Secretary of the Interior and with agencies and institutions of the State of Idaho, in conducting a cultural resource management program within the River of No Return Wilderness and within the Salmon River components of the National Wild and Scenic Rivers System as designated in section 8 of this Act.

(2) Such program shall have as its purposes the protection of archaeological sites and interpretation of such sites for the public benefit and knowledge insofar as these activities are compatible with the preservation of the values for which the wilderness and wild and scenic river were designated to protect.

(3) To carry out the cultural resource management program required by paragraph (1) of this section the Secretary shall, as part of the comprehensive management plan required under section 4 of this Act, develop a cultural resources management plan for the wilderness and the river. Such plan shall—

(A) encourage scientific research into man's past use of the River of No Return Wilderness and the Salmon River corridor;

(B) provide an outline for the protection of significant cultural resources, including protection from vandalism and looting as well as destruction from natural deterioration;

(C) be based on adequate inventory data, supplemented by test excavation data where appropriate;

(D) include a public interpretation program; and

(E) comply with all Federal and State historic and cultural preservation statutes, regulations, guidelines, and standards.

(b)(1) Within two years from the date of enactment of this Act, the Secretary shall cooperate with the Secretary of the Interior and with agencies and institutions of the State of Idaho in conducting an inventory of the ranch, homestead, trapper and other cabins, and structures within the River of No Return Wilderness and within the Salmon River components of the National Wild and Scenic Rivers System designated by section 8 of this Act and submit to the Committee on Energy and Natural Resources of the United States Senate and the Committee on Interior and Insular Affairs of the United States House of Representatives a report on—

(A) the location of these structures;

(B) their historic significance, if any;

(C) their present condition;

(D) Recommendations as to which of these structures should be:

(i) stabilized;

(ii) restored;

(iii) maintained; or

(iv) removed;

(E) the estimated cost of such stabilization, restoration, maintenance, or removal; and

(F) the suitability of any of these structures for inclusion in the National Register of Historic Places.

(2) Until such time as the study under this subsection is completed and the required report submitted to the Committees, the Secretary shall not knowingly permit the destruction or significant alteration of any historic cabin or other structure on national forest land within the River of No Return Wilderness or the Salmon River components of the National Wild and Scenic Rivers System designated in section 8 of this Act.

SEC. 8. (a) The Wild and Scenic Rivers Act (82 Stat. 906, as amended; 16 U.S.C. 1271 et seq.), is further amended as follows: In section 3(a) after paragraph (23) insert the following new paragraph:

"(24)(A) SALMON, IDAHO.—Portions of the segment of the main river from the mouth of the North Fork of the Salmon River downstream to the boundary of the Snake River component as established pursuant to subsection 3(a)(12) of this Act in the following classes:

"(i) the forty-six-mile segment from the mouth of the North Fork of the Salmon River to Corn Creek as a recreational river; and

"(ii) the seventy-nine-mile segment from Corn Creek to Long Tom Bar as a wild river;

"(iii) the fifty-three-mile segment from Hammer Creek to the Snake River as a scenic river; all as generally depicted on a map entitled 'Salmon River' dated January 1980, which is on file and available for public inspection in the Office of the Chief, Forest Service, United States Department of Agriculture. Dredge and placer mining in any form including any use of any kind of machinery for the removal of sand and gravel for mining purposes shall be prohibited within the segments of the main Salmon River designated as wild or scenic by this subsection and within the Middle Fork of the Salmon River and its tributary streams in their entirety: Provided, however, That nothing in this Act shall be deemed to prohibit the removal of sand and gravel above the high water mark of the Salmon River or the Middle Fork and its tributaries by any public body or its agents for the purposes of construction or maintenance of public roads.

"(B) The segments from the mouth of the North Fork of the Salmon River downstream to Long Tom Bar shall be administered by the Secretary of Agriculture: Provided, That after consultation with State and local governments and the interested public, the Secretary of Agriculture shall take such action as is required by subsection (b) of this section within one year of the date of enactment of this paragraph. The segment from Hammer Creek to the boundary of the Snake River component shall be administered by the Secretary of the Interior.

"(C) The use of motorboats (including motorized jet boats) within this segment of the Salmon River shall be permitted to continue at a level not less than the level of use which occurred during calendar year 1978.

"(D) For the purposes of this river segment, there is hereby authorized to be appropriated from the Land and Water Conservation Fund, after October 1, 1980, not more than $16,200,000 for the acquisition of the lands and interests in lands.".

(b) That segment of the main Salmon River designated as a component of the Wild and Scenic Rivers System by this Act, which lies within the River of No Return Wilderness or the Gospel-Hump Wilderness designated by Public Law 95-237, shall be managed under the provisions of the Wild and Scenic Rivers Act, as amended, and the regulations promulgated pursuant thereto, notwithstanding section 10(b) of the Wild and Scenic Rivers Act or any provisions of the Wilderness Act to the contrary.

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate disagree to the amendment of the House to the bill and request a conference with the House, and that the Chair be authorized to appoint conferees on the part of the Senate.

The motion was agreed to, and the Presiding Officer (Mr. MCGOVERN) appointed Mr. JACKSON, Mr. CHURCH, Mr. BUMPERS, Mr. HATFIELD, and Mr. MCCLURE conferees on the part of the Senate.

MESSAGE FROM THE HOUSE

At 12:09 p.m., a message from the House of Representatives delivered by Mr. Berry, one of its reading clerks, announced that the House has passed the following bills, in which it requests the concurrence of the Senate:

H.R. 4049. An act to amend section 7 of the Clayton Act;

H.R. 4050. An act to expedite and reduce the cost of antitrust litigation, and for other purposes;

H.R. 5949. An act to amend the Antitrust Civil Process Act to authorize the Department of Justice to use agents in connection with the enforcement of the antitrust laws; and

H.R. 7140. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for one month the date on which the corporation must pay benefits under terminated multi-employer plans.

The message also announced that, pursuant to the provisions of section 161(a), title I, Public Law 93-618, and upon recommendation of the chairman of the Committee on Ways and Means, the Speaker has selected the following members of that committee to be accredited by the President, as official advisers to the U.S. delegations to international conferences, meetings, and negotiation sessions relating to trade agreements during the second session of the 96th Congress: Mr. VANIK, Mr. GIBBONS, Mr. JONES of Oklahoma, Mr. VANDER JAGT, and Mr. FRENZEL.

HOUSE BILLS REFERRED

The following bills were read twice by their titles and referred as indicated:

H.R. 4049. An act to amend section 7 of the Clayton Act; to the Committee on the Judiciary.

H.R. 4050. An act to expedite and reduce the cost of antitrust litigation, and for other purposes; to the Committee on the Judiciary.

H.R. 5949. An act to amend the Antitrust Civil Process Act to authorize the Department of Justice to use agents in connection with the enforcement of the antitrust laws; to the Committee on the Judiciary.

PETITIONS AND MEMORIALS

The following petitions and memorials were laid before the Senate and were referred as indicated:

POM-702. A concurrent resolution adopted by the House of Representatives of the State of South Carolina; to the Committee on Appropriations:

"RESOLUTION

"Whereas, since 1954 the State of South Carolina has actively pursued a state-wide program for the education of physically and mentally handicapped children; and

"Whereas, the United States Congress has also elected to promote and foster such educational programs; and

"Whereas, Public Law 94–142 has set forth requirements which a state must meet in order to receive federal funds for the aid of education of the handicapped; and

"Whereas, the federal funding level is disproportionately low in comparison to the amount of state resources required to meet the requirements, necessary for receipt of such funds.

Now, therefore, "be it resolved by the House of Representatives, the Senate concurring:

"That the General Assembly hereby memorializes the Congress of the United States to increase the funding level for aid to the states in the education of handicapped children.

"Be it further resolved that a copy of this resolution be forwarded to each congressman from this State, to the Vice President of the United States and to the United States Secretary of Health, Education and Welfare."

POM–703. A concurrent memorial adopted by the Legislature of the State of Arizona; to the Committee on Energy and Natural Resources:

"House Concurrent Memorial 2004

"Whereas, on February 14, 1912, Arizona was admitted to statehood on the condition that it forever disclaim all right and title to unreserved, unappropriated public land within its boundaries; and

"Whereas, the State of Arizona has strong moral, historic, economic and legal claims upon the unreserved, unappropriated public land retained by the federal government within its borders; and

"Whereas, every new state admitted into the Union is entitled to exercise all of the powers of government which belong to the original states of the Union; and

"Whereas, because Arizona and many of the western states were admitted to statehood on condition that they disclaim title to unappropriated land within their boundaries, Arizona and the western states have not been able to exercise their rightful legislative authority over federally owned lands within their borders; and

"Whereas, there is precedent for large transfers of federally owned public lands designed to place new states on par with the original thirteen states of the Union; and

"Whereas, this state and its citizens, as is true of the other western states, are at least as well-equipped to make the difficult policy decisions that are necessary for proper land use within the state's borders as is the federal government; and

"Whereas, the appropriate role of the federal government in this land matter is that of trustee holding the unreserved, unappropriated lands within this state's borders and the other western states in trust for the respective states; and

"Whereas, the federal government should now convey the trust lands to the western states in order for the states to exercise full sovereignty over their lands, thus placing the western states on an equal footing with the original states with respect to such land within their boundaries. Wherefore your memorialist, the House of Representatives of the State of Arizona, the Senate concurring, prays:

"1. That the President and the Congress of the United States will actively support and adopt legislation providing for the cession and conveyance to the western states of federally owned unreserved, unappropriated lands similar to the legislative plan expressed in S. 1680 introduced in the Senate of the United States, 96th Congress, 1st Session.

"2. That the Secretary of State of the State of Arizona transmit copies of this Memorial to the President of the United States, the President of the United States Senate, the Speaker of the House of Representatives of the United States and to each Member of the Arizona Congressional Delegation."

POM–704. A resolution adopted by the Council of the City of New York, calling upon the President and the Congress of the United States to seek a speedy, just and equitable solution to the problems of Ireland; to the Committee on Foreign Relations.

REPORTS OF COMMITTEES

The following reports of committees were submitted:

By Mr. STEWART (for Mr. Nelson), from the Select Committee on Small Business, without amendment:

S. 2620. A bill to expand the opportunities for small business participation in exporting (Rept. No. 96–670). Rereferred to the Committee on Banking, Housing, and Urban Affairs solely for the consideration of titles II, III, and IV, by unanimous consent.

EXECUTIVE REPORTS OF COMMITTEES

The following executive reports of committees were submitted:

By Mr. LONG, from the Committee on Finance:

The following-named persons to be judges of the U.S. Tax Court:

C. Moxley Featherston, of Virginia;
William M. Fay, of Pennsylvania; and
Charles R. Simpson, of Illinois.

By Mr. CANNON, from the Committee on Commerce, Science, and Transportation:

The following-named persons to be Members of the Board of Directors of the National Railroad Passenger Corporation:

M. Athalie Range, of Florida;
James R. Mills, of California; and
Frank H. Neel, of Georgia.

The following-named officers of the U.S. Coast Guard for promotion to the grade of Rear Admiral:

Richard A. Bauman;
William P. Kozlovsky; and
Richard P. Cueroni.

(The above nominations from the Committee on Commerce, Science, and Transportation were reported with the recommendation that they be confirmed, subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.)

Mr. CANNON. Mr. President, as in executive session, I also report favorably nomination lists in the Coast Guard and National Oceanic and Atmospheric Administration which have previously appeared in the Congressional Record and, to save the expense of printing them on the Executive Calendar, I ask that they lie on the Secretary's desk for the information of Senators.

The PRESIDING OFFICER. The nominations will lie on the Secretary's desk.

(The nominations ordered to lie on the Secretary's desk appeared in the Record on March 24, March 26, and April 2, 1980, at the end of the Senate proceedings.)

ORDER FOR REFERRAL—S. 2620

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that S. 2620, the Small Business Export Expansion Act of 1980, be referred to the Committee on Banking, Housing, and Urban Affairs solely for the consideration of titles II, III, and IV.

The PRESIDING OFFICER. Without objection, it is so ordered.

INTRODUCTION OF BILLS AND JOINT RESOLUTIONS

The following bills and joint resolutions were introduced, read the first and second time by unanimous consent, and referred as indicated:

By Mr. NELSON (for himself, Mr. Weicker, Mr. Culver, Mr. Huddleston, Mr. Sasser, Mr. Stewart, Mr. Baucus, Mr. Levin, Mr. Eagleton, Mr. Leahy, Mr. Packwood, Mr. Hatch, Mr. Hayakawa, Mr. Schmitt, Mr. Boschwitz, Mr. Pressler, and Mr. Lugar):

S. 2620. A bill to expand the opportunities for small business participation in exporting, and for other purposes; to the Select Committee on Small Business.

By Mr. SASSER:

S. 2621. A bill for the relief of Rev. Clarence C. Adderholdt; to the Committee on Armed Services.

By Mr. HOLLINGS (for Mr. Cannon) (by request):
Mr. Cannon) (by request):

S. 2622. A bill to improve coastal zone management in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

By Mr. GOLDWATER (for himself, Mr. Baker, Mr. Boren, Mr. Boschwitz, Mr. Cochran, Mr. DeConcini, Mr. Exon, Mr. Heflin, Mr. Packwood, and Mr. Stafford):

S. 2623. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

By Mr. DOLE:

S.J. Res. 168. Joint resolution designating July 18, 1980, as "National P.O.W.–M.I.A. Recognition Day"; to the Committee on the Judiciary.

By Mr. RANDOLPH:

S.J. Res. 169. Joint resolution to authorize the President to issue a proclamation honoring the Guide Dog Foundation; to the Committee on the Judiciary.

STATEMENTS ON INTRODUCED BILLS AND JOINT RESOLUTIONS

By Mr. HOLLINGS (for himself and Mr. Cannon) (by request):

S. 2622. A bill to improve coastal zone management in the United States, and for other purposes; to the Committee on Commerce, Science, and Transportation.

COASTAL ZONE MANAGEMENT ACT AMENDMENTS OF 1980

● Mr. HOLLINGS. Mr. President, I introduce today, at the request of the Department of Commerce and on behalf of my colleague, Mr. Cannon, a bill to amend the Coastal Zone Management Act of 1972, as amended, to improve coastal zone management in the United States, and for other purposes. The Committee on Commerce, Science, and Transportation will hold a hearing on the legislation on Wednesday, April 30, 1980, at 10 a.m. in room 457.

I ask unanimous consent that the text of the bill, the letter of transmittal and the statement of purpose and need of the legislation be printed in the Record.

There being no objection, the bill and material were ordered to be printed in the Record, as follows:

S. 2622

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That this Act may be cited as the "Coastal Zone Management Act Amendments of 1980".

FINDINGS

Section 1. Section 302 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1451) is amended—

(1) by inserting immediately after subsection (e) the following:

"(f) New and expanding demands for food, Energy, minerals, defense needs, recreation, waste disposal, transportation and industrial activities in the Great Lakes, territorial sea and outer Continental Shelf are placing stress on these areas and are creating the need for resolution of serious conflicts among important and competing uses and values in coastal and ocean waters."; and

(2) by relettering subsections (f), (g), (h) and (i) as subsections (g), (h), (i) and (j), respectively.

Sec. 2. Declaration of Policy.

Section 303 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1452) is amended by striking out from subsection (b) "ecological, cultural, historic, and esthetic values as well as to needs for economic development" and by inserting in lieu thereof the following:

"the need for (i) protection of significant natural systems such as wetlands, floodplains, estuaries, beaches, dunes, barrier island, coral reefs, fish and wildlife, (ii) management of coastal development to minimize the loss of life and property caused by improper development in flood-prone, storm surge and erosion-prone areas, and areas of subsidence and saltwater intrusion, (iii) priority consideration for coastal-dependent uses and orderly processes for siting major facilities related to national defense, energy, fisheries development, recreation, ports and transportation, (iv) public access to the coast for recreation purposes, (v) assisting in the redevelopment of deteriorating urban waterfronts and ports, and sensitive preservation and restoration of historic, cultural, and aesthetic coastal features, (vi) coordinated and simplified procedures to ensure expedited governmental decision-making for the management of coastal resources, (vii) continuing consultation and coordination with and adequate consideration of the views of affected Federal agencies, and (viii) timely and effective opportunities for public participation in coastal management decision-making,"

Sec. 3. Administrative Grants.

Section 306 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1455) is amended—

(1) by inserting "(i)" within subsection (a) immediately before "for not more than";

(2) by inserting within subsection (a) after "such state's management program" the following:

"for a five-year period commencing in fiscal year 1978 or the fiscal year of management program approval, whichever is later, and (ii) for decreasing per centums of the costs of administering such state's management program for the years following the five-year period described in subparagraph (i), with the federal share to reach a level of 33¼ per centum or less of the costs of program administration three years after the last year of the five-year period.";

(3) by striking out within subsection (b) "Provided, That no annual grant made under this section shall be in excess of $2,000,000 for fiscal year 1975, in excess of $2,500,000 for fiscal year 1976, nor in excess of $3,000,000 for fiscal year 1977: Provided further, that no" and inserting in lieu thereof the following:

"The Secretary shall require states that have completed one or more years of program implementation to devote increasing per centums of their implementation grants each year to activities leading to significant improvements to meet the coastal management needs identified in section 303(b). No", and

(4) by striking out within subsection (b) ": And provided further, That the" and inserting in lieu therefor "The".

Sec. 4. Review of Performance.

Section 312 of the Coastal Zone Management Act (15 U.S.C. 1461) is amended to read as follows:

"Sec. 312. (a) The Secretary shall conduct a continuing review of the performance of coastal states with respect to coastal zone management which shall include evaluation findings during each grant period which assess each state's performance in the implementation of its management program; the evaluation for each state shall provide a determination of the extent to which state activities (1) address the coastal management needs identified in section 303(b), (2) adhere to the provisions of the program approved by the Secretary, and (3) adhere to the terms of any grant or cooperative agreement funded under section 306.

"(b) The Secretary may reduce any financial assistance extended under this title and withdraw any unexpended portion of such assistance if it is determined that the state is failing to achieve significant improvements in meeting the coastal management needs set forth in section 303(b).

"(c) The Secretary may withdraw management program approval and any financial assistance extended under this title and withdraw any unexpended portion of such assistance if (1) it is determined that the state is failing to adhere to and is not justified in deviating from (i) the program approved by the Secretary, or (ii) the terms of any grant or cooperative agreement funded under section 306, and (2) the state has been given notice of the proposed termination or withdrawal and given an opportunity to present evidence of adherence or justification for deviating from its program.

"(d) The Secretary shall conduct a periodic review and evaluation of the implementation of the coastal energy impact program provided under section 308."

Sec. 5. Estuarine Sanctuaries and Island Preservation.

Section 315 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1464) is amended—

(1) by striking the words "BEACH ACCESS" from the Section heading and inserting in lieu thereof the words "ISLAND PRESERVATION", and

(2) by striking from subsection (2) the following: "access to public beaches and other public coastal areas of environmental, recreational, historical, esthetic, ecological, or cultural value, and for"

Sec. 6. Biennial Report.

Section 316 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1465) is amended—

(1) by striking the word "ANNUAL" from the Section heading and inserting in lieu thereof the word "BIENNIAL".

(2) by striking the language in paragraph (a) immediately preceding subparagraph (a)(1) and substituting in lieu thereof the following:

"(a) The Secretary shall prepare and submit to the President for transmittal to the Congress on a biennial basis a report summarizing the administration of this title for the preceding two fiscal years. The reports, which shall be transmitted to the Congress not later than April 1 of the year following the biennial period, shall include but not be restricted to"

(3) by striking out within subparagraph (a)(4) the following: "or with respect to which grants have been terminated under this title" and

(4) by inserting immediately after subparagraph (a)(4) the following: "(5) a summary of evaluation findings prepared in accordance with subsections (a) and (d) of section 312, and a description of any sanctions imposed pursuant to subsections (b) and (c) of this section;" and

(5) by renumbering subparagraphs (5), (6), (7), (8), (9), (10), (11) and (12) of subsection (a) as subparagraphs (6), (7), (8), (9), (10), (11), (12) and (13), respectively.

Sec. 7. Authorization of Appropriations.

Section 318 of the Coastal Zone Management Act of 1972 (16 U.S.C. 1467) is amended—

(1) by striking subparagraph (a)(1);

(2) by renumbering subparagraph (a)(2) as subparagraph (a)(1) and amending it to read as follows:

"(1) such sums, not to exceed $50,000,000 for each of the fiscal years ending September 30, 1981, and September 30, 1982, and not to exceed $215,000,000 for the period beginning October 1, 1982, and ending September 30, 1988, as may be necessary for the purpose of providing grants under section 306, to remain available until expended;"

(3) by deleting subparagraph (a)(5);

(4) by deleting subparagraph (a)(6);

(5) by renumbering subparagraph (a)(7) as subparagraph (a)(4) and amending it to read as follows:

"(5) such sums, not to exceed $6,000,000 for each of the fiscal years occurring during the period beginning October 1, 1980, and ending September 30, 1985, as may be necessary for grants under section 315(1), to remain available until expended;"

(6) by renumbering subparagraph (a)(8) as subparagraph (a)(5) and amending it to read as follows:

"(6) such sums, not to exceed $10,000,000 for each of the fiscal years occurring during the period beginning October 1, 1980, and ending September 30, 1982, as may be necessary for grants under section 315(2), to remain available until expended;"

(7) by renumbering subparagraphs (a)(9) as subparagraph (a)(6) and amending it to read as follows:

"(7) such sums, not to exceed $5,000,000 for each of the fiscal years occurring during the period beginning October 1, 1980, and ending September 30, 1988, as may be necessary for administrative expenses incident to the administration of this title."

(8) by renumbering subparagraphs (a)(3) and (a)(4) as subparagraphs (a)(2) and (a)(3), respectively;

(9) by striking out within subsection (c) the section number "305."

The Secretary of Commerce,
Washington, D.C., *March 20, 1980*.

Hon. Walter F. Mondale,
President of the Senate,
Washington, D.C.

Dear Mr. President: Enclosed are six copies of a draft bill "To improve coastal zone management in the United States, and for other purposes.", together with a statement of purpose and need in support thereof.

We have been advised by the Office of Management and Budget that there would be no objection to the submission of this legislation to the Congress and further that its enactment would be in accord with the program of the President.

Sincerely,

Philip M. Klutznick,
Secretary of Commerce.

Statement of Purpose and Need

The President's Environmental Message of August 2, 1979, alerts the nation to significant coastal programs, and calls for renewal and modification of the Coastal Zone Management Act of 1972, as amended (CZMA), to respond to these problems. These amendments carry out the President's proposals.

In his Message, the President designated 1980 as the "Year of the Coast." The Congress in turn indicates its long-term commitment to coastal management by reauthorizing and strengthening the CZMA in the "Year of the Coast."

In the Message, the President called for reauthorization of the CZMA to maintain federal support to state coastal management programs. He declared the need for such reauthorization to ensure that recently developed state and local coastal management efforts become fully established and accepted functions of government. Further, the President recommended enactment of amendments to the CZMA to incorporate clearly significant coastal needs which require full consideration during the implementation of coastal management programs. The management of coastal programs is to be strengthened and directed toward these critically important coastal goals.

Accordingly, the following provisions of the Coastal Zone Management Act of 1972 (Pub. L. 92–583, as amended by Pub. L. 93–163, Pub. L. 94–370 and Pub. L. 94–372) are proposed for amendment:

I. Reauthorization:

Sections of the Act modified—

§ 318(a)(2).—authorization for § 306 (State Program Implementation).

§ 318(a)(7).—authorization for § 315(1) (Estuarine Sanctuaries).

§ 318(a)(8).—authorization for § 315(2) (Island Preservation).

§ 318(a)(9).—authorization for NOAA program administration.

II. Increasing the effectiveness of State Coastal Management Programs:

Sections of the Act modified—

§ 302(f).—Findings.

§ 303(b).—Policies.

§ 306(a) and (b).—State Program Administration Grants.

§ 312(a).—Evaluation.

§ 315(a).—Island Preservation.

§ 316(a).—Biennial Report.

Section 1. Findings.—New section 302(f) has been added to the Act to emphasize the importance of the water element of coastal management programs. This action is prompted by the insufficient level of attention afforded ocean and Great Lakes related activities in existing state coastal management programs and the recognition that efforts to plan for and manage coastal water activities are dominated currently by fragmented and sometimes inconsistent federal programs.

Effective management of the waters within a state's coastal zone, as well as in ocean areas beyond, is an urgent national priority. The Coastal Zone Management Program offers an exceptional framework for addressing the Federal-State aspects of this priority. The Secretary should focus immediate efforts on assisting states to manage intensively used coastal water areas where existing or potential conflicts among competing uses call for priority attention. These efforts should be coordinated closely with Federal agencies having responsibility for activities significantly affecting the oceans or Great Lakes.

Section 2. Declaration of Policy.—The coastal zone management "Policy" provisions of the Act (section 303) have been expanded significantly to state more clearly the importance of addressing through state coastal programs the need to provide for "(i) protection of significant natural systems such as wetlands, floodplains, estuaries, beaches, dunes, barrier islands, coral reefs, fish and wildlife; (ii) management of coastal development to minimize loss of life and property caused by improper development in flood-prone, storm surge and erosion-prone areas, and areas of subsidence and saltwater intrusion, (iii) priority consideration for coastal-dependent uses and orderly processes for siting major facilities related to national defense, energy, fisheries development, recreation, ports and transportation, (iv) public access to the coast for recreation purposes, (v) assisting in the redevelopment of deteriorating urban waterfronts and ports, and sensitive preservation and restoration of historic, cultural and aesthetic coastal features, (vi) coordinated and simplified procedures to ensure expedited governmental decisionmaking for the management of coastal resources, (vii) continuing consultation and coordination with the adequate consideration of the views of affected Federal agencies, and (viii) timely and effective opportunities for public participation in coastal management decision-making."

The basic foundation of the Act is sound. Substantial accomplishments have transpired and are described in NCAA's assessment of the first 5 years of activity under the Act. Notwithstanding these achievements, a number of significant criticisms have been directed at the program. Some have claimed that the Act is not sufficiently precise in providing guidance and specificity as to desired results. In particular, some have argued that the Act lacks clear guidance concerning the need to ensure protection for sensitive natural systems, while others charge that there is insufficient specificity regarding review processes for siting coastal dependent facilities, particularly those related to energy needs.

The Coastal States Organization (CSO) sponsored an assembly to examine legislative options for the future of the national program. The Assembly brought together many experts in the nation on coastal management, representing a diversity of views. Participants included representatives from industry, environmental groups, academia, federal, regional, state and local agencies as well as congressional staff. In its final report, "Coastal Management—Options for the '80's," the Assembly called for refinement to the "policy" section of the Act:

Changes are needed in the future. These should take the form of more *specificity in the national policies* and in the state programs. Water dependent users, such as ports and fisheries, should receive more attention in CZM programs. The general policies of many programs do not allow predictability in questions of siting, and therefore require sharpening. It should be clarified that the protection of the significant coastal resources, such as wetlands, beaches, dunes, barrier islands and fisheries, are a high priority national interest. (Emphasis added.)

In light of these recommendations, Section 303(b) of the Act would be amended to incorporate clearly the significant coastal needs which warrant full consideration during the implementation of coastal management programs. States will be called on to focus specific attention in seven major areas which include (i) protection of significant natural systems, (ii) management of coastal development, in hazardous areas, (iii) siting of major facilities, (iv) provision of public access, (v) urban waterfront and port redevelopment and preservation and restoration of unique coastal sites, (vi) coordination and simplification of public decision-making, (vii) ongoing coordination with and consideration of Federal programs, and (viii) full opportunities for public participation.

NOAA will specify through regulations the nature and types of activities that adequately address these issues. The proposed amendment is responsive to the concerns of the interest groups affected by the national program. By virtue of this amendment, the policies and processes of coastal management programs can be directed towards achieving clearly defined and critically important coastal goals without altering the basic structure of the program.

Section 3, Administrative grants.—Section 306 of the Act would be amended to read as follows: "(a) The Secretary may make a grant annually to any coastal state (i) for not more than 80 per centum of the costs of administering such state's management program for a five-year period commencing in fiscal year 1973 or the fiscal year of management program approval, whichever is later, and (ii) for decreasing per centums of the costs of administering such state's management program for the years following the five-year period described in subparagraph (i), with the federal share to reach a level of 33⅓ per centum or less of the costs of program administration three years after the last year of the five-year period, if the Secretary (1) finds * * *."

"(b) Such grants shall be allocated to the states with approved programs based on rules and regulations promulgated by the Secretary which shall take into account the extent and nature of the shoreline and area covered by the plan, population of the area, and other relevant factors. The Secretary shall require states that have completed one or more years of programs implementation to devote increasing per centums of their implementation grants each year to activities leading to significant improvements to meet the coastal management needs identified in section 303(b).

The amendment to subsection 306(a) reflects a commitment to extend the period of time that states will receive federal support for program implementation. A federal matching share of 80 percent will be maintained for a five-year period of program implementation, to be followed by declining levels of federal support as states begin to assume a larger share of the costs associated with administration of their coastal programs. The five-year period commences in 1978 when the initial bulk of states received federal approval, or succeeding years for subsequently approved coastal states. This means that Washington and Oregon, which had their programs approved in fiscal years (FY) 1976 and 1977, respectively, will be treated as 1978 approved states for purposes of maintaining an 80 percent federal match.

In addition to amending subsection 306(a), an amendment to subsection 306(b) is proposed to ensure that improvements in coastal management result from the implementation of coastal programs. The amendments to section 303 (policies) and section 312 (evaluation) of the Act identify clearly the goals and expectations respecting the future of coastal management. The changes to section 306(b) make certain that increasing portions of federal funds are devoted to management activities leading to significant improvements in these areas of major importance.

NOAA already is instituting a demonstration effort along these lines. Twenty percent of federal administrative grants in FY 1979 and FY 1980 are being targeted for selected issues of major concern. This demonstration effort is the model for amending section 306(b) of the Act. Under the proposed amendment, portions of federal 306 grants, in increasing increments, will be allotted to management activities leading to significant improvements in meeting the coastal management needs identified in amended section 303(b) of the Act. This strategy received support from the CSO Assembly, which stated that:

"(for) successful implementation of CZM programs, it is appropriate that OCZM play an increased role in guiding the program towards its objectives. This could be done through exercise of greater management control over how funds are spent. For example, *policies and objectives could be defined more clearly, and funding decisions linked more closely to them.*" (Emphasis added.)

The benefit of this approach is that funds will be expended to ensure that states follow through on program improvements which are necessary to meet the coastal management objectives of the Act.

Section 4. Review of Performance.—The coastal zone management program is in an important transitional period from planning to implementation. The true test of the effectiveness of the state programs will come in the next several years as states put their management programs into full operation. In view of this, an evaluation system is needed that provides a clear accounting of the accomplishments and shortcomings that emerge from program operations.

As proposed by the amendment to section 312, state performance review during each grant period will include assessment of state progress addressing the significant coastal issues set forth in section 303(b) of the Act. States not only will be reviewed to determine adherence to the provisions of approved programs but also will be held accountable for initiating improvements to meet the major goals described in section 303(b). This amendment conforms to the CSO Assembly recommendation:

> Structured evaluation of the federal and state CZM programs is needed. * * * Under a strengthened Section 312 of the CZMA, state programs should be evaluated by assessing actual results and providing clearly defined evaluation guidelines . . .

The section 312 amendment also allows the Secretary to reduce financial assistance under the Act if a state is failing to achieve significant improvements with respect to the coastal management goals identified in section 303(b). Federal funds under the Act would be withheld or recalled where appropriate. This change provides the Secretary with an additional, less drastic tool than program termination to use in allocating funds among states on the basis of their contribution to addressing issues of major significance. Reductions would be commensurate with the extent to which a state fails to secure needed improvements with regard to these issues. The CSO Assembly supported this approach when it declared that the "results of evaluations should lead to mandated revisions or fiscal sanctions, if necessary."

These proposed evaluation measures will help to ensure that federal monies supporting coastal management programs are being targeted adequately to addressing critical national problems as well as important state and local concerns. NOAA regulations should be developed to assure that the intent of these amendments is fulfilled.

Section 5. Island Preservation.—Section 315 of the Act presently allows the Secretary to provide 50 percent matching grants to states for shorefront access as well as island preservation.

In response to the President's 1977 Environmental Message, a Federal Barrier Island Task Force has identified the most threatened barrier islands and has issued a draft environmental impact statement (DEIS) which describes alternatives for strengthening the nation's barrier island protection efforts. Section 315(2) of the Act is identified as one of the mechanisms which may be implemented to achieve the goal of island preservation. However, the DEIS does not include definitive proposals, and no proposal to use Section 315 or any other option has emerged. If ultimately proposed, however, island acquisition through the use of Section 315 or other Federal programs will preserve natural buffers against hurricanes and severe storms, will protect precious habitat, and will minimize the need for other federal spending associated with loss of life and property caused by development in hazard-prone areas.

Accordingly, we have amended Section 315 (2) to target federal assistance to the critical need for barrier island preservation. The related authorization section also has been renewed to preserve the option of appropriating funds as part of a national effort to protect these vital coastal resources.

Section 6. Biennial report.—Section 316 of the Act presently requires the Secretary of Commerce to provide the President with an annual report for transmittal to the Congress, due prior to November 1, which summarizes the administration of the program for the preceding fiscal year. This reporting system has not worked effectively in the past. Invariably the report has been submitted late due both to the difficulty in developing a summary within one month following the end of the fiscal year, and to the extensive time required to clear the report through NOAA, the Department of Commerce and the President. In addition, the annual information described in the report is often inadequate since some state programs are administered and evaluated on a basis which exceeds one fiscal year.

To remedy this situation and to ensure that the Congress receives adequate information regarding the implementation of the national program, the reporting requirements in Section 316(a) have been modified to require a biennial report to be submitted by April 1 of the year following the reporting period. The first report will cover program administration during fiscal years 1980 and 1981. This system will provide the Administration with ample time to summarize and submit a report regarding the activities of the two preceding fiscal years.

Finally, to ensure congressional review of the evaluation phase of the national program, the section 316 reporting requirements have been expanded to direct the Secretary to include within the report a summary of the evaluation findings prepared in accordance with revised section 312 and also a description of any program termination or federal funding reduction actions taken as a consequence of state program evaluations.

Section 7. Authorization of Appropriations.—Section 318(a)(1)—Program Implementation: Since passage of the Act in 1972, the federal government, as well as the states, have invested substantial sums for coastal management. The degree of financial commitment as well as the accomplishments resulting from this investment are described in NOAA's Evaluation Report. The Evaluation Report points out that states have not as yet fully institutionalized coastal management within the routine operations of government. If federal support is withdrawn prematurely, the likelihood exists that many state programs would cease to function effectively, leading to critical problems in the management of the nation's coastal resources. This result can be avoided only if the progress achieved thus far is allowed to continue.

Furthermore, other important federal programs will achieve their optimum potential only if support for state coastal management participation and coordination is sustained. The effective operation of federal programs related to Outer Continental Shelf oil and gas development, fisheries conservation and management, wetlands, beaches, and barrier island protection, reduction of life and property loss caused by development in hazardous areas, and revitalization in urban waterfront and port areas, will be hampered and delayed if state and local governments are not organized to deal effectively with coastal management issues. In considering the question of future funding support for the national program, the CSO Assembly concluded

> (T)here is a strong concensus that the management program has made a positive contribution to the rational management of coastal resources and should continue to receive support. * * * It is essential that funding for Section 306 be maintained at least at its current level, and at the current federal-state cost sharing ratio. *This funding should continue for the next five years and beyond.* (Emphasis added.)

The proposed amendment to section 318 (a) conforms to this recommendation. Authorization authority for such sums not to exceed $50,000,000 each year is made available through fiscal year 1982. Thereafter, authorization authority for a pool of funds not to exceed $215,000,000 would be made available to maintain Federal support at decreasing levels through the remainder of the reauthorization period. In conjunction with the proposed amendment to section 306(a) of the Act, this authorization extension provides states with five years of 80% federal matching funds, with three additional years of declining federal support available as states assume greater financial responsibility for managing their coastal programs.

Section 318(a)(4)—Estuarine Sanctuaries: Section 315(1) of the Act provides 50 percent matching grants to coastal states for the purpose of acquiring, developing and operating estuarine areas as natural field laboratories for the study and gathering of data on the natural and human processes occurring within estuaries. In the past, section 318 has authorized up to $6 million for each year to be appropriated for estuarine sanctuary grants. An estimated twenty-one sanctuaries are necessary to establish a national system that ensures representation of all of the nation's significant and unique ecological categories of estuaries. By the end of fiscal year 1980, $17.6 million will have been expended for the creation of 10 sanctuaries, and the national estuarine system will be close to 50 percent complete.

The basic goal of this effort is to preserve and analyze the protected ecosystems so that information gained will aid in future management decisions along the coast. Additional benefits include the maintenance of natural learning centers for educational institutions and members of the public. The importance of this effort was recognized by the Coastal States Organization Assembly which declared that,

> The estuarine sanctuary program under Section 315(1) should receive continued financial support to complete the national system.

Reauthorization of this section is proposed for an additional 5 years at the present $6 million annual level to ensure that assistance is available to complete the system.

Section 318(a)(5)—Island Preservation: The Act presently authorizes up to $25 million to be appropriated each fiscal year for 50 percent matching grants to states under Section 315(2) to acquire interests in lands for access to public beaches and other shorefront areas, and for the preservation of islands.

Section 315(2) assistance can be fine-tuned to accelerate the Nation's ability to preserve undeveloped barrier islands. Of the 189 barrier islands along the Atlantic and Gulf coasts, only 68 remain undeveloped, and pressure to develop these islands is intense. In the President's 1977 environmental Message, high priority was placed on protection of undeveloped barrier islands, and in his most recent Environmental Message, the President has reaffirmed the Nation's commitment to coastal resource preservation. He has also directed the Department of Interior to prepare a plan for protecting these undeveloped islands. A number of options are being considered, including use of Section 315(2), which may be used to perform a critical role in island preservation. However, no specific proposal has yet been made. In coordination with other related federal programs such as those administered by the Flood Insurance Administration, Heritage Conservation and Recreation Service, and the National Park Service, the CZMA should be examined to determine its proper role in support of island preservation.

In view of the critical need to ensure that undeveloped barrier islands are preserved, funding for section 315(2) of the CZMA should be authorized at $10 million for the next 2-year period.

Section 318(a)(7)—Program Administration: The Office of Coastal Zone Management within NOAA administers the national program. Stewardship of the program has led to significant gains in improving the ability of states to manage coastal resources. The proposed amendments charge NOAA with the responsibility to assist and guide coastal states as they focus additional attention on the major national concerns facing our nation's coastlines. Accordingly, section 318 should be reauthorized to provide funds necessary to maintain the Administration's capability to oversee the national program.●

By Mr. GOLDWATER (for himself, Mr. BAKER, Mr. BOREN, Mr. BOSCHWITZ, Mr. COCHRAN, Mr. DECONCINI, Mr. EXON, Mr. HEFLIN, Mr. PACKWOOD, and Mr. STAFFORD):

S. 2623. A bill to incorporate the United States Submarine Veterans of World War II; to the Committee on the Judiciary.

FEDERAL CHARTER FOR THE UNITED STATES SUBMARINE VETERANS OF WORLD WAR II

● Mr. GOLDWATER. Mr. President, it is my pleasure today to introduce a bill to incorporate the United States Submarine Veterans of World War II. I am joined in the proposal by my colleague from Arizona, Senator DECONCINI, and by Senators BAKER, BOREN, BOSCHWITZ, COCHRAN, EXON, HEFLIN, PACKWOOD, and STAFFORD.

Mr. President, it is an honor for me to introduce the bill as a companion to H.R. 52 and H.R. 6254, which have been introduced by Congressman OBERSTAR of Minnesota. The record of the submarine veterans is well known in the annals of military history. These veterans have a proven record of great sacrifice and service to their country, and I would hope that the entire Senate would join us in providing a Federal charter for the group.

As succinctly described in a letter to me by Richard C. Cooper, a charter member of the organization from Arizona:

> The submarines fighting in the lonely depths of the vast oceans literally cut the fuel lines of the energy starved Japan. At the war's end, while the Japanese Army was virtually intact, its naval and maritime forces had been annihilated.
>
> During this time the submarines sank 1,178 enemy merchant ships, a tonnage of over 5,000,000 tons, and 214 naval ships for over 600,000 tons. There were costs for such a victory. Fifty-two of our 252 submarines were lost with a total of 3,505 officers and men. One out of every five officers and men who served, never returned.
>
> The loss rate of nearly 20 percent was the highest for any comparable unit of the U.S. Navy. This force numbered less than 2 percent of the entire Navy.

Mr. President, I invite my colleagues in the Senate to join us in this worthwhile effort to provide national recognition to a dedicated group of Americans.

Mr. President, I ask unanimous consent that the text of the bill be printed in the RECORD.

S. 2623

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That Wilbur L. Meyer, Indianapolis, Indiana; Henry T. Vande Kerkhoff, Elmhurst, Illinois; Edmond Kay, Garden Grove, California; James A. Woodall, Galveston, Texas; Reverend John F. Marshall, O.F.M., Allegany, New York; John Kreis, San Diego, California; Harry D. Freeburn, Boerne, Texas; Ernst T. Rosing, La Grange Park, Illinois; Fred A. Judd, Baltimore, Maryland; Arthur F. Rawson, Bethesda, Maryland; E. J. Newbould, Alexandria, Virginia; Richard C. Cooper, Phoenix, Arizona; Charles A. Hennessey, Sacramento, California; Donald L. Smith, Middletown, Ohio; J. Daniel Lopp, New Albany, Indiana; Edward H. Bland, Cincinnati, Ohio; James H. Piper, Clifton Springs, New York; Rex W. Chenoweth, Brighton, Michigan; Cornelius R. Bartholemew, Miles City, Montana; James L. Kornegay, Centerville, Alabama; J. Allen Mactier, Omaha, Nebraska.

Reverend Jerome Kircher, O.F.M., Carville, Louisiana; Grover S. McLeod, Birmingham, Alabama; Harold A. Ballenger, Los Angeles, California; Frank W. Glehart, Cincinnati, Ohio; William O. Herring, Medford, Oregon; James A. Brillowski, San Diego, California; Donald E. Chauvin, Birmingham, Alabama; Joseph M. Ferrell, Sun City, Arizona; George H. McMinn, Marion, Arkansas.

Raymond A. Tiraschi, San Francisco, California; Edwin Klaver, Denver, Colorado; Clarence A. May, Midway, Texas; William F. Hughes, Honolulu, Hawaii; LaVerne A. Nordenberg, Rockford, Illinois; Charles F. Crothers, Greenfield, Indiana; David B. Wright, Des Moines, Iowa; Harry E. Howell, Louisville, Kentucky; Ovila J. LaPlante, Waterville, Maine; John K. Mayer, Eufaula, Alabama.

Warren Stien, Ionia, Michigan; Ernest E. Van Deventer, Saint Paul, Minnesota; Harvey G. Joeckle, Overland, Missouri; Joseph E. Federle, Omaha, Nebraska; William D. Beal, Junior, Jackson, New Hampshire; Herbert J. Georgius, Junior, Paramus, New Jersey; Gordon E. Lucht, Hobbs, New Mexico; William P. Bosch, Massapequa, New York; Charlie E. White, Pensacola, Florida.

Vern R. Atha, Portland, Oregon; Arthur B. Clarke, Perkiomenville, Pennsylvania; Wayne I. Miller, Houston, Texas; Lewis H. Barkdoll, Mount Vernon, Washington; Stephen N. Petreshock, Manitowoc, Wisconsin; Charlie R. Ray, Birmingham, Alabama; John O. Bolin, Omaha, Nebraska, and any other person who, on the date of enactment of this Act, is a member in good standing of the United States Submarine Veterans of World War II, a corporation organized and existing under the laws of the State of New Jersey, and their successors, are created, in the District of Columbia, a body corporate by the name of United States Submarine Veterans of World War II (hereinafter in this Act referred to as the "corporation") and by such name shall be known and have perpetual succession of the powers, limitations, and restrictions contained in this Act.

COMPLETION OF ORGANIZATION

SEC. 2. A majority of the persons named in the first section of this Act may complete the organization of the corporation by the selection of officers and employees, the adoption, amendment, and revision of a constitution and bylaws not inconsistent with the provisions of this charter, and the doing of such other acts as may be necessary for such purpose.

PURPOSES OF THE CORPORATION

SEC. 3. The objects and purposes of the corporation shall be—

(a) to perpetuate and establish memorials to the memory of those shipmates who served aboard United States submarines and gave their lives in submarine warfare during World War II,

(b) to further promote and keep alive the spirit and unity that existed among the United States Navy submarine crewmen during World War II,

(c) to promote sociability, general welfare, and good fellowship among its members,

(d) to pledge loyalty and patriotism to the United States Government,

(e) to sponsor and award annual college scholarships,

(f) to make the general public aware of life aboard submarines during World War II, by obtaining, restoring, and displaying the submarines that were in service at that time,

(g) to perform such acts of charity as provided for by the constitution and bylaws, and

(h) to promote and support the membership in "Wives of United States Submarine Veterans of World War II" and "The Sons and Daughters of United States Submarine Veterans of World War II.".

POWERS OF THE CORPORATION

SEC. 4. Subject to all applicable laws of the United States, and of any State in which the corporation operates, the corporation shall have the power—

(a) to sue, be sued, complain, or defend in any court of competent jurisdiction;

(b) to adopt, alter, and use a corporate seal for the sole and exclusive use of the corporation;

(c) to choose such officers, managers, and agents as may be necessary to carry out the purposes of the corporation;

(d) to charge and collect membership dues;

(e) to adopt, amend, apply, and alter a constitution and bylaws not inconsistent with the laws of the United States of America or of any State in which the corporation is to operate, for the management of its property and the regulation of its affairs;

(f) to contract and be contracted with as may be necessary to carry out the purposes of the corporation;

(g) to take and hold by lease, gift, purchase, grant, devise, bequest, or otherwise any property, real, personal, or mixed, necessary or convenient for attaining the objects of the corporation, subject, however, to applicable provisions of law of any State (1) governing the amount or kind of real and personal property which may be held by, or (2) otherwise limiting or controlling the ownership of real and personal property which may be held by, or (3) otherwise limiting or controlling the ownership of real and personal property by, a corporation operating in such State;

(h) to transfer, lease, or convey real or personal property;

(i) to borrow money for the purposes of the corporation and to issue bonds or other evidences of indebtedness therefor and to secure the same by mortgage or pledge subject to applicable Federal or State laws; and

(j) to do any and all acts necessary and proper to carry out the purposes of the corporation.

PRINCIPAL OFFICE; TERRITORIAL SCOPE OF ACTIVITIES; RESIDENT AGENT

SEC. 5. (a) The principal office of the corporation shall be located in the District of Columbia, or in such other place as may be determined by the board of directors in accordance with the bylaws of the corporation, but the activities of the corporation shall not be confined to that place and may be conducted throughout the United States and in all other locations as may be necessary to carry out the purposes of the corporation.

(b) The corporation shall have in the District of Columbia at all times a designated agent authorized to accept service of process for the corporation, and notice to or service upon such agent or mailed to the business address of such agent shall be deemed as service or notice upon the corporation.

MEMBERSHIP RIGHTS

SEC. 6. (a) Membership shall be restricted to those members of the United States submarine crews and United States submarine relief crews who were on active duty between December 1, 1941, and December 31, 1946.

(b) In addition to the general membership there shall be special classes of honorary membership, qualification or eligibility for which, and rights and obligations of which, shall be as provided from time to time by the bylaws of the corporation.

(c) All persons who are members of any class of the United States Submarine Veterans of World War II, an association, on the date of enactment of this Act shall retain their membership in such class as members of the corporation.

BOARD OF DIRECTORS; COMPOSITION; RESPONSIBILITIES

SEC. 7. (a) Upon the enactment of this Act, the membership of the initial board of directors of the corporation shall consist of the present officers of the United States Submarine Veterans of World War II, including the immediate past president of said organization, or such of them as may then be living and are qualified officers of that association, to wit: James L. O'Conner, Baltimore, Maryland; Joseph McGrievy, La Mesa, California; Elroy F. Wilke, Denver, Colorado; Henry T. Vande Kerkhoff, Elmhurst, Illinois; Andrew M. Gasper, North Huntingdon, Pennsylvania.

(b) Thereafter the board of directors of the corporation shall consist of such number (not less than five) as shall be selected in such manner (including the filling of vacancies), and shall serve for such terms as may be prescribed in the constitution and bylaws of the corporation.

(c) The board of directors shall be the governing board of the corporation and shall during the intervals between corporation meetings be responsible for the general policies and program of the corporation. The board of directors shall be responsible for all finances of the corporation.

OFFICERS

SEC. 8. (a) The corporation shall have such officers as may be provided for in the bylaws.

(b) The officers shall have such powers consistent with this charter, as may be determined by the bylaws.

(c) The officers of the corporation shall be elected in such manner and have such terms and duties as may be prescribed in the bylaws of the corporation.

DISTRIBUTION OF INCOME OR ASSETS TO MEMBERS; LOANS

SEC. 9. (a) No part of the income or assets of the corporation shall insure to any member, officer, or director as such, or be distributed to any of them during the life of the corporation, or upon its dissolution or final liquidation, nor shall any member or private individual be liable for the obligations of the corporation. Nothing in this section, however, shall be construed to prevent—

(1) the payment of bona fide expenses of officers of the corporation in amounts approved by the board of directors; or

(2) the support of scholarships to descendants of submarine veterans or other scholarships and works of charity as may be deemed appropriate by the directors and controlled by the constitution and bylaws of the corporation.

(b) The corporation shall not make loans to its officers, directors, or employees. Any officer or director who votes for or assents to the making of a loan to any officer, director, or employee of the corporation and any officer who participates in the making of such loan shall be jointly and severally liable to the corporation for the amount of such loan until the payment thereof.

NONPOLITICAL NATURE OF CORPORATION

SEC. 10. The corporation, and its officers and directors as such, shall not contribute to or otherwise support or assist any political party or candidate for elective public office.

LIABILITY FOR ACTS OF OFFICERS AND AGENTS

SEC. 11. The corporation shall be liable for the acts of its officers and agents when acting within the scope of their authority.

PROHIBITION AGAINST ISSUANCE OF STOCK OR PAYMENT OF DIVIDENDS

SEC. 12. The corporation shall have no power to issue any shares of stock or declare or pay dividends.

BOOKS AND RECORDS; INSPECTION

SEC. 13. The corporation shall keep correct and complete books and records of account. It shall also keep minutes of the proceedings of its membership and of the board of directors. It shall also keep at its principal office a record giving the names and addresses of its members, directors, and officers. All books and records of the corporation may be inspected by any member or his agent or attorney for any proper purpose at any reasonable time.

AUDIT OF FINANCIAL TRANSACTIONS

SEC. 14. The first section of the Act entitled "An Act to provide for audit of accounts of private corporations established under Federal law", approved August 30, 1964 (78 Stat. 635; 36 U.S.C. 1101 et seq.) is amended by adding at the end thereof:

"(50) United States Submarine Veterans of World War II.".

USE OF ASSETS UPON DISSOLUTION OR LIQUIDATION

SEC. 15. Upon final dissolution or liquidation of the corporation, and after discharge or satisfaction of any outstanding obligation or liability the remaining assets of the corporation may be distributed in accordance with the determination of the board of directors of the corporation and in compliance with this Act, the constitution, the bylaws of the corporation, and all other applicable Federal and State laws.

TRANSFER OF ASSETS

SEC. 16. The corporation may acquire the assets of the United States Submarine Veterans of World War II, a corporation, organized under the laws of the State of New Jersey, upon discharging or satisfactorily providing for the payment and discharge of all the liabilities of such corporation and upon complying with any applicable Federal or State law.

EXCLUSIVE RIGHT TO NAME, CORPORATE SALES, EMBLEMS, AND BADGES

SEC. 17. The corporation and its duly authorized State groups and other local subdivisions shall have the sole and exclusive right to have and use in carrying out its purposes the name "United States Submarine Veterans of World War II", and to have and use such seals, emblems, and badges as the corporation may lawfully adopt.

RESERVATION OF RIGHT TO AMEND OR REPEAL CHARTER

SEC. 18. The right of the Congress to alter, amend, or repeal this Act is expressly reserved.●

By Mr. DOLE:

S.J. Res. 168. Joint resolution designating July 18, 1980, as "National POW–MIA Recognition Day"; to the Committee on the Judiciary.

NATIONAL POW-MIA RECOGNITION DAY

● Mr. DOLE. Mr. President, last year Congress passed House Joint Resolution 963, and President Carter signed Public Law 95–349, designating July 18, 1979, as "National POW–MIA Recognition Day." This day was established to recognize and pay tribute to all former prisoners of war, as well as those still missing and to their families, for whom the horror of war never really ended. This concern and recognition of the special debt we owe these Americans has been revitalized in the House by the distinguished Congressman from Nevada (Mr. SANTINI). I would like to take this opportunity to commend him and the over 150 cosponsors of House Joint Resolution 507, for their display of concern and interest in honoring these men, by introduction of this resolution to establish July 18, 1980, as "National POW–MIA Recognition Day."

As I share their concern and feel it appropriate to show our gratitude and appreciation for the selfless service these men gave our country, I would like to join in this effort by today introducing this joint resolution in the Senate. Setting aside a special day to honor our former prisoners of war and missing in action is certainly an appropriate and fitting tribute.

The Veterans' Administration estimates that there were 142,227 servicemen captured and interned since World War I. In addition, an estimated 92,761 servicemen were lost in combat and never recovered. In each of these past wars, our prisoners of war have performed a special service and sacrifice. Further, they have been confronted with the added burden of loneliness and hardship which has fallen upon them, and in many cases, this burden was intensified, as they were subjected to inhumane treatment by the enemy, in direct violation of common human compassion, ethical standards and international obligations.

Today, through yellow ribbons, maple leaves and the news media, we are constantly being reminded of the tragic situation being experienced by our American citizens being held hostage by Iranian militants, and rightfully so. Their ordeal is one of horrifying magnitude and proportion, and one which has continued far too long. Hopefully, we will soon be rolling out the red carpet for the hostages' return, but how many have tread over that red carpet in a similar welcoming home, and what is there to remind us of their sacrifices and hardships?

Therefore, it is imperative that we not forget the hardships and horrors experienced by our prisoners and missing in action of our past conflicts. The harrowing nightmare of POW–MIA status affects the lives of family and friends just as dramatically as the Iranian hostage situation has affected us as a nation.

It is altogether appropriate, therefore, that all Americans recognize the special debt we owe these Americans held prisoner during wartime. It is equally important and appropriate that we remember the unresolved casualties of war, our soldiers whose fates are still unknown, and the families, friends and relatives of these men whose pain and bitterness continue.

Mr. President, I call upon my colleagues in the Senate to join me in honoring these Americans who made a special sacrifice for our country, by cosponsoring and supporting this resolution I am introducing today. By designating July 18, 1980, as "National POW–MIA Recognition Day," our Nation can show its gratitude to these men who endured the hardships of combat, the rigors and privation of captivity, and to also honor those whose fate is yet unresolved, and to assure their families and friends they are not forgotten. This day would provide a fitting forum to demonstrate our unified concern for their past sacrifices and future realities.●

ADDITIONAL COSPONSORS

S. 1082

At the request of Mr. GRAVEL, the Senator from Massachusetts (Mr. KENNEDY) was added as a cosponsor of S. 1082, a bill to repeal limits placed on public compensation for personal and property damage caused by nuclear power accidents.

S. 1631

At the request of Mr. RANDOLPH, the Senator from Arizona (Mr. GOLDWATER) was added as a cosponsor of S. 1631, a bill to provide additional funds for certain projects relating to fish restoration, and for other purposes.

S. 2147

At the request of Mr. CULVER, the Senator from Nevada (Mr. CANNON) was added as a cosponsor of S. 2147, a bill to establish the Regulatory Policy Board, to provide for the regulatory analysis of proposed major rules, to improve rulemaking procedures affecting small businesses and local governments, to require the Congress and the President to review certain regulatory agencies, to increase competition in regulated industries, to make other improvements in regulatory procedures, and for other purposes.

S. 2408

At the request of Mr. CHILES, the Senator from North Dakota (Mr. BURDICK), the Senator from Virginia (Mr. HARRY F. BYRD, JR.), the Senator from Arizona (Mr. DECONCINI), the Senator from Kansas (Mr. DOLE), the Senator from South Carolina (Mr. HOLLINGS), the Senator from Louisiana (Mr. JOHNSTON), the Senator from Wisconsin (Mr. PROXMIRE), the Senator from Tennessee (Mr. SASSER), the Senator from Florida (Mr. STONE), the Senator from Nebraska (Mr. ZORINSKY), and the Senator from Montana (Mr. BAUCUS) were added as cosponsors of S. 2408, a bill to reform the laws relating to former Presidents.

S. 2415

At the request of Mr. PACKWOOD, the Senator from Missouri (Mr. DANFORTH) was added as a cosponsor of S. 2415, a bill to amend the Internal Revenue Code of 1954 to provide for the application of the investment tax credit to property purchased by a person who is engaged in the trade or business of furniture rental or leasing to others.

S. 2507

At the request of Mr. BAYH, the Senator from Tennessee (Mr. SASSER) was added as a cosponsor of S. 2507, a bill to authorize the President to impose higher or additional rates of duty on the products of any foreign country that does not cooperate with the United States in its diplomatic or economic initiatives in furtherance of the United Nations General Assembly Resolution relating to the Soviet invasion of Afghanistan and to prohibit the procurement of goods from any such country for use by the Government of the United States.

SENATE JOINT RESOLUTION 159

At the request of Mr. DOLE, the Senator from Arkansas (Mr. PRYOR) was added as a cosponsor of Senate Joint Resolution 159, a joint resolution disapproving the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum products.

SENATE JOINT RESOLUTION 163

At the request of Mr. DURKIN, the Senator from Indiana (Mr. BAYH) was added as a cosponsor of Senate Joint Resolution 163, a joint resolution to disapprove the action taken by the President under the Trade Expansion Act of 1962 in imposing a fee on imports of petroleum or petroleum products.

SENATE CONCURRENT RESOLUTION 67

At the request of Mr. HARRY F. BYRD, JR., his name was added as a cosponsor of Senate Concurrent Resolution 67, a concurrent resolution expressing the sense of the Congress with respect to taxing social security benefits.

SENATE RESOLUTION 407

At the request of Mr. STEVENS, the Senator from Iowa (Mr. CULVER), the Senator from New Mexico (Mr. SCHMITT), the Senator from Colorado (Mr. ARMSTRONG), and the Senator from Missouri (Mr. EAGLETON) were added as cosponsors of Senate Resolution 407, a resolution to express the sense of the Senate that it offer its congratulations to Americans who participated in the 2d Olympic winter games for the physically handicapped in Geilo, Norway.

SENATE CONCURRENT RESOLUTION 90—SUBMISSION OF A CONCURRENT RESOLUTION RELATING TO CONSERVATION AND RECREATIONAL BOATING

Mr. DURKIN submitted the following concurrent resolution, which was referred to the Committee on Energy and Natural Resources:

S. CON. RES. 90

Whereas recreational boating is tremendously popular in the United States, particularly in New Hampshire and New England;

Whereas sport fishing is tremendously popular in the United States, is participated in by individuals of all ages from all geographical areas of the United States, and uses watercraft;

Whereas the recreational boating industry uses only one-half of 1 per centum of all petroleum used in the United States and uses only 1 per centum of all motor fuels used in the United States;

Whereas a standby Federal emergency energy conservation plan published in the Federal Register by the Department of Energy on February 7, 1980 (45 FR 8462–8517), would halt all recreational boating on Saturday and Sunday if the President declares an energy emergency: Now, therefore, be it

Resolved by the Senate (the House of Representatives concurring), That it is the sense of the Congress that the Secretary of Energy should not promulgate or make effective any Federal emergency energy conservation plan which would harm recreational boating or which would discriminate against recreational boating in comparison to other recreational uses of energy.

● Mr. DURKIN. Mr. President, I am strongly opposed to a recent Department of Energy proposal to restrict recreational boating on weekends. DOE recently issued its standby Federal emergency conservation plan which included a rule restricting the use of recreational watercraft on weekends. Today, I am introducing a resolution against this rule because it would discriminate against and harm the recreational boating industry and the New Hampshire tourist industry. This restriction on weekend boating is an empty, symbolic gesture which would have a devastating economic impact on the boating and tourist industries as well as small businesses throughout New Hampshire and New England. Simply stated the plan is ill-advised and ill-conceived.

First of all the restriction flies in the face of Emergency Energy Conservation Act of 1979 because it imposes an unreasonable disproportionate share of energy restriction on the boating and tourism industry.

Second, DOE's projected fuel savings from this half-baked plan are way off. At best only one-half of 1 percent of motor fuel will be conserved. The energy savings are clearly minimal and the economic impact will clearly be far-reaching.

In New Hampshire's lakes region for instance, almost every segment of the economy will be hurt. Marinas, retailers who serve recreational boatowners and boatyards will be sunk financially. Motels, restaurants, and family stores and businesses will also be left high and dry. Nearly 600,000 jobs across the country and tens of billions of dollars in investment are in jeopardy because of this unfair restriction.

Last summer our tourism industry suffered tremendously, long gas lines and empty gas tanks due to the bungling of the Department of Energy kept many drivers from enjoying their hard-earned vacations in New Hampshire. This winter's unexpectedly low snowfall also adversely affected many New Hampshire and New England small businesses. In these tough times we simply cannot afford new and unfair restrictions which would further cripple our economy. That is just what the proposed DOE restriction would do and that is why I am against it.

The Department of Energy has done little since its inception to solve our energy crisis. Making the boating industry a symbolic scapegoat is typical of the myopic approach DOE has brought to the energy conservation effort. We can no longer allow some bungling Washington bureaucrat to dictate ill-advised policy.

I urge my Senate colleagues to join with me in sponsoring this resolution which would prohibit the Secretary of Energy from issuing any Federal emergency energy conservation plan which would discriminate against and harm recreational boating and our substantial recreation industry. Minimal energy savings at a tremendous economic cost is not the way to solve our energy problems or our energy-induced inflation. Prompt passage of this resolution is essential.●

NOTICES OF HEARINGS

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of a public hearing before the Select Committee on Indian Affairs.

The hearing is scheduled for April 30, 1980, beginning at 1 p.m., in room 4200 of the Dirksen Senate Office Building. Testimony is invited regarding S. 2508, a bill to provide for the disposition of the Gila River Pima-Maricopa Indian Community judgment funds awarded in dockets 236–A, 236–B, and 236–E before the Indian Claims Commission and the U.S. Court of Claims, and for other purposes.

For further information regarding the hearing you may wish to contact Peter Taylor of the committee staff on extension 224–2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C. 20510.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of an open business meeting of the Select Committee on Indian Affairs.

The meeting is scheduled for April 30, 1980, beginning at 1:30 p.m., in room 4200, Dirksen Senate Office Building. The following bills are to be considered for markup: S. 341, a bill to authorize the three affiliated tribes of the Fort Berthold Reservation to file in the Court of Claims any claim against the United States for damages for delay in payment for lands claimed to be taken in violation of the U.S. Constitution, and for other purposes; S. 1795, a bill to authorize the Gros Ventre Tribe to file in the Court of Claims any claims against the United States for damages for delay in payment for lands claimed to be taken in violation of the U.S. Constitution, and for other purposes; S. 2066, a bill to convey Federal land located in Colorado to the Ute Mountain Tribe and to pay an amount to such tribe for economic development; and S. 2508, a bill to provide for the disposition of the Gila River Pima-Maricopa Indian Community judgment funds awarded in dockets 236–A, 236–B, and 236–E before the Indian Claims Commission and the U.S. Court of Claims, and for other purposes.

For further information regarding the business meeting you may wish to contact Max Richtman of the committee staff on extension 224–2251.●

SELECT COMMITTEE ON INDIAN AFFAIRS

● Mr. MELCHER. Mr. President, I would like to announce for the information of the Senate and the public, the scheduling of public hearings before the Select Committee on Indian Affairs.

A hearing is scheduled for May 20, 1980, beginning at 10 a.m., in room 5110 of the Dirksen Senate Office Building. Testimony is invited regarding S. 2513, a bill to provide a program for an "Operation Bootstrap" for the American Indian in order to create meaningful jobs and to improve conditions among Indians and non-Indians on reservations and in other communities, and for other purposes.

A hearing is scheduled for June 2, 1980, beginning at 10 a.m., in room 5110 of the Dirksen Senate Office Building. Testimony is invited regarding oversight of Federal recognition procedures.

A hearing is scheduled for June 4, 1980, beginning at 10 a.m., in room 5110 of the Dirksen Senate Office Building. Testimony is invited regarding oversight on the Judgement Fund Distribution Act.

A hearing is scheduled for June 10, 1980, beginning at 10 a.m., in room 5110 of the Dirksen Senate Office Building. Testimony is invited regarding reauthorization of the Tribally Controlled Community College Act.

For further information regarding these hearings you may wish to contact Max Richtman of the committee staff on extension 224–2251. Those wishing to testify or who wish to submit a written statement for the hearing record should write to the Select Committee on Indian Affairs, U.S. Senate, Washington, D.C. 20510.●

AUTHORITY FOR COMMITTEES TO MEET

COMMITTEE ON FOREIGN RELATIONS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be deemed to have been authorized to meet during the session of the Senate today, beginning at 10 a.m., to hear administration officials on the Iranian situation, and beginning at 1:30 p.m. on the U.S. population policy and programs.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON HOUSING AND URBAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Subcommittee on Housing and Urban Affairs of the Committee on Banking, Housing, and Urban Development be deemed to have been authorized to meet during the session of the Senate today, beginning at 3 p.m., to hold a hearing on S. 2614, the Housing Assistance Amendments of 1980.

The PRESIDING OFFICER. Without objection, it is so ordered.

SELECT COMMITTEE ON INDIAN AFFAIRS

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Select Committee on Indian Affairs be authorized to meet during the session of the Senate on Wednesday, April 30, 1980, to hold a hearing followed by a markup session on S. 2508, the Gila River Judgment Award and S. 341 and S. 1795, legislation authorizing certain tribes to file claims for damages.

The PRESIDING OFFICER. Without objection, it is so ordered.

SUBCOMMITTEE ON RURAL HOUSING AND DEVELOPMENT

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the

Subcommittee on Rural Housing and Development, of the Committee on Banking, Housing, and Urban Affairs, be authorized to meet during the session of the Senate on Wednesday, April 30, to continue its hearings on the rural housing authorizations for fiscal year 1981.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

SUBCOMMITTEE ON OVERSIGHT OF GOVERNMENT MANAGEMENT

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the Oversight of Government Management Subcommittee, of the Committee on Governmental Affairs, be authorized to meet during the sessions of the Senate on Wednesday, April 30, and Thursday, May 1, 1980, to hold hearings on "hurry-up" spending.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

SUBCOMMITTEE ON AGRICULTURAL RESEARCH AND GENERAL LEGISLATION

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the Agricultural Research and General Legislation Subcommittee, of the Committee on Agriculture, Nutrition, and Forestry, be authorized to meet during the sessions of the Senate on Thursday, May 1, and Friday, May 2, 1980 to hold hearings on price volatility in the silver futures market.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

COMMITTEE ON FOREIGN RELATIONS

Mr. **ROBERT C. BYRD**. Mr. President, I ask unanimous consent that the Committee on Foreign Relations be authorized to meet during the session of the Senate on Wednesday, April 30, 1980 to hold a markup on S. 2271, the International Monetary Fund, S. 2423, the International Development and Security Cooperation Act of 1980, S. 2422, International Financial Institutions, and S. 2588, Legislation Authorizing Appropriations for the Peace Corps.

The **PRESIDING OFFICER**. Without objection, it is so ordered.

ADDITIONAL STATEMENTS

STANFORD DAILY AND POLICE SEARCHES OF DOCTORS' OFFICES

● Mr. **BAYH**. Mr. President, Dr. Nancy C. A. Roeske, professor of psychiatry, director of undergraduate curriculum, and coordinator of medical education for the department of psychiatry at the Indiana University School of Medicine and the American Psychiatric Association's representative to the American Medical Association's Interspecialty Advisory Board recently testified on behalf of the APA and AMA before the Senate Committee on the Judiciary on the issue and implications of Zurcher against Stanford Daily and in support of the goals of my bill, S. 1790.

I commend to my colleagues attention, my constituent's thoughtful concerns about the implications of the Supreme Court's 1978 decision in Zurcher against Stanford upon the confidentiality of medical records and the invasions that occur by law enforcement officials into the security and privacy of physician's offices.

I believe it is important to note the implied consequences of Dr. Roeske's opinion that—

> The continued dangerous encroachment to the right of privacy authorized by the Zurcher decision can set a dangerous precedent whereby our protected rights can be diluted. We must be ever concerned that the call for "law and order" not be used as an excuse to diminish these rights.

While the implications of the Zurcher decision may affect all Americans, it is as Dr. Roeske stated, specifically—

> Contrary to established policy of the American Psychiatric Association and the American Medical Association with respect to the privileged nature of the patient/physician relationship and the ethics of practice.

In further support of the need to protect properly psychiatric, psychological, or mental health treatment notes, Dr. Roeske quoted from the testimony of Phillip Heymann, Assistant Attorney General for the Criminal Division of the U.S. Department of Justice, before the Senate Judiciary Committee, where he said:

> I, myself, think the search of the psychiatrist's files is a very dangerous and questionable practice—

and from his testimony about the purpose categories of people that should be protected where he stated—

> there are however, categories that seem to be easy and obvious. The psychiatrist's files fall in that category.

I ask that the full text of Dr. Roeske's testimony be printed in the RECORD.

The testimony follows:

TESTIMONY OF THE AMERICAN MEDICAL ASSOCIATION AND THE AMERICAN PSYCHIATRIC ASSOCIATION BEFORE THE SENATE COMMITTEE ON THE JUDICIARY ON S. 1790, AND THE IMPLICATIONS OF ZURCHER V. STANFORD DAILY

(By Nancy C.A. Roeske, M.D.)

Mr. Chairman and distinguished Members of the Committee: I am Nancy Roeske, M.D. and am Professor of Psychiatry, Director of Undergraduate Curriculum, and Coordinator of Medical Education for the Department of Psychiatry at the Indiana University School of Medicine. I also serve as the American Psychiatric Association's representative to the American Medical Association's Interspecialty Advisory Board.

The American Psychiatric Association and the American Medical Association mutually seek to promote the best interest of patients and those actually or potentially making use of physician and mental health services. We are grateful for the opportunity to testify before this Committee to discuss our concerns about the significant implications of the Supreme Court's 1978 decision in Zurcher v. Stanford Daily upon the confidentiality of medical records and the invasions that occur by law enforcement officials into the security and privacy of physicians' offices.

In modern times, the scope of privacy afforded by the Fourth Amendment to innocent third parties had been largely undefined. However, the Supreme Court's Stanford Daily case substantially limits whatever degree of privacy was thought to have existed for innocent citizens.

Physicians obligate themselves to protect the confidence of their patients. This principle has been relied upon by the public and has been, in a number of States, an expression of public policy.

The obligation of physicians to keep confidential the communications of their patients is important for two reasons. First, much of the information related by patients to their physicians is highly personal. Patients have every right to expect that the intimate, personal information communicated to physicians will remain private. Second, the assurance of confidentiality encourages patients to be candid with their physicians, and candor is essential to effective diagnosis and medical management of the patient's ailments.

Even with assurances of confidentiality, some patients are reluctant to speak openly with their physicians. If the confidentiality of patient communications could no longer be protected, such reluctance could become widespread, hindering the physician's ability to provide needed medical care to his or her patients.

We applaud the leadership taken by you, Mr. Chairman, and Senator Baucus, in introducing corrective legislation on privacy protection. Indeed, the APA and the AMA stand together to endorse the principles set forth in S. 1790 which addresses the need to extend protection of all innocent third party records held in privileged relationships or those protected by First Amendment rights from improper search and seizure. We believe that the United States Supreme Court did not address appropriately the confidential nature of information and the medical records involved in the physician/patient relationship and other similarly privileged relationships which occur in the practice of medicine.

You, Senator Bayh, as Chairman of the Judiciary Subcommittee on the Constitution, set the tone of protecting the inalienable right of all innocent third parties from possible abuse of the search warrant procedure when, in introducing S. 1790, you stated:

"Doctors, lawyers, and other professionals who have in their possession confidential information should not be subject to forcible entries and rifling through files any more than newspapermen should. They, like the press, should be given the opportunity to provide law enforcement authorities the precise material needed for investigation of a crime by voluntarily complying with a subpoena."

A recent landmark Federal District Court decision struck down as unconstitutional a state Medicaid fraud law as violative of a patient's right to privacy and a physician's right to be free from unreasonable search and seizure. The statute permitted government prosecutors to obtain administrative search warrants issued under a probable cause standard for a complete inspection of the confidential files of psychotherapists. The Court also found that if the status quo were allowed to continue, there was a "substantial probability of irreparable harm" to the plaintiffs.[1]

The Court concluded that there was a substantial probability that the enactment "intrudes significantly into the patients' rights to make decisions regarding psychiatric care in a manner that is unnecessary to achieve the State's commendable purposes" (uncovering Medicaid fraud) and "violates the right to avoid unjustified disclosure of personal information." The Court also noted a recitation of leading United States Supreme Court cases that have "recognized an individual's right to make decisions free from unjustified governmental interference." In *Whalen* v. *Roe* (429 U.S. 589, 1977), the Supreme Court implicitly included medical decisions "within this protected zone of autonomy." Citing *Whalen* v. *Roe*, supra, and *Nixon* v. *Administrator of General Services*, 433 U.S. 425 (1977), (the Nixon tapes), the Court concluded that the proper test implied by those two cases "is to balance the state interests served by a regulation against the intrusion into an individual's privacy." The compelling interest served by the law must "outweigh" the right to confidentiality inherent in the psychotherapist-patient relationship. (*McKenna* v. *Fargo*, 451 F. Supp. 1355 (D.N.J. 1978); *Caesar* v. *Mountanos*, 542 F.2d 1064 (9th Cir. 1976).

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[1] *Hawaii Psychiatric Society* v. *Ariyoshi*, No. CV79-0113 (D. Hawaii, Oct. 22, 1979).

Also, we would like to quote from Dr. Maurice Grossman's testimony before the Judiciary Constitution Subcommittee (August 22, 1978). Dr. Grossman, one of the world's leading authorities on medical record privacy, stated:

"The problem of damage to patients is not merely the patients who are in treatment, not merely the patients whose records would be searched but the mere publicity that any district attorney can get a search warrant and grab the records, in spite of any efforts of the psychiatrists to protect them, is going to keep many potential patients from seeking treatment who desperately need that treatment.

"This is no mere conjecture. These are actual facts. I know of at least two instances where one patient in treatment, having heard of a California Supreme Court decision requiring a psychiatrist to breach that confidentiality, stayed in panic for over a year because of fantasies, fears, and memories of violence on part of the patient, and the terror that, if these instances were ever discussed in treatment, I, as the therapist, would be obligated to report this patient to the civil authorities.

"It was only after we worked through some of the nature of the terror that the whole story came out and therapy was able to proceed.

"Another patient in a similar situation debated for six months about that same decision, until he read in a newspaper or magazine somewhere that I, in my official capacity, was opposing that, and only then did he feel safe enough to give the information that permitted him to conclude his treatment.

"These are not merely theoretical conjectures. They actually have a very direct impact on the welfare of people already in treatment but, even more, people who need treatment who are not going to seek it out of terror of disclosure."

The abuse of search warrants continues. For example, the same District Attorney of Stanford Daily used a warrant on the Public Defender office of his own county. The attached San Francisco Chronicle story (August 29, 1979), which we request be included in the record, tells of another episode. Briefly, the story is one in which a suit was brought to recover patient records seized at a drug clinic at a San Francisco General Hospital.

The criminal basis for the search warrant action was an unsolved murder of three employees of a drugstore on February 4, 1979. Numerous fingerprints were obtained. The search warrant stated that shortly thereafter a Bay Area police department notified the police of jurisdiction "(we) received a telephone call from an anonymous citizen informant . . . that an acquaintance of his (apparently not identified) had a conversation with the perpetrators of the robbery/homicide . . ." The conversation allegedly had to do with planning the robbery for drugs and obtaining guns to be used.

This conversation allegedly took place at the clinic to be searched to obtain all records on all patients for a specified period, to obtain photos and fingerprints of all those who visited the clinic. While the alleged motive may seem worthy, the actual results were police departments throughout the San Francisco Bay Area getting photos and fingerprints (if they were available) of all narcotic addicts trying to break the habit at that clinic.

When photos and prints records were demanded by the California Department of Mental Health of all drug treatment centers, it was for the purpose of avoiding duplicate registration of patients on methadone treatment, with the usual promise of protected confidentiality. These efforts were resisted by all the clinic directors throughout the state, based on the Federal legislation protecting confidentiality. Everyone knew that any suggestion of police surveillance would devastate any drug treatment program. It was for that reason that Congress wrote that section into the alcohol and drug abuse treatment program law (Public Law 92-225 and Public Law 93-282).

Let me share with you the legislative history of Congressional views on the critical nature of confidentiality and treatment. Senate Report 92-700 states on page 33:

"The conferees wish to stress their conviction that the strictest adherence to the provisions of this section is absolutely essential to the success of all drug abuse prevention programs. Every patient and former patient must be assured that his right to privacy will be protected. Without that assurance, fear of public disclosure of drug abuse or of records that will attach for life will discourage thousands from seeking the treatment they must have if this tragic national problem is to be overcome.

"Every person having control over or access to patients' records must understand that disclosure is permitted only under the circumstances and conditions set forth in this section. Records are not be made available to investigators for the purpose of law enforcement or any other private or public purpose or in any manner not specified in this section."

House Report 93-759, on pages 10-11, also, stated:

"In section 333 of the 1970 Act, Congress attempted to protect the confidentiality of patient records of alcoholics and alcohol abusers by authorizing the Secretary of Health, Education, and Welfare to award an absolute privilege to withhold names of subjects of research. This limited provision has proved to be unsatisfactory and, in 1972, Congress included as section 408 of the Drug Abuse and Treatment Act a confidentiality section with respect to records of drug abusers that imposes a duty to maintain the confidentiality of drug abuse patient records as distinguished from authorizing the Secretary to confer a privilege of doing so. This approach has been adopted by the Committee in amending section 333 of the Alcohol Act with respect to records of alcoholics and drug abusers. In implementing the authority to promulgate regulations under section 333, the Committee expects the precedents established under Section 408 of the Drug Abuse Act to be followed in the absence of any compelling reason not to do so."

The continued dangerous encroachment to the right of privacy authorized by the Zurcher decision can set a dangerous precedent whereby our protected rights can be diluted. We must be ever concerned that the call for "law and order" not be used as an excuse to diminish these rights, as has been the case historically when totalitarian governments establish control over their citizens. Despite all of the changes in medicine in the last 2,000 years, one constant is the patient's desire for privacy. The key issue is one of privacy protection and the privileged nature of communications between physician and patient.

As pointed out by Supreme Court Justice Stevens in his dissent on the Stanford Daily case, the threat of Zurcher goes far beyond the press.

Justice Stevens stated:

"Countless law abiding citizens—doctors, lawyers, merchants, customers, bystanders—may have documents in their possession that relate to an ongoing criminal investigation. The consequences of subjecting this large category of persons to unannounced police searches are extremely serious. The ex parte warrant procedure enables the prosecutor to obtain access to privileged documents that could not be examined if advance notice gave the custodian an opportunity to object. The search for the documents described in a warrant may involve the inspection of files containing other private matter. The dramatic character of a sudden search may cause an entirely unjustified injury to the reputation of the persons searched."

Aside from the general intrusion of the confidential relationship between psychiatrist and patient, the search procedure is particularly pernicious since it does not allow the physician to challenge the disclosure of his records on the ground that they are both privileged and confidential. Further, a search, particularly of a physician's office, raises the distinct likelihood that the police will also have access to and review the records of patients who are wholly unrelated to the matter under investigation, such as the San Francisco case noted above.

A search warrant need not be served on the third party before his or her premises are searched. The third party need not be present for a search to ensue. A search warrant may be utilized at any time, whether or not an office is open or not. While all of this may make procurement of the documents in question more prompt and while it may assure against the destruction of records—but we know of no reason for a physician to destroy a patient's records—the warrant procedure had dangerous drawbacks: the absence of an adversarial proceeding and the increased invasion of privacy.

In contrast to a search warrant, a subpoena duces tecum allows the doctor or any innocent third party being served, the opportunity to litigate the privilege issue. Further, it also restricts turnover, should such a privilege claim fail, to the documents specifically at issue, thereby protecting the records, property and perhaps reputation of others. Moreover, the subpoena process permits an individual to take advantage of the due process under law provided by the Constitution.

The United States Justice Department in previous testimony before your Constitution Subcommittee, suggested that the special restrictions that legislation places upon the utilization of a warrant are unnecessary and further burden a closely watched and well-defined judicial decisionmaking process. Such a Justice Department position fails to admit that the Justice Department is composed of human beings who set Justice Department policy. It imputes only good and honorable intentions to those in high office and argues that, therefore, more stringent restrictions on the use of search warrants against innocent third parties in the wake of Zurcher are unnecessary.

I would remind you of the Ellsberg case. The office of his psychiatrist, Dr. Fielding, was burglarized and records stolen. Zurcher would have made such an invasion lawful for a warrant and would now be permissible.

Zurcher is contrary to established policy of the American Psychiatric Association and the American Medical Association, with respect to the privileged nature of the patient/physician relationship and the ethics of practice. It forces the breach of that confidential relationship, the raison d'etre of the medical relationship, by permitting documents to be taken without authorization of the patent.

This is in contrast to the use of a subpoena which permits the physician/psychiatrist and patient each to challenge the legal compulsion to release this confidential material. The warrant permits none.

Not only does Zurcher potentially weaken existing patient/physician relationships, but has the even more serious danger of sufficiently heightening the stigma now attached to mental illness so as to drive those in need of care away from seeking help in the first place. The American psychiatric Association and the American Medical Association remain confident that this Committee is very much aware that the stigma associated with mental illness and emotional problems is still so strong that millions of Americans are reluctant to admit they need help.

The President's Commission on Mental Health clearly points out the fears and concerns about the stigma of mental illness. It states:

"This misunderstanding and fear which surround mental illness and mental retardation relate both to mental health services and to the people who are receiving or have received those services. More people now seek mental health care, and those who do often seek care sooner than they might have in the past. But many who need help do not seek it, and many who have received help do not admit it."

We are hopeful that this Committee will share our concerns about the dangers of and implications of the Zurcher decision, as one not limited to the media. We urge and support the enactment into law legislation which would ensure that when any person acting under color of law, whether a Federal, state or local official, seeks evidence of a crime from a citizen's home or business who is not suspected of being involved in the crime, the proper procedure is to serve a subpoena duces tecum rather than conduct a surprise search by use of the search warrant.

Mr. Chairman, the APA and the AMA have, for some time, been grappling with the complex issue of confidentiality—notably those assurances needed to protect the confidentiality of medical records—for many of the reasons already enunciated in our testimony. We both have drafted model laws regarding this issue which we believe carefully draws the important line between the requirement of confidentiality of medical records and access to medical information for legitimate purposes. We would like to ask that both model laws be made part of the hearing record.

Once again, we appreciate the opportunity to appear before the Committee and welcome the opportunity of working with the Congress to achieve the goal of insuring the confidentiality of medical records and providing Fourth Amendment protection to all. We are pleased to respond to any questions you may have.●

SPEECH BY MARILYN BRYANT ON COMMISSION ON VOLUNTEERISM

● Mr. DURENBERGER. Mr. President, I would like to bring to the attention of my colleagues, the speech Marilyn Bryant gave to a gathering of Minnesota volunteers interested in the National Commission on Volunteerism that I have proposed.

Ms. Bryant is an experienced volunteer. She has served on the national boards of many organizations, such as the National Women's Political Caucus and National Republican Women's Task Force. She served for 3 years with the task force for the American Hospital Association. Within Minnesota, Ms. Bryant founded the University of Minnesota Hospital Volunteer Association and served in leadership positions with the Governor's Office of Volunteerism, the Greater Minneapolis Girl Scout Council, Big Sister, and the Junior League.

One of Ms. Bryant's great contributions was the conference she convened on volunteerism called "People Power." This 1974 conference attracted over 1,000 people from across the country to "provide a forum where the leaders of the voluntary sector could discuss issues of mutual concern, consider opportunities for action, and thereby influence the future direction of the volunteer movement."

My personal appreciation goes to Ms. Bryant for her most gracious giving of her time and talents and to the 2 million Minnesota people who contribute their time and energy in volunteer endeavors.

Mr. President, I ask that the text of Ms. Bryant's speech be printed in the RECORD.

The speech follows:

SPEECH BY MARILYN BRYANT

On April 22, 1974—exactly 6 years ago to the day, I convened People Power, the first national Conference on Volunteerism. Over 1000 volunteers from more than 30 states and Canada had gathered for the purpose of broadening citizen participation by exploring the need for expanding the pool of volunteers, expanding the role of volunteers, and raising the status of volunteers.

On that occasion when over 1000 volunteers had assembled to examine ways to broaden citizen participation, I said that such participation, whether individually or in groups, represents an evolving force whose power has been both unrealized and unrecognized. I said "working together, we can revitalize one another's commitment and thereby multiply the sum of our individual efforts. Thus combined, we *can* generate the energy necessary to effect change. The resulting force, the power of a committed citizenry, could have a compelling impact on solving problems in the coming decades."

I am here today, exactly 6 years to the day later, during Volunteer Week, continuing to speak out for voluntary efforts, and continuing to believe that the citizens of this country, through their voluntary participation, can effect changes and can help to solve the monumental problems facing our society today.

We have come a long way—

We still need, as we did 6 years ago, to explore ways to expand the pool of volunteers, the role of volunteers, and raise the status of volunteers. We still need to look at ways to broaden citizen participation, and make more effective our volunteer efforts, because the need for voluntary citizen involvement has not lessened. We know that Proposition 13 was a real test of the individual citizen's willingness to accept the responsibility for human services which the government no longer had funds to provide. Today a similar urgency exists, for the administration's proposed budget cuts are sure to affect human service programs, and there will be a crying need for citizen volunteers to fill the gaps as funding for programs is withdrawn.

Over 200 years ago, our forefathers and foremothers who founded this country did so as volunteers. They did the barn raising, attended the town meetings, and when felt compelled, enacted a Boston Tea Party. They were citizen activists—volunteers—who founded this democracy. And today the need is as great—we need citizen activists, volunteers to help preserve this democracy. We as Americans know that there is a limit to what government can do. We earnestly believe in founding—preserving—and making better our society through our own efforts as individuals. We are all here today—because we share that belief.

As volunteers, we are, and we should be, interested in mechanisms which will enhance or facilitate our efforts, or increase the public awareness of and recognition of volunteer activities.

You are here today to learn about the Commission on Volunteerism, and I am here to tell you about it because I believe it has the potential for enhancing and supporting our efforts as volunteers, and for increasing the public awareness of and recognition of volunteer efforts. A National Commission on Volunteerism has the potential for doing these things because it establishes at the highest level a Commission to formulate a policy regarding cooperation between government and volunteer organizations. The National Commission is the most prestigious, most visible means of bringing public officials and persons from the volunteer sector together to discuss public policies that affect the private sector. I firmly believe in the involvement of individual volunteers in achieving the goals and objectives of this country, and I believe that a National Commission is the most appropriate vehicle, not only for examining these relationships, but for making a positive statement about the importance of voluntary efforts in this country. This recognition, this awareness, is important. In fact, it is vital. Only a National Commission can give this long deserved visibility, this voice, to all volunteers.

You are interested, of course in the particulars of the amendment.

Perhaps you have not had a chance to review it.

Before outlining provisions of the amendment, I would like to tell you a few things the National Commission will not do.

The Commission is not the government—it is specifically stated that only four of the 25 members shall be members of Congress.

And it will not lead inevitably to government interference into the non-profit sector. To the contrary, it is set up to examine ways to lessen and lighten government restrictions or unknown interference.

The Commission is not political. Non-partisan politics will not enter in.

The Commission will not duplicate other efforts in research or study, nor will it compete in other such efforts. It may collect other studies or data, and it will have access to information and research that other researchers would not.

The Commission will not study tax policy. This is spelled out in the amendment. So it will not jeopardize or endanger the work of bodies like the Filer Commission, who have been long interested in tax policies as they impact on voluntary giving.

The Commission will not initiate or establish any programs or projects. It is not set up to do that. Hundreds of thousands of volunteer agencies and volunteer directors know their own community needs and are the logical source of programs and projects.

The Commission won't jeopardize or undermine any private sector volunteer organization or agencies or groups. It is *not* set up to grab power or wield influence. It is set up to help untangle some hindrances and constraints on these private sector efforts and in that way to gain greater recognition of those efforts on the national level.

The Commission will not be self-perpetuating and become another bureaucracy. It has a clearly-stated time frame of two years to accomplish its task.

The Commission has a specific task: To study ways in which governmental programs, policies, and regulations either encourage or discourage citizen participation, and to recommend policies that result in a consistent effort to utilize, wherever and whenever possible, the full use of citizen volunteer involvement.

SUMMARY OF AMENDMENT

(1) Establishment of the Commission:

(a) 25 members appointed by the President including representatives of:

(1) private volunteer-involving organizations.

(2) private volunteer-supporting organizations.

(3) minority, women and ethnic organizations.

(4) employee and employer organizations.

(5) federal government.

(6) State and local government.

(7) Congressperson—no more than 4.

(2) Functions:

(a) Study socio-economic issues related to volunteering:

(1) age distribution and longer life expectancy.

(2) changes in labor force including status of women.

(3) changes in attitudes toward careers.

(4) higher educated population with fewer satisfying jobs.

(5) inflation.

(6) scarcity and increased cost of energy.

(b) Identify significant public policies of mutual interest to volunteer organizations and government.

(1) use of recording volunteers in grants/contracts—use of stipends.

(2) offering of public technical assistance.

(c) Incentives for volunteers.

(3) Public Hearings:

(a) Conduct a minimum of 5 hearings at least one every 6 months.

(b) Notice of hearing shall be widely distributed.

(4) Reporting/Accountability:

(a) Initial report issued with 18 months of Commission's establishment.

(b) Final report due to President and Congress within 24 months after effective date.

(5) Powers and Administration:

(a) Requesting materials.

(b) Cooperation from heads of departments, agency and executive branch.

(c) Hire executive director.

(d) Enter into agreement with General Services Administration for financial and administrative services.

(e) Enter into contract with federal, state and local agencies for research, surveys, preparation of reports, etc.

(6) Compensation:

(a) Federal employees would receive only travel expenses.

(b) Members of Commission would receive $100 per day.

(7) Termination:

(a) 3 months after submission of final report.

(8) Budget:

(a) $200,000.

This group was assembled so you all would have an opportunity to give your reactions and suggestions to a National Commission on Volunteerism. You will do this shortly in small groups.

It is most fitting to be gathered here at this particular time—National Volunteer Week—when all across the country this is the week to recognize volunteers, such as you, who contribute so much to their communities. We are all a part of, and indeed are, the reason for there being a National Volunteer Week.

In some way we could all be a part of—and be the reason for—a National Commission on Volunteerism. This is a unique opportunity for volunteer voices to be heard—for us to have an advocate on the national level—for us to gain national visibility while at the same time promoting, encouraging and strengthening the voluntary sector.

No message concerning citizen participation ever seems quite complete without mentioning the observations of deTocqueville, the French statesman who visited America in the early 19th Century. He observed that Americans have a living faith in the perfectibility of human nature, and that they consider society to be a body in a state of improvement. He goes on to state that democratic nations are haunted by visions of what will be. So may we here be haunted—I prefer to say inspired—by a vision of what will happen when a committed citizenry works together to solve problems.●

THE GALLANT IDA NUDEL

● Mr. JACKSON. Mr. President, I am happy to join in this expression of admiration and concern for Ida Nudel, the woman whose name is synonymous with courage.

Tiny, modest, she is a woman who does not know the word defeat. Consigned to Siberia for 4 years of existence under shocking conditions, she has been hostess to concerned visitors whose brief companionship and thoughtful gifts, including the dog Tolya, have done much to make her life bearable.

This is not what her oppressors had in mind, of course. On February 28 of this year, after she had triumphantly survived nearly half of her sentence, they published a viciously slanderous, anti-Semitic article about her in the Tomsk newspaper Red Banner.

Instead of cowering before this aggravation of the local hostility around her, she cabled appropriate Soviet officials and also the Dutch Embassy which represents Israeli interests declaring:

> I accuse the authors of this article of knowingly inciting hatred for the purpose of bringing about violent reprisals.

This show of spirit and defiance was followed by the announcement of her resolve to go to court to "prosecute the editors on three counts: Libel, insulting behavior and racist incitement."

In a long phone conversation with her sister Elena Fridman in Israel, Ida Nudel added:

> It's difficult to find a lawyer for a case like this . . . Please tell my correspondents from me that I won't be writing for the next 2 months. I will need to study the law. I must deal with this stupid article. I have to be ready to go to court, however it might turn out. I might even get sentenced again myself, but that doesn't matter any more. I will use all legal means to defend my character . . . I have to study the criminal code and learn how to conduct my own defense . . . I will have to defend myself if I can't find a lawyer.

As we salute Ida Nudel today, we are letting the Soviet authorities know that their persecution of this woman holds them up to the world as uncivilized violators of their own laws. In their own interest, they should let her go.●

BIRTHDAY HOPES FOR IDA NUDEL

● Mr. HEINZ. Mr. President, today we celebrate the 49th birthday of a courageous woman—Ida Nudel, a Soviet Jewish prisoner of conscience. Former prisoners of Soviet labor camps and exile owe her a great debt for her efforts on their behalf. They have said that she discovered and brought their plight to the attention of the outside world. Ida would collect information on the prisoners and contact their families and other prisoners. She would adopt the victim and do everything humanly possible to relieve his plight. Her activities included writing, and sending medicines and food, which were successful in boosting the prisoners' morale.

David Chernoglaz, who served 5 years in a labor camp, said upon his release:

> The one person above all others who helped to keep up morale and who constantly helped with letters and parcels, the person rated by all to be a super-human angel, is Ida Nudel.

Those who have not experienced a Soviet prison camp cannot envisage what Ida Nudel meant to the prisoners in terms of hope and morale.

As a result of her efforts, she has been continually harassed and intimidated by the KGB, which has taken its toll. When her sister last saw her in 1972, she described her condition as excellent, but now she has heart trouble. In October 1973, she discovered that she was being "treated" for alcoholism and not for her heart condition, as she was led to believe, when she accidentally saw her medical chart at a clinic. She protested to the chief doctor, who confirmed that she was coming to the clinic because she was an "alcoholic." The doctor stated that she has been reported being drunk on several occasions, even though Ida Nudel does not drink.

On June 1, 1978, after 7 years of harassment and interrogations since first applying to emigrate to Israel to live with her sister, Ida Nudel placed a banner outside her apartment window which read "KGB, Give Me A Visa To Israel." For this display, she was charged with and convicted of "malicious hooliganism" and sentenced to 4 years of internal exile. Now it is time once again for us to do what we can to help this brave person who has done so much to help others. We must renew our appeal to the Soviet Government that she be given clemency and allowed to emigrate to Israel.

We must remind the Soviets that human freedom and dignity is for everyone and that we will, if necessary, fight that battle person by person until it is won for all. In doing so it is not one system triumphing over another, but man triumphing over the worst that is himself.

Mr. President, I ask that a statement by Ida Nudel from exile—a statement of hope and determination—be printed at this point in the RECORD.

The statement follows:

STATEMENT OF IDA NUDEL IN EXILE

I'm only a woman, it is so agonisingly difficult to live here in a God-forsaken village, without relatives, without friends, without almost all conveniences, while here are almost no food in the store, while militia do their best to cut off my good relations with neighbors.

On the other side, as a person I'm fortunate that I myself add not only one page to the history of the Jewish resistance in Russia. I'm fortunate that my efforts permitted thousands of Jews to leave this barbarous country. I'm fortunate that by my advice and by my act I was lucky to diminish suffering of many Jews and helped them to avoid a conflict with the punitive system of KGB.

I'm fortunate that during all these years I was helping prisoners of Zion, those who were chosen to cut the way to Israel, by the price of their own freedom. I was helping them to keep spirit and survive in the hell which you cannot imagine. I do know that I must pay for this fortune in full. No matter how I am tormented by the chastisers or after I cried out of weakness, loneliness and seemingly senselessness of my present life, I do not regret and I do not renounce any of my actions.

But if our suffering will not force every one of you to rush to help us, then it is in vain.

We are idealists. We do believe that our suffering is not for nothing. And this belief saves us from despair at the most difficult moments of our imprisonment. I so want to believe in my lucky stars. I so want to believe that some time I will rise up the board of an El Al aircraft and my suffering and tears will remain in my memory only and my heart will be full of triumph and victory.

And God grant—it will happen soon! ●

FEDERAL ACQUISITION OF PRIVATE LAND

● Mr. SASSER. Mr. President, I call the attention of my colleagues in the Senate to a report recently released by the Comptroller General of the United States: "The Federal Drive to Acquire Private Lands Should Be Reassessed." According to the report, the National Park, Forest and Fish and Wildlife Services have been acquiring privately owned land simply because they have the necessary funds to do so, not because they have documented any actual need for the property.

The price tag for the Federal acquisition of private land for parks, wildernesses and recreation areas is high: Close to $4 billion has been authorized for the next decade for the Congress to appropriate for this purpose. Yet, the cost to private individuals who are forced by the Federal Government to move from their farms, homes and businesses may be even greater.

In recent testimony by the Federal Land Inholders Association before the Subcommittee on Intergovernmental Relations, which I chair, several very distressing cases were reported:

The Keaton family, for generations farmers in Ponca, Ark., had their property taken away by the Park Service for the Buffalo River project. Although they received some payment for their land, the inflation in price for a comparable farm has prevented them from going back into farming for a livelihood.

Mrs. Eva Barnes Henderson, age 83, moved by the Park Service from her lifelong home on her small farm at the Buffalo River, died 2 months later. No thought had been given to allowing her an easement for her property until her life was over.

Ed Vagim, owner of a small service business on the bank of a river in the southern part of Yosemite National Park, had his property taken away by the Park Service. To date, no effort has been made by the Park Service to help him find a replacement business or housing.

Stories such as these, reporting the heavy toll on human beings when they suddenly lose their homes, farms or businesses, make it sad to learn that this private land may be needlessly acquired by Federal agencies. Many of these displaced people may receive financial compensation under the provisions of the Uniform Relocation Act of 1970, particularly if strengthening amendments to that act, which I introduced last year, are passed. However, nothing can make amends for the emotional costs of needless displacement to an individual.

The General Accounting Office, in its report, recommends that the Congress exercise its oversight and fiscal authority to require that the Secretaries of Agriculture and Interior prepare plans for projects which would include an evaluation of whether the purchase of land is essential to achieve the objective of a project, an assessment of the impact of the proposed land acquisition on private landowners and a discussion of alternative ways, such as the use of easements or zoning, to protect lands without actual purchase.

It is appalling to me that the Departments of Agriculture and Interior do not now have an established policy for the evaluation of the need to purchase lands to achieve the purposes of projects they are considering. Certainly, in light of the distressing effects of displacement on individuals, there should be consideration of the possible use of alternatives, such as easements, zoning and rights-of-way access, to outright land acquisition.

A side benefit of using easements and zoning, rather that outright purchase, to preserve and protect certain lands is the fact that the land would not then be removed from the local property tax rolls. Large Federal landholdings erode the local tax base. In addition, agricultural activities could continue. And the spiraling inflation in cost of lands adjacent to Federal acquisition site, often triggered by Government land purchases, could be avoided.

The objectives of the Land and Water Conservation Act of 1965, and other sources of revenue for land acquisition, are worthy. It is very important to protect streams and wildlife habitats, develop forests and grasslands and preserve and protect outdoor recreation areas for use by all citizens.

However, it is also important that costs and impacts be considered and controlled in such land purchases. According to the GAO study, the haphazard method of acquisition sometimes results in higher overall costs because of rising land prices and costly condemnation proceedings. More often than not, Federal agencies exceed their original cost estimates for the purchase of land and must come before Congress for a higher appropriation.

In light of this study, the Congress and the Federal agencies should take a more critical look at Federal land purchases. We must take whatever steps are necessary to control costs and minimize the impact of necessary land acquisitions on communities and private owners. The proposals of the General Accounting Office that the Government adopt a policy for land-buying which places a greater emphasis on less financially and socially costly alternatives to outright purchase is worthy of further consideration.

I ask that the digest from the Comptroller General's report to Congress titled: "The Federal Drive to Acquire Private Lands Should be Reassessed" be printed in the RECORD.

The digest follows:

THE FEDERAL DRIVE TO ACQUIRE PRIVATE LANDS SHOULD BE REASSESSED

DIGEST

Federal agencies need to acquire private lands essential to achieving the objectives of parks, forests, wild and scenic rivers, preserves, recreation areas, wildlife refuges, and other national areas established by the Congress. The Chairman, Subcommittee on National Parks and Insular Affairs, asked GAO to examine the Federal Government's policies and practices for purchasing title to land versus using less expensive protective methods. This report focuses on the activities of three Federal agencies with major land management and acquisition programs—the Forest Service, Department of Agriculture, and the Fish and Wildlife Service and the National Park Service, Department of the Interior.

The three agencies generally followed the practice of acquiring as much land as possible without regard to need and alternatives to purchase unless specially spelled out in legislation. Consequently, lands have been purchased not essential to achieving project objectives, and before planning how the land was to be used and managed. Because of this practice, Federal agencies overlooked viable alternative land protection strategies such as easements, zoning and other Federal regulatory controls including the dredge and fill permit program for protecting wetlands administered by the Corps of Engineers, Department of the Army.

MAGNITUDE OF FEDERAL LAND OWNERSHIP AND PURCHASES

Over one-third of all the land in the United States is owned by the Federal Government with local and State governments holding a small but growing share (6 percent). Additional land is held in trust for Indians, bringing total public ownership to 42 percent. Most of this was in the public domain and never owned by private individuals (700 million of the 760 million federally owned acres). Thus, some 60 million acres have been acquired.

During fiscal years 1973–77, the National Park, Forest, and Fish and Wildlife Services acquired full or partial title to 2.2 million acres for $606 million. The predominant acquisition method used was purchase of full title, accounting for 88 percent of the acreage and 95 percent of the costs. Current legislation authorizes up to $10 billion through the Land and Water Conservation Fund—$4 billion for Federal acquisition and $6 billion for grants to States and local governments—for land acquisition and development over the next 11 years and assures that Federal agencies as well as State and local governments, will continue to increase their inventories of land.

COSTS AND IMPACTS SHOULD BE CONSIDERED IN LAND PURCHASES

Government acquisition of private lands for protection, preservation, and recreation is costly and usually prevents the land from being used for resource development, agriculture, and family dwellings. It also removes the land from local property tax rolls, although payments are made to local governments in lieu of taxes.

Agencies have regularly exceeded original cost estimates for purchasing land. The cost of many projects has doubled, tripled, even quadrupled from original estimates and authorizations. Also, agencies have bought land without adequate consideration of the impact on communities and private owners by viewing acquisition of full title as the only way to protect lands within project boundaries.

For example, for three wild and scenic rivers GAO reviewed, the original congressional ceilings had increased from $11 million to $34 million, an increase of 210 percent. This is in a program where land acquisition was intended to be minimal. Yet, agencies are buying as much land as possible, leading to increased costs and local opposition.

NEW LAND PROTECTION STRATEGIES AND OVERALL POLICIES NEEDED

The Federal Government has no overall policy on how much land it should protect, own, and acquire.

When the objectives of a project concern preservation, conservation, or aesthetic values, the Government need not necessarily own all of the land but could control the use of lands by alternative means such as easements and zoning. Alternatives are feasible and have been used successfully. For example, the Forest Service at the 754,000-acre Sawtooth National Recreation Area in Idaho, successfully worked with private landowners, conservation groups, State and local governments, and other Federal agencies to develop a comprehensive master plan for the area effectively combining land use controls, easements, and selected private land acquisition for this project.

Although the National Park, Forest, and Fish and Wildlife Services now have policies requiring consideration of less than full-fee acquisition, many agency officials argued that partial interests are costly, ineffective, and administratively burdensome. These feelings could hamper effective implementation of the agencies' policies. Further, their arguments seem to be perceived rather than demonstrated because there has been successful use of acquiring partial interests in land. For example, the Fish and Wildlife Service administers wetland easements on 1.1 million acres in the upper Midwest. While there have been relatively few violations among the 18,000 easements (340 in fiscal year 1976) officials stated that the use of easements provided protection of four times as much land as could have been acquired through full-title purchase.

Alternatives could offer other benefits. Resistance to Federal acquisition should be reduced, since the land will remain on the tax rolls. Residents will retain their homes, obviating relocation costs. Certain agricultural lands could remain in productive use, with the scenic values protected. Finally, the Federal Government would be saved the cost of administering the area although there could be costs associated with enforcement and maintenance.

Opportunities also exist to work with State and local governments. For example, when a 52-mile section of the Lower St. Croix River was made a component of the Wild and Scenic River System, local zoning ordinances were charged to provide protection. The Park Service, however, viewed this as only a temporary measure until it could purchase titles and restrictive easements to all the lands in the Park Service's 27-mile section. Costs have increased from the initial legislated ceiling of $7.3 million to the current ceiling of $19 million.

This attitude toward zoning has antagonized local communities and landowners. On the contrary, the States of Minnesota and Wisconsin, which have responsibility for 25 miles, feel easements and zoning can adequately protect the river. Thus, neither plans any major fee-title purchases. In this and several other projects it reviewed, GAO believes the Federal agency could have relied on the local initiatives taken to protect the land until it was evident that the protective provisions would change. At that time, Federal agencies could either protest the change or, if necessary, proceed to purchase lands through negotiation or condemnation.

In summary, alternatives to full-title acquisition, such as easements, zoning, and other Federal regulatory controls, are feasible and could be used by Federal agencies where appropriate. GAO recognizes that some lands must be purchased if they are essential to achieving project objectives.

RECOMMENDATIONS

GAO recommends that the Secretaries of the Departments of Agriculture and the Interior jointly establish a policy for Federal protection and acquisition of land. The Secretaries should explore the various alternatives to land acquisition and provide policy guidance to land-managing agencies on when lands should be purchased or when alternatives should be used to preserve, protect, and manage national parks, forests, wildlife refuges, wild and scenic rivers, recreation areas, and others.

GAO further recommends that the Secretaries evaluate the need to purchase additional lands in existing projects. This evaluation should include a detailed review of alternative ways to preserve and protect lands needed to achieve project objectives.

GAO further recommends that at every new project, before private lands are acquired, project plans be prepared which—

Identify specifically the land needed to meet project purposes and objectives;

Consider alternative land protection strategies;

Weigh the need for the land against the costs and impacts on private landowners and State and local governments;

Show close coordination with State and local governments and maximum reliance on their existing land use controls; and

Determine minor boundary changes which could save costs, facilitate management, or minimize bad effects.

RECOMMENDATION TO THE CONGRESS

GAO is recommending that the Congress during its authorization, oversight, and appropriation deliberations require the Secretaries of Agriculture and the Interior to report on the progress made in implementing GAO's recommendations. This should include a determination on the extent project plans for new and existing projects have been prepared which, as a minimum, evaluate the need to purchase lands essential to achieving project objectives; detail alternative ways to preserve and protect lands; and identify the impact on private landowners and others.

Congressional oversight in implementation of GAO's recommendations is needed because of the large sums of money available from the Land and Water Conservation Fund for acquisition of private lands; practice followed by Federal agencies of acquiring as much private land as possible resulting in unnecessary land purchases and adverse impacts on private landowners; successful use of alternatives to full-title acquisition to achieve project objectives; and reluctance on the part of many agency officials to use less than full-title acquisition to achieve project objectives.

APPRAISAL OF AGENCY COMMENTS

Four of the five agencies responding—Forest Service, Department of Agriculture; Fish and Wildlife Service, National Park Service, and Heritage Conservation and Recreation Service, Department of the Interior—generally agreed with GAO's recommendations or said they were in compliance. The agencies sharply disagreed with some of GAO's conclusions and defended their practices as being consistent with Congressional intent.

The Heritage Conservation and Recreation Service stated that what is needed is a thorough research, analysis, and training program to encourage project managers to use alternative land protection strategies. GAO agrees this is needed and should be considered during the development of a new Federal land protection and acquisition policy.

Interior's Office of the Solicitor disagreed with the conclusions and recommendations. Its major point was that the recommendations should be addressed to the Congress.

GAO believes the Secretaries of Agriculture and the Interior have the authority to implement GAO's recommendations. Further, it should be noted that the National Park, Forest, and Fish and Wildlife Services have adopted separate policies requiring consideration of less than full-fee acquisition.

GAO believes the case examples included in the report and appendix I adequately support the conclusions reached. Further, GAO believes that where it is feasible to protect areas and to provide recreational opportunities to the American public by using alternatives to full-title acquisition, then the alternatives should be used. In no way is GAO against Federal full-title acquisition of land when it has been determined that acquiring such land is essential to achieving project objectives. That is the essence of the report.●

GOVERNMENT COMPETITION WITH SMALL BUSINESS

● Mr. **CULVER**. Mr. President, I want to congratulate all those involved with the production of a report entitled "Government Competition: A Threat to Small Business," by a special task force of the Small Business Administration's Office of Advocacy. In my judgment, this report merits thoughtful consideration by my Senate colleagues.

The able chairman of the task force is Dale Nelson, president of BMS Services in Des Moines. This report is just one of the many projects of vital concern to the small business community to which Mr. Nelson has generously committed his valuable time and talents. The Office of Advocacy of the Small Business Administration, and especially Milt Stewart, the Chief Counsel, clearly performed a valuable service in organizing and making this task force possible.

During the past few months, the regulatory atmosphere for small business operators has improved greatly. Congress has paid increasing and much-needed attention to the special concerns of small business, and I am proud to have participated in this growing record of progress.

Two important bills of significance to small businesses, which I authored, were recently sent to the full Senate Judiciary Committee. The Regulatory Flexibility Act contains provisions to require regulatory agencies to carefully examine alternative methods of regulation which would lessen the disproportionate burden of complying with Federal rules shouldered by small business. I have heard numerous stories from Iowa business persons in hearings and meetings about the costly effect of Government regulations on their operations and these measures, which have received widespread business support, will help remedy a serious problem. Neither of these measures would have been possible without the substantial assistance of the SBA's Office of Advocacy and small businesses across the country.

The task force report focuses on a separate but related problem involving the relationship of the Federal Government and small business. As the report aptly demonstrates, all levels of government have been increasingly engaged in needless, direct economic competition with small for-profit enterprises. The task force hearings in Des Moines last year provided compelling evidence that much of this competition is severely harming small businesses and is costing—rather than saving—the Government money.

As a member of the Select Small Business Committee, the Judiciary Committee, and the Senate Small Business Task Force, I know we will be examining the recommendations in this report with great care and interest. With the active help of small business people and the SBA Office of Advocacy, we can keep the momentum of progress going and make 1980 a year of significant accomplishment for the small business community.

Mr. President, I ask that the executive summary of the task force report be printed in the Record.

The report follows:

GOVERNMENT COMPETITIONS A THREAT TO SMALL BUSINESS

FOREWORD

It is more than one hundred years (1875) since Mr. Justice Miller said for the Supreme Court of the United States:

"The theory of our governments, state and national, is opposed to the deposit of unlimited power anywhere."

There is even in our time of gargantuan Government and Government-sized business, still no "unlimited power" anywhere in our country. Our system of legal and regulatory checks and balances, our elective process, our Government of laws and not men, have served us remarkably well in that regard. What undergirds all of those, however, is citizen vigilance—citizen vigilance in defense of "the theory of our government."

Citizen vigilance means *timely* sensitivity to the need for new limitations on power, whether public or private, which threatens to go out of bounds. Timeliness is obviously a critical requirement in controlling the growth of power before it gets anywhere near the point of being "unlimited."

This report is an expression of the timely citizen vigilance of a group of small business people concerned with the need to control the Federal Government's power to expand its own role in the economy. Their central concern is the use Government has made of its authority to create tax supported instrumentalities which engage in direct economic competition with small, private for-profit enterprises.

President Carter has already taken several steps to increase the ability of the Executive branch of the Federal Government to control itself in this area. He has directed the use of new and promising mechanisms to make the basic self-control machinery created by direction of President Eisenhower far more effective than it has yet been.

This Task Group was named by me after extended discussions with many small business leaders and trade association executives. Those who served on it were selected because of their experience and standing within their own industries as representative opinion leaders. This report and its recommendations are entirely their product. The staff of the Office of Advocacy has assisted them in the management of the hearing process, in the assembly of information and in the ministerial conduct of their affairs. My colleague, SBA Administrator A. Vernon Weaver, as required by P.L. 94-305, approved the hearings which I conducted for the Task Group. But the recommendations and the justifications given for them are entirely those of the Task Group.

Dale Nelson of Des Moines, Iowa, Chairman of the Task Group has been particularly generous with his time and efforts. He is a classic American small business entrepreneur and conducted the affairs of the Task Group with the vigor, grace and dedication typical of the best of small business.

Whatever support or opposition the views of this citizen group commands, two things about them are noteworthy. First, until now, concern about Government competition has been limited almost entirely to leaders and organizations of larger business. This is the first extended review of the subject by a group of concerned small business people bringing to the subject their special experience and points-of-view.

Second, this report is one of many contributions which small business needs to make to a balanced discussion of "power and its limitations" as it applies both to Government and to Government-sized business.

Small business is potentially one of the Nation's most effective guardians of its economic diversity and political liberty. Small business persons, even in concert, offer no conceivable threat to their fellow citizens of ever having "unlimited power." This is not because they are better as people than those who manage Government or Government-sized business. It is merely because they are by definition individually "small" both in the marketplace of goods and services and in the marketplace of clout. The larger their share of the economy, therefore, the more reasonable it is to assume the citizenry will be safer from the misuse of power either by Government or by Government-sized business. In that sense every citizen has a stake in having the small business sector become as strong as possible relative both to Government and to Government-sized business.

Small business will surely be called upon often in the years ahead to provide opinion leadership in discussions of the need for limiting the powers of both Government and Government-sized business. The members of this Task Group deserve the thanks of all of us for a noteworthy initial contribution.

Milton D. Stewart,
Chief Counsel for Advocacy.

EXECUTIVE SUMMARY

BACKGROUND

"Government competition" with small business is a complex and controversial subject whose practical effects are much easier to understand than its many conceptual facets. Perhaps the greatest difficulty in analyzing and reporting on this phenomenon has been to adequately develop and relate most of the aspects of what initially appeared to be such an obvious and simple matter.

Economic statistics consistently document the substantial contribution that small business makes to the economy. Accordingly, small business owners are justifiably concerned with Government's growing intrusions into the marketplace and its frequent lack of appreciation for the differences between small and large businesses, taxpaying organizations and non-profit organizations. To the small business community, the issue of "Government competition" represents a serious threat to a segment of the economy already experiencing economic difficulty from other Governmental policies and other economic forces. No clearer indication of the need for action can be found than the allegations and experiences of small business people whose unpleasant experiences with Government competition were presented to the Task Group and the U.S. Small Business Administration. The two examples that follow illustrate how a successful enterpreneur's business can be crippled or threatened with extinction by the decision of a Government agency to produce goods or services that compete with that enterprise.

Imagine yourself as the president and owner of a small, successful high-technology firm providing precision testing service on solar collectors. You have produced state-of-the-art techniques, invested heavily in sophisticated testing instruments, and constructed new facilities to handle the growing demand. You have hired many new, highly-skilled employees whom you have also trained. You are known worldwide as a leading and highly reliable business that consistently maintains rigorous standards and provides only the highest quality work.

You have private competitors, but their business and yours begin to drop precipitously as the cumulative result of Governmental actions occurring at several different levels. One Federal agency underwrites competitive testing services by funding non-profit universities whose subsidization enables them to beat your prices. You pay the taxes; they get the business. Another Federal agency undermines your reputation by treating you and your competition—private or otherwise—equally, by granting the same de facto accreditation to all despite your proven superiority. Lastly, an agency created by the state in which you do most of your business, not only prohibits you from servicing your customers in that state but establishes its own monopoly in the state by doing all such testing for itself. In addition, it enters into direct competition with you by offering its testing services on an interstate basis.

Or, imagine yourself as one of many small businesses in the metropolitan courier industry. For many years, you have been providing needed rapid-delivery services. Unexpectedly, the United States Postal Service decides to establish a local same-day small package delivery service. Postal studies indicate that the service will eventually compete directly with you in a substantial way even though the Postal Service claims that this is not the primary aim of the new service. There is considerable evidence that the new service is inefficient and superfluous. Based on Postal Service documents, the Office of Advocacy computes that the service will cost $1 million in its first year of operation while yielding a mere $250,000 in revenues. Nevertheless, the Postal Service expects to implement the program nationwide, inevitably competing with your business and many others.

Neither case is imaginary. They dramatically illustrate the plight of small business owners who suffer from Government competition. Viewed from this perspective, the issue is indeed relatively simple, and the solution seems obvious: "Get the Government out of business. Government should not compete with private enterprise, but at least the competition should be fair where Government enters the marketplace."

Essentially this is the perspective that motivated numerous small business people to express their concerns about "Government competition" to the Office of Advocacy and to the Chief Counsel for Advocacy in particular. Their lament was widespread and genuine. Often their accounts were vivid and touching stories expressed more in the terms of the taxpayer outraged by Government waste and stupidity rather than in terms of the business person threatened by Government economic activity.

FORMATION OF THE TASK GROUP

The Chief Counsel's paramount responsibilities under Public Law 94–305, which established his Office, include recommending "specific measures for creating an environment in which all business will have the opportunity to compete effectively and expand to their full potential . . ." Hence, the frequency and substance of the complaints about "Government competition" prompted him to create a small business Task Group on Government Competition. While he recognized the issues as complex, he was also acutely aware of the fact that Government competition per se had never really been subjected to public scrutiny; and, certainly, small business never had been given much opportunity to express its concerns or to affect public policies in this area.

Elsewhere, events were occurring that heightened the need for some action by the small business community. Several studies of the Federal procurement process were issued, Congressional hearings on Federal contracting policies were initiated,[1] legislation reauthorizing the Office of Federal Procurement Policy (OFPP) in the Office of Management and Budget (OMB) was under Congressional scrutiny, and important revisions to OMB Circular A–76 (the primary directive affecting Government reliance on the private sector) were implemented by OFPP.

To ensure that small business had ample opportunity to document instances of Government competition at all levels and to express its views on the issue, the Chief Counsel appointed numerous small business owners to the Task Group. Several had actually experienced direct or indirect competition from Government at the Federal, state or local levels.

Thereafter, the Task Group began collecting information through public hearings, research, and working sessions held by subcommittees assigned the following specific tasks:

Subcommittee No. 1—Analyze the scope and content of the OMB Circular A–76 and determine the Circular's small business impact;

Subcommittee No. 2—Analyze the provisions for administration and implementation of OMB Circular A–76 and determine the small business impact;

Subcommittee No. 3—Assess the incidence and effects of direct competition with small business by Federal, state and local Governments; and

Subcommittee No. 4—Assess the incidence and effects of indirect competition with small business by Federal, state and local Governments.

FINDINGS

"Government competition", means different things to different people and there is no commonly accepted definition. What concerns small business and the Task Group is any instance where any Governmental unit provides for itself (or for others) goods or service that the private sector—i.e., for-profit enterprise—can produce. OMB labels these activities as "commercial/industrial" (c/i) and defines them as any activity that "is operated and managed by a Federal agency and which provides a service or product that could be obtained from a private source." To the Task Group's great disappointment, "private sources" within the OMB definition under Revised Circular A–76 includes any "non-federal" source. As a result, non-profit entities such as sheltered workshops and state universities are not distinguished from for-profit businesses in OMB's enforcement of the Circular.

Additional lack of specificity stems from the different terms used in referring to Government competition issues. In some circles, it is a matter of "make-or-buy"; in others, it is "contracting-out" versus performing the activity "in-house"; in others, it is "intramural" versus "extramural" activity. The true significance of this lack of specificity lies in the latitude, intended or otherwise, that contending interest groups glean from the amorphous situation and use in their respective efforts to influence or thwart A–76 type policies.

These interests were found to include employees, taxpayers, large and small businesses, non-profits and grantees, and organizations representing these interests in the private sector. In the public sector, there are state and local Government interests. At the Federal level, one encounters the interests of the Executive branch (agencies, the White House, OMB and OFPP), those of Congress (committees, legislators and their constituents, the General Accounting Office), and those of Federal employees and their unions.

Full consideration of the competition issue required the recognition of these interests. It also required recognition of the fact that Congress has never enacted uniform policies to govern Federal "c/i" activities generally but has, in fact, enacted myriad statutes (estimates run as high as 4,000) that govern some aspect of the procurement issue whether in pursuit of some conscious, overriding preference for social goals or inadvertently as the result of some other legislative pursuit.

In addition, the Task Group found that there is no consistent Executive policy governing and strictly enforcing "c/i" activities throughout the Federal Government. Unfortunately, what began in the 1950's as an effort to protect against Government competition has gradually eroded to a point where there is no longer a preference for truly private enterprise. Specifically, Bureau of the Budget Bulletin No. 55–4 (1955) stated "the Federal Government will not start or carry on any commercial activity to provide a service for its own use if such product or service can be procured from private enterprise through ordinary business."

The present doctrine, Revised Circular A–76, merely expresses a preference for "non-federal" rather than Federal sources while OMB conducts yet another "inventory" of "c/i" activities. In other words, there has been a definite shift away from reliance on the traditional private sector to a new policy of choosing the most "economical" alternative, whether it is private, Governmental, or some point in between (i.e. non-profits.)

Today's priority is ostensibly "economy" and "savings" to the taxpayer. Yet earlier reports such as that of the 1972 Commission of Government Procurement and more recent ones such as that of the Office of Federal Procurement Policy (OFPP) unanimously confirm the principle that true competition produces the greatest savings. In 1972, the Procurement Commission recommended creation of a Federal agency to ensure maximum feasible efficiency in Federal procurement. In response, Congress created the OFPP in 1975. Surprisingly, however, the preference for private enterprise that already existed within the Executive Branch in 1972 disappeared under OFPP's direction despite the Commission's commitment to that principle and its accordant recommendation that Congress by statute or resolution, establish the preference for private enterprise as a national priority. Obviously, some important expectations based on historical developments have not been met.

The Task Group eventually catalogued an impressive array of instances of direct and indirect competition, and it discovered that state and local Governments (frequently in disbursing Federal grants-in-aid) are guilty of contributing to the problem as are Federal agencies. Government competition was found in such areas as retailing, printing, manufacturing, employment services, travel services, distribution, communication, wholesaling, warehousing, audiovisual aids, research and development, laboratory testing services, day-care centers, and a host of other activities. The extent of Government commercial/industrial activities is astounding.

Available figures while admittedly conservative, reveal some of the importance of the competition issue not just to small business, but to the taxpayer who must pay for the Government's "c/i" activities and compensate for the tax revenues that are lost when these activities are not performed by the private sector. These data indicate that, at a minimum, Federal in-house "c/i" activities in 1977 numbered 21,130 at an annual operating cost of nearly $10 billion.[2] Another $30 million is contracted out. The best estimate is that of this $10 billion nearly $2 billion annually might flow directly to small business if Federal in-house "c/i" activities were contracted-out in approximately the same proportion as other activities that are presently contracted-out. This amount would increase dramatically if Revised A–76 were extended to include competition for the estimated $100 billion annually in state and local programs funded (but now shielded from private competition) by Federal grants.

Concentrating on the figures of $10 billion for current in-house activities, the Task Group was also able to estimate the potential savings to the taxpayer in the event that the 85 percent of those in-house activities presently justified in non-cost terms was opened up to competition. Most authorities estimate that competition will lead to an average savings of 35 percent over non-competitive costs. Using this factor and assuming there would be competition for all Federal commercial/industrial activities, the average annual savings to the taxpayer would be (.35×.85×$10 billion=) $2.98 billion! Clearly, small business is not the only likely beneficiary if Federal in-house commercial/industrial activities can be reduced.

Despite intensified efforts by small business advocates, the overall growth rate of total Federal contract dollars awarded to small business over the last ten years has remained at about one percent. On the other hand, there has been a dramatic increase in the number of groups competing for a piece of this small business share. Special emphasis programs for minority-owned businesses, labor surplus firms, women, handicapped and veterans have entered the field as eligible small businesses, rightfully demanding an equitable share of the Federal contract dollars. These special emphasis programs have divided the small percentage of dollars available to all businesses already in the Federal marketplace and have taken place with no appreciable increase in the slice of Federal procurement dollars available to the entire small business sector.

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[1] For example H.R. 4717, a bill to stop waste in contracting, introduced by Congressman Herbert E. Harris II (D. Va.) has been reported favorably by the House Committee on Post Office and Civil Service. Some provisions have been referred to the House Committee on Government Operations.

[2] The actual figure was a very conservative $9.1 billion and did not include "c/i" activities involving training, medical services, or research and development.

If all this were not enough to reveal the complexity or potential for conflict inherent in the "competition" issue in terms of the Federal system, there is the matter of understanding "competition" in terms of the Federal system. The Federal system not only complicates matters and invites more conflict by imposing more layers of Government to consider in terms of their "competitive" programs but, in the opinion of the Task Group, also raises the issue of adopting parallel "c/i" rules at all levels of Government. The Task Group found that, while Federal policies are presently in disarray, they are nearly non-existent at the state level.

As a result, a great deal more was determined about the nature and extent of "Government competition" at the Federal level. All available information indicates that the level of expenditures on in-house activities at the state and local levels may be as high as it is at the Federal level. At the state and local levels, however, there may actually be more opportunities for savings to the taxpayer than at the Federal level.

CONCLUSIONS

The Task Group concluded early in its assessment that the issues underlying "Government competition" are occasionally nebulous and frequently quite complex that the interests involved are strong and diverse, and that several important opportunities for policymaking input have already passed.

It is with a feeling of disappointment and alarm, that we report that the preference for the private sector, which is so consistent with national history and practice, has suffered so much decline for no satisfactory reason. We are alarmed that the same forces that created this decline may have achieved so much momentum, as evidenced by recent Congressional activities, that further erosion is yet to come. To stem any further erosion it is important that Congress enact in statute or resolution the preference for the private sector as the national policy of the land.

While commendable in the abstract the new preference for "economy" found in the Office of Management and Budget Revised Circular A–76, not only sacrifices the previous preference for private enterprise but at some sacrifice in savings acknowledges the continued existence of many Federal "c/i" activities now in force. We were disappointed to learn that as a result of OMB's past poor performance in this area, so little specific information is available about Federal "c/i" activities. As demonstrated, enforcement of A–76 will benefit not only the private sector but accrue savings to the taxpayer.

We find some encouragement, however, in OFPP's commitment to enforce Revised A–76 and conduct a more complete "inventory" of Government commercial and industrial activities.

RECOMMENDATIONS

The Task Group recommends that:

The preference for private enterprise be restored;

Congress enact legislation specifically mandating this preference;

Federal policies recognize and provide for the special problems of small business in addition to asserting a preference for the private sector;

The preference for private enterprise and any accompanying provisions favorable to small business be extended to cover all Federal monies committed to state and local Governments;

Wherever possible, Governmental agencies which continue to perform commercial/industrial activities that compete with private enterprise not regulate the private concerns with which they compete;

Where Federal agencies perform any commercial/industrial activity, regular reviews by the Office of Management and Budget are necessary to ensure maximum cost efficiency and to determine whether the activity can be "contracted-out:"

The Internal Revenue Code and its accompanying regulations be amended to more clearly distinguish between for-profit and non-profit and to narrow the scope of "related business activity;" and

More states adopt the policy of open competition and a preference for the private sector in meeting their needs for goods and services.

The Task Group made many other recommendations which appear in the last chapter of its report. To the fullest possible extent, the basis for each recommendation is developed in the main text.●

NOTICE OF DETERMINATION BY THE SELECT COMMITTEE ON ETHICS UNDER RULE 35, PARAGRAPH 4, PERMITTING ACCEPTANCE OF A GIFT OF EDUCATIONAL TRAVEL FROM A FOREIGN ORGANIZATION

● Mr. HEFLIN. Mr. President, it is required by paragraph 4 of rule 35 that I place in the Congressional Record this notice of a Senate employee who proposes to participate in a program, the principal objective of which is educational, sponsored by a foreign government or a foreign educational or charitable organization involving travel to a foreign country paid for by that foreign government or organization.

The Select Committee on Ethics has received a request for a determination under rule 35 which would permit Mr. Angelo Codevilla, of the staff of Senator Wallop, to participate in a program sponsored by the Association de Amigos del Pais, a foreign educational organization, of Guatemala from April 13 to 16, 1980.

The committee has determined that participation by Mr. Codevilla in the program in Guatemala, at the expense of the Association de Amigos del Pais, is in the interests of the Senate and the United States.●

AIRLINE DEREGULATION

● Mr. CANNON. Mr. President, I submit for the Record the two editorials which appeared in the Norfolk, Virginia-Star and the New Haven Connecticut Register. Both speak clearly to the positive effects of airline deregulation.

The editorials follow:

[From the Norfolk (Va.) Ledger-Star, February 11, 1980]

Airline Health

What happens when Washington pulls its regulatory tentacles out of an industry? Good things. This has now been demonstrated beyond disproof. The airlines have provided the evidence.

Air deregulation, now going into its second year, has admittedly had its rough spots, as in the shifts, service cuts and uncertainties at Norfolk International Airport.

But along with adjustments which have eased such temporarily adverse effects, the 1978 deregulation act passed by Congress, (following a limited experiment by the Civil Aeronautics Board) has brought healthy results over-all.

CAB Chairman Marvin S. Cohen listed some of them in a talk to New York security analysts just the other day:

A saving of about $1.5 billion in 1979 in what travelers would otherwise have had to pay, owing to the wide variety of fares made available under freer competition.

The filling of 15.2 percent more of the available airliner seats in the first nine months of 1979 than in the same period three years ago.

A 33.8 percent jump, over the 1970-76 period, in the volume of passengers and freight per gallon of fuel.

A rise in airline fares of only 16 percent, despite a doubling of fuel costs and an overall inflation of airline expenses by 29 percent.

That zoom in fuel prices, and a drop in profits, brought about those clearly unjustifiable pronouncements by some that at the end of the year the bloom was off the deregulation rose.

As Mr. Cohen pointed out, fuel outlays and other cost increases, plus heavy losses from five airline strikes, plus the grounding of the DC–10s, plus spot fuel shortages, would almost surely have plunged the industry, without deregulation, deeply into the red. Possibly by as much as the $100-million recorded in the severely regulated years of 1970 and 1975.

With results like these in hand, what possible excuse can there be now for not pushing ahead with more of the same withdrawal of government from business? Like deregulation of the trucking industry and the railroads?

[From the New Haven, (Conn.) Register, Feb. 19, 1980]

New Vigor in the Airline Industry

The vitality that deregulation has brought to the airline industry was demonstrated once again the other week when World Airways announced the resumption of cut-rate service between New York and Los Angeles.

World is offering a $360 round-trip fare for the cross-country flight, giving travelers an alternative to the prices of major companies such as United Airlines with its $616 regular fare and its $371 supersaver fare.

World Airways first entered the New York to California business last spring with a $99 one-way fare that prompted an immediate drop in the fares of the major carriers. After World's fleet of DC–10s was grounded because of the Chicago DC–10 crash last summer, the major carriers jacked their prices back up again. Now they will be forced to respond once more to strong competition.

All of this has been made possible by the Airline Deregulation Act of 1978. Before then, airlines could establish new routes only with the approval of the Civil Aeronautics Board, and approval was rarely granted on major routes. For years, the big three—United, American and Trans World—had no real competition on the New York to California run.

The deregulation act changed that, giving airlines much greater latitude in entering markets without government permission, and the result has been a good deal of innovation and a variety of services offered by the airlines.

World's cut-rate coast-to-coast service is but one example. Another is the success Midway Airlines has had in offering whittled-down fares on flights from Chicago to a number of Midwest cities. Still another example is Air Florida, which is giving major carriers stiff competition for the Florida tourist trade.

Such carriers as World, Midway and Air Florida have successfully exploited the advantage of their smallness. Air Florida, for example, has a fleet of only 12 planes, but they are Boeing 737s—more fuel efficient than the 727s used by the major carriers and capable of being flown by two rather than three pilots. The money thus saved is passed along to the passengers with the result that Air Florida flights often are 90 percent full while large competitors' flights are only 50 percent full.

These developments display what an industry can do when unleashed from the often-deadening effect of too much government control. A free marketplace offers incentives that draw fresh ideas and imaginative schemes. These new ideas, in turn, challenge the more established firms to trim their own budgets and run more efficient operations.

And, in the end, it is the consumer who is the real winner.●

IDA NUDEL—THE GUARDIAN ANGEL IN EXILE

● Mr. JAVITS. Mr. President, to those who know Ida Nudel, it is difficult to imagine the strong-willed, soft-spoken woman celebrating her 49th birthday alone in a desolate village in Siberia. Since 1971, Ms. Nudel has been trying to emigrate to Israel to join her sister and husband—her only living relatives. Her desperation to leave for Israel in the face of continued Soviet refusal to grant her exit permission led her to hang a banner outside her Moscow apartment in June 1978 with the simple plea "KGB, Give Me My Visa." Soviet authorities responded by giving her 4 years of exile in Siberia for her humanitarian request which they labeled evidence of "malicious hooliganism." She has now served 2 years of her 4-year term under the harshest and most difficult of circumstances. Her health is deteriorating as she has been unable to receive the proper medical treatment for her longstanding heart and kidney ailments.

The tragedy is that we must continue to speak on the floor of the Senate of the injustices and inhumanities that the U.S.S.R. is perpetuating against its own people. The case of Ida Nudel, a woman who only asked for the most basic right to live where she wished and who devoted her life to helping ease conditions for other prisoners of conscience, is just one example of this policy. What the Soviet leadership seemingly still has not grasped is that the world will no longer accept the notion that Soviet treatment of its citizens is an internal matter. Certainly the Helsinki declaration to which the U.S.S.R. is a party has made this an international obligation. The Soviet Union ultimately must come to peaceful terms with the internal and external demands for justice and humanity. People like Ida Nudel have suffered too long for acting out their humanitarian instincts. I join my colleagues in wishing her a happy birthday under her painful circumstances and in sharing in her hopes for freedom for herself and her fellow citizens.●

CREATIVE IMPRINT

● Mr. CULVER. Mr. President, on May 9, the people of Cedar Rapids will honor one of the most remarkable and creative educators the community has ever known. The honoree is Lloyd Goettel, who is retiring this year after 43 years of teaching and coaching, 39 of them at one school, Franklin Junior High School.

Many of us who had the good fortune to be taught and coached by Mr. Goettel can attest to his unique ability to build character in the classroom, on the track, or on the playing field. There was no special formula to his success in working with young people. It was a matter of personal integrity, inner resources, and caring very deeply.

How fortunate we were to have an individual of this caliber to guide us. Under his direction, sports took on a special meaning; giving the extra effort was a joy as well as a goal. Mr. President, it is critical to our society that we keep producing outstanding educators and coaches of Lloyd Goettel's stature and that, when we have them, we give them the recognition they deserve.

In this context, I ask that an article about Mr. Goettel in the April 13, 1980 edition of the Cedar Rapids Gazette be printed in the RECORD.

The article follows:

GOETTEL BOWS OUT AFTER 43 YEARS OF COACHING

(By Jack Ogden)

Chances are very good that Lloyd Goettel will be on hand and be on time when a large group of his former students and friends gather to honor him at 7 p.m. May 9 at Washington High School.

The 66-year-old Goettel, who is being honored prior to his retirement after 43 years of teaching and coaching, 39 of them at Franklin, isn't late very often for anything and he is seldom missing.

"I guess I had a pretty good attendance record," smiled Lloyd as he sat back and reflected on his retirement plans. "I think in 35 years I only missed three days because of sickness.

"I broke an ankle once in December that put me out for awhile, but I was back officiating in January. From 1943 to 1968 I don't believe I missed a day."

But if you concentrate on attendance, you miss the most important part of the story.

Goettel has had great success as a coach and his work has left a lasting impression on most of the young people he has worked with over a 43-year span. Many of them will be at Washington High on May 9 to honor Lloyd and many more, some from as far away as the West Coast, will pay their respects with letters.

"There are times I wish I had kept a record of wins and losses," admitted Lloyd, "but I really didn't and it's impossible to figure up wins and losses over the years."

Goettel, who started as a high school coach at Linn Grove in northwest Iowa, also coached high school athletics at Thompson, Mount Vernon and Franklin High schools.

He remained at Franklin as ninth-grade football and track coach when Washington was built in 1957, and he has had more than his share of success in both areas.

"I remember that in 10 years of varsity track at Franklin we won seven city and three district titles," said Lloyd. "I know that we won nine city titles out of 10 in football and track in my first five years in junior high.

"And I think I had only one losing season, I believe it was 2-4-1, in football."

Lloyd started as football coach at Linn Grove in 1938 where he also coached boys and girls basketball and baseball. The next year he moved to Thompson as boys basketball and baseball coach in 1939–40 and added the girls sport in 1940–41.

He then spent a year-and-a-half at Mount Vernon as football, boys basketball and baseball coach. He planned to be there longer, but midway through his second season the Mount Vernon superintendent informed him there was a need for an industrial arts instructor and coach at Franklin High in Cedar Rapids.

With the superintendent's blessing, Goettel moved to what would be his teaching and coaching home for the next 39 years.

"I remember that I helped Orville Rust with track in the spring of 1943," said Lloyd, "and for the next five years I was track coach and freshman-sophomore coach in basketball."

After the 1948–49 season a school ruling prevented anyone from being a head coach in more than one major sport. Goettel settled in as head track coach and football coach for the frosh-soph team until Washington High School opened.

For the past 23 years, Lloyd has been the ninth-grade football and track coach at Franklin.

"I missed varsity contact for awhile," admitted Lloyd, "but I have never been sorry I stayed with junior high. I have really enjoyed the experience."

Goettel was honored last year with a state award for his success in junior high coaching when the High School Football Coaches Association presented him with the coveted Don Taft Memorial Award for service in junior high athletics.

Goettel was a familiar figure around Eastern Iowa as an official, too.

He officiated basketball for 25 years before retiring from that activity in 1967, but he was a football official for 35 years, retiring from that sport just three years ago.

Lloyd has had a hand in tutoring many athletes that went on to success in college and beyond, but he hesitates to point to any.

"There have been so many outstanding young men," he explained, "it would be difficult to pick out just a few. But there are a few incidents I remember involving pretty fair athletes.

"John Culver (now United States senator from Iowa) was a good one. He had a goal of setting a city 100-yard dash mark one year and he worked very hard to achieve it. He might have, too, because he ran very well. But the time was disappointing. It was later discovered an error had been made and Culver had actually run 110 yards."

Lloyd also recalled winning his first high school football game at Linn Grove under unusual circumstances.

"That really hooked me on coaching," smiled Lloyd.

"We were down at halftime 6–0," said Lloyd. "But we had a fine athlete by the name of Mickey Koch. We managed to tie the game in the second half, but I hadn't gotten around to working on such things as extra points.

"So Mickey drop-kicked the ball for a 7–6 win. That has to be good coaching."

Koch is one of the athletes Lloyd fondly remembers:

"We lost a backetball game that year 38–23 and Mickey scored all 23 of our points. He was the best baseball pitcher around the area, but we had to use him as a catcher. We didn't have anyone who was able to catch him."

"There will be a lot of things I will miss," admitted Goettel as he contemplated his future plans.

"I'll certainly miss the students and the coaching. But I'm looking forward to getting away from all the deadlines: It seems like there are so many reports, inventories and so forth that take up so much time anymore.

"I enjoy making things and I probably will have some projects to keep me busy and I'm looking forward to some traveling, particularly in the West and South. I enjoy working in the yard, too, so I'll probably do a lot of work around the yard."●

JOURNALISM STUDENTS IN WEST VIRGINIA HAVE ADVANTAGE OF REAL-LIFE TECHNOLOGY

● Mr. RANDOLPH. Mr. President, as a former reporter and editor, I can appreciate the tremendous technological changes which have taken place in newsrooms across America. Indeed, to my knowledge there is only one newspaper in the Nation today which still produces printed pages from the handset type trays once so common. That good weekly is the Pocahontas Times, edited by Jane Price Sharp, of Marlinton, W. Va.

But many journalism students and school newspaper editors today, imbued with the romantic images of the Hildy Johnsons of yesteryear yelling, "Stop the presses" are amazed at the modern newsroom's quietly efficient glow of video terminals and pasteup sheets. Only the oldtimers cling to the clatter of ancient manual typewriters to compose their articles.

In Martinsburg, W. Va., the Evening Journal and the Weekend Journal have initiated a unique hands-on program. It enables high school and college students to utilize the modern newsroom facilities to create their own school papers. I know of no other example where 15-year-olds use computers to publish. I commend this self-help program initiated by editor F. Page Burdette to give experience to aspiring journalists. I hope that this pilot program—which incidentally requires no government agency to administer—can be copied by other progressive newspapers to provide opportunities to young people for real-life experience.

I ask that an article appearing in the Martinsburg Weekend Journal on April 10, which explains the working program and its purpose, be printed in the RECORD.

The article follows:

The Evening Journal and *The Weekend Journal* in cooperation with Shepherd College and area high schools, this school year has provided extensive opportunity for students to learn and actually produce their newspapers using the most modern technology available.

"Most area residents probably would be surprised to learn we do not use typewriters and linotypes at *The Journal*—everything is computerized," said Editor F. Page Burdette who has worked with instructors and students since the beginning of the school year.

"Our interest was to provide an opportunity in which students from 15 years of age through college learn and produce their student newspapers with the same technologies and equipment as if they were in the real world of newspapering," Burdette said.

Participating in the program were Shepherd College students who utilized opportunities in *The Journal* news department to learn skills at video display terminals and to assist in producing *The Picket* newspaper.

Martinsburg High School also utilized *Journal* facilities to assist in production of the *Orange and Black* paper as did Musselman High students who gain considerable experience in production of the *Cider Press* newspaper.

"The credit for this program must go to Ms. Sally Hresan, journalism instructor at Shepherd College and adviser to *The Picket*; to Carolyn Spangler, Musselman journalism instructor and adviser to the *Cider Press*; and to Roger Moss, Martinsburg High instructor in journalism and *Orange and Black* adviser," Burdette said.

Burdette said the instructors learned the necessary computer encoding and general use of the video display terminals, used to input material into *The Journal* computer, is a matter of several hours. "In every case, faculty members have donated many hours of their own time to learn new technologies which they are now passing along to their students," Burdette said.

Ms. Hresan said she encouraged her students to come to *The Journal* as time allowed where she taught them the principles of VDT use.

"We have been pleased to many Shepherd students have been interested in the program," Burdette said, "and we are happy to have employed in our summer internship program *The Picket* editor, Cristi Hendricks of Leetown, largely as a result of our relationship in the hands-on experience," Burdette said.

Mrs. Spangler said she has two sections of journalism with 30 in Journalism 1 and 20 in Journalism 2. "When I first came to Berkeley County three years ago, I found that most of the time in the Journalism classroom was spent at the typewriter justifying lines—learning a useless skill," Mrs. Spangler said.

"Here at The Journal is a perfect way to brush up on modern techniques," she said. "My main concern is to have every student in journalism class spend a minimum of four hours working at The Journal so they can see how to apply the skills I talk about everyday.

"When they leave they leave with a practical knowledge. Too often the textbook is pie in the sky which they do not relate to—they can come to The Journal and see everyone working on deadlines and that impresses them and can be helpful to them in the future," she said.

"Working at The Journal gives students confidence and reinforcement. I really see an improvement in their work, both in care and in time. They realize it is going to be the real thing, because it is, and hopefully they will carry that into their jobs once they learn the discipline at The Journal," Mrs. Spangler said.

Burdette said Mrs. Spangler was one of the first to express an interest in having her students produce their paper at The Journal.

"It clearly shows how far we have come in relatively short time when 15-year-olds are putting out their high school newspapers with computers," the editor said.

"Journal Production Manager Jerry Nagley established files for each newspaper within its computer," Burdette said. "Our system provides complete security for editorial content of The Journal and between each student newspaper as well," the editor noted. "That means no one can get into someone else's work even though we all are using the same computer," he said.

Moss, who said Martinsburg High School is just beginning to return the Orange and Black to its students, said only one student took part in The Journal program primarily because of conflicts. He said, however, that eight students are returning for Journalism 2 at Martinsburg next year and that 27 beginners have enrolled for the first year class.

Burdette said students take the type (headlines, cutlines and news copy printed on strips of paper) to their schools where they complete the pasteup, returning completed pages to The Journal which prints all three papers.

"The Journal does not interfere with the content, makeup or layout of any of the papers—it's entirely up to the faculty and students," Burdette said. "We are pleased to provide this educational experience and for them to meet and talk to our staff," he said. Burdette said most colleges and universities in West Virginia do not now offer computerized opportunities for journalism students except in limited situations and that he and the West Virginia Press Association know of no high schools in the state where such modern technologies are offered.

"We believe it may be a first in West Virginia," Burdette said.●

REV. AVERY ALDRIDGE

● Mr. RIEGLE. Mr. President, it is a great privilege and honor to recognize the life and work of Rev. Avery Aldridge. Reverend Aldridge has served the people of Michigan and, more specifically, the citizens of Flint for over 22 years. In his role as pastor of the Foss Avenue Baptist Church his idealism, compassion, personal courage, and graciousness have him in the hearts and minds of the people of Michigan. His vigorous and unwavering commitment to civil rights, many times in the face of stiff opposition, has earned him the love of all people who respect justice and equality.

Reverend Aldridge's list of accomplishments and services to his Nation read like a scroll of honor. Dr. Aldridge is past president of the Wolverine State Congress of Christian Education, former coordinator for the National Baptist Convention, U.S.A., and former associate director of the National Baptist Congress of Christian Education as well as a life member of the NAACP and the Urban League. Reverend Aldridge is also a member on the boards of directors of the National Baptist Congress of Christian Education, the Greater Flint Development Corp., and the Todd Phillips Home for Boys in Detroit.

On top of his outstanding and unselfish service on a national level, Reverend Aldridge has continued to fight valiantly and untiringly to improve the quality of life in the Flint Community. He is the first and has been the only President of the "Concerned Pastors for Social Action" which was organized in 1959 to alleviate human misery in the Flint and eastern Michigan region. Under Rev. Aldridge's forceful leadership, the "Concerned Pastors for Social Action," with 70 pastors of different denominations, faiths, and races, was challenged and encouraged all institutions—law enforcement, social welfare, housing, education, and health services—to better serve the needs of the people.

Reverend Aldridge's concern for the people of Flint has been dynamic and unflinching. Under Reverend Aldridge's leadership the "Concerned Pastors for Social Action" has improved and refined police-community relations by providing greater job opportunities for blacks and women within the Flint Police Department. In the field of education, Reverend Aldridge's organizational expertise has enhanced the educational opportunities for the citizens of Flint, through his affiliation with the board of education, the University of Michigan, and other organizations.

In education, religion, health, and politics Reverend Aldridge's guidance of the "Concerned Pastors for Social Action" organization has touched the lives of many citizens in Flint and the Nation.

Reverend Aldridge is not only a churchman of impeccable integrity, but also a man who has devoted immense time and energy in championing causes to bring equality to all citizens in our society. Although gentle in nature, he has been a forceful advocate in reaching those in our society who have found themselves isolated from the economic, cultural, or social mainstream of our country.●

FINANCIAL STATEMENT OF SENATOR LEAHY

● Mr. LEAHY. Mr. President, for years, I have made my financial statement public. I did this before coming to the Senate while serving as State's attorney in Vermont, and I have done so each year since I have been in the Senate. For this year I will again submit the following report to the public through the Congressional Record.

In continuance of my practice of disclosing such information, I ask that the personal financial statement of myself and my wife be printed in the Record.

The statement follows:

Net Assets of Patrick J. Leahy and Marcelle P. Leahy as of December 31, 1979

Equity in Vermont home (appraised value less outstanding mortgage balance)	$33, 416. 34
Equity in McLean, Va., residence used by Leahy family during Senate session (appraised value less outstanding mortgage balance)	11, 703. 74
Amount paid in and on deposit with Federal retirement system	20, 682. 75
Life insurance cash value	2, 500. 00
Total of all personal property	21, 000. 00
Total net assets	89, 302. 83
Total income in addition to Senate salary, including income from speaking and writing fees, the sale of photographs taken by Senator Leahy, interest, et cetera (reported in detail with the Secretary of the Senate)	$10, 899. 40

	1978	1979
Net worth	$89, 139. 91	$89, 302. 83
Taxes paid (social security, Federal, Vermont, local)	14, 793. 34	14, 681. 72
Outside income	10, 644. 00	10, 899. 40

PEACETIME REGISTRATION

● Mr. LEVIN. Mr. President, last year the administration argued against a resumption of peacetime registration. The administration argued that peacetime registration was not needed for a number of reasons. It would not help deliver soldiers to the front until the fourth month of the war (after they would be most needed). It would not help alleviate the Army's present shortfall in reserve strength. There are serious questions about the capability of the training bases to absorb and adequately train draftees in the event of mobilization. Further, the administration argued that a properly constructed and tested enhanced standby Selective Service mobilization plan was feasible and desirable, and would be able to meet the Defense Department's manpower requirements. Such a postmobilization capability, Secretary Brown stated, could be more equitable and responsive to Department of Defense needs than peacetime registration. Simply stated, the administration argued that the country was capable of producing inductees in adequate time without peacetime registration if an emergency arose and we needed to mobilize.

After the invasion of Afghanistan, the administration abruptly changed its policy. The President called for a number of actions to demonstrate our Nation's resolve, one of which was to resume peacetime registration. His reasons for calling for peacetime registration were to increase our Nation's preparedness, to assure our ability to respond, and to demonstrate further our resolve.

It is clear that a prudent and adequate national defense is mandatory. We must be prepared, and have the capability to mobilize if necessary. However, it is not clear at this time that resumption of peacetime registration is necessary to give us this preparedness and mobilization capability.

I have examined our country's military manpower requirements. I opposed and voted against peacetime registration last year as a member of the Armed Services Committee. The administration presented cogent arguments that our country would be adequately protected if Congress voted the funds to provide for an enhanced Selective Service System and a mobilization plan providing an adequate post-mobilization capability. I based this decision on both my own examination of our military requirements and the administration's arguments.

When the administration reversed its position, I withheld judgment, stating repeatedly that I would again listen to both sides of the issue, and again examine the issues before making a decision. I stated that the burden of proof lay with the administration to justify its change in policy, but I wanted to keep an open mind and examine all the facts.

Upon my renewed examination, it is my conclusion that the country does not need peacetime registration at this time.

We all should acknowledge that national defense requirements can change (with or without Afghanistan and our Persian Gulf commitments). I am certainly not opposed to service to our country, and it is not inconceivable that someday because of changing population trends or some other shift in circumstances peacetime registration (or even peacetime conscription) could be necessary. Certainly we should improve the standby Selective Service mobilization capability, with enhanced computer and data processing capability.

But, at this time, I am opposed to the administration's call for peacetime registration because it is unnecessary and of questionable effectiveness.

It is premature to reinstitute registration at this time because we have not given a full and fair chance to a post-mobilization registration system. The Congress has not provided the funds to make an enhanced standby Selective Service mobilization plan possible, nor have we yet tested it to see if it would be successful. Before we reinstitute registration, we should know whether it is truly necessary. Thus far, we have not done this.

Only if we cannot structure or find an acceptable method of post-mobilization registration should we consider moving to peacetime registration.

It is premature to reinstitute registration until we know whether, even if days were saved in producing the first inductees, the Army would have the capacity ready to train them.

There are strong indications that the Selective Service System was prepared to recommend an enhanced standby Selective Service mobilization plan until it was caught off-guard by the President's announcement. There are clear indications that the President's reasons were other than military manpower needs.

I received a letter from Secretary of Defense Brown July 5, 1979, stating that he believed "that with proper planning and sufficient resources, 30 days should be adequate time for Selective Service to begin delivering inductees without peacetime registration," (assuming the Selective Service were given the money to upgrade its capabilities and create the machinery for a post-mobilization plan.

Secretary Brown went on to say:

> In 1917 the nation conducted a registration within 18 days of passage of enabling legislation while at war. In 1940 we conducted a registration with 30 days. I believe it is reasonable to expect that we could do better in the future, provided that we make use of modern technology, and that we plan prudently. This judgment is consistent with the conclusions of a study by the Congressional Budget Office.

Further, the administration has changed its policy even though the Department of Defense's requirement has not changed from needing the first draftee 30 days after mobilization. The administration argued forcefully that the M + 30 day requirement could be met. Now, without the requirement being changed, the administration's policy has changed.

Senator Stennis, as chairman of the Armed Services Committee has called for an extensive examination—"a complete and timely review of every aspect of the entire military manpower system * * *". Senator Stennis has stated further that there are many difficult questions that need to be addressed and answered in such a review. He has stated that we need further indepth hearings. I agree with my esteemed colleague. We should have further indepth hearings, and a thorough, detailed, and exhaustive examination of the entire question of our military manpower needs. We should address the whole question of the All-Voluntary Force. And we should decide the questions of peacetime registration and of the draft in this larger context, after the complete and timely review of every aspect of the entire military manpower system.

If Members of Congress vote for peacetime registration as a solution to the manpower needs, or as an attempt to make the reinstitution of the draft that much easier, I believe they would be acting prematurely.

Also, as Senator STENNIS has so forcefully stated, the inequities of the past must be corrected. The entire Selective Service System must be fair. And, since each American enjoys the benefits of citizenship, each American shares the obligations to help support and defend our freedoms. If there were to be registration, it would be proper and fair to register all eligible Americans, male and female.

To reinstate registration before all the questions are answered, without establishing and testing an adequate standby capability, would be premature.

Therefore, for all these reasons, at this time and under the current circumstances, I do not agree with the administration's call for registration.●

IDA NUDEL

● Mr. PERCY. Mr. President, on April 27, Ida Nudel turned age 49 in a Siberian labor camp.

For 7 years she had been the "guardian angel" of Soviet prisoners of conscience—providing them food and medicine, support and hope.

She wanted to emigrate to Israel which she considered to be her spiritual homeland. It is also the home of her husband and sister.

In desperation, after years of asking permission and being refused, she displayed a banner outside her apartment which said "KBG Give Me My Visa." Now she too is a prisoner, the only woman dissident in exile in the USSR. She has a weak heart and is in poor health.

Last November I sponsored with Senator WILLIAMS a resolution urging the Soviet Government to allow Ida Nudel to be reunited with her family in Israel. It called on the President "to continue to express at every suitable opportunity and in the strongest terms, the opposition of the United States to the exile of Ida Nudel to Siberia." The resolution, which had 31 cosponsors, passed the Senate without dissent in late December.

Now, on the occasion of her birthday, let us reiterate our fervent hope that the Soviets will grant clemency to Ida and allow her to be with her husband and sister again. May she celebrate her 50th birthday in a land of freedom.●

CALIFORNIA FORGOTTEN VICTIMS WEEK

● Mr. CRANSTON. Mr. President, under the leadership of the California district attorneys association and the State's attorney general, special attention was paid this past week, April 21–25, 1980, to the victims of violent crimes—our society's "forgotten victims."

"California Forgotten Victims Week" was first proclaimed in 1977 by Governor Jerry Brown pursuant to a joint resolution of the California State Legislature. The purpose, then and today, is to educate and motivate the public and the government to respond to the plight of victims of crimes and to seek improvement in the criminal justice system.

Mr. President, we all deplore crime, yet for unfathomable reasons society pays little heed to the innocent victims. Some in society go so far as to intimate that the victims may have been at fault for the crime, not the assailant. Rape is a worst form of assault. Yet, many victims of rape have testified that although the trauma of rape was awful, it was exceeded by humiliation and neglect showered upon the victim by law enforcement officers, hospitals, the courts, and the public.

The elderly are particularly vulnerable victims of violent assault. Yet, the aged victim is often ignored, blamed for walking alone on public streets, and left to public welfare agencies for assistance.

If the victim of crime hopes to find satisfaction in the courts, he or she is often doomed to disappointment. At some point in the process, the victim usually concludes that society is not at all concerned with his or her welfare. The arrest, conviction, and punishment of the criminal is only part of the process of dealing with crime. From the victim's point of view, it may not be the most important part.

Our police, prosecutors, court officials, and emergency medical personnel should be encouraged to take the time and effort to show the victim of a violent crime the compassion that all of us feel. This would do much toward increasing overall sensitivity and awareness to the needs of the victim of a crime.

Mr. President, the Government can do relatively little toward rebuilding the victim's health, or remaking his sense of personal dignity or his emotional well-being, which often are traumatized by criminal attacks. The Government can, however, call attention to the plight of the victim and attempt to raise public awareness and sensitivity to these needs.

Such public awareness and education was undertaken in California last week. "California's Forgotten Victims Week" coincided with the State attorney general's program, California Crime Watch: A Plan To Restore Public Safety in the 1980's. I commend Attorney General Deukmejian for focusing attention on local crime prevention programs already in existence. I commend his efforts to inspire and educate the public on how to protect themselves, their homes, businesses, and communities.●

PERSPECTIVE ON UNITED STATES-JAPANESE FOREIGN POLICY

Mr. ROBERT C. BYRD. Mr. President, at the request of the Senator from Alaska (Mr. GRAVEL), I ask unanimous consent that a statement by him, together with an article, be printed in the RECORD.

There being no objection, the statement and article were ordered to be printed in the RECORD, as follows:

AUTOMOBILE IMPORTS: A PERSPECTIVE ON UNITED STATES-JAPANESE FOREIGN POLICY

I would like to call the attention of my colleagues to a recent article by Chikara Higashi which appeared in Look Japan. Mr. Higashi is a visiting scholar in International Affairs at the Brookings Institution and is on leave from the Ministry of Finance in Japan. His reflections on the relationships between foreign policy and economic policy are always stimulating, and the present piece is certainly no exception.

The article comes at a time when America's need for her allies support is critical in light of the Iranian crisis and the recent boycott of the Moscow Olympics. Mr. Higashi clearly states that if we are to remain an effective world leader, it is important that our foreign policy be a coherent and constructive one. Moreover, it is imperative that we communicate by seeking consultation and agreement before announcing major shifts in policy which may directly affect our allies. It seems reasonable that any ally seeking cooperation must understand each other's policy if they are to coordinate their efforts.

Japan has long been a good ally. I believe it behooves us to present a coherent policy to both Japan and our European allies. Our international strength and leadership depend on it.

U.S. FOREIGN POLICY AND AUTO WARS

(By Chikara Higashi)

Japan has long been and will long remain one of the most faithful and reliable allies for the U.S. The value of the relations with close, loyal allies is, however, so taken for granted that it often seems not to receive due appreciation. Japan has been shocked numerous times by U.S. policies or policy changes. The recent, most devastating blows were given by two Nixon-shocks in the early 1970s: The surprise devaluation of the dollar and the close of the gold window in 1971, and the U.S. rapprochement with China without consulting Japan in 1972. Friction is occasionally unavoidable, even between the closest allies, as it is between the closest friends or family. But it should not injure the basic bilateral relationship as long as sincere efforts are made to reduce the chances of a recurrence. The relations would, however, be vulnerable to aggravation, resentment, or permanent injury if unfairness or discrimination prevails, intentionally or not.

ORDERLINESS, PLURALISM, AND POLICY MAKING

Even if there is no actual slight, the perception of one would nevertheless cause unduly serious problems. This may be particularly true between the U.S. and Japan, primarily because of their unique relations as the world's chief competitors in industry though with more contrasting cultures and behavioral patterns. One contrasting cultural difference is orderliness versus pluralism.

In Japanese society, orderliness, consistency, coherence, neatness, conformity, orthodoxy, collectivism, and so on are high-ranking virtues. Accordingly, it is relatively easy to know what the current Japanese policy is, once it is adopted. All the government officials know what the current policy is and they do not deviate from it in their statements and actions, no matter what their personal preferences are. Since the parliamentary majority forms the cabinet and governs the executive branch, consistency is warranted even between the executive and legislative branches in the Japanese system.

In the U.S., on the other hand, pluralism is a popular virtue since there is no democracy without pluralism for Americans. Pluralism, dialectics, uniqueness, creativity, individualism, and so on are not only encouraged among young Americans in their early education, but also persist in American politics, business and other daily activities as highly valued virtues. It is not unusual for legislature's policy to differ sharply from the administration's in the U.S., whereas this does not normally happen in Japan.

Herein emerges a cause of cultural and communication gaps and ensuing frictions.

The Japanese tend to be confused with the American policy formulation processes, and their relative inability to predict and analyze what ultimately becomes the real policy provokes awkwardly incessant fluctuations between extreme optimism and pessimism or jubilation and panic. This is partly caused by a general tendency for each to view the other with preconceived notions, which may not actually apply to the other's system.

On the other hand, Americans seem to be too impatient to wait for the Japanese to come up with coherent policies through time-consuming consensual policy-formulation processes. In addition, they may not be fully aware of a deep sense of coherence and a longer life-span of commitment inherent in Japanese policy and behavior. Such unawareness would make Americans constantly seek for ad hoc, case-by-case assurance of Japanese commitments, without which they seem to feel Japanese policy is vague and unpredictable. American foreign policy is, however, generally difficult to understand even for its European allies because of the cross-current signals beaming from it.

As long as pluralism remains dominant in the U.S. policy-formulation processes, this tendency also remains true. Still, a more coherent framework for foreign policy will help foreign countries understand the implications and significance of individual U.S. administrative and political phenomenon in the more comprehensive context. In fact, many local critics attack here the lack of a coherent framework in American foreign policy. Domestic political conflicts over ad hoc, short-term, parochial, special interests should not sacrifice the U.S. overall, long-term, international interests particularly in today's increasingly volatile and interdependent international relations.

AUTO COLLISIONS

The currently perceived friction between the U.S. and Japan over the automobile issues should also be approached in such a proper context. The performance of the U.S. administration seems flawlessly commendable, courageous, and admirable so far. And yet, the analysis of this case would shed the light on the potential danger underlying the U.S.-Japan economic relations mechanism.

With an increasing number of Japanese cars in the U.S. market, the decline in the U.S. car sales, and soaring layoffs of U.S. auto workers, Douglas Fraser, president of the United Auto Workers, had begun urging Japanese firms to build auto manufacturing plants in the U.S., and create jobs for the U.S. auto workers. Approximately 200,000 are currently out of jobs at 149 G.M. and Ford facilities in 18 states.

Fraser's campaign reached a climax during his recent visit to Tokyo. He met Prime Minister Ohira in addition to executives of Toyota and Nissan. U.S. Ambassador Mike Mansfield's visible endorsement of and close consultation with Fraser gave the Japanese a strong impression that "America" is now demanding that Nissan and Toyota invest in the U.S. Fraser warned the Japanese that UAW would work for protective trade legislation that would include local content requirements and import quotas targeted at individual companies unless Toyota and Nissan decided to produce cars here.

Fraser's campaign is the outcome of the second energy crisis during 1979. Sharp increases in gasoline prices, unpleasant memories of the long lines and the odd-even rationing system, and pessimistic prospects of future recurrences have at last irrevocably shifted consumers from gasoline guzzlers to fuel-efficient small cars for which Japan had considerable advantages over the U.S. Since the shift has been so rapid and massive, the U.S. automobile industry has not been able to absorb the impact adequately.

The consequences have been the decline in sales and the increase in layoffs. The Japanese cars have naturally flooded the U.S. market and filled the void. Imported cars accounted for almost 22 percent of all new cars purchased in the U.S. last year and are expected to take 25 percent of the market this year. Nearly three-quarters of the imported cars came from Japan. There is nothing wrong in this. On the contrary, this did a lot of good for millions of American consumers. Had it not been for the availability of Japanese cars, American consumers would have faced higher prices of small cars, more severe shortage of such cars, and more gasoline waste and accordingly higher prices.

Simply, the U.S. manufacturers failed to supply what was demanded. Billions of dollars are currently being invested in both basic R & D and urgent remodeling of plant facilities to produce small cars. By 1985, small cars will account for the majority of newly manufactured American cars. But it also means U.S. manufacturers cannot supply, over the next several years, enough cars to meet American consumer demand.

Thus, sales and profits of major American car manufacturers dropped by approximately 25 percent early this year from levels of a year ago. Chrysler, which had long been faltering, ultimately ran to the government for $1.5 billion in loan guarantees. Ford closed several factories and laid off thousands of workers and is expected to lose $1.5 billion on its North American operations this year. General Motors, the world's largest manufacturer of cars, has also been embarrassed with a more than 50 percent drop in profits in the last quarter of 1979 from a year earlier, and had to increase its layoffs substantially.

JAPANESE NEWSPAPERS MISLEAD

The Japanese newspapers started reporting that "America" would more readily move to protectionism in 1980, an election year, unless something is done soon by the Japanese. Japanese reporters interviewed primarily Fraser and Rep. Charles A. Vanik, chairman of the House Trade subcommittee whose answers had been predictable in advance (In this sense, their questionnaires were basically comprised of rhetorical questions). Almost everyday, the major papers, each of which claims six to eight million circulation, nearly ten times larger than the New York Times or the Washington Post, warned the Japanese readers of how "America" was feeling and what it was going to do.

Naturally, the Japanese political and administrative leaders have been seriously concerned. Toyota and Nissan might as well have been put on trial as defendants, while Honda was released because of its earlier decision to employ 2,000 people and produce 10,000 cars a month in Ohio starting in 1982.

Fraser's requests have been reiterated before, during and after his visit to Japan. Whatever Fraser said and wherever he went, the Japanese papers not only reported his campaign in detail, but often exaggerated the implications it had. The newspaper articles had nothing but masochistic effects for most Japanese readers, whether the reporters intended this or not. The follow-up by American papers reinforced the feeling of panic among the Japanese; however, most U.S. articles were written by correspondents in Tokyo, indicating these articles were more chain reactions rather than U.S. originated concerns.

Interestingly, the influence of such articles has reached as far as the Ministry of International Trade and Industry, which is traditionally a staunch and ultimate defender of the Japanese industry. It has, however, reportedly suggested, recommended, and even pressured Toyota and Nissan to go to the U.S. Their reasons are multiple, but two are critical. First, the friction and acrimony in U.S.-Japanese trade relations should be avoided by any means since the automobile issues may affect the other sectors and may trigger a series of protectionist movements toward the closing of more U.S. markets. Second, that friction would be avoided only by Japanese concession to the "American" requests. Nevertheless, Toyota and Nissan have remained reluctant to come to the U.S., because they either do not like or worry about certain factors that clearly exist in the U.S. but are almost non-existent in Japan. (Incidentally, this discrepancy indicates the U.S. myth about Japanese government-business relations is not always true.) These include higher wages, labor's frequent and lengthy strikes, inadequate motivation of workers, less effective quality control, and less reliable suppliers. Herein are several lessons I would like to share with my reader.

The Japanese newspapers often used the word "America." Contemporary decision-making approaches would not, however, fully appreciate this type of description or analysis of policymaking processes at the level of the national unit such as "America" or "Japan" because of its naivete.

What is specifically more relevant is who in "America" gains or loses depending upon issues and what policy the government ultimately selects in the national interests. Laid-off auto workers, current or future, are definitely major victims. Who else? The U.S. auto manufacturers' sales and profits may decline. The business of the suppliers would also shrink. Car dealers would not escape the erosion of their earnings unless they deal with Japanese cars, too. These groups would constitute a special group whose interests are in conflict with the increase of imported cars. Their interests do not, however, necessarily represent the national interests. In fact, those people should question why the Japanese are not coming and why American manufacturers are going overseas for production while closing many plants in the U.S.

In general, foreign competition will benefit millions of Americans by motivating the U.S. manufacturers to curb prices, to enhance productivity, and to control quality much more effectively than lack of fair competition would do. Thus, the imports are useful to curb inflation, which is now one of the highest national priorities. Gas-saving small cars would significantly reduce the U.S. dependence on OPEC countries. Furthermore, the imported cars apparently provide Americans with additional utilities and satisfaction. In fact, it is Americans, not the Japanese, who are buying those cars voluntarily based on their own judgment.

U.S. POLICYMAKERS SUPPORT FREE TRADE

Fortunately, the U.S. administration is well aware of such nationwide benefits of imports and firmly supports free trade. U.S. Trade Representative Askew's recent statements to encourage Japanese investment in the U.S. represents the government's policy but not the restrictive trade legislation. Askew testified in the House Trade subcommittee on March 18, 1980, ". . . the administration opposes legislation to restrict imports of automobiles and discourages voluntary restraints on exports of automobiles to the United States by other countries." Several high officials in the U.S. Trade Representative Office and the Department of Commerce have personally assured me of such basic U.S. policy.

The U.S. policymakers in the administration do not foresee the recurrence of the type of trade frictions and antagonism Japan and the U.S. had during 1978 and the first four months in 1979. In addition, G.M. president Elliott Estes has repeatedly said, ". . . protectionism in the long run won't benefit either the United States or the world community." A New York Times editorial also strongly criticized protectionism as the equivalent of sending the bill of auto manufacturers' poor management to taxpayers.

Notwithstanding, the Japanese leaders

seem uninformed of this clear, basic trade policy stance by the U.S. administration and of the main current of thought underlying the U.S. policy-formulation processes. That is because they get information primarily through the mass meida and not sufficiently through direct, intensive, and incessant dialogues with their counterparts in the U.S. administration. Time will reveal the truth soon, but this kind of communicative and interpretative gap, if temporary, may permanently implant resentments in good citizens.

Two important allies like the U.S. and Japan cannot afford to come into conflict when urgent international crises demand close cooperation. The U.S. economic sanctions against Russia would be, for instance, not only ineffective but also cause a significant loss for U.S. business if Japan and European countries do not cooperate with the U.S. Japan had promptly shown its determination to help the U.S. pressure the Soviets by deciding to boycott the Moscow Olympics and by suspending new loans for the Russian projects. Last December, Secretary of State Vance and numerous Congressmen, including influential Senate Majority Leader Byrd, criticized Japan for its oil purchases from Iran as undermining U.S. policies. During the luncheon sponsored by Senator Gravel in honor of Mr. Shigeo Nagano, President of Japan's Chamber of Commerce, at the Senate Mansfield Room on January 26, 1980, Mr. Nagano informed Senator Byrd of Prime Minister Ohira's opening statement in the Diet that Japan would cooperate with the U.S. even at the sacrifice of the Japanese business interests. The Senator was visibly moved and pleased with this information. As a consequence, he put in the Congressional Record on January 30, 1980: "Japan is one of our most important Pacific allies and trading partners. Initially, the Japanese seemed slow to respond to the crisis in Iran and I criticized the activities of banks that seemed to undercut U.S. efforts. . . . But Japanese official policy has emerged in strong support of the kind of effort that the United States is seeking . . ." These incidents reveal how critical accurate and timely information is for mutual understanding and successful joint actions for common objectives and how inadequate it actually is.

NEED DIRECT DIALOGUE

In fact, communicative effectiveness is pivotal for good international relations. According to U.S. newspapers, the U.S. government has, however, repeatedly miscommunicated with the Iranian government with respect to the release of hostages, no matter which side is at fault. The U.S. government has also been disappointed with the less-than-expected European cooperation, particularly from the French and Germans, regarding the boycott of the Moscow Olympics and the economic sanctions against Russia. The French government has, however, its own version of the ineffectiveness of communications with the U.S. government. According to the French, the U.S. did not even bother to notify allies of its policy change in the sanctions against Iran following the Russian invasion of Afghanistan, while the U.S. allies had been sacrificing their own lifeline interests. For the economic sanctions against Russia, the French think the U.S. government had taken for granted and expected too much from its allies without prior consultation. This disappointment and resentment on both sides have produced less favorable results than would otherwise have been the case.

In almost all issues, countries could, however, find a problem-solving approach, if a dialogue, which is basically a direct exchange of information, were held properly. Otherwise, the misinformation and the ensuing misunderstandings would inevitably lead to wrong policies and resentment. Today, the lack of information rarely constitutes a problem. It is rather the flood of information that causes multiple problems. Particularly, the secondary and tertiary information through mass media easily creates chaos, particularly when it is combined with the lack of genuine, direct dialogue between the incumbent policy-makers on both sides.

Even if we understand the theory and principle, practice is another matter. It requires courage, mutual trust, analytical competence, and constant communication to make the negotiations or joint actions between countries reciprocally rewarding, especially when semi-processed, often incomplete secondary information is always too widely spread in advance through diversified channels as is the case today.

At present, the U.S. economy suffers from double-digit inflation and an unstable dollar. The power of the U.S. has relatively declined, and accordingly, the U.S. needs more cooperation and larger cost-sharing from European and Japanese allies if it is to continue to remain an effective leader. Recognition of this increasing need for mutual dependence is even a prerequisite for the U.S. to maintain the primary and key responsibility for global peace and prosperity. There is, however, a tragic tendency by the U.S. to go its own way, consciously or unconsciously, in a self-centered way that is basically determined by domestic policy needs and to exclude prior consultation with its allies.

This discrepancy between intellectual recognition of needs of interdependence and an unconsciously lingering sense of superpower often has cost a loss of optimal cooperation from Japan and European countries, even though they are willing to support the U.S.

In conclusion, the American pluralism, although it is pivotal for American democracy, often tends to confuse messages to foreign countries and to aggravate the communication gaps. Accordingly, the following very basic rules are sincerely recommended to the U.S. on its behalf and that of its allies: First, the U.S. should explain its policies to all the relevant allies and make it clear in advance what it expects allies to do. Second, the U.S. should notify its allies of all policy changes each time it makes a major shift. Third, the U.S. should not pre-determine the magnitude of allies' cooperation and roles without prior consultation and agreement. Courtesy and respect are indispensable for effective joint actions. Fourth, the U.S. should completely refrain from any action that may undermine the interests of allies, either current or potential. Undermining American allies is to undermine America. The individual trade issues are no exception and accordingly settled in this larger framework. Finally, the official communication channels between the responsible government counterparts should be more direct, effective, precise, opportune and up-to-date than any other channels.

AUTHORIZATION FOR THE RECORD TO REMAIN OPEN UNTIL 7 P.M. TODAY

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the RECORD remain open until 7 p.m. today for statements by Senators and for the introduction of bills, resolutions, committee reports, conference reports, petitions, and memorials.

The PRESIDING OFFICER. Without objection, it is so ordered.

Mr. ROBERT C. BYRD. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The assistant legislative clerk proceeded to call the roll.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the order for the quorum call be rescinded.

The PRESIDING OFFICER. Without objection, it is so ordered.

EXECUTIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the Senate go into executive session to consider one nomination on the Executive Calendar under (New Reports).

The PRESIDING OFFICER. Without objection, it is so ordered.

The nomination will be stated.

U.S. RAILWAY ASSOCIATION

The assistant legislative clerk read the nomination of Stephen Berger, of New York to be chairman of the Board of Directors of the U.S. Railway Association for a term of 6 years, vice W. K. Smith, resigned.

The nomination was considered and confirmed.

Mr. ROBERT C. BYRD. Mr. President, I move to reconsider the vote by which the nomination was confirmed and that the motion to reconsider be laid on the table.

The motion to lay on the table was agreed to.

Mr. ROBERT C. BYRD. Mr. President, I ask unanimous consent that the President be immediately notified of the confirmation.

The PRESIDING OFFICER. Without objection, it is so ordered.

LEGISLATIVE SESSION

Mr. ROBERT C. BYRD. Mr. President, I move that the Senate return to legislative session.

The PRESIDING OFFICER. Without objection, it is so ordered.

RECESS UNTIL 8:45 A.M. TOMORROW

Mr. ROBERT C. BYRD. Mr. President, if there be no further business to come before the Senate, I move, in accordance with the previous order, that the Senate stand in recess until the hour of 8:45 a.m. tomorrow.

The motion was agreed to; and at 5:27 p.m. the Senate recessed until Wednesday, April 30, 1980, at 8:45 a.m.

CONFIRMATION

Executive nomination confirmed by the Senate April 29, 1980:

U.S. RAILWAY ASSOCIATION

Stephen Berger, of New York, to be Chairman of the Board of Directors of the U.S. Railway Association for a term of 6 years.

The above nomination was approved subject to the nominee's commitment to respond to requests to appear and testify before any duly constituted committee of the Senate.

HOUSE OF REPRESENTATIVES—*Tuesday, April 29, 1980*

The House met at 12 o'clock noon.

Dr. Jack Holt, pastor, Nashville Baptist Church, Nashville, N.C., offered the following prayer:

Most merciful and compassionate Father, we bow before Thee in humble thanksgiving. We see that, in spite of our foolish hearts and our forgetful ways, Thou hast still blessed this land and its people. May we never, however, presume Thy grace to be ours. Grant that we shall never stand so tall that we cannot bow before Thee nor grow so wise that we need not Thy divine guidance nor become so strong that we shall not rely upon Thy strength. Enable us now to know and to feel that it has been Thy divine light and protection which have led and safeguarded this Nation from its birth to this present day. Whatever the future may then hold, as long as we are in Thy will, Thy grace and strength will surely be ours to lead us onward in realizing all that is good and best for this land and indeed for the world. So may it be that these, Thy servants, the products of Thy creative handiwork, will know Thee, their Creator, and will find delight in walking in Thy ways. In the Master's name we pray. Amen.

THE JOURNAL

The SPEAKER. The Chair has examined the Journal of the last day's proceedings and announces to the House his approval thereof.

Pursuant to clause 1, rule I, the Journal stands approved.

MESSAGE FROM THE SENATE

A message from the Senate, by Mr. Sparrow, one of its clerks, announced that the Senate had passed a bill, a joint resolution, and a concurrent resolution of the following titles, in which the concurrence of the House is requested:

S. 2585. An act to revise and codify the Shipping Act, 1916, and related laws;

S.J. Res. 89. Joint resolution permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes;

S. Con. Res. 88. Concurrent resolution stating that the Congress does favor the submission of the President with respect to the Second Amendment to the Agreement for Cooperation Between the International Atomic Energy Agency and the United States of America of May 11, 1959, done at Vienna, Austria, on January 14, 1980.

The message also announced that the President pro tempore, pursuant to Public Law 95-216, reappoints Mr. Russell W. Laxson of Minnesota, from private life as a member of the National Commission of Social Security until April 1, 1981.

The message also announced that the Vice President and upon the recommendation of the majority and minority leaders, pursuant to Public Law 86-420, appointed Mr. ZORINSKY, Mr. PRYOR, Mr. JAVITS, Mr. DOMENICI, Mr. HAYAKAWA, and Mr. SCHMITT to attend, on the part of the Senate, the Mexico-United States Interparliamentary Conference, to be held in Washington, D.C., May 5-8, 1980.

THE REVEREND JACK A. HOLT

(Mr. FOUNTAIN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. FOUNTAIN. Mr. Speaker, our inspirational invocation was delivered today by Dr. Jack A. Holt, pastor of the Nashville Baptist Church of Nashville, N.C., which is within my congressional district.

Reverend Holt is a native of Winston-Salem, N.C., and is married to the former Mary Alice Roberson. He is a graduate of James A. Gray High School. He received his associate of arts degree from Gardner-Webb Junior College in Boiling Springs, N.C., his bachelor of arts degree from Wake Forest University in Winston-Salem, his master of theology degree from Southeastern Baptist Seminary in Wake Forest, N.C., and his doctor of ministry degree from Union Theological Seminary in Richmond, Va.

Mr. Speaker, Dr. Holt's pastoral ministry in the service of God and his fellow man has extended for more than a quarter of a century. His calling has included pastorates at Deep Springs Baptist Church in Stoneville, N.C., Republican Grove Baptist Church in Nathalie, Va., Neill's Creek Baptist Church in Angier, N.C., Elm Street Baptist Church in Petersburg, Va., Memorial Baptist Church in Williamston, N.C., and since 1979, Nashville Baptist Church.

I might add for the benefit of some of the more senior Members of this body that Nashville Baptist Church was the home church of our former colleague in this House, the late Congressman Harold Cooley of North Carolina.

In 1978, Dr. Holt was named to Who's Who in North Carolina. He and Mrs. Holt are the parents of seven children: Mrs. Ronnie Craft and Mr. Gil Matthews of Hamilton, N.C., Mrs. Susan Biggs of Williamston, N.C., Miss Jeanne Holt, a student at East Carolina University at Greenville, N.C., Miss Nancy Holt, a student at the University of North Carolina at Chapel Hill, and Mr. Mark Matthews and Mr. Arlen Holt, both of Nashville, N.C.

Mr. Speaker, I know that my colleagues in this House join with me today in welcoming Dr. Holt to our midst and in wishing for him and his family every good wish and every success as they continue their vital ministry. In that regard, I am reminded of the words of a Psalm of David: *Bless ye the Lord, all ye His hosts; ye ministers of His, that do His pleasure.*—Psalms 103: 21.

I thank Reverend Holt for being with us today and for his important work here on Earth in the service of our Lord.

RALLY FOR JESUS IN WASHINGTON

(Mr. PEYSER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEYSER. Mr. Speaker, at 6 o'clock this morning I joined with thousands of people of all ages to celebrate the Rally for Jesus in Washington. Mr. Speaker, we are facing troubled times in our country today, but with the belief and the prayers that I heard expressed on the Mall this morning, I know we are going to come out all right.

Mr. Speaker, I want to thank, and I know you share this with me, as I am sure my colleagues do as well, the hundreds of thousands of Americans who are here today praying for us and for our country. I think it is truly a great day for all of us.

THE GUIDE DOG FOUNDATION FOR THE BLIND, INC.

(Mr. DOWNEY asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DOWNEY. Mr. Speaker, I am proud to tell this honored body that located on Long Island is a very special organization, the Guide Dog Foundation for the Blind, Inc.

The Guide Dog Foundation has been in existence for over 35 years and has performed a valuable service to the blind of Long Island and the Nation.

The Guide Dog Foundation is the proud owner of a very special animal—Max, a labrador retriever. Max is a beautiful animal who unfortunately had a tragic accident last year. He was hit by a car and lost the use of his left front leg. For other animals this would have been the end of a useful existence. But Max, as I mentioned previously, is a very special animal. He learned to live with his handicap and is now siring guide dog pups. He is a handicapped animal helping handicapped persons. I feel he should be a national symbol for the handicapped.

I have today introduced legislation to honor Max as a symbol for the handicapped. He is a dog with a handicap

☐ This symbol represents the time of day during the House Proceedings, e.g., ☐ 1407 is 2:07 p.m.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

helping the handicapped, and I cannot think of a more appropriate symbol than to honor him on this day.

GREAT CARTER COURAGE

(Mr. GONZALEZ asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GONZALEZ. Mr. Speaker, the President's announcement Friday was as surprising—even shocking—to me as to everyone else. But his decision—and announcement—took great courage for everyone knew that rescuing hostages in the middle of a large city, a city that is moreover vast distances away from any sea or land base, had only an even chance of success, at the very best. Why the mission failed, we do not completely know. But no one can question that the President made a courageous decision.

Moreover, the President accepted his responsibility. When the mission failed he said so, and provided as much information as he could, as quickly as he could. He visited the wounded as soon as they were able to receive visitors. He is facing his critics squarely, and with courage.

Those who say that this country is without spirit or honor have not visited the wounded who went on the rescue mission. Those men, every one of them, told the President their gratitude for being allowed to try. They said they were sorry they had failed. They want to volunteer again. Our service people are not without courage or pride or will.

I spent some time with the President yesterday. I can say that he is not in despair, that he is not despondent, that he has not lost faith. The President is moving on with the business of the country. So should we. Let the doomsayers have their day. They are wrong. For us, let us remember our strength, let us keep faith with ourselves, let us move on. We are right.

CYRUS VANCE SUPERB IN CONDUCT OF U.S. FOREIGN POLICY

(Mr. PEASE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. PEASE. Mr. Speaker, I rise to express my great admiration for Cyrus Vance, who yesterday ended nearly 3½ years as U.S. Secretary of State.

As a member of the Foreign Affairs Committee, I have found Secretary Vance to be absolutely superb in his conduct of U.S. foreign policy. His voice has been one of clear thinking, of consistency, of moderation, and of commonsense. In appearances before the Foreign Affairs Committee, he has been unfailingly knowledgeable, informative, cooperative, even-tempered, good-humored, and above all, candid. Cyrus Vance is a man whose words can be believed. Not once did I find him evasive or duplicitous.

As Cyrus Vance returns to private life on—typical of him—a matter of principle, I salute him for his truly distinguished service to the United States.

□ 1210

CAREFUL CONSIDERATION SHOULD BE GIVEN TO BALANCING THE BUDGET

(Mrs. SPELLMAN asked and was given permission to address the House for 1 minute and to revise and extend her remarks.)

Mrs. SPELLMAN. Mr. Speaker, I am most anxious to have a balanced budget this year. Indeed, I have long sponsored resolutions calling for such a balanced budget. It would restore confidence in our ability to tackle the problem of Federal spending, and it is one of many actions we can take to fight inflation and reduce inflationary expectations. The resolution before us, is one more step along the balanced budget road on which we have been traveling for the past 5 years, using the orderly budget process as our guide.

However, I am very concerned that, in the current feverish rush to balance the budget, we are overlooking, indeed, trampling on, programs which meet very basic human needs. Certainly there is duplication of services, and we must eliminate that duplication. Yes; Government regulation needs to be controlled, and regulatory paperwork reduced; I have cosponsored measures which provide congressional veto of agency rules, which "sunset" Government programs unless specifically reauthorized by the Congress, and which require "paperwork assessments" for all new rules and legislation. We must provide incentives for reinvestment of capital to increase productivity. We must contain health care costs, bring order to our contracting-out process, require work incentives in public assistance programs, reduce our reliance on imported oil and eliminate fraud and waste in Government. Many of us are working to accomplish these goals.

This "fine-tuning" of the delivery of services should not mean, however, that we no longer give any help to others to make it possible for them to help themselves. We must not agree to allow jobs to be sacrificed in the name of balanced budgets. Some amendments before us may well reduce spending further in the short run, but the long-term effect of unemployment and disillusionment can only exacerbate our rate of inflation and throw our spending out of control.

I strongly urge my colleagues to give careful consideration to the effect of our decisions during this budget debate. Let us not abandon our efforts to turn the jobless into taxpaying, productive workers.

THE NATION NEEDS A PRODUCTIVITY TAX CUT

(Mr. RUDD asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUDD. Mr. Speaker, the Joint Economic Committee has just issued a report documenting the powerful effect of increased national productivity on reducing inflation.

The report shows that inflation will be reduced 2.1 to 2.4 percent for every 1 percent of increased productivity.

By 1984, the multiplier effect would reduce inflation by 2.8 to 3.3 percent for every 1 percent of increased productivity—long-term effect.

This is further dramatic evidence of the imperative need for passage of the $32 billion productivity tax cut proposed by the Latta substitute to the first concurrent budget resolution for fiscal year 1981.

The increased productivity generated by such a tax cut would reduce inflation by several percentage points, and is desperately needed to create hundreds of thousands of new jobs for our people.

A TIME FOR REFLECTION

(Mr. DANNEMEYER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DANNEMEYER. Mr. Speaker, today several hundred thousand Christians from all over America are staging a rally, Washington for Jesus.

It is not the function of the civil authorities to tell anybody which religion, if any to profess. All Americans agree on this first amendment right.

But it is appropriate for those who profess the Judeo-Christian ethic to indicate their support and encouragement for those in public office who seek to lead our Nation to return again to the God of our Fathers, that God may forgive our sins and heal our land.

Those participating in this event are to be commended. Their prayer is to call this Nation to repent conduct contrary to the purposes for which it was founded and the clear commandment of the word of God.

First. There is adultery, rape, fornication, homosexuality, and filthiness of mind throughout the land.

Second. Lying, stealing, drunkenness, and murder are rampant. We prey upon one another. Our streets are full of bloodshed and violence. Official corruption abounds.

Third. Homes are destroyed by divorce. Unions other than holy matrimony are established between men and women. Parents neglect their young. The young do not honor their parents.

Fourth. We slaughter our unborn infants on the altar of personal selfishness.

Fifth. We allow pornographers and traffickers in drugs to force themselves upon our children. The truth of God is taken from our schools by action of government, while unbridled sexuality, humanism, and satanism are taught at public expense.

Sixth. The Government has become bloated at the expense of the citizens. The servant has become our master. Freedom and initiative have been throttled by bureaucracy run wild.

Seventh. Our currency has been debased, our elderly beggared by inflation, our poor have become the perpetual wards of the state, and our Armed Forces weakened.

Eighth. Our Government has aided our enemies and destroyed our friends. We have assisted the oppressors and weakened the victims. Government has encouraged the atheistic enemies of God while often repressing the godly.

THE RESCUE ATTEMPT OF OUR HOSTAGES IN TEHRAN

(Mr. COURTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. COURTER. Mr. Speaker, I wish to add my voice in support of the rescue mission to extricate our hostages from the inhuman and humiliating conditions imposed on them by their Iranian captors. The Government and Revolutionary Council of Iran must be held responsible for the captivity and mistreatment of our fellow citizens. Even more repugnant, was the barbaric display of the bodies our fallen servicemen left behind in the wreckage of their aircraft. If this is truly an example of the mentality of the people we are dealing with, then perhaps force is the only alternative left to resolve the situation. I certainly hope that this is not the case.

As for the rescue attempt itself, all the facts have not been fully disclosed. I fully support the action based on what I have been told by the administration. I have asked the Secretary of Defense to convey to the survivors of the rescue force my highest commendations for their courage and that my personal condolences be sent to all families who suffered the loss of a loved one in this mission. Additionally, I have asked the Defense Department to make available to the Congress all pertinent information concerning our rescue attempt. I commend the Subcommittee on Investigations of the Armed Services Committee for its prompt actions regarding this matter.

Finally, I am introducing this week a concurrent resolution that will:

First. Request the Congress officially commend the rescue party for bravery;

Second. Request that the President consider awarding applicable decorations for service connected with the rescue mission;

Third. Request that the Congress, on behalf of the American people, send condolences to the bereaved families who lost sons in this action;

Fourth. Affirm our solidarity as a Nation, in our determination to free our hostages; and

Fifth. Request that funds be set aside from the frozen Iranian assets for damages and/or loss of life for our hostages, the men wounded in the rescue attempt and the survivors (families) of those who died in the mission.

I hope that my colleagues will join me in this resolution.

PERMISSION FOR SELECT COMMITTEE ON THE OUTER CONTINENTAL SHELF TO SIT TODAY DURING 5-MINUTE RULE

Mr. FORSYTHE. Mr. Speaker, I ask unanimous consent that the Select Committee on the Outer Continental Shelf be allowed to sit on Tuesday, April 29, 1980, while the House is considering amendments under the 5-minute rule so that the committee can continue its oversight hearings on the Outer Continental Shelf Act Amendments of 1978.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman assure us it is for hearings only?

Mr. FORSYTHE. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman from New Jersey.

Mr. FORSYTHE. Yes. The committee has no jurisdiction to do anything but hold hearings.

Mr. ROUSSELOT. I thank the gentleman, and I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

There was no objection.

LET US END THE DETERIORATION OF AMERICA'S DEFENSES

(Mr. GINGRICH asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. GINGRICH. Mr. Speaker, the tragic failure of our military effort to rescue the American hostages from Iran will lead to a great search for scapegoats.

Much attention will be focused on the White House and the Pentagon. However, equal attention should be focused on the Congress. The Members who voted against defense appropriations over the years voted for a decaying Military Establishment.

This week we have a chance to end the deterioration of America's defenses. The Latta substitute budget will dramatically improve our defense posture.

A vote against the Latta substitute is a vote for future failures in defense. The choice will be ours this week.

THE SOVIET THREAT

(Mr. DORNAN asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. DORNAN. Mr. Speaker, I want to join those of my colleagues who have commended the President for a rare act of courage in an unusually cynical election year when most politicians are playing it safe. His attempt to rescue our endangered 53 hostages in Iran was exceedingly bold but brave. However, I find that every office on Capitol Hill is now awash with rumors about a Soviet threat to compromise our element of surprise as being the *x* factor in the precipitous and tragic withdrawal of our brave commando force. Obviously Soviet radar and/or satellites picked up our very large rescue force. You cannot hide three four-engine turbojets, and eight of the free world's largest jet multiengined helicopters from a technologically advanced nation with a large naval force in the Arabian Sea. We closed the technological lead we had over the Russians by selling them advanced computers and other electronic equipment of all types for years. Détente, remember. Mr. President, did you or did you not speak with the Soviet leadership over "the Hotline"? Did the Soviets threaten to tell the Iranian terrorists that we were coming unless we aborted and pulled out?

If this is the case, it is not a reflection upon the President's courage that he made a sensible decision to pull out. I would have done the same. The alternative would have been a bloody ambush. However, it is time for you, Mr. President, to share with us in Congress the full facts involving why the mission was aborted in such a rushed and dangerous manner. Why did we leave the area so quickly which may have caused the accident and eight deaths? And why, with no forces in hot pursuit, was there not enough time to extinguish the fires or wait for the fires to die down and remove the remains of our heroic dead from the battlefield? Why? Why could we not have avoided the degrading, humiliating sight of the burned bodies of American heroes being laid out for public desecration on the soil of our Embassy compound in Tehran? Why did the parents of these courageous young warriors have to endure such suffering and psychological torture as we all were forced to witness the cruel scenes in our Embassy courtyard on Sunday?

Is it because the Soviets ordered us over the hotline to "get out or else," "or else" meaning they would set us up for a massacre. Level with us, Mr. President. We obviously have a compelling right to know.

□ 1220

SURPRISE, FRUSTRATION, AND DISMAY AT RESCUE ATTEMPT

(Mr. WYLIE asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. WYLIE. Mr. Speaker, I have sat here and listened to some of the 1 minute speeches with regard to the event that took place in Iran on last Friday. I think I would be remiss if I did not add my own feelings to it. I was called at about 20 minutes to 6 o'clock on Friday morning and notified of the ill-fated attempt to rescue our hostages. That was my first knowledge of the attempted rescue and my first reaction was one of surprise, frustration, and dismay: dismay and frustration because this is another in the series of frustrating events surrounding the Iranian hostage crisis.

Now, I realize that hindsight is 20/20 and anybody can discover America after 1492; but I must say, I was asked about an Entebbe-type rescue only a week before and I said that I did not think it would work. I have been in Tehran. I have seen the terrain and I cannot see how a helicopter rescue could be effected in this heavily crowded city of 5 million people; but in any event, Mr. Speaker, I think it is time for the administration to be forthcoming on the planning and on the decisions that went into this event, which was one of the most bizarre and tragic in all of our history.

PRESIDENT CARTER'S DECISION ON RESCUE MISSION SOUND AND WITHIN THE LAW

(Mr. BIAGGI asked and was given permission to address the House for 1 minute and to revise and extend his remarks and include extraneous matter.)

Mr. BIAGGI. Mr. Speaker, almost 6 months ago, the Government of Iran, in a flagrant and illegal act, seized 50 Americans as hostages. President Carter throughout this ordeal, has exhibited extraordinary leadership skills, employing calmness and exceptional strength.

The President last week ordered a rescue mission to free the hostages. The mission assumed a greater sense of urgency by virtue of deteriorating conditions in Iran which posed increased peril to the hostages. The mission, through absolutely no fault of the President, failed. No President—no Commander in Chief—has power over such unforseen circumstances.

President Carter's decisions were sound and entirely within the law. He did not order a military action—he ordered a mass rescue mission, something within his powers under the War Powers Act. His motives were identical to the overwhelming feelings of the American people—to speed the safe release of our hostages.

Our Nation has been sustained by the strength of national unity. The same unity is needed today. Those who second guess or criticize the President do an injustice to this Nation, and especially to the eight Americans who gave up their lives in this mission—eight men for whom this Nation owes the highest debt of gratitude. More dangerous—divisiveness in America—strengthens the resolve of the Iranian militants.

THE PAIN OF RESIGNATION OF SECRETARY CYRUS VANCE COULD BE EASED BY RETIREMENT OF ZBIGNIEW BRZEZINSKI

(Mr. JOHN L. BURTON asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. JOHN L. BURTON. Mr. Speaker, I am very saddened at the departure of Secretary Vance from this administration. I think the only thing that could ease the pain of many American citizens and many of our allies throughout the world would be if Ziggie Brzezinski decided to retire as well. I think he has done a great disservice to this Nation in the time he served as National Security Adviser. I think he will go down in history as second only to Henry Kissinger as a disaster in foreign policy. He could best serve his country by resigning his present position.

CLASSIFIED BRIEFING NEEDED FROM PRESIDENT ON RESCUE MISSION

(Mr. SHUSTER asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. SHUSTER. Mr. Speaker, one of the basic issues facing us in this terrible Iran tragedy is the question, did the mission have a reasonable chance of bringing the hostages out alive?

I think the chairman of our Intelligence Committee and the ranking member should receive a full classified briefing from the President of the United States, so that they understand precisely what the planning was that went into this mission. Certainly this is a classified matter and in my view should not be brought before the entire Congress; but we have a right and a duty to be assured by those appropriate Members of the Congress that this mission was not a hair-brained scheme, that this mission was, indeed, well thought out and had a reasonable probability of bringing most of the hostages out alive.

I call upon the President to give this kind of detailed classified briefing to the appropriate Members of Congress, so they in turn can assure us that this was a well thought-out exercise.

REPORT ON RESOLUTION PROVIDING FOR TECHNICAL CORRECTIONS TO AMENDMENTS MADE IN ORDER BY HOUSE RESOLUTION 642

Mr. BOLLING, from the Committee on Rules, submitted a privileged report (Rept. No. 96–908) on the resolution (H. Res. 649) providing for technical corrections to the amendments made in order by House Resolution 642, which was referred to the House Calendar and ordered to be printed.

HOUR OF MEETING ON TOMORROW

Mr. BOLLING. Mr. Speaker, I ask unanimous consent that when the House adjourns on Tuesday, April 29, it adjourn to meet at 10 a.m. on Wednesday, April 30, 1980.

The SPEAKER. Is there objection to the request of the gentleman from Missouri?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, can the gentleman explain what the program is?

Mr. BOLLING. My understanding is that we will take up the new rule required to make in order two Republican amendments and two Democratic amendments as specified in the original rule on the budget resolution and then proceed to further consideration of the budget resolution.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I was under the impression that the rule was pretty well perfected for the budget. I am sorry to hear that we have to come back to change that rule after the fact; but other than that, what will be taken up after the Budget Resolution, assuming that we completed that resolution tomorrow, does the gentleman know?

Mr. BOLLING. What would be taken up after the budget resolution?

Mr. ROUSSELOT. Yes. Could we know what is to follow the budget resolution, assuming that we got finished with it?

Mr. BOLLING. I imagine that it is the program that was in the schedule announced. I would not want to go beyond that, because I would think it probable, possible, even probable, that the budget resolution might take a little time.

In other words, I do not know when the leadership plans to schedule the Nicaraguan resolution.

Mr. ROUSSELOT. I think that is the question in which we are all interested.

Does the Speaker know when that might be?

The SPEAKER. The Chair would hope that the House would be able to complete the budget resolution by Thursday night, because the leadership has informed the membership that we do not anticipate a Friday session. If and when the House finishes the budget, whether it be this week or next week, somewhere along the line the House will have to send the Nicaragua bill to conference, and whether it be the next item or not, that remains to be seen; but it is definitely going to be on the floor of the House within one or two bills after the budget resolution is out of the way.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, is it the intent of the leadership to complete, to the best degree possible, the budget resolution first?

The SPEAKER. The answer to that is yes.

Mr. ROUSSELOT. And then if we completed or came close to completing it, would the Chair intend to to take up the Nicaraguan, or the Central American resolution, following that action?

The SPEAKER. If the House were to continue with the budget, the Chair would doubt that the House could finish the budget by Thursday. If the House can finish the budget by Thursday within a reasonable hour, because the committee would be rising at 5:30 on Thursday, the answer is that the House would take it up.

The Chair cannot conceive of that. It appears that the House will not even finish the budget this week; but when the House finishes the budget and there is a reasonable time, then the matter will be taken up. If there is not a reasonable time for debate on the Nicaragua resolution, say the House were to finish Thursday at 3 o'clock, the answer is no. The Chair would bring up some other type of legislation.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I will yield to my colleague, the gentleman from Maryland, who has a substantial interest in this central American foreign aid bill.

□ 1230

Mr. BAUMAN. I just wanted to say to the gentleman from California, Mr. Speaker, I hope that he would not engage in any obstructionist tactics and object to this request.

The SPEAKER. The gentleman can be assured that only some of the headline seekers do that and the Chair is sure the gentleman never tries to do that.

Mr. ROUSSELOT. Mr. Speaker, further reserving the right to object, I am clearly not in that class.

With the assurance from the Speaker and the leadership that the Central American aid bill will not come up this week, or it is very unlikely that it will come up because we plan to continue with the budget resolution, which the country is awaiting breathlessly to see what we are going to do, I will withdraw my reservation of objection.

The SPEAKER. The gentleman withdraws his reservation of objection.

Is there objection to the request of the gentleman from Missouri?

There was no objection.

FIRST CONCURRENT RESOLUTION ON THE BUDGET—FISCAL YEAR 1981

Mr. GIAIMO. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the U.S. Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the U.S. Government for the fiscal year 1980.

The SPEAKER. The question is on the motion offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Speaker announced that the ayes appeared to have it.

Mr. ROUSSELOT. Mr. Speaker, I object to the vote on the ground that a quorum is not present and make the point of order that a quorum is not present.

The SPEAKER. Evidently a quorum is not present.

The Sergeant at Arms will notify absent Members.

The vote was taken by electronic device, and there were—yeas 384, nays 2, answered "present" 1, not voting 45, as follows:

[Roll No. 198]

YEAS—384

Abdnor
Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Andrews, N. Dak.
Annunzio
Anthony
Archer
Ashbrook
Ashley
Aspin
Atkinson
AuCoin
Badham
Bafalis
Bailey
Baldus
Barnard
Barnes
Bauman
Beard, R.I.
Beard, Tenn.
Bedell
Beilenson
Benjamin
Bennett
Bereuter
Bethune
Bevill
Biaggi
Bingham
Blanchard
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Brown, Ohio
Broyhill
Burgener
Burlison
Burton, John
Burton, Phillip
Butler
Byron
Carney
Carr
Carter
Chappell
Cheney
Clausen
Clay
Clinger
Coelho
Coleman
Collins, Ill.
Collins, Tex.
Conable
Conte
Convers
Corcoran
Corman
Cotter
Coughlin
Courter
Crane, Daniel
D'Amours
Daniel, Dan
Daniel, R. W.
Danielson
Dannemeyer
Daschle
Davis, Mich.
de la Garza
Deckard
Dellums
Derrick
Derwinski
Devine
Dickinson
Dicks
Diggs
Dingell
Dodd
Donnelly
Dornan
Dougherty
Downey
Drinan
Duncan, Oreg.
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Calif.
Edwards, Okla.
Emery
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ga.
Evans, Ind.
Fary
Fazio
Fenwick
Ferraro
Findley
Fish
Fisher
Fithian
Flippo
Florio
Foley
Ford, Tenn.
Forsythe
Fountain
Frenzel
Frost
Garcia
Gaydos
Gephardt
Giaimo
Gilman
Gingrich
Ginn
Glickman
Goldwater
Gonzalez
Goodling
Gore
Gradison
Gramm
Grassley
Green
Grisham
Guarini
Gudger
Guyer
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hammerschmidt
Hance
Hanley
Hansen
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Holt
Hopkins
Horton
Howard
Hubbard
Huckaby
Hughes
Hutto
Hyde
Ichord
Ireland
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Tenn.
Kastenmeier
Kelly
Kemp
Kildee
Kogovsek
Kostmayer
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lederer
Lee
Lehman
Lent
Levitas
Lewis
Loeffler
Long, La.
Lott
Lowry
Lujan
Luken
Lundine
McClory
McCormack
McDade
McDonald
McEwen
McHugh
McKay
Madigan
Maguire
Markey
Marks
Marlenee
Marriott
Mathis
Matsui
Mattox
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Miller, Ohio
Mineta
Minish
Mitchell, N.Y.
Moakley
Moffett
Mollohan
Montgomery
Moore
Moorhead, Calif.
Moorhead, Pa.
Mottl
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Ind.
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
O'Brien
Oakar
Oberstar
Obey
Ottinger
Panetta
Pashayan
Patten
Patterson
Paul
Pease
Pepper
Perkins
Petri
Peyser
Porter
Preyer
Price
Pritchard
Pursell
Quayle
Quillen
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Rhodes
Richmond
Rinaldo
Roberts
Robinson
Roe
Rose
Rosenthal
Rostenkowski
Roth
Rousselot
Roybal
Royer
Rudd
Runnels
Russo
Sabo
Santini
Satterfield
Sawyer
Scheuer
Schroeder
Schulze
Sebelius
Seiberling
Sensenbrenner
Shannon
Sharp
Shelby
Shumway
Shuster
Simon
Skelton
Smith, Iowa
Smith, Nebr.
Snowe
Snyder
Solarz
Solomon
Spellman
Spence
St Germain
Stack
Staggers
Stangeland
Stanton
Stark
Stenholm
Stewart
Stockman
Stratton
Studds
Stump
Swift
Symms
Synar
Tauke
Taylor
Thomas
Thompson
Traxler
Trible
Udall
Ullman
Van Deerlin
Vander Jagt
Vanik
Vento
Volkmer
Walgren
Walker
Wampler
Watkins
Waxman
Weaver
Weiss
White
Whitehurst
Whitley
Whittaker
Williams, Ohio
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Wydler
Wylie
Yates
Yatron
Young, Alaska
Young, Fla.
Young, Mo.
Zeferetti

NAYS—2

Lloyd
Mitchell, Md.

ANSWERED "PRESENT"—1

Williams, Mont.

NOT VOTING—45

Anderson, Ill.
Applegate
Boggs
Brooks
Buchanan
Campbell
Cavanaugh
Chisholm
Cleveland
Crane, Philip
Davis, S.C.
Dixon
Eckhardt
Edgar
Fascell
Ford, Mich.
Fowler
Fuqua
Gibbons
Gray
Harsha
Hollenbeck
Holtzman
Jenrette
Jones, Okla.
Kazen
Kindness
Leland
Livingston
Long, Md.
Lungren
McCloskey
McKinney
Martin
Murphy, Ill.
Nolan
Pickle
Ritter
Rodino
Steed
Stokes
Whitten
Wilson, Bob
Wilson, C. H.
Zablocki

☐ 1240

So the motion was agreed to.

The result of the vote was announced as above recorded.

IN THE COMMITTEE OF THE WHOLE

Accordingly the House resolved itself into the Committee of the Whole House on the State of the Union for the further consideration of the concurrent resolution (H. Con. Res. 307), with Mr. BOLLING in the chair.

The Clerk read the title of the bill.

☐ 1250

The CHAIRMAN. When the Committee rose on Thursday, April 24, pending was an amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The Chair recognizes the gentleman from Connecticut (Mr. GIAIMO) for 5 minutes in support of his amendment.

Mr. GIAIMO. Mr. Chairman, I am offering a technical amendment affecting fiscal year 1980. I want to stress that it is a technical amendment to fiscal year 1980, the year we are presently in, not fiscal year 1981, the year to which we will be devoting most of our attention during this budget debate and the year for which we hope to come forth with a balanced budget.

For 1980 my amendment would add $3.1 billion in budget authority and $4.6 billion in outlays to the revised second budget resolution reported from the House Committee on the Budget on March 26. My amendment incorporates increased estimates for existing commitments such as the spending levels for defense, highway contracts, trade adjustment assistance and food stamps. This amendment is not generally intended to add on to 1980 for new discretionary program needs. The ceilings on budget authority and outlays for fiscal year 1980 which were included in the second budget resolution enacted November 28 have been breached, making any further spending for fiscal year 1980 subject to a point of order on the floor. This means that the House could not consider supplementals for such key items as fire fighting, disaster relief, food stamps, additional defense fuels needs, the Space Shuttle or any other spending bills unless the spending ceiling is lifted. Passage of the second resolution revised as modified by my amendment will allow consideration of such additional amounts.

The House Budget Committee revised these ceilings during markup of the first budget resolution to reflect anticipated increases in payments mandated by existing law for such programs as medicare and medicaid, social security, and interest on the public debt. However, further revisions are necessary at this time due to the unusual circumstances which took place this year surrounding the week of discussions on balancing the budget among the House and Senate leaderships and Presidential advisers in late March.

Due to the timing of this debate the President did not send up reestimates of the January budget until after the Budget Committee had marked up the second resolution. In a normal year these reestimates arrive in mid-March and are incorporated during markup of the resolution. The major items included in my amendment are, $1.5 billion in outlays for defense which reflects a faster spend out in procurement and construction programs, $1.06 billion in outlays for trade adjustments assistance due to the greatly increased number of auto workers being certified as having lost employment because of foreign competition, $722 million for Federal aid highways to reflect faster spending than previously anticipated, $490 million for food stamps based on higher participation rates, and increases in several other programs.

Mr. Chairman, I urge the adoption of this amendment.

If we turn to the report on the first concurrent resolution on page 173 we will find a list of supplementals totaling $7.8 billion which are mandatory in nature and which were included in our revision of the third budget resolution for fiscal year 1980. If we turn the page to 174 we will find $7 billion in total discretionary actions, supplementals not yet acted upon but which are in the wings and upon which the Committee on Appropriations will be acting.

These add-ons were brought about not because of new congressional initiatives. They were brought about because of raging inflation which is requiring even higher payments and spend-outs by the Federal Government and, therefore, necessitated a revision of the third budget resolution.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. Since our markup in committee, because of additional requirements brought about by the later reestimates, it is necessary to include this additional $3.1 billion in budget authority and $4.6 billion in outlays to finance these essential requirements and requirements that are mandatory in nature.

Mr. Chairman, I urge the adoption of the amendment.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. CONABLE. I would like to ask the gentleman about the item for food stamps. Does this bear any relationship to the hiatus that seems to have developed in the funding of the food stamp program? We are told that unless food stamps are extended and additional money is appropriated by May 15 that there will be a cutoff in the program, even though there are more than 5 months still to run in the fiscal year.

Mr. GIAIMO. The gentleman will remember that early on in our discussions in the committee we were told that because of inflation and higher prices for food it would be necessary to come in with a large supplemental request for food stamps. I believe it was $2.5 billion. We included that amount in our third budget resolution for 1980. The later reestimates which have come up since then show that we will need an additional $455 million in budget authority and, I believe, $490 million in outlays.

Mr. CONABLE. Is there any evidence that the Secretary of Agriculture has taken any steps to try to stretch out the program, or is he continuing to go all out on it?

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. GIAIMO was allowed to proceed for 1 additional minute.)

Mr. GIAIMO. Is there evidence? I would hope, I would assume and I have been told they are doing their best to conserve money and to take steps which will make the dollars stretch as best they can, but as the gentleman from New York well knows, we are dealing with estimates in a very large program. All I can tell the gentleman is that it is the latest reestimate brought to us by the administration, confirmed by the Congressional Budget Office, which indicates they are going to need this additional money or we will have to begin cutting back and prorating food stamp payments.

□ 1300

Mr. CONABLE. Relative to the adjustment assistance money that is set out in this request, are all the layoffs in the auto industry being attributed to foreign imports, or is this just that portion that are specifically proved to be trade related?

Mr. GIAIMO. I am informed that this money will be required. This came up after we marked up, as the gentleman well knows. This money was not included in the third budget resolution because there was no request for it at that time, and no evidence that it would be needed.

The CHAIRMAN. The time of the gentleman from Connecticut has again expired.

(By unanimous consent Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. CONABLE. It is a very large sum, I say to the gentleman.

Mr. GIAIMO. Yes. It is $1.024 billion in budget authority, and $1.060 billion in outlays.

Subsequent to our markup, it was stated to us and requested from us by the administration that this amount of money would be essential because of the trade adjustment act requirements. This was brought about by dislocation from competition from imports under the law, rather than from just a drop-off in sale of automobiles.

Mr. CONABLE. This figure is a substitute and a supplement for unemployment insurance money, and I am wondering if there is any trade-off elsewhere in the budget with unemployment insurance costs.

Mr. GIAIMO. Well, of course the gentleman's committee is much more familiar with this than I am. It is the Ways and Means Committee which handles this legislation. I think there is a trade-off, but I am not expert enough to inform the gentleman as to just how that works. I suspect there is some trade-off though.

Mr. CONABLE. I thank the gentleman.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Ohio.

Mr. LATTA. Mr. Chairman, I thank the gentleman for yielding. Coming back to the question the gentleman from New York raised about the food stamp program, I would like to remind the chairman that we have $2.5 billion in the resolution already, and he is adding another $490 million, or approximately a half billion more, which will make $3 billion on top of the $6.2 billion that we already have in the resolution. So, we are adding $3 billion to the food stamp program in a very short period of time.

Mr. GIAIMO. The gentleman is right, and let me give him some other examples. To the resolution we passed last November, in the third budget resolution, we are adding $8 billion more for interest payments.

The CHAIRMAN pro tempore (Mr. DERRICK). The time of the gentleman from Connecticut has again expired.

(By unanimous consent Mr. GIAIMO was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO. That is $8 billion more in interest payments brought about because of higher inflation and higher interest rates. On social security, we have had to add $1.5 billion since last November. To the foreign military sales trust fund, $1.5 billion. To the Chrysler loans, $1.5 billion. To rural housing and Ginnie Mae, $3.5 billion over last November because of higher inflation. That is what has driven all of these estimates upward, not congressional action, but the fact that inflation is costing us more and more for everything we do.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, this increase in the trade adjustment item is really massive. The gentleman is suggesting that this is a program that has been going at $300 million, and suddenly balloons to $1.4 billion. I would like to ask the gentleman, is that technically an entitlement where we just have to spend out the money, or is there any legislative adjustment that could be made to at least reduce some of that huge expansion in outlays?

Mr. GIAIMO. My impression is that it is entitlement, and we have no option. I would ask the gentleman from New York (Mr. CONABLE), who serves on this committee, to correct me if I am wrong, but I think we have to make this money available under the law.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut has again expired.

(At the request of Mr. Stockman and by unanimous consent, Mr. Giaimo was allowed to proceed for 2 additional minutes.)

Mr. STOCKMAN. The information I have suggests that the average payment per week will jump from $53 last year to $73 this year. This is a one-third increase in the average payment, and that comes on top of the State Unemployment Compensation that would be available to these workers. It seems to me that what we are doing is just saying that we have another entitlement, uncontrollable, and another $1 billion that goes flowing out that is totally unnecessary, and there is nothing we can do about it.

Mr. GIAIMO. Let me say to the gentleman that the Budget Committee is not a tax-writing committee or a revenue-writing committee. We do not write these laws. If I had my choice, I would like not to have to make money available in this instance. I would certainly like to tighten up, but the best information is that this amount of money is essential and mandatory under the law, and that we will have to make it available.

Mr. CONABLE. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. CONABLE. I would like to say that I think that once it is determined by the Labor Department that the layoffs in the auto industry are import-related in the degree required by the law, I think it does become an entitlement.

Mr. STOCKMAN. I would suggest that I know of one case where the workers were certified at a Chrysler plant because of imports coming from a Chrysler plant across the border. That is the kind of thing we have going on. It seems to me that to be voting the money without looking at the program is not very sensible.

Mr. CONABLE. The gentleman is right in his concern about this, and it indicates to me that there is a serious question about the administration of the Adjustment Act.

Mr. BRODHEAD. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from Michigan, who certainly knows about the automobile industry and about trade adjustment.

Mr. BRODHEAD. Mr. Chairman, I do not think there is much question, anybody who reads the news knows there is very, very substantial unemployment in the automobile industry and related industries, and there can be very little question that the vast bulk of the unemployment in the automobile industry is related to the huge increase in imports coming in. This whole policy has been because we are the only Nation in the world—absolutely, in real terms—the only Nation in the world that has a free market in automobiles.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut has again expired.

(By unanimous consent, Mr. Giaimo was allowed to proceed for 3 additional minutes.)

Mr. BRODHEAD. I think, under those circumstances, it is reasonable for us to keep the promise that we made to American workers at the time when the trade legislation was passed 4 years ago, 5 years ago. What we said to the American worker was, "Some of you may suffer as a result of our relatively free and open trade policy, but that if you do, the Government will partially make you whole, attempt to make you whole on this."

That promise was made, and I think that promise has to be kept. At that time, I do not think it could be foreseen that the Iranian crisis would change the whole situation, although as the gentleman knows, there was a big and growing market at that time for American large cars. The van business, the American truck business, small trucks and vans, were being bought in absolutely great numbers, and the American automobile manufacturers hired people and put processes into place to meet that demand of the American public.

When we had the cutoff in the Iranian oil, the gas lines, substantial runup in price of gasoline, there was an immediate change, a drastic change, the greatest change in the movement in the automotive market in the history of the American automobile industry. It happened overnight. The American industry is spending billions of dollars to attempt to retool its plant to meet the demand for smaller cars, but this cannot be done so quickly. I think that if we stop and reflect upon it, 13 or 14 months ago sales of the big cars and vans were at a record high, and these imports were running very, very substantially below where they are today. I think Members can understand what has happened. We hope and expect that this will be a temporary phenomenon. With the new cars, several new smaller American cars coming out this fall, with the economy rebounding, with lower interest rates, the American automobile market will bounce back. We hope and expect that it will bounce back. It has been down before and bounced back many times. When it does, the demand for this program is going to be reduced. I would agree with the fact that there have been some mistakes. Nobody is perfect; no program is perfect. There have been mistakes made from time to time in the administration of the program.

□ 1310

But 95 to 99 percent of the money that has been paid out has been paid out according to promises that have been made according to the law. I think the program is fair, reasonable, and just, and that for the most part it has been soundly administered.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, I thank the chairman of the committee for yielding.

Mr. Chairman, I want to inquire about the legislative status of one program, if I may, coming back to food stamps.

My understanding is that the Secretary of Agriculture has already notified all of the States that unless the Congress acts by May 15, the food stamp program will be terminated on June 1.

The CHAIRMAN pro tempore. The time of the gentleman from Connecticut (Mr. Giaimo) has again expired.

(By unanimous consent, Mr. Giaimo was allowed to proceed for 3 additional minutes.)

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. I yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, my question is this: Is it necessary, as I believe it is, that this amendment the gentleman has before us now be passed before the authorizing and appropriating committees can act on this money for food stamps.

Mr. GIAIMO. That is right. Mr. Chairman, as the gentleman knows, we have already reached the spending ceiling for fiscal year 1980. New ceilings for budget authority and outlays are contained in the third budget resolution revision, which is part of our budget resolution.

In addition to that, because of later reestimates, we had to include an additional $4.61 billion, and of that, $455 million is additional food stamp money.

If we do not get this budget adopted in the House and in the other body, complete our conference action on it, and get the budget adopted by May 15, no spending bills can come to the floor, and we will have a crisis here very quickly.

Mr. PEYSER. Mr. Chairman, if the gentleman will yield further, that is exactly my point. As I understand the legislative process, not only do we have to pass this but the Senate must pass it, it must go to conference, and then the authorizing and appropriating legislation must come out on the floor, is that correct, before we can get the program in operation?

Mr. GIAIMO. Certainly the appropriation has to come out for the supplemental, but as to the authorizing legislation, I am not sure.

Mr. Chairman, I yield to the gentleman from California (Mr. Panetta) to answer the gentleman's question.

Mr. PANETTA. Mr. Chairman, I thank the gentleman for yielding.

Mr. Chairman, in response to the question, what is also needed is authorizing legislation to increase the cap for 1980. The Senate has in fact already passed authorizing legislation. The House has in its committee forwarded legislation to increase the cap to the floor, but that legislation cannot be taken up until this budget resolution is adopted.

Mr. PEYSER. Mr. Chairman, if the gentleman will yield further, it would seem to me that along with the very sound arguments the gentleman is presenting for the other parts of this budget, this particular section which affects so many millions of Americans—and particularly, we note, having been through this before, it affects the elderly and the very young—is important, and this legislation should pass and this amendment should be agreed to very rapidly.

Mr. Chairman, I thank the gentleman for yielding.

Mr. LATTA. Mr. Chairman, I rise in opposition to the amendment.

Mr. Chairman, I hestiate to oppose this amendment, but when my good committee chairman calls for $4 billion 600 million in add-ons to the fiscal year 1980 budget, I cannot agree with him that this is a technical amendment. It is an add-on, period, make no mistake about it. If we vote to support this amendment, we are voting to add $4.6 billion to the fiscal year 1980 budget, and we had better know what we are doing.

This amendment brings to light once again something that some of us have been attempting to do all year, and that is to show that spending is out of control. And it is out of control now, not on October 1, 1980, when the fiscal year 1981 budget becomes effective. It is out of control now, and this is evidence of that fact.

The administration seems to believe that so long as we produce some sort of a balanced budget next fiscal year, which begins October 1, 1980, it does not matter how great a deficit we create for the country in 1980. I believe this is ridiculous.

Continuing to run up the 1980 deficit is both bad economics and, certainly, bad politics for the administration. It is bad economics because we are sending contrary signals to the American people and to the financial and business communities both here and abroad.

How can we believe the Federal Government is serious in fighting inflation when we talk only about balancing the budget in a year which has not begun and then take actions which cause the current year's budget to grow progressively higher and higher and more and more out of balance?

Belt-tightening, according to them, is fine for next year. But it is really needed now, today, when we have inflation and interest rates exceeding 18 percent.

In recent days we have seen a small break in interest rates, and we welcome this small break. However, this amendment before us now will help to counteract the slight downward movement in interest rates as the Treasury goes into the credit markets and squeezes out private borrowers in order to finance an even larger deficit than anticipated less than a month ago.

Most importantly, it sends a loud, clear signal to the people that Congress lacks the will to restrain spending. It will send a signal that Congress lacks the will to cut back spending at the very same time when we are asking the American people and American businesses to cut back on their spending and borrowing plans.

As a matter of fact, the other day I talked to a constituent who said, "What is wrong in Washington is that they have unlimited credit cards they are using while at the same time they are asking us to restrain the use of ours. I think it is high time that they throw away those credit cards in Washington, and then perhaps we could use ours."

Mr. Chairman, I have to agree with that constituent. Passing this amendment, this so-called technical amendment, is proof that the Congress is incapable of restraining spending. It will cast a great deal of skepticism on the determination and the will of the Congress to really balance the fiscal year 1981 budget if we take this add-on action to the fiscal year 1980 budget.

The obvious question will be this: Will the "balanced" budget that Congress passes this year really be in balance in September of 1981 when the fiscal year draws to a close, and will we see a repeat of this performance that we are having right now when we face up to the fiscal year 1982 budget resolution? Will the administration be saying that we have some technical amendments to add $5 billion, $6 billion, $7 billion, or $8 billion to the fiscal year 1982 budget?

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 5 additional minutes.)

□ 1320

Mr. LATTA. Mr. Chairman, I submit that most people in the country do not now believe this Congress can really balance the budget in fiscal year 1981, and one of the reasons they do not believe it is the dismal performance we have in fiscal year 1980.

Now, let us just review the short past of the fiscal 1980 budget, the one that the gentleman would like to add some technical amendments to, to the tune of $4.6 billion.

May 1979, Congress passes the first budget resolution for fiscal year 1980, with spending of $532 billion and a deficit of $23 billion.

We go to the passage of the second budget resolution, November 28, 1979. The deficit is up to $29.8 billion and spending has grown to $547.6 billion.

I might remind my friends that at this time that a majority of the House rejected a Senate attempt to include reconciliation instructions in that second budget resolution. The House went along with the Senate in agreeing that there should be no third budget resolution for fiscal year 1980.

March 28, 1980, the House Budget Committee reports out a third budget resolution for fiscal year 1980 to be included with our first budget resolution for fiscal year 1981. Just since last November, spending is up $20 to $567 billion and the deficit has grown to $38.2 billion. This is not ancient history. It was just a couple days ago.

April 23, 1980, the Treasury reports that the Federal budget deficit for fiscal year 1980 has reached $51.7 billion.

Today, April 29, we have yet another revision of the 1980 budget, which would increase spending and the deficit by another $4.6 billion on top of the $20 billion increase reported out of the Budget Committee in March.

Hence, since we passed the first budget resolution in May of last year, we find an increase in spending of $39.6 billion. We also see the deficit being increased from $23 to $42.8 billion.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I would be happy to yield if the gentleman would like to comment on these figures.

Mr. PEYSER. I thank the gentleman for yielding.

One thing, I hear the gentleman's opposition to the amendment. Now, does that mean that individually the major segments of this amendment, such as the $1½ billion for defense, that the gentleman would be opposed to that, and that the gentleman would be opposed to the $1 billion in the trade adjustments and the Federal highway program and the food stamps? Now, those are the segments of that $4.6 billion. And I am wondering, if the gentleman is in opposition to those individual segments, is the gentleman saying that there really is enough money in the existing budget to handle these problems without this addition?

Mr. LATTA. Mr. Chairman, let me say to my friend, the gentleman from New York—and I know he is a fiscal conservative—that there comes a time when you either have to put up or shut up. You are either for or against a balanced budget and you vote accordingly. The Honorable Charlie Halleck, a former Member of this body, used to put it another way, that you have to fish or cut bait. And right now is that time. You are either going to act fiscally responsible in this Congress or you are not. And there comes a time when you have to cut back on planned new spending. You cannot come along with all of these add-ons and pick out a few and say, "My, you cannot slow spending here or you cannot slow it there."

I say you have to go back and review the final figures we had in this budget just last March and say, "We are not going to exceed these, period." That is how you start to balance the budget and reduce spending.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 2 additional minutes.)

Mr. PEYSER. If the gentleman will yield further, the thing that I find that raises a serious question on consistency, in my mind, is that I know there is an amendment that is going to be offered on the 1981 budget known as the Holt amendment, which is going to be calling for an additional $5 billion for defense. I am wondering, with the biggest single item in this for defense, where does it make sense not to put this money in for defense and then either tomorrow afternoon or the next day vote for $5 billion more for defense under the Holt amendment. It just does not seem consistent to me.

Mr. LATTA. We will deal with the Holt amendment when we come to the fiscal year 1981 budget. But let me say to my friend that they have ample budget authority in defense right now. We are not touching budget authority in this amendment. We are talking about outlays. I am certain that in this little period of time that even the Defense Department can come up with the amount of money they need.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding.

Mr. Chairman, we have to understand the pressure that our colleague, the gentleman from New York, operates under, because New York City is so close to him and they do not know how to put a cap on anything there. So we have to understand that he is strictly promoting all the increases in expenditures that he can find.

But let me just say quickly to my colleague: How can we possibly talk about this being a Scrooge budget when our distinguished chairman of the Committee on the Budget is asking for $4.6 billion more for this fiscal year?

That really is not a very tight budget, is it, as the gentleman pointed out?

Mr. LATTA. I would have to say no, it is not a tight budget. I just think that if we are going to do anything about deficit financing, we have to start now. We are in the midst of ravaging inflation in this country. If Members of this Congress do not know it, they ought to go back home and talk with the people.

The CHAIRMAN. The time for the gentleman from Ohio (Mr. LATTA) has again expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 2 additional minutes.)

Mr. LATTA. Mr. Chairman, we are not going to be in trouble down the road several months. We are in trouble today. And we ought to get that through our heads here in this Congress. Go out and try to borrow money. You know what the cost of money is. Interest rates are 18 and 20 percent. Farmers in my district want to put in their crops and they cannot borrow the money. Why? Because they cannot pay these interest rates.

Mr. MYERS of Indiana. If you can find the money.

Mr. LATTA. That is right. You cannot find the money in a good many of our banks. I know there is one large one in Pennsylvania having a little trouble at the present time.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. I noticed in our distinguished chairman's bulletin that part of the proposed increase is for the food stamp program. The total cost of food stamps in 1980 would be increased to $9.1 billion as a result of the gentleman's amendment, including what is in the earlier budget resolution for 1980, as I understand it, another $2.5 billion, plus the $455 million in this budget resolution.

So we are kicking up food stamps to $9.1 billion for fiscal year 1980. Now, much of that spending cannot be accounted for, and we are clearly squandering, again, American taxpayers' money and forcing further deficit financing. The President announced last week that he had to go into the marketplace to borrow for the Treasury. What does it kick the deficit up to? Is the debt increasing this year by $53 billion?

Mr. LATTA. I think it is about $65 billion.

Mr. ROUSSELOT. $65 billion?

Mr. LATTA. $65 billion.

Mr. ROUSSELOT. For this fiscal year. Then we are not saving money anyplace, are we?

Mr. LATTA. I would say that I would have to agree with the gentleman.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I will be happy to yield to my chairman.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has again expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Mr. Chairman, let me just tell the gentleman that what we are doing here with this amendment is adjusting for what we need additionally. And I wish that I could join with the gentleman from California, and I know the gentleman from Ohio, in resisting these add-ons; but this is essential money that is needed. It is not really even discretionary unless you want to prorate back food stamps, and that is the one the gentleman has been talking a lot about. But let us talk about some of the others that the gentleman has not been talking about. I know the gentleman from California is not enamored with food stamps. But let us take $656 million for the Home Loan Bank Board Savings and Loan Insurance Corporation. We had to put that money in, as the gentleman knows, as an upward revision, mainly attributable to additional possible troubles in savings and loan institutions, and because under the Federal Savings and Loan Insurance Corporation, which the Government finances and which the American people depend on when they put their money in savings, we have to make certain that because there are some troubled institutions, this money is available to bail out and to pay the money to those people who put their savings in.

□ 1330

I will not even mention that since these reestimates, and as the Members know, yesterday, with the First Pennsylvania Bank in Philadelphia, which is in trouble of some sort, the FDIC has had to come up with about $325 million to make sure that that bank stays solvent and that the American people and depositors are not hurt.

So you and I are victims of circumstances that happen in our economy and in our Nation, whether they would be disasters of the nature of natural disasters or whether they be foreign affairs disasters or whether they be economic disasters and difficulties.

There is no way that we can wish it otherwise. I wish we could, but we just cannot.

I could go on with some of the others. There is $647 million additional money for the Export-Import Bank. You may not like the Export-Import Bank, but I happen to think that we have to encourage American industry and American trade. I happen to think that we have to help American companies to compete with other countries, and that means giving the Export-Import Bank the money and the tools to do the job and to help American production and American trade. I do not want to leave that out.

I am sure the gentleman from California would not want to leave that out.

Mr. LATTA. I would like to comment on my chairman's statement.

The CHAIRMAN. The time of the gentleman from Ohio (Mr. LATTA) has expired.

(By unanimous consent, Mr. LATTA was allowed to proceed for 3 additional minutes.)

Mr. LATTA. I am sure a lot of these programs are good. Some would like to do everything for everybody, but the fact of the matter is that we cannot do it. We cannot do it.

We must send a message to these agencies that we meant what we did when we passed the resolution. I think we ought to send a clear signal to all these agencies, that we mean what we say, and they are not going to get a dime more to run their programs so they had better administer them in accordance with congressional intent.

Mr. MYERS of Indiana. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from Indiana.

Mr. MYERS of Indiana. I thank the gentleman for yielding.

How many times have we heard this argument used that our backs are to the wall, we have been pushed to the place we must provide additional money. We have to find new, additional funds, or we have to raise the budget resolution?

How many times has the minority said that the budget recommendations have not been realistic, that we have not really built in the inflation rate, that now we have an almost 20-percent inflation rate?

I think it is probably true what the chairman says. Some of these funds are needed, but this has not really sneaked up on us.

For instance, the food stamps, we knew 6 months ago we did not have enough money in the budget for food stamps. Why must we always raise the budget? We have been getting a series of rescissions and deferrals. What has happened to that money?

Out of the $580 billion budget, can we not find deferrals and rescissions enough to take care of the military needs, which no one will disagree, for the food stamps, and a few others? We have got to tighten our belt in some areas.

We have got a big budget. There is no reason why we cannot use rescissions and deferrals to provide for these needed funds. I do not know why we have to constantly go back to the taxpayers' pocket. Why can we not dig in our own for a while?

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. LATTA. I yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding.

I just want to comment about the chairman's reading through the laundry list of areas where he is increasing outlays rather substantially, especially on the FSLIC, which insures deposits in savings and loans.

As the gentleman well knows, the FSLIC has assets of over $62 billion and adequate reserves. My point is that I think if you will seriously look at this issue it is not all as a result of just the savings and loans going under or other financial institution. Much of it is the result of inflation.

Now, I wish to say to my colleague, I am not absolutely convinced that the one agency that he has brought up, the FSLIC, which insures savings and loans, actually needs as much additional spending authority, or fresh cash, as my colleague is stating, because they have rollover authority and also have reserves. Even though the FSLIC is "on budget," it is not the only agency in that particular functional category. So I do not accept that this item is a necessary increase for the 1980 budget ceiling soley for the FSLIC.

Mr. PANETTA. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, dealing with 1980 is a tragic part of the budget process, but the fact is that distinctions have to be made between 1980 and 1981. The fact is that as a result of the resolution enacted in 1980, commitments have been made.

First, we are talking about spending that is committed either by virtue of entitlements or other contractual agreements.

Second, in order to change that, we would have to change the law.

For example, on trade assistance, a comment was made that there are serious problems with regards to the administration of and benefits provided by trade assistance. If we are going to change it and it may need reforming, we have got to change it legislatively.

Now realistically, none of those legislative changes are going to be made between now and the end of fiscal year 1980.

With regard to the possibility of rescissions, it would be nice to have the Appropriations Committee apply rescissions in many of these areas, but the reality is that there will not be much left in terms of excess funds as far as rescissions are concerned.

So realistically, while I think we all share the concern of having to add this additional amount to the 1980 budget, the reality is that the commitments are there.

We are dealing with budgets, as everyone knows, budgets that are in excess of 76.6 percent uncontrollable.

We have said over and over again that we have to deal with those uncontrollables, that we have to change those entitlements. The fact is that in 1980, those changes are not going to happen.

As a matter of fact, we had projected about $2 billion, close to $2 billion, in legislative savings; and out of that, we have gained somewhere in the vicinity of $200 or $300 million, which gives us an indication of the fact that the committees did not respond as far as legislative savings were concerned. Perhaps reconciliation would have helped. The House did not adopt, and the Congress did not adopt, reconciliation. So under the law, these commitments are there, be it defense or EPA or highway funds or disaster funds or trade assistance or food stamps.

If we do not like these commitments, if we do not like the laws that are there, then the opportunity is there, certainly with regards to 1981, to change these laws. We have built into 1981 reconciliation. We have over $9 billion in legislative savings for 1981.

The committee has said the only way we are going to get those $9 billion in savings is to direct the committees to try to meet those targets. The committees will have ample opportunity to make those legislative changes, to revise the programs that they feel ought to be revised in order to meet those savings targets; but that has to be done in 1981.

The fact is that, with regards to 1980, our hands are tied in terms of those commitments. We are dealing largely with reestimates by the administration. We do have an economy that is in excess of 18-percent inflation rate that has obviously impacted the programs we are talking about. We do not have much choice but to go ahead, enact these additional amounts, and hopefully in 1981, make the effort through reconciliation to achieve the necessary savings that are essential to balancing the budget.

Mr. MAGUIRE. Mr. Chairman, will the gentleman yield?

Mr. PANETTA. I yield to the gentleman from New Jersey.

Mr. MAGUIRE. I thank the gentleman for yielding.

I compliment the gentleman on his statement. I rise in support of the Giaimo amendment.

I think the gentleman may have a good point when he referred to distinction. That is the job that we are here to do to make distinctions in judgments that make some sense on behalf of the public and in the public interest.

I do not think it is any more sensible for us to take an indiscriminate approach to the categories of the budget that have been particularly disadvantaged as a result of the economic difficulties that we faced in these last few months and in the last year, than it is for us to take an indiscriminate approach to voting for every defense contract, for every pork barrel public works proposal that comes before this body, as I am afraid all too many Members do.

□ 1340

It does not make any more sense for us now to say that because we have had economic difficulties that we are going to refuse to have a food stamp program after a given date, when millions of people depend upon that and that we are going to refuse at the very moment when more and more autoworkers are being laid off in this country and people in other industries that are threatened by imports, at that very moment to say, "Sorry, we are not going to have any dollars under Trade Assistance." That just does not make any sense to me.

I compliment the gentleman on his point. It seems obvious to me that we have, in fact, under this budget resolution process that the gentleman and I helped to install in 1975 when we first came here, had a remarkable degree of consistency and success over these last 5 years. We have chopped the deficit down each and every year until this year, when we ran into some economic difficulties and we are going to have a balanced budget next year; so let us keep our eye on that main point and not terminate important essential payments under trade adjustment and food stamps for people in our society who desperately need them.

I thank the gentleman for yielding to me.

Mr. PANETTA. Mr. Chairman, I thank the gentleman for his comments.

I might also make the comment that without changes in the law itself, those that are entitled to these funds, be it trade assistance or what have you, could, in fact, bring legal action against the Government of the United States to meet those commitments and, indeed, draw those funds out of permanent appropriations.

The fact is the commitments are built into law. If we want to change the law, that is the place to make the savings.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly?

Mr. PANETTA. I am happy to yield to the gentleman from California.

Mr. ROUSSELOT. I thank the gentleman for yielding. Mr. Chairman, I just want to comment to my colleague, the gentleman from New Jersey, that in most of these spending items that our chairman is increasing for fiscal year 1980, are increases over last year.

The CHAIRMAN. The time of the gentleman from California (Mr. PANETTA) has expired.

(At the request of Mr. ROUSSELOT, and by unanimous consent, Mr. PANETTA was allowed to proceed for 2 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield briefly again?

Mr. PANETTA. I am pleased to yield.

Mr. ROUSSELOT. As I stated, in most cases, the increases being recommended by the chairman as a result of reassessment of where the Federal Government finds itself, are increases over last year. They are not terminations, as my colleague, the gentleman from New Jersey, has seemed to indicate. By voting against this amendment we are not terminating programs. We are not terminating anything. The chairman is saying he thinks these various agencies need to add dollars in the amount of $4.6 billion. Now, many of us disagree that we need to add that much. It is $4.6 billion worth of additions. We say that is too much to an already bloated budget.

So in response to my colleague, the gentleman from New Jersey, and I know he was primarily talking about the so-called technical assistance for trade adjustment, that is a now dollar figure above $1 billion; but in the other programs, these are add ons to already well-funded programs. I think that is a mistake. That was our point.

Mr. PANETTA. Mr. Chairman, I might add the point with regard to the food stamp program, that even though we are increasing the ceiling, the Appropriations Committee still has within its jurisdiction the opportunity to reduce that amount as it sees the need out there. I would encourage the Appropriations Committee to do that.

Mr. Chairman, I urge adoption of the Giaimo amendment.

Mr. STOCKMAN. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, I rise in opposition to the amendment, partly because it balloons an already bloated spending total for fiscal year 1980, and partly because it deepens an already devastating deficit; but more importantly, I would suggest to the House that this amendment before us inadvertently demonstrates that the budget balancing frenzy that has been underway in this institution for some weeks now is mainly an exercise in symbolism, political desperation, and policy gimmickry, with little anchoring in solid economics.

I would suggest that that indictment that I have just given is validated back-to-back in the fiscal year 1980 and 1981 resolutions that stand before us, including this amendment.

The policy for 1980, as intensified by the Giaimo amendment, is to open up the spending sluice and let the dollars and red ink flow. This amendment will bring outlay growth from $493 billion last year to $573 billion this year, an $80 billion increase in Government spending within the course of 12 months.

Now, that is a growth rate of 16 percent in nominal terms, 4½ percent in real terms even after you discount for inflation, at a time when the real income, the wages and salaries of American workers, are declining by about 3 percent a year.

It will raise the deficit for this year that we are in today, fiscal year 1980, from $27 billion last year to $43 billion this year in on-budget terms, and to $60 billion if you include off-budget deficits.

I would remind the House that when the Government issues new debt, it does not matter whether it comes from the Treasury or the Federal financing bank, it has exactly the same adverse impact on the financial markets.

Now, the policy for 1981 in the bill before us is just the opposite. That policy is to slam on the fiscal brakes next year, starting after October, primarily by raising taxes on production; so we can project a golden goose egg on the bottom of the Government's cash balance ledger 18 months from now, no matter what policy moves it requires, regardless whether it makes economic sense under foreseeable economic conditions next year or not, and irrespective of whether you really intend or even expect to follow through on the numbers that are in the 1981 resolution.

Well, I would suggest to the House today that even Lord Keynes would experience heart seizure in his grave if he knew that this House was preparing to adopt a policy that hit the spending and borrowing throttle this year in the midst of the worst inflation and interest rate explosion in peacetime history, and then follow that by slamming on the brakes next year in what is almost guaranteed to be a shrinking, declining, sagging economy next year.

I would suggest to the House that this economic policy embodied in the 1980 resolution with this amendment and then the 1981 resolution is upside down. It has stood logic on its head and that the Giaimo amendment, the $4.6 billion add-on, only makes it worse.

I would further suggest to the House today that the whole culprit in this desultory drama is the newly revealed metaphysical inspiration that a balanced budget suspended in splendid isolation is unequivocally good and that deficits 18 months down the road can be magically warded off with good intentions and bad spending and tax policies that we have before us.

I would suggest that before we jump into that kind of erroneous policy, we ought to get the fundamentals straight. Deficits in themselves are neither good nor bad. They promote neither inflation nor employment. They cause neither recession nor expansion. In fact, they are absolute economic eunuchs until they join hands with other policies and other economic facts.

If budget deficits are financed in an economy with an unusually high private savings rate, they cause no inflation and little adverse impact on growth and, of course, Japan is the classic case. Today they are running a $100 billion deficit in U.S. terms and they have a far lower inflation rate, a far higher growth rate, but they also happen to have a 24-percent rate of private savings relative to their national income, compared to 3 percent in this country.

If deficits, on the other hand, are financed in private capital and credit markets in a low savings economy like ours, again they are not inflationary, but they depress private investment, productivity improvement, and output and employment growth.

Great Britain under Thatcher's policy is a prime example of that approach to the deficit.

□ 1350

If they are financed at the open market desk of the central bank by exchanging Treasury bills for additional bank reserves, money supply and credit spending in the private economy, and if money and credit expansion is excessive enough, then they cause rampant inflation. I would suggest that was the policy of Mr. Miller in the Carter administration up until the fall of last year.

Well, the problem today, as we deal with this amendment in the fiscal year 1980 resolution, and in the 1981 resolution to follow, the problem today is that last October 7, Mr. Volcker went on strike, in essence, and said we are going to stop financing the deficit at the Federal Reserve by printing new greenbacks. For all practical purposes he shut down the open market desk to slow down money growth and inflation.

So now we are confronted with the worst of all possible worlds, a massive deficit to be financed out of a minuscule private supply of savings. What we have done is programed a collusion of credit supply and credit demand, which can have only one dismal result, prohibitive interest rates, crowding out of private borrowing, and raising unemployment and plant shutdowns all across the country.

I would suggest to my colleagues today the amendment of the gentleman from Connecticut (Mr. GIAIMO) for the extra $4.6 billion on top of the $25 billion spending overrun that we have had since September, and the $40 billion spending overrun since last May in the first resolution, will only crowd out more private borrowers, more jobs, more production, and make the recession worse in the months ahead. Then as the economy staggers into 1981, under that blow that we are imposing here today, the next shoe falls in the 1981 resolution that we will deal with tomorrow, because it socks workers, investors, businesses, and entrepreneurs with a staggering $100 billion tax increase in the next fiscal year. I would suggest to my colleagues today this amendment, the fiscal year 1980 budget resolution and position, and the one to follow, adds up to the worst Laurel and Hardy act in fiscal history. This year's deficit crowds out the lubricant that makes the economy run: Borrowed funds. Next year's massive tax increases smother the incentives which make it grow. I would suggest today that what we ought to do is defeat Laurel today and finish off Hardy tomorrow.

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. STOCKMAN. I am happy to yield to the gentleman from New York.

Mr. KEMP. Mr. Chairman, I appreciate my friend yielding and congratulate him on his comments. But with all the bad news the gentleman is bringing to this Chamber, and the American people, there is some good news. The good news is that the Keynesian consensus of deficits are good and savings are bad has been totally shattered. There are not many people around or left in Washington any longer who believe that deficits and inflation can finance economic growth and production. This was the predicate upon which the Keynesian consensus has run economic policy in Washington for so long and now has helped create conditions of high unemployment and high inflation.

The gentleman made another point in his contribution to this debate and even more particularly to our minority side of the aisle. He said that it is not just the deficit in and of itself which is inflationary; it is how we finance deficits. Is that not what the gentleman was saying?

The CHAIRMAN. The time of the gentleman from Michigan has expired.

(At the request of Mr. KEMP and by unanimous consent, Mr. STOCKMAN was allowed to proceed for 3 additional minutes.)

Mr. STOCKMAN. Mr. Chairman, I would say to the gentleman that is precisely the point. All deficits are not created equal and we have to understand that before we can begin to formulate an appropriate policy, the worst possible deficit is to have a massive one right now when we have the kind of bottlenecks in the credit market that we have today. By adding $4.6 billion we are simply causing x number of plants and x number of jobs to be shut down in the months ahead in this country.

Mr. KEMP. If the gentleman will yield, he mentioned that we are going to be staggering into 1981 economically. I say we are already staggering, the economy is staggering right now. In the gentleman's district in Michigan, in New York, and in other northeastern industrial States, we are staggering now and have been for some years. Plants are being shut down or are going into marginal levels of production and employment. The unemployment rate in the Northeast is marginally much higher than it is in the rest of the country and just talking about balanced budgets is outrageous and indeed misses the real point that we should be discussing—getting our economy growing again.

Frankly, I do not see how we can reach a balanced budget in this country given the fact that as the economy turns down even deeper than it already is at this point, the spending associated with each increase in the rate of unemployment erodes our ability to raise revenues. We need economic prosperity. Making that our goal will do more for balancing the budget than all the draconian budget cuts put together.

The reason I voted against the 1980 budget resolution in the first place was because I predicted it would cause a serious recession. There are some in this town who wanted a recession because they thought that was the answer to inflation. We must reject that barbaric economic idea.

Mr. STOCKMAN. If I can reclaim my time, I would suggest to the gentleman that the balanced budget in the fiscal year 1981 resolution will disappear as quickly as the WIN buttons did in the fall of 1974.

Mr. KEMP. I agree with the gentleman.

Mr. STOCKMAN. I went and checked that WIN program the other day, and the major feature was a 5-percent increase in taxes on corporate income and personal income. In January then the economy was flat on its back, we had a massive deficit, and the whole campaign was shot.

Mr. KEMP. I was one of the few Republicans who opposed the WIN program. The gentleman is aware when the economy turns down it forces spending to go up in order to meet the needs of people in a contracting economy. Is that not really part of our problem today? Should not our goal be to encourage economic growth, to keep unemployment down and try to expand production so that we have a higher level of not only employment for people, but of the revenues that are necessary to meet that goal of a balanced budget?

Now, I have a problem with the amendment of the gentleman from Connecticut (Mr. GIAIMO) for precisely the same reasons. But I must say that right now at Bethlehem Steel in my community and in the auto plants as well, they are laying off people not only because of imports but because of the irresponsible tax and regulatory policy of this Congress. I will vote for the Giaimo amendment. I feel a tremendous sense of pain and identification with those people who are being unemployed and I hope to help protect them somehow from the mistakes of this economic policy of raising taxes and slowing down the economy to fight inflation. I reject that "Hoover type" economic idea and call for the Congress to immediately enact the type of economic growth incentives right now that will get our Nation moving again, back to work in the private sector of the economy, and which will help make American industry and American-made products more competitive in world markets. Only in that way can we reduce the need for some of these programs and I think its a more humane and compassionate way to solve our problems.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words, and I rise in support of the amendment.

Mr. Chairman, it was said a few minutes ago by the gentleman from Ohio that the time was now to fish or cut bait. It seems to me the time really is now for the Congress to live up to its obligations, to live up to what we have committed ourselves to be doing for the American public, what we have committed ourselves to be doing for the defense of this country, what we have committed ourselves to be doing to improve transportation in this country and to provide moneys for housing in this country, to provide food stamps for those who are entitled to them.

Those are obligations we have made. I do not understand at this point why we now are suddenly turning the situation around and saying we are not going to increase the budget.

Let us look for 1 minute. Here we are talking about $700 million in housing credits. I have heard a great many speeches on the floor on both sides of the aisle saying that we have to do something to stimulate housing in this country and construction. Well, we are not going to stimulate it if we do not put any money into it. This is a very, very basic factor here.

Now, we talk about mass transit. We talk about the energy crisis. This has $700 million for transportation. I think this is a commitment we have made to the American public.

On defense—this is one I picked because I am amazed here, particularly by my colleagues on the Republican side saying we do not want to approve $1.5 billion for defense, yet the same people are saying this have already made statements and commitments of an additional $5 billion over the present budget in the 1981 defense budget. That does not make sense to me.

For income security we have $1.7 million. These are basic commitments.

I do not understand where the battle is unless it is merely to sort of have an argument on the floor and a little discussion back and forth. But the recognition is we must pass this budget, this additional money that is called for in the 1980 budget.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I am glad to yield to my friend from the great county of Los Angeles.

Mr. ROUSSELOT. I appreciate my colleague yielding.

I think the point some of us were trying to make on the food stamp issue is that in past years many of us have tried to put restrictions on the use of food stamps. Even former Secretary of HEW, Mr. Califano, has said time and time again that there is fraud in the food stamp program. There are people who misuse the program who do not deserve to receive the benefits. It is wrong to keep adding dollars to this program without really knowing whether the fraud and overpayments are being eliminated.

Nobody is suggesting that we take away food stamp benefits from those who truly need and deserve them.

☐ 1400

The point is we keep adding dollars without bringing about the reforms and the reductions that are needed. It is not fair to ask the taxpayers of this country to continue to support programs that are not being administered properly. Even the people in the administration admit that the food stamp program is in need of real administrative reform.

Mr. PEYSER. I thank the gentleman for his comments, but that just is not true.

Mr. ROUSSELOT. Oh, yes, it is true.

Mr. PEYSER. It is not true because major changes were made in the food stamp program just a year ago.

Mr. ROUSSELOT. Will the gentleman yield further?

Mr. PEYSER. Wait now just a minute. I want to hold my time for a minute. The Congress itself in 1977 made a change in the food stamp program that they lived to regret, and in March of 1979 they passed my amendment that changed it.

Mr. ROUSSELOT. They took the cap off.

Mr. PEYSER. The Congress in all its wisdom in 1977 reduced the benefits that the elderly would receive. The elderly who were earning $200 a month would go from $40 a month on food stamps down to $12 a month, with inflation and the impossibility of living.

Fortunately, the Congress—and one of my great feelings about this House is they are willing when they recognize a mistake to make a change—the House did make a change in March of 1979 and voted back that money for the food stamp recipients, for the elderly. But the point is that when you pick on food stamps, it is a code word, a red herring that comes across. Someone says "food stamps" and "cheats," and then somebody says, "Oh, let us get the money away from them."

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. PEYSER was allowed to proceed for 3 additional minutes.)

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will in just a moment.

We know very well that the vast overwhelming majority of dollars in food stamps goes to the elderly, goes to the disabled, and goes to the very young. That is where the biggest part of the program goes. They have tried, and the Committee on Agriculture has made many changes in the last several years—to bring about changes to improve, to eliminate cheating. I do not like cheating any better than anyone else does, but I am not willing to cut out a program that is the only way these people can manage to hang on, and that is what I think is important.

I will be glad to yield to the gentleman from California.

Mr. ROUSSELOT. First of all, the major mistake I think we made in the Congress was taking that cap off, so I do not agree with the gentleman on that issue. Second, the fraud still exists. There are many areas of the country in which officials admit that the food stamp program is not being administered correctly. The General Accounting Office has given us several reports that support these allegations. Therefore I could not disagree with the gentleman more that these inequities could be corrected. They have not. I think the worst thing we could do is add money to more mistakes. I am not saying that we should take benefits away from the elderly, take them away from the disabled. It is a $9 billion program. I am saying to the gentleman that added funds will not improve it; they will make it worse.

Mr. PEYSER. We have made our points to each other and it is obvious that we do not agree.

Mr. WALKER. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to the gentleman from Pennsylvania.

Mr. WALKER. I thank the gentleman. I think the figures the gentleman has conflict somewhat with the Department of Agriculture figures I have seen recently. The Department of Agriculture itself admits there is a 15-percent waste in fraud and abuse in the food stamp program.

Mr. ROUSSELOT. How much?

Mr. WALKER. Fifteen percent.

Mr. ROUSSELOT. Fifteen percent.

Mr. PEYSER. I did not yield to the gentleman from California.

Mr. WALKER. Also I will say to the gentleman they say 15 percent of the money in the program is spent for nonnutritional food. That is a 30-percent range in terms of which adjustments could be made without affecting one needy person one iota.

Mr. PEYSER. Let me say to the gentleman that I disagree with what he has just said about the Department of Agriculture, and I have faulted them myself for the administrative handling of many of the things in the food stamp program. As to the question that the gentleman has just brought up I recall that the House overwhelmingly defeated it last year. It was the amendment that he offered dealing with the so-called nonnutritional foods. The House expressed itself very clearly on that issue. We are not saying to food stamp recipients, you cannot buy this and you cannot buy that. We are not proposing having these people go into a checkout line and having somebody stand there and say, "No, you are not eligible." In the first place, one would never get out of a supermarket, and, in the second place, we are not putting the program or the people of this country in that kind of a situation.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. STOCKMAN, and by unanimous consent, Mr. PEYSER was allowed to proceed for 2 additional minutes.)

Mr. PEYSER. I yield to the gentleman from Michigan.

Mr. STOCKMAN. I thank the gentleman for yielding. I would suggest to the gentleman that this has been an interesting discussion, and I am not sure who is right. But I think it is confusing the issue because we are not here voting on $500 million for food stamps or an extra $1.1 billion for trade, or a billion and a half for defense. The only thing we are doing is voting to raise the aggregate ceiling on total outlays by $4.6 billion. Is the gentleman implicitly saying that, indeed, if we do need this extra money for food stamps or trade adjustment, that in the rest of the entire outlay plans for fiscal year 1980, $568 billion, we cannot find $1 or $100 million or $1 billion that could be saved through recessions, through a change in statutory criteria that would make it unnecessary to raise the ceiling the full amount covering these items?

Mr. PEYSER. I thank the gentleman for his question. I asked the chairman of the committee that question dealing with food stamps just because we were talking about it. He made it very clear in his answer that if we do not vote for this, we do not raise this $4.6 billion, that the food stamp program basically is going to terminate unless the Congress takes action by the 15th of May. So my answer to the question is that right now if we do not pass this, this program in particular will come to a halt. The other things I am sure will survive. But I do not think in a time when we are talking about the defense of this country and increasing moneys for defense, we ought to now say, let us cut $1.5 billion. That makes no sense to me. I think we can vote for $4.6 billion and approve this amendment.

Mr. Chairman, I yield back the remainder of my time.

Mr. MICHEL. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, today we are finally laying to rest the budget for fiscal year 1980. It has been quite a year. We started last April with spending of $532 billion. Last November we added $15 billion. Several weeks ago we heaped on another $20 billion.

Now, as we send this budget to its final resting place, the majority on the Budget Committee wants to make sure it goes out in style with what we might as well call a fourth concurrent resolution. They have handed us a bill for funeral expenses totaling $4.6 billion.

I call these figures to your attention for good reason. We are about to give birth to the 1981 budget. It is this new budget that we are masquerading as a balanced budget. The unsuspecting American public believes that this new budget will remain balanced for the duration of the fiscal year. With the left hand we are shoving this year's deficit to $42 billion and with the right hand we are supposedly bringing the deficit down to zero. It reminds me of those three famous lies: The check is in the mail. Yes, darling, I still love you. And, I am from the Government and I am here to help you.

Make no mistake about it. Despite all of the media hype concentrated on the next fiscal year, this vote on the 1980 budget is the real test vote for all of us; 1981 means nothing now, not in April of 1980. What matters is our will power today. What matters is our resolve to bring about fiscal responsibility and economic relief now in 1980, before it is too late. If this Congress cannot impose discipline on itself today, then who among us can honestly participate in the fantasizing over a balanced budget for 1981.

It does not make much difference why the committee contends this new money is necessary. If, indeed, the food stamp program cannot survive without another $500 million, and if, indeed, trade adjustment assistance absolutely demands an additional $1 billion, which I seriously doubt, then we can make cutbacks in other areas to account for the $4.6 billion shortfall. We can defer spending, or rescind spending or freeze spending in other programs.

But we cannot continue to perpetuate this charade year after year, telling the American people next year, always next year, we will be frugal, prudent and responsible. We cannot continue to procrastinate our way through one crisis after another. We can no longer sit idly by playing our fiddles while the very economic fabric of our Nation burns out of control.

This is the time to take a stand. This is the time to say "no." For once resist. For once stop the maddening escalation in spending. For once make the budget process work the way it was intended to work. This amendment we have before us is the greatest test we face. Do not let it pass.

This amendment before us now is an embodiment of everything that is wrong with our current budget process.

It proposes to add another $4.6 billion to the 1980 budget. That is over and above the $19.4 billion by which the third budget resolution already exceeds the ceiling adopted last fall. It proposes to boost the current year deficit to nearly $43 billion at the very moment when inflation has risen to record levels of 18 to 20 percent. It will exacerbate the credit crunch and prevent a decline in the record 20 percent interest rates by forcing additional Treasury borrowing to finance the increased deficit.

We spend hours debating the 1981 budget, which does not begin until October, but hardly a mention is made of what we are doing in 1980. The Budget Committee spent days considering 1981, but took less than an hour to vote a $19.6 billion add-on for 1980. The rule allows numerous amendments to the 1981 budget, but for 1980, only the committee add-on amendment is made in order.

The committee fact sheet calls this a "technical" amendment. Boy, some technical amendment; $4.6 billion worth. They call it that because they hope the word "technical" will result in its automatic approval without thorough consideration.

We do this every year. We go through such agony in trying to set ceilings in the first and second resolutions, and then when the third and usually final resolution comes along, we act to bust those ceilings and undermine all that earlier labor without batting an eye.

I will lay any odds you want that, despite this great, courageous effort we are theoretically making to balance the 1981 budget, come next year at this time, this House minus Mr. GIAIMO will quietly act to lift the spending ceiling and unbalance that budget, all the while hoping nobody is watching.

It's all such a charade. We spend countless hours on these paper ceilings in the first and second resolutions, but then when push comes to shove, we act to waive those ceilings with hardly more than a whimper.

I would like to believe this year will be different. It is vital that it be different, not only for the integrity of the budget process, but for the sake of the economy.

We do not effect current rate of inflation by waiting until October to cut spending. The only way we can impact on the present 18 to 20 percent inflation is by putting the lid on current expenditures, the money that is fanning the fires of inflation today, tomorrow and the next day.

That is why, of all the amendments we will be considering, this is by far the most important as far as the battle against inflation is concerned.

□ 1410

The sponsors of the amendment claims that the increases are all mandatory and we have no choice. Nonsense. We can control the spending for any program we want if we have the will to do so. I have been so rankled in times past when those opportunities have come up and we have blown them.

Now, last year we had a spirited debate on the budget proposition here and we kept talking about stopping the creation of these so-called uncontrollables.

The first entitlement program that came out of the box we caught the majority unaware and through a motion to recommit, the only one that was adopted last year we made it stick. The one time we prevented the establishment of a new entitlement program and now you want to forget about it.

The second time we had that opportunity that is exactly what you did, you gut us before we get started by saying, "You cannot do it here—not with this program."

I am referring to the attempt by myself and the gentleman from Michigan (Mr. STOCKMAN) to prevent the CHAP program from being an entitlement. We lost, but we were right. When the Budget Committee decided to balance the budget the CHAP program was the first to be cut back severely. That is exactly what we said the Appropriations Committee should be able to decide on an annual basis. Where were you then?

Let me cite one example of an area which this amendment proposes to increase. This amendment provides over a billion dollars for the so-called trade assistance adjustment program. This is one of the most abused of our entitlement programs. Payments are made to workers even if imports represent only a small percentage of the reasons for their layoffs. Do you know that at least 50 percent of the recipients are back on the job before they get their payment for trade adjustment? That is the latest testimony before our committee given just last week. Once certified, they are automatically entitled to receive benefits time and time again, for up to 52 weeks regardless of the reasons for subsequent layoffs.

Virtually all of the increase in this program is due to auto layoffs. In the auto industry, the union contract requires the companies to pay unemployment benefits up to 95 percent of the employee's wage. The trade adjustment payments are in effect used to subsidize that unemployment benefit. The worker receives a 95-percent payment regardless. So the trade program in effect helps the company make that payment. It provides cash to the company's treasury.

When workers are certified because Ford or Chrysler decide to produce cars in Canada for shipment into this country, or because our companies were slow to build fuel efficient automobiles, I do not think the American taxpayer should be asked to subsidize the companies for the resulting layoffs.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. ROUSSELOT and by unanimous consent, Mr. MICHEL was allowed to proceed for 4 additional minutes.)

Mr. MICHEL. The General Accounting Office suggests that the trade adjustment benefit be limited to workers who have exhausted their unemployment benefits. That very sensible recommendation could be adopted right now, and if so, would sharply reduce the supplemental funding required.

The gentleman from California (Mr. ROUSSELOT) will recall that earlier we wanted to have made in order an amendment to get at this problem for fiscal year 1980. We were denied that opportunity. So we have to do our best now to fight the amendment of the gentleman from Connecticut (Mr. GIAIMO). I was going to propose only a partial reduction in the ceiling increase contained in this amendment, but that option was not allowed. Instead, we are faced with a take-it-or-leave-it decision.

I urge that we leave it. It may require additional belt-tightening, but we can live within the 1980 ceiling established by the Budget Committee just 1 month ago, and still provide most of the mandatory increases contained in this amendment.

This is the key vote in the battle against inflation. We need the spending reductions now. I strongly urge that the amendment be defeated.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I yield to the gentleman from California.

Mr. ROUSSELOT. First of all, did the gentleman say that 50 percent of the people who receive these benefits have already gone back to work?

Mr. MICHEL. Absolutely.

Mr. ROUSSELOT. Fifty percent?

Mr. MICHEL. Fifty percent of those who are, frankly, back to work before they get their adjustment payments under that trade assistance program. Some of those average layoffs are 2 and 3 weeks in duration, that is all.

Now, Mr. Chairman, as I recall the debate on that program when we conceived it, it was intended for when a worker was displaced for a long period of time because of exorbitant imports. Then we should rally to their support because then there would be a really critical problem.

Mr. Chairman, that is not the way this thing has worked. As I said earlier, when you have Chrysler or Ford producing cars up in Canada and shipping them down to the United States instead of producing them here, we have to pay through this trade adjustment program.

Mr. ROUSSELOT. Will the gentleman yield further?

Mr. MICHEL. I yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Chairman, why does the gentleman call this the fourth concurrent resolution? I think we ought to explain that to our colleagues. The gentleman has called the Giaimo amendment "the fourth concurrent resolution."

Mr. MICHEL. Well, of course we passed the first last May, then we passed the second late in November. The Budget Committee reported an increase of $20 billion over the second and enveloped that third resolution in with the 1981 budget. My view is we ought to just be honest with ourselves and call this amendment really "a fourth budget resolution."

Mr. ROUSSELOT. Then the Giaimo amendment is just a fourth concurrent resolution?

Mr. MICHEL. That is what I would call it.

Mr. STOCKMAN. Mr. Chairman, will the gentleman from Illinois yield to me?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, I appreciate the gentleman bringing up this issue of trade adjustment assistance because here is a good example of how wrong is the argument that our hands are tied and that we just have to sit here and do nothing. What the gentleman is really saying is that the workers will not lose a dime if we cut this back because they will get subbenefits anyway from their company. What this is doing right now is encouraging the company to shift their production to Canada, lay off workers in the United States and reduce their subpayments companywide. Is that not right?

Mr. MICHEL. That is exactly the point I was trying to make.

Mr. STOCKMAN. And second it would take 1 hour for the Committee on Ways and Means to pass a resolution lowering the 70 percent of gross wage ceiling to 60 percent. Now, that is a gross wage which means that adjustment assistance benefits probably reach 90 percent of take-home pay and I do not think we ever promised anybody that for a short-term layoff we are going to guarantee 90 percent of the take-home pay under trade adjustment assistance. That step could be taken right now and avoid expenditures down the road this fiscal year. Is that not the case?

Mr. MICHEL. Mr. Chairman, I thank the gentleman for his very valuable contribution, coming from a State where automobiles are produced. The gentleman knows full well what I am talking about here.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield on that point?

Mr. MICHEL. I yield to the gentleman from Michigan.

Mr. STOCKMAN. The irony is that in my district we have no assembly plants, we just have components plants. But workers who make the castings are not eligible—only those who work in assembly plants get it. I am not complaining about that, I am only trying to demonstrate how arbitrary the whole thing is. There are thousands of workers laid off in the RV industry for the same reason that the gentleman from Detroit a moment ago said, higher energy prices, but there are not any RV imports and they are not getting a dime under trade adjustment assistance. This thing is the most arbitrary, inequitable, costly policy that we have on the books today, that has ballooned spending by $1 billion in 6 months. We ought to do something about it.

Mr. MICHEL. Mr. Chairman, I surely have to concur with what the gentleman said.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. MICHEL. I will be happy to yield to our chairman.

Mr. GIAIMO. Mr. Chairman, I thank the gentleman for yielding. I think, as the gentleman who just finished speaking said, we ought to do something about it. If we do not like some of these laws—and I do not like some of these laws—we ought to do something about it.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. GIAIMO and by unanimous consent, Mr. MICHEL was allowed to proceed for 4 additional minutes.)

Mr. GIAIMO. Mr. Chairman, if we are going to do something about this, however, as the gentleman well knows, we have to do it by more than just objecting to it in a budget resolution.

Mr. MICHEL. I know that.

Mr. GIAIMO. The gentleman knows that.

Mr. MICHEL. As the gentleman will admit, we have had many discussions about this.

Mr. GIAIMO. Let me say this, Mr. Chairman. I know I agree with a lot of what my friend from Illinois says.

Mr. MICHEL. And the closer the gentleman gets to retirement the more he agrees with it. I know.

Mr. GIAIMO. Let me tell the gentleman, I look forward to retirement with great eagerness.

Mr. MICHEL. I know that.

Mr. GIAIMO. We have had terrible experiences with the 1980 budget because of the fact that in this budget year of 1980, inflation went way beyond our expectations. We were thinking about 7½-percent, 8-percent inflation a year ago. Who would have ever dreamed that it would go to the heights that it has gone in 1980?

However, Mr. Chairman, because of all that I say to my friend, the Congress has learned a lesson and in the 1981 budget we are taking great steps to see that we do not have a repetition of what is happening in 1980. As the gentleman knows, we are trying to get reconciliation in there which will compel some of the committees to take the necessary legislative reform steps to save some money.

Mr. Chairman, I think we have to go beyond that. As the gentleman says, we can do whatever we want to in this Congress on legislation if we have a mind to do it. We can change laws. There is nothing sacrosanct in the law that cannot be changed by this Congress if it decides to do it. However, we are 7 months into the fiscal year. We are not looking ahead now to a future year where we are saying we are going to provide reconciliation and where we are going to insist that the committees act quickly before the fiscal year starts. We are not going to be able to say that we are going to try to hold up those spending bills which exceed their functional allocations. All of these are safeguards we are trying to build into 1981. We do not have that option in 1980.

The gentleman knows of the add-ons that I want. If the gentleman wants to call it a fourth budget resolution, OK. That will not make me feel badly. However, absent the Trade Adjustment Assistance Act, which is an entitlement act—frankly, whether we like it or not; I am not enamored of that law, I never was, but it is the law. If we renege they would have a right of action against the Government, as I understand it.

Mr. MICHEL. As a matter of fact in our committee the other day they were asking for money for the supplemental funds and I said, well, maybe we will not give you the full amount. What happens then?

Well, there was some kind of nebulous response that, maybe they will go to court and sue.

We said, well, so be it; but in the meantime I do think we are obliged, having known so little about how this law operates in a practical sense, that we ought not to be foreclosed from making an adjustment.

Mr. GIAIMO. Whatever the reality is—in what the gentleman says, the fact is in all these programs, the gentleman's committee and mine, the Committee on Appropriations, has really the say as to whether or not that money should be furnished to them. In all of the items that are in my amendment, other than the Trade Adjustment Act, they require action by the Committee on Appropriations.

☐ 1420

Now, our Appropriations Committee came to us in the Budget Committee and said:

> We have to have this leeway in the budget. We have scrutinized the programs. We intend to cut them wherever possible, but there are mandatories and there are discretionaries.

The CHAIRMAN. The time of the gentleman from Illinois has again expired.

(At the request of Mr. GIAIMO and by unanimous consent, Mr. MICHEL was allowed to proceed for 2 additional minutes.)

Mr. GIAIMO [reading]:

> There are mandatory programs of about $7.8 billion. They involve pay; they involve military retirement pay, guaranteed loans; $2.3 billion for medicaid; black lung, $600 million. Those are all mandatories.

And in addition to that, our Appropriations Committee tells us there are about $7 billion in discretionary programs, and I understand what they are saying:

> That is the most that we can find. Those programs have to be provided. Those programs have to be funded. We are exercising our discretion to eliminate those where discretion tells us we can save some money.

In addition to that, they tell us and the administration tells us that because of the new reestimates that have come up, that they need this additional money. The Highway Committee, $722 million in highway liquidating and cash commitments and obligations of the Federal Government, which we have to pay that money or the contractors can sue us.

It goes on and on and on, so that I concede that we are in bad shape in 1980, but we are 7 months into the year and we have to do the best we can. But, we are going to do a totally different job, with the gentleman's help and the help of many others, in 1981. We want to make sure that we do not find ourselves in this situation next year.

Mr. MICHEL. Unfortunately, the gentleman by his own commitment will not be able to be here beyond the first quarter of that next fiscal year.

Mr. GIAIMO. There will be others.

Mr. MICHEL. I know by our private

conversations I take the gentleman seriously, at his word. If he were here, that would be his objective. I have only the opportunity now to express these concerns for the erosion of the budget process, by what we are doing here. To show my good faith I will insert in the Record those areas where I would suggest cuts other than where the gentleman would, of a possible $5.3 billion in 1980 spending. It does not necessarily have to be in those areas the gentleman alluded to. All we are doing here is setting a cap, and we could make adjustments within that. At this point, I shall insert my recommendations as to where this Congress might consider holding the line for this current fiscal year.

POSSIBLE 1980 REDUCTIONS BELOW GIAIMO AMENDMENT

[In millions]

Program	Reduction	
	BA	Outlays
Rescissions and deferrals proposed by President but not included in Third Budget Resolution	$5, 363	$324
Defer transportation programs (Carter proposal)	601	100
Phase out welfare reform demonstration (Carter proposal)	0	144
Reduce increases in foreign aid appropriations bill	1, 200	300
Targeted fiscal assistance	200	200
CETA title II–d: Freeze enrollment at current 200,000 slot level	200	180
CETA title VI: Phase out program by end of year	500	450
Summer Youth Employment: Reduce number of slots in half	400	400
Young Adult Conservation Corps: Phase out program by end of year	60	34
Impact aid	100	100
Energy discretionary increases	568	408
Social service and child welfare increases	216	216
Trade adjustment assistance increase	900	900
Food stamps: Cap it at $8 billion for 1980	1, 155	1, 190
Space Shuttle: Eliminate increase	300	180
NIH: Reduce indirect costs	200	100
Public Health Service: Reduce increases over 1979	200	100
Total	12, 198	5, 336

Mr. PEASE. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak in favor of the amendment.

Mr. HILLIS. Mr. Chairman, will the gentleman yield?

Mr. PEASE. I yield to the gentleman from Indiana.

Mr. HILLIS. Mr. Chairman, I rise in support of the amendment. This amendment increases the allowable funding level for trade adjustment benefits by $1 billion. These benefits which are given to American workers who have been laidoff due, at least in part, to competition from imports.

The main reason the trade adjustment benefits appropriated for fiscal year 1980 are insufficient is the unexpected increase in unemployment in the auto industry. The figures for this month indicate that sales for U.S. automobile manufacturers fell 32 percent from the same period last year.

I represent a district that is very heavily impacted by the unemployment caused by these low sales. Two cities in my district, Kokomo and Anderson, both have unemployment rates approaching 20 percent. While the economy in those cities is obviously depressed, the fact that many of the unemployed auto workers are receiving trade adjustment assistance has prevented a major economic disaster in these areas.

I have talked with officials at the Department of Labor who tell me that the funds could be exhausted by the middle of May if Congress does not act. It would be unconscionable for the Congress to allow trade adjustment assistance to lapse. With over 250,000 auto workers currently idled, we must recognize the importance of these benefits to communities such as Kokomo and Anderson.

I strongly urge passage of this amendment.

Mr. PEASE. Mr. Chairman, I rise for two reasons. First, to compliment Chairman Giaimo and the Budget Committee for what I consider to be a splendid, responsible job for dealing with this budget resolution. Frankly, it is with considerable pride that I am able to go back to my congressional district and tell my constituents that we will have a balanced budget for 1981. The result is commendable. I believe the process by which the result comes about is equally commendable.

I am especially pleased with the Budget Committee's action requiring reconciliation, with the requirement that appropriations bills not be enrolled if they exceed the budget targets, with the setting of targets for the first time for subsequent fiscal years. In my view, the Budget Committee has been extraordinarily responsible this year in its approach to the budget process, and my hat goes off to Chairman Giaimo and his Budget Committee members.

Second, I want to speak specifically in support of that part of the Giaimo amendment that will permit appropriation of an additional $1.1 billion for trade readjustment benefits for the remainder of fiscal year 1980. Without this move, thousands of American workers who are now receiving trade readjustment assistance benefits will not be able to do so for the final 4 months of this fiscal year. Thousands more who have just been recently declared eligible for trade readjustment assistance benefits will not be able to receive them at all.

In my own district, I refer specifically to 1,100 workers who have just been laid off permanently by the Seiberling Rubber Co., which is closing its doors for good in 2 weeks. I refer to several thousands of autoworkers in my district, many of whom have been laid off for nearly 9 months and have thereby exhausted their unemployment benefits.

Mr. Chairman, trade adjustment assistance benefits were designed by this Congress to assist American workers who have lost their jobs partly or wholly because of foreign imports. Can anyone doubt that autoworkers without jobs in Ohio and Michigan and across the country are the victims of foreign imports at a time when some 2 million Japanese autos are flooding into this country? Under the law, the present law which has not yet been changed, we have an obligation to those workers. To meet that obligation, we must do soon what the Giaimo amendment proposes to do.

For that reason, I urge support of the Giaimo amendment.

Mr. LUNGREN. Mr. Chairman, I move to strike the requisite number of words, and I rise to speak against the amendment.

Mr. Chairman, this amendment adds $4.6 billion to the $21 billion in increased spending we are being asked to tack on to the 1980 budget.

We seem to average about $5 billion per month in unforseen spending around here on budget resolutions.

It took us 4 months to add about $20 billion on to the second budget resolution.

It took us less than a month to add almost $5 billion to the third budget resolution.

It is a good thing this resolution will not be lying around here for a month longer.

Setting aside the overall problem of credibility on the spending issue, I wish to point out that some of the specifics in this amendment may give us some problems down the line.

Let me give you just one example of a well-intentioned but runaway program.

This amendment includes approximately $1 billion in trade adjustment payments which the President supposedly forgot to include in his 1980 budget.

This is the program which pays extra benefits to workers in the auto industry who are laid off their jobs because of increased auto imports.

The benefits paid out under this program are in addition to unemployment benefits and supplemental unemployment benefits financed by employers.

Now we all know that the auto industry is in trouble. I think its problems are featured in a cover story on one of the news magazines this week.

But is this the program to help them out, or just another bone thrown to the electorate in an election year?

I have here a GAO report, which every Member of Congress has received, on this program.

The GAO surveyed a random sampling of import-affected workers who received these benefits during a recent 2-year period and found it helped few.

It failed to help laid off workers in the auto industry find new employment, and it failed to give them significant, meaningful financial aid during their unemployment.

Among other things, the GAO found that: 71 percent—not 50 percent—of the workers receiving trade adjustment payments received them in a lump sum after they had already gone back to work; 42 percent of those receiving these benefits also received a combination of unemployment benefits and company financed supplemental unemployment benefits, which paid many 95 percent of their previous take-home pay; and that 38 percent of the workers had considerable financial help from their spouses who also worked.

It is no wonder the GAO found that the majority of these workers failed to characterize their financial problems during layoffs—before they received trade adjustment payments—as serious.

And most of the workers did not use the program's services to relocate, help them find new jobs, or get additional training because they went right back to work for their previous employer.

The GAO concludes with a recommendation that the program could save taxpayers millions of dollars and provide significant help to the long-term unemployed by simply targeting benefits for the long-term unemployed only.

In other words, provide trade adjustment payments only to those who have already exhausted unemployment benefits.

But here we are, ignoring this advice, with a whopping $1 billion spending increase for this program in fiscal year 1980, supposedly necessitated by inflation and by new workers on the rolls.

I am not saying we do not need this program but that perhaps we do not need it at this level of expenditure.

The GAO seems to be telling us that we could get along with a lot less funding for this program with the only side effect being it would actually help the most needy more.

The increased level of spending for this program, however, could legitimately give some the hunch, the suspicion, that it may be just an excuse for raising the amount of 1980 spending in general.

They might argue that way we will have more to play around with so the Appropriations Committee can finance the cuts we are about to make in the 1981 budget with 1980 money further on down the line.

But the public will not be fooled by a shell game of hiding the budget increases, because its effects on the economy will refuse to hide themselves.

I can just hear it a year from now, when the balanced budget of 1981 does nothing to check the inflationary spiral in this country.

Everyone will say that a balanced budget is a poor tool of economic policy; it does not work.

And they will be right.

Because we never gave it a chance in the first place, because all the talk about it around here is just talk.

We talk about balancing the budget the same way people talk about going on a diet. We will do it tomorrow, or next year, anytime but, now.

It reminds me of the story about a famous defensive lineman when he was playing football with the Los Angeles Rams. He used to have difficulty keeping his weight down. It used to fluctuate between 285 and 310, so he went on a special metrical diet to reduce.

But after several months on this diet, he kept gaining weight.

Someone asked him why.

He said he could not understand it, he took his metrical regularly, in between every meal.

That is about the same strategy we are using here today on the fiscal year 1980 budget.

It is that in-between-the-resolutions spending that hurts so much and why we find our budget $25 billion heavier despite our protestations that we are trying to cut down.

The public will never take us seriously unless we do something to check these huge spending increases in today's, not only tomorrow's, budget.

□ 1430

The CHAIRMAN. The time of the gentleman from California (Mr. LUNGREN) has expired.

(By unanimous consent, Mr. LUNGREN was allowed to proceed for 3 additional minutes.)

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. Mr. Chairman, before I yield let me just make one final point.

I was looking through the CONGRESSIONAL RECORD of a year ago tomorrow, and I found that the gentleman from Ohio (Mr. LATTA) came into this well and held up before us a headline of a newspaper exclaiming the fact that we had 10-percent inflation, and people were outraged that we had 10-percent inflation.

We all resolved that we were going to do something, but we heard statements that we could not do it through the budget process, that we have to do it through the appropriation process and through the authorization process. So, we have gone through the authorization process, we have gone through the appropriation process, and what has that done? All it has done is made matters worse.

If we are going to do something, we had better do it now. We had better do it today with the budget that is going to affect us for the next few months, as well as with future budgets.

Mr. Chairman, let us not play a shell game. Let us be honest with the American people.

Mrs. FENWICK. Mr. Chairman, will the gentleman yield?

Mr. LUNGREN. I yield to the gentlewoman from New Jersey.

Mrs. FENWICK. Mr. Chairman, I thank my colleague for yielding.

I just want to ask one question. Did I understand correctly that the special aid to workers displaced by foreign imports is in addition to the ordinary unemployment compensation?

Mr. LUNGREN. The gentlewoman is correct.

Mrs. FENWICK. One is not deducted from the other?

Mr. LUNGREN. According to the report from GAO, in most cases these people receive that compensation, and then they receive this aid in addition.

Mrs. FENWICK. Mr. Chairman, I thank the gentleman.

Mr. SHUSTER. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I would direct this to our distinguished chairman, and I would refer to the numbers which we have before us. I would point out that when we passed, as has been said here already, the first and second budget resolutions in fiscal year 1980, we had a deficit of $29.8 billion. We then folded in or, rather, the majority folded in, in the third budget resolution, another $20 billion in spending, which takes us to a deficit for fiscal year 1980 of $38.2 billion.

We now have before us this latest amendment, the Giaimo amendment, which provides for another $4.6 billion in spending for a deficit of $42.8 billion. However, we have over 5 months left in the present fiscal year.

I wonder just how comfortable we can be with the assumption that indeed this is the real number now, that the real deficit is going to be around $42 billion and not some higher figure.

Mr. Chairman, let me share with the Members some very disconcerting information which I just received. That information is this: That a high official at the Congressional Budget Office has said that his best estimate now, as of today, with regard to the fiscal 1981 budget is that the so-called balanced budget which the President sent up on March 31 will not be a balanced budget but indeed will have revenues of about $600 billion and outlays of $625 to $630 billion.

So we now have a senior official at the CBO saying that his gut feeling is that the so-called balanced budget is probably going to be out of balance by about $25 or $30 billion. Obviously that is due to the recession which has come upon us.

If that is the case for fiscal year 1981, it raises a serious question of just how accurate our forecasts are for the balance of fiscal 1980, for the next 5 months.

I would, therefore, ask the distinguished committee chairman how secure he is in this latest estimate which we now have before us that this year's deficit will be about $42.8 billion. Is it not reasonable to assume that given the recession, given this latest estimate from CBO on 1981, the deficit for this fiscal year will be even more than $42.8 billion?

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. SHUSTER. I yield to the distinguested chairman of the committee.

Mr. GIAIMO. Mr. Chairman, first let us distinguish between 1981 and 1980. In the year 1980, as we stated, we started out with a deficit of about $29 billion. That is now up to $42 billion, and we know that that has been caused mostly by raging inflation.

If the American people ever needed a demonstration of what inflation does to spending, there it is. What we thought would cost us $29 billion we now find out costs us $42 billion.

Mr. SHUSTER. Mr. Chairman. I would say to the gentleman that while I acknowledge inflation is certainly a key part of it, another key part of it is the lack of will by this administration and the majority in this Congress to tighten their belts and to bring about the necessary reforms so we can reduce Federal spending.

So I reject the notion that this is something that is beyond our control.

Mr. GIAIMO. Well, Mr. Chairman, the gentleman can reject that if he likes, but the fact is that there are some things on which we have no option.

Because of higher inflation, we have to pay $8 billion more over the $52 billion for interest on the debt that we had estimated last year. The same is true with additional money for fuel for the military and additional money for food stamps, as well as additional moneys for trade assistance, all of which are things that are in basic laws.

But let me get back to the gentleman's original question. His original question dealt with this so-called CBO report. There is a dangerous development taking place in this Congress these days where Members are getting up and saying, "I have a CBO estimate" or "I have a CBO reestimate" or "I have a CBO report."

We had better be careful with that. Part of the problem is that a lot of Members will talk to someone at CBO and they will come back with a number. That does not mean that that is the official decided opinion of CBO.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. SHUSTER) has expired.

(On request of Mr. GIAIMO, and by unanimous consent, Mr. SHUSTER was allowed to proceed for 3 additional minutes.)

Mr. GIAIMO. Mr. Chairman, will the gentleman yield further?

Mr. SHUSTER. I yield to the chairman of the committee.

□ 1440

Mr. GIAIMO. You can talk to lots of people on CBO staff—I forget exactly how many people they have working there—and you can get various opinions from them. That does not mean that this has been officially decided upon by CBO. The gentleman is making reference to a difference of about $10 billion that it is said CBO and the Budget Committee differ on as to where our true numbers are for 1981. Our staff has worked with CBO on that so-called discrepancy. There really is no discrepancy. Our staff has worked for weeks with them. They have worked over the numbers together. And, as I understand it, they are in almost substantial agreement on those numbers.

Point No. 2, if I may. You know, we deal with estimates in budgeting. And from day to day those estimates can go up in some areas and down in others, depending upon the price of food, depending upon the price of wheat, depending upon the price of corn, upon the price of oil, upon the unemployment rate, upon the inflation rate, upon consumer spending. They are dependent upon a whole host of things that may or may not happen. And we have to make the best estimates we can. No one can give you a guarantee on their accuracy.

What I am saying is that if you reestimate daily, you are going to come up with different numbers; therefore, you do your best in Government, you reestimate periodically. And these estimates, I say to the gentleman, the numbers that we have in our budget resolution, are the best estimates we can get from CBO, that we get from our own staff, that we get from the Senate staff, that we get from the administration and that we get from outside economists also.

Mr. SHUSTER. My question to the gentleman was and is: How comfortable, how secure, can the gentleman be that this latest estimate is any good when, indeed, we went from——

Mr. GIAIMO. Is the gentleman talking about 1980 or 1981?

Mr. SHUSTER. I am talking about 1980. I am talking about the $42.8 billion latest deficit when fiscal year 1980 finally ends. Is that roughly what the deficit is going to be?

Mr. GIAIMO. There is a big difference. In 1980 we had a burgeoning inflation rate that went up and is presently at the rate of 18 percent or more a year. We had a rapid rate of growth in 1980. In 1981, as the gentleman knows, there is already a change setting in.

Mr. SHUSTER. I am not talking about 1981.

Mr. GIAIMO. Recession is setting in, interest rates are coming down.

The CHAIRMAN. The time of the gentleman from Pennsylvania (Mr. SHUSTER) has expired.

(By unanimous consent, Mr. SHUSTER was allowed to proceed for 2 additional minutes.)

Mr. SHUSTER. I certainly do not want to put words in the gentleman's mouth, but would it be fair to say that the gentleman is reasonably secure, reasonably comfortable, that these latest estimates that we have for fiscal year 1980 will indeed turn out to be accurate?

Mr. GIAIMO. Based on the best estimates and advice that I get from my own staff, our staff, your staff, and mine on the committee, and from the CBO and from the OMB, I have to say to the gentleman that as of today these are the best estimates as to what the numbers will be in 1981.

Mr. SHUSTER. I would simply say, in conclusion, that based on previous estimates from the committee, I think we have little reason to be confident in the accuracy of these estimates; but I certainly respect the distinguished chairman and I thank him.

Mr. GIAIMO. Just to clear up something here, the gentleman is talking about 1981?

Mr. SHUSTER. No, no. I am talking about 1980. I am talking about the next 5 months in 1980, the next 5 months. I am not looking way into a crystal ball.

Mr. GIAIMO. I am sorry. I thought the gentleman was talking about 1981. That is where the discrepancy that the gentleman mentioned existed.

Mr. SHUSTER. I used 1981 as an example.

Mr. GIAIMO. The gentleman understands that the $10 billion CBO number that was kicking around for the last several weeks referred to 1981. It is that number that we worked out with them.

Now, as to 1980, I am reasonably sure that the numbers that we have now decided upon should take care of the next 5 months, particularly in view of a downturn in the economy.

Mr. SHUSTER. I thank the gentleman. I do not share his optimism in the accuracy of the numbers.

Mr. GINGRICH. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, those people who are watching this debate on cable or through C-SPAN must find a sort of Alice-in-Wonderland quality about the whole discussion.

If you were to get on a bus with a driver who said, "I will take you to New York City," and he promptly left Washington heading toward Richmond, and you said, "I do not think this is right," and he said, "Oh, you are right, let us go instead to Miami," and promptly turned, driving toward St. Louis, you would after a while begin to wonder about the bus driver.

When you have a Budget Committee staff whose statements are as consistently inaccurate and misleading as the statements that we have been given over the last year and one-half, it makes you wonder why they are manufactured in the form that they are. When you look at the predictions on inflation, on the deficit, on spending, it makes one wonder. And, in fact, I would suggest that this particular amendment is the increased inflation and decreased credibility amendment of this particular budget debate—decreased credibility because in fact there is no more reason to believe the figures for fiscal year 1981 than for fiscal year 1980, and those figures are clearly no longer accurate; increased inflation because at a moment when we should be fighting inflation, the increased immediate spending mandated by this amendment is in fact exactly the wrong measure to take.

Let me suggest that the time to fight inflation is now, not in promises for after the election; that the time to fight inflation is by voting no on today's amendment. The Members who walk in and vote yes are in fact voting for more inflation, are voting to increase the pain level of the country.

Now, it will be said—and it was said earlier by our distinguished chairman—that we are "7 months into the fiscal year." Well, the realtors who are going bankrupt are "7 months into" their year, the recreational vehicle agencies going bankrupt are "7 months into" their year.

The only system in the United States capable of deciding that it will not cut spending is the U.S. Government. The only agency in the country where we are supposed to have government of, by, and for the people capable of avoiding the pain everyone else is suffering is the U.S. Government.

We have a chance on this vote to mandate reconciliation by simply refusing to approve a continued splurge in spending. We have a chance to send a signal to the committees that in fact the time has come, not next year, not after the election, but right now. For too long we have offered promises for the future. "Reelect me, and soon I will do something." I would suggest that on this particular amendment we have a chance now, before the primaries and before the elections, to say that the time to fight inflation, the time to cut spending, the time to bring bureaucracy under control is now. And those Members who vote for the amendment should recognize in advance that they are voting for inflation, for more bureaucracy, for more Government spending, and that accountability would require that that be brought to the attention of the people of this country.

Mr. LATTA. Mr. Chairman, will the gentleman yield?

Mr. GINGRICH. I yield to the gentleman from Ohio.

Mr. LATTA. I thank the gentleman for yielding.

Mr. Chairman, before the vote I think it is important to reemphasize the fact that those who will be voting for this amendment will be voting for an increase over last May's resolution of $39.6 billion and for an increase in the Federal deficit for that period of time from $23 billion to $42.8 billion.

Mr. GINGRICH. I thank the gentleman, the distinguished ranking minority member.

Could I ask the gentleman from Ohio one question? Would the gentleman agree that this is in fact the key benchmark vote in this debate for Members who really want to fight inflation now?

Mr. LATTA. I think they have to start now in the fiscal year 1980 budget. You cannot sweep this under the rug and say, "Well, we are going to balance the budget next year which begins in October 1980." We ought to do it now. We have inflation in this country better than 18 percent now. We ought to do something about it now. I think that is what the American people are demanding.

Mr. GINGRICH. I thank the gentleman.

Mr. VANIK. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, as has been reported in the newspapers, the administration seriously underestimated the cost of the existing trade adjustment assistance program. Primarily because of the massive layoffs in the auto industry recently the administration now estimates that worker adjustment assistance will cost an additional $1 billion in fiscal 1980 over and above the $400 million budgeted in order to provide benefits to nearly 600,000 eligible workers. Workers in basic industries such as steel, autos, textiles and apparel, shoes, and electronics are the major beneficiaries.

This is an existing entitlement program which was proposed by the administration in the Trade Act of 1974 to provide additional forms of assistance to workers suffering unemployment because of import-caused displacement. Benefits cannot be denied these workers unless the basic law is revised. In a time of such high unemployment in basic American industries, I cannot imagine Congress taking such a step. I believe that consideration of major changes of the program should take place in conjunction with the statutory termination of the existing program in September 1982, not now.

In fact the direction in the Congress is the other way—to expand the program coverage as provided in H.R. 1543, passed by voice vote in the House last May and now pending before the Senate. Unless additional funds are provided soon, benefit money will run out on May 23. Any attempt to deny these benefits either by changing the law or not providing the money to pay existing entitlements will result in a major debate over the direction of our trade policy, including organized labor opposition to existing and future trade liberalization.

I was frankly shocked that the administration did not anticipate earlier the cost overrun for this program. I questioned administration witnesses at the Subcommittee on Trade's budget hearing February 7 about the adequacy of funds for the program in light of rapidly increasing auto and steel unemployment, but was assured there would be enough money made available. However, now that the administration has discovered its mistake, it is our duty to provide the money, not to penalize the unemployed workers involved.

Mr. WRIGHT. Mr. Chairman, I rise in support of the amendment.

For all of the reasons explained by Chairman GIAIMO and other members of the committee, this amendment should be adopted. It is a responsible amendment. It reflects the realities. It recognizes the facts of life. It makes more money available for expenditure by the Department of Defense to cover changed conditions and cost reestimates. And at the same, it reduces certain allowable expenditures, the need for which has since expired or shrunk.

I would like to make one clarification as a bit of legislative history, regarding one specific program—the urban development action grant program conducted under the Department of Housing and Urban Development.

☐ 1450

It is my understanding, as a member of the House Budget Committee, that President Carter, in his budget recommendations, did not suggest any reduction for either fiscal year 1980 or 1981 in HUD's Urban Development Action Grant program. I further understand that the Senate Budget Committee unanimously supported the President's fiscal year 1980 and 1981 funding levels for this program.

At the time the House Budget Committee acted upon this resolution, we had not yet received the President's message. Most unfortunately, a proposed rescission of $175 million in fiscal year 1980 funds appears to have been assumed, and that assumption has not been corrected in the resolutions as it should have been in light of subsequent knowledge.

Given the fact that the House Budget Committee proposed no reduction in UDAG funding for fiscal year 1981, coupled with the President's and the Senate's recommendations for both fiscal years 1980 and 1981, I submit that it is not our intent in any way to hamper, hinder, scale down or retard this very fine program's ongoing activities for fiscal year 1980. I strongly urge that this disparity be clarified in conference committee and that the program be permitted to operate with the level of funding that was assumed last year when the program's legislation was enacted. If this assumed rescission were acted upon, the UDAG Office would be forced to suspend activity for the remainder of the fiscal year. That, of course, is not what we desire.

In fact, the President's fiscal year 1981, funding level request for the UDAG program is at the same level at which it was funded last year even though the demand for funds for eligible projects continues to exceed that amount ($675 million).

Beyond that, Mr. Chairman, I think we have come to a point in the history of this budget act where Members of the House, both sides, have achieved a degree of mature responsibility.

We recognize that there are occasions when unavoidable and unpredictable changes occur in the economy of the United States and of the world. They require a recognition on our part, even belatedly, of their reality.

That is what this Giaimo amendment does.

Without this amendment, supplemental appropriations for such key programs as firefighting, disaster relief, food stamps, additional defense fuel needs, and the Space Shuttle could not be considered.

For those reasons, I urge an "aye" vote on the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

● Mr. DELLUMS. Mr. Chairman, I must register my opposition to the Giaimo technical amendment which is currently before us for consideration.

At the surface level, this amendment would appear to be a "liberal" gesture, because it proposes to add $3.1 billion in budget authority and $0.6 billion in outlays to the revised second fiscal year 1980 budget resolution, thus providing the supposed opportunity for addressing human needs through upgraded social programs.

The reality is otherwise. This proposal does little more than reflect CBO reestimates for existing commitments to the cost-plus increase mentality of the defense industry and the highway lobby. It reinforces the fiscal concept that some vested-interest lobbies are more equal than others, while human needs considerations are less equal. It sets a negative precedent for constructive consideration of the real priorities that should be established for the fiscal year 1981 budget. Accordingly, I intend to vote against this proposal—and I urge my colleagues who care about human needs priorities to do the same.●

The CHAIRMAN. The question is on the amendment offered by the gentleman from Connecticut (Mr. GIAIMO).

The question was taken; and the Chairman announced that the ayes appeared to have it.

RECORDED VOTE

Mr. LATTA. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 244, noes 173, not voting 15, as follows:

[Roll No. 199]

AYES—244

Addabbo
Akaka
Albosta
Alexander
Anderson, Calif.
Annunzio
Anthony
Applegate
Ashley
Aspin
Bailey
Baldus
Barnes
Beard, R.I.
Bedell
Beilenson
Benjamin
Bennett
Bevill
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Brown, Calif.
Burlison
Burton, Phillip
Byron
Carr
Carter
Cavanaugh
Chappell
Chisholm
Clay
Coelho
Conte
Conyers
Corman
Cotter
D'Amours
Danielson
Davis, S.C.
de la Garza
Derrick
Dicks
Diggs
Dingell
Dixon
Dodd
Donnelly
Dougherty
Downey
Drinan
Duncan, Oreg.
Early
Eckhardt
Edgar
Edwards, Calif.
English
Ertel
Evans, Del.
Evans, Ga.
Fary
Fascell
Fazio
Ferraro
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Fowler
Frost
Fuqua
Garcia
Gaydos
Gephardt
Giaimo
Gibbons
Gilman
Glickman
Gonzalez
Gore
Gray
Green
Guarini
Gudger
Hall, Ohio
Hance
Hanley
Harkin
Harris
Hawkins
Heckler
Hefner
Heftel
Hightower
Hillis
Hinson
Holland
Horton
Howard
Hubbard
Huckaby
Hutto
Ichord
Ireland
Jenrette
Johnson, Calif.
Jones, N.C.
Jones, Okla.
Jones, Tenn.
Kastenmeier
Kemp
Kildee
Kogovsek
Kostmayer
Lederer
Lehman
Lent
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McCormack
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Matsui
Mattox
Mavroules
Mica
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Mitchell, N.Y.
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murphy, Pa.
Murtha
Musto
Myers, Pa.
Natcher
Neal
Nedzi
Nelson
Nichols
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Perkins
Peyser
Preyer
Price
Pursell
Rahall
Railsback
Rangel
Ratchford
Reuss
Richmond
Rinaldo
Roberts
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Santini
Scheuer
Schroeder
Seiberling
Shannon
Shelby
Simon
Skelton
Smith, Iowa
Snowe
Solarz
Spellman
St Germain
Stack
Staggers
Stark
Stewart
Stokes
Stratton
Studds
Swift
Synar
Thompson
Traxler
Udall
Ullman
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weiss
Whitley
Whitten
Williams, Mont.
Wilson, C. H.
Wilson, Tex.
Wirth
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NOES—173

Abdnor
Ambro
Andrews, N.C.
Andrews, N Dak.
Archer
Ashbrook
Atkinson
AuCoin
Badham
Bafalis
Barnard
Bauman
Beard, Tenn.
Bereuter
Bethune
Broomfield
Brown, Ohio
Broyhill
Buchanan
Burgener
Burton, John
Butler
Campbell
Carney
Cheney
Clausen
Clinger
Coleman
Collins, Ill.
Collins, Tex.
Conable
Corcoran
Coughlin
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Dellums
Derwinski
Devine
Dickinson
Dornan
Duncan, Tenn.
Edwards, Ala.
Edwards, Okla.
Emery
Erdahl
Erlenborn
Evans, Ind.
Fenwick
Findley
Fish
Fisher
Fithian
Forsythe
Fountain
Frenzel
Gingrich
Ginn
Goldwater
Goodling
Gradison
Gramm
Grassley
Grisham
Guyer
Hagedorn
Hall, Tex.
Hamilton
Hammerschmidt
Hansen
Harsha
Holt
Hopkins
Hughes
Hyde
Jacobs
Jeffords
Jeffries
Jenkins
Johnson, Colo.
Kelly
Kindness
Kramer
LaFalce
Lagomarsino
Latta
Leach, Iowa
Leach, La.
Leath, Tex.
Lee
Levitas
Lewis
Loeffler
Lungren
McClory
McCloskey
McDade
McDonald
McEwen
Marks
Marlenee
Marriott
Martin
Mathis
Mazzoli
Michel
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Myers, Ind.
O'Brien
Pashayan
Paul
Petri
Pickle
Porter
Pritchard
Quayle
Quillen
Regula
Rhodes
Ritter
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Sharp
Shumway
Shuster
Smith, Nebr.
Snyder
Solomon
Spence
Stangeland
Stanton
Stenholm
Stockman
Stump
Symms
Tauke
Taylor
Thomas
Trible
Walker
Wampler
Weaver
White
Whitehurst
Whittaker
Williams, Ohio
Wilson, Bob
Winn
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOT VOTING—15

Anderson, Ill.
Brooks
Cleveland
Hollenbeck
Holtzman
Kazen
Leland
Livingston
Lujan
Moakley
Murphy, Ill.
Nolan
Steed
Vander Jagt
Wolff

☐ 1500

The Clerk announced the following pairs:

On this vote:

Ms. Holtzman for, with Mr. Cleveland against.

Mr. Hollenbeck for, with Mr. Livingston against.

Mr. Wolff for, with Mr. Leland against.

Mr. Moakley for, with Mr. Lujan against.

Mr. Murphy of Illinois for, with Mr. Vander Jagt against.

Messrs. DERWINSKI, EMERY, BARNARD, FITHIAN, and ANDREWS of North Carolina changed their votes from "aye" to "no."

Mr. HINSON changed his vote from "no" to "aye."

So the amendment was agreed to.

The result of the vote was announced as above recorded.

☐ 1510

AMENDMENT OFFERED BY MR. CONABLE

Mr. CONABLE. Mr. Chairman, I offer an amendment.

The Clerk read as follows:

Amendment offered by Mr. Conable: In the matter relating to function 850, General Purpose Fiscal Assistance, increase the amount of new budget authority by $2.3 billion and increase the amount of outlays by $1.7 billion.

In the matter relating to function 920, Allowances, reduce the amount of new budget authority by $2.3 billion and reduce the amount of outlays by $1.7 billion.

Mr. CONABLE (during the reading). Mr. Chairman, I ask unanimous consent that the amendment be considered as read and printed in the Record.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

There was no objection.

Mr. CONABLE. Mr. Chairman, this is the revenue sharing amendment to which the gentleman from Tennessee (Mr. Quillen) will offer a substitute. My amendment is cost neutral. Although I am restoring the States share of revenue sharing, I am reducing the allowances function by an equal amount.

It is necessary in this rather complicated process to explain why I have not listed in my amendment all of the items which are subject to cut as categorical grants in order to offset the restoration of general revenue sharing for the States. We are dealing with functional fields only. Function 850, general purpose fiscal assistance, has been cut by the Budget Committee to an amount equivalent to the States share of revenue sharing. That runs roughly $2.3 billion a year, or a third of the total revenue sharing program.

It is a little more complicated than that because this money is disbursed in such a manner that one-quarter actually goes out after the fiscal year ends. The fact is that total revenue sharing expenditures annually come to about $7 billion. Categorical grants, those matching grants to States and local government, categorical grants total roughly $92 billion.

I submit if we are to cut back on State and local governments to any degree, and that clearly is indicated in a budget in which all must equally sacrifice, it is better to cut back in the categorical grants which amount in the aggregate to such large sums of money. General revenue sharing which provides flexibility in the manner of spending. The States share of general revenue sharing has by now, over the life of the general revenue sharing program, established a pattern of distribution which generally puts more money in education than any other function. Next in size comes social welfare expenditures.

Many of the States share of revenue sharing funds pass through the State to localities and so in cutting back on State revenue sharing we also cut back on local government.

My proposal is not to cut all categorical grants equally. The gentleman from New York (Mr. Wydler), who has helped me in developing this and has taken a good deal of initiative in the matter himself, has carefully selected from the grants-in-aid to States and localities that will be exempted from cuts roughly $59 billion of the $92 billion in total grant program, leaving $33.7 billion subject to cut to offset for the revenue sharing restoration.

If my colleagues apply cuts across the board to these $33.7 billion of categorical grants, they will find the reduction is 5.04 percent, which clearly will do no serious damage to any one program. This was necessary because many of the grants to States, in fact, wind up inuring to the benefit of individuals, and we do not wish to cause individual hardship by the 5-percent cut in those categorical grants subject to reduction.

It is interesting to look at the manner in which this budget already cuts back on States functions and State grants. For instance, of the $17 billion in cuts made by the House Budget Committee, approximately $6.9 billion would come out of the State and local programs. Another $5 billion, or 72 percent of this $6.9 billion in cuts, is taken out of State government programs directly, thus the State is already cut back substantially regardless of what we do with respect to the States share of revenue sharing.

The CHAIRMAN pro tempore (Mr. Rostenkowski). The time of the gentleman from New York has expired.

(By unanimous consent Mr. Conable was allowed to proceed for 2 additional minutes.)

Mr. CONABLE. Mr. Chairman, restoration of the States' share of revenue sharing will give the States some flexibility to adjust for the reductions already made by the Budget Committee in State grants and in State assistance of various sorts.

It is unfortunate that in order to do this we have to cut the categorical grants further by 5.04 percent to the extent of $33.7 billion worth of the categorical grants. But I see no other way to do it.

□ 1520

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. O'BRIEN. I thank the gentleman for yielding. As the gentleman knows, all the revenue sharing that goes directly to my State, the State of Illinois, we pour in every cent of it to primary and secondary education. That comes to $131 million. Unless the gentleman's amendment passes, education in Illinois will suffer a $131 million loss absolutely; is that correct?

Mr. CONABLE. I do not know the pattern in Illinois, but I know the pattern nationally is that more State revenue-sharing money goes to education than to any other single function.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. Yes, I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding. If I could, I would like to respond to my good colleague, the gentleman from Illinois (Mr. O'Brien) for whom I have great respect. I think he was at the breakfast meeting where the Governor in Illinois had two points: First, he pointed out that he was having some tax reductions in the State of Illinois; and second, he wanted to have this general revenue-sharing money. In fact, there is an alternative to cutting back on the schools, and that is you simply do not have those tax cuts that the State has been talking about. What we are permitting States to do with this general revenue-sharing money is simply to have some tax cuts that they can brag about while we have deficits.

The CHAIRMAN pro tempore (Mr. Rostenkowski). The time of the gentleman has expired.

(By unanimous consent, Mr. Conable was allowed to proceed for 4 additional minutes.)

Mr. HORTON. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. HORTON. Mr. Chairman, I want to commend the gentleman in the well (Mr. Conable) and the gentleman from New York (Mr. Wydler) for offering this amendment.

Mr. Chairman, I rise in support of the Conable-Wydler amendment which will restore State revenue sharing in the fiscal 1981 budget. The gentlemen have crafted an amendment which seeks to retain one of the best functioning programs that exists at the Federal level while not adding anything to the overall budget.

Since 1972 the general revenue sharing (GRS) program has returned over $55 billion in Federal funds to approximately 39,000 units of State and local government. Moneys are directed to States and localities on a formula basis which takes into account such factors as per capita income, local tax effort, intergovernmental revenue, and population for each recipient unit of government. One-third of all GRS dollars go to State governments, with the remaining two-thirds being directed to local governments.

It is the matter of the one-third State share which is now in controversy. Before we act to eliminate the State share, I urge Members to take a closer look at this program. Some say we should eliminate the States because some States have large surplus balances. Along that line of reasoning, one might further inquire why State governments should be eligible for any Federal programs. Yet no one is here suggesting that State governments be eliminated from those programs, despite the supposed surplus.

The fact is when revenue sharing was enacted, need was never considered to be a criteria for program eligibility. Need certainly helped determine the ultimate allocation. But it did not decide which governments were eligible. All general purpose State and local governments were made eligible, because each was considered to be important to our concept of federalism. The Federal Government seeks to accomplish much through State and local government. Look down the list. States carry out national responsibilities legislated by Congress. The Federal Government does not administer welfare or medicaid. Nor build roads and waterways. Nor run the various social and education programs which the Congress has deemed necessary. States do. We rely on the States. We could not carry out our responsibilities unless the States and localities were willing and able to work in a partnership with the Federal Government in serving our citizens. Yet we stand here today poised to vindictively strike at the States and eliminate the only source of flexible funding they receive. Such action ignores the very desirable notion of cooperation between governments in a mature Federal system.

Why are such flexible moneys as embodied in the revenue sharing program important? First, we should look to GRS as a program which allows States to adjust to the various Federal mandates to provide for the handicapped, the poor, and others. Next, look at the proper role of the States in encouraging aid to localities. The trend is clear: States are doing more for their localities than ever before. This is only right. It is also more desirable for localities to look first to their State capitals before coming to Washington for aid. Revenue sharing payments to State governments have helped foster this trend. Secretary Miller last week testified that about $1.4 billion of the State share is now being passed through to localities. That is about 60 percent of the total. Cutting the State share will unquestionably reverse this desirable trend, causing the Federal Government more problems in the long run. Is this what this Congress wants? I think not.

Think of our federal system and the necessary and important role State governments play in that system; think of the good that has been accomplished through the State revenue sharing program; and vote to preserve one program which embodies the best of American federalism: general revenue sharing.

Mr. CONABLE. I thank the gentleman. I would like to point out also this particular proposal was pioneered by the gentlewoman from Maine (Mrs. Snowe), who offered a very similar amendment to this last year. The circumstances are somewhat different this year, and I hope the path along which she started us will come to success this year.

Mr. PANETTA. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from California.

Mr. PANETTA. I thank the gentleman for yielding. So that we understand what this amendment does, it provides a choice to the States either to accept revenue sharing or these categorical grants; is that correct?

Mr. CONABLE. No, it does not. It does not provide a choice because of the difficulty of drafting an amendment giving an option of that sort. This amendment restores the State's share of revenue sharing and cuts 5.04 percent out of roughly a third of the total categorical grants which go to the States.

Mr. PANETTA. So the gentleman is in effect replacing categorical grant programs with revenue sharing?

Mr. CONABLE. That is what I am doing to the extent of 5.04 percent of some of the categorical grant programs. Actually the budget resolution deals only with functional fields, so it has no effect on the types of programs that are cut back. However, in trying to make up the rationale for that, we separated out those we thought should not be cut further and are in fact suggesting that the categorical grants that should be cut and would have to be cut by 5.04 percent amount to $33.7 billion.

Mr. PANETTA. The gentleman has in correspondence and I think in explanation indicated what areas are exempted, such as medicaid, AFDC, child nutrition title XX, I believe economic development assistance, CETA, and a number of others.

Mr. CONABLE. That is correct.

Mr. PANETTA. What I am interested in is specifically what categorical grant programs would be subject to the determination that they would be cut?

Mr. CONABLE. I have a list here of the suggested cuts. It is a very long list. They are mostly small programs, and I would be happy to deliver that to the gentleman. However, I want to repeat again this amendment deals only with functional fields.

Mr. PANETTA. I understand.

Mr. CONABLE. Of course, the implementation of this is going to require cooperation on the part of the Appropriations Committee.

Mr. PANETTA. Could the gentleman just give us general areas so that at least we know what we are talking about? Is this highway money? Is this education money? Is this health money? What areas we talking about?

Mr. CONABLE. There are grants in the Department of Agriculture, the Department of Commerce, Community Action programs, the Department of Defense, the Department of Energy, the Environmental Protection Agency, the Equal Employment Opportunity Commission, the Federal Emergency Management Agency, funds appropriated to the President for the Appalachian regional development programs, the Department of Health, Education, and Welfare—a very substantial number of grants—the Department of Housing and Urban Development, the Department of the Interior, the Department of Justice, the Department of Labor, the National Commission on Libraries and Information Science, the National Foundation on the Arts and Humanities, the Office of Personnel Management, the Tennessee Valley Authority, the Department of Transportation, the Federal Railroad Administration, the highway safety programs, and the natural gas pipeline safety.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. OTTINGER, and by unanimous consent, Mr. CONABLE was allowed to proceed for 3 additional minutes.)

Mr. CONABLE. I will be happy to let the gentleman scrutinize this very long list. I previously delivered this list to the gentleman from New York (Mr. OTTINGER) at his request during debate. He has put it in the RECORD.

Mr. NELSON. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Florida.

Mr. NELSON. I thank the gentleman for yielding. Would the gentleman then expect that each one of these particular programs would have to be altered and, therefore, that they would have to be changed in legislation as well as in the appropriations process?

Mr. CONABLE. In most cases it would be through the appropriations process that the changes would be effected.

Mr. NELSON. What does the gentleman conceive as to the additional administrative workload under such a proposal?

Mr. CONABLE. There is a substantial administrative workload. However, it is probably not desirable simply to restore the State's share of revenue sharing without adjusting elsewhere. The gentleman, however, has been very firm in his opposition to revenue sharing generally, and I think many of our colleagues here feel it appropriate that we cut back on the States to some extent. This provides the study in flexibility, not taking away from them the most valuable money they get; namely, discretionary money which in most cases flows through to education and social welfare programs in the localities.

Mr. NELSON. Will the gentleman yield further?

Mr. CONABLE. I yield to the gentleman.

Mr. NELSON. What does the gentleman's amendment do to local governments as opposed to the budget resolution position if we do not cut revenue sharing to local governments and it is cut only to States? The gentleman's amendment would restore the State's share but will not cut all categorical grant programs. This gentleman's question is, Would it not further cut and erode the local government programs?

Mr. CONABLE. I doubt it would erode local government programs as much as the States' loss of revenue-sharing money would. In an effort to try to avoid that where possible, we have separated out as not subject to cut in the rationale for this amendment aid to localities only, such as CETA, the community development block grants, and UDAG, and economic development assistance grants to localities.

Mr. NELSON. I thank the gentleman.

Mr. MARTIN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from North Carolina.

Mr. MARTIN. I thank the gentleman for yielding. I want to commend the gentleman and the gentleman from New York (Mr. WYDLER) for their amendment. The beauty of the revenue sharing is the factor the gentleman just mentioned in the preceding colloquy, namely, that the States and localities have discretion as to how best to spend it as to what their priorities are. It could well be that if a State feels that some of the particular measures they cut back by 5 percent deserve that money, they would have their revenue sharing to apply toward that kind of funding.

Mr. CONABLE. Absolutely.

Mr. MARTIN. If they believe that is a major priority for their State. The gentleman from Illinois earlier mentioned that some States transferred their money to educational programs. In our State and in others the State's share has been passing through to the cities and counties.

Mr. CONABLE. In many cases it goes to per capita aid of one sort or another.

Mr. MARTIN. That is right. The gentleman remembers when the President first proposed a cutback in State revenue sharing, it was the National League of Cities that came here, the mayors from all over the country.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. OTTINGER, and by unanimous consent, Mr. CONABLE was allowed to proceed for 5 additional minutes.)

Mr. MARTIN. If the gentleman from New York (Mr. CONABLE) will continue to yield for just a moment, I will be through because I want to make an observation in that regard. When the mayors of our cities were here, we each had an opportunity to meet with them and to discuss the need for budgetary fiscal responsibility with them. While they were proposing that they needed to restore revenue sharing, they agreed that it would be far better to reduce categorical grants, which is precisely what the gentleman from New York is proposing—to reduce categorical grant programs so that they could maintain the revenue sharing.

They said further that they would be willing to reduce categorical grants even more than the President had proposed to reduce revenue sharing in order to save revenue sharing. In other words, they were saying they would settle for bigger cuts; they would settle for less money coming to the cities, provided they had greater discretion on how to spend the money where they felt they could do more with it. Therefore, I want to share that with the gentleman to encourage him and those associated with him.

Mr. CONABLE. I thank the gentleman for his contribution.

Mr. OTTINGER. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from New York.

□ 1530

Mr. OTTINGER. Mr. Chairman, I would be inclined to support the gentleman because I think the flexibility in revenue sharing is probably a preferable route to go; but I must oppose this measure because I am somewhat concerned about the mechanism for making the decision with respect to which categorical programs will be cut.

Mr. Chairman, the recommended exclusions that the gentleman has put out, those are not mandatory I take it?

Mr. CONABLE. They are not mandatory and it is impossible under the budget procedure to do line item adjustment of that sort. We are dealing with functional fields.

Mr. OTTINGER. Who would make that determination and how would it be made?

Mr. CONABLE. I think it would be achieved largely through the Committee on Appropriations. This would be what we would urge.

Mr. Chairman, my amendment is a very brief one.

The amendment is as follows:

In the matter relating to function 850, General Purpose Fiscal Assistance, increase the amount of new budget authority by $2.3 billion and increase the amount of outlays by $1.7 billion.

In the matter relating to function 920, Allowances, reduce the amount of new budget authority by $2.3 billion and reduce the amount of outlays by $1.7 billion.

The gentleman will see it is a very simple amendment dealing with the functional fields only, increasing the general purpose fiscal assistance by these amounts and decreasing allowances by that amount.

Now I have found in dealing with the budget, regardless of our mandate which says that we shall deal in the functional field only, people do not understand or are not willing to vote for things unless you have a rationale back of the aggregate you have come up with. It has been my intent by putting out this list to deal with the rationale. I must acknowledge that there is no way in which we could bind the Committee on Appropriations, for instance, relative to the items that would be cut but clearly there would be some sort of a mandate from the House and certainly congressional intent should be considered by the constituent committees of this House.

Mr. OTTINGER. So all we can do is really try to lay a legislative history which we hope the Committee on Appropriations would follow in terms of the cuts they would make in categorical programs?

Mr. CONABLE. That is correct.

Mr. OTTINGER. Is it the intention of the gentleman in that regard that 5.04 percent would be cut from each of these?

Mr. CONABLE. From each of these. That would be one way of achieving it. It would be the way I would recommend because it would be even-handed among the types of programs which it seems to me are appropriately cut.

Mr. OTTINGER. I would like to advise the people who inquired that I put a list which the gentleman from New York furnished me of those things which the gentleman intends should be subject to the cuts, in the RECORD.

Mr. Chairman, I have been advised by the State Office from New York that we would probably do better and most cities and counties and localities would do better under the gentleman's amendment than they would under the categorical programs. They were trying to work out specific figures. Does the gentleman have them for New York?

Mr. CONABLE. I do not have them for New York. I think we are legislating for the Nation and I am sure that New York will participate fully in the benign effects of my amendment.

Mr. OTTINGER. Mr. Chairman, I thank the gentleman very much.

Mrs. SPELLMAN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. I want to congratulate the gentleman on the approach he has taken. For years local governments and State governments suffered from hardening of the categories.

Mr. CONABLE. That is correct. That was the purpose back of general revenue sharing in the first place, to provide some discretionary money to States, giving localities discretion as well.

Mrs. SPELLMAN. It was my privilege at the time to serve as president of the National Association of Counties and we did a great deal of work toward the legislation that gave us revenue sharing.

There is no more wasteful way of using Federal money than through the categorical process.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mrs. SPELLMAN and by unanimous consent, Mr. CONABLE was allowed to proceed for 2 additional minutes.)

Mrs. SPELLMAN. Will the gentleman yield further?

Mr. CONABLE. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. There is no better way, no more saving way of using the Federal money than through the process of general revenue sharing, the general revenue sharing process. With those moneys the States are making their own decisions, they know what their problems really are, they can zero in on the problems instead of veering off in all directions trying to find some kind of a program that meets a given category as it is spelled out here in the Congress.

Mr. Chairman, I would certainly go along with the philosophy that is being proposed here. I dare say that through the appropriations process, proper decisions will be made as to where the cuts might come.

Once again I would like to congratulate the gentleman on this approach.

Mr. CONABLE. I thank the gentlewoman for her comments.

Mrs. SNOWE. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentlewoman from Maine.

Mrs. SNOWE. Mr. Chairman, I want to rise in support of the gentleman's amendment. As the gentleman knows I attempted to offer the same approach last year. I feel a sense of deja vu here today and just cannot understand why we continually have to attempt to defend a program that is so cost-effective and I think the revenue sharing program demonstrated that very well.

It seems to me, Mr. Chairman, another point that should be made here today is that the National Governors Association which appeared before the subcommittee mentioned that they do not want an increase in Federal aid to the States but what they do in fact want is a cut in categorical grants programs, that they are willing to accept those cuts. What they do want is a flexibility that has generally been shown in the revenue sharing program and it appears that we have continually weakened the States' role by making direct grants to localities rather than to States, so I think that the revenue sharing is very significant and the administration's vacillation on the revenue sharing approach as indicated by the new proposals that have been submitted to the subcommittee indicates they do not fully support the State's share.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mrs. SPELLMAN and by unanimous consent, Mr. CONABLE was allowed to proceed for 2 additional minutes.)

Mrs. SNOWE. Will the gentleman yield further?

Mr. CONABLE. I yield to the gentlewoman from Maine.

Mrs. SNOWE. If the administration attempts to revamp a revenue sharing program at this point, we will be jeopardizing the entire revenue sharing program and the approach. We cannot dictate policy at this point and I think that the revenue sharing program has worked well in the past and it certainly will in the future and we are just going to transfer burdens because many of the States do grant aid to the local governments and they pass on their State revenue sharing to local governments so they are going to have to assume that burden and increase property taxes as a result.

Mr. CONABLE. Mr. Chairman, I thank the gentlewoman. I must say every State official with whom I have talked thus far prefers revenue sharing money to the matching funds, the categorical grant programs, which tend to skew local priorities and tend to disperse their own discretionary money on the local level.

Mr. GLICKMAN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. Mr. Chairman, I am going to oppose the amendment primarily because of a lack of specificity, the lack of clarity, really, where the funds will come from and also because I think that this begins the process for a fundamental change in Federal-State relationship in terms of the sharing of money which I think the gentleman intends, but I want to compliment the gentleman on the concept because while I do not support it today I think this Congress is going to have to deal affirmatively in the authorizing legislation on both categorical programs and in the revenue-sharing legislation on a different method of transferring money back to the States and localities and what I am really saying is that I support the gentleman in concept but I think that the program the gentleman proposed lacks the sophistication and fairness at this point in time.

Mr. CONABLE. Mr. Chairman, I ask the gentleman not to blame on this amendment the requirements of the Budget Act that we must deal in functional fields. Despite the nonspecificity to which the gentleman refers, I urge him to look over the rationale back of the amendment which is specific in the most minute detail.

Mr. WYDLER. Mr. Chairman, will the gentleman yield to me?

Mr. CONABLE. I yield to the gentleman from New York.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. WYDLER and by unanimous consent, Mr. CONABLE was allowed to proceed for 2 additional minutes.)

Mr. WYDLER. Will the gentleman yield further?

Mr. CONABLE. I yield to the gentleman from New York.

Mr. WYDLER. I think I can answer

the gentleman specifically. There are very specific programs involved in this matter and those who are trying to tell Members they are not are just trying to confuse them a little bit. If we look in the budget book put out by the administration, "A Special Analysis, Budget of the U.S. Government Fiscal Year 1981," you will find on pages 264 to 270—I am obviously not going to try to list them for you because it is a long list—all of these specific programs that would be subject to cuts under the amendment we are offering.

Mr. Chairman, there are many programs that are not subject to cuts, I want to tell the gentleman, but these are the ones that would be subject to the cuts under the amendment we have offered. They are all specified and the gentleman can find out any one he wants just by looking at them, the six pages of programs.

Mr. CONABLE. I must caution both gentlemen this is not binding on the legislative committee. We must deal in functional fields here or the Committtee on the Budget goes beyond its powers.

Mr. GLICKMAN. Will the gentleman yield again?

Mr. CONABLE. I yield to the gentleman from Kansas.

Mr. GLICKMAN. I suppose my point in opposition is the fact that I think in concept you have a super idea. I am just not willing to do it in the Committee on the Budget because it involves structural changes in the way we share revenue with the States and I think that ought to be done in authorizing legislation.

☐ 1540

Mr. CONABLE. I say to my friend from Kansas that unless we establish an appropriate amendment in the Budget Committee, we have not prepared the way for the specific acts that must be done in the legislative committee.

Mr. WYDLER. Mr. Chairman, will the gentleman yield further?

Mr. CONABLE. I yield.

Mr. WYDLER. I am on the authorizing committee, and we are about to bring out a bill on revenue sharing, to continue it. What are we supposed to do? If the budget comes forth with the budget in the shape it is now, it is telling us, "Do not put in any further revenue-sharing money." That is the message from the budget.

Unless we change it at this point, we are not likely to get any State revenue sharing. Further, if the gentleman means what he says and says what he means, what he will do is, he will support this amendment. This is the means by which we can take the proper authorizing action.

The CHAIRMAN pro tempore. The time of the gentleman from New York has again expired.

(At the request of Mr. O'BRIEN and by unanimous consent, Mr. CONABLE was allowed to proceed for 2 additional minutes.)

Mr. O'BRIEN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Illinois.

Mr. O'BRIEN. Mr. Chairman, just to be parochial one more time for the Prairie State, earlier I suggested that if the Conable-Wydler amendment failed, that Illinois would lose $131 million which goes directly to primary and secondary education. It was suggested by a colleague that our Governor recently indicated that he was anxious for this revenue sharing to come to Illinois, and also pointed out that he would like to be able to provide some tax cuts. As I interpret that, if the Conable amendment fails, we will lose the $131 million and, in all probability, the tax cuts.

Mr. STOCKMAN. Mr. Chairman, will the gentleman yield?

Mr. CONABLE. I yield to the gentleman from Michigan.

Mr. STOCKMAN. Mr. Chairman, I agree with the gentleman's amendment in theory. It is a far better way to make the cut, but could the gentleman give us some assurance that we actually could save $1.7 billion out of the $39 billion in grant-in-aids that would not be exempted? Since there is so much money in the pipeline already, are we really going to be able to achieve that saving in 1981?

Mr. CONABLE. As the gentleman knows, almost any degree of discipline requires continuous vigilance and suspicion on the part of those Members of the House who feel that discipline is necessary. We cannot pass this resolution and back away and say, "There, we have done our job."

We must see to it that the cuts actually are made if we are establishing a ceiling which countenances these cuts, because failure to do so could result in a failure to save the money we are here planning to save.

Mr. STOCKMAN. I understand that point, but on revenue sharing we have no money in the pipeline and could cut it off immediately.

Mr. CONABLE. Correct.

Mr. STOCKMAN. Most of these other programs have, such as the highway fund, most of the money is already obligated, so even if we had full vigilance here we actually could not retrieve it.

Mr. CONABLE. The great bulk of appropriations are currently spent. There are some, like the highway program, that are spent over a 3-year period, and that clearly is going to involve a saving that will be slow in coming. That is a problem.

AMENDMENT OFFERED BY MR. QUILLEN AS A SUBSTITUTE FOR THE AMENDMENT OFFERED BY MR. CONABLE

Mr. QUILLEN. Mr. Chairman, I offer an amendment as a substitute for the amendment.

The Clerk read as follows:

Amendment offered by Mr. QUILLEN as a substitute for the amendment offered by Mr. CONABLE: Section 1: In the matter relating to the appropriate level of total budget authority, decrease the amount by $1.85 billion.

Section 2: In the matter relating to function 150, International Affairs, decrease the amount of budget authority by $3.6 billion and decrease the amount of outlays by $1.2 billion.

In the matter relating to function 250: General Science, Space, and Technology, reduce the amount for budget authority by $.1 billion; and reduce the amount for outlays by $.05 billion.

In the matter relating to function 850, General Purpose Fiscal Assistance, increase the amount of budget authority by $2.3 billion and increase the amount of outlays by $1.7 billion.

In the matter relating to function 920: Allowances, reduce the amount for budget authority by $.45 billion; and reduce the amount for outlays by $.45 billion.

Mr. QUILLEN. Mr. Chairman, the gentleman from New York (Mr. CONABLE) has made a good case about the restoration of revenue-sharing funds to the States, but the fallacy in his proposal is this: That you give back to the States on one hand and you take it away from the States on the other hand. I do not think that is fair.

My proposal sets the priorities of this budget by the restoration of revenue sharing to the States. My substitute sets the priority that we must reduce the spending of this Government in areas which will not affect each State of the United States, our Union of 50 States.

I propose to take $1.2 billion out of foreign aid; $450 million out of the shuffling of papers or paperwork from this Government, which is absolutely asinine, and I propose to take $50 million from the soft sciences, or the National Science Foundation, restoring the full $1.7 billion. Now, I do not propose to take anything from the States. Here we are, as a nation, giving billions of dollars to foreign countries, countries over the world, and yet we are denying the Union of States here in America the benefits that they rightly deserve, and benefits that they need. I will give the Members some examples where I think the cuts should come from. When I listened to previous speakers talk about taking with one hand from the States and giving with the other, it simply does not do the job that we should be doing.

I want to emphasize in the beginning that my cuts from foreign aid are not proposed to affect whatsoever the military assistance, Public Law 96–480, or aid to the Mideast countries, including Israel and Egypt. I think our serious situation today in Iran and Afghanistan and other countries indicate that we all would want to protect our military assistance, but, we cannot buy friends with dollars.

Mr. Chairman, we cannot buy friends with foreign aid or with American dollars. We have poured just billions of dollars into foreign nations, only to have them turn against us. Look at Vietnam, Cuba, Iraq, and Syria, for example; look at Africa today, and listen to this: We are giving away billions of dollars overseas, and yet we are saying to the Governor of Tennessee, "You cannot have the $44 million in revenue sharing that you rightly deserve."

That $44 million in Tennessee is all allocated to teachers' retirement.

The United States has already provided $11.1 billion in direct foreign aid to African countries. The international organizations, to which we are the largest contributor, have provided an additional $9.9 billion. What is happening there? The Soviet Union and Cuba have now established bases in some of the same countries where we have helped so much, and now are using these bases and are in the process of exporting communism throughout the world, throughout the rest of Africa, and to the very countries that we have poured these billions of dollars into.

□ 1550

Since 1945 the United States has participated in loans and guarantees worth more than $4.5 billion to develop and subsidize foreign steel production. The dumping of foreign steel in our country is now costing thousands of American steel workers their jobs. I ask the Members, does that make sense?

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. QUILLEN) has expired.

(By unanimous consent, Mr. QUILLEN was allowed to proceed for 5 additional minutes.)

Mr. QUILLEN. Mr. Chairman, Venezuela, an OPEC member which is happily raising its oil prices has received $164 million in direct U.S. aid. They have also received over $500 million in loans from the international financial institutions to which we are the largest contributor. Now, listen to this. They are happily raising their prices on their crude oil, and we are paying them, and at the same time putting money down the drain giving them foreign aid.

Does this make sense in America? Does it make sense to deny our States their rightful share of revenue funds?

And now, incredibly, there is a proposal to give $75 million to the leftist Government in Nicaragua. Both Cuba and Russia have taken over, but we are to continue to give them money. Yes, and now we are denying New York, Illinois, Tennessee, Ohio, and all the 50 States these funds, just $1.7 billion. That simply does not make sense.

There is fraud in the AID program. A senior AID official has said:

> I don't think there is any program more vulnerable to fraud than the foreign assistance program.

Here are just a few examples. Listen to this. AID provided Panama $9.5 million to improve health care in rural areas. The Panamanians were paid $60 for each of 13,000 new outdoor toilets, but officials who have investigated have discovered that many of the outhouses claimed as newly built were actually constructed years ago. Fraud? Yes.

Another part of the rural health program was to train Panamanians, and here are the facts. AID agreed to pay students $100 a month, and after the program got underway and was over, they found out that less than $50, sometimes as little as $8 a month, went to the students and the other funds went in the pockets of officials. We poured money down the drain. Corrupt? Yes.

Director Gilligan of AID, when he was Director, was asked a question by the gentleman from Kansas (Mr. WINN) who is on the committee:

> Most of the contracts awarded by AID were awarded noncompetitively, is that true?

Listen to what the Director of AID said:

> Yes, sir. A lot of these contracts are in terms of personal or professional service, and I would be the first to admit that it is not always easy to let these on a competitive basis. But in my judgment too frequently these contracts over the years have been entered into by this Agency and then simply extended, renewed, and so on. . . .

Do not tell me that we cannot cut foreign aid. We can. The pipeline is full of dollars, billions of dollars, and it can be cut by $1.2 billion.

Mr. Chairman, in the National Science Foundation, the soft sciences, listen to this:

Thirty-nine thousand dollars has been wasted for a study of Himalayan mountaineering, and for a study of social change and an evaluation of the Buddhist religion. There is $65,000 for a study of Dutch labor markets and wage structures in the Netherlands from the 1580's to the middle of the 19th century.

Here are other studies which have been undertaken and on which funds have been spent. There is $64,000 for a study of the mating habits of the fiddler crab. Yet we are denying the States money for people in those States.

There is $100,000 for a study of the emotional effects of separating baby monkeys from their mothers. There is $100,000 for a study to determine why hermit crabs pick one seashell over another to live in.

Oh, where are our priorities? I would say that the budget should set them. We should not give way to fraud and get into asinine programs that all the world is laughing at us about.

There is $640,000 for a grant to gay communities services, for education about gay lifestyles and gay problems. There is $93,000 as a grant to teach Navajo Indians to be medicine men. There is $100,000 as a grant to study Amazon parrots.

Where can the cuts come from? These are asinine programs. These should be cut.

The CHAIRMAN. The time of the gentleman from Tennessee (Mr. QUILLEN) has expired.

(By unanimous consent, Mr. QUILLEN was allowed to proceed for 3 additional minutes.)

Mr. QUILLEN. Mr. Chairman, on the subject of paperwork, a recent newspaper article reported that every year the Government spends more than $43 billion to print, process, compile, and store Federal forms. That is $43 billion just to print, to store, and to process. Yet here we are cutting $1.7 billion from State revenue sharing.

Foreign aid? We give money away to countries overseas but take it away from our States. We continue asinine programs. We fund a program to determine the mating habits of fiddler crabs.

We give our money away and let the Members of the House be a laughingstock.

With paperwork, we are adding billions of dollars to our expenditures. Let us cut where it really is meaningful. Let us protect our States. Let us give them the revenue sharing that they richly deserve, and reduce bureaucratic controls and cut paperwork.

Mr. BAUMAN. Mr. Chairman, will the gentleman yield?

Mr. QUILLEN. I yield to the gentleman from Maryland.

Mr. BAUMAN. Mr. Chairman, I want to say that I agree with what the gentleman from Tennessee (Mr. QUILLEN) has said.

The whole purpose of the budget in Congress was that it was intended for this Congress to set priorities. It is a mystery to me why, with the numerous instances the gentleman cited, along with many others, that we should have a problem with the foreign aid program. It is not that we want to cut it off completely, but we want to understand the majority's purpose.

The funding for foreign aid is increasing every year, and next year was to be the largest bill we ever had. It is now trapped in conference, and we do not have enough money to finance foreign aid this year.

Mr. Chairman, I believe the gentleman's amendment is in order. This administration now, we understand, wants to start a $2 billion line of foreign aid for Red China, our former enemy and now momentarily friendly to America. We are asked to give $75 million for the Communists to control Nicaragua.

If we mean what we say in this Congress, the gentleman's amendment ought to be adopted, and most of us ought to go on record as being in favor of helping our States and our local government with the programs they have instituted as opposed to shoveling money away into what has sometimes been euphemistically called a rat hole.

Mr. QUILLEN. Mr. Chairman, I thank the gentleman from Maryland (Mr. BAUMAN) for his contribution.

Mr. Chairman, I urge the adoption of my substitute. It simply does not make sense to take away from the States $1.7 billion. I think we should cut the programs that can be cut. We should take $1.2 billion from foreign aid, we should take some from the soft sciences and from paperwork amounting to $1.7 billion. That makes sense to me.

Mr. SIMON. Mr. Chairman, I rise in opposition to the substitute amendment offered by the gentleman from Tennessee (Mr. QUILLEN) and the amendment offered by the gentleman from New York (Mr. CONABLE).

Mr. Chairman, I hope that the House will think seriously before adopting either of these amendments. The gentleman from Tennessee (Mr. QUILLEN) would, among other things, whack a huge amount of $1.2 billion out of function 150.

The gentleman said—and I quote him, I think, correctly—"You can't buy friends with dollars." That is true, but if we do not spend dollars in some key places, we can buy chaos and misery and poverty and instability.

Those are the kinds of conditions that the Soviets have and inevitably move into.

The gentleman from Tennessee says

that we will not cut back in our assistance to Egypt, Israel in Public Law 96–480 under his amendment. I say to my friends that the reality is that if this amendment were to be adopted, there would be very substantial cuts in those programs.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. SIMON. I will yield very briefly because I want to use time also to discuss the original amendment.

□ 1600

Mr. QUILLEN. That simply is not the intent of this substitute.

Mr. SIMON. I am sure that is correct.

Mr. QUILLEN. I have a note where the cuts can be made without at all cutting any of those programs, and I so stated. Military assistance, Public Law 96–480 and aid to the Mideast countries are not involved in this $1.2 billion cut.

Mr. SIMON. I am sure the gentleman is correct that that is his intent. I would simply say, as a member of the Budget Committee, that in fact that is what will take place.

Now, as to the Conable amendment, I would point out that the Conable-Wydler amendment calls for a cut of 5 percent in certain categorical grants, and they have distributed to us, candidly, where that 5 percent cut comes in those categorical programs, and I point out to my friends in the House that you are talking about Extension Service, you are talking about assistance on national forests, you are talking about rural development planning, you are talking about construction of waste water treatment facilities, civil defense, education for the handicapped. This budget calls for an increase of 4.8 percent in aid to the handicapped, not nearly as much as inflation. And under the Conable amendment we will cut back even further on aid to handicapped education. That is one of the categorical programs. Higher education, Indian education, vocational education, basic water and sewer facilities, mine safety, highway trust funds.

My friends. I do not think we seriously want to do that. I think we have to ask ourselves: Why did we start categorical programs?

We started them because there were real needs. If in any of these categorical programs there are not real needs and we can cut back. then we ought to do that on our own. But there clearly is a surplus in the States. I would yield to my colleague, the gentleman from Florida (Mr. NELSON) who has the statistics on this, but I think it is correct. That 44 of the 50 States have surpluses. There is no point in our handing largesse to States when they have surpluses.

Am I correct? I yield to my colleague, the gentleman from Florida.

Mr. NELSON. Even higher; 46 of the 50 States.

Mr. SIMON. Forty-six of the fifty States. I stand corrected.

Mr. NELSON. And last year, 48 of the 50 States.

Mr. SIMON. I would simply point out what I pointed out to my colleague, the gentleman from Illinois (Mr. O'BRIEN). We had a breakfast meeting with the Illinois delegation, where our fine Governor, Jim Thompson, was the host, and he pointed out two things: First, he was going to cut taxes in Illinois; and second, he wanted that State revenue-sharing money. If we want to hand Governors and State legislative bodies this money so they can go out and tell people how they cut taxes, then we can do that. But we do that at the risk of adversely impacting on the inflation problem, adversely impacting on our budget.

Mr. SOLARZ. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the amendment.

Mr. Chairman, I have to confess to being somewhat torn by my reaction to the amendment which has been offered by the gentleman from Tennessee. On the one hand, like many of my colleagues who strongly support the revenue-sharing program, I would like to see us restore to this budget resolution the funds for the State portion of the revenue-sharing program.

Coming from New York, a State which is experiencing some very serious fiscal difficulties, I can say without fear of contradiction that we could use those resources. I know that New York City in particular, from which I come, could desperately use those resources. But I have to regretfully say that, in spite of the attractions of the Quillen amendment, I have no alternative but to oppose it, because I believe that the adoption of the amendment offered by the gentleman from Tennessee would seriously compromise some of the most fundamental national interests of our country today.

At a time in the wake of the Soviet invasion of Afghanistan, at a time when we have come to the conclusion that after 2 decades of an unrelenting Soviet military build-up, we have to substantially increase the level of our own defense spending, we are asking the House to approve an increase in defense spending for the next fiscal year somewhere in the vicinity of $19 billion to $20 billion. That is an increase in defense spending in real terms of over 3 percent. Yet if the Quillen amendment were adopted, we would be cutting back in terms of the level of our spending in the foreign affairs function by somewhere in the vicinity of $2 billion, which would mean a reduction in our foreign affairs function of over 20 percent in comparison to the amount of money we had available for this function in the 1980 fiscal year.

I would submit to my friend, the gentleman from Tennessee, that, to the extent we ought to be genuinely concerned about the national security of our Nation, we have to be concerned not only about our military capacity to resist additional acts of aggression in the future, but we have to be concerned about our ability to compete for political influence with the Soviet Union, its allies and surrogates all over the world.

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Tennessee.

Mr. QUILLEN. Mr. Chairman, the gentleman is making a good point. The foreign aid cuts that I have recommended would not affect our military posture. How about New York State? Would the gentleman rather take it from New York State and give it to countries overseas rather than giving it to the American people? What we do, we have a choice of cutting programs that are, in my opinion, asinine, and restoring revenue sharing to the States.

Mr. SOLARZ. I heard the gentleman's eloquent and effective presentation when he was in the well, and I think I am familiar with his argument. But my answer to it is: When we formulate the Federal budget, we have many priorities. But our first and most important priority is the national security. What I am suggesting to the gentleman from Tennessee is that our national security needs to be defended not only by increased defense spending but also by an effective and meaningful foreign aid program, because in our efforts to resist the advance of communism around the world we have to be able to compete effectively with the Soviet Union and its surrogates. We compete with them not just through building up our own military capacities but also through a foreign aid program which enables us to respond to the legitimate needs and concerns of dozens of countries around the world whose sympathies and support we need in order to enhance our own interests. We compete with the Soviet Union for influence around the world through our efforts to encourage social and economic development in the porer countries because we know that conditions of absolute poverty create political temptations for Communists wherever they may be around the world. I think we would be doing this Nation a real disservice if, in our competition with the Soviet Union. we tied our hands behind our backs and we said, "Yes, we will build the tanks."

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 3 additional minutes.)

Mr. SOLARZ. I think that we would be in a pitiful condition. We would be like a giant which was incapable of functioning if we built the tanks and the planes and the ships which the gentleman believes we need and which I believe we need and which I know the people of this country believe we need, but if simultaneously we failed to provide the limited resources we also need to compete with the Soviet Union throughout the underdeveloped parts of the world. If we adopted the gentleman's amendment and if we refrained from cutting back our aid to Israel and Egypt, which I am sure the gentleman would agree would be a dreadful mistake, because the Camp David agreement really has been the most significant breakthrough in the search for peace between Israel and the Arabs in the last 30 years, and our ability to sustain the momentum of that agreement depends in a number of vital respects on our ability to provide Israel and Egypt with the assistance contained in this budget resolution, if we isolated Israel and Egypt from any of the cuts implied in the gentleman's amendment, and if we also isolated the Public Law 96–480 program, which I think I heard the gentleman say he would also like to refrain from cutting because there are obviously hundreds of millions of people around the world who could conceivably starve to death or suffer from severe malnutrition if our agricultural assistance was not made available to them if those programs are eliminated, the only way—the only way—which the gentleman's amendment could be implemented would be by literally decimating the rest of the foreign aid program. We would have to close up shop in dozens of countries around the world. We might have to close down embassies and consulates. We would have to say to nations who are counting on us to provide them with modest amounts of aid in order to deal with pressing social and economic problems that "We are sorry, we are out of the business of helping you."

☐ 1610

"If you want help, don't turn to us, the richest nation in the world. Don't look to us for any assistance, but go to the Russians from now on."

Now, I believe we ought to try to balance this budget. I believe we ought to provide more money for the States. I would support an amendment to restore funds for the State portion of the revenue-sharing program, but I cannot support it if the price of supporting the gentlemans amendment means tying the hands of this great Nation and literally crippling our capacity to compete for influence throughout the rest of the world with the Soviet Union.

All the tanks, all the planes, all of the ships, all the nuclear weapons will mean absolutely nothing if the Soviet Union is able to continue its advance in Africa, in Asia, and in Latin America, because we are not in a position to compete for influence with them.

I would submit to the gentleman that the real threat to our interests in the next decade is not likely to come——

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. The real threat—and I wish I could somehow persaude the gentleman to recognize what seems to me to be the absolute truth of this observation—the real threat to our interests is not likely to come in the form of a bolt-out-of-the-blue Soviet and Warsaw Pact attack across Western Europe, for which I agree we have to be prepared, because one cannot positively preclude it. The real threat to our interest is going to come through a stealthy step-by-step advance of Soviet interests and an incremental, gradual decline in our interests around the world.

I can think of nothing which would give more satisfaction to the people who are opposed to our interests around the world, who would like to see a decline of American influence around the world, than the adoption of this amendment, because we would then, in effect, be running up the white flag in Africa, Asia, and Latin America.

I say to the gentleman that as much as the 18 million people who live in New York want the $1.7 billion, which the gentleman's amendment would restore, they do not want it at the price of a world in which the United States no longer has any influence and in which our adversaries are in a much better position.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(At the request of Mr. QUILLEN and by unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Tennessee.

Mr. QUILLEN. The gentleman says if my amendment were adopted, we would be closing embassies.

Iran has already closed our Embassy.

Are we in good shape in Iran? Do we have a good security program? Has our foreign aid been successful in Iran and in that area?

Soviet aggression has taken over Afghanistan.

Mr. SOLARZ. If I could respond to the gentleman's question, it is a very good question. The answer is we have not had a foreign aid program in Iran for many years because of all of their oil wealth, so the setback to American interests in Iran had nothing to do with the foreign aid program.

Mr. QUILLEN. I would remind the gentleman during the critical energy crisis this Nation announced they were going to send kerosene over to Iran so that they would have that product, while in America—we were denying the American people that.

Mr. SOLARZ. I would say to my friend from Tennessee, to the extent we were going to send kerosene over there, it was for sale, not as a form of aid, and that kind of effort would in no way be touched by the gentleman's amendment, because the foreign affairs function has nothing to do with kerosene for home heating oil. It has to do with agricultural assistance, with development assistance. It has to do with the condition and operation of our embassies around the world. It has to do with military assistance to countries like Israel.

Mr. QUILLEN. If the gentleman will continue to yield, does it mean all aid program contracts or the majority of them were let noncompetitively?

Mr. SOLARZ. What it does mean is that if we exempt Israel and Egypt from any of the cuts, if we exempt the Public Law 96–480 program from any of the cuts, and we then look at the new outlays against which the gentleman's amendment would have to be applied, we would have to eliminate approximately half of the remaining aspects of the foreign aid program.

Mr. QUILLEN. I disagree with the gentleman.

The President's budget in January recommended an increase in foreign aid.

Yet now, during the budget consideration, there are recommendations to cut programs in America and not foreign aid.

Mr. SOLARZ. Under the terms of the gentleman's amendment, there would be approximately $8 billion——

Mr. QUILLEN. The gentleman is misinterpreting my substitute, and I think the gentleman is wrong in doing so. Not one time have I recommended a cut in a Public Law 96–480, aid to Egypt or Israel or military assistance. What I think is that we have lost our credibility and lost our security by weakening the CIA. We cannot pour dollars into countries when they use it against us. We have lost out. We have lost face around the world. We cannot even go over and rescue our 53 hostages.

The CHAIRMAN. The time of the gentleman from New York (Mr. SOLARZ) has again expired.

(By unanimous consent, Mr. SOLARZ was allowed to proceed for 2 additional minutes.)

Mr. SOLARZ. I want to say to the gentleman from Tennessee (Mr. QUILLEN) that under the terms of the second budget resolution for fiscal 1980, the administration will be spending in outlays $10.1 billion for the foreign affairs function.

Under the terms of the gentleman's amendment, if it were adopted, we would be limited to $8.4 billion in outlays for fiscal 1981, which means that in fiscal 1981 we would be spending almost $2 billion less on foreign aid and on foreign affairs next year than we are this year, which would mean a reduction of about 22 percent in the foreign affairs function, at a time when we are increasing the defense function by over 3 percent in real terms. And if the gentleman thinks we have problems today in many countries around the world, and I could not agree more with the gentleman that we have those problems, I can only say that if the gentleman's amendment is adopted, the problems we have today, we will look back to in the future as the good, old days; because if the gentleman's amendment is adopted, we are going to face a decade of diplomatic debacles throughout the world.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. SOLARZ. I yield to the gentleman from Illinois.

Mr. SIMON. The gentleman from New York (Mr. SOLARZ) has made the point I was going to make. In fact, the figures are even more dramatic, because they do not count the amount that we are adding through the third budget resolution. So when the gentleman adds on top of that the inflation factor, we already have in this budget resolution a very dramatic drop in assistance in international affairs, and the Quillen amendment, while I am sure it is well intentioned, would in fact just have very dramatic impact in the wrong way for this Nation.

Mr. CARNEY. Mr. Chairman, I rise in support of the Quillen amendment to the Wydler-Conable amendment, and in support of the Wydler-Conable amendment.

I think my colleague from Tennessee, to use an old expression, has hit the nail on the head as to where our priorities should be. Certainly, when he said that it is time that we considered the needs of the people in the 50 States of the United States, he is quite accurate.

I believe that when we look to find areas where we can save money, so we can save this program of revenue sharing for those 50 States, there are no better areas to look at than the areas that the gentleman from Tennessee's amendment suggests.

Now, in the last colloquy between the several gentlemen pertaining to foreign aid, it was said we can look forward to a 10-year debacle in foreign aid.

I look back at the last 10 years. I look back and see that we have given $11.1 billion to the African nations, and certainly our influence there has diminished over the last 10 years. I look back and see a 10-year debacle in foreign aid.

I think our priorities are and have been wrong. I think the gentleman from Tennessee (Mr. QUILLEN) addresses the correct priorities and acurately expresses the views that most Americans would like this Congress to address. I support his amendment to the Wydler-Conable amendment wholeheartedly.

☐ 1620

Mr. NELSON. Mr. Chairman, I move to strike the requisite number of words. I rise in opposition to the amendment.

Mr. Chairman, there are some familiar refrains here from discussions that took place 1 year ago. Four times the question of State revenue sharing came to this floor during consideration of the first budget resolution last year and four times they were beaten back. Then when the appropriations bill came along and we tried to cut out that portion that the conference committee on the budget had agreed to cut out on Federal revenue sharing to the 50 States, we were beaten back in that attempt. The reason was that there was the appearance in that attempt to cut out Federal revenue sharing to the States, that there were going to be some cuts in local revenue sharing. That was not the intent, but nevertheless, that is history.

Now we have the clear opportunity, because in 1980 the legislation that has authorized Federal revenue sharing for the last 5 years is coming to a screeching halt; so ultimately, later this summer, it will be up to this Congress to decide whether or not to extend revenue sharing for local governments, as well as for the 50 States.

We are clearly taking the position in the House Budget Committee that we do not think that on the merits that this Federal program of $2.3 billion going out to the 50 States can justify itself. We support vigorously Federal revenue sharing to local governments and there is a distinct difference. Local governments do not have any taxing ability, save for their major ability to add on taxation, primarily real estate taxes.

State governments have a vast array of taxing powers, of budgetary powers; thus, it is generally agreed that there is a need for assistance from the Federal Government to the local governments, counties and cities, but not to the States.

Now, why not to the States? This is a publication of the National Governors Association. This publication says that last year, in 1979, the 50 States had a $10 billion surplus. It lists only two States that did not have a surplus at all.

I suggest to you that they are very conservative in their figures when they list my own State of Florida as having had a $200 million surplus, when the truth is that in Florida last year we had close to a $1 billion surplus, about $500 million of recurring revenue surplus and about $500 million in nonrecurring revenue.

What about the present year? This is the one we are dealing with in the budget resolution. The National Governors Association says that all 50 States will have $7.5 billion—that is one thousand million dollars—$7.5 billion of surplus. Again, they are understating very conservatively the surplus, because they say Florida is going to have a $119 million surplus, when in fact Florida is looking at a surplus close to $400 million to $500 million.

Now, the State of New York, since the gentleman from New York over there is standing, but I am not going to yield, because I have my opportunity now.

Mr. WYDLER. This gentleman could at least ask the gentleman from Florida to yield.

Mr. NELSON. I have been waiting 6 days for this opportunity.

The State of New York is estimating a $10.3 million surplus in the National Governors Association report; but I will call to everyone's attention that the New York Times last February and March estimated the State of New York is going to have between $300 and $400 million in surplus.

The point is that these figures are very, very conservative. It just does not make fiscal sense at a time when the Federal Government has a need to cut spending that we should take our money, Federal money, which in past budgets has been in deficit, and send that $2.3 billion out to the 50 States, almost all of which are running surpluses.

The lesson is that if we are going to try to get our fiscal house in order, we must straighten out spending priorities.

The CHAIRMAN. The time of the gentleman from Florida (Mr. NELSON) has expired.

(At the request of Mr. BROWN of Ohio, and by unanimous consent, Mr. NELSON was allowed to proceed for 5 additional minutes.)

Mr. WYDLER. Mr. Chairman, will the gentleman yield to me?

Mr. NELSON. In just a moment; I have just a couple more points.

The chairman of the Governmental Operations Committee, the gentleman from Texas, has openly stated that he is going to try in his committee to deauthorize Federal revenue sharing and thinks that he has the votes and has already held hearings in his subcommittees.

Now, I have seen my chairman, the gentleman from Connecticut, bleed as he has tried through a meticulous and responsible way to find cuts in this budget at a time when we are trying to send messages out to the financial markets of this world that the Congress is trying to get its fiscal house in order. You have got to go to the programs that cannot justify themselves, because all of us know the constituencies that develop around these Federal spending programs, and it is hard enough to cut them as it is. This is one of the programs that just cannot justify itself.

There will be under the proposal of the Budget Committee no cuts to the 39,000 local governments that receive Federal revenue sharing.

I will be happy to yield to the gentleman from New York, who I know has an opposite opinion on the question of Federal revenue sharing to the States.

Mr. WYDLER. Mr. Chairman, I would just like to examine the gentleman's reasoning with him, if I could, for a minute or two.

Now, I am not going to go into the argument about State surpluses, because obviously States have surpluses. They are supposed to. Most of them operate under constitutions that require them to operate under balanced budgets and operating under a balanced budget means that at any particular time you must have some money in the treasury. We are trying to get to that if we can someday at the Federal level.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I cannot yield to the gentleman. The gentleman from Florida must do that.

I just want to make the point.

Mr. NELSON. The gentleman can make his point.

Mr. WYDLER. We cannot get away for a minute, because I think every Member should think about this, from this argument about State surpluses. We will accept that for the moment, and so on.

The gentleman argues, as I understand him, that since some States do have surpluses, and you can find money in their treasuries and they are not absolutely broke, that, therefore, the way to do this is to cut off revenue-sharing funds from the States.

I just wonder in my own mind, I have tried to figure it out, if the gentleman really believes that—if the gentleman really believes that, why do we keep sending categorical funds to the States? Why do we keep sending those kind of moneys and not revenue-sharing moneys? Will not the gentleman's logic, if there is any, lead to the point where we will cut out those moneys as well, as long as these States have these surpluses? Is not the gentleman driven to that?

I ask the gentleman another question. If the gentleman really believes what he is saying about surpluses, what are we going to do with the case where a city has a surplus? There are lots of cities that have surpluses. Maybe there are some in the gentleman's district, counties, and towns. Should they continue to get revenue-sharing funds? Should not we cut them off, logically, if we argue that because a State has money in its treasury it should not get it?

So I ask the gentleman to think these things through before the gentleman makes these sweeping statements about the States should not get any revenue-sharing moneys. These arguments apply elsewhere. I ask the gentleman to think about that.

Mr. NELSON. Mr. Chairman, I will reclaim my time.

In answer to the gentleman, there are certainly some of those categorical programs that I would enjoy cutting into, but this is not the way to do it. When you have the opportunity and you see a rattlesnake, you go out and get that rattlesnake when you can. Do not let him slither around and come back and bite you again.

I saw what happened last year when we tried to cut out revenue sharing to the States. It came right around and stayed in the room.

I yield to my chairman, the gentleman from Connecticut (Mr. GIAIMO).

□ 1630

Mr. GIAIMO. I would like to discuss some of the points the gentleman from New York makes. I know the gentleman comes from a nice suburban area of Long Island with which I am very familiar. The gentleman asked what is wrong with the fact that some States have surpluses.

What is wrong with it? I think there is a lot wrong with it. If the State has a surplus, could the gentleman explain to me why on Earth it should ask for money from the Federal Government, which has no surplus but, in fact, is in deficit and has to go out and borrow the money to give to the State that has the surplus? There is absolutely no sense to it.

Mr. WYDLER. Mr. Chairman, if the gentleman will yield to me, I will try to explain to the gentleman what I said.

Mr. NELSON. Mr. Chairman, I have the time. I yield to my chairman, the gentleman from Connecticut (Mr. GIAIMO).

Mr. GIAIMO. It makes absolutely no sense. So the gentleman really should not question the sincerity of the motives of the gentleman from Florida when he sincerely says he does not want to share moneys which we do not have.

The CHAIRMAN. The time of the gentleman from Florida has expired.

Mr. GIAIMO. Mr. Chairman, I ask unanimous consent the gentleman from Florida be allowed to proceed for 4 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. WYDLER. Mr. Chairman, reserving the right to object, I reserve the right to object.

The CHAIRMAN. The gentleman from New York reserves the right to object.

Mr. WYDLER. Mr. Chairman, the gentleman from Connecticut asked me a question, and I am going to try to answer the question.

I was not talking about the question of revenue sharing funds going to States with surpluses as such. I was trying to address myself——

Mr. GIAIMO. Mr. Chairman, could we have regular order?

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

Mr. WYDLER. Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from Connecticut?

There was no objection.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I am happy to yield to my chairman.

Mr. WYDLER. Mr. Chairman, will the gentleman yield?

Mr. GIAIMO. Mr. Chairman, I would be delighted if the gentleman will yield to the gentleman from New York.

Mr. NELSON. I yield to the gentleman from New York (Mr. WYDLER).

Mr. WYDLER. Mr. Chairman, I am just trying to deal with what the gentleman has raised as a point. It was not a point I was trying to make, so I have not been able to get through the point I was trying to get at with the gentleman. I said that some States have big surpluses, and that is the gentleman's point. I understand that there are a few, very few States in the country in that circumstance. I think the gentleman's State of Florida is one of them, and probably the State of Texas is another.

But most States, if the gentleman will analyze it, have very small surpluses, and these surpluses, when they are analyzed, are really those States' operating funds. That is all we are talking about, we are talking about funds they need so that they are not in a state of being broke at all times during the course of the year. So those surpluses are not significant surpluses. To try and take the two States or the three States that have real large surpluses and then say no State will get revenue sharing funds as a result of that is not a sound judgment, if I could suggest it to the gentleman.

Mr. NELSON. I would like to reclaim my time.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I yield to the gentleman.

Mr. GIAIMO. Let me make myself clear. Whether or not the States have surpluses, I think this is a bad program that absolutely cannot be justified. But certainly if they have a surplus, as the gentleman says, under no circumstances should they be getting money from the Federal Government that does not have a surplus but, in fact, has to go out and borrow the money to give it to the State with the surplus.

Mr. WYDLER. Mr. Chairman, will the gentleman yield to me?

Mr. NELSON. I yield to the gentleman.

Mr. WYDLER. I would ask the chairman, come on, let us face it, what does he say about a city that has a surplus?

Mr. GIAIMO. Will the gentleman yield?

Mr. NELSON. I yield.

Mr. GIAIMO. I am delighted. I have been waiting for the gentleman to ask me that question. Let me tell the gentleman my position. Will the gentleman join with me to get rid of all revenue sharing?

Mr. WYDLER. I think the gentleman has said what I wanted him to say.

Mr. GIAIMO. Will the gentleman join with me?

Mr. WYDLER. I rest my case.

Mr. GIAIMO. Will the gentleman join with me?

Mr. WYDLER. Definitely not.

Mr. GIAIMO. Definitely not?

Let me tell the gentleman about my own congressional district. I do not have to talk about the gentleman's district. I will talk about my own. I have 16 towns in my congressional district, lovely, well-off suburbs. Then I have three or four large urban towns that have all of the problems and the pitfalls which are to be found in large urban centers. For the life of me, I cannot understand why so many of my towns that do not have these problems should be getting the hard-earned money of American taxpayers while the cities that have the problems are suffering for it.

The gentleman knows when revenue sharing started. It started with the new federalism of President Nixon. It also started with some of our colleagues who had dreams of becoming President at that time and fostered and pushed this program. It was designed deliberately to take away money from the urban areas and the cities, even some rural areas that had poverty and problems, and to share that money with all of the communities, whether or not they had problems. That is what happened, and that is what is wrong with revenue sharing.

Mr. NELSON. Before I yield further I just want to remind the gentleman from New York that his logic breaks down from the fact that by the National Governors Association's own figures they are estimating for this year a $7.5 billion surplus for all of the States, which will probably be more like $10 to $15 billion.

The CHAIRMAN. The time of the gentleman from Florida has again expired.

(By unanimous consent Mr. NELSON was allowed to proceed for 2 additional minutes.)

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. NELSON. I am happy to yield to the gentleman who has been standing there for some period of time.

Mr. BROWN of Ohio. Mr. Chairman, I am not sure I can remember what it is I wanted to say, except I do want to say something to my friend, the gentleman from Connecticut (Mr. GIAIMO) who I admire greatly. But I think that he has, since contemplating retirement, had a slight lapse in his memory, because back when we were debating revenue sharing some of my colleagues on that side of the aisle were claiming that really it got started under Lyndon Johnson, that he was the first one to propose it. It was only implemented under President Nixon.

However, let me ask the gentleman in the well what he meant by two fascinating words he used. Those words were "our money," it is "our money." He certainly did not mean this Congress money, did he? I think the gentleman said something about Federal money, and I guess the point I would like to make is that it is not as complicated as the rather esoteric argument between the two gentlemen from New York and the gentleman from

Connecticut. It seems to me it makes no difference where the money comes from in terms of the governmental unit, because it all comes from the taxpayers at the base, except in some States it comes from the taxpayers in different ways than when it comes through the Federal Government. We have a progressive income tax system at the Federal level, and some States, I am not sure about the gentleman from Florida's, but does the gentleman from Florida's State have an income tax?

Mr. NELSON. No.

Mr. BROWN of Ohio. The gentleman's State does not have an income tax, so that State gets its revenues perhaps in some regressive ways like sales tax on the widows and older people who retire from places like Ohio and go to Florida. Is that the way the gentleman's State raises money?

Mr. NELSON. If the gentleman was waiting all of that period of time to make that point I feel sorry for the gentleman's legs and the fact that he was standing there all of that time.

Mr. BROWN of Ohio. Could the gentleman answer my question: Is that where it comes from?

Mr. NELSON. I would say to the gentleman if his point was about "our money" I remind him that his title is United States Congressman, and "our money" is that which we are now trying to allocate in a budget resolution from a position we hold in trust for the people of this country.

Mr. BROWN of Ohio. I guess my argument would be that it is "their money" and how we distribute it is important.

Mr. WYDLER. Mr. Chairman, I move to strike the requisite number of words.

Mr. ASHBROOK. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I am happy to yield to the gentleman from Ohio.

Mr. ASHBROOK. Mr. Chairman, this amendment is a timely opportunity for this House to take stock of what has been done to the American taxpayer in the name of big spending. This amendment cuts $1.2 billion from the international affairs function and additional funds from allowances and general science in order to provide a restoration of revenue sharing levels to the States. I offered a similar amendment last year to the fiscal year 1980 budget resolution. At that time a number of my colleagues rose to oppose the amendment stating it would "decimate" our foreign policy. I ask of those Members if our foreign policy, and our Nation, are not decimated today because of big Government, big tax bills, and the unending trail of tragedy resulting from foreign policy blunders by the Carter administration.

A year ago Soviet troops were not killing innocent people in Afghanistan. A year ago there was still a free press in Nicaragua. A year ago Soviet assault divisions were not stationed in the Kuril Islands only 30 miles from Japan. A year ago the United States had not been faced down on Soviets stationed in Cuba. A year ago there was no neo-Marxist government in Rhodesia. A year ago our Embassy personnel in Pakistan had not been forced to hide in a vault while their offices were burned by an angry mob. A year ago our Embassy personnel in Iran were free. If this sorry record of failure is not a decimation of American interests I would hate to see what was.

The issue at stake here today is whether the Congress will recognize that the success or failure of American foreign policy is not a function of the amount of money spent as much as how that money is spent. If the State Department spends the funds on appeasing America's enemies and abandoning its friends then all the wealth of this Nation would not buy America out of its world decline. If the Congress today goes on record removing funds from those who ruined this Nation abroad a clear message will have been sent to the Oval Office that we have had enough of failure.

America is in sharp decline abroad because of an unending series of policy failures.

It is also witnessing a similar decline at home. Our Nation is suffering under the cruelty of record inflation, record interest rates, and record tax burdens. Is it not time to call a stop to this? Have not our taxpayers, our consumers, our businessmen suffered enough because of domestic policy blunders? In the next few months this Nation will face the worst recession since the early 1970's. It may be worse. How is this Congress going to tell those out of work, those who cannot finance a new home, and those who cannot afford a decent education that it decided to spend their money on foreign governments?

This amendment offers this House an opportunity to give a vote of no confidence to the 3 years of failure that the Nation has been burdened with. It provides an opportunity to return funds to the States where there is more accountability and responsibility. To keep these funds at Foggy Bottom and in the wasteful allowances for Federal bureaucrats this House will be saving the status quo that has been so disastrous for this Nation. I think the citizens of this Nation expect more consideration than that. I hope my colleagues join me in supporting this amendment.

Mrs. SMITH of Nebraska. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. Yes; I am happy to yield to the gentlewoman.

Mrs. SMITH of Nebraska. Mr. Chairman, I rise to support the Quillen amendment to House Concurrent Resolution 307, the first concurrent budget resolution for fiscal year 1981. I do this because the amendment accomplishes what I as a concerned Member of Congress find to be in the best interests of my district and of my country.

The Quillen amendment permits my State to retain control over Federal funds that have proved to be of great assistance to State and local governments, especially in the field of education.

And the amendment satisfies my intense desire, as an equally concerned member of the House Appropriations Subcommittee on Foreign Operations, to sharply reduce our wasteful, ill-advised foreign-assistance programs so that we can regain fiscal and audit control over them, to focus attention on their profligate ways.

The foreign-aid program is so far out of control that the leadership and other experts cannot be sure how much, exactly, is being asked for foreign-aid programs for fiscal 1981.

As best the subcommittee staff can figure it out, the President's foreign aid request for fiscal 1981 is $7.6 billion. Figured another way, his request is for $8.7 billion. Figured still another way, counting a proposed sharp increase in the U.S. contribution to the International Monetary Fund, the grand total would be an unbelievable $14.2 billion, up from some unknown far-lower spending figure for the current fiscal year of about $8 billion.

I submit to the House that if the administration cannot even count the dollars it plans to squander on questionable programs, it cannot possibly account for how those dollars are being spent.

In contrast, our revenue-sharing dollars have to be strictly accounted for. There is no question but that Mr. QUILLEN's amendment will do a great deal of good for our country and quite possibly result in tightening up on our giveaway programs abroad.

The gentleman from Tennessee (Mr. QUILLEN) is right in proposing to reduce the foreign-aid program. He proposes cuts also in Federal paperwork, which are certainly in order. A reduction in certain funding of the National Science Foundation is also desirable.

There is no question in my mind that revenue sharing for the States is an efficient and cost-effective program. I agree with my colleague from Tennessee that there are many other areas of the budget of less value that should be reduced in order to continue a program costing less than one-tenth of 1 percent of its funds to administer and employing only about 200 people to manage.

Moreover, revenue sharing is especially valued by the States because it allows the States to spend the money based on their own needs and their own State budget priorities.

I thank the gentleman.

Mr. WYDLER. I thank the gentlewoman for her contribution.

I want to tell the members of the committee I think the cat is out of the bag. I have the greatest respect for the gentleman from Connecticut (Mr. GIAIMO). As a matter of fact, his judgment on many things I have emulated.

But in this matter I think he has really told the committee exactly how he feels and it is what I am trying to make the members of the committee understand, which is that a great many of the proponents of taking the States out of revenue sharing are only doing it because they realize that is the easiest point of attack at this moment. Their real attack is not on the States being part of the revenue-sharing program;

the real attack is on the revenue-sharing program. They do not like the concept, they do not want the concept, they want to get it out of the Government.

That is perfectly fine. They have the right to do that. We had a struggle about this program in the first instance and these arguments were made. We have heard them all. The struggle has been had.

But then the Congress voted overwhelmingly in favor of having this program, and it has gone forward, and I think it has been a great success. Those Members of the Congress that support revenue sharing realize it is not separable. If we let people win this argument that some of the States have a surplus, therefore, no State should get revenue sharing, that is the argument.

□ 1640

You are going to have to accept down the line the argument that some localities have surpluses, which they do, and, therefore, they should not get revenue sharing. You are going to be driven and taken down that road, and the gentleman, the chairman of the Committee on the Budget, has told you today right here on the floor that he does not like revenue sharing for either the States or local governments. I admire him because he is honest. He told it to you straight. And a lot of other people who are up here arguing against State revenue sharing, if they would tell you the truth would tell you the same thing. So I am calling on all of those of you who believe in revenue sharing by the State or local or any government in between, the battleground is here. This is the battle for revenue sharing, whether it is the State or local revenue sharing you are talking about. So I ask you to stand up on this issue and be counted clearly, because I warn you, if you lose this battle, the local government share will be next.

Mr. GIAIMO. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from Connecticut.

Mr. GIAIMO. I thank the gentleman for yielding. I understand the thrust of the gentleman's arguments. He is trying to warn my colleagues here that if we eliminate general revenue sharing for the States, the communities will be in difficulty. I do not think it is going to wash. Let me tell you, I personally would like to eliminate the whole program. The problem is I cannot convince too many of my colleagues, many of whom are sitting here and who represent urban areas that have the problem, who need the money, who have huge deficits, who cannot continue in existence without help, to go along with me. So there is no fear of that.

I know the gentleman is trying to frighten some people here that this is only the opening gun on revenue sharing. Would that it were, but it is not. But I do say this, that you can at least make a justifiable case for revenue sharing to some of the communities that need the help. You can make no case for revenue sharing to the States. And now is the time to extirpate and stamp out and kill this deadly snake of revenue sharing that came in in 1974.

Mr. WYDLER. Although the gentleman says all those things, the fact remains every argument he has made today against revenue sharing could be turned and used against local governments, and anybody who wants to think about it for a few minutes can figure it out for himself.

Mr. ROUSSELOT. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from California.

Mr. ROUSSELOT. I appreciate the gentleman's yielding. I just want to comment this is another Member who feels that States no longer need Federal revenue sharing. I wanted to answer the gentleman very directly and say there are many of us who believe that. Many States have surpluses. And we really have no revenue to share, as the gentleman full well knows. So I just want him to know there are a few of us who realize the time has come to eliminate that portion of the program. I did not want the gentleman to let the time go by believing that nobody else felt that way.

The CHAIRMAN. The time of the gentleman has expired.

(By unanimous consent, Mr. WYDLER was allowed to proceed for 2 additional minutes.)

Mr. KEMP. Mr. Chairman, will the gentleman yield?

Mr. WYDLER. I yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend's yielding. I rise in support of the amendment offered by my friends and colleagues from New York. I do so not only because of the utilitarian arguments the gentleman has articulated, but also because there are communities and States in trouble. I certainly represent a community that is having trouble. I can tell you that if this amendment does not pass, there is going to be a very steep increase in the regressive property tax, an increase which is going to put a tremendous burden on the economic growth—at the local level as well as the State level—that we so desperately need today.

But I also joined both gentlemen from New York (Mr. CONABLE and Mr. WYDLER) because I am convinced revenue sharing is a much more efficient way of getting support back to States and localities.

Rather than allow a continued explosion of categorical grant-in-aid programs, we should be moving further toward this kind of aid.

As a freshman Member of this House I cosponsored the original revenue-sharing bill, and served on the President's revenue-sharing task force. I was excited by the idea of revenue sharing then because I believed that Washington did not have all the answers to State and local problems. I knew that officials in my own State of New York—in Erie County, the city of Buffalo, the towns of Amherst and Cheektowaga—confronted the needs and concerns of their constituents every day. And what is more, they knew their own human resources, their own special strengths. The Federal Government was spending billions of dollars telling these people how to solve their problems—even what those problems were. Why not give State and local governments just a little of the same money with no strings attached to tackle the problems themselves.

I believe the experience of the past 8 years has vindicated the idea of revenue sharing. It has proved not only tremendously popular, but efficient as well. Revenue sharing costs less to administer than any other domestic grant program—only one-tenth of 1 percent of its budget goes to administration. So revenue-sharing funds do not go to support an army of bureaucrats. Nor do they burden State and local officials with complicated regulations, paperwork, and time-consuming redtape. Ask your State and local officials which kind of aid they prefer, dollar for dollar. Chances are that $1 of revenue sharing is worth $2 of grant-in-aid money to them.

The Conable-Wydler amendment would restore these State revenue sharing funds while reducing nonindividual, nonlocal grant-in-aid programs about 5 percent, or by the same amount. This amendment, then, will not increase outlays. But it will demonstrate that Congress, while trying to restrain spending, is also concentrating on making each dollar as cost effective as possible. This amendment tells the American people that we want to use their tax money to help them directly, and not to feed a growing Washington bureaucracy.

We must also consider the consequences of eliminating the States' share of revenue sharing now. For one, this blow will fall heavily on local governments. Much of the State revenue-sharing money flows through to local governments, where it is used for education, aid to senior citizens and the handicapped, and law enforcement. As the economy enters a recession, many of our local communities are struggling under the burden of a declining tax base, rising taxes, and an increased need for social services. In my own Erie County unemployment is 10.7 percent, major firms are packing up and leaving, and, because our taxes are already among the very highest in the Nation, new firms are failing to start up or expand. I have heard revenue sharing criticized for helping communities like Buffalo lower their taxes. But without lower taxes we have no hope of escaping the brutal cycle of higher taxes, fewer jobs, a reduced tax base, and higher taxes still.

Our State governments, too, will suffer grievously if we eliminate the State share of revenue-sharing funds. There has been a lot of talk about State budget surpluses, even suggestions that States start sharing revenues with us. But we need to look at the facts more closely. Almost all of the States have to have a slight surplus, because they are required by State law to stay out of the red. Without an emergency fund this would be impossible. What is more, most of the surplus you have heard cited lies in social insurance trust funds, mainly the pension funds of State and local officials. The States cannot use these to run their governments. Once these funds are subtracted we find that almost all of the surplus is found in just four States, all of which have considerable oil revenues. My own State of New York, needless to say, is not one of them. If it loses its revenue-sharing funds it loses $254 million—enough to run the entire State prison system, or three of our large State universities, or all the local assistance for mass transit and public health.

It is indeed time for Congress to reduce the Federal budget. But let us make each dollar of our budget cut count, by keeping the most efficient and helpful Federal programs, and weeding out those that do not meet this test. By substituting revenue sharing for more costly, strings-attached bureaucratic approaches we will be doing just that.

I strongly support the gentleman's efforts to achieve just this. I praise the leadership of Mr. Conable and Mr. Wydler. And I hope that our colleagues, particularly on this side of the aisle, accept this philosophy of getting assistance directly back to States and localities, and quelling the proliferation of redtape, bureaucracy, controls and regulation associated with the proliferation of categorical grant programs.

I thank the gentleman for yielding me time.

Mr. WYDLER. I thank the gentleman for his contribution.

Mr. AuCOIN. Mr. Chairman, I move to strike the requisite number of words, and I rise in opposition to the Quillen amendment.

Mr. Chairman, I think the author of the amendment has made a politically pretty speech, as have the other advocates of the amendment. I am sure that not one advocate of the amendment has lost a single vote today in the House by advocating the passage of this amendment. But I want to suggest to my colleagues that what they are suggesting we do is to spell an absolute disaster for the United States.

I want to associate myself with the remarks of the gentleman from Illinois (Mr. Simon) and the gentleman from New York (Mr. Solarz) for the excellent comments that they made.

The proponents of this amendment, including the author, the gentleman from Tennessee, argue that this amendment makes sense because it helps people at home through revenue sharing instead of helping people abroad through foreign aid.

I want to point out that in several very important ways, that simply is untrue. One of the areas is budget authority for the Export-Import Bank of the United States, an essential tool for promoting U.S. exports abroad at a time when U.S. exports are falling.

The Eximbank does not provide "foreign aid." It provides market-rate loans and loan guarantees to help U.S. companies secure contracts to sell U.S. goods abroad. And just who does that help? It helps U.S. firms. It helps U.S. workers in those firms.

And it helps the workers in the State of the gentleman who offered the amendment, the people of Tennessee.

I have taken the time to look at some of the Export-Import Bank's activities in the State of Tennessee, and I have some information that I wish the gentleman would examine. In January of 1979 there was a half million dollars short form loan to the Stewart Lumber Co. in Morristown, Tenn., in the district of the gentleman who offers this amendment. That might have been restricted if this amendment were adopted.

In Knoxville, Tenn., another city within the State of the author of this amendment, the Dempster-Dumpster Systems secured a $6 million loan in 1979, and if this amendment had been in place as the gentleman from Tennessee (Mr. Quillen) suggests, that loan might very well be restricted because of the inability of the Export-Import Bank to provide this assistance to the firm and its workers.

□ 1650

The total value of the exports in the State of Tennessee, assisted directly by the U.S. Export-Import Bank that could have been restricted if the gentleman's amendment were in place total $160 million.

Mr. QUILLEN. The gentleman is making a point in mentioning the gentleman from Tennessee.

Mr. AuCOIN. Mr. Chairman, I will yield in just one moment because I did mention the gentleman's name.

I think it makes pretty reading in a political year to suggest the kinds of things the gentleman is suggesting in terms of cutting back foreign aid and playing foreign aid, which is something that is easy in any political year to vilify, to criticize and to play against State revenue sharing. But if the gentleman wants to suggest that his amendment is somehow going to help people here at home——

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Quillen, and by unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from Tennessee.

Mr. QUILLEN. I think the gentleman in the well is using some language that he just picked up from some place. My amendment has nothing to do with what the gentleman talks about. I think it is up to the Committee on Appropriations to make final determinations. My amendment has to do——

Mr. AuCOIN. I must reclaim my time here.

Mr. QUILLEN. The gentleman is perfectly willing to yield it but I wish the gentleman would state the facts correctly.

The CHAIRMAN. The gentleman from Oregon refuses to yield.

Mr. AuCOIN. I will reclaim my time and then I will be pleased to yield back to my colleague from Tennessee.

The amendment that the gentleman from Tennessee offers does in fact impinge upon that functional category of the budget that includes the Export-Import Bank and if one takes the magnitude of the cuts the gentleman proposes with the exclusions that the gentleman suggests, I have absolutely no doubt what the Committee on the Budget is going to do when it looks at vital needs in very critical parts of the world that are going to be competing for funds. The Export-Import Bank is by all odds going to be one of the institutions that will take a very severe cut in funds. I attempted to point out to the gentleman that it is erroneous to suggest to his constituents or to his colleagues that somehow we are not helping people here at home if we defeat the gentleman's amendment. We are helping people at home. We are helping people in the gentleman's district. I yield to the gentleman from Tennessee.

Mr. QUILLEN. I thank the gentleman for yielding. Mr. Chairman, my proposal does not seek to limit the Export-Import Bank at all. In my colloquy on the floor I mentioned the aid program, I mentioned the billions of dollars that we have given to Vietnam and Cuba and other countries.

The CHAIRMAN. The time of the gentleman has expired.

(At the request of Mr. Quillen and by unanimous consent, Mr. AuCoin was allowed to proceed for 3 additional minutes.)

Mr. QUILLEN. Will the gentleman yield further?

Mr. AuCOIN. I yield to the gentleman from Tennessee.

Mr. QUILLEN. We have given to Iraq and Syria, only to see it thrown back in our face. An additional $11.1 billion has been given in Africa. Look what has happened in Africa. The gentleman mentions a lumber company in Tennessee. I think that is just making a mountain out of a mole hill. In Nicaragua where we are recommending $75 million to a Communist regime, the cuts can be made without hurting a lumber company in Tennessee.

Mr. AuCOIN. I understand all of the gentleman's preferences. They are his individual preferences. Every single Member of the House has individual preferences. The point is the gentleman's preferences are not necessarily going to be what the Committee on the Budget ends up doing. If one takes the magnitude of the cuts the gentleman proposes, I am suggesting and I am willing to bet that the Export-Import Bank budget authority is going to be cut and further suggest that that is going to hurt Americans and hurt jobs development across the country, including in the gentleman's own home State of Tennessee.

But I would further suggest that the costs of jeopardizing Exim budget authority are high.

The Eximbank is not a drain on the Treasury. It is self-sustaining. In fact, it actually makes a profit and returns money to the Treasury.

Eximbank loan commitments have grown recently in order to help U.S. exports meet stiff competition from Europeans and the Japanese who receive subsidized export credit from their governments. Their rates average three percentage points below those offered by our Eximbank.

If the Eximbank's budget authorization is inadequate, U.S. exporters will be forced to shop overseas for financing. If a foreign bank issues a loan, it will demand that much of the product sold be manufactured or assembled in its home country. Consequently, even though U.S. concerns may get the business, U.S. workers do not get the jobs.

Failure to sustain Eximbank lending is likely to undermine prospects for internationally agreed limits on official export credits. Negotiations are to resume in a few weeks for the purpose of setting new market-related minimum interest rates for Government-supported export credits and to limit predatory export financing practices.

On a longer term note, the inability to cash in on markets today, such as the emerging market of China, will effectively lock the United States out for years to come. We no longer have monopolies on certain goods, and can force any terms on reluctant buyers. We must compete, or be washed out.

Last year's trade deficit in manufactured goods exceeded $30 billion. While the total value of world exports has climbed between 1970 and 1978, the U.S. share of world exports has declined during those years from 21 to 12 percent.

As oil prices continue to climb, and our trade imbalance worsens, the need to export will grow even greater. One impediment to the growth of exports is the unavailability of competitive financing, as provided through the Eximbank.

A French trade expert said of the United States:

> U.S. manufacturers have good products. The price is right. The markets are there. But Americans don't care to sell in Europe, or don't know how to go about it.

I submit it is the latter. And we will not improve our capability to export by slashing a vital catalyst for trade, the Eximbank, through lowering its budget authority.

International commerce opens up new markets for U.S. goods and services. Trade creates competition, and that in turn attracts capital for industrial plant expansion and modernization. More industrial capacity results, and increased industrial capacity translates into more jobs. It also translates into increased ability to meet higher consumer demand at home. Both help fight inflation.

Trade promotes productivity because it forms capital around enterprise that is competitive in world markets. It reallocates resources through natural market systems—both material and human. The end result of trade is doing more things that are efficient, and doing them more efficiently. That reduces inflation.

We have heard this one before. The real question is whether trade is so invaluable, such a luxury, that we will subject it to budget uncertainty at the very time we need to demonstrate a vigorous commitment to expanding exports.

The truth is that unless there is at least as much credit authority for the Eximbank in fiscal year 1981 as there was in fiscal year 1980, U.S. export performance can be expected to suffer. Demand for Eximbank financing has greatly exceeded administration estimates. Many knowledgeable exporters believe the original fiscal year 1981 budget estimate for the Eximbank is too low, especially if we are to realize anything close to the $2 billion in credits this Nation has committed to the Chinese.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I will be delighted to yield.

Mr. YOUNG of Florida. Mr. Chairman, I thank the gentleman for yielding. I am sure the gentleman in the well is aware that in the past we have not appropriated any money to be outlayed by the Export-Import Bank. We place a limitation on program authority and that is it. Except for the first initial contribution to the Export-Import Bank at the time of of its creation, we did not appropriate outlays for that Bank.

Mr. AuCOIN. Mr. Chairman, I would disagree with the statement just made. My understanding, and it is one that I have had confirmed with the committee, is that this is a limitation and a restriction on a functional category that includes the Export-Import Bank, an institution that is helping U.S. firms to overcome a balance-of-payments deficit, helping American workers employed by those firms, and if we do not give it assistance we are going to be adding to the magnitude of our economic woes rather than alleviating them. I think the gentleman is inaccurate.

Mr. YOUNG of Florida. Mr. Chairman, will the gentleman yield further?

Mr. AuCOIN. I will yield.

Mr. YOUNG of Florida. I agree with some of the statements the gentleman makes.

Mr. AuCOIN. I wish the gentleman would disagree with them all.

Mr. YOUNG of Florida. I do disagree with the fact that there have been any outlays for the Export-Import Bank. We do not appropriate funds that fall within the category of outlays for the Export-Import Bank.

Mr. AuCOIN. I will say to the gentleman that this is all money and we are making trade-offs and judgments and slicing the pie in terms of how to avoid a deficit situation. That is a critical question with which we today deal.

Mr. McHUGH. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, I would very simply like to commend the gentleman for making what I think is a very valid point and that is that the United States has a very great interest in foreign assistance beyond our humanitarian response.

The CHAIRMAN pro tempore. The time of the gentleman has expired.

(At the request of Mr. McHugh and by unanimous consent, Mr. AuCoin was allowed to proceed for 2 additional minutes.)

Mr. McHUGH. Will the gentleman yield further, Mr. Chairman.

Mr. AuCOIN. I yield to the gentleman from New York.

Mr. McHUGH. Mr. Chairman, I think it is important that we recognize today in this country one out of eight manufacturing jobs are tied to exports. All Members of this body are aware that we export about one-third of our agricultural produce and about half of those exports go to the developing world, so we have an interest in terms of expanding our export business in seeing the developing world grow and prosper and be able to purchase additional products from the United States. We already have a significant economic interest in the Third World in that sense now. We have a great interest in seeing that export market expand and the gentleman has made an exceptionally valuable point as have other speakers before him.

Mr. Chairman, in addition, of course, we have these humanitarian concerns. The gentleman from Tennessee mentioned Africa earlier. One simple statistic which might be illustrative, in Africa, the continent of Africa, the number of children who die before the age of 5 is dramatic. Thirty-three percent of all the children born in Africa die before the age of 5. Well, now, that is something which appeals to our humanitarian concerns but beyond that if we fail to respond to that kind of a dramatic problem in an emerging continent, a continent which is going to be politically important to us in the years ahead then we are going to be perceived as insensitive and our political influence as the gentleman from New York (Mr. Solarz) has pointed out our influence is going to diminish. I, therefore, commend the gentleman for making a very valuable point, Mr. Chairman.

Mr. AuCOIN. I thank the gentleman for his statement and I want to commend him for his statement. I think it is extremely important to understand, particularly at this perilous time in the world, how important it is to other countries in the first instance to receive humanitarian assistance and how important it is to the United States in the second instance to see that humanitarian needs are met.

Mr. Chairman, in addition to the foregoing we have some very basic domestic advantages coming out of some of the functions in this functional category that will be limited by the amendment.

Mr. SIMON. Mr. Chairman, will the gentleman yield?

Mr. AuCOIN. I yield to the gentleman from Illinois.

Mr. SIMON. I thank the gentleman for yielding. Mr. Chairman, I will take the 30 seconds. I would simply point out that the gentleman is correct and that my friend from Florida is not correct. We are assuming $1 billion in outlays to the Export-Import Bank in this resolution.

Mr. AuCOIN. I thank the gentleman for the information. I urge defeat of this amendment.

Mr. PEYSER. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, during the debate on the floor it is often said that nobody's vote is influenced changed, that the thinking remains pretty constant. That really is not the case. When I first listened to the Quillen amendment—frankly, without giving it deep thought—I noticed something of an instant appeal.

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Why should we take money—hard-earned taxpayers' money—and squander it overseas in foreign aid when we are depriving our own people at home? There is certainly an appeal, a sort of an immediate reaction, which is, "You are right; that does not make any sense. Let us cut that foreign aid program out."

I think the gentleman from New York (Mr. SOLARZ) gave an outstanding talk on the full implications of what that kind of a change really would mean. I think it is something that we all have to think about very carefully, because if we weaken ourselves in countries today—and whether we are administering programs well or not, and I wish we would administer them better—I do not think anybody would argue that we should not do a better job of administering foreign aid, but if we were to eliminate those programs we would find ourselves voting, within the next 2 or 3 years, on defense budgets that were fantastically higher than the already very substantial defense budget because we would be in a position where we would have few, if any, friends left in the world. The future for the United States would be grim at best. I am fully convinced of that.

Yet, if I were to go to my people in my own district and simply say, ' Should we cut foreign aid or should we give the States revenue sharing?" they would say, "Give the States revenue sharing" right off the bat, because they would not have the time to think it through. I am convinced, if we have the opportunity to individually or in small groups explain just what has been explained on the floor of this House today to our own constituents, they would say, "Defeat the Quillen amendment. We do not want to be faced with a world where we have no friends left."

In the growing, emerging nations of 10 and 20 and 30 years from now, it will be crucial for our children and their children in order to survive in a United States, and hopefully to be at peace. They would vote to defeat the Quillen amendment and to support this very basic foreign aid that we are now contributing.

Mr. SOLARZ. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to my colleague from New York.

Mr. SOLARZ. Mr. Chairman, I want to compliment the gentleman for making a very meaningful and effective statement. I think he has made the case very well.

There is one other point which I think it might be useful to add to what has already been said at this time; that is, if in fact we were spending tremendous amounts of money on a foreign aid program; if our foreign aid constituted a disproportionate percent of the budget, a very effective case might indeed be made for the approach involved in the Quillen amendment. But, the fact of the matter is that the entire foreign affairs function constitutes only 1.5 percent of the entire Federal budget.

So, when we talk about cutting out, making a 22-percent cut in the level of the foreign affairs function from fiscal 1980 to fiscal 1981, we are talking about cutting into the bone and muscle of a program that is already extremely minimal in comparison to the rest of the resources that constitute the Federal budget. In terms of the amount of our gross national product, which we devote to foreign aid, it turns out that we are spending a smaller percentage of our gross national product on foreign aid today than at almost any point in the last 30 years.

Of the top and leading 17 most industrialized nations in the world, we rank 13th out of 17 in terms of percentage of our gross national product that we are spending on foreign aid. So, what we are being asked to do in order to generate some money for the State revenue-sharing program is to cut into the foreign aid program which already constitutes less than 2 percent of the Federal budget, and where we are devoting a smaller percentage of our gross national product than 13 of the other 17 industrialized countries, and a lower level of assistance than at any point in the past.

Mr. PEYSER. I thank the gentleman.

The CHAIRMAN. The time of the gentleman from New York has expired.

(By unanimous consent Mr. PEYSER was allowed to proceed for 4 additional minutes.)

Mr. QUILLEN. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I will be glad to yield to my friend from Tennessee.

Mr. QUILLEN. Mr. Chairman, if the gentleman recalls, in my remarks I said that since 1945 this country in loans and guarantees has subsidized the steel industry in other countries in the amount of $4.5 billion in our foreign aid program. The steel industry is on its knees. Literally thousands of people are out of work, and closed plants are in districts throughout the land.

In listening to the logic of the gentleman from New York who stands in the well, he would rather help countries overseas rather than States in our Union. I remember so well New York City. I remember so well the Chrysler Corp. I remember so well Lockheed. I remember the prime rate being 20 percent in this country. I remember when people, right now, cannot buy homes. I remember when people back in the States have to dig down in their pockets and pay more taxes, and here the people who are speaking against the Quillen amendment want to give away billions of dollars to people overseas they do not even know.

One time, in my early years here in the Congress when foreign aid was then debated, one of the proponents of foreign aid some 16 or 17 years ago stood in the well and said, "Oh, yes, we are giving foreign aid to people in South America. We are providing Metrecal for them. They are too fat. We need to thin them down. We need to help them."

Go back in your mind and take out the corrupt part of foreign aid, cut it out, give it to the American people. The gentleman from New York (Mr. SOLARZ) here is talking about the security defense of this country. Do not tie our hands behind us. Are they tied now in Iran? Are they tied now in Afghanistan? Are they tied now in Nicaragua?

Mr. PEYSER. Mr. Chairman, I hear what the gentleman is saying. He spoke of the steel industry; he was talking about the Marshall plan years.

Mr. QUILLEN. Since 1945.

Mr. PEYSER. That is right, but the major moneys were in rebuilding Europe, which I think proved, no matter what one may look at today to be a sound investment of this country——

Mr. QUILLEN. Is that a foreign aid program?

Mr. PEYSER. If the gentleman would hold for a moment, I say that if we had not developed a program of foreign aid going in the West today that was paid for by our taxpayers, yours and mine, we would have been at war in this world 10 years ago. I think that we have maintained a program that has somehow managed to keep a balance, as difficult as it may be, as unsatisfactory at times in administration, but we are still at peace—and I do not mean peace at any price either. I am a strong advocate of defense, and I have no problems or nothing to apologize for there, but I am saying that foreign aid is essential.

I am saying to kill a foreign aid program a few years down the road we are going to be fighting for our existence, because we cannot stand alone in this world. That really is the first step toward what the gentleman's amendment is leading us into.

Mr. Chairman, I do want to go into another area in good faith in the few mintues I have left. First of all, I am delighted to see the two outstanding Republican economists, Mr. ROUSSELOT and Mr. KEMP, on the different sides of the issue of revenue sharing.

The CHAIRMAN. The time of the gentleman from New York has again expired.

Mr. PEYSER. Mr. Chairman, I ask unanimous consent to proceed for 2 additional minutes.

The CHAIRMAN. Is there objection to the request of the gentleman from New York?

Mr. GIAIMO. Mr. Chairman, reserving the right to object, we are trying to finish here at 5:30 and I would love to get a vote on these amendments. I shall not object, but I wonder if we could try to curtail debate. I think we are all clear as to what the thrust of these two amendments is, and I would like to get a vote if possible. Otherwise, if not, we will go over until tomorrow, but frankly, I think the body is sort of ready to vote.

Mr. Chairman, I withdraw my reservation of objection.

The CHAIRMAN. Is there objection to the request of the gentleman from New York.

There was no objection.

The CHAIRMAN. The gentleman from New York (Mr. PEYSER) is recognized for 2 additional minutes.

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Mr. PEYSER. Mr. Chairman, I will make my statement very brief.

Mr. Chairman, there is one thing concerning the Conable amendment that I was curious about. As I looked at it, among other things it does, it cuts nearly $50 million from the agriculture programs of this country, as I totaled up the figures.

I use that as only one instance of the effect of the Conable amendment, because I know, having served on the Committee on Agriculture, of the keen concern of many Members who will be voting on the Conable amendment.

Mr. CONABLE. Mr. Chairman, I would be happy to explain that, if the gentleman will yield to me.

Mr. PEYSER. I am glad to yield to the gentleman from New York.

Mr. CONABLE. Mr. Chairman, the agriculture program which is being cut is a program only involving grants to States. It is not the general agriculture program.

For instance, the gentleman will note a cutting in the Veterans' Administration program. It is not the total Veterans' Administration program, but only some $26 million that is involved in the grants from the Veterans' Administration to the States.

Mr. Chairman, that was the purpose back of it, to try to reduce the categorical grants to States.

Mr. PEYSER. Mr. Chairman, if the gentleman will permit me to proceed, there would be a number of substantial cuts by the Conable amendment. For instance, there is a $5 million cut from Commodity Credit, there is a $15 million cut from rural water, and there is a $18 million from national forests and school funds.

Mr. CONABLE. That is correct.

Mr. PEYSER. These are all various agricultural programs, all of which are cut by the gentleman's amendment.

Mr. CONABLE. They are programs administered by the Agriculture Department as grants to States.

Mr. PEYSER. Yes, I understand the gentleman's point.

Mr. BROWN of Ohio. Mr. Chairman, will the gentleman yield?

Mr. PEYSER. I yield to the gentleman from Ohio.

Mr. BROWN of Ohio. Mr. Chairman, I just want to be clear about this in my mind, because I had heard the gentleman say that he preferred not to cut foreign aid and preferred to cut funds in the area of State revenue sharing.

I want to make the point that in general revenue sharing in Ohio, half of the money that goes to the State of Ohio comes back into the school funds program because we are one of those States that puts a lot of money into local education. The other half goes into programs, of which the three most important are assistance to higher education, aid to the handicapped and retarded, and aid for mental health activities at the local level.

The CHAIRMAN. The time of the gentleman from New York (Mr. PEYSER) has again expired.

(On request of Mr. BROWN of Ohio, and by unanimous consent, Mr. PEYSER was allowed to proceed for 1 additional minute.)

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield further, I am concerned that the gentleman said or at least I understood him to say that he would prefer to leave foreign aid alone and to cut State programs, but it seems to me that they are not per se unworthy.

Mr. PEYSER. Mr. Chairman, may I say that there is no State in the country that puts more money into education, either at the higher education level or the elementary education level, than the State of New York. So obviously we have a great concern about that.

When the Obey amendment to the budget resolution reaches the floor and when the Solarz amendment reaches the floor, we are going to have a chance to put that money back in to aid those locales that are suffering with these programs. That is the way I believe this matter ought to be handled.

Mr. BROWN of Ohio. Mr. Chairman, if the gentleman will yield for one more point, those revenue amounts are not to go to revenue sharing money; they are to go to categorical grants, and the cost is so much higher in distributing them by categorical grants. They are higher by anywhere from 10 to 20 percent.

Mr. PEYSER. Mr. Chairman, I do not agree with the gentleman. I think the result would be the same.

Mr. YOUNG of Florida. Mr. Chairman, I move to strike the requisite number of words.

Mr. Chairman, the arguments that we have heard this afternoon concerning the value of our foreign aid programs tend to overlook the real world we are living in today. Despite the arguments to the contrary, it seems that in the last 3 to 4 years, as our foreign aid programs have increased in size so has the size of our international problems.

The gentleman from New York (Mr. SOLARZ) said earlier that if we pass the Quillen amendment, we are going to have to close down embassies. Do we remember how many embassies have been closed down in the last year?

There are many places where we have spent hundreds of millions of dollars on foreign assistance, places like Ethiopia, places like Chad, places like Afghanistan, and places like Iran. Yes, they have had a lot of our foreign aid.

Foreign aid has increased considerably. Those who believe that just dumping more foreign aid dollars into the world will solve our international problems are overlooking the facts.

Just last September, at the so-called Nonalined Conference in Havana, Cuba, one right after the other of our friends took the microphone to viciously condemn the United States while praising the Soviet Union, Fidel Castro, and their partnership.

Mr. PEYSER. Mr. Chairman, will the gentleman yield on that point?

Mr. YOUNG of Florida. I will yield when I have finished.

Mr. Chairman, I would like to call these facts to the attention of our colleagues. I will submit these lists. First, we have Jamaica and the anti-American statements they made; yet they have received in U.S. bilateral aid more than $189 million.

Mr. Chairman, the statements by Jamaica in that Nonalined Conference are as follows:

JAMAICA

Jamaica's Prime Minister Michael Manley speech in Havana on September 4th:

"We may call ourselves communists, socialists or humanists or simply progressive, but all anti-imperialists know that the balance of power irrevocably changed in 1917 when there was a movement and a man in the Great October Revolution, and Lenin was the catalyst and unmovable rock. (applause) |As has been said by many, and we trust you believe sincerely, the nonalined movement began with the struggle against imperialism.| No area in the world has been more exposed or has experienced more or been closer to imperialism than Latin America and the Caribbean. We have seen Guatemala's progressive forces extinguished, destroyed in the Dominican Republic and undermined and finally overthrown in Chile.

"Despite all those tragic setbacks, I dare say that the forces committed to the struggle against imperialism today are stronger than ever before. (applause) We know that this is so because our hemisphere has had a movement and a man, a catalyst and unmovable rock, and that movement is the Cuban revolution and the man is Fidel Castro. (applause)

"While we would never try to impose our will on any territory, we feel it to be the duty of members of the movement to support those who struggle for the independence of Puerto Rico, whether they are in the minority at this time, because it is the fundamental principle of our movement.

"Comrade President: We denounce the blockade against Cuba, (applause) and equally, the recovery of Guantanamo Bay, which is an issue that goes to the core of the right of a sovereign people to determine if military personnel may remain within their borders."

U.S. bilateral foreign aid to Jamaica (1946–79)	$189,368,000
FY 1980 Proposed	19,100,000
United Nations Development Program (1977–81)	7,500,000
World Bank (cumulative)	299,500,000
FY 1979 loans approved	66,500,000
Inter-American Development Bank (cumulative)	119,200,000
FY 1978 loans approved	13,700,000

Mr. Chairman, Ethiopia made strong anti-American statements; yet they have received more than $660 million in direct U.S. funds.

The statements by Ethiopia are as follows:

ETHIOPIA

Ethiopia's military leader, Lt. Col. Mengistu Haile Mariam speech in Havana on September 4th:

"The obstructionist tactics used by North American imperialism to frustrate the Puerto Rican people's struggle for independence cannot be seen as something different from the diversionist methods used by the United States and its allies to emasculate the armed struggle being waged by the peoples of Zimbabwe and Namibia. Our movement, therefore, should lend its unreserved solidarity to the struggle of Puerto Rican people for their self-determination and independence.

"Socialist Ethiopia energetically condemns the attempts by North American imperialism to deny Palestinians their legitimate rights. This is dictated solely by their designs to establish military bases from which to extend their domination over the states of the Persian Gulf and the area of the Red Sea.

"It is an open secret that despite the defeat received at the hands of the brave Vietnamese people, those who tried to teach them a lesson, these same expansionist aggressors in collusion with North American imperialism harbor another plan to invade the Socialist Republic of Vietnam. Socialist Ethiopia energetically condemns the acts of aggression which have been committed in the past and the preparations being made against that nation. (applause)

"In this way, revolutionary Cuba after carrying out a genuine revolution at the steps of the main imperialist power in North America, overcoming serious obstacles and suffering great difficulties obtained resounding victories and built a just social order, assuring accelerated progress for its people and setting a good example and encouragement for the masses of the world.

"It is correct and appropriate to state at the nonalined countries sixth summit which is meeting in Havana, that the republic of Cuba as a founding member of the nonalined movement has firmly contributed to strengthening its basic principles and has promoted world peace.

"The desperate efforts of international imperialism to halt the march of history continues to be a great danger. In encouraging certain states in their expansionist ambitions, imperialism over the last few years has caused numerous regional conflicts, resulting in considerable destruction of life and property in some of the member countries of our movement."

U.S. bilateral foreign aid to Ethiopia (1946–79)	$663,308,000
FY 1980 Proposed	15,347,000
UNDP (1977–81)	42,000,000
World Bank (cumulative)	476,700,000
African Development Fund (cumulative)	24,442,000

Mr. Chairman, Mozambique made strong anti-American statements; yet they have received over $34 million in direct U.S. funds.

The material concerning Mozambique is as follows:

MOZAMBIQUE

Mozambique's President Samora Machel speech in Havana on September 4th:

"We are meeting on a territory where imperialism was defeated, where its aggressions and maneuvers, threats and blockade could not impede the people from achieving freedom, developing and building the revolution. We meet here because the socialist revolution has created the conditions to make Cuba a firm trench of the anti-imperalist struggle in Latin America, the vanguard force and consistent promoter of the real ideals of nonalinement.

"The internationalist aid given by Cuba agrees with the ideals of the nonalined movement.

"The consistent struggle of liberation is necessarily anti-imperialist. Then, we can see why it is normal for our enemy to oppose our ideology and its development. It is just and correct for him to do so. It is also normal for our enemy to try to divide us by affirming that the ideology of the movement is something new, something bad. They attempt to be our professors. Since when are the former colonialists defending our liberation? Since when can imperialism, which oppresses and loots us, indicate the ways of political economic and social emancipation? Since when? Since when they have become authorities on nonalinement? They are the ones who colonize Puerto Rico, occupy Guantanomo, deny Panama the right to the canal. They maintain the regimes of Salisbury, Pretoria, Tel Aviv. They are the ones who dismembered the Comoros islands. They established bases in the Indian Ocean. Since when do the enemies give good advice? Let us reject the advice of the enemy. Let it be ourselves who build our future. Let us refuse to be spokesmen of the enemy.

"We work for the definitive end to the blockade against Cuba and consolidation of our movement. Let us not allow imperialism to divide us! Let us not allow imperialism to make a tool out of us! Nonalinement means all alined in the struggle against imperialism.

U.S. Bilateral Foreign aid to Mozambique (1946–79)	$34,059,000
FY 1980 proposed	3,000,000
United Nations Development Program (1977–81)	18,000,000
African Development Fund (cumulative)	9,444,350
FY 1978 loans approved	599,963

Mr. Chairman, for Panama we have the same thing. The material concerning Panama is as follows:

PANAMA

Panama's President Dr. Aristides Royo speech in Havana on September 5th:

"The U.S. blockade against Cuba should cease. We share and reiterate the views expressed by Gen. Omar Torrijos at the Security Council meeting held in Panama in March 1973 to the effect the "blockades and pressures should shame those who implement and exert them more than those who are their object. Each hour of isolation that our brethren in Cuba suffer constitutes 60 minutes of hemispheric shame." Furthermore, the Cuban people have my country's solidarity in their aspirations concerning the devolution of the Guantanamo naval base to Cuba.

"Panama also expresses its solidarity with the aspirations of the peoples of Belize concerning their independence and territorial integrity, of Puerto Rico as regards to full exercise of their inalienable right to self-determination, of Argentina in their legitimate aspiration to have the Malvinas Island restored to their sovereignty, and of Bolivia in their efforts to obtain by peaceful means a sea outlet under Bolivian sovereignty.

"The rivalry among the big European powers and the United States to control sea routes, caused the imposition of the unjust 1903 treaty on Panama. Under the pretext of preventing extra-continental imperialism, the center of the Isthmus of Panama not only was cut in two, but mortgaged for life to U.S. rising imperialism which since 1846 had sought the monopoly of the trans-isthmian route."

U.S. bilateral foreign aid to Panama (1946–79)	$429,654,000
FY 1980 proposed	19,525,000
United Nations Development Program (1977–81)	7,500,000
World Bank (cumulative)	258,200,000
FY 1979 loans approved	34,000,000
Inter-American Development Bank (cumulative)	324,400,000
FY 1978 loans approved	19,000,000

Mr. Chairman, for Madagascar, we have the same thing, and the material regarding Madagascar is as follows:

MADAGASCAR

Madagascar's President Didier Ratsiraka speech in Havana on September 5th:

"In the fact of the slanderous campaign presently taking place mostly in the West, we, as a recently independent country, say to the Vietnamese people: By rejecting French colonialism, by defeating Yankee imperialism, by destroying the myth of invincibility of imperialism and colonialism, you not only have liberated your territory but have also liberated all the oppressed people of the world, and we are eternally grateful to you, Vietnamese people. (applause)

"Our peace initiatives are obstructed. The establishment of a demilitarized and denuclearized zone of peace in the Indian Ocean has been questioned by the deployment of naval forces and strengthening of the Diego Garcia base, thereby maintaining that region in a state of permanent insecurity.

"The capitalist powers' practices of domination, exploitation, intimidation, direct or indirect interference in the internal affairs of other states, undermining governments and their institutions, and economic sabotage still continue and constantly affect the free exercise of our sovereignty. Examples are not lacking. There is the blockade of Cuba, assassination of heads of progressive states like Allende, aggression against Angola, bombing of Mozambique, Zambia and Lebanon, aggression against Guinea and Benin, attacks and occupation of the democratic Western Sahara Republic, oppression and colonization of the Palestinian people, division of the Korean nation, establishment of a puppet regime in Rhodesia, direct or indirect support to the fascist regime in Pretoria, false elections in Namibia, barely overt threats of military intervention against the oil-producing countries of the Middle East, maintenance of foreign military bases such as Diego Garcia and Guantanamo, and so forth.

"Let us see how the rise in oil prices is a weapon skillfully manipulated by the North Americans, a weapon that protects the multinational companies, and which will guarantee them unquestionable hegemony in the world, along with other measures that they are obviously taking in the political and military field.

"At the same time, North American imperialism can drop the price of the dollar for the purpose of benefitting its export of manufactured goods, and still preserve its progress in advanced technology. Finally, the manipulation of the price of the dollar allows the North Americans to considerably reduce the benefits which OPEC member countries obtain from the increases of crude oil prices.

"This almost absolute supremacy by a single power, this ecónomic, commercial and military domination of the world are of serious concern to us."

U.S. bilateral foreign aid to Madagascar (1946–79)	$22,603,000
FY 1980 proposed	3,511,000
United Nations Development Program (1977–81)	23,750,000
World Bank (cumulative)	240,100,000
FY 1979 loans approved	49,000,000
African Development Fund (cumulative)	10,888,878

Mr. Chairman, next we have the People's Democratic Republic of Yemen (South Yemen), and here we see the same thing.

The material concerning South Yemen is as follows:

PEOPLE'S DEMOCRATIC REPUBLIC OF YEMEN (SOUTH YEMEN)

South Yemen's Chairman of the Supreme People's Council Presidium, 'Abd al-Fatah Isma'il speech in Havana on September 6th:

"The policy of subordination, plundering, domination and aggressive plots by world imperialism against developing countries requires from the nonalined countries the adoption of an anticolonialist position hostile to imperialism and its lackeys. It is within this context that we have confirmed with great satisfaction the role played by the movement since its creation in the struggle for national liberation, progress and peace, and against the influence of world imperialism, particularly North American imperialism.

"The recent history of the struggle of our peoples completely reflects these issues and characteristics of colonialism and imperialism as enemies that obstruct the independence of our countries. The socialist countries, on the other hand, have always been allies that have supported and support the struggles of our peoples for freedom, independence and progress. It is in this same sense that we confirm that your speech has been a reflection of the evolution of the people's struggle within our movement in keeping with the objectives and principles of the international liberation movements. For this reason, the speech should be considered as an important document of this conference and a source of inspiration for the future processes which our movement will undertake in the struggle for freedom, independence and peace.

"The situation in the Middle East is degrading constantly and threatens to explode as a result of the persistent occupation of the Zionists who refuse to withdraw from the occupied Arab territories with the support of the North American imperialists.

"The policy aimed at converting the rights of the Arab nation into a market [as heard] as a result of the Camp David agreements between As-Sadat and the Zionist state sponsored by North American imperialism.

"Democratic Yemen vigorously condemns the treacherous policy of As-Sadat's regime in alliance with the Zionist states and United States of America. It likewise strongly condemns the American policy which ignores Palestinian rights and tries to eliminate the Palestinian cause by encouraging bilateral agreements and partial solutions that will only aggravate tension in the Middle East and accentuate the dangers that threaten international peace and security.

"More than one region is exposed to the threat of world imperialism. The threat of American imperialism to occupy the oil fields and create a fifth fleet in the Indian Ocean, provocations by such a fleet in the Persian Gulf and the strengthening of its base in Diego Garcia are actions that threaten security and stability in the entire world as well as world peace. Thus, the nonalined countries must condemn these acts of aggression fomented by North American imperialism against the oil-producing countries in the Arab Gulf. Democratic Yemen vigorously condemns the North American threats against the oil-producing countries and calls on the nonalined movement member states to condemn the American maneuvers and support the countries threatened by the United States of America."

U.S. bilateral foreign aid to South Yemen (1946–79)	$4,500,000
World Bank (cumulative)	63,800,000
FY 1979 loans approved	14,000,000

Mr. Chairman, for Benin, we have the same thing. The material regarding Benin is as follows:

BENIN

Benin's President Mathieu Kerekou speech in Havana on September 5th:

"In its global strategy to undermine and colonially regain a good number of Third World countries, imperialism is restoring to the recruitment, financing and arming of mercenaries. This is against international law. They are specialists in mass murder and are used to attack at this point of the 20th century our justice and peace-loving people for the single purpose of perpetuating domination and shameless exploitation of the immense resources of our countries.

"My dear brothers and friends, we have not come here to be visitors surrounded by marble. We have come to a socialist country where every Cuban man and woman has the minimum necessary to live a decent life. If you let yourselves be confused by what we have been told in other places or in the United States, then many are really going to be mistaken and as such you will be alined and will no longer be members of the nonalined countries. (applause)

"How can one justify an intensive campaign on the eve of the sixth summit designed to divide us? It was a wisely organized campaign by the common enemy—imperialism—of the Third World nations against the unity of thinking and action of the nonalined movement. This cynical campaign was aimed at weakening and definitely eliminating our movement on the international arena. (applause)

"We demand the unconditional and immediate lifting of the economic blockade and dismantling of the Guantanamo military base as a consistent implementation of the peaceful coexistence policy among all nations and states of the world, whether big or small, and within strict respect for their independence, sovereignty and national dignity." It is necessary, my dear colleagues, to do everything possible so that this problem be raised either at the level of our movement or the United Nations because it is not normal for our movement to ignore this illegal and arbitrary situation being experienced by the great people of the socialist Republic of Cuba."

U.S. bilateral foreign aid to Benin (1946–79)	$22,550,000
FY 1980 proposed	2,630,000
United Nations Development gram (1977–81)	16,250,000
World Bank (cumulative)	76,100,000
FY 1979 loans approved	8,300,000
African Development Fund (cumulative)	23,510,876
FY 1978 loans approved	5,399,716

For Zambia, Mr. Chairman, we have the same thing. The material regarding Zambia is as follows:

ZAMBIA

Zambia's President Kenneth Kaunda speech in Havana on September 3rd:

"We in Africa fully support the revolutionary masses which are struggling in Latin America. When it comes to Southeast Asia, we in Africa, without exception, support fully the great struggle of the Vietnamese people against imperialism.

"But we are not surprised that we see billions of U.S. dollars going to Zionist organizations, banks, hotels and so on in America and Western Europe, and this money goes to Israel to strengthen Israel, to allow Israel to drop bombs to kill Arabs, and it is using that money. (applause)

"Comrade Castro, you and your great people are amazing. I tell you this even when sometimes we have differed on some points. Don't think that we can ever fail to admire and love you. A small island of barely 10 million people has been able to organize itself against the greatest military power on earth. If we are truly anti-imperialist, we must admire Cuba. If we are truly anticolonialist, we must admire Cuba. If we are truly antifascist and antiracist, we must admire Cuba. You have set a leading example of how to mobilize the masses and we know that is your secret."

Zambia's President Kenneth Kaunda speech in Havana on September 7th:

"We in Zambia are not against international capital. Indeed we want it, we want it. We need it to develop our people so that they can realize the full potential as God's people. But we do not want exploitative international capital, not that which comes to destroy and not to construct.

"The same international capital which enslaved us and plundered our wealth is the same one which today enslaves the great people of Chile. It is the capital behind the ever exploding volcano of the Middle East leaving a trail of death and destruction in Lebanon. Yes, it leaves a trail of fear, hatred, division and death in Cyprus. It is the capital that propped up the regimes of Eric Gairy, Idi Amin, Batista, Nguema. And it is today the Capital which props up the savage regime of Bokassa of the so-called Central African Empire. Yes, it is the capital that props up the rebel regime in Salisbury, the minority racist regimes in Southern Africa, in Namibia and in South Africa itself. Yes, it is the capital that kept the oppressive regime of the deposed shah in Iran. It is the ultimate force behind the conflagration in Vietnam. It is the capital which punishes the weak, such as Cuba, by a total trade boycott. It is the capital that imposes itself on the national naval or air bases of independent countries.

"We have demanded before and we do so now that the United States lift the blockade unconditionally as it does not serve the interests of mankind nor those of commerce. In addition to this blockade, the United States occupies Cuban territory. The United States must leave Guantanamo. And this conference of nonalined countries must categorically condemn this violation of the sovereignty of the Cuban people. I should add here, Comrade Fidel, that if there is any U.S. President to initiate action to end the violation of Cuban independence, it is Jimmy Carter."

U.S. bilateral foreign aid to Zambia (1946–79)	$109,694,000
FY 1980 proposed	41,000,000
U.N.D.P. (1977–81)	15,000,000
World Bank (cumulative)	563,700,000
FY 1979 loans approved	11,000,000

Mr. Chairman, the list goes on. Finally, we have the Congo and Guyana.

The material regarding the Congo and Guyana is as follows:

CONGO

Congo's President Sassou-N'Guesso speech in Havana on September 4th:

"The imperialists and their accomplices are frantically trying to introduce confusion with imperialism itself so as to turn the people's anger toward secondary objectives. This would allow the imperialists to quietly continue their plundering of our resources. For us, these maneuvers are totally useless since the people of the world, tempered by their struggle for the complete satisfaction of their legitimate aspirations, will not let themselves be deceived. They know that imperialism has a precise ideological, political, economic and cultural content. They know that today there is no imperialism without the capitalism which has achieved the status of development in which domination by monopolies and foreign capital prevail.

"In the face of demands of our people's struggle, the nonalined movement should in the future place itself in a position of an offensive against imperialism if it really wants to play the historic role it should play. (applause)

"We condemn the retrogressive apartheid system, racism and domination of an entire nation by a small minority. We also condemn the support given by the Western powers to these minority regimes.

"We firmly condemn the aggressive and barbaric actions of the State of Israel, whose actions against Palestinians in southern Lebanon and occupied territories really are aimed at exterminating an entire nation. This is a genocide that is as condemnable as that perpetrated by the Nazis. (applause)"

U.S. bilateral foreign aid to Congo (1946–79)	$9,585,000
Fiscal year 1980 proposed	924,000
United Nations Development Program (1977–81)	7,500,000
World Bank (cumulative)	98,000,000

GUYANA

Guyana's Prime Minister Forbes Burnham speech in Havana on September 4th:

"There can be no doubt that this summit of the nonalined movement has a unique significance and a unique importance. It takes place in Cuba, whose role in the anti-imperialist struggle can never be overemphasized.

"Latin America has seen imperialism and colonialism in all its forms, ranging from physical slavery to neocolonialism. Indeed, it has been the earliest victim and has provided classical examples of neocolonialism where formal political independence is granted or conceded with the only objective of paving the way for the most brutal exploitation by metropolitan-based transnationals.

"We have been subjected to the most subtle but thorough indoctrination and have been the victims of a pitiless cultural aggression. We have slaved and toiled for others while being entertained with hypocritical fervor by the songs of democracy and human rights.

"Guyana is irrevocably committed to transform its society to a socialist society.

"You, Comrade President, have alluded to the depressed prices, with the exception of oil, which are paid in international markets for the raw materials and basic products of the developing countries. We all are aware that these depressed prices are the result of the manipulations of those who control the present world economic system and whose industrial goods are sold at prices dictated by the manufacturers. Even in the case of oil, the transnationals inflate the cost of refining for many countries such as my own. Not only do we have to import inflation but we also have to pay for enormous and unreasonable profits for the middle men."

U.S. bilateral foreign aid to Guyana (1946–79)	$122,334,000
FY 1980 proposed	9,282,000
United Nations Development Program (1977–81)	5,000,000
World Bank (cumulative)	85,000,000
FY 1979 loans approved	20,000,000
Inter-American Development Bank (cumulative)	71,500,000
FY 1978 loans approved	22,000,000

Mr. Chairman, the U.S. bilateral aid to these countries is not the total amount of our aid. As indicated, we have also provided these countries with American aid through the United Nations Development Program and through organizations like the World Bank and the Inter-American Development Bank, organizations to which we are the largest contributor.

Anyone who believes that we can just spend money without some kind of an aggressive foreign policy, without some kind of a competitive posture in the world, anyone who thinks we are going to make friends merely by spending money, just has not read the record. We can stand here and talk all day long about how foreign aid dollars are going to buy us friends, but the record does not prove that.

Mr. PEYSER. Mr. Chairman, will the gentleman yield?

Mr. YOUNG of Florida. Yes. I am happy to yield to the gentleman from New York.

Mr. PEYSER. Mr. Chairman, the only point I would like to make to the gentleman is that I know he recalls that just less than 2 months ago those same unalined nations joined to vote against and censure the Soviet Union for its move in Afghanistan. I think that the very fact that we have maintained a relationship and they see us as a source of freedom and a strength for freedom in this world is the reason they took that action. I think that came about because of our action.

Mr. YOUNG of Florida. Mr. Chairman, I appreciate the gentleman's contribution in that regard, but when a large, powerful nuclear force like the Soviet Union runs roughshod over free independent people in a neighboring developing nation, what in the world does the gentleman think these other countries would do?

If they believe in their own integrity, they would have to vote for that resolution. That does not make them any more a friend to the United States. It just means there is a certain limit beyond which they will not go. All of them did not take that action, but for those who did, obviously they had to vote against that tyranny, that oppression, that aggression on the part of the Soviet Union. The fact that we have spent hundreds of millions of dollars in foreign aid did not affect that vote.

Mr. Chairman, I yield back the balance of my time.

Mr. MILLER of Ohio. Mr. Chairman, this budget resolution is perhaps the single most important economic measure that has been before this Congress, at least during my service in this body.

It comes to the floor at a time when it seems we have more Members than ever before at least singing in the choir for a balanced budget. But singing and carrying the tune are two different things when it comes to the overall tonal quality of the choir.

This particular resolution is significant not so much for the first surplus of revenues to outlays in 12 years it proposes, for it is deceptive in how that surplus is actually achieved. No, its significance lies in the fact that at least in principle a balanced budget is courted as a desirable economic policy in and of itself.

Moreover, despite its deficiencies, it offers an opportunity through the amendatory process to begin a real rescue mission for an economy that has been incessantly debased by deficit spending. What is happening to the economy—simultaneous double digit inflation and interest rates unparalleled in our history, rising unemployment, a declining standard of living, plummeting productivity, and a 1967 dollar that is worth 42 cents today—are the gross price we inevitably had to pay for runaway Keynesian economics.

The steady stream of red ink that the Keynesian advocates told us were merely healthy stimulants to the economy and that in fact we could spend our way to prosperity has driven this great Nation to the brink of economic ruin; 18-percent inflation and 22-percent interest rates we read about sound like the economic disaster common in Latin American countries. It is hard to believe it is now happening here in our own country.

The American people recognized what would happen if you keep spending money you do not have and taxing production, savings and investment long before the current economic calamity came raining down on the heads of the White House and congressional policymakers responsible for it. The very idea that Government could go on year after year spending more than it took in and piling higher and higher deficits on the national debt without a day of reckoning should now be blown out of the water. Yet despite the rhetoric we have been hearing that we are going to have a balanced budget, there are those who want to go about it by using mirrors and other devices that create an illusion of restraint when in fact spending goes unmarshalled because taxes are allowed to escalate proportionately.

House Concurrent Resolution 307, the first concurrent resolution on the fiscal year 1981 budget, achieves its $2 billion surplus through a $61 billion tax hike. The committee resolution contemplates $35.5 billion in tax changes proposed or enacted this year, $15 billion in the automatic and unlegislated tax increases caused by inflation pushing taxpayers into higher tax brackets, and $11 billion in scheduled social security tax increases. Even conceding the committee's suggested $10 billion productivity tax "cut," the tax increase this resolution accommodates amounts to over $50 billion.

To those of us who have supported, worked for, and believed in the eminent good sense of balanced budgets, increasing taxes to reach it is totally unacceptable. What we must have in putting together a balanced budget that will revive economic growth are meaningful spending cuts, not just smaller spending increases. We must allow the taxpayers to keep more of their hard-earned money to spend and invest as they choose, not higher taxes to cover the spending the Government chooses.

Whatever the surface appeal the Budget Committee's net surplus holds for us, how that surplus is reached is misguided and for that reason, revenue outlays and budget authority under the fiscal year 1981 budget must be recalculated downward to more acceptable and prudent levels. Let us not lose sight of what House Concurrent Resolution 307 also does to the various current fiscal year targets. Herein hopefully lies the last fling with budget breaking. Just a year ago, the first budget resolution for fiscal year 1980 set spending at $532 billion with a $23 billion deficit. Now the Budget Committee wants to revise here on the floor its own resolution to allow a $571.4 billion spending level and carry a $42.8 billion deficit. In less than a year spending will be allowed to shoot up another $30 billion while $19.8 billion is tacked onto the deficit. If for no other reason than these latest obscure revisions in fiscal year 1980, I would oppose the resolution.

There is too much we know about the damage this kind of deficit spending causes to let it continue. The record is unmistakable. From 1966 to 1979, Federal deficits averaged $25 billion. Over this same period, inflation averaged 6.5 percent which means consumer prices doubled in roughly 11 years. The current fiscal year 1980 budget with its own $43 billion also reaps the accumulated harvest of all the preceding red ink giving us an unprecedented 18.2-percent annualized inflation. Just since fiscal year 1977, the accumulated deficit will total $207.3 billion and spending will have increased $247.7 billion.

The aggregate Federal debt in fiscal year 1977 stood at $709 billion. Under the committee resolution, it is projected to reach $931.4 billion. The interest just to carry this debt is the third largest item of the budget. Over the last 6 years, interest payments grew from $38 billion to a projected $72 billion in the new fiscal year. To carry the Federal debt, the Treasury must shell out $197 million a day in interest payments.

The economic crisis we are now in just did not show up on our doorstep overnight. You could see it coming years ago and we had many, many opportunities to do something about it. As my colleagues know, for the last several years, I have offered amendments to the major appropriations bills to reduce their spending by a certain percentage. In some cases the reduction was 2 percent, in others 5 percent, and some by 8 percent. The percentage cut was applied to each line item of a bill that was not mandated by law. In other words, spending for such programs as social security and other pensions was untouched. What was subject to the percentage reduction, however, were the controllable, or nonmandated, spending. To reach the bill's overall percentage reduction, say 5 percent, no line item could be cut by more than 10 percent. Thus, the conference could reduce mainly the low priority line items.

The House on several occasions adopted this approach, but more often it rejected the amendments. While agreeing in principle that something must be done to restrain total spending, my colleagues invariably were unwilling to go on record for specific cuts. During the debate on my amendment over the years, I was told that there were other places to cut, but do not cut here. The collective effect of this myopic attitude was that most of the bloated spending bills sailed through unscathed. I find it most remarkable that the same administration lobbyists who stood outside these doors urging Members to vote against my amendments to reduce spending are now asking for spending restraint.

Mr. Chairman, I submit that if the President had thrown his support behind my amendments to gradually slow the increase in spending instead of opposing them, we would not be in as bad shape as we are today. The cumulative savings we could have realized from these amendments would have helped to curb inflation, reduce interest rates, and make reaching a truly balanced budget less painful today. I am convinced that if we had systematically shaved off a little at a time from those spending bills, we would not have to contemplate the more radical surgery required now.

What has been so discouraging to me and my other colleagues who have proposed spending cuts is that it seems like we always have to get hit right between the eyes before we can see how deficit spending has harmed our economy. The easiest thing Congress has found it can do is spend other people's money, the taxpayer's money, and if the people do not have enough money Congress can tax for revenues, it creates its own "funny" money by inflating the money supply through deficits.

Despite the budget-balancing rhetoric, I feel Congress has never, nor does it now, nor is it likely to have in the future, the wisdom to discipline itself when it comes to spending. No matter what manner of temporal device that may be thrown up against profligacy, invariably a way will be found around. While I support section 3 reconciliation and section 4 holding up enrollment of excessive bills, these are stopgap at best. I can see no permanent and realistic way short of a constitutional straitjacket that spending will be properly restrained, taxes cut, and the budget balanced.

We must make the best of the opportunity the amendatory process gives us today. If we can see our way to rejecting those amendments to the resolution that increase spending and taxes and support those that call for less spending and tax cuts, we will have gained a significant victory for fiscal responsibility. Should the substitute offered by my friend and colleague, Mr. LATTA, prevail, a clear unmistakable message will go out to the American people that the Congress at long last is not only talking sense, but making sense in breaking the back of inflation.

It is a prudent and wise policy, even if it has not been followed, that the Federal Government should not promise what it cannot deliver. Moreover, there are some things it does not do well and others it should not do at all. Years of massive social engineering have shown that every problem does not have a Washington solution. The Federal Government can give only that which it takes from the people, either directly through taxes or indirectly by the inflation deficit spending creates. That is what this budget debate is all about.

Unless Congress arrests its use of its spending power for political self-perpetuation, any hope for economic stability and growth will remain illusive. It has been my firm conviction that every legislator should be held accountable for the inflationary consequences of his or her vote on public spending. That accountability should be brought to bear now during this debate and on what is said and done.

The CHAIRMAN. The question is on the amendment offered by the gentleman from Tennessee (Mr. QUILLEN) as a substitute for the amendment offered by the gentleman from New York (Mr. CONABLE).

The question was taken; and the Chairman announced that the noes appeared to have it.

RECORDED VOTE

Mr. QUILLEN. Mr. Chairman, I demand a recorded vote.

A recorded vote was ordered.

The vote was taken by electronic device, and there were—ayes 146, noes 271, not voting 15, as follows:

[Roll No. 200]

AYES—146

Abdnor
Andrews, N. Dak.
Applegate
Archer
Ashbrook
Atkinson
Badham
Bafalis
Bauman
Beard, R.I.
Beard, Tenn.
Benjamin
Bethune
Bevill
Brown, Ohio
Burgener
Butler
Byron
Campbell
Carney
Carter
Cheney
Clausen
Cleveland
Coleman
Collins, Tex.
Courter
Crane, Daniel
Crane, Philip
Daniel, Dan
Daniel, R. W.
Dannemeyer
Daschle
Davis, Mich.
Deckard
Devine
Dickinson
Donnelly
Dornan
Duncan, Tenn.
Early
Edwards, Ala.
Edwards, Okla.
Emery
Evans, Ga.
Findley
Gaydos
Gingrich
Goldwater
Goodling
Gore
Grassley
Grisham
Guyer
Hammerschmidt
Hansen
Harsha
Heckler
Hinson
Holt
Hopkins
Hubbard
Ichord
Jacobs
Jeffries
Jenkins
Jones, Tenn.
Kelly
Kindness
Kramer
Lagomarsino
Latta
Lewis
Loeffler
Lujan
Lungren
McClory
McDade
McDonald
Marlenee
Marriott
Martin
Mathis
Mattox
Miller, Ohio
Montgomery
Moore
Moorhead, Calif.
Mottl
Murphy, Pa.
Myers, Ind.
Natcher
Nichols
O'Brien
Pashayan
Paul
Perkins
Petri
Porter
Quayle
Quillen
Rhodes
Ritter
Roberts
Robinson
Roth
Rousselot
Royer
Rudd
Runnels
Russo
Santini
Satterfield
Sawyer
Schulze
Sebelius
Sensenbrenner
Shelby
Shumway
Shuster
Smith, Nebr.
Snowe
Snyder
Solomon
Spellman
Spence
Stangeland
Stump
Symms
Taylor
Thomas
Traxler
Trible
Vander Jagt
Walker
Wampler
Weaver
Whitehurst
Whittaker
Whitten
Williams, Ohio
Wydler
Wylie
Yatron
Young, Alaska
Young, Fla.

NOES—271

Addabbo
Akaka
Albosta
Alexander
Ambro
Anderson, Calif.
Andrews, N.C.
Annunzio
Anthony
Ashley
Aspin
AuCoin
Bailey
Baldus
Barnard
Barnes
Bedell
Beilenson
Bennett
Bereuter
Biaggi
Bingham
Blanchard
Boggs
Boland
Bolling
Boner
Bonior
Bonker
Bouquard
Bowen
Brademas
Breaux
Brinkley
Brodhead
Broomfield
Brown, Calif.
Broyhill
Buchanan
Burlison
Burton, John
Burton, Phillip
Carr
Cavanaugh
Chappell
Chisholm
Clay
Clinger
Coelho
Collins, Ill.
Conable
Conte
Conyers
Corcoran
Corman
Cotter
Coughlin
D'Amours
Danielson
Davis, S.C.
de la Garza
Dellums
Derrick
Derwinski
Dicks
Diggs
Dingell
Dixon
Dodd
Dougherty
Downey
Drinan
Duncan, Oreg.
Eckhardt
Edgar
Edwards, Calif.
English
Erdahl
Erlenborn
Ertel
Evans, Del.
Evans, Ind.
Fary
Fascell
Fazio
Fenwick
Ferraro
Fisher
Fithian
Flippo
Florio
Foley
Ford, Mich.
Ford, Tenn.
Forsythe
Fountain
Fowler
Frenzel
Frost
Fuqua
Gephardt
Giaimo
Gibbons
Gilman
Ginn
Glickman
Gonzalez
Gradison
Gramm
Gray
Green
Guarini
Gudger
Hagedorn
Hall, Ohio
Hall, Tex.
Hamilton
Hance
Hanley
Harkin
Harris
Hawkins
Hefner
Heftel
Hightower
Hillis
Holland
Horton
Howard
Huckaby
Hughes
Hutto
Hyde
Ireland
Jeffords
Jenrette
Johnson, Calif.
Johnson, Colo.
Jones, N.C.
Jones, Okla.
Kastenmeier
Kemp
Kildee
Kogovsek
Kostmayer
LaFalce
Leach, Iowa
Leach, La.
Leath, Tex.

Lederer
Lee
Lehman
Lent
Levitas
Lloyd
Long, La.
Long, Md.
Lott
Lowry
Luken
Lundine
McCloskey
McCormack
McEwen
McHugh
McKay
McKinney
Madigan
Maguire
Markey
Marks
Matsui
Mavroules
Mazzoli
Mica
Michel
Mikulski
Miller, Calif.
Mineta
Minish
Mitchell, Md.
Moakley
Moffett
Mollohan
Moorhead, Pa.
Murphy, N.Y.
Murtha
Musto
Myers, Pa.
Neal
Nedzi
Nelson
Nowak
Oakar
Oberstar
Obey
Ottinger
Panetta
Patten
Patterson
Pease
Pepper
Peyser
Pickle
Preyer
Price
Pritchard
Pursell
Rahall
Railsback
Rangel
Ratchford
Regula
Reuss
Richmond
Rinaldo
Rodino
Roe
Rose
Rosenthal
Rostenkowski
Roybal
Sabo
Scheuer
Schroeder
Seiberling
Sharp
Simon
Skelton
Smith, Iowa
Solarz
St Germain
Stack
Staggers
Stanton
Stark
Steed
Stenholm
Stewart
Stockman
Stokes
Stratton
Studds
Swift
Synar
Tauke
Thompson
Udall
Van Deerlin
Vanik
Vento
Volkmer
Walgren
Watkins
Waxman
Weiss
White
Whitley
Williams, Mont.
Wilson, Bob
Wilson, Tex.
Winn
Wirth
Wolff
Wolpe
Wright
Wyatt
Yates
Young, Mo.
Zablocki
Zeferetti

NOT VOTING—15

Anderson, Ill.
Brooks
Fish
Garcia
Hollenbeck
Holtzman
Kazen
Leland
Livingston
Mitchell, N.Y.
Murphy, Ill.
Nolan
Shannon
Ullman
Wilson, C. H.

□ 1730

The Clerk announced the following pairs.

On this vote:

Mr. Livingston for, with Mr. Hollenbeck against.

Mr. APPLEGATE and Mr. GOLDWATER changed their votes from "no" to "aye."

So the amendment offered as a substitute for the amendment was rejected.

The result of the vote was announced as above recorded.

● Mr. FRENZEL. Mr. Chairman, the various amendments to House Concurrent Resolution 307, the first budget resolution, pose questions of varying difficulty. But, the Giaimo amendment which adds $4.6 billion to fiscal year 1980 outlays is for me an easy decision.

Because it, along with the changes already included in this resolution, raises the 1980 deficit from $29 billion to $43 billion, I am obliged to vote against. It does include some worthwhile, needed programs, but it also covers unnecessary spending which this committee should not bless with its approval.

Those who are trumpeting loudest about balancing the budget in fiscal year 1981 seem to be the most enthusiastic about unbalancing fiscal year 1980. I believe fiscal sobriety should begin now. We should be as tough as fiscal year 1980 in fiscal year 1981.

Another easy decision is my support for the Conable amendment which would continue general revenue sharing for the States by a comparable cut in some of the grant programs to States.

At the same net cost to the taxpayers, the Conable amendment would provide greater flexibility for the States, and a modest reduction in programs which require a relatively high administrative cost and a relatively high degree of grantmanship on the part of the States.

The last easy choice is the easiest of all. I support the Latta amendment because it balances the budget at a level $14 billion lower than the committee's resolution. Its spending cuts are not radical, but at least it makes some real reductions while the committee's resolution achieves a balanced budget by tax increases rather than by spending cuts.

The Latta amendment also increases spending for national defense. In general it represents a giant step toward fiscal sanity. In contrast, the committee resolution is a timid baby step.

Some of the other amendments to House Concurrent Resolution 307 have both good and bad features. They are harder to evaluate than the three noted here. But if the Latta amendment is passed, as it should be, the other amendments are not needed. The key economic vote of the year, and perhaps of the decade, will be the Latta amendment. If it is not passed, the taxpayers will have just cause for complaints.●

● Mr. EVANS of Delaware. Mr. Chairman, I rise in support of the Giaimo amendment to provide necessary funding for existing programs such as food stamps, trade adjustment assistance, and other programs.

It is never easy for me to vote to add to the Federal deficit, since it is that deficit which is the prime reason for the intolerable inflation rate afflicting almost every single American today.

But our Government has made a commitment to millions of Americans that cannot be reneged on. We have set the criteria for programs such as food stamps and trade adjustment assistance—programs designed to meet the needs of people who desperately need help—and it would be a breach of promise to suddenly stop these programs because we will not provide the money to back up our promises.

In Delaware and across the country, for instance, many auto workers have lost their paychecks because of foreign competition. Their needs must be met according to the law. Other families will face severe problems if the food stamp program is not continued at current levels for the remainder of the year.

Therefore, I urge my colleagues to approve the Giaimo amendment and keep vitally needed programs on track at the very time they are especially needed.●

Mr. GIAIMO. Mr. Chairman, I move that the Committee do now rise.

The motion was agreed to.

Accordingly the Committee rose; and the Speaker having resumed the chair, Mr. BOLLING, Chairman of the Committee of the Whole House on the State of the Union, reported that that Committee, having had under consideration the House concurrent resolution (H. Con. Res. 307) setting forth the congressional budget for the United States Government for the fiscal years 1981, 1982, and 1983 and revising the congressional budget for the United States Government for the fiscal year 1980, had come to no resolution thereon.

FURTHER MESSAGE FROM THE SENATE

The further message from the Senate by Mr. Sparrow, one of its clerks, announced that the Senate had passed with amendments in which the concurrence of the House is requested, a bill of the House of the following title:

HR. 7140. An act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for one month the date on which the corporation must pay benefits under terminated multiemployer plans.

POSTPONING FOR 1 MONTH DATE CORPORATIONS MUST PAY BENEFITS UNDER TERMINATED MULTIEMPLOYER PLANS

Mr. THOMPSON. Mr. Speaker, I ask unanimous consent to take from the Speaker's table the bill (H.R. 7140) to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for 1 month the date on which the corporation must pay benefits under terminated multiemployer plans, with Senate amendments thereto, and concur in the Senate amendments.

The Clerk read the title of the bill.

The Clerk read the Senate amendments, as follows:

Page 1, line 8, strike out ""June 1, 1980"" and insert ""July 1, 1980"".

Page 2, line 2, strike out ""May 31, 1980"" and insert ""June 30, 1980"".

Amend the title so as to read: "An Act to amend title IV of the Employee Retirement Income Security Act of 1974 to postpone for two months the date on which the Pension Benefit Guaranty Corporation must pay benefits under terminated multi-employer plans.".

The SPEAKER. Is there objection to the request of the gentleman from New Jersey?

Mr. ERLENBORN. Mr. Speaker, I reserve the right to object.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. ERLENBORN. I yield to the gentleman from New Jersey.

□ 1740

Mr. THOMPSON. Mr. Speaker, I thank my colleague from Illinois.

Mr. Speaker, this is a bill extending the date for mandatory coverage under ERISA for multiemployer pension plans. The House passed the bill extending the date from May 1 to June 1. The Senate insisted upon a 60-day extension. The Members of the other body, the distinguished Senator from Louisiana, Senator LONG, and the Senator from Texas, Senator BENTSEN, have, I understand, promised to do their very best not to use the full 60 days provided in H.R. 7140 and to act expeditiously upon H.R. 3904.

It is earnestly hoped that this will be the case and that they act early so that the House and Senate conferees can work out any differences which may arise on this vital legislation.

Mr. ERLENBORN. Mr. Speaker, further reserving the right to object, this is the bill that was passed in the House yesterday by unanimous consent extending the period of time for 30 days. As the gentleman from New Jersey has explained, the other body has extended that for 60 days, rather than 30 days. It had been my hope that we might be able to compromise with the other body for a 45-day period. I understand that some of the Members of the other body were rather adamant about the 60-day period. I do hope that as the gentleman from New Jersey has said, those who are able to control the activities of the two committees of the other body will cooperate in trying to get the legislation passed, the conference concluded and the bill to the desk of the President within the 45-day period.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. ERLENBORN. I will be happy to yield to the gentleman.

Mr. THOMPSON. Mr. Speaker, first of all, I would like to thank the gentleman for his cooperation and to state that he and I have been in virtual constant communication on the subject, that I share that hope, that I feel it is imperative that this legislation be on the President's desk before the 60-day period.

In conversations, if the gentleman will yield further, with Members of the other body, they wanted a 90-day extension and this, frankly, was the best compromise which we could get. I am not happy with it. I know my friend and colleague is not, but I do think it offers the best hope to avoid a $4 billion pension loss.

Mr. ERLENBORN. Mr. Speaker, further reserving the right to object, I might observe that our Committee on Education and Labor reported this bill—not this bill, but the bill which has the necessary amendments to ERISA, quite some time ago.

Mr. THOMPSON. On April 2, if the gentleman will yield further.

Mr. ERLENBORN. We were the first of the four committees to act. I have been somewhat unhappy that the other three committees, Ways and Means, which has done better than either of the committees in the other body, but the other three committees have not acted expeditiously on what is an extremely important piece of legislation.

Mr. Speaker, further reserving the right to object, I might say I would have been inclined to object to the unanimous consent request asked by the gentleman from New Jersey to recede and concur in the Senate amendment, except for the fact that I think we have a real responsibility to the unions and the working men and women in this country and the companies that are involved in these pension plans.

We have only 30 hours, approximately, to get this legislation to the President to avoid a catastrophe. It is only because of those pressures that I am not going to ultimately object to the unanimous-consent request of the gentleman.

I would hope that because of the importance of this legislation the other body will not consider H.R. 3904 or the companion legislation in the other body as some sort of a Christmas tree on which to hang other things not germane to the issue before us. There will be that tendency, I fear, that is often indulged in in the other body to take must legislation of this nature and to hang other nongermane amendments on it. I hope that that practice will not be engaged in.

Mr. THOMPSON. Would the gentleman yield further just briefly?

Mr. ERLENBORN. I would be happy to yield to the gentleman.

Mr. THOMPSON. First of all, again to express my gratitude for the gentleman's understanding; second, to state that in conversations with Members of the other body, attempts to "Christmas tree" this legislation will be, I am promised, resisted in the other body and that the substance of the legislation upon which the gentleman and I agree substantially will be before us in unadorned form at the earliest possible date.

Mr. ERLENBORN. Further reserving the right to object, Mr. Speaker, I would hope that in light of the cooperation the gentleman from New Jersey and I are extending to the managers of this legislation and the other body, that they will be most kind to us in the conference and adopt as much of the House version as possible.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey (Mr. Thompson)?

Mr. MURPHY of Pennsylvania. Mr. Speaker, I object. I wanted to speak on the gentleman's motion.

The SPEAKER. Is the gentleman reserving the right to object?

Mr. THOMPSON. Mr. Speaker, does the gentleman reserve the right to object?

Mr. MURPHY of Pennsylvania. No; I object.

The SPEAKER. The gentleman has objected.

Mr. MURPHY of Pennsylvania. Mr. Speaker, I withdraw my objection, and reserve the right to object.

Mr. Speaker, I would like to ask the gentleman from New Jersey a question.

The SPEAKER. The gentleman has the floor.

Mr. THOMPSON. Mr. Speaker, will the gentleman yield?

Mr. MURPHY of Pennsylvania. Mr. Speaker, I would like to ask the gentleman, first of all, I remind the gentleman that a year ago we extended this time to bring in all the pension funds for 1 year. After that, now they agreed on Monday to extend it for 30 more days.

Now, I ask the gentleman, if we do not grant this extension the Senate requests, do not all pensioners, including the 1950 coal mine pensioners, automatically come under the Pension Benefit Guaranty Corporation as of May 1?

Mr. THOMPSON. Mr. Speaker, if the gentleman will yield. The only way under which the 1950 coal miners can be protected is by this extension to avoid the catastrophe of them losing all hope of getting any protection.

The gentleman from Pennsylvania, whose views I respect highly, I assure the gentleman that he will be protected when the legislation reaches the floor.

I am sure my colleague, the gentleman from Illinois, the ranking member, will agree with me that an accommodation has been worked out with the other body with respect to the coal miners.

Mr. MURPHY of Pennsylvania. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New Jersey (Mr. Thompson)?

There was no objection.

A motion to reconsider was laid on the table.

PERMISSION FOR SUBCOMMITTEE ON COAST GUARD AND NAVIGATION OF COMMITTEE ON MERCHANT MARINE AND FISHERIES TO SIT DURING 5-MINUTE RULE ON APRIL 30, 1980

Mr. BIAGGI. Mr. Speaker, I ask unanimous consent that the Subcommittee on Coast Guard and Navigation of the Committee on Merchant Marine and Fisheries be permitted to sit on Wednesday, April 30, 1980, during the 5-minute rule, for the purpose of holding a hearing and markup of H.R. 6666, the Coast Guard Reserve bill.

When I scheduled this hearing and markup I expected the House would be convening at 3 p.m. The subcommittee will meet at 9:30 a.m. and the hearing and markup are not expected to last longer than 10:30. Since this hearing has been scheduled for some time, I ask unanimous consent that the subcommittee be allowed to sit.

The ranking minority member of the subcommittee, the gentleman from Alaska (Mr. Young), has been apprised of the hearing time and is in accord with this request.

The SPEAKER. Is there objection to the request of the gentleman from New York?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, the gentleman can assure us that it will be this bill only and these hearings were, in fact, scheduled for some time and that there is no way to avoid continuance?

Mr. BIAGGI. Mr. Speaker, if the gentleman will yield, I assure the gentleman that this will be the only bill under consideration. We felt it was timely and the changing in the schedule is what disturbed us.

I would like to assure the gentleman also that the ranking minority Member, the gentleman from Alaska (Mr. Young) has been apprised and is in full accord with this request.

Mr. ROUSSELOT. Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from New York?

There was no objection.

□ 1750

REQUEST FOR PERMISSION FOR COMMITTEE ON THE JUDICIARY TO SIT TOMORROW APRIL 30, 1980, AND THURSDAY, MAY 1, 1980, DURING 5-MINUTE RULE

Mr. DRINAN. Mr. Speaker, I ask unanimous consent that the Committee on the Judiciary be permitted to sit during the 5-minute rule tomorrow, April 30, 1980, and Thursday, May 1, 1980. The purpose of the permission is for markup of H.R. 6915, the Criminal Code revision. The minority has been consulted and agrees.

The SPEAKER. Is there objection to the request of the gentleman from Massachusetts?

Mr. ROUSSELOT. Mr. Speaker, I object.

The SPEAKER. Objection is heard. The Chair will state that it requires 10 Members to object.

(Messrs. HAGEDORN, EDWARDS of Oklahoma, BAUMAN, HOPKINS, SYMMS, DEVINE, PORTER, HYDE, and SENSENBRENNER also objected.)

The SPEAKER. A sufficient number has objected.

Objection is heard.

PERMISSION FOR SUBCOMMITTEE ON HEALTH AND SAFETY OF THE COMMITTEE ON EDUCATION AND LABOR TO SIT TOMORROW FROM 10 A.M. to 12 NOON

Mr. GAYDOS. Mr. Speaker, I ask unanimous consent that the Subcommittee on Health and Safety of the Committee on Education and Labor be permitted to sit tomorrow from 10 a.m. to 12 noon for oversight hearings involving the Mine Safety Act. This has been cleared with the ranking minority Member, the gentleman from Oklahoma, Mr. EDWARDS.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

Mr. ROUSSELOT. Mr. Speaker, reserving the right to object, the gentleman can assure us it is for hearings only?

Mr. GAYDOS. Mr. Speaker, will the gentleman yield?

Mr. ROUSSELOT. I yield to the gentleman.

Mr. GAYDOS. It will be for hearings only.

Mr. ROUSSELOT. And there will be no legislative markup?

Mr. GAYDOS. That is correct.

Mr. ROUSSELOT. I appreciate my colleague's assurance.

Mr. Speaker, I withdraw my reservation of objection.

The SPEAKER. Is there objection to the request of the gentleman from Pennsylvania?

There was no objection.

TRIBUTE TO STAN MIKITA

(Mr. RUSSO asked and was given permission to address the House for 1 minute and to revise and extend his remarks.)

Mr. RUSSO. Mr. Speaker, the year was 1959 and a Czechoslovakian-born teenager made his first moves on the ice for the Chicago Black Hawks.

The journey to this moment began 18 years before in the Slovakian Village of Sokolce when he was born to George and Emelia Gvoth in 1940. From his one-room school house in Sokolce, he traveled with Joe and Anna Mikita, his aunt and uncle from Canada, to St. Catherines in southeastern Ontario. It was 1948, the year Czechoslovakia became Communist.

The young lad entered the Edith Cavell School and did well in arithmetic but had trouble with English. This future international hockey star recalls his first English word as "foreigner," because that was what he was called. But sports broke his social isolation and having played soccer in Europe, he joined the school soccer team and the following year he discovered hockey.

Did he discover hockey. And to the great delight of sports fans in Chicago and around the world, he not only "discovered" but mastered it. What a star.

Now, 21 years after that first game in Chicago Stadium, Stan is retiring from the Black Hawks and the game. He leaves as one of hockey's most durable and respected players in history. A centerman who was good for a point a game, and a playmaker as well as a scorer, he is holder of almost every Black Hawk record and many National Hockey League marks.

He played in 1,394 regular season games, scoring 541 goals; 926 assists and 1,467 points. He also played in 155 Stanley Cup Playoff games, scoring 59 goals and 91 assists for third place among the All-Time Playoff scorers.

Leading the league in scoring four times during his first 10 seasons with the Hawks, he made the first all-star team six times and the second team once. Stan scored 20 or more goals 14 times, 30 or more nine times, and led the league in assists three times. He also had 16 hat tricks, fifth best on the all-time list.

In his career Stan won four Art Ross trophies for leading scorer; the Hart trophy as most valuable player twice, and the Lady Byng trophy for sportsmanship the same years. No other player ever won this triple crown of trophies in the same year for 2 years in a row. In 1976 Stan was awarded the Lester Patrick trophy for his contribution to hockey in the United States.

It is fitting then that Stan's jersey will be retired. As Bill Wirtz, president of the Black Hawks said:

> We will have an appropriate ceremony next fall to retire Stan's jersey, No. 21. It will be the first Black Hawk jersey ever retired and that's as it should be. No one can ever replace Mikita in the hearts of Chicago sports fans.

Now, I think that tells you something more about the man—he was more than a superb athlete and the fans knew that. As a personal friend of Stan's for many years, I know why he was loved. Stan connected on the ice with those brisk, compact, talented moves, but off the ice he connected with people, especially children, with love, compassion, and consideration.

Stan is an active participant in many off-season activities, devoting much time to charitable causes such as the Special Olympics for Retarded Children, and hearing-impaired boys.

In a recent column in the Chicago Tribune, Bob Greene points out that Mikita says that, more than the achievements he accomplished as a hockey professional, the moments he spent with the deaf youngsters are what comforted him sometimes when he lay awake in the dead of night. He said:

> This has really added something to my life. Playing for the Black Hawks gives me a certain satisfaction—but with that, I'm doing something that I'm being paid for. I'm expected to perform well. The reward only lasts as long as the game.
>
> But the satisfaction I receive from helping these deaf youngsters is so different. I have two scrapbooks full of letters from these boys. Whenever I'm feeling down, I'll open up one of the scrapbooks. It takes only a page or two of reading those letters to make me feel better. . . .
>
> There are moments at the camp, Mikita told Greene, . . . maybe a child has never really smiled before—maybe he's had no reason to. To see one of those boys break out in a big grin because we've taught him to do something well . . . It's quite an experience.

Stan learned early how important it was to do well. In fact, at age 9, he lied about his age to join the "bantam" team of a junior hockey league for boys aged 12 to 14 sponsored by the Canadian Legion. He often got up at 5 a.m. and practiced for 2 hours before school. At age 13, he was "drafted" by the Chicago Black Hawks under an arrangement that gave the organization first rights to signing him if he turned professional.

Though he played baseball, football, and lacrosse in high school he did pursue hockey, with St. Catherines TeePees, a "junior A" team in the Ontario Hockey Association, the top-ranking amateur league in Canada.

Soon he was named the league's most valuable player and called "the best junior hockey player in Canada." Mikita decided to turn pro so Chicagoans got their first look in 1959 at the young hockey player who would go on to play in four different decades, who would be a part of their sports life for 21 years of excellence. Parents and children, generations, shared the same hero.

The glory days of the Scooter line—Mikita, Kenny Wharram and Ab McDonald—are recalled with eagerness in our area. Sometimes you could swear the ricocheting puck was caught in a magnetic field. Mikita, as he matured as a player through the years, matured as a leader also and he became one of those to whom other members looked for direction and inspiration.

Mikita was one of the pioneers in developing new hockey equipment. He helped devise a hockey stick, the "banana blade," with a curved blade that was adopted by a number of NHL players. It was a blade designed to lend greater speed and animation to the puck, making the goaltender's job more challenging.

To reduce chances of serious accidents, Mikita designed a new type of lightweight helmet with a webbed suspension system, keeping the shell away from the head but firmly secured.

Stan has not been alone with his achievements and successes—helping him for 17 years has been his wife Jill (Cerny) of Berwyn. They were married in 1963 and have four children—Meg, Scott, Jane, and Christopher.

How do you say "goodbye" to a hero, a legend in his own time? You cannot. He is a part of Chicago and of Chicagoans, of all the people he has thrilled with his playing and whose lives he has touched with his generosity.

Let me give you some sample quotes to show the feelings of those who work with Stan.

Tommy Ivan, former general manager and now vice president of the Hawks:

> He is everything you would want in a son. He has always cooperated. He was good for the team, good for the game and always was a credit to hockey both on and off the ice. He will go down as one of the top centermen in the game. Stan will be missed very much.

Eddie Johnston, Stan's last coach:

> What can you say about Stan Mikita? He was the greatest. He is instant Hall of Fame material. We will miss him as a player.

Well, Stan is leaving the ice for solid ground and now he can worry less about tight checking and more about smooth putting. Stan is turning pro golfer. I've never tried to work between the "corner and crease," but as a golfer I know the struggle between the tee and the green.

We do not have to worry about Stan's success in this field, however. As he once said:

> You could sum up my philosophy by saying that whatever I'm associated with, I want to be a winner.

He is and always will be.

I know my colleagues join with me in commending this great performer and human being and wishing him the continued rich success he deserves in the future.

IDA NUDEL—COURAGEOUS SOVIET REFUSENIK

The SPEAKER. Under a previous order of the House, the gentleman from Florida (Mr. STACK) is recognized for 60 minutes.

Mr. STACK. Mr. Speaker, I rise today to speak out for a courageous woman, Ida Nudel, a Soviet refusenik, who has had very little opportunity to speak for herself. My colleagues and I have frequently made statements on the floor of this House on her behalf.

On November 13, 1979, the Congress unanimously passed a resolution, of which I was the author, urging the Soviet Union to issue a visa to Ida Nudel, to permit her emigrate to Israel. Despite this, she remains today in exile in Siberia. As long as this situation prevails, we have an obligation to continue to speak out on her behalf. We cannot rest until she is released and reunited with her sister and her husband in Israel.

Mr. Speaker, all of the nations which signed the Helsinki Final Act, including the Soviet Union, pledged to do everything possible to reunite families separated by political boundaries. The Soviet Union has not adhered to its commitment. Sunday, April 27, was Ida Nudel's 49th birthday—she still languishes in exile in Siberia, far from her family and loved ones. We are taking the occasion of her birthday to again call attention to her plight, as well as to remind the family of civilized nations that she, and countless other Soviet Jews, have been continually harassed and denied the right to emigrate from the Soviet Union as guaranteed by the Helsinki accords. This not only violates the obligation of the treaty, it is also a violation of the moral law and human decency.

As you may know, Ida Nudel was the "guardian angel" to the prisoners of conscience inside the Soviet Union until she, herself, became a prisoner of conscience in June of 1978. On June 21, 1978, she was sentenced to 4 years of internal exile in Siberia, on the specious charge of "malicious hooliganism," at a trial in which she was allowed no witnesses on her behalf—the charge?—unfurling a banner displaying the words "KGB, give me a visa."

I would like to report to you a recent development which could be very damaging to Ida Nudel. Her sister, Elana Fridman, has advised me that on February 28, 1980, the regional newspaper in Siberia published a slanderous article against Mrs. Nudel. The vicious allegations contained in this article have exacerbated the existing hostility against Ida by the townspeople in her place of exile. The authors of the article knowingly incited hatred against her for the purpose of bringing about violent reprisals. She has requested protection from the local police chief, who said he would try to restrain the people from causing her bodily harm, but that he could not guarantee her safety.

Ida's response is that—

> They have not succeeded in breaking me in the past—so they are keeping up the pressure . . . somehow they are going to fight me again . . . but I will hang on . . . they won't break me. I will not be silent . . . I'm determined to go to court. There are such damaging things in that article. I intend to prosecute the editors on three counts: Libel, insulting behavior, and racist incitement.

Ida has written:

> The tiny piece of paper that we call a visa costs nine hundred rubles in Soviet money. But nobody has established the measure of suffering that must be paid for that piece of paper.

Considering the recent slanderous article against Ida, I am afraid her suffering will continue and intensify. We must continue to bring world pressure upon the Soviet Union until she is released.

May I close with these memorable words from Ida:

> We are idealists. We do not believe that our suffering is for nothing. And this belief saves us from despair at the most difficult moments of our imprisonment. I so want to believe in my lucky stars. I so want to believe that some time I will rise up the board of an El Al aircraft, and my suffering and tears will remain in my memory only, and my heart will be full of triumph and victory.

Mr. BARNES. Mr. Speaker, will the gentleman yield?

Mr. STACK. At this time I yield to the distinguished gentleman from Maryland (Mr. BARNES) for such time as he may consume.

Mr. BARNES. Mr. Speaker, barely 4 months ago, Congress passed a resolution urging the Soviet Union to allow Ida Nudel—the lone Jewish woman prisoner of conscience in exile in Siberia—to emigrate to Israel.

But—as in the cases of Anatoly Shcharansky, Andrei Sakharov, Leonid Slepak, Josif Mendelevich, and other exiled and imprisoned dissidents and activists—our pleas for humanitarian consideration were answered with silence.

Now it is Ida Nudel's 49th birthday, which she celebrated on Sunday, April 27, apart from her husband, Yuri Brind and her sister, Elena Fridman, both of whom live in Israel. The "guardian angel" on behalf of other prisoners of conscience, while she waited 7 fruitless years for permission to emigrate from the Soviet Union and be reunited with her family in Israel, celebrated her birthday alone in Krivosheino among hostile townspeople who lately accuse this frail woman suffering from ulcers and kidney, liver, and heart problems of poisoning the local water supply.

It is the latest crisis to have befallen this brave woman that a newspaper of the region Tomsk Oblast should accuse her of such an outrageous act against the local populace, which is already suspicious of this so-called criminal exiled in their midst. The newspaper accuses her too of paying off her visitors who travel as far as 2,000 miles to break through her isolation and bring her solace and news from the outside world. With what, she asks, could she possibly pay them—this economist who earns 50 rubles a month working as a bookkeeping trainee.

In keeping with her character and indominable spirit, Ida Nudel recently told her sister that she will study law, go to court, and fight the newspaper's "libelous" charges. She said:

> They haven't succeeded in breaking me so they are just keeping up the pressure. Somehow they are going to fight me again . . . I'll hang on . . . They won't break me. I will not be silent . . .

Mr. Speaker, neither will we be silent while Ida Nudel and other prisoners of conscience remain walled off from their family, friends, professions, and future.

Yesterday, the Washington Hebrew Congregation Sisterhood, the Jewish Day School of Greater Washington, and Temple Beth El of Alexandria, Va., jointly held a vigil, with participation from the Washington Committee for Soviet Jewry and the Jewish Community Council of Greater Washington, in front of the Soviet Embassy to commemorate her birthday and her struggle for freedom. I echo the sentiments of Rabbi Joseph Weinberg of the Washington Hebrew Congregation, who shouted across 16th Street:

> Ida Nudel has become a hostage to the forces of bigotry and oppression . . . (her) voice is silent, but ours are not.

On the several occasions throughout my first term as Congressman that I have met with Soviet Ambassador Antoly Dobrynin and members of his staff, I have reiterated my belief that the Soviet's adherence to the Helsinki accords, the release of prisoners of conscience, and the sustained emigration of Soviet Jews, are vital steps to helping our two nations build a mutuality of trust and cooperation, which can—even at this low point in our relations—renew hope for a world of peace and friendship among mankind.

Certainly, this may be the greatest legacy that we can hand down to the next generation—that we raised our voices to champion the meek and needy; that we felt their misfortunes and sorrows as our own; that issues of international economy, energy, aggression, and diplomatic violations never dimmed our belief in the sanctity and inalienable rights of the individual; that to save one life—according to ancient proverb—is to save the world.

When I met with Mrs. Fridman several months ago, I promised her that I would do whatever is possible to cut short her sister's 4-year term in Siberia for the dubious crime of displaying a banner from her balcony that read: "KGB, give me my visa."

As we today speak out on the House floor we are once again joining governments, organizations—such as Amnesty International and the Congressional Wives on Soviet Jewry—religious groups, and public personalities around the globe dedicated to the cause of the courageous Ida Nudel. Mrs. Fridman reports that the women members of the European Parliament are now sponsoring a resolution asking the Soviet Union to release her sister.

May we finally succeed in our common mission.

□ 1800

Mr. SENSENBRENNER. Mr. Speaker, will the gentleman from Florida yield to me?

Mr. STACK. I am pleased to yield to the distinguished gentleman from Wisconsin such time as he may consume.

Mr. SENSENBRENNER. I thank the gentleman for yielding.

Mr. Speaker, I would like to commend the gentleman from Florida (Mr. STACK) for taking this special order here this afternoon to once again bring the country's attention to the plight of Ida Nudel. Ida Nudel is probably the most outstanding prisoner of conscience who is locked up in the Soviet Union today. Her imprisonment or exile in Siberia—and there is really no difference between the two—shows that the Government of the Soviet Union regards those provisions of the Helsinki accord relating to reunification of families as a mere scrap of paper. The fact that the Soviet press is now beginning to slander and vilify this courageous woman very clearly indicates that the message is starting to get out around the world about her plight. I hope that those of us who share the concern of the gentleman from Florida (Mr. STACK) will continue exposing the Soviet Union for what it is, and that that, and only that, will hasten the day that Ida Nudel is reunited with her family in Israel.

I thank the gentleman for yielding.

Mr. STACK. I thank the gentleman.

Mr. KEMP. Mr. Speaker, will the gentleman yield?

Mr. STACK. I will be pleased to yield to the gentleman from New York.

Mr. KEMP. I appreciate my friend from Florida's yielding, and I am pleased to join him in this effort to alert the world, and particularly send a message to the Soviet Union, that there are men and women in the United States who are deeply concerned about the life and freedom of, as my colleague, the gentleman from Wisconsin (Mr. SENSENBRENNER) said, this outstanding prisoner of conscience, Ida Nudel.

A few months ago at the Temple Beth-el in the Buffalo area, Amherst, to be specific, in my district, a vigil was held, and I was privileged to be there that evening and was particularly honored by the fact that the temple gave me a shofar in recognition of some of the efforts that I as well as my wife have tried to make on behalf of the cause of Soviet Jewry. That night on behalf of Ida Nudel I was speaking out for her in the same sense that the gentleman today so effectively communicated here in the Chambers our concern for her as an individual, for her as a woman, as a Jew, as someone who is a prisoner of conscience in the Soviet Union.

One of the previous speakers suggested that the cause of deteriorating relations with the Soviet Union is cases like this, including the fact that Anatoly Shcharansky is in a Chistopol prison camp maybe a few hundred miles outside of Moscow and is being held on rather spurious charges of being a hooligan. In that sense anyone who speaks out against Soviet totalitarianism is a hooligan. To those hooligans in the House of Representatives and in the United States of America I say may there be more of them, not just from Florida or New York, but all across this country, because it seems to me that where the freedom of an individual is being diminished anywhere in the world, ultimately it impacts upon the freedom of those of us who believe, as Jefferson said 200 years ago, that the same God who gave life gave freedom. And he did not mean it just for members of a privileged few who live on the continent of North America or the United States of America. I think he meant that for all. That is what America stood for as a beacon of hope, as a beacon of freedom and independence in the world. When we stop speaking out on behalf of these principles, values, and ideals, not only do we lose what America means to ourselves and this generation, but particularly to those who come after us.

I am glad the gentleman has spoken out so forthrightly on behalf of Ida Nudel. She and others, Jew and Christian alike, are being imprisoned in the Soviet Union, not too unlike what happened in Nazi Germany in the 1930's. Somehow or other there were those forces in the West then who said, "Well, so what? It does not concern us what happens in Nazi Germany. Because they in 1936 passed the Nuremberg laws, that really did not affect us." We found out a few years later at Dunkirk that it did affect us, and that an attack on one's individual freedom is ultimately an attack on the individual freedom of all people.

So as the gentleman stood here in a rather empty Chamber today, I want to congratulate and thank him for his efforts. I think Ida Nudel knows that there are some people speaking out in her behalf. I am privileged to join the gentleman in his effort and am saying to the Soviet Union, perhaps in a symbolic way but with all the voice I have as a Member of Congress, "Let my people go."

□ 1810

Mr. STACK. Mr. Speaker, I thank the gentleman for his eloquent statement.

Mr. EDWARDS of California. Mr. Speaker, will the gentleman yield?

Mr. STACK. I yield to the gentleman from California.

Mr. EDWARDS of California. Mr. Speaker, I thank and congratulate the gentleman from Florida (Mr. STACK) and the gentleman from Maryland (Mr. BARNES) for the privilege of speaking on this subject.

In 1978, Ida Nudel was arrested, tried, and convicted on the charge of "malicious hooliganism" by a Soviet court. She was sentenced to serve a 4-year term of exile in Siberia for having hung a sign from her window that read, "KGB give me my visa."

I have always been a believer in the basic human rights of all mankind. Though many governments have, through the signing of many mutual accords, expressed their unyielding support of the same, I can find no satisfactory nor acceptable reason why the Soviet Union continues to violate these very rights of Soviet Jews. Nor do I find any reason why Ida Nudel continues to serve a most unjust sentence of exile in Siberia simply because she legitimately requested to emigrate from the Soviet to Israel.

Perhaps the most important right to all mankind is the right to live one's life in a country wherein one feels most loyal and most secure. Surely there is no security for Ida Nudel in the Soviet Union. For prior to her imprisonment, Ida Nudel was arrested several times and constantly harassed by the Soviet KGB as she sought to help herself and her friends legitimately exit Russia to Israel. What right then has the Soviet Union to either expect or demand her loyalty?

Mr. Speaker, the Soviet Union has denied Ida Nudel the right to emigrate from the Soviet Union to Israel; a complete violation of the Helsinki accords. She unjustly serves 4 years of exiled incarceration away from her husband, family, and friends. She is denied medical treatment for her heart condition. In short, Ida Nudel has been and continues to be abused by the Soviet Union. I urge the Soviet Union to allow Ida Nudel to emigrate to Israel.

Mrs. SPELLMAN. Mr. Speaker, will the gentleman yield?

Mr. STACK. I yield to the gentlewoman from Maryland.

Mrs. SPELLMAN. Mr. Speaker, I join in congratulating the gentleman from Florida and the gentleman from Maryland for making this opportunity possible. I, too, would like to speak out.

Ida Nudel, the only female prisoner of conscience in the Soviet Union, languishes in exile in the far off wastes of Siberia. She was banished by the

KGB to the dreadful quarters she occupies for hanging, outside her Moscow apartment, a banner that said: "KGB, give me my visa." With whom must she live? She is the only woman amongst 40 male recidivist criminals!

Ida, born on April 27, 1931, will be "celebrating" her 49th birthday in a 12-square-meter room, with a cesspool as a toilet. Her living conditions are unbearable. Many worry about her ability to survive under such wretched conditions. She is suffering from a severe heart condition, and she now has been undergoing tests for gallbladder and liver infections. A strong young woman, at the time of her arrest, she today grows more and more frail. Only her strong will and courage allow her to endure her environment.

Ida was sentenced on June 21, 1978, under the charge of "malicious hooliganism." It is well known that these were trumped-up charges designed to stop her constant support for other prisoners of conscience. Ida, known as the "guardian angel," had been an active supporter and companion to all those others who lay in the depths of the Soviet prisons. Since 1971, when she was first denied permission to leave Russia to emigrate to Israel under the excuse of having access to "state secrets," she has been a source of concern for human rights activists. Her help in the freedom fight is well known.

We spoke respect human rights, who espouse democratic principles, who believe in justice, must shout out, must make our voices heard as we ask "Free Ida Nudel."

Mrs. HECKLER. Mr. Speaker, will the gentleman yield?

Mr. STACK. I yield to the gentlewoman from Massachusetts.

Mrs. HECKLER. I would like to commend my distinguished colleague from Florida for arranging this special order marking the birthday of Ida Nudel.

On March 21 I "adopted" Ida Nudel, thereby signifying that I would consistently and continuously work for her cause until such time as we, together with her sister in Israel, the Action for Soviet Jewry, and all other concerned supporters throughout the world, should be able to secure her release.

I can think of no more worthy object of our efforts than this woman who has been named the "guardian angel" of the prisoners of conscience by those whom she tenderly cared for when they were prisoners in Russia.

And recent events indicate that there is a continuing, vital need for the world to clearly espouse her cause.

On February 28, the regional newspaper in Tomsk published an article on Ida Nudel containing preposterous allegations of criminal actions—such as her poisoning the local water supply. The intent of this article was certainly to invoke violent reprisals against Mrs. Nudel—and the perpetrators have not failed, already some incited townspeople have invaded her home and broken her arm.

But Mrs. Nudel is not one to cringe before such abuses. Though recognizing that the Soviet authorities might retaliate by increasing her sentence, Mrs. Nudel has decided to take the newspaper to trial for slander.

I here print a copy of her telegram to the Soviet authorities, so that the public record might bear clear proof of this woman's legal position.

[Telegram]

To: LEONID BREZHNEV;
SHCHELOKOV, Interior Minister;
Governor, Tomsk UBD;
Editor, Tomsk Kasnoye Znamya (Red Banner);
Dutch Embassy, Moscow, representing Israel's interests:

On February 28 of this year, the regional newspaper in Tomsk Oblast published a slanderous article against me. The attitude of the local residents towards me in my place of exile was already hostile and the malicious allegations contained in this article have exacerbated the existing hostility. The townspeople are aroused—absurd suspicions and rumors are circulated about me. I accuse the authors of this article of knowingly inciting hatred for the purpose of bringing about violent reprisals.

IDA NUDEL,
Political Prisoner,
Krivosheno Tomsk Oblast.

MARCH 2, 1980.

This valiant woman has often in the past put her own security in jeopardy to help others in need. We will not forget her in her hour of need. We call on the Soviet leaders to cease their abuse of justice, and to grant this noble woman freedom to join her family in Israel. We will not be silent until her battle is won.

Mr. STACK. I thank the gentlelady.

Mr. ROUSSELOT. Mr. Speaker, will the gentleman yield?

Mr. STACK. I am pleased to yield to the gentleman from California.

Mr. ROUSSELOT. Mr. Speaker, I thank my colleague for yielding. I, too, wish to express my appreciation to the gentleman for taking this time to call the attention of the House to the deprivation of Ida Nudel and the denial of her freedom of speech because she was willing to stand up to the KGB, just by presenting a sign from her balcony that read "KGB, give me my visa."

Mr. Speaker, we are told by many of the people who have come from Russia, that statements of hope expressed on the floor of the House, do have an impact on many of the leaders of Russia. That is why I compliment the gentleman for making sure that this prisoner of conscience gets the proper recognition on a regular basis. We must make it clear to Soviet Russia that they are not abiding by their so-called claims of civil liberties and freedoms that they talk about but clearly do not carry out in their own country. That anybody in our country could be put in prison for just displaying a sign is, of course, unheard of. It is absolutely out of the question under our constitutional freedoms. I compliment my colleague for taking this time because it is true that our voices here are heard around the world. We are making it clear to the Government of the Soviet Union that we are aware of their unfortunate and immoral treatment of dissidents in their country. The gentleman is to be complimented for making sure that this House of Representatives does not stop its vigil to make sure that prisoners of conscience in Russia receive appropriate attention. The Soviet Union knows that we will not stop. I thank the gentleman.

Mr. STACK. I thank the gentleman for his statement.

● Mr. ROE. Mr. Speaker, I take great pride in rising today to honor a very brave woman who has unselfishly taken on the oppressive Soviet system in a battle to win basic human rights for herself and other Jewish dissidents.

Ida Nudel recently observed her 49th birthday. But it was not a joyous occasion, as Mrs. Nudel spent that birthday in a Soviet prison, far from her husband and sister in Israel.

And what was Ida Nudel's crime that she should be sentenced to 4 years of exile in the wastelands of Siberia? Was it theft or assault or embezzlement? No; my trusted colleagues, Ida Nudel is in prison because she wanted to express the basic human right of living where she wanted to. In this case, with her loved ones in Israel.

The Soviet courts found her guilty of "malicious hooliganism" for hanging a banner on her apartment balcony which simply said: "KGB, give me my visa."

Reports from Ida Nudel's family indicate that the brave woman's health has severely deteriorated and there is doubt that she could withstand another Siberian winter.

Mr. Speaker, I believe we should use the powers of this body to impress upon the Soviet Government that by allowing Mrs. Nudel free exit to Israel it has a marvelous opportunity to improve its tarnished image among the nations of the world community.

At this time in our Nation's history, when 53 Americans are being held hostage in Iran, the citizens of our great Nation can express great empathy for the family of Ida Nudel and for the loved ones of other Russian Jewish dissidents who want to leave the harsh confines of Soviet life for freedom in the lands of their choice.

In addition to our own deep concern over the hostages being held in Iran, we must never stop caring for those others around the world who are being denied a free, decent life because of their political viewpoints. For if we do, we will have deeply damaged the premise this Nation was built on.●

● Mr. BINGHAM. Mr. Speaker. I am honored to participate in this special order for that woman of valor, Ida Nudel. I am grateful to Mr. STACK for his work in calling the attention of the Congress to the plight of Ms. Nudel.

Last December I spoke in New York on the occasion of the Women's Plea for Human Rights for Soviet Jews. I would like my speech of last December included in the RECORD and restate my commitment to seeing this great woman free and living in Israel:

What can I add to what has been said about Ida Nudel? She is, rightfully, called the "Guardian Angel" of the Jewish Emigration movement; the 'Mother' of all prisoners of conscience. For 13 years this woman has given sustenance to a movement which has succeeded beyond our most optimistic hopes and dreams. It succeeded in large part thanks to her support for her words, the "Prisoners of Zion." For Me, Ida Nudel is a symbol of the Emigration movement. She is absolutely dedicated. Picture her, prior to her June 1978 arrest, with her card file keeping tabs of every prisoner, his family, his whereabouts, his condition. Picture her incessant visits, letters, and complaints to the authorities about this prisoner's health, that one's diet. Through Ida Nudel, we, in the west, learned of the existence of so many individual refuseniks and, it can be said, it was often the West's knowledge of these prisoners' that kept them alive. Ida Nudel's courage is awe-inspiring. How many times was she detained; how many times arrested? Yet nothing interrupted her campaign for very long. Bugged, beaten, interrogated, and starved she continued mailing her letters and her parcels to her prisoners and, for many, she was the only link to the outside world and to the Jewish people.

On June 1, 1978, international child's day, Ida Nudel joined in a demonstration to demand visas for refuseniks. Ida hung a banner from her balcony which said "KGB, give me a visa to Israel." She stuck a banner with a star of David on her window. Three weeks later she was arrested on the charge of malicious hooliganism. After a trial, at which there were no friendly witnesses, she was sentenced to four years—four years—of exile to Siberia. Again picture the agony of Ida Nudel in the Siberian village of Krivosheino where, until recently, she was housed with 60 male convicts considered too dangerous to live with society.

Incredibly Ida has continued her activities from Krivosheino. Listen to her own words about her continuing work today. "I am Corresponding with the Prisoners all the time. On the first of August 1978 I was released from custody and on the 3rd of August I sent out the first letter. Whom did I write to? I follow a principle—first to write to those who are alone as they are in a more difficult position than the rest and then to somebody in each camp. In addition, I correspond a lot with the camp administration if the situation or a prisoner's condition has become aggravated. I demand placement in a hospital, release from the punishment cell, release from heavy work. Now when I am in exile myself, I am of course deprived of many possibilities to act but I try to do what I can."

What a remarkable statement. The woman is in Siberia living, barely living, in absolutely fearful conditions and yet she is doing what she can to help the others.

There is no way we can begin to approach the courage and dedication of Ida Nudel. But we must try to help her. She desperately needs proper medical care, care that she cannot possibly get in Siberia. We must call on the Soviet authorities to permit Ida Nudel to travel to Moscow where her kidneys and heart can be checked. That is our most minimal demand but it is essential for without proper care now, we may lose Ida Nudel. At the same time we must demand her release from "internal exile" and her visa for Israel. This is a simple request. All we are asking is that Ida Nudel be granted her rights under the Helsinki Final Act and the United Nations Declaration of Human Rights. No more.

There are a number of things we can do on Ida Nudel's behalf. We should send a constant stream of post cards and letters to the Soviet officials. This is helpful if the cards and letters come from private citizens but even more helpful if they come from your elected representatives. My office in Washington spends a good deal of time writing letters and sending cables on behalf of various Soviet dissidents.

We never know for sure if our letters are read or how they affect the disposition of the cases about which we inquire but we do know that the Soviets are aware of the interest of American officials and we can assume that this interest is a form of protection for those we inquire about. The Soviet authorities know we are concerned about Ida Nudel but they must know that our concern and dedication will not wane until we see her step off that El Al plane which will bring her to Tel Aviv. Rallies and demonstrations in her behalf are essential and it is also important that we involve religious groups, professional organizations, womens' groups in this cause. The pressure must be unrelenting.

Let me disgress a moment here. You are all aware that a record number of Jews are leaving the Soviet Union every month. That is what I was referring to earlier when I spoke of the success of the movement. But there is a danger that these high figures will cause us to lessen our efforts for Soviet Jewry. That must not happen. Certainly we must be pleased and grateful that 5000 Jews a month are getting out. But, as has been said so often, the Soviets open the tap when they want to and can close it just as precipitously. We are not quite sure why they are allowing record numbers to leave and thus we are always vulnerable to the flow's being reduced to a trickle. Moreover the harassment against activists is increasing. Within the past three months 5000 Jews have been told that a lack of close relatives in Israel prevents their emigration. These refuseniks will not even be allowed to apply for a visa. In Leningrad and Kiev, applicants are being told that they must complete 3 years of work in the field in which they have been trained before they can emigrate—then they are fired from their jobs. Old fashioned anti-Semitism is on the rise. As in the Stalin period, authorities are condoning Jew-baiting. Journalists are calling for an end to cosmopolitanism and are pointing to the number of "Zionists" in high places. Since 1967 we have become used to the obsence Soviet equation of Zionism with Nazism.

But nothing daunts the Soviets from making this association and in a recent art show a picture was displayed which portrayed Jews joining Nazis in doing the work of the holocaust. A best-selling novel in the Soviet Union today depicts Rasputin as, believe it or not, a Zionist doing the work of 'international Jewry.' This is not funny but frightening. The Institute of Jewish Affairs in London calls the Rasputin book "a purely Russian novel which could well have emerged from the pre-revolutionary anti-semitic Black Hundreds period." That is the point. The Soviet State is today behaving like pre-1917 Russia. As in earlier attacks on Trotskyism and Cosmopolitanism, today's assault on Zionism is first and foremost an attack on Jews and there is good cause for fear.

So it is clear that we must not relent but should rather redouble our efforts. The Jackson-Vanik amendment with its linkage of trade and credits must be upheld. I oppose any change in the law though in return for continued high emigration figures and specific Soviet assurances that they will comply with the Helsinki Final Act we could consider year-by-year waivers. Our goal here is not to harm the Soviet Union. It is not to block trade which benefits us as well as benefitting them. Our goal is to gain for the Jews of the Soviet Union the right to emigrate, if that is what they desire, or, if they so choose, the right to live freely as Jews within the Soviet Union enjoying the rights guaranteed by the Soviet constitution. And our goal is to see the heroes of the Soviet emigration movement out of prison and in Israel. The Soviet authorities must know that we will not look favorably on increased trade while Nudel and Shcharansky languish in internal exile.

Thus, in conclusion, I urge you to continue the struggle for Nudel, Shcharansky, and all the other prisoners of conscience, although I know that you will not relent. Let me say that I am always impressed by the way the Jewish people stand in unity with its persecuted, oppressed, and poor. It would be so easy to turn away and forget those Jews suffering in the Soviet Union, Argentina, Syria, and so many other places but the Jewish people do not turn away and you must not. For your continued work and your continued dedication is necessary if we are ever going to see that day when "every man and woman shall sit under their vine and fig tree and none shall make them afraid." I thank you for giving me the opportunity to speak today and I pledge my own continued concern and work for the freedom of that woman of valour, Ida Nudel.●

● Mr. DERWINSKI. Mr. Speaker, I would like to take this time to draw attention not only to the plight of Ida Nudel, who remains imprisoned simply because of her desire to emigrate, but also to the situation of the thousands of Soviet Jews separated from their relatives and denied the right to leave the Soviet Union in order to join their loved ones.

Even during such threatening times, we cannot forget the Soviet dissidents who are continuing to be victimized within the Soviet borders by repressive internal policies of that nation's leaders.

Soviet repression of this movement has been intense, often effective. Soviet authorities have resorted to arrests, trials, and imprisonment, confinement in psychiatric hospitals, forced emigration for some, and refusal to allow emigration for others, as in the case of Ida Nudel.

The continued incarceration of Ida Nudel and many other "Prisoners of Conscience," coupled with the systematic harassment of the many hundreds of families not only violates the Helsinki agreement, a pact that the Soviets initiated and promoted, but also serves as a harsh reminder that the climate of suppression of basic freedoms still remains in the Soviet Union.

Ida Nudel has paid a drastically high price for her principles and for being a vocal critic of the repressive attitudes and acts of the Soviet Union. If we, in the United States, do not voice our vigorous opposition to this repression and harassment then we are little more than accomplices to these repugnant actions by the Soviet Government.

Although a signatory of the Helsinki Rights Accords and the United Nations Universal Declaration of Human Rights, the Soviet Union has repeatedly proven by its actions that it has no regard for human rights. The issue of human rights in the Soviet Union has continued through the years to be among the most sensitive aspects of Soviet-American relations. We cannot be silent and give our approval to the denial of such freedoms.

The Nudel case is an example of the continuing repression by the Soviet authorities of Jews whose sole crime is a desire to be reunited with their families. We must continue to speak out for the nearly 200,000 who have applied for permission to emigrate as well as for those whose fear of reprisal has prevented them from requesting permission to leave.

We hope and pray that all people who seek religious and personal freedom, or the right of emigration, will be able to enjoy those rights without restriction in the Soviet Union and throughout the world, and that before her 50th birthday, Ida Nudel will be reunited with her husband and sister in Israel.●

● Mr. ZABLOCKI. Mr. Speaker, the blatant hypocrisy of the Soviet Union in the case of Ida Nudel—the angel of Jewish dissident prisoners of conscience—is totally abhorrent. This courageous woman has just spent her 49th birthday alone in deplorable conditions in a Siberian work camp far away from her husband and sister in Israel whom she has long sought to join.

Despite the fact that the Soviet Union has ratified the Final Act of security and cooperation in Europe as well as the International Covenant on Political and Civil Rights, the Soviet Government has denied Ida Nudel the right to emigrate, has forced her out of her job, has convicted and sentenced her without a trial by jury, tortured her in jail and fundamentally threatened her right to life, liberty and security.

By contravening the international legal provisions proclaiming the right to life, liberty and security, the right to be free from torture and arbitrary arrest, the right to trial by jury, the right to freedom of thought and conscience, and the right to emigrate to join one's family that are to be applied regardless of religion, nationality, race or sex, the Soviet Union has severely demigrated fundamental human rights and freedoms.

Sadly, Ida Nudel exemplifies the situation of thousands of Soviet Jewish families. I only hope that in reiterating the deep concern which the Members of this House expressed last November in adopting House Concurrent Resolution 202—urging the Soviet Union to permit this woman to emigrate to Israel—that we can enjoin the Soviets to release her as quickly as possible.●

● Mr. FASCELL. Mr. Speaker, I am pleased to join our colleagues in commemorating the 49th birthday of Soviet Jewish prisoner of conscience Ida Nudel. I commend Representatives STACK and BARNES for their efforts to secure Ida Nudel's freedom and I assure them of my continued support.

Last week, in this Chamber, I spoke about the plight of Vladimir and Maria Slepak, Soviet Jewish refuseniks who have been waiting for nearly 10 years to emigrate to Israel to join their two sons. Two years ago in June, out of desperation, the Slepaks held a banner outside their window protesting the denial of their right to emigrate. For this action, Vladimir was sentenced to 5 years in Siberian exile. Coincidentally, on that same day in June 1978, the Slepaks' good friend Ida Nudel apparently also reached the same degree of desperation—brought on by 7 years of refusals—and she, too, hung a banner outside her apartment window demanding that she be allowed to emigrate. As a result, Ida was sentenced to 4 years of internal exile.

Ida now lives in a remote village in Siberia, completely cut off from her many friends. Her only living family members—her sister and her husband, former prisoner Yuli Brind—both live in Israel. Ida's health has steadily deteriorated since her exile and her living conditions can charitably be described as primitive. In February, accusations about Ida appeared in the local press and, more recently, copies of these articles were posted in village shops, offices, and other public places, thus adding to Ida's fear and sense of isolation.

We in the West, and especially in the Congress, must do all that we can to ease that fear and sense of isolation. We must not allow Ida Nudel to feel she has been abandoned. By continuing to protest her inhumane treatment until the day she is reunited with her family in Israel, we hope to shore up Ida's spirits as well as bring about that long-awaited reunion.●

● Mr. WAXMAN. Mr. Speaker, last Sunday, April 27, was Ida Nudel's 49th birthday—the second she has spent in brutal exile in Siberia for the simple "crime" of declaring her desire to emigrate to Israel. Her plight has captured world attention. Last November, Congress passed a resolution condemning her imprisonment and demanding that she be permitted to rejoin her family in freedom. Today, we renew that demand. I want to thank my colleagues, Representative EDWARD STACK and Representative MICHAEL BARNES, for again providing an opportunity for us to express our concern.

Over the past several years, Ida Nudel has won a special place in the hearts of thousands. She is known as the "Guardian Angel" of Soviet Jewry, the "Angel of Mercy" who gave ceaseless assistance to all who sought to exercise their rights under the Helsinki Final Act. For this, she was constantly harassed and intimidated by the authorities. Finally, after years of unsuccessful struggle, she placed a banner outside her apartment window which read: "KGB, give me my visa to Israel." For this, she was arrested, imprisoned, tried, convicted, and exiled to Siberia. In her prison village, she is surrounded by violent and dangerous criminals. Each night, she sleeps in fear for her physical safety. The nearly intolerable winters have complicated her health. Last September, Ida was close to breaking, unsure whether she would live to see this spring.

Even though Ida has been removed from Soviet society, this has not satisfied the government authorities. They are currently conducting a campaign of slander against her in the newspapers. She is being further defamed every day.

Ida Nudel has dedicated her life to a simple commitment to human dignity and freedom. She is as courageous and determined as ever. Even from the depths of the gulag, her voice continues to reach the world. By speaking out once again today on her behalf, let all know we shall not cease our interest and efforts to secure her freedom, and to protect Soviet Jewry against repression.●

● Mrs. CHISHOLM. Mr. Speaker, I am happy to join today in this special order which further demonstrates the widespread concern felt in the Congress on the issue of religious and political repression in the Soviet Union.

This 49th birthday of Ida Nudel, the "Soviet Prisoner of Conscience", is yet another reminder of the official Soviet policies that punish potential emigrants and their families. I am afraid that if the Soviet leadership thinks they are discouraging emigration and demands for human rights by these acts of oppression, they are very wrong. Outspoken, principled victims like Ida Nudel daily alert the rest of the world to the denial of basic rights in the U.S.S.R., and give hope to those wanting to leave and emigrants whose family members remain there.

My deepest respect and sympathies go to Ida Nudel on her birthday in some remote Soviet city. She is a source of inspiration for the Soviet Jewish community, and a living symbol for all of us who believe in actively defending basic human rights.●

● Mr. YATRON. Mr. Speaker, we are here today to express our deep concern about the continued oppression of Ida Nudel, the "Guardian Angel" of the Jewish prisoners of conscience in the Soviet Union.

On November 13, this body adopted House Concurrent Resolution 202 which expressed the sense of the Congress that based on the Helsinki agreement and other international declarations on human political rights, the Soviet Union should release Ida Nudel from exile and allow her to emigrate to Israel to join her husband and sister.

Tragically, Ida Nudel's plight has not changed since our united expression of concern regarding her well-being and our fear for her safety has increased since November.

Ida Nudel celebrated her 49th birthday on April 27 in exile in the bleak Siberian wastelands. It is impossible for those who are privileged, as we are, to live in a free society, to comprehend what motive the Soviet Government has for treating its citizens in such a cruel manner. What possible harm can Ida Nudel and the many others who have been denied the right to emigrate, pose to the security of the Soviet Union, particularly as her one desire is to leave the country.

Our commitment to the most fundamental tenants of human justice demands that we continue to speak out against the persecution of Ida Nudel and others until there is no longer a need for our united voices against oppression. Let us hope that our message to the Soviet Union today will result in Ida Nudel being freed to travel to Israel to join her family.●

● Mr. LEHMAN. Mr. Speaker, I would like to commend my colleagues and good friends EDWARD STACK of Florida and MIKE BARNES of Maryland for having this special order on the occasion of Ida Nudel's 49th birthday.

No one illustrates the plight of Soviet Jewry more than Ida Nudel. Known as the "Guardian Angel" of the Prisoners of Conscience, Ida Nudel has risked her own life as an activist and leader of the Moscow Helsinki Monitoring Group before being sent into a 5-year Siberian exile in 1978.

Ida devoted herself to helping fellow refuseniks with those daily tasks which most of us take for granted. Her courage, inner strength, and sensitivity to the psychological needs of people suffering severe mental and physical harassment due to their wish to live in Israel gave nourishment to the Jewish emigration movement in the Soviet Union. She delivered packages and mail to refuseniks which the Soviet authorities would have refused to deliver as a form of harassment. Her sensitivity to the psychological consequences of ostracism and of continued physical and mental abuse suffered by the refuseniks led her to devote untold effort to bolster their morale against the increasing societal pressure. Her selfless activism has saved lives of fellow prisoners of conscience and continues, I believe, to be a symbol of strength which encourages their struggle while she is shut away in Siberia, denied the possibility of being cared for in her own time of need.

I recently heard from Ida's sister who lives in Israel, Elena Fridman. Elena wrote of Ida's deteriorating health. Due to world pressure, Elena wrote, Ida finally underwent medical tests in Tomsk, but when further tests were indicated, she was denied permission to have these carried out. While Elena expressed gratefulness for my support of House Concurrent Resolution 202 calling for Ida Nudel's emigration from the U.S.S.R. to Israel, the sad fact is that Ida still languishes in Krivocheino.

If Ida Nudel's activism is a "crime," if hanging a protest banner outside a window is a "crime," then Ida has committed crimes of courage. Indeed, it would be a crime not to resist the immoral imperatives of the Soviet state that deny its citizens the right to worship freely, to emigrate, and to be reunited with loved ones.

Ida Nudel is one amongst many who are experiencing harder times during the present Soviet crackdown. Our leverage to influence the Soviets toward freer emigration has also diminished in recent months, but we must continue to bring attention to the worsening plight of Soviet Jews. This phase shall also pass, and we will again begin to see the fruits of our united efforts.●

● Mrs. SCHROEDER. Mr. Speaker. Ida Nudel's only "crime" was her desire to return to her homeland. For this she has been harassed, beaten, exposed to the mockery of a trial, and imprisoned in Siberia. Her life has been filled with hardships few would have the courage to face. Yet Ida not only found the strength to survive, she helped others also suffering Soviet persecution. Ida has become known as the "Guardian Angel of Prisoners of Conscience." Her valor is a lesson for all of us.

I again protest most strongly the inhumane treatment of Ida Nudel. I urge the Soviet Government to free Ida and allow her to emigrate to Israel. Their unconscionable repression of this woman's basic human rights stands as a hostile act which can in no way be diminished by any other gestures of Soviet friendship.

Citizens throughout the world will not be deterred by Soviet intransigence; we will not forget Ida Nudel, and we will not cease our work until she is free.●

● Mr. SOLARZ. Mr. Speaker, I would like to take this opportunity to join my colleagues in once again speaking on behalf of Ida Nudel.

This past Sunday was her birthday, and should have been a time of celebration. For Ida Nudel, however, the fear and persecution she has come to know in recent years continued unchanged. Ida Nudel is a widely known and greatly respected individual who worked for years to help other Soviet Jews attempting to emigrate to Israel despite the danger to herself. The only reward she received for her tireless efforts to maintain contact with other prisoners of conscience was an exile order, which she is now serving out in a bleak and remote village in Siberia. She has a history of severe medical problems—a heart condition, an ulcer, and kidney problems—but since her exile she has not been allowed proper medicine, diet, or adequate medical care to treat these ailments.

Earlier this year, we received word of further persecution—a regional newspaper carried an article containing slanders and malicious allegations against Ida Nudel. She was already living in a camp made up of prisoners considered extremely dangerous to society. This new attack could act to prejudice the townspeople against Ida Nudel and encourage violence against this gentle woman, who has no means of defending herself.

Ida Nudel has asked only for the most basic of human rights—the right to religious freedom and the right to emigrate to Israel and be reunited with her family. I sincerely hope that this time next year we will find Ida Nudel living in peace and freedom with her loved ones in Israel. We must all take heart from her example, and not give up the fight.●

● Mr. HOLLENBECK. Mr. Speaker, I would like to take this opportunity to join with my distinguished colleagues and protest the continued imprisonment of Ida Nudel by Soviet authorities. After repeatedly denying Ida an exit visa and subjecting her to various forms of harassment, the Soviet Union found her guilty on charges of "malicious hooliganism" and sentenced her to 4 years of Siberian exile. Despite her failing health and the Siberian environment, she continues to function as a rallying point and a beacon of hope for the hundreds of Jewish dissidents suffering similar plights.

Ida Nudel's sentence represents a travesty of justice which, unfortunately, is becoming all too familiar. Hardly a week passes without a similar plight coming to my attention. Despite the fact that the Soviets are voluntary cosigners of the Helsinki Accords, they have failed to extend guaranteed liberties to thousands of Soviet Jews. Instead, they have pursued a course of discrimination and forced assimilation. Increased emphasis on anti-Semitic propaganda and substantial declines in the number of Jews allowed to receive higher education are just two examples of this policy.

While recent international events in both Iran and Afghanistan have resulted in a cooling of relations between the United States and the U.S.S.R., we must continue our work in behalf of all the Ida Nudels throughout the Soviet Union who are being denied the most fundamental of human rights. I, for one will continue to remind the Soviet Union of its human rights commitments and to urge the easing of responsive measures directed against its Jewish population. Finally, as a nation, we must not relent in our efforts until the Soviet Union sees fit to honor its international commitments which today remain unfulfilled.●

● Mr. BLANCHARD. Mr. Speaker, this past week Ida Nudel spent her 49th birthday again a victim of the oppressive emigration policies of the Soviet Union. Despite commitments to allow for emigration that were clearly made by the Soviet Government in the Helsinki accords, Mrs. Nudel and others like her have been denied the right to live with their loved ones in another country.

Mrs. Nudel's husband and sister currently live in Israel, and she understandably would like to move there to be with them. Since 1971, she has persistently applied for an exit visa to no avail. From 1971 through 1978 Mrs. Nudel kept in close contact with others who share her plight. She visited "prisoners of conscience" and "refuseniks," sent them mail, and defended them before Soviet officials. Her efforts on their behalf have taken her to some of the most remote areas of the Soviet Union, wherever refuseniks have been imprisoned.

In 1978 Mrs. Nudel was herself tried and convicted of "malicious hooliganism" for hanging a banner outside of her Moscow apartment balcony saying simply "KGB give me my visa."

Today, still serving her sentence in exile in Siberia, her life may be in real danger. On February 28, a local newspaper printed hostile statements toward her and the local police appear unwilling to provide the protection that she may need.

Those of use who feel strongly about human rights should not forget Ida Nudel or the many other Jewish men and women in the Soviet Union who are harassed and persecuted. These are people whose only crime is the desire to live out their lives in freedom with their loved ones.

I urge my colleagues to take this, the occasion of Ida Nudel's 49th birthday, to reaffirm our intent, indeed our demand, that the Soviet Union adhere to the Helsinki accords. Mrs. Nudel must be allowed to join her family in Israel.●

● Mr. PEPPER. Mr. Speaker, I would like to join my distinguished colleagues today in paying tribute to the suffering endured the "Soviet Prisoner of Conscience" Ida Nudel and all those who are oppressed in the Soviet Union for the cause of human dignity, rights and freedom.

Like so many courageous dissidents, Ida Nudel's Condition is desperate. Therefore, it is imperative that this situation be given consistent attention and that all the people of the world be reminded of the harsh and uncompromising nature of the Soviet Politik.

It is the nature of violations against the human rights of one that will be perceived as misdeeds which may ultimately threaten us all. It is in this sense that Ida Nudel, in her spiritual resistance against the Soviet assault upon her will, her thoughts and beliefs, stands against this challenge for us all. Let us honor this brave dissident and let it be known for all time that our aid and our compassion is with her.●

● Mr. DRINAN. Mr. Speaker, for nearly 9 years, Ida Nudel has been in the forefront of the movement of Jews in the Soviet Union who have asked to leave the U.S.S.R. for other lands. For nearly 2 years, Ida Nudel has been the victim of a cruel and unjust Soviet system guilty of attempting to humiliate and silence these emigration efforts. Today we gather to commemorate her birthday even though she cannot be with us to celebrate it.

Ida Nudel, an economist who applied to emigrate to Israel after experiencing anti-Semitism at her job, among the citizenry, and in the press, discovered on June 1, 1978, that she was being kept under house arrest. In protest, she placed a sign on her balcony reading "KGB, give me my visa." Soon thereafter she was pelted with stones and harassed by a crowd shouting anti-Semitic slogans.

The next day, Nudel was charged with "malicious hooliganism" and within 3 weeks she had been convicted. Today, she is serving out a 4-year sentence of exile.

Even judged within the strict confines of the Soviet criminal code, Ida Nudel is not guilty of this crime. Just over 1 year ago, Congresswoman PAT SCHROEDER and I joined together to sign a legal brief outlining the case against her and the procedures used in her case. The overwhelming evidence presented in that document, sent to the Procurator General of the Soviet Union, was that the trial was unjust. The punitive and illegal actions taken by the Soviet authorities against Ida Nudel represent an obvious and serious violation by the Soviet Union of the human rights pledges it swore to uphold when it signed the Helsinki accords.

Listen to her words as the authorities sentenced her to 4 years of exile:

> What haven't they done to me since I first applied to leave. I was placed in a prison punishment cell . . . There I was tortured with hunger and with difficult conditions. I was beaten and hounded like a wild beast during a hunt. Many times I have been seized on the street and thrown into dirty smelly cellars they call detention cells . . .

She is not alone in her anguish or her struggle. The Soviets have not shown, with her case, a newfound callousness and inflexibility. The Soviet authorities have long threatened the activities of the Jewish emigration movement. The trumped-up charges against others have shown us the ways of the Soviet Government that silences those who criticize and removes those who cannot be silenced.

The slander and false rumors that defame Ida Nudel's character continue to this day. In a regional newspaper in Tombst Oblast, Ida Nudel was accused of bribing visitors who had come nearly 2,000 miles to see her, and poisoning the water supply of a nearby town. The preposterousness of these lies let us understand the absurdity of Soviet claims against her.

We know Ida's health is poor. She suffers from ulcers, and kidney, liver and heart conditions. She is forced to work as a bookkeeping trainee in a small village earning less than one-third the average Soviet wage.

In the strongest action taken on behalf of any Soviet Prisoner of Zion, the Congress of the United States last December passed a resolution demanding the release of Ida Nudel from exile. We must continue to raise her case whenever we speak with the Soviets. We must raise her case when the Madrid Conference commences to review compliance with the Helsinki accords.

I commend my colleagues for joining together on this occasion. May the next year find Ida Nudel in Israel with her sister and husband.●

● Mr. PEYSER. Mr. Speaker, once again, we in the free world must condemn the Soviet Union's harsh treatment of so called "dissidents." Ida Nudel, known affectionately as the "Guardian Angel" for her activities on behalf of Soviet Jewish Prisoners of Conscience was charged and convicted in June 1978, of "malicious hooliganism" and sentenced to 4 years of internal exile. When arrested, a banner was hanging outside her Moscow flat saying "KGB, give me my visa." The Soviet police claimed this was vandalism and proceeded to incarcerate her. It was, however, merely their means of quieting her pleas for justice.

Since 1971, her repeated requests for a visa to go to Israel have been refused. Disturbed by her persistent efforts to keep up the morale of those in forced labor camps, the KGB constantly subjected Ida Nudel to harassment and intimidation. Gradually, this persecution took its toll on her physically, and now, at 49, she is afflicted with heart trouble.

Her doctors, however, were not treating her for her heart condition as she was led to believe, but for "alcoholism." Moscow Jews have protested to the Soviet authorities on Ida's behalf, insisting that the officials, with the assistance and cooperation of the physicians at the local clinic, have attempted to discredit her.

By banishing Ida Nudel in 1978 to the dreadful quarters she now occupies in Siberia, the Soviet authorities assumed they were silencing this voice of justice. They were mistaken.

From her forsaken village of exile, Ida writes:

> I am fortunate that I myself add not only one page to the history of the Jewish resistance in Russia. I am fortunate that my efforts permitted thousands of Jews to leave this barbarous country. I am fortunate that during all these years I was helping prisoners of Zion, those who were chosen to cut the way to Israel by the price of their own freedom. But if our suffering will not force every one of you to rush to help us, then it is in vain.

Ida Nudel has been put away. We, as Members of Congress, must actively fight for her freedom as well as for all those who remain imprisoned unjustly. We must raise our voices in protest in their behalf and we in Congress must reaffirm our opposition to Soviet oppression.●

● Mr. SCHEUER. Mr. Speaker, only 2 days ago, on April 27, Ida Nudel celebrated her 49th birthday. Because of Soviet tyranny she had precious little to celebrate. Ida Nudel spent her birthday away from her husband and family and in the cruel solitude of Siberian exile.

Ida Nudel's only crime is her desire to emigrate to Israel, her ancestral homeland. Mrs. Nudel first applied for an exit visa in May of 1971. Refused repeatedly, she wrote the following, shortly before her present 4-year sentence to Siberia:

> What haven't they done to me since I first applied to leave? I was placed in a prison punishment cell . . . there I was tortured with hunger and with difficult conditions. I was beaten and hounded like a wild beast during a hunt. Many times I have been seized on the street and thrown into dirty smelly cellars, which they call detention cells . . .

Flagrant Soviet disregard for civil rights and human dignity is well recorded and substantiated. In Ida Nudel's case Soviet authorities went so far as to treat her for alcoholism when she actually suffered from heart trouble. In this manner the Russians are able to further punish Ida while also depicting Jewish refuseniks in an amoral and antisocial light.

I join my colleagues in condemning tyranny and inhumanity in the U.S.S.R. Soviet anti-Semitism and tactics reminiscent of the Nazi Gestapo reveal the true nature of the Soviet Government and leadership.

I call upon the U.S.S.R. to demonstrate her stated concern and respect for human rights and allow Ida Nudel, and her fellow prisoners of conscience, freedom to practice their faith and return to them their inherent right, as human beings, of free and unrestrained emigration.●

● Mr. WOLFF. Mr. Speaker, I wish to join my colleagues today in expressing my feelings of anger and frustration in the case of Ida Nudel, a Soviet Jewish "Prisoner of Conscience" who is suffering more than just physical torment in Siberia at the hands of the Soviet authorities.

Ida is languishing in the Siberian wastelands not because of any tangible infraction of Soviet law. Her only crime is her wish to join her family in Israel. In addition, she is subject to a more profound and despicable form of mistreatment—a blind and irrational hatred which we call anti-Semitism. Institutionalized anti-Semitic policy has always been indigenous to Russian Governments, dating from the earliest Tsarist regimes right through to the present Communist system.

There is nothing surprising in that in this day and age such irrationality still exists within governments which claim to be enlightened, as experiences this century tell us. Ida's ordeal, which began during the days of childhood, could very well have taken place in France of the 1870's, Austria of the turn of the century, or Germany of the 1930's. Ida recalls what transpired at a young Communist meeting in 1950 when one of her comrades stated:

> Hitler did not carry out his task, all Jews should have been annihilated!

Indeed, the Soviet Communist political culture is merely the torchbearer of an ideology originated long ago.

Ida's memories of her childhood are nearly as painful as her current ordeal, which has brought her physical suffering, as well as spiritual. Ida's pride in her Jewishness is unrivaled, as is her dedication to the ultimate goal of settling in the Land of Israel. The Soviet authorities have greeted such emotion with utter contempt, and have spared no energy in exibiting such to Ida and her fellow Soviet Jews.

In Siberia, Ida is a pariah. She is avoided by the local populace, and visits by her friends from Moscow are permitted only twice a month. Those who are able to visit her must be inspired by the viceral courage which permits her to carry on in the face of a hostile populace and a morally bereft regime. Israel to Ida represents not only the opportunity to join her beloved family, but a place where she could live among thousands such as herself, those dedicated to the survival and continuance of their Jewish heritage in the face of those who wish to destroy it. It is Ida's goal of emigration which lends her the will to continue through her torment.

Today is Ida's 49th birthday; I pray that her next half century will bring her the freedom which she and so many others crave dearly.●

● Mr. GLICKMAN. Mr. Speaker, rarely has our Nation in this generation ever had to face the type of manifold challenges that now confront us. At home we are staring into the face of a recession. Abroad, the 50 American hostages continue to languish in Iran, the possibility of release still unclear.

Despite the economic and political problems we are up against, our system does have the underlying strength and resilience that permits us to debate national issues in a free and open fashion. In many places around the globe, this, of course, is not the case.

Today, I rise to remind my colleagues of the plight of several courageous individuals in a country where free expression is almost unheard of, the Soviet Union. These individuals, in expressing themselves, hardly set the stage to topple the repressive Soviet regime, but simply requested visas to emigrate, an action considered by Russian authorities to be a contravention of official policy.

The Breilovsky family, Irina, Viktor, and their two children have been trying to leave the Soviet Union for several years. I have been monitoring their efforts for 4 years as part of the congressional effort on behalf of refuseniks and am sad to report that they are no closer to a visa now than when I first became interested in their situation.

Irina Breilovsky has been repeatedly refused a visa on the basis of the Soviet catch-22 regulation of "knowledge of state secrets." Before application for her visa, she was a mathematician working in an area that had little or no relevance to state security. The Breilovsky's son, Leonid, now approaching draft age, will be barred from leaving the U.S.S.R. forever once he is inducted into the armed services. Anyone in the military in the Soviet Union, even the lowest ranking infantryman is considered privy to "state secrets." Should Leonid be drafted, he would suffer the same fate as his mother.

When the Breilovskys applied for exit visas, both were fired from their jobs the following day. This tragic turn of events did not deter the Breilovsky's courage. As a physicist, Viktor has continued to stay abreast of current work in the field by conducting scientific seminars in his apartment in Moscow. Both Irina and Viktor maintain a high profile of leadership for other refusenik families and stay in contact with the West, despite the fact that their mail is heavily censored and their freedom of movement severely limited.

The Breilovskys are but one example of courage. Today is the 49th birthday of another, Ida Nudel. She is languishing in internal exile in Eastern Siberia. Ida's crime was to hang a banner from the balcony of her Moscow apartment to demand the exit visa she had requested. Her presence in the refusenik community is sorely missed as she was in many ways an angel to prisoners of conscience, writing them letters, sending them packages, and visiting them.

It is easy for us to focus on the dramatic events in this troubled world. We must remain vigilant, however, not to let the individual cases of suffering such as that of the Breilovskys and Ida Nudel, to be overshadowed.●

● Mr. FAUNTROY. I am very grateful to my distinguished colleagues, Congressman EDWARD J. STACK and Congressman MICHAEL D. BARNES, for bringing again to the floor of the House the case of Ida Nudel, the "Soviet Prisoner of Conscience."

Ms. Ida Nudel, in her one-sided struggle with Soviet authorities, is a reminder of the human spirit and the democratic impulse that all people harbor.

I was particularly moved by a letter I received recently from Ms. Nudel's sister, Ms. Elena Fridman, in which was enclosed a translated transcript of a phone conversation between Ida and Elena on March 10, 1980. The conversation demonstrates the strength of Ms. Nudel, who in that conversation says, "I tell you they won't break me but some how they are going to fight me again," Elena replies, "Hang on."

This is a message of strength and hope and it is exactly the message that our Government through the Department of State must continue to give to the oppressed of the world. We must be actively on their side; it is morally right and it is in our national interest.

We must be universal in our human rights advocacy. There is a commonality in the struggle for freedom of the Ida Nudels, the Haitian refugees, the black boat people, and the resistance movements in the Republic of South Africa, and the people within our country who are struggling for economic justice as embodied in the Humphrey-Hawkins Full Employment and Balanced Growth Act, and full voting rights for the people of the District of Columbia.

Ida Nudel is one of us and people with conscience will, I am sure, be speaking out in greater numbers for her freedom.●

● Mr. HARRIS. Mr. Speaker, on February 11, 1980, I spoke to the Members of Congress about Ida Nudel and submitted a touching letter which was written to Ida by members of the Beth El Hebrew Congregation which is located in my district.

Since that date, Ida Nudel's situation has deteriorated even further. On February 28 of this year, an article appeared in the regional newspaper which carried slanders and malicious allegations against this courageous woman. I was glad to be able to sign a letter to Secretary Brezhnev protesting this type of treatment and malignment which has no basis. I asked in that letter that Secretary Brezhnev personally intervene in this case and terminate Ida Nudel's exile in Siberia and allow her to emigrate to Israel.

During the first session of the 96th Congress, I cosponsored House Concurrent Resolution 202, expressing the sense of Congress that the Soviet Union should release Ida Nudel from exile and allow her to emigrate. I know from all of the correspondence I have received from my constituents that this case has aroused widespread sympathy and concern. I have assured those who have contacted me about Ida that I will not forget her. This woman, whose only crime was to ask that a basic human right be respected, will receive my deepest commitment to help her and others who are being held against their will in the Soviet Union.●

● Mr. LENT. Mr. Speaker, it is a privilege and an honor to join in this congressional expression of support for a most remarkable woman, Ida Nudel, whose unremitting struggle for freedom typifies Soviet Jewry's courageous effort to overcome the cruel oppression of the Soviet regime. I thank my colleagues from Florida, (Mr. STACK), and from Maryland, (Mr. BARNES) for making possible this significant event. It is encouraging that so many of our colleagues have joined in this Special Order.

Mr. Speaker, I bring a most personal commitment to the cause of freeing Ida Nudel. Just 1 year ago, I adopted her as my Fourth Congressional District's "Prisoner of Conscience," and pledged my efforts to obtain her freedom. In that year, I have written a letter each week to Soviet officials demanding her release, and have requested the Department of State to intercede in her behalf. Each week I have written a letter of encouragement to Ida, telling her of my efforts.

Last January, I received a postcard from Ida, written from the remote Siberian village to which she has been exiled. She told of receiving four letters I had written in the month of June. She wrote:

> I am very sorry my poor English doesn't permit me to express properly how deeply I was moved. Your letters are great support for my soul. I know you and many are very anxious and very persit(ent) in obtaining freedom for me and for so many in situations such as my (mine) and even worst. I am very thankful for that! I ask you very much, in spite of things not going as we dream, don't give up, be stubborn and you will succeed . . .

Mr. Speaker, I cannot put into words the tremendous lift in spirit I received from Ida Nudel's postcard. In response, I assured her that I will never let up in my efforts until she arrives safely in Israel, as did my previous Prisoner of Conscience, Hillel Butman, a Soviet prisoner for 9 years, who was freed and reunited with his family in Israel early in 1979.

But, Mr. Speaker, within a few weeks of this encouraging message, I received a most ominous cable from Ida's sister in Israel, Mrs. Elena Fridman. She had word from Ida that a new campaign of persecution had been launched against her, with a vicious libelous article in a regional newspaper, which had aroused the townspeople in the Siberian village to which Ida has been exiled. Mrs. Fridman urged swift action to aid Ida.

I immediately appealed to my colleagues in the Congress to join in protesting this new persecution. I am happy to report, Mr. Speaker, that 56 Members of the House joined in signing a letter of protest which was sent last month to Soviet General Secretary Leonid Brezhnev. We also alerted the Department of State to our action, asking all possible assistance from that agency. Department officials have informed me that they are aware of this new attack on Ida and have promised to do everything possible through diplomatic channels.

This past week, Mr. Speaker, I received a further communication from Mrs. Fridman reporting in detail the contents of an extraordinary half-hour telephone conversation she was able to have with Ida Nudel. The entire conversation was recorded. I would like to cite for my colleagues a few of the statements from Ida Nudel. Shining through every word is the remarkable spirit of this magnificent woman, who refuses to let adversity and disappointment discourage her. In fact, she plans to file suit against the writer of the libelous article.

Ida Nudel told her sister:

> They haven't succeeded in breaking me, so they are just keeping up the pressure . . . I'll hang on. . . . They won't break me. I will be silent . . . I'm determined to go to court. . . . Please tell my correspondents, from me, that I won't be writing for the next two months. I will need to study the law. I have to be ready to go to court, however it may turn out . . . I must deal with this stupid article . . . I might even get sentenced again myself, but that doesn't matter anymore. . . .

Mr. Speaker, those words of Ida Nudel give us some small indication of the tremendous courage and indomitable will to persevere, which this remarkable women posseses. She dares to challenge the heavyweight of Soviet oppression even while serving a sentence in exile.

This has been the story of Ida Nudel's life. In 1971 she was denied permission to emigrate to Israel to join her sister and husband there. Yet, knowing her actions would hamper her own efforts to leave the Soviet Union, Ida Nudel offered assistance at every opportunity to other Soviet Jews attempting to emigrate to Israel. She made representations to Soviet officials on their behalf and visited those who were in prison because of their efforts to achieve religious freedom. She has been called the "Guardian Angel of Moscow" and the "Mother of the Prisoners" for her selfless efforts. In 1978 her courageous struggle ended in a sentence to 4 years in exile in Siberia for "hooliganism." Her "crime?" Displaying a banner from the balcony of her Moscow apartment saying "KGB, give me my visa."

Mr. Speaker, we cannot condemn too strongly the Soviet leadership for its heartless cruelty in attempting to crush the spirit of this innocent woman. It is so typical of the attitude of the Kremlin toward Soviet Jews. Let us pledge here today our redoubled efforts to break the heavy bonds of oppression the Soviet regime has placed upon Soviet Jewry. Let us never rest until the Soviets cease their shameful violation of the human rights guarantees they agreed to in signing the Helsinki accords in 1975. We will prevail.●

● **Mr. MAGUIRE.** Mr. Speaker, we have assembled to continue our vigilance over the "Angel of Mercy," Ida Nudel.

Ida Nudel, born April 27, 1931, was sentenced almost 2 years ago under the charge of "malicious hooliganism." It is well known that these were trumped up charges designed to stop her constant support for other prisoners of conscience. Since 1971, when she was first denied permission to leave Russia under the excuse of having access to state secrets, Ida Nudel has been a source of concern for human rights activists. Since June 1978 she has been languishing in exile in the far off wastes of Siberia. She was banished to the dreadful quarters she occupies as the only woman among 40 male criminals by the KGB for hanging a banner outside her Moscow apartment that said: KGB, give me a visa.

She lives in a 12-square-meter room, with a cesspool as a toilet with a shed over it. Her living conditions are unbearable. How much longer she will be able to survive under such wretched conditions is anybody's guess. She is suffering from a severe heart condition, and she now has undergone tests for gallbladder and liver infections. Her health, at best, is questionable. It is her strong will and courage that allow her to endure her environment. And it is her hope and her strong trust in God that enable her to face her discouraging reality from day-to-day anew. As Ida Nudel once wrote in her diary:

> I'm only a woman, it is so agonisingly difficult to live here in a God-forsaken village, without relatives, without friends, without almost all conveniences, while here are almost no food in the store, while militia do their best to cut off my good relations with neighbors.
>
> On the other side, as a person I'm fortunate that I myself add not only one page to the history of the Jewish resistance in Russia. I'm fortunate that my efforts permitted thousands of Jews to leave this barbarous country. I'm fortunate that by my advice and by my act I was lucky to diminish suffering of many Jews and helped them to avoid a conflict with the punitive system of KGB. I'm fortunate that during all these years I was helping prisoners of Zion, those who were chosen to cut the way to Israel, by the price of their own freedom. I was helping them to keep spirit and survive in the hell which you cannot imagine. I do know that I must pay for this furtune in full. No matter how I am tormented by the chastisers or after I cried out of weakness, loneliness and seemingly senselessness of my present life, I do not regret and I do not renounce any of my actions.
>
> But if our suffering will not force every one of you to rush to help us, then it is in vain.
>
> We are idealists. We do believe that our suffering is not for nothing. And this belief saves us from despair at the most difficult moments of our imprisonment. I so want to believe in my lucky stars. I so want to believe that some time I will rise up the board of an El Al aircraft and my suffering and tears will remain in my memory only and my heart will be full of triumph and victory.
>
> And God grant—it will happen soon!

It has been said before that the impact we might have on the lives of Ida Nudel and all other prisoners of conscience is only marginal.

But nevertheless, we have had some impact. For this reason it is of highest significance that we continue our vigilance over the human rights situation in the Soviet Union and I urge all of those participating in this special order to contribute her or his share in this effort.●

● **Mr. RINALDO.** Mr. Speaker, April 27 marks the birthday of Ida Nudel, a woman who symbolizes the struggle for human rights in the Soviet Union.

She was known as the "Guardian Angel" for her activities on behalf of the Soviet Jewish prisoners of conscience. A former prisoner once said of her—

> The one person above all others who helped to keep up morale and who constantly helped with letters and parcels, the person rated by all to be a super-human angel, is Ida Nudel.

Such work was done defying considerable KGB harassment and intimidation.

The harassment began 10 years ago when she applied for a visa to emigrate from the Soviet Union to Israel. In 1978, she was sentenced to 4 years of internal exile for "malicious hooliginism," a contrived conviction to silence this champion of freedom.

Since this conviction, slanderous articles against Ida Nudel have been printed in the local papers of Siberia, her place of exile. These malicious allegations have exacerbated the already hostile attitude of the Siberian people toward her, thus, placing her in greater jeopardy. Furthermore, this continual tormenting has taken its toll on her health, and it is doubtful whether she can survive another Siberian winter.

We must not let the ever-present denial of human rights go unnoticed. Direct contact and pressure must continue so that Soviet Jews, like Ida Nudel, can acquire their visas which are guaranteed by the Helsinki accords. We must continue to call attention to this case and others like it in order to increase world pressure on the Soviet authorities to allow Soviet Jews to emigrate.

To ignore such blatant violations of human rights is to condone them. We must condemn the Soviets' failure to abide by international agreements and protest their denial of basic human liberties and freedoms. We must continue to stand firm in our commitment to Soviet Jewish emigration, which is a basic human right.●

● Mr. FISH. Mr. Speaker, it is with deep regret for her plight that I join my colleagues today in extending birthday wishes to Ida Nudel, who must celebrate in prison, guilty only of the crime of expressing her wishes to exercise her rights as a free individual.

Ida, who is known as the "Guardian Angel" of Soviet Prisoners of Conscience, has always been a special individual in the hearts and souls of those Jews in the Soviet Union who have struggled against tyranny and oppression for many years in order to reach their holy land of Israel or simply to escape persecution. She is a woman of great courage and conviction whose sacrifices over the years she was free were an inspiration to prisoners of conscience in the Soviet Union. Her efforts led to freedom for thousands of Jews.

Ida Nudel devoted herself to supporting and comforting those whose fate she now shares in a dank lonely prison cell in Siberia. Ida is the only female among 40 male common criminal prisoners, her health is questionable, but her will to live is strong. We can only hope she can endure this unbearable hardship until she is set free.

As one of my own adopted prisoners of conscience, I have spoken out on behalf of Ida many times in the past. I know that she will somehow hang on until she can reach Israel. Since there is no easy method for helping Ida attain her goal, we must all continue to speak out on her behalf so that she can be reunited with her family and her people.●

LEADERSHIP ACTION NEEDED ON FOOD STAMP FUNDING FOR FISCAL YEAR 1980

The SPEAKER pro tempore. Under previous order of the House the gentleman from Virginia (Mr. WAMPLER) is recognized for 30 minutes.

Mr. WAMPLER. Mr. Speaker, I and many of my colleagues on this side of the aisle are deeply concerned about the fact that the Secretary of Agriculture has threatened to "suspend the issuance of [food stamp] benefits for [June] 1980 unless and until supplemental appropriations are provided."

There are millions of elderly, blind, disabled, and extremely poor people who rely upon the food stamp program to make ends meet in this period of high inflation and deepening recession. Many food stamp recipients are writing to their Congressmen based on the statements of the Secretary of Agriculture directed to the media stating that Federal funds for food stamps face an abrupt June 1, 1980, cutoff date without offering any options to the States or the food stamp recipients.

Secretary Bergland forwarded a letter to Chairman FOLEY of the House Committee on Agriculture on April 15, 1980, which contained a monthly expenditure report on the food stamp program, as required by Public Law 96-58, which indicates that the food stamp program by February 1980 was operating at an annual expenditure rate of $9¼ billion a year, while only $6.189 billion had been appropriated for fiscal year 1980. The letter also implies that such program suspension would be largely attributable to the lack of "timely congressional disposition of the food stamp funding situation."

I agree that the situation is serious, and I am especially concerned about the impact of possible program termination upon the elderly, blind and disabled, those least able to help themselves. However, I do not concur with the Secretary's attribution of congressional liability for this dilemma for the following reasons.

First, Congress started its legislative action in 1979 to provide additional authorization funds for fiscal year 1980 and to authorize total funding for fiscal year 1981. The House Committee on Agriculture was marking up S. 1309 in December and January prior to reporting the bill.

However, President Carter interrupted this process after he found out in February that the inflation rate was running at an annual rate of 18 percent. He submitted a "revised" budget for fiscal year 1981 and new recommendations for fiscal year 1980. The Speaker, majority leader, and others in the leadership in the Congress then apparently delayed action on the food stamp legislation until House Congressional Resolution 307—the first budget resolution for fiscal year 1981 and the third budget resolution for fiscal year 1980—was approved in the House.

The other body passed authorizing food stamp legislation in the summer of 1979, and the House Committee on Agriculture reported S. 1309, the fiscal year 1980 and 1981 food stamp authorizing measure, on February 27, 1980. House action was delayed because of the administration's delay in submitting the President's revised budget; the expected January 21 budget did not arrive until January 28, and the revised budget arrived March 31, 1980. As late as April 4, 1980, Acting Secretary Williams was forwarding recommendations on food stamp funding revisions for the House budget resolution, House Congressional Resolution 307, to the Speaker. Such delay in turn delayed the Congress in proceeding with its budget process in a timely fashion.

Moreover, there apparently was a decision made between the Speaker and the chairmen of the Rules and Budget Committees that no bills requiring budget waivers for fiscal years 1980 and 1981 would be taken up on the floor until after House action on the first and third budget resolutions.

Second, it should be pointed out that the fact that program funding is short should not have come as any surprise to the administration on April 15, 1980. USDA officials have known all along that the $6.189 billion fiscal 1980 appropriation would be inadequate if food stamp allotments were to be fully funded. Further, the administration has apparently chosen to ignore the authority given it by the 1979 amendment to section 18 of the Food Stamp Act which is the language that allows the Secretary to make discretionary benefit reductions so that the value of the allotments issued would not exceed the appropriation. See attached language of section 18 of the Food Stamp Act which permits the Secretary to make benefit reductions in instances when appropriations may not be available to fully fund the program and a copy of a telegram from William L. Luckhard, commissioner of the Virginia Department of Welfare, criticizing the contingency planning for the food stamp program.

Apparently in the notices given to the States, the administration has offered no options to them in how to meet what it characterizes as a "crisis" except to let the money run out on June 1 and blame Congress for the result. This totally ignores the law as it reads in section 18(c) of the Food Stamp Act, as amended, which directs the Secretary to insure that allotment reductions are made pursuant to statute giving special consideration to the elderly, the handicapped, and so forth.

The administration's decision to fully fund the program until appropriations run out carries with it some considerable assumption of risk unless it has been given assurance by the Speaker and the majority leader of the other body that the House would come to the rescue in time. Certainly, President Carter should have sought such assurance. Meanwhile, the Administration's single solution of suspension raises questions about the legality of its crisis management.

Third, a good part of the shortfall in food stamp funds that the administration is experiencing is attributable to its own action and design. The administration underestimated the cost of its initiative in 1977 to eliminate the purchase requirement and divert the food stamp program from a food and nutrition orientation to an income transfer program. It also focused great attention and committed large sums to reach out and bring in food stamp eligibles who showed little interest in the program. This bureaucratic empire building has resulted in funding shortages.

And, of course, the inflation rate of nearly 20 percent is bringing more and more incomes within a higher poverty level eligible for food stamps which reflects that higher inflation.

I think it important that attention be called to the new situation we are dealing with under the recently implemented 1977 Food Stamp Act, legislation which was adopted at the administration's strong urging. Traditionally, USDA has based food stamp estimates on two basic factors—projected food costs and unemployment figures. I do not consider that these predictors alone are reliable as forecasters for the new program because we are experiencing dramatic program growth and cost at a time when food prices have remained stable and when unemployment has remained well within earlier projections. According to a Congressional Budget Office paper of April 22, 1980, to the House Committee on Agriculture revising its January 1980, fiscal year 1980 and 1981 Current Policy Food Stamp Projections—reprinted below—the suggestion is made that the program has demonstrated a phenomenal growth rate because of the income transfer imprimatur it has taken on with the elimination of the purchase requirement.

The CBO paper reads:

> While food prices have clearly stabilized during this period [first quarter, 1980], other basic necessities have experienced unprecedented increases—housing increased at a 19.5 percent rate, fuel oil at a 62.2 percent, gasoline at a 95.4 percent, transportation costs at a 33.6 percent, public transportation at a 26.3 percent, and medical care at a 16.9 percent . . .
>
> Rapid price increases have resulted in low and lower-middle income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the non-subsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for non-food purchases. Hence, the propensity to participate in the program increases with relatively high rates of inflation in non-food, but still basic items . . .

I certainly do not think we know all there is to know about the estimating methodology for the new program, but I do suggest that other factors are now at work driving up program growth. We need to recognize clearly that the substituted portion of the allotment is being spent on nonfood components of the market basket which are escalating in cost faster than the food component.

Fourth, the program reforms promised by the administrators of the food stamp program in 1977 when testifying on behalf of the Food Stamp Act of 1977 have not materialized. Error rates in the program because of overpayments, et cetera, are still running at a percentage rate of 12 percent, which translates into a cost of nearly $1 billion per year.

Fifth, it has been suggested to Members of Congress that those who are advocates of "uncapping" the food stamp funding, that is, not setting an authorization limit for the program, are using the current situation to "scare" food stamp eligibles into urging the abandonment of the food stamp cap inserted in the Food Stamp Act of 1977. If this is true, it is certainly a cruel political move to use the elderly and disabled as pawns in such political strategy.

It is unfortunate in the extreme that the elderly people in this country, the disabled and the blind are being told on one hand by administration officials that Congress is to blame for a possible food stamp cutoff, while at the same time Congress must legislate in a "crisis" due in large part to President Carter's delay in forwarding his budget recommendations both for fiscal years 1980 and 1981.

In Presidential election year politics, people may have a higher tolerance of political activity; but when the pawns in such maneuvers are those who deserve the greatest concern—those who are unable to work because of age or disability—such political activity goes beyond the bounds of fair political practices.

Finally, I urge the House to move promptly to take up the food stamp authorization bill on the floor. A hearing before the Rules Committee was requested by the chairman of the Committee on Agriculture on April 21, 1980, and a hearing hopefully will be scheduled by the Rules Committee promptly.

I am informed that the Appropriations Committee is prepared to take the 1980 supplemental appropriations bill to the floor on May 15, 1980, and is prepared to go to conference promptly on that bill with the Senate.

I am also informed that Congressional Budget Office representatives believe that there are sufficient food stamp funds already appropriated to carry the program at least through the first week of June 1980. Notwithstanding all this, I wish to urge prompt congressional action to resolve this matter.

Too much political chicanery has already been generated regarding this critical issue and too little leadership has been forthcoming from the administration on this issue. Certainly by the time President Carter forwarded his budget recommendation to the Congress on March 31, 1980, he should have been thinking about the possibility of requesting the transfer authority for some funds from function 600 in Health, Education, and Welfare to the Department of Agriculture to take care of the food stamp program through June or July 1980. Moreover, he should have sought the cooperation of the Speaker of the House and the majority leader of the Senate in addressing this problem in early March 1980, while preparing his "revised" budgets.

Let us stop posturing and start acting to resolve this food stamp issue, but let us do it in an effective manner and not be "stampeded" into careless legislative action. Less finger pointing and more leadership from the administration would help.

The material follows:

The Food Stamp Act of 1977, as Amended

AUTHORIZATION FOR APPROPRIATIONS

SEC. 18. (a) To carry out the provisions of this Act, there are hereby authorized to be appropriated not in excess of $5,847,600,000 for the fiscal year ending September 30, 1978; not in excess of $6,778,900,000 for the fiscal year ending September 30, 1979; not in excess of $6,188,600,000 for the fiscal year ending September 30, 1980; and not in excess of $6,235,900,000 for the fiscal year ending September 30, 1981. Not to exceed one-fourth of 1 per centum of the previous year's appropriation is authorized in each such fiscal year to carry out the provisions of section 17 of this Act. The Secretary shall, by the fifteenth day of each month, submit a report to the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate setting forth the Secretary's best estimate of the second preceding month's expenditure, including administrative costs, as well as the cumulative totals for the fiscal year. In each monthly report, the Secretary shall also state whether there is reason to believe that reductions in the value of allotments issued to households certified to participate in the food stamp program will be necessary under subsection (b) of this section.

(b) In any fiscal year, the Secretary shall limit the value of those allotments issued to an amount not in excess of the appropriation for such fiscal year. Notwithstanding any other provision of this Act, if, in any fiscal year, the Secretary finds that the requirements of participating States will exceed the limitation set herein, the Secretary shall direct State agencies to reduce the value of such allotments to be issued to households certified as eligible to participate in the food stamp program to the extent necessary to comply with the provisions of this subsection.

(c) In prescribing the manner in which allotments will be reduced under subsection (b) of this section, the Secretary shall ensure that such reductions reflect, to the maximum extent practicable, the ratio of household income, determined under sections 5(d) and 5(e) of this Act, to the income standards of eligibility, for households of equal size determined under section 5(c) of this Act. The Secretary may, in prescribing the manner in which allotments will be reduced, establish (1) special provisions applicable to persons sixty years of age or over and persons who are physically or mentally handicapped or otherwise disabled, and (2) minimum allotments after any reductions are otherwise determined under this section.

(d) Not later than sixty days after the issuance of a report under subsection (a) of this section in which the Secretary expresses the belief that reductions in the value of allotments to be issued to households certified to participate in the food stamp program will be necessary, the Secretary shall take the requisite action to reduce allotments in accordance with the requirements of this section. Not later than seven days after the Secretary takes any action to reduce allotments under this section, the Secretary shall furnish the Committee on Agriculture of the House of Representatives and the Committee on Agriculture, Nutrition, and Forestry of the Senate a statement setting forth (1) the basis of the Secretary's determination, (2) the manner in which the allotments will be reduced, and (3) the action that has been taken by the Secretary to reduce the allotments.

[Telegram Sent on April 25, 1980]

Hon. ROBERT BERGLAND,
Secretary, Department of Agriculture,
Washington, D.C.

This is to share with you my deep sense of frustration resulting from recent discussions I have had with staff of the Department of Agriculture regarding food and nutrition service plans, and approvable options states may contemplate, to respond to a possible suspension of June Food Stamp benefits. These discussions have been totally fruitless and I am absolutely dismayed that no leadership or contingency planning have been provided to us by FNS. Even though my suggestions have each thus far been rejected, for a variety of reasons, I still take this opportunity to bring one additional suggestion to your personal attention. Specifically, I have unconfirmed reports that 1980 fiscal year funds remain which will be sufficient to operate the Food Stamp Program for three weeks in June 1980. I, therefore, strongly urge that you consider allowing states to issue June benefits as ½-allotments, issued the first of the month. Unless a more comprehensive legislative action is forthcoming by May 15, this suggestion may provide the additional time needed by Congress to enact solutions to this fiscal year 1980 funding shortfall.

WILLIAM L. LUKHARD,
Commissioner,
Virginia Department of Welfare.

CONGRESSIONAL BUDGET OFFICE,
Washington, D.C., April 22, 1980.

To: Anita Brown and Mary Jarratt, House Agriculture Committee.

From: Bill Hoagland, CBO.

Subject: Fiscal Year 1980 and 1981 Current Policy Food Stamp Revisions.

Recent repaid growth in food stamp participation in the second quarter of fiscal year 1980 has necessitated an adjustment to the January 1980 CBO current policy estimates for the food stamp program. These adjustments will affect the current policy estimates as used throughout your Committee's recent budget resolution debate.

THE CURRENT PARTICIPATION SITUATION

Table 1 below summarizes the estimated average monthly participation by quarter used in our January estimates, contrasted with the preliminary participation figures for the first two quarters for fiscal year 1980. Also shown are the new projected participation figures.

TABLE 1.—AVERAGE MONTHLY PARTICIPATION ON A QUARTERLY BASIS, FISCAL YEARS 1980 AND 1981, JANUARY 1980 PROJECTIONS AND REVISED APRIL 1980 PROJECTIONS

[Persons in thousands]

Fiscal year: Quarter	January 1980 estimates	April 1980 estimates	Difference, April–January
1980:1	19, 551	[1] 19, 704	+153
1980:2	19, 745	[1] 21, 255	+1, 510
1980:3	20, 167	21, 643	+1, 476
1980:4	20, 636	22, 051	+1, 415
Average 1980	20, 025	21, 163	+1, 138
1981:1	21, 062	22, 642	+1, 580
1981:2	21, 309	22, 979	+1, 670
1981:3	21, 362	23, 001	+1, 639
1981:4	21, 499	23, 079	+1, 580
Average 1981	21, 308	22, 975	+1, 66

[1] Preliminary USDA figures.

Currently it is estimated that participation will average approximately 21.2 million persons monthly in fiscal year 1980, about 1.1 million persons higher than the January estimate. For fiscal year 1981, participation will average nearly 23.0 million persons monthly, about 1.7 million higher than the January estimate.

Very preliminary figures for March show participation reaching approximately 21.7 million persons, the highest level ever recorded in the program's history. The higher than anticipated participation in the second quarter is not directly attributable to higher unemployment. The January estimates assumed that the unemployment rates would average 6.3 percent in the second quarter—the actual figure was 6.1 percent. Nor is the increase directly attributable to higher food prices. Those factors that might explain the rapid increase, and which were not directly modeled in the January estimates follow:

Inflation: Grocery store food prices declined 0.2 percent in January, declined 0.4 percent in February, and were up 1.0 percent in March. Food prices increased at an annual rate of only 2.0 percent for the three months ending in March. While food prices have clearly stabilized during this period, other basic necessities have experienced unprecedented increases—housing increased at a 19.5 percent rate, fuel oil at a 62.6 percent, gasoline at a 95.4 percent, transportation costs at a 33.6 percent, public transportation at a 26.3 percent, and medical care at a 16.9 percent.

I hypothesize that these rapid price increases have resulted in low and lower-middle income families choosing to reallocate their limited incomes so as to select those commodities which are subsidized and thereby continue to maintain their real purchasing power in the non-subsidized goods. Since the elimination of the purchase requirement, the food stamp program has become more of a direct income transfer program, directly substitutable for non-food purchases. Hence, the propensity to participate in the program increases with relatively high rates of inflation in non-food, but still basic items.[1]

Cyclical and Seasonal Sensitivity: It is my judgement that the elimination of the program's purchase requirement made it more cyclically sensitive than the earlier program. Given that food stamps now are directly substitutable, the program will react more quickly to changes in aggregate economic activity. The estimated seasonal and cyclically related parameters in our current food stamp forecasting model tend to be weighted more heavily toward the pre-1977 food stamp program. While dummy variables have been added to reflect the new law, the lack of observation points precludes interacting these new law dummies with other seasonal dummies and cyclically related variables.

Low-Income Energy Assistance Program: Low-income families applying for low-income energy assistance grants this last winter may have been exposed to the food stamp program for the first time. Depending on how local energy assistance caseworkers interacted with the food stamp program, some indirect outreach for the food stamp program could have occurred.

REESTIMATES FOR FISCAL YEARS 1980 AND 1981

Fiscal Year 1980: For fiscal year 1980, it is now estimated that obligations could reach about $9.190 million, or $497 million more than was estimated by CBO in January. The average monthly benefit per person remains unchanged from the January estimate of $37.15. The revised budget authority and outlay estimate (in thousands of dollars) appear below:

Current policy	January estimate	April reestimate	Change, April–January
Budget authority (BA):			
Appropriations less transfer	$6, 179, 676	$6, 179, 676	0
Anticipated supplemental	[1] 2, 556, 174	3, 011, 374	+$455, 200
Total, BA	[1] 8, 735, 373	9, 191, 000	+455, 200
Outlays (O):			
Current	8, 650, 083	9, 139, 856	+489, 773
Prior	88, 568	88, 568	0
Total, O	8, 738, 651	9, 228, 424	+489, 773

[1] Administration's supplemental request as submitted in The Budget of the U.S. Government, 1981 (Jan. 28, 1980).

Budget authority for fiscal year 1980 increases by approximately $455 million, while outlays will increase about $490 million under the revised CBO estimates. The Administration's revised March estimates submitted to the Congress on March 31, estimated that current policy budget authority would need to be increased by $235 million, while outlays would increase by $133 million. The April CBO estimates are significantly higher than these revised Administration estimates.

You should note that S. 1309 (the Food Stamp Amendments of 1980) currently provides flexibility for a total appropriation up to $9,182 million. This of course assumes no potential legislative savings from the Administration's proposal to eliminate the July updates, with estimated fiscal year 1980 savings of about $100 million.

Fiscal Year 1981: For fiscal year 1981, it is now estimated that obligations will reach about $10,766 million, exceeding our January estimate by about $694 million. The average monthly benefit per person remains unchanged at $41.00. The revised current policy budget authority and outlay estimates (in thousands of dollars) appear below:

Current policy	January estimate	April re-estimate	Change, April–January
Budget authority (BA):			
Appropriations ceiling	$6, 235, 900	$6, 235, 900	0
Additional anticipated appropriations	3, 836, 072	4, 530, 248	+$694, 176
Total, BA	10, 071, 972	10, 766, 148	+694, 176
Outlays (O):			
New	10, 022, 460	10, 583, 123	+560, 663
Prior		51, 193	+51, 193
Total, O	10, 022, 460	10, 634, 316	+611, 856

Budget authority for fiscal year 1981 will be approximately $694 million higher than the CBO current policy estimate developed in January, total outlays will increase by about $612 million. The Administration's revised March estimates showed an increase of only $164 million in both budget authority and outlays over their January budget submission. Again, the CBO April revisions are significantly higher than the Administration's reestimates. The CBO current policy estimates do not, of course, include potential legislative savings.

GENERAL LEAVE

Mr. WAMPLER. Mr. Speaker, I ask unanimous consent that all Members may have 5 legislative days in which to revise and extend their remarks and include extraneous matter on the subject of my special order today.

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[1] While we have attempted to test this hypothesis in the past using the ratio of non-food price inflation to food price inflation, we have never found significant results. My assumption is that we have never experienced the type of non-food inflation we are now experiencing in the presence of a program without the purchase requirement. I therefore do not think that the earlier results necessarily discount the current hypothesis.

The SPEAKER pro tempore. Is there objection to the request of the gentleman from Virginia?

There was no objection.

☐ 1830

THE EXPORT OF HAZARDOUS GOODS ABROAD

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Maryland (Mr. BARNES) is recognized for 5 minutes.

● Mr. BARNES. Mr. Speaker, this past winter I introduced H.R. 6587 which seeks to control the export of U.S. goods abroad which have been found dangerous and banned in the United States. Chairman BINGHAM this past week scheduled hearings on H.R. 6587 for Thursday, June 5 and June 12 before the Subcommittee on International Economic Policy and Trade.

The "dumping" of banned U.S. products abroad, usually in less developed countries (LDC's), has attracted considerable press in recent months. Three articles are especially deserving of my colleagues' attention. One is an article by Kathleen Agena in this past Sunday's New York Times and another is a column by Barry Newman in a recent Wall Street Journal.

The third is the excellent series of stories by Mother Jones magazine on the dumping of hazardous goods abroad which was recently awarded the 1980 National Magazine Award for Reporting Excellence by the Columbia School of Journalism and the American Society of Magazine Editors. The magazine was also a finalist for the public service award from Columbia for the same series that was first published last fall. The stories, entitled "The Corporate Crime of the Century," can be obtained from my office by calling extension 5-5341 or stopping by 1607 Longworth.

Mr. Speaker, I submit the story in the New York Times' Week in Review section to be printed in the RECORD in its entirety and an excerpted column by Barry Newman in the Wall Street Journal to follow it:

[From the New York Times, Apr. 27, 1980]

HAZARDS INTERNATIONAL: NO EASY SOLUTION IS POSSIBLE

(By Kathleen Agena)

The export, by the developed countries, of banned or potentially hazardous products to undeveloped nations has raised new worries in environmental regulation. The controversy hinges on several critical issues. Among these, one fundamental question is whether the standards of environmental safety adopted in one country are appropriate for, and can be applied to, another.

While the easiest solution would be for each nation to set its own standards, many lack funds or technical personnel to support a system of environmental regulation like that in the United States or other developed countries. Should they, then, adopt standards in use by a selected developed country? Should a developed country adopt standards for them by refusing to export potentially harmful products? Should an international agency define standards to be applied by all nations? If so, who should enforce the standards?

The State Department, which views the situation as "delicate," is concerned with overreaching its authority and assuming a paternalistic role toward the poorer countries. "We have to be careful about Big Brotherism," says Jack Neylan of the Pesticides and Toxic Substances Enforcement Office, "the developing countries feel they have a right to make these decisions themselves."

While many countries in Central and South America, Africa and Asia implicitly agree with this view and argue that no other country has the right to control international trade in toxic or potentially harmful products, other countries feel they are being exploited to provide markets for goods that cannot be sold elsewhere. "We do not think it is right or moral," says Francis Kasina, Kenya's Deputy Permanent Representative to the United Nations. "If a product is banned in the country where it is manufactured, it should not be sold to another country, especially when the recipient country is not even warned of the potential danger of these products."

The problem is exacerbated by the wide range of banned or restricted products being exported. Contraceptives, pesticides, PCB insulators, asbestos, Tris-treated baby clothes, baby formulas, toxic chemicals in various compounds, prescription drugs, and other medical supplies are all part of the package. The importing countries may determine that some of these products are worth the risk. * * * Many developing countries, particularly in tropical zones, chose to use DDT because they felt its risk would be offset by the benefits of crop protection and malaria control. Then scientific studies began to show that mosquitos build up resistance to DDT and other chlorinated hydrocarbon pesticides quickly, particularly when applied in the heavy doses commonly used in tropical zones. By 1976, 24 mosquito species were known to be resistant to DDT and 43 were resistant to its chemical relative Dieldrin, also banned in the United States. Further, with the enactment of new stringent controls, the developed countries began to reject large quantities of food because of DDT residues above permissible limits; 500,000 pounds of beef from El Salvador were rejected by the United States in 1976. The developing countries find that their own right to evaluate and set standards has been surreptitiously reduced.

But food contaminated with banned pesticides continues to make its way back into the developed countries. The Food and Drug Administration estimates that at least 10 percent of the food imported in 1979 contained residues of DDT and other banned pesticides and a reecnt series in The Los Angeles Times reported that banned pesticides are being smuggled back into this country from Central America. Consequently, the developed countries find that their ability to regulate is also diminished by conflicting standards abroad.

The difficulties of regulating toxic products are compounded by incongruities in the technology required to handle them. For example, agricultural chemicals applied by machine in developed countries are often applied elsewhere by sprayers on the backs of farm laborers, who wear no special protective clothing and often mix the chemicals by hand. Warning labels, if they appear at all, are usually in the language of the exporting country.

The Policy Sciences Center, a nonprofit research organization, has arranged unofficial talks between the international chemical industry and the governments of Latin America. As a result of a meeting held last year in Costa Rica, representatives of Dow, Du Pont and Shell, among others, and Latin American officials are now detailing steps to improve safety. They will meet again next year to attempt to reach a consensus on the administration of these measures.

MORE TRUTH IN PACKAGING

The State Department is trying to improve its system of notifying foreign governments when a product has been banned, recalled, or restricted in the United States, and to supply more detailed information on the dangers of these products. The Federal Insecticide, Fungicide and Rodenticide Act was amended in 1978 to require that, with few exceptions, an unregistered pesticide cannot be exported unless the recipient country acknowledges that it understands the pesticide is unregistered and cannot be sold in the United States.

The United Nations Environment Program has condemned the export of hazardous products as currently practiced and has appealed to exporting countries to halt sales of banned or restricted products until adequate tests on environmental safety can be carried out in the recipient countries. It has also requested the provision of more detailed information on the dangers of these goods to the recipient countries. Several United Nations agencies are initiating steps to define certain minimal standards of safety, but concrete results are not likely to appear for several years. As continuing accidents with hazardous chemicals in the United States show—most recently last week's explosion at a toxic dumping site in Elizabeth, N.J.—standards alone, however high, will not solve the problem.

[From the Wall Street Journal, Apr. 8, 1980]

WATCHDOGS ABROAD: CONSUMER PROTECTION IS UNDERDEVELOPED IN THE THIRD WORLD

(By Barry Newman)

PENANG, MALAYSIA.—"Mexaform?" The Tamil clerk nods and swiftly produces 10 tablets sealed in plastic on a card. The drug is a dysentery remedy better known elsewhere as Enterovioform—and often cited for its harmful side effects. It is banned in Japan, off the market in the U.S.

You can get it in Malaysia and many other countries, though. Only pharmacies are entitled to sell the drug here, but this little general store, at a dusty crossroads near a fishing village, has Mexaform and a lot of other surprising items for sale.

There are locally made eyebrow pencils laden with lead; mosquito coils impregnated with DDT (they have been banned here since 1972); baby bottles of polyvinyl chloride (they melt in the water boiled to sterilize them); condensed milk loaded with sugar, sold as food for infants; ginger candy whose cherry color usually is derived from Red Dye No. 2 (banned in the U.S. as cancer-causing).

ALL-PURPOSE CURE

Does the clerk have penicillin? He turns to root through a drawer behind his counter, and finding no bills, only penicillin ointment, offers a consolation: a bottle of colorless liquid that, according to it label, contains dissolved rhinoceros horn. It promises immediate relief from "malaria, high-temperature fever affecting heart and four limbs, climate giddiness, insanity, toothache, etc."

"Most people get sick, they take this," the clerk says.

So it is with consumer protection in the Third World. Malaysia is one of those developing nations rich enough to make or import the whole range of consumer products but not quite developed enough to be concerned with effectively screening out their evils.

Life here on any level has grown complicated. Plastic wrap, with its problems of disposal, has supplanted banana leaves. People sit on chairs rather than their haunches, making low-back pain a common ailment. The Malaysian marketplace now is fraught with the new and the unknown. The consumer, largely uninformed and unprotected, is a sitting duck.

"We haven't reached affluence," says Mohammed Idris, "but we already suffer from all its ills."

NADER OF THE EAST

Mr. Idris, an Indian Moslem merchant, is Malaysia's answer to Ralph Nader. He is a founder and president of the Consumers' Association of Penang, by many accounts the largest and loudest consumers' group in the Third World. For 10 years the association has been keeping track of septic tanks and polluted waters, potholes and weevily rice. It has been blowing the whistle on bogus job agencies, unlicensed optometrists and moonshine, and pushing the panic button on flammable teddy bears, deforestation, war toys and broken glass in bottled drink.

* * * * *

"We create pressures within the bureaucracy," explains Martin Khor, research director for the Penang group; he has a master's degree in economics from Cambridge University. Mr. Khor asserts that "if we educate the public, the bureaucrats will have to listen."

It isn't as if Malaysia's government had totally failed the consumer. There are laws against phony discounts and short-weighting, plus rules covering labels, preservatives, food coloring and installment buying. Malaysia has an Environmental Quality Act and a Price Control Act. A UN survey shows that its consumer laws cover much the same ground as those of Japan, Canada and West Germany. But, with the exception of a new seat-belt ordinance for motorists, the laws aren't overly strict, and they don't seem to be applied with much vigor.

* * * * *

In Malaysia, shrimp paste has a warm brown color that comes—says the Consumers' Association—from rhodamine-B, a chemical long banned by the government. The pale yellow color of bean curd is imparted by metanil yellow, also banned. Western esoterica like unit pricing and shelf-life limits are unheard of here; at one Penang supermarket, codfish fingers cost more per ounce in the 10-ounce box than in the six-ounce box. The same store recently was selling bottles of Hellman's Big H Burger Sauce marked "buy before June 11, 1979."

The maker of Woodward's Celebrated Gripe Water, a British concoction for infant discomforts, legally lists ingredients on its Malaysian label in Latin. In Britain, the label is in English, and it sets a limit of eight doses a day. (A consumers' group in neighboring Singapore reported a year ago that Gripe Water sold there contains almost twice the 4.9% alcohol declared on the label, perhaps explaining why it puts baby to sleep.)

Brand's Essence of Chicken, another British import, is sold in minute bottles (to fit minute budgets) and heavily promoted as concentrated protein. A consumers' group in the Malaysian state of Selangor found a few years ago that this protein costs 130 times more than the protein in local whitebait. It didn't matter. Essence of Chicken and products like it remain popular.

A LONG TIME

The government has written a code of ethics for companies selling powdered infant formulas. But there are no restrictions on the sale of sweetened condensed milk, which contains 45% sugar by weight and, in 1976, was declared "highly unsuitable for infants and young children" by the UN Protein-Calorie Advisory Group. In Malaysia, it is commonly used for bottle-feeding babies, and it is sold in cans showing pictures of babies accompanied by instructions for infant feeding.

One of the suppliers is Carnation Co. in Los Angeles. A spokesman there says the labels in question "have been phased out for a long time." How long? "A matter of months."

Products recognized as dangerous in the West may be even more unhealthy in their Third World formulations. One is Benson and Hedges cigarets, made by B.A.T. Industries Ltd. In the British home market, this cigaret has a tar content of 17 milligrams. But a 1978 study by the U.S. government's Smoking and Health Program found that the same brand sold in Malaysia had 30 milligrams of tar per cigaret, a 76% increase.

In London, a B.A.T. spokesman says, "It's merely a reflection of consumer taste." In developed countries, he explains, consumers have shown a preference for low tar levels. But this trend isn't evident in the Third World because consumers there smoke fewer cigarettes per day, so they "tend to prefer more taste."

B.A.T. disputes the UN figure of 30 mg for the Malaysian Benson and Hedges. "Substantially too high," says an official. But the company says it can't reveal the real figure. That is "a commercial secret."

Dieldrin, Aldrin, heptacblor and chlordane, highly toxic pesticides that are banned in the U.S., are freely marketed in Malaysia, along with other chemical and pharmaceutical items restricted in advanced economies. The International Organization of Consumers Unions has put together a sampler from the Drug Index for Malaysia and Singapore, for example, of eight drugs off the shelves elsewhere and approved here.

Besides clioquinol, the chief ingredient of Mexaform, they include chloroform, which has been ordered removed from over-the-counter remedies in the U.S.; and dipyrone, which has been removed from cold medicines in the U.S.

PROBLEM FOR TEETH

The antibiotic tetracycline is distributed here by Dow Chemical Co. listing dosages for children. Other international distributors warn that the drug can cause teeth discoloration in children and shouldn't be used by women in the second half of pregnancy or by children under eight. Dow makes no mention of the hazard in its package inserts distributed in Malaysia.

"The literature has to conform to local registration regulations, which aren't up to international standards sometimes," says Jackie Tay, Dow's pharmaceutical division representative in Kuala Lumpur, the Malaysian capital. "There isn't much on the insert. The literature leaves much to be desired. We have marketing communications people pursuing this matter right now. These things don't get done overnight."

The drug Depo-Provera, made by Upjohn Co., is used by the Malaysian government in birth-control programs. Given by injection, it is said to be effective for three months or more. But in the U.S., the Food and Drug Administration has declined to license it for birth-control uses. The agency cited evidence that the drug causes menstrual difficulties in women and breast cancer in animals. Upjohn is challenging the FDA stand in court.

The FDA found that in the U.S. the risks outweighed the benefits of using Depo-Provera as a contraceptive (it is approved for use as an inticancer drug). In the Third World, however, the risk-benefit calculation is different, and some experts suggest that even a risky drug might be worthwhile if it had a great effect on the population-control problem.

Martin Khor of the Consumers' Association objects violently to Depro-Provera's use here, calling it "grossly irresponsible" of the government to "distribute to our Malaysian women a drug which has been banned in the Western countries where it originated."

The industrialized nations clearly aren't straining to curtail exports of products that they restrict at home. Very often, government agencies don't have the power to do that. The State Department does provide an informational service, issuing notices of bans and recalls through its embassies, but these are less than comprehensive.

Some people think the service isn't needed. "Just about every country in the world has an embassy in Washington," says an American in Malaysia who asks not to be identified. "All this information is published in the Federal Register. If they feel affected, they ought to do something about it. Are we supposed to step in and run their goddam countries?"

Whether Malaysia's government allows such items in by design or neglect is difficult to fathom. According to Tey Boon Hwa, head of the consumer-affairs division in the Department of Trade and Industry, the country is kept informed by its trade commissions overseas. "I wouldn't say regularly," he concedes. "On and off."

The Consumers' Association of Penang, meanwhile, isn't notified of anything by anybody. Its staff watches the newspapers, roots through 50 consumer magazines from around the world, follows up complaints and tries to let the public know what's going on. "We've had an impact," says its president, Mohammed Idris. "A small impact." ●

CONCERNS OF SMALL BUSINESS

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. GONZALEZ) is recognized for 15 minutes.

Mr. GONZALEZ. Mr. Speaker, it is my conviction that the Members, indeed all in Congress with responsibility of hearing and considering the concerns of small business, should be made aware of and give attention to the provisions of section 8 of S. 2245 now pending with the Committee of Public Works and Transportation. The specific provision to which I have referenced is the one providing for legislation respecting so-called "back-haul" trips by trucks involved in transporting food and food products. That provision has been inserted in S. 2245 on the basis of the argument that it is needed to permit the saving of fuel in the operation of trucks. The allegation is that unless mentioned specific provision should be enacted, it would be unlawful for trucks to pick up food and food products for back-haul trips. This is not so.

Persons I regard as being well-informed concerning the interests of small business firms and their needs for protection against unlawful and injurious price discrimination, have informed me that they are convinced that this proposed legislative provision concerning back-haul would undoubtedly emasculate, if not repeal, laws enacted by Congress to protect small business firms from injurious price discrimination.

In view of this, on April 3, 1980, I submitted a statement to the Senate Select Committee on Small Business. The purpose of my letter was to alert the committee about some of the concerns held by small business interests regarding the proposals which have been made for legislation respecting the so-called backhaul trips my trucks involved in transporting food and food products, and to request that the House Small Business Committee be provided with the opportunity of holding hearings and making a report on what effects this legislation would have on small business and on the laws, specifically the Robinson-Patman Act, which were enacted to aid in protecting small business firms against injurious price discriminations and pricing.

I was chairman of the Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act, and Related Matters of the House Committee on Small Business in 1975—and I continue to sit on the House Small Business Committee. Therefore, I am sure you understand my deep concern to study and investigate, on a continuing basis, legislation which may affect small business and emasculate the Robinson-Patman Act.

Of course, as you are aware, since April 3, 1980, the Senate has passed S. 2245, including the section 8 thereof to which I have made reference. That notwithstanding, as I understand it, no hearings have been held on the mentioned section 8 provision.

Now, it is up to the House of Representatives and its Committee on Public works and Transportation to consider the plea on the behalf of small business interests that a hearing opportunity be provided concerning the effects of this proposed legislation would have on small business and on the laws, specifically the Robinson-Patman Act, which were enacted to aid in protecting small business firms against injurious price discrimination and pricing.

Mr. Speaker, I wish to insert here a letter from the chairman and a number of the members of the House Small Business Committee, in which a request for the opportunity of such a hearing is voiced, and also a letter that I have addressed to the President of the United States.

The material is as follows:

COMMITTEE ON SMALL BUSINESS,
Washington, D.C.

Hon. JAMES J. HOWARD,
Chairman, Subcommittee on Surface Transportation, Committee on Public Works and Transportation, House of Representatives, Washington, D.C.

DEAR MR. CHAIRMAN: You are aware, we are sure, that S. 2245, the trucking deregulation legislative proposal, has had included in it as an amendment the provision which had been included in S. 1787. That latter provision purports to provide for reducing or eliminating empty back-haul by trucks involved in the transportation of food and food products.

The purpose of this letter is to alert you to some of the concerns held by small business interests regarding the proposals which have been made for legislation respecting the so called "back haul" trips by trucks involved in transporting food and food products. A bill (S. 1787) was recently introduced in the United States Senate providing for revision of certain provisions of law relating to the transportation of food and grocery products by motor vehicles. The provision thereof of concern to the small business interests is quoted as follows:

"Notwithstanding any other provision of law it shall be lawful for a seller of food and grocery products using a uniform zone delivery pricing system to compensate a customer who picks up purchased food and grocery products at the shipping point of the seller. Such compensation shall be available to all customers of the seller on a nondiscriminatory basis, and may not exceed the actual cost to the seller of delivery to such customer which would otherwise be incurred by the seller under the uniform zone delivery system."

S. 1787 was referred to the Senate Committee on Commerce, Science and Transportation. No hearings were held on it. However, only a few days ago in the Senate Commerce Committee it was offered and accepted as an amendment to S. 2245, the Senate version of trucking deregulation legislation.

Small business interests have become alarmed over this course of events and they have implored and persuaded the Senate Small Business Committee to hold hearings regarding the problem which would be created for small business in the event the provisions contained in S. 1787 should be enacted into law as provided for in the amendment to S. 2245 as above mentioned. A hearing on that matter was held by the Senate Small Business Committee on April 3, 1980. We are informed that at that time representatives of thousands of small business firms presented testimony stating why the proposed legislation which would be provided by the provision set forth in S. 1787 and now an amendment to S. 2245 is opposed.

The undersigned wish to go on record as expressing, in the interest of small business, their concern regarding comparable provisions of proposed legislation now before your Subcommittee on Surface Transportation.

The undersigned are members of the House Small Business Committee and some previously served as members of an Ad Hoc Subcommittee on Antitrust, The Robinson-Patman Act, and Related Matters which held hearings and produced House Report No. 94–1738. Those hearings and that report referred to a number of efforts to weaken, emasculate or repeal provisions of law, including those set forth in the Robinson-Patman Act which prohibits various discriminatory practices which have been found to hinder, injure and eliminate small business firms from the competitive picture in our economy. One of the efforts that was considered and reported revolved about and was involved in a campaign to require the Federal Trade Commission to announce that discriminatory pricing which would be involved in the so-called loading of trucks for "back haul" was not and should not be considered as discrimination within the meaning of the Clayton Act as amended by the Robinson-Patman Act or an unfair practice within the meaning of the Federal Trade Commission Act. See House Report No. 94–1738 pages 111–114, a copy of which is attached for your information.

Following the failure of those efforts by representatives of some of the largest food chain organizations in the United States to have the Federal Trade Commission approve their plans to the detriment of small business, those representatives then turned their attention towards proposals for legislation which would approve what they desired. First, they, on their allegation that their proposal would result in a savings of fuel for trucks, supported a Senate proposal involved in S. 1699 of the 95th Congress. Following hearings on that matter, before Subcommittee on Transportation of the Energy Committee of the Senate and after representatives of small business firms testified concerning their views on how it would injure small business if the legislation should be approved, that bill was not enacted. Subsequently the House Small Business Committee on September 7 and 8 of 1977 held hearings before its Subcommittee on Antitrust, Consumers and Employment on the problems that would be created by such legislative proposals as had been set forth in S. 1699. The record of all of the small business opposition contained in the testimony at the hearings was in a large part repeated before the Senate and the House committees and resulted in no action being taken in the 95th Congress on those legislative proposals.

Nevertheless, now it is discovered that despite the fact that small business firms throughout the country have taken such a strong position against the legislative proposals that would thus weaken, emasculate or repeal certain provisions of the Robinson-Patman Act against discriminatory practices and discriminatory pricing and despite the fact that President Carter during the course of his campaign in October 1976 in Cleveland, Ohio, strongly denounced efforts to weaken the Robinson-Patman Act and promised that as President he would seek strong and tough enforcement of the same and would oppose efforts to weaken such law, we now find similar proposals contained in an amendment (without hearings) and put on at the last minute as a provision in S. 2245. The same large food chain organizations are pressing for enactment of such provision despite opposition from small business.

One of the purposes of this letter as above stated is to alert you respecting the concerns of thousands of small business firms throughout the United States over these proposals.

However, it is our request that your subcommittee not approve the above mentioned specific proposal regarding the "back haul" problem at this time but instead so act as to provide the House Small Business Committee and the Senate Small Business Committee the opportunity for investigation, studies, hearings and reports on this particular problem. It isn't necessary to hold up and postpone action on trucking deregulation legislation in order to do that. Hearings have been held in the Senate on the need for deregulation of trucking. But no hearings have been held on the pending proposal regarding the "back haul" problem. We want small business to be heard on that specific legislative proposal before consideration and action thereon by the Congress. Accordingly, we are requesting that your committee provide the House Small Business Committee with the opportunity of holding hearings and issuing a report on the effects this so called "back haul" legislation would have on small business and on the laws which were enacted to aid in protecting small business firms against injurious price discriminations and pricing. In that way, we, as members of Congress, would be affording small business and other interested persons the opportunity to be heard by the Senate and the House Small Business Committees and other Committees having legislative jurisdiction over the subject matter.

Respectfully yours,

Neal Smith, Chairman; Henry B. Gonzalez, Member of the House Small Business Committee and Former Chairman of its Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act and Related Matters; James M. Hanley, a member of the House Small Business Committee and Formerly a member of its Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act and Related Matters; Berkley Bedell, Chairman of the Subcommittee on Antitrust and Restraint of Trade Activities Affecting Small Business of the House Small Business Committee; Tom Steed, a member and Former Chairman of the House Small Business Committee.

HOUSE OF REPRESENTATIVES,
Washington, D.C.

Hon. JAMES E. CARTER,
The President of the United States,
The White House,
Washington, D.C.

DEAR MR. PRESIDENT: I want to thank you for affording me an opportunity to talk with you while enroute from San Antonio and exchange our points of view.

Mr. President, with reference to another matter, I wish to mention to you, I should first say that it has been gratifying to note that you, as I, have for a long time been supporters of appropriate opportunities for the members of our small business community. In that regard it was pleasing to me to note the public statement you made to officials of the National Small Business Association in Cleveland in October, 1976, during the course of your campaign, when those officials asked you to state your position regarding the Robinson-Patman Act.

I understand that on that occasion you said, "We need to have tough enforcement of the antitrust laws and the Robinson-Patman Act. Our system of competitive free enterprise must be preserved, as anything that lessens competition hurts us all."

At about that time, I was not only a member of the House Small Business Committee, but also Chairman of its Ad Hoc Subcommittee on Antitrust, the Robinson-Patman Act, and related matters. In that connection we studied and reported regarding the efforts of representatives of some big business firm to weaken if not repeal the Robinson-Patman Act. You will recall that some officials in the Department of Justice in the Nixon-Ford Administration had worked to help achieve these aims of big business.

One of my purposes in mentioning these things to you at this time is the fact that recently what appears to be some new efforts of representatives of big business to accomplish a weakening of the Robinson-Patman Act occurred through the introduction of a bill S. 1787 in the Senate. No hearings were held on that bill but nevertheless it became incorporated as an amendment to a bill on another subject in S. 2245 The Trucking Deregulation Bill.

Now on the Trucking Deregulation Bill, there appears to have been ample hearings and of course the Senate quite appropriately approved that bill by a vote of 70 to 20 without realizing that the amendment to which I have referred was incorporated therein.

As of now S. 2245 is before the Subcommittee on Surface Transportation for consideration and action, I and other members of the House Small Business Committee, including Chairman Neal Smith (D-IA have forwarded a letter to the Honorable James J. Howard, Chairman Subcommittee on the said committee on transportation, calling attention to concerns of small business regarding the incorporation in the substance of S. 1787 into S. 2245 and what it could do to weaken the Robinson-Patman Act. A copy of that letter is attached for your information.

One of my reasons for referring to this matter in this letter is the position, as I understand it, of some officials in the Department of Energy who have written to Congress that they and perhaps the Department to energy support the legislative proposals which had been introduced in S. 1787.

Mr. President, I am sure that if the Department of Energy has taken a position in its communications with Congress, inconsistent if not contradictory with your position regarding the need to hold firm against weakening the Robinson-Patman Act, I would believe that has been done without full realization of the effect of the legislative proposal to which I have made reference as has been set forth in S. 1787 and now incorporated as a provision in S. 2245.

I trust you will pardon my calling this matter to your attention in this way, at this time. However, I believe this is a matter of importance to you and to the small business community and that you know about this.

With continued best wishes, I remain,

Sincerely yours,

HENRY B. GONZALEZ,
Member of Congress.

STATEMENT OF CHAIRMAN AL ULLMAN, COMMITTEE ON WAYS AND MEANS, WITH RESPECT TO THE RULE TO BE REQUESTED ON H.R. 6783, TO AUTHORIZE APPROPRIATIONS FOR THE U.S. INTERNATIONAL TRADE COMMISSION, THE U.S. CUSTOMS SERVICE, AND THE OFFICE OF THE U.S. TRADE REPRESENTATIVE FOR FISCAL YEAR 1981, AND FOR OTHER PURPOSES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Oregon (Mr. ULLMAN) is recognized for 5 minutes.

● Mr. ULLMAN. Mr. Speaker, on April 25, 1980, the Committee on Ways and Means favorably reported to the House H.R. 6783, to authorize appropriations for the U.S. International Trade Commission (ITC), the U.S. Customs Service, and the Office of the U.S. Trade Representative for fiscal year 1981, and for other purposes.

Among other things, the bill would require that the ITC be reimbursed by other agencies for studies requested of the ITC by such agencies. The bill would provide for adjustments in Customs Service authorization levels to reflect automatic salary supplementals, increase the charges for certain overtime services so as to recover fully the cost of providing such services, limit or "cap" overtime pay to any one Customs Officer to no more than $20,000—without the express written consent of the Commissioner of Customs—and prohibit any acceleration in the current system of collecting customs duties on commercial transactions.

In addition to authorization for appropriations for the Office of the U.S. Trade Representative for fiscal year 1981, the bill would provide for adjustments in authorization levels to reflect automatic salary supplementals.

Pursuant to the rules of the Democratic Caucus, I take this occasion to advise my colleagues as to the nature of the rule that I will request for the consideration of H.R. 6783 on the floor of the House. The Committee on Ways and Means has specifically instructed me to request the Committee on Rules to grant a modified rule which would be open as to the amounts of the authorizations for appropriations for the three agencies and closed as to the other provisions of the bill; would provide for 1 hour of general debate, to be equally divided; would waive all necessary points of order; and would provide for one motion to recommit.

We will request to be heard before the Committee on Rules as expeditiously as possible.●

ANNOUNCEMENT BY DEPARTMENT OF COMMERCE OF SETTLEMENT OF COLOR TV ANTIDUMPING CASE

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Ohio (Mr. VANIK) is recognized for 5 minutes.

● Mr. VANIK. Mr. Speaker, I am disappointed with the decision announced by the Department of Commerce on yesterday to settle the antidumping claims on TV receivers from Japan through March 1979 for only $66 million. This settlement is a poor payment for the destruction of a once-proud U.S. industry and its workers. It is particularly poor in light of estimated total dumping liabilities of $138 million based on the commodity tax approach, or even $500 million based on a previous method. In addition to the $66 million, Commerce will collect an estimated additional $10 million as settlement of the serious fraud violations involved in this case.

Congress transferred administration of the antidumping law from Treasury to Commerce in order to bring about effective enforcement of that law as Congress intended. We certainly did not expect Commerce to settle this vital claim on the basis of 15 cents or even 45 cents on the dollar. As a matter of fact, I am not certain that Commerce has the authority to settle these claims. At no time during the consideration of the Trade Agreements Act of 1979 did we contemplate the possibility of granting the administering authority the power to settle claims. Particularly disturbing is the possible use of such a settlement as a precedent for the future.

In the TV dumping case, the vital American industry and its workers were wiped out by the callous dumping of foreign goods in violation of our trade laws. The aggrieved industry had a right to expect its day in court, not such a backroom settlement.●

REPORT ON FEDERAL ADVISORY COMMITTEES

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from North Carolina (Mr. PREYER) is recognized for 5 minutes.

● Mr. PREYER. Mr. Speaker, the Eighth Annual Report on Federal Advisory Committees, covering calendar year 1979, was prepared by the General Services Administration and transmitted to Congress by the President shortly before the March 31 reporting date specified by the Federal Advisory Committee Act (Public Law 92-463).

Here are the highlights of that report:

First. As of December 31, 1979, there were 820 advisory committees, an increase of 4 from the 1978 year-end total. During the year 125 new committees were established and 121 expired, were abolished, or merged.

Second. Federal costs to operate and

support advisory committees in 1979 totaled $88,086,974. This is about $14 million more than the Office of Management and Budget anticipated would be needed. Moreover, the costs in 1979 were 28 percent above the $68.4 million reported spent during 1978. The administration estimates that $88,273,726 will be necessary for the expenses of advisory committees in calendar year 1980, an amount incorporated in the President's budget recommendations to the Congress.

Third. Advisory committees held 4204 meetings during the year. Of those meetings, 2,500 (59.5 percent) were open; 936 (22.3 percent) were wholly closed to the public; and 768 (18.2 percent) were partially closed. The 1979 figures are very close, both in number of meetings and openness, to those reported for 1978. It is to be regretted, however, that advisory committees again have failed to hurdle the 60-percent openness barrier. The barrier is, of course, mythical. It represents the collective experience of all advisory committees. At the extremes were the U.S. Commission on Civil Rights, which held all 258 of its advisory committee meetings in the open, and the National Endowment for the Humanities, which reported 178 closed meetings and 4 partially open meetings.

Fourth. The number of individuals serving as advisory committee members decreased by approximately 2,000 from about 22,400 in 1978 to about 20,400 last year.

The 144-page report also includes a brief narrative, alphabetical and agency lists of committees, a roster of agency officials responsible for advisory committee management and an appendix which contains the text of the act and relevant executive branch documents. However, the report, which follows a format established over the years, is lacking in several respects.

To begin with, the narrative contains no explanation of why actual costs for 1979 exceeded projected costs by $14.1 million, although $3 million of that may be attributed to the cost of the President's Commission on the Accident at Three Mile Island. Moreover, while I can fully appreciate the impact of inflation on rising costs, some analysis would seem in order of why the average cost of administering an advisory committee has increased sevenfold—from $15,508 to $197,423—since 1972, while at the same time the number of committees has apparently been cut by 43 percent—down from 1439 committees in 1972.

Finally, since the act and subsequent OMB guidelines and court decisions make it clear that advisory committee meetings are to be open to the public to the fullest practicable extent, subject to several permissive statutory exceptions, an indepth discussion of agencies' reasons for closing meetings seems needed. In this regard, a matrix showing the frequency with which each agency asserts the various permissive exceptions to the openness rule would, I am convinced, prove to be both informative and useful.

The Subcommittee on Government Information and Individual Rights, which I chair, is responsible for oversight of the Federal Advisory Committee Act. We intend to carefully scrutinize agency actions, and those of OMB and GSA's Committee Management Secretariat, to insure that they comply fully with the spirit and the letter of the law, including the sunset provision designed to weed out unnecessary advisory committees.

The act also imposes responsibilities on the Congress, just as it does on the President and on agency heads, designed to insure that only necessary advisory committees come into being. In view of an increase from 312 at the end of 1978 to 338 at the end of 1979 in the number of committees established by law, if the act is to work, Congress must not neglect its responsibilities.

DETERRENCE AND THE PRESERVATION OF THE PEACE

The SPEAKER pro tempore (Mr. GONZALEZ). Under a previous order of the House, the gentleman from Missouri (Mr. SKELTON) is recognized for 5 minutes.

Mr. SKELTON. Mr. Speaker, in January of 1934, Adolf Hitler effected the first significant breach in the alliance system which France had built up in Europe after the Great War to guard against any future threat by Germany. The German treaty with Poland, signed that month, was a setback for the League of Nations, from which a rearmed Germany had withdrawn 2 months before. It was also a defeat for France and her defensive alliance with Poland, dating to 1921. In retrospect, we can see that it was a move in Hitler's long-term program of territorial expansion, a program whose success rested upon the use of deception as well as intimidation.

This, then, and the collapse of the disarmament talks among the powers, was the background to the call for "parity" by Winston Churchill, speaking in Commons on March 8, 1934. Parity, defined as equivalence, the quality or condition of being equal, was urged by Churchill as the basis for any international agreement to limit or control armaments. He stressed:

> This is the key to any convention which may be negotiated.

What is Mr. Churchill's parity but "mutually assured deterrence"—that is, in his own words, a means "making it certain that there will be no advantage to either side in departing from what has been agreed."

Although Mr. Churchill was speaking chiefly of air defense, his concept of parity has special significance for us today as we confront the threat of Soviet strategic nuclear weapons. Something very much like parity has been the foundation of our strategic nuclear deterrent policy. Now it appears that the balance is tilting against us. The consequences of that shift are evident throughout the globe.

I have had occasion, in speaking of this shift in the strategic nuclear balance, to cite various aspects of the Soviet buildup in arms, conventional and other, and our own growing inadequacies. It may be useful to note the steady upward curve of Soviet defense expenditures over the past decade. It has been estimated that the share absorbed by the defense sector of the Soviet gross national product has grown from some 12 to 13 percent in 1970 to perhaps as much as 18 percent in 1980. Of course, since the Soviet GNP has also grown during this decade, the absolute amounts given to military spending have increased even more strikingly. Let me add that for that same period, 1970–79, U.S. defense expenditures as a share of our GNP have declined from 7.5 to 4.6 percent or, in constant 1972 dollars, from $85.1 to $65 billions.

How is it possible that this could happen? Surely one important factor is to be found in American history and in our experience of warfare. Whereas the Soviet Union—and imperial Russia before it—has had to contend with major invasions of its territory in almost every century of its long history, we in the United States have known no such foreign incursion since the War of 1812. Whereas the Russians have experienced the threat of direct invasion as a constant preoccupation—and, more often than not, a grim reality, from the Mongols to Hitler—we have hardly ever found ourselves thus vulnerable. Most of our experience of war has been overseas. It is sobering to reflect, for example, that we are the only great power in the world which has never been bombed, never subject, at least in modern times, to any major assault upon our cities. That aspect of our experience, or lack of it, can easily encourage a kind of "it can't happen here" complacency. This complacency has caused us to think of war in terms of Flanders Field or Iwo Jima or Saigon. Unfortunately, warfare in the modern world is no respecter of persons, no respecter of distances.

The current Soviet offensive in Afghanistan has been an unexpected revelation to the West regarding Soviet terror tactics against Afghan civilians. The razing of villages, the use of incapacitating gas, the commitment of as many as 115,000 soldiers and airmen to the operation—all these are signs of the Kremlin's determination to dominate in that unhappy land.

David Willis, Christian Science Monitor correspondent in Moscow writes:

> The Kremlin sees a historic shift in the world's strategic balance . . . and demands that the United States acknowledge it. . . .

The Kremlin is not alone in seeing that historic shift. Whether we in America shall acknowledge it—and accept its consequences—is another matter. The hour is late, but I believe we have begun to respond as we should. The vote by this House in favor of registration is surely, in part, the result of the new awareness here and throughout the free world of the price we must pay to preserve our security.

The things we must face are far from reassuring. They will shake our complacency, as they should. Consider our dilemma at sea, often described as "a three-ocean commitment with a one-and-a-half ocean Navy"—too few ships and a scarcity of trained manpower stretched from the Atlantic to the Pacific and now out over the Indian Ocean as well. The much-publicized rapid-deployment force cannot safely be dispatched to the Persian Gulf area without seriously endangering our commitments to NATO, and in Korea, and wherever our strategic interests are at stake. We have an inadequate amphibious lift for our present three Marine divisions. In the vital areas of airlift and sealift alike, our ability to sustain our commitments is impaired.

In the meantime, there may be evidence that the Soviets have been not dismantling but actually expanding their germ warfare facilities. We await the full story of the "anthrax affair" at Sverdlovsk with skepticism and deep concern. To add to this concern there is the claim by Soviet emigré scientists of a disastrous nuclear accident in the Urals during the winter of 1957–58, requiring the evacuation and resettlement of an area covering 40 to 400 square miles. How much has been suppressed by the Soviet regime? How much is being suppressed? Deception and intimidation, the alternating policies of Hitler in the thirties, are not unknown in today's world. Mr. Churchill's words in 1934, speaking of Britain then, apply as well to our own Nation today:

> No nation playing the part we play in the world, and aspire to play, has a right to be in a position where it can be blackmailed.

Without the equivalent of what Mr. Churchill called parity, an effective and credible nuclear deterrent, we will be increasingly subject to a kind of blackmail.

These are somber thoughts—and they are meant to be. Yet they may also be bracing, calling forth great resources of courage and resolve from the hearts of our people. At a similar time, as Britain and France conferred belatedly in February of 1935 to counter the threat of German rearmament, good counsel from Winston Churchill began to be heard, began to be heeded:

> Have a strong defense, and then be animated by a sincere love of peace. In that way you may escape the perils that still loom upon us in the future.

Mr. Speaker, so may we, while there is yet time.

☐ 1840

DEPARTMENT OF EDUCATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Indiana (Mr. BRADEMAS) is recognized for 5 minutes.

● Mr. BRADEMAS. Mr. Speaker, the new Department of Education will officially come into existence on Sunday, May 4, 1980, 1 month ahead of the deadline established by Congress.

The expeditious manner in which this new Department is moving ahead is itself a tribute to the work of the Honorable Shirley M. Hufstedler, the distinguished Secretary of the new Department of Education and the 13th member of the President's Cabinet. The speed and efficiency with which she has organized the Department bodes well both for her continued leadership as well as for the Department itself.

Mr. Speaker, the establishment of the Department of Education launches a new era for education in this country, providing it the prominence it deserves as a separate department of the Government.

To inaugurate the Department of Education, several events have been planned, many of them here in Washington. They will rightfully draw attention to this historic occasion.

These ceremonies will begin Wednesday morning in the Cannon Building with a discussion in which Secretary Hufstedler and I will meet with 200 high school students to discuss the new horizons and new expectations in American education.

They will include events at the White House, a seminar at the Brookings Institution devoted to the Federal role in education during the 1980's, and the unveiling at the National Portrait Gallery of a bust of Horace Mann, the father of public education in the United States.

To assist those of my colleagues who may wish to attend some of the events making the start of the new Department of Education, I include in the RECORD a schedule of activities in the Washington area.

Following the schedule, I am including the text of an article from the Washington Star of April 28, 1980, profiling Secretary Hufstedler, the first Secretary of Education.

The material follows:

SCHEDULE OF EVENTS

WEDNESDAY, APRIL 30

Time: 10:45–11:25 a.m.

Place: House Caucus Room 345, Cannon House Office Building.

Event: Secretary Hufstedler and Representative John Brademas of Indiana, a member of the House Education and Labor Committee, will participate with about 200 high school students—50 or 60 of them from schools for the deaf around the country—in a discussion titled: "Department of Education: New Horizons/New Expectations of Education." The discussion will take place on the program "Close Up," which is televised live to over 1200 high schools and approximately six million households.

THURSDAY, MAY 1

Time: 1 p.m.–12 noon.

Place: National Press Club.

Event: Luncheon and speech by Secretary Hufstedler to 300 media representatives and their guests. The speech will be carried live over 200 National Public Radio member stations. It also will be taped by C–SPAN for later broadcast over 600 television systems.

TUESDAY, MAY 6

Time: 10:00 a.m.–12:00 p.m.

Place: 400 Maryland Avenue, SW. To be held on the plaza (weather permitting) and in the lobby.

Event: A celebration for Department of Education employees which will feature remarks by William Smith, last Commissioner of Education, and Secretary Hufstedler, the first Secretary of Education. The Secretary then will go to the building lobby to open an exhibit and view a living classroom in action.

TUESDAY, MAY 6

Time: 2:00-4:30 p.m.

Place: Brookings Institution.

Event: Seminar, to be opened with remarks by Secretary Hufstedler and Senator Abraham Ribicoff of Connecticut. Under Secretary Steven A. Minter will moderate a panel of distinguished guests, including Dr. Harold Howe (Ford Foundation), Fred Hechinger (New York Times), Jack Peltason (American Council on Education), Carolyn Warner (Chief State School Officer, State of Arizona), Joel Burke (Educational Policy Research Institute), Frances Farenthold (President, Wells College), and David Breneman (Brookings Institution). An audience of 200 are invited to attend, including White House staff, Education Department staff and key Hill staff and representatives from education associations, academicians, education press and writers. A reception hosted by Brookings will follow.

TUESDAY, MAY 6

Time: 6:00-8:00 p.m.

Place: National Portrait Gallery.

Event: A reception to unveil a sculpture of Horace Mann, father of American public education. The bust was done in 1852 by Thomas Carew in Boston. Guests will include friends of education from the White House, museums and the arts. Dillon Ripley, Secretary of the Smithsonian, will introduce Secretary Hufstedler, who will speak briefly.

WEDNESDAY, MAY 7

Time: 10:00 a.m. (approximately 45 minutes).

Place: Oyster School, 29th and Calvert Streets, Washington, D.C.

Event: First Lady Rosalyn Carter will join Secretary Hufstedler in a visit to this model two-way bilingual school, where Spanish and English are taught to all students.

WEDNESDAY, MAY 7

Time: 3 p.m.

Place: South Lawn of the White House.

Event: Guests will arrive on the South Lawn of the White House as the Marine Band plays a medley of school music. The President and Mrs. Carter, the nation's number one school parents, and Amy Carter, the first student of the country, will join Vice President and Mrs. Mondale and Secretary Hufstedler on the stage of the Shell.

In the audience will be members of the Cabinet, Congress and the White House staff, representatives from major education associations, the Education Department staff, media, and friends of education.

The President will sign a special proclamation declaring May 7 as "Salute to Learning Day," and the President and Secretary Hufstedler both will speak. The program will conclude with unfurling of the new Education Department flag as a prize-winning chorus sings "America, the Beautiful."

WEDNESDAY, MAY 7

Time: 8:30 p.m.

Place: South Lawn of the White House.

Event: A program featuring a selected group of outstanding Americans, who will tell about the teacher who inspired them to their life of achievement. The teachers thus selected also will be invited to participate. There also will be a musical program with featured artists.

FRIDAY, MAY 9

Time: 1:30–3 p.m.

Place: L"Enfant Plaza, Washington, D.C.

Event: Secretary Hufstedler and John Merrow, a producer for the Public Broadcasting System, will participate from Washington in a live satellite nationwide teleconference. Chief State School Officers from around the country also will participate, from studios in several other cities.

Mr. Speaker, following is the text of the Washington Star article titled "She Gets There Ahead of People":

SHE GETS THERE AHEAD OF PEOPLE

(By Abby Wasserman)

Today at the Hirshhorn Museum, the design for a new stamp commemorating education will be unveiled. It features a painting by the great colorist Josef Albers of four vibrantly colored concentric squares, the innermost a deep red, the others ranging from dark to light orange. In bold letters the stamp proclaims, "Learning never ends."

The vitality of the design and optimism of the motto suggest celebration, which is altogether appropriate. In less than a week, the new Department of Education officially comes into being, led by a Cabinet member whose complexity, energy and subtlety rival Albers' colored forms—Shirley Mount Hufstedler, the first secretary of education.

At first, Shirley Hufstedler appeared an unusual choice for the position. She had been a court judge for 18 years—county, state and, since 1968, federal. She was used to a staff of three, to the correct and civil etiquette of the courts, to the Southern California sun. Many of her colleagues assumed she would come to Washington eventually—but as a Supreme Court Justice, the logical continuation of so distinguished a judicial career. She has been a leading candidate for the high court for over a decade.

INSPIRED CHOICE

But on reflection, President Carter's choice seemed inspired. For many years Hufstedler, whose personal energy a former law clerk described as "tremendous, a continuous flow which she controls and redirects," had been actively involved in education. She was trustee or adviser to numerous colleges and a member of various commissions and committees of the California State Board of Education. She had taught on graduate and post-graduate levels and had chaired the faculty of the Salzberg American Studies Seminars. She was, further, an expert on the law at a time when many issues affecting education came through the courts.

Federal Judge Dorothy Nelson, a good friend, was one of many that applauded the appointment. "I think her appointment is a masterful choice in the sense that she's not part of the establishment. She has a brilliant mind and the ability to identify and solve problems and bring people together."

Hufstedler might have continued as a judge indefinitely but for another characteristic—a sense of adventure. How else to explain her presence in Washington as leader of a new and controversial department, encompassing some 162 programs? She is a woman prepared to take risks.

Shirley Hufstedler speaks tranquilly, her hands resting in her lap ("there is no wasted motion," one friend observed): "I suppose what you first have to learn, even as a little child, is if you fall down, you can get up; if you scrape your knee or break your arm, it will mend. At first, one is so self-centered that one cannot believe that what happens to one individually happens to other people. What you have to learn is that rejection is a part of everybody's life, and rejection, though painful, is something you can bear.

"So then you're in a position eventually to say, 'If I face, square on, what I can really lose by taking this risk, what is the worst there is? Well, I know I can stand that all right.' Then you can begin to see the possibilities of that you can gain—in terms of experience, in terms of helping other people, in terms of enrichment, of the vitality of the creative resources you find in yourself."

Marion Otsea, a member of Hufstedler's transition team last fall, claims Hufstedler doesn't consider the secretary's job a risk. She also had absolutely no feeling of risk or uncertainty having us [her transition team] act as assistant secretaries.

"She took her happy little band right off to Washington to build a department of education! She likes her friends to be prepared to do just about anything, as she is."

INITIAL CONCERNS

Otsea initially was concerned about the appointment. "I knew too much about Washington, D.C., knew the problems. She was going from an office with two law clerks and one secretary to a snake pit where everybody takes sides, and she wasn't prepared for that.

I knew how hard it would be. But I never doubted she could adapt to the job. First, she's brilliant, and unlike most brilliant people, she has a great deal of common sense and judgment. The combination will see her through.

"As far as I'm concerned, there's nothing in the world that Shirley can't do . . ."

Complexity, energy and subtlety: One returns to Albers' shimmering nest of squares. Shirley Hufstedler is, similarly, multifaceted. She is a self-described "omnivorous" reader, a gardener, bird watcher, mountain-climber and gourmet cook. She occasionally writes verse and from time to time utters, in the midst of her ordinarily cool and measured speech, a glowing poetic phrase.

Colleagues talk admiringly of her excellent preparation in court, her ability to organize and to grasp the heart of an issue, her integrity and thoughtfulness. Her 30-year marriage to attorney Seth Hufstedler is, by all reports, an extraordinarily happy one.

Small and slim of stature, her graying hair rolled softly back from her face, the 54-year-old secretary of education is at once a comfortable and compelling presence. Her intellect shines through an essential quietude. She is self-confident and controlled. She has, after all, spent years engaged in critical listening and weighing from the bench.

"We have done a lot of high country mountain walking together," comments University of Southern California law professor Robert S. Thompson, a former colleague on the California Court of Appeal. "Shirley is always off or on trail, at an odd pace. It seems slow, but she gets there ahead of people."

CHILDHOOD ORDEALS

Hufstedler had her own ordeals as a child, attending 12 schools between the second and seventh grades. Her contractor father moved around the West during the Depression, bidding on public works contracts.

"My real education was not so much in the classroom as it was in libraries and museums, primarily in libraries," she says. "I'd go into one school, and they were doing what I had done two years before, or another school where they were doing work for which I had no foundation at all. It was a good set of lessons in survival and endurance and simply being creative about how one trains oneself.

"My mother was extremely helpful to me in having taught me to read before I went to school, and she was constantly helpful in terms of setting an expectation that I would be well-educated and thoroughly literate. But in teaching me how to cope with all those different changes of scene, she wasn't helpful at all. And that's not because she didn't want to be. It's because she didn't know how to be, and she was having enough problems of her own trying to adjust to such a life."

In those days, schools had no special programs for gifted children. "And there wasn't going to be any particularly wonderful way that I was going to fit into anybody's classroom, even if I had stayed in the same school all the time," Hufstedler said. "I realize now that one of the problems was that I was just a plain nuisance!"

And she smiles her beautiful smile.

EMPHASIZES POSITIVE

Since taking office, she has visited schools to talk with teachers, administrators and students. In public appearances she emphasizes the positive trends in American education, rather than its crises.

Liz Carpenter, her assistant secretary for public affairs, voices some of their common goals: "We want people to feel a new competence, justified, in education. We've been through some difficult years in equalizing opportunities in education. In the '60s and '70s, a lot of legislation was written to let in those who were counted out. About all you saw about education were the problems—the picture of the angry mother and the bus. I think that we're over the hill on that. That doesn't mean it's all smooth sailing, because there's never going to be enough money to do all that we want to do.

"But I do see a day when people will not want the public schools to go down the drain—and we can hold our banner high and use the podium, and articulate this department and what has been done at some schools where teachers are doing far more than coping. She has great plans, and I think it's going to be a new day for education."

"She can be like a minister of education, which we have never had in this country," says Stanley J. McFarland of the National Education Association, the teacher-run group that championed the Department's creation. "She will be a very eloquent spokesman."

Hufstedler speaks of teachers' concerns with special empathy. "They're deeply concerned that the job they're doing is neither understood nor genuinely appreciated by school administrators, by parents, by legislators and by the general public. They have had a lot of bad press. Their concerns are also financial, because their incomes have not kept pace with inflation, and they find themselves, economically speaking, in a far less favorable position than quantities of employees with only a fraction of the education.

"So they believe they have not maintained pace with the overall economy . . . and that the prestige and confidence they had within the community have lessened. And there's a good deal less appreciation for how hard their jobs are. And all of those things, by the way, are true.

"In part that is because we've had a shift in demographics so that there are fewer persons now with intense personal interest in elementary and secondary education because they do not have their own children or grandchildren in the system. I think schoolteachers not only perceive themselves as victims of declining support but are also suffering from a general malaise of the spirit in terms of *all* public institutions . . .

"There is also a sense of diminishing psychic satisfaction because one finds oneself confronting lots of extremely difficult problems, for which one's training in universities and colleges did not prepare one. These are a real paper burden, challenges in reaching youngsters who come from such tremendously varied backgrounds, often with many different kinds of linguistic disabilities, and youngsters who are physically handicapped—all groups which we are now trying very hard to reach. But the teachers' training, by and large, has not prepared them to deal with these things."

TO ASSIST INTEGRATION

The department is ready, she adds, to provide assistance to school districts undergoing integration efforts. "We can be of real assistance in terms of how to cope, what works. And I think as we move forward in the months and years to come, we can not only learn from places that have done a good job but we can also increase incentive for innovative ideas."

It's clear, however, that the department will weigh proposals with great care.

"She can have a disdain for people who are greedily asking for funds," Liz Carpenter says. "You know everybody has their clutches out for a piece of the action . . . and she knows how to sort out the deserving and not be taken in by people who are only looking after their own interests and not thinking of the whole."

Close adviser Richard C. Gilman, president of Occidental College, terms Hufstedler "not a political animal—she's not about to put politics above principle—but she is politically astute. She's very astute in terms of analysis of individuals and situations."

Although she appears uniquely suited for her Cabinet post, one wonders how well Washington's bureaucracy will suit Hufstedler. She is a scholar, with the scholar's need for reflection.

It is from mountain climbing that she derives in part a sense of what she calls "manageable achievement."

"You see that mountain, that ridge, and you can say to yourself, 'I'm going to go up that stretch'; and you get up it, and you've done that. In so much of the intellectual life you don't have any kind of visible benchmark; you don't see for a very long time the results of what you are doing."

In the mountains, she has great endurance, says her husband. "She's not a complainer, and she has flexibility."

These days, though, her mountains are made of paper and policy, and she must content herself with walks in Glover Archbold Park. But as her staff takes on its duties, Hufstedler may recover some of the free time she has lost these last months.

ASSEMBLED STAFF

She has assembled a high-powered group that includes Liz Carpenter, who knows the ins and outs of Washington as do few others; Steven Minter, the under secretary designate, once commissioner of public welfare for the Commonwealth of Massachusetts; Albert H. Bowker, assistant secretary for postsecondary education, former chancellor of the University of California at Berkeley; Betsy Levin, general counsel, a law professor at Duke, Yale and Georgetown Universities.

Despite the enormous complexity of her job, Shirley Hufstedler is plainly here because she cares deeply about education. Her influence is already being felt.

"She inspires loyalty, a desire and willingness to work with her toward her goals, because you come to trust her goals," says Gil Kujovich, a former law clerk who left a job at the White House to join her transition team. "It's fun to watch her taking hold of things at the department. She is moving into a radically different life and making it a success. It's nice to see her influence in the government. I've always been a little disappointed about what motivates people here. The purpose of government—to serve the people—isn't given the prominence it deserves.

"You sit at the top of the department and all the way down are people supposed to benefit from what you are doing. The way you reach them is necessarily through a bureaucratic and political system that is very complex. She is inspiring people in the department to remember that we're about helping with the process of educating children and adults—they are the ultimate recipients" ●

PERSONAL EXPLANATION

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from Texas (Mr. WHITE) is recognized for 5 minutes.

● Mr. WHITE. Mr. Speaker, I unavoidably missed several votes last week and the week before that due to illness. Had I been present, I would have recorded my votes in the following manner:

On rollcall No. 178, April 15, 1980, motion to suspend the rules and pass bill (H.R. 6613) to amend the Shipping Act of 1916 to prohibit regulation of collective bargaining agreements by the Federal Maritime Commission; "yes."

On rollcall No. 179, April 15, 1980, adoption of rule providing for consideration of H.R. 6554, maritime authorizations; "yes."

On rollcall No. 180, April 15, 1980, amendment to H.R. 6554 that sought to restore the $1.68 million for modernization at the Merchant Marine Academy that the bill transfers to the State academies; "no."

On rollcall No. 181, April 15, 1980, passage of bill (H.R. 6554) to authorize appropriations for certain maritime programs of the Department of Commerce during fiscal 1981; "no."

On rollcall No. 183, April 16, 1980, amendment to S. 2009 that sought to reduce the wilderness acreage set aside in the bill, to reduce the number of miles of the Salmon River to be designated as wild and scenic, and to release from future wilderness consideration all areas of Idaho not designated as wilderness by the bill; "no."

On rollcall No. 184, April 16, 1980, passage of S. 2009, Central Idaho Wilderness; "yes."

On rollcall No. 186, April 17, 1980, motion to recommit the conference report on S. 662, International Development Banks, to the conference committee with instructions to restore the amendments reducing U.S. contributions to certain banks; "yes."

On rollcall No. 187, April 17, 1980, passage of bill (H.R. 6614) to authorize appropriations to carry out the National Sea Grant program for fiscal years 1981, 1982, and 1983; "yes."

On rollcall No. 194, April 23, 1980, motion to order the previous question on the rule (H. Res. 642) providing for consideration of the first concurrent resolution on the budget for fiscal 1981; "yes."

On rollcall No. 195, April 23, 1980, adoption of rule (H. Res. 642) providing for consideration of the first concurrent resolution on the budget for fiscal 1981; "yes."

On rollcall No. 196, April 23, 1980, motion to table House Resolution 626 directing the President to furnish to the House of Representatives information and facts regarding the understandings made with the former Shah of Iran at Lackland Air Force Base and elsewhere; "yes."

On rollcall No. 197, April 23, 1980, motion to table House Resolution 627 directing the President to furnish to the House of Representatives information and facts regarding the U.S. decision to submit to the Government of Iran concessions as to U.S. conduct in Iran on or about March 25, 1980; "yes."●

PRIVATE BILL FOR THE RELIEF OF STEPHANIE BELL

The SPEAKER pro tempore. Under a previous order of the House, the gentleman from California (Mr. PANETTA) is recognized for 5 minutes.

● Mr. PANETTA. Mr. Speaker, I am today introducing private legislation for the relief of Mrs. James Dubar Bell (Stephanie), one of my constituents who last year suffered the unexpected loss of her husband. Mr. Jim Bell was a retired Foreign Service officer whose death April 14, 1979, came quite suddenly. Jim and Stephanie had elected in 1970, at the time of Jim's retirement, the minimum survivor annuity available through the Foreign Service Retirement Act. Changed economic circumstances in the Nation led Mr. Bell to seek shortly before his untimely death a revision in the survivor annuity program he had chosen. Under current law, however, such changes are prohibited.

Mr. Speaker, I believe that the United States owes more to Jim Bell and to Stephanie Bell in return for their lifetimes of faithful and effective service to our country. They both served honorably in the Foreign Service, Stephanie giving up her own career in order to be of maximum support to Jim in his service. As a team, both Jim and Stephanie were typical of many hardworking Foreign Service couples who devote their lives to serve their country in the Diplomatic Corps.

But the Bells are also very special people. Stephanie Bell's contribution to the country has been untiring and ungrudging. She began her employment with the State Department in 1950, and although her paid employment was discontinued in 1960 upon her marriage to Jim, Stephanie Bell always worked hard as part of the Bell team.

Jim's service exceeded 28 years, and included postings in Washington, at the United Nations, and at five overseas posts. Jim served as Ambassador to Malaysia, and ended his career with distinction as diplomat in residence at the University of California at Santa Cruz. I have been proud to have such fine constituents to represent here in the Congress.

While I understand that current law prohibits a second choice on one's survivor benefits, I believe it is precisely in special circumstances such as this concerning Stephanie Bell and her two children that private legislation is necessary. We are dealing here with the mother of two growing children who is afflicted with chronic rheumatoid arthritis, a woman whose present annuity is only $5,600 compared to a $22,000 annuity which Jim Bell wanted to provide for his family.

The bill I am introducing today would require Stephanie Bell to "pay back" the difference between Jim's higher retirement payments which he received since 1970 and what he would have received had he selected the higher annuity at that time. Stephanie Bell would be required to pay back under the provisions of this bill nearly $35,000 in order to qualify for the higher annuity. That payment would not be easy for her, but she believes that it would be the fair thing to do. She does not ask for a handout or charity from the U.S. Government. She is asking for a fair shake, for a second chance to receive an annuity commensurate with her family's contributions and which will enable her and her children to live comfortably. Jim Bell tried unsuccessfully before his death to make this possible: It is the least we can do here in the Congress to treat with dignity and respect the survivors of such a dedicated public servant. In a very real sense, this changed annuity was Jim Bell's last wish.

I urge my colleagues to support this bill, and I specifically call on the House Judiciary Committee to give this legislation its serious attention. The text of the bill follows:

H.R. 7216

A bill for the relief of Stephanie M. Bell

Be it enacted by the Senate and House of Representatives of the United States of America in Congress assembled, That (a) the Secretary of State shall pay to Stephanie M. Bell of Santa Cruz, California, for all periods of time occurring after the date she pays to the Secretary of the Treasury the amount specified in subsection (b), the maximum annuity that her husband, James Dunbar Bell (social security account number 577-60-2852), could have elected under the Foreign Service Retirement and Disability System for Mrs. Bell, his surviving spouse, upon his retirement as a Foreign Service officer of the United States. Such annuity payments shall be in lieu of any other annuity payments to Mrs. Bell under such system.

(b) The amount Stephanie M. Bell must pay to the Secretary of the Treasury, for deposit into the Foreign Service Retirement and Disability Fund, to receive the annuity payments specified in subsection (a) is equal to the sum of the increased amount which the Secretary of State determines would have been deducted from the retired pay of James Dunbar Bell (if he had elected for his surviving spouse to receive the maximum annuity under the Foreign Service Retirement and Disability System) over the amount actually deducted from his retired pay for an annuity under such system minus the increased amount determined by the Secretary of State which Mrs. Bell would have received before the date on which she pays such sum (if she had received such maximum annuity) over the amount of the annuity under such system which she actually received before such date.●

LEAVE OF ABSENCE

By unanimous consent, leave of absence was granted to:

Mr. MURPHY of Illinois (at the request of Mr. WRIGHT), for today, on account of illness in the family.

Mr. HOLLENBECK (at the request of Mr. RHODES), for today, on account of illness.

SPECIAL ORDERS GRANTED

By unanimous consent, permission to address the House, following the legislative program and any special orders heretofore entered, was granted to:

(The following Members (at the request of Mr. SENSENBRENNER), to revise and extend their remarks, and to include extraneous matter to:)

Mr. WAMPLER, for 30 minutes, today.

(The following Members (at the request of Mr. BARNES) to revise and extend their remarks and include extraneous material:)

Mr. BARNES, for 5 minutes, today.

Mr. GONZALEZ, for 15 minutes, today.

Mr. ANNUNZIO, for 5 minutes, today.

Mr. ULLMAN, for 5 minutes, today.

Mr. VANIK, for 5 minutes, today.

Mr. PREYER, for 5 minutes, today.

Mr. SKELTON, for 30 minutes, today.

Mr. BRADEMAS, for 5 minutes, today.

Mr. NEDZI, for 15 minutes, today.

Mr. WHITE, for 5 minutes, today.

Mr. PANETTA, for 5 minutes, today.

Mr. GAYDOS, for 60 minutes, on April 30.

Mr. GARCIA, for 5 minutes, on April 30.

EXTENSION OF REMARKS

By unanimous consent, permission to revise and extend remarks was granted to:

Mr. DELLUMS, to revise and extend his remarks on House Concurrent Resolution 307 prior to rollcall No. 199 in the Committee of the Whole today.

Mr. MILLER of Ohio, to revise and extend his remarks prior to vote on the Quillen amendment in the Committee of the Whole today.

(The following Members (at the request of Mr. SENSENBRENNER) and to include extraneous matter:)

Mr. EVANS of Delaware in five instances.

Mr. WHITEHURST in two instances.

Mr. DERWINSKI.

Mr. GRADISON.

Mr. GILMAN in two instances.

Mr. SOLOMON.

Mr. ARCHER.

Mr. PORTER.

Mr. SENSENBRENNER.

Mr. LAGOMARSINO.

Mr. EDWARDS of Oklahoma.

Mr. FINDLEY in three instances.

Mr. DORNAN in four instances.

Mr. REGULA.

Mr. LEE.

Mr. COLLINS of Texas in three instances.

Mr. DANNEMEYER.

Mr. MCCLORY.

Mr. THOMAS.

Mr. RUDD.

(The following Members (at the request of Mr. BARNES) and to include extraneous matter:)

Mr. ALEXANDER.

Mr. MAZZOLI in two instances.

Mr. MCCORMACK.

Mr. STARK.

Mr. ASPIN.

Mr. PEASE.

Mr. COTTER.

Mr. CHARLES H. WILSON of California.

Mr. HAMILTON.

Mr. LONG of Maryland in two instances.

Mr. RICHMOND.

Mr. CORMAN.

Mr. WALGREN.

Mr. LUKEN.

Mr. MCDONALD in five instances.

Mr. AUCOIN.

Mr. FAUNTROY.

Mr. SHELBY.

Mr. MOORHEAD of Pennsylvania.

Mr. MITCHELL of Maryland.

Mr. VENTO.

Mr. MOTTL.

Mr. MILLER of California.

Mr. PANETTA.

Mr. DIXON in two instances.

Mr. WON PAT.

Mr. DRINAN.

Mr. MOAKLEY.

Mr. BONKER in two instances.

Mr. WOLFF.

SENATE JOINT RESOLUTION AND CONCURRENT RESOLUTION REFERRED

A joint resolution and a concurrent resolution of the Senate of the following titles were taken from the Speaker's table and, under the rule, referred as follows:

S.J. Res. 89. Joint resolution permitting the supply of additional low enriched uranium fuel under international agreements for cooperation in the civil uses of nuclear energy, and for other purposes; to the Committee on Foreign Affairs; and

S. Con Res. 88. Concurrent resolution stating that the Congress does favor the submission of the President with respect to the second amendment to the Agreement for Co-operation Between the International Atomic Energy Agency and the United States of America of May 11, 1959, done at Vienna, Austria, on January 14, 1980; to the Committee on Foreign Affairs.

A BILL PRESENTED TO THE PRESIDENT

Mr. THOMPSON, from the Committee on House Administration, reported that that committee did on April 25, 1980, present to the President, for his approval, a bill of the House of the following title:

H.R. 4197. To amend the Wool Products Labeling Act of 1939 with respect to recycled wool.

ADJOURNMENT

Mr. SKELTON. Mr. Speaker, I move that the House do now adjourn.

The motion was agreed to; accordingly (at 6 o'clock and 48 minutes p.m.), under its previous order, the House adjourned until tomorrow, Wednesday, April 30, 1980, at 10 a.m.

EXECUTIVE COMMUNICATIONS, ETC.

Under clause 2 of rule XXIV, executive communications were taken from the Speaker's table and referred as follows:

4229. A letter from the President of the United States, transmitting a proposal reducing a request for supplemental appropriations for fiscal year 1980 and amendments to the requests for appropriations for fiscal year 1981 (H. Doc. No. 96-305); to the Committee on Appropriations and ordered to be printed.

4230. A letter from the Assistant Secretary of the Navy (Manpower, Reserve Affairs and Logistics), transmitting summaries of revenues derived from recovered materials for fiscal years 1978 and 1979, pursuant to section 612 of Public Law 93-552; to the Committee on Armed Services.

4231. A letter from the Secretary of Housing and Urban Development, transmitting the 5th annual report on the community development block grant program, pursuant to section 113(a) of the Housing and Community Development Act of 1974; to the Committee on Banking, Finance and Urban Affairs.

4232. A letter from the President and Chairman, Export-Import Bank of the United States, transmitting a statement describing a proposed transaction involving nuclear facilities with Iberduero, S.A.

(Spain), pursuant to section 2(b)(3)(iii) of the Export-Import Bank Act of 1945, as amended; to the Committee on Banking, Finance and Urban Affairs.

4233. A letter from the Director, Administrative Office of the U.S. Courts, transmitting the first annual report on applications by Government authority for delayed notice and customer challenge under provisions of the Right to Financial Privacy Act of 1978, pursuant to section 1121 of Public Law 95-630; to the Committee on Banking, Finance and Urban Affairs.

4234. A letter from the Chairman, Council of the District of Columbia, withdrawing Council Act 3-172, the Closing of a Portion of Maine Avenue, S.W., Act of 1980, previously transmitted pursuant to section 602 (c) of Public Law 93-198; to the Committee on the District of Columbia.

4235. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations amending the family contribution schedules for use during the 1980-81 award period under the basic educational opportunity grant program, pursuant to section 431(d)(1) of the General Education Provision Act, as amended; to the Committee on Education and Labor.

4236. A letter from the U.S. Commissioner of Education, Department of Health, Education, and Welfare, transmitting proposed final regulations to govern the program of financial assistance for construction, reconstruction, or renovation of higher education facilities, pursuant to section 431(d)(1) of the General Education Provision Act, as amended; to the Committee on Education and Labor.

4237. A letter from the Secretary of State, transmitting the 27th annual report on the extent and disposition of U.S. contributions to international organizations, covering fiscal year 1978, pursuant to section 2 of Public Law 806, 81st Congress; to the Committee on Foreign Affairs.

4238. A letter from the Assistant Secretary of State for Congressional Relations, transmitting notice that the State Department intends to consent to a request by the Federal Republic of Germany for permission to certain U.S.-origin military technology to a sales territory consisting of the European NATO members and Sweden and Switzerland, pursuant to section 3 of the Arms Export Control Act; to the Committee on Foreign Affairs.

4239. A letter from the Assistant Secretary of State for Congressional Relations, transmitting a report on political contributions made by Charles E. Marthisen, Ambassador-designate to Qatar, and by members of his family, pursuant to section 6 of Public Law 93-126; to the Committee on Foreign Affairs.

4240. A letter from the Acting Director, Defense Security Assistance Agency, transmitting notice of the Navy's intention to offer to sell certain defense equipment to Australia (Transmittal No. 80-62), pursuant to section 36(b) of the Arms Export Control Act; to the Committee on Foreign Affairs.

4241. A letter from the President, Overseas Private Investment Corporation, transmitting the Corporation's annual report for 1979, pursuant to section 240A(a) of the Foreign Assistance Act of 1961, as amended; to the Committee on Foreign Affairs.

4242. A letter from the Acting Associate Attorney General, transmitting a report on the Justice Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4243. A letter from the Acting Secretary of the Interior, transmitting a report on the Department's activities under the Freedom of Information Act during calendar year 1979, pursuant to 5 U.S.C. 552(d); to the Committee on Government Operations.

4244. A letter from the Chairman, Federal Labor Relations Authority, transmitting a report on the agency's activities under the Government in the Sunshine Act during calendar year 1979, pursuant to 5 U.S.C. 522b (j); to the Committee on Government Operations.

4245. A letter from the Comptroller General of the United States, transmitting a report on Federal agencies' use of computer software technology (FGMSD-80-38, Apr. 29, 1980); to the Committee on Government Operations.

4246. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $66,957.51 in excess oil royalties to Chevron U.S.A. Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4247. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $643.98 in excess gas royalty payments to the Forest Oil Corp., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4248. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $18,341.79 in excess royalty payments to Mobil Oil Corp., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4249. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $4,133.77 in excess royalty payments to Shell Oil Co., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4250. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $865,023.11 in excess oil royalty payments to Texaco, Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4251. A letter from the Secretary of the Interior, transmitting notice of the proposed refund of $450,000 in excess royalties to Texaco, Inc., pursuant to section 10(b) of the Outer Continental Shelf Lands Act of 1953; to the Committee on Interior and Insular Affairs.

4252. A letter from the Assistant Attorney General for Legislative Affairs, transmitting a report on the impact of the implementation of the Speedy Trial Act on the offices of the U.S. attorneys, pursuant to section 9(e) of Public Law 96-45; to the Committee on the Judiciary.

4253. A letter from the Secretary of Health, Education, and Welfare, transmitting a report on the investigation of alleged financial misconduct in the National Institute of Child Health and Human Development, pursuant to 5 U.S.C. 1206(b)(5)(A); to the Committee on Post Office and Civil Service.

4254. A letter from the Comptroller General of the United States, transmitting a report on the identification, treatment, and prevention of child abuse and neglect (HRD-80-66, Apr. 29, 1980); jointly, to the Committees on Government Operations and Education and Labor.

4255. A letter from the Comptroller General of the United States, transmitting a report on the use of industrial cogeneration as an energy conservation measure (EMD-80-7, Apr. 29, 1980); jointly, to the Committees on Government Operations and Interstate and Foreign Commerce.

REPORTS OF COMMITTEES ON PUBLIC BILLS AND RESOLUTIONS

Under clause 2 of rule XIII, reports of committees were delivered to the Clerk for printing and reference to the proper calendar, as follows:

Mr. STAGGERS: Committee on Interstate and Foreign Commerce. H.R. 6846. A bill to authorize appropriations for the purpose of carrying out the activities of the Department of Justice for fiscal year 1981, and for other purposes; with amendments (Rept. No. 96-873, pt. 2). Referred to the Committee of the Whole House on the State of the Union.

Mr. BOLLING: Committee on Rules. House Resolution 649. Resolution providing for technical corrections to the amendments made in order by House Resolution 642 (Rept. No. 96-908). Referred to the House Calendar.

Mr. MURPHY of New York: Committee on Merchant Marine and Fisheries. H.R. 6672. A bill to authorize appropriations for the Coast Guard for fiscal year 1981, and for other purposes; with amendments (Rept. No. 96-909). Referred to the Committee of the Whole House on the State of the Union.

Mr. UDALL: Committee on Interior and Insular Affairs. S. 668. A bill to permit the Cow Creek Band of the Umpqua Tribe of Indians to file with the U.S. Court of Claims any claim such band could have filed with the Indian Claims Commission under the act of August 13, 1946 (60 Stat. 1049). (Rept. No. 96-910). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 4103. A bill to limit the retroactive application of section 1056 of the Internal Revenue Code of 1954 (as added by section 212 of the Tax Reform Act of 1976) (Rept. No. 96-911). Referred to the Committee of the Whole House on the State of the Union.

Mr. ULLMAN: Committee on Ways and Means. H.R. 5391. A bill to amend chapter 42 of the Internal Revenue Code of 1954 with respect to the determination of second tier taxes; with amendments (Rept. No. 96-912). Referred to the Committee of the Whole House on the State of the Union.

Mr. FOLEY: Committee on Agriculture. H.R. 6755. A bill to authorize a pilot program to encourage the efficient utilization of wood and wood residues, and for other purposes; with amendments (Rept. No. 96-913). Referred to the Committee of the Whole House on the State of the Union.

Mr. JOHNSON of California: Committee on Public Works and Transportation. H.R. 6075. A bill to amend the Public Buildings Act of 1959, to authorize the Administrator of General Services to issue obligations for the construction and acquisition of public buildings, and for other purposes; with amendment (Rept. No. 96-914). Referred to the Committee of the Whole House on the State of the Union.

PUBLIC BILLS AND RESOLUTIONS

Under clause 5 of rule X and clause 4 of rule XXII, public bills and resolutions were introduced and severally referred as follows:

By Mr. CLAUSEN:

H.R. 7180. A bill to provide for the payment by the Government of Iran of those U.S. citizens held hostage in the U.S. Embassy in Tehran; to the Committee on Foreign Affairs.

By Mr. COTTER:

H.R. 7181. A bill to amend title II of the Social Security Act and chapter 21 of the Internal Revenue Code of 1954 to make it clear that service performed by a U.S. citizen outside the United States on a vessel owned by a foreign subsidiary of a domestic corporation constitutes covered employment for social security purposes if such service is performed under a coverage agreement entered into with such corporation as authorized by section 3121(l) of such code, and that FICA contributions may be withheld from the remuneration paid for such service; to the Committee on Ways and Means.

By Mr. DONNELLY:

H.R. 7182. A bill to amend the Internal Revenue Code of 1954 to provide a refundable credit against income tax for home fuel oil expenses and to provide that the credit shall be funded from receipts from the 10-cent oil import fee imposed by the President; to the Committee on Ways and Means.

By Mr. GLICKMAN:

H.R. 7183. A bill to provide the Commodity Futures Trading Commission with standby authority to set margin requirements on the trading in commodities; to the Committee on Agriculture.

By Mr. GUYER:

H.R. 7184. A bill to change the customs treatment relating to certain metal wastes resulting from the processing of merchandise admitted into the United States under bond; to the Committee on Ways and Means.

By Mr. HAMMERSCHMIDT:

H.R. 7185. A bill to provide that no person may charge interest at a rate which is greater than 10 percent per annum on loans exceeding $300, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. HEFNER:

H.R. 7186. A bill to amend title 38, United States Code, to authorize the Secretary of Labor to provide legal representation for veterans claiming to be entitled to veterans' reemployment benefits under such title; to the Committee on Veterans' Affairs.

By Mr. HORTON:

H.R. 7187. A bill to amend title II of the Social Security Act to increase to $750 in all cases the amount of the lump-sum death payment thereunder; to the Committee on Ways and Means.

By Mr. KEMP:

H.R. 7188. A bill to amend section 206 of the Federal Water Pollution Control Act relating to reimbursement for certain publicly owned sewage collection systems; to the Committee on Public Works and Transportation.

By Mr. McCLORY:

H.R. 7189. A bill to amend the Safe Drinking Water Act to extend the period for which variances may be provided in the case of contaminant level and treatment technique requirements of national primary drinking water regulations, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. McCORMACK (for himself and Mr. Roe):

H.R. 7190. A bill to provide for an accelerated program of light water nuclear reactor safety research and development, to be carried out by the Department of Energy; to the Committee on Science and Technology.

By Mr. MURPHY of New York:

H.R. 7191. A bill to establish the Snug Harbor National Wildlife Refuge; to the Committee on Merchant Marine and Fisheries.

By Mr. MURPHY of Pennsylvania:

H.R. 7192. A bill to amend the Surface Mining Control and Reclamation Act of 1977 to provide certain discretion in the imposition of civil penalties and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. NEAL:

H.R. 7193. A bill to amend the Internal Revenue Code of 1954 to allow individuals a credit against income tax for qualified fire detector expenses; to the Committee on Ways and Means.

By Mr. PRICE (for himself and Mr. Bob Wilson) (by request):

H.R. 7194. A bill to amend chapter 5 of title 37, United States Code, to make permanent the special pay provisions for reenlistment and enlistment bonuses, and for other purposes; to the Committee on Armed Services.

By Mr. RUNNELS:

H.R. 7195. A bill to authorize the exchange of certain land held in trust by the United States for the Navajo Tribe, and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. SHELBY:

H.R. 7196. A bill to amend the Black Lung Benefits Act to provide that miners who are disabled due to red lung disease arising out of employment in iron mines shall be entitled to benefits under such act; jointly, to the Committees on Education and Labor and Ways and Means.

By Mr. SMITH of Iowa:

H.R. 7197. A bill to amend the Small Business Act to assist and protect small businesses and to protect small businesses against unreasonable use of economic power by major meatpacking companies, and for other purposes; jointly, to the Committees on Agriculture and Small Business.

By Mr. SOLOMON:

H.R. 7198. A bill to amend title IV of the Social Security Act to improve the AFDC program by substituting block grants for open-ended Federal matching, to give the States a fiscal incentive to reduce error, waste, and fraud in the AFDC program, to provide fiscal relief to the States so as to reduce overall State welfare spending and increase basic benefits for the truly needy, to encourage the States to require work as a condition of eligibility for AFDC payments, to establish a demonstration project to provide a pilot test of the State's ability to design and implement their own welfare programs, and for other purposes; to the Committee on Ways and Means.

H.R. 7199. A bill to improve the intelligence system of the United States, and for other purposes; jointly, to the Committees on Foreign Affairs and Permanent Select Committee on Intelligence.

By Mr. STANGELAND:

H.R. 7200. A bill to provide for the United States to withdraw certain public domain lands from the Chippewa National Forest and transfer such lands to the Department of the Interior for the purpose of holding them in trust for the Leech Lake Band of Chippewa Indians; to the Committee on Interior and Insular Affairs.

By Mr. SYMMS (for himself, Mr. Young of Alaska, Mr. Hyde, Mr. Railsback, Mr. Ashbrook, Mr. Latta, Mr. Rousselot, Mr. Findley, Mr. Edwards of Oklahoma, Mr. Taylor, and Mr. Jeffries):

H.R. 7201. A bill to amend the Internal Revenue Code of 1954 to require most individuals to have as their taxable year a year which will require the filing of tax returns just before the November elections; to the Committee on Ways and Means

By Mr. WATKINS:

H.R. 7202. A bill to amend the Federal Reserve Act to provide that not less than three members of the Board of Governors of the Federal Reserve System shall come from the agricultural sector, the industrial sector, the commercial sector, or financial institutions with assets of less than $150 million, and for other purposes; to the Committee on Banking, Finance and Urban Affairs.

By Mr. WAXMAN (for himself, Mr. Preyer, Mr. Maguire, Mr. Walgren, Mr. Leland, Mr. Murphy of New York, and Mr. Carter):

H.R. 7203. A bill to amend the Public Health Service Act to revise and extend the programs for the National Health Service Corps and to revise and extend the programs of assistance under titles VII and VIII of such act for the education of health professions personnel, and for other purposes; to the Committee on Interstate and Foreign Commerce.

By Mr. WAXMAN (for himself, Mr. Maguire, Mr. Leland, and Mr. Carter):

H.R. 7204. A bill to amend the Health Professions Educational Assistance Act of 1976 to provide for appropriate graduate medical education and training for alien graduates of foreign medical schools, and for other purposes; jointly, to the Committees on Interstate and Foreign Commerce and the Judiciary.

By Mr. HALL of Texas:

H.R. 7205. A bill to grant the consent of the United States to the Caddo Lake compact between the States of Louisiana and Texas; to the Committee on the Judiciary.

H.R. 7206. A bill to grant the consent of the United States to the Red River compact among the States of Arkansas, Louisiana, Oklahoma, and Texas; to the Committee on the Judiciary.

By Mr. JONES of Oklahoma:

H.R. 7207. A bill to amend the Internal Revenue Code of 1954 to eliminate the phasedown of the rate of percentage depletion for independent producers and royalty holders; to the Committee on Ways and Means.

By Mr. RODINO (by request):

H.R. 7208. A bill to provide fees and costs to prevailing parties in certain administrative proceedings and civil actions involving the United States; to the Committee on the Judiciary.

By Mr. SHANNON:

H.R. 7209. A bill to amend the act entitled "An Act to provide for the establishment of the Lowell National Historical Park in the Commonwealth of Massachusetts, and for other purposes," approved June 5, 1978 (92 Stat. 290), in order to permit any revenues or other assets acquired by any means by the Lowell Historic Preservation Commission to be used for any authorized functions of such commission; to the Committee on Interior and Insular Affairs.

By Mr. STENHOLM (for himself and Mr. Hance):

H.R. 7210. A bill to amend the Internal Revenue Code of 1954 to exempt independent producers and royalty owners from the windfall profit tax on the first 1,000 barrels of daily production; to the Committee on Ways and Means.

By Mr. STENHOLM (for himself and Mr. Anthony):

H.R. 7211. A bill to amend the Internal Revenue Code of 1954 to provide more equitable treatment of royalty owners under the crude oil windfall profit tax; to the Committee on Ways and Means.

By Mr. TRIBLE:

H.R. 7212. A bill to ratify a settlement agreement in a land dispute between the Pamunkey Indian Tribe and the Southern Railway Co., and for other purposes; to the Committee on Interior and Insular Affairs.

By Mr. YATES:

H.R. 7213. A bill to reduce until the close of June 30, 1982, the rate of duty on certain woven fabrics of wool; to the Committee on Ways and Means.

By Mr. COLLINS of Texas:

H.J. Res. 538. Joint resolution proposing an amendment to the Constitution of the United States to provide for a single 6-year term of office for the President, Vice President, and Senators, and for other purposes; to the Committee on the Judiciary.

By Mr. DOWNEY:

H.J. Res. 539. Joint resolution to authorize the President to issue a proclamation honoring "Max", a yellow Labrador retriever; to the Committee on Post Office and Civil Service.

By Mr. SYMMS (for himself, Mr. Hansen, and Mr. Marriott)

H.J. Res. 540. Joint resolution to provide for the issuance in the year 1980 of a commemorative postage stamp in honor of the

150th anniversary of the Church of Jesus Christ of Latter-day Saints; to the Committee on Post Office and Civil Service.

By Mrs. COLLINS of Illinois:

H. Con. Res. 321. Concurrent resolution extending the heartfelt sympathy of the Congress to the families and friends of the American military personnel who died in Iran on April 25, 1980, during the aborted mission to rescue the American hostages held in Iran; to the Committee on Foreign Affairs.

By Mr. LEWIS:

H. Con. Res. 322. Concurrent resolution expressing the sense of the Congress that any nation receiving foreign assistance from the United States that will not support economic and political sanctions encouraged by our Government against Iran will have that aid rescinded; to the Committee on Foreign Affairs.

By Mr. DORNAN:

H. Res. 650. Resolution amending the Rules of the House of Representatives to provide certain qualifications pertaining to service as a Member, and for other purposes; to the Committee on Rules.

MEMORIALS

Under clause 4 of rule XXII,

447. The SPEAKER presented a memorial of the Legislature of the State of Tennessee, requesting that Congress call a convention for the sole and exclusive purpose of proposing an amendment to the Constitution of the United States to protect the lives of all human beings, which was referred to the Committee on the Judiciary.

PRIVATE BILLS AND RESOLUTIONS

Under clause 1 of rule XXII, private bills and resolutions were introduced and severally referred as follows:

By Mr. DANIELSON:

H.R. 7214. A bill for the relief of the Washington Post, the Washington Star, and the Dispatch (Lexington, N.C.); to the Committee on the Judiciary.

By Mr. HORTON:

H.R. 7215. A bill for the relief of William Eugene Maney; to the Committee on the Judiciary.

By Mr. PANETTA:

H.R. 7216. A bill for the relief of Stephanie M. Bell; to the Committee on the Judiciary.

ADDITIONAL SPONSORS

Under clause 4 of rule XXII, sponsors were added to public bills and resolutions as follows:

H.R. 654: Mr. Ireland.

H.R. 1603: Mr. Gradison.

H.R. 1878: Mr. Lagomarsino, Mr. Corrada, Mr. Murtha, Mr. Wyatt, Mr. Bedell, Mrs. Spellman, Mr. Dougherty, and Mr. Gray.

H.R. 3298: Mr. Hollenbeck.

H.R. 3567: Mr. Porter.

H.R. 5033: Mr. Garcia.

H.R. 5099: Mr. Downey.

H.R. 6012: Mr. Ford of Michigan, Mr. Murtha, Mr. Hutto, Mr. Cavanaugh, Mr. Campbell, Mr. Scheuer, Mr. Kildee, Mr. Rodino, Mr. Dicks, Mr. Dannemeyer, Mr. Donnelly, Mr. Akaka, and Mr. Kelly.

H.R. 6181: Mr. de la Garza, Mr. Danielson, Mr. Panetta, Mr. Phillip Burton, Mr. Edgar, Mr. Leach of Iowa, Mr. Lundine, and Mr. Wirth.

H.R. 6303: Mr. Gray and Mr. Richmond.

H.R. 6338: Mr. Eckhardt, Mr. Roybal, and Mrs. Spellman.

H.R. 6603: Mr. Anderson of California, Mr. Corrada, Mr. Downey, Mr. Edwards of Oklahoma, Mr. Florio, Mr. Fauntroy, Mr. Horton, Mr. Hutto, Mr. Ottinger, Mr. Rahall, Mr. Simon, Mr. Stark, Mr. Yatron, and Mr. Dornan.

H.R. 6675: Mr. Porter, Mr. Moffett, and Mr. Hawkins.

H.R. 6704: Mr. Hinson, Mr. Kildee, Mr. Hawkins, Mr. Railsback, Mr. Corrada, Mr. Stack, and Mr. Kogovsek.

H.R. 6744: Mr. Leach of Louisiana.

H.R. 6813: Mr. Minish, Mr. Courter, Mr. Howard, Mr. Luken, Mr. Fascell, Mr. Ottinger, Mr. D'Amours, Mr. Erdahl, and Mr. Lewis.

H.R. 6894: Mr. Addabbo and Mr. Richmond.

H.R. 6944: Mr. Roe, Mr. Bevill, and Mr. Devine.

H.R. 6990: Mr. Jacobs and Mr. Fithian.

H.R. 7085: Mr. Albosta, Mr. Barnes, Mr. Bevill, Mrs. Boggs, Mr. Bonior of Michigan, Mr. Bonker, Mr. Bowen, Mr. Coelho, Mr. D'Amours, Mr. Danielson, Mr. Duncan of Tennessee, Mr. Edgar, Mr. Erdahl, Mr. Fazio, Mr. Fithian, Mr. Fountain, Mr. Gilman, Mr. Glickman, Mr. Gray, Mr. Green, Mr. Hamilton, Mr. Harris, Mrs. Heckler, Mr. Ichord, Mr. Lagomarsino, Mr. Leach of Iowa, Mr. Lederer, Mr. Lehman, Mr. Madigan, Mr. Mineta, Mr. Mitchell of Maryland, Mr. Moakley, Mr. Oberstar, Mr. Ottinger, Mr. Pepper, Mr. Porter, Mr. Pritchard, Mr. Rahall, Mr. Simon, Mr. Solarz. Mr. Solomon, Mr. Stark, Mr. Vento, and Mr. Winn.

H.J. Res. 281: Mr. Moffett.

H.J. Res. 512: Mr. Anderson of California, Mr. Anderson of Illinois, Mr. Bailey, Mr. Barnes, Mr. Blanchard, Mr. Boland, Mr. Breaux, Mr. Brodhead, Mr. John L. Burton, Mr. Cavanaugh, Mr. Clinger, Mr. Coelho, Mrs. Collins of Illinois, Mr. Conyers, Mr. Corman; Mr. Corrada, Mr. Cotter, Mr. Daschle, Mr. Dellums, Mr. Dodd, Mr. Donnelly, Mr. Dougherty, Mr. Downey, Mr. Duncan of Oregon, Mr. Erdahl, Mr. Evans of the Virgin Islands, Mr. Fary, Mr. Fauntroy, Mr. Fazio, Mrs. Fenwick, Mr. Fish, Mr. Florio, Mr. Ford of Tennessee, Mr. Forsythe, Mr. Frenzel, Mr. Frost, Mr. Gibbons, Mr. Gradison, Mr. Grassley, Mr. Gray, Mr. Green, Mr. Hawkins, Mr. Horton, Mr. Hutto, Mr. Hyde, Mr. Jacobs, Mr. Jeffords, Mr. Jenrette, Mr. Kostmayer, Mr. Lederer, Mr. Leland, Mr. Markey, Mr. Marks, Mr. Marriott, Mr. Mathis, Mr. Mavroules, Mr. Mazzoli, Ms. Mikulski, Mr. Mineta, Mr. Moffett, Mr. Moorhead of Pennsylvania, Mr. Murphy of Pennsylvania, Mr. Myers of Pennsylvania, Mr. Nolan, Ms. Oakar, Mr. Oberstar, Mr. Ottinger, Mr. Patterson, Mr. Peyser, Mr. Preyer, Mr. Pritchard, Mr. Railsback, Mr. Ratchford, Mr. Rhodes, Mr. Richmond, Mr. Rodino, Mr. Roe, Mr. Rose, Mr. Sawyer, Mr. Scheuer, Mr. Simon, Mrs. Snowe, Mr. Solarz, Mr. Stack, Mr. Stewart, Mr. Thompson, Mr. Traxler, Mr. Vento, Mr. Volkmer, Mr. Walgren, Mr. Waxman, Mr. Williams of Ohio, Mr. Wolff, Mr. Wolpe, Mr. Won Pat, Mr. Yatron, Mr. Young of Alaska, Mr. Young of Missouri, Mr. Fowler, Mr. Maguire, and Mr. Price.

H. Con. Res. 106: Mr. St Germain.

AMENDMENTS

Under clause 6 of rule XXIII, proposed amendments were submitted as follows:

H. Con. Res. 307

By Mr. HANLEY:

—In section 1:

In the matter relating to the appropriate level of total budget authority, increase the amount by $636,000,000;

In the matter relating to the appropriate level of total budget outlays, increase the amount by $636,000,000;

In the matter relating to the amount of the surplus in the budget, decrease the amount by $636,000,000;

In the matter relating to the appropriate level of the public debt, increase the amount by $636,000,000; and

In the matter relating to the statutory limit on such debt, increase the amount by $636,000,000.

In section 2:

In the matter relating to Commerce and Housing Credit (370) increase the amount for new budget authority and outlays by $636,000,000.

In section 3(e):

In the matter relating to reconciliation recommendations to be made by the House Committee on Post Office and Civil Service and the Senate Committee on Governmental Affairs, reduce the amount of spending reductions in budget authority and outlays by $636,000,000.

In section 5:

In the matter relating to the appropriate level of total budget authority, increase the amount for fiscal year 1982 by $744,000,000 and increase the amount for fiscal year 1983 by $652,000,000;

In the matter relating to the appropriate level of total budget outlays, increase the amount for fiscal year 1982 by $744,000,000 and increase the amount for fiscal year 1983 by $652,000,000;

In the matter relating to the amount of the surplus in the budget, decrease the amount for fiscal year 1982 by $744,000,000 and decrease the amount for fiscal year 1983 by $652,000,000;

In the matter relating to the appropriate level of the public debt, increase the amount for fiscal year 1982 by $744,000,000 and increase the amount for fiscal year 1983 by $652,000,000;

In the matter relating to Commerce and Housing Credit (370), increase the amount for new budget authority and outlays for fiscal year 1982 by $744,000,000 and increase the amount for new budget authority and outlays for fiscal year 1983 by $652,000,000.

EXTENSIONS OF REMARKS

MILITARY PAY

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. EVANS of Delaware. Mr. Speaker, this last Tuesday, April 22, during consideration of President Carter's proposal for premobilization draft registration, I argued that we ought to be worrying more about those men and women who are already in the service. If we make the military a better place to live and work, then we will go a long way in solving our Nation's military manpower programs. However, until we improve the abysmally low pay for service men and women, as well as strengthen other incentives, we will be faced with growing shortages of trained people, who are desperately needed to run today's high-technology military.

The day after that debate, the Prince Georges (Md.) Journal published an article detailing the severe problems faced by Air Force personnel at Andrews Air Force Base, just a few miles from the Capitol.

This article pointed out the following:

Air Force personnel sleeping on their apartment floors because they cannot afford to buy a bed;

A sergeant who had to go through apartment trash rooms in order to see what he could salvage;

Servicemen who must apply for food stamps; and

A senior enlisted man who must beg local families for furniture for his younger troops.

I find this situation deplorable. It is no wonder that good men and women who want to stay in the military have no choice but to leave. Improving the pay and living conditions of those in the military will do more to solve our manpower crisis than any draft.

The article follows:

MILITARY PAY—ANDREWS' YOUNG PEOPLE STRUGGLING TO SURVIVE

(By Anne Chase)

Chief Master Sergeant Richard Fisher is not accustomed to begging, but the 30-year Air Force veteran is begging now. He's asking local families who have furniture they no longer need to donate it to the chaplains at Andrews Air Force Base. His "young people," Air Force first-termers, can use it. Some of Fisher's young people are sleeping on the floors of their apartments because they can't afford to buy a bed.

"These aren't people who are stupid. They don't go out and spend the money on booze and Cadillacs. These are decent people who just can't make it on what the Air Force is paying them," Fisher said.

The issue of military pay is affecting the U.S. armed services all over the world. In Prince Georges County, enlisted men and women at Andrews find the problem critical because of high rents. Andrews has base housing for only about 10 percent of the 22,000 men and women stationed there.

"I came here from Blytheville, Ark. I could live like a king there. My wife and I had a fully furnished trailer with a yard for $120 a month. When I got here, I had to sell my car because I couldn't keep up the payments," said Sgt. Leonard Nadolny, who bucked the downward trend in re-enlistments recently to sign on for a second hitch despite the low pay.

Faced with a $300 a month rent bill and a pregnant wife, Nadolny took three part-time jobs—as a security guard at Landover Mall, gas station attendant and carpet installer.

"We lived for about a month off packing boxes, with no bed until we finally got a bed from Sgt. Fisher. I look at myself. I'm a draftsman and a surveyor. I got so I was going down to the trash room of the apartments and seeing what I could salvage," Nadolny said.

"If that doesn't do something to your self-esteem, nothing will."

Nadolny is in slightly better financial shape now than he was when he first transferred to Andrews about 18 months ago. Since then he was promoted and now lives in base housing.

The personnel who may need the housing most, married couples in the lower enlisted pay grades, are not eligible for it.

For some service families, the low pay means not only going without furniture or a second car; sometimes, they're short of food as well. Eventually, some seek help in filling family pantries by applying for food stamps. No precise figures on food stamps were available from county officials, but one official said there were probably less than 100.

Others seek help from a fund administered by the base chaplains. Enlisted persons may receive a donation from the fund to pay rent or buy groceries. Fisher, who helps collect for the fund, estimated that the chaplains raise about $12,000 a year from military and civilian employees at the base.

"The people who use it also contribute to it most heavily. We don't ask that people pay it back, but they usually do," Fisher said.

Even with the fund and food stamps, some enlisted families go hungry, as Airman Coleen Caulkins attested. Caulkins and her husband, an assistant manager at an auto parts store, have a combined yearly take-home income of $15,700.

"A couple of months ago, it was a week to payday. We had no food in the house. I went to one of the chaplains to ask about borrowing $50 from the fund. He said there was no problem, but because I worked for him I had to call Chief Fisher. I just didn't want to do that, so we went without. I have never had to do that," Caulkins said.

Low pay means that the service family's car is a used gas burner that no one else wants.

"Every month something comes up that you didn't expect that costs you $50," Caulkins said.

Sharing one car in the Washington suburbs with their uncertain bus service means Coleen Caulkins arrives at work at 6 a.m. when her husband drops her off on his way to Virginia. If he has to work late, he cannot pick her up until 9 p.m. She usually spends the 15-hour days working, although her tour of duty is only eight hours.

Enlisted personnel sometimes are refused car loans and loans from the base credit union. They end up borrowing from finance companies at 18 to 22 percent. Being in the military sometimes makes them economic lepers when a merchant doesn't want to do business with them because of their salaries.

"I went down to a used car place on St. Barnabas Road in my civilian clothes and the salesman told me I'd have no problem qualifying for a loan with my income. I went back about a week later in uniform and the guy practically chased me away," Airman Joseph O'Malley said.

As a result of the low pay, fewer persons want to join the service. Once they join, more want to get out. According to statistics provided by Air Force spokeswoman Capt. Sherry Stetson-Mannix, 75 percent of the enlisted men re-enlisted in 1975. Last year the percentage dropped to 60. Also last year was the first since the all-volunteer force was instituted that the Air Force failed to meet its recruiting goal. Recruiters signed on 68,000 men and women.

Most of the airmen interviewed recently at Andrews said because of the low pay they probably would not re-enlist. Caulkins said she hopes to go to officer training school. If she can't she is getting out.

"I know I can't afford to stay in as enlisted," she said.

The airmen said they were attracted to the Air Force by the opportunity to receive a subsidized college education. The military pays 75 percent of tuition toward a college degree. But the pay makes the tuition less attractive, especially when the airmen have to work part-time to support their families and don't have time to attend classes.

The Carter administration has been cool to Pentagon efforts to get big pay raises for the armed services.

Senators Sam Nunn (D-Ga.) and John Warner (R-Va.) pushed a bill through the Senate late last year that would improve the situation for personnel stationed at Andrews slightly by providing a housing allowance geared to rents charged near military installations. The bill would increase flight pay and sea pay and raise the untaxed subsistence allowance 10 percent. The bill now is being considered by the House Armed Services Committee. Warner's office estimated the bill would cost $3.2 billion through fiscal 1984.

"The administration is treating it as a budget buster. Our feeling is that it is essential to improve military pay before the situation gets worse," said a spokesman for Warner.

Sen. William Armstrong, a Colorado Republican, introduced a bill last year to boost military pay 3.4 percent over the president's proposed increase to coincide with the rate of inflation. Armstrong's bill failed in the Senate when the Nunn-Warner bill was offered as a substitute. Armstrong's office said he would introduce a similar bill this year to give the military a raise equal to the inflation rate.

"People are always screaming about the benefits we get. What benefits? My sister who just graduated from secretarial school, makes more in eight months than I do in a year. I've been in the Air Force four and a half years," Nadolny said.

● This "bullet" symbol identifies statements or insertions which are not spoken by the Member on the floor.

"Our main job is defense. We're letting you people live in comfort and safety while we're scraping with our fingernails to make a living." ●

OKLAHOMA WINNER OF VOICE OF DEMOCRACY CONTEST

HON. WES WATKINS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. WATKINS. Mr. Speaker, I am very proud to recognize Jacqueline Robin Smith of Comanche, Okla., as the Oklahoma winner of the 1979-80 Veterans of Foreign Wars' voice of democracy scholarship program.

The voice of democracy scholarship program was started 33 years ago with the endorsement of the U.S. Office of Education and the National Association of Secondary School Principals. Now the Veterans of Foreign Wars assume sole sponsorship responsibility, and more than 250,000 secondary school students participated this year in the contest. Five national scholarships are awarded as top prizes.

Jacqueline Robin "Robbie" Smith is a top student at Comanche High School, and has received numerous speaking, composition, and dramatic awards. She has aspirations of entering the field of broadcasting and journalism upon graduation from college.

I would like to take this opportunity to bring Robbie's award-winning speech to the attention of my colleagues. It focuses on this year's contest theme, "My Role in America's Future." The text of the speech follows:

MY ROLE IN AMERICA'S FUTURE

(By Jacqueline Robin Smith)

In the 1960's the Viet Nam conflict swirled America in a whirlwind of turmoil. The "Now Generation" marched against sending our noble sons into an undeclared war. They cursed the United States, its leaders, and its values. They burned the American flag, carried banners which proclaimed, "Draft beer, not boys," and generally abused this great nation. These young men and women knew that change was needed. Although they had conquered the dreaded disease of apathy, they used violence and destruction to obtain these ends.

And then the dawning of a new era * * *

The pendulum of change swings back and forth, back and forth through the ages.

Fortunately, as I assume my role in America's future, the pendulum is swinging toward patriotism, patriotism born of peace, yet of power to uphold the moral virtues of honesty, integrity, and freedom.

Grave and desperate problems, however, still exist and, in the words of Thomas Paine, one of our noble forefathers, "These are the times that try men's souls."

Although the "Now Generation" fought for what they believed to be right, they gave a new meaning to the word apathy—cynicism and pessimism—and set a precedent for future generations—an overall lack of confidence in government.

Today, many Americans blame their President for all their woes, ranging from inflation to the energy crisis, and I shan't be the one to cast the first stone. I tend to forget that it is MY credit cards which fuel the fire of inflation and MY own gluttony that contributes to the oil crisis. I, and other Americans, too, are like a drowning man. If I do not, at the very least, TRY to tread water, then maybe, just maybe, I deserve to drown.

The pendulum of change swings back and forth, back and forth through the ages.

Today, as in the 1960's, America is hungry for effective leaders—George Washington's and Thomas Jefferson's of today. I want to be a leader, but if that is impossible, then I want to be led, to be guided by strong leaders—

Leaders who will not be influenced by popularity polls; leaders who will uphold their promises; and leaders who will stand their ground no matter what the outcome.

I, and other young leaders, must assume responsibility for this lack of leadership for our votes are the keys to their offices. For this reason, I must be informed as to the issues in the elections, in the candidates' leadership qualities, and in their experience as leaders. Yet, after the election, responsibilities still ensue. I must monitor the progress of the leaders I have chosen, and if I feel that they have not handled their task with the utmost care and consideration, I will go to the polls again and fire them.

The pendulum of change swings back and forth, back and forth through the ages.

In this decade, America is retreating. We no longer lead, we follow. We have instilled in our hearts a dread of war for we remember all too well the last war we fought. Because of this, America has become a patsy for other nations to tread upon. America has lost her clout—her ability to influence other nations.

We are no longer willing to fight in the name of God and Freedom. Instead, we hide behind a false mask—we say it's in the name of peace; yet, deep within our hearts, we know it is because we are afraid.

Afraid we will lose—lose because of our pessimism; and lose because of our lack of leadership.

The Communists have sounded the warning bell. They are lurking in the shadows of Cuba only ninety miles from American soil. I will, therefore, do my part to see that America, no matter how fearful, shows her face as a proud and dedicated foe to communism—

A nation willing to fight in the name of God and Freedom; a nation who, even if conquered, will have the satisfaction of knowing it tried.

Yes. America's future is now in the hands of the "Me Generation," the generation of the '80's, my generation. I love my nation, and I want her to survive. My role in America's future, then, is to help stamp out pessimism and to erect attitudes of optimism, to elect and support strong leaders, and to make America an example of freedom for all nations to follow so that

The pendulum of change will swing back and forth, back and forth and halt at a strong, invincible, patriotic America—forever!●

CAN WE SAVE THE BURROS?

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. WHITEHURST. Mr. Speaker, in the April 27, 1980, edition of Parade magazine, there was an article by Michael Satchell which presents a balanced view of the problem of the feral burros in the Grand Canyon, and I am pleased to share his comments with my colleagues at this point in the RECORD.

I would suggest that any of our constituents who are interested in participating in any way contact either the Fund for Animals, 140 West 57th Street, New York, N.Y. 10019; or the Superintendent, Grand Canyon National Park, Ariz. 86023.

The article follows:

CAN WE SAVE THE BURROS?

(By Michael Satchell)

Within the next couple of months, a group of sharpshooters armed with high-powered, silencer-equipped rifles will be helicoptered into the depths of the Grand Canyon. Their mission will be to locate and kill some 400 burros that roam wild in the vast, rugged expanse of America's most spectacular and popular national park.

The feisty little critters—which evoke romantic images of the Old West as faithful companions to grizzled prospectors, hard-scrabble miners and sourdoughs heading for the California gold fields—really don't belong in the canyon. They are the descendants of pack animals turned loose a century or more ago when mules and mechanization proved more efficient and when the viens of ore petered out.

Canyon naturalists say the burros compete with native bighorn sheep and deer for food, trample and munch delicate vegetation, accelerate erosion on the steep slopes, foul water supplies, and ruin ancient Indian archaeological sites. Tourists to the Grand Canyon tend to enjoy the colorful animals—when they can see them. Naturalists, environmentalists and park authorities do not.

Between 1924 and 1969, park rangers shot about 2800 burros to keep the herds under control and heard not a whisper of public protest until 1976, when they proposed wiping them out entirely. Lawsuits and a negative public reaction forced a temporary halt.

Now—after a four-year environmental impact study, public hearings, the expenditure of about $100,000 to examine the problem, and a bitter fight with animal welfare groups—the National Park Service has reaffirmed its policy. The burros must go.

There is one chance for a reprieve. The Park Service will set aside a 60-day test period, probably this summer or early fall, to allow the public—either organizations or individuals—to capture any number of the burros, bring them out alive, and adopt them if they wish.

Anyone with a bright idea and the means to get them out is welcome to try—providing authorities are satisfied the attempt is not foolhardy and has a reasonable chance of success.

"If the public shows no interest in the program or clearly is unable to remove these animals, then shooting efforts will be initiated immediately," the Park Service warns.

Before you entertain visions of charging off to Arizona this summer to snatch the beleaguered burros from the brink of slaughter, consider that the Grand Canyon covers 1.2 million acres—1½ times the size of Rhode Island—and the three main burro herds roam over a tenth of that area.

The terrain, mostly steep canyons and cliffs, is harsh and largely inaccessible. In summer it's like an oven.

"We're not going to let anyone down there with a carrot on the end of a stick," says Jim Walters, 34, a resource management specialist who has studied the burro problem for three years. "We will weed out anyone who obviously has no chance of catching burros or who might be a danger to himself. People who haven't been here have no idea how rugged it is."

Would-be burro rescuers will have to abide by the same rules as park rangers. You can use helicopters to supply food, water and equipment or haul the animals out, but not for herding the burros. That's against the law. Vehicles are also prohibited.

You can use horses, mules or dogs to round up the burros. You can lasso them, lure them into traps, herd them into corrals or immobilize them with tranquilizer guns. You can herd them out, fly them out or float them out on the river. No one will be happier than the Park Service if good old American ingenuity triumphs.

The Park Service could try to get them out alive, but they consider the task too impractical and expensive. They estimate the cost at $365,000—$1000 a day for a year. Helicopters cost $300 an hour to operate at the Grand Canyon. Shooting, by comparison, should cost only about $56,000.

"Attempting live removal would be a ludicrous waste of the taxpayers' dollars," Walters contends. "The park is hurting in too many different ways to spend that kind of money on burros. If the public can get them out or is willing to donate the money to do it, that's an excellent compromise, I'm all in favor of it, and I wish them luck."

When the Park Service first proposed ridding the canyon of the burros—which are worth about $15 a head at a livestock auction—it didn't reckon on the reaction of America's animal-lovers. After newspapers began reporting the burro eradication plan in 1976, the Park Service was deluged with 14,000 letters of protest.

The Battle of the Burros split the animal welfare/environmental coalition. Groups like the National Audubon Society, National Wildlife Federation, Sierra Club, National Parks and Conservation Association and a dozen others support the shooting. The American Horse Protection Association, the U.S. Humane Society, the Fund for Animals and five other groups oppose it.

Some of the pleas came from youngsters who had read Marguerite Henry's Brighty of the Grand Canyon, a children's best-seller about the adventures of a Grand Canyon donkey.

"To many of the kids," recalls Walters, "it was Brighty who was going before the guns. And people had the image of a horrible slaughter in the canyon. Some even thought we were planning to shoot the Fred Harvey mules that carry visitors into the canyon."

After the blitz of protest, Park Service officials removed the large statue of Brighty that formerly dominated the entrance to the canyon visitors' center and moved it to a less prominent location inside—a hasty bit of public relations about-face. Today, the center also contains a display of the damage that Brighty's real-life relatives are doing to the canyon.

The Park Service, as part of its environmental impact studies, made two demonstration attempts at live removal. First, a professional horse wrangler and his assistant went into the canyon for nine days with four horses and three dogs. They managed to round up 12 burros from the easiest part of the canyon and herd them out. One horse was killed in the process. The cost: $442 for each burro removed.

Next, 12 rangers with tranquilizer guns spent two weeks in the depths, using helicopters to supply food and water for men and horses and to haul out the burros with rope slings.

At times, this burro hunt took on the aspects of a Marx Brothers movie, with rangers skittering over the steep slopes in pursuit of the sure-footed burros, then giving some of the animals mouth-to-mouth resuscitation when the tranquilizer dose proved to be too powerful. They immobilized 32 burros, but five died—two from overdoses of tranquilizer and three from injuries as they stumbled woozily around the craggy cliffs and slopes.

That effort cost $1400 per animal and convinced the Park Service that shooting was the only practical solution.

So far, the only serious interest shown to remove the burros live has come from the Fund for Animals, headed by author Cleveland Amory and backed by such prestigious patrons as Princess Grace of Monaco, Angie Dickinson, Steve Allen, Glenn Ford, Burgess Meredith and Mary Tyler Moore.

The Fund's Southwest coordinator is Richard Negus, a transplanted Englishman who thinks the burros can be saved if the money can be raised.

"I went to the canyon and after looking the problem over, I called up Cleveland Amory and asked him if he would be willing to spend $280,000 or so to rescue 400 donkeys from a bloody great hole in the ground," Negus said. "He came out here, took a helicopter tour of the canyon and said yes. Like me, he thinks donkeys are very nice animals."

The Fund plans to hire a professional wrangler who will take a crew of men and horses and a portable corral into the canyon, round up the burros in groups and either herd them out or lift them to safety in huge cargo helicopters. The Park Service has assured Negus that as long as burros are being removed effectively, they will be given plenty of time to do the job.

Is it worth such a vast expenditure, Negus was asked, when there are so many other animal welfare causes that could use $280,000?

"Oh, absolutely," he says. "It's worth any amount of money when the alternative is death. I'm certain there is $200,000 to $300,000 somewhere in this country to get them out. When we get the appeal fund started, we'll sell donkey dollar certificates to kids—give a buck to save a burro. This kind of fund-raising effort will be a tremendous outlet for all animal lovers—God bless 'em."●

ANNIVERSARY FOR CATHOLIC KNIGHTS OF ST. GEORGE

HON. DOUG WALGREN

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. WALGREN. Mr. Speaker, during May of this year, the Catholic Knights of St. George will celebrate its 100th anniversary.

As a fraternal benefit society founded in 1881 in Pittsburgh, Pa., the Catholic Knights of St. George has continually grown over the years and now has 300 branches operating in 12 States. At present 67,000 people are members of the organization, representing $33 million of personal insurance protection for themselves and their families.

The Catholic Knights of St. George provides a complete program of life, accident, and health insurance. As a nonprofit, fraternal organization, the order provides comprehensive coverage at low rates.

Since its founding, the society has paid more than $28,000,000 to members in benefits that were most important in the lives of those who receive them.

Through the years, the Catholic Knights of St. George has grown to where it now has over $11 million in assets, included among these assets are substantial investments in Catholic institution bonds. In this way, the investments and deposits of their members enable Catholic organizations to finance expansion and redevelopment programs.

The Catholic Knights of St. George is most special because the organization has put its financial strength to work in human services through the religious values of its members. The order is one of the few Catholic fraternal organizations to provide a home for aged members. Located in a 505-acre estate in Wellsburg, W. Va., the home has facilities to care for aged persons and to make their golden years more pleasant and rewarding. The home also maintains a retreat house where Catholic groups can spend a beneficial weekend in prayer and meditation.

The order also provides opportunities for young people through an active program of college scholarships and a summer camp program for underpriviledged children.

Through its varied involvement in helping others of all ages, the Catholic Knights of St. George has given our country 100 years of good works. Through the efforts of its members, the order is now stronger than ever, and will be able to multiply the good of the first 100 years many times as the order enters its second century.

It is with deep appreciation and great respect that we, the people of Pittsburgh, want them to know how grateful we are for the efforts and service to mankind and the community of the Catholic Knights of St. George.●

BALANCING THE BUDGET BY RAISING TAXES WILL NOT WORK

HON. NEWT GINGRICH

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. GINGRICH. Mr. Speaker, I want to share with my colleagues another in a growing number of columns and articles pointing out the ugly truth behind the Democrats' so-called balanced budget.

This particular column is by Gene Tharpe and appeared in the April 3 Atlanta Constitution. Here is one choice line:

> Tax revenues during the past couple years have risen some 20 percent, or several billions of dollars, because of inflation. Using these inflation-provided funds to balance the budget . . . does nothing to control inflation. It only transfers more wealth and productivity from the private sector to the government which produces nothing.

Mr. Speaker, despite that, the majority expects this House to pass a balanced budget that relies on more inflation-generated tax increases. Projected fiscal year 1981 revenues will shoot up 18.3 percent, or $96 billion—an all-time record.

Because it means another $990 out of the pocket of every working American, the majority budget should be defeated. Balancing the budget with record tax increases is a double disaster. As Mr. Tharpe says, you cannot fight inflation by using inflation as an ally, which is what the majority budget does. And by allowing tax increases to rocket ahead of everything else, the majority budget will aggravate the recession. Result? Less jobs, less tax revenues, more Federal expenditures, and an unbalanced budget. It is a vicious circle and one that the minority is doing its best to get the country out of.

Mr. Tharpe's column follows:

THE BUDGET: NOT A ONE-NIGHT STAND

The Federal Reserve finally got smart yesterday—at least a little smarter—regarding President Carter's call to severely limit consumer credit to help control inflation. The Fed members realized that consumers' use of credit hasn't caused inflation.

They voted to limit the measures by which issuers of credit cards and revolving consumer credit can increase interest rates and minimum payments required on existing consumer debt. This is a wise decision because the move to boost interest rates and minimum payments would have been a hardship for many average Americans and penalized working folks who are least responsible for inflation but who suffer most because of it.

Now, if only similar wisdom will spread through Congress and the White House—and the wisdom to be taken to heart is that just balancing the budget for fiscal 1981 isn't enough. It shouldn't be only a one-night stand.

The central reason for our current wild inflation is the U.S. budget being out of balance for most of the past 20 years (with the combined deficit now totaling several hundreds of billions of dollars) and the debasement of the dollar this caused. There are numerous other factors causing inflation, but they all pale into insignificance when compared to the routine running of deficit federal budgets year after year.

President Carter and Congress are now "hot to trot" to balance the fiscal '81 budget, which begins Oct. 1, 1980. Spending cuts of $15 billion to $17 billion have been proposed to balance the '81 budget at about $600 billion. That's nice—but what's conveniently overlooked is that proposed spending for '81 is still up approximately $50 billion from fiscal 1980.

This is an election year and balancing the budget is what many voters want to hear. But if the goal of controlling inflation is ever to be reached, a balanced budget—or nearly balanced—needs to become an annual affair.

There are two ways to balance a budget: 1. Reduce spending to equal income. 2. Increase income to equal spending. The government should choose the first, not the latter, if balancing the budget is to have any meaning and lasting effect.

A family, having budget problems, could choose either way. It could stop buying so much in order to stay within budget. Or it could put wife and/or children to work to boost income to match spending. If it chooses the second course, it is balancing its budget while also contributing to the economy and a better standard of living. But government increases its income by taking from the economy and lowering standards of living.

President Carter had been moving in the past three years toward balancing the budget not by reducing spending but because of sharply increased revenues—revenues from income taxes being rapidly boosted by inflation. The income tax is "progressive," that is, the rate of taxes to be paid goes higher as income goes higher. This worked quite well in the "old days" when a salary of $30,000 was a lot of money.

But inflation has pushed working people into higher tax brackets as they obtain pay increases trying to offset inflation. Thus, a larger percentage of their earnings goes for higher income taxes—higher taxes originally intended for wealthy people. Not only is this something of a "Catch 22" situation, but it greatly discourages workers from working hard to increase productivity and make more money.

But the government has cashed in on the result. Its tax revenues during the past couple years have risen some 20 percent, or several billions of dollars, because of inflation. Using these inflation-provided funds to balance the budget, however, does nothing to control inflation. It only transfers more wealth and productivity from the private sector to the government which produces nothing.

What's needed is not just balanced budgets, but a system that puts limits on government spending, how much wealth it can take from the annual production of workers and businesses. There's a move afoot supporting a constitutional amendment requiring balanced budgets, but a better method would be a limit requiring that the annual national budget/spending never exceed a percentage (2 percent or so) of the gross national product at that time. This kind of balanced budget would, given a little time, put the brakes to inflation and help restore vitality to the U.S. economy.●

RAOUL WALLENBERG

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 22, 1980

● Mr. LONG of Maryland. Mr. Speaker, Raoul Wallenberg, a young Swedish diplomat, was instrumental in saving tens of thousands of Jews from anonymous extinction in Nazi-occupied Eastern Europe at the close of World War II. But to this day, the fate of Wallenberg himself is unknown. On January 17, 1945, Wallenberg entered a Red army staff car. His friends and family have never seen him since.

There are reports that Wallenberg still lives, in a Soviet prison camp.

Constantly in danger, the target of Nazi death plots, Wallenberg distributed tens of thousands of Swedish passports to Hungarian Jews. In the final days of the war, as Eichmann raced to complete the "Final Solution" before Allied victory, travel documents issued by neutral countries were tickets to life: Holders of Swedish passports could not be deported to German death camps. Wallenberg personally faced down Nazi SS troopers, members of the Hungarian Fascist Red Arrow gangs, and Soviet Red army troops in carrying out his mission. Working on behalf of the Roosevelt administration's War Refugee Board and the Swedish Government, Wallenberg was hated and feared by Nazis and Soviet Communists alike.

Those who owe their lives to Wallenberg have never forgotten him. Mrs. Annette Lantos, who as a 12-year-old girl escaped death in Budapest because of Wallenberg's intercession, said of him: "He not only saved our lives, but our belief in mankind and the power of good."

Soviet accounts of Wallenberg's fate are contradictory and inadequate.

In February 1945, the Soviet Ambassador to Sweden told Wallenberg's mother that Wallenberg was safe in Moscow. In August 1947 Soviet Deputy Foreign Minister Andrei Vishinsky said that "Wallenberg was not known in the Soviet Union;" Wallenberg, Vishinsky said, was assumed to have died during the street fighting in Budapest. And in February 1957, Andrei Gromyko said that documents in the archives of Lubyanka Prison indicated that Wallenberg died, in prison, of a heart attack in 1947.

Fifteen years after Wallenberg's supposed death, a Soviet psychiatrist told an eminent Swedish professor of medicine that Wallenberg was alive, confined in a Soviet mental institution. Additional reports that Wallenberg lives, a prisoner in the U.S.S.R., have reached the West.

On May 2 and 3 the Free Raoul Wallenberg Committee will hold an international hearing in Stockholm, to focus world attention on the case of Raoul Wallenberg. The Sakharov Human Rights Committee is a cosponsor. Elie Wiesel, Gideon Haunser, and Simon Wiesenthal will attend.

Mr. Speaker, Raoul Wallenberg proved that one man's conscience can be a powerful force for good. Let us prove, Mr. Speaker, that the collective conscience of free and concerned people everywhere will be strong enough to bring to light the fate of Raoul Wallenberg—and strong enough to free him if he is still alive.●

HELEN HAYES: A LIVING LEGEND

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. GILMAN. Mr. Speaker, to say that Helen Hayes, the "First Lady of the American Theater," has accomplished much in her 80 years is an understatement; to say that the American theater would have been poorer had she not participated as actively as she has for 70 of those 80 years is also an understatement.

Helen Hayes, the first lady of our theater and much, much more, is a very special constituent of mine. I am truly honored to represent her in the Congress, and the attractive village of Nyack, N.Y., is where she makes her home.

Ms. Hayes has participated so actively and extensively in our American theater and in American films that to praise her many roles and varied performances, so integral to our American theater heritage, the list would go on for pages and pages. And to enumerate all of the awards that Helen Hayes has received for her sterling performances would fill many pages. As the years go by those lists grow—the honors continue to multiply, furthering the reputation and renown of our premiere actress.

Helen Hayes' professional credentials are known throughout our Nation and throughout the world. Her name is associated with quality acting, generosity, and professionalism. In Rockland County, N.Y., Helen Hayes has lent her time and efforts to innumerable charitable causes, and has been a participating member in the Rockland County Center for the Arts, the Good Samaritan and the Nyack Hospitals, located in my congressional district. She has diligently served on the board of visitors of the New York State Rehabilitation Hospital for several years, and that hospital, specializing in physical medicine, rehabilitation, and orthopedic medicine, has borne her name since 1974.

I fondly remember Helen Hayes on one cold and windy autumn day as she campaigned with me in New York State gubernatorial election. We sat in an open car, despite the elements, and I remember how remarkably energetic she was—in virtually everything she does.

On Sunday, May 4, the Catholic Youth Organization (CYO) of Rockland County will be presenting Helen Hayes with its annual award, given to—

> those persons within our county who have given of themselves to enrich the quality of life for their fellow man. Helen Hayes, first lady of the American theater, typifies the American tradition in that she has always given generously of her talent and time to others.

Helen Hayes has received acclaim from all segments of our American society—she has received the Oscar, not once, but twice, the Tony Award, an Emmy Award, the Radio Actress Award, and 40 honorary degrees from universities and colleges across the Nation. Her acting career began at 6, and has grown until the present time; and her generous work for others has spanned decades and continues to grow unimpeded.

While the memorable roles that Helen Hayes has blessed us with—Maggie Wylie in "What Every Woman Knows," Amanda in "The Glass Menagerie," Veta Louise Simmons in "Harvey," one of the "Snoop Sisters"—continue to live on film and in our memories, Helen Hayes' work in our communities and especially in Rockland County is very much a part of the present. Rockland County residents are proud and honored that a woman of her stature, a woman so lauded and yet so accessible, would choose our region as her place of residence, as her own backyard.

Helen Hayes, aged 80 this year, is an inspiration to all of us. Her energy, her good works, her dignity and generosity, have complemented her outstanding and stellar career. God has certainly created a wonderful woman and we are blessed to have her in our midst. We thank her for her talent—her talents for sharing and for giving which she continues to shower upon us.●

NEED FOR DOMESTIC OIL PRODUCTION

HON. MICKEY EDWARDS

OF OKLAHOMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. EDWARDS of Oklahoma. Mr. Speaker, this Nation's continued dependence on foreign energy supplies contributes to an ever-slower rate of economic growth. At the same time, our national security is threatened by vulnerability to interruptions of supply. Yet, despite our national policy to reduce dependence on foreign oil, we have just enacted the so-called windfall profit tax, which diverts investment from domestic energy production.

Recently, an outstanding editorial appeared in the Oklahoma Journal. It states that:

> The question no longer is will Americans have to pay sharply higher prices for oil. The question is will they pay it to domestic or foreign producers.

Entitled "The Great Oil Rape," this excellent editorial is a concise statement of the shortcomings of our energy policies.

I would like to share this article with my colleagues:

THE GREAT OIL RAPE

The burden of imported oil on Oklahomans and other Americans is turning to full fledged rape of this country's treasury.

Imported oil's cost to the United States has risen from $42 billion in 1978 to $60 billion in 1979 and apparently the sky's the limit in 1980.

Some 44 percent of this country's oil comes from abroad and a large share of this is from countries (Libya, Iran) which most Americans share very little in common, philosophically or otherwise.

Apparently the only common bond this partnership has is their lust for American dollars and the U.S.'s appetite for their oil.

Oklahomans have joined the nationwide crusade to conserve oil, but conservation can just be carried so far without a major dislocation in U.S. lifestyles and its economy.

Somehow, Oklahomans must get to work, pick up the children from school, go to the supermarket, not to mention finding some way to enjoy leisure time rather than staying cooped up at home.

The only way this yoke of foreign oil will be thrown off is if America develops alternative energy sources or develops the energy resources it already has.

If oil industry estimates are only half accurate, there still is enough natural gas and oil left in America to put a large dent in the imported oil bill.

Under our private enterprise system, the only way this will be done is through the offering of incentives such as total decontrol of oil prices.

The United States must buy time to develop synthetic oil, solar energy, nuclear power or any combination of the three.

The question no longer is will Americans have to pay sharply higher prices for oil. The question is will they pay it to domestic or foreign producers.●

DECLINING PRODUCTIVITY IS CAUSE OF INFLATION

HON. LES AuCOIN

OF OREGON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. AuCOIN. Mr. Speaker, if inflation during the first quarter of this year continues at its present 18-percent clip, 1980 will go down as the most inflationary year since 1946, the year when wartime wage and price controls were removed. This is a national economic emergency.

To bring the magnitude of this crisis into perspective, an annual inflation rate of 18 percent means that in 4 years an already devalued dollar will be worth 50 cents. The inflation rate itself is inflating—speeding the erosion of the dollar as well as the confidence of Americans in their Government and their own future.

If we have learned anything trying to cope with an average annual inflation rate of 8 percent over the last decade, it is that there is no single cause for inflation, but several. We know the causes well enough to be able to recite them without prompting: Excessive Government spending, Government overregulation, soaring energy costs. As an afterthought, declining productivity is mentioned.

Therein lies one of the problems in understanding inflation, and combating it: The failure to see declining productivity as a root cause, instead of a peripheral factor.

What is productivity? It is finding more efficient ways to make things, or to move them from one place to another. It is developing new products and processes. It is doing something faster than it has been done in the past with no loss of quality. It is what made our economic system unequaled in history.

In the days when the American economy was the envy of the world, productivity was at its peak. It was characteristic of our economy that the output per worker of goods and services went up from year to year. It was taken for granted that if there were a better or more efficient way of doing something, American would invent it.

Between 1948 and 1965, according to the Council on Wage and Price Stability, the United States had a manufacturing productivity growth rate of 3.2 percent a year. This rate of annual growth declined to 2.4 percent between 1965 and 1973. It dropped to 1.1 percent between 1973 and 1978. Last year it actually declined by 1.2 percent. Mirroring that decline over the past decade has been a decline in the portion of our gross national product devoted to research and development.

The key to defeating inflation is making our economy more productive, more efficient, and more competitive, not just domestically, but also internationally.

There simply are no shortcuts we can take to do that. At the top of the list of things not to do is to impose wage and price controls. Controls do nothing to cure inflation. They only postpone it. They would require a teeming mass of bureaucrats to watch wages and prices all over the country.

Another thing not to do is keep trying to control inflation through excessively high interest rates flowing from a tight money policy. This policy contributes to serious economic disruption and inflation by putting companies out of business and putting workers in unemployment lines. Mr. Speaker, one has only to look to Oregon to see the effects of high-interest-rate policy. The housing and timber industries are being knocked flat.

At the end of April, more than 160 lumber and plywood mills in Oregon alone were shut down or operating with curtailed production. More than 16,500 persons were out of work. The closures threatened to send Oregon's economy reeling into deep recession.

Yet inflation has shown no sign of slowing down. In fact, I believe current high-interest rates, which are driving homebuilders and sawmills out of business, will actually produce higher inflation down the road, especially for housing.

An inflation solution should have at least these basic components:

Balance the Federal budget and foreswear deficit spending—not just this year, but for all years except under extraordinary conditions. This will enable interest rates to be brought down.

Accelerate actions to cut our reliance on OPEC through conservation, development of coal, synthetic fuels and renewable resources and investing in more efficient transportation systems.

Reduce costly and excessive regulatory burdens imposed by government, with no retreat from environmental and health objectives.

Stimulate productivity and innovation through selective tax cuts that will lead to capital formation, investment in new plants and processes, improved trade competitiveness, and more industrial and scientific research and development.

Balancing the budget is crucial in breaking the chronic inflationary expectations that underlies all economic decisionmaking in this country. This long-term affliction cannot be cured as long as government continues to lead the way in spending more of the taxpayers' dollars than it collects.

Higher productivity is an indispensable element in any anti-inflation program. A national productivity policy would:

Encourage investment in new plants and manufacturing process by simplifying tax depreciation rules to reflect replacement costs more realistically. It has long been government policy to promote investment in productive assets by allowing such investments to be deducted, over a set period of time, from income. But like everything else, the cost of acquiring new equipment has gone up dramatically. The depreciation formula has not kept pace with these cost increases. The result is a disincentive to acquire new assets.

Accelerate research and development in the private sector through tax incentives. Reform antiquated patent laws which fail to provide adequate time for costs incurred in developing new products to be recaptured in the marketplace and which have made it impossible for a host of inventions and discoveries made possible by government funding to be put to practical and productive use.

Encourage savings and capital formation by excluding from taxes interest earned on savings accounts and dividends.

Improve our competitiveness with other nations in trade.

Include a commitment to the investment of tax dollars in programs that pay a dividend to the treasury—and the economy—such as reforestation and fisheries enhancement.

As for priorities, balancing the budget must come first. However, a balanced budget does not foreclose productivity initiatives. An untouched reserve of $10 billion created by the newly imposed oil import tax should reserve first call to productivity incentives.●

IN HONOR OF MARVIN RENSHAW ON HIS RETIREMENT

HON. THOMAS A. LUKEN

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. LUKEN. Mr. Speaker, in these times, when our educational system is experiencing increasing difficulties and challenges on many different levels, the success of the individual school in coping with these problems has come to depend more and more on the dedication and resourcefulness of its chief administrator.

During his 34 years of service in the Cincinnati Public Schools, Marvin Renshaw has proven himself to be just such an administrator. As he will be retiring as principal of Western Hills High School at the end of this school year, I would like to take this opportunity to recognize and commend him on his many contributions to the school system and to the community.

Mr. Renshaw himself is a product of the local schools in Cincinnati. His capabilities as an educator developed from his experience as a student teacher. He has served on the faculty of Withrow High, and has held administrative positions at Lyon Junior High, Taft High, Cutter Junior High, and finally, Western Hills High.

He saw West High through some of its most difficult times. Under the school board's open enrollment policy, he managed the successful transition from nearly all white to a 25 percent black student body. He is also largely responsible for revitalizing the athletic program, and for implementing innovative techniques involving students in the maintenance of the school building and grounds.

During his 9 years at West High, he has gained the respect and affection of the Western Hills community, as well as his colleagues and students at West High. He will be greatly missed by all.

He will be well remembered for his deep belief in the potential of West High, a belief which has come to manifest itself in the form of an unwavering school spirit. I would like to join the Mustangs and the entire Western Hills community in expressing to Mr. Renshaw our deep-felt gratitude for all he has done, and our warmest wishes for the future.●

MILITARY PERSONNEL AND FOOD STAMPS

HON. LES ASPIN

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. ASPIN. Mr. Speaker, lately Members may have been hearing a lot of horror stories about people in the armed services having to go on food stamps to survive because military pay is so low. These stories are rapidly taking on a life of their own. A few facts about food stamps and the military may help to put things in perspective.

The information follows:

Figures from food stamp redemptions shows that food stamps account for only 44/100ths of 1 percent of the gross sales in military commissaries (supermarkets) in the United States. That compares with 4.1 percent of the sales in commercial supermarkets across the country.

In other words, food stamp use is almost 10 times more prevalent in the civilian community than in the military.

Lobbying groups pressing for a military pay raise have argued that pay in the armed services has fallen behind the private sector in recent years because of pay caps that have limited government pay raises in three recent years.

The food stamp figures not only question the tale that poverty is great in the military but show that poverty hasn't worsened over the years because of the pay caps. A survey by the Army shows that food stamp redemptions in 1979 were actually lower than in 1976—despite the impact of inflation.

The Army figures show the following food stamp redemptions in Army commissaries by fiscal year: 1976, $5.4 million; 1977, $4.3 million; 1978, $4.2 million; 1979, $4.8 million.

This story that masses of military families are relegated to food stamps because of poor military pay crops up every few years. It's obviously appearing in print again because there's an effort on this year to increase military pay.

For example, there was a recent piece in Newsweek that raised the specter of military families on food stamps six times in a three-column article. But nowhere did the article go into the question of how many in the military really are on food stamps.

The main reason anyone in the military qualifies for food stamps is large family size. We could virtually eliminate the need for anyone in the military to qualify for food stamps if we based pay on the number of dependents—an idea that has never had a lot of support in the civilian community in this country.

Or we could raise the pay for everybody in uniform high enough that no one would fall within the food stamp income criteria—and that would cost in excess of $20 billion a year. Is this $20 billion bill really what those who cry about troops on food stamps have in mind?

The fact of the matter is that one reason we have a food stamp program is to take care of anomalies like those with large families. It is right that the program should take care of these anomalies when they occur in the military just as they do in the civilian sector.

This doesn't mean that we should dismiss all calls for pay raises out of hand. There may be good reasons for some raises—particularly to make the military competitive and to be able to draw and retain quality people.

But when proponents of pay raises have to resort to false stories of mass poverty in the ranks, it would indicate they really don't think they've got a good argument for their case.

Two arguments have occasionally been made to allege that food stamp usage by the military could actually be higher than it is.

First, it's said that many military men don't know they are eligible. That may well be true. However, (a) that also can be said of non-military eligibles and (b) for about three years the Army has made a point of trying to get the word out about eligibility.

Second, it's said that military personnel may be using their food stamps in commercial supermarkets either because they are more convenient or because service personnel want to avoid embarrassment of showing food stamps in the commissaries.

No doubt some portion is redeemed in commercial supermarkets. But it's hardly logical that any large proportion would be. Commissaries are very convenient for most military personnel since they are located on the bases where the men work. Most importantly, it doesn't make economic sense to redeem a food stamp in the private sector when the shopper can get more for his money in the commissary.

According to a recently completed survey by the Air Force, a market basket of 16 items costs an average of 37 percent more in supermarkets than in the commissaries of eight major air bases.●

"THE SPIRIT OF HELSINKI, VIGIL 1980"—THE CASE OF MOISEY TONGONOKY

HON. JAMES J. HOWARD

OF NEW JERSEY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. HOWARD. Mr. Speaker, Moisey Tongonoky, a young Soviet citizen, is a victim of the Soviet Government's disgraceful system of denying emigration visas and harassing those wishing to leave the Soviet Union. He is a victim of a system that purposely and sadistically splits a family, offers no legitimate explanations for its inhumane actions, and detains a man in jail for not working, after throwing him out of work.

In 1977, the young man's mother emotionally told my wife her son's tragic story at Jerusalem's Absorption Center. The Soviet Government in 1973 allowed the Tongonoky family, except Moisey, to leave the Soviet Union for Israel, and to this date the Soviets deny him emigration permission. Presumably, the Russian Government's grounds are that Moisey did not serve the usual 2 years in the Soviet Army; he received a medical discharge after contracting jaundice 10 months into his tour of duty.

The Soviet Government has not demonstrated the least compassion for the man. In regard to rejoining his family, an official once told him, "* * * not to try again as the chances of emigration are nil." When Moisey contacted the Government again in 1977, another official disclosed that his application had lacked necessary documents. Moisey frustratingly asked the reason authorities neglected informing him of the problem. His question certainly received a response; a court sentenced Moisey to 15 days in jail for hooliganism.

After his parents and sister left the Soviet Union in 1973, the Government fired the young electrician. Even though the Soviet Government still systematically denies Moisey employment, authorities recently arrested him on charges of parasitism. In 1978, Moisey served 15 days in jail for the same offense. His family now expects him to serve 2 years in prison.

Mr. Speaker, I am pleased to participate this year with Andy Maguire and many of my colleagues in "The Spirit of Helsinki, Vigil 1980." It is my hope that the Soviet Government will grant emigration permission to Moisey Tongonoky and freedom to the remaining Soviet refuseniks and prisoners of conscience. It is also my hope that the Soviet leaders will eventually cease their callous disregard for human dig nity and liberty. ●

THE HOME MORTGAGE ASSISTANCE ACT OF 1980

HON. BILL ARCHER

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. ARCHER. Mr. Speaker, on March 25, 1980, I introduced H.R. 6907, the Home Mortgage Assistance Act of 1980. This proposed legislation provides for the exclusion from taxation of interest earned on deposits which are used for residential mortgage lending purposes. Last week, I began seeking cosponsors to this proposal.

Last week it was announced that inflation continues to run at an annual rate of over 18 percent, the highest rate of inflation in our peacetime history. With the prime rate at 19 percent and other interest and mortgage rates also excessively high, it has become almost impossible to borrow while we are slowly led into a recession.

The housing industry and the homebuyer are two sectors that are being hit the hardest under these present conditions. They also are two important sectors that will take the longest to recuperate from a recession. This bill is a direct response to the drastic and steep decline in residential construction and the effect of rising mortgage interest rates on the ability of American families to purchase their own homes.

For example, housing starts were at 1.8 million units—annual rate—in mid-1979; they have fallen off to 1.3 million in February of this year. Estimates for the month of April are indicating an 850,000 annualized housing starts rate. Table A shows the seasonally adjusted annual rate of housing starts on a month-to-month basis beginning in January of 1979. The table includes the total number of starts and the single unit component of that figure.

These figures, fairly stable through 1979, indicate the dramatic and devastating downturn the housing industry has taken since the beginning of the year. In just the first 3 months of 1980, nationwide single unit starts fell from 1.002 million to 606,000—a 40-percent decline in 3 months.

For the greater Houston area, normally one in which demand far exceeds housing supply, housing starts are off 32 percent from this time last year.

In conjunction with these figures, seasonally adjusted new house sales have dropped over 30 percent from their October 1978, 900 unit cyclical peak, to a 540,000 unit annual rate as of January 1980.

With today's mortgage rates at 16 percent, fewer than 5 percent of all U.S. households can qualify for a mortgage to purchase an average priced new home at $64,000. To further dramatize this figure, we can refer to the particular example of the

Greater Houston area. Of all agreements that have been made toward the purchase of a home, more than 19 percent of these agreements fall through because one of the parties involved cannot qualify for a mortgage. This figure has increased over 100 percent from 1 year ago when only 7.9 percent of the parties were disqualified from a mortgage.

Part of this problem is due to the dramatic increase in the cost of new homes since 1979. Table B indicates the month-to-month figures for the Consumer Price Index for the cost of a new home on an indexed basis. These figures are seasonally adjusted and show a 16.2-percent increase in the average cost of a new home from January 1979 to January 1980. The cost of housing over the past year rose faster than the general CPI. Table C shows the average dollar cost of a new home over the past year.

To further aggravate the problem, the National Association of Home Builders estimate that, if conditions remain constant, 1.6 million jobs will be lost from the construction and housing industries. They also estimate that 3.2 million jobs will be lost in related industries as a result of this sharp decline in the housing market.

I believe these figures and the attached tables give a strong indication of how very dangerous this situation has become. Inflation continues to ravage our purchasing power while lending rates increase to the point where the cost of borrowing is beyond reach to the average American. The problem in the housing sector is how to provide adequate funds at reasonable rates to construct affordable homes.

My proposal would have the following effects:

Provide adequate supply of money for new housing at reasonable rates;

Stabilize the housing industry by lessening the impact of fluctuations in money supply and interest rates resulting from Federal Reserve Board actions;

Provide a private sector substitute for most of the HUD subsidy programs;

Reduce inflation by slowing increases in housing costs; and

Reduce interest rates on residential mortgages by up to 40 percent on the current market level.

These are some of the very positive effects this proposal will have on the housing industry and on the average American looking to purchase a new home. A strong surge in savings is essential at this point to provide for the constant need for new housing. And it is only through measures such as the Home Mortgage Assistance Act that we can hope to bring the housing industry back to the 2-million new home starts a year: a level that is considered minimal for our economy.

TABLE A.—HOUSING STARTS, SEASONALLY ADJUSTED ANNUAL RATE

[In millions]

	Total starts	Single unit starts
1979:		
January	1.727	1.175
February	1.469	.997
March	1.800	1.273
April	1.750	1.273
May	1.801	1.229
June	1.910	1.276
July	1.764	1.222
August	1.788	1.237
September	1.874	1.237
October	1.710	1.139
November	1.522	.980
December	1.548	1.055
1980:		
January	1.419	1.022
February	1.332	.789
March	1.041	.606

TABLE B.—CONSUMER PRICE INDEX FOR THE COST OF A NEW HOME

[Seasonally adjusted, 1967 = 100]

	Index
1979:	
January	208.3
February	211.1
March	212.9
April	215.6
May	217.4
June	220.7
July	223.3
August	226.7
September	229.3
October	233.6
November	237.8
December	239.9
1980:	
January	242.1
February	243.0

TABLE C.—AVERAGE COST OF A NEW HOME—NATIONALLY

	Dollars
1979:	
January	67,700
February	68,700
March	68,500
April	71,000
May	71,800
June	74,300
July	71,900
August	74,000
September	76,800
October	71,500
November	74,200
December	72,900
1980:	
January	73,000
February	77,600

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THE LESSONS OF LATIN AMERICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. McDONALD. Mr. Speaker, it was nice to see an editorial in the Star last night (Monday, April 28, 1980) critical of our Central America policy as regards Nicaragua and neighboring countries. However, it was a little galling to see Henry Kissinger quoted, who helped set the whole stage for such events with his strong advocacy of détente during the Nixon administration. It is further good to see that some of the press recognizes that our policy in Central America is wrong when we go about replacing friendly governments with little Cubas. However, many Members of Congress and myself repeatedly attempted to warn the President and the Department of State what was about to take place and our advice was ignored. The editorial from the Star follows:

THE LESSONS OF LATIN AMERICA

The American pattern of what Henry Kissinger calls "starting our own anti-American revolutions" is following its familiar course in Nicaragua. With the departure of the last non-Sandinistas from the junta that took over after the overthrow of Anastasio Somoza, the new government in Managua is settling into a no-compromise Cuban-style overhaul of Nicaraguan society.

Although the country's Roman Catholic clergy has long had the leftward tilt so familiar in Latin America, education, traditionally under church control, is being secularized. Some 1,200 Cubans are in the country designing a school system geared to socialist indoctrination.

Such developments, coupled with the increasingly visible presence of Soviet agents in Managua, have raised predictable qualms among the few genuine moderates who have been collaborating with the junta on the theory that a truly pluralistic society was under construction. Their growing reluctance to associate their names and reputations with the opposite explains the recent defections.

Getting the moderates out, of course, clears the way for the more extreme members of the ruling group to consolidate their leadership and push for increasingly radical measures. And the United States has gained yet another Soviet-leaning collectivist neighbor as its reward for helping to unseat an old-fashioned political strongman.

One of the wonders of it all is that neither local idiosyncrasies nor profound cultural differences appear to matter. The process by which American-aided pre-emptive revolution, called "reform," helps Marxists gain complete power, the better to fight American "imperialism," seems to work the same way in Asia, Africa, the Middle East.

A still greater wonder is that it can go forward in the midst of the most dramatic evidence that it bears bitter fruit. As Nicaragua and El Salvador try to reshape their societies on the Cuban model, Cubans by the tens of thousands—this hemisphere's version of the Southeast Asian boat people—risk their lives to get away from it.

As Huber Matos, the heroic anti-Batista soldier who spent 20 years in Cuban prisons for challenging Fidel Castro's repudiation of free government, has pointed out, the current wave of refugees from Cuba is no exodus of rich or middle-class people with material interests to protect. Nor is it a flight of intellectuals who put extraordinary value on their personal freedom to play with ideas and criticize public authority.

Today's Cuban refugees are chiefly young people, brought up in the Castroite revolution and drilled in its values. Their action is eloquent testimony that their most basic experience of life painfully contradicts what they have been taught.

When will the rest of the developing countries put two and two together? When will we?●

THE WEST BANK ISSUE—ANOTHER PERSPECTIVE

HON. MARIO BIAGGI

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. BIAGGI. Mr. Speaker, recently the respected district attorney for Manhattan, Robert Morganthau, wrote an article for the New York Daily News entitled "Say It Was the West Bank of the Hudson." The article focuses on the increasingly divisive issue of Israeli settlements situated in Judea, Samaria, and East Jerusalem. These settlements were the subject of a recent United Nations resolution which the United States supported in a highly controversial vote.

Mr. Morganthau makes a number of very important observations not the least of which is:

> The U.N. resolution is not consistent with the Camp David agreement, the subsequent Egyptian-Israeli peace treaty or with Israel's legitimate security requirements.

The Morganthau article also directs itself to a seemingly overreactive American Government and media about the insistence of the Israeli Government to the right of settlements along the West Bank. Has not our entire 32-year policy with respect to Israel been based on our protection of her security? It seems, therefore only consistent and logical that if Israel deems that settlements at Judea, Samaria, and East Jerusalem are vital to their security, we should not be obstructionists.

President Carter has donated an enormous amount of time and personal energy to securing a viable peace in the Middle East. An example of his commitment was just recently exhibited when he conducted separate meetings with President Sadat and Prime Minister Begin. Clearly, the West Bank settlements issue is a major concern of all three parties and the deadline of May 26 for an agreement looms on the immediate horizon.

In the interest of presenting a full picture on this issue I am pleased to insert the Robert Morganthau article.

Israel yearns for peace and security—quests which should not be denied them any longer. Our need for a free and secure Israel is extremely critical. Our motivations should be to strive for a just peace for Israel—one that will stand the test of time.

The article follows:

SAY IT WAS THE WEST BANK OF THE HUDSON

How would the United States react to a UN resolution demanding that it immediately pull out of South Korea, the Panama Canal Zone and Guantanamo Bay, and agree to autonomy for New Jersey, the West Bank of the Hudson? The reaction of the government is difficult to predict these days, but I suggest that the reaction of the American public would be one of bewilderment and anger, similar to that of the Israeli government to the UN resolution calling for the dismantlement of Jewish settlements in Judea, Samaria and East Jerusalem and the granting of immediate autonomy to these areas which compromise the so-called West Bank.

The UN resolution is not consistent with the Camp David agreement, the subsequent Egyptian-Israeli peace treaty, or with Israel's legitimate security requirements. At Camp David, Israel agreed to the eventual dismantlement of its Sinai settlements. Not a word was written in those accords, however, about dismantling the settlements in Judea and Samaria—nor, of course, about the housing developments in East Jerusalem and its environs. Similarly, there was no discussion or agreement about dismantling the homes and settlements of the more than 600,000 Arabs who live in Galilee, Tel Aviv and other parts of Israel.

At Camp David, Israel did orally agree to a three-month freeze of new settlements. After that period, Israel began again to build settlements and, while this caused consternation in some sections of the Carter administration, it surely did not overly concern the Egyptians, who thereafter signed the peace treaty with Israel that made no mention whatsoever of the settlements. Indeed, as her settlements have progressed, so have the formal relations between Egypt and Israel.

Has there been any indication that the King of Jordan would enter the autonomy negotiations if only Israel would stop building settlements? Or the PLO? Or any other representative of the Palestinian people? To the contrary, all of these parties and nonparties have steadfastly refused to recognize Israel, regardless of its borders or its settlements policies, and the PLO remains adamant both in its charter and its desire to see Israel itself dismantled.

Still, questions are asked by the Carter administration and by much of the American press. Why do the Israelis do what they do? Why must they provoke? Why must they insist on settlements? Obviously, the questions they put contain within them the answers. They proceed on the proposition that Israel cannot possibly have a legitimate reason for its settlement policy. It seems to go without saying and surely goes without debate.

Whether or not we all agree with it, there is a serious military-security argument for the settlements. Standing on the top of the hills of Judea and Samaria, you can see 60% of the Jewish population, the flags flying atop the buildings of Tel Aviv, the planes taking off from Ben-Gurion Airport. It is only nine miles from the western border of the West Bank to the Mediterranean Sea, about the same distance that it is from the Palisades to the East River.

Perhaps, as Gen. Ariel Sharon forcibly argues, there is no substitute for people on the spot when it comes to security. Others may differ, but certainly the Israelis have a right to decide these life-or-death questions for themselves. So far, they have decided in favor of the settlements.

And who can blame Israel for doing what they believe to be necessary for their own security and for not having a blind faith in the direction and consistency of United States policy and the will of our government to back up that policy? In this, Israel is not alone; its concern is shared by many of our allies, not to mention our Foreign Service personnel around the world.●

AMERICAN POLICY DURING THE IRANIAN REVOLUTION

HON. ROBERT J. LAGOMARSINO

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. LAGOMARSINO. Mr. Speaker, I believe it is worth calling to the attention of my colleagues the following article by Alvin J. Cottrell, entitled "American Policy During the Iranian Revolution: The Huyser Mission." The article is taken from the winter volume of the "International Security Review." I have edited and deleted part of the article.

Mr. Cottrell is executive director of maritime policy studies at the Georgetown University Center for Strategic and International Studies. He has, on a number of occasions in the past, interviewed the Shah of Iran and is generally acknowledged as an authority on the Persian Gulf-Indian Ocean region.

Mr. Cottrell's article on the Huyser Mission raises important questions for our consideration about the objectives of the Carter administration at the time of the downfall of the Shah. I believe the subject merits further consideration.

The article follows:

AMERICAN POLICY DURING THE IRANIAN REVOLUTION: THE HUYSER MISSION

(Alvin J. Cottrell)

As simmering discontent and open resistance to the regime of Shah Mohammad Reza Pahlavi escalated in December 1978 and January 1979 into violent revolution, many observers of Iran anticipated that the Iranian armed forces would stage a coup d'etat and attempt to restore order. It was then expected that the military might consent to the continuation of the monarchy—either in the person of the present Shah or his son—but with sharply reduced or perhaps only ceremonial authority, while real power rested in the hands of a military junta. Since such political arrangements have been common in the Third World—although ordinarily civil presidents are involved rather than royalty—conventional wisdom indicated the probability that Iran would follow the usual pattern. Indeed, given the strength of the Iranian military, the fact that Iran had purchased more American military equipment than any other recipient in the past five years, and the concomitantly close relations that had developed between the Iranian and American professional officer corps, there would seem to have been every likelihood that this would occur and that the successor military government in Tehran would remain staunchly in the Western camp. The Nixon Administration, in fact, had predicated its Persian Gulf policy on the assumption of close U.S. ties with both Iran and Saudi Arabia, with the Iranian armed forces serving as a surrogate American presence to keep order in the region, so vital to the energy requirements of the industrial world. Whatever changes occurred under Presidents Ford and Carter, maintenance of close ties with Iran remained crucially important to Washington, which viewed Iran as a stable and reliable friend in an otherwise turbulent region.

* * * * *

The coup d'grace occurred almost simultaneously with the defeat of the Javidian regiment—the Shah's personal guard—when, on February 11 and 12, the Iranian military—the alleged protectors of the state—declared themselves neutral as between the revolutionary forces and the now virtually non-existent monarchical loyalists. Thus it was that proud Iran, one of the very few "success stories" in the developing world, a nation well on the road to economic and social modernization, was in a matter of days to be reduced to anarchy, violence, and medieval caprice. As for many of the Iranian generals and admirals who, had they acted differently, might have constituted the core of authority in a new republic or constitutional monarchy, they followed the Iranian state into the abyss, paying for their failure with their lives.

It is unbelievable that these astonishing events could have happened. Why was it that the Iranian military failed to combat the opponents of the regime in those final critical weeks when Iran's future hung in the balance? Was this failure the result of internal dissension in the Iranian armed forces? Was it a problem of military command and authority, in the absence of the supreme commander, the Shah of Iran? Were the military forces essential to political order in Iran or were there other social institutions, such as political parties, which might preserve orderly government in the absence of monarchical rule? Could a parliamentary government be established without effective military forces?

Space and scope limitations here preclude more than very partial answers to these questions. What is apparent, however, is that the situation in Iran was not clearly understood by the Carter Administration. More importantly, the Carter Administration's decision to intervene—in the form of the famous (or infamous) Huyser mission—resulted in disaster. Indeed, it is argued here that Washington must bear a major share of the responsibility for the debacle in Iran * * *.

* * * * *

At the time of the revolution, the Iranian armed forces totaled approximately 428,000: 300,000 in the army, 100,000 in the air force, and 28,000 in the navy. The most significant element was, of course, the army because of its size, longer tradition, and more intimate relationship with the people throughout the entire country. Relations between the people and the newer, smaller, and less traditional air force and the navy, as well as the Shah's "personal guards" were not as close. This explains why the highest ranking officer in the Iranian armed forces was always an army general.

Two views were held in Washington: first, that the Iranian armed forces were not critical to orderly government, and second, that dissension was rife in the Iranian military. Therefore, U.S. Air Force General Robert Huyser, then Deputy Commander of U.S. military forces in Europe, was dispatched to Tehran in January 1979 with what turned out to be fateful results.

According to most accounts of his mission, General Huyser was sent to Iran to counsel the Iranian armed forces to be cautious in the crisis. More specifically, General Huyser's mission was to prevent a coup by the Iranian armed forces and perhaps even hold them in check so they would not fight at all. According to syndicated columnists Rowland Evans and Robert Novak, General Huyser was not happy about his mission, but undertook the assignment as a "good soldier." Evans and Novak contend that General Alexander Haig told groups at private meetings that he opposed the mission, but was overruled by direct orders from Deputy Secretary of Defense Charles Duncan, who was then Acting Secretary of Defense in Harold Brown's absence. It is Haig's contention that the Carter Administration assigned Huyser in order to hasten the Shah's downfall. According to press accounts, Haig was called by the Chairman of the Joint Chiefs of Staff, General David Jones, who told Haig that General Huyser's mission would be "to keep the Iranian military united and effective." Stated plainly, Evans and Novak contend that this was interpreted to mean that the Iranian military should not conduct a coup against the new regime of Dr. Bakhtiar. They go on to say that "There are senior U.S. Army officers who believe that, had it not been for the mission imposed on Huyser, the Iranian military would have seized power, exiled the Shah (perhaps letting him return as a ceremonial monarch) and established a moderate, pro-Western regime." Whether this would have in fact occurred, given the momentum built up by the opposition supporting Khomeini, it does raise serious doubts as to the wisdom of the Carter Administration's handling of the Iranian revolution in general and the Huyser mission in particular.

A report on the Shah's memoirs (to be published in France under the title Response a l'Histoire), also substantiates the role General Huyser played in neutralizing Iran's armed forces. If this report is accurate, the Shah will accuse General Huyser in his memoirs of persuading his military leaders to stand aside while Moslem dissidents and those allied with them within the Iranian armed forces drove him from power. The Shah also contends, according to another report, that his generals were warned that if they tried to seize control, the United States would cut off all supplies and assistance to them. This threat allegedly was conveyed to the Iranian commanders by General Huyser.

The Shah contends that his last commander-in-chief of the armed forces, General Ghara-Baghi:

> * * * told me of this, but only General Huyser and Mr. Bazargan [former Prime Minister] can say what decisions were taken * * *. I know only that General Ghara-Baghi used his authority to persuade the generals under his command to play no part in the events about to take place. . . . I saw General Huyser on a single occasion during his visit. He accompanied Ambassador Sullivan of the United States on one of the last interviews I had with him. The one thing that was on the minds of both of them was to know on what day and what time I should be leaving.

Parenthetically, it should be pointed out that General Ghara-Baghi was a very mediocre officer, according to most accounts of his qualifications for command. There was relatively little respect for him among the military forces. He had, in fact, been more an officer in command of Gendarmerie rather than a field commander in the Iranian army. His relative weakness as Commander-in-Chief and the Shah's departure served to increase General Huyser's influence during the last critical days of the revolution.

The Shah's position on the role of General Huyser is supported by one of the best qualified Iranian scholars in America today. In a little-known monograph published in 1979, entitled *Iran's Revolutionary Upheaval*, Professor Sepehr Zabih wrote that about February 6, 1979, just as Mehdi Bazargan had been named Prime Minister, "The high command, led by General Abbas Ghara-Baghi, the Chairman of the Joint Chiefs, was secretly negotiating with Bazargan and Khomeini to pave the way for the peaceful switch of the Army's allegiance to the provisional revolutionary government. However, the disunity within the high command prevented this from happening." He added that the counsel of the American adviser, General Huyser, against staging a coup "* * * played a role in demoralizing the Iranian armed forces." He indicated, citing the important Iranian publication *Kayhan International* of January 8, 1979, that it was widely known in Iran that Huyser's mission had as a key purpose the dissuasion of the Iranian military leadership from staging a coup.

The Shah's views on the Huyser mission are also supported by Richard F. Sale who writes that, based on his interviews with Pentagon officials, the purpose of the Huyser mission was to "pull the rug out on the Shah."

It is fair to say that, given the system of command of the Iranian armed forces in which there was really no integrated horizontal command structure, but rather a vertical command integrated only at the top by the Shah himself as Commander-in-Chief, the role of the American adviser became of prime importance in the absence of the Shah who had left Iran for Egypt (apparently at the urging of General Huyser and U.S. Ambassador William Sullivan) on January 16, twenty-six days before all resistance to the revolution collapsed on February 11, 1979. It is important to bear in mind that under the Shah's command system, the three key services were prevented from coordinating military activities with each other and thus were without a central authority to deal with important strategic and tactical problems after the Shah departed. The Chief of Staff of the armed forces became more of a figure head. Thus a high-ranking military adviser such as General Huyser was in a very strong position to influence the Iranian military's behavior in the crisis.

As a result of the neutralization of the Iranian armed forces at this critical juncture, they were removed from any further role in the politics of the revolution. It is interesting to note that the then-Premier, Shahpour Bakhtiar, told this writer that while he never talked to Huyser, he, too, understood that it was Huyser's role to prevent the Iranian military from undertaking a coup or any major military action in the revolution. It seems curious that General Huyser did not discuss the situation at all with the head of the government since the military were certain to be a key factor in the ultimate outcome of the crisis. This is especially the case since it was claimed that a key purpose of the Huyser mission was to protect the Bakhtiar government from a military coup.

General Huyser, upon his return from Iran in early February, reported to the President and his key advisers that the threat of the disintegration of the Iranian armed forces had receded. Anyone who really understood the command structure of the Iranian armed forces should have been aware that their cohesiveness was in doubt from the moment the Shah left Iran, that is, about three weeks before Huyser gave this assessment in Washington. He returned to Washington arriving on Sunday, February 4, seven days before the collapse of the Iranian armed forces, because there had been growing controversy over his role in Iran. Yet, this was the very time he was most needed there. If he was indeed vital to coordinating the continued cohesiveness of the armed forces, he should have remained in Iran as the situation reached its climax.

The neutralization of the Iranian military led inevitably to the disposing of almost all its top leaders. Most Iranian generals with the rank of one star or above were arrested, executed, or retired. The Chief of Staff of the Iranian Air Force, General Rafii, was also executed, and at his "trial" he stated that it was General Huyser who "threw the Emperor of Iran out of the country like a dead mouse."

One of the most prominent Iranian army officers, General Manuchehr Khosradad, commander of the Iranian army paratroops, was one of the first four high-level Iranians executed by the revolutionary forces because it was well-known that he had commanded great respect professionally among the military and was a potential strong man in the future of Iran. Indeed there have been reports that a coup centering on General Khosradad had been prepared but was aborted by General Huyser. Iran's two most "hawkish" generals, Khosradad and Obveissi, were forced to resign by Bakhtiar when he became Premier on January 16, 1979, in order to help ensure the loyalty of the armed forces for the new civilian regime. It was at this point that the Iranian armed forces became most susceptible to U.S. influence. General Huyser was already on the scene at this time and indeed was already near the Royal Palace at Niavaran.

Khomeini, out of vengeance against those loyal to the Shah and concern that the military would defeat his efforts at forming a theocratic state by reconstituting a military force which could support a future political regime, supported by the liquidation of the key military figures. He was joined in this policy by the Marxists and the Moslem radicals who wanted to remove the chief obstacle to their own political ambitions which they knew might be thwarted if the integrity of the professional Iranian military was preserved.

At present the former imperial armed forces are no more than a shell of their previous selves. The best estimate is that no more than thirty percent of the Iranian ground forces remain in uniform, and even these have no military mission as soldiers. They have no practical command structure, and discipline has completely broken down. Enlisted men question orders of their officers and many instances have been reported where commanding officers have been physically beaten by the enlisted personnel.

Former Prime Minister Mehdi Bazargan favored the revival of an effective professional Iranian army, but even he saw the futility of such an effort. On one occasion he complained that a squadron of aircraft had been ordered to a troubled provincial area where ethnic elements were challenging the central authority, but the order had been rescinded by pilots who raised questions about the wisdom of the decision. The unrest in the army was also generated by the ambitions of younger officers who sought to overthrow their superiors in order to upgrade their own ranks.

The revolutionary movement is thus faced with a serious dilemma, namely, it cannot support the reconstitution of the requisite regular Iranian armed forces without placing at risk their future control and domination of the country. Indeed, even if it wished to reestablish the regular armed forces, this would be difficult, if not impossible, in the near future given the wholesale elimination of the senior flag officers of the Iranian military on whom the effectiveness and discipline of the Iranian military depended. While these leaders had been loyal to the Shah, they would have remained loyal to their profession and their country even after he had gone and would have been capable of giving a new Iranian government the political force and the necessary stability which would have permitted it to develop. Yet it was that very loyalty to the Shah which contributed so much to Khomeini's support for their elimination, both for revenge against the Shah and to ensure his own authority over the revolution. His concern over the officer's loyalty to the Shah was evident in prerevolutionary interviews which he gave Al Safir in Beirut on January 19, 1979. When asked why the army continued to hold together despite all the revolutionary fervor in Iran, Khomeini replied: "The Shah has exerted efforts to build the Iranian army in a special and tightly-knit way, thus paralyzing the ability of the military to take the initiative. I mean by this specifically those who have remained loyal to the Shah."

In retrospect, it is clear that the Huyser mission was a serious mistake. While the United States had continued ostensibly to support the Shah, other elements in the United States government clearly thought a Khomeini victory would be in America's best interests. So strong was anti-militarism in some quarters of the U.S. government that officials decoupled the political future of Iran from the Iranian armed forces which were so essential to undergird a new government.

This attitude stands in sharp contrast to the view of the importance of the military in Iranian politics held by Kermit Roosevelt, Eisenhower's chief emissary in Iran. Roosevelt made certain that the coup against Mossadegh in 1953 had the overwhelming support of Iran's professional military. Unlike the Carter Administration, the U.S. government knew that political stability in Iran after the coup would rest on the loyalty of the military.

As for General Huyser, he made it "clear to the Shah's generals that there could be no interference with Khomeini's plans." Thus, the mission of General Huyser was a serious intervention in the crisis, and it discredits those official statements that the United States could have done nothing to save the Shah. The issue was not just that of saving the Shah. More specifically, it concerned saving the Iranian military forces and their leadership and providing some hope that a pro-Western government might succeed the Shah. Rather than intervene, the United States would have been better off to let all factions in Iran, including the military, decide their own courses of action. Not only did the United States not do that, Washington encouraged the Shah to leave the country at a critical time. The U.S. then compounded that error by recalling General Huyser less than a week before the final showdown.

With the Shah out of the country, General Huyser back in Washington, and a weak military leader in Iran, who did not enjoy the confidence of other leaders or the rank and file, the disintegration and demoralization of the Iranian armed forces were virtually assured. The antimilitants and advocates of detente who dominate the Carter Administration's foreign policy network had triumphed again, to America's sorrow. They will not escape responsibility just because some friends in the media are now claiming that the Huyser mission averted a bloodbath in Iran. No, whatever competence President Carter shows in dealing with current and future problems with Iran, the Huyser fiasco will remain a serious indictment of his handling of American national security policy.●

GIRL SCOUTS HONORED

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. DORNAN. Mr. Speaker, I would like to commend to the attention of my distinguished colleagues, an event which will take place on May 31, 1980, at the Airport Marina Hotel in Westchester, Calif.

I am happy to announce that there will be a very special ceremony honoring Cadette Girl Scout troops of several cities of Los Angeles County, who have earned the rank of First Class, which I am sure you are aware, is equivalent to Eagle Scout in the Boy Scouting organization.

These young women deserve special recognition for their diligent work over the past 2 and 3 years, earning enough badges and challenges to qualify.

I am happy to take this opportunity to compliment these fine members of the Cadette Girl Scouts for their great achievement, and at the same time, I would like to recognize their dedicated leaders who have given so much of their own time and talent to make Scouting the tremendous endeavor which it is.

It is my privilege to list the honorees, as follows, in the RECORD:

1980 FIRST-CLASS CADETTES OF HAWTHORNE

Troop 235: Deana Linderman and Maria Twitchell.

Troop 68: Shelly Boggs and Nancy Bush.

1980 FIRST-CLASS CADETTES OF WESTCHESTER

Troop 2: Elizabeth Edwards, Tracy House, Karen Jones, Cheryl McLees, Cathy Marhefka, Cindy Masters, Iloni Palfi, Kim Raum, and Kim Thatcher.

Troop 479: Frances Silverstein.

Troop 7: Melanie Beth Bowman, Karen Amanda Carper, Ronetta Lyn Ford, Beth Ann Goeglein, Annette Marie Hulsey, Jennifer Alice Pitzer, Karen Sue Rogers, Katherine Sautner, and Ruby Lee Walters.

Troop 196: Terri Bergger, Margo Daly, Anne Giles, Julie Guth, Amy Kessler, Viviana Lamanna, Lori Martinez, Alice Rodrigues, Tracy Sullivan, and Alice Walsh.

Troop 945: Tina Andelin, Christine Chemlik, Maureen Cronin, Janine Deken, Robin Genco, Ann Gorton, Donnita Iacavino, Sheryl Josefson, Danielle Lindmark, Linda May, Betty Nelson, Shelly Streiff, Ilissa Tarnoff, Rhonda Tell, and Vicki Vasek.

1980 FIRST-CLASS CADETTES OF LAWNDALE

Troop 1355: Dawn Marie Dye and Carolyn Lyons.

1980 FIRST-CLASS CADETTES OF SANTA MONICA

Troop 549: Trudie Dean, Sheri Dunn, Andrea Hayes, Lynne Reeves, and Donna Wilson.

1980 FIRST-CLASS CADETTES OF PACIFIC PALISADES

Troop 973: Jeannie Blaney, Laura Comerford, Erin Hiney, and Christine Malturi.

1980 FIRST-CLASS CADETTES OF LOS ANGELES

Troop 95: Milinca Hillman and Lori Smith.

HELEN STEINER RICE

HON. WILLIS D. GRADISON, JR.

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. GRADISON. Mr. Speaker, on May 19, Mrs. Helen Steiner Rice, the "poet laureate of the greeting card world," will celebrate her 80th birthday in Cincinnati. As her coworkers at Gibson Greeting Cards and her friends and admirers from around the country gather to mark this occasion, I wanted to salute Mrs. Rice and make my colleagues aware of some of her achievements.

Before joining Gibson Greeting Cards in 1931, Mrs. Rice had already established a reputation as a speaker of great force for women's rights and their place in the business world. As Gibson's editorial director, she strove for more meaningful expression in greeting cards. In 1960, after one of her poems was read on the Lawrence Welk Show, the demand for her poetry exploded.

To date, Mr. Speaker, her work has appeared in over 75 million greeting cards, 14 hard-cover books, and 17 booklets. These materials have been published in Europe, Africa, Australia, the Philippines, New Zealand, and Canada, in addition to their wide circulation in the United States.

As you can well imagine, Mr. Speaker, the nature of Mrs. Rice's verse and its wide circulation have won her a devoted following around the world. Mrs. Rice carries on an extensive correspondence with individuals from all walks of life who seek her guidance, inspiration, and solace. Until a recent accident, she regularly came to her office at Gibson to write verse, answer her correspondence, and edit her books. She has recently published her autobiography, "In the Vineyard of the Lord."

Mr. Speaker, I join the 2,000 employees of Gibson Greeting Cards, all Cincinnatians, and Mrs. Rice's admirers and friends around the world in wishing her a joyous 80th birthday and continued success in her "greeting card ministry."●

FLAGS OVER THE CAPITOL

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. EVANS of Delaware. Mr. Speaker, on April 15, I rose on the floor to express my concern over an editorial which appeared in my hometown newspaper, the Wilmington News Journal, regarding the congressional practice of providing, at cost to the public, American flags which had been flown over the Capitol.

This editorial strongly criticized the practice, calling it plain hucksterism, and charged that the flags were treated in a disrespectful manner.

The editors of the News Journal have taken the time to respond to my comments, and have written their response in the form of an address to the House of Representatives. In the interest of fairness, I insert their reply in the Record, since apparently that was the forum for which it was meant.

I also insert a letter to the editor of the News Journal from the Architect of the Capitol, Mr. George M. White, which has been brought to my attention, in the Record. Mr. White has sought to enlighten my friends at the News Journal as to the procedures used in flying these flags, and I thought that other Members might be interested in knowing of these procedures as well, I was personally very interested to know that this procedure is not only monitored by supervisory personnel, but by closed-circuit television as well.

The editorial follows:

We Shock Him and He Shocks Us

Mr. Speaker, the other morning we picked up our copy of the Congressional Record to find one of the most shocking misrepresentations of an editorial position that we have ever seen.

We were accused of criticizing "the practice of Members of Congress, including (Mr. Evans), for (sic) providing American flags at cost to the public, and call(ing) the practice 'plain hucksterism.'"

Mr. Speaker, we agree that "it is not hucksterism to be proud of one's country." We do not agree that we have "with this ill-chosen slogan, insulted every person and every group which proudly flies the colors everyday." The purpose of the editorial, in fact, was to suggest that the shoddy commercialization of Old Glory was the real insult to all who proudly fly the colors.

It would have been helpful, Mr. Speaker, but certainly not to Mr. Evans' case, had he quoted—for his colleagues' information—the editorial that he found so shocking and cynical. Since he did not, permit us some brief references to that editorial.

What we found worthy of criticism was not the provision of U.S. flags at cost to desiring citizens. We took issue with the handling of the flags during the process of authenticating their having flown over the U.S. Capitol.

The concluding sentence of the editorial, in its entirety and with original emphasis retained, read: "No matter how one tries to rationalize it, the practice of selling flags that have 'flown over the U.S. Capitol' is just plain hucksterism."

There was more respect for the flag, Mr. Speaker, in that editorial than can be found in the hasty reveille-to-retreat parody used in this unworthy promotion. It is ironic to be accused of disrespect to people who proudly fly the colors by anyone who can justify running Old Glory up and down specially provided flagpoles on the Capitol for a few seconds in order to invest it with some mystical significance.

Members of the House of Representatives would properly condemn any auto salesman or real estate promoter who used such shoddy tactics to mislead the gullible and naive.

Finally, Mr. Speaker, our feelings for the American flag as the symbol of our country and its freedoms should be apparent to anyone who takes the time to read the editorial. We welcome Mr. Evans' intent to continue to encourage the flying of Old Glory. We would applaud efforts by him and his colleagues to instill a little more respectful handling of it as well.

As for Mr. Evans' representation of our "cynical attitude," oratorical chauvinism in defense of plain hucksterism is no virtue.

The Architect of the Capitol,
Washington, D.C., April 24, 1980.

The Editor,
Wilmington News-Journal,
Wilmington, Delaware

Dear Sir: Your recent editorial comments regarding the program for flying United States flags over the Capitol for those who have purchased them and so request, have been brought to my attention.

Because the fact situation differs substantially from your description, it seemed useful to apprise you of the inaccuracies. First, the flags are hoisted to the roof in a large container in their original boxes, as obtained from the manufacturer, unless high winds dictate their removal from boxes and transfer, still folded, to individual plastic bags before placement in the container.

The boxes are placed on a stainless steel table located on a metal deck erected above the copper roof of the Capitol for its protection. Responsible personnel divide the duties of flying the flags and their careful refolding and return to their boxes, which is performed on the stainless steel table, with the same respect and care used in their original manufacture and packing. They are never, even momentarily, "dumped on the roof". The entire operation is monitored not only by supervisory personnel, but also by closed circuit television camera and observed in the office of the Supervising Engineer of the Capitol. Thus, I can assure you that due respect and care for our national flag is strictly observed throughout the entire process.

If your readers could share the heartwarming letters of thanks and pride that we continue to receive from many thousands of flag recipients, I am confident that they would agree that this simple and inexpensive method of responding to the patriotic desires of so many citizens is a worthy national goal.

Cordially,

George M. White, FAIA,
Architect of the Capitol.●

TAX BENEFITS FOR SMALL SAVERS

HON. BENJAMIN A. GILMAN

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. GILMAN. Mr. Speaker, many of my constituents have communicated with me to express their views in support of tax relief for savers.

I fully agree with them and have on a number of occasions introduced legislation that would exempt various amounts of savings interest from the income tax.

Accordingly, I was extremely gratified that the Congress recently passed, and the President has signed into law, H.R. 3919, the Windfall Profit Tax Act. Part of that legislation entitles each taxpayer to exempt the first $200 of interest income from taxation, with a $400 exemption being .available to married couples filing jointly.

The need for this legislation was evident from the fact that Americans save less than 5 percent of their income. It is also evident that neither the home construction activity necessary to house the next generation of Americans nor the industrial development necessary to increase productivity and control inflation will be possible without increased savings.

With inflation racing far ahead of them, today's savings interest rates do not provide much incentive to save. Allowing a tax exemption for savings interest will increase the effective—after tax—rate on savings accounts, and provide the necessary incentives for Americans to save.

Mr. Speaker, the bills I have introduced on this subject called for greater exemptions than those set forth in this bill, and would have made those exemptions permanent, while the bill that was adopted makes this exemption available only for the next 2 years. Nevertheless, I applaud the conferees for having brought this conference report before us with the savings interest tax exemption provision. I hope that our support for this measure will contribute to our Nation's economic well-being.●

AMERICAN CITIZENS ABROAD

HON. BILL ALEXANDER

OF ARKANSAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. ALEXANDER. Mr. Speaker, I would like to insert several issues facing American citizens abroad which this Congress should try and alleviate. I hope my colleagues will find this information useful.

Issue No. 48

Short title: Double Taxation of Income for Days Worked in the United States.

Summary of the problem: When the United States negotiates a bilateral tax treaty with a foreign country there is generally a provision that enables residents of each country to visit the other for a specified period of time each year, or within a specified income limit for services performed in the other country each year, without these residents being held liable for income tax by the treaty partners. Then, the United States adds a clause that says that these provisions do not give any protection to American citizens living in the foreign country.

The United States has unilaterally defined all work performed in the United States by a U.S. citizen as giving rise to U.S. source income even if the overseas American is being paid for this work by a foreign employer in the foreign country.

This can lead to double taxation of the overseas American's income unless the overseas country is willing to forfeit its priority right to also tax this same income.

When problems of such double taxation occur, it is up to the individual American abroad to try to negotiate tax relief with the foreign tax authorities. Greatly complicating such negotiations are incompatible dates for the submission of tax returns to the U.S. and the foreign countries, and different definitions of total income, deductions, credits, etc., which make identification of the precise amount of the double taxation very difficult.

ACA'S question: If the United States insists on taxing the overseas American, why does it not accept to define overseas residence in conformity with the tax treaties it has negotiated and permit overseas Americans the same opportunities to work in the United States with tax protection against double taxation as enjoyed by all other residents of the overseas country?

The President's reply: "Where such problems of double taxation occur, they can be resolved in a tax treaty. Tax treaty negotiations include consideration of this issue along with other aspects of double taxation. When a problem arises under an existing treaty, relief can be provided in a special protocol."

There are a number of special problems that can arise abroad even in cases not so clear cut as those addressed by the President in his generic response. For example, Switzerland will recognize U.S. source income that is taxable by the United States as non-taxable in Switzerland. But, the Swiss tax practice is to include this income in the total for the determination of the tax rate that is to be applied to the rest of the taxable income. This inflation of the rate on taxable income is a manifestation of the double tax problem that has not been resolved by treaty or protocol but which nevertheless harms the overseas American and subjects him to additional tax.

ACA's renewed question: Why does the United States not take better care of overseas Americans in the tax treaties that are negotiated with foreign countries? Citizens of these foreign countries are more equitably treated by the United States, than are Americans living in the treaty-partner's foreign domain.

Issue No. 49

Short title: Problems of Overseas Estate Taxation.

Summary of the problem: Americans living overseas can have severe difficulties from conflicting claims on the estates of relatives who die in either the United States or abroad. In some cases wills in one country are held to be invalid in others.

ACA's question: Why does the United States not take more care to recognize that problems such as these could impede the willingness of many Americans to go abroad?

The President's reply: The President chose not to address the problem of foreign estate taxation of overseas Americans.

ACA's renewed question: Does the United States have a concern for protecting overseas Americans from problems of double taxation of estates?

Issue No. 50

Short title: Denial of a Deduction for "Rates" Tax Paid by Americans in the United Kingdom.

Summary of the problem: U.S. citizens living in the United Kingdom are required to pay a tax that is peculiar to the English tax code. This tax, called "Rates" is essentially a property tax, but it is levied on the occupant rather than the owner of the lodging. The IRS will neither give a credit nor a deduction for "Rates" taxes paid abroad.

ACA's question: Why is the IRS harassing the U.S. taxpayer by refusing to recognize a tax that has been paid abroad?

The President's reply: "Residents of the United Kingdom, whether living in their own home, or rented quarters, pay a residency tax called 'rates'. Since the resident, not the owner, bears this tax, the IRS has ruled that 'rates' are not real estate taxes. The Internal Revenue Code permits deducting property taxes, but not occupancy taxes."

The President shows us another instance of how it is the overseas American who suffers because of the lack of congruence between the U.S. tax code and the foreign tax practice. If the United Kingdom were to change its tax practices and call this tax a property tax, presumably than a deduction would be given by the IRS for the same amount of foreign tax paid.

ACA's renewed question: Having insisted on the need to tax overseas Americans, why does the United States feel it is equitable to ignore economic reality abroad and simply pretend that the foreign payment was not a recognizable U.S. type tax hence not eligible for tax relief in the United States.

We ask the President to take another look at this unfortunate practice. This license that has been given to the IRS to define what are taxes paid abroad and what are not for credits or deductions from U.S. tax on the same income base had led to a whole series of abuses in the past.

Not only are Americans abroad being hurt in their ability to compete against individuals of other nationalities because of the double taxation they face, they are being nickeled and dimed to death by such IRS interpretative games. We urge redress. If the IRS has trouble defining such a tax as "rates" as a property tax, perhaps it is time to define a new category of overseas tax payments of a miscellaneous nature for which due credit or an equitable deduction should be allowed.

Issue No. 51

Short title: Inadequacy of the 4-Year Rule for Sheltering Capital Gains From the Sale of a Residence Abroad.

Summary of the problem: Congress has decided to allow Americans to shelter some of the capital gain realized from the sale of an owner-occupied dwelling if the proceeds of the sale are reinvested in a new owner-occupied dwelling within a specified period of time. The length of time during which a new home can be purchased for an American living abroad has been extended to 4 years.

While more generous than the earlier time limit, the new 4-year rule still causes considerable problems for a number of Americans living overseas and cause a loss of international competitive ability because of the restrictions on how long any assignment can be accepted in certain countries, and what new assignments can be accepted subsequently.

Suppose an overseas American is assigned to a country where it is not possible to purchase a dwelling. This American can only reside in this new country for less than four years. Otherwise if he has a capital gain from the sale of a residence to shelter he will have to pay considerable U.S. tax on this gain after 4 years. Many corporations now find that they would prefer to have their overseas executives stay in a given location for longer periods of time than was the former practice. An American may have a great financial disincentive in accepting any assignment longer than 4 years.

A related case occurs when an American living in a country with a housing purchase restriction nears the end of his 4 year tour. He is not fully mobile for subsequent assignment because his next tour of duty must be in a country where the purchase of a residence is possible. Failing such a new assignment he will have to pay U.S. capital gains on a shelter dwelling sale.

ACA's question: Why does the United States accept such tax provisions that manifestly make Americans have a great disincentive to be as mobile for employment abroad as individuals of all of the other Free World nationalities? As the United States is the only country that taxes overseas capital gains at all it would seem imperative that a method for such taxation be found that does not harm the competitive ability of American executives abroad.

We ask the President to consider a policy for sheltering capital gains from the sale of a residence abroad in such a manner that no overseas American loses international job mobility which will bring potential harm to himself as an individual, to his employer and ultimately to the entire United States.●

GUATEMALA—THE HARD LINE

HON. DONALD J. PEASE

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. PEASE. Mr. Speaker, Central America is a region in flux. After a bloody civil war, substantial change has already come to Nicaragua, with more on the way. El Salvador is a nation in turmoil teetering on the edge of a general conflagration. Honduras, where meaningful elections have just been held, gives encouraging signs of achieving peaceful change through open, democratic processes. Yet a storm is gathering in Guatemala, which has seen a dramatic upsurge in political violence and government repression in the last couple of years.

Although time is running out, along with hope for peaceful change, it is not too late for our country to examine conditions in Guatemala and to attempt to understand the divergent forces at work there. Events in Nicaragua and El Salvador have given us vivid reminders of the polarization that results when governments resist any semblance of responsiveness to legitimate popular demands for meaningful economic, social, and political reforms. The same will happen in Guatemala unless the White House, the State Department, and we in Congress make a genuine effort to really grasp the significance of what is happening in that troubled nation.

In coming days and weeks, I intend to periodically insert in the RECORD documents and reports on developments within Guatemala which I feel we should take into account as we evaluate the course of United States-Guatemalan relations in the past and what should be our response to the changes occurring there now as well as those to be anticipated. I sincerely hope that my colleagues will take the time to read and study this information so that we can avoid oversimplifying and misunderstanding the causes and effects of the increasingly tense situation within Guatemala.

The following is an article that appeared in the January 1980 issue of the Atlantic magazine. It provides a useful frame of reference for understanding what conditions are like in Guatemala and where things are headed.

GUATEMALA—THE HARD LINE

(By Stephen Kinzer)

Business is brisk at the modern office of the Banco Inmobiliario on bustling Eighth Avenue in the heart of downtown Guatemala City. Tourists line up to cash travelers' checks and businessmen come in regularly to arrange loans for expansion and diversification. The economy is dynamic: the country has no foreign exchange controls, a solid currency, a relatively low rate of public indebtedness, and a good balance-of-trade position.

But something is amiss at the Banco Inmobiliario. Employees have placed several small posters on the window facing Eighth Avenue. Beneath a photograph of a young man's face, the posters read, "We demand that our comrade, Benvenuto Antonio Serrano, secretary general of the Guatemalan Bank Workers' Union, reappear alive." Serrano was abducted May 25 as he left union headquarters, where he was preparing for negotiations over wage increases for the nation's bank employees. His name had appeared on a death list circulated by an organization that has come to dominate much of Guatemalan life: the Secret Anticommunist Army.

"Yes, I suppose you are right," said a former associate of the vanished union leader. "We are never going to see Benvenuto Antonio again. But we put up those posters to remind people of what is happening in Guatemala, so our people won't forget him. Maybe it has no effect, but there is very little else we can do."

ENDEMIC VIOLENCE

Guatemala is one of the most spectacularly beautiful and culturally vibrant countries in Latin America. The tropical zones along the Caribbean and Atlantic coasts are ideal for agriculture, and the dense Petén jungle in the north guards unimagined riches dating from the Mayan period, though only a tiny portion, around the famous "lost city" of Tikal, has yet been excavated. The rich indigenous Guatemalan culture is one of the few on the continent that have not been commercialized or wiped out by centuries of rule by the Spaniards and their successors.

But political violence has been endemic in Guatemala almost without interruption since the overthrow of leftist President Arbenz in 1954. At least 40,000 people are believed to have been killed by death squads operating under such names as White Hand and Eye for Eye. The violence escalated sharply during the past year, with as many as 4000 deaths since the riots over proposed bus fare increases in October 1978.

That same month, shortly after making a speech denouncing the intensifying terror, student leader Oliverio Castaneda was gunned down within sight of the National Palace. His successor as elected leader of the 35,000 students of San Carlos University, Antonio Ciani, disappeared soon after his election. In October 1979, Ciani's successor was shot to death after making a speech commemorating the 1944 revolution—the same anniversary Castaneda was observing when he was killed. A peasant leader who protested the massacre of more than 100 peasants in the town of Panzos was kidnapped as he was released from prison. A priest who led a campaign to protest the infringement of water rights of peasants in several Indian towns was shot dead as he left the home of a parishioner in the town of San Jose de Paula. A leader of the union fighting for recognition at the local Coca-Cola plant was killed on his delivery route by assailants who beat him with a lead pipe and slit his throat. A former congressman and former minister was shot to death on his way to lunch with the vice president.

President Romeo Lucas Garcia, who appears undisturbed by the sharp increase in political killings in Guatemala since he took office in July 1978, has urged Guatemalans to consider the terror campaign a kind of "allergy," which they must "learn to live with."

The 1954 coup, engineered by the CIA and the United Fruit Company to halt political changes that were steadily lessening U.S. influence, caused deep bitterness throughout the country and set off a process of polarization that has intensified with the passing of years. Vendettas and counterplots began almost immediately, and the country's politically active population was sharply divided between those who supported Arbenz (and who have come to be considered subversives or worse) and those who backed the coup and now support rightist groups such as the National Liberation Movement (MLN), which took control of the country after Arbenz was ousted.

The concept of dialogue between opposing factions has never taken hold here. The right, which feels it is in the vanguard of a regional, even worldwide, war against communism, long ago concluded that the only way to deal with the opposition was to liquidate its leaders and many of its followers.

Only a short time ago, Guatemala was part of an apparently stable political/military alliance of four nations under right-wing military rule. The strong man of the alliance, Nicaragua's Anastasio Somoza, has been overthrown. Honduras has eased up considerably in its repression and plans open elections. An October 1979 coup toppled the reactionary generals who had held power in El Salvador for decades. Guatemala's rulers now find themselves almost alone in their uncompromising hard line against democratization in Central America. In the wake of the El Salvador coup, Guatemalan Defense Minister Otto Spiegeler felt obliged to point out that such a revolt would be "impossible" in his country because the Guatemalan officer corps is loyal and united. But Spiegeler and his colleagues must feel more isolated than ever before.

While international attention has lately been focused on Nicaragua and El Salvador, terror in Guatemala is barely noticed abroad except in the most extreme cases. Yet, for all its crude brutality, the Somoza regime in Nicaragua never, until the final conflict last June, even approached the level of violence that is commonplace in Guatemala.

During the 1960s, a guerrilla movement in Guatemala attracted wide support from segments of the student, peasant, and worker movements. In retrospect, however, the guerrillas may have underestimated the seriousness of their task. They operated almost openly. Journalists could take them to lunch; the fighters would regularly lay down their weapons to conduct literacy classes or hold soccer matches against local teams in outlying towns. So when the government finally decided, in the late sixties, to destroy the movement, it was able to do so without undue difficulty. That period saw the harshest repression in the nation's history. Guatemalan officials authorized their soldiers to kill anyone suspected of being associated with or sympathetic to the rebels. Thousands of people were killed, among them virtually all of the guerrillas, and for a time the country was relatively quiet—"the peace of the graveyard," as one newspaper editor called it. But the means of attaining the peace guaranteed that it would not last.

RURAL DEPRIVATION

Beyond natural anger at the indiscriminate killings, the main source of discontent in Guatemala is unfair land distribution. By one conservative estimate, 2 percent of Guatemalan farmers own 53 percent of the country's arable land. Half of the plots in the highlands are less than three acres, and their size dwindles with each generation.

According to the U.S. Agency for International Development, 60 percent of the rural population earns less than $80 per capita per year. Preservation of the existing landholding structure is one of the key goals of the government, which is itself dependent on the support of large landowners.

Some 200,000 peasants own no land at all, and 400,000 more live on plots not large enough to support their families. To subsist, they are forced to migrate each season to the big plantations on the south coast, where they form a seasonal labor pool to pick the cotton, coffee, and sugar crops. Owners of these plantations say they cannot afford to maintain steady labor forces because too little work is available between harvests. Without seasonal labor, the big farmers would have to come up with a different, more expensive way to harvest their crops. Not surprisingly, the beginning of land reform under the Arbenz regime (100,000 peasant families were given land that had been expropriated from plantation owners and United Fruit) was perhaps the most important factor leading to the 1954 coup.

Another result of the present land distribution pattern is the growing shortage of basic foodstuffs among the peasants. The country has devoted more and more land to the production of export crops and less to staples such as corn, which Guatemala has actually begun to import. Owners of large farms are not only expanding their production of established export crops such as coffee, but beginning to grow tobacco, macadamia nuts, and plants that produce flavors and essences. The increasing use of land for these purposes has reduced the acreage available for production of basic foods and has led to further deterioration of life in the countryside. According to the Nutrition Institute of Central America and Panama, 80 percent of Guatemalan children under the age of five suffer from malnutrition.

As the agro-export sector has grown, its political power has increased. This sector was behind the White Hand terrorist group that emerged in 1966 and dominates the ruling Revolutionary party of President Lucas.

"SUBVERSIVE" UNIONS

Peasant discontent provided much of the popular support for the guerrilla movement in the 1960s. While the conditions are, if anything, more acute now than they were a decade ago, a new group—the urban working class—has emerged as a growing threat to those in power. Though 70 percent of the nation's 5.5 million people still live in rural areas, the number of urban workers has steadily increased in recent years, reflecting the growth of a national economy encouraged by legislation that favors business and by conservative fiscal policies. The new factory workers have inevitably led the agitation for unionization, and that trend has in turn provoked the fiercely antiunion government to further attacks on what it considers a subversive campaign. One of the patterns of the Guatemalan terror has been the elimination of organizers of all kinds, and wherever unions are being formed, organizers inevitably appear.

Behind an unmarked, locked door not far from the National Palace in Guatemala City is the office of the National Confederation of Workers (CNT), a coalition of what the government calls "subversive agitators" who are trying to form unions at dozens of plants around the country. The poster depictions of bank union leader Serrano were produced there, along with posters and leaflets "demanding" the reappearance of scores of other organizers who have vanished. "We have so many cases," said one CNT leader; "this work has changed from a political frustration to a personal anguish. When I think of people like Serrano and Manuel Lopez Balan, I am sick to think of the pain they suffered."

Manuel Lopez Balan was a figure in what has become the most bitter labor dispute in the country, the struggle of the workers at the local Coca-Cola bottling plant to win union recognition. The franchise, run by a Texas lawyer named John Trotter, is charged by workers with being "the most repressive company operating in the country," and has become something of a test case for both sides in the conflict. The man who headed the union at the beginning of 1979, Israel Marquez, fled the country after three attempts on his life. Lopez Balan, the union's financial secretary, was assassinated, as was Marquez's successor. The third person to take over leadership of the union this year disappeared in May.

American church groups are pressuring the Atlanta-based Coca-Cola company to investigate conditions at its Guatemala franchise, and a word-of-mouth boycott of the drink, under the slogan "Coca-Cola is crime," has reduced its share of the local cola market to 30 percent. Union leaders say Trotter is closely allied with national police chief German Chupina, whose original appointment was interpreted by the authoritative Latin America Political Report (LAPR) as "a signal to businessmen that the President was not going to tolerate the growth in strength of the country's labor movement."

Despite the amazing persistence of union organizers at the Coca-Cola plant, neither government nor management seems willing to give in. As one local journalist put it, "For them to allow a union at the Coke plant would, in their view, just open the floodgates for a movement which they are convinced—not without reason—wants to destroy the regime."

American policy-makers, according to LAPR, "feel furious and impotent about events in Guatemala and—have little idea what to do next." After many years of solidly supporting the repression here, the U.S. government under President Carter has moved away from the regime. Military aid, once automatic for governments like Guatemala's has been all but ended. But some Guatemalan moderates, such as Christian Democratic patriarch René de Leon and Vice President Francisco Villagran Kramer, fear that growing sentiment within the U.S. government to resume military aid to Guatemala may result in a return to the days when the Americans backed the military regime without question. "I want to tell you that a great uneasiness has been produced here by rumors that the CIA and the Pentagon, in the wake of Nicaragua, are planning to establish some kind of military aid to these [Central American] countries," said Marco Vinicio Cerezo, the leading young figure in the Christian Democratic party. "This would not avoid a conflict, but instead make it more likely. The efforts of popular sectors and opposition parties to democratize the countries are inevitable. This tendency to return to military support for these countries out of fear of radicalization will only hinder any progress toward peaceful resolution of our situation."

THE U.S. PRESENCE

Even without a resumption of military aid, the United States remains the key to Guatemala's future. Unlike other Central American countries, Guatemala is host to a wide range of American corporate subsidiaries which not only produce goods for export but also depend on the large domestic market to sell their products. By any standard, Guatemala is the most important country in the region, with the largest population, the highest level of industrialization, and a history of political influence over its neighbors. Many U.S. government agencies, as well as private corporations, have regional headquarters in Guatemala City.

Guatemalan labor organizers have compiled a list of eighteen American companies which are, they say, "involved in union busting and labor repression." Among the U.S. firms with subsidiaries in Guatemala that have experienced labor troubles are U.S. Steel; Del Monte, where "massive firings" took place between 1977 and 1979; Hanna Mining Company, which is producing nickel at a mine where, according to the report, local workers are paid "very disproportionately to what foreigners receive for the same work"; Kellogg, where "a union being formed was destroyed with threats and massive firings"; Phillip Morris; Bank of America; and Singer. In addition, several companies, including the Texas-based Shenandoah Corporation, are drilling for oil in Guatemala, and, as one American businessman put it, "our country has to be in a good position here in case we ever make a big [oil] strike in this country." He added, "These labor movement people ought to realize that what they are trying to do would destroy the advantages that lead American firms to locate here. Once those advantages are gone, we'll just go somewhere else."

As many as 4000 Americans are directly involved in business in Guatemala, and with their dependents and the thousands who have retired to the "land of the eternal spring," the total U.S. community exceeds 15,000. Many of the executives live in a cocoonlike world, never seeing local newspapers or learning Spanish, living "isolated and alienated from Guatemalan society," as one observer put it. "Part of it is because of the embassy, which has circulated guidelines to them and generally suggests they keep a low profile." Few if any Americans openly lobby the government for favors, and many American companies big enough to own large office buildings maintain unmarked headquarters in Guatemala City. Their occupants take the same kind of security precautions that have become common throughout the region. No American businessman has yet been kidnapped or attacked in Guatemala, and both the U.S. Embassy and the businessmen want to keep it that way.

During the late 1960s, when the Guatemalan government launched its intense counterinsurgency campaign against guerrillas, the American Embassy was denounced by leftists as the moving force behind the bloody "clean-up operation." Since that time, some informed Guatemalans say, most officers sent to staff the embassy have been "hard-liners," with few willing to contact legitimate opponents of the regime or to take note of the nation's climate of violence.

The new ambassador, Frank Ortiz, has plunged into local society more forcefully than some of his predecessors, but his efforts to encourage the emergence of a "middle ground" seem unlikely to succeed, both because of the country's polarization and because his contacts are largely circumscribed. The embassy staff of 107 seems protective of the government; officials there are certainly no closer to recognizing the legitimacy of social grievances than were their colleagues in Nicaragua a year or two ago. Officers are content to lace their small talk with impromptu defenses of the 1954 coup.

SELECTIVE REPRESSION

"People don't believe in elections anymore," observed a foreigner who has lived in Guatemala for several years. "There just aren't any charismatic figures remaining on the electoral left. The military and the private sectors set the election guidelines. Candidates can't propose serious reforms, so elections aren't useful for changing anything. They are only a contest among the ruling sectors. The oligarchy here is very united and reactionary. The bourgeoisie has no reformist element, and neither does the army."

The last hope, many Guatemalans believe, was Manuel Colom Argueta, a young former mayor of Guatemala City who spent nearly a decade organizing a social democratic political party called the United Revolutionary Front. Colom, who was popular among most elements of the opposition and whom admirers still refer to as "the Kennedy of Latin America," had given tacit support to President Lucas in the hope that he himself would be allowed to run for president in 1982—an election that, if it was held fairly, he seemed likely to win.

In an interview last March, Colom observed, "The current strategy of repression is selective. It intends to destroy all organized popular resistance, which has grown steadily since 1963. If you look back, you'll see that every single murder is of a key person. They are not all of the same ideological orientation, they are simply the people in each sector or movement who have the capacity to organize the population around a cause."

That certainly applied to Colom himself, though his backers hoped he would be immune because of his international stature and broad domestic support. They were wrong. On March 22, after being followed for several weeks by uniformed soldiers and a helicopter, he was gunned down in his car by a squad of assassins estimated by his family to number fifty. A crowd of 200,000 jammed Guatemala City for his funeral, and his brother singled out specific government leaders as those who marked him for death. He was immediately charged with "calumny against the state," a criminal offense. The bróther took asylum in the Venezuelan Embassy after threats on his life. He hopes to make his way to Costa Rica, where he wants to organize an international economic boycott of Guatemala—a boycott like the one Chilean opposition leader Orlando Letelier was organizing against his country when his car was blown up in Washington.

Opposition leaders, still recoiling from the bold murder of Colom, are now in a period of reflection and regrouping. Unionists are concentrating on the Coca-Cola struggle, peasants are protesting government plans to develop a strip of land in the north-central part of the country, which they view as an attack on their traditional lands, and students are demanding that their former leader, Antonio Ciani, reappear alive. Some leaders of the Christian Democratic party say, with notable lack of conviction, that they hope the government will loosen up in time to allow free elections for mayors and city councillors next March as a prelude to the national election in 1982. But there remains in the background the specter of guerrilla war.

The present national police chief and president were key figures in the counterinsurgency campaign of the late sixties. The number of guerrillas in the country now stands at only a few hundred and thus far they have shied away from confrontations with the army, considered the best in Central America. Periodically, they blow up a crop-dusting plane or burn a farm, and have threatened to kill several large landowners if they don't treat their employees fairly—threats that have been carried out on occasion. The most common guerrilla tactic during the last year has been to "take over" a small town or village in the countryside, explain their position and strategy to townspeople, and flee before authorities arrive. According to reports from some of those towns, the guerrillas, many of whom are of peasant background, have been received as heroes and have increased their numbers of accepting villagers fleeing the death squads.

Guatemala's immediate political future appears bleak. In all likelihood, the present level of government terror will continue, and popular resistance will increase. Indeed, according to René de Leon, secretary general of the worldwide Christian Democratic movement, groups such as the ultra-right MLN are intentionally polarizing the nation.

"They want to create a violent climate, to eliminate democratic sectors and leaders," he said in his modest home, from which he rarely ventures since an attempt to kidnap him last year. "They are doing this to provoke protests from the youth and other popular sectors. They want to create a panic so they can convince people of the need for a major confrontation under the banner of anticommunism. They actually hope to create an economic crisis in which capital will leave the country, factories will close, and unemployment will increase, because this will lead to protests and strengthen their argument that violent and complete repression is the only answer."●

ILLINOIS STATE BAR ASSOCIATION OPPOSES HUD ADMINISTRATIVE ENFORCEMENT OF FAIR HOUSING COMPLAINTS

HON. F. JAMES SENSENBRENNER, JR.

OF WISCONSIN

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. SENSENBRENNER. Mr. Speaker, the board of governors of the Illinois State Bar Association is opposed to the administrative enforcement mechanism contained in H.R. 5200, the Fair Housing Act amendments.

In a letter to the gentleman from Illinois (Mr. HYDE), the Illinois bar says that the proposed system is a clear infringement of the doctrine of separation of powers and a usurpation of judicial branch prerogatives.

I urge Members to consider this argument when voting on the Sensenbrenner-Volkmer amendment to strike the administrative enforcement provision of H.R. 5200 and to replace it with direct access to the Federal courts.

The letter follows:

ILLINOIS STATE BAR ASSOCIATION,
Springfield, Ill., April 23, 1980.

Hon. HENRY J. HYDE,
Member of Congress,
Longworth House Office Building,
Washington, D.C.

DEAR REPRESENTATIVE HYDE: The Board of Governors of the Illinois State Bar Association, on behalf of its 23,000 lawyer members, has requested me to advise you of its actions taken on April 11-12, 1980, relating to the following pending federal legislative matters: H.R. 5200 (Fair Housing Amendments Act of 1980).

The Association opposes the proposed new system of hearing and deciding administrative complaints filed by HUD, as provided in Sections 810 and 811. The new proposals vest in HUD the roles of complainant, prosecutor, judge and jury by permitting HUD power to issue injunctions and fines. Such authority is a clear infringement of the doctrine of separation of powers and a usurpation of judicial branch prerogatives. You are urged to oppose enactment of this bill or similar legislation containing like provisions.

LEAA REFUNDING

The Association recognizes the need for Congress to cut budgetary proposals to achieve a balanced federal budget without increasing taxes. However, during these trying times, continued federal aid to the states to improve our justice system takes on greater significance. LEAA is ideally suited to coordinate and consolidate projects to bring about nationwide improvement in the justice system, and, therefore, we urge continued funding of LEAA, at least at the level of $500,000,000.

Respectfully yours,

H. H. BRAVERMAN.●

GASOHOL: REAL HOPE FOR ENERGY INDEPENDENCE

HON. JOHN EDWARD PORTER

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. PORTER. Mr. Speaker, the increasingly unstable situation in Iran and throughout the Middle East has once again brought to light our dangerous dependency upon imported oil. The Congress recently passed the windfall profit tax bill with the purpose of furthering the development of alternative energy sources. One of these sources is alcohol fuels. Gasohol, the blend of 90 percent gasoline and 10 percent alcohol, is presently available on a commercial basis and is being used increasingly in the Midwest.

There have been conflicting studies and reports on gasohol. Some criticize it on the basis that it uses more energy than it produces. Others simply conclude that it is a novelty item in the energy field and will not have any major impact upon oil demand. Fortunately, the facts do not support such criticisms. Gasohol is becoming more and more popular with consumers and demand for it is growing by leaps and bounds. There is no doubt that alcohol fuels can play a major role in decreasing our dependence upon foreign oil. Once full-scale alcohol production is attained, demand alone will make it economically feasible. Until then, the Congress should make a major commitment to supporting its development.

Jack Mabley's column in yesterday's edition of the Chicago Tribune points out the results a major company in my State attained when it made a limited conversion of its fleet to gasohol. The experiences of Illinois Bell are worthy of special note. There is no reason why other American companies or individuals could not enjoy the beneficial results this company has had with gasohol.

The article follows:

AN "A" FOR GASOHOL IN ILLINOIS BELL TEST

(By Jack Mabley)

The most critical test of gasohol in Illinois has concluded with an enormous boost for this fuel made of 10 per cent alcohol and 90 per cent gasoline.

Illinois Bell obtained 4.8 per cent better mileage with gasohol than with conventional fuels. Performance was superior, and there were indications that maintenance costs will be reduced with gasohol.

As a result of the testing which ran from January, 1979, through January this year, Illinois Bell announced it will expand its use of gasohol in its fleet statewide as the fuel becomes available, and is competitively priced.

The news release from Illinois Bell is so joyous to me I'll report its findings largely in its own words.

Illinois Bell now uses gasohol in 235 vehicles in Woodstock, McHenry, Watseka, Bradley, Bourbonnais, and Rock Falls.

The test was conducted in 30 vehicles in the Peoria area.

Ron Aldridge, division manager for automotive operations, said the trial indicated usage of the cleaner burning fuel could lead to savings in maintenance costs.

Gasohol could produce longer engine life, and reduce the number of tune-ups required to keep vehicles operating efficiently.

Said Aldridge: "One test group of older vehicles obtained much better mileage with gasohol than with regular gasoline. The test group with newer vehicles tended to obtain slightly better mileage results by using unleaded gasoline.

"Overall, test results indicated that the gasohol fuel obtained 4.8 per cent better mileage than conventional fuels.

"Maintenance savings and other benefits of gasohol, including better cold weather starting and its potential as a gasoline extender, have convinced us to use the fuel where it is available at a cost-effective price."

Since the start of the 30-vehicle trial Illinois Bell saved 22,000 gallons of gasoline through the use of gasohol. The company's 8,000 vehicles are the largest privately owned automotive fleet in the state, and use 7 million gallons of gasoline annually.

The company also found that emissions were reduced with gasohol. Tests indicated a 30 per cent decrease in carbon monoxide and an 8 per cent drop in hydrocarbons.

"We're convinced that gasohol can be an important gasoline extender and could help us keep our vehicles on the road during any periods of gasoline shortages," Aldridge said. "If Illinois Bell used gasohol in all its vehicles, the company could save about 700,000 gallons of gasoline annually."

In the first six months of the test 15 vehicles used gasohol and a control group of 15 vehicles used gasoline. Then the 15 using gasohol switched to gasoline, and the control group went to gasohol.

Illinois Bell stressed that the trial was not a "laboratory" or "scientific" test. It was an operational field test to evaluate the fuel's performance under normal job and driving conditions. Drivers recorded mileage data and evaluated vehicle performance.

Operators of other auto and truck fleets have been watching Illinois Bell's test. This report is likely to turn other fleets on to alcohol.

Note that Bell wants alcohol "competitively priced." Alcohol cost vary widely, but a common price is $1.70 a gallon. New production facilities are springing up all over the country, and cheaper methods of production are being discovered and put into use.

There seems little doubt that the price of alcohol will come down as the price of gasoline goes up. The lines could cross this year, next, maybe five years from now.

More important than the price is the availability of a superior fuel in case of a critical shortage of imported crude oil. Gasohol uses only 10 per cent alcohol, but a 20 per cent mix is practical, and many cars are running on pure alcohol.

An increasing number of the oil giants are selling or preparing to sell gasohol. Standard of Indiana, Texaco, and Phillips are the pioneers. Last week Ashland and Cities Service made tentative agreements with alcohol producers.●

CLIPPERS SAIL TO CONFERENCE TITLE

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. SOLOMON. Mr. Speaker, at a time when a good deal of the news of the national and international scene can be rather disheartening to the American people, I would like to suggest to my esteemed colleagues that the spirit of America is still strong throughout the land. And nowhere is this spirit more evident than in our Nation's smaller communities, where our citizens pull together to support one another, whether in times of fortune or during periods of adversity. And at a time when some may question the leadership potential of today's youth, we still need to remind ourselves that the vast majority of our young people are fully capable of, and desirous of, taking their rightful place as leaders in our communities and our Nation.

With this in mind, I would like to call the attention of my colleagues to the community of Germantown, in Columbia County, N.Y., and to several young men, who with the avid support of their fellow citizens, have brought recognition and pride to their school and community. I am referring to the Germantown Central School varsity basketball team, the Germantown Clippers, champions of the class D Capital Conference of the State of New York.

While Germantown Central School has traditionally fielded top-flight basketball teams, including an undefeated squad in the 1950's, this year's achievement was admittedly a little unexpected. High school basketball in upstate New York State is a top quality product and the competition is of the highest caliber. It was no "free ride" then, but rather through hard work, determination, and, yes, a few upsets here and there, that Coach Conrad Pratt and his squad compiled an impressive 20-5 record over the regular season. At the season's end, Coach Pratt and team members Mandy Fuchs, Tom Griffin, Dave Proper, Tim Burdick, Mike Schrodin, Don Klein, Eric Helsley, Mark Stewart, Mark Burger, Mark Stier, and Paul Atwell proudly carried the Capital Conference banner to the eastern regional class D championship game at West Point, N.Y.

But a team's success frequently depends on more than sole talent alone. So much of a team's fortune rests upon the support of its fans, those loyal adherents whose encouragement means so much to the players on the field of competition. "You gotta believe," was what they said a few years ago, in another part of New York State, and the people of Germantown believed wholeheartedly, not only with their enthusiastic attendance at the regular season games, but also with the tremendous sendoff with which the fans bid their team good luck on its departure to the regional finals. And now, at the close of this most noteworthy season for the Clippers, the proud citizens of Germantown have declared May 4, 1980, to be "Germantown Clippers Day," with celebrations and special awards to the members.

Yes, Mr. Speaker, the Germantown Central School varsity basketball team and its loyal fans have every right to be proud of the team's accomplishments, and I trust that my esteemed colleagues in the House will join me in extending their warm congratulations to the Clippers and to the good citizens of Germantown.●

AHEPA BENEFIT FOR ST. BASIL'S ACADEMY

HON. DON RITTER

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. RITTER. Mr. Speaker, last weekend I was privileged to participate in an event sponsored by the Lehigh Valley Order of the AHEPA to benefit St. Basil's Academy.

At that time Mr. Nicholas Smyrnis, supreme president of the Order of the AHEPA gave a very moving speech which I think symbolizes what it means to be an American. It is important, in these times of economic and international uncertainty, that we recall the values that made us a great Nation and that we reaffirm our dedication to those values.

Mr. Speaker, I bring Mr. Smyrnis' address to my colleagues' attention:

> Several phrases have become synonymous with being American: "striking out on our own;" "the freedom to be yourself;" "becoming your own man." "Do your own thing"—that battlecry of the 1960's—was really just another way of saying the same thing.
>
> The Americans are a self-reliant people. This self-reliance can be traced back to the Mayflower, for those pilgrims came here to do their own thing . . . religiously, that is. They looked to no one other than themselves and their community for survival.
>
> The immigrants of the early 1900's, the Greeks, the Italians, the Serbs, and the Jews, came here for very much the same reason. They wanted the opportunity to work, to marry, and to live their lives without overpowering social conventions and a Big Brother holding their hand.
>
> The immigrants brought with them many old-country traditions. They settled into communities, where people communicated in their own language, and shared common beliefs.
>
> In the communities of our parents, everybody took care of each other. If your Mamma and Pappa were not available,

there were aunts, uncles, cousins, in-laws, neighbors and friends around to help. This ethnic network would help out if you were sick, or a little tight for money. The government, for the immigrant, was where you went to get a marriage license and file for your citizenship papers. The government was an entity that you helped through your taxes, and you didn't expect to get any help in return, but the poverty of the Depression was so widespread that this changed. Families were separated, businesses were ruined, and the government responded by stepping in with needed social services.

We all needed the help, but we needed it only until we got on our feet, only until Americans could begin to be self-reliant again. However, once the economy got better though, the government did not stop playing the social do-gooder. People were encouraged to rely less and less on themselves, and more and more on administrators in Washington.

Every one of you here tonight who lived here during the Depression, though you might not want to admit it, knows deep inside that the feeling of togetherness, the feeling of helping each other, the feeling that we would all pull through together, made these some of the best years of our lives. The more we helped each other, the more we helped ourselves. The more we stuck together, the closer together we became.

You may be wondering whether I came here to give you a history lesson or to talk about the AHEPA drive to build a new Hall for Boys at St. Basil's Academy in Garrison, New York. I wanted to provide this historical backdrop so that everyone here understands why the AHEPA is organizing this drive. Why are we raising money ourselves when the government could take care of the problem?

A confession. There is probably not a single child at St. Basil's—a school for young boys and girls who are orphaned, or from broken homes, or from destitute parents—who could not be transferred tomorrow to a state-run institution and given three meals a day and a roof over their head.

But, is this why our parents and grandparents spent weeks and weeks on crowded ships to come here? Did they settle here for a free lunch and government handouts? Was the immigrant dream to know that a xenos, or stranger, would take care of your child if you couldn't? Most certainly not. As anyone who has been close with a proud Greek immigrant knows, it is hard enough to give them a free cup of coffee, much less a free lunch.

Speaking for Ahepans, and all Americans of Hellenic descent, we do not want our children in state-run institutions. We do not want them to be cared for by mothers and fathers who disappear every day by five minutes after five. We do not want our children's lives run according to regulations set down in an office in the state capital. We do not want our children to be affected by the ups and downs of the state legislature, so that this year's budget cut will mean fewer clothes for the children next year. And finally, we do not need someone else to do what our community is strong enough and proud enough to do for ourselves.

The AHEPA, through this drive, is trying to revive the spirit that used to prevail when every child knew that he or she did not have just two parents, but dozens of parents; when a child always knew someone would care in a time of need.

The new AHEPA Hall will care for 72 boys. It is not a state-run holding tank whose sole purpose is keeping kids off the street. The completed building will have three wings, with eight rooms each, three boys to a room. It will have a gymnasium, library, and other facilities that could be described in Greek as tis anthropias—worthy of a human being. The boys who grow up there will know that their future will not be the hostage of a budget appropriation. These boys will know that thousands of Americans of Greek descent, from Vancouver, from Miami, from Allentown, and from everywhere in between, cared enough about their future to provide for it. They will know that they have not one or two part-time parents, but thousands of them, through AHEPA Domain.

Incidentally, for ourselves, the stakes are also high, for we can recover some of the feelings of closeness and self-reliance that our parents and grandparents came to America to achieve. Ours is a benevolent and most worthy cause. Let us help each other in making it come true.●

STOP OUTDOING CASTRO IN CENTRAL AMERICA

HON. LARRY McDONALD

OF GEORGIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. McDONALD. Mr. Speaker, our policy in Central America appears to be calculated to either pave the way for Castro or outdo him. Ian MacKenzie recently set forth the case in "Point of View" for the latter thesis. Right at a time when Castro is strained to the utmost by an economy in shambles, and mounting disenchantment at home, and with his mercenary armies abroad, the United States appears to step in and outdo him in Central America so he can have victories where none should have been possible. U.S. policy appears to be bent on replacing all friendly governments in the area with no thought to the Marxist alternatives. Mr. MacKenzie's article from the Washington Star of April 28, 1980, follows:

[From the "Point of View", Washington Star, Apr. 28, 1980]

Stop Out-Doing Castro in Central America

The plight of the 10,000 Cubans who stormed the Peruvian embassy in Havana in a desperate bid for freedom has aroused the traditional humanitarian instincts of other Latin American nations.

The astounding thing is that it has not aroused the political acumen of the United States, which should see in this massive repudiation of the Castro dictatorship a rare opportunity to solve a long-standing national security problem.

Cuba under Castro has been a total failure. While U.S. liberals chant the praises of Castro's advances in education and housing, the truth reveals all this to be a dismal sham.

What Castro has given his people is not free-thought education but Soviet-inspired indoctrination. The so-called people's housing is nothing more than a drastic decline in the standards of living. Even housing built in the capitalist pre-Castro era is in total disrepair.

Emilio Rivero, released with Hubert Matos after 18 years in Castro's dungeons, says Havana is known as *ciudad muleta*, "crutch city," because so many buildings are in such a state of decay that they must be propped up.

Such are the living conditions of the half-starved, liberty-deprived Cubans that the 10,000 at the Peruvian embassy clearly represent only the tip of the iceberg of those who would stampede out of Cuba given the chance.

Relocating 10,000 Cubans is not an inconsiderable social and economic problem. But the practical question that must be asked is: What will happen if 3 to 10 million Cubans suddenly decided to "rush the gates" in a bid for freedom?

This awesome prospect apparently has not been seriously considered and, yet, the possibility is not remote. One day, the nations of the Americas could well find they have 10 million desperate "boat people" from Cuba on their hands.

While all this is happening, the U.S. is losing an important propaganda trick in Latin America. Instead of publicizing Castro's total failures to the rest of Latin America and thereby undercutting Cuban-promoted Marxist revolutionary ideals which are unsettling other economically more sound, socially just and free nations in the region, the Carter administration is pursuing a bizarre policy of trying to pre-empt Castro in Latin America by being more "Castroite" than Castro.

This present-day State Department policy is aimed at installing "moderate" Marxist regimes in Central America in the wan hope that this will blunt Soviet-Cuban penetration in the region. Such a policy is as un-American in its values as it is morally and politically bankrupt.

The highly criticized State Department-sponsored junta in El Salvador, for example, is totally committed to breaking up the basic capitalist order. The recent agrarian reform, in which private property has been confiscated for the "people" at gunpoint, has succeeded in smashing the critical agrarian base of the nation's wealth. This communizing action will turn El Salvador into the economic equivalent of Bangladesh in Central America, and place the burden on the U.S. taxpayer.

While liberals may whine of inequities and social injustice in El Salvador and elsewhere, there is no possible justification to wreck a working economy and carry out a general takeover of private property. Nor is there any basis to charges that well-run farms are the product of political privilege. The farms taken over in El Salvador are overwhelmingly the product of hard work and initiative over many years by the owners in the best tradition of free enterprise and the American work ethic.

To try and out-do Castro as the State Department is bent on doing in Central America is not the answer to the social, economic and political development in this area.

It is in fact a terrible matrix to follow. Castro has only succeeded, with the full support of the Soviet Union, in reducing an otherwise prosperous, free and capitalist nation to an economic ghetto and a sociopolitical gulag.●

RENEWING U.S. ALLIANCES IN ASIA

HON. GERALD B. H. SOLOMON

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. SOLOMON. Mr. Speaker, despite the current crisis in the Middle East, we need to continue to focus on international developments in Asia.

The United States has a reliable ally in Asia—the Republic of China on Taiwan. The Carter administration has ignored this ally in its attempt to win the favor of Communist China.

The United States must adopt a realistic policy in Asia, especially one which recognizes the essential role of the Republic of China on Taiwan for the peace and stability of the region. Dr. David Nelson Rowe, professor of political science, emeritus, at Yale University, has written a perceptive article on the importance of renewing U.S. alliance in Asia—". . . And Renewing Old Alliances in Asia," in the Asian Wall Street Journal, February 12, 1980. I urge Members of the House to give careful consideration to the words of Dr. Rowe:

. . . AND RENEWING OLD ALLIANCES IN ASIA

(By David N. Rowe)

The current emergencies in the Persian Gulf and Southwest Asia have resulted in the shift of U.S. naval forces from the western Pacific to the northwest Indian Ocean area. This leaves a virtual vacuum of effective, mobile U.S. military power in Asia at a time when Soviet naval forces are steadily building up in the region. Together with the U.S. Supreme Court's upholding of President Jimmy Carter's termination of the U.S. Mutual Defense Treaty with the Republic of China on Taiwan, this requires a careful scrutiny of the security problem in the area.

The Taiwan Relations Act of 1979 established informal and non-governmental relations with "the people on Taiwan." It adequately provides for continuation of commercial, technical and cultural relations between the American people and the "people on Taiwan," assuming full compliance with the act by all U.S. government agencies, which can't be taken for granted. The shortcomings of the act are in the area of military security, where it is far from a real substitute for the Mutual Defense Treaty of 1955.

To be sure, the act calls for the sale of "defensive" weapons to the Taiwan authorities, and after a lapse of one year in 1979, this is now being resumed. The act also states the strong concern of the U.S. about the use of military force against Taiwan, whether direct or indirect, as by militarily enforced embargoes or blockades. Congress, however, carefully avoided making any clear-cut military guarantees to Taiwan, assuming that they would lead to a veto by President Carter on the grounds that they would undermine or destroy Washington's newly established diplomatic relations with Peking.

Such Senators as Frank Church and Jacob Javits have asserted that the military-security provisions of the Taiwan Relations Act go every bit as far as the 1955 Mutual Defense Treaty in guaranteeing Taiwan's security. But careful examination of the texts doesn't bear this out. Of course the 1955 Treaty made military action dependent on the required constitutional procedures of the U.S. This supposedly precluded an automatic U.S. military response to armed aggression against Taiwan. But, by contrast with the Taiwan Relations Act of 1979, the 1955 Treaty gave the U.S. the right to station armed forces on and about Taiwan. To facilitate implementation of the security guarantees in the treaty, and to give Washington a virtual veto over any general military actions in the Taiwan area, the U.S. stationed forces in Taiwan. In the event of an attack on the island these forces would have been involved immediately. Also under the treaty, there was established an elaborate apparatus for the local coordination of the armed forces of the U.S. and Taiwan. This was the Taiwan Defense Command, headed by an Admiral of the U.S. Navy who ranked second in command of all armed forces in the Taiwan area under the President of the Republic of China. With President Carter's termination of the Treaty of 1955, the Taiwan Defense Command and all armed forces of the U.S. in and around Taiwan were withdrawn.

Another significant provision of the treaty of 1955 was that the two parties would develop their individual and collective capacity to resist "communist subversive activities directed from without against their territorial integrity and political stability." (Art. II) The omission of any such provision from the Taiwan Relations Act has a deep meaning for the internal and external security of the government on Taiwan today which is constantly subject to efforts at such subversion.

While there is no doubt that under the terms of the Taiwan Relations Act any and all threats of military action against Taiwan would be regarded with grave concern and might even be deplored by the President and the State Department, that is as far as the Taiwan Relations Act goes. Such an attitude by the U.S. government would have no more effect in stopping such action than did President Carter's deploring of the ill-fated Chinese Communist invasion of Vietnam in early 1979. Washington has much more than deplored Iran's current actions, but in the absence of any effective military or other sanctions against it, U.S. diplomatic personnel are still held hostage there. And the Soviet invasion of Afghanistan, which surely is a "grave" matter, can be "deplored" to the high heavens as long as anyone wants to, without stopping it or even inhibiting it in any way.

A major feature of U.S. China policy for a number of years now has been to hope for a peaceful process under which Taiwan would be reconciled with the Chinese Communists, leading to the eventual unification of Taiwan and its people with the Communist mainland. But this is mere wishful thinking. There is absolutely no chance that it will happen in the foreseeable future. The government and people of Taiwan are adamantly opposed to it and are prepared to lay down their lives to prevent it. This is a fact, and it won't go away.

So the U.S. had better be prepared for eventualities. It can't rely simply on Chinese "rationality" to keep Peking from using overwhelming force to settle what, to China's leaders, is the "Taiwan question." At all levels of government, and at all times, Peking has held to this option. That military threats of any kind against Taiwan would be matters of "grave concern" to the U.S. would hardly give them pause.

Many people have taken refuge in the belief that Peking isn't militarily capable of invading Taiwan. Whatever the merits of this belief, it is palpably irrelevant. Peking has absolutely no desire to destroy Taiwan's productive capacities by direct military action against it. Of course the threat of selective destruction, i.e., by nuclear blackmail, can't be ruled out. But Peking's objective is to take over the productive facilities of Taiwan intact, and to do this it wouldn't invade. What it well could do is resort to a selective embargo, prohibiting the import of all petroleum products into Taiwan. This would destroy Taiwan's economy and produce social and political chaos, in a short time. Such an embargo could be enforced in the South China Sea, at distances from Taiwan's bases that would deprive its surface naval forces (it has no submarine force) of all air cover. Taiwan has no air force capable of long-range operations, and, of course, no aircraft carriers. Peking's large submarine forces, with adequate surface and air forces, could enforce an embargo proclamation.

Such a proclamation, adequately backed by military force, couldn't be opposed on legal grounds. The U.S., which would no doubt take a "grave" view of this matter, has already recognized Peking as the legal government of China, and Taiwan as part of that China. So the U.S. is in absoutely no position to raise legal objections to Peking's actions in a territory over which it holds sovereignty. To try to compel Peking to desist, would the U.S., in the world of Iran and Afghanistan, have recourse to playing against Peking a "Russian Card?" Hardly.

What could Taiwan do? Its antisubmarine reconnaissance and surveillance capability is virtually non-existent. Because of the defense character of its armed forces, it couldn't retaliate effectively against the mainland. And the policy of the U.S. is only to provide Taiwan with weapons consistent with a narrowly defined definition of defense.

There is only one way to guarantee Taiwan's defense. That is, and has been for some 30 years past, by effective military security arrangements between the U.S. and the Taiwan government. This is impossible given the current absence of government-to-government relations between Taipei and Washington. That is why, whether Peking likes it or not, the U.S. should resume such relations, in some form, and immediately.

How can this be justified in view of current tendencies to strengthen the Washington-Peking relationship in the face of Soviet aggression? Who knows where that aggression may strike next? As one prominent Japanese politician said recently, the security guarantees to Taipei are essential if the Soviets are to be kept out of Taiwan. And, he said, Peking knows this and can't object. It is known that Taiwan is holding the "Russian card" securely. Since the card is valuable and powerful, it won't be played unless absolutely necessary, to gain something equally valuable and powerful. But Taipei will play it if and when required.

In the meantime, the so-called "China card" so prized by strategists in Washington has been played by the U.S., only to be followed by highly successful Soviet aggression in Southeast Asia and Southwest Asia. To date these aggressions have been totally uninhibited by what Peking and Washington can do, either separately or together.

In a time of such unrestrained and seemingly unrestrainable Soviet aggression, the first priority in Asia is a renewal of some form of government-to-government relations between Washington and Taipei. This must be followed by formal military defense arrangements between the two governments, including the sale to the Taiwan authorities of all-weather fighter-bombers, long-range anti-submarine surveillance and attack weapons, adequate rocketry for land, sea and air units, and other such weapons. The deployment of U.S. forces in the area should again be put under a new or renewed Taiwan Defense Command with a U.S. naval officer in charge.

If at the same time the U.S. abandons its policy of withdrawing its forces from South Korea, there will be far greater stability in Asia at a time of general world crisis.●

NATURAL FOODS MONTH

HON. FREDERICK W. RICHMOND

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. RICHMOND. Mr. Speaker, the month of April has been designated "Natural Foods Month." Foremost among the organizations promoting the benefits of a nutritious and natural additive-free diet has been the National Nutritional Foods Association. Dave Ajay, NNFA's president, has been particularly outspoken as a leader in educating today's youth to plan and maintain a balanced healthy diet. I share with my colleagues some of the fine projects undertaken by Mr. Ajay and the National Nutritional Food Association in the past month.

NATURAL FOODS MONTH

April has been named Natural Foods Month by the National Nutritional Foods Association in cooperation with its various regional and educational affiliates across the country.

The National Nutritional Foods Association is a nonprofit organization representing retailers, manufacturers, distributors, publishers, educators and agronomists from every state of our nation. Natural Foods Month has been established to encourage Americans to improve their dietary goals for the enhancement of their health.

Against the tragic background of the growing addiction by American youth to salty, sugary snacks, caffeine, nicotine, alcohol and more dangerous drugs, the National Nutritional Foods Association, in conjunction with the observance of Natural Foods Month, launched a national campaign in April to promote the serving of more nutritious foods at breakfast and lunch in the nation's schools. A multi-media campaign using motion pictures, video cassettes and other promotional aids has been directed at parents, teachers and students to foster a junk-free, more nutritionally wholesome natural foods school lunch program in school districts across the land.

According to Dave Ajay, President of the National Nutritional Foods Association, "Interest in nutrition appears to be at an all-time high, yet, the teaching about nutrition and the serving of nutritious food in our school lunch programs may be at an all-time low! Highly-financed TV advertising of questionable 'foods' of high sugar, salt, and refined carbohydrate content has made a tremendous impact on the health of our youth . . . not for the better, but for the worst! Today, there is increasing evidence that our children are not getting optimum benefit from their education and that there is less discipline and attention-span in class and more vandalism in the schools.

"Our association recognizes these problems and proposed to lead the way to reversing this trend by providing some valuable tools for those of you who are willing to fight for the good health of your children."

Many educational events have been and are being held throughout the country in April by members of the National Nutritional Foods Association to make all citizens more nutritionally aware of the values of natural foods. The nationally syndicated "Viewpoint on Nutrition" educational television series is featuring special programs directed at educators to encourage them to serve and teach good nutrition in their schools.●

FIFTEEN-PERCENT TAX CREDIT FOR HOME HEATING FUEL OIL

HON. BRIAN J. DONNELLY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. DONNELLY. Mr. Speaker, today, I have introduced legislation which will assist households which have felt the most severe impact of rising energy costs. This legislation will allow for a 15-percent tax credit for home fuel oil expenses and to provide that the credit shall be funded from receipts from the 10-cent oil import fee imposed by the President. Although, I oppose this inflationary proposal, I feel that the revenues collected should be used for energy purposes rather than to balance the budget or placed in general revenues.

Under the Windfall Profit Tax Act, recently signed into law, all taxpayers will receive an income tax reduction, lower income households will receive additional fuel assistance, while the middle class, whose homes are heated by oil, will continue to be excluded from receiving assistance.

Members from New England and many other sections of the country, have been consistently frustrated in our attempts to make assistance available to the middle-income families which are forced to pay the lion's share of the increase in foreign oil prices. I believe that my present legislation will create a fair and worthwhile program which will not bring about any new tax programs. This bill will allow for a 15-percent tax credit for families earning up to $25,000 and are not receiving fuel assistance. The credit shall not exceed $300 and shall be funded from the recently imposed oil import fee. It has been estimated that the total cost of this program will be approximately 10 percent of the revenues collected by the import fee. I believe that this is a small price to pay to give assistance to the households who need it most.●

RETIRING EMPLOYEES OF THE TORRANCE UNIFIED SCHOOL DISTRICT

HON. CHARLES H. WILSON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. CHARLES H. WILSON of California. Mr. Speaker, each year the Association of Torrance School Administrators, Torrance, Calif., hosts an employee recognition banquet. At this banquet, retiring employees of the Torrance Unified School District are recognized for their accomplishments over the years. This year, the ninth annual banquet will be held on May 6, 1980.

The education of our children is of utmost importance to any community. These are the people who have spent their lives committed to further the education of young Americans. Without such commitment and sacrifice, our country would not be where it is today. For this reason, I feel it only appropriate to recognize each and every one of these retiring employees for a job well done:

RETIREES

Mrs. Lydia Alvarez, Mr. Lindsay C. Archibald, Mr. Walter R. Armantrout, Mrs. Lila Lee B. Barnes, Mr. Garth H. Belknap, Mr. Gordon D. Brannon, Mrs. June F. Brennan, Mrs. Muriel M. Briney, Mr. John H. Bush, and Mrs. Betty H. Canales.

Mrs. Daphene J. Cardwell, Mrs. Jean Carter, Mr. Earl K. Chumley, Mrs. Mary F. Clayton, Mr. Robert L. Clements, Mr. Francis Colclasure, Mr. Lester C. Cook, Mrs. Patricia Cowan, Mrs. Evelyn F. Cramer, and Mrs. Evangaline C. Crews.

Mr. Joseph P. Delonti, Mr. Edgar W. Derbyshire, Mrs. Mary T. Deseree, Mr. W. F. Dewey, Mrs. Mary DiLuzio, Mr. Hugh H. Dooley, Mrs. Rowena B. Edwards, Mrs. Helen B. Ellis, Mr. Frank P. Farias, and Mrs. Lucile C. Flowers.

Mr. Lester I. Foster, Mrs. Shelly O. Foster, Mr. Clifford R. Graybehl, Mrs. Irene W. Harter, Mr. Paul A. Heronime, Mrs. Betty N. Hickman, Mr. George F. Horvath, Mr. Orville D. Hoy, Mr. Edward J. Holak, and Mrs. Kathlyn M. Huggard.

Mrs. Eloise Inger, Mr. Melvin R. James, Mr. Utah H. Kemp, Mr. Joseph F. Kling, Mrs. Cora Koozer, Mr. Joseph Krivonik, Mr. Edward C. La Londe, Mrs. Jennie M. Lathrop, Mrs. Margaret L. Lennon, and Dr. Kathryn H. Lewis.

Mrs. Betty L. Lightbody, Mrs. Lucille Lilore, Mr. Leonard Lifton, Mr. William R. Magnuson, Mr. Ludwig E. Marjala, Mrs. Mildred McBee, Mrs. Geraldine McCalman, Mr. Alvin B. McEwen, Mr. Bert P. Meyer, and Mr. John D. Morgan.

Mrs. Elmyra C. Murray, Mr. John J. Nardiello, Mr. Cletus Nestlerode, Mrs. Barbara J. Ohlson, Mrs. Lidia Paldino, Mr. Alfonso M. Pardo, Mrs. Elodie K. Pearson, Mr. Peder O. Pederson, Dr. Lloyd Reist, and Mrs. Edith M. Reynolds.

Mrs. Alison L. Rhodes, Mrs. Carol N. Roscoe, Mr. James J. Rugg, Mrs. Fern M. Scheel, Mrs. Pearl M. Schmidt, Mr. John Shepherd, Mrs. Geneva S. Shelton, Mr. Neil W. Short, Mr. J. Donald Shriber, and Dr. James G. Sibert.

Mr. Francis J. Snyder, Mrs. Elizabeth C. Stabolepszy, Mrs. Frieda Steinwalchs, Mr. Don Sturges, Mr. Arlo M. Sullivan, Mrs. Martha Thompson, Mrs. Phaidor Trezise, Mr. Charles A. Waring, and Mrs. Evelyn B. Zickefoose.●

MAURICE GEORGE KARREL

HON. JAMES C. CORMAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. CORMAN. Mr. Speaker, it is my pleasure today to call the attention of my colleagues to the academic accomplishments of Maurice George Karrel of Van Nuys. Over the last 3 years at Los Angeles Valley College, Maurice

Karrel has taken credit courses ranging from real estate to history, from philosophy to anthropology, and achieved a perfect A grade over the last 11 semesters.

What is so extraordinary about his academic success? Maurice Karrel is 82 years of age and continues his educational pursuits at a pace that inspires his fellow students and senior citizens alike.

It is not surprising that there have been a number of distinctions in Maurice Karrel's lifetime: A graduate of Ohio State University, an infantryman in World War I, a major in the Army Air Force during World War II, and an official with the Los Angeles County Health Department.

Our Nation's senior citizens contribute much to the fabric of our lives. Their experiences, expertise, example, and traditions passed on from generation to generation provide the continuity of our society. Maurice Karrel has set a high example for those who seek to learn, for those who seek to achieve, for those who seek to lead. Maurice George Karrel has truly contributed to the education of us all.●

BATTLESHIPS: FULL SPEED AHEAD

HON. G. WILLIAM WHITEHURST

OF VIRGINIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. WHITEHURST. Mr. Speaker, several weeks ago, I inserted in the RECORD an article written by Brig. Gen. J. D. Hittle, USMC, retired, which had appeared in the Navy Times. His thoughtful commentary suggested the reintroduction of battleships into the active Navy.

Since then, the House Armed Services Committee has voted to recommission the battleship *New Jersey.* Questions have been raised as to where we will find a skilled crew for this vessel, in view of the critical shortage we already face in trained personnel. General Hittle, in a new article for the Navy Times, has provided a remarkable solution to the problem. I am pleased to insert his article at this point in the RECORD. It could give us the answer to a lot of our manpower problems.

BATTLESHIPS: FULL SPEED AHEAD

The House Armed Services Committee recently voted overwhelmingly to recommission the battleship New Jersey.

In so doing, the committee reacted decisively and logically to the global crisis facing our nation, and the need to use our naval assets, on an emergency basis, to strengthen our forces at sea.

Thus, the legislative process has started, and if the wisdom of the committee prevails all the way down the long legislative road, the overdue recognition and the use of the versatile, fast and tough Iowa-class battleships will be a reality.

Such a decision would mean that the United States is facing up to the reality of the spectacular rise of Russian sea power. It means, too, that our nation is using rich seapower assets. These assets, such as the New Jersey and her three sister ships, have been kept mothballed in the Reserve Fleet. They have been, at a sizable expense, preserved and saved for something. That something is now.

Taking New Jersey out of mothballs and putting her to sea would be a wise and bold move in helping to plug our ship and gun gap.

But there is another gap: It's manpower.

Our Navy is faced with basic and long-range personnel problems. Manpower is stretched thin, both in numbers and skills.

So, that brings the inevitable question: Where will the New Jersey crew come from?

Top Navy officials have a workable solution. They reportedly are willing to lay up some ships to get the manpower to put the New Jersey at sea.

Such a manpower policy is a testimonial to the need for battleship power, gunfire, endurance and toughness in our fleet. But the drastic trade-off of laying up some ships to man New Jersey may not have to be the full answer to the manning problem.

My suggestion is this: Taking the New Jersey out of mothballs is an unusual, nonroutine policy? There is right now a huge and virtually untapped source of warrant officers and senior petty officers. That source is the U.S. Naval Reserve, Fleet Reserve and Retired lists.

President Carter, as commander-in-chief, should issue a call for warrant and petty officers with big-ship experience to volunteer for two or three year tours of active duty. Any necessary legislative action should come promptly and easily.

Those volunteering would each receive a $10,000 "return-to-duty" bonus. It's only fair that the government should provide the volunteering serviceman and his family financial assistance in transitioning from civilian life to active duty. From the standpoint of the government, such a bonus would be just about the biggest manpower bargain in history.

Each volunteer who, on his record, is accepted for active duty, would be already trained and experienced. The training costs in critical skills, particularly for the senior POs and warrant officers, would easily come to hundreds of thousands of dollars in individual cases.

Like the battleship they would man, built and paid for, their training is paid for. It is here now. What's more, each accepted volunteer has had years at sea. He can report aboard and start standing his watch. He possesses that all-too-rare and priceless thing called experience. It can be purchased only by time in service and the passing of the years of one's life. Such a price has already been paid. If the results of such a priceless investment are not asked for and used by our nation in this time of mounting peril, the failure to do so will be both administratively inexcusable and potentially tragic.

On completion of the prescribed active duty, each volunteer should receive a one-grade promotion. He will have added to his years of service. He will have earned the promotion and the pay that goes with it.

This call for big-ship skills and experience would not clash head-on with the manning requirements for attack carriers and missile ships. In large measure, the battleship is not so heavily dependent on the kind of air-crew and electronic repair skills as a carrier. This, in turn, could mean that if this idea works for the New Jersey, the same kind of call for volunteers might be used to help man the carrier Oriskany, which the House Armed Services Committee also would return to duty.

Will this idea work? I think there is a good chance that it will. It deserves a try. These are not usual times. Once in a while we should be willing, when the need is great, to go beyond the routine procedures and policies and, while holding to a common sense course, use some imagination.

Of course, there would be problems. Those coming from the Fleet Reserve and the Retired List aren't the agile sailor-boys they once were. There would be some creaking knees on the ship's ladders for awhile. But what might be lost in vigor and restlessness would be more than made-up in knowledge and experience in the ways of the sea.

And, too, so many who would be asked to volunteer by now have, with the passing of years, largely forgotten past miserable assignments, long deployments and obnoxious seniors. Instead, like so many of us, they have been on the beach so long they are beginning to believe their own sea stories.

For some of them, the call to duty, like the siren call of the sea, would be hard to resist.●

LEAA FUNDING

HON. ROMANO L. MAZZOLI

OF KENTUCKY

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. MAZZOLI. Mr. Speaker, I am very concerned about recent proposals to transfer fiscal year 1980 funds for grants to State and local governments from the Law Enforcement Assistance Administration (LEAA) to support the operations of other units in the Department of Justice.

I understand that three such transfers are being considered;

First, $13.8 million to pay for increased gasoline costs incurred by the Drug Enforcement Administration and the Federal Bureau of Investigation;

Second, $7 million to provide security for the national political conventions this summer; and

Third, $2 to $3 million to pay for certain pay increases in the Department of Justice.

Further, I understand that a large number of LEAA employees have been detailed to other parts of the Justice Department or to other agencies.

Because LEAA was reauthorized and reorganized just last year, I am concerned that these sudden cuts in the agency's funds will prevent the Congress from evaluating the effectiveness of the agency's operations in its new form.

In many cases, these funds will be taken from local governments or community organizations that had reasonably expected to be awarded LEAA grants this fiscal year.

The detailing of a large number of LEAA employees to other areas could prevent the agency from carrying out the new mandate from Congress to carefully review and evaluate all grant awards to weed out ineffectiveness.

In 1975, LEAA had a budget of $895 million. By this fiscal year, the budget was down to $442 million and the administration has proposed further cuts for fiscal year 1981. In this light, the proposed transfers and the detailing of LEAA employees seem to amount to an effort to shut down the program immediately.

I have contacted Budget Director McIntyre, Attorney General Civiletti, and the chairmen of the authorizing and appropriating committees in the House to ask them to review this matter carefully.

Because these actions would have a serious adverse effect on many effective local law enforcement programs, I believe that they are penny-wise and pound-foolish.

I urge my colleagues to study this issue carefully and to support adequate funding for LEAA in fiscal year 1980 and fiscal year 1981.●

NEW DOLLAR COIN IS NOT FLYING IN DELAWARE

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. EVANS of Delaware. Mr. Speaker, a few months ago, the U.S. Postal Service, in a desperate attempt to help the Treasury Department unload millions of new dollar coins, embarked on a campaign to push the coins into the hands of their customers.

It appears that the campaign is not working. A recent article in the Wilmington Morning News, which appeared on April 14, detailed the underwhelming response that the coins are getting from Delaware citizens.

As my colleagues know, I opposed the proposed dollar coin when it was considered by the House in 1978. In fact, I was the only member of the Banking Committee to vote against it, and the only Member of the House to speak against it on the floor. I regret to observe that many of my objections then have been borne out, and that even after 10 months of circulation—or lack of it—the new dollar coin still is not being accepted by the American public.

Once again, the Federal Government has tried to ram something down the throats of the people that they just will not swallow.

The article follows:

CHANGE—POST OFFICE PUSHES DOLLAR COINS

(By Mike Schaffer)

Sometimes the customers just stare when postal clerk Philip Morabito hands them the coins. Why he is giving them three quarters when they're waiting for $3 in change?

Then Morabito explains that the coins aren't quarters, they're Susan B. Anthony dollars. Since Feb. 1, post offices across the country have been using the new dollars to make change in an effort to help get the public to accept the coins.

But even Morabito's explanation doesn't end the confusion. "They look at me like 'What is a Susan B. Anthony dollar?' "

After he explains, many of the customers tell Morabito they don't want the dollar coins. They say they don't want a coin that they might accidentally spend as a quarter.

Handing out the Anthony dollars has become such a headache that some post office window clerks "don't like to mess with the dollars," said Morabito, who works at the Townsend Post Office.

A report completed Friday by Stanley S. Menashes, director of customer services for the postal service in Delaware, confirms Morabito's observations.

"Initially, the dollars were accepted by the public," Menashes found after surveying all the post offices in Delaware. "Now that we've been at it for a while, there appears to be some reluctance."

The elderly seem especially wary of the new coins, according to Menashes. Failing eyesight can make it easy to confuse the dollars with quarters.

In some post offices, 25 percent of the customers are rejecting the new coins, according to Menashes. In others, almost none of the customers want them.

Some were so adamant about not pocketing the Anthony dollars that they "verbally abused" the window clerks, Menashes said, which makes some clerks reluctant to hand out the coins.

The problem is especially bad at the Union Street post office, according to Menashes. Postal employees "are running gun shy out there."

Clerks at the Union Street and Rodney Square post offices gave one customer his change in paper dollars last week without asking if he wanted the coins.

Few of the coins are coming back to the post office once they go out, according to Menashes. "A lot of people are hoarding the coins" because they think the government is going to stop making them, Menashes speculated. "I think a lot of people aren't using the coins."

In Port Penn, some postal customers have asked for Anthony dollars and the supply sometimes even runs out, according to Menashes. In Rehoboth Beach, one man asked for 100 of the dollars in exchange for paper money. But New Castle customers "have lost interest."

In Talleyville, postal customers are carrying away about 100 of the new dollars every day. In Newport, where the coins are unpopular, it's 100 a week.

Menashes said he did not know how many of the new coins Delaware's post offices have put into circulation. But John Doon, a spokesman for the U.S. Bureau of the Mint in Washington, D.C., said Friday that circulation of the coins has increased ten-fold since the postal service began pushing them.

About 288 million of the new dollars are in circulation now, according to Doon. The postal service is "doing an excellent job" of getting the coins into the public's pockets, he added.

Americans will learn to accept the Anthony dollars, Doon predicted, just as they learned to accept zip codes.●

GUN CONTROL ON THE BASEBALL DIAMOND

HON. FORTNEY H. (PETE) STARK

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. STARK. Mr. Speaker, buried back in the sports section of this morning's Washington Post was an article that most of us probably did not even notice. Yet it provides another example of why we need strong gun control legislation.

The article tells the story of a softball game in Greenville, S.C., that ended in tragedy after an umpire made a disputed call.

As an advocate of handgun control, I cannot help but think that this incident and countless others like it could be avoided.

The article follows:

UMPIRE SLAIN, COACH HELD

GREENVILLE, S.C., April 28—A rhubarb at a softball game between Laurel Creek and Fountain Inn ended with the umpire shot to death, another man nursing broken bones and a coach in jail today charged with murder.

Lt. Earl Barnett of the Greenville County Sheriff's department said Willie Lee Spurgeon, 44 of Fountain Inn was arrested at his home and charged with murder in the slaying of Raymond L. Dawkins, 52. No bond was set.

An umpire, but apparently not Dawkins, reportedly made a disputed call and an unidentified man ran onto the field with a knife. Spurgeon, who was in a dugout, pulled a pistol. A fight ensued, with shots exchanged. Ballistics tests later showed that Dawkins was killed by a bullet in the neck from Spurgeon's gun.

During the fight, Spurgeon was shot in the hip, and his pants fell off when the bullet hit him, authorities said.

Meanwhile, James E. Thompson, said to be the second baseman, also brandished a gun. He was attacked with a baseball bat. He was listed in satisfactory condition at Greenville General Hospital with severe head, face and shoulder injuries.

His sister, Debbie Carter, said Thompson did not play softball and was standing on the sidelines. As for pulling the gun, she said, "Some say he did and some say he didn't."●

ON THE DRAFT REGISTRATION BILL

HON. FLOYD J. FITHIAN

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. FITHIAN. Mr. Speaker, on April 22, 1980, the House voted on the issue of when to reimpose registration for the draft. There were 218 Congressmen that voted to reimpose draft registration this summer; that is, before a Presidential defense mobilization order. Supporters of this proposal argued that premobilization registration would allow the Selective Service to create a computerized data base which would give us a headstart in any future conscription effort. There were 188 Congressmen, including myself, that voted to go ahead with draft registration, only after a Presidential defense mobilization order was signed. Supporters of this alternate proposal argued that our headstart from premobilization registration would be only 6 to 13 days and that this small headstart would be more than offset by the chaos caused by technical flaws in the program. More than half the names in the proposed Selective Service data base would be listed at wrong addresses less than 24 months after the plan went into effect.

Neither plan would authorize conscription or draft registration of women—one of the highly controversial aspects of the administration's original registration proposal. A House Armed Services Subcommittee killed this provision of the administration plan in February.

Both plans assumed large military manpower requirements in the event of war and both assumed that voluntary enlistment alone would not meet these wartime needs. Neither plan was designed to replace the current peacetime All-Volunteer Force begun in 1972 by President Nixon.

Under both plans the Selective Service would have been brought out of its current deep standby status, modernized, fully staffed, and brought to a high level of readiness. Under both plans, the Selective Service would draw up contingency plans, estimate the Nation's wartime manpower needs, establish draft quotas, and make manpower assignments for future draftees. Under both plans, registration forms would be printed and distributed for future use. The only difference between the proposals, in fact, was the timing of actual registration.

I supported postmobilization draft registration because the January 1980 report of the Selective Service System stated that premobilization registration would save about 7 days in getting draftees to their training centers. "The postmobilization option is by far the most cost effective and least intrusive," the report stated, "and is the option chosen by the Selective Service." The study outlined the Pentagon's mobilization requirements—100,000 men within 60 days after mobilization starts. It revealed that premobilization registration would bring them in within 28 days and postmobilization registration would take 35 days. A study by the Congressional Budget Office in 1978 reached similar conclusions, noting that early registration could save perhaps 13 days. The minimal time savings—of little military value in an emergency since it takes more than 6 months to train a recruit—must be weighed against the confusion caused by millions of wrongly addressed induction orders in the event of an actual military draft order.

The alternative—postmobilization registration—can be done quickly and efficiently if the machinery is in order as is planned under the proposed postmobilization registration plan I supported. One-day registration of 10 million persons in 1917 and of over 16 million in 1940 proved that it can be done. It is also interesting to note that these signups were accomplished successfully without computers. More importantly, the registrants' addresses would be current. Also, a postmobilization registration would likely take advantage of the surge in patriotism that would accompany an international crisis.

The argument that premobilization registration is necessary to show U.S. military resolve in the face of recent Soviet aggression is weak. Like most U.S. military analysts, the Soviets know that premobilization registration will be only marginally effective in expanding U.S. military power in a crisis. They know that premobilization registration would not add one single fighting man to our combat capability for more than 6 months after a mobilization order. And, like most U.S. military analysts, they are fully aware that the status of U.S. reserve units and the Ready Reserve is far more important than the draft in any superpower showdown. The deplorable condition of America's military reserves is not addressed in the premobilization draft proposal. By implying that the premobilization registration proposal will solve the Nation's military manpower needs, the advocates of this plan are deceiving themselves, not the Soviet Union. If premobilization registration is to be adopted, it must be adopted on its military merits, not its emotional or symbolic appeal.

As a veteran of 20 years service in the U.S. Navy and Naval Reserve and as a former commanding officer of the Lafayette Naval Reserve unit, I am deeply disturbed by the condition of our reserve units and the Ready Reserve. Defense Secretary Brown identified shrinking reserve personnel levels as one of the most difficult aspects of total force readiness, in the annual report of the Department of Defense. Army Reserve and National Guard units have been particularly hard hit by the reserve manning crunch. A recent random survey of 50 Ready Reserve and National Guard units reveals that 11 were at half strength and 8 at only one-third strength. Since these units would be committed to combat within 30 to 60 days after the outbreak of any future war in Europe filling these units with capable and qualified soldiers is obviously one of our highest defense manpower priorities.

Premobilization registration for the draft is not an effective military response to the Soviet Union's invasion of Afghanistan nor is it an answer to our military manpower needs. Postmobilization registration, reform, and revitalization of the Selective Service System, and a renewed emphasis on U.S. Reserve Forces would send a far clearer message to the Kremlin than the plan adopted by the House on April 22. I can only hope that the Senate will seriously consider these practical and effective alternatives when the matter is brought before that body.●

MX MISSILE

HON. JOHN L. BURTON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. JOHN L. BURTON. Mr. Speaker, in a time of budgetary cut, trim, and squeeze, it is preposterous to spend more than $33 billion on the MX missile.

I would like to share three articles showing the inherent weakness of that proposal:

THE PERFECT SYSTEM

(By Art Hoppe)

In his relentless war on inflation, President Carter is grimly determined to raise the price of gasoline ten cents a gallon, cut improvements in mass public transit by $265 million a year and spend at least $33.8 billion for the MX mobile missile system.

All week long, I had the uneasy feeling there was an inherent flaw somewhere in Mr. Carter's strategy.

Fighting rising prices by raising the price of gas certainly makes sense, I guess. And there's much to be said, I'm sure, for forcing more Americans back into their private cars by letting public transit further deteriorate. But is investing $33.8 billion in MX mobile missiles really a hedge against inflation?

As you know, the MX is designed to baffle the Russians by placing individual missiles on "race tracks," each 15 miles long, and running them around in circles in random fashion so that the Soviets would never know where one might be at any given moment.

This description of the system has always reminded me vaguely of something else. But what? I felt if I could put my finger on it, I could whip inflation, the Russians and the energy crisis in one fell swoop. I'd be a national hero.

Unfortunately, the noted budget analyst Rachelle Marshall has beaten me to it. All the president needs do, she says simply, is to install the MX mobile missiles on our country's trains, buses and subways.

The brilliance of Analyst Marshall's concept staggers the imagination. If there ever was a system in which the vehicles ran around in circles and proceeded from hither to yon and back to hither in random fashion, it's America's mass public transit system.

Install a missile on Amtrak's Overland Limited, and the Russians, no matter how vast and competent their spy network, would never be able to predict within hours, much less seconds, what time the missile would arrive at any given spot.

And buses! There's no reason every bus in the land couldn't tow a missile behind. Is there anything more unpredictable than if and when a bus will wander by? In San Francisco, the general manager of utilities, Richard Sklar, recently admitted he had no idea where his buses were. "All we really know," he said cheerily, "is that they go out in the morning and come back at night."

In some cities, subways actually arrive on time—when they arrive at all. But from Boston to Oakland, the Russians would undeniably waste thousands of missiles attempting to blow up subway trains that had already blown up, broken down or toppled off the track.

There is, of course, the question of whether those who use public transit would welcome the installation of missiles on their trains, buses and subways. The MX system, as presently conceived, would cover 6,000 square miles of Nevada and Utah. And the residents thereof have voiced strong objections—despite an all-out Defense Department campaign to convince them of the advantages of becoming a major target area.

But city folk are more inured to danger than rural folk. Show me a New Yorker who will ride the BMT Carnarsie Line after dark and I'll show you a citizen who wouldn't blink an eyelash over a lousy 100-megaton nuclear bomb. (In fact, the only problem of installing a 100-megaton missile on the BMT, as my friend Michael Harris points out, is that someone would promptly rip it off.)

So let's get to work buying $33.8 billion worth of new trains, buses and subways to haul the MX around in aimless circles. As long as we call it a missile system and not mass public transit, Congress won't cut a nickel out of the appropriation.

That's what's wrong with the President's strategy: He just didn't get his priorities straight.

[From the Los Angeles Times, Mar. 31, 1980]

MX: TOO MANY HURDLES

The Pentagon is reluctant to face the fact, but it is becoming increasingly clear that the MX missile project faces too many hurdles to be completed during the period when it will be most needed. The trouble is that, while the case for abandoning the racetrack version of the MX is strong, the quest for an alternative promises to be very difficult indeed.

The Soviet Union has the ability—or soon will have—to knock out substantially all of the American land-based nuclear missile forces in their fixed silos, and still have enough missiles left over to destroy U.S. population centers if the American President were so bold as to shoot back.

The so-called MX or advanced missile program was designed to achieve a satisfactory degree of invulnerability through mobility, while offering the Russians a chance to verify that this country was not violating the limitations established in the SALT II arms control treaty.

The scheme involved a racetrack pattern of deployment in which each of 200 MX missiles could be shuffled to and fro between 23 possible launching sites.

The triangular area involved extends roughly from Las Vegas to Reno to Salt Lake City and back to Las Vegas. If carried out, it would constitute perhaps the largest construction project in the history of the world.

The Air Force was careful to do advance missionary work, pointing out to state and local political leaders the enormous potential in payrolls and economic development. The original reaction in the area was overwhelmingly favorable.

As time has passed and people have taken a closer look, however, sentiment has changed. Awareness has grown that the influx of tens of thousands of construction workers would not only upset the delicate desert environment but also would bring inflation, prostitution and social disruption in its wake, with unpredictable effects on the tax burden and life styles of permanent residents.

Last week the governors of Nevada and Utah testified on Capitol Hill that they would really prefer that the MX racetracks be built someplace else—west Texas or New Mexico, maybe. At the least they demand a study of alternative siting.

It is doubtful that the MX can be deployed in Nevada and Utah against the wishes of the people who live there without considerable delay. And, if the delay is very long, the MX wouldn't be available until the late 1980s—leaving the country to face a "window of vulnerability," as the experts put it, through most of this decade.

Common sense requires that other, more timely, options be considered—and considered quickly. It should be understood, however, that there is no easy solution.

The United States could upgrade its present Minuteman ICBM force under some simple system of shell-game mobility. But it is hard to conceive of an approach that wouldn't violate the verification requirements of the SALT II treaty—or that, SALT aside, wouldn't be objectionable to us if the Russians did the same thing.

The United States could abandon its land-based nuclear deterrent entirely and depend on missile-firing submarines. But deep-running submarines can be out of radio contact for hours at a time; a President could not wholly rely on them in a pinch.

This country could renounce the 1972 ABM treaty and deploy antiballistic missiles to defend the existing Minuteman silos. But, if a dangerous instability in U.S.-Soviet relations were to be avoided, that would require a renegotiation of the treaty—a formidably time-consuming process.

One answer, of course, is to do nothing—to leave the Minuteman missiles in their fixed silos as they become increasingly vulnerable to a surprise attack. In effect, however, this would force the President of the United States into a launch-on-warning policy so that incoming Soviet missiles would hit nothing but empty holes.

But what if the radar warning turned out to be a mistake—and the world were destroyed for nothing? This do-nothing policy is the cheapest in terms of tax dollars, but is the most frightening of all.

The problem won't go away by pretending that it doesn't exist. It seems obvious that the answer lies in renegotiation of the SALT II treaty to allow both sides either to erect an ABM system or a mobile ICBM force under rules that would not upset the strategic balance.

Unfortunately, that is more easily said than done, particularly because of the tense political situation created by the Russian invasion of Afghanistan.

RAILROADING THE MX INTO HEARTLAND AMERICA

(By Colman McCarthy)

As a loyal American and a conservative Republican (and in heady moments convinced that to be one you have to be both), Sue Dutson of Delta, Utah, always believed that when it came to national security it was her patriotic duty to have faith in the experts.

But then she met the experts. Air Force generals, colonels and Pentagon weapons analysts came to town meetings in Utah and Nevada to sell the locals on the MX missile system. Mrs. Dutson, the publisher and part owner of two small weekly newspapers, listened as they described the MX missile-siting program.

Known as "the racetrack system," some 10,000 miles of roads and 2,000 miles of railroad tracks would be carved out of vast areas of Nevada and Utah drylands, all of it to give shelter to 200 missiles that would be rotated around oval loops.

Presumably, on Doomsday morning the flustered Russians wouldn't know what to aim at. On Doomsday afternoon, the Utah-Nevada MX missiles would have been launched against Soviet cities. World War III would be over just like that, and the good folks in the West's Great Basin would be owed a debt by all Americans.

Mrs. Dutson didn't gag on all this at first. "Utah and Nevada are really quite hawky," she says. "But I knew we were headed for trouble when the generals and colonels turned up at town meetings telling us how tickled they were to be out in Heartland America where patriotism still thrived. Translated, that meant that they were about to lay a heavy number on us."

Despite the ham-handedness of the experts, Mrs. Dutson was considerably more patient than others in the two states. Environmentalists, mining people, ranchers, Bureau of Land Management officials and local politicians forgot their usual differences and quickly formed a coalition against the MX proposal.

"I came around," Mrs. Dutson says, "when I saw that the military just wasn't making a persuasive case. Every time the Air Force comes out with a statement, the figures change. One time they told us that 2 million tons of cement would be needed. The next time it was 2.7 million tons. It was the same with water needs."

Even hearty champions of large Pentagon budgets like Sen. Paul Laxalt of Nevada and Sen. Jake Garn of Utah are nervous about having their states' land torn apart by the Air Force. When Laxalt recently questioned a Carter Administration official on its policy regarding Nevada's water law and MX construction plans, he learned that no policy existed.

"Even if the Administration had gotten its act together with respect to state water law," Laxalt said, "that would still be insufficient. Nothing less than clear statutory language will satisfy me when it comes to protecting Nevada's water rights."

That is only one of many unresolved problems with MX. The General Accounting Office reported three weeks ago that the cost of the program was at least $56 billion, up from the Pentagon's original estimate of $33 billion. That doesn't include the inevitable cost overruns, nor reflect the Administration's current campaign of "budget cutbacks."

Should the MX proposal eventually be seen as too mad, too expensive and too clumsy a scheme, the turnaround in the debate will likely be seen as having come from citizens like Sue Dutson.

When she came to Washington the other day to talk to members of Congress, she said that Utahans and Nevadans tend to be polite people who respect authority. But she spoke of newspaper polls in the two states that show a growing opposition to the MX. She acknowledged that part of it was the obvious "anyplace but my backyard" kind of opposition. But she has noticed a new sophistication as well: "We've been lied to about the nerve gas at Dugway, about open-air testing in Nevada, lied to about Vietnam and now the MX. Well, not this time."

It's regrettable that this awakening has taken so long. But, now that it's here, perhaps conservative Republicans like Mrs. Dutson are the best ones to lead the way. Their fervor is new. The Pentagon has yet to wear them down.

Mrs. Dutson tells of one earthy citizen at a town meeting who, after hearing military explanations, commented on the different modes of deploying the MX missiles: "He came right to the point. 'First we were told about the land mode. Then the water mode. Then the air mode. But I favor the commode, for flushing down all this talk of nuclear war.' "●

ST. URSULA'S SCHOOL STUDENTS

HON. CLARENCE D. LONG

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. LONG of Maryland. Mr. Speaker, I welcome the fourth grade students from St. Ursula's School in Baltimore who, with Mrs. Margaret Gertler, are today visiting the Capitol.

My constituents will tour the Congress and the FBI building. I will meet with the boys and girls from St. Ursula's to discuss the legislative process and the issues before Congress.

Mr. Speaker, I invite you and my distinguished colleagues to join me in saying hello to:

Eddie Barth, David Dorzey, Joe Lagna, Rob Lorenz, Timmy Maiste, John Mealey, Thomas Pipkin, Eric Reynolds, Louis Romeo, Michael Thomas, Joe Webb, John Wise, Shane Adamiak, Cliff Clark, John Colburn, Matt DiNenna, David Feeney, David Fulco, George German, Steven Grems.

Sean Maek, John Mitchell, Kevin Roch, Michael Rossi, Justen Ward, Terry Barczak, Lauri Brofka, Erin Coster, Jennifer DiForte, Kathy Fell, Sharon Jackson, Pam Klausmeyer, Donna Marie Liberto, Monica Maychrzak, Mary Kate Monaghan, Pamela Vogt, Patricia Vogt, Sarra Ritmiller, Chrisi Gliesner, Kim Callis.

Shelly David, Tammy Gagalski, Jean Horner, Barbara Kawolski, Laena Kuda, Donna Lorenzo, Lisa Morfe, Beth Phalan, Nancy Portera, Kathy Puskar, Cindy Wiedeman, Maria Cooper, Jenny Cox.●

THE KATYN MASSACRE

HON. WILLIAM R. COTTER

OF CONNECTICUT

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. COTTER. Mr. Speaker, this month is the 40th anniversary of the brutal murders which took place in the Katyn Forest near Smolensk in western Russia in April 1940. I believe we have an inherent duty to remind the world of these Soviet atrocities, which rival the heinous crimes of the Nazis during World War II. And, it is especially relevant to note this 40th anniversary at a time when Soviet murder is continuing in Afghanistan.

The Katyn affair, as it was popularly called in 1943 when the Germans announced their discovery of the corpses of 4,500 Poles in mass graves in Katyn Forest, was primarily responsible for the establishment of the postwar Polish-Soviet frontier at the Curzon line.

After Nazi Germany invaded Poland in 1939, the signing of the Nonaggression Pact of 1939 with the Soviets resulted in Soviet forces occupying the Polish territory mostly east of the Curzon line. Thousands of Polish military personnel were arrested and interned in prison camps inside the Soviet Union.

It is estimated that 181,000 men were captured and scattered throughout hundreds of labor camps. Further arrests in late 1939 and early 1940 increased this number to 230,000. Of that number, approximately 13,500 were officers in the Polish Army. Most of these officers were confined in three POW camps: Starobelsk, 125 miles east of Kharkov; Kozelsk, 95 miles south of Smolensk; and Ostashkov, halfway between Moscow and Leningrad. Beginning in November 1939, families of these prisoners started receiving correspondence from the camps. At least 2,000 prisoners from Starobelsk and Kozelsk contacted their families. No letters were ever received from prisoners in the Ostashkov camp.

After the Germans invaded the Soviet Union in June 1941, the Polish Government-in-exile in London and the Soviet Union agreed to cooperate against Germany and a Polish Army on Soviet territory was to be formed. No accord was reached, however, on the vital issue of the future Polish-Soviet border.

In the ensuing months Polish Gen. Wladyslaw Anders began organizing the Polish Army. When he requested that the Polish prisoners of war held at the Soviet camps at Kozelsk, Starobelsk, and Ostashkov be transferred to his command, he was informed that most of those prisoners had escaped to Manchuria. Of them, only 448 officers were attached to his forces. In 1942, the newly formed Polish Army was evacuated from the Soviet Union to the Middle East, but the fate of the missing prisoners continued to remain a mystery.

On April 13, 1943, shortly after the Soviet-Polish dispute over the future frontier had intensified, the Germans announced that they had discovered mass graves of Polish officers in the Katyn Forest. The Germans identified the corpses as the officers who had been interned at the Kozelsk prison camp before April 1940 and accused Soviet authorities of having executed the prisoners in May 1940. Two days later the Soviet Government explained that the Polish prisoners had been engaged in construction work west of Smolensk in 1941 and charged that the invading German Army had killed them after seizing control of the area in July 1941. The Polish Government requested that the International Committee of the Red Cross examine the graves on April 17, 1943. The Soviet Government was asked to provide official reports on the fates of the remaining prisoners. On April 25, 1943, the Soviet Government broke diplomatic relations with the Polish Government in London.

Meanwhile, with German approval, Katyn was visited by various groups. The archbishop of Cracow dispatched a group of priests, and the Polish underground army managed to include some of their members in this team. Correspondents from the neutral countries of Sweden and Switzerland were invited. Finally, the Germans organized a team of 13 internationally known experts in criminology and forensic medicine. The verdict of this commission was in agreement with the Polish Red Cross team. The facts were as follows:

First, a total of 4,134 bodies were removed from the graves. All were attired in Polish uniforms or remnants of such uniforms. All displayed signs of bullet wounds in the back of the head and their hands were tied behind them. Jute ropes and in some cases, barbed wire, had been used for that purpose. Some of the corpses showed signs of stab wounds from bayonets and broken jaws from rifle butts.

Second, all prisoners were killed with ammunition manufactured by the Gustav Genschow Co. in Durlach between 1920 and 1926. Large quantities of such ammunition were exported to the Soviet Union before the war.

Third, many personal items belonging to the prisoners were found on the victims, such as letters, photographs, notebooks, and so forth. An analysis of these objects proved that they had been interred in the ground the same length of time as the bodies. Objects that were successfully separated from the bodies, such as newspapers, diaries, and notebooks showed that none were dated after May 1940.

Fourth, the state of decomposition of the bodies, the condition of clothing, and the analysis of the soil and surrounding vegetation all indicated that the graves were established not later than May 1940.

It is interesting to note that at this time the United States and Britain, whose main concern was to defeat Germany, believed that the Poles were endangering Allied friendship and the war effort by not accepting the Soviet conditions for the reestablishment of diplomatic relations, which, in effect, meant recognizing the Curzon line as Poland's eastern frontier.

Consequently, at the Tehran Conference in November 1943, Great Britain and the United States, hoping to ease the tension caused by the Katyn massacre and preserve their alliance with the Soviet Union, ignored Polish protests and agreed to set the postwar Polish-Soviet border at the Curzon line. That frontier settlement was confirmed by the Allies at the Yalta Conference in February 1945.

The facts presented by the Commission proved beyond any doubt that the massacre in the Katyn Forest could not have committed by the Germans. They did not occupy the Smolensk region until the summer of 1941.

No Soviet official or military officer has ever been brought to justice for the Katyn Forest massacre.

And, in a manner representative of Soviet cunning and deceit, in 1962 Russian authorities in their expectation of "Trains of Friendship" arriving from Poland, arranged a symbolic grave and monument in the Katyn Forest. The following was inscribed on the stone in bad Polish:

> Here are buried slaves, officers of the Polish Army, brutally murdered by the Nazi occupants in the fall of 1941.

The story of the Katyn massacre must be remembered by the world. It is an example of the absolute brutality practiced by a political system which is void of any concept of human rights or of the value of a human life. There is no better example in history than the Katyn massacre to reflect upon when one ponders George Santayana's warning "Those who cannot remember the past are condemned to repeat it".●

BE KIND TO ANIMALS WEEK

HON. THOMAS B. EVANS, JR.

OF DELAWARE

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. EVANS of Delaware. Mr. Speaker, Sunday, May 4, marks the beginning of Be Kind to Animals Week, an annual event intended to encourage the humane treatment of animals.

The nationwide movement for the observance of a Humane Sunday and a Be Kind to Animals Week was launched in 1914 by the American Humane Association at its annual convention in Atlantic City. It is interesting to note that the first Humane Sunday was to include consideration of kindly treatment for both children and animals. The first Be Kind to Animals Week took place the week of May 17-23, 1915, thus, this year's observance marks the 66th annual event.

Each year in Be Kind to Animals Week, individuals and organizations dedicated to the humane treatment of animals devote the week to educational activities such as visits to schools. In my home State of Delaware, the Delaware Humane Association is very active in this regard. In a recent letter to me, Mrs. Pat Prescott of the Humane Association wrote:

> We are concerned with teaching kindness and we hope that parents, teachers, youth group leaders, and other adults will join us in helping boys and girls to understand that humaneness to All living creatures is imperative. This may help to explain some of the reasons why we go all out to make the annual Be Kind to Animals Week in Wilmington—and for that matter the entire state—a big success.

Mr. Speaker, I share the belief of the Delaware Humane Society that we must speak for those who cannot speak for themselves, and I commend them for their dedicated efforts. I hope that my colleagues take note of this 66th annual Be Kind to Animals Week and will do what they can to encourage respect for animals and their humane treatment.●

EMPTY BACKHAUL OF TRUCKS

HON. JAMES M. COLLINS

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. COLLINS of Texas. Mr. Speaker, deregulation of trucks is a key issue before us in Congress. I have been very much concerned with the "backhaul" issue. Backhaul balance has been a major argument for deregulation.

I asked Roadway Express, which is one of the largest trucklines operating in Texas, to provide me with their totals on empty truck backhauls. Private carriers have objected to the fact that they have empty backhauls. I had presumed that the regulated truck carriers were able to run full truckloads. However, I found out in an indepth study that Texas communities had more inbound tonnage than they did outbound. The amount of freight tonnage is simply not in balance. For instance, my city of Dallas has twice as much inbound tonnage for Roadway as it does outbound tonnage.

I was also surprised to find from this survey that last month Roadway Express had 954 empty trucks that they had to run from their Texas operation.

My present view on deregulation of trucking is that we should study this important issue carefully before we establish firm trucking regulations.

Washington deregulated the airlines. Since then, the air rates have gone up, yet, most of the airlines have been losing money. Frankly, I think the service is worse now than it was before airlines were completely deregulated. So, as airline deregulation has presented some complex problems, let us review legislative guidelines before we apply yardsticks to trucking.

Here are the figures of Roadway's tonnage imbalance in Texas which are based on 1979 actual tonnage:

ROADWAY'S TONNAGE IMBALANCE IN TEXAS

[Ratio of inbound to outbound—Based on 1979 actual tonnage]

	Ratio
San Marcos	1.4-1
Dallas	2.0-1
San Antonio	2.0-1
Waco	1.6-1
Sherman	2.3-1
Houston	1.4-1
Austin	2.4-1
Denton	1.5-1
Abilene	1.8-1
Midland	1.6-1
El Paso	1.6-1

●

PRESIDENT CARTER'S ARMS TRANSFER POLICY

HON. LEE H. HAMILTON

OF INDIANA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. HAMILTON. Mr. Speaker, recent press reports indicating that there will be no further reductions in the conventional arms transfer ceiling and that permission has been given to American aerospace companies to develop an "F-X" jet fighter aircraft solely for export prompted me to write the Secretary of State inquiring about the status of President Carter's conventional arms transfer policy. These press reports, if accurate, indicate significant modifications in the President's policy.

One of the main tenets of the President's May 1977 policy stated that:

> We will sell fewer arms (in dollar value) in 1978 than in 1977 to all countries except NATO, Japan, Australia, and New Zealand.

The President reiterated this pledge for fiscal year 1978 and fiscal year 1979 by promising an 8-percent reduction below the previous year's dollar volume of arms transfers to all countries except NATO, Japan, Australia, and New Zealand. The other tenet, a qualitative control, which would be affected by the production of a jet fighter solely for export, stated that:

> We will not permit development of advanced weapons solely for export.

The questions in my letter to Secretary of State Cyrus Vance focused on the accuracy of the press reports, the specific status of these two important tenets of the President's policy, and the progress of conventional arms transfer talks. My letter, the response and attachment from Matthew Nimetz, Under Secretary of State for Security Assistance, Science, and Technology, and a Washington Post article of March 29, 1980 follow:

APRIL 1, 1980.

Hon. CYRUS VANCE,
Secretary of State,
Department of State,
Washington, D.C.

DEAR MR. SECRETARY: Recent press reports indicated that the President does not intend in fiscal year 1980 to reduce further the ceiling on conventional arms transfers. In addition, the President announced several weeks ago that sales of a new intermediate aircraft, known as the F-X, would not be disapproved on the grounds that it was developed or modified for export. Finally, it would appear that conventional arms transfer talks are unlikely in the near future.

These decisions raise questions regarding what U.S. arms transfer policy is today. I would like to know what our conventional arms transfer restraint policy is today. I would also like to know the rationale for not reducing the ceiling for fiscal year 1980 arms sales and for making an exception to the policy guidelines prohibiting the sale of weapons developed or modified solely for export. Naturally, an update on the status of efforts to undertake conventional arms transfer talks would also be appreciated.

I look forward to an early reply.

With best regards.

Sincerely yours,

LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East.

UNDER SECRETARY OF STATE
FOR SECURITY ASSISTANCE,
SCIENCE AND TECHNOLOGY,
Washington, D.C., April 21, 1980.

Hon. LEE H. HAMILTON,
Chairman, Subcommittee on Europe and the Middle East, House of Representatives.

DEAR MR. CHAIRMAN: The Secretary has asked me to reply to your letter of April 1 in which you posed several questions on our conventional arms transfer policy.

The central objectives of our policy remain the same today as when President Carter established them in May 1977, i.e., it is still our view that our basic interests are best served by efforts to restrain the flow of conventional arms worldwide in a manner consistent with promotion of our security and that of our allies and close friends. Though we have not seen concrete evidence of reciprocal restraint—as we had hoped—we intend to continue encouraging others in this direction where it is feasible to do so. For our part, the qualitative controls which the policy instituted have proved useful and continue in force. Only the President is able to grant exceptions, if he determines that particular circumstances so warrant.

In this respect, the President granted such an exception earlier this year to permit development for possible export of an intermediate fighter aircraft (F-X) within guidelines established by the U.S. Government and at no cost to the Government. The basis for his decision was the belief that it could have a positive restraining effect. Although more capable than the F-5E, an F-X would be less capable and less expensive than our present first-line fighters and could meet the security concerns of potential recipients while reducing the need for first-line aircraft from the U.S. or other suppliers. Additionally, any transfers of this aircraft would be subject to all the other controls of our arms transfer policy. For your further information, I am enclosing a copy of the statement issued at the time the President's decision was announced.

Along with the qualitative controls, we have found the quantitative control (the arms transfer ceiling) to be a highly useful tool for overall management of the arms transfer process. Since the policy's inception, we have ordered 8 percent annual reductions in the ceiling (in each case adjusted for inflation) and have realized lower sales levels for countries outside NATO, Japan, Australia and New Zealand in each of the past two fiscal years. However, in approving the fiscal year 1979 ceiling level, the President noted that we might not continue indefinitely to reduce our ceiling level in the absence of mutual restraint. There has been no evidence of the latter and accordingly Secretary Vance, in his presentation before the Senate Foreign Relations Committee on March 27, announced that in the absence of agreed international restraint, we do not plan to reduce further the ceiling on our own arms transfers.

The practical meaning of this decision is that while we will maintain a ceiling on our own transfers, we will not reduce it unilaterally this fiscal year. This means we will retain for fiscal year 1980 the fiscal year 1979 ceiling level of $8.4 billion, adjusted by an amount of 9.2 percent for inflation, to a maximum new ceiling of $9.2 billion.

In sum, we wish to continue seeking multilateral restraint on conventional arms transfers, and at the proper time would consider resumption of our dialogue on the subject with other suppliers, particularly the Soviet Union. As a practical matter, this resumption will depend on the international climate. In any event, we would want to review our approach to this problem in light of our overall security strategy before addressing the subject of renewing the talks.

Sincerely,

MATTHEW NIMETZ.

Enclosure.

MC NEWSLETTER ITEM

The President has decided that in certain cases the sale to foreign countries of an intermediate fighter aircraft developed or modified for export (F-X) would be in the national interest and would be consistent with the objectives of the US arms transfer policy. An intermediate fighter is defined as one whose cost and performance characteristics would generally lie between our current export fighter, the F-5E, and fighter aircraft now in production for US forces, such as the F-16.

The availability of F-X aircraft will contribute to our national security objectives by permitting the US to respond positively to the security needs of our friends and allies when the F-5E is inadequate, and it will contribute to arms transfer restraint objectives by discouraging purchases of more sophisticated first-line aircraft from the US and other suppliers. An interagency study of the F-X concept found that, without an intermediate alternative, an increasing number of countries may turn to first-line aircraft to fill their fighter needs. The F-X, with its capabilities tailored largely toward a defensive role, is thus consistent with the overriding arms control purpose of the President's arms transfer policy—to provide countries with the weapons best suited for their legitimate self-defense purposes.

The US Government will not provide funding for development of the aircraft, and aircraft companies will assume all financial and market risks. Interested companies can proceed, however, with the assurance that the US Government will not disapprove the sale of an intermediate fighter aircraft on the grounds that it was developed or modified solely for export. We will continue, of course, to apply all other arms transfer policy criteria to any proposed sales on a case-by-case basis to ensure consistency with our foreign policy, national security, and arms control interests. In addition, any F-X sales to countries covered by the President's arms transfer ceiling will be accommodated within the annual ceiling.

Any U.S. company intending to promote export sales of its version of the F-X or of components for such an aircraft should assure that all requirements of the International Traffic in Arms Regulations (ITAR) are adhered to before any major sales proposals are made and/or any technical data is exported. Since this aircraft will be significant combat equipment for the purposes of the U.S. Munitions List and substantial production costs will be involved, it is anticipated that this aircraft will constitute major defense equipment (MDE) as defined in Section 47(6) of the Arms Export Control Act. Accordingly, sales of this aircraft would be subject to Section 38(b)(3) of that Act so that, with certain exceptions, such sales will have to proceed under Foreign Military Sales (FMS) procedures.

The U.S. Government has not developed detailed characteristics for an intermediate export fighter; it does, however, believe such an aircraft should meet several general criteria. The aircraft should be a multirole fighter with strong air defense characteristics and somewhat restricted ground attack capabilities. It should:

Have a primary mission of defending the recipient country from projected air threats in the 1980s and 1990s.

Have a secondary air-to-ground capability in close air support of ground forces; be sufficiently limited in an offensive range-payload capability to categorize it clearly as not in the class of more advanced aircraft.

Have lower cost and easier maintainability than first-line U.S. aircraft.

Not require either an implicit or explicit USG minimum guaranteed market.

Not easily be substantially upgraded without USG approval.

PRESIDENT CALLS OFF PROGRAM TO TRIM FOREIGN ARMS SALES

(By George C. Wilson)

President Carter has called off his much-touted 3-year-old campaign to reduce sales of U.S. weapons to foreign nations by a fixed percentage each year.

Instead of striving to reduce arms sales by another 8 percent in fiscal 1980 in hopes of curbing international trafficking, Carter will settle for the fiscal 1979 ceiling.

That ceiling, which applies to countries outside of NATO, Japan, Australia and New Zealand, will be $9.2 billion for fiscal 1980. A State Department spokesman said yesterday that the new ceiling represents the fiscal 1979 level of $8.43 billion, adjusted for inflation.

As a presidential candidate, Carter stressed the need to restrict the worldwide flow of arms. He imposed an 8 percent reduction in noncommercial arms sales to ceiling countries between fiscal 1977 and 1978. He ordered another 8 percent reduction between 1978 and 1979. The cuts were achieved, with the fall of the Shah and Iran's subsequent cancellation of many arms orders, helping bring down the fiscal 1979 figure.

Secretary of State Cyrus R. Vance told the Senate Foreign Relations Committee on Thursday that "in the absence of agreed international restraint, we do not plan to reduce further the ceiling on our own arms transfers.

He said that "while we remained convinced" that international agreements to restrict international arms sales "can contribute to a safer world we do not at this time foresee progress."

Sales of U.S. arms to all foreign countries, including those excluded from the ceiling, are expected to reach $14.5 billion in fiscal 1980. This compares, without adjusting for inflation, with total sales of $11.34 billion in fiscal 1977, $13.53 billion in fiscal 1978 and $13.02 billion in fiscal 1979, according to Pentagon figures.

In January, Carter made another significant change in arms policy by permitting U.S. aerospace firms to design an "FX" fighter specifically for foreign countries. This was an exception to the prohibition on developing weapons specially for export, as distinguished from selling arms used by U.S. forces.

Matthew Nimetz, under secretary of state for security assistance, contended before the Senate Foreign Relations Committee recently that the FX would discourage foreign nations from buying more sophisticated planes.

He added that the State Department is studying requests from several U.S. aerospace companies to discuss their FX designs with 21 countries.

The companies must spend their own money, not the government's to develop the FX. General Dynamics plans to offer a version of its F16 fighter, powered by a less sophisticated engine, while Northrop is upgrading its F5 in hopes of capturing the FX market.

The American FX aircraft are likely to collide with the new fighter Israel has said it will build on its own. Pentagon officials reason that the Israelis will have to build more planes than their own forces can use to retrieve development costs. This would mean foreign sales.

Although the United States, because it will provide the engine for the Israeli plane, could veto sales beyond Israel, the U.S. government would be under heavy pressure to allow them.

This would almost certainly bring complaints from U.S. defense contractors that they are spending their own money to build a plane that must compete in the international market with an Israeli one financed largely by U.S. loans and grants.●

CHINA LAKE AND RIDGECREST—SPECIAL NEIGHBORS

HON. WILLIAM M. THOMAS

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

• Mr. THOMAS. Mr. Speaker, Americans everywhere pay tribute to our Armed Forces on designated occasions such as Memorial Day and Armed Forces Day, but a community in my district has planned a special tribute of its own in addition to these national days. On May 9, the people of Ridgecrest, Calif., will honor the achievements of the China Lake Naval Weapons Center.

I would like to add my deep appreciation to that of the people of Ridgecrest, and I would also like to take this opportunity briefly to chronicle the origins of the two communities and the unique ties which have grown between them.

Ridgecrest and the Naval Weapons Center at China Lake are neighbors, very special neighbors. Both began in the vastness of California's Mojave Desert after the Naval Ordinance Test Station (NOTS), now the Naval Weapons Center, was established in November 1943.

The tiny cluster of farmhouses and a dairy that then existed at a dusty desert crossroad grew to become the modern city of Ridgecrest—Kern County's second largest incorporated community—and the emptiness of the desert grew into the sophisticated laboratories and instrumented ranges of the Naval Weapons Center, whose budget of $278 million annually supports the area's economy.

When construction crews came to build NOTS, they needed places to live, stores and markets and schools. And the need was met by pioneers willing to move to the desolate beauty of the Mojave to provide these services.

As World War II ended and the building of the free world's largest Navy research, development, test, and evaluation base sped up, these new pioneers settled in what became Ridgecrest to make their homes and to continue to provide the goods, services, and amenities needed by the scientists, engineers, and support personnel of the base.

The two communities grew and prospered together as the men and women of both worked together to establish schools, build churches, and provide good homes for their families.

Ridgecrest became incorporated in 1963—and the closeness of the relationship between the two communities is underscored by the number of Navy employees who have used their off-duty hours to serve as city council members, as city planners, and to volunteer their skills and knowledge to help their neighbors and themselves.

Just as the two communities shared a mutual concern for the quality of life, enlightened leadership among both permitted them to share facilities and resources in order to enhance that quality of life. Business and commercial facilities are located in the city of Ridgecrest; many of the recreational facilities for both are located on the Naval Weapons Center: Golf course, tennis courts, and playing fields. Television signal receivers located on the Naval Weapons Center allow Ridgecrest to receive television programing from Los Angeles, some 150 miles distant.

The children of the Indian Wells Valley have always been especially considered, because these two communities are family oriented. Together they have built excellent educational facilities; the Sierra Sands School District encompasses schools on the Naval Weapons Center and in the city of Ridgecrest, with school board membership from both communities to provide leadership and guidance.

Historically, pioneers have needed to work together to survive. Ridgecrest and China Lake have now passed well beyond a pioneering stage, but the cooperation that began in the early days has thrived along with the two communities.

When Ridgecrest was incorporated, much of the area's population lived on what was then NOTS. Today the bulk of the population lives in Ridgecrest, but they don't consider themselves as belonging on one side or the other of the fence that marks the edge of Navy land; rather on both sides.

As Capt. Will Haff, Naval Weapons Center commander, has phrased so well, "the community is us and we are they. In effect, it's all just one big family."

Mr. Speaker, I could not agree more with the commander, and I would like to add that this family in the Mojave Desert will continue to prosper as it handles the vital, important mission of helping to keep our Nation strong and free.•

IRA GREIFER, M.D.

HON. LESTER L. WOLFF

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

• Mr. WOLFF. Mr. Speaker, it is my pleasure to call to the attention of this Congress and our Nation the accomplishments of Ira Greifer, M.D. For over 20 years, Dr. Greifer has served with dedication and commitment as a physician, researcher, and humanitarian. He has pioneered many breakthroughs in the fields of medicine, public health, and pediatrics. In addition, he has been actively involved with the legislative process and was instrumental in the passage of several laws benefiting millions of children.

The Kidney Foundation of New York has recognized Dr. Greifer's achievements and will publicly honor him with a testimonial dinner on May 10, 1980. It will be attended by admiring colleagues and members of a grateful community. Indeed, Mr. Speaker, Dr. Greifer's dedication will serve as a permanent inspiration to his colleagues, fellow citizens, and all Americans.

I have spoken on the floor of the House of Representatives on many occasions on behalf of the interests and concerns of my constituents and our Nation. It is indeed a particular pleasure for me to speak of the great contributions of one of our leading citizens in calling attention of the Congress to the work of Ira Greifer, M.D.•

MARYLAND SENATE HONORS BALTIMORE BRAILLE ASSOCIATION

HON. PARREN J. MITCHELL

OF MARYLAND

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

• Mr. MITCHELL of Maryland. Mr. Speaker, the Baltimore Braille Association is an organization of Maryland Penitentiary inmates. This group is dedicated to facilitating the provision of marketable vocational skill training, academic education, and relevant psychological and family services for inmates. The organization is also dedicated to the encouragement of community self-help groups and citizens that develop individual advancement and achievement programs for those who are incarcerated.

In a recent letter to me, Donald H. Blackwell, president of the Baltimore Braille Association stated:

> We as citizens cannot tolerate crime, nor should we coddle prisoners, but we must work to diminish criminal activity.
>
> At the same time, we must remember that the majority of men incarcerated will be returned to society.
>
> How they return is the responsibility of the citizens of Maryland, the members of our Legislature and the employees of the Division of Correctional Services—to provide marketable vocational skills, academic education, relevent psychological and family services and encourage community self-help groups and citizens that develop individual advancement and achievement programs for the men confined.
>
> Working together we can accomplish any goal, working without special interest, without self or individual gain as our motivation we can make a positive impact on those men who have given up on the system.

I am proud to submit a copy of the Maryland State Senate's resolution, presented on January 11, 1980, which congratulates the Baltimore Braille Association for their dedicated work in producing materials for the handicapped.

SENATE RESOLUTION 18

Be it hereby known to all that the Senate of Maryland offers its sincerest congratulations to Baltimore Braille Association (an organization of Maryland Penitentiary inmates) in recognition of Their dedicated work in producing materials for the handicapped.

The entire membership extends best wishes on this memorable occasion and directs this resolution be presented on this 11th day of January 1980.

JOHN J. BISHOP, Jr.
Senator.●

ON CONGRATULATING LOCAL WINNERS OF 1980 NATIONAL MARITIME POSTER CONTEST

HON. RONALD M. MOTTL

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. MOTTL. Mr. Speaker, I wish to take this opportunity to congratulate four high school students, from the 23d Congressional District of Ohio, on their awards in the "1980 National Maritime Poster Contest." Sponsored by the Commerce Department's Maritime Administration, the purpose of the contest is to bring greater public awareness on the importance of U.S. cargo ships and shipbuilding in all 50 States of the Union.

This year's theme was "Ship America * * * It Costs No More." This is the promotional phrase of the National Maritime Council, a group of top maritime industry officials of both management and labor, in an effort to encourage greater shipper utilization of merchant vessels flying the U.S. flag.

Regina Hartman of Parma Heights is a first-place winner. And Lynn Kubin, David Hess, and Joe Tymoszczuk, all of Parma, are second-prize winners.

My heartiest congratulations to them all.●

CONGRATULATIONS TO JULIAN VIRTUE

HON. ROBERT K. DORNAN

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. DORNAN. Mr. Speaker, on Thursday, May 1, 1980, the Lincoln Clubs of Los Angeles County will present their annual "Outstanding Republican" award to Mr. Julian A. Virtue at a tribute dinner at the Century Plaza Hotel in Century City. While I will be unable to attend, I wanted to take a moment here in the Congress to point out to my colleagues just a few of the reasons why I believe that it is fitting for Mr. Virtue to be the first person so honored.

Julian Virtue is a living example of the American dream. In 1926, he and his brother created the U.S. Plating Co. in the backyard of their home on West 97th Street in Los Angeles. Beginning with custom work, they built the firm into a full-scale manufacturing concern.

By the early 1930's the Virtue Brothers Manufacturing Co. was expanding, hiring additional employees, and developing new customers despite the effects of the depression.

Julian has always shown a keen foresight in charting business trends throughout his career. In the postwar period, he anticipated the rapid growth of southern California and his company became a primary supplier of dinette sets to the young families beginning new lives in an expanding economy.

At a time when others would have been content to rest on their laurels, satisfied with material success, Julian decided to launch another business of his own. In 1950, he formed the Virco Manufacturing Corp. and built a large plant on South Vermont Avenue in Los Angeles. Sensing the growing need for suppliers of school furniture, he began modestly by providing only one customer with desks, chairs, and tables, but was soon selling school supplies and equipment across the United States.

Today that same plant serves as the executive offices of Virco's now vast manufacturing and sales efforts, overseeing a company of more than 1,500 employees, with six major facilities from coast to coast, several warehouses, and annual sales over $100 million.

In addition to his outstanding achievements in the business world, Julian has been an active member of community and service organizations. He is a past president of the Downtown Los Angeles Optimists. He has also served many years as an officer and director of the Merchants and Manufacturers Association, as well as being a member of the highly respected Salvation Army board of directors.

Julian has also shown a commitment to young people by funding the Julian Virtue Chair of Economics at Pepperdine University. He hopes that by so doing, he will enable young people to understand the free enterprise system that has blessed this country.

Julian and his wife, Elvira, have four children, and all three of his sons have become active members of the business community.

As a committed American and patriot, Julian has taken an active role in supporting candidates for political office who share his principles and beliefs. He has sought no recognition or publicity for his many contributions to the welfare of his community, but his integrity is widely known.

Mr. Speaker, I feel that this American success story serves to remind all of us of the tremendous opportunities offered by the free market system to those willing to work hard and persevere even in difficult times. I congratulate Julian on this deserved prestigious award, and wish him Godspeed in all of his future endeavors. Julian, with dynamic Americans like you leading the way, our future is secure. Thanks for loving your community and your country so deeply.●

ABA PRESS CONFERENCE ON REGULATORY REFORM

HON. JOE MOAKLEY

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. MOAKLEY. Mr. Speaker, this morning the distinguished president of the American Bar Association, Mr. Leonard S. Janofsky, held a press conference at the Capitol on legislation pending before the Congress to make improvements in the Federal regulatory process. I call the attention of the House to Mr. Janofsky's thoughtful comments:

STATEMENT OF LEONARD S. JANOFSKY

Since early last fall the Congress and the Administration have devoted substantial amounts of time and effort to the creation of much-needed regulatory reform legislation. The American Bar Association applauds this effort. We also appreciate the willingness of Congress and the Administration to listen to the views of the organized bar. Four years ago we undertook an in-depth study of regulatory reform, which led to the justly respected report of our Commission on Law and the Economy, "Federal Regulation: Roads to Reform". Representatives of the Association have testified many times on these bills, and we have established a Coordinating Group on Regulatory Reform to follow through and demonstrate our collective determination that reform be enacted.

My purposes in asking you here this morning are to focus attention on the essential elements of regulatory reform as Congress enters what we hope will be the final phase of its efforts, to offer some principles for choice among the several contending bills, and to call attention to some needed additions to those bills.

As lawyers, we acknowledge the necessary role of federal regulation in our mixed economy in contributing to the nation's health, safety, and general well-being.

But overly complex regulation, inefficient regulation, conflicting regulation, and simply unnecessary regulation impose significant costs on business and on the consuming public. These costs take on particularly grave significance in our current economic climate. If ever we could afford them, we cannot afford them now. Prompt enactment of regulatory reform legislation is a vital concern for us all.

What are the elements regulatory reform legislation must embody to rise above meaningless tinkering with the current system? First, it must improve regulation itself, by forcing regulators to consider seriously the costs and benefits of regulation and the alternatives to regulation before they regulate; and by reducing procedural complexity and delays. Second, it must contribute to rational and efficient government—it must improve coordination among different regulatory agencies; it must force politically accountable officials—Congress and the President—to assume clear, direct, and appropriate responsibility for the manner in which government regulation affects us all; and it must recognize the appropriate role of the courts.

We in the American Bar Association insist that Congress pass and the President sign legislation that meets these tests, and will not support legislation that does not. None of us wants to see government made any more complex than it is, or than it has to be to accomplish the purposes which the country requires. And we particularly don't want to see regulatory reform become a battle ground for struggles for power or political credit within and among the Congress and the White House. It is a time for statesmanship.

Happily, committees in both the House and the Senate have made substantial progress, and their efforts have been complemented by the Administration's groundbreaking Executive Order 12044. But the work done to date, and to be continued later this morning and in the coming days in the Senate and House Judiciary committees, still falls short. Obviously, I can't go into the detail with you this morning that we have undertaken with these committees. But it does seem important to make these major points:

Let me take up the structural issues at the outset. I have three points on that:

First, we believe Congress must recognize the constitutional role of the President as the central coordinator and overseer of government, in which we include governmental regulation. His is the responsibility to assure that all laws are faithfully executed, and Congress must provide for, not frustrate, appropriate executive branch oversight and coordination of federal regulation. That means more presidential involvement in the policy activities of independent regulatory bodies rather than fragmented and conflicting regulatory coordination, or no coordination at all. The pending House legislation, as we understand it, reasonably meets most of these needs. But the two Senate bills, particularly S. 262, create cumbersome oversight structures that fail to recognize the President's necessary role. Oversight of regulatory impact analyses belongs in the Executive branch and not in the Comptroller General, an arm of the Congress; but even the Regulatory Policy Board contemplated by S. 2147, as it would be constituted, represents an unfortunate incursion on Presidential authority.

Second, Congress needs to improve the coordination of its own oversight efforts on regulation issues rather than make incursions on executive or judicial responsibility. We strenuously oppose enactment of broad congressional veto laws in any form; this is impractical, misguided legislation, unresponsive to the public's call for reform and of questionable constitutionality. Instead, we urge Congress to consider seriously, as we are doing, the thoughtful proposal recently put forth by Congressman Moakley for creating a select committee to promote regular and coordinated legislative review of agency rules, and appropriate legislative response.

If legislative veto of individual regulations is a bad idea, some effective form of periodic congressional reexamination of the need for regulation is a good one and long overdue. Congress should provide for periodic reviews of federal agencies and programs, but in limited number and in a sequence requested by the President. Prompt Senate and House action on such legislation—preferably sunset but high noon moves in the right direction—would strengthen Congress' traditional oversight role. Congress is the proper body to determine whether regulatory functions should be altered, or phased-out if no longer necessary or beyond remedial correction.

Third, in those areas of administrative law where neither congressional nor presidential oversight is appropriate, we urge directing federal courts to take a "hard look" at whether agency rules are within a particular agency's congressional mandate, and whether there is a substantial evidentiary basis for factual determinations in rulemaking. In the past, the Federal judiciary has given too much deference to the Federal agencies' own conclusions concerning their statutory authority and the factual premises of some rulemaking. We strongly support enactment of the carefully modified version of the Bumpers Amendment which Senator Bumpers and Representative McClory, among others, have advocated, and which thus far is not included in any bill.

Now let me move from the theme of governmental structure to the procedures and practices of the agencies themselves.

All the bills contain provisions for regulatory analyses of the impact of major regulations, and periodic review by the agencies of their existing regulations. We strongly support these provisions, but they are not enough. Just as it is important to provide restructuring of political and judicial oversight of agency processes, those processes themselves should be reformed, both to avoid unnecessary delays and to increase their integrity and openness.

Taking first the general issue of delay, we are pleased to see innovative provisions in all the proposed bills, as we have urged, for modified agency proceedings. These provisions will permit the prompt disposition of a case covered by them if there are no significant facts in issue. Avoidance of delays would also be served by balanced provisions concerning agency subpoena authority. The pending bills have useful measures on both these subjects but are still subject to further improvement.

On the general issue of agency integrity and openness, there is also more ground to cover. The bills do not sufficiently assure that agency fact-finding will be conducted only on the record by independent hearing officers. Our view is that agency personnel committed to a particular point of view in a case should have no role in deciding it at any stage. And the fact finders, who are administrative law judges, should continue to have tenure to assure their independence. Current law respecting administrative law judges should be changed, however, to encourage appointments meeting the highest standards of qualification and to provide for subsequent, objective performance reviews. The House legislation does not yet address these issues, and only one of the Senate bills is satisfactory with respect to them.

Responsiveness of agencies to, and oversight by, elected officials and the courts should be supplemented with direct involvement of affected segments of the public in the regulatory process. The ABA has long sought legislation that would provide for funding to small businesses, citizen organizations and individuals with distinctive contributions to make, who could not otherwise afford to participate in agency proceedings. The revised public participation provisions of S. 262 are better, in this respect, than the comparable provisions in the House legislation.

As I have outlined, many of these essential reforms have been included in one or more of the pending bills; but a few of these recommendations have not received the attention they require; and yet others are present only in flawed form.

We believe the public is entitled to a full measure of regulatory reform relief, to the successful completion of Congress' travels down the several Roads to Reform of Federal Regulation.

President Carter, Senators Ribicoff, Percy, Kennedy, Culver, Laxalt and Bumpers, Congressmen Danielson, Anderson, Moakley and McClory, and many others in the Congress have all been making strenuous efforts to complete legislative action by this summer. I pledge to them the continuing support and assistance of the American Bar Association in that endeavor.

With me this morning is Richard B. Smith, the chairman of the ABA's Coordinating Group on Regulatory Reform which has spearheaded the Association's assistance to Congress. Also present is Professor Clark Byse of Harvard Law School, one of the Group's consultants. We would be pleased to respond to any questions you might have.

Thank you.●

A TRIBUTE TO AL LOWENSTEIN

HON. ROBERT F. DRINAN

OF MASSACHUSETTS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. DRINAN. Mr. Speaker, at a recent dinner held by the Americans for Democratic Action in Boston, Mass., State Representative Michael J. Barrett delivered a moving tribute to our recently fallen colleague, Allard Lowenstein.

His recollection of Al Lowenstein reflects what many of us feel in our hearts. I would like to share the words of Representative Barrett with my colleagues.

His tribute follows:

ALLARD LOWENSTEIN: A RECOLLECTION

(By Michael Barrett)

Once in his life, just once, Al slowed down long enough to write a book—about apartheid in South Africa. And as happens sometimes when you write, a journalistic portrait of someone you've come to know and admire turns out to be a bit of a self-portrait as well. When Al set about to describe Michael Scott, a priest and civil rights activist, this is what he noticed:

"(H)e makes these causes his life, until it is easy to forget that he too must grow weary and discouraged, must on occasion wonder if his will ever be a time of rest. But no hint of such things escapes (him) as he dashes about from meeting to meeting, invariably late, often lost, collecting and forgetting briefcases and documents and bits of paper with notes and addresses, doing alone the work that most men would shy from attempting with a staff of half a dozen."

When I first met Al in 1971, he was doing alone some work which no one else in the country could have persuaded a staff to undertake! He was laying a groundwork to dump Richard Nixon from the Presidency in 1972, by mobilizing those newly enfranchised 18- to 21-year-olds around opposition to the Vietnam War. I signed up to work full-time on the project, which ADA sponsored. When I came to know Al better, I found myself struck by the romance to his life; he represents for political activism what Woody Guthrie represents for folk music; he spent his time roaming this country, offering his organizing skills to poor people and to the friends of poor people, the way Guthrie offered his songs. You could leave your home in Boston for Minnesota, to pull 25,000 people into a hockey rink because Al said you could do it, and discover that he knew every liberal in the Democratic-Farmer-Labor Party. You could go down to Texas to mount an anti-war voter registration conference within miles of the LBJ Ranch, and find that Al was a good ol' boy to every antiestablishment hell-raiser from Senator Ralph Yarborough to Sissy Farenthold to Ronnie Dugger. You could find yourself a guest of Mr. Dugger, editor of the Texas Observer, and learn that he had known Al for almost 20 years, beginning in 1952, when Dugger had edited the student paper at the University of Texas and this young fellow from New York was making his way around southern college towns, daring people to support Adlai Stevenson.

No wonder Al was able to feel the energy was there to drive Lyndon Johnson from office, when no one else could. No wonder that he stood alone in those years for his boldness; he could wrap his mind around national strategies for advancing liberal issues the way other people analyze town meeting warrants.

I remember a time in 1971 when Al and Congressman Pete McCloskey appeared on Bill Buckley's "Firing Line." Buckley tried to stir up some mischief by asking McCloskey if, in opposing Mr. Nixon for the Republican nomination, he was letting himself be "used" by Allard Lowenstein. Not at all, Pete said. In fact, cnce the race heated up, he expected Al's energies to go toward finding an anti-war Democrat to run against the President.

"Oh no," Buckley said. "You underestimate Mr. Lowenstein. If things go according to his plan for us, the country's choice in November will consist of an anti-war Democrat running against you!"

Mr. Buckley's comment points up what we've lost, in losing Al—the sheer range of his thinking, of his audacity.

And we shall have to find new reserves of one other quality. No one less than Eleanor Roosevelt wrote the Introduction to "Brutal Mandate," Al's book I mentioned earlier.

"I have known Mr. Lowenstein for many years," she wrote. "He is a person of unusual ability and complete integrity. I think he will always fight crusades, because injustice fills him with a sense of rebellion."

Well, in this belt-tightened, strictly disciplined time we seem about to enter, we're likely to hear repeated calls for close cooperation in this government effort, and close conformity to this government norm. A sense of rebellion in the face of injustice may become the country's next depleted resource, and Al would look to the people in this room to restore the supply.●

THE RESCUE MISSION

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. FINDLEY. Mr. Speaker, the failure of the U.S. rescue mission to free the American hostages in Tehran deeply saddens us all. My heart goes out to the families of the eight brave men who lost their lives in the attempt and to the families of the American hostages whose hopes for the return of their loved ones remain unfulfilled.

Despite the mission's outcome, this undertaking stirred in me as in so many others, some sense of relief. Finally, after so many humiliations at the hands of Iran, the U.S. Government was demonstrating a willingness to take action to secure the release of the hostages. It is regrettable that the United States did not take this step sooner—in the days immediately following the November 4 seizure of our Embassy rather than delaying action for 6 months.

For, in this 6-month period, we have witnessed a growing deterioration in Iranian stability, the Soviet invasion of Afghanistan and increasing Soviet bellicosity in the region, and continuing dissension among the Western alliance. These dangerous trends are all related to U.S. preoccupation with the Iranian crisis and to U.S. handling of this crisis. In displaying a lack of resolve toward Iran and in vacillating in its approach to the crisis, the United States has invited further Iranian and Soviet aggression.

Soviet disdain of the United States in the region is increasingly open with the U.S.S.R. now building its troop strength along the Iranian border. Iran, which has committed an act of war in seizing and holding our diplomatic representatives, is now displaying the bodies of American servicemen in Tehran. The Iranian authorities have no respect for the American dead in doing such a dastardly act than they have for the living.

The President's desire to keep the fact and timing of the rescue mission secret prior to its initiation was, I believe, understandable and reasonable. In administration briefings of Congress, it was clear that contingency rescue plans did exist. And the President had stated clearly that he was ruling out no options. What remained undisclosed was the timing and details of the rescue operation. Enlarging the circle of those aware in advance of the mission would, however, only have increased the risk of its failure and provoked dangerous consequences.

Yet, I also strongly believe that it is now critical to conduct a thorough investigation of why the mission failed. Thus, I have urged the chairman of the House Armed Services Committee, Mr. PRICE, and the chairman of the House Foreign Affairs Committee, Mr. ZABLOCKI, to undertake an exhaustive joint examination of the rescue mission, its conception, and implementation. It is urgent that Congress understand why the mission did not succeed. Do the mechanical failures of three RH-53 helicopters indicate widespread mechanical, maintenance, and readiness problems or do they merely constitute a fluke? Until we clear up the numerous and serious questions surrounding this mission, I believe that doubts about U.S. military capabilities among both allies and adversaries will persist. This could have a long-term negative impact on U.S. security.●

SEATTLE MAYOR ON THE BUDGET

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. BONKER. Mr. Speaker, in all the talk about balancing the budget, we should not ignore the impact the choices we make will have on our Nation's cities. I am introducing into the RECORD today a letter I have received from Charles Royer, mayor of Seattle, Wash.

Mayor Royer reminds us that we must approach the budget in human terms, and not forget the burden that indiscriminate budget-cutting can have on the people who live in our urban areas.

I recommend this excellent correspondence to the attention of my colleagues:

APRIL 16, 1980.

Hon. DON BONKER,
House of Representatives,
Washington, D.C.

DEAR CONGRESSMAN BONKER: The state of the economy is of grave concern to all Americans. The inflation gripping our nation is a personal hardship for everyone, but the impact on the poor, the elderly and others on fixed incomes is devastating. In every Seattle neighborhood, I meet people whose main goal is to remain independent and self-sufficient, but who are frightened for their future as rents, health and food costs move beyond their reach. I also see the effect on city government as the cost of providing every basic service grows beyond our budget. It is critical to the future of this country that the President and Congress bring this monster under control.

However, I do not want to see those most injured by inflation, the same people who cannot protect themselves with growth stocks and tax shelters, become the victims of our efforts to halt inflation. I believe most mayors in our country support your efforts to balance the budget, but this balancing must be done with equity and with a sense of economic justice.

Members of our delegation have asked my advice on what federal programs are most important to Seattle. It is difficult to practice triage, to sit in the boat and decide which old friends to cast over the side. But I recognize that we must make difficult choices. I have personally reviewed the proposed cuts. I have heard presentations from your Congressional Budget Office, and what has been strongly stated is that balancing the budget is a symbolic measure. Cutting $15 billion within a trillion dollar economy will have, at most, a one percent reduction in the inflation rate. Nevertheless, I realize that this reduction will have a psychological impact and provide a signal that government can responsibly manage its affairs.

But if managing our economy responsibly is the result we want to achieve, we had best take another look at the cuts that are being made. Congress requires the cities of this country to target their expenditures, such as Community Development Block Grants, on those areas most in need. I think the cities have a right to expect that same standard to apply to the way Congress and the Executive conduct their budget. Many of the proposed budget cuts seem directed by an opposite philosophy and will result in widening the gap between the rich and the poor, and in further undermining the nation's economy.

For example, the costs of energy are viewed by experts as the major cause of inflation. If this is the case, why are stringent cuts being made in mass transit and why are we doing so little to help people reduce their reliance on the automobile and on foreign oil? This kind of budget cutting brings to mind the image of a man whose wealth is pouring out through holes in his pockets, but who decides to save money by refusing to buy patches. If we are serious about reducing inflation, we should expand mass transit, pass the Tsongas-Williams Bill and take other measures aimed at energy conservation.

Second, we are doing enormous damage to the economy and to the life of our people by cutting the federally assisted housing programs. There is little to be said beyond our outrage at the Senate's action in holding housing programs at such a low level in FY 1981. We are denying citizens who are most in need the simple right to have a home.

A third major cut that will have a destructive effect on Seattle is the cutting of public service jobs. Although the President and the House merely "trimmed" the Title VI CETA program, the Senate recommended a total phase-out over the next two years. This cut will come during a period of rising unemployment and will hit hardest our school district and the private non-profit agencies that provide health and social services to low income people.

There are other small but equally important programs slated for cuts. Those which we are most concerned about are:

HUD's rehabilitation loan program (section 312) should not be reduced. This program, used extensively in Seattle, offers subsidized loans to rehabilitate residential and commercial structures.

An increase in the National Health Service Corps budget is badly needed. The FY 1980 supplemental appropriation of $10 million which was originally proposed by the administration, is critically important to the survival of health care programs for both rural communities and the urban poor. We agree with Vice President Mondale who called the NHSC "the single most effective federal health care program in existence today." If the supplemental is not passed, the result will be an immediate cutback in the field strength of the Corps, including several communities in the state of Washington.

Section 314D health grants should be restored. Seattle received funding through this program for the first time this year and we are using it in a variety of crucial programs, like the North Seattle Health Station which Senator Magnuson visited just last week. This is the only flexible public health funding available which allows cities to target their programs to the neediest areas.

Basic funding to aid cities in providing assistance to Indochinese refugees must continue to be provided. The federal decision to increase the flow of refugees must be matched with the tools to care for them, including funds for health care and housing. The supplemental appropriation is needed immediately to maintain language programs for the refugee children in our schools.

The elimination of LEAA will curtail an exemplary law and justice program here in Seattle. The City will have to terminate the project which generated the Block Watch program which has been replicated both nationally and internationally. In addition, the Office of Juvenile Justice and Delinquency Prevention and its progressive projects should not be curtailed. Without OJJDP funding, diversion programs, programs for adjudicated youth and services for children-in-conflict will be slashed. Criminal justice is a nation-wide problem, and local governments need continued assistance.

Urban parks grants should be retained as an important piece of the President's urban policy. This is the only urban program in the Department of the Interior, but is slated to absorb the major share of the total cut in the Interior budget.

The National Science Foundation should be funded to continue the local portion of the Intergovernmental Science Program at current levels so that new technologies can be applied in our attempts to conserve energy and to improve the productivity of local government.

These are the areas that we feel most strongly about. I have not discussed programs which are vital to the cities which have thus far survived the budget cut or have been trimmed in a responsible manner. The next appropriate question is where money should be taken from in order to make the restorations I propose.

I know that you will examine the defense budget with the same fervor you are applying to the civilian budget. I support the need for a strong national defense, but it is hard for a rational person to believe we cannot also cut the Defense Department without compromising the safety of this country. I have served in the military, and if I sincerely felt that all the expenditures by that arm of government were efficient and tied directly to our national security, I could support a real growth in the defense budget. But I cannot support cuts in mass transit for people when I see the military spending billions of dollars for the MX missile—a mass transit system whose only passengers will be nuclear warheads in the Nevada desert. Nor can I support cuts in health care for the poor when I know that army officers can retire after twenty years of work at age 42 with high pay and benefits, something we cannot do as City employees, and then get another full time job. If we are really in a time of national crisis, is the first line of defense the PX subsidy? The defense budget must be scrutinized for unnecessary and wasteful expense and the savings applied to critical needs in the fields of energy, housing, health care, and public employment.

I believe the security of this country lies in the well-being of its people and their belief in the future. I believe the changes I have recommended are in keeping with that belief. I appreciate the opportunity to comment on this difficult issue, and I hope we can work closely through the coming months.

Sincerely,

CHARLES ROYER. ●

WESTERN STATE UNIVERSITY COLLEGE OF LAW DEBATE TEAM

HON. WILLIAM E. DANNEMEYER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. DANNEMEYER. Mr. Speaker, I recently had the distinct honor and pleasure to meet with members of the debate team from Western State University College of Law, which is located in Fullerton, Calif. They were in Washington to participate in the National Round of the Phillip Jessup Moot Court Competition in International Law.

This fine team has the distinction of having won top honors in the Pacific regional round, held in San Diego March 15 and 16 of this year. Named "Best Team" by a panel of judges and attorneys, they were the only team, among 11 competing, to sweep all oral competitions, as well as placing second in the written brief category. Among their opponents were teams from Stanford and UCLA.

Adding to the team's victory, WSU's Robin Maisel, of Long Beach, Calif., took top honors as "Best Individual Oralist," while Daniel York, of Fullerton, placed third in that category, out of 30 contestants. Other members of the team are: Omotunde Adunni, Anne Andrews, and Nick Thompson, all of Fullerton; their faculty adviser during the court competition has been William Slomanson.

The topic for this year's Jessup moot court was a series of issues pertaining to national obligation and liability in the area of space law. One might surmise that anybody who successfully engages and surmounts such a demanding intellectual challenge must surely someday be considered a potential candidate for political office.

I commend WSU and its debate team for their singularly outstanding performance in this year's competition. At a time when other university students halfway across the world are seizing hostages, the exemplary attitude, striving for excellence, and accomplishment of these young people, and of all the participants in these debates, are something of which we can all be proud.●

PHILIPPINES: ANOTHER IRAN? GUAM SHOULD BE READY

HON. ANTONIO BORJA WON PAT

OF GUAM

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. WON PAT. Mr. Speaker, during the late thirties there were those in Congress and those members of the press who warned us that there was trouble brewing in the Pacific. Some went so far as to advocate fortifying Guam. Of course, the warning went unheeded and you know the rest. I have the dubious distinction of being the only Member of Congress to have lived under the yoke of enemy occupation. It is little consolation to the oppressed to have someone say "I told you so."

Since I have been in Washington I have consistently held that the United States should not let its defenses down in the western Pacific. A few days ago I inserted in the RECORD excerpts of an interview with Adm. Robert Long, Cincpac chief, in which he pointed up the importance of America's first line of defense in the Pacific; notably Guam, and a projection for the future—Tinian in the Northern Mariana Islands and Palau in the southwest portion of Micronesia.

Now comes another early warning signal in the form of a column entitled "Philippines: Another Iran?" by Jack Anderson as published in the Washington Post, April 20, 1980. Mr. Anderson draws on his own long acquaintance with Philippines President Ferdinand Marcos and a few unnamed Members of Congress who have visited the Philippines recently. This column adds considerable credence to the growing concern that all is not well between the dictatorship presided over by Marcos and the increasing number of dissidents which now includes the clergy, overwhelmingly Catholic.

While the Anderson column does not specifically mention Guam, Tinian, or Palau, Members of Congress, particularly those on the Armed Services, Foreign Affairs, and Insular Affairs Committees know full well that these U.S. territories represent the key fallback points for the United States in the Pacific.

Should the Philippines ever become another Iran—God forbid for the Filipino-American friendship has had deep and loyal roots—it would behoove the United States to maintain its military interests in the western Pacific in a state of readiness, else the threat from unfriendly nations on the Asiatic perimeter moves ever closer to the State of Hawaii and eventually to the west coast of the United States.

Even now, the Navy has announced it will withdraw its Polaris submarine base from Guam in favor of the longer ranging Trident submarines, with no mention of any replacements whatsoever. In the interest of preparedness it seems logical to replace the submarines with other units which could operate in this area as a backup or contingency move should the United States ever find it necessary to withdraw from Clark Air Force Base and Subic Bay Naval Base in the Philippines.

I insert in the RECORD this thought-provoking column, hopefully that its message does not go unheeded by those who have it within their power to keep America's front line of defense and democracy in the Pacific alert and ready for any contingency.

PHILIPPINES: ANOTHER IRAN?

The lesson of Iran is that U.S. support of a dictator brings an overwhelming anti-American backlash when the dictator is finally overthrown. Yet Jimmy Carter is stubbornly clinging to the same discredited policy by propping up the repressive dictatorship of Philippines President Ferdinand Marcos.

No less an authority than Marcos' predecessor as president, Diosdado Macapagal, has warned the administration that the United States is sowing the wind by its continued military and economic support of Marcos—and will reap a whirlwind of hatred when he is eventually deposed. "Do not treat our country as you did Iran," declared Macapagal. "Do not coddle our dictator."

Ironically, U.S. support of Marcos as a loyal and strategically important ally against communism is driving more and more Filipinos into the communist embrace. Marcos' ouster may well result in a communist takeover, Macapagal warned.

Ferdinand Marcos first appeared on the Philippine scene as an authentic hero of World War II, a survivor of the Bataan Death March. He was a soldier in the U.S.-trained Philippine Army. After a daring escape from the infamous Fort Santiago prison, he fought the Japanese as a guerrilla leader. He wound up as the Philippines' most decorated soldier. Among his 27 medals was the U.S. Distinguished Service Cross, and only a bureaucratic snafu kept him from winning the Congressional Medal of Honor.

Marcos was a personal friend of mine in the postwar years. When he became president in 1966, he spoke to me with earnest intensity of his determination to free his countrymen of their economic bondage to the wealthy oligarchs who have dominated the Philippines since colonial times. I did not doubt his sincerity.

Marcos was immensely popular with the Filipino people, who believed in him. He was the only man ever to win reelection to the presidency. Even after he declared martial law toward the end of his second term, he was widely regarded as a benevolent dictator.

What went wrong is not clear. Maybe it was the influence of his beautiful, ambitious wife, Imelda—or overreaction to the assassination attempt against her. Maybe it was an inflated sense of his own indispensability.

What is clear is that Marcos is now detested by growing numbers of the people he once wanted only to serve. He answers his critics with imprisonment, torture and execution. Though a recent State Department report claims there has been some improvement in human rights during the past year, opposition sources say this is simply not true.

Rightly or wrongly, the United States is associated with Marcos in the eyes of the people and, therefore, shares with him their increasing resentment.

Filipino-American friendship was once thought to be unshakable. Thousands of Americans died in the defense of the Philippines. When we gave the Philippines independence, the young republic's government and constitution were modeled after ours.

Uncle Sam's interest in the Philippines is more than avuncular, however. Our leased naval base at Subic Bay and our air base at Clark Field are the biggest U.S. military facilities in the Western Pacific. Although some critics discount the strategic value of the Philippine bases, President Carter appears convinced that they are essential.

Carter administration officials are lobbying heavily on the Hill against a proposed cut in U.S. aid to the Philippines. Though the President has been outspoken in his championing of human rights elsewhere in the world, he has chosen to speak softly about the Marcos regime.

Administration critics feel that we may be backing the wrong horse—in practical as well as moral terms. Marcos's power is eroding, they warn, and the United States may be dragged down with him. Members of a recent congressional delegation to the Philippines met unofficially with dissident leaders and were impressed with the depth and breadth of the opposition to Marcos.

As in Iran, the clergy is becoming increasingly critical of the Marcos regime's police-state activities. Young people are rebelling, and—perhaps most significant of all—the middle class is getting restive, and has taken to arming itself against expected violence.

One member of the congressional delegation told my reporter Lucette Lagnado, "All the people we met are living in a state of fear. There is seething, across-the-board discontent with Marcos' regime."

Adding to the Filipino dissidents' fear is their suspicion that the United States might come to Marcos' aid with military force under an agreement that pledges U.S. help with "security activities" of the Philippine government.

Even though Carter would probably balk at such intervention, the dissidents' belief that it could happen is an ominous measure of how closely the United States is associated with Marcos in the eyes of the Filipino people. The lesson of Iran has yet to sink in at the White House.●

A BILL TO AMEND THE INTERNAL REVENUE CODE OF 1954 TO EXEMPT INDEPENDENT PRODUCERS AND ROYALTY OWNERS FROM THE WINDFALL PROFITS TAX ON THE FIRST 1,000 BARRELS OF DAILY PRODUCTION

HON. CHARLES W. STENHOLM

OF TEXAS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. STENHOLM. Mr. Speaker, after the recent signing of the windfall profits tax bill by the President and the enactment of this ill-conceived legislation, I feel that the time is right to redress some of the injustices incorporated into this unfortunate piece of legislation. While I have always opposed the concept of a windfall profits tax, it seems to me that the least Congress could do is to remove two of the major defects contained in the bill as it was signed on April 2.

A major defect of the bill is that it levies a $22 billion excise tax on oil produced by America's 12,000 independent producers, who produce most of the oil and gas found in our country.

The independents take the chances considered too risky by the majors. They drill 90 percent of the wildcat wells in this country. They find 75 percent of the new oil and gas fields, and 54 percent of the new oil and gas reserves. Over the years, the independents have reinvested 105 percent of their gross wellhead revenues in new exploration, proving that, given the incentive, they will produce more oil and gas. Their activities have made America more independent at a time when our dependence on foreign oil is fast becoming intolerable. I believe America does run better on American oil and that to create disincentives in the 1980's would prove to be a costly mistake.

Another defect of the windfall profits tax is that it also applies to the millions of royalty owners in this country. Many of these people are dependent on their royalty checks to help offset inflation, especially the elderly royalty owners. In my view, landowners should not be penalized simply because their land contains natural resources, whether it be oil, natural gas, or coal. Royalty owners simply should not be included under the windfall profits tax.

Mr. Speaker, it is for the reasons mentioned above that I am today introducing legislation which would exempt royalty owners from the windfall profits tax and also provide an exemption of 1,000 barrels of daily production for America's independent producers. As most of us know, the Senate is on record as favoring both these exemptions and I am hopeful that the House will recognize the need to deal promptly with these injustices in the windfall profits tax.●

DOROTHY HEIGHT

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. DIXON. Mr. Speaker, the seventies carried this Nation into a new era. An era where we are constantly forced to make changes, to explore new options, and to discover other alternatives. As a result, we continually strive in our daily lives to make the right decisions. The importance of making the right decision is paramount when determining the future direction of our country. Therefore, it is imperative that we have strong individuals giving guidance on the course we should follow throughout the eighties and into the 21st century.

We need people who have worked hard to insure justice and equality for all Americans. We need people who have the strength to stand up and defend the rights of others. We need people who have struggled for independence and learned the difference between illusion and reality.

An individual who embodies these leadership qualities and has through the years kept a positive outlook on life is Dorothy Height, president of the National Council of Negro Women.

Recently, the Christain Science Monitor published an article calling Ms. Height an "Optimist With No Illusions." This timely article was written on the heels of President Carter's announcement naming Dorothy Height to the Presidential Commission on the Eighties.

Ms. Height brings to this Commission integrity, strength, and above all insightful experience. I believe this article keenly expresses Ms. Height's involvement in humanity and her dedication to spreading the ideals of this country. Mr. Speaker, this article gives a fine example of leadership in our country and I would like to share it with my colleagues:

Dorothy Height—An Optimist With No Illusions

(By Marilyn Hoffman)

The tireless and resilient Dorothy Height has been termed "an institution" by other women leaders. Ebony magazine said in an editorial, "Millions of blacks have benefitted from the struggles of Dorothy Height."

For all her modesty, she is the epitomy of a woman of achievement. Nine honorary doctoral degrees have been bestowed on her, and she has earned an impressive array of honors and presidential appointments to various commissions on human rights and the status of women.

Dorothy Height was born in Richmond, Va., and grew up in Pennsylvania. As a young student she won the Elks oratorical contest in Chicago for her oral essay on the 13th, 14th, and 15th Amendments to the US Constitution. That prize, a four-year scholarship, was her ticket to college, where her deep study of the Constitution laid the foundation for all the work she would do in the years to come.

"I have always realized how the Constitution guarantees civil and human rights," she says. "But as black people we must work for enforcement of the legal base that we have in law."

Today Miss Height is president of the National Council of Negro Women, which reaches 4 million women through 27 affiliated groups and 200 local sections. Her organization's purpose, from the date that Dr. Mary McCleod Bethune founded it in 1935, has been to advance the interests of black women and their families and communities.

Members represent every background, from share croppers in Mississippi to PhDs serving the federal government in Washington.

"Dr. Bethune recognized the need of black women to unite since she felt they stood outside the mainstream of American opportunity, influence, and power," explains Miss Height during an interview in the council's New York headquarters. "And she decided they could accomplish the most by mobilizing themselves around concrete programs designed to alleviate conditions which plague all deprived people."

Programs in the past have focused on better food production, child care centers, improved housing, education, and health centers. Today the council is developing programs to help the great numbers of minority teen-agers who are out of school and out of work, and that growing number of teenage girls who become pregnant, or who are young mothers trying to raise their children.

"There is such a sense of uselessness and lack of meaning and personal identity in the lives of so many of our young people," says Miss Height. "We are trying desperately to help them stay in school and take the right courses and develop the right skills for making a living. We are also trying to provide one-to-one counseling and friendship."

The council also runs the Women's Center for Education and Careèr Development in New York which serves 5,000 black and Hispanic women each year through counseling, job placement, and support services designed to help them gain the knowledge and skills they need to move into better jobs.

"Black women," Miss Height points out, "are still at the very bottom of the economic scale, and in the lowest and least protected jobs. One-third of our families are headed by women, so we must find ways to improve life for them."

At the other end of the job spectrum, she sees more black women moving into law and medicine, as well as teaching and into ownership of their own businesses.

The National Council of Negro Women's strategy is to work with other groups, explains this soft-spoken president with quiet authority. She says that her organization is planning action coalitions in every state and attempting to build more political awareness of black women at every level.

"You will also see us putting a strong emphasis on getting every black person into the census count and registered to vote," she says. "In 1970 blacks and Hispanics were undercounted, and as a result we lost some representation and also some distribution of resources."

She adds, "We will be putting much more stress on economic development in the next decade because we don't want just more jobs, but better jobs, decent jobs. We must help our people prepare for them, and get the skills they need."

Although an optimist, Miss Height admits, "It's rough. It really is. It isn't easy to get schools, parents, young people, and organizations all working together to accomplish something. But we will keep trying to give hope and set up some role models and provide more incentives to blacks of all ages."

Both Miss Height and the council she represents are today standing behind passage of the Equal Rights Amendment to the Constitution.

"I have heard my country attacked all over the world," says this liberationsist, "But I could always see that the U.S. had a foundation in law which we were all trying to work out."

Miss Height, who earned a master's degree in social work from New York University, was part of the 1960s civil-rights leadership, working with leaders such as Dr. Martin Luther King and Roy Wilkins.

"I have seen people go to jail, march in the streets, be killed for equality," she remembers. "A huge price has been paid for all the advancements black men and women have fought for. But I am greatly concerned now to see the lack of vigor in the enforcement of these new gains."

"Power, economic power. Power to get an education and find a job, and make a place. Black people must somehow increase their measure of power in all the ways in order to lift and better themselves," she says.

She always deals, she says, not so much with the problem of race relations, but with the underlying problem of racial justice, which means justice for all, a concept which clears her vision and keeps her patiently moving toward the goal.

During her career Miss Height also served 33 years on the national staff of the YWCA where she helped develop interracial and ecumenical education programs. She has taught and lectured to women in India and Africa and has helped set up the council's program to reach women in developing countries.●

IN HONOR OF J. C. FAULKNER

HON. RICHARD C. SHELBY

OF ALABAMA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. SHELBY. Mr. Speaker, I wish to take a few minutes here today to describe to my colleagues in the House a fine man and upstanding citizen whose loss the city of Tuscaloosa, Ala., is mourning today. J. C. Faulkner was, throughout his life, the proverbial "pillar of the community." Tuscaloosa, Ala., is by far the better for having J. C. Faulkner among its citizenry for 60 extraordinary years.

In 34 years as an integral part of the business community of Tuscaloosa, J. C. moved from operating a service station into retail sales and on into real estate and business investment. His business acumen was keen; his decisions always made in the best interest of Tuscaloosa.

Moreover, J. C. Faulkner's life was a continuous stream of community service commitments—from the Boy Scouts, to the chamber of commerce, to the Preservation Society, to the YMGA—J. C. could always be found giving his free time and endless energy to a worthy cause. Serving for 30 years as deacon of the Tuscaloosa First Baptist Church, J. C. was an active participant in the spiritual as well as the cultural and economic well-being of Tuscaloosa. Just recently named the 1980 Member of the Year by the Greater Tuscaloosa Chamber of Commerce, as well as the Algernon Sydney Sullivan Award winner from his alma mater, the University of Alabama, and the recipient of the Oak Leaf Award from the Tuscaloosa Advertising Club, J. C.'s achievements did not, I am glad to say, go unnoticed by those around him.

We will all miss J. C. Faulkner. But his life has left a monument by which to remember him, made up of a legacy of those people and institutions he has touched with his devotion to bettering Tuscaloosa in particular and society in general. We would all be well advised to tuck away in our minds J. C. Faulkner's message of the virtue of giving.●

U.N. COMMISSION ON HUMAN RIGHTS

HON. DON BONKER

OF WASHINGTON

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. BONKER. Mr. Speaker, the 36th session of the United Nations Commission on Human Rights met in Geneva for 6 weeks from February 4 through March 14, 1980. In late February, I had the privilege of joining our delegation and participating in several sessions of the Commission as the official representative of the Congress.

From all accounts, especially statements made by other member states, the U.S. delegation not only received very high praise, but was rated by some as the best in recent memory. This was a welcomed contrast to our weak and ineffective participation at these sessions in past years. Our delegation's effective performance and the highly successful session in which many human rights initiatives prevailed was even more remarkable given the tense and uncertain international situation and the fact that the 36th session was the first of the enlarged membership of 43—up from 32. Many people said that the enlarged membership would constitute an additional complication to an efficient operation.

A large share of our success was due to Jerry Shestack who lead the U.S. delegation which was composed of some very outstanding advocates of human rights. I want to pay special tribute to Jerry, for he proved to be an able and skillful chairman and in my judgment, is personally responsible for much of our accomplishments in Geneva. He was particularly adept at developing close working relationships with other Western delegations and some of the nonalined countries. Iraq is especially noteworthy because its delegation played a very constructive role in gaining support for our positions among the other nonalined nations, especially in regard to the resolution on the disappeared.

Mr. Speaker, I was especially pleased to witness our leadership and effectiveness in the adoption of the resolution on disappearances. The subject of the phenomenon of disappearances has been of great interest to me. The Subcommittee on International Organizations, which I chair, has held extensive hearings on this outrageous violation of human rights and this House recently passed a strong Sense of the Congress resolution concerning that subject. The Commission's adoption by consensus of a resolution on disappearances constitutes a landmark decision in the history of the United Nations Commission on Human Rights and is generally regarded as the highlight of the session.

Other achievements of the 36th session include: (1) condemnation of Soviet invasion of Afghanistan on human rights grounds; (2) strong resolutions on Kampuchea condemning human rights violations of past and current regimes; (3) extended debate in the case of Sakharov and retaining the case as a priority item for the next session; (4) substantial advance on the torture convention; (5) resolution invoking protection for human rights monitoring group; and (6) a valuable resolution on mass exodus, paving the way for a watchdog role for the Secretary General.

Also, there were other factors which contributed to a successful session: There was a strong interest in human rights initiatives among the nonaligned and many delegations took a more independent position. The delegates in general were of a high caliber and brought with them outstanding reputations. The Western group as a bloc also proved to be coordinated, unified and effective due in large part to the efforts of the U.S. delegation.

The Department of State deserves strong commendation for sending to Geneva such an able delegation and our Nation should be proud of their progress and numerous achievements concerning human rights.

Mr. Speaker, I would be remiss, however, if I did not mention several reservations. While most delegations were headed by individuals of ambassadorial rank, it was a little embarrassing that this was not the case with the United States. This created the impression that the United States, the world's foremost proponent of human rights, does not care enough about its representation at the Commission on Human Rights. Furthermore, while most delegations are given generous entertainment allowances by their governments, our delegation had a very limited allowance. This was a handicap because our representatives need to have the flexibility to give luncheons and receptions in order to further develop and facilitate working relationships with other delegations. It should be noted that Mr. Shestack did not hesitate to use his personal resources toward the entertainment cost incurred in representing the United States, but this is not a desirable arrangement.

Another problem that comes up from time to time is the lack of communication between Washington and our delegation in Geneva. In my judgment, there are times when those making the decisions in Washington are not aware that their instructions contribute to the unnecessary isolation of our delegation and could prevent the attainment of our goals. Our delegation had to take positions which, in my judgment were contrary to commonsense or which brought into question our commitment to human rights. Someone like Mr. Shestack is fully acquainted with the U.S. position on these matters, and should have more flexibility in negotiations at the sessions.

Mr. Speaker, Mr. Shestack recently wrote an excellent article on the U.N. Commission which I would like to share with my colleagues. It appeared in the New York Times of April 5, 1980.

THE U.N. COMMISSION: GAINS IN HUMAN RIGHTS

(By Jerome J. Shestack)

PHILADELPHIA.—In a remarkable advance, the United Nations Commission on Human Rights, which met in Geneva recently, made more progress on human rights measures than at any session in recent history.

When the proceedings started, most observers thought that the tense, uncertain international atmosphere would cast a cold-war pall over meetings, leading to a session of frustration and inaction. Instead, the commission took a series of initiatives that speaks well for the health and vigor of the international human rights movement. Some of the more-significant actions were as follows:

First, a working group of independent experts was established to deal with the thousands of cases of missing and disappeared persons. The need for this arises especially from the egregious human rights abuses in Argentina where thousands of people have been abducted by Government or paramilitary forces, never to be heard of again. Other countries, too, engage in this abominable practice. This is the first time that the commission has passed a resolution to set up machinery to investigate such cases and to try to deal with them.

Second, the commission, in an unprecedented action, extensively debated the suppression of dissidents in the Soviet Union. The debate was spurred by the internal exile of Andrei D. Sakharov as part of the current Soviet attempt to purge and silence its remaining human rights activists. The Sakharov case and its ramifications were aired for three days and the commission retained the subject on its agenda as a priority item, much to the displeasure and discomfort of the Soviet delegation.

Third, the commission also condemned the Soviet invasion of Afghanistan, focusing on the human rights abuses and interference with self-determination that it caused.

Fourth, another resolution denounced human rights violations by both the former Pol Pot regime and the current rulers of Cambodia, and set up a role as watchdog over such violations for the United Nations Secretary General. Further, a companion resolution set in motion machinery to deal with human rights violations that result in mass exoduses of refugees anywhere in the world.

Fifth, the commission recognized the importance of human rights spokesmen and adopted a resolution to enlarge international protection of their right to speak out. This was a particularly significant move in view of the repression in Eastern Europe of groups monitoring human rights.

Sixth, in closed session, the commission for the first time took up in detail specific human rights abuses in 11 countries, showing a willingness to extend the commission's concern further than ever before.

These and other human rights measures became possible through a coalition of Western and various nonaligned nations. Together, they were able to override the Soviet bloc's previously successful tactics of forestalling effective human rights action.

It was striking that not one Soviet-led initiative succeeded while every human rights measure introduced advanced; of even greater significance, the advances were not achieved through the use of cold war rhetoric but rather as an affirmation of human rights concern.

What became clear is that human rights is far from a passing fad; on the contrary, it has an increasingly wide appeal.

The significance of the recent overthrow of repressive rulers in Uganda, the former Central African Empire, Iran and Nicaragua was not lost on the nations at the commission. An additional factor in the advance of human rights resolutions has been the increased democratization in a number of third-world countries.

A highly encouraging development is that the human rights leaders at the commission are no longer from the West alone. Forceful leadership by various delegates from the third-world nations, including the commission's chairman, Waleed M. Sadi of Jordan, were instrumental in shepherding the human rights measures through the proceedings.

The United States delegation had clear instructions to carry out the commitment to human rights of President Carter and Secretary of State Cyrus R. Vance. Our delegation vigorously pursued human rights initiatives in close cooperation with Western representatives and many nonaligned delegations.

At a time when human rights seem overtaken by concerns of *Realpolitik*, it is reassuring to have the commission firmly assert the continuing relevance of human rights on the international agenda.●

CONGRATULATIONS TO TIGER SWING BAND

HON. RALPH S. REGULA

OF OHIO

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. REGULA. Mr. Speaker, I have just finished reading a series of newspaper articles extolling the outstanding performance of 91 young musical ambassadors from Ohio's 16th Congressional District.

Massillon Washington High School's Tiger Swing Band recently returned from a triumphant 12-performance tour of England, during which they participated in the Harrogate International Youth Music Festival.

Headlines described the band's performances as "fantastic," "well-disciplined," and "most enjoyable." After appearing live on a British Broadcasting Co. nationwide telecast from Birmingham, the band picked up a following and played to additional thousands in succeeding parades and field shows.

Apprehensive that their brand of swing music might not be well received, the Massillon musicians were delighted to find their English cousins thoroughly enjoyed it. At Harrogate's Royal Hall the band brought the usually reserved Britons to an unprecedented clapping, foot-stomping call for an encore to the band's traditional theme—"Tiger Rag."

The comment of one British lady who heard the band in concert reflects the goodwill generated by these Buckeye State musicians: "In England, we've been down in the cheeks," she said, "but after hearing your band, I'm happy all over again."

Another woman, thanking the band for its performance, said: "You left a coverlet of happiness."

Mr. Speaker, I congratulate and commend the Tiger bandsmen and their director, James Billingsley. As their Representative in the Congress, I am very proud of the Massillon Tiger Swing Band and the way it represented the United States of America in the United Kingdom.

I call this to the attention of my colleagues that they may share my pride in these young Americans currently coming onstream in our Nation's society.●

CALIFORNIA WATER STORAGE AND DELIVERY PROJECT

HON. GEORGE MILLER

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. MILLER of California. Mr. Speaker, the California State Legislature is presently debating S.B. 200, an extraordinarily unwise piece of legislation which would authorize the construction of various water storage and delivery projects at a cost of some $7 billion. This legislation, which is being encouraged by special interests in one region of the State, to the detriment of many others, represents the most backward type of resource development philosophies. It encourages the costly construction of massive projects which will stimulate supply and consumption, while ignoring the more delicate but equally important areas of conservation and suitable management of public resources.

The single worst feature in this entire program is the long-debated peripheral canal, a 43-mile long channel designed to divert most of the flow of the Sacramento River away from northern California and directly to the massive pumps which carry it south. The reduction of the flow of the Sacramento will cause a number of serious problems, but none more so than the imperiling of the delicate ecology of the Sacramento-San Joaquin Delta and San Francisco Bay.

Millions of people depend on the fresh water supplies of the bay and delta for jobs, domestic drinking supplies, recreation, and numerous other purposes. The delta supports a $400 million a year agricultural industry, producing many crops which are unique to that region of the United States. For as long as southern interests have lusted after the peripheral canal, they have made hollow pledges to northern Californians that its operation would not endanger the frailty of the delta-bay region. But these are certainly empty promises; were an isolated facility such as the peripheral canal ever constructed, it seems inevitable that water consumers will insist that it be utilized to its maximum. And at that point, the delta and bay as we have come to depend on it and love it will perish.

One of the major reasons for the need for this extremely costly facility is the failure of agricultural interests in the Central Valley to properly manage their underground supplies. However, advocates of the peripheral canal want the taxpayers of California—and they would love to get all American taxpayers involved—to pay billions of dollars to create water with which to replenish the underground supplies, but they adamantly refuse to support any system for the appropriate management of those supplies.

Clearly without groundwater management, we cannot produce enough water. Of course, the advocates of the peripheral canal have thought beyond the $7 billion contained in S.B. 200. Its major sponsor has already trained his eye on the Eel River, currently protected by wild and scenic river status. More and more of the vanishing water resources of California are doomed to be captured by insatiable interests if the supporters of S.B. 200 are able to cloud the real issues of adequate supply, proper management, and conservation. If we refuse to change past practices of profligate use, rule out groundwater management, advocate the irrigation of low-quality high salt lands and ceaseless urban expansion, all of northern California will eventually be reduced to a concrete conduit pointing south.

Fortunately, an increasingly large number of responsible voices throughout the State of California are challenging this destructive view. Recently, the Sacramento and Fresno Bee newspapers have recently run a very comprehensive series of articles by George L. Baker, Jr., which trace the history of the peripheral canal proposal and which demonstrate the shortsightedness on which it is based. No one could seriously challenge the view that the newspaper speaks with great intelligence for the best interests of the Central Valley, and its word on this important subject ought to be strongly considered by Californians.

I also want to include in the RECORD recent editorials by the San Francisco Chronicle and NBC radio affiliate KNBR in San Francisco, both of which have also editorialized against S.B. 200 and the construction of the peripheral canal.

The editorials follow:

[From the Sacramento Bee, Apr. 9, 1980]

NO ON THE PERIPHERAL CANAL

In the past year, we've developed fundamental misgivings about the proposed Peripheral Canal, the ambitious project that would move water from the Sacramento River, around the delta, to Kern County and Southern California. Those misgivings—misgivings about a project we always supported in the past—are based, in part, on new information; in part, on the skyrocketing costs of construction and energy; and, in part, on a set of serious questions to which the state Department of Water Resources (DWR), chief sponsor of this project, has not yet given satisfactory answers:

Most crucially, neither the DWR nor Southern California's Metropolitan Water District, which is lobbying hard for the canal, has demonstrated a real need at this time—or indeed at any time before the year 2020—for the additional water that the canal would help provide Kern County and Southern California. Although both agencies insist that a water crisis is approaching in the South, their own internal documents strongly suggest that the crisis is 40 years in the future and that other (and cheaper) water sources could meet the needs in the meantime. Neither agency has adequately studied the potential for water conservation or figured into its estimates of future demand the conservation that will follow water price increases.

There is no assurance whatever that the additional water that would be provided Kern County would be used, as promised, to replenish ground-water resources and not, as has always happened in the past, to expand already large corporate farms.

It remains unclear whether the delta, which is supposed to be protected by this project, will really benefit from it. Equally compelling arguments have been made by those who claim the canal would prevent additional salt-water intrusion in the delta and protect fish populations and by those who claim the untested fish screens can't work and that the impact on San Francisco Bay would be severely damaging.

Although the Peripheral Canal is supposed to be linked eventually to a future midvalley canal that would alleviate groundwater problems in the central San Joaquin Valley, it's generally agreed that the chances of such a midvalley canal being built are small and that its completion date, under the best of circumstances, is 15 to 20 years off. Last week's reported commitment of 500,000 acre-feet of water for the midvalley canal promises water that must either be taken from other uses or be produced from sources that do not now exist and are not part of the state's water plan.

In view of the rapidly rising costs of construction and energy—and particularly the cost of pumping millions of acre-feet up the San Joaquin Valley and over the Tehachapis—there is doubt that the basic economics of the project are still sound. The DWR has not adequately revised its cost-benefit analysis of the project in light of those costs and thus is hard put to assuage that doubt.

One can no longer assume—as we and many others did in the past—that nearly every water project in California, is, almost by definition, not only necessary but cost-efficient. The canal, originally estimated to cost less than $300 million and now projected to cost $1.07 billion by the time it is completed, is itself part of an estimated $5.1 billion package that also includes such projects as a $1.3 billion reservoir in Contra Costa County that, according to a recent DWR report, will produce only a minor increase in available water supplies. That package, in turn, is part of a long-term water plan most recently calculated to cost $11 billion in 1979 dollars, plus an additional $12 billion for inflation.

Like most people in these valleys, we believe we understand instinctively how important water has always been to this region. But we also have come to understand that in an age of increasingly scarce resources and mounting costs, every major project demands close scrutiny. To the extent that the canal and related projects are now uneconomical they would not only place unnecessary burdens on water users, taxpayers and others who must pay for them; they would also prompt irrational use of scarce resources—particularly water and energy—and impede the development of more efficient alternatives.

The canal and related projects—all part of Senate Bill 200—are now before the Legislature and probably will be acted on this month. They should be voted down. At this point, the benefits do not appear to justify the costs; the questions overwhelm the available answers.

We're not certain that the canal is not needed for all time, nor should rejection of this project be regarded as the end of water development in California. On the contrary, it should foster the kind of studies and planning that will answer the unanswered questions, meet the misgivings, and lead to projects and policies that assure the continued development of the state at a cost that water users and taxpayers can afford.

[From the San Francisco Chronicle, Apr. 25, 1980]

Peripheral Canal Test

Assembly Speaker Leo McCarthy's appeal to Governor Brown to lend his leadership to the prevention of further north-south animosities over the Peripheral Canal project isn't likely to have much success, but hats off to McCarthy for trying.

This project for moving water from the Sacramento River, around the Delta, to Kern County and Southern California has been a long, bitter and, we confess, often tedious fight. It has been studied, surveyed and reviewed for the past 15 years. McCarthy says the canal scheme, embodied in SB 200, still contains "inadequate guarantees for protection of San Francisco Bay and Delta water quality, fish and wildlife."

But the Brown administration's water resources department passionately believes the guarantees are entirely adequate. The doubters of course are mostly in the north, outnumbered by the politically more powerful south.

Repeatedly, The Chronicle has protested that the ecological consequences of building the canal are not sufficiently certain to reassure the millions of Californians who live around the Delta and in the Bay Area. "No estimate has yet been made," says a report by San Francisco's SPUR, "of the amount of water needed for adequate flushing of San Francisco Bay, so the legislation calls for a study of this problem and promises release of water for this purpose 'to the extent practicable.'"

What kind of assurance would that be? SPUR demands, and any other Northern California organization concerned with the issue should also demand, before construction starts, a determination of the minimum amount of flushing Delta flow necessary to achieve a balance between fresh and salt water in the Bay and to provide much needed circulation in the southern part of the Bay.

The salinity question is just one unanswered one. Another has to do with the proposed fish screens to be installed at the Peripheral Canal's intake on the Sacramento river at Hood. Will they work? "Adequate screens do not exist for this purpose," says SPUR. If you don't screen out the salmon and striped bass fry at the Hood diversion point, they'll be sucked up in the Tracy pumps and lost and half the purpose of building the canal will disappear with them.

The project, then, is flawed with two insufficiently studied factors that could prove to be fatal. And there are others. To meet the Southern California demands, the state is about to be plunged into a commitment to start a $23 billion long-term dam-building, reservoir-creating water delivery system. The Peripheral Canal is but a small down payment on this 21st century water-grabbing scenario. But the canal is the fulcrum of politics now. The people who want it have the votes.

If they also have the heedless determination to bull this measure through the Assembly without regard for the warnings lately raised—by McCarthy, by SPUR, by the Planning and Conservation League, by the Sacramento Bee, which has just this month reversed its longstanding support of the canal—the water grabbers will find on their hands a project likely to be tied up in litigation for ten years and in preventable bitterness for a long time after that.

[From Radio Station KNBR, Feb. 13, 1980]

Editorial Opinion

Think of a big ditch 400-feet wide, 30-feet deep, and 43 miles long, curving around the east side of the Sacramento-San Joaquin Delta. That's what the Peripheral Canal would look like. What it would do is frightening. It would drain off from the Sacramento River up to a million acre-feet of water a year and pour it into aqueducts headed for Southern California. That's frightening because, as bay area legislators point out, there is no guarantee to protect the delta and the bay. Fresh water flowing into the bay is needed to hold back saltwater from the ocean, to protect wildlife, agriculture, and industry, and to control pollution of the bay. The U.S. Fish and Wildlife Service warns that enormous harm results from the huge amount of water already being sent south. Sending more water through the Peripheral Canal could bring a real ecological disaster. We believe the Peripheral Canal must be stopped now. The State Senate has already passed it, and it goes before the Assembly Water Committee on February 27. We urge our Assemblymen to vote no on this dangerous scheme to grab water' for southern California without regard to the danger to San Francisco Bay.●

COSPONSORS REQUESTED FOR CONCURRENT RESOLUTION ON SYMPATHY FOR THE FAMILIES OF EIGHT MILITARY SERVICE PERSONNEL WHO DIED IN ATTEMPTED RESCUE MISSION

HON. CARDISS COLLINS

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mrs. COLLINS of Illinois. Mr. Speaker, I know all of us were deeply saddened to learn of the death of eight military service personnel in the attempted rescue mission of our American hostages held in Iran.

Accordingly, today I am introducing a concurrent resolution which extends the heartfelt sympathy of the Congress to the families and friends of our countrymen who died in the aborted rescue attempt.

You may express your sympathy by contacting my legislative assistant, Denise Wilson, at extension 55006, with your cosponsorship of this resolution.

Thank you.●

THE VALUE OF A FULL DAY'S WORK

HON. ELDON RUDD

OF ARIZONA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. RUDD. Mr. Speaker, I receive a wealth of good commonsense and reasoned understanding about the economic problems facing our country in my communications from citizens of Arizona and throughout the Nation.

One such citizen who recently wrote me about the problem of inflation is George F. Getz, Jr., a self-made businessman whose success as an enterprising American is exceeded only by his own personal character and patriotic commitment to our great Nation and its constitutional principles.

Mr. Getz recognizes that the concept of a full day's work has been the motivating force of our people from the days when pioneers settled the wild frontier, to the technological discoveries and invention of the last two centuries which made the United States a leading economic power in the world.

He regards the apparent weakening of the work ethic as one of the great threats to continued American prosperity and economic security. I share his concern about the alienation from work that seems to be on the rise throughout our society.

I commend the insights of Mr. Getz to all my colleagues, and include his letter at this point in the RECORD.

SCOTTSDALE, ARIZ.,
April 22, 1980.

Congressman ELDON RUDD,
Longworth Building,
Washington, D.C.

DEAR ELDON: I have your letter of April 15 regarding some of the problems facing this Nation. I would like to share with you, in response to your letter, some of my thoughts.

Of course, inflation is our biggest problem. This has been brought about over a period of years by the increasing cost of practically every item of hard goods, food and anything you can name. This has been gradually brought about by the increase in wages, which is the largest percentage of most capital goods. Labor has helped to bring about these high costs and until the laboring people learn to give a full day's work for a full day's wages, we're going to continue to have this problem. I do not begrudge people the right to enjoy life, take things easy, but they need to work for it and until labor is willing to give their full effort, you're going to have inflation.

In addition to this, we have a terrific number of people on government and municipal payrolls and all you have to do is watch the workmen on a road project, a sewer job, or any other municipally financed program to realize that you're getting four hours work for an eight hour day. Government padding of payrolls is one of the greatest problems in this country and has more to do with inflation than anything else. Government payrolls must be cut and those that remain must realize that they, too, will be cut if they don't give a full day's work.

The best way I know of to stop the way we're going and get back to the country you and I have known in the past and loved, is to stop deficit spending, cut out these unnecessary government jobs, cut back on all of the unnecessary government expenditures, and goodness knows there are plenty of them, and balance the budget not only one year, but for good. If business were to operate the way government operates, it would have declared bankruptcy years ago. Until we learn that government is business and that you cannot operate that way, we're just fooling ourselves. It's like the ostrich, sticking his head in the ground and thinking he is out of sight.

We are sending billions of dollars abroad to help other countries and all they do is laugh at us. We are naive when it comes to international affairs and until we are represented internationally by trained diplomats, this will continue. We need some good, old fashioned diplomats who are well trained running these various segments of the government. We need somebody interested in this country, not in themselves, to bring us back to a sound government and if we don't hurry up, it's going to be too late.

Private enterprise can do much, if it is not shackled by government regulations. Business will survive if given half a chance, but it cannot be dictated to so completely by rules and regulations that it cannot function. This is a subject that one could go on discussing for hours, but, Eldon, I think you understand what I mean and until some of these things in Washington are straightened out, we're going to continue with this inflation and before long it is going to get beyond recall.

With warmest personal regards and best wishes,

Sincerely,

GEORGE F. GETZ, JR.●

COAL SEVERANCE TAX

HON. JAMES L. OBERSTAR

OF MINNESOTA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. OBERSTAR. Mr. Speaker, the Montana and Wyoming coal severance taxes constitute virtual highway robbery. Last year Minnesotans paid $14 million to Montana and Wyoming in severance taxes alone. These costs are not absorbed by the utility companies but are passed on to the consumer directly in fuel adjustment clauses in most States.

I do not oppose State severance taxes but strongly believe that the tax rate should bear some relation to economic and environmental impact and production costs. No other State places such a high severance tax on its resources exported—neither renewable nor nonrenewable resources. Minnesota's tax on iron ore agglomerates is only 0.8 percent and its tax on iron ore is only 7.8 percent. No other coal exporting State has a severance tax over 10 percent. Yet out-of-State consumers must pay Montana millions each year, of which 50 percent is earmarked for a trust fund for future generations. Montana and Wyoming receive even more of out-of-State taxpayer moneys in revenue-sharing funds based on their State's tax revenue.

Excessive severance taxes contradict our Nation's goals of energy independence and greater use of coal and violate the belief that every State should share in the resources of our Nation.

I submit for Members' attention an editorial from the Minneapolis Tribune of April 20, 1980. It outlines cogently and succinctly reasons to limit the exorbitantly high severance taxes placed on coal by Montana and Wyoming:

MONTANA'S UNFAIR, 30-PERCENT TAX ON COAL

Customers of Northern States Power Co., most of them Minnesotans, enriched the Montana treasury to the tune of $14.1 million in 1978 and $15.3 million in 1979. The customers pay because NSP, which burns Montana coal in its electric-generating plants, passes Montana's coal-severance taxes on to them. In all, customers of utilities in nine states are affected. Is Montana's severance tax—the highest in the nation at 30 percent of the mine-mouth value of coal—unfair?

Some 40 congressmen in affected states think so; they're proposing a federal law limiting the levy to 12.5 percent. So does Minneapolis Mayor Donald Fraser, chairman of a steering committee formed to support the federal limit, who calls the tax "exorbitant."

But severance taxes—or similar levies, such as Minnesota's—on iron ore, oil, coal and other minerals are certainly justified. The states, after all, are losing a non-renewable resource. Montana is banking part of its severance tax for future needs and has spent part on grants to cities, counties and schools affected by coal development. That's fair enough.

So the question is not the principle involved, but the *rate* of Montana's tax—whether that state is, in effect, gouging people outside its borders. The severance tax now raises about $80 million a year; that revenue will continue to go up as both coal production and prices increase. The strong indication is that the 30-percent tax is out of all proportion to Montana's state-local needs caused by coal-mining.

Three other taxes on Montana coal total another 12 percent of its mine-mouth value. In addition, half the lease royalties paid to the federal government, which owns about three-fourths of the state's coal, are refunded to Montana. That represents another 6.25 percent of value. NSP argues that the increased government costs attributable to mining—schools, police, fire, roads—could be covered by a tax of about 2 cents per ton; the 30-percent levy comes to about $1.95 per ton.

Even some Montanans agree that the state is over-funding the mining areas; they are pressing for wider distribution of the severance-tax money throughout the state. As early as 1977, the Montana Legislature's office of fiscal analysis reported that "the coal area is characterized by some of the lowest mill levies in the state and has been blessed by mushrooming property valuations. . . . The need for state-supported local-impact grants may be much less than originally anticipated. . . . Allocation of state funds in such instances represents property-tax relief to those areas most able to pay their own way." (The three coal-area counties that have received 85 percent of the impact aid contain the state's two richest school districts.)

A 1978 legislative study said: "The most pressing needs of the coal-mining communities—sewer systems, schools and capital equipment—have been met." Montana's governor, when asked during a 1977 congressional hearing whether the 6.25-percent federal royalty refunds to Montana would cover "any and all of the impact," answered affirmatively. Finally, the anticipated cost of reclaiming mined-over land (about $12,000 per acre) is built into the price of the coal.

There's no particular rationale for the congressional bill's 12.5-percent limit on the severance tax, except that it would correspond to the present royalty payment on federal leases. But it seems clear that Congress, in fairness to consumers in the coal-consuming states, ought to draw the line—and draw it closer to 12.5 percent than 30 percent.●

INCREASE DEFENSE SPENDING

HON. PAUL FINDLEY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. FINDLEY. Mr. Speaker, attached is an excellent editorial by John F. Lehman, Jr., a highly respected defense analyst and a defense policy adviser to Ronald Reagan. The facts and analysis in Mr. Lehman's editorial point to the serious degradation of U.S. military capabilities. I want to make clear that I am not advocating that the United States mine the Iranian harbors and, in fact, conclude that it would be dangerous to do so, given the deteriorating U.S. capabilities as described by Mr. Lehman.

However, in these turbulent and dangerous times when the United States must confront the crisis in Iran and the crisis in Afghanistan, it is more important than ever that we can assure our security and interests. I am, therefore, stating my support for the Holt-Gramm amendment to the budget resolution and urge my colleagues to support increased defense spending.

The editorial follows:

[From the Wall Street Journal, Apr. 25, 1980]

THE MINING OF IRAN'S HARBORS

(By John Lehman)

Lately the White House has been putting it about that there is very serious consideration being given to the mining of Iranian harbors as a military action to bring pressure for release of the hostages.

President Carter ran on a ticket which promised cuts in defense spending, and he lived up to that promise. In his first three years in the White House, Mr. Carter's defense budget request represented a real decline from each previous year taking account of actual inflation. He has reduced defense spending by a total of $38 billion from the five-year defense plan sent to Congress by President Ford in January of 1977. His 1981 budget promise of 3% growth has been revealed on these pages as a blatant cooking of the books.

Now for the first time in his presidency he may be called upon to use the defense establishment for actual hostile action. It is time thus to ask the obvious question. Has the Carter policy of reduced defense effort had any appreciable impact on our military capability to cope with real contingencies? Let us look at that narrow slice of our defense establishment that would actually be used to carry out the mining of Iranian harbors.

NO NEW TECHNOLOGY PURSUED

The only experience we have to go on since World War II is the mining of North Vietnamese harbors in 1972. While there is danger in "planning for the last war," in the case of mining there has been no new technology pursued or added to the U.S. inventory since that time, so that experience should be quite valid. My experience of that effort was as an assistant to Henry Kissinger at the National Security Council, and on the scene with Task Force 77 on Yankee Station.

Mining harbors is far more complex than it appears. The different types of mines, each requiring different delivery techniques, must be positioned precisely in the approaches and channels and must be positioned in the proper mix of types and sufficient quantity. Most difficult of all, mining must be done all at once and done right the first time. It is possible to "reseed" an area only with certain types of mines and then it is very difficult.

There are a number of essential elements to carrying out a successful mining operation. A review of the current state of each of these elements under the Carter administration isn't encouraging.

Mines: It takes at least 30 days to prepare and transport sufficient quantities of mines from the East or West Coast of the United States to the Indian Ocean by ship. The combat-support vessels necessary for such transport have dwindled under the Carter naval reductions by 10. Mr. Carter has cut 17 new combat support vessels from the Navy shipbuilding plan of 1977. As to the mines themselves, stocks are many thousands below planned war reserves. The Navy has a current $9 billion shortfall in its munitions requirements for minimum war reserve stocks.

Mining Aircraft: The Navy A-6 Intruder was in 1972, and remains in its modernized form, the most capable all-weather attack fighter bomber in the world, and the only one capable of leading a precision mining emplacement. It is a two-man, twin engine aircraft that constitutes the principal long-range attack capability on each of our aircraft carriers. The Navy plans to keep it in this mission into the next century, but the Carter administration has for the last two years attempted to cancel the A-6 production program despite the fact that there are not sufficient A6Es in the Navy to provide all 12 carrier squadrons with 12 aircraft, nor to provide the two reserve airwings with A6E Squadrons.

Congress has kept the line open by adding A-6s for the last two years in a row against Mr. Carter's objections. The President's new "growth" budget, in addition to reducing all other Navy carrier aircraft programs, tries once again to cancel the A-6 program. It is the fourth straight year he has requested fewer new Navy aircraft than the number lost in training.

Aircraft Carriers: The nearest U.S. land base to Iran is Diego Garcia, which is some 3,000 miles away from the Kharg Island oil terminals and therefore not useful. Hence two Navy attack carriers would have to be fully committed for at least 24 hours to nothing else but the mining operations. Two carriers have been in the Indian Ocean during the Iranian crisis, but this has meant that for much of this time there have been no carriers on station west of Pearl Harbor for the first time since the Korean war.

If we are to retain even one carrier in the Indian Ocean in the future, that will mean that our postwar commitment to keep two aircraft carriers in the Mediterranean and two in the Western Pacific cannot be met. President Carter's bitter opposition to any new aircraft carriers, including the extreme action of vetoing the fiscal 1979 defense bill to try to stop its authorization has delayed by three years start on a carrier needed to replace the World War II Midway just to stay even at 12 carriers beyond 1985. Congress nevertheless overwhelmingly passed a new nuclear carrier over the President's continued opposition last year.

Skilled Personnel: The Carter administration began with an effort to reduce military benefits. It tried to do away with the 20-year retirement, and succeeded in denying retired military the right to receive their full pension if they worked in civil service jobs. Military pay raises have been held to approximately one-half of inflation. A recent study showed that 80 percent of Navy enlisted men had to work at second jobs or have their wives work at second jobs in order to live. Many Navy enlisted personnel are now officially below the federal proverty level; the skilled Ordnance Petty Officer needed to assemble mines, working 18 hours a day out in the Indian Ocean, actually qualifies for food stamps, and indeed his family must get them in order not to starve while he is deployed for eight months out of every year and unable to work at his second job.

Small wonder then that the retention of such men in which the taxpayers have invested hundreds of thousands of dollars in training and experience is running currently at only 36 percent, which means quite simply that there are not nearly enough to do the job. As another example, the A-6 squadron on one of our front-line East Coast carriers has only seven maintenance Chief Petty Officers out of 17 required. That squadron recently lost two of its aircraft and two aviators in crashes in one week, one of them directly caused by a maintenance error. Flying proficiency and steaming days have been steadily reduced by budget constraint. As a result, the Navy has lost 74 men and 126 aircraft (average cost $10 million) during the past year in accidents.

As we have all read repeatedly in the press this year, the retention of pilots and bombardier/navigators is terrible. What is remarkable is that we retain any at all after their initial obligation is complete. They are away from their families, deployed at sea for nine months out of the year doing the most dangerous flying in the world as normal routine. Because of budget cuts, that flying is now less of a routine and more of a hazard.

THE LEATHER FLIGHT JACKET

For this, most of them make just over $20,000, about one-third of what they could be making in the airlines, and they have seen their little side benefits disappear to nothing. In the ultimate pettiness, the Carter administration has now denied funding for leather flight jackets, a 70-year-old tradition. If mining is to be done, it will be done by aviators, maintenance ratings and ordnance men who are nearly all on their first tour, by officers and CPOs who cannot qualify for a single-family mortgage, and by enlisted men on welfare.

Despite these problems we still do have a real capability to carry out a complex and demanding military task such as the mining of Iranian harbors, but the difference in capability between the last execution in 1972 and today provides one slice of insight into what three years of neglect and mismanagement can bring about. The thousands of active servicemen on food stamps, the families of deceased aviators, and of course the Russian General Staff must have taken wry note of the Carter administration claim Sept. 14 that there was not sufficient need for a 5 percent increase in defense even if Congress voted it.

Many commentators have warned that the Soviets calculated that they could invade Afghanistan because the U.S. government has demonstrated from Angola through Tehran, a lack of will. Quite apart from will, it now seems clear the Soviets have taken the measure of our reduced capability to do military tasks, from strategic counterforce to conventional mining. It is the accuracy of their perception of us that should chill the most fulsome optimist.●

SARAH SMITH

HON. JULIAN C. DIXON

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. DIXON. Mr. Speaker, I would like to share with my colleagues the distinguished and remarkable career of Sarah Smith.

Born in a small mining town in Missouri, at the age of 4 Sarah moved to Los Angeles with her parents and sister. Sarah's mother was a schoolteacher who learned upon her arrival in Los Angeles that blacks were not employed as schoolteachers. The family was thus forced to move on several different occasions and, by the time Sarah had reached the fifth grade, she had attended more than 24 schools.

At Jordan High School, Sarah was a member of the championship debating team. Following graduation from Jordan High, Sarah entered Cal-State University where after 1½ years she met and married Earl Smith. For the next years, Sarah's life was devoted to raising the four children born of her union with Earl: Charles, Earl, Evonne, and Susan. With her children grown and on their own, Sarah decided to finish her education. She returned to college where she earned her degree. After graduation Sarah taught for 2 years at Compton Avenue and South Park Elementary Schools. In 1957 Sarah joined the Probationary Substitute Organization (PSO) where she served as second vice president and president respectively. When the Los Angeles Chapter of California Teachers Association and the Associated Teachers Organization of Los Angeles (LACTA/ATOLA) merged in 1968, Sarah was the South Air chairperson whose tranquil but tenacious bearing played a distinctive part in the smooth transition brought about by this merger. This same bearing was displayed during her 6 years on the National Education Association's resolutions committee, the public relations committee and, the human relations committee. Sarah's indomitable spirit and zest for public and community service became well known to the citizens of Los Angeles.

In the first elections held by the United Teachers of Los Angeles (UTLA) Sarah was elected secretary, and served for 2 years. Subsequently, Sarah was elected to vice president of the National Education Association/California Teacher's Association (NEA/CTA), a post she also held for 2 years.

Having successfully combined three careers, that of wife, mother, and educator, Sarah is retiring and on May 9, 1980, family, friends, colleagues, and proteges, will gather to pay tribute to this wonderful woman. The occasion is Sarah's retirement dinner and, although it is difficult to envision her in any other role but that which has played so significantly a part toward the educational enrichment of Los Angeleans, I join my fellow Californians in wishing Sarah a wonderful and prosperous future.●

A SALUTE TO THE CHILDREN'S EXPERIMENTAL THEATER, INC.

HON. LEON E. PANETTA

OF CALIFORNIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. PANETTA. Mr. Speaker, I call the attention of my colleagues to a truly remarkable and unique theater troupe in my congressional district. This year marks the 20th anniversary of an amazing institution in my area—the Children's Experimental Theater, Inc. The following is excerpted from a report I read on the theater company and on the activities which took place to commemorate the CET on its 20th anniversary. I hope that my colleagues will find the following of interest:

SALUTE TO THE CHILDREN'S EXPERIMENTAL THEATER

Children's Experimental Theater, located in Carmel-by-the-Sea, is beginning its twentieth year as a comprehensive drama school for youngsters from six through eighteen years of age. Acting classes, original scripts, and—through the medium of the Travelling Troupe—hundreds of performances, by children for children, have illuminated the lives of young performers and audiences all over Monterey County.

The founder of Children's Experimental Theater is Marcia Gambrell Hovick. A transplanted Texan who began her work in children's theater at the age of four with the Tulsa World Theater, Ms. Hovick grew up in Austin, Texas, dancing, debating, and working with Zack Scott's Community Theater. As a Trustee Scholar at fifteen, she majored in speech and drama at Mills College in Oakland, California, and has been involved in all aspects of theater ever since—acting, writing, and teaching theater all over the country.

Ms. Hovick began to work with children's theater in Baltimore, Maryland, teaching and producing with the Children's Educational Theater at the Johns Hopkins Playshop. Her relationship with children's theater expanded in Alabama and California as she accompanied her doctor-husband through medical school and residency, starting children's theaters as she went. She also found time to have two sons and two daughters of her own.

Eventually she wove together dance, speech, movement, and creative drama techniques into a unique philosophy of children's theater. Training in T'ai Chi Chuan, the Alexander method, period dance and movement, stage combat, and ethnic dance have since been added to the theater class experience.

From the beginning Ms. Hovick wrote in carefully researched historical period for CET classes, and every child performs in a play—often written specificaly for the participants. The nine-year-old Staff Players Repertory Company has served as a vibrant theater museum, bringing classics of the world's stages to life with gifted adult performers.

Acting, directing, teaching, writing, and producing continue to occupy both the founder and the staff of CET, the Traveling Troupe continues to entertain at elementary schools throughout Monterey County, and the Young Actors' Company and Staff Players Repertory Company reach out to share their remarkable productions with Californians all over the state. Performing workshops and master classes are also available, sharing an approach to theater that is economical in time and material things, but rich in skills and human understanding.

CET HISTORY

The Children's Experimental Theater began in 1960 as a part of the newly formed Community Theater, housed in the Golden Bough Circle Theater. From a modest beginning of twenty-five students in two small classes, CET rapidly grew to nearly one hundred students from first grade through high school.

Students are drawn from the six cities of the Monterey Peninsula, and as far away as Big Sur, Salinas and Moss Landing. Students are accepted, rather than selected, on a first come-first serve basis. Classes are held on Saturdays during the school year and after school on Mondays.

In 1966, in cooperation with the Junior League of the Monterey Peninsula, CET began its Traveling Troupe which has toured performances by children, for children, to the elementary schools of Monterey County ever since. Also in 1966 the gifted teacher and costumer, Loel Shuler, officially joined the staff.

By February 1969, the children's classes and activities had grown to such an extent that a theater of its own became a necessity. Incorporating itself as a non-profit organization under the name Children's Experimental Theater, the students, teachers, scenery, and costumes all moved to the Indoor Forest Theater and began a new life with its own executive board.

In that same year, 1969, the Young Actors' Company—made up of high school and college students—inaugurated the new theater with the production of three original one-act plays about Easter. These were also performed in a number of local churches.

An adult group, the Staff Players, was added in 1970 and it began producing from three to five shows a season, its season running concurrently with the CET school year. Today the group is known as the Staff Players Repertory Company and includes graduates of CET, parents of students and former students, ten theater apprentices, and a technical staff.

The Traveling Troupe has presented free performances in every public and private elementary school in Monterery County, seven junior high schools, eight high schools, and Monterey Peninsula and Hartnell Colleges. It has also performed at over half a dozen schools outside the county and at numerous retirement residences. All in all the Troupe has made more than 1,500 performances before more than 300,000 young people.

ANNIVERSARY GALA

On Saturday and Sunday, March 15 and 16, 1980, the Children's Experimental Theater held a gala celebration of its twentieth anniversary at the Steinback Forum in the

Monterey Conference Center. Special events on Saturday evening presented a brief awards ceremony, Mayors' proclamations, a ten-minute slide presentation on the history of CET, and an introduction of dignitaries.

The Staff Players Repertory Company presented its recent hit show, "Lovers, Lovers, Lovers," both Saturday and Sunday evening. Consisting of three one-act plays with the common theme of love—and lovers—the show inlcudes "Village Wooing," featuring Richard Boynton and Gwyneth Hovick, and "How He Lied to Her Husband," with Stephen Anthony Moorer, Jan Du Plain and Stephen Dirk, both by George Bernard Shaw. Chekhov's classic farce, "The Boor," with Jeff Hudelson, Barbara Shuler and Thomas R. Sanchez, concludes the program.

Other activities at the Conference Center that weekend included Saturday matinee performance by the Traveling Troupe of "Hansel and Gretel" and Staff Players' matinees both Saturday and Sunday of the children's play, "The Golden Goose."●

IN RECOGNITION OF RABBI SPEISER'S CONTRIBUTIONS

HON. RICHARD L. OTTINGER

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. OTTINGER. Mr. Speaker, on May 4 Rabbi Joseph Speiser will be honored for his 30 years of devotion to the Congregation Kneses Tifereth Israel in Port Chester, N.Y. On this, the occasion of his retirement, I would like to applaud him for the numerous accomplishments and contributions he has made to his synagogue, to the community of Port Chester, and to the Jewish community. As a prominent religious leader, Rabbi Speiser has enlightened us with his understanding and appreciation of Jewish religious teachings, history, and culture. His enrichment of Jewish life in Westchester County deserves our acknowledgement and commendation.

Rabbi Speiser has been the leader of the Congregation Kneses Tifereth Israel for the past 30 years. Shortly after his arrival he formed and taught a men's choir and subsequently set up a women's choir. He further recognized women as integral to the community of Jewish learning with the establishment of Bible classes for women which have met weekly for more than 20 years. He also founded the congregation's auxiliary.

Along with serving his congregation, Rabbi Speiser has reached into the community of Port Chester to comfort those in need. As chaplain of the Port Chester Police and Fire Departments as well as the United Hospital for the past 30 years, he has served his community with benevolence and generosity. His many years of devoted service to the Siwanoy Camp has brought pleasure to the numerous Boy and Girl Scouts who have spent their summers under his tutelage. Rabbi Speiser, in short, has been a pillar of the entire community—as rabbi, teacher, pastor, cantor, choir leader, and master chaplain, this single individual leaves behind a legacy that will long be remembered and continue to bear fruit for years to come.

Rabbi Joseph Speiser, a longtime friend, resides in Port Chester with his wife Raye. He is the father of three daughters and has one grandchild. I am pleased to honor him for his extraordinary achievements and contributions.●

LEGISLATION TO AMEND THE SAFE DRINKING WATER ACT OF 1974, TO GRANT STATE EPA'S AUTHORITY TO GRANT INTERIM VARIANCES

HON. ROBERT McCLORY

OF ILLINOIS

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. McCLORY. Mr. Speaker, I am today introducing a bill to amend the Safe Drinking Water Act to extend the period for which interim variances may be provided in the case of contaminant level and treatment technique requirements of national primary drinking water regulations, and for other purposes.

If passed, this bill would allow State enforcement authorities to make judgments regarding which Federal EPA drinking water standards are of immediate importance for enforcement and which can be safely postponed pending results of scientific studies. Mr. Ira Markwood, manager of the public water supplies division of the Illinois Environmental Protection Agency, as a result of national meetings with other officials responsible for enforcement of such EPA drinking water standards, has suggested this legislation to me as a positive nationwide solution to the problem posed by the impending January 1, 1981, date for compliance with all interim standards and standards covered by the Safe Drinking Water Act. If passed, this legislation would allow the State enforcement authorities to require compliance where failure to do so would jeopardize the public health and to allow variances for up to 7 years for a single water supply system and up to 9 years for a regional water supply system. This is not proposed as a final solution but as an interim measure to allow time for studies.

There are many communities throughout the Nation which have water supplies which exceed the standards set by the U.S. EPA for barium, radium, and fluoride, all of which are found naturally in water supplies and for which there is no adequate scientific data of a human health hazard at the levels found in water supplies. The question is whether or not extended use of water supplies containing these elements would prove harmful to human health. This legislation would allow time for studies to be conducted to determine at what level the standards should properly be set for these elements of barium, radium, and fluoride—and possibly other elements as well.

Mr. Speaker, in my 13th Congressional District of Illinois a number of communities have water supplies which exceed the standard for barium, and one community has radium in excess of the current standard. A number of States in the Nation have communities whose water supplies exceed the U.S. EPA standards for radium and fluoride—including Illinois, Texas, South Carolina, Wisconsin, Virginia, Oklahoma, Michigan, and California. Many State EPA officials support this legislation because it will allow flexibility to deal with differing types of problems and time to effect better solutions.

The last portion of this legislation states that "the State having primary enforcement responsibility may, in its discretion, determine that the best technology, treatment techniques, or other means need not be constructed and in place before a variance may be granted under this subparagraph." Apparently the present law is interpreted by the U.S. EPA to mean that a variance cannot be granted until after a treatment technique has been put into place and tried. This means that even though technology indicates a better solution through an improved treatment technique, the old and outdated method would have to be put in place at great cost before a variance could be granted to the community—even if they are seeking a variance due to inability to pay for the treatment plant or technique. In this time of economic stress, communities are justifiably incensed by such a requirement. This legislation, if passed, would change the law so that a particular treatment or technique would not have to be put in place and tried before a variance could be granted. However, if the suggested treatment or technology was the best available at the time or anticipated in the near future, the State enforcement authorities would no doubt utilize the suggested treatment technique or technology.

I will enumerate some of the reasons I feel this matter needs prompt attention and action regarding the barium problem with which I am most familiar, since it affects a number of small communities in my district.

First, the safe health standards for community water supplies under the Safe Drinking Water Act have not been established by adequate scientific or empirical data.

Second, the proposal of the Federal EPA designed to eliminate barium from the community water supplies by zeolite softening poses a known hazard by the introduction of sodium into the water.

Third, the projected cost of the lime softening solution proposed by the Federal EPA is beyond the financial capabilities of at least some of the communities in question.

Fourth, the Illinois Environmental Protection Act requires the issuance of orders preventing residential and industrial developments in the areas involved, with the result that economic stagnation has occurred. This is detrimental to the economy of those areas—and to the Nation.

Fifth, other portions of the country are similarly affected, establishing that this is a national and not simply a regional problem. The fact that a number of State EPA officials are in favor of this measure is ample evidence of the problem faced by many States in attempting to enforce standards set by the Federal EPA in accordance with the Safe Drinking Water Act without adequate scientific data to support such standards. Mr. Ira Markwood of the Illinois EPA speaks for all of the State water supply agencies in requesting this legislation—as he is chairman of the Water Supply Committee of the Conference of State Sanitary Engineers.

Mr. Speaker, in view of the urgent need for this legislation, I hope the Subcommittee on Health and the Environment of the House Committee on Interstate and Foreign Commerce will be able to take early action on this legislation and that the measure may be put on the suspension calendar. The hearing on the subject of barium in the water supplies of small communities in my congressional district was completed in November 1979, at which time extensive testimony was taken and no evidence was presented indicating that adequate scientific data was available on which to base a standard for barium. It is my understanding that there is also inadequate data available to support the present radium and fluoride standards, and possible this applies to other elements as well. Therefore, I am satisfied with the wisdom and reasonableness of this proposed legislation and cannot overemphasize the necessity and urgency to provide a solution to this problem. I believe the legislation I am submitting today will provide a satisfactory interim solution in the face of the January 1, 1981, deadline.●

ENERGY, NATIONAL SECURITY, AND THE ECONOMY

HON. WILLIAM S. MOORHEAD

OF PENNSYLVANIA

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. MOORHEAD of Pennsylvania. Mr. Speaker, I recently had the opportunity to speak before the 36th annual Washington conference of the Advertising Council on the subject of energy, national security, and the economy. Inasmuch as the energy conference here in the Congress continues to meet on the synthetic fuels legislation and inasmuch as America is now and will be for the foreseeable future energy short and that the issue of energy is irrevocably linked with the issue of national security, I request unanimous consent to insert my remarks delivered before the Advertising Council into the Record.

Remarks by Representative William S. Moorhead

It is a distinct honor and pleasure for me to participate in this 36th annual Washington Conference of the Advertising Council. It is particularly fitting that our subject for discussion is energy and national security and the impact of programs relating to these areas on the U.S. economy.

I would like you to know that all of the news in regard to these areas is not bad. The reason why I say that is this: A major piece of legislation which is designed to directly address these problems is now approaching its final resolution in the U.S. Congress.

That legislation is a bill called S. 932—an omnibus energy package which grew out of another bill I introduced in the House of Representatives last year. My legislation to establish a synthetic fuels industry in the United States was passed by the House of Representatives by a vote of 368 to 25.

That overwhelming majority helped convince President Carter and the U.S. Senate that the time had finally arrived to take this major step in achieving American Energy Independence.

This year, I was elected Chairman of the House and Senate Conference Committee on S. 932—composed of 32 Senators and 23 House Members—and I am happy to report to you we have reached agreement on the most important title or part of that bill. This title—covering 103 pages of new laws—will launch a major national priority effort to develop a viable synthetic fuels industry in the United States.

By the use of federal financial incentives, it will channel billions of dollars of private capital and public funds into the commercial production of substitute fuels for imported petroleum. These synthetics will be made from our own vast deposits of coal, oil shale and other feedstocks.

The legislation will create hundreds of thousands of new jobs in many different regions of the United States. It takes almost 20,000 workers to construct a modern coal-to-gasoline complex, and these figures, of course, do not include the thousands of workers needed to manufacture the equipment and materials going into one of these complexes—or the large number of people required to provide support services once such a plant is completed.

All of these jobs will be for Americans and the dollars they earn will stay at home instead of flowing overseas—a situtation which is currently feeding the fires of inflation and eating away the buying power of American families.

From an economic standpoint, the establishment of this new industry will create wealth and, in effect, initiate an economic cycle, providing not only new employment opportunities and corporate profits, but also new sources of federal, state and local tax revenues.

From the standpoint of national security, our House Subcommittee on Economic Stabilization heard testimony from expert public and private witnesses that America must halt its growing dependence on foreign oil supplies. Such dependence is sapping the very strength of a great nation. Although it is going to take a number of years to reverse this trend, the effort to develop synthetic fuels—combined with a greater emphasis on energy conservation—will help us to achieve some measure of energy independence until the day we can rely on domestic renewable resources for most of our energy needs.

Earlier, I mentioned my House bill, H.R. 3930, passed last June. The House and Senate Conference Committee has agreed to a very effective merger of that bill with the Senate proposal by Senator Jackson to establish an independent synthetic fuels corporation.

The House bill—utilizing the provisions of the Defense Production Act, and the Department of Defense working in consultation with the Department of Energy as the agents—will constitute the "fast-start" thrust of this gigantic national effort.

An impressive array of Federal financial incentives—including price guarantees, purchase agreements, loan guarantees and direct loans—will be made available on a competitive basis to private industry and investors immediately upon enactment. These incentives are designed to give them the necessary confidence to take whatever risks are involved to get this program moving as rapidly as possible.

The Congress will require that the best available environmental control technology be installed from the outset to prevent any possible regrets in the future. Those controls include closed water systems and gaseous recycling systems.

I want to emphasize this is not unbroken ground. Successful and environmentally clean coal-to-gasoline complexes are operating today in South Africa. They were built by American companies, the latest version—a complex called Sasol II—could be replicated with only a few modifications in the United States and meet all Federal environmental requirements.

As chairman of the House Subcommittee on Economic Stabilization, I sent two senior staff investigators to South Africa a year ago to make onsite inspections of these plants, and they found them to be model examples of good environmental planning.

Under the final legislation soon to be considered by Congress, the use of the Defense Production Act will prevent any hiatus in developing synthetic fuels while the new synthetic fuels corporation is getting fully organized to do business. This organizational stage may take anywhere from 9 months to 2 years to accomplish, so it is extremely important to have a program utilizing existing agencies already underway.

When the corporation is fully operational, it will take over the Defense Production Act program which then goes into a standby readiness state to be reactivated in the event the president finds a national energy supply crisis is occurring or is likely to occur.

The initial synthetic fuels production will be tailored to meet national defense needs. This means that most of the synthetic fuels will be in the middle distillates category. The House-Senate conference committee has further agreed on a proposal to establish a national production goal of 500,000 barrels-a-day crude oil equivalent by 1987. This production goal is what our national defense establishment currently uses, and I might add that the Department of Defense is the largest energy user in the United States today. A second stage production goal of 2 million barrels-a-day crude oil equivalent would be set for 1992.

The legislation currently before the conference committee includes a number of other titles or parts, which would promote major new efforts in energy conservation and the development of alcohol fuels, solar energy, wind, geothermal and other renewable resources. We are now moving rapidly to complete our work in these areas, and it is my firm intention that the job be completed as soon as possible.

In these times of inflation, delay is costly. For example, one major corporation in this field estimates that the cost of a coal-to-gasoline complex is increasing at the astounding rate of $25,000 an hour or $600,000 a day. The only comforting thought in that regard—if there is any—is that the price of imported fuel is also rising and therefore becomes a constant offset which we hope eventually will be erased.

Last year we tried to find out the real cost of imported oil to the American economy in terms of inflation, the weakening of the dollar abroad, and such things as the loss of jobs, industrial income and governmental revenues. No one really knew. It certainly is not the average $30 a barrel the purchaser pays. The Department of Energy said in congressional testimony that $90 a barrel in overall costs to the purchaser and the U.S. economy was probably a low estimate. If that is true, the debate over whether certain synthetic fuels would cost $35 or even $50 a barrel becomes academic for Government decisionmakers. Secretary Duncan has testified that our oil import costs are $10 million per hour. The real answer is the cost of imported oil may be virtually costing America its economic, political and military survival.

We are the world's greatest industrial nation, but our lifeblood is literally petroleum and this will remain true for many years to come. It is a simple but pragmatic fact that we must develop and commercially produce domestic substitutes for petroleum from many different feedstocks—coal, shale, lignite, peat, biomass of all kinds, including solid waste. We must also seek and speed those important breakthroughs to develop synthetic fuels from water using advanced solar and fusion processes. We also must do it in an environmentally-sound manner for the sake of our children and humanity in the future.

But, most of all, ladies and gentlemen, we must begin. And I would ask you to do everything in your power to make sure we succeed.●

MODEL STATE ADOPTION ACT

HON. GARY A. LEE

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Tuesday, April 29, 1980

● Mr. LEE. Mr. Speaker, I would like to take this opportunity to call to the attention of my colleagues the comments of three individuals who recently testified before Senator ALAN CRANSTON's subcommittee that reviewed the proposed Model State Adoption Act.

I, along with other Members of the New York congressional delegation, have a number of concerns, Mr. Speaker, with provisions in this proposed Model Act, and the comments of these individuals I submit today provide excellent documentation of our concerns.

REMARKS OF CAMILLE PATTERSON

I would like to thank the Honorable Alan Cranston and members of the Subcommittee for giving me the opportunity to express my concerns about the Model State Adoption Act.

My name is Camille Patterson. I am an adult adoptee. As a tiny infant I was placed into an adoptive home, and have grown up with the knowledge that I am adopted. I believe in adoption. I can testify from personal experience that adoption works. It is because of my conviction that adoption is and must continue to be a valuable, vital social force that I am opposed to the implementation of the Model State Adoption Act, published on February 15, 1980, in Volume 45 of the Federal Register.

The question of whether or not confidential adoption records should be opened to adult adoptees and/or birth parents is perhaps the most controversial issue relating to adoption today. Model legislation concerning this issue has been proposed in Title V of the Model Act, which calls for the opening of adoption records upon request to adoptees who have attained majority. My strongest objection to the Model Act centers around this provision. As an adult adoptee, I am opposed to the automatic opening of adoption records, especially retroactively.

I am strongly convinced that the philosophy underlying the Model Act's provision for open records is based, in large part, on unproven and unjustified assumptions. To begin with, the Model Act assumes that the adult adoptee has a right to the information contained in confidential adoption records. While the Commentary to Section 507 refers to the creation of a "right to know" by the Model Act, this is certainly not a right guaranteed by the Constitution. What is needed is not the creation of the "right to know", but a realistic examination of the effects that opening records would have on those persons directly involved in the adoption process and on the institution of adoption itself.

Another basic and, I believe unproven, assumption is that the majority of adoptees will want the information contained in these records, as this is again assumed to be the logically and psychologically necessary ending to the adoption process. Statistics contradict these assumptions. Out of more than 14,000 adoptees placed through an agency that I have consulted with, less than 1 percent have initiated any attempt to locate or identify their birth parents. When adoptees are placed through licensed agencies which use sound social work practices in selecting adoptive homes, and are provided with their medical and social histories, there seems to be little need on the part of the adoptee to identify with the birth parents.

Another unjustified assumption is that the information contained in confidential adoption records must be known before an adoptee can resolve his own problems of identity. This simply is not so. Seeking our identity by searching for our "roots" can only lead to a disappointment, for we do not discover our identity or gain in self-understanding and self-awareness from history. We create our own identity.

While I, too, have undergone a period of wondering who I am and what my place in the world is, I have been able to resolve my identity crisis without knowing the identity of my birth parents. I can honestly say that the question of who my birth parents are has had little if anything to do with the matter. I believe this is due, primarily, to the security I have felt in knowing that my adoptive parents are truly my mother and father. Giving birth does not make one a parent. Our parents are the ones who provide us with nurture and love. It is important to me to know that I have complete and unequivocal membership in our family—legally, socially, and emotionally, just as if I had been born into that family. If I had been told that someday it might be possible for me to meet my birth parents, my unambiguous membership in our family would have been destroyed, with doubt and confusion taking its place. It is imperative that children have the security of a clearly-defined, totally permanent family unit.

The Model Act, in its eagerness to provide the adoptee with the personal growth and identity that presumably result from meeting one's birth parents, seems to completely ignore the possibility of any negative consequences. It is fallacious to assume that all birth parents would welcome such an encounter, or that all will measure up to the expectations of the adoptee. The potential for rejection and disillusionment are very real, and could have lasting, traumatic effects on an unprepared adoptee.

Finally, I am adamantly opposed to the provision in Section 505 (45 Fed. Reg. 10690) which requires agencies to seek out adoptees at the request of birth parents. I believe this subjects adoptees to unfair pressure to enter into a relationship and could result in feelings of guilt, ambivalence and confusion. In addition, I am in total disagreement with the Model Act's philosophy that the need for family autonomy ceases when the adoptee attains majority, for indeed the integrity of the family unit must be permanently maintained.

Other aspects of the Model Act which I find unacceptable include relinquishment procedures which unnecessarily delay infant placements, automatically giving putative fathers custody upon proving paternity, without regard to the child's best interest, and legalizing private placements. While time does not permit an elaboration on these points, I have expressed my views in my written statement.

In short, I believe the implementation of the Model State Adoption Act would be detrimental to the children it was designed to serve, as well as to the institution of adoption itself, and therefore I would recommend that the Model Act be sent back to the Panel for further study.

COALITION OF ADOPTIVE PARENTS, BIRTH MOTHERS, AND ADOPTEES

My name is Patricia Uhlmann Rich. A resident of Shawnee Mission, Kansas, I am here today because I have two daughters (ages 9, 11) who happen to be adopted. Both girls are cognizant of and comfortable with the circumstances of their adoptions.

Although much of the Model State Adoption Act and Procedures has merit, I have come 1500 miles at my own expense because I am gravely concerned about certain recommendations found in Title V: Records. I stand diametrically opposed to two aspects of these procedures: (A) the mandatory opening of court records to the adopted child at age 18 without an intermediary or court intervention, regardless of the wishes of the birth parent; (B) the mandatory directive to an agency that it MUST (upon the request of the birth parent) contact the adoptee, at any time after the adoptee has reached age 18, even if the adoptee has not indicated interest. It is the second of these issues which I am addressing particularly.

Six years, five months and four days from this moment—our elder daughter's 18th birthday—amidst the congratulatory messages could rest a little time bomb. A letter from an agency informing her that one or both of her birth parents wishes to establish contact.

I want to emphasize that this could happen without any prior expressed interest on the part of our daughter.

Without my husband and myself even being consulted.

I have great respect and compassion for our daughter's birth parents. I am grateful to them for bestowing on our children the two most wonderful gifts one human being can give to another: life; and the right to grow up in a secure, loving familial environment. Yet I and many other adoptive parents with whom I have spoken find it extremely threatening that these birth parents could attempt to re-enter their birth children's lives at age 18. Such contact could be shattering to the adoptee, siblings, adoptive parents and the adoptive family as a whole. Surely this step is potentially divisive to the family unit. And it is certainly not in the best interests of the adopted child to disrupt the adoptee-adoptive parent relationship. Policy analysts and legislators should not overlook the psychological implications of such contact between birth parents and adoptive families. This contact opens the door to the kinds of problems often viewed in divorced families: i.e. manipulation, jealousy, bribery and a struggle for control exercised by all parties. This certainly is a very real possibility in the birth parent, adoptee, adoptive parent relationship.

Mark Twain commented, "When I was a boy of 14, my father was so ignorant I could hardly stand to have the old man around, but when I got to 21, I was astonished at how much he had learned in 7 years. . . ." Eighteen has traditionally been a breaking away age, a rebellious age, an insular age. In this country most children at age 18 are still financially and emotionally dependent upon their parents. If there is conflict between the adoptee and adoptive parent, the intrusion of the birth parent becomes a very real threat to the continued familial structure. It does not require much imagination to recognize that the birth parent could become a wedge between the adoptee and adoptive parents. Emotional and financial blackmail could become very real issues between the parties. For example, suppose the birth parent wanted to give our daughter a motorcycle and we said no. This leads to a no-win situation. Differences in attitudes, standards, and priorities could undermine the adoptive families' attempts to direct the 18 year old to a successful preparation for independence and career choice.

Which leads me to the question—what is a parent? Is a parent the person who conceives and bears the baby and then never again lifts a finger for the child? Or is a parent the person who changes the diapers, gives the 2 a.m. feeding, helps the baby take his first independent steps? Is a parent the person who is there through croup and chicken pox and measles and flu? Who struggles with the new math and the old Latin? Who listens to the hopes, the dreams, the disappointments? Who provides the love, the discipline and sense of responsibility? Who gives the child the moral fiber to take his place as a useful member of the community? Who cries when the child cries and laughs when the child laughs? Who mortgages his house so that the child can have a college education? Isn't that what being a parent means?

If so, and the latter is my definition of a parent whether through birth or adoption it distresses me that so little regard is shown by the Panel for the feelings and rights of the adoptive parents.

When we decided to adopt our children it was with the intent to form a permanent family unit—not to enter long term foster care. We—and thousands of other adoptive families like us—have formed that permanent family unit—which has no need for additional parents. Our children have parents—concerned, caring, committed parents. With all due respect for the birth parent I firmly believe that their attempt to re-enter our children's lives is unfair, unwarranted and unjustified.

I am an adoptive parent but I have never thought of my children as adopted.

I wish to thank you Senator Cranston and Senator Humphrey for allowing me this opportunity to express my views and the views of adoptive parents all over the country.

ON UNWED MOTHERS

Senators: I am an unwed mother. You will not hear testimony from many like myself because they are fearful of giving public testimony about their role in the adoptive triad. Only because certain aspects of the Model Adoption Act have such potential for damaging the lives and relationships of many am I here today.

I am angry and resentful that the persons involved in writing the Model Act have chosen to take the lives and feelings of birth parents, adoptees and adoptive parents so cavalierly. In the stroke of a pen the writers of this act have (1) abolished confidentiality of records retroactively; (2) abolished the act of relinquishment as a permanent and binding act; (3) established a climate of fear and punishment for all members of the adoptive triad; and (4) opened records without regard to the impact such action will have on the lives of others.

Relinquishment of a child and adoption of that child is and must continue to be a permanent and lasting act by all parties. To allow for contact of the adoptee at 18 by the birth parents (even through an agency intermediary) without the child's or adoptive parents' consent as proposed in this Act is to imply that adoption and its responsibilities are temporary in nature and without binding effect. I do not now or do I ever intend to contact my child and to impose potential confusion on his life and certain hurt on the lives of his parents. That act, even when my child reaches 18, would not be the act of a caring, loving birth parent but of a self-seeking individual. Do not imagine that I did not grieve for the loss of my child—I did. But that grief and loss has been resolved in a healthy manner not nutured over the years. It saddens me that the writers of this Act have listened only to the voices of a small number of birth parents. Please listen carefully when I say to you that the majority of birth parents do not want the right to contact their children without mutual consent of all parties involved.

I am appalled at the rather simplistic suggestion in this Act that a knowledge of the identity of the birth parents will assist the adoptee in furthering his personal growth and identity and allow him to determine his potential for growth and change. One's identity derives from a multiplicity of factors—culture, religion, the family unit and membership in the community and peer group, not just the biological input of two individuals. I do agree that the adoptee has a right to know his medical and biological history, such as color of hair and eyes and height, and he has a right to know this kind of data before he reaches 18. Self-determination and search for identity are not logical or viable reasons for opening birth records to the adoptee without the birth parents' consent.

I am angered and resentful that the writers of this Act have seen fit to open all records retroactively and to abolish agreements to confidentiality made in prior years. The Act seeks to terminate my right of privacy and confidentiality by rationalizing "that legal burdens bear some relationship to individual responsibility." They cite openness as their reasoning. Rather than being open in nature this attitude is in fact potentially punitive. This Act was designed to serve and protect children. Is it necessary to point out to this committee that with teenage birth rates rising, a large majority of birth mothers were and are children themselves when they relinquished a child for adoption? Under the rationale of openness are we to expect that first offense and juvenile criminal records now closed will one day be opened? Commentary to the Act states that there is no longer a stigma to unwed motherhood. Perhaps that stigma is not as great now as in the 1960's but let me assure this committee that it still exists. Many unwed mothers have not been able to trust enough to relate past mistakes to their present husbands—no matter how loving the relationship between man and wife. You will not hear from many unwed mothers for this reason. Although my husband is aware of my past my two children are not. What purpose would that knowledge serve? How many lives and relationships may be disrupted and distorted because an adoptee chooses without the birth parents' consent to find his "roots"? How do I explain this other child to my children? How can I possibly share with them the pain of that intensely personal decision made so many years ago? How can anyone ask me to do that without my consent? The Model Adoption Code if left unchanged will.

The vast majority of unwed mothers do not want records past, present or future opened without mutual consent. We are a silent majority. Is it fair that the self-seeking interests of a vocal few should be forced by law upon the rest of us? Is it fair to adoptive parents who invest long years of love and caring, much energy and sacrifice into the rearing of their child to face the fear, if not the reality, of their rejection by that child at age 18? Is it fair to the adoptee who, in seeking his identity and roots in the person of the birth parent, meets with potential rejection or with circumstances that are not what he expected? Is it fair to ask the birth parent who relinquished her rights out of loving concern for her child's needs to bear the burden of fear that a matter long resolved may change her life once more?

I strongly urge this Committee to consider the possibility for harm in this act and to recommend to the panel that the Model Adoption Act as written be returned for further study and amendment with regard to open records and retroactivity. Thank you.●

ARMENIAN GENOCIDE: REMEMBER THE VICTIMS AND THE LESSONS

HON. SHIRLEY CHISHOLM

OF NEW YORK

IN THE HOUSE OF REPRESENTATIVES

Thursday, April 24, 1980

● Mrs. CHISHOLM. Mr. Speaker, 65 years ago, a systematic massacre of the Armenian people by their Ottoman oppressors began; and I want to join my colleagues in recalling the victims and lessons of that genocide.

As we have seen, "civilization" of the human species has not advanced smoothly, and world history is blotted by examples of great inhumanity. One tragic result of technological progress has been an ability to kill more people faster. The Armenian genocide, a major "blot," resulted in millions of defenseless men and women deported or slaughtered using modern equipment and weapons. Lest any of us think that this kind of historical event is unrepeatable, we have only to realize that people alive today have lived through the Armenian massacre, the Jewish holocaust of World War II, the recent death of millions of Cambodians, and the uncounted and often unrecorded killings of large and small

numbers of people all over the globe. Of course, the daily threat of total nuclear annihilation gives our generation the potential of witnessing a final genocide of us all.

Particularly in these days of growing instability and militarism, I fervently hope that we, as individuals, as a nation, and as a member of the world community, are better learning about peace and friendly coexistence. Future generations will either look back with gratitude at our remembering history's lessons, or suffer the consequences of our amnesia.●